

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, 2019.

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;
- Future payments that may be made by South32 under the terms of the Earn-In Option Agreement;
- The anticipated closing of the transactions contemplated by the Beskauga Option Agreement, future exploration expenditures on the Beskauga Property, the potential exercise of the Beskauga Option and potential Bonus Payments under the Beskauga 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 2020 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;
- 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;
- 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 our Annual Report on Form 10-K for the fiscal year ended October 31, 2019, including without limitation, risks associated with the following:

- The continued funding by South32 of amounts required under the Earn-In Option Agreement;
- The satisfaction of the closing conditions for the transactions contemplated by the Beskauga Option Agreement, the results of future exploration at the Beskauga Property, including a feasibility study in compliance with Canadian National Instrument 43-101, and our ability to raise the capital for exploration expenditures on the Beskauga Property to maintain the effectiveness of the Beskauga Option;
- 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 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, 2019.

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”), Contratistas de Sierra Mojada S.A. de C.V. (“Contratistas”) and Minas de Coahuila SBR S.A. de C.V. 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. 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. We have received funding of \$1,414,702 from South32 for Year 2 of the Option Agreement as of July 31, 2020, which time period has been extended by an event of force majeure described in more detail below. In September 2020, we received a payment of \$5,459 for Year 2. 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.

On October 11, 2019, we and our subsidiary Minera Metalin issued a notice of force majeure to South32 pursuant to the 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 temporarily 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 Option Agreement. Pursuant to the Option Agreement, any time period provided for in the Option Agreement will generally be extended by a period equal to the period of delay caused by the event of force majeure. As of September 11, 2020, the blockade by Mineros Norteños at, on and around the Sierra Mojada Property is ongoing.

Beskauga Option Agreement

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 will receive 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”). Upon the execution of the Beskauga Option Agreement, we paid CB Parent \$30,000.

The closing of the transactions contemplated by the Beskauga Option Agreement is subject to customary closing conditions, including the payment by us to CB Parent of \$40,000 within five business days after the results of our due diligence on the Beskauga Property are completed to our satisfaction. We will have a 60-day due diligence period beginning after we have been able to access the Beskauga Property in a manner that complies with governmental recommendations and advisories with respect to the global COVID-19 pandemic, among other conditions.

The Beskauga Option Agreement provides that subject to the terms and conditions set forth in the Beskauga Option Agreement, in order to maintain the effectiveness of the Beskauga Option, we must incur \$2,000,000 in cumulative exploration expenditures on the Beskauga Property by the first anniversary following the closing of the transactions contemplated by the Beskauga Option Agreement (the “Closing Date”), \$5,000,000 in cumulative expenditures on the Beskauga Property by the second anniversary following the Closing Date, \$10,000,000 in cumulative expenditures on the Beskauga Property by the third anniversary following the Closing Date, and \$15,000,000 in cumulative expenditures on the Beskauga Property by the fourth anniversary following the Closing Date (collectively, the “Exploration Expenditures”). The Beskauga Option Agreement also provides that subject to the terms and conditions set forth in the Beskauga Option Agreement, after we have incurred the Exploration Expenditures, we may exercise the Beskauga Option and acquire (i) the Beskauga Property by paying CB \$15,000,000 in cash, (ii) the Beskauga Main Project only by paying CB \$13,500,000 in cash, or (iii) the Beskauga South Project only by paying CB \$1,500,000 in cash.

In addition, the Beskauga Option Agreement provides that subject to the terms and conditions set forth in the Beskauga Option Agreement, we may be obligated to make the following bonus payments (collectively, the “Bonus Payments”) to CB Parent if the Beskauga Main Project or the Beskauga South Project is the subject of a bankable feasibility study in compliance with Canadian National Instrument 43-101 indicating gold equivalent resources in the amounts set forth below, with (i) (A) 20% of the Bonus Payments payable after completion of the bankable feasibility study or after the mineral resource statement is finally determined and (B) the remaining 80% of the Bonus Payments due within 15 business days of commencement of on-site construction of a mine for the Beskauga Main Project or the Beskauga South Project, as applicable, and (ii) up to 50% of the Bonus Payments payable in shares of our common stock to be valued at the 20-day volume-weighted average trading price of the shares on the Toronto Stock Exchange calculated as of the date immediately preceding the date such shares are issued:

