ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

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” in our Annual Report on Form 10-K for the fiscal year ended October 31, 2017.

Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes certain statements that may be deemed to be “forward-looking statements” within the meaning of the Securities Act of 1933, as amended (the “Securities Act”), the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the U.S. 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. Forward-looking statements include statements we make regarding:

The sufficiency of our existing cash resources to enable us to continue our operations for the next 12 months as a going concern;

Our ability to undertake a strategic transaction, such as a joint venture, asset divestiture, sale or merger of Silver Bull, or other strategic transaction;

Prospects of entering the development or production stage with respect to any of our projects;

Whether any part of the Sierra Mojada project will ever be confirmed or converted into SEC Industry Guide 7-compliant “reserves”;

The impact of the fine bubble flotation test work on the recovery of minerals and initial rough concentrate grade;

The possible advantages of zinc mineralization at the Sierra Mojada Property;

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;

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 Form 10-Q and in our Annual Report on Form 10-K for the fiscal year ended October 31, 2017, including without limitation, risks associated with the following:

- 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;
- 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;
- 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 and 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 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 section titled "Risk Factors" in this Form 10-Q and in our Annual Report on Form 10-K for the fiscal year ended October 31, 2017.

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 S.A. de C.V. ("Minera Metalin") and Contratistas de Sierra Mojada S.A. de C.V. ("Contratistas"), and through Minera Metalin's wholly-owned subsidiary, Minas de Coahuila SBR S.A. de C.V. ("Minas"). However, as noted above, we have not established any reserves at the Sierra Mojada Property, we are in the exploration stage, and we 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.

Current Developments

South32 Agreement

On June 1, 2018, we and our subsidiaries Minera Metalin and Contratistas entered into an Option Agreement (the "Option Agreement") with South32 International Investment Holdings Pty Ltd ("South32"), a wholly owned subsidiary of South32 Limited (ASX/JSE/LSE: S32), whereby we granted South32 an option to purchase 70% of the equity of Minera Metalin (the "Option") and oversee the mineral exploration of Minera Metalin's Sierra Mojada Property located in Coahuila, Mexico (the "Project"). The Option Agreement provides that, upon the terms and subject to the conditions set forth in the 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 including aggregate amounts of $3 million, $6 million, $8 million and $10 million by the end of years one, two, three, and four of the Option for 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, 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 Project during the four-year option period, the Project will remain 100% owned by us. The exploration program will be initially managed by us.

Pursuant to the terms of the agreement, South32 will provide us with approximately $3 million to fund exploration activities, such as a regional airborne electromagnetic survey and a targeted drilling program on the Sierra Mojada Property, for the next 12 months.

The foregoing description of the Option Agreement is qualified in its entirety by Exhibit 10.1 to that certain Form 8-K filed by the Company with the Securities and Exchange Commission on June 7, 2018, which is incorporated herein by reference as Exhibit 10.1.

2018 Warrants Exercised

During the six months ended April 30, 2018, we raised net proceeds of approximately $555,000 from the exercise of share purchase warrants as described in the "Material Changes in Financial Condition; Liquidity and Capital Resources" section. Subsequent to April 30, 2018, we raised gross proceeds of approximately $79,000 from the exercise of share purchase warrants as described in the "Material Changes in Financial Condition; Liquidity and Capital Resources" section.

Property Concessions and Outlook

Sierra Mojada Property

In January 2018, our board of directors approved a calendar-year 2018 budget of $655,000 for the Sierra Mojada Property. As a result of the Option Agreement, our board approved an updated budget for the Sierra Mojada Property in June 2018 for expenditures that are not expected to be covered by the Option Agreement of $28,000 for the period from June 2018 to December 2018.

Drilling

During the six months period ended April 30, 2018, we completed 440 meters of underground drilling to test the continuity along strike and down dip of sulphide zones we have identified.

Mineralized Material Estimate

On June 30, 2015, Tuun Consulting Inc. and AKF Mining Services Inc. delivered an amended technical report (the "Report") on the silver and zinc mineralization at the Sierra Mojada project in accordance with Canadian National Instrument 43-101. The Report includes an update on the silver and zinc mineralization, which was estimated from 1,363 diamond drill holes, 24 reverse circulation drill holes, 9,027 channel samples and 2,346 underground long holes. Using a net smelter return economic cut-off, the Report indicates mineralized material in the Lerchs-Grossman optimized pit of 56.8 million tonnes at an average silver grade of 50 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%. In addition, using the net smelter return economic cut-off, the Report indicates underground mineralized material outside the Lerchs-Grossman optimized pit of 1.9 million tonnes at an average zinc percentage of 9.4%, an average copper percentage of 0.02% and an average lead percentage of 0.4%. Mineralized material estimates do not include any amounts categorized as inferred resources.

