

**AMENDMENT NO. 1 DATED AUGUST 9, 2017 TO THE SIMPLIFIED PROSPECTUS
DATED APRIL 25, 2017**

(the **Simplified Prospectus**)

in respect of

Sprott Silver Bullion Fund

(the **Fund**)

The Simplified Prospectus relating to the offering of securities of the Fund is hereby amended as noted below. All defined terms have the meanings ascribed to them in the Simplified Prospectus unless otherwise specifically defined in this Amendment No. 1.

1. Introduction

Following a change in the manager of the Fund effective on August 1, 2017, the Simplified Prospectus is amended to reflect details of the new manager and to make other additional related changes. Following the adoption of the risk classification methodology mandated by the Canadian Securities Administrators as of August 1, 2017, the Simplified Prospectus is also amended to reflect the adoption of the new risk classification methodology and a resulting change in the risk rating from medium risk to high risk.

2. Amendment

The Simplified Prospectus is amended as follows:

Change of Manager

- a) On page 1, under the heading “**INTRODUCTION**”, the first paragraph is deleted and replaced with the following:

In this document, “we”, “us”, “our” or “the Manager” refers to SPR & Co LP, the manager and portfolio manager to Sprott Silver Bullion Fund (the “Fund”).

- b) On page 1, under the heading “**INTRODUCTION**”, the second last paragraph is deleted and replaced with the following:

“Additional information about the Fund is available in the following documents: Annual Information Form, the most recently filed Fund Facts, the most recently filed annual financial statements, any interim financial statements of the Fund filed after those annual financial statements, the most recently filed annual management report of fund performance (“MRFP”) and any interim MRFP filed after that annual MRFP. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You may obtain copies of these documents upon request, and at no charge, by calling toll-

free at 1-866-299-9906, or from your investment advisor directly, or via email at invest@sprlp.com, or from our website at www.sprlp.com.”

- c) On page 2, the third paragraph under the heading “**PURCHASES, SWITCHES, RECLASSIFICATIONS AND REDEMPTIONS**” is deleted and replaced with the following:

“Series F units: Available to investors who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with us, or the former manager of the Fund, investors for whom we do not incur distribution costs, or individual investors approved by us. You may only buy Series F units if we and your broker, dealer or advisor approve the order first.”

- d) On page 4, the first paragraph under the sub-heading “**Purchases of Series F Units**” is deleted and replaced with the following:

“Series F units of the Fund are available to (i) investors who participate in fee-based programs with dealers who have signed a Series F Agreement with us or the former manager of the Fund, (ii) investors for whom we do not incur any distribution costs, or (iii) individual investors approved by us. In fee-based programs, instead of paying sales charges or other charges on the purchase or redemption of Series F units, investors pay their dealer ongoing fees for investment management or financial planning advice. We don’t pay any sales commissions or trailer fees to dealers who sell Series F units.”

- e) On page 9, the paragraph under the sub-heading “**Equity Interests**”, is deleted and replaced with the following:

“The general partner of SPR & Co LP, the manager and portfolio manager of the Fund is 2573322 Ontario Inc. Upon the transfer of Sprott Private Wealth LP’s interest in the advisory, account and managed account agreements relating to certain accounts managed and advised by Sprott Private Wealth LP to SP Wealth LP in the fourth quarter of 2017 (the “Dealer Closing”), 2573322 Ontario Inc. will also be the general partner of SP Wealth LP.

2573322 Ontario Inc. is a wholly-owned subsidiary of 2568004 Ontario Inc. 2568004 Ontario Inc. is the sole limited partner and owns 100% of the issued and outstanding voting securities of SPR & Co LP. Upon the Dealer Closing, 2568004 Ontario Inc. will be the sole limited partner and will own 100% of the issued and outstanding voting securities of SP Wealth LP.

John Wilson and James Fox indirectly own more than 10% of all the issued and outstanding voting securities of 2568004 Ontario Inc.

Following the Dealer Closing, James Fox will also be a dealing representative of SP Wealth LP.”

- f) On page 9, the paragraph under the heading “**DEALER COMPENSATION FROM MANAGEMENT FEES**” is deleted and replaced with the following:

“As the Manager is newly established, no compensation has been paid by the Manager to dealers yet, and therefore there is no information to report under this heading.”

