

SILVER BULL RESOURCES, INC.  
Form 10-Q  
March 11, 2014

U.S. SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED January 31, 2014.

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM \_\_\_\_\_ TO \_\_\_\_\_.

Commission File Number: 001-33125

SILVER BULL RESOURCES, INC.  
(Exact name of registrant as specified in its charter)

Nevada  
State or other jurisdiction of  
incorporation or organization

91-1766677  
(I.R.S. Employer  
Identification No.)

925 West Georgia Street, Suite 1908  
Vancouver, B.C. V6C 3L2  
(Address of principal executive offices, including zip code)

Registrant's telephone number: 604-687-5800

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller reporting company:

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Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).  
Yes  No

As of March 11, 2014, there were 159,072,657 shares of the Registrant's \$0.01 par value Common Stock ("Common Stock"), the Registrant's only outstanding class of voting securities.

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SILVER BULL RESOURCES, INC.  
(AN EXPLORATION STAGE COMPANY)

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PART I – FINANCIAL INFORMATION  
ITEM 1. FINANCIAL STATEMENTS

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

|  | January 31,<br>2014  | October 31,<br>2013  |
|--|----------------------|----------------------|
| <b>ASSETS</b>  |                      |                      |
| <b>CURRENT ASSETS</b>  |                      |                      |
| Cash and cash equivalents  | \$ 4,245,837         | \$ 5,205,733         |
| Value-added tax receivable, net of allowance for uncollectible taxes of \$122,986 and \$127,557 respectively (Note 6)                  | 315,872              | 329,508              |
| Income tax receivable  | —                    | 396                  |
| Other receivables  | 46,364               | 67,094               |
| Prepaid expenses and deposits  | 190,016              | 236,739              |
| Assets of discontinued operations held for sale (Note 4)   | 1,501,851            | 1,554,037            |
| <b>Total Current Assets</b>  | <b>6,299,940</b>     | <b>7,393,507</b>     |
| Office and mining equipment, net (Note 7)  | 416,857              | 483,621              |
| Property concessions (Note 8)  | 6,730,083            | 6,741,974            |
| Goodwill (Note 9)  | 18,495,031           | 18,495,031           |
| <b>TOTAL ASSETS</b>  | <b>\$ 31,941,911</b> | <b>\$ 33,114,133</b> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                      |                      |
| <b>CURRENT LIABILITIES</b>   |                      |                      |
| Accounts payable   | \$ 238,083           | \$ 467,016           |
| Accrued liabilities and expenses   | 749,721              | 704,366              |
| Income tax payable   | 5,533                | —                    |
| Liabilities of discontinued operations held for sale (Note 4)  | 24,243               | 3,942                |
| <b>Total Current Liabilities</b>   | <b>1,017,580</b>     | <b>1,175,324</b>     |
| <b>COMMITMENTS AND CONTINGENCIES (Notes 1, 10 and 15)</b>  |                      |                      |
| <b>STOCKHOLDERS' EQUITY (Notes 10, 11, 12 and 13)</b>  |                      |                      |
| Common stock, \$0.01 par value; 300,000,000 shares authorized, 159,072,657 and 159,072,657 shares issued and outstanding, respectively | 1,590,726            | 1,590,726            |
| Additional paid-in capital   | 124,705,788          | 124,641,777          |
| Deficit accumulated during exploration stage   | (95,464,245 )        | (94,386,856 )        |
| Other comprehensive income   | 92,062               | 93,162               |
| <b>Total Stockholders' Equity</b>  | <b>30,924,331</b>    | <b>31,938,809</b>    |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>  | <b>\$ 31,941,911</b> | <b>\$ 33,114,133</b> |

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

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

|  | Three Months Ended<br>January 31, |                     | Period from<br>November 8,<br>1993 (Inception)<br>to January 31,<br>2014 |
|--|-----------------------------------|---------------------|--|
|  | 2014                              | 2013                |  |
| REVENUES   | \$ —                              | \$ —                | \$ —   |
| <b>EXPLORATION AND PROPERTY HOLDING COSTS</b>                                |                                   |                     |  |
| Exploration and property holding costs                                       | 484,992                           | 1,217,291           | 49,151,552   |
| Depreciation and asset impairment (Note 8)                                   | 31,628                            | 108,750             | 3,077,217  |
| <b>TOTAL EXPLORATION AND PROPERTY HOLDING COSTS</b>                          | <b>516,620</b>                    | <b>1,326,041</b>    | <b>52,228,769</b>  |
| <b>GENERAL AND ADMINISTRATIVE EXPENSES</b>                                   |                                   |                     |  |
| Personnel  | 180,943                           | 233,472             | 17,907,372   |
| Office and administrative  | 176,134                           | 291,782             | 6,046,562  |
| Professional services  | 100,735                           | 141,806             | 8,920,516  |
| Directors' fees  | 58,555                            | 93,267              | 5,426,307  |
| Provision for uncollectible value-added taxes                                | 8,262                             | 16,498              | 486,950  |
| Depreciation   | 917                               | 1,168               | 269,918  |
| <b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>                             | <b>525,546</b>                    | <b>777,993</b>      | <b>39,057,625</b>  |
| <b>LOSS FROM OPERATIONS</b>  | <b>(1,042,166 )</b>               | <b>(2,104,034 )</b> | <b>(91,286,394 )</b>   |
| <b>OTHER INCOME (EXPENSES)</b>   |                                   |                     |  |
| Interest and investment income   | 2,429                             | 3,612               | 1,130,765  |
| Foreign currency transaction (loss) gain                                     | (15,271 )                         | 44,328              | (3,039,671 )   |
| Miscellaneous income   | 43,285                            | —                   | 218,549  |
| <b>TOTAL OTHER INCOME (EXPENSES)</b>   | <b>30,443</b>                     | <b>47,940</b>       | <b>(1,690,357 )</b>  |
| <b>LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE</b>             | <b>(1,011,723 )</b>               | <b>(2,056,094 )</b> | <b>(92,976,751 )</b>   |
| <b>INCOME TAX EXPENSE</b>  | <b>3,547</b>                      | <b>9,171</b>        | <b>305,546</b>   |
| <b>LOSS FROM CONTINUING OPERATIONS</b>                                       | <b>(1,015,270 )</b>               | <b>(2,065,265 )</b> | <b>(93,282,297 )</b>   |
| <b>LOSS FROM DISCONTINUED OPERATIONS, NET OF INCOME TAX EXPENSE (NOTE 4)</b> | <b>(62,119 )</b>                  | <b>(38,817 )</b>    | <b>(2,055,858 )</b>  |

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|  |                 |                 |                  |
|--|-----------------|-----------------|------------------|
| NET LOSS   | \$ (1,077,389 ) | \$ (2,104,082 ) | \$ (95,338,155 ) |
| OTHER COMPREHENSIVE (LOSS) INCOME -                                    |                 |                 |                  |
| Foreign currency translation adjustments                               | (1,100 )        | 22,012          | 92,062           |
| COMPREHENSIVE LOSS   | \$ (1,078,489 ) | \$ (2,082,070 ) | \$ (95,246,093 ) |
| BASIC AND DILUTED NET LOSS PER COMMON SHARE                            |                 |                 |                  |
| Loss from continuing operations  | \$ (0.01 )      | \$ (0.02 )      |                  |
| Loss from discontinued operations                                      | —               | —               |                  |
| Net loss   | \$ (0.01 )      | \$ (0.02 )      |                  |
| BASIC AND DILUTED WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING |                 |                 |                  |
|  | 159,072,657     | 136,160,157     |                  |

