

SILVER BULL RESOURCES, INC.
Form 10-Q
September 06, 2011

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

FORM 10-Q

(Mark One)

R QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED July 31, 2011.

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

FOR THE TRANSITION PERIOD OF _____ 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.)

885 West Georgia Street, Suite 2200
Vancouver, B.C. V6C 3E8
(Address of principal executive offices, including zip code)

Registrant's telephone number: 604-687-5800

Indicate by check mark whether the registrant (1) 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:

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 2, 2011, there were 115,110,157 shares of the Registrant's \$.01 par value Common Stock ("Common Stock"), the Registrant's only outstanding class of voting securities.

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

SILVER BULL RESOURCES, INC.
(AN EXPLORATION STAGE COMPANY)
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JULY 31, 2011

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

	July 31, 2011 (Unaudited)	October 31, 2010 **
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$8,320,341	\$10,570,598
Restricted cash (Note 5)	573,356	—
Other receivables	12,048	17,965
Prepaid expenses	262,495	248,417
Prepaid income taxes	9,137	22,231
Total Current Assets	9,177,377	10,859,211
PROPERTY CONCESSIONS		
Sierra Mojada, Mexico (Notes 7 and 22)	5,048,415	4,318,292
Gabon, Africa (Notes 7 and 8)	4,647,023	4,396,915
	9,695,438	8,715,207
EQUIPMENT		
Office and mining equipment, net of accumulated depreciation of \$929,141 and \$941,781, respectively (Note 9)	955,716	1,361,358
OTHER ASSETS		
Value-added tax receivable, net of allowance for uncollectible taxes of \$1,306,458 and \$1,241,876, respectively (Note 6)	1,602,915	629,338
Goodwill (Note 10)	20,500,168	19,738,862
Other assets	122,504	9,435
Asset held for sale (Note 11)	223,757	—
	22,449,344	20,377,635
TOTAL ASSETS	\$42,277,875	\$41,313,411
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$1,175,623	\$729,314
Accrued liabilities and expenses	658,142	241,389
Accrued severance costs	—	184,000
Income tax payable—184,000	12,649	—
Payable to joint venture partner (Note 8)	727,706	632,687
Other liabilities (Note 12)	223,757	—
Total Current Liabilities	2,797,877	1,787,390
COMMITMENTS AND CONTINGENCIES (Notes 14 and 19)		

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STOCKHOLDERS' EQUITY (Notes 14, 15, 16, 17 and 22)

Common stock, \$0.01 par value; 300,000,000 shares authorized, 115,110,157 and 105,929,762 shares issued and outstanding, respectively	1,151,101	1,059,297
Additional paid-in capital	105,004,910	98,358,340
Deficit accumulated during exploration stage	(67,894,484)	(61,322,505)
Other comprehensive income	1,218,471	1,430,889
Total Stockholders' Equity	39,479,998	39,526,021
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$42,277,875	\$41,313,411

** Derived from the audited financial statements for the year ended October 31, 2010.

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

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

	Three Months Ended July 31,		Nine Months Ended July 31,		Period from November 8, 1993 (Inception) to July 31, 2011
	2011	2010	2011	2010	
REVENUES	\$—	\$ —	\$—	\$ —	\$—
EXPLORATION AND PROPERTY HOLDING COSTS					
Exploration and property holding costs	2,345,707				