



EDGA & EDGX STOCK EXCHANGES			
Regulatory Information Circular			
Circular Number:	2010-599	Contact:	Jeff Rosenstock
Date:	October 29, 2010	Telephone:	(201) 942-8295

Subject: Sprott Physical Silver Trust

Background Information on the Trust

As more fully explained in the Registration Statement (No. 333-168051) for the Trust, Sprott Asset Management LP is the sponsor or manager of the Trust (the "Sponsor"), as the case may be), RBC Dexia Investor Services Trust is the trustee of the Trust (the "Trustee"), the Royal Canadian Mint is the custodian for the physical silver bullion owned by the Trust (the "Silver Custodian"), and RBC Dexia serves as the custodian of the Trust's assets other than physical silver bullion (the "Non-silver Custodian"). According to the Registration Statement, the Trust is not an investment company registered under the Investment Company Act of 1940. The Trust is not a commodity pool for purposes of the Commodity Exchange Act, and the Sponsor and Trustee are not subject to regulation as a commodity pool operator or a commodity trading adviser in connection with the Trust. The Trust was created to invest and hold substantially all of its assets in physical silver bullion. The Trust intends to invest primarily in long-term holdings of unencumbered, fully allocated, physical silver bullion and will not speculate with regard to short-term changes in silver prices.

The Trust was issued Units, each of which represents an equal, fractional undivided ownership interest in the net assets of the Trust attributable to the particular class of Units. Except with respect to cash held by the Trust to pay expenses and anticipated redemptions, the Trust expects to own only London Good Delivery physical silver bullion. The investment objective of the Trust is for the Units to reflect the performance of the price of silver bullion, less the expenses of the Trust's operations. The Trust is not actively managed and does not engage in any activities designed to obtain a profit from, or to ameliorate losses caused by, changes in the price of silver bullion. The Units have been issued in an initial public offering. The Trust may not issue additional Units of the class offered in this offering following its completion except (i) if the net proceeds per Unit to be received by the Trust are not less than 100% of the most recently calculated net asset value ("NAV") immediately prior to, or upon, the determination of the pricing of such issuance or (ii) by way of Unit distribution in connection with an income distribution. The Trust will not issue Units on an on-going or daily basis. The Units will be redeemable monthly at the option of the holder. The redemption process is further described below.

Redemption for Physical Silver

Subject to the terms of the trust agreement and the Manager's right to suspend redemptions under certain circumstances described in the registration statement, Units may be redeemed at the option of a Unitholder for physical silver bullion in any calendar month. Units redeemed for physical silver will be entitled to a redemption price equal to 100% of the NAV of the redeemed Units on the last Business Day, as defined herein, of the calendar month in which the

redemption request is processed, less redemption and delivery expenses. Redemption requests must be for amounts that are at least equivalent to the value of ten London Good Delivery bars or an integral multiple of one bar in excess thereof, plus applicable expenses. A “London Good Delivery bar” contains between 750 and 1100 troy ounces of silver. Any fractional amount of redemption proceeds in excess of ten London Good Delivery bars or an integral multiple of one bar in excess thereof will be paid in cash at a rate equal to 100% of the NAV of such excess amount. The ability of a Unitholder to redeem Units for physical silver bullion may be limited by the sizes of London Good Delivery bars held by the Trust at the time of the redemption. A Unitholder redeeming Units for silver will be responsible for expenses incurred by the Trust in connection with such redemption and applicable delivery expenses, including the handling of the notice of redemption, the delivery of the physical bullion for units that are being redeemed and the applicable silver storage in-and-out fees.

A redemption notice to redeem Units for physical silver bullion must be received by the Trust's transfer agent no later than 4:00 pm, Eastern Standard Time, on the 15th day of the calendar month in which the redemption notice will be processed or, if such day is not a day on which banks located in New York, New York, are open for the transaction of banking business (a “Business Day”), then on the immediately following day that is a Business Day. Any redemption notice received after such time will be processed in the next month.