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



SILVER BULL RESOURCES, INC.  
 (AN EXPLORATION STAGE COMPANY)  
 CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (Unaudited)

|   | Common Stock        |             | Additional<br>Paid-in<br>Capital | Deficit<br>Accumulated<br>During<br>Exploration<br>Stage | Other<br>Comprehensive<br>Income | Total         |
|---|---------------------|-------------|----------------------------------|--|----------------------------------|---------------|
|   | Number of<br>Shares | Amount      |                                  |  |                                  |               |
| Balance at inception  | —                   | \$—         | \$—                              | \$—  | \$—                              | \$—           |
| Shares issued, net of<br>transaction costs                                    | 159,072,657         | 1,590,726   | 106,846,826                      | —  | —                                | 108,437,552   |
| Warrants issued   | —                   | —           | 3,955,873                        | —  | —                                | 3,955,873     |
| Options issued  | —                   | —           | 13,712,988                       | —  | —                                | 13,712,988    |
| Deemed dividend on<br>exercise of warrants                                    | —                   | —           | 126,090                          | (126,090 )   | —                                | —             |
| Other Comprehensive<br>Income – Foreign<br>Currency Translation<br>Adjustment | —                   | —           | —                                | —  | 93,162                           | 93,162        |
| Net loss  | —                   | —           | —                                | (94,260,766)   | —                                | (94,260,766 ) |
| Balance, October 31,<br>2013  | 159,072,657         | \$1,590,726 | \$124,641,777                    | \$(94,386,856)   | \$ 93,162                        | \$31,938,809  |
| Options issued  | —                   | —           | 64,011                           | —  | —                                | 64,011        |
| Other Comprehensive<br>Income – Foreign<br>Currency Translation<br>Adjustment | —                   | —           | —                                | —  | (1,100 )                         | (1,100 )      |
| Net loss  | —                   | —           | —                                | (1,077,389 )   | —                                | (1,077,389 )  |
| Balance, January 31,<br>2014  | 159,072,657         | \$1,590,726 | \$124,705,788                    | \$(95,464,245)   | \$ 92,062                        | \$30,924,331  |

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

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

|  | Three Months Ended<br>January 31, |                | Period from<br>November 8,<br>1993 (Inception)<br>to January 31, |
|--|-----------------------------------|----------------|--|
|  | 2014                              | 2013           | 2014   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |                                   |                |  |
| Net loss   | \$ (1,077,389)                    | \$ (2,104,082) | \$ (95,338,155)  |
| Adjustments to reconcile net loss to net cash used by operating activities:                |                                   |                |  |
| Depreciation and asset impairment  | 36,223                            | 113,950        | 5,248,393  |
| Provision for uncollectible value-added taxes  | 8,262                             | 16,498         | 540,548  |
| Other income   | (40,977 )                         | —              | (494,002 )   |
| Foreign currency transaction loss (gain)   | 7,169                             | (78,555 )      | 3,037,308  |
| Common stock issued for services   | —                                 | —              | 1,563,574  |
| Common stock issued for compensation and directors' fees                                   | —                                 | —              | 1,753,222  |
| Stock options issued for compensation  | 64,011                            | 177,408        | 10,776,108   |
| Stock options and warrants issued for services, general financing fees and directors' fees | —                                 | —              | 4,769,840  |
| Changes in operating assets and liabilities:   |                                   |                |  |
| Restricted cash  | —                                 | 218            | (4,880 )   |
| Value-added tax receivable   | (6,145 )                          | 173,220        | (1,052,839 )   |
| Other receivables  | 19,210                            | 21,336         | (34,729 )  |
| Prepaid expenses and deposit   | 34,604                            | (2,593 )       | (180,838 )   |
| Accounts payable   | (207,590 )                        | 106,547        | 41,682   |
| Accrued liabilities and expenses   | 54,480                            | 148,561        | 827,191  |
| Income tax payable   | 6,180                             | 3,144          | 9,213  |
| Net cash used by operating activities  | (1,101,962)                       | (1,424,348)    | (68,538,364)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |                                   |                |  |
| Purchase of investments  | —                                 | —              | (21,609,447)   |
| Proceeds from sale of investments  | —                                 | —              | 21,609,447   |
| Cash acquired in merger with Dome Ventures   | —                                 | —              | 2,618,548  |
| Equipment purchases  | —                                 | —              | (3,095,062 )   |
| Proceeds from sale of equipment  | 83,960                            | —              | 694,634  |
| Proceeds from mining concession option payment   | —                                 | —              | 200,000  |
| Acquisition of property concessions  | —                                 | —              | (8,158,944 )   |
| Net cash provided by (used by) investing activities  | 83,960                            | —              | (7,740,824 )   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>   |                                   |                |  |
| Proceeds from issuance of common stock, net of offering costs                              | —                                 | —              | 73,003,430   |
| Proceeds from sales of options and warrants  | —                                 | —              | 949,890  |
| Proceeds from exercise of options  | —                                 | —              | 188,913  |

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|   |              |              |              |
|---|--------------|--------------|--------------|
| Proceeds from exercise of warrants  | —            | —            | 6,350,286    |
| Deferred cash offering costs  | —            | (120,085 )   | —            |
| Payable to former joint venture partner   | —            | (218 )       | 453,878      |
| Proceeds from shareholder loans   | —            | —            | 30,000       |
| Payment of note payable   | —            | —            | (15,783 )    |
| Net cash (used by) provided by financing activities                                     | —            | (120,303 )   | 80,960,614   |
| Effect of exchange rates on cash and cash equivalents                                   | 12,836       | (658 )       | (435,589 )   |
| Net (decrease) increase in cash and cash equivalents                                    | (1,005,166)  | (1,545,309)  | 4,245,837    |
| Cash and cash equivalents beginning of period included in assets held for sale (Note 4) | 45,270       | 29,484       | —            |
| Cash and cash equivalents beginning of period   | 5,205,733    | 3,171,756    | —            |
| Cash and cash equivalents end of period   | \$ 4,245,837 | \$ 1,655,931 | \$ 4,245,837 |

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

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

|   | Three Months Ended |         | Period from  |
|---|--------------------|---------|--------------|
|   | January 31,        |         | November     |
|   | 2014               | 2013    | 8,           |
|   |                    |         | 1993         |
|   |                    |         | (Inception)  |
|   |                    |         | to January   |
|   |                    |         | 31,          |
|   |                    |         | 2014         |
| <b>SUPPLEMENTAL CASH FLOW DISCLOSURES:</b>          |                    |         |              |
| Income taxes paid                                   | \$—                | \$6,020 | \$290,991    |
| Interest paid                                       | \$—                | \$—     | \$287,211    |
| <b>NON-CASH INVESTING AND FINANCING ACTIVITIES:</b> |                    |         |              |
| Warrants issued for offering costs                  | \$—                | \$—     | \$51,672     |
| Common stock issued in merger with Dome Ventures    | \$—                | \$—     | \$24,840,886 |
| Warrants issued in merger with Dome Ventures        | \$—                | \$—     | \$1,895,252  |
| Common stock issued for equipment                   | \$—                | \$—     | \$25,000     |
| Common stock options issued for financing fees      | \$—                | \$—     | \$276,000    |
| Common stock options issued for non-cash options    | \$—                | \$—     | \$59,947     |

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

## NOTE 1 – ORGANIZATION, DESCRIPTION OF BUSINESS AND LIQUIDITY

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 with respect to any of its projects.

The Company engages in the business of mineral exploration. The Company currently owns or has the option to acquire 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”) and Contratistas de Sierra Mojada S.A. de C.V. (“Contratistas”) and through Minera’s wholly-owned subsidiary Minas de Coahuila SBR S.A. de C.V. (“Minas”).

On April 16, 2010, Metalline Mining Delaware, Inc., a wholly-owned subsidiary of the Company, was merged with and into Dome Ventures Corporation (“Dome”). As a result, Dome became a wholly-owned subsidiary of the Company. Dome’s subsidiaries include its wholly-owned subsidiaries Dome Asia Inc. and Dome International Global Inc. (“Dome International”), which are incorporated in the British Virgin Islands. Dome International’s subsidiaries include its wholly-owned subsidiaries incorporated in Gabon, Dome Ventures SARL Gabon (“Dome Gabon”) and African Resources SARL Gabon (“African Resources”), as well as its 99.99%-owned subsidiary, Dome Minerals Nigeria Limited, incorporated in Nigeria. The Company conducts its exploration activities in Gabon, Africa through Dome Gabon and African Resources.

The Company’s efforts have been concentrated in expenditures related to exploration 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, 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. Accordingly, no provision for any asset impairment that may result, in the event the Company is not successful in developing or selling these properties, has been made in the accompanying condensed consolidated financial statements, except as disclosed in Note 8.