"Mineralized material" as used in this Quarterly Report on Form 10-Q, 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.

Metallurgical Studies

During 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 its 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 the silver mineralization using the agitation cyanide leach method and of 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 low-grade zinc that occurs in the silver zone and high-grade zinc from the zinc zone that had been blended with mineralization from the silver 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.

Results of Operations

Three Months Ended April 30, 2018 and April 30, 2017

For the three months ended April 30, 2018, we experienced a net loss of $194,000, or approximately $nil per share, compared to a net loss of $599,000, or approximately $nil per share, during the comparable period last year. The $405,000 decrease in net loss was primarily due to a $101,000 decrease in exploration and property holding costs, a $18,000 decrease in general and administrative expenses and a $285,000 increase in other income compared to the comparable period last year as described below.

Exploration and Property Holding Expenses

Exploration and property holding expenses decreased $101,000 to $109,000 for the three months ended April 30, 2018, compared to $210,000 for the comparable period last year. This decrease was the result of no drilling in the three months ended April 30, 2018.

General and Administrative Expenses

We recorded a general and administrative expense of $385,000 for the three months ended April 30, 2018 as compared to $403,000 for the comparable period last year. The $18,000 decrease was mainly the result of a $43,000 decrease in personnel costs, a $21,000 decrease in directors' fees which was partially offset by a $32,000 increase in office and administrative cost, a $9,000 increase in professional services and a $5,000 increase in provision for uncollectible VAT as described below.

Personnel costs decreased $43,000 to $113,000 for the three months ended April 30, 2018 as compared to $156,000 for the comparable period last year. This decrease was mainly due to the decrease in the value of the Canadian dollar ("$CDN") compared to the U.S. dollar and the decrease in stock-based compensation expense to $12,000 in the three months ended April 30, 2018 from $47,000 in the comparable period last year as a result of stock options vesting in the three months ended April 30, 2018 having a lower fair value than stock options vesting in the comparable period last year.

Office and administrative costs increased $32,000 to $139,000 for the three months ended April 30, 2018 as compared to $107,000 for the same period last year. This increase was mainly due to an increase in investor relations activities, which is partially offset by a decrease in travel costs.

Professional fees increased $9,000 to $88,000 for the three months ended April 30, 2018 compared to $79,000 for the comparable period last year. This increase is mainly due to an increase in accounting fees, which is partially offset by a decrease in legal fees.

Directors' fees decreased $21,000 to $38,000 for the three months ended April 30, 2018 as compared to $59,000 for the comparable period last year. This decrease was primarily due to the decrease in stock-based compensation expense to $7,000 in the three months ended April 30, 2018 from $29,000 in the comparable period last year as a result of stock options vesting in the three months ended April 30, 2018 having a lower fair value than stock options vesting in the comparable period last year.

We recorded a $6,000 provision of uncollectible VAT for the three months ended April 30, 2018 as compared to a $1,000 provision of uncollectible VAT in the comparable period last year. The allowance for uncollectible taxes 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 Expenses

We recorded other income of $300,000 for the three months ended April 30, 2018 as compared to other income of $15,000 for the comparable period last year. The significant factor contributing to other income in the three months ended April 30, 2018 was a $293,000 income from change in fair value of warrant derivative liability due to a decrease in fair value of warrants with a $CDN exercise price from February 1, 2017 to April 30, 2018.

Six Months Ended April 30, 2018 and April 30, 2017

For the six months ended April 30, 2018, we experienced a net loss of $2,330,000, or approximately $0.01 per share, compared to a net loss of $1,183,000, or approximately $0.01 per share, during the comparable period last year. The $1,147,000 increase in net loss was primarily due to a $1,310,000 increase in other expenses which included a $1,305,000 expense from change in fair value of warrant derivative liability, and a $123,000 increase in general and administrative expenses, which was partially offset by a $286,000 decrease in exploration and property holding costs compared to the comparable period last year as described below.

Exploration and Property Holding Expenses

Exploration and property holding expenses decreased $286,000 to $291,000 for the six months ended April 30, 2018, compared to $577,000 for the comparable period last year. This decrease was the result of reduced drilling and underground drilling using our termite drill in the six months ended April 30, 2018 compared to drilling from surface in the comparable period last year.

