S Y BANCORP INC
Form 8-K
December 20, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities

Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 19, 2012**

S.Y. BANCORP, INC.

(Exact name of registrant as specified in its charter)

Kentucky	**1-13661**	**61-1137529**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

1040 East Main Street, Louisville, Kentucky 40206

(Address of principal executive offices)

(502) 582-2571

(Registrant s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

x Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 **Entry into a Material Definitive Agreement.**

Agreement and Plan of Merger

On December 19, 2012, S.Y. Bancorp, Inc. (SYB), Sanders Merger Sub, Inc., a wholly owned subsidiary of SYB (Merger Sub), and The Bancorp, Inc. (Bancorp) entered into an Agreement and Plan of Merger (the Merger Agreement). The Merger Agreement provides that, upon the terms and subject to the conditions set forth in the Merger Agreement, Bancorp will merge with and into Merger Sub, with Merger Sub continuing as the surviving corporation and as a wholly owned subsidiary of SYB (the Merger). The Merger has been approved by the boards of directors of each of SYB and Bancorp. The Merger Agreement also contemplates that, immediately following the Merger, Merger Sub will merge with and into SYB, with SYB continuing as the surviving corporation (the Holding Company Merger) and that immediately following the Holding Company Merger, THE BANK Oldham County, Inc., a wholly-owned bank subsidiary of Bancorp, will merge with and into Stock Yards Bank & Trust Company, a wholly-owned bank subsidiary of SYB, with Stock Yards Bank & Trust Company continuing as the surviving bank.

At the effective time of the Merger, each outstanding share of Bancorp common stock will be converted into the right to receive, without interest, (i) $185.81 in cash and (ii) 12.7557 shares of SYB common stock (collectively, the Merger Consideration). The cash portion of the Merger Consideration is subject to reduction if Bancorp s adjusted shareholders equity three days prior to the effective time of the Merger (calculated in accordance with the Merger Agreement) is less than $17.86 million. Each outstanding option to acquire shares of Bancorp common stock (each, a Bancorp Stock Option) that is vested and unexercised immediately prior to the effective time of the Merger will be canceled in exchange for the right to receive an amount in cash, without interest, equal to the spread between the exercise price of such Bancorp Stock Option and the all-cash value of the Merger Consideration at the effective time of the Merger (after giving effect to the adjustment described above, if any). The Merger is intended to qualify as a tax-free reorganization for U.S. federal income tax purposes.

SYB and Bancorp have made customary representations, warranties and covenants in the Merger Agreement including, among others, covenants by Bancorp (i) regarding the operations of Bancorp s business in the ordinary course during the interim period between the execution of the Merger Agreement and the consummation of the Merger, (ii) relating to the obligation of its board of directors to recommend that Bancorp s shareholders vote in favor of the approval and adoption of the Merger Agreement and the transactions contemplated thereby, and (iii) not to solicit alternative transactions or, subject to certain exceptions, enter into discussions concerning, or provide confidential information in connection with, any alternative transaction.

The obligations of SYB and Bancorp to consummate the Merger are subject to a number of conditions, including among others: (i) approval of the Merger by the shareholders of Bancorp; (ii) receipt of required regulatory approvals, without the imposition of conditions or requirements upon SYB that would materially reduce the benefits of the proposed transaction or restrict or burden the business or operations of SYB; (iii) the effectiveness of the registration statement for the SYB common stock to be issued in the Merger; (iv) dissenting shares

representing less than 10% of the outstanding shares of Bancorp common stock; (v) THE BANK Oldham County, Inc. having core deposits of not less than $80,000,000 as of the close of business on the third business day immediately preceding the closing date of the Merger; (vi) the absence of any injunction or decree preventing or making illegal consummation of the Merger or any of the other transactions contemplated by the Merger Agreement; and (vii) subject to certain exceptions, the accuracy of the representations and warranties and compliance with the covenants of each party.

The Merger Agreement may be terminated, before or after receipt of shareholder approval, in certain circumstances, including: (i) upon the mutual consent of the parties; (ii) by either party if the Merger is not consummated on or before July 31, 2013; (iii) by either party upon failure to obtain any required regulatory approval or permanent withdrawal of an application for regulatory approval at the request of the applicable regulator; (iv) by either party if the shareholders of Bancorp fail to approve the Merger Agreement; (v) by SYB if Bancorp s board of directors fails to recommend that the Bancorp shareholders approve the Merger Agreement and the Merger or changes such recommendation; or (vi) by SYB or Bancorp (provided that Bancorp has complied with the non-solicitation provisions set forth in the Merger Agreement and pays the applicable termination fee prior to such termination) if Bancorp s board of directors approves or enters into an agreement with respect to an alternative third party acquisition proposal.