### Liquidity, Financial Commitments and Management’s Plans

Since its inception in November 1993, the Company has not generated revenue and has incurred a net loss of \$95,338,155 from inception through January 31, 2014. Accordingly, the Company has not generated cash flow 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 January 31, 2014, the Company had working capital of \$5,282,360 and cash and cash equivalents of \$4,245,837. Management will continue to evaluate the Company’s ability to raise additional capital, and if we determine that additional capital is unavailable or available on terms that the Company determines are unacceptable then the Company will reduce exploration expenditures on the Company’s property concessions and reduce general and administrative expenditures.

## NOTE 2 – BASIS OF PRESENTATION

The Company's unaudited interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and applicable rules of the U.S. Securities and Exchange Commission ("SEC") regarding interim reporting. All intercompany transactions and balances have been eliminated during consolidation. Certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. The condensed consolidated balance sheet at October 31, 2013 was derived from the audited consolidated financial statements. Accordingly, these unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in the Company's Annual Report on Form 10-K for the year ended October 31, 2013.

The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements, except as disclosed in Notes 3 and Note 4. In the opinion of management, these unaudited interim condensed consolidated financial statements furnished herein include all adjustments, all of which are of a normal recurring nature, necessary for a fair statement of the results for the interim periods presented. Uncertainties with respect to estimates and assumptions are inherent in the preparation of the Company's condensed consolidated financial statements; accordingly, operating results for the three months ended January 31, 2014 are not necessary indicative of the results that may be expected for the fiscal year ending October 31, 2014.

### NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are defined in the Company's Form 10-K for the year ended October 31, 2013 filed on January 13, 2014, except as follows.

#### Reclassifications

Certain reclassifications of prior year balances have been made to conform to the current year presentation. The Company reclassified the Dome International consolidated balance sheet amounts and consolidated statements of operations from historical presentation to assets and liabilities of operations held for sale on the consolidated balance sheets and to loss from discontinued operations in the consolidated statements of operations for all periods presented. The consolidated statements of cash flow have not been adjusted to reflect assets held for sale and discontinued operations for all periods presented.

#### Recent Accounting Pronouncements Adopted in the Three Month Period Ended January 31, 2014

Effective November 1, 2013, the Company adopted Accounting Standards Update ("ASU") 2011-11, "Balance Sheet (Topic 201): Disclosures about Offsetting Assets and Liabilities." This ASU added certain additional disclosure requirements about financial instruments and derivative instruments that are subject to netting arrangements. The adoption of this guidance did not have a material impact on the disclosure for the Company's consolidated financial statements.

#### Recent Accounting Pronouncements Not Yet Adopted

In July 2013, the Financial Accounting Standard Board ("FASB") issued ASU 2013-11, "Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carry Forward, a Similar Tax Loss, or a Tax Credit Carry Forward Exists." The updated guidance requires an entity to net its unrecognized tax benefits against the deferred tax assets for all same jurisdiction net operating loss carry forwards, a similar tax loss, or tax credit carry forwards. A gross presentation will be required only if such carry forwards are not available or would not be used by the entity to settle any additional income taxes resulting from disallowance of the uncertain tax provision. The update is effective prospectively for the Company's fiscal year beginning November 1, 2014. The Company does not believe the adoption of this update will have a material impact on the Company's financial position, results of operations or cash flows, and the disclosure requirements for the Company's consolidated financial statements.

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





## NOTE 4 – DISCONTINUED OPERATIONS

On December 13, 2013, the Company entered into a binding letter of agreement (the “Transaction”) with a third party to sell all of the issued and outstanding securities of Dome International, a subsidiary of the Company which holds, indirectly, a 100% interest in and to the Ndjole manganese and gold license, for cash consideration of \$1,500,000.

The proposed Transaction is subject to a number of terms and conditions, including the parties’ entering into a definitive agreement with respect to the Transaction, the completion of satisfactory due diligence investigations, the completion of a financing by the third party generating minimum proceeds of \$CDN 4.0 million from the sale of its securities (on terms to be determined), the approval of the TSX-V and other applicable regulatory authorities. The Company was paid a \$25,000 non-refundable deposit upon the signing of the binding letter of agreement. Prior to the closing of the Transaction, the Company will transfer all of the issued and outstanding securities of African Resources SARL Gabon, which holds the Mitzic license, from Dome International to another subsidiary of the Company. As at January 31, 2014, the Company classified Dome International and its wholly-owned subsidiary Dome Gabon as an asset held for sale as asset held for sale presentation criteria were met. Consequently, for all of the periods presented, loss from Dome International and Dome Gabon has been presented within discontinued operations in the consolidated statement of operations and comprehensive loss.

The following table details selected financial information included in the income from discontinued operations for the three months ended January 31, 2014 and 2013 and the period from inception to date.

|   | For the Three Months Ended<br>January 31, |           | Period<br>from<br>November<br>8, 1993<br>(Inception)<br>To<br>January 31,<br>2014 |
|---|---|-----------|---|
|   | 2014                                      | 2013      |   |
| Exploration and property holding costs        | 53,042                                    | 74,342    | 544,732   |
| Depreciation and asset impairment             | 3,677                                     | 4,032     | 1,932,900   |
| Provision for uncollectible value-added taxes | —   | —         | 60,573  |
| Foreign currency transaction loss (gain)      | 5,400                                     | (39,557 ) | 9,101   |
| Miscellaneous income                          | —   | —         | (491,448 )  |
| Net loss                                      | \$62,119                                  | \$ 38,817 | \$2,055,858   |

The major classes of assets and liabilities of Dome International and Dome Gabon presented as assets held for sale in the consolidated balance sheets are as follows:

|                                  | January 31,<br>2014 | October 31,<br>2013 |
|----------------------------------|---------------------|---------------------|
| Assets                           |                     |                     |
| Cash and cash equivalents        | \$ —                | \$ 45,270           |
| Value-added tax receivable       | 8,688               | 8,767               |
| Prepaid expenses and deposits    | 12,072              | —                   |
| Office and mining equipment, net | 21,218              | 25,130              |
| Property concession              | 1,459,873           | 1,474,870           |

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|  |    |           |    |           |
|--|----|-----------|----|-----------|
| Total assets of discontinued operations held for sale      | \$ | 1,501,851 | \$ | 1,554,037 |
| Liabilities  |    |           |    |           |
| Accounts payable   | \$ | 24,243    | \$ | 3,942     |
| Total liabilities of discontinued operations held for sale | \$ | 24,243    | \$ | 3,942     |

## NOTE 5 – LOSS PER SHARE

The Company had stock options and warrants to purchase common stock in the aggregate of 21,805,644 shares and 7,920,002 shares outstanding at January 31, 2014 and January 31, 2013, respectively. They were not included in the calculation of loss per share because they would have been considered anti-dilutive.

## NOTE 6 – VALUE-ADDED TAX RECEIVABLE

Value-added tax (“VAT”) receivable relates to VAT paid in Mexico and Gabon. The Company estimates net VAT of \$315,872 will be received within twelve months of the balance sheet date. The allowance for uncollectible VAT taxes was estimated by management based upon a number of factors including the length of time the returns have been outstanding, responses received from tax authorities, general economic conditions in Mexico and Gabon and estimated net recovery after commissions. During the three months ended January 31, 2014, a provision of uncollectible VAT of \$8,262 has been recorded.