- g) On page 12, the section in the table relating to the Manager, Portfolio Manager and Independent Review Committee under the heading “**ORGANIZATION AND MANAGEMENT OF SPROTT SILVER BULLION FUND**” are deleted and replaced with the following:

<p>Manager SPR & Co LP Royal Bank Plaza, South Tower 200 Bay Street, Suite 2700 P.O. Box 27 Toronto, Ontario M5J 2J1</p> <p>Tel: 416-943-6707 Fax: 416-943-6497 Email: invest@sprlp.com Website: www.sprlp.com</p> <p>Toll Free: 1-866-299-9906</p>	<p>SPR & Co LP acts as the manager to the Fund and is responsible for the day-to-day operations of the Fund including accounting and administration for securities of the Fund.</p>
<p>Portfolio Manager SPR & Co LP Toronto, Ontario</p> <p>Sub-Adviser Sprott Asset Management LP Toronto, Ontario</p>	<p>The Portfolio Manager conducts research, selects, purchases, sells, and makes all investment decisions with regard to the portfolio securities of the Fund.</p> <p>The Manager has delegated the day-to-day management of the investment portfolio of the Fund to Sprott Asset Management LP (the “Sub-Adviser”).</p>

<p><i>Independent Review Committee (“IRC”)</i></p>	<p>The mandate of the IRC is to review conflict of interest matters referred to it by us in respect of the Sprott mutual funds and, in some cases, approve conflict of interest matters. In certain circumstances, in place of you approving a fund merger, the IRC has been permitted under securities legislation to approve a fund merger. In these circumstances, you will receive written notice of any proposed fund merger at least 60 days prior to the change.</p> <p>Each member of the IRC is independent of us and any party related to us. The IRC is currently composed of three members. The IRC prepares, at least annually, a report of its activities for investors. This report is available on our website at www.sprlp.com or you may request a copy, at no cost to you, by contacting us at invest@sprlp.com</p> <p>Additional information about the IRC, including the names of the members, is available in the Annual Information Form.</p>
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- h) On page 14, the first sentence under the sub-heading “***Investment Strategies***” is deleted and replaced with the following:

“To achieve the Fund’s investment objectives, the Sub-Adviser invests the Fund’s assets primarily in unencumbered silver bullion. In addition, the Fund’s assets may be invested in silver certificates.”

- i) On the back cover of the Simplified Prospectus, the entire text is deleted after the first paragraph and replaced with the following:

“You can get a copy of these documents, at your request, and at no cost, by calling toll free 1-866-299-9906, or from your dealer, or via email at invest@sprlp.com.

These documents and other information about the Fund, such as information circulars and material contracts, are also available on the SPR & Co LP internet site at www.sprlp.com or at www.sedar.com.

Sprott Silver Bullion Fund
 SPR & Co LP
 Royal Bank Plaza, South Tower
 200 Bay Street, Suite 2700
 P.O. Box 27

Toronto, Ontario M5J 2J1

Tel: 416-943-6707

Fax: 416-943-6497

Email: invest@sprlp.com

Website: www.sprlp.com

Toll Free: 1-(866)-299-9906”

Change of Risk Classification Methodology

- a) On page 17, the entire section under the heading “**FUND RISK CLASSIFICATION**”, is deleted and replaced with the following:

“The risk rating assigned to this Fund by the Manager is high risk and it is appropriate if you have a medium to long term investment horizon.

We identify the investment risk level of the Fund as an additional guide to help you decide whether the Fund is right for you. The investment risk level of the Fund is determined in accordance with the standardized risk classification methodology mandated by the Canadian Securities Administrators.

Using this methodology, we generally assign the risk rating based on the Fund’s historical volatility risk as measured by the ten-year standard deviation. Since the Fund does not have ten years of performance history, we have used the available return history of the Fund and imputed the return history of Silver Spot Prices in Canadian Dollar, which is expected to reasonably approximate the standard deviation of the Fund, for the remainder of the 10-year history.

This section will help you decide whether the Fund is right for you. This information is only a guide. When you are choosing investments, you should consider your whole portfolio, your investment objectives and your risk tolerance level. The Fund is assigned an investment risk rating in one of the following categories:

Low for funds with a level of risk that is typically associated with investments in money market funds and Canadian fixed income funds;

Low to Medium for funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed income funds;

Medium for funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large capitalization Canadian and/or international equity securities;

Medium to High for funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or in specific sectors of the economy; and

High for funds with a level of risk that is typically associated with investments in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets).

Although monitored on a monthly basis, we review the investment risk level of the Fund on an annual basis.

The method that we use to identify the investment risk level of each Fund is available on request, at no cost, by calling us at 1-866-299-9906 or by sending an email to invest@sprlp.com.”

3. What are Your Legal Rights?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund securities and receive your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form, Fund Facts or financial statements misrepresent any facts about a Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.