Physical silver bullion received by a Unitholder as a result of a redemption of Units will be delivered by armored transportation service carrier pursuant to delivery instructions provided by the Unitholder. The armored transportation service carrier will be engaged by or on behalf of the redeeming Unitholder. Such physical silver bullion can be delivered (i) to an account established by the Unitholder at an institution located in North America authorized to accept and hold London Good Delivery bars; (ii) in the United States, to any physical address (subject to approval by the armored transportation service carrier); (iii) in Canada, to any business address (subject to approval by the armored transportation service carrier); and (iv) outside of the United States and Canada, to any address approved by the armored transportation service carrier. Physical silver bullion delivered to an institution located in North America authorized to accept and hold London Good Delivery bars will likely retain its London Good Delivery status while in the custody of such institution; physical silver bullion delivered pursuant to a Unitholder's delivery instruction to a destination other than an institution located in North America authorized to accept and hold London Good Delivery bars will no longer be deemed London Good Delivery once received by the Unitholder. The armored transportation service carrier will receive silver bullion in connection with a redemption of Units approximately 10 Business Days after the end of the month in which the redemption notice is processed. Any cash to be received by a redeeming Unitholder in connection with a redemption of Units for physical silver bullion will be delivered to the Unitholder's brokerage account within 10 Business Days after the calendar month in which the redemption is processed.

Redemption for Cash

Subject to the terms of the trust agreement and the Manager's right to suspend redemptions under certain circumstances described in the registration statement, Units may be redeemed at the option of a Unitholder for cash on a monthly basis. Units redeemed for cash will be entitled to a redemption price equal to 95% of the lesser of (i) the volume-weighted average trading price of the Units traded on the NYSE Arca or, if trading has been suspended on NYSE Arca, the trading price of the units traded on the Toronto Stock Exchange, for the last five Business Days of the month in which the redemption request is processed and (ii) the NAV of the redeemed Units as of 4:00 p.m., Eastern Standard Time, on the last Business Day of such

month. Cash redemption proceeds will be transferred to a redeeming Unitholder approximately three Business Days after the end of the month in which the redemption notice is processed. See “Redemption of Units” for detailed terms and conditions relating to the redemption of Units for cash.

A redemption notice to redeem Units for cash must be received by the Trust’s transfer agent no later than 4:00 pm. Eastern Standard Time, on the 15th day of the calendar month in which the redemption notice will be processed or, if such day is not a Business Day, then on the immediately following day that is a Business Day. Any redemption notice to redeem Units for cash received after such time will be processed in the next month.

Valuation of Silver and Definition of Net Asset Value

The value of the net assets of the Trust and the NAV will be determined daily at 4:00 p.m. (Eastern Standard Time) on each day that is a Business Day, by the Trust’s valuator, which is RBC Dexia Investor Services Trust. The value of the net assets of the Trust as of the valuation time on any such day shall be equal to the aggregate fair market value of the assets of the Trust as of such date, less an amount equal to the total liabilities of the Trust (excluding all liabilities represented by outstanding Units) as of such date. The valuator shall calculate the NAV by dividing the value of the net assets of the Trust on that day by the total number of Units then outstanding on such day. The Units will be book-entry only and individual certificates will not be issued for the Units (except in connection with a redemption of Units, during the process of which redeeming Units will be certificated and presented for cancellation as part of the redemption process).

Dissemination of Indicative Trust Value

The Trust website provides an intraday indicative value (“IIV”) per share for the Units, as calculated by a third party financial data provider during the Exchange’s Core Trading Session (9:30 AM to 4:00 PM, New York time). The IIV will be calculated based on a price of silver derived from updated bids and offers indicative of the spot price of silver.¹ In addition, the website for the Trust will contain the following information, on a per Unit basis, for the Trust: (a) the mid-point of the bid-ask price² at the close of trading in relation to the NAV as of the time the NAV is calculated (“Bid/Ask Price”), and a calculation of the premium or discount of such price against such NAV; and (b) data in chart format displaying the frequency distribution of discounts and premiums of the Bid/Ask Price against the NAV, within appropriate ranges, for each of the four previous calendar quarters. The website for the Trust provides the Trust’s prospectus, as well as the two most recent reports to stockholders. Finally, the Trust website provides the last sale price of the Units as traded in the US market.

Availability of Information Regarding Silver Prices

Investors may obtain on a 24-hour basis silver pricing information based on the spot price for an ounce of silver from various financial information service providers, such as Reuters and Bloomberg. Reuters and Bloomberg provide at no charge on their websites delayed information

¹ The IIV on a per Unit basis disseminated during the Core Trading Session should not be viewed as a real-time update of the NAV which is calculated once a day.