A summary of the changes in the allowance for uncollectible VAT taxes for the three months ended January 31, 2014 is as follows:

|  |           |
|--|-----------|
| Allowance for uncollectible VAT taxes – October 31, 2013 | \$127,557 |
| Provision for uncollectible VAT Taxes                    | 8,262     |
| Write-off VAT receivable                                 | (8,288 )  |
| Foreign currency translation adjustment                  | (4,545 )  |
| Allowance for uncollectible VAT taxes – January 31, 2014 | \$122,986 |

## NOTE 7 – OFFICE AND MINING EQUIPMENT

The following is a summary of the Company's office and mining equipment at January 31, 2014 and October 31, 2013, respectively:

|                                 | January 31,<br>2014 | October 31,<br>2013 |
|---------------------------------|---------------------|---------------------|
| Mining equipment                | \$ 515,513          | \$ 645,084          |
| Vehicles                        | 81,261              | 81,261              |
| Buildings and structures        | 191,966             | 191,966             |
| Computer equipment and software | 85,618              | 85,618              |
| Well equipment                  | 39,637              | 39,637              |
| Office equipment                | 53,900              | 53,900              |
|                                 | 967,895             | 1,097,466           |
| Less: Accumulated depreciation  | (551,038 )          | (613,845 )          |
|                                 | \$ 416,857          | \$ 483,621          |



## NOTE 8 – PROPERTY CONCESSIONS

The following is a summary of the Company’s property concessions in Mexico and Gabon as at January 31, 2014 and October 31, 2013, respectively:

|   | Sierra Mojada,<br>Mexico | Mitzic,<br>Gabon | Total        |
|---|--------------------------|------------------|--------------|
| Property Concessions – October 31,<br>2013  | \$ 6,419,833             | \$ 322,141       | \$ 6,741,974 |
| Impairment                                  | (8,971 )                 | —                | (8,971 )     |
| Foreign currency translation<br>adjustments | —                        | (2,920 )         | (2,920 )     |
| Property Concessions – January 31,<br>2014  | \$ 6,410,862             | \$ 319,221       | \$ 6,730,083 |

## Sierra Mojada, Mexico

During the three months ended January 31, 2014, the Company decided to not to pursue further work on a concession in Sierra Mojada, Mexico. As a result, the Company has written off the capitalized property concession balance related to this concession of \$8,971.

During the three months ended January 31, 2013, the Company decided not to pursue further work on certain concessions in Sierra Mojada, Mexico. As a result, the Company has written off the capitalized property concession balance related to these concessions of \$76,619.

## NOTE 9 – 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. At April 30, 2013, 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 January 31, 2014 and October 31, 2013, respectively:

|                             |               |
|-----------------------------|---------------|
| Goodwill – October 31, 2013 | \$ 18,495,031 |
| Goodwill – January 31, 2014 | \$ 18,495,031 |

## NOTE 10 – SHAREHOLDER RIGHTS PLAN

On June 11, 2007, the Board of Directors adopted a Shareholders’ Right Plan through the adoption of a Rights Agreement, which became effective immediately. In connection with the adoption of the Rights Agreement, the Board of Directors declared a distribution of one Right for each outstanding share of the Company’s common stock, payable to shareholders of record at the close of business on June 22, 2007. In accordance with the Rights Plan, one Right is attached to each share of Company common stock issued since that date. Each Right is attached to the underlying common stock and will remain with the common stock if the stock is sold or transferred. As of January

31, 2014, there are 159,072,657 shares outstanding with Rights attached.

In certain circumstances, in the event that any person acquires beneficial ownership of 20% or more of the outstanding shares of the Company's common stock, each holder of a Right, other than the acquirer, would be entitled to receive, upon payment of the purchase price, which is initially set at \$20 per Right, a number of shares of the Company's common stock having a value equal to two times such purchase price. The Rights will expire on June 11, 2017.

## NOTE 11 - COMMON STOCK

No common stock was issued during the three months ended January 31, 2014 and January 31, 2013.

## NOTE 12 - STOCK OPTIONS

The Company has two active stock option plans. Under the 2006 Stock Option Plan (the “2006 Plan”), the Company may grant non-statutory and incentive options to employees, directors and consultants for up to a total of 5,000,000 shares of common stock. Under the 2010 Stock Option and Stock Bonus Plan (the “2010 Plan”), the lesser of (i) 30,000,000 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 approximately 1 to 2 years and have a contractual term of 5 to 10 years.

A summary of the range of assumptions used to value stock options granted for the three months ended January 31, 2014 and 2013 are as follows:

| Options                  | Three months Ended<br>January 31, |              |
|--------------------------|-----------------------------------|--------------|
|                          | 2014                              | 2013         |
| Expected volatility      | —                                 | 58% -<br>70% |
|                          |                                   | 0.29%        |
|                          |                                   | -            |
| Risk-free interest rate  | —                                 | 0.39%        |
| Dividend yield           | —                                 | —            |
|                          |                                   | 2.50 -       |
| Expected term (in years) | —                                 | 4.00         |

No options were granted or exercised during the three months ended January 31, 2014.

During the three months ended January 31, 2013, the Company granted options to acquire 300,000 shares of common stock with a weighted-average grant-date fair value of \$0.18. No options were exercised during the three months ended January 31, 2013.

The following is a summary of stock option activity for the three months ended January 31, 2014:

| Options                            | Shares    | Weighted<br>Average<br>Exercise<br>Price | Weighted<br>Average<br>Remaining<br>Contractual<br>Life (Years) | Aggregate<br>Intrinsic<br>Value |
|------------------------------------|-----------|--|---|---------------------------------|
| Outstanding at October 31,<br>2013 | 9,205,477 | \$ 0.58                                  | 3.45  | —                               |
| Forfeited or Cancelled             | (43,333 ) | 0.47                                     |   |                                 |

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|   |           |         |      |      |
|---|-----------|---------|------|------|
| Outstanding at January 31,<br>2014                | 9,162,144 | \$ 0.58 | 3.13 | \$ — |
| Vested or Expected to Vest at<br>January 31, 2014 | 9,162,144 | \$ 0.58 | 3.13 | \$ — |
| Exercisable at January 31,<br>2014                | 7,180,474 | \$ 0.63 | 2.88 | \$ — |



The Company recognized stock-based compensation costs for stock options of \$64,011 and \$177,408 for the three months ended January 31, 2014 and 2013, respectively. The Company typically does not recognize any tax benefits for stock options due to the Company's recurring losses. The Company currently expects all outstanding options to vest. Compensation cost is revised if subsequent information indicates that the actual number of options that will vest is likely to differ from previous estimates.

Summarized information about stock options outstanding and exercisable at January 31, 2014 is as follows:

| Exercise Price | Options Outstanding |  |                                 | Options Exercisable |                                 |  |
|----------------|---------------------|--|---------------------------------|---------------------|---------------------------------|--|
|                | Number Outstanding  | Weighted Ave. Remaining Contractual Life (Years) | Weighted Average Exercise Price | Number Exercisable  | Weighted Average Exercise Price |  |
| \$ 0.37 - 0.73 | 8,300,000           | 3.23   | \$ 0.52                         | 6,318,330           | \$ 0.55                         |  |
| 1.00 - 1.20    | 805,000             | 2.05   | 1.11                            | 805,000             | 1.11                            |  |
| 2.18 - 0.37    | 57,144              | 3.97   | 2.18                            | 57,144              | 2.18                            |  |
| \$ 2.18        | 9,162,144           | 3.13   | \$ 0.58                         | 7,180,474           | \$ 0.63                         |  |

As of January 31, 2014, there was \$138,101 of total unrecognized compensation costs related to non-vested share based compensation arrangements granted under the qualified stock option plans. That cost is expected to be recognized over a weighted average period of 0.46 years.

#### NOTE 13 - WARRANTS

A summary of warrant activity for the three months ended January 31, 2014 is as follows:

| Warrants                        | Shares     | Weighted Average Exercise Price | Weighted Average Remaining Contractual Life (Years) | Aggregate Intrinsic Value |
|---------------------------------|------------|---------------------------------|---|---------------------------|
| Outstanding at October 31, 2013 | 12,643,500 | \$ 0.55                         | 0.79  | —                         |
| Outstanding at January 31, 2014 | 12,643,500 | \$ 0.55                         | 0.53  | \$ —                      |
| Exercisable at January 31, 2014 | 12,643,500 | \$ 0.55                         | 0.53  | \$ —                      |

No warrants were issued or exercised during the three months ended January 31, 2014 and 2013.



Summarized information about warrants outstanding and exercisable at January 31, 2014 is as follows:

| Exercise Price | Warrants Outstanding |  |                                 | Warrants Exercisable |                                 |  |
|----------------|----------------------|--|---------------------------------|----------------------|---------------------------------|--|
|                | Number Outstanding   | Weighted Ave. Remaining Contractual Life (Years) | Weighted Average Exercise Price | Number Exercisable   | Weighted Average Exercise Price |  |
| \$ 0.55        | 12,643,500           | 0.53   | \$ 0.55                         | 12,643,500           | \$ 0.55                         |  |

#### 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 qualifying assets, in which case they are added to the costs of those assets until such time as the assets are substantially ready for their intended use or sale.

