

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, 2018.

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:

- Future payments that may be made by South32 under the terms of the Earn-In 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 2019 and beyond, including with respect to exploration and drilling, metallurgical studies, surveys and other testing activities, and expenditures;
- Whether any part of the Sierra Mojada Project will ever be confirmed or converted into SEC Industry Guide 7-compliant "reserves";
- Testing of the impact of the fine bubble flotation test work on the recovery of minerals;
- The impact of recent accounting pronouncements on our financial position, results of operations or cash flows and disclosures;
- 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 changes to current state or federal laws and regulations on estimated capital expenditures, the economics of a particular project and/or our activities;
- Our expectations regarding future recovery of value-added taxes ("VAT") paid in Mexico;
- The period during which unrecognized compensation expense is expected to be recognized;
- Whether using major financial institutions with high credit ratings mitigates credit risk;
- The impact of changing economic conditions on interest rates;
- The possible impact of events in Mexico on the Company's operations; 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 our Annual Report on Form 10-K for the fiscal year ended October 31, 2018, including without limitation, risks associated with the following:

- The continued funding by South32 of amounts required under the Earn-In 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;
- 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 sections titled “Risk Factors” in this Form 10-Q and in our Annual Report on Form 10-K for the fiscal year ended October 31, 2018.

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 Earn-In Option Agreement

On June 1, 2018, we and our subsidiaries Minera Metalin and Contratistas entered into an Earn-In 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 South32 is able to obtain an option to purchase 70% of the shares of Minera Metalin and Contratistas (the “Option”). Minera Metalin owns the Sierra Mojada Property located in Coahuila, Mexico (the “Sierra Mojada Project”) and Contratistas supplies labor for the Sierra Mojada Project. Under the Option Agreement, South32 earns into the option by funding a collaborative exploration program on the Sierra Mojada Project. Upon the terms and subject to the conditions set forth in the 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 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 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 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 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 Option Agreement, of which \$1,246,768 remains unspent as of April 30, 2019. In April 2019, we received a notice from South32 to maintain the Option Agreement for Year 2 by providing cumulative funding of \$6 million by the end of such period. In May 2019, we received the initial payment of \$319,430 for Year 2 of the Option Agreement from South32. If the 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 Option Agreement.

Upon exercise of the Option, Minera Metalin and Contratistas are required to issue common shares to South32. Pursuant to the 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 and Contratistas are variable interest entities and that the Option Agreement has not resulted in the transfer of control of the Sierra Mojada Project to South32. We have also determined the 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 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.

2019 Warrants Exercised

In the six months ended April 30, 2019, we received net proceeds of approximately \$143,000 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 2019, our board of directors approved an exploration budget for the Sierra Mojada Property of \$1.8 million for the period from January 2019 through May 2019 and \$1.1 million for general and administrative expenses for calendar year 2019. In June 2019, our board of directors approved an exploration budget for the Sierra Mojada Property of \$3.5 million for the period from June 2019 through May 2020. The focus of our 2019 and 2020 calendar year exploration program will be the drill program described below and a follow-up drill program based on the results of the current drill program.

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 VTEM survey was conducted as part of the work program under the Option Agreement with South32. The results of this survey aided in refining the design the drill program.

Drilling

We commenced an 8,000-meter drill program in April 2019 under the Option Agreement with South32, and we completed 1,045 meters of drilling as of April 30, 2019.

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-rich zone (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-rich 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, 2019 and April 30, 2018

For the three months ended April 30, 2019, we experienced a net loss of \$314,000, or approximately \$nil per share, compared to a net loss of \$194,000, or approximately \$nil per share, during the comparable period last year. The \$120,000 increase in net loss was primarily due to a \$255,000 increase in exploration and property holding costs and a \$72,000 increase in general and administrative expenses, which was partially offset by a \$210,000 increase in other income compared to the comparable period last year as described below.

Exploration and Property Holding Costs

Exploration and property holding costs increased \$255,000 to \$364,000 for the three months ended April 30, 2019, compared to \$109,000 for the comparable period last year. This increase was mainly the result of our drilling program in the three months ended April 30, 2019.

General and Administrative Expenses

We recorded general and administrative expenses of \$457,000 for the three months ended April 30, 2019 as compared to \$385,000 for the comparable period last year. The \$72,000 increase was mainly the result of a \$53,000 increase in personnel costs, a \$16,000 increase in office and administrative costs, a \$15,000 increase in directors' fees and a \$6,000 increase in the provision for uncollectible VAT, which was partially offset by a \$17,000 decrease in professional services as described below.

Personnel costs increased \$53,000 to \$166,000 for the three months ended April 30, 2019 as compared to \$113,000 for the comparable period last year. This increase was mainly due to an increase in employees' salaries and a \$24,000 increase in stock-based compensation expense as a result of stock options vesting in the three months ended April 30, 2019 having a higher fair value than stock options vesting in the comparable period last year.

Office and administrative costs increased \$16,000 to \$155,000 for the three months ended April 30, 2019 as compared to \$139,000 for the same period last year. This increase was mainly due to an increase in investor relations activities and travel costs.

