

SILVER BULL RESOURCES, INC.

Form 10-Q

September 08, 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 July 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

91-1766677

State or other jurisdiction of (I.R.S. Employer incorporation or organization 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 R No o

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 R No o

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

Edgar Filing: SILVER BULL RESOURCES, INC. - Form 10-Q

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 September 8, 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.

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

TABLE OF CONTENTS

	Page
PART I - FINANCIAL INFORMATION	2
Item 1. Financial Statements (Unaudited)	2
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	20
Item 3. Quantitative and Qualitative Disclosures about Market Risk	30
Item 4. Controls and Procedures	30
PART II - OTHER INFORMATION	31
Item 1. Legal Proceedings	31
Item 1A. Risk Factors	31
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	31
Item 3. Defaults Upon Senior Securities	31
Item 4. Mine Safety Disclosures	31
Item 5. Other Information	31
Item 6. Exhibits	32
Signatures	33

[The balance of this page has been intentionally left blank.]

PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

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

	July 31, 2014	October 31, 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$2,448,892	\$5,205,733
Value-added tax receivable, net of allowance for uncollectible taxes of \$120,802 and \$127,557 respectively (Note 6)	194,123	329,508
Income tax receivable	—	396
Other receivables	38,101	67,094
Prepaid expenses and deposits	118,152	236,739
Assets of discontinued operations held for sale (Note 4)	1,364,446	1,554,037
Total Current Assets	4,163,714	7,393,507
Office and mining equipment, net (Note 7)	382,658	483,621
Property concessions (Note 8)	6,778,046	6,741,974
Goodwill (Note 9)	18,495,031	18,495,031
TOTAL ASSETS	\$29,819,449	\$33,114,133
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$144,946	\$467,016
Accrued liabilities and expenses	644,231	704,366
Income tax payable	12,855	—
Liabilities of discontinued operations held for sale (Note 4)	12,363	3,942
Total Current Liabilities	814,395	1,175,324
COMMITMENTS AND CONTINGENCIES (Notes 1, 10 and 15)		
STOCKHOLDERS' EQUITY (Notes 10, 11, 12 and 13)		
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	124,787,190	124,641,777
Accumulated deficit	(97,486,020)	(94,386,856)
Other comprehensive income	113,158	93,162
Total Stockholders' Equity	29,005,054	31,938,809
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$29,819,449	\$33,114,133

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

2

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

	Three Months Ended July 31,		Nine Months Ended July 31,	
	2014	2013	2014	2013
REVENUES	\$—	\$—	\$—	\$—
EXPLORATION AND PROPERTY HOLDING COSTS				
Exploration and property holding costs	300,885	1,084,754	1,025,545	3,069,379
Depreciation and asset impairment (Note 8)	29,524	36,237	409,812	809,749
TOTAL EXPLORATION AND PROPERTY HOLDING COSTS	330,409	1,120,991	1,435,357	3,879,128
GENERAL AND ADMINISTRATIVE EXPENSES				
Personnel	145,350	236,464	478,476	662,439
Office and administrative	106,408	185,224	410,932	813,418
Professional services	32,637	88,298	210,897	320,973
Directors' fees	47,517	123,328	163,305	286,031
(Recovery of) provision for uncollectible value-added taxes	(1,020)	7,890	18,112	7,030
Depreciation	717	1,168	2,487	3,505
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	331,609	642,372	1,284,209	2,093,396
LOSS FROM OPERATIONS				