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;
- 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. As of January 31, 2014 and October 31, 2013, the Company had no financial assets or liabilities required to be reported for fair value purposes.

The carrying amounts of the Company's financial instruments, including cash and cash equivalents, other receivables, accounts payable and accrued liabilities and expenses approximate fair value at January 31, 2014 and October 31, 2013 due to the short maturities of these financial instruments.

##### 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 counterparties demonstrate minimum acceptable credit worthiness.

The Company maintains its U.S. Dollar and Canadian Dollar (“\$CDN”) cash and cash equivalents in bank and demand deposit accounts with major financial institutions with high credit standings. Cash deposits held in the United States are insured by the Federal Deposit Insurance Corporation (“FDIC”) for up to \$250,000 and \$CDN cash deposits held in

Canada are insured by the Canada Deposit Insurance Corporation (“CDIC”) for up to \$CDN 100,000. Certain United States and Canadian bank accounts held by the Company exceed these federally insured limits or are uninsured as they relate to U.S. Dollar deposits held in Canadian financial institutions. As of January 31, 2014 and October 31, 2013, the Company’s cash and cash equivalent balances held in United States and Canadian financial institutions included \$3,862,646 and \$4,844,049, respectively, which was not insured by the FDIC or 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.

The Company also maintains cash in bank accounts in Mexico and Gabon. These accounts are denominated in the local currency and are considered uninsured. As of January 31, 2014 and October 31, 2013, the U.S. dollar equivalent balance for these accounts was \$21,811 and \$87,889, 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 three months ended January 31, 2014, a 1% decrease in interest rates would have resulted in a reduction in interest income for the period of approximately \$1,749.

#### Foreign Currency Exchange Risk

Certain purchases of labor, operating supplies and capital assets are denominated in \$CDN, Mexican Peso ("MXN"), Central African Francs ("CFA") or other currencies. As a result, currency exchange fluctuations may impact the costs of our operations. Specifically, the appreciation of the MXN, \$CDN or CFA against the U.S. dollar may result in an increase in operating expenses and capital costs in U.S. dollar terms. As of January 31, 2014, the Company maintained the majority of its cash balance in U.S. Dollars. The Company currently does not engage in any currency hedging activities.

### NOTE 15 - COMMITMENTS AND CONTINGENCIES

#### Compliance with Environmental Regulations

The Company's 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.

In addition, seven of the concessions in the Sierra Mojada project are subject to options to purchase from existing third party concession owners. Pursuant to the option purchase agreements, the Company is required to make certain payments over the terms of these contracts to obtain full ownership of these concessions as set forth in the table below:

#### Olympia (1 concession)

| Payment Date  | Payment Amount |
|---------------|----------------|
| March 2014(1) | \$MXN 500,000  |

(1) If a change of control occurs prior to the payment date, this payment is due upon the change of control.

Nuevo Dulces Nombres (Centenario) and Yolanda III (2 concessions)

| Payment Date   | Payment Amount(1)  |
|--|--------------------|
| Monthly payment beginning August 2014 and ending July 2016 | \$20,000 per month |

(1) Until July 2016, the Company has the option of acquiring Nuevo Dulces Nombres (100% interest) for \$4 million and Yolanda III (100% interest) for \$2 million plus a lump sum payment equal to any remaining monthly payments.

Poder de Dios, Anexas a Poder de Dios, and Ampliacion a Poder de Dios (3 concessions)

| Payment Date  | Payment Amount(1) |
|---------------|-------------------|
| April 2014    | \$6 million       |
| October 2014  | \$6 million       |
| April 2015(1) | \$7 million       |

(1) Payments shown reflect the option purchase price for a period of six months from the payment date for the acquisition of 100% of the concessions. Subsequent to April 2015 the option purchase price is \$7 million for the acquisition of 100% of the concession. In addition the Company is required to make payments of \$300,000 in April and October of each year until the option purchase is made otherwise the Company will lose its interest in the concessions. The option purchase price until April 2014 is \$5 million.

Veta Rica o La Inglesa (1 concession)

| Payment Date | Payment Amount |
|--------------|----------------|
| April 2014   | \$300,000      |

Property Concessions Gabon

The Company holds title to the Ndjole (Note 4) and Mitzic concessions in Gabon, Africa that require the Company to spend minimum amounts each term to renew the concessions. Each concession is renewable twice with each renewal lasting for three years. The initial renewal of the Ndjole concession was granted on June 21, 2012 and the initial renewal of the Mitzic concession was granted on July 24, 2012. Per the renewed concession licenses, the Company must spend \$CFA 2,926,000,000 (\$6,083,160) on exploration work on the Ndjole concession and \$CFA 901,000,000 (\$1,873,181) on exploration work on the Mitzic concession in order to renew these concessions for a third term of three years. The expenditures during the second period are reduced by \$CFA 2,724,805,322 (\$5,664,876) for Ndjole and \$CFA 244,668,825 (\$508,667) for Mitzic which represent amounts spent in the second period to January 31, 2014 and amounts carried forward from the initial term for expenditures incurred in excess of the renewal requirements. The Company must spend \$CFA 800,000,000 (\$1,663,202) in the third term per Gabonese law. The Company may apply for a mining license at any time during these periods. As of January 31, 2014, one U.S. dollar approximates \$CFA 481.

Royalty

The Company has agreed to pay a 2% net smelter return royalty on certain property concessions within the Sierra Mojada Property. Total payments under this royalty are limited to \$6.875 million.

#### Office Lease Commitment

The Company entered into a five-year office lease agreement from April 1, 2012 to March 31, 2017 for the Company's corporate office in Vancouver, Canada. The monthly lease payment is \$CDN 7,506 until March 31, 2014, increasing to \$CDN 7,743 on April 1, 2014, with a further increase to \$CDN 7,981 on April 1, 2016. As of January 31, 2014, one U.S. dollar approximates \$CDN 1.11.



## 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 and Gabon, Africa.

Geographic information is approximately as follows:

|                                 | For the Three Months Ended<br>January 31, |                | Period from<br>November 8,<br>1993<br>(Inception) To<br>January 31,<br>2014 |
|---------------------------------|---|----------------|---|
|                                 | 2014                                      | 2013           |   |
| Mexico                          | \$ (457,000 )                             | \$ (1,317,000) | \$ (50,031,000)   |
| Canada                          | (519,000 )                                | (756,000 )     | (7,500,000 )  |
| Gabon                           | (39,000 )                                 | 8,000          | (1,442,000 )  |
| United States                   | —   | —              | (34,309,000)  |
| Loss from Continuing Operations | (1,015,000)                               | (2,065,000)    | (93,282,000)  |
| Discontinued Operations         | (62,000 )                                 | (39,000 )      | (2,056,000 )  |
| Net Loss                        | \$ (1,077,000)                            | \$ (2,104,000) | \$ (95,338,000)   |

The following table details allocation of assets included in the accompanying balance sheet at January 31, 2014:

|   | United<br>States | Canada       | Mexico        | Gabon        | Total         |
|---|------------------|--------------|---------------|--------------|---------------|
| Cash and cash equivalents                       | \$ 2,872,000     | \$ 1,352,000 | \$ 6,000      | \$ 16,000    | \$ 4,246,000  |
| Value-added tax receivable, net                 | -                | -            | 313,000       | 3,000        | 316,000       |
| Other receivables                               | -                | 8,000        | 39,000        | -            | 47,000        |
| Prepaid expenses and deposits                   | -                | 98,000       | 90,000        | 1,000        | 189,000       |
| Assets of discontinued operations held for sale | -                | -            | -             | 1,502,000    | 1,502,000     |
| Office and mining equipment, net                | -                | 3,000        | 414,000       | -            | 417,000       |
| Property concessions                            | -                | -            | 6,411,000     | 319,000      | 6,730,000     |
| Goodwill  | -                | -            | 18,495,000    | -            | 18,495,000    |
|   | \$ 2,872,000     | \$ 1,461,000 | \$ 25,768,000 | \$ 1,841,000 | \$ 31,942,000 |