General and Administrative Expenses

We recorded a general and administrative expense of $729,000 for the six months ended April 30, 2018 as compared to $606,000 for the comparable period last year. The $123,000 increase was mainly the result of a $69,000 increase in office and administrative cost, a $19,000 increase in professional services, a $25,000 provision for uncollectible VAT compared to a $50,000 recovery of uncollectible VAT in the comparable period last year, which was partially offset by a $27,000 decrease in personnel costs and a $14,000 decrease in directors' fees as described below.

Personnel costs decreased $27,000 to $245,000 for the six months ended April 30, 2018 as compared to $272,000 for the same period last year. This decrease was mainly due to the decrease in stock-based compensation expense to $30,000 in the six months ended April 30, 2018 from $54,000 in the comparable period last year as a result of stock options vesting in the six months ended April 30, 2018 having a lower fair value than stock options vesting in the comparable period last year.

Office and administrative expenses increased $69,000 to $238,000 for the six months ended April 30, 2017 as compared to $169,000 for the comparable period last year. This increase was mainly due to an increase in investor relations activities.

Professional fees increased $19,000 to $140,000 for the six months ended April 30, 2018 compared to $121,000 for the comparable period last year. This increase is mainly due to an increase in accounting fees.

Directors' fees decreased $14,000 to $80,000 for the six months ended April 30, 2018 as compared to $94,000 for the comparable period last year. This decrease was primarily due to a decrease in stock-based compensation expense to $18,000 in the six months ended April 30, 2018 from $34,000 in the comparable period last year as a result of stock options vesting in the six months ended April 30, 2018 having a lower fair value than stock options vesting in the comparable period last year.

We recorded a $25,000 provision for uncollectible VAT for the six months ended April 30, 2018 as compared to a $50,000 recovery of uncollectible VAT in the comparable period last year. The allowance for uncollectible taxes 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 Expenses

We recorded other expense of $1,309,000 for the six months ended April 30, 2018 as compared to other income of $1,000 for the comparable period last year. The significant factor contributing to other expense in the six months ended April 30, 2018 was a $1,305,000 expense from change in fair value of warrant derivative liability due to an increase in fair value of warrants with a $CDN exercise price from October 31, 2017 to April 30, 2018.

Material Changes in Financial Condition; Liquidity and Capital Resources

2018 Warrants Exercised

During the six months ended April 30, 2018, 5,440,000 warrants to acquire 5,440,000 shares of common stock were exercised at an exercise price of $CDN 0.13 per share of common stock for aggregate gross proceeds of $552,502 ($CDN 707,200). In addition, 39,375 warrants to acquire 39,375 shares of common stock were exercised at an exercise price of $CDN 0.10 per share of common stock for aggregate gross proceeds of $3,145 ($CDN 3,938). We incurred costs of $915 related to these warrant exercises.

From May 1, 2018 through the date of this filing, 125,000 warrants to acquire 125,000 shares of common stock were exercised at an exercise price of $CDN 0.13 per share of common stock for aggregate gross proceeds of $12,632 ($CDN 16,250). In addition, 862,000 warrants to acquire 862,000 shares of common stock were exercised at an exercise price of $CDN 0.10 per share of common stock for aggregate gross proceeds of $66,756 ($CDN 86,200).

Cash Flows

During the six months ended April 30, 2018, we primarily utilized cash and cash equivalents to fund exploration activities at the Sierra Mojada Property and for general and administrative expenses. Additionally, during the six months ended April 30, 2018, we received net cash proceeds of $555,000 from warrants exercised. As a result of the exploration activities and general and administrative expenses, which was partially offset by net cash proceeds received from the warrants exercised, cash and cash equivalents decreased from $682,000 at October 31, 2017 to $247,000 at April 30, 2018.

Cash flows used in operating activities for the six months ended April 30, 2018 was $977,000 as compared to $1,119,000 for the comparable period in 2017. This decrease was mainly due to the decreased exploration work at the Sierra Mojada Property, which was partially offset by the increased general and administrative expenses.

Cash flows used in investing activities for the six months ended April 30, 2018 was $16,000 for the acquisition of property concessions. Cash flows provided by investing activities in the comparable period last year was $nil.

Cash flows provided by financing activities for the six months ended April 30, 2018 was $555,000 as compared to $nil for the comparable period last year. The cash flow provided by financing activities was due to warrants exercised in the six months ended April 30, 2018.

Capital Resources

As of April 30, 2018, we had cash and cash equivalents of $247,000 as compared to cash and cash equivalents of $682,000 as of October 31, 2017. The decrease in our liquidity was primarily the result of the exploration activities at the Sierra Mojada Property and general and administrative expenses, which was partially offset by warrants exercised.

