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, 2020.

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 South32 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;
- Our plan to distribute Arras shares to our shareholders;
- Prospects of entering the development or production stage with respect to any of our projects;
- Our planned activities at the Sierra Mojada Project and the Beskauga Project in 2021 and beyond;
- Whether any part of the Sierra Mojada Project or Beskauga 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 and Beskauga Project areas;
- The timing, duration and overall impact of the COVID-19 pandemic on the Company's business;
- Whether we will be required to obtain additional surface rights if a mining operation is determined to be feasible;
- The possible impact on the Company's operations of the blockade by a cooperative of miners on the Sierra Mojada property;
- The potential acquisition of additional mineral properties or property concessions;
- Testing of the impact of the fine bubble flotation test work on the recovery of minerals and initial rough concentrate grade;
- The impact of recent accounting pronouncements on our financial position, results of operations or cash flows and disclosures;

- The impact of changes to current state or federal laws and regulations on estimated capital expenditures, the economics of a particular project and/or our activities;
- Our ability to raise additional capital and/or pursue additional strategic options, and the potential impact on our business, financial condition and results of operations of doing so or not;
- The impact of changing foreign currency exchange rates on our financial condition;
- Whether using major financial institutions with high credit ratings mitigates credit risk;
- The impact of changing economic conditions on interest rates;
- Our expectations regarding future recovery of value-added taxes ("VAT") paid in Mexico; and
- The merits of any claims in connection with, and the expected timing of any, ongoing legal proceedings.

These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, and our actual results could differ from those expressed or implied in these forward-looking statements as a result of the factors described under "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended October 31, 2020, including without limitation, risks associated with the following:

- The continued funding by South32 of amounts required under the South32 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, (ii) fund the expenditures required as per the terms of the Beskauga Option Agreement and (iii) maintain our general and administrative expenditures at acceptable levels;
- Our ability to acquire additional mineral properties or property concessions;
- We may be subject to risks accompanying the management of Arras, in which certain investors hold a non-controlling ownership interest;
- Results of future exploration at our Sierra Mojada Project and Beskauga 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, 2020.

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.

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 ("Copperbelt Parent"), and Dostyk LLP, an entity existing under the laws of Kazakhstan and a wholly-owned subsidiary of Copperbelt (the "Copperbelt Sub," and together with Copperbelt Parent, "Copperbelt"), pursuant to which we have the exclusive right and option (the "Beskauga Option") to acquire Copperbelt's right, title and 100% interest in the Beskauga property located in Kazakhstan (the "Beskauga Property"), which consists of the Beskauga Main project (the "Beskauga Main Project") and the Beskauga South project (the "Beskauga South Project," and together the Beskauga Main Project, the "Beskauga Project"). After the completion of due diligence, the transaction contemplated by the Beskauga Option Agreement closed on January 26, 2021.

On September 1, 2020, we entered into a joint venture agreement (the "Stepnoe and Ekidos JV Agreement") with Copperbelt Parent in connection with mineral license applications for, and further exploration and evaluation of, certain properties, including the Stepnoe and Ekidos properties located in Kazakhstan. Further, an additional property, Akkuduk had been included in the Stepnoe and Ekidos JV Agreement. The exploration licenses for the Stepnoe and Ekidos properties were granted on October 22, 2020 and the exploration license for the Akkuduk was granted on February 2, 2021. Pursuant to the Stepnoe and Ekidos JV Agreement, we are obligated to contribute to the joint venture such funds as may be required to apply for the Stepnoe, Ekidos and Akkuduk mineral licenses and to fund such other exploration activities on the properties as we, in our sole discretion, may deem appropriate, and Copperbelt is obligated to contribute to the joint venture the identification of the Stepnoe, Ekidos and Akkuduk properties. We and Copperbelt have initial participating interests in the joint venture of 80% and 20%, respectively. Pursuant to the Stepnoe and Ekidos JV Agreement, we are entitled to acquire Copperbelt's participating interest in any or all of the Stepnoe, Ekidos, and Akkuduk properties for $1.5 million each in cash.

