**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

**SILVER BULL RESOURCES, INC.**
(An Exploration Stage Company)


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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

**Opinion on the Consolidated Financial Statements**

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

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

**Going Concern Uncertainty**

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

**Basis for Opinion**

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

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

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

**Critical Audit Matters**

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

*Distribution of Arras Minerals Corp.*

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

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

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

/s/ Smythe LLP

*Smythe LLP, Chartered Professional Accountants*

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

Vancouver, Canada
January 14, 2022

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**NOTE 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS**

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

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

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

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

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

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

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

Going Concern

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

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

Basis of Presentation

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

All figures are in United States dollars unless otherwise noted.

Principles of Consolidation

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

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

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

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

Use of Estimates

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

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

Cash and Cash Equivalents

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

Property Concessions

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

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

Exploration Costs

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

Property and Equipment

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

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

Impairment of Long-Lived Assets

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

Goodwill

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

Income Taxes

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

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

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

Warrant Derivative Liability

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

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

Stock-Based Compensation

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

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

Loss per Share

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

Foreign Currency Translation

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

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

Accounting for Loss Contingencies and Legal Costs

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

Investments

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

Recent Accounting Pronouncements Adopted in the Year

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

Recent Accounting Pronouncements Not Yet Adopted

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

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

**NOTE 3 – SOUTH32 OPTION AGREEMENT**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Non-Controlling Interest

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

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

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

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

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

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

**NOTE 6 – OFFICE AND MINING EQUIPMENT**

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

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

**NOTE 7 – PROPERTY CONCESSIONS**

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

| | |
|---|---|
| Property Concessions – October 31, 2021 and 2020 | $ 5,019,927 |

**NOTE 8 – GOODWILL**

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

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

| | |
|---|---|
| Goodwill – October 31, 2021 and 2020 | $ 2,058,031 |

**NOTE 9 – LOAN PAYABLE**

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

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

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

| | | |
|---|---|---|
| Loan payable – October 31, 2020 | $ | 30,034 |
| Loan payable received – January 2021 | | 15,615 |
| Foreign currency translation adjustment | | 2,801 |
| Loan payable – October 31, 2021 | $ | 48,450 |

**NOTE 10 – COMMON STOCK**

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

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

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

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

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

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

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

**NOTE 11 – STOCK OPTIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| | | |
|---|---|---|
| Stock option liability at October 31, 2019 | $ | 4,803 |
| Reclassification from additional paid-in capital | | (4,803) |
| Stock option liability at October 31, 2020 | $ | — |

**NOTE 12 – WARRANTS**

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

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

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

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

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

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

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

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

**NOTE 13 – TAX REFORM AND INCOME TAXES**

Provision for Taxes

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

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

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

The components of loss before income taxes were as follows:

| | For the year ended October 31, 2021 | For the year ended October 31, 2020 |
|---|---|---|
| United States | $ 13,000 | $ (1,695,000) |
| Foreign | (2,456,000) | (523,000) |
| Loss before income taxes | $ (2,443,000) | $ (2,218,000) |

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

| | For the year ended October 31, 2021 | For the year ended October 31, 2020 |
|---|---|---|
| Current tax expense | $ 4,550 | $ 7,942 |
| Deferred tax expense | — | — |
| | $ 4,550 | $ 7,942 |

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

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

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

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

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

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

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

Net Operating Loss Carry Forward Limitation

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

Accounting for Uncertainty in Income Taxes

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

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

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

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

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

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

## NOTE 14 – FINANCIAL INSTRUMENTS

Fair Value Measurements

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

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

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

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

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

Derivative liability

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

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

Credit Risk

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

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

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

Interest Rate Risk

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

Foreign Currency Exchange Risk

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

Liquidity Risk

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

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

**NOTE 15 – COMMITMENTS AND CONTINGENCIES**

Compliance with Environmental Regulations

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

Property Concessions Mexico

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

Royalty

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

Litigation and Claims

*Mineros Norteños Case*

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

*Valdez Case*

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

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

COVID-19

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

**NOTE 16 – SEGMENT INFORMATION**

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

Geographic information is approximately as follows:

| | For the Year Ended October 31, 2021 | For the Year Ended October 31, 2020 |
|---|---|---|
| Net loss | | |
| Mexico | $ (400,000) | $ (552,000) |
| Kazakhstan | (642,000) | — |
| Canada | (1,406,000) | (1,465,000) |
| Other | — | (209,000) |
| Net Loss | $ (2,448,000) | $ (2,226,000) |

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

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

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

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

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

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

| | For the Year Ended October 31, 2021 | For the Year Ended October 31, 2020 |
|---|---|---|
| Exploration and property holding costs for the year | | |
| Mexico | $ (338,000) | $ (477,000) |
| Kazakhstan | (640,000) | — |
| Other | — | (203,000) |
| | $ (978,000) | $ (680,000) |

**NOTE 17 – SUBSEQUENT EVENTS**

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

Exhibit 21.1

**SUBSIDIARIES OF THE REGISTRANT**

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

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

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

Exhibit 23.1

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

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

/s/ Smythe LLP
Smythe LLP
Chartered Professional Accountants

Vancouver, Canada
January 14, 2022

Exhibit 23.2

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

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

Date: January 14, 2022

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

By: /s/ Matthew Dumala

Name: Matthew Dumala, P.Eng.
Title: Partner and Senior Engineer