

**ROYAL CANADIAN MINT
CANADIAN SILVER RESERVES PROGRAM**

Amended and Restated Information Statement

Dated October 29, 2012

This Information Statement (as defined below) has been prepared for the sole purpose of assisting prospective purchasers in making an investment decision with respect to the ETRs (as defined below). The Mint (as defined below) has taken all reasonable care to ensure that the facts stated in this Information Statement in relation to the ETRs are true and accurate in all material aspects and that there are no other material facts in relation to the ETRs the omission of which would make any statement herein, whether of fact or opinion, misleading. No person has been authorized to give any information or to make any representations other than those that may be contained in (i) this Information Statement, (ii) any amendments made from time to time to this Information Statement, or (iii) any supplementary terms and conditions provided in any certificate or receipt, in connection with the offering or sale of the ETRs and, if given or made, such information or representations must not be relied upon as having been authorized. Neither the delivery of this Information Statement nor the issue of the ETRs nor any sale thereof shall, under any circumstances, constitute a representation or create any implication that there has been no change to the information herein since the date hereof. This Information Statement amends and replaces the information statement dated October 16, 2012.

This Information Statement does not constitute an offer or invitation by anyone in any jurisdiction in which such offer is not authorized or to any person to whom it is unlawful to make such offer or invitation. The ETRs may not be offered or sold in any jurisdiction outside of Canada except in circumstances which do not constitute a public offering or distribution under the laws of the jurisdiction where the ETRs are to be offered or sold. The Mint and the selling agents require persons into whose possession this Information Statement comes to inform themselves of and observe any and all such restrictions. In particular, the ETRs have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons unless the ETRs are registered under the 1933 Act or an exemption from the registration requirements of the 1933 Act is available. See "Plan of Distribution". No securities commission or similar authority has in any way passed upon the merits of the ETRs and any representation to the contrary may be an offence.



CANADIAN SILVER RESERVES
RÉSERVE D'ARGENT CANADIENNE

Issue Size: C\$100,000,000 or 5,000,000 Exchange-Traded Receipts
Price: C\$20.00 per ETR or US\$19.98 per ETR

This information statement (the "**Information Statement**") describes exchange-traded receipts (the "**ETRs**") proposed to be issued on or about November 5, 2012 (the "**Issue Date**") by the Royal Canadian Mint (the "**Mint**") under the Mint's Canadian Silver Reserves Program (the "**Program**"). Each ETR represents an equal undivided direct legal and beneficial interest in physical silver bullion to be held in the custody of the Mint at its facilities, entitling the holder thereof to physical silver bullion with a minimum purity of 99.9%. The Per ETR Entitlement to Silver (as described herein) will be fixed on the Issue Date

and will be expressed as a fraction of one troy ounce of silver as of the Issue Date, reduced daily by a management, storage and custodial fee charged by the Mint of 0.45% per annum (the "**Service Fee**"). Each ETR also entitles the holder thereof (an "**ETR Holder**") to purchase (the "**Purchase Rights**" and each a "**Purchase Right**") on September 19, 2013 and September 18, 2014 (each an "**Exercise Date**"), at the price of C\$20.00 such number of additional ETRs determined as set forth under "Description of ETRs – Purchase Right". Following each Exercise Date, any corresponding Purchase Rights that remain unexercised will expire. The Toronto Stock Exchange (the "**TSX**") has conditionally approved the listing of the ETRs distributed under this Information Statement. The ETRs will trade on the TSX in Canadian and U.S. dollars under the symbols "MNS" and "MNS.U", respectively. Listing on the TSX is subject to the Mint fulfilling all of the listing requirements of the TSX on or before January 10, 2013.

	<u>Price to the Public</u>	<u>Underwriters' Fee</u>	<u>Proceeds Applied to the Purchase of Silver Bullion⁽¹⁾</u>
Per ETR	C\$20.00	C\$0.60	C\$19.21
Total Issue.....	C\$100,000,000	C\$3,000,000	C\$96,050,000

Notes:

- (1) After deducting the Underwriters' Fee (as defined below) and the expenses of this Offering, which are estimated to be C\$950,0000 (but in no event to exceed 1.25% of the gross proceeds of the Offering). See "Fees and Expenses".

The Mint has established the Program to provide a secure, convenient, and exchange-traded investment that evidences the investors' direct legal and beneficial ownership of physical silver bullion without the complexity that is typical of a direct investment in physical silver bullion.

Subject to the terms of the ETRs, each ETR will constitute a direct unconditional obligation of the Mint, an agent of Her Majesty in right of Canada and as such will constitute a direct unconditional obligation of Her Majesty in right of Canada. ETR Holders will have no recourse to the Mint or the Government of Canada for any loss on their investment. An investor could lose all or a significant portion of his or her investment in the ETRs. See "Risk Factors".

ETRs may be redeemed at the option of the ETR Holder for physical silver bullion or cash on a monthly basis commencing in the third month following the Issue Date. Notices of physical redemption must be in respect of a minimum of 5,000 ETRs. There is no minimum number of ETRs required for a cash redemption. Expenses relating to the redemption of ETRs, including, in the case of a physical redemption, pick-up and delivery of the silver by industry-recognized armoured carrier, will be the responsibility of the ETR Holder. The redemption of ETRs, including redemption prices and the process for redeeming ETRs, is more fully described in this Information Statement under "Description of ETRs – Redemption of ETRs".

An investment in the ETRs involves a degree of risk. These risks result primarily from fluctuations in the price of silver. In addition to the other information contained in this document, the risk factors set out under the heading "Risk Factors" below should be carefully considered by prospective investors before deciding whether to invest in the ETRs.

The ETRs will be issued in the form of one or more silver ETR certificates (the "**Silver ETR Certificate**") which will be held by CDS Clearing and Depository Services Inc. or its nominee ("**CDS**"), and fully registered in the book-based system in the name of CDS. There will be no physical certificates for the ETRs.

TD Securities Inc., National Bank Financial Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., Scotia Capital Inc., BMO Nesbitt Burns Inc., Dundee Securities Ltd.,

Raymond James Ltd., Desjardins Securities Inc., GMP Securities L.P., Mackie Research Capital Corporation, Macquarie Private Wealth Inc. and MGI Securities Inc. (collectively, the "**Underwriters**"), as principals, conditionally offer the ETRs, subject to prior sale, if, as and when issued by the Mint and accepted by the Underwriters in accordance with the terms and conditions contained in the Underwriting Agreement referred to under "Plan of Distribution". TD Securities Inc. and National Bank Financial Inc. are the joint bookrunners of the Offering (as defined below).

Royal Canadian Mint

Canadian Silver Reserves Program

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Royal Canadian Mint

Canadian Silver Reserves Program

SUMMARY OF THE OFFERING

The following is a summary of the terms of the offering of exchange-traded receipts issued by the Royal Canadian Mint under its Canadian Silver Reserves Program and should be read together with the more detailed information contained elsewhere in this Information Statement. Unless otherwise indicated, all references to dollar amounts in this Information Statement are to Canadian dollars.

- Issuer:** The Mint is a commercial federal Crown corporation producing circulation, numismatic and bullion coins for the domestic and international markets and operating full-service gold and silver refineries with a range of services from refining to assaying and secure storage in anticipation of profit. The Mint's head office is located at 320 Sussex Drive, Ottawa, Ontario. See "Royal Canadian Mint".
- Objective of Program:** The objective of the Program is to provide an exchange-traded investment vehicle that tracks the price of silver and makes investing directly in physical silver available to institutional and retail investors. See "The Canadian Silver Reserves Program".
- Issue Price:** C\$20.00 per ETR or US\$19.98 per ETR.
- Issue Date:** On or about November 5, 2012.
- Issue Size:** C\$100,000,000 or 5,000,000 ETRs.
- Offering:** An offering of ETRs under the Program (the "**Offering**").
- ETRs:** Each ETR will represent an equal undivided direct legal and beneficial interest in silver bullion to be held in custody by the Mint. The silver bullion will be legally and beneficially owned by the ETR Holders and not by the Mint. The amount of silver bullion purchased will be equal to the proceeds of the Offering, after deduction of the expenses of the Offering, divided by the average price per ounce of the silver bullion paid to third party sellers on the Issue Date. See "Description of ETRs".
- Per ETR Entitlement to Silver:** The Per ETR Entitlement to Silver will be fixed on the Issue Date and will be expressed as a fraction of one troy ounce of silver as of the Issue Date. The Mint will issue a press release on the Issue Date announcing the initial Per ETR Entitlement to Silver. The Per ETR Entitlement to Silver will be reduced daily by the Service Fee of 0.45% per annum and will be posted daily to the Program Website (as defined below).
- Purchase Right:** Each ETR also entitles the holder thereof, on each Exercise Date, to purchase for C\$20.00 a number of additional ETRs equal to C\$20.00 divided by the sum of (i) the Per ETR Entitlement to Silver on the corresponding Purchase Date (as defined below) multiplied by the Canadian dollar equivalent of the spot price of silver on such Purchase

Date stipulated in the silver purchase agreements entered into on such Purchase Date and (ii) the Mint's out-of-pocket expenses, which may include solicitation fees, incurred in connection with the Purchase Right divided by the number of ETRs in respect of which the Purchase Right is exercised. A "Purchase Date" will be the applicable Exercise Date or such other date as soon as practicable thereafter on which silver purchase agreements to acquire silver bullion on behalf of ETR Holders exercising the corresponding Purchase Rights are entered into. Following each Exercise Date, any corresponding Purchase Rights that remain unexercised will expire. See "Description of ETRs – Purchase Right".

Listing:

The TSX has conditionally approved the listing of the ETRs distributed under this Information Statement. The ETRs will trade on the TSX in Canadian and U.S. dollars under the symbols "MNS" and "MNS.U", respectively. Listing on the TSX is subject to the Mint fulfilling all of the listing requirements the TSX on or before January 10, 2013.

Silver Price:

The Silver Price is defined as the London fix silver price and is expressed in U.S. dollars per ounce of silver. For further information, see "Summary Information Regarding Silver – The London Bullion Market". The Silver Price will be used to establish the Program's NAV and the NAV per ETR. See "Computation of Net Asset Value". The spot price of silver will be used to establish the Per ETR Entitlement to Silver on the Issue Date and in connection with the Purchase Rights. See "Description of ETRs – Per ETR Entitlement to Silver" and "Description of ETRs – Purchase Right".

Use of Proceeds:

The net proceeds of the Offering will be applied to the purchase of silver bullion from third party suppliers on behalf of the initial purchasers of ETRs. Such silver bullion will be delivered to the Mint's facilities on the Issue Date. All costs associated with the Offering including the Underwriters' Fee (as described below) and expenses, the listing fees of the TSX, legal expenses, marketing expenses, financial advisory expenses and applicable silver purchase expenses will be paid from the gross proceeds of the Offering. See "Use of Proceeds".

Custodial Service:

The Mint will act as custodian of the silver bullion on behalf of ETR Holders and will hold the silver bullion in its facilities. Legal and beneficial ownership of the silver bullion will at all times remain with ETR Holders. The silver bullion evidenced by the ETRs will be stored by the Mint on an unallocated basis, such that the silver bullion owned by an ETR Holder will not be held separately from the other unallocated silver bullion held at the Mint, including the unallocated silver bullion evidenced by other ETRs. The Mint will at all times maintain in its facilities unallocated silver bullion in an amount that is equal to or exceeds the amount owned in aggregate by ETR Holders. The Mint has been providing precious metals storage services since its founding in 1908. See "Royal Canadian Mint".

Crown Obligation:	Subject to the terms of the ETRs, the ETRs will constitute direct unconditional obligations of the Mint, an agent of Her Majesty in right of Canada and, as such, will constitute direct unconditional obligations of Her Majesty in right of Canada. ETR Holders will have no recourse to the Mint or the Government of Canada for any loss on their investment.
Investment Eligibility:	ETRs will be qualified investments for registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts. See "Eligibility Under the Tax Act for Investment by Canadian Exempt Plans".
Qualifying Jurisdictions:	All of the provinces and territories of Canada.
Redemption:	ETRs are redeemable at the option of the ETR Holder once per month for cash or for physical silver bullion, commencing February 15, 2013 and thereafter on the 15 th day of each month (or, if not a business day, on the next succeeding business day) (each, a " Redemption Date "). See "Description of ETRs – Redemption of ETRs".
Redemption for Cash:	<p>The cash redemption price (the "Cash Redemption Price") per ETR paid by the Mint will be equal to 95% of the lesser of (i) the volume-weighted average trading price of the ETRs on the TSX for the last five trading days prior to and including the Redemption Date, and (ii) the net asset value ("NAV") per ETR on the Redemption Date. The NAV per ETR on any day will be determined by multiplying the Per ETR Entitlement to Silver by the Silver Price on that day.</p> <p>The Cash Redemption Price will be remitted to a redeeming ETR Holder within 10 business days following the Redemption Date. See "Description of ETRs – Redemption of ETRs – Redemptions for Cash".</p>
Redemption for Physical Silver Bullion:	<p>Notices of physical redemption must be in respect of a minimum of 5,000 ETRs. ETRs representing less than 25 troy ounces of physical silver bullion will be paid in cash by the Mint at the NAV per ETR on the Redemption Date.</p> <p>Subject to the minimum redemption amount, ETRs may be redeemed for physical silver bullion, at the option of the ETR Holder, in the form of one or more of the following Mint products with a minimum purity of 99.9%: London Good Delivery bars; 100 ounce bars; and one ounce Silver Maple Leaf coins (in increments of 25), which have a minimum purity of 99.99%. A London Good Delivery bar contains between 750 and 1,100 troy ounces of silver.</p> <p>An ETR Holder redeeming for physical silver bullion will be responsible for arranging pick-up and delivery from the Mint's facilities by an industry-recognized armoured carrier, as set out on the Program Website, at its own expense. Any fractional cash amount will be remitted to a redeeming ETR Holder within 10 business days of the</p>

Redemption Date. See "Description of ETRs – Redemption of ETRs – Redemptions for Physical Silver Bullion".

Underwriters:

TD Securities Inc., National Bank Financial Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., Scotia Capital Inc., BMO Nesbitt Burns Inc., Dundee Securities Ltd., Raymond James Ltd., Desjardins Securities Inc., GMP Securities L.P., Mackie Research Capital Corporation, Macquarie Private Wealth Inc. and MGI Securities Inc. will act as underwriters for the Offering. TD Securities Inc. and National Bank Financial Inc. are the joint bookrunners of the Offering.

Summary of Fees and Expenses:

This table lists the fees and expenses payable in connection with this Offering and the fees and expenses that you may have to pay if you own ETRs. The fees and expenses paid in connection with this Offering will reduce the proceeds of the Offering applied to the purchase of silver bullion from third party silver suppliers. See "Fees and Expenses".

Fees and Expenses in Connection with this Offering

<u>Type of Fee</u>	<u>Amount and Description</u>
Underwriters' Fee:	C\$0.60 per ETR or the equivalent in U.S. dollars (3% of the gross proceeds of the Offering).
Expenses of the Offering:	All costs associated with the Offering including the Underwriters' Fee and expenses, the listing fees of the TSX, legal expenses, marketing expenses, financial advisory expenses and applicable silver purchase expenses will be paid from the gross proceeds of the Offering. The expenses of the Offering are estimated to be C\$950,000 (but in no event shall be greater than 1.25% of the gross proceeds of the Offering).