On February 5, 2021, our subsidiary, Arras Minerals Corp. (“Arras”) was incorporated in British Columbia, Canada., as a wholly-owned subsidiary of the Company. On March 19, 2021, pursuant to an asset purchase agreement with Arras, we transferred all our right, title and interest in and to the Beskauga Option Agreement to Arras.

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

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

Recent Developments

Amendments to Articles of Incorporation

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

2021 Arras Private Placement

On April 1, 2021, Arras completed a private placement (the “Arras Private Placement”) for 5,035,000 common shares at a price of Canadian Dollar (“$CDN”) 0.50 per share for gross proceeds of $CDN 2,517,500. No placement agent or finder’s fees were paid in connection with the Arras Private Placement. Arras incurred other offering costs associated with the Arras Private Placement of $18,646.

2020 Silver Bull Private Placement

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

South32 Option Agreement

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

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

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

On October 11, 2019, we and our subsidiary Minera Metalin issued a notice of force majeure to South32 pursuant to the South32 Option Agreement. Due to a blockade by a cooperative of local miners called Sociedad Cooperativa de Exploración Minera Mineros Norteños, S.C.L. (“Mineros Norteños”), we have 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 South32 Option Agreement. Pursuant to the South32 Option Agreement, any time period provided for in the South32 Option Agreement will generally be extended by a period equal to the period of delay caused by the event of force majeure. As of June 11, 2021, 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 the Beskauga Option Agreement with Copperbelt pursuant to which we have the exclusive right and option to acquire Copperbelt’s right, title and 100% interest in the Beskauga Property, which consists of the Beskauga Main Project and the Beskauga South Project. Upon the execution of the Beskauga Option Agreement, we paid Copperbelt Parent $30,000. In addition, we paid Copperbelt Parent $40,000 upon completion of our due diligence, and the transaction contemplated by the Beskauga Option Agreement closed on January 26, 2021 (the “Closing Date”).

The Beskauga Option Agreement provides that subject to its terms and conditions, 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 January 26, 2022 (the first anniversary of the Closing Date), $5,000,000 in cumulative exploration expenditures on the Beskauga Property by January 26, 2023 (the second anniversary of the Closing Date), $10,000,000 in cumulative exploration expenditures on the Beskauga Property by January 26, 2024 (the third anniversary of the Closing Date), and $15,000,000 in cumulative exploration expenditures on the Beskauga Property by January 26, 2025 (the fourth anniversary of the Closing Date) (collectively, the “Exploration Expenditures”). The Beskauga Option Agreement also provides that subject to its terms and conditions, after we have incurred the Exploration Expenditures, we may exercise the Beskauga Option and acquire (i) the Beskauga Property by paying Copperbelt $15,000,000 in cash, (ii) the Beskauga Main Project only by paying Copperbelt $13,500,000 in cash, or (iii) the Beskauga South Project only by paying Copperbelt $1,500,000 in cash.

In addition, the Beskauga Option Agreement provides that subject to its terms and conditions, we may be obligated to make the following bonus payments (collectively, the "Bonus Payments") to Copperbelt 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 Copperbelt; (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 Copperbelt that has not been cured, the Beskauga Property is in good standing; or (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.

Arras Non-Controlling Interests

The Arras Private Placement was considered a change in the ownership interest of a subsidiary we control and accordingly, we accounted for this as an equity transaction. We have correspondingly recorded a non-controlling interest for the portion of Arras not owned by the us. As a result of the transaction, we maintain a controlling interest of 88% of Arras' issued and outstanding common shares. Mainly due to this impact, Arras recorded a non-controlling interests for the dilution gain from changes in interests in subsidiary of $1,982,706. There were no changes in the number of Arras common shares held by us.