The following table details allocation of assets included in the accompanying balance sheet at October 31, 2013:

|   | United States | Canada       | Mexico        | Gabon        | Total         |
|---|---------------|--------------|---------------|--------------|---------------|
| Cash and cash equivalents                       | \$ 3,076,000  | \$ 2,087,000 | \$ 23,000     | \$ 20,000    | \$ 5,206,000  |
| Value-added tax receivable, net                 | -             | -            | 327,000       | 3,000        | 330,000       |
| Other receivables                               | -             | 20,000       | 47,000        | -            | 67,000        |
| Prepaid expenses and deposits                   | -             | 137,000      | 98,000        | 1,000        | 236,000       |
| Assets of discontinued operations held for sale | -             | -            | -             | 1,554,000    | 1,554,000     |
| Office and mining equipment, net                | -             | 4,000        | 480,000       | -            | 484,000       |
| Property concessions                            | -             | -            | 6,420,000     | 322,000      | 6,742,000     |
| Goodwill  | -             | -            | 18,495,000    | -            | 18,495,000    |
|   | \$ 3,076,000  | \$ 2,248,000 | \$ 25,890,000 | \$ 1,900,000 | \$ 33,114,000 |

The Company has significant assets in Coahuila, Mexico and Gabon, Africa. Although these countries are generally considered economically stable, it is always possible that unanticipated events in foreign countries could disrupt the Company's operations. Neither the Mexican government nor the Gabonese government requires foreign entities to maintain cash reserves in their respective country.

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

|   | For the Three Months Ended |                 | Period from                                      |
|---|----------------------------|-----------------|--|
|   | 2014                       | 2013            | November 8, 1993 (Inception) To January 31, 2014 |
| Exploration and property holding costs for the period |                            |                 |  |
| Mexico Sierra Mojada                                  | \$ (485,000 )              | \$ (1,296,000 ) | \$ (51,132,000 )                                 |
| Gabon Mitzic  | (32,000 )                  | (30,000 )       | (1,097,000 )                                     |
|   | \$ (517,000 )              | \$ (1,326,000 ) | \$ (52,229,000 )                                 |

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

When we use the terms "Silver Bull," "we," "us," or "our," we are referring to Silver Bull Resources, Inc. and its subsidiaries unless the context otherwise requires. We have included technical terms important to an understanding of our business under "Glossary of Common Terms" in our Annual Report on Form 10-K for the fiscal year ended October 31, 2013.

### Cautionary Statement Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the U.S. Private Securities Litigation Reform Act of 1995, and "forward-looking information" within the meaning of applicable Canadian securities legislation. We use words such as "anticipate", "continue", "likely", "estimate", "expect", "may", "will", "projection", "should", "potential", "could" or similar words suggesting future outcomes (including negative and grammatical variations) to identify forward-looking statements. These statements include, among other things, our planned activities at the Sierra Mojada Project in 2014, continuing to progress in securing additional surface rights, the timing and scope of our metallurgical program and exploration activities, the projections and estimates set forth in the PEA Technical Report, our proposed capital and operating budgets for the Sierra Mojada Project and general and administrative expenses, and the completion of the sale of the issued and outstanding securities of Dome International Global Inc. ("Dome International").

These statements are based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, expected future developments and other factors we believe are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties and our actual results could differ from those express or implied in these forward-looking statements as a result of the factors described under "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended October 31, 2013, including:

- Results of future exploration at our Sierra Mojada Project;
- Our ability to raise necessary capital to conduct our exploration activities, and to do so on acceptable terms;
- Worldwide economic and political events affecting the market prices for silver, gold, zinc, lead, copper, manganese and other minerals that may be found on our exploration properties;
- The amount and nature of future capital and exploration expenditures;
- Competitive factors, including exploration-related competition;
- Our inability to obtain required permits;
- Timing of receipt and maintenance of government approvals;
- Unanticipated title issues;
- Changes in tax laws;

- Changes in regulatory frameworks or regulations affecting our activities;
- Our ability to retain key management and consultants and experts necessary to successfully operate and grow our business; and
- Political and economic instability in Mexico and other countries in which we conduct our business, and future potential actions of the governments in such countries with respect to nationalization of natural resources or other changes in mining or taxation policies.

These factors are not intended to represent a complete list of the general or specific factors that could affect us.

All forward-looking statements speak only as of the date made. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances. You should not place undue reliance on these forward-looking statements.

#### Cautionary Note Regarding Exploration Stage Companies

We are an exploration stage company and do not currently have any known reserves and cannot be expected to have reserves unless and until a feasibility study is completed for the Sierra Mojada concessions that shows proven and probable reserves. There can be no assurance that our concessions contain proven and probable reserves and investors may lose their entire investment. See “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended October 31, 2013.

#### Business Overview

Silver Bull, incorporated in Nevada, is an exploration stage company, engaged in the business of mineral exploration. Our primary objective is to define sufficient mineral reserves on the Sierra Mojada Property to justify the development of a mechanized mining operation. We conduct our operations in Mexico through our wholly-owned Mexican subsidiaries, Minera Metalin S.A. de C.V. (“Minera”) and Contratistas de Sierra Mojada S.A. de C.V. (“Contratistas”), and through Minera’s wholly-owned subsidiary, Minas de Coahuila SBR S.A. de C.V. (“Minas”). However, as noted above, we have not established any reserves at the Sierra Mojada Property, and are in the exploration stage and may never enter the development or production stage.

Our principal offices are located at 925 West Georgia Street, Suite 1908, Vancouver, BC, Canada V6C 3L2, and our telephone number is 604-687-5800.

#### Properties Concessions and Property Concession Outlook

##### Sierra Mojada Property

In January 2014, our Board of Directors approved a calendar-year 2014 budget of \$1.8 million for exploration and property holding costs for the Sierra Mojada Property. The focus of the 2014 calendar year program is continuing to progress in securing additional surface rights, maintenance of our property concessions, further studying power and water alternatives and continued metallurgical work.

##### Metallurgical Studies

We have an active metallurgical program to test the recovery of the silver mineralization using the agitation cyanide leach method and recovery of the zinc mineralization using the SART process (sulfidization, acidification, recycling, and thickening).

We have received results for metallurgical testing on samples taken from areas throughout the silver zone and the zinc zone. The test work on the silver zone focused on cyanide leach recovery of the silver using “Bottle Roll” tests to simulate an agitation leach system and to determine the recovery of low grade zinc that occurs in the silver zone and high grade zinc from the zinc zone that had been blended with mineralization from the silver zone to the leach solution. The silver was recovered from the cyanide leach solution using the Merrill Crowe technique and the zinc was recovered from the leach solution using the SART process. The SART Process is a metallurgical process that regenerates and recycles the cyanide used in the leaching process of the silver and zinc and allows for the recovery of zinc that has been leached by the cyanide solution. The preliminary results showed an overall average silver recovery

of 73.2% with peak values of 89.0% and an overall average zinc recovery of 44% in the silver zone. Flotation test work focused on the zinc zone was completed in 2013 and it does not appear to be a viable way to recover the zinc based on the work done to date.

### Mineralized Material Estimate

On December 19, 2013, JDS Energy & Mining Inc. delivered Silver Bull's amended initial Preliminary Economic Assessment ("the PEA Technical Report") on the silver and zinc mineralization for the Sierra Mojada Project in accordance with Canadian National Instrument 43-101. The PEA Technical Report includes an update on the silver and zinc mineralization which was estimated from 1,372 diamond drill holes, 25 reverse circulation drill holes, 9,025 channel samples and 2,345 long holes. At a cutoff grade of 25 grams/tonne of silver for mineralized material, the PEA Technical Report indicates mineralized material of 71.1 million tonnes at an average silver grade of 71.5 grams/tonne silver and an average zinc percentage of 1.34%.

"Mineralized material" as used in this Quarterly Report on Form 10-Q, although permissible under the Securities and Exchange Commission's Industry Guide 7, does not indicate "reserves" by SEC standards. We cannot be certain that any part of the Sierra Mojada Project will ever be confirmed or converted into SEC Industry Guide 7 compliant "reserves." Investors are cautioned not to assume that all or any part of the mineralized material will ever be confirmed or converted into reserves or that mineralized material can be economically or legally extracted.