Fees and Expenses Payable by ETR Holders

<u>Type of Fee</u>	<u>Amount and Description</u>
Service Fee:	The Mint will charge a Service Fee in respect of its management, storage and custodial services. The Service Fee will be calculated and accrued daily at an annual rate of 0.45% of the Per ETR Entitlement to Silver on each day for all outstanding ETRs and paid monthly in arrears on the 15 th day of each month (or if not a business day, on the next succeeding business day). On such day each month, the Mint will withdraw the amount of silver bullion necessary to satisfy the Service Fee in respect of the ETRs for the preceding month. Accordingly, the amount of

silver bullion evidenced by each ETR will decrease daily as the Service Fee is accrued. The Service Fee may be varied by the Mint on not less than 10 days' advance notice in the event of a decrease in the Service Fee and not less than 90 days' advance notice in respect of any other change to the Service Fee. The Mint will obtain the approval of the Mint's independent directors (or a committee of its independent directors) prior to any increase to the Service Fee. See "Fees and Expenses – Service Fee".

Cash Redemption Fee: ETR Holders will not be charged a fee in respect of cash redemptions. However, in accordance with the formula described under "Redemptions for Cash" the Mint will retain 5% of the lesser of (i) the volume-weighted average trading price of the ETRs on the TSX for the last five trading days prior to and including the Redemption Date, and (ii) the NAV per ETR on the Redemption Date.

Physical Redemption Fees and Expenses: For physical redemptions, there is a redemption fee of C\$100 per redemption request and a fabrication fee of (i) US\$3.00 per ounce for Silver Maple Leaf coins, (ii) US\$1.50 per ounce for 100 ounce bars and (iii) US\$0.25 per ounce for London Good Delivery bars (the "**Physical Redemption Fees**").

The Mint will deduct such Physical Redemption Fees from the cash portion of the amount payable to the redeeming ETR Holder on redemption of physical silver bullion. If such cash payable is insufficient to cover the Physical Redemption Fees, the amount of physical silver bullion made available on a redemption will be reduced by the amount required to be sold to pay the balance of the Physical Redemption Fees.

All such fees may be varied by the Mint on not less than 10 days' advance notice in the event of a decrease in such fees and not less than 90 days' advance notice in respect of any other change to such fees.

An ETR Holder redeeming ETRs for physical silver bullion will be responsible for arranging pick-up and delivery of the physical silver bullion from the Mint by an industry-recognized armoured carrier, as set out on the Program Website. The redeeming ETR Holder will bear all expenses and taxes relating to transporting the physical silver

bullion from the Mint to the location it determines. See "Fees and Expenses – Redemption Fees".

Other Fees and Expenses: No other charges apply. If applicable, ETR Holders may be subject to brokerage or other fees associated with trading the ETRs. The Mint is responsible for all costs and expenses incurred in connection with the on-going operation and administration of the Program including regulatory compliance and legal expenses.

Termination:

The Program does not have a fixed termination date but may be terminated by the Mint, at its sole discretion, upon the occurrence of one of the following termination events: (i) a change in the Mint Act, the Financial Administration Act, regulatory requirements, customs duties, other taxes, securities or other laws that changes the Mint's mandate or would adversely affect the ETRs or impair the Mint's ability to operate the Program; (ii) a decision by the Government of Canada to privatize the Mint; (iii) significant or catastrophic loss of the silver bullion evidenced by the ETRs due to, among other things, theft, loss, damage or destruction; (iv) market conditions such that it is no longer economically feasible to continue the Program; (v) the ETRs are delisted from the TSX or other principal stock exchange on which the ETRs are traded; (vi) the Per ETR Entitlement to Silver or the number of outstanding ETRs declines to a level where the Mint determines, in its sole discretion, that the liquidity of the outstanding ETRs is impaired; (vii) one or more redemption suspensions has been declared and has continued for a period of 90 days; and (viii) CDS notifies the Mint that it is unwilling or unable to continue as depository in connection with the Silver ETR Certificate or ceases to be recognized as a clearing agency under applicable Canadian securities legislation at a time when it is required to be, and no successor depository has been appointed by the Mint.

In the event that the Mint elects to terminate the Program, the Mint will endeavour to provide ETR Holders with 90 days' advance notice or such other notice as is practicable in the circumstances. Unless otherwise stated in the termination notice, ETR Holders will be entitled to redeem ETRs for physical silver bullion or cash until the date that is one month prior to the termination date, and each ETR outstanding on the termination date will be redeemed for cash in U.S. dollars equal to the NAV per ETR determined on the termination date less the per ETR share of the Mint's costs associated with termination. Payment will be made within 10 business days of the termination date, or as soon thereafter as is practicable in the circumstances. See "Description of ETRs – Termination of the Program".

Canadian Income Tax Considerations:

ETR Holders resident in Canada who dispose of ETRs held as capital property (including upon a redemption of the ETRs for cash proceeds) (or who dispose of underlying physical silver in payment of the Service Fee) should generally realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the ETRs (or the fair market value of the silver bullion disposed of), net of any costs of disposition, exceed (or are less than) the adjusted cost base of the ETRs (or the silver bullion disposed of). However, the redemption of ETRs for silver bullion generally will not be considered to give rise to a disposition except to the extent cash is received on the redemption (in lieu of receiving a fractional amount of proceeds under 25 troy ounces), or to the extent that silver bullion is applied to cover redemption expenses. An ETR Holder will be considered to have disposed of silver bullion to the extent that the quantity of silver bullion evidenced by that holder's ETRs decreases in order to fund the Service Fee or to the extent that the silver bullion otherwise available to the ETR Holder on a physical redemption is reduced in order to pay redemption fees. See "Canadian Federal Income Tax Considerations".

Risk Factors:

Losses may be incurred both as a result of silver price diminution and if any price gains do not exceed applicable fees described herein. An investor could lose all or a significant portion of his or her investment in the ETRs. Accordingly, the investment may not be suitable for persons unfamiliar with the silver market, or unwilling or unable to bear the risk attendant to a security of this type.

Prospective investors should consider carefully the factors set out under "Risk Factors" before reaching a decision to buy ETRs.

Transfer Agent and Registrar:

Computershare Investor Services Inc. in Toronto, Ontario is the transfer agent and registrar for the ETRs (in such capacity, the "**Transfer Agent**").

Book-Based Registration:

The ETRs will be represented by one or more Silver ETR Certificates fully registered in the book-based system to be held by or on behalf of CDS. ETR Holders will have a beneficial interest in one or more of the Silver ETR Certificates. ETR Holders will not be entitled to receive certificates evidencing the ETRs in definitive form. For further information, see "Description of ETRs – Form and Registration".

ANSWERS TO FREQUENTLY ASKED QUESTIONS

The following questions and answers have been prepared to provide potential investors with a brief summary of some of the features of the ETRs. The information given in such answers is subject to, and should be read in conjunction with, the other sections of this Information Statement.

Who is the issuer and what are its obligations under the Canadian Silver Reserves Program?

The issuer of the ETRs is the Royal Canadian Mint.

The Mint is for all purposes an agent of Her Majesty in right of Canada. Subject to the terms of the ETRs, the ETRs will constitute direct unconditional obligations of the Mint and as such will constitute direct unconditional obligations of Her Majesty in right of Canada. Accordingly, the Mint's obligations under the ETRs will be backed by the full faith and credit of the Government of Canada. If the Mint fails to make available silver bullion or cash in connection with a redemption, or cash in connection with a termination of the Program, ETR Holders would be entitled to enforce their rights against the Government of Canada. See "Royal Canadian Mint".

The obligations of the Mint are to securely store the silver bullion evidenced by the ETRs in its facilities and, on redemption, to make available the applicable amount of silver bullion for physical delivery upon the request of an ETR Holder or to deliver the cash redemption amount. The silver bullion will be stored by the Mint on an unallocated basis, such that the silver bullion owned by an ETR Holder will not be held separately from the other unallocated silver bullion held at the Mint, including the silver bullion evidenced by other ETRs. See "The Canadian Silver Reserves Program".

What does each ETR represent?

Each ETR represents an equal undivided direct legal and beneficial interest in physical silver bullion to be held for the account of the ETR Holder in custody by the Mint. The Per ETR Entitlement to Silver will be fixed on the Issue Date and will be expressed as a fraction of one troy ounce of silver as of the Issue Date, reduced daily by the Service Fee charged by the Mint. See "Description of ETRs".

Who owns the silver bullion evidenced by the ETRs?

The silver bullion evidenced by the ETRs will be legally and beneficially owned by the ETR Holders and not by the Mint. The net proceeds of the Offering will be applied to the purchase of silver bullion from third party suppliers on behalf of the initial purchasers of ETRs. Such silver bullion will be delivered to the Mint's facilities on the Issue Date. The Mint will act as custodian of the silver bullion on behalf of the ETR Holders and will hold the silver bullion in its facilities. Legal and beneficial ownership of the silver bullion will at all times remain with the ETR Holders. In the ordinary course of its business of silver refining and coin manufacturing the Mint uses silver bullion held on an unallocated basis for third parties and expects to do the same with some or all of the silver bullion evidenced by the ETRs. The Mint will at all times maintain in its facilities unallocated silver bullion in an amount that is equal to or exceeds the amount owned in aggregate by ETR Holders. See "The Canadian Silver Reserves Program" and "Description of ETRs".

Will the purchasers of ETRs under this Offering receive certificates representing the ETRs purchased?

ETR Holders will not be entitled to receive certificates evidencing the ETRs in definitive form. One or more definitive silver ETR certificates evidencing the ETRs will be issued on the Issue Date to CDS as the nominal holder of all outstanding ETRs. See "Description of ETRs – Form and Registration".

When can I redeem my ETRs for silver bullion or cash? Are there any restrictions on redemption and am I responsible for any related expenses?

ETR Holders can elect to redeem ETRs for silver bullion or cash on a monthly basis by delivery of a notice to redeem. Notices to redeem are irrevocable. The first Redemption Date will be February 15, 2013. Thereafter, the 15th day of each month (or, if not a business day, the next succeeding business day) will be a Redemption Date. A notice to redeem ETRs must be received by the Transfer Agent by 5:00 p.m., Toronto time, on the fifth business day immediately preceding a Redemption Date. Any notice of redemption received after such time will be processed on the subsequent Redemption Date.

Redemption requests for physical silver bullion must be in respect of a minimum of 5,000 ETRs. There is no minimum number of ETRs required for a cash redemption.

An ETR Holder redeeming for physical silver bullion will be responsible for arranging pick-up and delivery via industry-recognized armoured carrier, as set out on the Program Website, at its own expense. The physical silver redemption proceeds will be paid net of a redemption fee which is currently C\$100 per redemption request, and fabrication fees in amounts based on the type of silver bullion product requested. The redemption of ETRs, including fee information and the process for redeeming ETRs, is more fully described under "Description of ETRs – Redemption of ETRs" and "Fees and Expenses – Redemption Fees".

Will the Mint charge a fee for providing the Program?

Yes. The Mint will charge a Service Fee in respect of its management, storage and custodial services. The Service Fee will be calculated and accrued daily at an annual rate of 0.45% of the Per ETR Entitlement to Silver on each day for all outstanding ETRs and paid monthly in arrears on the 15th day of each month (or if not a business day, on the next succeeding business day). On such day each month, the Mint will withdraw an amount of silver bullion as necessary to satisfy the Service Fee payable in respect of the ETRs for the preceding month. Accordingly, the amount of silver bullion evidenced by each ETR will decrease daily as the Service Fee is accrued. The Service Fee may be varied by the Mint at any time, but only after giving not less than 10 days' advance notice in the event of a decrease in the Service Fee and not less than 90 days' advance notice in respect of any other change to the Service Fee. The Mint will obtain the approval of the Mint's independent directors (or a committee of its independent directors) prior to any increase to the Service Fee. See "Fees and Expenses – Service Fee".

Will the Mint pass along any additional fees or expenses to ETR Holders?

No. The Mint will be responsible for all costs and expenses incurred in connection with the on-going operation and administration of the Program including regulatory compliance and legal expenses. See "Fees and Expenses".

Will information relating to the value of the ETRs and the price of silver be made available to ETR Holders?

Yes. The Mint will maintain a website for the Program at www.reserves.mint.ca (the "**Program Website**") on which it will post a daily calculation of the Per ETR Entitlement to Silver, the Program's NAV and the NAV per ETR, the current trading price of the ETRs, the premium or discount in the trading price relative to the NAV per ETR, the historical trading prices of the ETRs, the fees associated with the ETRs for the last three years (or shorter period available) and the daily Silver Price. The Program's NAV will also be made available to ETR Holders by calling the Mint toll-free at 1-866-677-1477. The Information Statement and Silver ETR Certificate will be posted to the Program Website and will be available under the Mint's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"), which can be accessed at www.sedar.com. The Mint will publish on the Program Website and file on SEDAR reports of any change in the business, operations or capital of the Mint or, if known by the Mint, the Government of Canada, that would reasonably be expected to have a significant effect on the market price or value of the ETRs. The Mint will also publish on the Program Website and file on SEDAR any notice that it delivers to all ETR Holders and any other communication to all ETR Holders. See "Availability of Information Relating to the ETRs".

Why would I exercise a Purchase Right?

It would be beneficial to exercise a Purchase Right if an ETR Holder wanted to acquire additional silver and believed silver could be acquired on more favourable terms through the exercise of a Purchase Right than through the purchase of ETRs on the TSX. Assuming that the ETRs trade at a premium to the NAV per ETR, if an ETR Holder believes that the premium plus the trade execution expenses will exceed the costs expected to be associated with the exercise of a Purchase Right, it would be advantageous to acquire additional ETRs through the exercise of a Purchase Right rather than on the TSX. The amount of the Mint's out-of-pocket expenses, which may include solicitation fees, cannot be determined with certainty at this time. However, the Mint will notify ETR Holders of the estimated expenses sufficiently in advance of the applicable Exercise Date to enable ETR Holders to make an informed decision regarding the exercise of the corresponding Purchase Right.

ROYAL CANADIAN MINT

The Royal Canadian Mint (the "**Mint**") is a commercial federal Crown corporation producing circulation, numismatic (collectible) and bullion coins for the domestic and international markets in anticipation of profit. In addition to being responsible for the minting and distribution of Canada's circulation coins, the Mint operates full-service gold and silver refineries that provide customers with a range of services that include secure storage and assaying. The Mint is certified by the International Organization for Standardization as ISO 9001-2008, maintaining external quality assurance standards for secure storage, production, installation and other related services.

Legislation

The Mint was originally established as a branch of the United Kingdom's Royal Mint in 1908. It was transferred to the Canadian government in 1931 and became a Crown corporation in 1969 pursuant to the *Royal Canadian Mint Act* (Canada) (the "**Mint Act**"). The Mint Act provides that the objects of the Mint are to mint coins in anticipation of profit and to carry out other related activities. The Mint has the rights, powers and privileges of a natural person.

Under the Mint Act, all of the equity and voting shares of the Mint are held by the Minister of Finance (the "**Minister**"), in trust for Her Majesty in right of Canada. The Mint Act does not permit the Mint to issue shares in its own capital to the public or to issue debt obligations that would result in the Mint having total borrowed money exceeding \$75 million. Borrowings by the Mint in excess of the \$75 million limit must be authorized by an appropriation Act passed by Parliament.