We intend to distribute approximately 34.2 million Arras common shares to our shareholders, which will result in one Arras common share being distributed to our shareholders for each share of Silver Bull held. Upon completion of the distribution, we anticipate retaining approximately 1.8 million Arras common shares as a strategic investment, representing approximately 4% of the outstanding Arras common shares at the time of distribution. The timing of the proposed distribution of Arras common shares is subject to a variety of factors including receipt of necessary regulatory approvals, and there is no assurance that it will be completed.

During the period from December 21 to March 19, 2021, we loaned an additional $625,000 to Ekidos LLP. These loans are interest free and are to be repaid by June 30, 2021. Pursuant to an asset purchase agreement with Arras, we transferred loans to Ekidos LLP totaling $985,050 loan to Arras.

On April 22, 2021, Arras loaned an additional $450,000, to Ekidos LLP. This loan is interest free and is to be repaid by June 30, 2021.

On May 15, 2021, Arras loaned an additional $265,000 to Ekidos LLP relating to the exploration activities at the Beskauga Property in Kazakhstan. This loan is interest free and is to be repaid by June 30, 2021.

As of April 30, 2021, Arras had incurred approximately $850,700 of the Exploration Expenditures required under the Beskauga Option Agreement, via the loans made to Ekidos LLP. Arras incurred an additional $230,000 of the required Exploration Expenditure in May 2021.

Properties Concessions and Outlook

Sierra Mojada Property

In April 2021, our board of directors approved an exploration budget for the Sierra Mojada Property of $0.2 million for the calendar year 2021. Until the blockade situation is resolved, the focus of the exploration budget for the Sierra Mojada Property is maintaining our property concessions.

Beskauga Property

In April 2021, our board of directors approved an exploration budget for the Beskauga Property of $0.5 million for the period from January to March 2021 and $8 million for the period from April to December 2021. As per the terms of the recently finalized Beskauga Option Agreement, depending on our ability to raise additional funding, we expect to undertake a 30,000 meter drilling program at Beskauga during the year.

Mineralized Material Estimate

On February 16, 2021, we issued a technical report prepared by CSA Global Consultants Canada Ltd on the mineralization at the Beskauga Project in accordance with NI 43-101 (the "Beskauga Report"). The Beskauga Report includes an estimate of the copper, gold and silver mineralization at Beskauga Main. Using a NSR economic cut-off, the Beskauga Report indicates mineralized material in an open-pit constrained block resource model of 207 million tonnes at an average copper percentage of 0.23%, gold grade of 0.35 grams/tonne, and silver grade of 1.09 grams/tonne. The Beskauga Report used a $5.70/tonne NSR cut-off grade and assumed a copper price of $2.80/pound, a gold price of $1,500/ounce and a silver price of $17.25/ounce. These 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 SEC's Industry Guide 7, does not indicate "reserves" by SEC standards. We cannot be certain that any part of the Beskauga 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.

Results of Operations

Three Months Ended April 30, 2021 and April 30, 2020

For the three months ended April 30, 2021, we had a net loss of $823,000, or approximately $0.02 per share, compared to a net loss of $478,000, or approximately $0.02 per share, during the comparable period last year. The $345,000 increase in net loss was primarily due to a $45,000 increase in exploration and property costs and a $401,000 increase in general and administrative expense compared to the comparable period last year as described below.

Exploration and Property Holding Costs

Exploration and property holding costs increased $45,000 to $139,000 for the three months ended April 30, 2021, compared to $94,000 for the comparable period last year. This increase was the result of a $48,000 increase in stock-based compensation expenses in the three months ended April 30, 2021 in connection of the Beskauga Option Agreement.

General and Administrative Expenses

We recorded general and administrative expenses of $757,000 for the three months ended April 30, 2021 as compared to $356,000 for the comparable period last year. The $401,000 increase was mainly the result of a $152,000 increase in personnel costs, a $16,000 increase in office and administrative costs, a $111,000 increase in professional services and a $125,000 increase in directors' fees, which was partially offset by a $2,000 decrease in the provision for uncollectible VAT as described below.