In addition, the Merger Agreement provides that if the volume weighted average price per share of SYB s common stock for the twenty consecutive trading days immediately preceding the first date on which all regulatory approvals have been received and Bancorp s shareholders have approved the Merger Agreement has declined by more than 15% from the volume weighted average price per share of SYB s common stock for the twenty consecutive trading days immediately preceding the date of the execution of the Merger Agreement, and SYB s common stock underperforms the NASDAQ Bank Index by more than 15% during such period, Bancorp may terminate the Merger Agreement unless SYB elects to increase the stock portion of the Merger Consideration to offset any reduction in the value of the Merger Consideration that exceeds the 15% decline permitted by the Merger Agreement.

The Merger Agreement further provides that, in connection with the termination of the Merger Agreement under specified circumstances, SYB or Bancorp will be required to pay the other a termination fee of $750,000 or reimburse the other for all reasonable, documented out-of-pocket expenses (up to a maximum of $250,000) incurred by such party in connection with the Merger Agreement.

A copy of the Merger Agreement is attached hereto as Exhibit 2.1 and is incorporated herein by reference. The foregoing description of the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Merger Agreement. The Merger Agreement has been included to provide investors and security holders with information regarding its terms. It is not intended to provide any other factual information about SYB, Bancorp or their respective subsidiaries or affiliates. The representations, warranties and covenants contained in the Merger Agreement were made only for purposes of that agreement and as of specific dates, were solely for the benefit of the parties to the Merger Agreement, may

be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the Merger Agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Investors are not third-party beneficiaries under the Merger Agreement and should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of SYB or Bancorp or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Merger Agreement, which subsequent information may or may not be fully reflected in SYB s public disclosures.

Voting and Support Agreement

As an inducement for SYB and Merger Sub to enter into the Merger Agreement, each director and executive officer of Bancorp who owns shares of Bancorp common stock, reflecting an aggregate of approximately 20% of the outstanding shares of Bancorp common stock, entered into a Voting and Support Agreement with SYB pursuant to which they agreed, among other things, (i) to vote all shares of Bancorp common stock beneficially owned by them in favor of adoption and approval of the Merger Agreement and the proposed transaction and against any alternative transactions and (ii) not to transfer the shares of Bancorp common stock beneficially owned by them prior to the termination of the Voting and Support Agreement. In addition, each non-employee director of Bancorp agreed to refrain from competing with SYB and from soliciting customers and employees of Bancorp for the period between the date of the Voting and Support Agreement and the effective time of the Merger (except for service on the board of directors of Bancorp) and for a period of one year following the effective time of the Merger.

The form of Voting and Support Agreement is included as Exhibit A to the Merger Agreement which is attached hereto as Exhibit 2.1. The foregoing description of the Voting and Support Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Voting and Support Agreement.

Item 8.01 Other Events.

On December 19, 2012, SYB issued a press release announcing the execution of the Merger Agreement. A copy of the press release is attached as Exhibit 99.1 hereto and is incorporated by reference herein. For additional information about the proposed transaction, see Item 1.01 of this Current Report on Form 8-K.

Forward Looking Statements

This report contains forward-looking statements under the Private Securities Litigation Reform Act of 1995 regarding SYB, Bancorp, and the proposed business combination transaction between SYB and Bancorp. These forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements. Words such as anticipate, believe, could, estimate, expect, may, plan, will, would and other

similar expressions are intended to identify these forward-looking statements. Such risks and uncertainties include, but are not limited to, the following: the risk that the expected cost savings, synergies and other financial benefits from the proposed acquisition might not be realized within the expected time frame or at all; the ability to promptly and effectively integrate the business of Bancorp into that of SYB; the possibility that the merger does not close when expected or at all because required regulatory, shareholder or other approvals and other conditions to closing are not received or satisfied on a timely basis or at all; and the reaction of customers and employees to the proposed transaction. For more information, see the risk factors described in SYB s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission (the SEC). Forward-looking statements speak only as of the date they are made and none of SYB, Merger Sub, or their affiliates assumes any duty to update forward looking statements to reflect events or circumstances that occur after the date on which such statements were made.