The Mint is an agent corporation of Her Majesty in right of Canada named in Part II of Schedule III to the *Financial Administration Act* (Canada) (the "**Financial Administration Act**") and a prescribed federal Crown corporation for tax purposes. The Mint is subject to federal income taxes under the *Income Tax Act* (Canada).

The Mint's external auditor, the Auditor General of Canada, audits the consolidated financial statements of the Mint and reports thereon to the Minister. The Board of Directors of the Mint is responsible for overseeing the management of the Mint with a view to both the best interests of the Mint and the long-term interests of its sole shareholder, the Government of Canada (as represented by the Minister). Under Part X of the *Financial Administration Act*, the Board of Directors is responsible for the management of the businesses, activities and other affairs of the Mint.

The Canadian Gold Reserves Program

In 2011, the Mint established the Canadian Gold Reserves program pursuant to which exchange-traded receipts evidencing a direct legal and beneficial ownership interest in physical gold bullion were issued. There are currently 30,000,000 gold exchange-traded receipts outstanding and listed for trading on the Toronto Stock Exchange (the "**TSX**") in Canadian and U.S. dollars under the symbols "MNT" and "MNT.U", respectively.

THE CANADIAN SILVER RESERVES PROGRAM

The objective of the Canadian Silver Reserves Program (the "**Program**") is to provide an exchange-traded investment vehicle that tracks the price of silver and makes investing directly in physical silver available to institutional and retail investors. The TSX has conditionally approved the listing of the exchange-traded receipts (the "**ETRs**") distributed under this amended and restated information statement (the "**Information Statement**"). The ETRs will trade on the TSX in Canadian and U.S. dollars under the

symbols "MNS" and "MNS.U", respectively, and may be bought and sold on the TSX like any other exchange-listed securities. Listing on the TSX is subject to the Mint fulfilling all of the listing requirements of the TSX on or before January 10, 2013.

On or about November 5, 2012 (the "**Issue Date**"), the proceeds of the offering of the ETRs (the "**Offering**") (net of the Underwriters' Fee (as defined below) and expenses and the Mint's expenses of the Offering) will be applied to the purchase of silver from third party suppliers under one or more silver purchase contracts. The third party silver suppliers will deliver such physical silver bullion to the Mint to be held in its custody on behalf of the purchasers of ETRs. At no time will the Mint hold legal title to the physical silver bullion.

The Mint will act as custodian of the silver bullion on behalf of the holders of ETRs (the "**ETR Holders**") and will hold the silver bullion in its facilities in various forms, including silver bars and/or Maple Leaf silver coins, at the option of the Mint. Legal and beneficial ownership of the silver bullion will at all times remain with the ETR Holders. The silver bullion evidenced by the ETRs will be stored by the Mint on an unallocated basis, such that the silver bullion owned by an ETR Holder will not be held separately from the other unallocated silver bullion held at the Mint, including the silver bullion evidenced by other ETRs.

In the ordinary course of its business of silver refining and coin manufacturing the Mint uses silver bullion held on an unallocated basis for third parties and expects to do the same with some or all of the silver bullion evidenced by the ETRs. The Mint will at all times maintain in its facilities unallocated silver bullion in an amount that is equal to or exceeds the amount owned in aggregate by ETR Holders.

The Mint bears all risk of physical loss, damage or destruction of the silver bullion owned by ETR Holders in the Mint's care, custody and control, except for loss, damage or destruction as a result of circumstances or causes beyond the Mint's reasonable control (an "**Excluded Event**"), including, without limitation, loss, damage or destruction as a result of:

- (a) acts, omissions or the failure to cooperate by any third party or an ETR Holder (including entities or individuals under such ETR Holder's control);
- (b) acts of God;
- (c) any law, order or requirement of any governmental agency or authority;
- (d) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power;
- (e) (i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; (ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; (iii) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; (iv) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter, other than radioactive isotopes when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes (other than for nuclear fuel); or (v) any chemical, biological, or electromagnetic weapon;
- (f) any act of terrorism or any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism. An act of terrorism means an act, including but not limited

to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear; and

- (g) the use or operation, as a means for inflicting harm, of any computer, computer system, computer software, computer software programme, malicious code, computer virus or process or any other electronic system.

The Mint will provide ETR Holders with at least 90 days' prior notice in the event that an Excluded Event is added to the terms of the ETRs.

As direct legal and beneficial owners of the silver bullion held by the Mint, ETR Holders bear the risk of loss, damage, or destruction of the silver bullion owned by ETR Holders as a result of an Excluded Event. In all other circumstances, the Mint will replace or pay for any silver bullion owned by ETR Holders that is lost, damaged, or destroyed while in the Mint's care, custody and control. The Mint is not liable under any circumstances for special, incidental, consequential, indirect and punitive damages, losses and costs (including lost profits and lost savings), except as a result of gross negligence or wilful misconduct by the Mint and whether or not the Mint had knowledge that such losses or damages might be incurred. Once physical silver bullion representing redeemed ETRs has been remitted to the industry-recognized armoured carrier, it is no longer in the Mint's care, custody and control and the Mint will no longer bear the risk of loss, damage or destruction of such physical silver bullion. ETR Holders must rely on the Mint's ability to satisfy any claims against it (the Mint's obligations under the ETRs will be backed by the full faith and credit of the Government of Canada). The Mint's liability in respect of any silver bullion evidenced by an ETR terminates (a) at the time such silver bullion is remitted to the industry-recognized armoured carrier pursuant to instructions provided in a Physical Silver Redemption Notice (as defined below), (b) in the case of a cash redemption, at the time of payment of the cash redemption proceeds by the Mint to an account of the redeeming ETR Holder or (c) upon termination of the Program, whether or not any portion of the silver bullion evidenced by the ETRs remains in the Mint's facilities.

In the event of a compensable physical loss due to loss, damage or destruction of the silver bullion owned by ETR Holders, the Mint will, at its option, either (a) replace, or restore to its original state in the event of partial damage, as the case may be, the silver bullion that was lost, damaged or destroyed within five business days from the date the Mint becomes aware of the loss, damage or destruction, or (b) compensate the ETR Holders, on a per ETR basis, for the monetary value of the silver bullion that was lost, damaged or destroyed within five business days from the date the Mint becomes aware of the loss, damage or destruction, based on the Silver Price (as defined below) on the trading day following the date such loss is discovered. The Mint will not be responsible for any special, incidental, consequential, indirect or punitive losses or damages (including lost profits or lost savings), except as a result of gross negligence or wilful misconduct by the Mint and whether or not the Mint had knowledge that such losses or damages might be incurred.

The Mint carries such insurance as it deems appropriate for its businesses, including its position as issuer of the ETRs, manager of the Program and custodian of the silver bullion owned by ETR Holders. The Mint believes that the insurance it carries, together with its status as a Canadian Crown corporation with its obligations under the ETRs constituting unconditional obligations of the Government of Canada, provides ETR Holders with adequate protection in the event of a compensable physical loss due to loss, damage or destruction of silver bullion owned by ETR Holders. A Crown corporation may be entitled to immunity if it acts as agent of the Crown rather than in its own right and on its own behalf. Pursuant to the Mint Act, the Mint is for all its purposes, including those related to the Program, an agent of the

Crown and acting on behalf of the Crown. Accordingly, in certain circumstances, the Mint could be protected by the immunity of the Crown; however, pursuant to the terms of the ETRs, the Mint will waive such immunity as it relates to an ETR Holder's claim for loss thereunder.

The costs and expenses relating to the issuance of the ETRs, including the Underwriters' Fee and expenses, the listing fees of the TSX, legal expenses, marketing expenses, financial advisory expenses and applicable silver purchase expenses will be paid by the Mint from the gross proceeds of the Offering. The Mint has agreed to pay the Underwriters (as defined below) a fee of 3% of the gross proceeds of the Offering. The only ongoing fee associated with the Program is the Service Fee, as described below under "Fees and Expenses – Service Fee". The Mint is responsible for all costs and expenses incurred in connection with the on-going operation and administration of the Program including regulatory compliance and legal expenses. See "Fees and Expenses".

DESCRIPTION OF ETRs

The following is a summary of the principal terms and conditions of the ETRs and of the Silver ETR Certificate (as defined below) representing the ETRs issued pursuant to the Offering. This summary does not purport to be complete. For full particulars, reference should be made to the Silver ETR Certificate.

The Mint is authorized to issue an unlimited number of ETRs. Each ETR issued by the Mint will represent an equal undivided direct legal and beneficial interest in physical silver bullion to be held for the account of the ETR Holder in the custody of the Mint at its facilities. The silver bullion will at all times be legally and beneficially owned by the holders of ETRs and not by the Mint.

The Per ETR Entitlement to Silver (as defined below) will be fixed on the Issue Date and will be expressed as a fraction of one troy ounce of silver on the Issue Date, reduced daily by a management, storage and custodial fee charged by the Mint of 0.45% per annum (the "**Service Fee**"). Subject to fulfilling the listing requirements of the TSX, the ETRs will be listed on the TSX and will be traded in Canadian dollars and U.S. dollars under the symbols "MNS" and "MNS.U", respectively. ETR Holders will have the ability on an ongoing basis to trade all or a portion of their ETRs in either currency. The terms of the ETRs will be set forth in the Silver ETR Certificate, a copy of which will be available on the Program Website (as defined below) and under the Mint's profile on SEDAR (as defined below) as of the Issue Date.

Subject to the terms of the ETRs, the ETRs will constitute direct unconditional obligations of the Mint, an agent of Her Majesty in right of Canada and as such will constitute direct unconditional obligations of Her Majesty in right of Canada. ETR Holders will have no recourse to the Mint or the Government of Canada for any loss on their investment.

Per ETR Entitlement to Silver

Each ETR represents an equal undivided direct legal and beneficial interest in physical silver bullion, entitling the holder thereof to a fraction of one troy ounce of silver (the "**Per ETR Entitlement to Silver**") with a minimum purity of 99.9%, such fraction equal to:

(A - B) ÷ C where:

A is the U.S. dollar equivalent of C\$20.00 based on the foreign exchange spot rate on the morning of the Issue Date;

B is the U.S. dollar equivalent of the Offering expenses per ETR, including the Underwriters' Fee and expenses, listing fees, legal expenses, marketing expenses,

financial advisory expenses and applicable silver purchase expenses, based on the foreign exchange spot rate on the morning of the Issue Date; and

C is the weighted average of the silver spot rates stipulated in the silver purchase agreements entered into on the Issue Date.

The Per ETR Entitlement to Silver will be fixed on the Issue Date and will be reduced daily by the Service Fee as described under "Fees and Expenses – Service Fee" and will be posted daily to the Program Website. The Mint will issue a press release on the Issue Date announcing the initial Per ETR Entitlement to Silver.

Purchase Right

Each outstanding ETR entitles the holder thereof to purchase (the "**Purchase Rights**" and each a "**Purchase Right**") on September 19, 2013 and September 18, 2014 (each an "**Exercise Date**"), at the price of C\$20.00 (the "**Exercise Price**") such number of additional ETRs equal to:

$C\$20.00 \div [(A \times B) + C]$ where:

A is the silver spot rate stipulated in the silver purchase agreements entered into on the applicable Purchase Date (as defined below) expressed in Canadian dollars based on the foreign exchange spot rate at the time the silver bullion evidenced by the additional ETRs is acquired;

B is the Per ETR Entitlement to Silver on the applicable Purchase Date; and

C is the Mint's out-of-pocket expenses, which may include solicitation fees, incurred in connection with the corresponding Purchase Right divided by the number of ETRs issued on the exercise of such Purchase Rights.

A "Purchase Date" will be the applicable Exercise Date or such other date as soon as practicable thereafter on which silver purchase agreements to acquire silver bullion on behalf of ETR Holders exercising the corresponding Purchase Rights are entered into.

Following each Exercise Date, any corresponding Purchase Rights that remain unexercised will expire.

Only holders of ETRs on the record dates, each to be seven business days prior to the applicable Exercise Date, shall be entitled to exercise a corresponding Purchase Right. To exercise a Purchase Right, an ETR Holder must deliver to its broker, who must be a direct or indirect participant of CDS (as defined below) (a "**Broker**"), a notice (a "**Purchase Right Notice**") indicating the ETR Holder's intention to purchase ETRs, together with payment equal to the product of the Exercise Price and the number of ETRs for which such ETR Holder intends to exercise the Purchase Right (a "**Purchase Right Payment**"). A form of Purchase Right Notice will be available on the Program Website. The Broker must then forward, on behalf of the exercising ETR Holder, a Broker exercise form (the "**Exercise Form**") representing such ETR Holder's Purchase Right Notice together with its Purchase Right Payment to Computershare Investor Services Inc. (in such capacity, the "**Processing Agent**"). The Exercise Form and the Purchase Right Payment must be received by the Processing Agent no later than 5:00 p.m., Toronto time, on the applicable Exercise Date. Any Exercise Form or Purchase Right Payment received after such time will cause the corresponding Purchase Right to be deemed unexercised by the Processing Agent and such Purchase Right will expire. ETR Holders should consult their respective Brokers regarding their Broker's deadlines or requirements independent of those described herein in respect of the Purchase Right.

ETRs issuable on the exercise of Purchase Rights will be issued on the settlement date under the silver purchase agreements entered into on the applicable Purchase Date.

In no event will fractional ETRs be issued to ETR Holders. Any portion of an ETR Holder's Purchase Right Payment (the "**Residual Cash**") that would result in a fractional ETR if applied to the purchase of physical silver on a Purchase Date will be withheld and the Mint will return or cause to be returned such Residual Cash to the ETR Holder no later than 10 business days after the Purchase Date.

Form and Registration

The ETRs offered hereby will be represented by one or more fully registered, book-based silver ETR certificates (the "**Silver ETR Certificate**"). The Silver ETR Certificate will be held by or on behalf of CDS Clearing and Depository Services Inc. or its nominee ("**CDS**") in Toronto, Canada as custodian of the Silver ETR Certificate, and registered in the name of CDS.

ETR Holders will not be entitled to receive ETRs in definitive form. The ETRs evidenced by the Silver ETR Certificate will be registered in the name of CDS and maintained in a book position, electronically, on the Transfer Agent's (as defined below) register. Beneficial interests in the Silver ETR Certificate, constituting ownership of the ETRs, will be represented through book-based accounts of institutions acting on behalf of ETR Holders, as direct and indirect participants of CDS. CDS will be responsible for establishing and maintaining book-based accounts for its participants having interests in the Silver ETR Certificate. Transfers of ownership of beneficial interests in the Silver ETR Certificate will be effected through records maintained for the Silver ETR Certificate by CDS or its nominee (with respect to interests of participants) and on the records of participants (with respect to interests of persons other than participants).

If CDS notifies the Mint that it is unwilling or unable to continue as depository in connection with the Silver ETR Certificate or ceases to be recognized as a clearing agency under applicable Canadian securities legislation at a time when it is required to be and, if a successor depository is not appointed by the Mint, the Mint may in its sole discretion, elect to (i) appoint a successor depository, (ii) transfer the ETRs to the Direct Registration System (as defined below) maintained by the Transfer Agent in lieu of termination, or (iii) terminate the Program. See "Description of ETRs – Termination of the Program".

The Silver ETR Certificate may not be transferred except as a whole by CDS to its nominee, or by a nominee of CDS to CDS or another nominee of CDS. At any time, CDS may require the Transfer Agent to issue a physical certificate to CDS representing the ETRs registered in the name of CDS.