Stock-based compensation was a factor in the fluctuations in general and administrative expenses. Overall stock-based compensation included in general and administrative expense increased to $306,000 for the three months ended April 30, 2021 from $19,000 for the comparable period last year. This was mainly due to stock options granted to Arras' employees, directors and advisors in the three months ended April 30, 2021.

Personnel costs increased $152,000 to $289,000 for the three months ended April 30, 2021 as compared to $137,000 for the comparable period last year. This increase was mainly due to an increase in employees' salaries and a $120,000 increase in stock-based compensation expenses in the three months ended April 30, 2021 from $11,000 in the comparable period last year as a result of stock options vesting in the three months ended April 30, 2021 having a higher fair value than stock options vesting in the comparable period last year.

Office and administrative costs increased $16,000 to $101,000 for the three months ended April 30, 2021 as compared to $85,000 for the comparable period last year. This increase was mainly due to investor relations activities.

Professional fees increased $111,000 to $202,000 for the three months ended April 30, 2021 compared to $91,000 for the comparable period last year. This increase is mainly due to legal fees incurred in relation to the incorporation of Arras and the planned distribution of Arras shares to our shareholders.

Directors' fees increased $125,000 to $162,000 for the three months ended April 30, 2021 as compared to $37,000 for the comparable period last year. This increase was primarily due to the increase in stock-based compensation expense to $127,000 in the three months ended April 30, 2021 from $7,000 in the comparable period last year as a result of stock options vesting in the three months ended April 30, 2021 having a higher fair value than stock options vesting in the comparable period last year.

We recorded a $3,000 provision for uncollectible VAT for the three months ended April 30, 2021 as compared to a $5,000 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 $27,000 for the three months ended April 30, 2021 as compared to other expenses of $24,000 for the comparable period last year. The significant factor contributing to other income was a $27,000 foreign currency transaction gain compared to a $26,000 foreign currency transaction loss for the comparable period last year.

Six Months Ended April 30, 2021 and April 30, 2020

For the six months ended April 30, 2021, we had net loss of $1,681,000, or approximately $0.05 per share, compared to a net loss of $1,046,000, or approximately $0.04 per share, during the comparable period last year. The $635,000 increase in net loss was primarily due to a $177,000 increase in exploration and property costs and a $555,000 increase in general and administrative expense compared to the comparable period last year as described below.

Exploration and Property Holding Costs

Exploration and property holding costs increased $177,000 to $483,000 for the six months ended April 30, 2021, compared to $306,000 for the comparable period last year. This increase was mainly due to finder's fees due and exploration activities in relation to the Beskauga Option Agreement, which was offset by a decrease at the Sierra Mojada Property due to the blockade discussed in the "Recent Developments – South32 Option Agreement" section above.

General and Administrative Expenses

We recorded general and administrative expenses of $1,267,000 for the six months ended April 30, 2021 as compared to $712,000 for the comparable period last year. The $555,000 increase was mainly the result of a $137,000 increase in personnel costs, a $73,000 increase in office and administrative costs, a $231,000 increase in professional services and a $118,000 increase in directors' fees, which was partially offset by a $4,000 decrease in decrease in the provision for uncollectible VAT as described below.

Stock-based compensation was a factor in the fluctuations in general and administrative expenses. Overall stock-based compensation included in general and administrative expense increased to $306,000 for the six months ended April 30, 2021 from $37,000 for the comparable period last year. This was mainly due to stock options granted to Arras' employees, directors and advisors in the six months ended April 30, 2021.

Personnel costs increased $137,000 to $430,000 for the six months ended April 30, 2021 as compared to $293,000 for the comparable period last year. This increase was mainly due to an increase in employees' salaries and a $108,000 increase in stock-based compensation expense as a result of stock options vesting in the six months ended April 30, 2021 having a higher fair value than stock options vesting in the comparable period last year.