Important Additional Information

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. This communication is being made in respect of a proposed business combination transaction involving SYB and Bancorp. In connection with the proposed transaction, SYB intends to file with the SEC a registration statement on Form S-4 to register the shares of SYB common stock issuable in the transaction. The registration statement will contain a proxy statement/prospectus to be distributed to the shareholders of Bancorp in connection with their vote on the proposed transaction. BEFORE MAKING ANY INVESTMENT DECISION REGARDING THE PROPOSED TRANSACTION, SHAREHOLDERS OF BANCORP ARE URGED TO READ ALL FILINGS MADE BY SYB IN CONNECTION WITH THE TRANSACTION, INCLUDING THE REGISTRATION STATEMENT AND THE PROXY STATEMENT/PROSPECTUS THAT WILL BE PART OF THE REGISTRATION STATEMENT, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. The final proxy statement/prospectus will be mailed to shareholders of Bancorp. Shareholders may obtain copies of all documents filed with the SEC regarding this transaction, free of charge, at the SEC s website (www.sec.gov) and by accessing SYB s website (www.syb.com) under the heading Investor Relations and then under the link SEC Filings . These documents may also be obtained free of charge from SYB by requesting them in writing to S.Y. Bancorp, Inc., P.O. Box 32890, Louisville, Kentucky 40232-2890; Attention: Nancy B. Davis, or by telephone at (502) 625-9176.

The directors, executive officers and certain other members of management and employees of SYB may be deemed to be participants in the solicitation of proxies in favor of the proposed transaction from the shareholders of Bancorp. You can find information about SYB s executive officers and directors in SYB s Annual Report on Form 10-K filed with the SEC on February 29, 2012 (as it may be amended from time to time) and its definitive proxy statement filed with the SEC on March 23, 2012. The directors, executive officers and certain other members of management and employees of Bancorp may also be deemed to be participants in the solicitation of proxies in favor of the proposed transaction from the shareholders of Bancorp. Information about the directors and executive officers of Bancorp will be included in the proxy

statement/prospectus for the proposed transaction. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the proxy statement/prospectus regarding the proposed transaction when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.

Item 9.01 Financial Statements and Exhibits.

(d) *Exhibits*.

Exhibit No.	Description of Exhibits
2.1	Agreement and Plan of Merger, dated as of December 19, 2012, by and among S.Y. Bancorp, Inc., Sanders Merger Sub, Inc. and The Bancorp, Inc.*
99.1	Press release, dated December 19, 2012, regarding the acquisition of The Bancorp, Inc.

* All schedules and certain exhibits to the Merger Agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. SYB hereby agrees to furnish supplementally a copy of any omitted schedule or exhibit to the Securities and Exchange Commission upon request.

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 hereunto duly authorized.

Date: December 20, 2012

S.Y. BANCORP, INC.

By: /s/Nancy B. Davis
Nancy B. Davis
Executive Vice President, Treasurer and Chief Financial Officer

t, we will need to overcome various hurdles, including the completion of favorable feasibility studies, issuance of necessary permits, and the ability to raise further capital to fund activities. There can be no assurance that we will be successful in overcoming these risks. Because of our focus on the Sierra Mojada Project, the success of our operations and our profitability may be disproportionately exposed to the impact of adverse conditions unique to the Torreon, Mexico region, as the Sierra Mojada Project is located 250 kilometers north of this area.

Due to our history of operating losses, we are uncertain that we will be able to maintain sufficient cash to accomplish our business objectives.

During the years ended October 31, 2012 and October 31, 2011, we suffered net losses of $13,360,411 and $12,237,360, respectively. At October 31, 2012, we had stockholders equity of $30,699,624 and working capital of $2,924,766. Significant amounts of capital will be required to continue to explore and potentially develop the Sierra Mojada concessions. We are not engaged in any revenue producing activities, and we do not expect to be

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in the near future. Currently, our sources of funding consist of the sale of additional equity securities, entering into joint venture agreements or selling a portion of our interests in our assets. There is no assurance that any additional capital that we will require will be obtainable on terms acceptable to us, if at all. Failure to obtain such additional financing could result in delays or indefinite postponement of further exploration of our projects. Additional financing, if available, will likely result in substantial dilution to existing stockholders.

Our exploration activities require significant amounts of capital that may not be recovered.

Mineral exploration activities are subject to many risks, including the risk that no commercially productive or extractable resources will be encountered. There can be no assurance that our activities will ultimately lead to an economically feasible project or that we will recover all or any portion of our investment. Mineral exploration often involves unprofitable efforts, including drilling operations that ultimately do not further our exploration efforts. The cost of mineral exploration is often uncertain and cost overruns are common. Our drilling and exploration operations may be curtailed, delayed or canceled as a result of numerous factors, many of which are beyond our control, including title problems, weather conditions, compliance with governmental requirements, including permitting issues, and shortages or delays in the delivery of equipment and services.