The Transfer Agent will keep or cause to be kept an electronic register (the "**Direct Registration System**") in which will be recorded registrations and transfers of ETRs which are no longer held by CDS as a result of (i) processing a physical silver redemption or (ii) CDS no longer acting as a depository in connection with the Silver ETR Certificate. In such circumstances, the Transfer Agent will provide written evidence (a "**DRS Advice**") to each applicable ETR Holder of its beneficial ownership position in ETRs based on the Direct Registration System. No transfer of ETRs held in the Direct Registration System will be valid unless registered upon receipt of a duly executed transfer in a form satisfactory to the Mint and the Transfer Agent, and upon compliance with such reasonable requirements as the Mint and the Transfer Agent may prescribe. The Transfer Agent will provide a DRS Advice evidencing such a transfer to each applicable ETR Holder. The Direct Registration System will be maintained at the office of the Transfer Agent, or at such other office as notified by the Mint to ETR Holders.

Redemption of ETRs

ETRs may be redeemed once per month at the option of the holder for cash or, subject to a minimum redemption of 5,000 ETRs, physical silver bullion. Redemptions may be made initially on February 15, 2013 and thereafter on the 15th day of each month (or, if not a business day, on the next succeeding business day) (each, a "**Redemption Date**"). A notice to redeem ETRs must be received by the Transfer Agent no later than 5:00 p.m., Toronto time, on the fifth business day immediately preceding a Redemption Date. Any notice of redemption received after such time will be processed on the subsequent Redemption Date. A notice of redemption is irrevocable. Cash redemption proceeds will be paid in Canadian dollars or U.S. dollars at the election of the redeeming ETR Holder. ETRs submitted for redemption but not yet cancelled will cease to be treated as outstanding from and after the applicable Redemption Date unless the redemption price is not paid within 10 business days of such date.

On the Redemption Date, the Mint will withdraw an amount of physical silver bullion equal to the Per ETR Entitlement to Silver on such Redemption Date multiplied by the number of ETRs redeemed for either cash or for physical silver bullion. Following each Redemption Date, redeemed ETRs will be delivered to the Transfer Agent for cancellation.

Redemptions for Cash

The cash redemption price (the "**Cash Redemption Price**") per ETR paid by the Mint will be equal to 95% of the lesser of (i) the volume-weighted average trading price of the ETRs on the TSX for the last five trading days prior to and including the Redemption Date, and (ii) the NAV (as defined below) per ETR on the Redemption Date. The Cash Redemption Price will be remitted to a redeeming ETR Holder in the currency stipulated by the redeeming ETR Holder in its Cash Redemption Notice (as defined below).

Procedure to Redeem for Cash

To redeem ETRs for cash, an ETR Holder must deliver to its Broker a notice to redeem ETRs (a "**Cash Redemption Notice**") indicating the ETR Holder's intention to redeem ETRs for cash. A form of Cash Redemption Notice will be available on the Program Website. The Broker must then forward, on behalf of the redeeming ETR Holder and via CDS, an electronic direction representing such ETR Holder's Cash Redemption Notice to the Transfer Agent. Such electronic direction must be received by the Transfer Agent no later than 5:00 p.m., Toronto time, on the fifth business day immediately preceding a Redemption Date. Any electronic direction representing a Cash Redemption Notice received after such time will be processed on the following Redemption Date. ETR Holders should consult their respective Brokers regarding their Broker's deadlines or requirements independent of those described herein in respect of redeeming ETRs for cash.

By delivering a Cash Redemption Notice to its Broker (or such other notice as is deemed acceptable by such Broker) and thereby instructing such Broker to deliver, via CDS, an electronic direction representing its Cash Redemption Notice to the Transfer Agent, an ETR Holder will be deemed to have irrevocably surrendered its ETRs for redemption and appointed such Broker to act as its exclusive settlement agent with respect to the exercise of such redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

On the applicable Redemption Date, the Mint will determine the amount of cash redemption proceeds that will be delivered to the redeeming ETR Holder. The Mint will cause to be delivered the cash redemption proceeds, payable in Canadian dollars or U.S. dollars at the election of the ETR Holder, to the account of the ETR Holder's Broker within 10 business days after the Redemption Date on which the redemption is

processed. Upon receipt of the cash redemption proceeds, CDS will deliver the redeemed ETRs to the Transfer Agent for cancellation.

Redemption Fees for Cash

ETR Holders will not be charged a fee in respect of cash redemptions. However, in accordance with the formula for calculating the Cash Redemption Price, the Mint will retain 5% of the lesser of (i) the volume-weighted average trading price of the ETRs on the TSX for the last five trading days prior to and including the Redemption Date, and (ii) the NAV per ETR on the Redemption Date.

The Mint may introduce a cash redemption fee on 90 days' advance notice to ETR Holders. Any cash redemption fee introduced by the Mint will be limited to offsetting increased processing or administrative costs associated with cash redemptions.

Redemptions for Physical Silver Bullion

Notices of physical redemption must be in respect of a minimum of 5,000 ETRs. Subject to the minimum redemption amount, physical silver bullion may, at the option of the ETR Holder, be redeemed for one or more of the following Mint products with a minimum purity of 99.9%: London Good Delivery bars; 100 ounce bars; and one ounce Silver Maple Leaf coins (in increments of 25), which have a minimum purity of 99.99%. A London Good Delivery bar contains between 750 and 1,100 troy ounces of silver. ETRs representing less than 25 troy ounces of physical silver bullion will be paid in cash by the Mint at the NAV per ETR on the Redemption Date.

Procedure to Redeem ETRs for Physical Silver Bullion

An ETR Holder may redeem a minimum of 5,000 ETRs for physical silver bullion by instructing its Broker to deliver to the Transfer Agent on behalf of the ETR Holder a notice to redeem ETRs (a "**Physical Silver Redemption Notice**") indicating the ETR Holder's intention to redeem ETRs for physical silver bullion. A form of Physical Silver Redemption Notice will be available on the Program Website. A Physical Silver Redemption Notice must be received by the Transfer Agent no later than 5:00 p.m., Toronto time, on the fifth business day immediately preceding a Redemption Date. Any Physical Silver Redemption Notice received after such time will be processed on the following Redemption Date. A Physical Silver Redemption Notice must include a valid signature guarantee to be deemed valid by the Transfer Agent and the Mint. ETR Holders should consult their respective Brokers regarding their Broker's deadlines or requirements independent of those described herein in respect of redeeming ETRs for physical silver bullion.

Upon receipt of a valid Physical Silver Redemption Notice by the Transfer Agent, the ETR Holder will be deemed to have irrevocably surrendered its ETRs for redemption and appointed its Broker to act as its exclusive settlement agent with respect to the exercise of such redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Once a Physical Silver Redemption Notice is received by the Transfer Agent, the Transfer Agent, together with the Mint, will determine whether such Physical Silver Redemption Notice complies with the applicable requirements. The Physical Silver Redemption Notice must (i) be for a minimum of 5,000 ETRs, (ii) be in the prescribed form, (iii) include a request to remove the ETRs to be redeemed from CDS to the Direct Registration System, (iv) include a valid signature guarantee, and (v) specify the name and contact information of the industry-recognized armoured carrier and specify the date on which such carrier will pick up the physical silver bullion. The pick-up date cannot be earlier than 5 business days nor later than 10 business days after the Redemption Date. The Mint reserves the right to select an

alternate pick-up date from that specified in the Physical Redemption Notice. Any Physical Silver Redemption Notice that does not meet the requirements set out above, as determined by the Transfer Agent and the Mint, in their sole discretion, will for all purposes be void and of no effect, and the redemption privilege to which it relates will be considered for all purposes not to have been exercised thereby. In each such case, the Transfer Agent, on behalf of the Mint, will provide a notice explaining the deficiency in the Physical Silver Redemption Notice to the redeeming ETR Holder's Broker. If the Transfer Agent and the Mint determine that the Physical Silver Redemption Notice complies with all applicable requirements, the Mint will provide a notice to such redeeming ETR Holder no later than the fifth business day after the Redemption Date confirming that the Physical Silver Redemption Notice was received and determined to be complete and setting out the amount of physical silver bullion and cash that the redeeming ETR Holder will receive.

On the applicable Redemption Date, the Mint will determine the amount of physical silver bullion and the amount of cash that will be delivered to the redeeming ETR Holder. An ETR Holder that redeems ETRs for London Good Delivery bars will not receive a guaranteed amount of physical silver bullion, because London Good Delivery bars vary in weight from 750 to 1,100 troy ounces. The Mint will exercise discretion with respect to the amount of physical silver bullion the redeeming ETR Holder will receive based on the weight of London Good Delivery bars held by the Mint. The Mint will deduct the Physical Redemption Fees (as defined below) from the cash portion of the amount payable to the redeeming ETR Holder on a redemption of physical silver bullion (such amount equal to the NAV per ETR on the Redemption Date multiplied by the number of ETRs representing such fractional amount). If such cash payable is insufficient to cover the Physical Redemption Fees, the amount of physical silver bullion made available on a redemption will be reduced by the amount required to be sold to pay the balance of the Physical Redemption Fees.

On the applicable Redemption Date, the ETRs subject to a Physical Silver Redemption Notice shall be transferred from CDS to the Direct Registration System to be registered in the name of the ETR Holder as indicated on the Physical Silver Redemption Notice and held on a restricted basis. The Transfer Agent shall deliver to the ETR Holder a DRS Advice evidencing the ETRs submitted for physical redemption by such ETR Holder.

The Mint will remit the requisite amount of physical silver bullion from its custody to the industry-recognized armoured carrier arranged by the redeeming ETR Holder. See "Description of ETRs – Redemption of ETRs – Transporting the Silver from the Mint to the Redeeming ETR Holder". As directed by the Mint, any cash to be received by a redeeming ETR Holder in connection with a redemption of ETRs for physical silver bullion will be delivered or caused to be delivered by the Mint to the ETR Holder within 10 business days after the Redemption Date on which the redemption is processed. Upon release of the physical silver bullion to the industry-recognized armoured carrier and delivery of the cash to be received by a redeeming ETR Holder, the Mint will direct the Transfer Agent to cancel the redeemed ETRs on the Direct Registration System.

Transporting the Silver from the Mint to the Redeeming ETR Holder

An ETR Holder redeeming ETRs for physical silver bullion will be responsible for arranging pick-up and delivery of the physical silver bullion from the Mint by an industry-recognized armoured carrier, as set out on the Program Website. The redeeming ETR Holder will bear all expenses and taxes relating to transporting the physical silver bullion from the Mint to the location it determines. Physical silver bullion delivered to an institution 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 an ETR Holder's delivery instructions to a destination other than an institution authorized to

accept and hold London Good Delivery bars will no longer be deemed London Good Delivery once received by the ETR Holder.

The industry-recognized armoured carrier will receive physical silver bullion at the Mint's facility in either Ottawa or Winnipeg in connection with a redemption of ETRs on the pick-up date determined as described above. Once the physical silver bullion representing the redeemed ETRs has been remitted to the industry-recognized armoured carrier, the Mint will no longer bear the risk of loss of, and damage to, such physical silver bullion and will be considered to have delivered the physical silver bullion to the redeeming ETR Holder at the Mint's facility in Ottawa or Winnipeg, as applicable. In the event of a loss after the physical silver bullion has been placed with the industry-recognized armoured carrier, the ETR Holder will not have recourse against the Mint. In the event the Mint fails to make available the physical silver bullion pursuant to a valid Physical Redemption Notice, the Mint's maximum liability to an ETR Holder for each ETR so redeemed will be limited to the NAV per ETR on the applicable Redemption Date.

Redemption Fees for Physical Silver Bullion

ETR Holders redeeming for physical silver bullion will be charged the following fees (the "**Physical Redemption Fees**"):

Redemption Processing Fee: C\$100 fee is to offset administrative costs to the Mint associated with a physical redemption and is similar to the administrative fees charged by the Mint to its other storage customers.

Fabrication Fees: Fees for the following physical silver bullion products will cover fabrication costs:

Silver Maple Leaf coins:	US\$3.00 per ounce;
100 ounce bars:	US\$1.50 per ounce; and
London Good Delivery bars:	US\$0.25 per ounce.

Such fees may be varied by the Mint on not less than 10 days' advance notice in the event of a decrease in such fees and not less than 90 days' advance notice in respect of any other change to such fees.

Suspension of Redemptions

The Mint may suspend the redemption of ETRs or postpone the date of delivery or payment of the redemption proceeds (whether physical silver bullion and/or cash, as the case may be) for any period during which the Mint determines that conditions exist which render impractical the fabrication, evaluation or sale of silver or which impair the ability of the Mint to determine the value of the silver bullion owned by ETR Holders or the redemption amount for the ETRs.

In the event of any such suspension, the Mint will issue a press release announcing the suspension of redemptions, will advise the Transfer Agent and will post such press release to the Program Website and under the Mint's profile on SEDAR. The suspension will terminate all requests for redemption received prior to the suspension, but as for which payment has not been made, as well as all requests received while the suspension is in effect. ETR Holders that have submitted redemption requests during this period will be advised by the Mint of the suspension and that the requested redemption has been so terminated. The suspension will terminate when the Mint has determined that the condition giving rise to the suspension no longer exists, provided that no other condition under which a suspension is authorized then exists, at which time the Mint will issue a press release announcing the termination of the suspension, will advise the Transfer Agent, will post such press release to the Program Website and under

the Mint's profile on SEDAR and will provide notice to those ETR Holders whose redemptions were terminated as a result of the suspension. Any declaration of suspension made by the Mint will be conclusive. See "Computation of Net Asset Value – Suspension of Calculation of Net Asset Value Per ETR".

Fees

Service Fee

The Mint will charge a Service Fee in respect of its management, storage and custodial services. The Service Fee will be calculated and accrued daily at an annual rate of 0.45% of the Per ETR Entitlement to Silver on each day for all outstanding ETRs and paid monthly in arrears on the 15th day of each month (or if not a business day, on the next succeeding business day). The Service Fee will not be applied to those ETRs submitted for redemption but not yet cancelled following the applicable Redemption Date. Each month, the Mint will withdraw an amount of silver bullion equal to the Service Fee for such month. Accordingly, the amount of silver bullion evidenced by each ETR will decrease daily as the Service Fee is accrued. The Service Fee may be varied by the Mint on not less than 10 days' advance notice in the event of a decrease in the Service Fee and not less than 90 days' advance notice in respect of any other change to the Service Fee. The Mint will obtain the approval of the Mint's independent directors (or a committee of its independent directors) prior to any increase to the Service Fee.

Per ETR Entitlement to Silver

The Per ETR Entitlement to Silver will be fixed on the Issue Date and will be expressed as a fraction of one troy ounce of silver as of the Issue Date, reduced daily by the Service Fee at the rate of 0.45% per annum. On the 15th day of each month (or, if not a business day, on the next succeeding business day), the Mint will withdraw an amount of silver bullion necessary to satisfy the Service Fee in respect of the ETRs for the preceding month. The Service Fee for each month will be calculated by applying the Service Fee rate to the aggregate amount of silver bullion owned by the ETR Holders on each day during that month.

The following table shows the impact of the Service Fee on the Per ETR Entitlement to Silver over time, assuming (i) that the Per ETR Entitlement to Silver on the Issue Date is 0.60 troy ounces, (ii) that the Service Fee remains at 0.45% per annum and (iii) that the Issue Date is November 5, 2012.