Since our inception in November 1993, we have not generated revenue and have incurred a deficit of $124,665,689. 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 and warrant exercises as the primary sources of financing to fund our operations. As of April 30, 2018, we had cash and cash equivalents of approximately $247,000. Based on our limited cash and cash equivalents, and history of losses, there is substantial doubt as to whether our existing cash resources are sufficient to enable us to continue our 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 adequate equity financing (including warrant exercises). Management has successfully pursued these options previously and believes that they alleviate the substantial doubt that we can continue our operations for the next 12 months as a going concern. However, there is no assurance that we will be successful in pursuing these plans.

Any future additional financing in the near term will likely be in the form of an issuance of equity securities, 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 limited cash and cash equivalents is 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. As noted above, however, if we are unable to obtain adequate additional financial resources, there is substantial doubt as to whether our existing cash resources are sufficient to enable us to continue our operations for the next 12 months as a going concern.

The continued exploration of the Sierra Mojada Property will require significant amounts of additional capital. In January 2018, our Board approved a calendar year 2018 budget of $655,000 for the Sierra Mojada Property and a $1,033,000 budget for general and administrative expenses. As a result of the Option Agreement, our board approved an updated budget for the Sierra Mojada Property in June 2018 for expenditures that are not expected to be covered by the Option Agreement of $28,000 for the period from June 2018 to December 2018. As of May 31, 2018, we had approximately $230,000 in cash and cash equivalents. We do not currently have sufficient cash on hand to undertake our proposed general and administrative expense budget. We will continue to evaluate our ability to obtain additional financial resources, and we will attempt to reduce 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 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. Equity financing may not be available to us on acceptable terms, if at all. Equity financing, if available, will likely result in substantial dilution to existing shareholders. Moreover, the exploration and, if warranted, possible future development of the Sierra Mojada Property requires us to work with a strategic partner. For information about our current strategic partnership with South32 see Note 16 – Subsequent Events to our financial statements. We will continue to consider other ways in which to raise additional capital for exploration and, if warranted, possible future development of the Sierra Mojada Property, including other strategic transactions.

Off-Balance Sheet Arrangements

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

Critical Accounting Policies

The critical accounting policies are defined in our Annual Report on Form 10-K for the year ended October 31, 2017 filed on January 17, 2018.

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.

Recent Accounting Pronouncements Adopted in the Six-Month Period Ended April 30, 2018

Effective November 1, 2017 we adopted the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Update (“ASU”) 2016-09, “Improvements to Employee Share-Based Payment Accounting,” which amends several aspects of the accounting for share-based payment transactions, including income tax consequences, the classification of awards as either equity or liabilities, and the classification on the statement of cash flows. The adoption of this update did not have a material impact on our financial position, results of operations or cash flows and disclosures.

Effective November 1, 2017, we adopted the FASB’s ASU 2015-17, “Balance Sheet Classification of Deferred Income Taxes (Topic 740),” which requires entities with a classified balance sheet to present all deferred tax assets and liabilities as noncurrent. 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 2017, the FASB issued ASU 2017-01, “Business Combinations (Topic 805): Clarifying the Definition of a Business,” which clarifies the definition of a business to assist entities in the evaluation of acquisitions and disposals of assets or businesses. These changes become effective for our fiscal year beginning November 1, 2018. At this time, we have not determined the effects of this update on our financial position, results of operations or cash flows and disclosures.

In November 2016, the FASB issued ASU 2016-18, “Statement of Cash Flows (Topic 230): Restricted Cash,” which will require entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. These changes become effective for our fiscal year beginning November 1, 2018. At this time, we have not determined the effects of this update on our financial position, results of operations or cash flows and disclosures.

In August 2016, the FASB issued ASU 2016-15, “Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments,” which provides guidance on the presentation and classification of certain cash receipts and payments in the statement of cash flows. These changes become effective for our fiscal year beginning November 1, 2018. At this time, we have not determined the effects of this update on our financial position, results of operations or cash flows and disclosures.

In February 2016, the FASB issued ASU 2016-02, “Leases,” which will require lessees to recognize assets and liabilities for the rights and obligations created by most leases on the balance sheet. These changes become effective for our fiscal year beginning November 1, 2019. Modified retrospective adoption for all leases existing at, or entered into after, the date of initial application, is required with an option to use certain transition relief. At this time, we have not determined the effects of this update on our financial position, results of operations or cash flows and disclosures.

