

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED October 31, 2021
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE TRANSITION PERIOD OF \_\_\_\_\_ TO \_\_\_\_\_.

Commission File Number: 001-33125

**SILVER BULL RESOURCES, INC.**  
(Exact name of registrant as specified in its charter)

Nevada  
State or other jurisdiction of incorporation or organization

91-1766677  
(I.R.S. Employer Identification No.)

777 Dunsmuir Street, Suite 1610  
Vancouver, B.C. V7Y 1K4  
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (604) 687-5800

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: **Common Stock, \$0.01 Par Value**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Exchange Act.  
Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  
Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).  
Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of January 14, 2022, there were 34,547,838 shares outstanding of the registrant's \$0.01 par value common stock, the registrant's only outstanding class of voting securities. As of April 30, 2021, the aggregate market value of the registrant's voting common stock held by non-affiliates of the registrant was approximately \$25.5 million based upon the closing sale price of the common stock as reported by the OTCQB. For the purpose of this calculation, the registrant has assumed that its affiliates as of April 30, 2021 included all directors and officers.

#### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the 2022 annual meeting of shareholders are incorporated by reference in Part III of this Annual Report on Form 10-K.

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**SILVER BULL RESOURCES, INC.**  
**ANNUAL REPORT ON FORM 10-K**  
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When we use the terms “Silver Bull,” “we,” “us,” or “our,” we are referring to Silver Bull Resources, Inc. and its subsidiaries, unless the context otherwise requires. We have included technical terms important to an understanding of our business under “Glossary of Common Terms” at the end of this section. Throughout this document we make statements that are classified as “forward-looking.” Please refer to the “Cautionary Statement Regarding Forward-Looking Statements” section of this document for an explanation of these types of assertions.

### **Cautionary Statement Regarding Forward-Looking Statements**

This Annual Report on Form 10-K includes certain statements that may be deemed to be “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the United States Private Securities Litigation Reform Act of 1995, and “forward-looking information” within the meaning of applicable Canadian securities legislation. We use words such as “anticipate,” “continue,” “likely,” “estimate,” “expect,” “may,” “will,” “projection,” “should,” “believe,” “potential,” “could,” or similar words suggesting future outcomes (including negative and grammatical variations) to identify forward-looking statements. These statements include statements regarding the following, among other things:

- The sufficiency of our existing cash resources to enable us to continue our operations for the next 12 months as a going concern;
- Future payments that may be made by South32 under the terms of the South32 Option Agreement;
- Prospects of entering the development or production stage with respect to any of our projects;
- Our planned activities at the Sierra Mojada Project in 2022 and beyond;
- Whether any part of the Sierra Mojada Project will ever be confirmed or converted into SEC Industry Guide 7-compliant “reserves”;
- The requirement of additional power supplies for the Sierra Mojada Project if a mining operation is determined to be feasible;
- Our ability to obtain and hold additional concessions in the Sierra Mojada Project area;
- The timing, duration and overall impact of the COVID-19 pandemic on the Company’s business;
- Whether we will be required to obtain additional surface rights if a mining operation is determined to be feasible;
- The possible impact on the Company’s operations of the blockade by a cooperative of miners on the Sierra Mojada property;
- The potential acquisition of additional mineral properties or property concessions;
- Testing of the impact of the fine bubble flotation test work on the recovery of minerals and initial rough concentrate grade;
- The impact of recent accounting pronouncements on our financial position, results of operations or cash flows and disclosures;
- The impact of changes to current state or federal laws and regulations on estimated capital expenditures, the economics of a particular project and/or our activities;
- Our ability to raise additional capital and/or pursue additional strategic options, and the potential impact on our business, financial condition and results of operations of doing so or not;
- The impact of changing foreign currency exchange rates on our financial condition;
- Whether using major financial institutions with high credit ratings mitigates credit risk;
- The impact of changing economic conditions on interest rates;
- Our expectations regarding future recovery of value-added taxes (“VAT”) paid in Mexico; and
- The merits of any claims in connection with, and the expected timing of any, ongoing legal proceedings.

These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties and our actual results could differ from those expressed or implied in these forward-looking statements as a result of the factors described under “Risk Factors” in this Annual Report on Form 10-K, including:

- The continued funding by South32 of amounts required under the South32 Option Agreement;
- Our ability to obtain additional financial resources on acceptable terms to (i) conduct our exploration activities and (ii) maintain our general and administrative expenditures at acceptable levels;
- Our ability to acquire additional mineral properties or property concessions;
- Results of future exploration at our Sierra Mojada Project;
- Worldwide economic and political events affecting (i) the market prices for silver, zinc, lead, copper and other minerals that may be found on our exploration properties (ii) interest rates and (iii) foreign currency exchange rates;
- Outbreaks of disease, including the COVID-19 pandemic, and related stay-at-home orders, quarantine policies and restrictions on travel, trade and business operations;
- The amount and nature of future capital and exploration expenditures;
- Volatility in our stock price;
- Our inability to obtain required permits;
- Competitive factors, including exploration-related competition;
- Timing of receipt and maintenance of government approvals;
- Unanticipated title issues;
- Changes in tax laws;
- Changes in regulatory frameworks or regulations affecting our activities;
- Our ability to retain key management, consultants and experts necessary to successfully operate and grow our business; and
- Political and economic instability in Mexico and other countries in which we conduct our business, and future potential actions of the governments in such countries with respect to nationalization of natural resources or other changes in mining or taxation policies.

These factors are not intended to represent a complete list of the general or specific factors that could affect us.

**All forward-looking statements speak only as of the date made. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. You should not place undue reliance on these forward-looking statements.**

#### *Cautionary Note Regarding Exploration Stage Companies*

We are an exploration stage company and do not currently have any known reserves and cannot be expected to have known reserves unless and until a feasibility study is completed for the Sierra Mojada concessions that shows proven and probable reserves. There can be no assurance that our concessions contain proven and probable reserves and investors may lose their entire investment. See the “Risk Factors” section below.

## *Glossary of Common Terms*

The following terms are used throughout this Annual Report on Form 10-K.

<i>Concession</i>	A grant of a tract of land made by a government or other controlling authority in return for stipulated services or a promise that the land will be used for a specific purpose.
<i>Exploration Stage</i>	A prospect that is not yet in either the development or production stage.
<i>Feasibility Study</i>	An engineering study designed to define the technical, economic, and legal viability of a mining project with a high degree of reliability.
<i>Formation</i>	A distinct layer of sedimentary rock of similar composition.
<i>Mineralized Material</i>	Mineral bearing material such as zinc, silver, gold, lead or copper that has been physically delineated by one or more of a number of methods, including drilling, underground work, surface trenching and other types of sampling. This material has been found to contain a sufficient amount of mineralization of an average grade of metal or metals to have economic potential that warrants further exploration evaluation. While this material is not currently or may never be classified as reserves, it is reported as mineralized material only if the potential exists for reclassification into the reserves category. This material cannot be classified in the reserves category until final technical, economic and legal factors have been determined. Under the U.S. Securities and Exchange Commission's standards, a mineral deposit does not qualify as a reserve unless the recoveries from the deposit are expected to be sufficient to recover total cash and non-cash costs for the mine and related facilities and make a profit.
<i>Mining</i>	The process of extraction and beneficiation of mineral reserves to produce a marketable metal or mineral product. Exploration continues during the mining process and, in many cases, mineral reserves are expanded during the life of the mine operations as the exploration potential of the deposit is realized.
<i>Ore, Ore Reserve, or Mineable Ore Body</i>	The part of a mineral deposit which could be economically and legally extracted or produced at the time of the reserve determination.
<i>Reserves</i>	Estimated remaining quantities of mineral deposit and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on: <ul style="list-style-type: none"><li>(a) analysis of drilling, geological, geophysical and engineering data;</li><li>(b) the use of established technology;</li><li>(c) specified economic conditions, which are generally accepted as being reasonable, and which are disclosed; and</li><li>(d) whether they are permitted and financed for development.</li></ul>
<i>Resources</i>	Those quantities of mineral deposit estimated to exist originally in naturally occurring accumulations.  Resources are, therefore, those quantities estimated on a particular date to be remaining in known accumulations plus those quantities already produced from known accumulations plus those quantities in accumulations yet to be discovered. Resources are divided into: <ul style="list-style-type: none"><li>(a) discovered resources, which are limited to known accumulations; and</li><li>(b) undiscovered resources.</li></ul>
<i>Tonne</i>	A metric ton which is equivalent to 2,204.6 pounds.

## PART I

### Items 1 and 2. BUSINESS AND PROPERTIES

#### Overview and Corporate Structure

Silver Bull Resources, Inc. was incorporated in the State of Nevada on November 8, 1993 as the Cadgie Company for the purpose of acquiring and developing mineral properties. The Cadgie Company was a spin-off from its predecessor, Precious Metal Mines, Inc. On June 28, 1996, our name was changed to Metalline Mining Company (“Metalline”). On April 21, 2011, we changed our name to Silver Bull Resources, Inc. We have not realized any revenues from our planned operations, and we are considered an exploration stage company. We have not established any reserves with respect to our exploration projects and may never enter into the development stage with respect to any of our projects.

We engage in the business of mineral exploration. We currently own a number of property concessions in Mexico within a mining district known as the Sierra Mojada District, located in the west-central part of the state of Coahuila, Mexico. We conduct our operations in Mexico through our wholly-owned subsidiary corporations, Minera Metalin S.A. de C.V. (“Minera Metalin”), Contratistas de Sierra Mojada S.A. de C.V. (“Contratistas”) and Minas de Coahuila SBR S.A. de C.V (“Minas”). On August 26, 2021, Contratistas merged with and into Minera Metalin.

In April 2010, Metalline Mining Delaware, Inc., our wholly-owned subsidiary incorporated in the State of Delaware, was merged with and into Dome Ventures Corporation (“Dome”), a Delaware corporation. As a result, Dome became a wholly-owned subsidiary of Silver Bull. Dome has a wholly-owned subsidiary, Dome Asia Inc. (“Dome Asia”), which is incorporated in the British Virgin Islands.

On June 5, 2015, we announced our decision to voluntarily delist our shares of common stock from the NYSE MKT due to costs associated with the continued listing and NYSE MKT exchange rules regarding maintenance of a minimum share price. On June 29, 2015, our shares began trading on the OTCQB marketplace operated by OTC Markets Group. Our shares of common stock continue to trade on the Toronto Stock Exchange (“TSX”).

On August 12, 2020, we entered into an option agreement (the “Beskauga Option Agreement”) with Copperbelt AG, a corporation existing under the laws of Switzerland (“CB Parent”), and Dostyk LLP, an entity existing under the laws of Kazakhstan and a wholly-owned subsidiary of CB Parent (the “CB Sub,” and together with CB Parent, “CB”), pursuant to which we have the exclusive right and option (the “Beskauga Option”) to acquire CB’s right, title and 100% interest in the Beskauga property located in Kazakhstan (the “Beskauga Property”), which consists of the Beskauga Main project (the “Beskauga Main Project”) and the Beskauga South project (the “Beskauga South Project,” and together the Beskauga Main Project, the “Beskauga Project”). The transaction contemplated by the Beskauga Option Agreement closed on January 26, 2021.

On February 5, 2021, Arras Minerals Corp. (“Arras”) was incorporated in British Columbia, Canada, as a wholly-owned subsidiary of Silver Bull. On March 19, 2021, pursuant to an asset purchase agreement with Arras, we transferred our right, title and interest in and to the Beskauga Option Agreement, among other things, to Arras. On September 24, 2021, we distributed to our shareholders one Arras common share for each Silver Bull share held by such shareholders, or 34,547,838 Arras common shares in total (the “Distribution”). Upon completion of the Distribution, we retained 1,452,162 Arras common shares, or approximately 4% of the outstanding Arras common shares, as a strategic investment, and Arras became a stand-alone company. We have included the financial results of Arras in our consolidated statement of operations for the period from February 5, 2021 to September 24, 2021, the date of the Distribution.

On September 18, 2020, we completed a one-for-eight reverse stock split of our shares of common stock. All share and per share information in this annual report on Form 10-K, including references to the number of shares of common stock, stock options and warrants, prices of issued shares, exercise prices of stock options and warrants, and loss per share, have been adjusted to reflect the impact of the reverse stock split.

Our efforts and expenditures have been and are expected to be concentrated in the exploration of properties, principally the Sierra Mojada property located in Coahuila, Mexico (the “Sierra Mojada Property”). We have not determined whether our exploration properties contain ore reserves that are economically recoverable. The ultimate realization of our investment in exploration properties is dependent upon the success of future property sales, the existence of economically recoverable reserves, and our ability to obtain financing or make other arrangements for exploration, development and future profitable production activities. The ultimate realization of our investment in exploration properties cannot be determined at this time.

## South32 Option Agreement

On June 1, 2018, we and our subsidiaries Minera Metalin and Contratistas entered into an earn-in option agreement (the “South32 Option Agreement”) with South32 International Investment Holdings Pty Ltd (“South32”), a wholly owned subsidiary of South32 Limited (ASX/JSE/LSE: S32), whereby South32 is able to obtain an option to purchase 70% of the shares of Minera Metalin and Contratistas (the “South32 Option”). As noted above, Contratistas has since merged with and into Minera Metalin. Minera Metalin owns the Sierra Mojada Property located in Coahuila, Mexico (the “Sierra Mojada Project”) and supplies labor for the Sierra Mojada Project. Under the South32 Option Agreement, South32 earns into the South32 Option by funding a collaborative exploration program on the Sierra Mojada Project. Upon the terms and subject to the conditions set forth in the South32 Option Agreement, in order for South32 to earn and maintain its four-year option, South32 must have contributed to Minera Metalin for exploration of the Sierra Mojada Project at least \$3 million by the end of Year 1, \$6 million by the end of Year 2, \$8 million by the end of Year 3 and \$10 million by the end of Year 4 (the “Initial Funding”). Funding is made on a quarterly basis based on the subsequent quarter’s exploration budget. South32 may exercise the South32 Option by contributing \$100 million to Minera Metalin (the “Subscription Payment”), less the amount of Initial Funding previously contributed by South32. The issuance of shares upon notice of exercise of the South32 Option by South32 is subject to antitrust approval by the Mexican government. If the full amount of the Subscription Payment is advanced by South32 and the South32 Option becomes exercisable and is exercised, we and South32 will be obligated to contribute funding to Minera Metalin on a 30/70 pro rata basis. If South32 elects not to continue with the South32 Option during the four-year option period, the Sierra Mojada Project will remain 100% owned by us. The exploration program will be initially managed by us, with South32 being able to approve the exploration program funded by it. We received funding of \$3,144,163 from South32 for Year 1 of the South32 Option Agreement. In April 2019, we received a notice from South32 to maintain the South32 Option Agreement for Year 2 by providing cumulative funding of \$6 million by the end of such period. We had received funding of \$1,502,831, which included payments of \$319,430 and \$1,100,731 received during the years ended October 31, 2019 and 2020, respectively, from South32 for Year 2 of the South32 Option Agreement, the time period for which has been extended by an event of force majeure described in more detail below. As of October 31, 2021, we had received cumulative funding of \$4,646,994 under the South32 Option Agreement. During the year ended October 31, 2021, we received a payment of \$82,670 for the extended Year 2 time period. If the South32 Option Agreement is terminated by South32 without cause or if South32 is unable to obtain antitrust authorization from the Mexican government, we are under no obligation to reimburse South32 for amounts contributed under the South32 Option Agreement.

Upon exercise of the South32 Option, Minera Metalin is required to issue common shares to South32. Pursuant to the South32 Option Agreement, following exercise and until a decision has been made by the board of directors of Minera Metalin to develop and construct a mine on the Sierra Mojada Project, each shareholder holding greater than or equal to 10% of the shares may withdraw as an owner in exchange for a 2% net smelter royalty on products produced and sold from the Sierra Mojada Project. Any shareholder whose holdings are reduced to less than 10% must surrender its interest in exchange for a 2% net smelter royalty.

On October 11, 2019, we and our subsidiary Minera Metalin issued a notice of force majeure to South32 pursuant to the South32 Option Agreement. Due to a blockade by a cooperative of local miners called Sociedad Cooperativa de Exploración Minera Mineros Norteños, S.C.L. (“Mineros Norteños”), we have halted all work on the Sierra Mojada Property. The notice of force majeure was issued because of the blockade’s impact on the ability of us and our subsidiary Minera Metalin to perform our obligations under the South32 Option Agreement. Pursuant to the South32 Option Agreement, any time period provided for in the South32 Option Agreement will generally be extended by a period equal to the period of delay caused by the event of force majeure. As of January 14, 2022, the blockade by Mineros Norteños at, on and around the Sierra Mojada Property is ongoing.

## Sierra Mojada Project

### *Location, Access and Infrastructure*

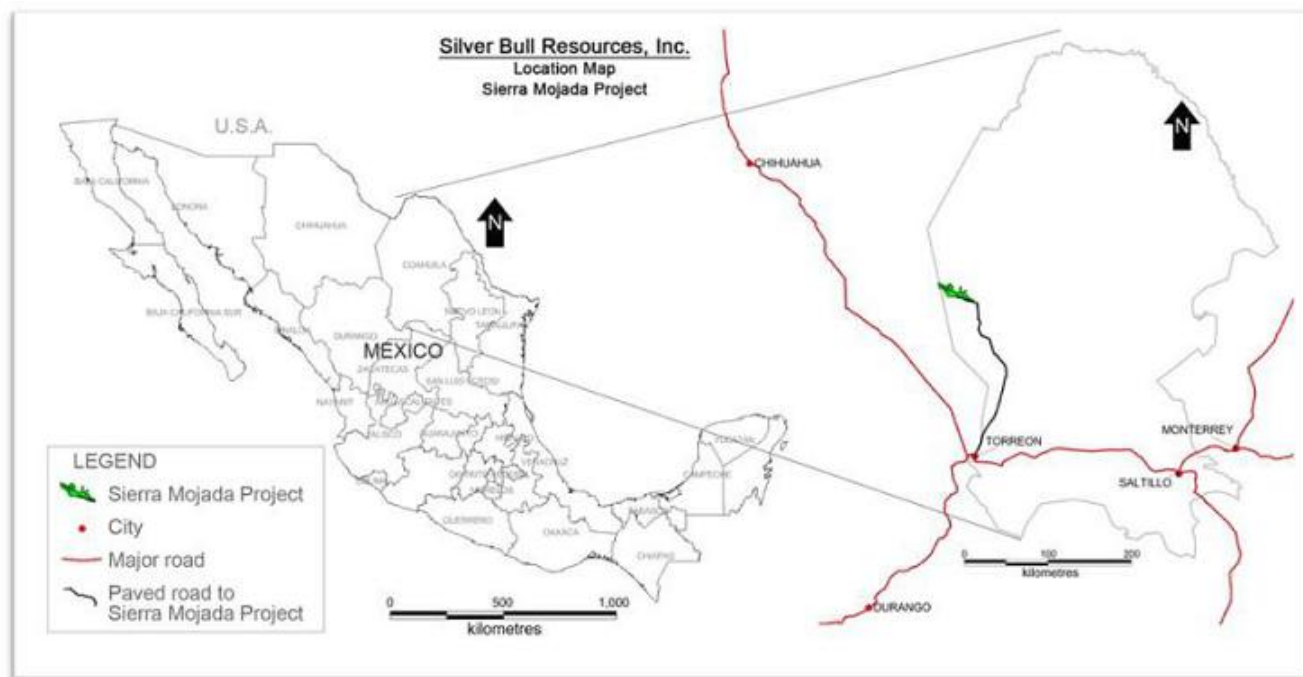
The Sierra Mojada Project is located within a mining district known as the Sierra Mojada District. The Sierra Mojada District is located in the west-central part of the state of Coahuila, Mexico, near the Coahuila-Chihuahua state border approximately 200 kilometers south of the Big Bend of the Rio Grande River. The principal mining area extends for approximately five kilometers in an east-west direction along the base of the precipitous, 1,000-meter high Sierra Mojada Range.

The Sierra Mojada Project site is situated to the south of the village of Esmeralda, on the northern side of a major escarpment that forms the northern margin of the Sierra Mojada range. In general, the site is approximately 1,500 meters above sea level. The project is accessible by paved road from the city of Torreon, Coahuila, which lies approximately 250 kilometers to the south. Esmeralda is served by a rail spur of the Coahuila Durango railroad. There is an airstrip east of Esmeralda, although its availability is limited, and another airstrip at the nearby Peñoles plant, which we can use occasionally. The Sierra Mojada District has high voltage electric power supplied by the national power company, Comisión Federal de Electricidad, C.F.E., and is supplied water by the municipality of Sierra Mojada. Although power levels are sufficient for current operations and exploration, future development of the project, if any, may require additional power supplies to be sourced.



Our facilities in Mexico include offices, accommodation for employees, workshops, warehouse buildings and exploration equipment located at Calle Mina #1, La Esmeralda, Coahuila, Mexico.

The map below shows the location of the Sierra Mojada Project:



### Property History

Silver and lead were first discovered by a foraging party in 1879, and mining through 1886 consisted of native silver, silver chloride, and lead carbonate ores. After 1886, silver-lead-zinc-copper sulphide ores within limestone and sandstone units were produced. No accurate production history has been found for historical mining during this period.

Approximately 95 years ago, zinc silicate and zinc carbonate minerals ("Zinc Manto Zone") were discovered underlying the silver-lead mineralized horizon. The Zinc Manto Zone is predominantly zinc dominated, but with subordinate lead-rich manto and is principally situated in the footwall rocks of the Sierra Mojada Fault System. Since discovery and until 1990, zinc, silver, and lead ores were mined from various mines along the strike of the deposit, including from the Sierra Mojada Property. Ores mined from within these areas were hand-sorted, and the concentrate shipped mostly to smelters in the United States.

Activity during the period of 1956 to 1990 consisted of operations by the *Mineros Norteños* and operations by individual owners and operators of pre-existing mines. The *Mineros Norteños* operated the San Salvador, Encantada, Fronteriza, Esmeralda, and Parrena mines, and shipped oxide zinc ore to Zinc National's smelter in Monterrey, while copper and silver ore were shipped to smelters in Mexico and the United States.

We estimate that over 45 mines have produced ore from underground workings throughout the approximately five kilometers by two-kilometer area that comprises the Sierra Mojada District. We estimate that since its discovery in 1879, the Sierra Mojada District has produced approximately 10 million tons of silver, zinc, lead and copper ore. The Sierra Mojada District does not have a mill to concentrate ore, and all mining conducted thus far has been limited to selectively mined ore of sufficient grade to direct ship to smelters. We believe that mill-grade mineralization that was not mined remains available for extraction. No mining operations are currently active within the area of the Sierra Mojada District, except for a dolomite quarry by Peñoles near Esmeralda.

