Form **8937** (December 2017) Department of the Treasury

Internal Revenue Service

Report of Organizational Actions Affecting Basis of Securities

► See separate instructions.

OMB No. 1545-0123

Part I Reporting Issuer 2 Issuer's employer identification number (EIN) Issuer's name Silver Bull Resources, Inc. 91-1766677 3 Name of contact for additional information 4 Telephone No. of contact 5 Email address of contact **Christopher Richards** 604-687-5800 CRichards@silverbullresources.com 6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7 City, town, or post office, state, and ZIP code of contact 777 Dunsmuir Street, Suite 1610 Vancouver, BC V7X 1K4, Canada 8 Date of action 9 Classification and description **September 24, 2021** Common Stock 10 CUSIP number 11 Serial number(s) 12 Ticker symbol 13 Account number(s) **SVBL** Organizational Action Attach additional statements if needed. See back of form for additional guestions. Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ Please see attached statement Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► Please see attached statement Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► Please see attached statement

Pa	rt II	(Organizational Action (continued	4)				<u> </u>
17			applicable Internal Revenue Code sectio		ne tax treatment	t is based ▶	Please se	e attached statem
18	Can	any	resulting loss be recognized? ► Pleas	e see attached statement				
19	Prov	ide	any other information necessary to imple	ement the adjustment, such as the re	portable tax ye	ar ▶ <u>Pleas</u>	e see attache	d statement
			penalties of perjury, I declare that have exact it is true, correct, and complete Declaration of					
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	. –	ا ت	Firm's address ► 700-850 2nd St. SW,	Calgary, AB Canada T2P 0R8			Phone no.	403-267-1700

Silver Bull Resources, Inc. 91-1766677 Attachment to Form 8937

This information does not constitute tax advice, nor does it purport to be complete or to describe the consequences that may apply to particular categories of shareholders.

Shareholders are urged to consult their own legal, financial or tax advisor with respect to their individual tax consequences relating to this organizational action.

Part II - Line 14:

On September 24, 2021, Silver Bull Resources, Inc. ("Silver Bull") distributed 34,547,838 shares of Arras Minerals Corp. ("Arras") common stock ("Arras Stock") valued at \$0.394 per share to its shareholders. Silver Bull shareholders received one common share of Arras Stock for each share of Silver Bull common stock held. No fractional shares were distributed nor was any cash paid in lieu of fractional shares.

Part II - Line 15:

In general, a distribution is treated as a taxable dividend to the extent of current and accumulated earnings and profits ("E&P"). A distribution in excess of E&P is treated as a non-taxable distribution and reduces the adjusted basis of the stock. Silver Bull has reasonably determined that a portion of the distribution is likely be treated as a section 301(c)(2) return of basis for U.S. federal income tax purposes due to insufficient positive current and accumulated earnings and profits for the year ended October 31, 2021.

Generally, the portion of a distribution on common stock that is treated as a return of basis reduces the tax basis in the shares of the common stock up to a holder's adjusted basis in the common stock, with any excess treated as capital gains pursuant to section 301(c)(3). Shareholders should consult with their tax advisers regarding their particular circumstances.

Silver Bull has determined that \$0.32 of the Arras Stock received with respect to a share of Silver Bull stock should be treated a dividend from earnings and profits (which has no effect on basis) and \$0.074 of the Arras Stock received with respect to a share of Silver Bull stock should be treated as a return of basis (but not below zero). Accordingly, Silver Bull shareholders should reduce their adjusted basis in each Silver Bull share by \$0.074 (but not below zero).

Part II - Line 16:

The fair market value of one share of Arras Stock on September 24, 2021 was \$0.394.

Part II - Line 17:

Section 301(c)(1)-(2); section 316.

Part II - Line 18:

No loss may be recognized as a result of the distribution.

Part II Line 19:

The stock basis adjustment will be taken into account in the tax year of the shareholder during which the distribution occurred. This will be 2021 for calendar year taxpayers.

This distribution is described in full in Silver Bull's press release, dated September 27, 2021, available at www.silverbullresources.com.