<u>Per ETR Entitlement to Silver</u>		
<u>Date</u>	<u>Troy Ounces</u>	<u>% Relative to the Date of the Offering</u>
<i>One Year Increments</i>		
November 5, 2012	0.6000000	100%
November 5, 2013	0.5973060	99.55%
November 5, 2014	0.5946242	99.10%
November 5, 2015	0.5919544	98.66%
November 5, 2016	0.5892893	98.21%
November 5, 2017	0.5866434	97.77%
<i>10 Year Increments</i>		
November 5, 2022	0.5735842	95.60%

November 5, 2032	0.5483246	91.39%
November 5, 2042	0.5241839	87.36%

The Per ETR Entitlement to Silver is published daily on the Program Website and the Service Fee rate and an ongoing fee schedule are posted to the Program Website. See "Description of ETRs – Per ETR Entitlement to Silver" for a discussion of the calculation of the Per ETR Entitlement to Silver on the Issue Date.

Termination of the Program

The Program does not have a fixed termination date but may be terminated by the Mint, at its sole discretion, upon the occurrence of one of the following events: (i) a change in the Mint Act, the Financial Administration Act, regulatory requirements, customs duties, other taxes, securities or other laws that changes the Mint's mandate or would adversely affect the ETRs or impair the Mint's ability to operate the Program; (ii) a decision by the Government of Canada to privatize the Mint; (iii) significant or catastrophic loss of the silver bullion evidenced by the ETRs due to, among other things, theft, loss, damage or destruction; (iv) market conditions such that it is no longer economically feasible to continue the Program; (v) the ETRs are de-listed from the TSX or other principal stock exchange on which the ETRs are traded; (vi) the Per ETR Entitlement to Silver or the number of outstanding ETRs declines to a level where the Mint determines, in its sole discretion, that the liquidity of the outstanding ETRs is impaired; (vii) one or more redemption suspensions has been declared and has continued for a period of 90 days; and (viii) CDS notifies the Mint that it is unwilling or unable to continue as depository in connection with the Silver ETR Certificate or ceases to be recognized as a clearing agency under applicable Canadian securities legislation at a time when it is required to be, and no successor depository has been appointed by the Mint (each a "**Termination Event**"). In the event that the Mint elects to terminate the Program, the Mint will endeavour to provide ETR Holders with 90 days' advance notice or such other notice as is practicable in the circumstances. Unless otherwise stated in the termination notice, ETR Holders will be entitled to redeem ETRs for physical silver bullion or cash until the date that is one month prior to the termination date, and each ETR outstanding on the termination date will be redeemed for cash in U.S. dollars equal to 100% of the NAV per ETR determined on the termination date less the per ETR share of the Mint's costs associated with termination. Payment will be made within 10 business days of the termination date or as soon thereafter as is practicable in the circumstances.

If, after a period of six months from the Termination Date, the Mint is unable to locate an ETR Holder, the termination payment to which such ETR Holder is entitled shall be deposited in an account in a chartered bank or trust company in Canada in trust for such ETR Holder. Upon such deposit being made, the ETRs shall be cancelled and the Mint shall have no further liability with respect thereto and the ETR Holder shall have no other right except to receive payment out of the monies so paid and deposited upon presentation of such documentation as may be determined by the chartered bank or trust company to be sufficient. In the event that any money required to be deposited hereunder shall remain so deposited for a period of six years, then such monies, together with any accumulated interest thereon, shall at the end of such period be paid over by such chartered bank or trust company to the Mint on its demand.

Amendments to ETRs and Program

On 90 days' advance notice to ETR Holders, the Mint may: (i) vary the fees charged by the Mint in accordance with the procedure described under "Fees and Expenses" (unless the variation consists only of a reduction in such fees, in which case the notice period may not be less than 10 days); (ii) introduce a cash redemption fee as described under "Fees and Expenses – Redemption of ETRs – Fees for Cash

Redemptions"; (iii) add to, vary, modify, amend or supplement the definition of Excluded Events in accordance with the procedure described under "The Canadian Silver Reserves Program", and (iv) establish procedures pursuant to which issued and outstanding ETRs may be consolidated or subdivided. The other terms of the ETRs or the Program may be amended, varied, modified or supplemented by the Mint if:

- (a) in the opinion of the Mint, the amendment is necessary or desirable and is not materially prejudicial to the rights of the ETR Holder;
- (b) in the opinion of the Mint, the amendment is necessary or desirable to comply with any statutory or other requirement of law or any listing requirement of the TSX or the requirements of any other stock exchange on which the ETRs are listed or in respect of which application for listing has been made or is proposed to be made or to rectify any inconsistency, technical defect, manifest error or ambiguity in the terms of the ETRs;
- (c) in the opinion of the Mint, the amendment is of a formal, minor or technical nature;
- (d) in the opinion of the Mint, the amendment is necessary or desirable to give effect to the issuance of additional ETRs on the basis described under "Description of the ETRs – Follow-On Offerings" including the issuance of additional ETRs in exchange for physical silver; or
- (e) the terms of the amendment are consented to in writing by holders of not less than 50% of the outstanding ETRs.

The Mint will notify ETR Holders of a proposed amendment by posting it on the Program Website and by delivering the notice to the Transfer Agent on behalf of the ETR Holders as soon as practicable after such amendment is proposed and, in any event, upon such amendment becoming effective.

Follow-On Offerings

The Mint may conduct further offerings of ETRs from time to time. Follow-on offerings of the same series of ETRs will have no impact on the Per ETR Entitlement to Silver of existing ETRs. Subsequently issued ETRs of the same series will on their issue date have a Per ETR Entitlement to Silver equal to that of existing ETRs of the same series on such date.

Purchase of ETRs

The Mint may, subject to applicable law and the requirements of the TSX or such other stock exchange on which the ETRs are listed for trading, purchase ETRs in the open market from time to time. Such purchase of ETRs will be on the terms and at the price as the Mint may determine and a holder of ETRs may accept. ETRs purchased by the Mint may be cancelled, held by the Mint or reissued.

Notices

All notices and other communications required to be given to an ETR Holder will be delivered in writing by the Mint directly or indirectly to the applicable ETR Holder. Where a notice or other communication is required to be provided to every ETR Holder, the Mint shall, subject to applicable law, satisfy such obligation by disseminating such notice or communication in a press release, posting it to the Program Website and filing it on SEDAR.

FEES AND EXPENSES

Underwriters' Fee

Pursuant to the Underwriting Agreement referred to under "Plan of Distribution", the Underwriters will be entitled to a fee of 3% of the gross proceeds of the Offering. Based upon gross proceeds of the Offering of C\$100,000,000, the Underwriters' Fee will be C\$3,000,000. The Underwriters' Fee will be paid from the gross proceeds of the Offering.

Expenses of the Offering

All costs associated with the Offering including, but not limited to, the Underwriters' Fee and expenses, the listing fees of the TSX, legal expenses, marketing expenses, financial advisory expenses and applicable silver purchase expenses will be paid from the gross proceeds of the Offering. The expenses of the Offering excluding the Underwriters' Fee are estimated to be C\$950,000 (but in no event shall be greater than 1.25% of the gross proceeds of the Offering).

Service Fee

The Mint charges a Service Fee in respect of its management, storage and custodial services. The Service Fee is calculated and accrued daily at an annual rate of 0.45% of the Per ETR Entitlement to Silver on each day for all outstanding ETRs and paid monthly in arrears on the 15th day of each month (or if not a business day, on the next succeeding business day). The Service Fee will not be applied to those ETRs submitted for redemption but not yet cancelled following the applicable Redemption Date. Each month, the Mint withdraws an amount of silver bullion equal to the Service Fee for such month. Accordingly, the amount of silver bullion evidenced by each ETR decreases daily as the Service Fee is accrued. The Service Fee may be varied by the Mint on not less than 10 days' advance notice in the event of a decrease in the Service Fee and not less than 90 days' advance notice in respect of any other change to the Service Fee. The Mint will obtain the approval of the Mint's independent directors (or a committee of its independent directors) prior to any increase to the Service Fee.

The Per ETR Entitlement to Silver will be fixed on the Issue Date and will be expressed as a fraction of one troy ounce of silver as of the Issue Date, reduced daily by the Service Fee at the rate of 0.45% per annum. On the 15th day of each month (or, if not a business day, on the next succeeding business day), the Mint will withdraw an amount of silver bullion necessary to satisfy the Service Fee in respect of the ETRs for the preceding month. The Service Fee for each month will be calculated by applying the Service Fee rate to the aggregate amount of silver bullion owned by the ETR Holders on each day during that month.

The Per ETR Entitlement to Silver is published daily on the Program Website and the Service Fee rate and an ongoing fee schedule are posted to the Program Website. See "Description of ETRs – Per ETR Entitlement to Silver" for a discussion of the calculation of the Per ETR Entitlement to Silver on the Issue Date.

Redemption Fees

Fees for Cash Redemptions

ETR Holders will not be charged a fee in respect of cash redemptions. However, in accordance with the formula for calculating the Cash Redemption Price, the Mint will retain 5% of the lesser of (i) the

volume-weighted average trading price of the ETRs on the TSX for the last five trading days prior to and including the Redemption Date, and (ii) the NAV per ETR on the Redemption Date.

The Mint may introduce a cash redemption fee on 90 days' advance notice to ETR Holders. Any cash redemption fee introduced by the Mint will be limited to offsetting increased processing or administrative costs associated with cash redemptions.

Fees for Physical Silver Bullion Redemptions

ETR Holders redeeming for physical silver bullion will be charged the following Physical Redemption Fees:

Redemption Processing Fee: C\$100 fee is to offset administrative costs to the Mint associated with a physical redemption and is similar to the administrative fees charged by the Mint to its other storage customers.

Fabrication Fees: Fees for the following physical silver bullion products will cover fabrication costs:

Silver Maple Leaf coins:	US\$3.00 per ounce;
100 ounce bars:	US\$1.50 per ounce; and
London Good Delivery bars:	US\$0.25 per ounce.

Such fees may be varied by the Mint on not less than 10 days' advance notice in the event of a decrease in such fees and not less than 90 days' advance notice in respect of any other change to such fees.

Expenses for Physical Silver Bullion Redemption

ETR Holders redeeming for physical silver bullion will be responsible for arranging pick-up and delivery of the physical silver bullion from the Mint by an industry-recognized armoured carrier, as set out in the Program Website. The redeeming ETR Holder will bear all expenses and taxes relating to transporting the physical silver bullion from the Mint to the location it determines.

COMPUTATION OF NET ASSET VALUE

The Mint will be responsible for the calculation of the Program's net asset value ("**NAV**") and will calculate the NAV as of 4:00 p.m., Toronto time, on each business day. The NAV per ETR on any day will be expressed in U.S. dollars and will be determined by multiplying the Per ETR Entitlement to Silver by the London fix silver price (the "**Silver Price**") established at 12:00 p.m. (London time) on that day by three market making members of the London Bullion Market Association (the "**LBMA**"). If such pricing is not available, the physical silver bullion will be valued at a price provided by another pricing service as determined by the Mint. The determination of NAV by the Mint will be conclusive and binding on ETR Holders. See "Description of ETRs – Per ETR Entitlement to Silver" for a discussion of the calculation of the Per ETR Entitlement to Silver.

Reporting of Net Asset Value

The NAV will be reported each business day on the Program Website or by calling the Mint toll-free at 1-866-677-1477.

Suspension of Calculation of Net Asset Value

In the event of any suspension of redemptions for physical silver bullion and/or cash, the Mint will suspend the calculation of NAV. During any such period of suspension, the Mint will not issue or redeem any ETRs.

In the event of any such suspension, the Mint will issue a press release announcing the suspension or the termination of such suspension, as the case may be. For further information, see "Description of ETRs – Suspension of Redemptions".

SUMMARY INFORMATION REGARDING SILVER

Silver is a white, lustrous metal with many unique properties, which include its strength, malleability and ductility, high electrical and thermal conductivity and high optical reflectivity. As a result of these unique properties, silver is used extensively in electronics, photography, mirrors and glass coatings and as a catalyst in chemical reactions, among other industrial and manufacturing applications. Considered a precious metal, silver is also used in jewelry and other decorative items, in tableware and utensils, and for trade and currency.

The London Bullion Market

Although the market for physical silver is global, most over-the-counter market trades are cleared through London. The principal representative body of the London silver bullion market is the LBMA. The LBMA coordinates market clearing and vaulting, promotes good trading practices and develops standard documentation. At 12:00 p.m. (London time) on each trading day, three market making members of the LBMA conduct a "fixing" which provides the reference silver price for that day's trading. This price is referred to as the "London fix". Many long-term contracts will be priced on the basis of the London fix, and market participants will usually refer to this price as a basis for valuations.

The LBMA is also involved in the promotion of refining standards by maintenance of the "London Good Delivery Lists", which are the lists of LBMA accredited melters and assayers of silver. The Mint is one of four Canadian silver refiners listed on the London Good Delivery Silver List. Silver bars meeting the specifications for weight, dimensions, fineness (or purity), identifying marks (including the assay stamp of an LBMA-acceptable refiner) and appearance set forth in "The Good Delivery Rules for Gold and Silver Bars" published by the LBMA are described as "London Good Delivery bars". A London Good Delivery bar must contain between 750 ounces and 1,100 ounces of silver with a minimum fineness (or purity) of 999.0 parts per 1,000. Unless otherwise specified, the silver spot price always refers to that of a London Good Delivery bar. The unit of trade in London is the troy ounce. The conversion between grams and troy ounces is: 1,000 grams = 32.1507465 troy ounces and 1 troy ounce = 31.1034768 grams.

This and other information about the London bullion market is available on the LBMA's website at www.lbma.org.uk. The information available on the LBMA's website is not incorporated by reference in, and does not form part of, this Information Statement.