In the 1990s, Kennecott Copper Corporation ("Kennecott") had a joint venture agreement with USMX, Inc. ("USMX") involving its Sierra Mojada concessions. Kennecott terminated the joint venture in approximately 1995. Metalline entered into a Joint Exploration and Development Agreement with USMX in July 1996 involving USMX's Sierra Mojada concessions. In 1998, Metalline purchased the Sierra Mojada and the USMX concessions, and the joint exploration and development agreement was terminated. Metalline also purchased certain other concessions during this time and conducted exploration for copper and silver mineralization from 1997 through 1999.

## *Title and Ownership Rights*

The Sierra Mojada Project is comprised of 20 concessions consisting of 6,496 hectares (about 16,052 acres). We periodically obtain additional concessions in the Sierra Mojada Project area, and whether we will continue to hold these additional concessions will depend on future exploration work and exploration results and our ability to obtain financing. As we have done in prior years, we continually assess our concession ownership, and we may terminate our rights to certain concessions holdings.

Each mining concession enables us to explore the underlying concession in consideration for the payment of a semi-annual fee to the Mexican government and completion of certain annual assessment work. Annual assessment work in excess of statutory annual requirements can be carried forward and applied to future periods.

Ownership of a concession provides the owner with exclusive exploration and exploitation rights to all minerals located on the concessions, but does not include the surface rights to the real property. Therefore, we will need to negotiate any necessary agreements with the appropriate surface landowners if we determine that a mining operation is feasible for the concessions. We own surface rights to five lots in the Sierra Mojada Property (Sierra Mojada lot #1, #3, #4, #6 and #7) but anticipate that we will be required to obtain additional surface rights if we determine that a mining operation is feasible.

## *Geology and Mineralization*

The Sierra Mojada concessions contain a mineral system which can be separated into two distinct zones: a silver-rich zone (the “Silver Zone”) and a zinc-rich zone (the “Zinc Zone”). These two zones lie along the Sierra Mojada Fault which trends east–west along the base of the Sierra Mojada range. The majority of the mineralization identified to date is seen as oxide, which has been derived from primary “sulphide” bodies that have been oxidized and remained in situ or remobilized into porous and fractured rock along the Sierra Mojada Fault. The formation of the Silver Zone and the Zinc Zone is a reflection of the mobility of the metals in the ground water conditions at Sierra Mojada.

The geology of the Sierra Mojada District is composed of a Cretaceous limestone and dolomite sequence sitting on top of the Jurassic “San Marcos” red sediments. This sedimentary sequence was subsequently intruded by Tertiary volcanics, which are considered to be responsible for the mineralization seen at Sierra Mojada. Historical mines are dry, and the rocks are competent for the most part. We believe that the thickness and attitude of the mineralized material could potentially be amenable to high volume mechanized mining methods and low-cost production.

## ***Sierra Mojada Technical Report (October 2018)***

On October 30, 2018, Archer, Cathro & Associates (1981) Limited and Timothy Barry delivered an updated technical report (the “Sierra Mojada Report”) on the silver and zinc mineralization at the Sierra Mojada Project in accordance with Canadian National Instrument 43-101 (“NI 43-101”). The Sierra Mojada Report superseded the prior mineralized material estimate released by the Company in June 2015. The Sierra Mojada Report includes an update on the silver and zinc mineralization which was estimated from 1,336 diamond drill holes, 24 reverse circulation drill holes, 9,027 channel samples and 2,346 underground long holes. Using a net smelter return (“NSR”) economic cut-off, the Sierra Mojada Report indicates mineralized material in the optimized pit of 70.4 million tonnes at an average silver grade of 38.6 grams/tonne silver, an average zinc percentage of 3.4%, an average copper percentage of 0.04% and an average lead percentage of 0.3%. The Sierra Mojada Report used a \$13.50/tonne NSR cut-off grade and assumed a silver price of \$15.00/ounce and a zinc price of \$1.20/pound. Mineralized material estimates do not include any amounts categorized as inferred resources.

*“Mineralized material” as used in this Annual Report on Form 10-K, although permissible under the Securities and Exchange Commission’s (“SEC’s”) Industry Guide 7, does not indicate “reserves” by SEC standards. We cannot be certain that any part of the Sierra Mojada Project will ever be confirmed or converted into SEC Industry Guide 7-compliant “reserves.” Investors are cautioned not to assume that all or any part of the mineralized material will ever be confirmed or converted into reserves or that mineralized material can be economically or legally extracted.*

*SEC Industry Guide 7, the existing disclosure standard for the SEC, is in the process of being replaced by new sub-part 1300 of Regulation S-K under the Securities Act, which will be mandatory for most issuers subject to U.S. reporting standards for the first fiscal year beginning on or after January 1, 2021. None of the reserve or resource estimates presented in the exhibits hereto have been prepared in accordance with the new SEC disclosure standards.*

## *Sampling, Analysis, Quality Control and Security*

Our activities conform to mining industry standard practices and follow the Best Practices Guidelines of the Canadian Institute of Mining, Metallurgy, and Petroleum (CIM). Sampling is directed and supervised by trained and experienced geologists. Drill core and other samples are processed and logged using industry standard methods. Standard samples, duplicates and blanks are periodically entered into the stream of samples submitted for assays, and campaigns of re-sampling and duplicate analyses and round-robin inter-laboratory validations are conducted periodically. We use ALS Chemex – Vancouver (“ALS Chemex”) laboratory as our independent primary laboratory. ALS Chemex is ISO 9001:2000 certified. All analytical results that are used in resource models are exclusively from the independent primary laboratory.

Our consultants perform technical audits of our operations, including our formal quality assurance/quality control (“QA/QC”) program, and recommend improvements as needed. A systematic program of duplicate sampling and assaying of representative samples from previous exploration activities was completed in 2010 under the direction and control of our consultants. Results of this study acceptably confirm the values in the project database used for resource modeling.

We formerly operated a sample preparation and an analytical laboratory at the project that prepared samples for shipment, performed QA/QC analyses to ensure against cross-contamination of samples during preparation and removed most low-value samples from the flow to the primary laboratory. For cost and other reasons, the internal laboratory has been shut down.

#### *Prior Exploration Activities*

We have focused our exploration efforts on two primary locations: the Silver Zone and the Zinc Zone. As further described below, we have conducted various exploration activities at the Sierra Mojada Project; however, to date, we have not established any reserves, and the project remains in the exploration stage and may never enter the development stage.

Prior to 2008, exploration efforts largely focused on the Zinc Zone with surface and underground drilling. In fiscal year 2009, we scaled back our exploration activities and administrative costs to conserve capital while we tried to secure additional sources of capital resources.

After closing the transaction with Dome in April 2010, we focused our exploration activities at Sierra Mojada primarily on the Silver Zone, which lies largely at surface. By the end of calendar 2018, approximately 101,000 meters of diamond drilling from surface and 10,000 meters of underground drilling had been completed.

The silver contained within the Silver Zone is seen primarily as silver halide minerals. The zinc contained within the Zinc Zone is contained mostly in the mineral hemimorphite and, to a lesser amount, in the mineral smithsonite.

#### *2021 Exploration Activities*

In January 2021, our board of directors approved an exploration budget for the Sierra Mojada Property of \$0.2 million and \$1.4 million for general and administrative expenses for calendar year 2021. Due to the blockade by Mineros Norteños previously mentioned under the “South32 Option Agreement” section of this Form 10-K, all work at the Sierra Mojada Property remains halted.

#### *2021 Drilling*

During the year ended October 31, 2021, we conducted no drilling as we halted the drilling program due to the blockade.

#### *Airborne Geophysics*

Between September 2018 and November 2018, we completed a 5,297 line kilometer helicopter-borne Versatile Time Domain Electro Magnetic (VTEM) and Magnetic Geophysical Survey over the Sierra Mojada Property. The results of this survey aided in refining the design of the drilling program.

#### *2022 Exploration Program*

The focus of our 2022 calendar year exploration program on the Sierra Mojada Property will be to resolve the blockade and maintain our property concessions. Upon resolution of the blockade, we will work with South32 to approve and commence an updated exploration program.

#### *Metallurgical Studies*

In May 2015, we selected and shipped samples of high-grade zinc material to a lab in Denver, Colorado for “fine bubble” flotation test work and to a group in Australia to assess their proprietary hydrometallurgy process. Previous test work completed by Silver Bull using mechanical flotation has shown an 87% recovery of zinc from the white zinc zone to produce a rough concentrate of 43% zinc, and a 72.5% recovery of zinc from the red zinc zone to produce a rough concentrate of 30% zinc. The “fine bubble” flotation test work that was performed did not improve recovery, but based on analysis of the results, it was determined that the “fine bubble” flotation test process may be able to be adjusted to improve recovery. Further testing is not planned at this time.

In addition, we previously conducted a metallurgical program to test the recovery of (i) the silver mineralization using the agitation cyanide leach method and (ii) the zinc mineralization using the SART process (sulfidization, acidification, recycling, and thickening). The test work on the Silver Zone focused on cyanide leach recovery of the silver using “Bottle Roll” tests to simulate an agitation leach system and to determine the recovery of (A) low-grade zinc that occurs in the Silver Zone and (B) high-grade zinc from the Zinc Zone that had been blended with mineralization from the Silver-rich Zone to the leach solution. The silver was recovered from the cyanide leach solution using the Merrill Crowe technique, and the zinc was recovered from the leach solution using the SART process. The SART process is a metallurgical process that regenerates and recycles the cyanide used in the leaching process of the silver and zinc and allows for the recovery of zinc that has been leached by the cyanide solution. The results showed an overall average silver recovery of 73.2%, with peak values of 89.0% and an overall average zinc recovery of 44% in the Silver Zone.

## Competition and Mineral Prices

### Mineral Prices

Silver and zinc are commodities, and their prices are volatile. From January 1, 2021 to December 31, 2021 the price of silver ranged from a low of \$21.52 per troy ounce to a high of \$29.58 per troy ounce, and from January 1, 2021 to December 31, 2021 the price of zinc ranged from a low of \$2,705 per tonne to a high of \$3,399 per tonne. Silver and zinc prices are affected by many factors beyond our control, including prevailing interest rates and returns on other asset classes, expectations regarding inflation, speculation, currency values, governmental decisions regarding the disposal of precious metals stockpiles, global and regional demand and production, political and economic conditions and other factors. The competitive nature of the business and the risks we face are discussed further in the “Risk Factors – Risks Related to Our Business” section below.

The following tables set forth, for the periods indicated, high and low silver and zinc prices on the London Metal Exchange in U.S. dollars per troy ounce and per tonne, respectively. On October 31, 2021, the closing price of silver was \$24.01 per troy ounce. On October 31, 2021, the closing price of zinc was \$3,360 per tonne.

Year	Silver (per troy ounce)	
	High	Low
2014	\$ 22.05	\$ 15.28
2015	\$ 18.23	\$ 13.71
2016	\$ 20.71	\$ 13.58
2017	\$ 18.56	\$ 15.22
2018	\$ 17.52	\$ 13.97
2019	\$ 19.31	\$ 14.38
2020	\$ 28.89	\$ 12.00
2021	\$ 29.58	\$ 21.52

Year	Zinc (per tonne)	
	High	Low
2014	\$ 2,327	\$ 2,008
2015	\$ 2,281	\$ 1,528
2016	\$ 2,566	\$ 1,520
2017	\$ 3,264	\$ 2,573
2018	\$ 3,533	\$ 2,434
2019	\$ 2,932	\$ 2,272
2020	\$ 2,780	\$ 1,903
2021	\$ 3,399	\$ 2,705

### Competition

Our industry is highly competitive. We compete with other mining and exploration companies in the acquisition and exploration of mineral properties. There is competition for a limited number of mineral property acquisition opportunities, some of which is with other companies having substantially greater financial resources, staff and facilities than we do. As a result, we may have difficulty acquiring attractive exploration properties, staking claims related to our properties and exploring properties. Our competitive position depends upon our ability to successfully and economically acquire and explore new and existing mineral properties.

## **Government Regulation**

Mineral exploration activities are subject to various national, state/provincial, and local laws and regulations, which govern prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, protection of the environment, mine safety, hazardous substances and other matters. Similarly, if any of our properties are developed and/or mined, those activities are also subject to significant governmental regulation and oversight. We plan to obtain the licenses, permits and other authorizations currently required to conduct our exploration program. We believe that we are in compliance in all material respects with applicable mining, health, safety and environmental statutes and the regulations applicable to the mineral interests we now hold in Mexico.

## **Environment Regulations**

Our activities are subject to various national and local laws and regulations governing protection of the environment. These laws are continually changing and, in general, are becoming more restrictive. We intend to conduct business in a way that safeguards public health and the environment and is in compliance with applicable laws and regulations.

Changes to current state or federal laws and regulations in Mexico could, in the future, require additional capital expenditures and increased operating and/or reclamation costs. Although we are unable to predict what additional legislation, if any, might be proposed or enacted, additional regulatory requirements could impact the economics of our projects.

During fiscal year 2021, we had no material environmental incidents or non-compliance with any applicable environmental regulations.

## **Employees**

We have four employees, all of whom work full time. Minera Metalin, our wholly-owned operating subsidiary in Mexico, currently has one full-time employee.

## **Corporate Offices**

Our corporate office is located at 777 Dunsmuir Street, Suite 1610, Vancouver, British Columbia, Canada V7Y 1K4. Our telephone number is (604) 687-5800, and our fax number is (604) 563-6004.

## **Available Information**

We maintain an internet website at <http://www.silverbullresources.com>. The information on our website is not incorporated by reference in this Annual Report on Form 10-K. We make available on or through our website certain reports and amendments to those reports that we file with or furnish to the SEC in accordance with the Exchange Act. You may also obtain this information from the SEC's website, <http://www.sec.gov>.

## **Item 1A. RISK FACTORS**

*A purchase of our securities involves a high degree of risk. Our business or operating or financial condition could be harmed due to any of the following risks. Accordingly, investors should carefully consider these risks in making a decision as to whether to purchase, sell or hold our securities. In addition, investors should note that the risks described below are not the only risks facing us. Additional risks not presently known to us, or risks that do not seem significant today, may impair our business operations in the future. You should carefully consider the risks described below, as well as the other information contained in this Annual Report on Form 10-K and the documents incorporated by reference herein, before making a decision to invest in our securities.*

Our risk factors are grouped into the following categories:

- Risks Relating to Our Business;
- Risks Relating to the Mineral Exploration Industry; and
- Risks Relating to Our Common Stock;

## RISKS RELATING TO OUR BUSINESS:

***There is substantial doubt about whether we can continue as a going concern.***

To date, we have earned no revenues and have incurred accumulated net losses of \$134,226,000. In addition, we have limited financial resources. As of October 31, 2021, we had cash and cash equivalents of \$190,000 and working capital of \$890,000. Therefore, our continuation as a going concern is dependent upon a sale of our strategic investment in Arras or our achieving a future financing or a strategic transaction. However, there is no assurance that we will have the ability to sell the shares of Arras or be successful pursuing a financing or strategic transaction. Accordingly, there is substantial doubt as to whether our existing cash resources and working capital are sufficient to enable us to continue our operations for the next 12 months as a going concern. Ultimately, in the event that we cannot obtain additional financial resources, or achieve profitable operations, we may have to liquidate our business interests and investors may lose their investment. The accompanying consolidated financial statements have been prepared assuming that our company will continue as a going concern. Continued operations are dependent on our ability to obtain additional financial resources or generate profitable operations. Such additional financial resources may not be available or may not be available on reasonable terms. Our consolidated financial statements do not include any adjustments that may result from the outcome of this uncertainty. Such adjustments could be material.

***If South32 exercises its option to purchase 70% of the equity of Minera Metalin, we will no longer control the development of the Sierra Mojada Project.***

On June 1, 2018, we entered into the South32 Option Agreement with South32, a wholly owned subsidiary of South32 Limited (ASX/JSE/LSE: S32), whereby South32 is able to obtain the South32 Option to purchase 70% of the equity of Minera Metalin, and oversee the mineral exploration of the Sierra Mojada Project. If South32 exercises the South32 Option, then we will no longer control the development of the Sierra Mojada Project. South32 would have the ability to control the timing and pace of future development, and its decisions may not be in the best interests of the Company and its stockholders.

***If South32 were to exercise its option to purchase 70% of the equity of Minera Metalin, we will be required to contribute 30% of subsequent funding toward development of the Sierra Mojada Project, and we do not currently have sufficient funds to do so.***

If South32 exercises its option to purchase 70% of the equity of Minera Metalin, under the terms of the South32 Option Agreement, we will retain a 30% ownership in Minera Metalin, and be obligated to contribute 30% of subsequent funding toward the development of the Sierra Mojada Project. If we fail to satisfy our funding commitment, our interest in Minera Metalin will be diluted. We do not currently have sufficient funds with which to satisfy this future funding commitment, and there is no certainty that we will be able to obtain sufficient future funds on acceptable terms or at all.

***We may have difficulty meeting our current and future capital requirements.***

Our management and our board of directors monitor our overall costs and expenses and, if necessary, adjust our programs and planned expenditures in an attempt to ensure that we have sufficient operating capital. We continue to evaluate our costs and planned expenditures for our ongoing exploration efforts at our Sierra Mojada Project. As of October 31, 2021, we had cash and cash equivalents of \$190,000. Even with the South32 funds, the continued exploration and possible development of the Sierra Mojada Project will require significant amounts of additional capital. If we are unable to fund future operations by way of a sale of the Arras shares or financings, including public or private offerings of equity or debt securities, we will need to reorganize or significantly reduce our operations, which may result in an adverse impact on our business, financial condition and exploration activities. We do not have a credit, off-take or other commercial financing arrangement in place that would finance continued evaluation or development of the Sierra Mojada Project, and we believe that securing credit for these projects may be difficult. Moreover, equity financing may not be available on attractive terms and, if available, will likely result in significant dilution to existing stockholders.

***We are an exploration stage mining company with no history of operations.***

We are an exploration stage enterprise engaged in mineral exploration in Mexico. We have a very limited operating history and are subject to all the risks inherent in a new business enterprise. As an exploration stage company, we may never enter the development and production stages. To date, we have had no revenues and have relied upon equity financing and South32 funding to fund our operations. The likelihood of our success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with an exploration stage business, and the competitive and regulatory environment in which we operate and will operate, such as under-capitalization, personnel limitations, and limited financing sources.

***We have no commercially mineable ore body.***

No commercially mineable ore body has been delineated on the Sierra Mojada Project, nor have our properties been shown to contain proven or probable mineral reserves. Investors should not assume that the projections contained in the Sierra Mojada Report will ever be realized. We cannot assure you that any mineral deposits we identify on the Sierra Mojada Project will qualify as an ore body that can be legally and economically exploited or that any particular level of recovery of silver, zinc or other minerals from discovered mineralization will in fact be realized. Most exploration projects do not result in the discovery of commercially mineable ore deposits. Even if the presence of reserves is established at a project, the legal and economic viability of the project may not justify exploitation.

***Mineral resource estimates may not be reliable.***

There are numerous uncertainties inherent in estimating quantities of mineralized material such as silver, zinc, lead, and copper, including many factors beyond our control, and no assurance can be given that the recovery of mineralized material will be realized. In general, estimates of mineralized material are based upon a number of factors and assumptions made as of the date on which the estimates were determined, including:

- geological and engineering estimates that have inherent uncertainties;
- the assumed effects of regulation by governmental agencies;
- the judgment of the engineers preparing the estimate;
- estimates of future metals prices and operating costs;
- the quality and quantity of available data;
- the interpretation of that data; and
- the accuracy of various mandated economic assumptions, all of which may vary considerably from actual results.

All estimates are, to some degree, uncertain. For these reasons, estimates of the recoverable mineral resources prepared by different engineers or by the same engineers at different times may vary substantially. As such, there is significant uncertainty in any mineralized material estimate, and actual deposits encountered and the economic viability of a deposit may differ materially from our estimates.

***Our business plan is highly speculative, and its success largely depends on the successful exploration of our Sierra Mojada concessions.***

Our business plan is focused on exploring the Sierra Mojada concessions to identify reserves and, if appropriate, to ultimately develop each property. Although we have reported mineralized material on our Sierra Mojada Project, we have not established any reserves and remain in the exploration stage. We may never enter the development or production stage. Exploration of mineralization and determination of whether the mineralization might be extracted profitably is highly speculative, and it may take a number of years until production is possible, during which time the economic viability of the project may change. Substantial expenditures are required to establish reserves, extract metals from ore and construct mining and processing facilities.

The Sierra Mojada Project is subject to all of the risks inherent in mineral exploration and development. The economic feasibility of any mineral exploration and/or development project is based upon, among other things, estimates of the size and grade of mineral reserves, proximity to infrastructures and other resources (such as water and power), anticipated production rates, capital and operating costs, and metals prices. To advance from an exploration project to a development project, we will need to overcome various hurdles, including completing favorable feasibility studies, securing necessary permits, and raising significant additional capital to fund activities. There can be no assurance that we will be successful in overcoming these hurdles. Because of our focus on the Sierra Mojada Project and its proximity to Torreon, Mexico, the success of our operations and our profitability may be disproportionately exposed to the impact of adverse conditions unique to the region.

***Due to our history of operating losses, we are uncertain that we will be able to maintain sufficient cash to accomplish our business objectives.***

During the fiscal years ended October 31, 2021 and October 31, 2020, we had net losses of \$2,447,000 and \$2,226,000 respectively. At October 31, 2021, we had stockholders' equity of \$8,083,000 and cash and cash equivalents of \$190,000. Significant amounts of capital will be required to continue to explore and potentially develop the Sierra Mojada concessions. We are not engaged in any revenue producing activities, and we do not expect to be in the near future. Currently, our potential sources of funding consist of the sale of the shares of Arras, the sale of additional equity securities, entering into joint venture agreements or selling a portion of our interests in our assets. There is no assurance that any additional capital that we will require will be obtainable on terms acceptable to us, if at all. Failure to obtain such additional financing could result in delays or indefinite postponement of further exploration of our projects. Additional financing, if available, will likely result in substantial dilution to existing stockholders.

***Our exploration activities require significant amounts of capital that may not be recovered.***

Mineral exploration activities are subject to many risks, including the risk that no commercially productive or extractable resources will be encountered. There can be no assurance that our activities will ultimately lead to an economically feasible project or that we will recover all or any portion of our investment. Mineral exploration often involves unprofitable efforts, including drilling operations that ultimately do not further our exploration efforts. The cost of minerals exploration is often uncertain, and cost overruns are common. Our drilling and exploration operations may be curtailed, delayed or canceled as a result of numerous factors, many of which are beyond our control, including title problems, weather conditions, protests, compliance with governmental requirements, including permitting issues, and shortages or delays in the delivery of equipment and services.