Gold equivalent resources	Cumulative Bonus Payments
Beskauga Main Project	
3,000,000 ounces	\$ 2,000,000
5,000,000 ounces	\$ 6,000,000
7,000,000 ounces	\$ 12,000,000
10,000,000 ounces	\$ 20,000,000
Beskauga South Project	
2,000,000 ounces	\$ 2,000,000
3,000,000 ounces	\$ 5,000,000
4,000,000 ounces	\$ 8,000,000
5,000,000 ounces	\$ 12,000,000

The Beskauga Option Agreement may be terminated under certain circumstances, including (i) upon the mutual written agreement of us and CB; (ii) upon the delivery of written notice by us, provided that at the time of delivery of such notice, unless there has been a material breach of a representation or warranty given by CB that has not been cured, the Beskauga Property is in good standing; (iii) if there is a material breach by a party of its obligations under the Beskauga Option Agreement and the other party has provided written notice of such material breach, which is incapable of being cured or remains uncured; or (iv) if the Closing Date does not occur by August 12, 2021.

On August 24, 2020, we loaned \$360,000 (the “Loan”) to a Kazakhstan entity. The Loan is interest free and is to be repaid on September 28, 2020.

Management Changes

On August 27, 2020, Sean Fallis tendered his resignation as our Chief Financial Officer, to be effective as of September 25, 2020. We have initiated a search for a new Chief Financial Officer.

Property Concessions and Outlook

Sierra Mojada Property

In January 2020, our board of directors approved an exploration budget for the Sierra Mojada Property of \$0.2 million for the period from January 2020 through May 2020 and \$1.1 million for general and administrative expenses for calendar year 2020. In June 2020, our board of directors approved an exploration budget for the Sierra Mojada Property of \$0.1 million for the period from June 2020 through December 2020. The focus of our 2020 exploration budget for the Sierra Mojada Property is maintaining our property concessions.

Results of Operations

Three Months Ended July 31, 2020 and July 31, 2019

For the three months ended July 31, 2020, we experienced a net loss of \$486,000, or approximately \$nil per share, compared to a net loss of \$1,505,000, or approximately \$0.01 per share, during the comparable period last year. The \$1,019,000 decrease in net loss was primarily due to an \$885,000 decrease in exploration and property holding costs, a \$128,000 decrease in general and administrative expenses, and \$8,000 in other income compared to \$1,000 in other expense in the comparable period last year as described below.

Exploration and Property Holding Costs

Exploration and property holding costs decreased \$885,000 to \$201,000 for the three months ended July 31, 2020, compared to \$1,086,000 for the comparable period last year. This decrease was mainly due to the blockade discussed in the “Current Developments – South32 Earn-In Option Agreement” section above and the fact that we were drilling in the comparable period last year.

General and Administrative Expenses

We recorded general and administrative expenses of \$291,000 for the three months ended July 31, 2020 as compared to \$419,000 for the comparable period last year. The \$128,000 decrease was mainly the result of a \$29,000 decrease in personnel costs, a \$38,000 decrease in office and administrative costs, a \$33,000 decrease in professional services, a \$14,000 decrease in directors’ fees, and a \$15,000 decrease in the provision for uncollectible VAT as described below.

Personnel costs decreased \$29,000 to \$136,000 for the three months ended July 31, 2020 as compared to \$165,000 for the comparable period last year. This decrease was mainly due to a \$21,000 decrease in stock-based compensation expenses as a result of stock options vesting in the three months ended July 31, 2020 having a lower fair value than stock options vesting in the comparable period last year.

Office and administrative costs decreased \$38,000 to \$62,000 for the three months ended July 31, 2020 as compared to \$100,000 for the comparable period last year. This decrease was mainly due to a decrease in investor relations activities.

Professional fees decreased \$33,000 to \$25,000 for the three months ended July 31, 2020 compared to \$58,000 for the comparable period last year. This increase is mainly due to a decrease in accounting fees and legal fees.

Directors’ fees decreased \$14,000 to \$37,000 for the three months ended July 31, 2020 as compared to \$51,000 for the comparable period last year. This decrease was primarily due to a \$14,000 decrease in stock-based compensation expense as a result of stock options vesting in the three months ended July 31, 2020 having a lower fair value than stock options vesting in the comparable period last year.