Our financial condition could be adversely affected by changes in currency exchange rates, especially between the U.S. dollar and the Mexican peso given our focus on the Sierra Mojada Project .

Our financial condition is affected in part by currency exchange rates, as portions of our exploration costs in Mexico and Gabon are denominated in the local currency. A weakening U.S. dollar relative to the Mexican peso will have the effect of increasing exploration costs while a strengthening U.S. dollar will have the effect of reducing exploration costs. The Gabon local currency is tied to the Euro. Some of our exploration activities in Mexico are tied to the peso. The exchange rates between the Euro and the U.S. dollar and between the peso and U.S. dollar have fluctuated widely in response to international political conditions, general economic conditions and other factors beyond our control. We seek to mitigate exposure to foreign currency fluctuations holding a majority of our cash balances in U.S. dollars.

THE BUSINESS OF MINERAL EXPLORATION IS SUBJECT TO MANY RISKS:

There are inherent risks in the mineral exploration industry.

We are subject to all of the risks inherent in the minerals exploration industry including, without limitation, the following:

- we are subject to competition from a large number of companies, many of which are significantly larger than we are, in the acquisition, exploration, and development of mining properties;
- we might not be able to raise enough money to pay the fees and taxes and perform the labor necessary to maintain our concessions in good force;
- exploration for minerals is highly speculative, involves substantial risks and is frequently un-productive, even when conducted on properties known to contain significant quantities of mineralization, our exploration projects may not result in the discovery of commercially mineable deposits of ore;
- the probability of an individual prospect ever having reserves that meet the requirements for reporting under SEC Industry Guide 7 is remote and any funds spent on exploration may be lost;
- our operations are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection controls and we may not be able to comply with these regulations and controls; and

a large number of factors beyond our control, including fluctuations in metal prices, inflation, and other economic conditions, will affect the economic feasibility of mining.

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Metals prices are subject to extreme fluctuation.

Our activities are influenced by the prices of commodities, including silver, zinc, lead, gold, manganese and other metals. These prices fluctuate widely and are affected by numerous factors beyond our control, including interest rates, expectations for inflation, speculation, currency values (in particular the strength of the U.S. dollar), global and regional demand, political and economic conditions and production costs in major metal producing regions of the world.

Our ability to establish reserves through our exploration activities, our future profitability and our long-term viability, depend, in large part, on the market prices of silver, zinc, lead, gold, and other metals. The market prices for these metals are volatile and are affected by numerous factors beyond our control, including:

- global or regional consumption patterns;
- supply of, and demand for, silver, zinc, lead, gold, manganese and other metals;
- speculative activities and producer hedging activities;
- expectations for inflation;
- political and economic conditions; and
- supply of, and demand for, consumables required for production.

Future weakness in the global economy could increase volatility in metals prices or depress metals prices, which could in turn reduce the value of our properties, make it more difficult to raise additional capital, and make it uneconomical for us to continue our exploration activities.

There are inherent risks with foreign operations.

Our business activities are primarily conducted in Mexico, and we also hold interests in Gabon, and as such, our activities are exposed to various levels of foreign political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labor unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, changing political conditions, currency controls and governmental regulations that favor or require the rewarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Mexico and/or Gabon may adversely affect our exploration and possible future development activities. We may also be affected in varying degrees by government regulations with respect to, but not limited to, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on our operations. In addition, legislation in the U.S., Canada, Mexico and/or Gabon regulating foreign trade, investment and taxation could have a material adverse effect on our financial condition.

Our Sierra Mojada Project is located in Mexico and is subject to various levels of political, economic, legal and other risks.

The Sierra Mojada Project, our primary focus, is in Mexico. In the past, Mexico has been subject to political instability, changes and uncertainties, which have resulted in changes to existing governmental regulations affecting mineral exploration and mining activities. Mexico s status as a developing country may make it more

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difficult for us to obtain any required financing for the Sierra Mojada Project or other projects in Mexico in the future. Our Sierra Mojada Project is also subject to a variety of governmental regulations governing health and worker safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters. Mexican regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards.

Our exploration activities in Mexico may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase the costs related to the Sierra Mojada Project. Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect our financial condition. Expansion of our activities will be subject to the need to obtain sufficient access to adequate supplies of water, assure the availability of sufficient power, as well as sufficient surface rights which could be affected by government policy and competing operations in the area.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on our financial condition. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration activities with the Sierra Mojada Project or in respect to any other projects in which we become involved in Mexico. Any failure to comply with applicable laws and regulations, even if inadvertent, could result in the interruption of exploration operations or material fines, penalties or other liabilities.