Silver Futures Exchange

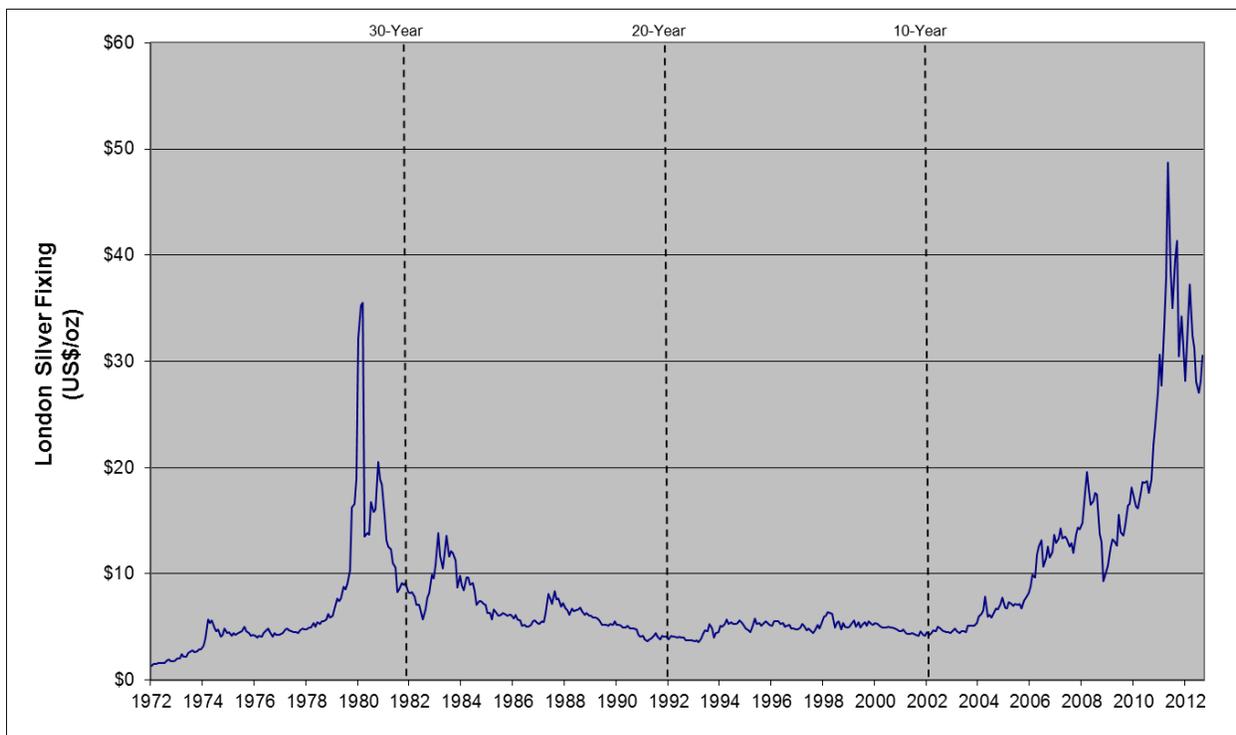
The Commodity Exchange, Inc. ("**COMEX**"), a division of the New York Mercantile Exchange, is the world's largest physical silver futures and options exchange. Trading on COMEX is based on fixed delivery dates and transaction sizes for the futures and options contracts traded. Trading costs are negotiable. During regular trading hours at COMEX, the commodity contracts are traded through open outcry: a verbal auction in which all bids, offers and trades must be publicly announced to all members.

Electronic trading is offered by the exchange after regular market hours. This and other information about COMEX is available on the COMEX website at www.cmegroup.com/trading/metals/precious/silver. The information available on the COMEX website is not incorporated by reference in, and does not form part of, this Information Statement.

Historical Silver Price Performance

The following chart displays the price performance of silver for the period from January 1, 1972 to August 31, 2012 using the month-end Silver Prices obtained from Bloomberg Financial Services:

January 1972 – September 2012



Source: Bloomberg (October 26, 2012).

On the date hereof, the London fix silver price was US\$31.82 per troy ounce.

Information Relating to Silver in this Information Statement

Information contained in this Information Statement relating to silver bullion, the silver sector and the exchanges and market places on which silver trades is derived from and based solely upon publicly available information. Neither the Mint, the Underwriters nor any of their respective affiliates or associates have independently verified the accuracy, reliability or completeness of any such information or make any assurances, representations or warranties with respect to, nor assume any responsibility for, the accuracy, reliability or completeness of such information, or accept responsibility for the provision of any future information with respect to silver bullion, the silver sector and the exchanges and market places on which silver trades, nor has any duty or obligation to update such information up to or after the Issue Date. Investors shall have no recourse against the Mint, the Underwriters or any of their respective affiliates or associates in connection with any information about and/or relating to silver bullion, the silver

sector and the exchanges and market places on which silver trades contained in this Information Statement or elsewhere.

Prospective purchasers should independently investigate silver bullion, the silver market and the exchanges and market places on which silver trades prior to making an investment decision with respect to the ETRs. Prospective purchasers should carefully consider the factors set out under "Risk Factors" before reaching a decision to buy ETRs.

USE OF PROCEEDS

The estimated net proceeds of the Offering, after deducting the Underwriters' Fee and all other expenses of the Offering, including the listing fees of the TSX, legal expenses, marketing expenses, financial advisory expenses, expenses of the Underwriters and applicable silver purchase expenses (estimated to be C\$950,000, but in no event to exceed 1.25% of the gross proceeds of the Offering), will be C\$96,050,000. The net proceeds of the Offering will be applied to the purchase of silver bullion from third party suppliers on behalf of the purchasers of ETRs hereunder. The silver so purchased will be delivered to the Mint's facilities on the Issue Date

AVAILABILITY OF INFORMATION RELATING TO THE ETRs

The Mint will maintain a website for the Program at www.reserves.mint.ca (the "**Program Website**"). The Information Statement and Silver ETR Certificate will be posted to the Program Website and will be available under the Mint's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"), which can be accessed at www.sedar.com. On the Issue Date, the Mint will post to the Program Website the weighted average of the silver spot rates at which the silver evidenced by the ETRs was purchased and the London fix silver price on the Issue Date. On an ongoing basis, the Mint will publish on the Program Website and file on SEDAR reports of any change in the business, operations or capital of the Mint or, if known by the Mint, the Government of Canada, that would reasonably be expected to have a significant effect of the market price or value of the ETRs. The Mint will also publish on the Program Website and file on SEDAR any notice that it delivers to all ETR Holders and any other communication to all ETR Holders, including press releases disseminated by the Mint relating to the Program or the ETRs. Certain additional information regarding the ETRs is also provided on an ongoing basis on the Program Website, including: (i) a daily calculation of the Per ETR Entitlement to Silver; (ii) a daily calculation of the NAV and the NAV per ETR; (iii) the current trading price of the ETRs; (iv) the historical trading prices of the ETRs; (v) the fees associated with the ETRs for the last three years (or period available); and (vi) the daily Silver Price. A compilation of such information will be made available on the Program Website and filed on SEDAR on a quarterly basis. The Program's NAV will also be made available to ETR Holders by calling the Mint toll-free at 1-866-677-1477.

PLAN OF DISTRIBUTION

Pursuant to an agreement dated October 29, 2012 (the "**Underwriting Agreement**") between the Mint and TD Securities Inc., National Bank Financial Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Canaccord Genuity Corp., Scotia Capital Inc., BMO Nesbitt Burns Inc., Dundee Securities Ltd., Raymond James Ltd., Desjardins Securities Inc., GMP Securities L.P., Mackie Research Capital Corporation, Macquarie Private Wealth Inc. and MGI Securities Inc. (the "**Underwriters**"), the Mint has agreed to sell, and the Underwriters have agreed to purchase, as principals, on the Issue Date, the ETRs offered hereby at the Issue Price, subject to compliance with all of the necessary legal requirements and the terms and conditions contained in the Underwriting Agreement. TD Securities Inc. and National Bank Financial Inc. are the joint bookrunners of the Offering.

The Underwriting Agreement provides that the Underwriters will be paid an underwriting fee (the "**Underwriters' Fee**") equal to 3% of the gross proceeds of the Offering on account of services rendered. The proceeds of the Offering, net of the Underwriters' Fee and the expenses of the Offering, which are estimated to be C\$950,000 (but in no event to exceed 1.25% of the gross proceeds of the Offering), will be applied to the purchase of silver bullion from third party suppliers on behalf of the purchasers of ETRs hereunder. See "Use of Proceeds".

The Underwriters may not, throughout the period of distribution under this Information Statement, bid for or purchase the ETRs. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer when the order was not solicited during the period of distribution.

The ETRs may also be sold directly by the Mint at the issue price and upon such terms as are agreed to by the Mint and the purchaser.

The ETRs have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons unless the ETRs are registered under the 1933 Act or an exemption from the registration requirements of the 1933 Act is available. The Underwriters have agreed that they will not offer or sell the ETRs within the United States, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S under the 1933 Act).

The obligations of the Underwriters under the Underwriting Agreement are several, not joint or joint and several, and may be terminated (i) at their discretion on the basis of their assessment of the state of the financial markets and (ii) upon the occurrence of certain stated events. The Underwriters are, however, severally obligated to take up and pay for all of the ETRs offered hereby if any such ETRs are purchased under the Underwriting Agreement. Under the terms of the Underwriting Agreement, the Underwriters may be entitled to indemnification by the Mint against certain liabilities, including liabilities for misrepresentation in this Information Statement.

Each of The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce, Royal Bank of Canada, The Bank of Nova Scotia and Bank of Montreal is a party to arrangements with the Mint involving the custody, refining and/or leasing of precious metals. In addition, it is expected that one of these parties will be the third party silver supplier that will sell silver bullion with a value equal to the net proceeds of the Offering to the purchasers of ETRs under this Offering on the Issue Date. Fees negotiated at arm's length are payable to the banks under these business arrangements. The Toronto-Dominion Bank, Canadian Imperial Bank of Commerce, Royal Bank of Canada, The Bank of Nova Scotia and Bank of Montreal are the parent companies of TD Securities Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and BMO Nesbitt Burns Inc., respectively, each of whom are Underwriters under the Offering. The Mint may also have other dealings with Canadian chartered banks or investment dealers for other financial services from time to time, for example to hedge the Mint's currency exposure.

RISK FACTORS

An investment in ETRs involves certain risks. A prospective purchaser of ETRs should consider carefully the risks described below before making an investment decision. Prospective purchasers should also refer to the other information included in this Information Statement.

Risks Relating to the Program and the ETRs

The value of the ETRs relates directly to the value of the silver held at the Mint, and fluctuations in the price of silver could materially adversely affect an investment in the ETRs.

The ETRs are designed to mirror as closely as possible the performance of the price of silver, and the value of the ETRs relates directly to the value of the silver evidenced by the ETRs, less fees. The price of silver has fluctuated widely in recent years and accordingly the ETRs may experience significant price fluctuations. If ETRs are sold at a time when the price of silver is lower than at the time of the original investment, ETR Holders will suffer losses. ETR Holders will have no recourse to the Mint or the Government of Canada for any loss on their investment. Even if the ETRs are held for the long-term, that may not result in a profit, since silver markets have historically experienced extended periods of flat or declining prices, in addition to sharp fluctuations. In addition, there is no assurance that silver will maintain its long-term value in terms of purchasing power. In the event that the price of silver declines, the Mint expects the value of an investment in the ETRs to decline proportionately.

Silver bullion is traded internationally and its price is generally quoted in U.S. dollars. The price of the ETRs will depend on, and typically fluctuate with, the price fluctuations of silver. The price of silver may be affected at any time by many international, economic, monetary and political factors, many of which are unpredictable. These factors include, without limitation:

- (a) global silver supply and demand, which is influenced by such factors as: (i) forward selling by silver producers; (ii) purchases made by silver producers to unwind silver hedge positions; (iii) central bank purchases and sales; (iv) production and cost levels in major silver-producing countries; (v) new production projects; and (vi) consumer and industrial demand for silver;
- (b) investors' expectations for future inflation rates;
- (c) the exchange rate volatility of the U.S. dollar, the principal currency in which the price of silver is generally quoted;
- (d) interest rate volatility;
- (e) investment and trading activities of hedge funds and commodity funds; and
- (f) unexpected global, or regional, political or economic incidents.

Changing tax, royalty, land and mineral rights ownership and leasing regulations in silver producing countries can have an impact on market functions and expectations for future silver supply. This can affect both share prices of silver mining companies and the relative prices of other commodities, which are competitive factors that may affect investor decisions in respect of investing in silver and the ETRs.

An investment in ETRs will yield long-term gains only if the value of silver increases in an amount in excess of the fees associated with the Program.

The ETR's long-term performance is wholly-dependent on the long-term performance of the price of silver. As a result, an investment in ETRs will yield long-term gains only if the value of silver increases in an amount in excess of the Service Fee. The Service Fee will be calculated and accrued daily at an annual rate of 0.45% of the Per ETR Entitlement to Silver on each day for all outstanding ETRs and will be paid monthly in arrears on the 15th day of each month (or if not a business day, on the next succeeding business day).

The withdrawal of silver by the Mint to pay fees will reduce the amount of silver evidenced by each ETR on an ongoing basis irrespective of whether the trading price of the ETRs rises or falls in response to changes in the price of silver.

Each ETR will evidence an equal undivided direct legal and beneficial ownership interest in the aggregate amount of unallocated silver held at the Mint on behalf of ETR Holders. As the Service Fee accrues daily and is paid monthly in arrears, the amount of silver evidenced by each ETR will, and the NAV may, gradually decline over time. This is true even if additional ETRs are issued in future offerings, as the amount of silver acquired with the net proceeds of any such future offering will proportionately reflect the amount of silver evidenced by such ETRs. Assuming a constant silver price, the trading price of the ETRs is expected to gradually decline relative to the price of silver as the amount of silver evidenced by the ETRs gradually declines. The ETRs will only maintain their original value if the price of silver increases enough to offset the Service Fee. Investors should be aware that the gradual decline in the amount of silver bullion owned by ETR Holders will occur regardless of whether the trading price of the ETRs rises or falls in response to changes in the price of silver.

The estimated effect over time of the application of the Service Fee on the Per ETR Entitlement to Silver is described in "Description of the ETRs – Fees – Per ETR Entitlement to Silver" and "Fees and Expenses – Service Fee".

The Mint may conduct further offerings of ETRs from time to time that may be below the trading price of ETRs on the TSX at that time.

The Mint may conduct further offerings of ETRs from time to time. Follow-on offerings of securities of issuers that are traded on an exchange are usually priced below the trading price of such securities at the time of an offering to induce investors to purchase securities in the follow-on offering rather than through the exchange on which such securities are traded. Consequently, the price to the public at which such ETRs are offered likely will be below the trading price of ETRs on the TSX at the time of the offering, which may have the effect of lowering the trading price of ETRs immediately after the pricing of such follow-on offering. The price per ETR issued pursuant to the exercise by ETR Holders of a Purchase Right may be lower than the trading price of ETRs on the TSX on the corresponding Purchase Date. Accordingly, the issuance of ETRs upon the exercise of such Purchase Right may have the effect of lowering the trading price of ETRs on such Purchase Date.

A redemption of ETRs for cash will yield a lesser amount than selling the ETRs on the TSX, if such a sale is possible.

The cash redemption value per ETR is based on 95% of the lesser of (i) the volume-weighted average trading price of the ETRs on the TSX for the last five trading days prior to and including the Redemption Date and (ii) the NAV per ETR on the Redemption Date. Accordingly, redeeming the ETRs for cash will generally yield a lesser amount than selling the ETRs on the TSX, assuming such a sale is possible.

The Mint may terminate the Program and redeem all ETRs for cash upon the occurrence of a Termination Event.

The Mint may terminate the Program and redeem all ETRs for cash at NAV upon the occurrence of a Termination Event. Such termination and redemption could occur at a time which is disadvantageous to ETR Holders, including within a short period of time following the Issue Date or at a time when silver prices are lower than the silver price at the Issue Date. In such a case, the redemption proceeds paid to ETR Holders will be less than if silver prices were higher at the time of sale.

The NAV of the ETRs will fluctuate and may differ from the trading price of the ETRs.

The NAV of the ETRs is based on the daily Silver Price reported for silver bullion. The ETRs may trade in the market at a premium or discount to their NAV. Accordingly, the market value of the ETRs may, at any time, be greater or less than the realizable value of the silver bullion evidenced by the ETRs. There can be no assurance that the ETRs will trade at prices that reflect their NAV.

The ETRs may trade at a price that is above or below the NAV, and any discount or premium in the trading price relative to the NAV may widen as a result of non-concurrent trading hours between the COMEX and the TSX.