² The bid-ask spread of the Trust is determined using the highest bid and lowest offer on the Consolidated Tape as of the time of calculation of the closing day NAV.

regarding the spot price of silver and last sale prices of silver futures, as well as information about news and developments in the silver market. Reuters and Bloomberg also offer a professional service to subscribers for a fee that provides information on silver prices directly from market participants. An organization named EBS provides an electronic trading platform to institutions such as bullion banks and dealers for the trading of spot silver, as well as a feed of live streaming prices to Reuters and Moneyline Telerate subscribers. Complete real-time data for silver futures and options prices traded on the COMEX are available by subscription from Reuters and Bloomberg. The NYMEX also provides delayed futures and options information on current and past trading sessions and market news free of charge on its website. There are a variety of other public websites providing information on silver, ranging from those specializing in precious metals to sites maintained by major newspapers, such as The Wall Street Journal. In addition, the daily London noon Fix is publicly available at no charge at or www.thebulliondesk.com.

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Additional Information

The SEC has no jurisdiction over the trading of silver as a physical commodity. The CFTC has regulatory jurisdiction over the trading of silver futures contracts and options on silver futures contracts. There is no regulated source of last sale information regarding physical silver.

The Trust is subject to various other fees and expenses described in the Registration statement.

Principal Risks

Members are referred to the Trust's prospectus and Registration Statement for a description of risks associated with an investment in the Units of the Trust. There are risks associated with an investment in units that should be considered by prospective purchasers, including risks associated with: (i) the price of silver; (ii) the net asset value and/or the market price of the units; (iii) the purchase, transport, insurance and storage of physical silver bullion; (iv) liabilities of the Trust (v) redemptions of units; (vi) operations of the Trust; and (vii) the offering. See the Registration Statement for more detail regarding these risks factors and for additional risk factors.

Exchange Rules Applicable to Trading in the Shares

The Shares are considered equity securities, thus rendering trading in the Shares subject to the Exchanges' existing rules governing the trading of equity securities.

Trading Hours

Trading in the shares on EDGA and EDGX Exchanges (the "Exchanges") is on a UTP basis and is subject to the Exchanges' equity trading rules. The shares will trade from 8:00 a.m. until 8:00 p.m. Eastern Time. Members trading the shares during the Extended Market Sessions (Pre-opening and Post-closing sessions) are exposed to the risk of the lack of the calculation or dissemination of underlying index value or intraday indicative value ("IIV"). For certain derivative securities products, an updated underlying index value or IIV may not be calculated or publicly disseminated in the Extended Market hours. Since the underlying index value and IIV are not calculated or widely disseminated during Extended Market hours, an investor who is unable to calculate implied values for certain derivative securities products during Extended Market hours may be at a disadvantage to market professionals.

Trading Halts

The Exchanges will halt trading in the Shares of a Trust in accordance with Exchange Rules 14.1(c)(4). The grounds for a halt under this Rule include a halt by the primary market because it stops trading the Shares and/or a halt because dissemination of the IIV or applicable currency spot price has ceased, or a halt for other regulatory reasons. In addition, the Exchanges will stop trading the Shares of a Trust if the primary market de-lists the Shares.

Suitability

Trading in the Shares on the Exchanges will be subject to the provisions of EDGA and EDGX Exchange Rules 3.7. Members recommending transactions in the Shares to customers should make a determination that the recommendation is suitable for the customer. In addition, members must possess sufficient information to satisfy the "know your customer" obligation that is embedded in Exchange Rules 3.7.

Members also should review FINRA Notice to Members 03-71 for guidance on trading these products. The Notice reminds members of their obligations to: (1) conduct adequate due diligence to understand the features of the product; (2) perform a reasonable-basis suitability analysis; (3) perform customer-specific suitability analysis in connection with any recommended transactions; (4) provide a balanced disclosure of both the risks and rewards associated with the particular product, especially when selling to retail investors; (5) implement appropriate internal controls; and (6) train registered persons regarding the features, risk and suitability of these products.

Delivery of a Prospectus

Pursuant to federal securities laws, investors purchasing Shares must receive a prospectus prior to or concurrently with the confirmation of a transaction. Investors purchasing Shares directly from the Fund (by delivery of the Deposit Amount) must also receive a prospectus.

Prospectuses may be obtained through the Distributor or on the Fund's website. The Prospectus does not contain all of the information set forth in the registration statement

(including the exhibits to the registration statement), parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information about the Fund, please refer to the Trust's registration statement.

This Regulatory Information Circular is not a statutory Prospectus. Members should consult the Trust's Registration Statement, SAI, Prospectus and the Fund's website for relevant information.

Appendix A

Ticker	Fund Name	Cusip
PSLV	Sprott Physical Silver Trust	85207K107