***Our financial condition could be adversely affected by changes in currency exchange rates, especially between the U.S. dollar and each of the Mexican peso (“\$MXN”) and the Canadian dollar (“\$CDN”) given our focus on the Sierra Mojada Project in Mexico and our corporate office in Vancouver, Canada.***

Our financial condition is affected in part by currency exchange rates, as portions of our exploration costs in Mexico and general and administration costs in Canada are denominated in the local currency. A weakening U.S. dollar relative to the \$MXN and \$CDN will have the effect of increasing exploration costs and general and administration costs while a strengthening U.S. dollar will have the effect of reducing exploration costs and general and administration costs. The exchange rates between the \$CDN and the U.S. dollar and between the \$MXN and U.S. dollar have fluctuated widely in response to international political conditions, general economic conditions and other factors beyond our control.

***Our success depends on developing and maintaining relationships with local communities and other stakeholders.***

Our ongoing and future success depends on developing and maintaining productive relationships with the communities surrounding our operations and other stakeholders in our operating locations. We believe that our operations can provide valuable benefits to surrounding communities, in terms of direct employment, training and skills development. In addition, we seek to maintain our partnerships and relationships with local communities and stakeholders in a variety of ways, including in-kind contributions, sponsorships and donations. Notwithstanding our ongoing efforts, local communities and stakeholders can become dissatisfied with our activities or the level of benefits provided, which may result in legal or administrative proceedings, civil unrest, protests, direct action or campaigns against us, such as the blockade by Mineros Norteños that caused us to halt all work on the Sierra Mojada Property. Any such occurrences, including the blockade, could materially and adversely affect our financial condition, results of operations and cash flows.

***We share certain key officers and directors with Arras, which means that those officers do not devote their full time and attention to our affairs, and the overlap may give rise to conflicts of interest.***

Our Chief Executive Officer, Timothy Barry, also serves as Chief Executive Officer of Arras, our President, Darren Klinck, also serves as President of Arras, and our Chief Financial Officer, Christopher Richards, also serves as Chief Financial Officer of Arras. As a result, our executive officers do not devote their full time and attention to the Company’s affairs. There may be circumstances in which our executive officers are compelled to spend a significant portion of their time and attention to Arras’ affairs, which may mean that they are unable to devote sufficient time to the Company’s affairs. Furthermore, our Chairman, Brian Edgar, also serves as Chairman of Arras, and four members of our board of directors (including Timothy Barry and Brian Edgar) are also directors of Arras. The overlapping officers and directors may have actual or apparent conflicts of interest with respect to matters involving or affecting each company. For example, conflicts may arise if there are issues or disputes under commercial arrangements that may exist between Arras and us, including with respect to allocation of costs for salaries of overlapping officers and common office-related overhead expenditures. Any failure of the directors or officers of the Company to address these conflicts in an appropriate manner or to allocate opportunities that they become aware of to the Company could have a material adverse effect on the Company’s business, financial condition, results of operations, cash flows or prospects.

***We need and rely upon key personnel.***

Presently, we employ a limited number of full-time employees, utilize outside consultants, and in large part rely on the efforts of our officers and directors. Our success will depend, in part, upon the ability to attract and retain qualified employees. In particular, we have only four executive officers: Brian Edgar, Timothy Barry, Darren Klinck and Christopher Richards, and the loss of the services of any of these would adversely affect our business.



***We are exposed to information systems and cybersecurity risks.***

Our information systems (including those of any of our counterparties) may be vulnerable to the increasing threat of continually evolving cybersecurity risks. Unauthorized parties may attempt to gain access to these systems or our information through fraud or other means of deception. Our operations depend, in part, on how well we and our counterparties protect networks, equipment, information technology systems and software against damage from threats. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact our reputation and results of operations. There can be no assurance that we or our counterparties will not incur such losses in the future. Our risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cybersecurity and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain an area of attention.

***Our operations may be disrupted, and our financial results may be adversely affected, by global outbreaks of contagious diseases, including the novel coronavirus (COVID-19) pandemic.***

Global outbreaks of contagious diseases, including the December 2019 outbreak of a novel strain of coronavirus (COVID-19), have the potential to significantly and adversely impact our operations and business. On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic. Pandemics or disease outbreaks such as the currently ongoing COVID-19 outbreak may have a variety of adverse effects on our business, including by depressing commodity prices and the market value of our securities and limiting the ability of our management to meet with potential financing sources. The spread of COVID-19 has had, and continues to have, a negative impact on the financial markets, which may impact our ability to obtain additional financing in the near term. A prolonged downturn in the financial markets could have an adverse effect on our business, results of operations and ability to raise capital.

**RISKS RELATING TO THE MINERAL EXPLORATION INDUSTRY:**

***There are inherent risks in the mineral exploration industry.***

We are subject to all of the risks inherent in the minerals exploration industry, including, without limitation, the following:

- we are subject to competition from a large number of companies, most of which are significantly larger than we are, in the acquisition, exploration, and development of mining properties;
- we might not be able raise enough money to pay the fees and taxes and perform the labor necessary to maintain our concessions in good status;
- exploration for minerals is highly speculative, involves substantial risks and is frequently unproductive, even when conducted on properties known to contain significant quantities of mineralization, and our exploration projects may not result in the discovery of commercially mineable deposits of ore;
- the probability of an individual prospect ever having reserves that meet the requirements for reporting under SEC Industry Guide 7 is remote, and any funds spent on exploration may be lost;
- our operations are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection controls, and we may not be able to comply with these regulations and controls; and
- a large number of factors beyond our control, including fluctuations in metal prices, inflation, and other economic conditions, will affect the economic feasibility of mining.

***Metals prices are subject to extreme fluctuation.***

Our activities are influenced by the prices of commodities, including silver, zinc, lead, copper and other metals. These prices fluctuate widely and are affected by numerous factors beyond our control, including interest rates, expectations for inflation, speculation, currency values (in particular, the strength of the U.S. dollar), global and regional demand, political and economic conditions and production costs in major metal-producing regions of the world.

Our ability to establish reserves through our exploration activities, our future profitability and our long-term viability depend, in large part, on the market prices of silver, zinc, lead, copper and other metals. The market prices for these metals are volatile and are affected by numerous factors beyond our control, including:

- global or regional consumption patterns;
- supply of, and demand for, silver, zinc, lead, copper and other metals;
- speculative activities and producer hedging activities;
- expectations for inflation;
- political and economic conditions; and
- supply of, and demand for, consumables required for production.

Future weakness in the global economy could increase volatility in metals prices or depress metals prices, which could in turn reduce the value of our properties, make it more difficult to raise additional capital, and make it uneconomical for us to continue our exploration activities.

***There are inherent risks with foreign operations.***

Our business activities are primarily conducted in Mexico, and as such, our activities are exposed to various levels of foreign political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labor unrest, war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, changing political conditions (including, potential instability if the United States withdraws from the United States-Mexico-Canada Agreement), currency controls and governmental regulations that favor or require the rewarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Mexico may adversely affect our exploration and possible future development activities. We may also be affected to varying degrees by government regulations with respect to, but not limited to, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on our operations. In addition, legislation in the United States, Canada or Mexico regulating foreign trade, investment and taxation could have a material adverse effect on our financial condition.

***Our Sierra Mojada Project is located in Mexico and is subject to varying levels of political, economic, legal and other risks.***

The Sierra Mojada Project is in Mexico. In the past, Mexico has been subject to political instability, changes and uncertainties that have resulted in changes to existing governmental regulations affecting mineral exploration and mining activities. Mexico's status as a developing country may make it more difficult for us to obtain any required financing for the Sierra Mojada Project or other projects in Mexico in the future. Our Sierra Mojada Project is also subject to a variety of governmental regulations governing health and worker safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters. Mexican regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards.

Our exploration activities in Mexico may be adversely affected to varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase the costs related to the Sierra Mojada Project. Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect our financial condition. Expansion of our activities will be subject to the need to obtain sufficient access to adequate supplies of water and assure the availability of sufficient power and surface rights that could be affected by government policy and competing operations in the area.

We also have litigation risk with respect to our operations. See Part I, Item 3 – Legal Proceedings of this Annual Report on Form 10-K for an explanation of material legal proceedings to which Silver Bull or its subsidiaries have been a party.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on our financial condition. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration activities with the Sierra Mojada Project or in respect to any other projects in which we become involved in Mexico. Any failure to comply with applicable laws and regulations, even if inadvertent, could result in the interruption of exploration operations or material fines, penalties or other liabilities.

***Title to our properties may be challenged or defective.***

Our future operations, including our activities at the Sierra Mojada Project and other exploration activities, will require additional permits from various governmental authorities. Our operations are and will continue to be governed by laws and regulations governing prospecting, mineral exploration, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, mining royalties and other matters. There can be no assurance that we will be able to acquire all required licenses, permits or property rights on reasonable terms or in a timely manner, or at all, that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties.

We attempt to confirm the validity of our rights of title to, or contract rights with respect to, each mineral property in which we have a material interest. However, we cannot guarantee that title to our properties will not be challenged. The Sierra Mojada Property may be subject to prior unregistered agreements, interests or native land claims, and title may be affected by undetected defects. There may be valid challenges to the title of any of the claims comprising the Sierra Mojada Property that, if successful, could impair possible development and/or operations with respect to such properties in the future. Challenges to permits or property rights (whether successful or unsuccessful), changes to the terms of permits or property rights, or a failure to comply with the terms of any permits or property rights that have been obtained could have a material adverse effect on our business by delaying or preventing or making continued operations economically unfeasible.

A title defect could result in Silver Bull losing all or a portion of its right, title, and interest to and in the properties to which the title defect relates. Title insurance generally is not available, and our ability to ensure that we have obtained secure title to individual mineral properties or mining concessions may be severely constrained. In addition, we may be unable to operate our properties as permitted or to enforce our rights with respect to our properties. We annually monitor the official mining records in Mexico City to determine if there are annotations indicating the existence of a legal challenge against the validity of any of our concessions. As of January 2022, and to the best of our knowledge, there are no such annotations, nor are we aware of any challenges from the government or from third parties, except for the matters described in Part I, Item 3 – Legal Proceedings.

In addition, in connection with the purchase of certain mining concessions, Silver Bull agreed to pay a net royalty interest on revenue from future mineral sales on certain concessions at the Sierra Mojada Project, including concessions on which a significant portion of our mineralized material is located. The aggregate amount payable under this royalty is capped at \$6.875 million (the “Royalty”), an amount that will only be reached if there is significant future production from the concessions. As noted in Part I, Item 3 (Legal Proceedings), this Royalty is currently the subject of a dispute with a local cooperative. In addition, records from prior management indicate that additional royalty interests may have been created, although the continued applicability and scope of these interests are uncertain. The existence of these royalty interests may have a material effect on the economic feasibility of potential future development of the Sierra Mojada Project.

***We are subject to complex environmental and other regulatory risks, which could expose us to significant liability and delay and potentially the suspension or termination of our exploration efforts.***

Our mineral exploration activities are subject to federal, state and local environmental regulations in the jurisdictions where our mineral properties are located. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. No assurance can be given that environmental standards imposed by these governments will not be changed, thereby possibly materially adversely affecting our proposed activities. Compliance with these environmental requirements may also necessitate significant capital outlays or may materially affect our earning power.

Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. As a result of recent changes in environmental laws in Mexico, for example, more legal actions supported or sponsored by non-governmental groups interested in halting projects may be filed against companies operating in all industrial sectors, including the mining sector. Mexican projects are also subject to the environmental agreements entered into by Mexico, the United States and Canada in connection with the United States-Mexico-Canada Agreement.

Future changes in environmental regulations in the jurisdictions where our projects are located may adversely affect our exploration activities, make them prohibitively expensive, or prohibit them altogether. Environmental hazards may exist on the properties in which we currently hold interests, such as the Sierra Mojada Project, or may hold interests in the future, that are unknown to us at present and that have been caused by us or previous owners or operators, or that may have occurred naturally. We may be liable for remediating any damage that we may have caused. The liability could include costs for removing or remediating the release and damage to natural resources, including ground water, as well as the payment of fines and penalties.

***Our industry is highly competitive, attractive mineral properties and property concessions are scarce, and we may not be able to obtain quality properties or concessions.***

We compete with other mining and exploration companies in the acquisition of mineral properties and property concessions. There is competition for a limited number of attractive mineral property acquisition opportunities, some of which is with other companies having substantially greater financial resources, staff and facilities than we do. As a result, we may have difficulty acquiring quality mineral properties or property concessions.

***We may face a shortage of water.***

Water is essential in all phases of the exploration and development of mineral properties. It is used in such processes as exploration, drilling, leaching, placer mining, dredging, testing, and hydraulic mining. Both the lack of available water and the cost of acquisition may make an otherwise viable project economically impossible to complete. In November 2013, Silver Bull was granted the right to exploit up to 3.5 million cubic meters of water per year from six different well sites by the water regulatory body in Mexico, La Comisión Nacional del Agua, but it has yet to be determined if the six well sites can produce this much water over a sustained period of time.

***Our non-operating properties are subject to various hazards.***

We are subject to risks and hazards, including environmental hazards, possible encounters with unusual or unexpected geological formations, cave-ins, flooding and earthquakes, and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or the destruction of, mineral properties or future production facilities, personal injury or death, environmental damage, delays in our exploration activities, asset write-downs, monetary losses and possible legal liability. We may not be insured against all losses or liabilities, either because such insurance is unavailable or because we have elected not to purchase such insurance due to high premium costs or other reasons. Although we maintain insurance in an amount that we consider to be adequate, liabilities might exceed policy limits, in which event we could incur significant costs that could adversely affect our activities. The realization of any significant liabilities in connection with our activities as described above could negatively affect our activities and the price of our common stock.

#### **RISKS RELATING TO OUR COMMON STOCK:**

***Further equity financings may lead to the dilution of our common stock.***

In order to finance future operations, we may raise funds through the issuance of common stock or the issuance of debt instruments or other securities convertible into common stock. We cannot predict the size of future issuances of common stock or the size and terms of future issuances of debt instruments or other securities convertible into common stock or the effect, if any, that future issuances and sales of our securities will have on the market price of our common stock. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into common stock, would result in dilution, possibly substantial, to present and prospective security holders. Demand for equity securities in the mining industry has been weak; therefore, equity financing may not be available on attractive terms and, if available, will likely result in significant dilution to existing shareholders.

***No dividends are anticipated.***

At the present time, we do not anticipate paying dividends, cash or otherwise, on our common stock in the foreseeable future. Future dividends will depend on our earnings, if any, our financial requirements and other factors. There can be no assurance that we will pay dividends.

***Our stock price can be very volatile.***

Our common stock is listed on the TSX and trades on the OTCQB. The trading price of our common stock has been, and could continue to be, subject to wide fluctuations in response to announcements of our business developments, results and progress of our exploration activities at the Sierra Mojada Project, progress reports on our exploration activities, and other events or factors. In addition, stock markets have experienced significant price volatility in recent months and years. This volatility has had a substantial effect on the share prices of companies, at times for reasons unrelated to their operating performance. These fluctuations could be in response to:

- volatility in metal prices;
- political developments in the foreign countries in which our properties are located; and
- news reports relating to trends in our industry or general economic conditions.

These broad market and industry fluctuations may adversely affect the price of our common stock, regardless of our operating performance.

We cannot make any predictions or projections as to what the prevailing market price for our common stock will be at any time, including as to whether our common stock will achieve or remain at levels at or near its offering price, or as to what effect the sale of shares or the availability of common stock for sale at any time will have on the prevailing market price.

#### **Item 1B. UNRESOLVED STAFF COMMENTS**

None.

#### **Item 3. LEGAL PROCEEDINGS**

On May 20, 2014, Mineros Norteños filed an action in the Local First Civil Court in the District of Morelos, State of Chihuahua, Mexico, against our subsidiary, Minera Metalin, claiming that Minera Metalin breached an agreement regarding the development of the Sierra Mojada Project. Mineros Norteños sought payment of the Royalty, including interest at a rate of 6% per annum since August 30, 2004, even though no revenue has been produced from the applicable mining concessions. It also sought payment of wages to the cooperative's members since August 30, 2004, even though none of the individuals were hired or performed work for Minera Metalin under this agreement and Minera Metalin did not commit to hiring them. On January 19, 2015, the case was moved to the Third District Court (of federal jurisdiction). On October 4, 2017, the court ruled that Mineros Norteños was time barred from bringing the case. On October 19, 2017, Mineros Norteños appealed this ruling. On July 31, 2019, the Federal Appeals Court upheld the original ruling. This ruling was subsequently challenged by Mineros Norteños and on January 24, 2020, the Federal Circuit Court ruled that the Federal Appeals Court must consider additional factors in its ruling. In March 2020, the Federal Appeals Court upheld the original ruling after considering these additional factors. In August 2020, Mineros Norteños appealed this ruling, which appeal we timely responded and objected to on October 5, 2020. On March 26, 2021, the Federal Circuit Court issued a final and conclusive resolution, affirming the Federal Appeals Court decision. We have not accrued any amounts in our consolidated financial statements with respect to this claim.

On February 15, 2016, Messrs. Jaime Valdez Farias and Maria Asuncion Perez Alonso (collectively, "Valdez") filed an action before the Local First Civil Court of Torreon, State of Coahuila, Mexico, against our subsidiary, Minera Metalin, claiming that Minera Metalin had breached an agreement regarding the development of the Sierra Mojada Property. Valdez sought payment in the amount of \$5.9 million for the alleged breach of the agreement. On April 28, 2016, Minera Metalin filed its response to the complaint, asserting various defenses, including that Minera Metalin terminated the agreement before the payment obligations arose and that certain conditions precedent to such payment obligations were never satisfied by Valdez. We and our Mexican legal counsel asserted all applicable defenses. In May 2017, a final judgment was entered finding for us, the defendant, acquitting us of all of the plaintiff's claims and demands. However, due to a technicality in an early procedural act, Valdez was allowed to, and did, challenge the judgment before a local Appeals Court. On October 1, 2020, the Appeals Court entered a resolution overturning the previous judgment and entering a resolution in favor of Valdez in the amount of \$5 million, plus court costs. In November 2020, the judgment of the Appeals Court was timely challenged by us by means of an "Amparo" lawsuit (Constitutional protection) before a Federal Circuit Court. In June 2021, the Federal Circuit Court ruled in favor of the plaintiff. In consultation with our Mexican legal counsel, we believe these judgments are contrary to applicable law. No efforts have been made by the plaintiff to enforce the Appeals Court resolution, and in the event such efforts are undertaken, we intend to assert a variety of further defenses. We believe the likelihood of the plaintiff succeeding in collecting any amount on this claim is remote, as such we have not accrued any amounts in our consolidated financial statements with respect to this claim.

See Note 15 – Commitments and Contingencies to our consolidated financial statements.

#### **Item 4. MINE SAFETY DISCLOSURES**

Not applicable.

## PART II

### Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

#### Market Information

From May 2, 2011 to June 28, 2015, our common stock traded on the NYSE MKT (the predecessor stock exchange to the NYSE American) under the symbol "SVBL." On June 5, 2015, we announced our decision to voluntarily delist our shares of common stock from the NYSE MKT due to costs associated with the continued listing and NYSE MKT exchange rules regarding maintenance of a minimum share price. On June 29, 2015, our shares began trading on the OTCQB marketplace operated by OTC Markets Group. Since August 26, 2010, our common stock has been trading on the TSX under the symbol "SVB."

The sales prices on the OTCQB reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

#### Holders

As of January 14, 2022, there were 122 holders of record of our common stock. This does not include persons or entities that hold our common stock in brokerage accounts or otherwise in "street name."

#### Dividends

We have not declared or paid any cash dividends on our common stock during the last two fiscal years. We have no plans to pay any cash dividends in the foreseeable future.

#### Securities Authorized for Issuance Under Equity Compensation Plans

As of October 31, 2021, we had one formal equity compensation plan under which equity securities were authorized for issuance to our officers, directors, employees and consultants: the 2019 Stock Option and Stock Bonus Plan (the "2019 Plan"). The 2019 Plan was adopted by the board of directors in February 2019 and approved by the shareholders in April 2019. Under the 2019 Plan, the lesser of (i) 150,000,000 shares or (ii) 10% of the total shares outstanding will be reserved to be issued upon the exercise of options or the grant of stock bonuses. As of October 31, 2021, there were 3,454,783 shares reserved for issuance under the 2019 Plan. As of October 31, 2021, options issued under the 2010 Stock Option and Stock Bonus Plan, as amended (the "2010 Plan"), were outstanding to acquire 43,750 shares of common stock. The term of the 2010 Plan expired on or around December 22, 2019. As of October 31, 2021, no additional shares remain available for issuance under the 2010 Plan.

The following table gives information about our common stock that may be issued upon the exercise of options, warrants and rights under our compensation plans as of October 31, 2021.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options and rights</b>	<b>Weighted average exercise price of outstanding options and rights</b>	<b>Number of securities remaining available for future issuance</b>
Equity compensation plans approved by security holders	43,750 <sup>(1)</sup>	\$1.39	3,454,783 <sup>(2)</sup>
<b>Total</b>	<b>43,750</b>	<b>\$1.39</b>	<b>3,454,783</b>

(1) Includes options to acquire 43,750 shares of common stock under the 2010 Plan.

(2) Includes 3,454,783 shares of common stock available for issuance under the 2019 Plan.

## Recent Sales of Unregistered Securities and Purchases of Equity Securities by the Issuer and Affiliated Purchasers

### Recent Sales of Unregistered Securities

On June 25, 2021, we completed a private placement (the “2021 Silver Bull Private Placement”) for 500,000 shares of common stock at a purchase price of \$CDN 1.00 per share for aggregate gross proceeds of \$405,351 (\$CDN 500,000). No placement agent or finder’s fees were paid in connection with the 2021 Silver Bull Private Placement.

On November 9, 2020, in the second and final tranche of a private placement (the “2020 Silver Bull Private Placement”), we sold 319,000 units (each, a “Unit”) at a purchase price of \$0.47 per Unit for gross proceeds of \$149,930. Each Unit consists of one share of our common stock and one-half of one transferable common stock purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder thereof to acquire one share of our common stock and one common share of Arras as per the terms of the Separation and Distribution Agreement between Silver Bull and Arras completed in conjunction with the Distribution, , at a price of \$0.59 until the fifth annual anniversary of the closing of the respective tranche of the 2020 Silver Bull Private Placement.

We relied on the exemption from registration under Section 4(a)(2) of the Securities Act or Rule 506 of Regulation D, or Regulation S, for purposes of each of the 2021 Silver Bull Private Placement and the 2020 Silver Bull Private Placement.

### Purchases of Equity Securities by the Company and Affiliated Purchasers

No purchases of equity securities were made by or on behalf of Silver Bull or any “affiliated purchaser” within the meaning of Rule 10b-18 under the Exchange Act during the period covered by this report.