Title to our properties may be challenged or defective.

Our future operations, including our activities at the Sierra Mojada Project and other exploration activities, will require additional permits from various governmental authorities. Our operations are and will continue to be governed by laws and regulations governing prospecting, mineral exploration, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, mining royalties and other matters. There can be no assurance that we will be able to acquire all required licenses, permits or property rights on reasonable terms or in a timely manner, or at all, and that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties.

We attempt to confirm the validity of our rights of title to, or contract rights with respect to, each mineral property in which we have a material interest. However, we cannot guarantee that title to our properties will not be challenged. The Sierra Mojada property may be subject to prior unregistered agreements, interests or native land claims, and title may be affected by undetected defects. There may be valid challenges to the title of any of the claims comprising the Sierra Mojada property that, if successful, could impair possible development and/or operations with respect to such properties in the future. Challenges to permits or property rights, whether successful or unsuccessful; changes to the terms of permits or property rights; or a failure to comply with the terms of any permits or property rights that have been obtained, could have a material adverse effect on our business by delaying or preventing or making continued operations economically unfeasible.

A title defect could result in Silver Bull losing all or a portion of its right, title, and interest in and to the properties to which the title defect relates. Title insurance generally is not available, and our ability to ensure that we have obtained secure title to individual mineral properties or mining concessions may be severely constrained. In addition, we may be unable to operate our properties as permitted or to enforce our rights with respect to our properties. We annually monitor the official land records in Mexico City to determine if there are annotations indicating the existence of a legal challenge against the validity of any of our concessions.

In addition, in connection with the purchase of certain mining concessions, the prior management of Silver Bull agreed to pay a net royalty interest on revenue from future mineral sales on certain concessions at the Sierra Mojada Project, including concessions on which a significant portion of our mineralized material is located. The aggregate amount payable under this royalty is capped at $6.875 million, an amount that will only be reached if there is significant future production from the concessions. In addition, records from prior management indicate

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that additional royalty interests may have been created, although the continued applicability and scope of these interests are uncertain. The existence of these royalty interests may have a material effect on the economic feasibility of potential future development of the Sierra Mojada project.

We are subject to complex environmental and other regulatory risks, which could expose us to significant liability and delay, and potentially the suspension or termination of our exploration efforts.

Our mineral exploration activities are subject to federal, state and local environmental regulation in the jurisdictions where our mineral properties are located. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. No assurance can be given that environmental standards imposed by these governments will not be changed, thereby possibly materially adversely affecting our proposed activities. Compliance with these environmental requirements may also necessitate significant capital outlays or may materially affect our earning power.

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. As a result of recent changes in environmental laws in Mexico, for example, more legal actions supported or sponsored by non-governmental groups interested in halting projects may be filed against companies operating in all industrial sectors, including the mining sector. Mexican projects are also subject to the environmental agreements entered into by Mexico, the United States and Canada in connection with the North American Free Trade Agreement.

Future changes in environmental regulation in the jurisdictions where our projects are located may adversely affect our exploration activities, make them prohibitively expensive, or prohibit them altogether. Environmental hazards may exist on the properties in which we currently hold interests, such as the Sierra Mojada Project, or may hold interests in the future, which are unknown to us at present and that have been caused by us or previous owners or operators, or that may have occurred naturally. We may be liable for remediating any damage that we may have caused. The liability could include costs for removing or remediating the release and damage to natural resources, including ground water, as well as the payment of fines and penalties.

We may face a shortage of water.

Water is essential in all phases of the exploration and development of mineral properties. It is used in such processes as exploration, drilling, leaching, placer mining, dredging, testing, and hydraulic mining. Both the lack of available water and the cost of acquisition may make an otherwise viable project economically impossible to complete. Although the work completed on the Sierra Mojada Project thus far indicates that an adequate supply of water can probably be developed in the area for a future mining operation, we will need to obtain sufficient access to available water if the project eventually warrants development into a mining operation.

We may face a shortage of supplies and materials.

The mineral industry has experienced from time to time shortages of certain supplies and materials necessary in the exploration for and evaluation of mineral deposits. The prices at which such supplies and materials are available have also greatly increased. Our planned operations could be subject to delays due to such shortages and further price escalations could increase our costs for such supplies and materials. Our experience and that of others in the industry is that suppliers are often unable to meet contractual obligations for supplies, equipment, materials, and services, and that alternate sources of supply do not exist.