### Mexican Tax Reform

On December 11, 2013, the Mexican tax reform package was published in the official gazette and became applicable on January 1, 2014. There are a number of significant changes in the Mexican tax reform package. The planned corporate tax rate reductions to 29% in 2014 and 28% thereafter have been repealed and the corporate tax rate will remain at 30%. The business flat tax (IETU) has been repealed. A special mining royalty of 7.5% will apply to net profits derived by a property concession holder from the sale or transfer of extraction related activities. Net profits for the purpose of this royalty will be determined in a manner similar to the calculation of general taxable income with certain deductions not available including for investment in fixed assets and interest. In addition, owners of property concessions will be required to pay a 0.5% tax on gross income derived from the sale of gold, silver and platinum. Further, a 10% withholding tax on dividend distributions has been introduced but will not supercede treaty rates. The Company has not determined the effects of these reforms at this time.

### Gabon Property

We hold two exploration licenses, the Ndjole license and the Mitzi license, in Gabon, West Africa covering approximately 4,000 square kilometers. We believe that the Ndjole license has gold and manganese potential and the Mitzi license has iron ore potential. On December 13, 2013, we entered into a binding letter of agreement with BHK Resources, Inc. ("BHK") to sell all of the issued and outstanding securities of our subsidiary, Dome International which holds, indirectly, a 100% interest in and to the Ndjole manganese and gold licenses through its wholly-owned subsidiary, Dome Ventures SARL Gabon ("Dome Gabon"), for cash consideration of \$1,500,000.

The proposed transaction is subject to a number of terms and conditions, including the execution by the parties of a definitive agreement with respect to the transaction, the completion of satisfactory due diligence investigations, the completion of a financing by BHK generating minimum proceeds of \$CDN 4.0 million from the sale of its securities, on terms to be determined, the approval of the TSX-V and other applicable regulatory authorities. Silver Bull was paid a \$25,000 non-refundable deposit upon the signing of the binding letter of agreement. Prior to the closing of the transaction, we will transfer all of the issued and outstanding securities of African Resources SARL Gabon, which holds the Mitzi license, from Dome International to another of our subsidiaries.

## Results of Operations

### Three Months Ended January 31, 2014 and January 31, 2013

For the three months ended January 31, 2014, we experienced a net loss of \$1,077,000, or approximately \$0.01 per share, compared to a net loss of \$2,104,000, or approximately \$0.02 per share, during the comparable period last year. The \$1,027,000 decrease in net loss was primarily due to a \$809,000 decrease in exploration and property holding costs and a \$252,000 decrease in general and administrative expenses.

### Exploration and Property Holding Costs

Exploration and property holding costs decreased \$809,000 to \$517,000 for the three months ended January 31, 2014, compared to \$1,326,000 for the comparable period last year. This decrease was mainly the result of not having a drilling program during the three months ended January 31, 2014, whereas in the comparable period last year we had a small underground drill program. In addition, we had a reduced metallurgical program in the three months ended January 31, 2014 compared to the previous period. As a result of the reduced exploration program we reduced our work forces at Sierra Mojada Property, and therefore our staffing and consultants costs were lower in the three months ended January 31, 2014 compared to the comparable period last year.

### General and Administrative Costs

We recorded a general and administrative expense of \$526,000 for the three months ended January 31, 2014 as compared to \$778,000 for the comparable period last year. The \$252,000 decrease was mainly the result of a \$52,000 decrease in personal cost, a \$116,000 decrease in office and administrative cost, a \$41,000 decrease in professional fees and a \$34,000 decrease in directors fees as described below.

Stock-based compensation was a factor in the fluctuations in general and administrative expenses. Overall stock-based compensation included in general and administrative expense decreased to \$52,000 for the three months ended January 31, 2014 from \$128,000 for the comparable period last year. This was mainly due to stock options vesting in the three months ended January 31, 2014 having a lower fair value than stock options vesting in the comparable period last year.

Personnel costs decreased \$52,000 to \$181,000 for the three months ended January 31, 2014 as compared to \$233,000 for the same period last year. This decrease was mainly due to a decrease in stock-based compensation expense to \$39,000 in the three months ended January 31, 2014 from \$79,000 in the comparable period last year.

Office and administrative costs decreased \$116,000 to \$176,000 for the three months ended January 31, 2014 as compared to \$292,000 for the same period last year. The decrease was mainly the result of the Company having significant corporate travel in the three months ended January 31, 2013 related to the February 2013 equity financing.

Professional fees decreased \$41,000 to \$101,000 for the three months ended January 31, 2014 compared to \$142,000 for the comparable period last year. This decrease is mainly due to a decrease in legal and accounting fees in the three months ended January 31, 2014. The decrease in accounting fees is mainly due to the timing of work.

Directors' fees decreased \$34,000 to \$59,000 for the three months ended January 31, 2014 as compared to \$93,000 for the comparable period last year. The decrease was primarily due to a \$34,000 decrease in stock-based compensation as a result of stock options vesting in the three months ended January 31, 2014 having a lower fair value than stock options vesting in the comparable period last year.



We recorded a provision of \$8,000 for uncollectible value-added taxes (“VAT”) for the three months ended January 31, 2014 compared to a provision of \$16,000 in the comparable period last year. The allowance for uncollectible taxes was estimated by management based upon a number of factors including the length of time the returns have been outstanding, responses received from tax authorities, general economic conditions in Mexico and Gabon and estimated net recovery after commissions.

#### Other Income (Expenses)

We recorded other income of \$30,000 for the three months ended January 31, 2014 as compared to other income of \$48,000 for the comparable period last year. The significant factors were a \$15,000 foreign currency transaction loss in the three months ended January 31, 2014 compared to a foreign currency transaction gain of \$44,000 for the comparable period last year and a \$43,000 miscellaneous income in the three months ended January 31, 2014 compared to \$nil miscellaneous income for the comparable period last year.

The foreign currency transaction loss in the three months ended January 31, 2014 was primarily the result of the depreciation of the Central African Franc and the resulting impact on the intercompany loans between Silver Bull and our Gabonese subsidiaries. The foreign currency transaction gain in the comparable period last year was primarily the result of the appreciation of the Central African Franc and the resulting impact on the intercompany loans between Silver Bull and our Gabonese subsidiaries. The miscellaneous income in the three months ended January 31, 2014 was primarily the result of a \$41,000 gain on the sale of a piece of mining equipment at the Sierra Mojada Property.

#### Results of Discontinued Operations

Subject to the contingencies previously discussed, the Company expects to close the sale of its interest in Dome International and its wholly-owned subsidiary, Dome Gabon. Pursuant to general accepted accounting principles in the United States of America, Dome International and Dome Gabon have been reported in discontinued operations for the three months ended January 31, 2014, and January 31, 2013 and the period from inception to date as described in the "Critical Accounting Policies" section. Loss from discontinued operations, net of income tax expense for the three months ended January 31, 2014 was \$62,000 which is mainly exploration and property holding costs, as compared to a loss from discontinued operations, net of income tax expense for the three months ended January 31, 2013 of \$39,000 which is mainly exploration and property holding costs.

#### Material Changes in Financial Condition; Liquidity and Capital Resources

##### Cash Flows

During the three months ended January 31, 2014, we primarily utilized cash and cash equivalents to fund exploration activities at the Sierra Mojada Property and for general and administrative expenses. As a result of the exploration activities and general and administrative expenses, cash and cash equivalents decreased from \$5,206,000 at October 31, 2013 to \$4,246,000 at January 31, 2014.

Cash flows used in operations for the three months ended January 31, 2014 was \$1,102,000 as compared to \$1,424,000 for the comparable period in 2013. This decrease was mainly due to the decreased exploration work at the Sierra Mojada Property and decreased general and administrative expenses. In addition, accounts payable decreased in the three months ended January 31, 2014 whereas accounts payable increased in the comparable period last year and the net value added-tax collections/payments were approximately \$179,000 higher in the comparable period last year.

Cash flows provided by investing activity for the three months ended January 31, 2014 was \$84,000 as we sold a piece of mining equipment as compared to \$nil for the comparable period in 2013.