### **Item 6. [RESERVED]**

## **Item 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Business Overview**

Silver Bull, incorporated in Nevada, is an exploration stage company, engaged in the business of mineral exploration. Our primary objective is to define sufficient mineral reserves on the Sierra Mojada Property to justify the development of a mechanized mining operation. We conduct our operations in Mexico through our wholly-owned Mexican subsidiaries, Minera Metalin and Minas. However, as noted above, we have not established any reserves at the Sierra Mojada Property, are in the exploration stage and may never enter the development or production stage.

Our principal office is located at 777 Dunsmuir Street, Suite 1610, Vancouver, BC, Canada V7Y 1K4, and our telephone number is 604-687-5800.

### **Recent Developments**

#### Distribution of Arras Common Shares

On August 31, 2021, the board of directors approved the distribution of Arras common shares. On September 24, 2021, we distributed to our shareholders one Arras common share for each Silver Bull share held by such shareholders, or 34,547,838 Arras common shares in total. Upon completion of the Distribution, we retained 1,452,162 Arras common shares, or approximately 4% of the outstanding Arras common shares, as a strategic investment, and Arras became a stand-alone company.

#### Amendments to Articles of Incorporation

On April 19, 2021, our shareholders approved and adopted amended and restated articles of incorporation to, among other things, increase the number of authorized shares of our common stock from 37.5 million to 150 million.

#### 2021 Silver Bull Private Placement

In June 2021, we sold 500,000 shares of common stock, raising gross proceeds of \$405,351 (\$CDN 500,000). For a full description of the 2021 Silver Bull Private Placement, see the “Material Changes in Financial Condition; Liquidity and Capital Resources” section below.

## 2020 Silver Bull Private Placement

In November 2020, in the second and final tranche of the 2020 Silver Bull Private Placement, we sold of 319,000 units consisting of one share of our common stock and one-half of one transferable common stock purchase warrant, raising gross proceeds of \$149,930. For a full description of the 2020 Silver Bull Private Placement, see the “Material Changes in Financial Condition; Liquidity and Capital Resources” section below.

## Arras Private Placement

On April 1, 2021, while Arras was a subsidiary of the Company, Arras completed a private placement (the “Arras Private Placement”) for 5,035,000 common shares at a price of \$CDN 0.50 per share for gross proceeds of \$CDN 2,517,500. No placement agent or finder’s fees were paid in connection with the Arras Private Placement. Arras incurred other offering costs associated with the Arras Private Placement of \$20,687. For a full description of the Arras Private Placement, see the “Material Changes in Financial Condition; Liquidity and Capital Resources” section below.

## South32 Option Agreement

On June 1, 2018, we and our subsidiaries Minera Metalin and Contratistas entered into the South32 Option Agreement with South32, whereby South32 is able to obtain the South32 Option to purchase 70% of the shares of Minera Metalin and Contratistas. Contratistas has since merged with and into Minera Metalin. Contratistas has since merged with and into Minera Metalin. Minera Metalin owns the Sierra Mojada Property located in Coahuila, Mexico, and supplies labor for the Sierra Mojada Project. Under the South32 Option Agreement, South32 earns into the South32 Option by funding a collaborative exploration program on the Sierra Mojada Project. Upon the terms and subject to the conditions set forth in the South32 Option Agreement, in order for South32 to earn and maintain its four-year option, South32 must have contributed to Minera Metalin for exploration of the Sierra Mojada Project at least \$3 million by the end of Year 1, \$6 million by the end of Year 2, \$8 million by the end of Year 3 and \$10 million by the end of Year 4. Funding is made on a quarterly basis based on the following quarter’s exploration budget. South32 may exercise the South32 Option by contributing \$100 million to Minera Metalin, less the amount of Initial Funding previously contributed by South32. The issuance of shares upon notice of exercise of the South32 Option by South32 is subject to antitrust approval by the Mexican government. If the full amount of the Subscription Payment is advanced by South32 and the South32 Option becomes exercisable and is exercised, we and South32 will be obligated to contribute funding to Minera Metalin on a 30/70 pro rata basis. If South32 elects not to continue with the South32 Option during the four-year option period, the Sierra Mojada Project will remain 100% owned by us. The exploration program will be initially managed by us, with South32 being able to approve the exploration program funded by it. We received funding of \$3,144,163 from South32 for Year 1 of the South32 Option Agreement. In April 2019, we received a notice from South32 to maintain the South32 Option Agreement for Year 2 by providing cumulative funding of \$6 million by the end of such period. We had received funding of \$1,502,831, which included payments of \$319,430 and \$1,100,731 received during the years ended October 31, 2019 and 2020, respectively, from South32 for Year 2 of the South32 Option Agreement, the time period for which has been extended by an event of force majeure described in more detail below. As of October 31, 2021, we had received cumulative funding of \$4,646,994 under the South32 Option Agreement. During the year ended October 31, 2021, we received payment of \$82,670 for the extended Year 2 time period. If the South32 Option Agreement is terminated by South32 without cause or if South32 is unable to obtain antitrust authorization from the Mexican government, we are under no obligation to reimburse South32 for amounts contributed under the South32 Option Agreement.

Upon exercise of the South32 Option, Minera Metalin is required to issue common shares to South32. Pursuant to the South32 Option Agreement, following exercise and until a decision has been made by the board of directors of Minera Metalin to develop and construct a mine on the Sierra Mojada Project, each shareholder holding greater than or equal to 10% of the shares may withdraw as an owner in exchange for a 2% net smelter royalty on products produced and sold from the Sierra Mojada Project. Any shareholder whose holdings are reduced to less than 10% must surrender its interest in exchange for a 2% net smelter royalty.

We have determined that Minera Metalin is a variable interest entity and that the South32 Option Agreement has not resulted in the transfer of control of the Sierra Mojada Project to South32. We have also determined that the South32 Option Agreement represents non-employee share-based compensation associated with the collaborative exploration program undertaken by the parties. The compensation cost is expensed when the associated exploration activity occurs. The share-based payments have been classified as equity instruments and valued based on the fair value of consideration received, as it is more reliably measurable than the fair value of the equity interest. If the South32 Option is exercised and shares are issued prior to a decision to develop a mine, such shares would be classified as temporary equity as they would be contingently redeemable in exchange for a net smelter royalty under circumstances not wholly in control of us or South32 and which are not currently probable.

On October 11, 2019, we and our subsidiary Minera Metalin issued a notice of force majeure to South32 pursuant to the South32 Option Agreement. Due to a blockade by Mineros Norteños, we have halted all work on the Sierra Mojada Property. The notice of force majeure was issued because of the blockade’s impact on the ability of us and our subsidiary Minera Metalin to perform their obligations under the South32 Option Agreement. Pursuant to the South32 Option Agreement, any time period provided for in the South32 Option Agreement will generally be extended by a period equal to the period of delay caused by the event of force majeure.



## Sierra Mojada Property

In April 2021, our board of directors approved an exploration budget for the Sierra Mojada Property of \$0.2 million and a \$1.4 million budget for general and administrative expenses for calendar year 2021. Due to the blockade by Mineros Norteños previously mentioned under the “Recent Developments – South32 Option Agreement” section of this Form 10-K, we have halted all exploration work at the Sierra Mojada Property. Until the blockade situation is resolved, the focus of the exploration budget for the Sierra Mojada Property is maintaining our property concessions.

### *2021 Drilling*

During the year ended October 31, 2021 we conducted no drilling as we halted the drilling program due to the blockade.

### *2022 Exploration Program*

The focus of our 2022 calendar year exploration program on the Sierra Mojada Property will be to resolve the blockade and to maintain our property concessions in Mexico. Upon resolution of the blockade, we will work with South32 to approve an updated exploration program.

## **Management Changes**

On October 1, 2021, Darren Klinck was appointed as President, replacing Timothy Barry in such role on that date. Timothy Barry remains our Chief Executive Officer. Mr. Klinck, most recently served as President (August 2017–April 2021) and Chief Executive Officer (August 2017–January 2020) of Bluestone Resources Inc. From April 2007 to June 2017, he served in numerous roles at OceanaGold Corporation, including Executive Vice President and Head of Corporate Development, Head of Business Development, and Vice President of Corporate and Investor Relations. Mr. Klinck has served as a director of ValOre Metals Corp. since June 1, 2021, as a director of Gold Basin Resources Corp. since September 9, 2021, and as the President and a director of Arras Minerals Corp. since October 1, 2021. In addition, he served as a director of Bluestone Resources Inc. from August 2017 to April 2021. Mr. Klinck has a Bachelor of Commerce degree from the Haskayne School of Business at The University of Calgary.

## **Results of Operations**

### **Fiscal Year Ended October 31, 2021 Compared to Fiscal Year Ended October 31, 2020**

For the fiscal year ended October 31, 2021, we reported a consolidated net loss of \$2,448,000 or approximately \$0.07 per share, compared to a consolidated net loss of \$2,226,000 or approximately \$0.08 per share during the fiscal year ended October 31, 2020. The \$222,000 increase in the consolidated net loss was primarily due to a \$298,000 increase in exploration and property holding costs, a \$1,040,000 increase in general and administrative expenses, which was partially offset by a \$1,091,000 unrealized gain of Arras shares held by Silver Bull and \$6,000 in other income in the 2021 fiscal year compared to \$15,000 in other expenses in the 2020 fiscal year as described below.

### *Exploration and Property Holding Costs*

Exploration and property holding costs increased by \$298,000 to \$978,000 in the 2021 fiscal year from \$680,000 in the 2020 fiscal year. This increase was the result of an increase in stock-based compensation expenses, finders’ fees due and exploration activities in connection of the Beskauga Option Agreement, which was offset by a decrease in expenses at the Sierra Mojada Property due to the blockade discussed in the “Recent Developments – South32 Option Agreement” section above.

### *General and Administrative Costs*

General and administrative expenses increased by \$1,040,000 to \$2,563,000 in the 2021 fiscal year from \$1,523,000 in the 2020 fiscal year as described below.

Stock-based compensation was a factor in the fluctuations in general and administrative expenses. Overall stock-based compensation included in general and administrative expense increased to \$492,000 in the 2021 fiscal year from \$62,000 in the 2020 fiscal year. This was mainly due to stock options granted to Arras’ employees, directors and advisors in the 2021 fiscal year, while Arras was a subsidiary of the Company.

Personnel costs increased by \$272,000 to \$886,000 in the 2021 fiscal year from \$614,000 in the 2020 fiscal year. This increase was mainly due to a \$246,000 increase in stock-based compensation expense as a result of stock options vesting in the 2021 fiscal year having a higher fair value than stock options vesting in the 2020 fiscal year.

Office and administrative expenses increased by \$64,000 to \$381,000 in the 2021 fiscal year from \$317,000 in the 2020 fiscal year. This increase was mainly due to an increase in investor relations activities relating to costs associated with the special meeting of shareholders in December 2020.

Professional services increased by \$470,000 to \$868,000 in the 2021 fiscal year from \$398,000 in the 2020 fiscal year. This increase was mainly due to a \$373,000 increase in legal fees, a \$107,000 increase in accounting fees, which includes \$85,000 for the special meeting of shareholders in December 2020, and \$378,000 for the incorporation and spin-off of Arras and the Distribution of Arras common shares to our shareholders.

Directors' fees increased by \$222,000 to \$366,000 in the 2021 fiscal year as compared to \$144,000 for the 2020 fiscal year. This increase was primarily due to an additional \$36,000 in directors' fees for Arras directors and a \$185,000 increase in stock-based compensation expenses as a result of stock options vesting in the 2021 fiscal year having a lower fair value than stock options vesting in the 2020 fiscal year.

We recorded a \$62,000 provision for uncollectible VAT for the 2021 fiscal year as compared to a \$50,000 provision for uncollectible VAT in the 2020 fiscal year. The increase was mainly due to a reduction in management's estimated probability of collecting outstanding VAT in the 2021 fiscal year. The allowance for uncollectible taxes in Mexico was estimated by management based upon a number of factors, including the length of time the returns have been outstanding, responses received from tax authorities, general economic conditions in Mexico and estimated net recovery after commissions.

#### *Other Income (Expenses)*

We recorded other income of \$1,097,000 in the 2021 fiscal year as compared to other expenses of \$15,000 in the 2020 fiscal year. The significant factor contributing to other income in the 2021 fiscal year was a \$1,091,000 unrealized gain of Arras shares held by Silver Bull and \$6,000 in foreign currency transaction income. The significant factor contributing to other expenses in the 2020 fiscal year was a \$22,000 foreign currency transaction loss.

### **Material Changes in Financial Condition; Liquidity and Capital Resources**

#### 2021 Silver Bull Private Placement

On June 25, 2021, we sold 500,000 shares of common stock for gross proceeds of \$405,351 (\$CDN 500,000) in the 2021 Silver Bull Private Placement. No placement agent or finder's fees were paid in connection with the 2021 Silver Bull Private Placement. We incurred other offering costs associated with the 2021 Silver Bull Private Placement of \$14,628.

#### Arras Private Placement

On April 1, 2021, Arras completed the Arras Private Placement for 5,035,000 common shares at a price of \$CDN 0.50 per share for gross proceeds of \$CDN 2,517,500. No placement agent or finder's fees were paid in connection with the Arras Private Placement. We incurred other offering costs associated with the Arras Private Placement of \$20,687.

#### 2020 Silver Bull Private Placement

On October 27, 2020, in the initial tranche of the 2020 Silver Bull Private Placement, we sold 3,623,580 units (each, a "Unit") at a purchase price of \$0.47 per Unit for gross proceeds of \$1,703,000. On November 9, 2020, in the second and final tranche of the 2020 Silver Bull Private Placement, we sold 319,000 Units at a purchase price of \$0.47 per Unit for gross proceeds of \$150,000. Each Unit consists of one share of our common stock and one-half of one transferable common stock purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to acquire one share of our common stock and one common share of Arras as per the terms of the Separation and Distribution agreement between Silver Bull and Arras completed in conjunction with the Distribution, at a price of \$0.59 until the fifth annual anniversary of the closing of the respective tranche of the 2020 Silver Bull Private Placement.

We paid a finder's fee totaling \$26,000 to an agent with respect to certain purchasers who were introduced to us by the agent. We incurred other offering costs associated with the 2020 Silver Bull Private Placement of \$105,236.

## Cash Flows

During the 2021 fiscal year, we primarily utilized cash and cash equivalents to fund (i) exploration activities at the Beskauga Property and the acquisition of mineral concessions located in Kazakhstan, while Arras was a subsidiary of the Company (ii) general and administrative expenses and (iii) exploration activities at the Sierra Mojada Property. In addition, we received \$83,000 from South32, net proceeds of \$133,000 from the second and final tranche of the 2020 Silver Bull Private Placement, which was partially offset by an \$81,000 payment for share issuance costs due to the timing of the payment, net proceeds of \$400,000 from the 2021 Silver Bull Private Placement and a Canada Emergency Business Account (“CEBA”) loan for \$16,000. As a result of the exploration activities and general and administrative expenses, which were partially offset by net cash proceeds received from the second and final tranche of the 2020 Silver Bull Private Placement, 2021 Silver Bull Private Placement, funding from South32, and the CEBA loan, cash and cash equivalents decreased from \$1,862,000 at October 31, 2020 to \$190,000 at October 31, 2021.

Cash flows used in operations for the 2021 fiscal year was \$1,685,000 as compared to \$1,958,000 in the 2020 fiscal year. This decrease was mainly due to increased unpaid accounts payable and accrued liabilities and expenses, which was offset by increased exploration activities in relation to the Beskauga Option Agreement for the period from February 5, 2021 to September 24, 2021 and increased general and administrative expenses and timing of certain payments.

Cash flows used in investing activities for the 2021 fiscal year was \$2,516,000, which included \$1,928,000 for loans made to Ekidos Minerals LLP and \$505,000 cash and cash equivalents that were for the deconsolidation of Arras, which was partially offset by \$82,000 for the purchase of equipment. Cash flows used in investing activities in the 2020 fiscal year was \$408,000 for loans made to Ekidos Minerals LLP and purchases of equipment.

Cash flows provided by financing activities for the 2021 fiscal year was \$2,531,000 as compared to \$2,799,000 in the 2020 fiscal year. The cash flows provided by financing activities in the 2021 fiscal year was due to the 2021 Silver Bull Private Placement, the Arras Private Placement, the second tranche of 2020 Silver Bull Private Placement, funding from South32 and the CEBA loan. The cash flows provided by financing activities in the 2020 fiscal year was due to the initial tranche of the 2020 Silver Bull Private Placement, funding from South32 and the CEBA loan.

## Capital Resources

As of October 31, 2021, we had cash and cash equivalents of \$190,000 as compared to cash and cash equivalents of \$1,862,000 as of October 31, 2020. The decrease in our liquidity was primarily the result of the exploration activities at the Sierra Mojada Property and Beskauga Property and general and administrative expenses, which was partially offset by the 2021 Silver Bull Private Placement, the Arras Private Placement, the second tranche of 2020 Silver Bull Private Placement, funding from South32 and the CEBA loan.

Since our inception in November 1993, we have not generated revenue and have incurred an accumulated deficit of \$134,226,000. Accordingly, we have not generated cash flows from operations, and since inception we have relied primarily upon proceeds from private placements and registered direct offerings of our equity securities, warrant exercises and funding from South32 as the primary sources of financing to fund our operations. We anticipate that we will continue to rely on sales of our securities in order to continue to fund our business operations. The issuance of additional shares will result in dilution to our existing stockholders. There is no assurance that we will be able to complete any additional sales of our equity securities or that we will be able to arrange for other financing to fund our planned business activities.

Any future additional financing in the near term will likely be in the form of payments from South32 or an issuance of equity interests, which will result in dilution to our existing shareholders. Moreover, we may incur significant fees and expenses in the pursuit of a financing or other strategic transaction, which will increase the rate at which our cash and cash equivalents are depleted.

## Capital Requirements and Liquidity; Need for Additional Funding

Our management and board of directors monitor our overall costs, expenses, and financial resources and, if necessary, will adjust our planned operational expenditures in an attempt to ensure that we have sufficient operating capital. We continue to evaluate our costs and planned expenditures, including for our Sierra Mojada Property as discussed below.

The continued exploration of the Sierra Mojada Property will require significant amounts of additional capital. In December 2021, our board of directors approved an exploration budget for the Sierra Mojada Property of \$0.3 million and \$0.8 million for general and administrative expenses for calendar year 2022. As of December 31, 2021, we had approximately \$0.3 million in cash and cash equivalents. The continued exploration of the Sierra Mojada Property ultimately will require us to raise additional capital, identify other sources of funding or identify another strategic partner. For information about our current strategic partnership with South32, see Note 3 – South32 Option Agreement in our financial statements. If South32 exercises its option to purchase 70% of the equity of Minera Metalin, under the terms of the South32 Option Agreement, we will retain a 30% ownership in Minera Metalin, and be obligated to contribute 30% of subsequent funding toward the development of the Sierra Mojada Project. If we fail to satisfy our funding commitment, our interest in Minera Metalin will be diluted. We do not currently have sufficient funds with which to satisfy this future funding commitment, and there is no certainty that we will be able to obtain sufficient future funds on acceptable terms or at all. If South32 terminates the South32 Option Agreement, our funding obligations for the Sierra Mojada Property would increase, likely resulting in a reduction in exploration work on the Sierra Mojada Property. We will continue to evaluate our ability to obtain additional financial resources, and we will attempt to reduce or limit expenditures on the Sierra Mojada Property as well as general and administrative costs if we determine that additional financial resources are unavailable or available on terms that we determine are unacceptable. However, it may not be possible to reduce costs, and even if we are successful in reducing costs, we still may not be able to continue operations for the next 12 months as a going concern. If we are unable to fund future operations by obtaining additional financial resources, including the sale of Arras shares held by the Company or through public or private offerings of equity, we do not expect to have sufficient available cash and cash equivalents to continue our operations for the next 12 months as a going concern. Debt or equity financing may not be available to us on acceptable terms, if at all. Equity financing, if available, may result in substantial dilution to existing stockholders. If we are unable to fund future operations by way of financings, including public or private offerings of equity or debt securities, our business, financial condition and results of operations will be adversely impacted.

#### **Off-Balance Sheet Arrangements**

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to our shareholders.

#### **Recent Accounting Pronouncements Adopted in the Fiscal Year Ended October 31, 2021**

On November 1, 2020, we adopted the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Updated (“ASU”) 2019-12, “Income Taxes – Simplifying the Accounting for Income Taxes (Topic 740)” which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and clarifies and amends existing guidance to improve consistent application. ASU 2019-12 will be effective for interim and annual periods beginning after December 15, 2020. Early adoption is permitted. The adoption of this update did not have a material impact on our financial position, results of operations or cash flows and disclosures.

#### **Recent Accounting Pronouncements Not Yet Adopted**

In January 2020, the FASB issued ASU No. 2020-01, “Investments – Equity Securities (Topic 321), Investments – Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) – Clarifying the Interactions between Topic 321, Topic 323, and Topic 815.” This ASU is effective for fiscal years beginning after December 15, 2020. The adoption of this update is not expected to have a material impact on our financial position, results of operations or cash flows and disclosures.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the SEC did not or are not expected to have a material impact on our present or future consolidated financial statements.

#### **Critical Accounting Policies and Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires us to establish accounting policies and make estimates and assumptions that affect our reported amounts of assets and liabilities at the date of the consolidated financial statements. These consolidated financial statements include some estimates and assumptions that are based on informed judgments and estimates of management. We evaluate our policies and estimates on an ongoing basis and discuss the development, selection and disclosure of critical accounting policies with the Audit Committee of the Board of Directors. Predicting future events is inherently an imprecise activity and as such requires the use of judgment. Our consolidated financial statements may differ based upon different estimates and assumptions.

We discuss our significant accounting policies in Note 2, Summary of Significant Accounting Policies, to our consolidated financial statements. Our significant accounting policies are subject to judgments and uncertainties that affect the application of such policies. We believe that these consolidated financial statements include the most likely outcomes with regard to amounts that are based on our judgment and estimates. Our consolidated financial position and results of operations may be materially different when reported under different conditions or when using different assumptions in the application of such policies. If estimates or assumptions prove to be different from the actual amounts, adjustments are made in subsequent periods to reflect more current information. We believe that the following accounting policies are critical to the preparation of our consolidated financial statements due to the estimation process and business judgment involved in their application:

#### *Principles of Consolidation – South32 Option Agreement*

We consolidate entities in which we have a controlling financial interest based on either the variable interest entity (VIE) or voting interest model. Generally, the primary beneficiary of a VIE is a reporting entity that has (a) the power to direct the activities that most significantly impact the VIE's economic performance, and (b) the obligation to absorb losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE. Currently, we manage the mineral exploration program in the property concessions in Mexico through our wholly-owned subsidiary corporations Minera Metalin.

We have determined that Minera Metalin is a variable interest entity and we are the primary beneficiary.