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Competition for outside engineers and consultants is fierce.

We are heavily dependent upon outside engineers and other professionals to complete work on our exploration projects. The mining industry has experienced significant growth over the last several years and as a result, many engineering and consulting firms have experienced a shortage of qualified engineering personnel. We closely monitor our outside consultants through regular meetings and review of resource allocations and project milestones. However, the lack of qualified personnel combined with increased mining projects could result in delays in completing work on our exploration projects or result in higher costs to keep personnel focused on our project.

Our non-operating properties are subject to various hazards.

We are subject to risks and hazards, including environmental hazards, the encountering of unusual or unexpected geological formations, cave-ins, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or destruction of, mineral properties or future production facilities, personal injury or death, environmental damage, delays in our exploration activities, asset write-downs, monetary losses and possible legal liability. We may not be insured against all losses or liabilities, either because such insurance is unavailable or because we have elected not to purchase such insurance due to high premium costs or other reasons. Although we maintain insurance in an amount that we consider to be adequate, liabilities might exceed policy limits, in which event we could incur significant costs that could adversely affect our activities. The realization of any significant liabilities in connection with our activities as described above could negatively affect our activities and the price of our common stock.

We need and rely upon key personnel.

Presently, we employ a limited number of full-time employees, utilize outside consultants, and in large part rely on the personal efforts of our officers and directors. Our success will depend, in part, upon the ability to attract and retain qualified employees. We believe that we will be able to attract competent employees and consultants, but no assurance can be given that we will be successful in this regard. If we are unable to engage and retain the necessary personnel, our business would be materially and adversely affected. Competition for these professionals is extremely intense.

RISKS RELATING TO OUR COMMON STOCK, THE UNITS AND THIS OFFERING:

Further equity financings may lead to the dilution of our common stock.

In order to finance future operations, we may raise funds through the issuance of our common stock or the issuance of debt instruments or other securities convertible into our common stock. We cannot predict the size of future issuances of our common stock or the size and terms of future issuances of debt instruments or other securities convertible into our common stock or the effect, if any, that future issuances and sales of our securities will have on the market price of our common stock. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into our common stock, would result in dilution, possibly substantial, to present and prospective security holders.

You will experience immediate and substantial dilution in the net tangible book value per share of the common stock you purchase.

Since the price per share of our common stock together with warrants for the purchase of our common stock being offered is substantially higher than the net tangible book value per share of our common stock, you will suffer immediate dilution in the net tangible book value of the common stock you purchase in this Offering. After giving effect to the sale of 22,750,000 shares of our common stock together with warrants in this offering at the public offering price of $0.40 per share, and after deducting the placement agent fees and estimated offering expenses payable by us, you will experience immediate dilution of approximately $0.27 per

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share, representing the difference between our as adjusted net tangible book value per share as of October 31, 2012 after giving effect to this offering and the public offering price. See the section entitled Dilution for a more detailed discussion of the dilution you will incur if you purchase securities in this offering.

No dividends are anticipated.

At the present time we do not anticipate paying dividends, cash or otherwise, on our common stock in the foreseeable future. Future dividends will depend on our earnings, if any, our financial requirements and other factors. There can be no assurance that we will pay dividends.

Our stock price can be extremely volatile.

Our common stock is listed on the TSX and NYSE MKT. The trading price of our common stock has been and could continue to be subject to wide fluctuations in response to announcements of our business developments, results and progress of our exploration activities at the Sierra Mojada Project and in Gabon, progress reports on our exploration activities, and other events or factors. In addition, stock markets have experienced extreme price volatility in recent years. This volatility has had a substantial effect on the market prices of companies, at times for reasons unrelated to their operating performance. These fluctuations could be in response to:

- volatility in metal prices;
- political developments in the foreign countries in which our properties, or properties for which we perform services, are located; and
- news reports relating to trends in our industry or general economic conditions.

These broad market and industry fluctuations may adversely affect the price of our stock, regardless of our operating performance.

We cannot make any predictions or projections as to what the prevailing market price for our common stock will be at any time, including as to whether our common stock will sustain market prices at or near the offering price, or as to what effect the sale of shares or the availability of our common stock for sale at any time will have on the prevailing market price.

There is no public market for the warrants to purchase shares of our common stock being offered in this Offering.

There is no established public trading market for the warrants being offered in this Offering, and we do not expect a market to develop. In addition, we do not intend to apply to list the warrants on the NYSE MKT or any other national securities exchange or other nationally recognized trading system. Without an active market, the liquidity of the warrants will be limited.