In January 2016, the FASB issued ASU 2016-01, “Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities,” which (i) requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income, (ii) requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes, (iii) requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset, and (iv) eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost. These changes become effective for our fiscal year beginning November 1, 2018. Early application is permitted. At this time, we have not determined the effects of this update on our financial position, results of operations or cash flows and disclosures.

In May 2014, the FASB issued ASU 2014-09, “*Revenue from Contracts with Customers* (Topic 606)”, which has subsequently been amended to update revenue guidance under the newly-created ASC 606. The new standard provides a five-step approach to be applied to all contracts with customers and also requires expanded disclosures about revenue recognition. In August 2015, the FASB issued ASU 2015-14, “Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date,” which defers the effective date of ASU 2014-09, “Revenue from Contracts with Customers (Topic 606)” to become effective for our fiscal year beginning November 1, 2018. At this time, we have not determined the effects of this update on our financial position, results of operations or cash flows and disclosures.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES.

(a) Evaluation of Disclosure Controls and Procedures.

Under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, we have carried out an evaluation 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) as of April 30, 2018. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective as of April 30, 2018.

Our disclosure controls and procedures are designed to ensure that information required to be disclosed by us 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 by us in our reports filed or submitted 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) Changes in Internal Control over Financial Reporting

During the quarter ended April 30, 2018, there have not been any changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

See Note 14 – Commitments and Contingencies in the Notes to Financial Statements (Part I, Item 1 of this Quarterly Report on Form 10-Q) for information regarding legal proceedings in which we are involved.

ITEM 1A. RISK FACTORS.

Those interested in investing in the Company should carefully consider the following risk factors pertaining to Silver Bull as well as the risks and uncertainties that are described in the Company's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q:

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 an Option Agreement (the "Option Agreement") with South32 International Investment Holdings Pty Ltd ("South32"), a wholly owned subsidiary of South32 Limited (ASX/JSE/LSE: S32), whereby we granted South32 an option (the "Option") to purchase 70% of the equity of our subsidiary, Minera Metalin S.A. de C.V. ("Minera Metalin") and oversee the mineral exploration of Minera Metalin's Sierra Mojada project located in Coahuila, Mexico (the "Project"). If South32 exercises the Option, then we will no longer control the development of the Project. South32 would have the ability to control the timing and pace of future development, and their decisions may not be in the best interests of the Company and its shareholders.

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 Project, and we do not currently have sufficient funds to do so.

If South32 exercises their option to purchase 70% of the equity of Minera Metalin, under the terms of the 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 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.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Recent Sales of Unregistered Securities

During the six months ended April 30, 2018, 5,440,000 warrants to acquire 5,440,000 shares of common stock were exercised at an exercise price of $CDN 0.13 per share of common stock for aggregate gross proceeds of $552,502 ($CDN 707,200). In addition, 39,375 warrants to acquire 39,375 shares of common stock were exercised at an exercise price of $CDN 0.10 per share of common stock for aggregate gross proceeds of $3,145 ($CDN 3,938). We incurred costs of $915 related to these warrant exercises.

From May 1, 2018 through the date of this filing, 125,000 warrants to acquire 125,000 shares of common stock were exercised at an exercise price of $CDN 0.13 per share of common stock for aggregate gross proceeds of $12,632 ($CDN 16,250). In addition, 862,000 warrants to acquire 862,000 shares of common stock were exercised at an exercise price of $CDN 0.10 per share of common stock for aggregate gross proceeds of $66,756 ($CDN 86,200).

The Company 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 issuance of issuance common stock on the exercise of warrants.

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 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS.

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Date	Exhibit	Filed Herewith
10.1	Option Agreement, by and among Silver Bull Resources, Inc., 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 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 7, 2018).	8-K	06/07/2018	10.1	
31.1	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				X
31.2	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				X
32.1	Certification of CEO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
32.2	Certification of CFO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				X
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

* The following financial information from Silver Bull Resources, Inc.'s Quarterly Report on Form 10-Q for the six months ended April 30, 2018, formatted in XBRL (Extensible Business Reporting Language): Interim Condensed Consolidated Balance Sheets, Interim Condensed Consolidated Statements of Operations and Comprehensive Loss, Interim Condensed Consolidated Statement of Stockholders' Equity, Interim Condensed Consolidated Statements of Cash Flows

SIGNATURES

Pursuant to the requirements 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.

Dated: June 13, 2018	By:	/s/ Timothy Barry Timothy Barry President and Chief Executive Officer (Principal Executive Officer)
Dated: June 13, 2018	By:	/s/ Sean Fallis Sean Fallis Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)