We have applied judgment in reaching our conclusion with respect to accounting for the South32 Option Agreement with South32, described in Note 3 to the consolidated financial statements. Under the South32 Option Agreement, South32 is able to obtain an option to purchase 70% of the shares of Minera Metalin (the "South32 Option"). We have determined that the South32 Option Agreement has not resulted in the transfer of control of the Sierra Mojada Project to South32 and that the South32 Option Agreement represents non-employee share-based compensation associated with the collaborative exploration program undertaken by the parties. The compensation cost is expensed when the associated exploration activity occurs. The share-based payments have been classified as equity instruments and valued based on the fair value of consideration received, as it is more reliably measurable than the fair value of the equity interest. In the event the South32 Option is exercised and shares are issued prior to a decision to develop a mine, such shares would be classified as temporary equity as they would be contingently redeemable in exchange for a net smelter royalty under circumstances not wholly in control of us or South32 and which are not currently probable. No portion of the equity value has been classified as temporary equity as the South32 Option has no intrinsic value.

#### *Use of Estimates*

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates based on assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Actual results could differ from those estimates. Estimates and assumptions are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and assumptions are accounted for prospectively.

Significant areas involving the use of estimates include determining the allowance for uncollectible taxes, evaluating recoverability of property concessions, evaluating impairment of long-lived assets, evaluating impairment of goodwill, valuation of investments, establishing a valuation allowance on future use of deferred tax assets, calculating a valuation for stock option liability and calculating stock-based compensation.

#### *Property Concessions*

Property concession acquisition costs are capitalized when incurred and will be amortized using the units of production method following the commencement of production. If a property concession is subsequently abandoned or impaired, any capitalized costs will be expensed in the period of abandonment or impairment. To date, no property concessions have reached the production stage.

Acquisition costs include cash consideration and the fair market value of shares issued on the acquisition of property concessions.

#### *Exploration Costs*

Exploration costs incurred are expensed to the date of establishing that costs incurred are economically recoverable. Exploration expenditures incurred subsequent to the establishment of economic recoverability are capitalized and included in the carrying amount of the related property. To date, we have not established the economic recoverability of our exploration prospects; therefore, all exploration costs are being expensed.

#### *Impairment of Long-Lived Assets*

We review and evaluate our long-lived assets for impairment when events and changes in circumstances indicate that the related carrying amounts of our assets may not be recoverable. Impairment is considered to exist if the future cash flows on an undiscounted basis are less than the carrying amount of the long-lived asset. An impairment loss is measured and recorded based on the difference between book value and fair value of the asset group. In estimating future cash flows, assets are grouped at the lowest level for which there is identifiable cash flows that are largely independent of cash flows from other asset groups. In estimating future cash flows, we estimate the price that would be received to sell an asset group in an orderly transaction between market participants at the measurement date. Significant factors that impact this price include the price of silver and zinc, and general market conditions for exploration companies, among other factors.

## *Goodwill*

Goodwill is the purchase premium after adjusting for the fair value of net assets acquired. We test goodwill for impairment at the reporting unit level at least annually, or more frequently if events or changes in circumstances indicate that the assets may be impaired. Goodwill impairment tests require judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and determination of the fair value of each reporting unit. We perform our annual goodwill impairment tests on April 30<sup>th</sup> of each fiscal year.

## *Income Taxes*

The Tax Cuts and Jobs Act of 2017 was signed into law on December 22, 2017. The law includes significant changes to the U.S. corporate income tax system, including a federal corporate rate reduction from 35% to 21%, limitations on the deductibility of interest expense and executive compensation, and the transition of U.S. international taxation from a worldwide tax system to a territorial tax system. The law did not have a material impact on our financial position, results of operations or cash flows and disclosures.

We follow the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on temporary differences between the tax basis and accounting basis of the assets and liabilities measured using tax rates enacted at the balance sheet date. We recognize the tax benefit from uncertain tax positions only if it is at least “more likely than not” that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement with the taxing authorities. This accounting standard also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods and disclosure.

A valuation allowance is recorded against deferred tax assets if management does not believe that we have met the “more likely than not” standard imposed by this guidance to allow recognition of such an asset. Management recorded a full valuation allowance at October 31, 2021 and October 31, 2020 against the deferred tax assets as it determined that future realization would not meet the “more likely than not” criteria.

## *Warrant Derivative Liability*

We classified warrants with a \$CDN exercise price on our balance sheet as a derivative liability that is fair valued at each reporting period subsequent to the initial issuance as our functional currency is the U.S. dollar and the exercise price of the warrants is the \$CDN. We have used the Black-Scholes pricing model to value the warrants that do not have an acceleration feature and have used the Monte Carlo valuation model to value the warrants that do have an acceleration feature. Determining the appropriate fair-value model and calculating the fair value of warrants requires considerable judgment. Any change in the estimates used may cause the value to be higher or lower than that reported. The estimated volatility of our common stock at the date of issuance, and at each subsequent reporting period, is based on our historical volatility adjusted to reflect the implicit discount to historical volatilities observed in the prices of traded warrants. The risk-free interest rate is based on rates published by the government for bonds with a maturity similar to the expected remaining life of the warrants at the valuation date. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend yield is expected to be none as we have not paid dividends nor do we anticipate paying any dividend in the foreseeable future.

The derivatives warrants are not traded in an active market and the fair value is determined using valuation techniques. The estimates may be significantly different from those recorded in the consolidated financial statements because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market. All changes in the fair value are recorded in the consolidated statement of operations and comprehensive loss each reporting period.

## *Stock-Based Compensation*

We use the Black-Scholes pricing model as a method for determining the estimated fair value for all stock options awarded to employees, officers, directors and consultants. The expected term of the options is based upon an evaluation of historical and expected future exercise behavior. The risk-free interest rate is based on rates published by the government for bonds with a maturity similar to the expected remaining life of the options at the valuation date. Volatility is determined based upon historical volatility of our stock and adjusted if future volatility is expected to vary from historical experience. The dividend yield is assumed to be none as we have not paid dividends nor do we anticipate paying any dividends in the foreseeable future. We use the graded vesting attribution method to recognize compensation costs over the requisite service period. Stock options granted to consultants when the exercise price is in \$CDN are classified as stock option liability on our consolidated balance sheets upon vesting.

We classify cumulative compensation cost associated with options on subsidiary equity as additional paid-in capital until exercise.

## *Foreign Currency Translation*

During the fiscal years ended October 31, 2021 and October 31, 2020, the functional currency of Silver Bull Resources, Inc. and our subsidiaries was the U.S. dollar.

During the fiscal years ended October 31, 2021 and October 31, 2020, our Mexican operations' monetary assets and liabilities with foreign source currencies were translated into U.S. dollars at the period-end exchange rate, and non-monetary assets and liabilities with foreign source currencies were translated using the historical exchange rate. Our Mexican operations' revenue and expenses were translated at the average exchange rate during the period except for depreciation of office and mining equipment, costs of office and mining equipment sold and impairment of property concessions, all of which are translated using the historical exchange rate. Foreign currency translation gains and losses of our Mexican operations are included in the consolidated statements of operations.

## *Accounting for Loss Contingencies and Legal Costs*

From time to time, we are named as a defendant in legal actions arising from our normal business activities. We record an accrual for the estimated loss from a loss contingency when information available prior to issuance of our financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Disclosure of a loss contingency is made by Silver Bull Resources, Inc. if there is at least a reasonable possibility that a loss has been incurred, and either an accrual has not been made or an exposure to loss exists in excess of the amount accrued. In cases where only disclosure of the loss contingency is required, either the estimated loss or a range of estimated loss is disclosed or it is stated that an estimate cannot be made. Legal costs incurred in connection with loss contingencies are considered period costs and accordingly are expensed in the period services are provided.

## **Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable.

## **Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

See "Index to Consolidated Financial Statements" following the signature page of this Annual Report on Form 10-K.

## **Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

## **Item 9A. CONTROLS AND PROCEDURES**

### **(a) Evaluation of Disclosure Controls and Procedures**

As of October 31, 2021, we have carried out an evaluation under the supervision of, and with the participation of our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based on the evaluation as of October 31, 2021, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective.

Our disclosure controls and procedures are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

### **(b) Management's Report on Internal Control over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as that term is defined in Rule 13a-15(f) under the Exchange Act. Under the supervision and with the participation of our management, including our principal executive and principal financial officers, we assessed, as of October 31, 2021, the effectiveness of our internal control over financial reporting. This assessment was based on criteria established in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment using those criteria, management concluded that our internal control over financial reporting as of October 31, 2021 was effective.

Internal control over financial reporting is defined as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the financial statements.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the internal control system are met. Because of the inherent limitations of any internal control system, no evaluation of controls can provide absolute assurance that all control issues, if any, within a company have been detected.

**(c) Changes in Internal Controls over Financial Reporting**

There were no changes in our internal control over financial reporting during the fiscal year ended October 31, 2021 that materially affected, or were reasonably likely to materially affect, our internal control over financial reporting.



## PART III

### **Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Information relating to this item will be included in an amendment to this report or in the proxy statement for our 2022 annual meeting of shareholders and is incorporated by reference in this report.

We have adopted a Code of Ethics that applies to all of our directors and employees, including our principal executive officer, principal financial officer, principal accounting officer, and those of our officers performing similar functions. The full text of our Code of Ethics can be found on the Corporate Governance page of our website – at <http://www.silverbullresources.com/corporate/corporate-governance/>. If our board of directors approves an amendment to or waiver from any provision of our Code of Ethics, we will disclose the required information pertaining to such amendment or waiver on our website.

### **Item 11. EXECUTIVE COMPENSATION**

Information relating to this item will be included in an amendment to this report or in the proxy statement for our 2022 annual meeting of shareholders and is incorporated by reference in this report.

### **Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

Information relating to this item will be included in an amendment to this report or in the proxy statement for our 2022 annual meeting of shareholders and is incorporated by reference in this report.

### **Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

Information relating to this item will be included in an amendment to this report or in the proxy statement for our 2022 annual meeting of shareholders and is incorporated by reference in this report.

### **Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

Information relating to this item will be included in an amendment to this report or in the proxy statement for our 2022 annual meeting of shareholders and is incorporated by reference in this report.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Financial Statements and Financial Statement Schedules

See “Index to Consolidated financial statements” on page F-1.

Exhibit Number	Exhibit Description	Incorporated by Reference			Filed / Furnished Herewith
		Form	Date Filed	Exhibit	
3.1	<a href="#">Amended and Restated Articles of Incorporation of Silver Bull Resources, Inc.</a>	8-K	4/21/2021	3.1	
3.2	<a href="#">Bylaws</a>	10-K	1/14/2011	3.1.2	
4.1	Description of Capital Stock				X
4.2	<a href="#">Form of Silver Bull Resources, Inc. Warrant Certificate</a>	8-K	11/2/2020	10.2	
10.1	<a href="#">Option Agreement, by and among the Company, Minera Metalin S.A. de C.V., Contratistas de Sierra Mojada S.A. de C.V., and South32 International Investment Holdings Pty Ltd, dated as of June 1, 2018</a>	8-K	6/7/2018	10.1	
10.1.1	<a href="#">Amending Agreement No. 1, dated as of April 4, 2019 and effective as March 20, 2019, to the South32 Option Agreement, dated as of June 1, 2018, by and among the Company, Minera Metalin S.A. de C.V., Contratistas de Sierra Mojada S.A. de C.V. and South32 International Investment Holding Pty Ltd</a>	8-K	4/5/2019	10.1	
10.2	<a href="#">Option Agreement, dated as of August 12, 2020, by and among the Company, Copperbelt AG, and Dostyk LLP</a>	8-K/A	11/5/2020	10.1	
10.3	<a href="#">Form of Silver Bull Resources, Inc. Subscription Agreement</a>	8-K	11/2/2020	10.1	
10.4	<a href="#">Form of Arras Minerals Corp. Subscription Agreement</a>	8-K	4/1/2021	10.1	
10.5	<a href="#">Separation and Distribution Agreement, dated as of August 31, 2021, by and between Silver Bull Resources, Inc. and Arras Minerals Corp.</a>	8-K	9/3/2021	10.1	
10.6+	<a href="#">Silver Bull Resources, Inc. 2010 Stock Option and Stock Bonus Plan, as amended</a>	10-Q	6/14/2016	10.3	
10.7+	<a href="#">Silver Bull Resources, Inc. 2019 Stock Option and Stock Bonus Plan</a>	10-Q	6/14/2019	10.2	
10.8+	<a href="#">Silver Bull Resources, Inc. Management Retention Bonus Plan, dated April 15, 2021</a>	10-Q	6/11/2021	10.1	
10.9+	<a href="#">Amended and Restated Employment Agreement, dated as of February 26, 2013, by and between the Company and Timothy Barry</a>	8-K	3/1/2013	10.1	
10.9.1+	<a href="#">Amendment to Amended and Restated Employment Agreement, dated as of February 23, 2016, by and between the Company and Timothy Barry</a>	8-K	2/26/2016	10.1	
10.9.2+	<a href="#">Amendment to Amended and Restated Employment Agreement, dated as of June 24, 2016, by and between the Company and Timothy Barry</a>	8-K	6/28/2016	10.2	
10.9.3+	<a href="#">Amendment to Amended and Restated Employment Agreement, dated as of August 28, 2018, by and between the Company and Timothy Barry</a>	8-K	8/29/2018	10.2	
10.10+	<a href="#">Amended and Restated Employment Agreement, dated as of February 26, 2013, by and between the Company and Brian Edgar</a>	8-K	3/1/2013	10.3	
10.10.1+	<a href="#">Amendment to Amended and Restated Employment Agreement, dated as of February 23, 2016, by and between the Company and Brian Edgar</a>	8-K	2/26/2016	10.3	

10.10.2+	<a href="#">Amendment to Amended and Restated Employment Agreement, dated as of June 24, 2016, by and between the Company and Brian Edgar</a>	8-K	6/28/2016	10.1	
10.10.3+	<a href="#">Amendment to Amended and Restated Employment Agreement, dated as of August 28, 2018, by and between the Company and Brian Edgar</a>	8-K	8/29/2018	10.1	
10.11+	<a href="#">Form of Amendment to Amended and Restated Employment Agreement, dated as of June 4, 2015, by and between the Company and each of Timothy Barry and Brian Edgar</a>	8-K	6/8/2015	10.1	
10.12+	<a href="#">Employment Agreement, dated as of September 23, 2020, by and between the Company and Christopher Richards</a>	8-K	9/25/2020	10.1	
10.13	<a href="#">Consulting Agreement, dated as of October 1, 2021, by and between Silver Bull Resources, Inc. and Westcott Management Ltd.</a>	8-K	10/5/2021	10.1	
10.14+	<a href="#">Form of Indemnification Agreement (Directors and Officers)</a>	10-K	1/13/2020	10.10	
14.1	<a href="#">Code of Ethics</a>	8-K	11/7/2019	14.1	
21.1	<a href="#">Subsidiaries of the Registrant</a>				X
23.1	<a href="#">Consent of Smythe LLP</a>				X
23.2	<a href="#">Consent of Archer, Cathro &amp; Associates (1981) Limited</a>				X
31.1	<a href="#">Certification of CEO pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
31.2	<a href="#">Certification of CFO pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>				X
32.1	<a href="#">Certification of CEO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				XX
32.2	<a href="#">Certification of CFO pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>				XX
101.INS*	XBRL Instance Document				X
101.SCH*	XBRL Schema Document				X
101.CAL*	XBRL Calculation Linkbase Document				X
101.DEF*	XBRL Definition Linkbase Document				X
101.LAB*	XBRL Labels Linkbase Document				X
101.PRE*	XBRL Presentation Linkbase Document				X
99.1†	Sierra Mojada location map				X

X Filed herewith

XX Furnished herewith

+ Indicates a management contract or compensatory plan, contract or arrangement.

† Filed herewith under Items 1 and 2 – Business and Properties.

\* The following financial information from Silver Bull Resources, Inc.'s Annual Report on Form 10-K for the fiscal year ended October 31, 2021, formatted in XBRL (Extensible Business Reporting Language): Consolidated Balance Sheets, Consolidated Statements of Operations and Comprehensive Loss, Consolidated Statement of Stockholders' Equity, Consolidated Statements of Cash Flows

## Item 16. FORM 10-K SUMMARY

None.

## SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

### SILVER BULL RESOURCES, INC.

Date: January 14, 2022

By: /s/ Timothy Barry

\_\_\_\_\_  
Timothy Barry,  
Chief Executive Officer  
(Principal Executive Officer)

Date: January 14, 2022

By: /s/ Christopher Richards

\_\_\_\_\_  
Christopher Richards,  
Chief Financial Officer  
(Principal Financial Officer and Principal Accounting  
Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: January 14, 2022

By: /s/ Timothy Barry

\_\_\_\_\_  
Timothy Barry,  
Chief Executive Officer and Director

Date: January 14, 2022

By: /s/ Brian Edgar

\_\_\_\_\_  
Brian Edgar,  
Director

Date: January 14, 2022

By: /s/ Daniel Kunz

\_\_\_\_\_  
Daniel Kunz,  
Director

Date: January 14, 2022

By: /s/ John McClintock

\_\_\_\_\_  
John McClintock,  
Director

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

**SILVER BULL RESOURCES, INC.**

(An Exploration Stage Company)

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## **REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of Silver Bull Resources, Inc.:

### **Opinion on the Consolidated Financial Statements**

We have audited the accompanying consolidated balance sheets of Silver Bull Resources, Inc. (an exploration stage company) (the “Company”) as of October 31, 2021 and 2020, and the related consolidated statements of operations and comprehensive loss, stockholders’ equity, and cash flows for the years then ended, and the related notes (collectively referred to as the “consolidated financial statements”).

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of October 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

### **Going Concern Uncertainty**

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has suffered recurring losses from operations and has limited cash and cash equivalents at October 31, 2021, that raise substantial doubt about its ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### **Basis for Opinion**

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

### **Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

*Distribution of Arras Minerals Corp.*

As discussed in Notes 1 and 5 to the consolidated financial statements, during the year ended October 31, 2021 the Company incorporated Arras Minerals Corp. (“Arras”) and pursuant to an asset purchase agreement with Arras, transferred its right, title and interest in and to the Beskauga Option Agreement, amongst other things, in exchange for 36,000,000 common shares of Arras. Subsequent to the asset purchase agreement, the Company distributed to its shareholders one Arras common share for each of the Company’s common shares held by such shareholders. Upon completion of the distribution, the Company retained 1,452,162 Arras common shares, or approximately 4% of the outstanding Arras common shares which is held as a strategic investment.

We identified the assessment of the valuation of assets transferred under the asset purchase agreement and the distribution of Arras common shares to the Company’s shareholders as a critical audit matter. A high degree of auditor judgement was required to evaluate management’s significant assumptions including the valuation of the Beskauga property on the date of transfer and the accounting treatment of the deconsolidation of Arras.

The following are the primary procedures we performed to address this critical audit matter. We reviewed the Beskauga option agreement and asset purchase agreement to obtain an understanding of the terms and conditions of these transactions. We obtained an understanding and reviewed the appropriateness over management’s treatment of the deconsolidation of Arras. We performed substantive procedures over the value of the net assets held by Arras at the time of the distribution by agreeing inputs to third party source documentation. We performed substantive procedures over the fair value of the investment in Arras following the distribution by agreeing inputs to share issuance documentation.

/s/ Smythe LLP

*Smythe LLP, Chartered Professional Accountants*

We have served as the Company’s auditor since 2016.

Vancouver, Canada  
January 14, 2022

**SILVER BULL RESOURCES, INC.**  
**(AN EXPLORATION STAGE COMPANY)**  
**CONSOLIDATED BALANCE SHEETS**

	<u>October 31,</u> <u>2021</u>	<u>October 31,</u> <u>2020</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 189,607	\$ 1,861,518
Value-added tax receivable, net of allowance for uncollectible taxes of \$420,982 and \$345,059, respectively (Note 4)	120,810	219,804
Income tax receivables	—	580
Other receivables	7,307	14,387
Prepaid expenses and deposits	196,178	229,647
Investments (Note 5)	1,166,770	—
Loan receivable (Note 5)	—	360,050
Total Current Assets	<u>1,680,672</u>	<u>2,685,986</u>
Office and mining equipment, net (Note 6)	164,140	239,769
Property concessions (Note 7)	5,019,927	5,019,927
Goodwill (Note 8)	2,058,031	2,058,031
<b>TOTAL ASSETS</b>	<u>\$ 8,922,770</u>	<u>\$ 10,003,713</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 465,865	\$ 499,057
Accrued liabilities and expenses	324,454	383,718
Income tax payable	1,000	5,000
Total Current Liabilities	<u>791,319</u>	<u>887,775</u>
Loan payable (Note 9)	48,450	30,034
<b>TOTAL LIABILITIES</b>	<u>839,769</u>	<u>917,809</u>
<b>COMMITMENTS AND CONTINGENCIES (Note 15)</b>		
<b>STOCKHOLDERS' EQUITY (Notes 3, 10, 11 and 12)</b>		
Common stock, \$0.01 par value; 150,000,000 and 37,500,000 shares authorized, 34,547,838 and 33,165,945 shares issued and outstanding, respectively	2,413,337	2,399,518
Additional paid-in capital	139,803,515	138,613,286
Accumulated deficit	(134,226,099)	(132,019,148)
Other comprehensive income	92,248	92,248
Total Stockholders' Equity	<u>8,083,001</u>	<u>9,085,904</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 8,922,770</u>	<u>\$ 10,003,713</u>

The accompanying notes are an integral part of these consolidated financial statements.



**SILVER BULL RESOURCES, INC.**  
**(AN EXPLORATION STAGE COMPANY)**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

	<b>Years Ended October 31,</b>	
	<b>2021</b>	<b>2020</b>
REVENUES	\$ —	\$ —
<b>EXPLORATION AND PROPERTY HOLDING COSTS</b>		
Exploration and property holding costs (Note 11)	928,832	645,701
Depreciation (Note 6)	49,192	34,694
<b>TOTAL EXPLORATION AND PROPERTY HOLDING COSTS</b>	<b>978,024</b>	<b>680,395</b>
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Personnel (Note 11)	886,204	613,517
Office and administrative	380,661	316,930
Professional services	868,007	398,154
Directors' fees (Note 11)	365,611	144,310
Provision for uncollectible value-added taxes (Note 4)	62,024	49,619
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>2,562,507</b>	<b>1,522,530</b>
<b>LOSS FROM OPERATIONS</b>	<b>(3,540,531)</b>	<b>(2,202,925)</b>
<b>OTHER INCOME (EXPENSES)</b>		
Interest income	92	7,689
Foreign currency transaction gain (loss)	6,384	(22,371)
Gain on investment (Note 5)	1,090,953	—
<b>TOTAL OTHER INCOME (EXPENSES)</b>	<b>1,097,429</b>	<b>(14,682)</b>
<b>LOSS BEFORE INCOME TAXES</b>	<b>(2,443,102)</b>	<b>(2,217,607)</b>
<b>INCOME TAX EXPENSE (Note 13)</b>	<b>4,550</b>	<b>7,942</b>
<b>NET AND COMPREHENSIVE LOSS</b>	<b>(2,447,652)</b>	<b>(2,225,549)</b>
<b>NET AND COMPREHENSIVE LOSS ATTRIBUTABLE TO</b>		
Common shareholders	(2,249,514)	(2,225,549)
Non-controlling interests (Note 5)	(198,138)	—
<b>BASIC AND DILUTED NET LOSS PER COMMON SHARE</b>	<b>\$ (0.07)</b>	<b>\$ (0.08)</b>
<b>BASIC AND DILUTED WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>	<b>33,893,867</b>	<b>29,580,786</b>

The accompanying notes are an integral part of these consolidated financial statements.