We recorded a \$31,000 provision for uncollectible VAT for the three months ended July 31, 2020 as compared to a \$46,000 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 \$8,000 for the three months ended July 31, 2020 as compared to other expense of \$1,000 for the comparable period last year. The significant factor contributing to other income in the three months ended July 31, 2020 was an \$8,000 foreign currency transaction gain.

Nine Months Ended July 31, 2020 and July 31, 2019

For the nine months ended July 31, 2020, we experienced a net loss of \$1,533,000, or approximately \$0.01 per share, compared to a net loss of \$2,821,000, or approximately \$0.01 per share, during the comparable period last year. The \$1,288,000 decrease in net loss was primarily due to a \$1,408,000 decrease in exploration and property holding costs and a \$301,000 decrease in general and administrative expenses, which was partially offset by \$15,000 in other expenses for the nine months ended July 31, 2020 compared to \$403,000 in other income in the comparable period last year as described below.

Exploration and Property Holding Costs

Exploration and property holding costs decreased \$1,408,000 to \$507,000 for the nine months ended July 31, 2020, compared to \$1,915,000 for the comparable period last year. This decrease was mainly due to the blockade discussed in the “Current Developments – South32 Earn-In Option Agreement” section above and the fact that we were drilling and completed an airborne geophysics survey in the comparable period last year.

General and Administrative Expenses

We recorded general and administrative expenses of \$1,003,000 for the nine months ended July 31, 2020 as compared to \$1,304,000 for the comparable period last year. The \$301,000 decrease was mainly the result of a \$75,000 decrease in personnel costs, a \$162,000 decrease in office and administrative costs, a \$47,000 decrease in directors’ fees and a \$19,000 decrease in the provision for uncollectible VAT, which was partially offset by a \$3,000 increase in professional services as described below.

Personnel costs decreased \$75,000 to \$429,000 for the nine months ended July 31, 2020 as compared to \$504,000 for the same period last year. This decrease was mainly due to a \$72,000 decrease in stock-based compensation expense as a result of stock options vesting in the nine months ended July 31, 2020 having a lower fair value than stock options vesting in the comparable period last year.

Office and administrative costs decreased \$162,000 to \$219,000 for the nine months ended July 31, 2020 as compared to \$381,000 for the comparable period last year. This decrease was mainly due to a decrease in investor relations activities.

Professional fees increased \$3,000 to \$197,000 for the nine months ended July 31, 2020 compared to \$194,000 for the comparable period last year.

Directors’ fees decreased \$47,000 to \$112,000 for the nine months ended July 31, 2020 as compared to \$159,000 for the comparable period last year. This decrease was primarily due to a \$46,000 decrease in stock-based compensation expense as a result of stock options vesting in the nine months ended July 31, 2020 having a lower fair value than stock options vesting in the comparable period last year.

We recorded a \$47,000 provision for uncollectible VAT for the nine months ended July 31, 2020 as compared to a \$66,000 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 expenses of \$15,000 for the nine months ended July 31, 2020 as compared to other income of \$403,000 for the comparable period last year. The significant factor contributing to other expenses in the nine months ended July 31, 2020 was a \$23,000 foreign currency transaction loss. The significant factor contributing to other income in the nine months ended July 31, 2019 was \$372,000 in income from a change in fair value of a warrant derivative liability due to a decrease in fair value of warrants with a \$CDN exercise price from October 31, 2018 to July 31, 2019.

Material Changes in Financial Condition; Liquidity and Capital Resources

Cash Flows

During the nine months ended July 31, 2020, 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 nine months ended July 31, 2020, we received net cash proceeds of \$1,095,000 from South32 and a Canada Emergency Business Account (“CEBA”) loan for \$30,000. As a result of the exploration activities and general and administrative expenses, which was partially offset by funding from South32 and the CEBA loan, cash and cash equivalents decreased from \$1,432,000 at October 31, 2019 to \$1,039,000 at July 31, 2020.

Cash flows used in operating activities for the nine months ended July 31, 2020 was \$1,514,000, as compared to \$3,204,000 for the comparable period in 2019. This decrease was mainly due to decreased exploration and property holding costs due to the blockade and decreased general and administrative expenses.

Cash flows used in investing activities for the nine months ended July 31, 2020 was \$nil, as compared to \$69,000 for the acquisition of mining equipment and property concessions for the comparable period in last year.