The ETRs may trade in the market at a premium or discount to the NAV per ETR and there can be no assurance that the ETRs will trade at a price equal to the NAV per ETR. This risk is separate and distinct from the risk that the NAV per ETR may decrease. The amount of the discount or premium in the trading price relative to the NAV per ETR may be influenced by non-concurrent trading hours between the COMEX which is the U.S. exchange on which silver for physical delivery is traded, and the TSX. While the ETRs will trade on the TSX until 4:00 p.m., Toronto time, liquidity in the global silver market will be reduced after the close of COMEX at 1:30 p.m., Toronto time. As a result, during this time, trading spreads, and the resulting premium or discount to the NAV per ETR may widen.

The lack of a market for the ETRs may limit the ability of ETR Holders to sell their ETRs.

Prior to the date of this Information Statement, there has been no market for the ETRs, and there can be no assurance that an active trading market for the ETRs will develop. If an active trading market for the ETRs does not develop or continue, the market price and liquidity of the ETRs may be adversely affected.

Prospective purchasers need to independently determine the suitability of investing in ETRs.

Prospective purchasers should determine whether an investment in ETRs is appropriate in their particular circumstances and should consult with their legal, business and tax advisors in evaluating the consequences of an investment in the ETRs. An investment in ETRs is only suitable for investors who: (i) have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in ETRs; (ii) have access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of their financial situation; and (iii) are capable of bearing the economic risk of an investment in the ETRs. No written or oral communication from the Mint or any underwriter for the offering should be considered as an assurance or guarantee as to the expected results of an investment in ETRs.

A purchase of ETRs is an investment in physical silver and not a diversified investment program.

A purchaser of ETRs receives a direct legal and beneficial interest in physical silver bullion. Such an investment may be deemed speculative and is not a diversified investment program. The trading price

and NAV of the ETRs may be more volatile than another investment vehicle with a more broadly diversified portfolio and may fluctuate substantially over time.

A notice of redemption is irrevocable.

In order to redeem ETRs for cash or silver, an ETR Holder must provide a notice of redemption to its Broker. Once a notice of redemption is submitted by an ETR Holder, it can no longer be revoked by the ETR Holder under any circumstances. Accordingly, the redeeming ETR Holder is subject to any change in the trading price and NAV of the ETRs that occurs between the time such ETR Holder provides a notice of redemption and the applicable Redemption Date. The Transfer Agent or the Mint may reject such notice if it does not comply with the requirements for a notice of redemption.

Substantial redemptions of ETRs may affect the liquidity and trading price of the ETRs and result in an increase in the Service Fee.

Substantial redemptions of ETRs could result in a decrease in the trading liquidity of the ETRs. Substantial redemptions will also result in a decrease in the number of ETRs outstanding which could necessitate an increase in the amount of the Service Fee. An increase to the Service Fee will reduce the Per ETR Entitlement to Silver and may reduce the NAV per ETR and the trading price of the ETRs. If the amount of physical silver evidenced by the ETRs declines to a level where the Mint determines, in its sole discretion, that the liquidity of the outstanding ETRs is impaired, the Mint will have the right to terminate the Program and redeem outstanding ETRs for cash.

The Mint may suspend redemptions, which may affect the trading price of the ETRs.

In certain circumstances, the Mint may suspend the right of ETR Holders to redeem their ETRs or postpone the date of delivery or payment of the redemption proceeds (whether silver bullion and/or cash, as the case may be). Such circumstances include any period during which the Mint determines that conditions exist which render impractical the fabrication, evaluation or sale of silver or which impair the ability of the Mint to determine the value of the silver bullion owned by ETR Holders or the redemption amount for the ETRs. This may affect the trading price of the ETRs at a time when an investor wishes to sell its ETRs on the TSX. Accordingly, the ETRs may not be an appropriate investment for investors who seek immediate liquidity.

Canadian registered plans that redeem their ETRs for physical silver bullion may be subject to adverse consequences.

Silver bullion received by a Canadian registered plan, such as a registered retirement savings plan, pursuant to a redemption of ETRs for silver bullion may not be a qualified investment for such plan. Accordingly, such plans (and in the case of certain plans, the annuitants or beneficiaries thereunder or holders thereof) may be subject to adverse Canadian tax consequences including, in the case of registered education savings plans, revocation of such plans. See "Eligibility Under The Tax Act For Investment By Canadian Exempt Plans".

Changes in legislation and regulation may adversely affect the ETRs.

There can be no assurance that regulatory requirements, customs duties, other taxes, securities and other laws will not be changed in a manner that adversely affects the ETRs. There can be no assurance that Canadian federal income tax laws and the administrative policies and the assessing practices of the CRA (as defined below) respecting the ETRs (including the ability of certain ETR Holders to treat their ETRs as capital property) will not be changed in a manner that adversely affects the ETR Holders.

The Mint will not be liable to a redeeming ETR Holder that suffers loss of, or damage to, its silver bullion during pick-up and delivery from the Mint.

If an ETR Holder elects to redeem ETRs for silver bullion, the ETR Holder's silver bullion will be allocated to the ETR Holder and transported by an industry-recognized armoured carrier engaged by the redeeming ETR Holder. At the time the Mint remits the silver bullion to the industry-recognized armoured carrier, the redeemed silver bullion will be allocated to such ETR Holder. The redeeming ETR Holder will bear the risk of loss or damage from the moment the industry-recognized armoured carrier takes possession of the silver bullion on behalf of such ETR Holder. In the event any loss or damage to the silver bullion occurs after such time, including but not limited to loss or damage in connection with pick-up and delivery of the silver bullion, the Mint will not be liable to such ETR Holder for such loss or damage.

London Good Delivery silver bars delivered to an ETR Holder upon a redemption for physical silver bullion may no longer be deemed London Good Delivery once delivered.

London Good Delivery bars have the advantage that a purchaser generally will accept such bars as comprising of the indicated number of troy ounces of at least .995 fine silver without assaying or otherwise testing them. This provides London Good Delivery bars with added liquidity as a sale of such bars can be completed more easily than the sale of silver bullion that is not London Good Delivery. If an ETR Holder redeems ETRs for physical silver bullion and has the silver delivered to an institution authorized to accept and hold London Good Delivery silver bars through an industry-recognized armoured carrier that is eligible to transport London Good Delivery silver bars, it is likely that the silver will retain its London Good Delivery status while in the custody of that institution. However, if the redeeming ETR Holder instructs that silver be delivered to a destination other than such an institution or by an armoured carrier that is not eligible to transport London Good Delivery bars, the silver bullion delivered to the ETR Holder will no longer be deemed London Good Delivery once it has been delivered pursuant to the redeeming ETR Holder's delivery instructions, which may make a future sale of such silver more difficult.

An increase to the Service Fee will reduce the Per ETR Entitlement to Silver and may reduce the NAV per ETR and the trading price of the ETRs.

The Mint may increase the Service Fee on 90 days' advance notice to ETR Holders. An increase to the Service Fee will reduce the Per ETR Entitlement to Silver at an increased rate and may reduce the NAV per ETR and the trading price of the ETRs. If the Mint's expenses associated with the Program increase, the Mint may elect to increase the Service Fee in order to cover such expenses. For example, an increase in the value of the Canadian dollar in relation to the U.S. dollar may increase such expenses.

Risks Relating to the Silver Market

The international silver bullion market has experienced historically high trading prices in recent years and there can be no assurance that this historically high trading price of silver will be sustained.

Since December 2005, prices in the international silver bullion market have been higher than at any time during the previous 20 years. The price of physical silver bullion going forward and the value of the ETRs may be dependent upon factors such as global physical silver bullion supply and demand, investors' inflation expectations, exchange rate volatility and interest rate volatility. An adverse development with regard to one or more of these factors may lead to a decrease in physical silver bullion trading prices. A decline in prices of physical silver bullion would decrease the NAV of the ETRs and the trading value of the ETRs.

Competition from other methods of investing in silver may adversely affect the market for and liquidity of the ETRs.

The ETRs will compete with other securities and investment vehicles, including traditional debt and equity securities issued by silver producers and other securities backed by or linked to silver and direct investments in silver. To the extent that investors determine that it is more attractive to invest in such alternatives, it may limit the market for the ETRs and reduce the liquidity of the ETRs and, accordingly, the trading price of the ETRs.

The announcement of the Offering and the intended Issue Date, being the date in which physical silver bullion will be purchased from third party suppliers on behalf of the initial purchasers of ETRs, may temporarily affect the price of silver.

Depending on the size of the Offering, the amount of silver bullion purchased from third party suppliers on behalf of the initial purchasers of ETRs may be significant on a short term basis. Based on publicly available data published in the *World Silver Survey 2012* prepared by Thomson Reuters GFMS, 3 million troy ounces of physical silver bullion purchased on behalf of initial purchasers of ETRs would represent 0.28% and 0.29% of the total supply of silver available from all sources for the entire twelve-month period in calendar years 2010 and 2011, respectively. Accordingly, the announcement of such purchase may have the effect of temporarily increasing the price of physical silver bullion. In the event that the announcement of the Offering temporarily increases the price of silver in advance of the Issue Date, initial purchasers of ETRs will acquire a lesser amount of physical silver bullion than they otherwise would. If the price of silver declines after the purchase of physical silver bullion in connection with the Offering, such decline would decrease the NAV of the ETRs and may decrease the trading value of the ETRs.

Silver supply is related to the mining of other metals.

A significant portion of the world's silver supply is produced as a result of other metal mining (lead, zinc, copper or gold). Accordingly, silver production, and therefore silver prices, may be influenced by fluctuations in the demand and/or price of other metals. To the extent demand for base metals increases disproportionately to demand for silver, there may not be sufficient demand for the increased supply of silver that results from increased base metal mining. Consequently, the price of silver may decline which may adversely affect an investment in the ETRs.

A decrease in the price of gold may result in a similar decrease in the price of silver.

The price of silver has historically shown a high correlation to the price of gold. Accordingly, a decline in the price of gold resulting from, among other factors, a substantial sell-off of gold in a time of crisis, future governmental decisions with respect to gold, or substantial sales of gold by the official sector, may result in a similar decline in the price of silver.

Risks Relating to the Mint

ETR Holders bear the risk of the loss, damage or destruction of silver held by the Mint in certain circumstances.

There is a risk that some or all of the silver held by the Mint could be lost, damaged or destroyed. The Mint bears all risk of physical loss, damage or destruction of silver bullion in the Mint's care, custody and control (regardless of culpability by the Mint) except in the case of circumstances beyond the Mint's reasonable control, which include, but are not limited to: (i) acts or omissions or the failure to cooperate

of any third party or an ETR Holder (including entities under the ETR Holder's control); (ii) acts of God; (iii) any law, order or requirement of any governmental agency or authority; (iv) war or other violence; (v) radioactive or other contamination; (vi) acts of terrorism or (vii) the use or operation of any computer, computer system, computer virus or any other electronic process as a means for inflicting harm. See "The Canadian Silver Reserves Program". As the direct legal and beneficial owners of the silver bullion held by the Mint, ETR Holders bear the risk of loss, damage or destruction of the silver bullion owned by ETR Holders as the result of an Excluded Event. In all other circumstances, if there is a loss, damage or destruction of the silver bullion held by the Mint, ETR Holders must rely on the Mint's ability to satisfy any claims against it (the Mint's obligations under the ETRs will be backed by the full faith and credit of the Government of Canada). The Mint is not liable under any circumstances for special, incidental, consequential, indirect and punitive damages, losses and costs (including lost profits and lost savings), except as a result of gross negligence or wilful misconduct by the Mint and whether or not the Mint had knowledge that such losses or damages might be incurred. Any loss, damage or destruction of silver bullion related to the Program for which compensatory damages cannot be recovered will have a negative impact on the value of the ETRs.

In the event the silver bullion is lost, damaged or destroyed, recovery will be limited to the market value of the silver at the time the loss is discovered.

If there is a compensable loss due to physical loss, damage or destruction with respect to the silver held by the Mint, the Mint's liability to the ETR Holder is limited to the Silver Price on the trading day following the date the loss is discovered. If the Silver Price increases between the time the loss is discovered and the time the Mint purchases silver bullion to replace the losses, less silver bullion will be acquired for the account of the ETR Holders and the NAV per ETR will be negatively affected.

Although the Mint believes that it will be able to provide replacement silver or compensate ETR Holders within five business days following an event of compensable loss of silver bullion owned by ETR Holders, in circumstances of catastrophic loss such time period may be longer.

ETR Holders are not entitled to participate in management of the Mint.

ETR Holders do not have the statutory rights normally associated with the ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative actions". The ETRs represent a direct legal and beneficial ownership interest in the silver bullion held for ETR Holders by and at the Mint. The ETRs are not voting or equity securities of the Mint. Accordingly, ETR Holders are not entitled to participate in the management or control of the Mint or the operations of the Program. ETR Holders do not have any input into the daily activities of the Program or of the Mint.

The ETR Holders' silver will not be allocated but rather will be unallocated within the general supply of physical silver within the Mint's refinery and production operations.

The Mint intends to use the physical silver owned by ETR Holders within its general refinery and production operations and as such it will not be held separate and stored separately from other unallocated silver bullion held at the Mint, as is done for certain silver customers on a fully allocated basis. The Mint believes it can manage its unallocated silver in a manner that fully protects the ownership and related rights of ETR Holders. However, unallocated silver under the custodial care of the Mint, including the unallocated silver of ETR Holders, will not be held separately or audited or inspected on a stand-alone basis.

In the event that any of the silver held by the Mint on an unallocated basis is subject to non-compensable loss, damage or destruction, all owners of such unallocated silver, including both ETR Holders and non-ETR Holders, will be subjected to such loss on a *pro rata* basis.

Under Canadian law, ETR Holders may have limited recourse against the Mint.

The Mint is a Canadian Crown corporation. A Crown corporation may be entitled to immunity if it acts as agent of the Crown rather than in its own right and on its own behalf. Pursuant to the Mint Act, the Mint is for all its purposes, including those related to the Program, an agent of the Crown and acting on behalf of the Crown. In certain circumstances, the Mint could be protected by the immunity of the Crown; however, pursuant to the terms of the ETRs, the Mint will waive such immunity as it relates to an ETR Holder's claim for loss thereunder.

The Mint may become a private enterprise or the assets of the Mint could be sold to a private enterprise, in which case its obligations will not constitute the unconditional obligations of the Government of Canada.

Although the Mint is not aware of any active proposals to privatize the Mint, in whole or in part, there can be no assurance that the Mint will remain a Crown corporation. The Mint would not remain a Crown corporation if the Government of Canada were to privatize the Mint. If the Mint were to become a private entity, its obligations would no longer generally constitute unconditional obligations of the Government of Canada and there would be no assurance that the Mint would have the resources to satisfy claims of ETR Holders against the Mint for non-performance of its obligations under the ETRs. In such a situation, the Mint may elect to terminate the Program or may elect to continue the program, depending on the circumstances surrounding such a privatization.

The Mint is not required to comply with many of the continuous disclosure requirements applicable to reporting issuers in Canada.