**SILVER BULL RESOURCES, INC.**  
**(AN EXPLORATION STAGE COMPANY)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>Years Ended October 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (2,447,652)	\$ (2,225,549)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation	49,192	34,694
Provision for uncollectible value-added taxes	62,024	49,619
Foreign currency transaction loss	3,804	15,191
Stock options issued for compensation (Note 11)	587,505	62,417
Unrealized share of net gain of subsidiary (Note 5)	(1,090,953)	—
Changes in operating assets and liabilities:		
Value-added tax receivable	45,919	(39,820)
Income tax receivables	611	123
Other receivables	(6,077)	(6,338)
Prepaid expenses and deposits	33,469	(25,419)
Accounts payable	595,986	120,273
Accrued liabilities and expenses	485,125	53,511
Income tax payable	(4,000)	3,175
Net cash used in operating activities	<u>(1,685,047)</u>	<u>(1,958,123)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of equipment	(82,033)	(48,050)
Loan receivable	(1,928,450)	(360,050)
Deconsolidation of subsidiary (Note 5)	(505,228)	—
Net cash used in investing activities	<u>(2,515,711)</u>	<u>(408,100)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Property concessions funding (Note 3)	82,670	1,100,731
Proceeds from loan financing (Note 9)	15,615	29,531
Proceeds from issuance of common stock, net of offering costs (Note 10)	452,828	1,668,669
Proceeds from issuance of common shares of subsidiary, net of offering costs (Note 5)	1,979,632	—
Net cash provided by financing activities	<u>2,530,745</u>	<u>2,798,931</u>
Effect of exchange rates on cash and cash equivalents	(1,898)	(2,824)
Net (decrease) increase in cash and cash equivalents	(1,671,911)	429,884
Cash and cash equivalents beginning of year	<u>1,861,518</u>	<u>1,431,634</u>
Cash and cash equivalents end of year	<u>\$ 189,607</u>	<u>\$ 1,861,518</u>

The accompanying notes are an integral part of these consolidated financial statements.

**SILVER BULL RESOURCES, INC.**  
**(AN EXPLORATION STAGE COMPANY)**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

	<u>Years Ended October 31,</u>	
	<u>2021</u>	<u>2020</u>
<b>SUPPLEMENTAL CASH FLOW DISCLOSURES:</b>		
Income taxes paid	\$ 4,825	\$ 4,825
Interest paid	—	—
<b>NON-CASH INVESTING AND FINANCIING ACTIVITIES:</b>		
Offering costs included in accounts payable and accrued liabilities	\$ 8,997	\$ 90,042

The accompanying notes are an integral part of these consolidated financial statements.

**SILVER BULL RESOURCES, INC.**  
**(AN EXPLORATION STAGE COMPANY)**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Other Comprehensive Income</u>	<u>Non- Controlling Interests</u>	<u>Total Equity</u>
	<u>Number of Shares</u>	<u>Amount</u>					
Balance, October 31, 2020	33,165,945	\$ 2,399,518	\$ 138,613,286	\$ (132,019,148)	\$ 92,248	\$ —	\$ 9,085,904
Earn-in option agreement (Note 3)	—	—	82,670	—	—	—	82,670
Issuance of common stock as follows:							
- for cash at a price of \$0.47 per share with attached warrants, less offering costs of \$6,780 (Note 10)	319,000	3,190	139,960	—	—	—	143,150
- for cash at a price of Canadian Dollar (“\$CDN”) 1.00 per share, less offering costs of \$14,628 (Note 10)	500,000	5,000	385,723	—	—	—	390,723
- for cashless exercise of options (Note 11)	562,893	5,629	(5,629)	—	—	—	—
Changes in interest in subsidiary (Note 5)	—	—	—	—	—	1,979,633	1,979,633
Stock option activity as follows:							
- Stock-based compensation for options issued to directors, officers, employees and advisors (Note 11)	—	—	587,505	—	—	—	587,505
Deconsolidation of subsidiary (Note 5)	—	—	—	42,563	—	(1,781,495)	(1,738,932)
Net loss for the year ended October 31, 2021	—	—	—	(2,249,514)	—	(198,138)	(2,447,652)
Balance, October 31, 2021	<u>34,547,838</u>	<u>\$ 2,413,337</u>	<u>\$ 139,803,515</u>	<u>\$ (134,226,099)</u>	<u>\$ 92,248</u>	<u>\$ —</u>	<u>\$ 8,083,001</u>

The accompanying notes are an integral part of these consolidated financial statements.

**SILVER BULL RESOURCES, INC.**  
**(AN EXPLORATION STAGE COMPANY)**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (CONTINUED)**

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Other Comprehensive Income</u>	<u>Total Stockholders' Equity</u>
	<u>Number of Shares*</u>	<u>Amount</u>				
Balance, October 31, 2019	29,541,027	\$ 2,363,282	\$ 135,902,944	\$ (129,793,599)	\$ 92,248	\$ 8,564,875
Issuance of common stock as follows:						
- Fractional share adjustment (Note 1)	1,338	—	—	—	—	—
- for cash at a price of \$0.47 per share with attached warrants, less offering costs of \$124,456 (Note 10)	3,623,580	36,236	1,542,391	—	—	1,578,627
South32 option agreement (Note 3)	—	—	1,100,731	—	—	1,100,731
Reclassification to additional paid-in capital of stock option liability (Notes 3 and 11)	—	—	4,803	—	—	4,803
Stock option activity as follows:						
- Stock-based compensation for options issued to directors, officers, employees and consultants (Note 11)	—	—	62,417	—	—	62,417
Net loss for the year ended October 31, 2020	—	—	—	(2,225,549)	—	(2,225,549)
Balance, October 31, 2020	<u>33,165,945</u>	<u>\$ 2,399,518</u>	<u>\$ 138,613,286</u>	<u>\$ (132,019,148)</u>	<u>\$ 92,248</u>	<u>\$ 9,085,904</u>

\*Shares outstanding for prior periods have been restated for the one-for-eight reverse stock split completed on September 15, 2020.

The accompanying notes are an integral part of these consolidated financial statements.

## NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

Silver Bull Resources, Inc. (the “Company”) was incorporated in the State of Nevada on November 8, 1993 as the Cadgie Company for the purpose of acquiring and developing mineral properties. The Cadgie Company was a spin-off from its predecessor, Precious Metal Mines, Inc. On June 28, 1996, the Company’s name was changed to Metalline Mining Company. On April 21, 2011, the Company’s name was changed to Silver Bull Resources, Inc. The Company’s fiscal year-end is October 31. The Company has not realized any revenues from its planned operations and is considered an exploration stage company. The Company has not established any reserves with respect to its exploration projects and may never enter into the development stage with respect to any of its projects.

The Company engages in the business of mineral exploration. The Company currently owns a number of property concessions in Mexico (collectively known as the “Sierra Mojada Property”). The Company conducts its operations in Mexico through its wholly-owned subsidiary corporations, Minera Metalin S.A. de C.V. (“Minera Metalin”), Contratistas de Sierra Mojada S.A. de C.V. (“Contratistas”) and Minas de Coahuila SBR S.A. de C.V. (“Minas”). On August 26, 2021, Contratistas merged with and into Minera Metalin.

On April 16, 2010, Metalline Mining Delaware, Inc., a wholly-owned subsidiary of the Company incorporated in the State of Delaware, was merged with and into Dome Ventures Corporation (“Dome”), a Delaware corporation. As a result, Dome became a wholly-owned subsidiary of the Company. Dome has a wholly-owned subsidiary Dome Asia Inc. (“Dome Asia”), which is incorporated in the British Virgin Islands.

On September 18, 2020, the Company completed a one-for-eight reverse stock split of its shares of common stock. All share and per share information in the consolidated financial statements, including references to the number of shares of common stock, stock options and warrants, prices of issued shares, exercise prices of stock options and warrants, and loss per share, have been adjusted to reflect the impact of the reverse stock split.

On August 12, 2020, the Company entered into an option agreement (the “Beskauga Option Agreement”) with Copperbelt AG, a corporation existing under the laws of Switzerland (“Copperbelt Parent”), and Dostyk LLP, an entity existing under the laws of Kazakhstan and a wholly-owned subsidiary of Copperbelt (the “Copperbelt Sub,” and together with Copperbelt Parent, “Copperbelt”), pursuant to which the Company has the exclusive right and option (the “Beskauga Option”) to acquire Copperbelt’s right, title and 100% interest in the Beskauga property located in Kazakhstan (the “Beskauga Property”), which consists of the Beskauga Main project (the “Beskauga Main Project”) and the Beskauga South project (the “Beskauga South Project,” and together the Beskauga Main Project, the “Beskauga Project”). After the completion of due diligence, the transaction contemplated by the Beskauga Option Agreement closed on January 26, 2021.

On February 5, 2021, Arras Minerals Corp. (“Arras”) was incorporated in British Columbia, Canada, as a wholly-owned subsidiary of the Company. On March 19, 2021, pursuant to an asset purchase agreement with Arras, the Company transferred its right, title and interest in and to the Beskauga Option Agreement, among other things, to Arras in exchange for 36,000,000 common shares of Arras. On September 24, 2021, the Company distributed to its shareholders one Arras common share for each Silver Bull share held by such shareholders, or 34,547,838 Arras shares in total. Upon completion of the distribution, the Company retained 1,452,162 Arras common shares, or approximately 4% of the outstanding Arras common shares, as a strategic investment (Note 5), and Arras became a stand-alone company. The Company has included the financial results of Arras in its consolidated statement of operations for the period from February 5, 2021 to September 24, 2021, the date of the distribution.

The Company’s efforts and expenditures have been concentrated on the exploration of properties, principally in the Sierra Mojada Property located in Coahuila, Mexico. The Company has not determined whether its exploration properties contain ore reserves that are economically recoverable. The ultimate realization of the Company’s investment in exploration properties is dependent upon the success of future property sales, the existence of economically recoverable reserves, and the ability of the Company to obtain financing or make other arrangements for exploration, development, and future profitable production activities. The ultimate realization of the Company’s investment in exploration properties cannot be determined at this time.

### Going Concern

Since its inception in November 1993, the Company has not generated revenue and has incurred an accumulated deficit of \$134,226,099. Accordingly, the Company has not generated cash flows from operations, and since inception the Company has relied primarily upon proceeds from private placements and registered direct offerings of the Company’s equity securities and warrant exercises as the primary sources of financing to fund the Company’s operations. As of October 31, 2021, the Company had cash and cash equivalents of \$189,607. Based on the Company’s limited cash and cash equivalents, and history of losses, there is substantial doubt as to whether the Company’s existing cash resources are sufficient to enable the Company to continue its operations for the next 12 months as a going concern. Management plans to pursue possible financing and strategic options including, but not limited to, obtaining additional equity financing. Management has successfully pursued these options previously and believes that they alleviate the substantial doubt that the Company can continue its operations for the next 12 months as a going concern. However, there is no assurance that the Company will be successful in pursuing these plans. These consolidated financial statements have been prepared on a going concern basis and do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary in the event the Company can no longer continue as a going concern. Such adjustments could be material.

## NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is presented to assist in understanding the consolidated financial statements. The consolidated financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity.

### Basis of Presentation

The Company's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") using the accrual method of accounting, except for cash flow amounts.

All figures are in United States dollars unless otherwise noted.

### Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, after elimination of intercompany accounts and transactions. The wholly owned subsidiaries of the Company are listed in Note 1 to the consolidated financial statements.

The Company consolidates entities in which it has a controlling financial interest based on either the variable interest entity (VIE) or voting interest model.

Under the VIE model, a VIE is a reporting entity that has (a) the power to direct the activities that most significantly impact the VIE's economic performance, and (b) the obligation to absorb losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE. Currently, the Company manages the mineral exploration program in the property concessions in Mexico through its wholly-owned subsidiary corporations Minera Metalin and Contratistas, which merged with and into Minera Metalin on August 26, 2021.

The Company has determined that Minera Metalin is a variable interest entity and the Company is the primary beneficiary.

### Use of Estimates

The preparation of these consolidated financial statements in conformity with GAAP requires management to make estimates based on assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Actual results could differ from those estimates. Estimates and assumptions are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and assumptions are accounted for prospectively.

Significant areas involving the use of estimates include determining the allowance for uncollectible taxes, evaluating recoverability of property concessions, evaluating impairment of long-lived assets, evaluating impairment of goodwill, valuation of investments, establishing a valuation allowance on future use of deferred tax assets, calculating a valuation for stock option liability and calculating stock-based compensation.

### Cash and Cash Equivalents

Cash and cash equivalents include all highly-liquid investments with an original maturity of three months or less at the date of purchase.

### Property Concessions

Property concession acquisition costs are capitalized when incurred and will be amortized using the units of production method following the commencement of production. If a property concession is subsequently abandoned or impaired, any capitalized costs will be expensed in the period of abandonment or impairment. To date, no property concessions have reached the production stage.

Acquisition costs include cash consideration and the fair market value of shares issued on the acquisition of property concessions.

### Exploration Costs

Exploration costs incurred are expensed to the date of establishing that costs incurred are economically recoverable. Exploration expenditures incurred subsequent to the establishment of economic recoverability are capitalized and included in the carrying amount of the related property. To date, the Company has not established the economic recoverability of its exploration prospects; therefore, all exploration costs are being expensed.

### Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and impairment losses. Assets under construction are depreciated when they are substantially complete and available for their intended use, over their estimated useful lives. Repairs and maintenance of property and equipment are expensed as incurred. Costs incurred to enhance the service potential of property and equipment are capitalized and depreciated over the remaining useful life of the improved asset. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the related assets as follows:

- Mining equipment – five to 10 years
- Vehicles – four years
- Building and structures – 40 years
- Computer equipment and software – three years
- Well equipment – 10 to 40 years
- Office equipment – three to 10 years

### Impairment of Long-Lived Assets

Management reviews and evaluates its long-lived assets for impairment when events and changes in circumstances indicate that the related carrying amounts of its assets may not be recoverable. Impairment is considered to exist if the future cash flows on an undiscounted basis are less than the carrying amount of the long-lived asset. An impairment loss is measured and recorded based on the difference between book value and fair value of the asset group. In estimating future cash flows, assets are grouped at the lowest level for which there is identifiable cash flows that are largely independent of cash flows from other asset groups. In estimating future cash flows, the Company estimates the price that would be received to sell an asset group in an orderly transaction between market participants at the measurement date. Significant factors that impact this price include the price of silver and zinc, and general market conditions for exploration companies, among other factors.

### Goodwill

Goodwill is the purchase premium after adjusting for the fair value of net assets acquired. The Company tests goodwill for impairment at the reporting unit level at least annually, or more frequently if events or changes in circumstances indicate that the assets may be impaired. Goodwill impairment tests require judgment, including the identification of reporting units, assignment of assets and liabilities to reporting units, assignment of goodwill to reporting units, and determination of the fair value of each reporting unit. The Company performs its annual goodwill impairment tests on April 30<sup>th</sup> of each fiscal year. During the year ended October 31, 2021, the Company determined that no impairment was required.

### Income Taxes

The Tax Cuts and Jobs Act of 2017 (the “Tax Act”) was signed into law on December 22, 2017. The law includes significant changes to the U.S. corporate income tax system, including a federal corporate rate reduction from 35% to 21%, limitations on the deductibility of interest expense and executive compensation, and the transition of U.S. international taxation from a worldwide tax system to a territorial tax system. The law did not have a material impact on the Company’s financial position, results of operations or cash flows and disclosures.

The Company follows the asset and liability method of accounting for income taxes. Under this method, deferred income tax assets and liabilities are determined based on temporary differences between the tax basis and accounting basis of the assets and liabilities measured using tax rates enacted at the balance sheet date. The Company recognizes the tax benefit from uncertain tax positions only if it is at least “more likely than not” that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement with the taxing authorities. This accounting standard also provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods and disclosure.



A valuation allowance is recorded against deferred tax assets if management does not believe that the Company has met the “more likely than not” standard imposed by this guidance to allow recognition of such an asset. Management recorded a full valuation allowance at October 31, 2021 and 2020 against the deferred tax assets as it determined that future realization would not meet the “more likely than not” criteria.

#### Warrant Derivative Liability

The Company classifies warrants with a Canadian Dollar (“\$CDN”) exercise price on its consolidated balance sheets as a derivative liability that is fair valued at each reporting period subsequent to the initial issuance as the functional currency of Silver Bull is the U.S. dollar and the exercise price of the warrants is the \$CDN. The Company has used the Black-Scholes pricing model to fair value the warrants that do not have an acceleration feature and has used the Monte Carlo valuation model to fair value the warrants that do have an acceleration feature. Determining the appropriate fair-value model and calculating the fair value of warrants requires considerable judgment. Any change in the estimates used may cause the value to be higher or lower than that reported. The estimated volatility of the Company’s common stock at the date of issuance, and at each subsequent reporting period, is based on the historical volatility adjusted to reflect the implicit discount to historical volatilities observed in the prices of traded warrants. The risk-free interest rate is based on rates published by the government for bonds with a maturity similar to the expected remaining life of the warrants at the valuation date. The expected life of the warrants is assumed to be equivalent to their remaining contractual term. The dividend yield is expected to be none as the Company has not paid dividend nor does the Company anticipate paying any dividend in the foreseeable future.

The derivatives warrants are not traded in an active market and the fair value is determined using valuation techniques. The estimates may be significantly different from those recorded in the consolidated financial statements because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market. All changes in the fair value are recorded in the consolidated statement of operations and comprehensive loss each reporting period.

#### Stock-Based Compensation

The Company uses the Black-Scholes pricing model as a method for determining the estimated fair value for all stock options awarded to employees, officers, directors and consultants. The expected term of the options is based upon an evaluation of historical and expected future exercise behavior. The risk-free interest rate is based on rates published by the government for bonds with a maturity similar to the expected remaining life of the options at the valuation date. Volatility is determined based upon historical volatility of the Company’s stock and adjusted if future volatility is expected to vary from historical experience. The dividend yield is assumed to be none as the Company has not paid dividends nor does the Company anticipate paying any dividends in the foreseeable future. The Company uses the graded vesting attribution method to recognize compensation costs over the requisite service period. Stock options granted to consultants when the exercise price is in \$CDN are classified as stock option liability on the Company’s consolidated balance sheets upon vesting.

The Company classifies cumulative compensation cost associated with options on subsidiary equity as additional paid-in capital until exercise.

#### Loss per Share

Basic loss per share includes no dilution and is computed by dividing net loss available to common shareholders by the weighted average common shares outstanding for the period. Diluted loss per share reflects the potential dilution of securities that could share in the earnings of an entity similar to fully diluted loss per share. Although there were stock options and warrants in the aggregate of 2,015,039 shares and 3,855,539 shares outstanding at October 31, 2021 and 2020, respectively, they were not included in the calculation of loss per share because they would have been considered anti-dilutive.

#### Foreign Currency Translation

During the years ended October 31, 2021 and 2020, the functional currency of Silver Bull Resources, Inc. and its subsidiaries was the U.S. dollar.

During the years ended October 31, 2021 and 2020, the Company’s Mexican operations’ monetary assets and liabilities with foreign source currencies were translated into U.S. dollars at the period-end exchange rate and non-monetary assets and liabilities with foreign source currencies were translated using the historical exchange rate. The Company’s Mexican operations’ revenue and expenses were translated at the average exchange rate during the period except for depreciation of office and mining equipment, costs of office and mining equipment sold and impairment of property concessions, all of which are translated using the historical exchange rate. Foreign currency translation gains and losses of the Company’s Mexican operations are included in the consolidated statement of operations.

## Accounting for Loss Contingencies and Legal Costs

From time to time, the Company is named as a defendant in legal actions arising from its normal business activities. The Company records an accrual for the estimated loss from a loss contingency when information available prior to issuance of its financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Disclosure of a loss contingency is made by the Company if there is at least a reasonable possibility that a loss has been incurred, and either an accrual has not been made or an exposure to loss exists in excess of the amount accrued. In cases where only disclosure of the loss contingency is required, either the estimated loss or a range of estimated loss is disclosed or it is stated that an estimate cannot be made. Legal costs incurred in connection with loss contingencies are considered period costs and accordingly are expensed in the period services are provided.

## Investments

Investments comprise an approximately 3% interest in Arras. The Company's investments are measured at fair value through profit or loss, with gains or losses from changes in fair value recognized in the consolidated statements of operations and comprehensive loss.

## Recent Accounting Pronouncements Adopted in the Year

On November 1, 2020, the Company adopted the Financial Accounting Standards Board's ("FASB") Accounting Standards Updated ("ASU") 2019-12, "Income Taxes - Simplifying the Accounting for Income Taxes (Topic 740)" which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and clarifies and amends existing guidance to improve consistent application. ASU 2019-12 will be effective for interim and annual periods beginning after December 15, 2020. Early adoption is permitted. The adoption of this update did not have a material impact on the Company's financial position, results of operations or cash flows and disclosures.

## Recent Accounting Pronouncements Not Yet Adopted

In January 2020, the FASB issued ASU No. 2020-01, "Investments – Equity Securities (Topic 321), Investments – Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815) – Clarifying the Interactions between Topic 321, Topic 323, and Topic 815." This ASU is effective for fiscal years beginning after December 15, 2020. The adoption of this update is not expected to have a material impact on the Company's financial position, results of operations or cash flows and disclosures.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force) and the SEC did not or are not expected to have a material impact on the Company's present or future consolidated financial statements.