Cash flows provided by financing activities for the nine months ended July 31, 2020 was \$1,125,000, as compared to \$2,684,000 for the comparable period last year. The cash flow provided by financing activities for the nine months ended July 31, 2020 was due to funding from South32 and the CEBA loan. The cash flow provided by financing activities for the comparable period last year was due to warrants exercised and funding from South32.

Capital Resources

As of July 31, 2020, we had cash and cash equivalents of \$1,039,000, as compared to cash and cash equivalents of \$1,432,000 as of October 31, 2019. The decrease in our liquidity was primarily the result of exploration activities at the Sierra Mojada Property and general and administrative expenses, which were partially offset by the funding from South32 and the CEBA loan.

Since our inception in November 1993, we have not generated revenue and have incurred an accumulative deficit of \$131,326,000. 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. As of July 31, 2020, we had cash and cash equivalents of \$1,039,000. 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 additional equity financing. 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. In addition, 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.

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 2020, our board of directors approved an exploration budget for the Sierra Mojada Property of \$0.2 million for the period from January 2020 through May 2020 and \$1.1 million for general and administrative expenses for calendar year 2020. In June 2020, our board of directors approved an exploration budget for the Sierra Mojada Property of \$0.1 million for the period from June 2020 through December 2020. As of August 31, 2020, we had approximately \$0.6 million in cash and cash equivalents and a loan receivable of \$0.4 million as described in the “Current Development – Beskauga Option Agreement” section above. We will continue to evaluate our ability to obtain additional financial resources, and we will attempt to reduce expenditures on the Sierra Mojada Property and 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 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 in our interim condensed consolidated financial statements. If South32 exercises its option to purchase 70% of the equity of Minera Metalin and Contratistas, under the terms of the Option Agreement, we will retain a 30% ownership in Minera Metalin 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 Metalin 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 in exploration work on the Sierra Mojada Property.

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, 2019 filed with the SEC on January 13, 2020.

Recent Accounting Pronouncements Adopted in the Nine-Month Period Ended July 31, 2020

On November 1, 2019, we adopted the Financial Accounting Standards Board’s (the “FASB’s”) Accounting Standards Update (“ASU”) 2018-07, “Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting”, which became effective for fiscal years beginning after December 15, 2018. ASU 2018-07 simplifies the accounting for nonemployee share-based payments, aligning it more closely with the accounting for employee awards. Under the adoption provisions, equity-classified awards for which a measurement date had already been established as of the adoption date, including our Earn-In Option Agreement, are unaffected by ASU 2018-07. As a result of this adoption, we reclassified \$4,803 from stock option liability to additional paid-in capital.

On November 1, 2019, we adopted the FASB’s ASU 2016-02, “Leases,” (Topic 842), together with subsequent amendments, which became effective for fiscal years beginning after December 15, 2018. The new standard requires a lessee to recognize on its balance sheet, a liability to make lease payments (the lease liability) and the right-of-use (“ROU”) asset representing the right to the underlying asset for the lease term and allows companies to elect to apply the standards at the effective date. We elected the package of practical expedients permitted under the transition guidance, which applies to expired or existing leases and allows us not to reassess whether a contract contains a lease, the lease classification, and any initial direct costs incurred.

We also elected a number of optional practical expedients including the following:

- the short-term lease recognition exemption whereby ROU assets and lease liabilities will not be recognized for leasing arrangements with terms less than one year;
- the land easements practical expedient whereby existing land easements are not reassessed under the new standard;
- the hindsight practical expedient when determining lease term at transition; and
- the practical expedient not to apply lease accounting to the intangible right to explore for those natural resources, and rights to use the land in which those natural resources are contained.

The adoption of this update did not have an impact on our financial position, results of operations or cash flows and disclosures.

Recent Accounting Pronouncements Not Yet Adopted

In December 2019, the FASB issued 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. We are currently evaluating the impact the adoption of ASU 2019-12 will have 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 July 31, 2020. 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 July 31, 2020.

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 July 31, 2020, 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 15 – 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, 2019 and our Quarterly Reports on Forms 10-Q for the quarters ended January 31 and April 30, 2020.

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

Recent Sales of Unregistered Securities

No sales of unregistered equity securities occurred during the period covered by this report.

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	
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				XX
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				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				

* The following financial information from Silver Bull Resources, Inc.'s Quarterly Report on Form 10-Q for the nine months ended July 31, 2020, 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 Statements 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: September 11, 2020

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

Dated: September 11, 2020

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