The Mint is a reporting issuer under applicable Canadian securities laws by virtue of the listing of the Mint's gold exchange-traded receipts on the TSX. However, under the terms of an order issued by Canadian securities regulators, the Mint is not required to comply with many of the continuous disclosure requirements applicable to reporting issuers under National Instrument 51-102 - *Continuous Disclosure Obligations* and certain related instruments. For instance, the Mint does not publicly file on SEDAR any annual or interim financial statements, management discussion and analysis, annual information forms or other continuous disclosure documents prescribed by rules applicable to reporting issuers. The Mint will, however, publicly file on SEDAR and post to the Program Website reports of any change in the business, operations or capital of the Mint or, if known by the Mint, the Government of Canada, that would reasonably be expected to have a significant effect on the market price or value of the ETRs. The Mint will also file on SEDAR and post to the Program Website on a quarterly basis a compilation of certain information posted on the Program Website during the preceding quarter. Accordingly, ETR Holders may not have access to ongoing information regarding the business, operations and financial condition of the Mint in the manner or to the extent that such information is made available to investors in the securities of other reporting issuers.

The Program is a new business for the Mint and the Mint has limited operating history in issuing and managing listed securities.

Management of the Mint has limited experience or expertise in issuing and managing listed securities. Although the Mint believes it has the necessary resources to fulfil its obligations under the Program, there can be no assurance that it has accurately anticipated all of its needs in this respect and it may need to

seek additional resources in the future in connection with its operation of the Program which could result in increased Service Fee.

If the Government of Canada were to default on its debt or other obligations, the obligations of the Mint under the Program may cease to be supported by the Government of Canada.

By virtue of the Mint's status as an agent of the Government of Canada, each ETR constitutes a direct unconditional obligation of Her Majesty in right of Canada. However, if the Government of Canada were to default on any of its debt or other obligations it may become unable or unwilling to perform any of its obligations with respect to the Program and the ETRs. There is no assurance that the credit rating of the Government of Canada will remain in effect for any given period of time or that any rating will not be lowered or withdrawn by any rating agency.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc. in Toronto, Ontario will act as transfer agent and registrar (in such capacity, the "**Transfer Agent**") for the ETRs and will maintain a register of ETR Holders and transfers of ETRs. Such register will be kept at the office of the Transfer Agent in Toronto, Ontario, or at such other office notified by the Mint to ETR Holders. The Transfer Agent will also cancel ETRs that have been redeemed and, if required, arrange mailings to ETR Holders upon direction from the Mint.

PROSPECTUS AND CONTINUOUS DISCLOSURE EXEMPTIONS

As a result of an exemptive relief decision (the "**Prior Order**") granted by the Ontario Securities Commission (the "**OSC**") on August 30, 2011 and an exemptive relief decision (the "**Silver Order**") granted by the OSC on October 12, 2012, the Mint is exempt from:

- (a) the requirement to prepare a prospectus relating to the offering of ETRs and from all of the requirements of National Instrument 41-101 – *General Prospectus Requirements*;
- (b) the continuous disclosure requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*, other than the requirement to post to the Program Website reports of any change in the business, operations or capital of the Mint or, if known by the Mint, the Government of Canada, that would reasonably be expected to have a significant effect on the market price or value of the ETRs;
- (c) the auditor oversight requirements of National Instrument 52-108 – *Auditor Oversight*;
- (d) the certification requirements of National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*;
- (e) the audit committee requirements of National Instrument 52-110 – *Audit Committees*;
- (f) the corporate governance disclosure requirements of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;
- (g) the SEDAR requirements of National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval (SEDAR)*, other than as such requirements apply to the Program and the ETRs; and

- (h) the requirement to create a SEDI profile and file event reports pursuant to National Instrument 55-102 – *System for Electronic Disclosure by Insiders (SEDI)*.

The Silver Order is conditional upon the Mint (i) continuing to be a Crown corporation pursuant to the Mint Act, (ii) providing this Information Statement to each purchaser of ETRs, prior to or at the time an agreement of purchase and sale is entered into in respect of the ETRs, (iii) maintaining the Program Website, (iv) filing on SEDAR on a quarterly basis a compilation of certain information posted on the Program Website during the preceding quarter, (v) maintaining its SEDAR profile and making the SEDAR filings described under "Availability of Information Relating to the ETRS" and "Material Contracts", and (vi) paying participation fees pursuant to OSC Rule 13-502 – Fees. A copy of the Silver Order and the Prior Order will be posted to the Program Website and available under the Mint's profile on SEDAR.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of ETRs:

- (a) the Silver ETR Certificate referred to under "Description of the ETRs"; and
- (b) the Underwriting Agreement referred to under "Plan of Distribution".

Copies of the material contracts set out above will be posted to the Program Website and will be available under the Mint's profile on SEDAR.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a general summary of the principal Canadian federal income tax considerations generally applicable under the *Income Tax Act* (Canada) (the "**Tax Act**") to the acquisition, holding and disposition of ETRs acquired pursuant to this offering. This summary is generally applicable to an ETR Holder who, for the purposes of the Tax Act and any applicable tax treaty, is, or is deemed to be, resident in Canada at all relevant times, and who holds ETRs as capital property.

It is the published position of the Canada Revenue Agency ("**CRA**") that certain Canadian resident taxpayers who have transactions in a commodity (including, as discussed below, a silver certificate) which are not connected with any business of the taxpayer and who do not have special information about the commodity may treat all gains and losses from transactions in the commodity as capital gains and capital losses, provided that such reporting is followed consistently from year to year. Purchasers of ETRs should consult with their own tax advisors to assess whether the ETRs will be capital property to them in light of their own circumstances.

This summary is not applicable to an ETR Holder that is a "financial institution" or that has elected to determine its Canadian tax results in accordance with the "functional currency" rules, or an interest in which is a "tax shelter investment" (as all such terms are defined in the Tax Act). In addition, this summary does not address the deductibility of interest by an ETR Holder who has borrowed to acquire ETRs. All such ETR Holders should consult with their own tax advisors.

This summary is based on the current provisions of the Tax Act, the regulations thereunder, all specific proposals to amend the Tax Act and the regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and an understanding of the current published administrative and assessing policies of the CRA. There can be no assurance that the Tax Proposals will be implemented in their current form or at all, nor can there be any assurance that the CRA will not

change its administrative or assessing practices. Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any change in the law, whether by legislative, governmental or judicial decision or action, which may affect adversely any income tax consequences described herein, and does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those described herein.

This summary is also based on the disclosure in this Information Statement including the description of each ETR as representing an equal undivided legal and beneficial interest in silver bullion. However, if an ETR were instead characterized as an executory contract to subsequently acquire silver bullion, the consequences, to an ETR Holder described above, of the acquisition, holding and disposition of ETRs would not, relying in part on published CRA administrative practice, be materially different from those described in this summary.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in ETRs. Moreover, the income and other tax consequences of acquiring, holding or disposing of ETRs will vary depending on a taxpayer's particular circumstances. Accordingly, this summary is of a general nature only and is not intended to constitute legal or tax advice to any prospective purchaser of ETRs. Prospective purchasers of ETRs should consult with their own tax advisors about tax consequences of an investment in ETRs based on their particular circumstances.

Foreign Exchange

For the purposes of the Tax Act, all amounts expressed in a currency other than Canadian dollars relating to the acquisition, holding or disposition of an ETR or silver bullion, including adjusted cost base and proceeds of disposition, must be determined in Canadian dollars using the relevant rate of exchange quoted by the Bank of Canada at noon on the day the amount first arose or such other rate of exchange as is acceptable to the CRA.

Dispositions of ETRs

Upon the actual or deemed disposition of an ETR, including its redemption for cash redemption proceeds, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the ETR exceed (or are less than) the aggregate of the adjusted cost base of the ETR to the ETR Holder and any reasonable costs of disposition. The published position of the CRA is that silver bullion and silver certificates are identical property. This position may apply to the ETRs. In addition, a particular certificate and the bullion to which it relates are the same property, so that an exchange of a certificate for bullion will not be considered by the CRA to be a disposition. Furthermore, the Tax Act indicates that the conversion through a partition of a taxpayer's undivided co-ownership in a pool of silver into the ownership of specific ounces of silver representing the same equivalent number of ounces of silver generally will not give rise to a disposition. Accordingly, the redemption of ETRs for silver bullion generally will not give rise to a disposition except as described immediately below.

Where on the redemption of an ETR for silver bullion, the redeeming ETR Holder receives cash as the redemption proceeds for the ETR Holder's interest in silver bullion evidenced by the ETR in excess of the equivalent of a whole number of ounces, the ETR Holder likely will be considered to have disposed of such fractional interest for proceeds of disposition equal to such cash proceeds. Where a portion of the silver bullion evidenced by an ETR is used to pay a redemption fee in respect of the redemption of the ETR for silver bullion, the redeeming ETR Holder will be considered to have disposed of that portion of the silver bullion for its fair market value at that time.

The amount of silver bullion evidenced by each ETR will decrease over time as a result of the withdrawal by the Mint of silver bullion in satisfaction of the Service Fee. See "Fees and Expenses – Service Fee". On each such decrease in the amount of silver bullion evidenced by an ETR, the ETR Holder will be considered to have disposed of the silver bullion which such ETR no longer represents for proceeds of disposition equal to the fair market value of such silver bullion at the time of such decrease.

Adjusted Cost Base of ETRs

It is the position of the CRA that in the case of a security with a conversion feature which is not severable from the security and cannot be separately traded, no part of the issue price for the security can be allocated to the conversion feature. Accordingly, no part of the issue price of an ETR should be treated as the cost of the right to acquire such number of additional ETRs pursuant to the exercise of a Purchase Right on a Purchase Date.

For the purpose of determining the adjusted cost base to an ETR Holder of any ETR, when an ETR is acquired, the cost of the newly acquired ETR (including the Exercise Price paid for the acquisition of any ETR on the Purchase Date) will be averaged with the adjusted cost base of all identical property owned by the ETR Holder as capital property that were acquired before that time. The published position of the CRA is that silver bullion and silver certificates are identical property. Accordingly, any silver bullion held by an ETR Holder other than through an ETR may affect the determination of the adjusted cost base of the ETR Holder's ETRs.

Where an ETR Holder disposes of a fraction of an ETR, the adjusted cost base of that fraction will be determined on a *pro rata* basis.

Taxable Capital Gains and Allowable Capital Losses

Under the Tax Act, one-half of capital gains ("**taxable capital gains**") are included in a taxpayer's income and one-half of capital losses ("**allowable capital losses**") are generally deductible only against taxable capital gains. Any unused allowable capital losses may be carried back up to three taxation years and forward indefinitely and deducted against net taxable capital gains realized in any such other year to the extent and under the circumstances described in the Tax Act. Capital gains realized by individuals may give rise to alternative minimum tax.

Service Fee

ETR Holders will pay the Service Fee through reductions in the amount of silver bullion evidenced by their ETRs. The Service Fee so paid by an ETR Holder may not be deductible in computing the income of the ETR Holder, and ETR Holders should consult with their own tax advisors as to the treatment of such fees for income tax purposes.

ELIGIBILITY UNDER THE TAX ACT FOR INVESTMENT BY CANADIAN EXEMPT PLANS

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the Mint, provided that the ETRs are listed on the TSX, the ETRs will be qualified investments under the Tax Act and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts ("**Exempt Plans**"), nor will they be prohibited investments for those Exempt Plans for which this concept is relevant.

Silver bullion held directly rather than by virtue of holding an ETR generally will only be a qualified investment for an Exempt Plan where (among other requirements) the silver bullion was acquired by the Exempt Plan directly from the metal refiner that produced it or from a "specified corporation" (namely, a Canadian-resident bank, trust company, credit union, insurance corporation or registered securities dealer whose business activities are subject by law to the supervision of the Superintendent of Financial Institutions or a similar provincial authority). As the silver bullion that is evidenced by an ETR may previously have been beneficially owned by a person other than the refiner of such silver bullion or a specified corporation, silver bullion received by an Exempt Plan pursuant to a redemption of the related ETRs may not be qualified investments for the Exempt Plan.

NOTICE TO PURCHASERS IN NOVA SCOTIA

The right of action for rescission or damages described herein is conferred by Section 138 of the *Securities Act* (Nova Scotia) ("**Section 138**"). Section 138 provides, in the relevant part, that in the event that this Information Statement, together with any amendments hereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) contains an untrue statement of material fact or omits to state a material fact that is required to be stated or that is necessary in order to make any statements contained herein or therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"), a purchaser of securities in Nova Scotia is deemed to have relied upon such misrepresentation if it was a misrepresentation at the time of purchase and has, subject to certain limitations and defences, a statutory right of action for damages against the seller of such securities and the directors of the seller at the date of the Information Statement. Alternatively, while still the owner of the securities, the purchaser may elect instead to exercise a statutory right of rescission against the seller, in which case the purchaser shall have no right of action for damages against the seller and the directors of the seller, provided that, among other limitations:

- (a) no action shall be commenced to enforce the right of action for rescission or damages under Section 138 later than 120 days after the date payment was made for the securities (or after the date on which initial payment was made for the securities where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment);
- (b) no person will be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (c) in the case of an action for damages, no person will be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities resulting from the misrepresentation; and
- (d) in no case will the amount recoverable under Section 138 exceed the price at which the securities were offered to the purchaser.

In addition, a person or company, other than the issuer, will not be liable if:

- (a) the person or company proves that the Information Statement was sent or delivered to the purchaser without the person's or company's knowledge or consent and that, after becoming aware that it was delivered, the person or company promptly gave reasonable general notice that it was delivered without the person's or company's knowledge and consent;
- (b) after delivery of the Information Statement or an amendment thereto and before the purchase of ETRs by the purchaser, the person or company proves that after becoming aware of the

misrepresentation, the person or company withdrew the person's or company's consent to the Information Statement or amendment thereto, and gave reasonable general notice of the withdrawal and the reason for it;

- (c) with respect to any part of the Information Statement or an amendment thereto purporting to be made on the authority of an expert or to be a copy of, or an extract from, an expert's report, opinion or statement, the person or company proves that the person or company had no reasonable grounds to believe and did not believe that (i) there had been a misrepresentation, or (ii) the relevant part of the Information Statement or amendment thereto (A) did not fairly represent the expert's report, opinion or statement, or (B) was not a fair copy of, or an extract from, the expert's report, opinion or statement; or
- (d) with respect to any part of the Information Statement or an amendment thereto not purporting to be made on an expert's authority and not purporting to be a copy of, or an extract from, an expert's report, opinion or statement, unless the person or company (i) failed to conduct a reasonable investigation to provide reasonable grounds for a belief that there had been no misrepresentation, or (ii) believed there had been a misrepresentation.

The liability of all persons or companies referred to above is joint and several with respect to the same cause of action. The foregoing statutory right of action for rescission or damages conferred is in addition to and without derogation from any other right the purchaser may have at law.

NOTICE TO INVESTORS OUTSIDE CANADA

This Information Statement does not address legal matters applicable to the acquisition, holding or disposition of ETRs in jurisdictions other than Canada, including tax consequences, eligibility for investment, the application of local securities laws and laws applying to the purchase of physical silver bullion. The consequences of acquiring, holding or disposing of ETRs in jurisdictions other than Canada may be different from the consequences described herein and such differences may be material and adverse. Prospective purchasers of ETRs are strongly advised to obtain tax and other legal advice in respect of the purchase of ETRs in their jurisdiction of residence.

CERTIFICATE OF THE ROYAL CANADIAN MINT

Date: October 29, 2012

The contents of this Information Statement have been approved by the Board of Directors of the Royal Canadian Mint. This Information Statement constitutes full, true and plain disclosure of all material facts relating to the ETRs and includes the information required by the Silver Order.

(Signed) Ian E. Bennett
President and
Chief Executive Officer