## **NOTE 3 – SOUTH32 OPTION AGREEMENT**

On June 1, 2018, the Company and its subsidiaries Minera Metalin and Contratistas entered into an earn-in option agreement (the "South32 Option Agreement") with South32 International Investment Holdings Pty Ltd ("South32"), a wholly-owned subsidiary of South32 Limited (ASX/JSE/LSE: S32), whereby South32 is able to obtain an option to purchase 70% of the shares of Minera Metalin and Contratistas (the "South32 Option"). As noted above, Contratistas has since merged with and into Minera Metalin. Minera Metalin owns the Sierra Mojada Property located in Coahuila, Mexico (the "Sierra Mojada Project") and supplies labor for the Sierra Mojada Project. Under the South32 Option Agreement, South32 earns into the South32 Option by funding a collaborative exploration program on the Sierra Mojada Project. Upon the terms and subject to the conditions set forth in the South32 Option Agreement, in order for South32 to earn and maintain its four-year option, South32 must have contributed to Minera Metalin for exploration of the Sierra Mojada Project at least \$3 million by the end of Year 1, \$6 million by the end of Year 2, \$8 million by the end of Year 3 and \$10 million by the end of Year 4 (the "Initial Funding"). Funding is made on a quarterly basis based on the subsequent quarter's exploration budget. South32 may exercise the South32 Option by contributing \$100 million to Minera Metalin (the "Subscription Payment"), less the amount of Initial Funding previously contributed by South32. The issuance of shares upon notice of exercise of the South32 Option by South32 is subject to antitrust approval by the Mexican government. If the full amount of the Subscription Payment is advanced by South32 and the South32 Option becomes exercisable and is exercised, the Company and South32 will be obligated to contribute funding to Minera Metalin on a 30/70 pro rata basis. If South32 elects not to continue with the South32 Option during the four-year option period, the Sierra Mojada Project will remain 100% owned by the Company. The exploration program will be initially managed by the Company, with South32 being able to approve the exploration program funded by it. The Company received funding of \$3,144,163 from South32 for Year 1 of the South32 Option Agreement. In April 2019, the Company received a notice from South32 to maintain the South32 Option Agreement for Year 2 by providing cumulative funding of \$6 million by the end of such period. The Company had received funding of \$1,502,831, which included payments of \$319,430 and \$1,100,731 received during the years ended October 31, 2019 and 2020, respectively, from South32 for Year 2 of the South32 Option Agreement, the time period for which has been extended by an event of force majeure described in more detail below. As of October 31, 2021, the Company had received cumulative funding of \$4,646,994 under the South32 Option Agreement. During the year ended October 31, 2021, the Company received payments of \$82,670 for the extended Year 2 time period. If the South32 Option Agreement is terminated by South32 without cause or if South32 is unable to obtain antitrust authorization from the Mexican government, the Company is under no obligation to reimburse South32 for amounts contributed under the South32 Option Agreement.

Upon exercise of the South32 Option, Minera Metalin is required to issue common shares to South32. Pursuant to the South32 Option Agreement, following exercise and until a decision has been made by the board of directors of Minera Metalin to develop and construct a mine on the Sierra Mojada Project, each shareholder holding greater than or equal to 10% of the shares may withdraw as an owner in exchange for a 2% net smelter royalty on products produced and sold from the Sierra Mojada Project. Any shareholder whose holdings are reduced to less than 10% must surrender its interest in exchange for a 2% net smelter royalty.

The Company has determined that Minera Metalin is a variable interest entity and that the South32 Option Agreement has not resulted in the transfer of control of the Sierra Mojada Project to South32. The Company has also determined that the South32 Option Agreement represents non-employee share-based compensation associated with the collaborative exploration program undertaken by the parties. The compensation cost is expensed when the associated exploration activity occurs. The share-based payments have been classified as equity instruments and valued based on the fair value of the cash consideration received, as it is more reliably measurable than the fair value of the equity interest. If the South32 Option is exercised and shares are issued prior to a decision to develop a mine, such shares would be classified as temporary equity as they would be contingently redeemable in exchange for a net smelter royalty under circumstances that are not wholly in control of the Company or South32 and are not currently probable.

No portion of the equity value has been classified as temporary equity as the South32 Option has no intrinsic value.

On October 11, 2019, the Company and its subsidiary Minera Metalin issued a notice of force majeure to South32 pursuant to the South32 Option Agreement. Due to a blockade by a cooperative of local miners called Sociedad Cooperativa de Exploración Minera Mineros Norteños, S.C.L. (“Mineros Norteños”), the Company has halted all work on the Sierra Mojada Property. The notice of force majeure was issued because of the blockade’s impact on the ability of the Company and its subsidiary Minera Metalin to perform their obligations under the South32 Option Agreement. Pursuant to the South32 Option Agreement, any time period provided for in the South32 Option Agreement will generally be extended by a period equal to the period of delay caused by the event of force majeure. As of January 14, 2022, the blockade by Mineros Norteños at, on and around the Sierra Mojada Property is ongoing.

The combined carrying amount of the assets and liabilities of Minera Metalin (consolidated with its wholly-owned subsidiary) are as follows at October 31, 2021:

	<b>Mexico</b>
<b>Assets:</b>	
Cash and cash equivalents	\$ 10,000
Value-added tax receivable, net	121,000
Other receivables	4,000
Prepaid expenses and deposits	100,000
Office and mining equipment, net	164,000
Property concessions	5,020,000
<b>Total assets</b>	<b>\$ 5,419,000</b>
<b>Liabilities:</b>	
Accounts payable	68,000
Accrued liabilities and expenses	83,000
Payable to Silver Bull Resources, Inc. to be converted to equity upon exercise of the South32 Option	3,659,000
<b>Total liabilities</b>	<b>\$ 3,810,000</b>
Net advances and investment in the Company’s Mexican subsidiaries	<b>\$ 1,609,000</b>

In addition, at October 31, 2021, Silver Bull Resources, Inc. held \$nil of cash received from South32, which is to be contributed to the capital of the Mexican subsidiaries as required for exploration. Cash received from South32 is required to be used to further exploration at the Sierra Mojada Property.

The Company’s maximum exposure to loss at October 31, 2021 is \$5,268,000, which includes the carrying value of the VIE’s net assets, excluding the payable to Silver Bull Resources, Inc.

#### NOTE 4 – VALUE-ADDED TAX RECEIVABLE

Value-added tax (“VAT”) receivable relates to VAT paid in Mexico. The Company estimates net VAT of \$120,810 (2020 - \$219,804) will be received within 12 months of the balance sheet date. The allowance for uncollectible VAT was estimated by management based upon a number of factors, including the length of time the returns have been outstanding, responses received from tax authorities, general economic conditions in Mexico and estimated net recovery after commissions.

A summary of the changes in the allowance for uncollectible VAT for the fiscal years ended October 31, 2021 and 2010 is as follows:

Allowance for uncollectible VAT – October 31, 2019	\$ 327,624
Provision for uncollectible VAT	49,619
Foreign currency translation adjustment	(32,184)
Allowance for uncollectible VAT – October 31, 2020	345,059
Provision for uncollectible VAT	62,024
Foreign currency translation adjustment	13,899
Allowance for uncollectible VAT – October 31, 2021	\$ 420,982

#### NOTE 5 – INVESTMENTS AND NON-CONTROLLING INTEREST

On August 12, 2020, the Company entered into the Beskauga Option Agreement with Copperbelt pursuant to which it had the exclusive right and option to acquire Copperbelt’s right, title and 100% interest in the Beskauga property located in Kazakhstan. On March 19, 2021, the Company transferred its interest in the Beskauga Option Agreement to its subsidiary, Arras.

On September 24, 2021, pursuant to a Separation and Distribution Agreement, the Company distributed to its shareholders one Arras common share for each Silver Bull share held by such shareholders, or 34,547,838 Arras common shares in total (the “Distribution”). Upon completion of the Distribution, the Company retained 1,452,162 Arras shares, or approximately 4% of the outstanding Arras common shares, as a strategic investment.

On August 24, 2020, the Company loaned \$360,000 to Ekidos Minerals LLP, an unrelated third-party Kazakh entity, relating to the acquisition of mineral property concessions in Kazakhstan. The loan is interest free and is to be repaid on January 31, 2021. During the period from November 1, 2020 to September 24, 2021, Arras loaned an additional \$1,928,450 to Ekidos Minerals LLP, an unrelated third-party Kazakh entity, relating to the acquisition of mineral property concessions in Kazakhstan and exploration expenditures incurred.

At the time of the Distribution, the Company determined that Arras was no longer a controlled subsidiary due to the dilution of its interest in Arras and the fact that Arras became a stand-alone company at the time of the Distribution. On the date control was lost, the Company recorded its interest retained in Arras at carrying value without gain or loss.

The net assets of Arras as at September 24, 2021, the date of disposition, was as follows:

Cash and cash equivalents	\$ 505,228
Other receivables	13,319
Loan receivable	2,288,500
Property concessions	327,690
Office and mining equipment, net	108,534
Accounts payable	(547,405)
Accrued liabilities and expenses	(553,428)
Net assets – September 24, 2021	\$ 2,142,438

The Company determined that the Company’s retained interest in Arras is accounted for using the fair value method for the period from September 24, 2021, onwards, and its investments in Arras is presented as an investment.

Equity Security – October 31, 2020	\$ —
Carrying value of investment on deconsolidation	75,817
Gain on investment	1,090,953
Equity Security – October 31, 2021	\$ 1,166,770

On October 21, 2021, Arras completed a private placement. The Company did not participate in this private placement. As a result of the Arras common share issuance, the Company’s interest in Arras decreased to approximately 3%.

#### Non-Controlling Interest

On April 1, 2021, Arras completed an initial private placement (the “Arras Private Placement”) for 5,035,000 common shares at a purchase price of \$CDN 0.50 per share for gross proceeds of \$2,000,319 (\$CDN 2,517,500). No placement agent or finder’s fees were paid in connection with the Arras Private Placement. Arras incurred other offering costs associated with the Arras Private Placement of \$20,687.

The Arras Private Placement was considered a change in the ownership interest of a subsidiary that the Company controls and accordingly, the Company accounted for this as an equity transaction. The Company has correspondingly recorded a non-controlling interest for the portion of Arras not owned by the Company. As a result of the transaction, the Company maintains a controlling interest of 88% of Arras issued and outstanding common shares. Mainly due to this impact, the Company recorded a non-controlling interest for the dilution gain from changes in interest in subsidiary of \$1,979,633. There were no changes in the number of Arras common shares held by the Company.

On September 24, 2021, upon completion of the Distribution, the Company retained 1,452,162 Arras common shares, or approximately 4% of the outstanding Arras common shares, as a strategic investment, and Arras became a stand-alone company. The Company ceased consolidating the consolidated financial statements of Arras effective September 24, 2021, as the Company determined that it no longer exercised control over Arras. Accordingly, the Company's retained interest in Arras is accounted for using the fair value method. On September 24, 2021, the Company derecognized the net assets of Arras, and the non-controlling interest related to Arras.

As of October 31, 2021, the Company held approximately 3% of the outstanding Arras shares, reduced from the distribution date due to Arras completing an equity financing.

The carrying value of the non-controlling interest at October 31, 2021 was as follows:

Non-controlling interests – October 31, 2020	\$	—
Changes in interests in subsidiary – April 1, 2021		1,979,633
Loss for the period		(198,138)
Distribution of interest in Arras		(1,781,495)
Non-controlling interests – October 31, 2021	\$	<u>—</u>

#### NOTE 6 – OFFICE AND MINING EQUIPMENT

The following is a summary of the Company's office and mining equipment at October 31, 2021 and October 31, 2020:

	<u>October 31, 2021</u>	<u>October 31, 2020</u>
Mining equipment	\$ 396,153	\$ 444,202
Vehicles	92,873	92,873
Buildings and structures	185,724	185,724
Computer equipment and software	74,236	74,236
Well equipment	39,637	39,637
Office equipment	47,597	47,597
	<u>836,220</u>	<u>884,269</u>
Less: Accumulated depreciation	(672,080)	(644,500)
Office and mining equipment, net	<u>\$ 164,140</u>	<u>\$ 239,769</u>

#### NOTE 7 – PROPERTY CONCESSIONS

The following is a summary of the Company's property concessions in Sierra Mojada, Mexico as at October 31, 2021 and 2020:

Property Concessions – October 31, 2021 and 2020	<u>\$ 5,019,927</u>
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#### NOTE 8 – GOODWILL

Goodwill represents the excess, at the date of acquisition, of the purchase price of the business acquired over the fair value of the net tangible and intangible assets acquired. On April 30, 2021, the Company elected to perform a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. Based on this assessment, management determined it is not more likely than not that the fair value of the reporting unit is less than its carrying amount.

The following is a summary of the Company's goodwill balance as at October 31, 2021 and 2020:

Goodwill – October 31, 2021 and 2020	<u>\$ 2,058,031</u>
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#### NOTE 9 – LOAN PAYABLE

In June 2020, the Company received \$29,531 (\$CDN 40,000) in the form of a Canada Emergency Business Account ("CEBA") loan. CEBA is part of the economic assistance program launched by the Government of Canada to ensure that businesses have access to capital during the COVID-19 pandemic that can only be used to pay non-deferrable operating expenses. During the period from receipt of the CEBA loan to December 31, 2022 (the "Initial Term"), no interest will be charged on the principal amount outstanding. If at least \$CDN 30,000 is repaid on or before the end of the Initial Term, the remaining \$CDN 10,000 of principal will be forgiven pursuant to the terms of the CEBA loan. During the period from January 1, 2023 to December 31, 2025 (the "Extended Term"), if any portion of the loan remains outstanding, interest will be payable monthly at a rate of 5% per annum on the outstanding principal balance.

In January 2021, the Company applied and qualified for an additional \$15,615 (\$CDN 20,000) CEBA loan. Fifty percent (50%) of the additional loan is forgivable if repaid by December 31, 2022. The loan accrues no interest before the end of the Initial Term, and thereafter converts to a three-year term loan with a 5% annual interest rate. Any portion of the loan is repayable without penalty at any time prior to December 31, 2025. The total CEBA loan amount stands at \$CDN 60,000 with \$CDN 20,000 forgivable if repaid by December 31, 2022.

The balance of the CEBA loan is fully repayable on or before the end of the Extended Term, if not repaid on or before the end of the Initial Term. The Company anticipates repaying the CEBA loan upon or before the completion of the Initial Term. An income will be recognized in the period when the CEBA loan is forgiven.

Loan payable – October 31, 2020	\$ 30,034
Loan payable received – January 2021	15,615
Foreign currency translation adjustment	2,801
Loan payable – October 31, 2021	<u>\$ 48,450</u>

#### **NOTE 10 – COMMON STOCK**

Following shareholder approval, the Company amended its articles of incorporation on April 20, 2021 to, among other things, increase the number of authorized shares of common stock from 37,500,000 to 150,000,000.

On September 9, 2021, options to acquire 1,078,125 shares of common stock were exercised on a cashless basis, whereby the recipient elected to receive 220,471 shares without payment of the cash exercise price, and the remaining options for 857,654 shares were cancelled.

On June 25, 2021, the Company completed a private placement (the “2021 Silver Bull Private Placement”) for 500,000 shares of common stock for gross proceeds of \$405,351 (\$CDN 500,000). No placement agent or finder’s fees were paid in connection with the 2021 Silver Bull Private Placement. The Company incurred other offering costs associated with the 2021 Silver Bull Private Placement of \$14,628.

On June 15, 2021, options to acquire 375,000 shares of common stock were exercised on a cashless basis, whereby the recipient elected to receive 113,436 shares without payment of the cash exercise price, and the remaining options for 261,564 shares were cancelled.

On February 2, 2021, options to acquire 509,375 shares of common stock were exercised on a cashless basis, whereby the recipients elected to receive 228,986 shares without payment of the cash exercise price, and the remaining options for 280,389 shares were cancelled.

On November 9, 2020, the Company completed the second and final tranche of a private placement (the “2020 Silver Bull Private Placement”) for 319,000 units (each, a “Unit”) at a purchase price of \$0.47 per Unit for gross proceeds of \$149,930. Each Unit consists of one share of the Company’s common stock and one half of one transferable common stock purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder thereof to acquire one share of common stock and one common share of Arras as per the terms of the Separation and Distribution agreement between Silver Bull and Arras completed in conjunction with the Distribution, at a price of \$0.59 until November 9, 2025. The Company incurred other offering costs associated with the second and final tranche of the 2020 Silver Bull Private Placement of \$6,780. Subscribers of the second and final tranche of the 2020 Silver Bull Private Placement included management for a total 319,000 Units and gross proceeds of \$149,930.

No options to acquire shares of common stock were exercised during the year ended October 31, 2020.

#### **NOTE 11 – STOCK OPTIONS**

The Company has one stock option plan under which equity securities are authorized for issuance to officers, directors, employees and consultants: the 2019 Stock Option and Stock Bonus Plan (the “2019 Plan”). Under the 2019 Plan, the lesser of (i) 150,000,000 shares or (ii) 10% of the total shares outstanding are reserved for issuance upon the exercise of options or the grant of stock bonuses.

Options are typically granted with an exercise price equal to the closing market price of the Company’s stock at the date of grant, have a graded vesting schedule over two or three years and have a contractual term of five years.

On September 9, 2021, options to acquire 1,078,125 shares of common stock were exercised on a cashless basis at an average exercise price of \$CDN 1.03 per share. The options had an intrinsic value of \$224,756 at the time of exercise.

On June 15, 2021, options to acquire 375,000 shares of common stock were exercised on a cashless basis at an average exercise price of \$CDN 1.03 per share. The options had an intrinsic value of \$136,815 at the time of exercise.

On February 2, 2021, options to acquire 509,375 shares of common stock were exercised on a cashless basis at an average exercise price of \$CDN 0.60 per share. The options had an intrinsic value of \$194,630 at the time of exercise.

No options were granted or exercised during the year ended October 31, 2020.

The following is a summary of stock option activity for the fiscal years ended October 31, 2021 and 2020:

Options	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at October 31, 2019	2,043,750	\$ 0.72	2.83	\$ 46,448
Outstanding at October 31, 2020	2,043,750	0.72	1.83	53,546
Exercised	(562,893)	0.69		
Cancelled	(1,399,607)	0.79		
Expired	(37,500)	1.65		
Outstanding at October 31, 2021	43,750	1.39	1.30	—
Exercisable at October 31, 2021	43,750	\$ 1.39	1.30	\$ —

The Company recognized stock-based compensation costs for stock options of \$nil and \$62,417 for the fiscal years ended October 31, 2021 and 2020, respectively. As of October 31, 2021, there remains \$nil of total unrecognized compensation expense, which is expected to be recognized over a weighted average period of nil years.

During the year ended October 31, 2021, while a subsidiary of the Company, Arras granted options to acquire 5,060,000 common shares with a weighted-average grant-date fair value of \$0.22 per share and an exercise price of \$CDN 0.50 per share.

The Company recognized stock-based compensation costs for the Arras stock options of \$587,505 for the period from inception on February 5, 2021 to September 24, 2021.

The Company and Arras applied the fair value method using the Black-Scholes option pricing model in accounting for their stock options granted. Accordingly, share-based compensation of \$283,173 was recognized as personnel costs for options granted to employees, share-based compensation of \$209,241 was recognized as directors' fees for options granted to directors and share-based compensation of \$95,091 was recognized as exploration and property holding costs for options granted to employees and advisors.

Summarized information about stock options outstanding and exercisable at October 31, 2021 is as follows:

Options Outstanding			Options Exercisable		
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Exercise Price	Number Exercisable	Weighted Average Exercise Price
\$ 1.39	43,750	1.30	\$ 1.39	43,750	\$ 1.39

Prior to the adoption of ASU 2018-07 on November 1, 2019, stock options granted to consultants with a \$CDN exercise price were classified as a stock option liability on the Company's consolidated balance sheets upon vesting. Upon adoption of ASU 2018-07, the classification of stock options granted to consultants with a \$CDN exercise price is only reassessed if the award is modified after it vests and the consultant is no longer providing services, rather than once performance is complete and the award vests. ASU 2018-07 requires liability-classified awards that have not been settled as of the adoption date to be remeasured based on their adoption-date fair value. As a result, the Company reclassified \$4,803 from stock option liability to additional paid-in capital upon adoption of ASU 2018-07. The following is a summary of the Company's stock option liability at October 31, 2020 and October 31, 2019:

Stock option liability at October 31, 2019	\$ 4,803
Reclassification from additional paid-in capital	(4,803)
Stock option liability at October 31, 2020	<u>\$ —</u>

## NOTE 12 – WARRANTS

A summary of warrant activity for the fiscal years ended October 31, 2021 and 2020 is as follows:

Warrants	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value
Outstanding at October 31, 2019	1,975,289	\$ 1.28	0.75	\$ —
Issued in the initial tranche of the 2020 Silver Bull Private Placement (Note 10)	1,811,789	0.59		
Expired	(1,975,289)	1.28		
Outstanding and exercisable at October 31, 2020	1,811,789	\$ 0.59	4.99	\$ —
Issued in the second and final tranche of the 2020 Silver Bull Private Placement (Note 10)	159,500	0.59		
Outstanding and exercisable at October 31, 2021*	<u>1,971,289</u>	<u>\$ 0.59</u>	<u>3.99</u>	<u>\$ —</u>

\* Pursuant to the Distribution (Note 5), 1,971,289 warrants with a weighted average exercise price of \$0.59 are exercisable into one share of common stock of the Company and one common share of Arras. The Company will receive \$0.34 of the proceeds from the exercise of each of these warrants and the remaining proceeds will be paid to Arras.

During the year ended October 31, 2021, the Company issued 159,500 warrants with an exercise price of \$0.59 in connection with the 2020 Silver Bull Private Placement.

During the year ended October 31, 2020, the Company issued 1,811,789 warrants with an exercise price of \$0.59 in connection with the 2020 Silver Bull Private Placement.

No warrants were exercised during the year ended October 31, 2021 and 2020.

Summarized information about warrants outstanding and exercisable at October 31, 2021 is as follows:

Warrants Outstanding and Exercisable			
Exercise Price	Number Outstanding	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price
\$ 0.59	1,971,289	3.99	\$ 0.59

## NOTE 13 – TAX REFORM AND INCOME TAXES

### Provision for Taxes

The Tax Act was signed into law on December 22, 2017 and the Tax Act required the Company to use a statutory tax rate of 21% for the year ended October 31, 2021 and 2020.

The Company files a United States federal income tax return and a Canadian branch return on a fiscal year-end basis and files Mexican income tax returns for its three Mexican subsidiaries on a calendar year-end basis. The Company and two of its wholly-owned subsidiaries, Minera Metalin and Minas, have not generated taxable income since inception. Contratistas, another wholly-owned Mexican subsidiary, has historically generated taxable income based upon intercompany fees billed to Minera Metalin on the services it provides. On August 26, 2021, Contratistas merged with and into Minera Metalin.



On April 16, 2010, a wholly-owned subsidiary of the Company was merged with and into Dome, resulting in Dome becoming a wholly-owned subsidiary of the Company. Dome, a Delaware corporation, files a tax return in the United States as part of the Company's consolidated tax return.