Our management team may invest or spend the proceeds of this Offering in ways with which you may not agree or in ways which may not yield a significant return.

Our management will have broad discretion over the use of proceeds from this Offering. We intend to use the net proceeds from this Offering for the preparation of a resource update, metallurgical studies, commencement of a Preliminary Economic Assessment and general working capital requirements with respect to advancement of the Sierra Mojada Project. For a more detailed discussion, see *Use of Proceeds* below. Our management will have considerable discretion in the application of the net proceeds, and you will not have the opportunity, as part of your investment decision, to assess whether the proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not increase our operating results or enhance the value of our common stock.

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Holders of our warrants will have no rights as a common stockholder until such holders exercise their warrants and acquire our common stock.

Until holders of the warrants acquire shares of our common stock upon exercise of the warrants, holders of the warrants will have no rights with respect to the shares of our common stock underlying such warrants. Upon exercise of the warrants, the holders thereof will be entitled to exercise the rights of a common stockholder only as to matters for which the record date occurs after the exercise date.

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USE OF PROCEEDS

We estimate that the net proceeds from this Offering will be approximately $8,379,000, based on the public offering price of $0.40 per unit, after deducting the agency commissions of $471,000 and estimated offering expenses of $250,000. If the over-allotment option is exercised in full, the gross public offering price, agency commissions and proceeds, before expenses (as set out on the cover page of this prospectus supplement) to us will be, $10,010,000, $525,600 and $9,484,400, respectively.

We intend to use the net proceeds from this Offering for the preparation of a resource update, metallurgical studies, commencement of a Preliminary Economic Assessment and general working capital requirements with respect to advancement of the Sierra Mojada Project. In January 2013, our board of directors approved a calendar year exploration budget of $3.7 million for the Sierra Mojada Project, and a $2 million budget for general and administrative expenses. Depending on the size of the Offering, the amount of funds spent on the Sierra Mojada Project may exceed the board s approved budget as we accelerate work that would otherwise be planned for later periods. We do not anticipate using any material portion of the proceeds of the Offering in any activities related to our Gabon properties.

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DILUTION

The net tangible book value of our common stock on October 31, 2012 was approximately $12,204,593 or approximately $0.09 per share, based on 136,160,157 shares of our common stock outstanding as of October 31, 2012. Net tangible book value per share represents the amount of our total tangible assets, less our total liabilities, divided by the total number of shares of our common stock outstanding. Dilution in net tangible book value per share to new investors represents the difference between the amount per share paid by purchasers of shares of our common stock and warrants in this offering and the net tangible book value per share of our common stock immediately afterwards.

After giving effect to the sale of up to 22,750,000 shares of our common stock together with warrants for the purchase of up to 11,375,000 shares of our common stock in this offering at the public offering price of $0.40 per unit, and after deducting the placement agent commissions and estimated offering expenses payable by us, our as adjusted net tangible book value as of October 31, 2012 would have been approximately $20,583,593, or $0.13 per share. This represents an immediate increase in net tangible book value of up to $0.04 per share to existing stockholders and immediate dilution in net tangible book value of up to $0.27 per share to new investors purchasing our securities in this offering at the public offering price.

The following table illustrates this per share dilution:

Public offering price per unit	$ 0.40
Net Tangible book value per share as of October 31, 2012	$ 0.09
Increase in net tangible book value per share attributable to this offering [1]	$ 0.04
Pro Forma net tangible book value per share as of October 31, 2012, after giving effect to this offering [1]	$ 0.13
Dilution per share to new investors in this offering	$ 0.27

[1] Assuming issuance of the maximum number of shares of common stock of 22,750,000.

The number of shares of our common stock to be outstanding immediately after this offering is based on 136,160,157 shares of our common stock outstanding as of October 31, 2012. The number of outstanding shares excludes as of October 31, 2012:

- 7,530,002 shares of our common stock reserved for issuance upon the exercise of outstanding stock options granted pursuant to our various employee incentive plans at exercises prices ranging from $0.44 to $2.18
- 90,000 shares of our common stock reserved for issuance upon the exercise of outstanding warrants at an exercise price of $0.34; and
- shares of our common stock issuable upon the exercise of the warrants to be sold in this offering or issuable upon exercise of the Agents compensation warrants.

The number of outstanding shares also excludes any shares of our common stock, and shares of our common stock issuable upon exercise of warrants, issued in relation to the exercise of the over-allotment option.