Professional fees decreased \$17,000 to \$71,000 for the three months ended April 30, 2019 compared to \$88,000 for the comparable period last year. This decrease is mainly due to a decrease in accounting fees and legal fees.

Directors' fees increased \$15,000 to \$53,000 for the three months ended April 30, 2019 as compared to \$38,000 for the comparable period last year. This increase was primarily due to the increase in stock-based compensation expense to \$23,000 in the three months ended April 30, 2019 from \$7,000 in the comparable period last year as a result of stock options vesting in the three months ended April 30, 2019 having a higher fair value than stock options vesting in the comparable period last year.

We recorded a \$12,000 provision of uncollectible VAT for the three months ended April 30, 2019 as compared to a \$6,000 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 Income (Expenses)

We recorded other income of \$510,000 for the three months ended April 30, 2019 as compared to other income of \$300,000 for the comparable period last year. The significant factor contributing to other income in the three months ended April 30, 2019 was \$485,000 in income from a 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, 2019 to April 30, 2019. The significant factor contributing to other income in the three months ended April 30, 2018 was \$293,000 in income from a 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, 2018 to April 30, 2018.

Six Months Ended April 30, 2019 and April 30, 2018

For the six months ended April 30, 2019, we experienced a net loss of \$1,316,000, or approximately \$0.01 per share, compared to a net loss of \$2,330,000, or approximately \$0.01 per share, during the comparable period last year. The \$1,014,000 decrease in net loss was primarily due to \$403,000 in other income for the six months ended April 30, 2019 compared to \$1,309,000 in other expenses in the comparable period last year, which was partially offset by a \$538,000 increase in exploration and property holding costs and a \$156,000 increase in general and administrative expenses, compared to the comparable period last year as described below.

Exploration and Property Holding Costs

Exploration and property holding costs increased \$538,000 to \$829,000 for the six months ended April 30, 2019, compared to \$291,000 for the comparable period last year. This increase was mainly due to an increase in exploration activities under the Option Agreement, including our drill program and the airborne geophysics survey in the six months ended April 30, 2019 compared to underground drilling in the comparable period last year.

General and Administrative Expenses

We recorded general and administrative expenses of \$885,000 for the six months ended April 30, 2019 as compared to \$729,000 for the comparable period last year. The \$156,000 increase was mainly the result of a \$94,000 increase in personnel costs, a \$43,000 increase in office and administrative costs, and a \$28,000 increase in directors' fees, which was partially offset by a \$4,000 decrease in professional services and a \$4,000 decrease in the provision for uncollectible VAT as described below.

Personnel costs increased \$94,000 to \$339,000 for the six months ended April 30, 2019 as compared to \$245,000 for the same period last year. This increase was mainly due to an increase in employees' salaries and a \$44,000 increase in stock-based compensation expense as a result of stock options vesting in the six months ended April 30, 2019 having a higher fair value than stock options vesting in the comparable period last year.

Office and administrative costs increased \$43,000 to \$281,000 for the six months ended April 30, 2019 as compared to \$238,000 for the comparable period last year. This increase was mainly due to an increase in investor relations activities.

Professional fees decreased \$4,000 to \$136,000 for the six months ended April 30, 2019 compared to \$140,000 for the comparable period last year. This decrease is mainly due to a decrease in accounting fees.

Directors' fees increased \$28,000 to \$108,000 for the six months ended April 30, 2019 as compared to \$80,000 for the comparable period last year. This increase was primarily due to an increase in stock-based compensation expense to \$47,000 in the six months ended April 30, 2019 from \$18,000 in the comparable period last year as a result of stock options vesting in the six months ended April 30, 2019 having a higher fair value than stock options vesting in the comparable period last year.

We recorded a \$21,000 provision for uncollectible VAT for the six months ended April 30, 2019 as compared to a \$25,000 provision for 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 Income (Expenses)

We recorded other income of \$403,000 for the six months ended April 30, 2019 as compared to other expenses of \$1,309,000 for the comparable period last year. The significant factor contributing to other income in the six months ended April 30, 2019 was \$370,000 in income from a change in fair value of warrant derivative liability due to a decrease in fair value of warrants with a \$CDN exercise price from October 31, 2018 to April 30, 2019. The significant factor contributing to other expenses in the six months ended April 30, 2018 was a \$1,305,000 expense from a 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

Warrants Exercised

During the six months ended April 30, 2019, 1,460,000 warrants to acquire 1,460,000 shares of common stock were exercised at an exercise price of \$CDN 0.13 per share for aggregate gross proceeds of \$143,087 (\$CDN 189,800). We incurred costs of \$210 related to these warrant exercises.

Cash Flows

During the six months ended April 30, 2019, 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, 2019, we received net cash proceeds of \$143,000 from warrants exercised and \$2,221,000 from South32. As a result of net cash proceeds received from the warrants exercised and funding from South32, which was partially offset by the exploration activities and general and administrative expenses, cash and cash equivalents increased from \$3,026,000 at October 31, 2018 to \$3,487,000 at April 30, 2019.