Office and administrative costs increased $73,000 to $230,000 for the six months ended April 30, 2021 as compared to $157,000 for the comparable period last year. This increase was mainly due to an increase in investor relations activities relating to the special meeting of shareholders in December 2020.

Professional fees increased $231,000 to $403,000 for the six months ended April 30, 2021 compared to $172,000 for the comparable period last year. This increase is mainly due to an increase in legal fees incurred in relation to the special meeting of shareholders in December 2020, the incorporation of Arras and the planned distribution of Arras shares to our shareholders.

Directors' fees increased $118,000 to $193,000 for the six months ended April 30, 2021 as compared to $75,000 for the comparable period last year. This increase was primarily due to a $112,000 increase in stock-based compensation expenses as a result of stock options vesting in the six months ended April 30, 2021 having a higher fair value than stock options vesting in the comparable period last year.

We recorded a $11,000 provision for uncollectible VAT for the six months ended April 30, 2021 as compared to a $16,000 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 $25,000 for the six months ended April 30, 2021 as compared to other expenses of $23,000 for the comparable period last year. The significant factors contributing to other income was a $25,000 foreign currency transaction gain compared to a $31,000 foreign currency transaction loss for the comparable period last year.

Material Changes in Financial Condition; Liquidity and Capital Resources

<u>2021 Arras Private Placement</u>

On April 1, 2021, Arras completed the Arras Private Placement for 5,035,000 common shares at a price of $CDN 0.50 per share for gross proceeds of $CDN 2,517,500. No placement agent or finder's fees were paid in connection with the Arras Private Placement. We incurred other offering costs associated with the Arras Private Placement of $18,646.

2020 Silver Bull Private Placement

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

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

Cash Flows

During the six months ended April 30, 2021, we primarily utilized cash and cash equivalents to fund (i) loans to Ekidos LLP made in respect of exploration activities at the Beskauga Property and the acquisition of mineral concessions located in Kazakhstan, (ii) general and administrative expenses and (iii) exploration activities at the Sierra Mojada Property. During the six months ended April 30, 2021, we received $83,000 from South32, net proceeds of $143,000 and $2,001,000 from the second and final tranche of the Silver Bull Private Placement and the Arras Private Placement, respectively, and a Canada Emergency Business Account ("CEBA") loan for $16,000. As a result of the exploration activities and general and administrative expenses, which were partially offset by net cash proceeds received from the second and final tranche of the Silver Bull Private Placement and the Arras Private Placement, funding from South32, and the CEBA loan, cash and cash equivalents decreased from $1,862,000 at October 31, 2020 to $1,759,000 at April 30, 2021.

Cash flows used in operating activities for the six months ended April 30, 2021 were $1,296,000, as compared to $1,135,000 for the comparable period in 2020. This increase was mainly due to increased exploration and property holding costs as a result of completion of due diligence at the Beskauga Property and increased general and administrative expenses, which was offset by the timing of certain payments.

Cash flows used in investing activities for the six months ended April 30, 2021 were $1,085,000 for loans made to Ekidos LLP and purchases of equipment. Cash flows used in investing activities for the six months ended April 30, 2020 was $nil.

Cash flows provided by financing activities for the six months ended April 30, 2021 were $2,243,000 as compared to $1,042,000 for the comparable period last year. The cash flows provided by financing activities for the six months ended April 30, 2021 were comprised of net proceeds from the second and final tranche of the Silver Bull Private Placement and the Arras Private Placement, funding from South32 and the CEBA loan. The cash flows provided by financing activities for the six months ended April 30, 2020 were comprised of funding from South32.

Capital Resources

As of April 30, 2021, we had cash and cash equivalents of $1,759,000, as compared to cash and cash equivalents of $1,862,000 as of October 31, 2020. The decrease in our liquidity was primarily the result of loans made to Ekidos LLP in respect of exploration activities at the Beskauga Property and the acquisition of mineral concessions located in Kazakhstan, general and administrative expenses, and exploration activities at the Sierra Mojada Property, which were partially offset by the net proceeds of the second tranche of the Silver Bull Private Placement and the Arras Private Placement, 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 $133,700,000. Accordingly, we have not generated cash flows from operations, and since inception we have relied primarily upon proceeds from private placements includes from our subsidiary 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 April 30, 2021, we had cash and cash equivalents of $1,759,000. 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.