Cash flows provided by financing activities for the three months ended January 31, 2014 was \$nil as compared to cash flows used by financing activities of \$120,000 for the comparable period last year. The majority of the cash flow used by financing activities in the comparable period last year was due to deferred cash offering costs related to the February 2013 equity financing.

Capital Resources

As of January 31, 2014, we had cash and cash equivalents of \$4,246,000 and working capital of \$5,282,000 as compared to cash and cash equivalents of \$5,206,000 and working capital of \$6,218,000 as of October 31, 2013. The decrease in our liquidity and working capital were primarily the result of the exploration activities at the Sierra Mojada Property and general and administrative expense.

Since inception, we have relied primarily upon proceeds from sales of our equity securities and warrant exercises as our primary sources of financing to fund our operations. We anticipate that we will continue to rely on sales of our securities in order to continue to fund our business operations. Issuances of additional shares will result in dilution to our existing stockholders. There is no assurance that we will be able to complete any additional sales of our equity securities or that we will be able to arrange for other financing to fund our planned business activities.

#### Capital Requirements and Liquidity; Need for Subsequent Funding

Our management and Board of Directors monitor our overall costs, expenses, and financial resources and, if necessary, will adjust our planned operational expenditures in an attempt to ensure we have sufficient operating capital. We continue to evaluate our costs and planned expenditures including for our Sierra Mojada Property as discussed below.

The continued exploration of the Sierra Mojada Property will require significant amounts of additional capital. In January 2014, our Board of Directors approved a calendar year 2014 budget of \$1.8 million for the Sierra Mojada Property and a \$1.8 million budget for general and administration expense. As of February 28, 2014, we had approximately \$3.9 million of cash on hand. We anticipate that we will be able to satisfy our remaining calendar year 2014 budget with cash on hand. We will continue to evaluate our ability to raise additional capital, and we will reduce expenditures on the Sierra Mojada Property if we determine that additional capital is unavailable or available on terms that we determine are unacceptable. Also, the continued exploration and if warranted, development, of the Sierra Mojada Property ultimately will require us to raise additional capital, identify other sources of funding or identify another strategic transaction. The on-going uncertainty and volatility in the global financial and capital markets have limited the availability of funding. Debt or equity financing may not be available to us on acceptable terms, if at all. Equity financing, if available, will likely result in substantial dilution to existing stockholders. If we are unable to fund future operations by way of financing, including public or private offerings of equity or debt securities, our business, financial condition and results of operations will be adversely impacted.

#### Off Balance Sheet Arrangements

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

#### Critical Accounting Policies

The critical accounting policies are defined in our Form 10-K for the year ended October 31, 2013 filed on January 13, 2014 except as follows.

#### Reclassifications

Certain reclassifications of prior year balances have been made to conform to the current year presentation. We reclassified the Dome International consolidated balance sheet amounts and consolidated statements of operations from historical presentation to assets and liabilities of operations held for sale on the consolidated balance sheets and to loss from discontinued operations in the consolidated statements of operations for all periods presented. The consolidated statements of cash flow have not been adjusted to reflect assets held for sale and discontinued operations for all periods presented.

#### Recent Accounting Pronouncements Adopted in the Three Month Period Ended January 31, 2014

Effective November 1, 2013, we adopted Accounting Standards Update (“ASU”) 2011-11, "Balance Sheet (Topic 201): Disclosures about Offsetting Assets and Liabilities." This ASU added certain additional disclosure requirements about financial instruments and derivative instruments that are subject to netting arrangements. The adoption of this updated guidance did not have a material impact on the disclosure requirements for our consolidated financial statements.

#### Recent Accounting Pronouncements Not Yet Adopted

In July 2013, the Financial Accounting Standard Board (“FASB”) issued ASU 2013-11, “Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carry Forward, a Similar Tax Loss, or a Tax Credit Carry Forward Exists.” The updated guidance requires an entity to net its unrecognized tax benefits against the deferred tax assets for all same jurisdiction net operating loss carry forwards, a similar tax loss, or tax credit carry forwards. A gross presentation will be required only if such carry forwards are not available or would not be used by the entity to settle any additional income taxes resulting from disallowance of the uncertain tax provision. The update is effective prospectively for our fiscal year beginning November 1, 2014. We do not believe the adoption of this update will have a material impact on our financial position, results of operations or cash flow, and the disclosure requirements for our consolidated financial statements.

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

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

#### Interest Rate Risk

We hold substantially all of our 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 three months ended January 31, 2014, a 1% decrease in interest rates would have resulted in a reduction in interest income for the period of approximately \$1,749.

#### Foreign Currency Exchange Risk

Certain purchases of labor, operating supplies and capital assets are denominated in \$CDN, Mexican Pesos (“\$MXN”), Central African Francs (“\$CFA”) or other currencies. As a result, currency exchange fluctuations may impact the costs of our operations. Specifically, the appreciation of the \$MXN, \$CDN or \$CFA against the U.S. dollar may result in an increase in operating expenses and capital costs in US dollar terms. As of January 31, 2014, we maintained the majority of our cash balance in U.S. dollars. We currently do not engage in any currency hedging activities.

#### Commodity Price Risk

Our primary business activity is the exploration of properties containing silver, zinc, lead, gold, copper, manganese and other minerals. As a result, decreases in the price of any of these metals have the potential to negatively impact our ability to establish reserves and continue our exploration plans. None of our properties are in production and we do not currently hold any commodity derivative positions.

### ITEM 4. CONTROLS AND PROCEDURES.

#### (a) Evaluation of Disclosure Controls and Procedures.

As of January 31, 2014, we have carried out an evaluation under the supervision of, and with the participation of our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on the evaluation as of January 31, 2014, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e)) under the Exchange Act) were effective.

Our disclosure controls and procedures are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and our principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

#### (b) Changes in Internal Control Over Financial Reporting

During the quarter ended January 31, 2014 there have not been any changes in the Company’s internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.





PART II – OTHER INFORMATION.

Item 1. LEGAL PROCEEDINGS.

None.

Item 1A. RISK FACTORS.

There were no material changes from the risk factors included in our Form 10-K for the year ended October 31, 2013.

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

Recent Sales of Unregistered Securities

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

Purchases of Equity Securities by the Company and Affiliated Purchasers

No purchases of equity securities were made by or on behalf of Silver Bull or any “affiliated purchaser” within the meaning of Rule 10b-18 under the Exchange Act during the period covered by this report.

Item 3. DEFAULTS UPON SENIOR SECURITIES.

None.

Item 4. MINE SAFETY DISCLOSURES.

Not applicable.

Item 5. OTHER INFORMATION.

None.

## Item 6. EXHIBITS.

| Exhibit<br>Number | Exhibit Description  | Incorporated by Reference |      |         | Filed<br>Herewith |
|-------------------|--|---------------------------|------|---------|-------------------|
|                   |  | Form                      | Date | Exhibit |                   |
| 31.1              | Certification of CEO Pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith. |                           |      |         | X                 |
| 31.2              | Certification of CFO Pursuant to Exchange Act Rules 13a-14 and 15d-14, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith. |                           |      |         | X                 |
| 32.1              | Certification of CEO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.               |                           |      |         | X                 |
| 32.2              | Certification of CFO Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.               |                           |      |         | X                 |
| 101.INS*          | XBRL Instance Document   |                           |      |         | X                 |
| 101.SCH*          | XBRL Schema Document   |                           |      |         | X                 |
| 101.CAL*          | XBRL Calculation Linkbase Document   |                           |      |         | X                 |
| 101.DEF*          | XBRL Definition Linkbase Document  |                           |      |         | X                 |
| 101.LAB*          | XBRL Labels Linkbase Document  |                           |      |         | X                 |
| 101.PRE*          | XBRL Presentation Linkbase Document  |                           |      |         | X                 |

In accordance with Rule 406T of Regulation S-T, the XBRL related information in Exhibit 101 to this Quarterly Report on Form 10-Q is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, is deemed not filed for purposes of section 18 of the Exchange Act, and otherwise is not subject to liability under these sections.



SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SILVER BULL RESOURCES, INC.

Dated: March 11, 2014

By

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

Dated: March 11, 2014

By

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