The components of loss before income taxes were as follows:

	<b>For the year ended October 31,</b>	
	<b>2021</b>	<b>2020</b>
United States	\$ 13,000	\$ (1,695,000)
Foreign	(2,456,000)	(523,000)
Loss before income taxes	<u>\$ (2,443,000)</u>	<u>\$ (2,218,000)</u>

The components of the provision for income taxes are as follows:

	<b>For the year ended October 31,</b>	
	<b>2021</b>	<b>2020</b>
Current tax expense	\$ 4,550	\$ 7,942
Deferred tax expense	—	—
	<u>\$ 4,550</u>	<u>\$ 7,942</u>

The Company's provision for income taxes for the fiscal year ended October 31, 2021 consisted of a tax expense of \$4,550 related to a provision for income taxes for the Silver Bull Canadian branch return for the fiscal year ended October 31, 2021.

The reconciliation of the provision for income taxes computed at the U.S. statutory rate to the provision for income tax as shown in the statement of operations and comprehensive loss is as follows:

	<b>For the year ended October 31,</b>	
	<b>2021</b>	<b>2020</b>
Income tax benefit calculated at U.S. federal income tax rate	\$ (514,000)	\$ (466,000)
Differences arising from:		
Other permanent differences	2,766,000	116,000
Differences due to foreign income tax rates	(129,000)	(47,000)
Adjustment to prior year taxes	56,000	(22,000)
Inflation adjustment foreign net operating loss	(323,000)	(174,000)
Foreign currency fluctuations	(227,000)	638,000
Decrease in valuation allowance	(2,551,000)	(565,000)
Net operating loss carry forwards deconsolidation - Canada	93,000	—
Net operating loss carry forwards expiration - Mexico	834,000	307,000
Net capital loss carry forwards expiration - United States	—	62,000
Net operating loss carry forwards expiration - United States	—	159,000
Net income tax provision	<u>\$ 5,000</u>	<u>\$ 8,000</u>

The components of the deferred tax assets at October 31, 2021 and 2020 were as follows:

	October 31,	
	2021	2020
Deferred tax assets:		
Net operating loss carry forwards – U.S.	\$ 5,035,000	\$ 7,502,000
Net capital loss carry forwards – U.S.	—	—
Net operating loss carry forwards – Mexico	5,922,000	6,080,000
Stock-based compensation – U.S.	—	8,000
Exploration costs	814,000	777,000
Other – United States	46,000	19,000
Other – Mexico	42,000	23,000
Total net deferred tax assets	11,859,000	14,409,000
Less: valuation allowance	(11,859,000)	(14,409,000)
Net deferred tax asset	\$ —	\$ —

At October 31, 2021, the Company has U.S. net operating loss carry-forwards of approximately \$19 million that expire in the years 2029 through 2037 and \$4 million which will be carried forward indefinitely. The Company has approximately \$20 million of net operating loss carry-forwards in Mexico that expire in the years 2022 through 2031.

The valuation allowance for deferred tax assets of \$11.9 and \$14.4 million at October 31, 2021 and 2020, respectively, relates principally to the uncertainty of the utilization of certain deferred tax assets, primarily net operating loss carry forwards in various tax jurisdictions. The Company continually assesses both positive and negative evidence to determine whether it is more likely than not that the deferred tax assets can be realized prior to their expiration. Based on the Company's assessment, it has determined that the deferred tax assets are not currently realizable.

#### Net Operating Loss Carry Forward Limitation

For U.S. federal income tax purposes, a change in ownership under IRC Section 382 has occurred as a result of the Dome merger in April 2010. When an ownership change has occurred, the utilization of these losses against future income would be subject to an annual limitation, which would be equal to the value of the acquired company immediately prior to the change in ownership multiplied by the IRC Section 382 rate in effect during the month of the change.

#### Accounting for Uncertainty in Income Taxes

During the fiscal years ended October 31, 2021 and 2020, the Company has not identified any unrecognized tax benefits or had any additions or reductions in tax positions and therefore a reconciliation of the beginning and ending amount of unrecognized tax benefits is not presented.

The Company does not have any unrecognized tax benefits as of October 31, 2021, and accordingly the Company's effective tax rate will not be materially affected by unrecognized tax benefits.

The following tax years remain open to examination by the Company's principal tax jurisdictions:

United States:	2017 and all following years
Mexico:	2016 and all following years
Canada:	2017 and all following years

The Company has not identified any uncertain tax position for which it is reasonably possible that the total amount of unrecognized tax benefit will significantly increase or decrease within the next 12 months.

The Company's policy is to classify tax related interest and penalties as income tax expense. There is no interest or penalties estimated on the underpayment of income taxes as a result of unrecognized tax benefits.

## NOTE 14 – FINANCIAL INSTRUMENTS

### Fair Value Measurements

All financial assets and financial liabilities are recorded at fair value on initial recognition. Transaction costs are expensed when they are incurred, unless they are directly attributable to the acquisition of financial assets or the assumption of liabilities carried at amortized cost, in which case the transaction costs adjust the carrying amount.

The three levels of the fair value hierarchy are as follows:

- |         |  |
|---------|--|
| Level 1 | Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;                                  |
| Level 2 | Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and |
| Level 3 | Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).   |

Under fair value accounting, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's financial instruments consist of cash and cash equivalents, investments, loan receivable, accounts payable and loan payable.

Cash and cash equivalents, loan receivable and accounts payable are classified as level 1 in the fair value hierarchy. Their carry amounts approximate fair value at October 31, 2021 and 2020 due to the short maturities of these financial instruments. Investments and loan payable are classified as level 2 in the fair value hierarchy.

### Derivative liability

The Company classified warrants with a \$CDN exercise price as a derivative liability, which was fair valued at each reporting period subsequent to the initial issuance as the functional currency of Silver Bull is the U.S. dollar. The Company used the Black-Scholes pricing model to determine the fair value of these warrants. Determining the appropriate fair-value model and calculating the fair value of warrants requires considerable judgment. The estimated volatility of the Company's common stock at the date of issuance, and at each subsequent reporting period, was based on the historical volatility adjusted to reflect the implicit discount to historical volatilities observed in the prices of traded warrants. The risk-free interest rate was based on rates published by the government for bonds with a maturity similar to the expected remaining life of the warrants at the valuation date. The expected life of the warrants was assumed to be equivalent to their remaining contractual term. The dividend yield was expected to be none as the Company has not paid dividends nor does the Company anticipate paying a dividend in the foreseeable future. All changes in fair value were recorded in the Consolidated Statements of Operations and Comprehensive Loss each reporting period. As of October 31, 2021, the warrants with a \$CDN exercise price had been exercised or had expired.

The Company reclassified stock options granted to consultants with a \$CDN exercise price on its consolidated balance sheets upon vesting as a stock option liability that is fair valued at each reporting period subsequent to reclassification as the functional currency of Silver Bull is the U.S. dollar. The Company has used the Black-Scholes pricing model to fair value these stock options. Determining the appropriate fair-value model and calculating the fair value of these stock options requires considerable judgment. Any change in the estimates used may cause the value to be higher or lower than that reported. The estimated volatility of the Company's common stock at the date of reclassification, and at each subsequent reporting period, is based on the historical volatility of the Company's common stock and adjusted if future volatility is expected to vary from historical experience. The risk-free interest rate is based on rates published by the government for bonds with a maturity similar to the expected remaining life of the options at the valuation date. The expected life of the options is based upon historical and expected future exercise behavior. The dividend yield is expected to be none as the Company has not paid dividends nor does the Company anticipate paying any dividend in the foreseeable future. During the year ended October 31, 2020, the Company adopted ASU 2018-07, "Compensation - Stock Compensation (Topic 718)," which resulted in a reclassification of the remaining carrying value from stock liability to additional paid-in capital.

## Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. To mitigate exposure to credit risk on financial assets, the Company has established policies to ensure liquidity of funds and ensure that counterparties demonstrate minimum acceptable credit worthiness.

The Company maintains its U.S. dollar and \$CDN cash and cash equivalents in bank and demand deposit accounts with major financial institutions with high credit standings. Cash deposits held in Canada are insured by the Canada Deposit Insurance Corporation (“CDIC”) for up to \$CDN 100,000. Certain Canadian bank accounts held by the Company exceed these federally insured limits or are uninsured as they related to U.S. dollar deposits held in Canadian financial institutions. As of October 31, 2021 and 2020, the Company’s cash and cash equivalent balances held in Canadian financial institutions included \$98,617 and \$1,793,270, respectively, which was not insured by the CDIC. The Company has not experienced any losses on such accounts and management believes that using major financial institutions with high credit ratings mitigates the credit risk in cash and cash equivalents.

The Company also maintains cash in bank accounts in Mexico. These accounts are denominated in the local currency and are considered uninsured. As of October 31, 2021 and 2020, the U.S. dollar equivalent balance for these accounts was \$10,239 and \$8,739, respectively.

## Interest Rate Risk

The Company holds substantially all of the Company’s cash and cash equivalents in bank and demand deposit accounts with major financial institutions. The interest rates received on these balances may fluctuate with changes in economic conditions. Based on the average cash and cash equivalent balances during the fiscal year ended October 31, 2021, a 1% decrease in interest rates would have resulted in a reduction in interest income for the period of approximately \$92.

## Foreign Currency Exchange Risk

The Company is not subject to any material market risk related to foreign currency exchange rate fluctuations.

## Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company’s approach to managing its liquidity risk is to ensure, as far as possible, that it will have sufficient liquid funds to meet its liabilities when due.

At October 31, 2021, the Company has \$189,607 (2020 - \$1,861,518) of cash and cash equivalents to settle current liabilities of \$791,319 (2020 - \$887,775). All payables classified as current liabilities are due within one year.

## **NOTE 15 – COMMITMENTS AND CONTINGENCIES**

### Compliance with Environmental Regulations

The Company’s exploration activities are subject to laws and regulations controlling not only the exploration and mining of mineral properties, but also the effect of such activities on the environment. Compliance with such laws and regulations may necessitate additional capital outlays or affect the economics of a project, and cause changes or delays in the Company’s activities.

### Property Concessions Mexico

To properly maintain property concessions in Mexico, the Company is required to pay a semi-annual fee to the Mexican government and complete annual assessment work.

### Royalty

The Company has agreed to pay a 2% net smelter return royalty on certain property concessions within the Sierra Mojada Property based on the revenue generated from production. Total payments under this royalty are limited to \$6.875 million (the “Royalty”). To date, no royalties have been paid.

### Litigation and Claims

#### *Mineros Norteños Case*

On May 20, 2014, Mineros Norteños filed an action in the Local First Civil Court in the District of Morelos, State of Chihuahua, Mexico, against the Company’s subsidiary, Minera Metalin, claiming that Minera Metalin breached an agreement regarding the development of the Sierra Mojada Property. Mineros Norteños sought payment of the Royalty, including interest at a rate of 6% per annum since August 30, 2004, even though no revenue has been produced from the applicable mining concessions. It also sought payment of wages to the cooperative’s members since August 30, 2004, even though none of the individuals were hired or performed work for Minera Metalin under this agreement and Minera Metalin did not commit to hiring them. On January 19, 2015, the case was moved to the Third District Court (of federal jurisdiction). On October 4, 2017, the court ruled that Mineros Norteños was time barred from bringing the case. On October 19, 2017, Mineros Norteños appealed this ruling. On July 31, 2019, the Federal Appeals Court upheld the original ruling. This ruling was subsequently challenged by Mineros Norteños and on January 24, 2020, the Federal Circuit Court ruled that the Federal Appeals Court must consider additional factors in its ruling. In March 2020, the Federal Appeals Court upheld the original ruling after considering these additional factors. In August 2020, Mineros Norteños appealed this ruling, which appeal the Company timely responded and objected to on October 5, 2020. On March 26, 2021, the Federal Circuit Court issued a final and conclusive resolution, affirming the Federal Appeals Court decision. The Company has not accrued any amounts in its consolidated financial statements with respect to this claim.

On February 15, 2016, Messrs. Jaime Valdez Farias and Maria Asuncion Perez Alonso (collectively, “Valdez”) filed an action before the Local First Civil Court of Torreon, State of Coahuila, Mexico, against the Company’s subsidiary, Minera Metalin, claiming that Minera Metalin had breached an agreement regarding the development of the Sierra Mojada Property. Valdez sought payment in the amount of \$5.9 million for the alleged breach of the agreement. On April 28, 2016, Minera Metalin filed its response to the complaint, asserting various defenses, including that Minera Metalin terminated the agreement before the payment obligations arose and that certain conditions precedent to such payment obligations were never satisfied by Valdez. The Company and the Company’s Mexican legal counsel asserted all applicable defenses. In May 2017, a final judgment was entered finding for the Company, the defendant, acquitting the Company of all of the plaintiff’s claims and demands. However, due to a technicality in an early procedural act, Valdez was allowed to, and did, challenge the judgment before a local Appeals Court. On October 1, 2020, the Appeals Court entered a resolution overturning the previous judgment and entering a resolution in favor of Valdez in the amount of \$5 million, plus court costs. In November 2020, the judgment of the Appeals Court was timely challenged by the Company by means of an “Amparo” lawsuit (Constitutional protection) before a Federal Circuit Court. In June 2021, the Federal Circuit Court ruled in favor of the plaintiff. The Company believes these judgments are contrary to applicable law. No efforts have been made by the plaintiff to enforce the Appeals Court resolution, and in the event such efforts are undertaken, the Company intends to assert a variety of further defenses. The Company believes the likelihood of the plaintiff succeeding in collecting any amount on this claim is remote, as such the Company has not accrued any amounts in its consolidated financial statements with respect to this claim.

From time to time, the Company is involved in other disputes, claims, proceedings and legal actions arising in the ordinary course of business. The Company intends to vigorously defend all claims against the Company, and pursue its full legal rights in cases where the Company has been harmed. Although the ultimate outcome of these proceedings cannot be accurately predicted due to the inherent uncertainty of litigation, in the opinion of management, based upon current information, no other currently pending or overtly threatened proceeding is expected to have a material adverse effect on the Company’s business, financial condition or results of operations.

**COVID-19**

Global outbreaks of contagious diseases, including the December 2019 outbreak of a novel strain of coronavirus (COVID-19), have the potential to significantly and adversely impact our operations and business. On March 11, 2020, the World Health Organization recognized COVID-19 as a global pandemic. Pandemics or disease outbreaks such as the currently ongoing COVID-19 outbreak may have a variety of adverse effects on our business, including by depressing commodity prices and the market value of our securities and limiting the ability of our management to meet with potential financing sources. The spread of COVID-19 has had, and continues to have, a negative impact on the financial markets, which may impact our ability to obtain additional financing in the near term. A prolonged downturn in the financial markets could have an adverse effect on our business, results of operations and ability to raise capital.

**NOTE 16 – SEGMENT INFORMATION**

The Company operates in a single reportable segment: the exploration of mineral property interests. The Company has mineral property interests in Sierra Mojada, Mexico.

Geographic information is approximately as follows:

	<b>For the Year Ended</b>	
	<b>October 31,</b>	
	<b>2021</b>	<b>2020</b>
Net loss		
Mexico	\$ (400,000)	\$ (552,000)
Kazakhstan	(642,000)	—
Canada	(1,406,000)	(1,465,000)
Other	—	(209,000)
Net Loss	<u>\$ (2,448,000)</u>	<u>\$ (2,226,000)</u>

The following table details allocation of assets included in the accompanying consolidated balance sheets at October 31, 2021:

	<b>Canada</b>	<b>Mexico</b>	<b>Total</b>
Cash and cash equivalents	\$ 180,000	\$ 10,000	\$ 190,000
Value-added tax receivable, net	—	121,000	121,000
Other receivables	3,000	4,000	7,000
Prepaid expenses and deposits	96,000	100,000	196,000
Investments	1,167,000	—	1,167,000
Office and mining equipment, net	—	164,000	164,000
Property concessions	—	5,020,000	5,020,000
Goodwill	—	2,058,000	2,058,000
	<u>\$ 1,370,000</u>	<u>\$ 7,477,000</u>	<u>\$ 8,923,000</u>

The following table details the allocation of assets included in the accompanying consolidated balance sheet at October 31, 2020:

	<b>Canada</b>	<b>Mexico</b>	<b>Total</b>
Cash and cash equivalents	\$ 1,853,000	\$ 9,000	\$ 1,862,000
Value-added tax receivable, net	—	220,000	220,000
Other receivables	10,000	4,000	14,000
Prepaid expenses and deposits	130,000	100,000	230,000
Loan receivable	360,000	—	360,000
Office and mining equipment, net	48,000	192,000	240,000
Property concessions	—	5,020,000	5,020,000
Goodwill	—	2,058,000	2,058,000
	<u>\$ 2,401,000</u>	<u>\$ 7,603,000</u>	<u>\$ 10,004,000</u>

The Company has significant assets in Coahuila, Mexico. Although Mexico is generally considered economically stable, it is always possible that unanticipated events in Mexico could disrupt the Company's operations. The Mexican government does not require foreign entities to maintain cash reserves in Mexico.

The following table details the allocation of exploration and property holding costs for the exploration properties:

	<b>For the Year Ended</b>	
	<b>October 31,</b>	
	<b>2021</b>	<b>2020</b>
Exploration and property holding costs for the year		
Mexico	\$ (338,000)	\$ (477,000)
Kazakhstan	(640,000)	—
Other	—	(203,000)
	<u>\$ (978,000)</u>	<u>\$ (680,000)</u>

#### NOTE 17 – SUBSEQUENT EVENTS

On December 6, 2021, the Company sold 600,000 common shares of Arras for proceeds of \$CDN 600,000.

### SUBSIDIARIES OF THE REGISTRANT

Silver Bull Resources, Inc. (the “Company”) currently conduct its operations through subsidiaries. The names and ownership structure of our subsidiaries as of October 31, 2021 are set forth in the chart below:

Name	Jurisdiction of Incorporation or Organization	Ownership Percentage
Metalline, Inc. (“Metalline”)	Colorado, USA	100% by Silver Bull
Contratistas de Sierra Mojada S.A. de C.V. (“Contratistas”)	Mexico	98% by Silver Bull and 2% by Metalline (1)
Minera Metalin S.A. de C.V. (“Minera Metalin”)	Mexico	99.998% by Silver Bull and 0.002% by Metalline (1)
Minas de Coahuila SBR S.A. de C.V.	Mexico	99.998% by Minera Metalin and 0.002% by Contratistas
Dome Ventures Corporation (“Dome”)	Delaware, USA	100% by Silver Bull
Dome Asia Inc.	British Virgin Islands	100% by Dome
Dome Minerals Nigeria Limited	Nigeria	99.99% by Dome Asia Inc.

(1) Pursuant to that certain earn-in South32 option agreement (the “South32 Option Agreement”), dated June 1, 2018, and amended effective as of March 20, 2019, among the Company, Minera Metalin, Contratistas, and South32 International Investment Holdings Pty Ltd (“South32”), a wholly owned subsidiary of South32 Limited (ASX/JSE/LSE: S32), South32 is able to obtain an option to purchase 70% of the equity of Minera Metalin and Contratistas (the “Option”), and oversee the mineral exploration of Minera Metalin’s Sierra Mojada property located in Coahuila, Mexico (the “Sierra Mojada Project”). The South32 Option Agreement provides that, upon the terms and subject to the conditions set forth in the South32 Option Agreement, in order for South32 to maintain its Option, South32 must contribute to Minera Metalin a minimum of \$10 million in tranches over the first four years of the Option for the Sierra Mojada Project funding (the “Initial Funding”). South32 may exercise the Option at any time by contributing \$100 million to Minera Metalin (the “Subscription Payment”), less the amount of Initial Funding previously contributed by South32. Once the full amount of the Subscription Payment is advanced by South32 and the Option is exercised, the Company and South32 will be obligated to contribute funding to Minera Metalin on a 30/70 pro rata basis. If South32 elects not to continue with the Sierra Mojada Project during the four-year option period, the Sierra Mojada Project will remain 100% owned by the Company. The exploration program will be initially managed by the Company.

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statements on Form S-1 (File Nos. 333-214228, 333-221459, 333-227465, and 333-251229), as amended, and Form S-8 (File Nos. 333-171723, 333-180142, 333-214229, 333-221460, and 333-232627) of Silver Bull Resources, Inc. of our report dated January 14, 2022 relating to the audit of the consolidated financial statements, which appears in this Annual Report on Form 10-K for the year ended October 31, 2021.

/s/ Smythe LLP

Smythe LLP

Chartered Professional Accountants

Vancouver, Canada

January 14, 2022



**CONSENT OF ARCHER, CATHRO & ASSOCIATES (1981) LIMITED**

We hereby consent to the incorporation by reference of any mineralized material and other analyses performed by us in our capacity as an independent consultant to Silver Bull Resources, Inc. (the "Company"), which are set forth in the Company's Annual Report on Form 10-K for the year ended October 31, 2021, in the Company's Registration Statements on Form S-1 (File Nos. 333-214228, 333-221459, 333-227465, and 333-251229), as amended, and Form S-8 (File Nos. 333-171723, 333-180142, 333-214229, 333-221460, and 333-232627), or in any prospectuses or amendments or supplements thereto. We also consent to the reference to us under the heading "Experts" in such Registration Statements and any related amendments or prospectuses.

Date: January 14, 2022

**ARCHER, CATHRO & ASSOCIATES (1981) LIMITED**

By: /s/ Matthew Dumala

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Name: Matthew Dumala, P.Eng.

Title: Partner and Senior Engineer

**CERTIFICATION OF CEO PURSUANT TO EXCHANGE ACT RULES 13a-14 AND 15d-14,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Timothy Barry, certify that:

1. I have reviewed this Annual Report on Form 10-K of Silver Bull Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: January 14, 2022

By: /s/ Timothy Barry  
Timothy Barry, Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF CFO PURSUANT TO EXCHANGE ACT RULES 13a-14 AND 15d-14,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christopher Richards, certify that:

1. I have reviewed this Annual Report on Form 10-K of Silver Bull Resources, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: January 14, 2022

By: /s/ Christopher Richards  
Christopher Richards, Chief Financial Officer  
(Principal Accounting and Financial Officer)

**CERTIFICATION OF CEO PURSUANT TO 18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Silver Bull Resources, Inc. (the "Company") does hereby certify with respect to the Annual Report of the Company on Form 10-K for the period ended October 31, 2021 (the "Report") that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 14, 2022

By: /s/ Timothy Barry  
Timothy Barry, Chief Executive Officer  
(Principal Executive Officer)

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code). It shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 (15 U.S.C. Section 78r) or otherwise subject to the liability of that section. It shall also not be deemed incorporated by reference into any filing under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, except to the extent that the Company specifically incorporates it by reference.

**CERTIFICATION OF CFO PURSUANT TO 18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Silver Bull Resources, Inc. (the "Company") does hereby certify with respect to the Annual Report of the Company on Form 10-K for the period ended October 31, 2021 (the "Report") that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: January 14, 2022

By: /s/ Christopher Richards  
Chief Financial Officer  
(Principal Accounting and Financial Officer)

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code). It shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 (15 U.S.C. Section 78r) or otherwise subject to the liability of that section. It shall also not be deemed incorporated by reference into any filing under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended, except to the extent that the Company specifically incorporates it by reference.