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 and Beskauga Property as discussed below.

The continued exploration of the Sierra Mojada Property and the Beskauga Property will require significant amounts of additional capital. In April 2021, our board of directors approved a calendar year 2021 exploration budget of $0.2 million for the Sierra Mojada Property, an $8.6 million exploration budget the Beskauga Property and a $1.4 million for general and administrative expenses for calendar year 2021. As of May 31, 2021, we had approximately $1.2 million in cash and cash equivalents and a loan receivable of $1.7 million as described in the "Recent Developments – Beskauga Option Agreement" section above. The continued exploration of the Sierra Mojada Property and Beskauga 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 – South32 Option Agreement in our financial statements. If South32 exercises its option to purchase 70% of the equity of Minera Metalin and Contratistas, under the terms of the South32 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 South32 Option Agreement, our funding obligations for the Sierra Mojada Property would increase, likely resulting in a reduction in exploration work on the Sierra Mojada Property. We will continue to evaluate our ability to obtain additional financial resources, and we will attempt to reduce or limit expenditures on the Sierra Mojada Property and Beskauga Property as well as general and administrative costs if we determine that additional financial resources are unavailable or available on terms that we determine are unacceptable. However, it may not be possible to reduce costs, and even if we are successful in reducing costs, we still may not be able to continue operations for the next 12 months as a going concern. If we are unable to fund future operations by obtaining additional financial resources, including through public or private offerings of equity, we do not expect to have sufficient available cash and cash equivalents to continue our operations for the next 12 months as a going concern. Debt or equity financing may not be available to us on acceptable terms, if at all. Equity financing, if available, may result in substantial dilution to existing shareholders. 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. Our limited ability to issue shares to raise capital without an increase in the number of authorized shares of common stock is discussed further in the "Risk Factors – Risks Related to our Business" section of the Company's Annual Report on Form 10-K for the year ended October 31, 2020.

Critical Accounting Policies

The critical accounting policies are defined in our Annual Report on Form 10-K for the year ended October 31, 2020 filed with the SEC on January 28, 2021.

Recent Accounting Pronouncements Adopted in the Six-Month Period Ended April 30, 2021

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

Recent Accounting Pronouncements Not Yet Adopted

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

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

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, 2021. 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, 2021.

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, 2021, 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 19 – 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, 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 that have not already been reported in a Current Report on Form 8-K.

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/ Furnished Herewith
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
10.1	Silver Bull Resources, Inc. Management Retention Bonus Plan, dated April 15, 2021				X
10.2‡	Arras Mineral Corp. Management Retention Bonus Plan, dated April 15, 2021				X
10.3	Arras Minerals Corp. Equity Incentive Plan, dated April 15, 2021	8-K	06/3/2021	10.2	
10.4	Form of Stock Option Grant Agreement under Arras Minerals Corp. Equity Incentive Plan	8-K	06/3/2021	10.3	
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				

‡ Portions of this exhibit have been omitted in accordance with Item 601(b)(2) or 601(b)(10) of Regulation S-K. The omitted information is not material and would likely cause competitive harm to the registrant if publicly disclosed. The registrant hereby agrees to furnish supplementally an unredacted copy of this exhibit to the Securities and Exchange Commission upon request.

* The following financial information from Silver Bull Resources, Inc.'s Quarterly Report on Form 10-Q for the six months ended April 30, 2021, 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: June 11, 2021	By:	/s/ Timothy Barry
		Timothy Barry President and Chief Executive Officer (Principal Executive Officer)
Dated: June 11, 2021	By:	/s/ Christopher Richards
		Christopher Richards Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)