Cash flows used in operating activities for the six months ended April 30, 2019 was \$1,892,000, as compared to \$977,000 for the comparable period in 2018. This increase was mainly due to increased exploration work at the Sierra Mojada Property and general and administrative expenses, and a larger reduction of accounts payable and accrued liabilities and expenses in the six months ended April 30, 2019.

Cash flows used in investing activities for the six months ended April 30, 2019 was \$12,000 for the acquisition of property concessions, as compared to \$16,000 for the acquisition of property concessions for the comparable period in 2018.

Cash flows provided by financing activities for the six months ended April 30, 2019 was \$2,364,000, as compared to \$555,000 for the comparable period last year. The cash flow provided by financing activities for the six months ended April 30, 2019 was due to proceeds from the exercise of warrants and funding from South32. The cash flow provided by financing activities for the comparable period last year was due to proceeds from the exercise of warrants.

Capital Resources

As of April 30, 2019, we had cash and cash equivalents of \$3,487,000, as compared to cash and cash equivalents of \$3,026,000 as of October 31, 2018. The increase in our liquidity was primarily the result of the proceeds from the exercise of warrants and funding from South32, which were partially offset by the exploration activities at the Sierra Mojada Property and general and administrative expenses.

Since our inception in November 1993, we have not generated revenue and have incurred an accumulated deficit of \$127,170,740. 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 proceeds from 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 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 January 2019, our board of directors approved an exploration budget for the Sierra Mojada Property of \$1.8 million for the period from January 2019 through May 2019 and \$1.1 million for general and administrative expenses for calendar year 2019. In June 2019, our board of directors approved an exploration budget for the Sierra Mojada Property of \$3.5 million for the period from June 2019 through May 2020. As of May 31, 2019, we had approximately \$3.5 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 4 – Earn-In Option Agreement to our interim condensed consolidated financial statements (Part I, Item 1 of this Quarterly Report on Form 10-Q). If South32 exercises its option to purchase 70% of the equity of Minera Metálica and Contratistas, under the terms of the Option Agreement, we will retain a 30% ownership in Minera Metálica and Contratistas, 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 Metálica and Contratistas 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 Option Agreement, our funding obligations for the Sierra Mojada Property would increase, likely resulting in a reduction of exploration work on the Sierra Mojada Property. 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 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, 2018 filed on January 16, 2019.

Recent Accounting Pronouncements Adopted in the Six-Month Period Ended April 30, 2019

Effective November 1, 2018, we adopted the Financial Accounting Standards Board's (the "FASB's") Accounting Standards Update ("ASU") 2017-05, "Other Income – Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20), Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets," which addresses the transfer to noncustomers of nonfinancial assets or ownership interests in consolidated subsidiaries that do not constitute a business and the contribution of nonfinancial assets that are not a business to a joint venture or other noncontrolled investee. 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, 2018, we adopted the FASB's 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. 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, 2018, we adopted the FASB's ASU 2016-18, "Statement of Cash Flows (Topic 230): Restricted Cash," which requires entities to show the changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in 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, 2018, we adopted the FASB's 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. 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, 2018, we adopted the FASB's 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. 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, 2018, we adopted the FASB's 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 requires expanded disclosures about revenue recognition. 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 June 2018, the FASB issued ASU 2018-07, "Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting," to include share-based payment transactions for acquiring goods and services from nonemployees. ASU 2018-07 simplifies the accounting for nonemployee share-based payments, aligning it more closely with the accounting for employee awards. These changes become effective for our fiscal year beginning November 1, 2019. 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 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.

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.

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, 2019. 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, 2019.

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, 2019, 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 to our 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.

There have been no material changes from the risk factors included in our Annual Report on Form 10-K for the year ended October 31, 2018.

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

Recent Sales of Unregistered Securities

During the six months ended April 30, 2019, 1,460,000 warrants to acquire 1,460,000 shares of common stock were exercised by participants in the Company's July 2017 private placement at an exercise price of \$CDN 0.13 per share for aggregate gross proceeds of \$143,087 (\$CDN 189,800). 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 the issuance of common stock upon 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			Filed/ Furnished Herewith
		Form	Date	Exhibit	
10.1	<u>Amending Agreement No. 1, dated as of April 4, 2019 and effective as March 20, 2019, to the Option Agreement, dated as of June 1, 2018, 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 Holding Pty Ltd</u>	8-K	04/05/2019	10.1	
10.2+	<u>Silver Bull Resources, Inc. 2019 Stock Option and Stock Bonus Plan</u>				X
31.1	<u>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</u>				X
31.2	<u>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</u>				X
32.1	<u>Certification of CEO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>				XX
32.2	<u>Certification of CFO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u>				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
X	Filed herewith				
XX	Furnished herewith				

+ Indicates a management contract or compensatory plan or arrangement.

* The following financial information from Silver Bull Resources, Inc.'s Quarterly Report on Form 10-Q for the six months ended April 30, 2019, is 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 14, 2019

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

Dated: June 14, 2019

By: /s/ Sean Fallis
Sean Fallis
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)