To the extent that outstanding options or warrants are exercised, investors purchasing our securities in this offering will experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

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DESCRIPTION OF SECURITIES BEING OFFERED

In this Offering, we are offering units consisting of an aggregate of up to 22,750,000 shares of our common stock and warrants to purchase an aggregate of up to 11,375,000 shares of our common stock. Each unit consists of one share of our common stock and half of a warrant to purchase a share of our common stock at an exercise price of $0.55 per share. Units will not be issued or certificated. The shares of our common stock and the warrants will be issued separately but will be purchased together in this Offering. In addition to registering the shares of our common stock issuable upon the settlement of this offering, we are also registering the shares of our common stock issuable upon exercise of the warrants offered hereby and the shares underlying the Agents compensation warrants.

The Company shall also issue to the Agents, upon the closing of the Offering, compensation warrants equal in number to 6.0% of the aggregate number of units issued under the Offering, including any pursuant to the exercise of the over-allotment option, except units sold to purchasers arranged by the Company, on which the Agents will be granted warrants equal to 3.0% of the number of units sold to such purchasers (to a maximum number of units corresponding to gross proceeds of $2.5 million). Each compensation warrant will entitle the Agents to purchase one share of our common stock on the same terms and at the same exercise price as the warrants purchased in the offering.

Common Stock

The material terms and provisions of our common stock are described under the caption *Description of Common Stock* starting on page 21 in the accompanying base prospectus.

Warrants

In connection with the Offering, we are offering warrants to purchase up to 11,375,000 shares of our common stock. Each whole warrant entitles the holder to purchase one share of our common stock at an exercise price of $0.55 per share. After the expiration of the exercise period, warrant holders will have no further rights to exercise such warrants.

Description of Terms of Warrants

The following is a brief summary of certain terms and conditions of the warrants and is subject in all respects to the provisions contained in the warrants.

Form. The warrants will be issued as certificated warrants pursuant to one or more warrant agreements executed by us. You should review a copy of the form of warrant agreement, which will be filed with the SEC by us as an exhibit to a Current Report on Form 8-K in connection with this Offering, for a complete description of the terms and conditions applicable to the warrants.

Exercisability. The warrants are exercisable beginning at the time of their issuance and at any time up to the date that is 18 months after their original issuance. The warrant holders must provide payment of the exercise price of the shares being acquired upon exercise of the warrants in cash, except in limited circumstances in which a cashless exercise may be permitted. No fractional shares of our common stock will be issued in connection with the exercise of a warrant.

Conversion Election. In certain circumstances where registered shares are not available for delivery upon the exercise of a warrant, the Company or the holder of a warrant may elect to effect the net exercise of a warrant, whereby in lieu of cash delivery by the holder to the Company and assuming that the fair market value of the underlying shares is in excess of the exercise price, the Company will deliver to the holder the net number of shares equal to their fair market value above the exercise price.

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Fundamental Transactions. If the Company enters into a fundamental transaction, including a merger, a disposition of all or substantially all assets or an other change in control, either (i) the Company will cause the successor entity to assume in writing, or will remain bound by, all of the all of the Company s obligations under the warrants, and the warrant agreement, or (ii) the Company or any successor entity may, purchase the warrants from the holders thereof by paying to the holders an amount of cash equal to the Black-Scholes value of the remaining unexercised portion of the warrants on the date of the consummation of such a transaction.

Exercise Limitation. The number of shares of our common stock that may be acquired by the registered holder upon any exercise of warrants shall be limited to the extent necessary to insure that, following such exercise, the total number of shares of our common stock then beneficially owned by such holder, and its affiliates and any other persons whose beneficial ownership of common stock would be aggregated with the holder s for purposes of Section 13(d) of the Exchange Act, does not exceed 9.999% of the total number of issued and outstanding shares of our common stock (including for such purpose the shares of our common stock issuable upon such exercise). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder.

Exercise Price. The exercise price per share of common stock purchasable upon exercise of the warrants is $0.55 per share of common stock. The exercise price is subject to appropriate adjustment in the event of certain stock dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our common stock and also upon any distributions of assets, including cash, stock or other property to our stockholders.

Transferability. Subject to applicable laws, the warrants may be offered for sale, sold, transferred or assigned without our consent.

Exchange Listing. We do not plan on applying to list the warrants on the NYSE MKT or the TSX, any other national securities exchange or any other nationally recognized trading system.

Rights as a Stockholder. Except as otherwise provided in the warrants or by virtue of such holder s ownership of shares of our common stock, the holder of a warrant does not have the rights or privileges of a holder of our common stock, including any voting rights, until the holder exercises the warrant.

Amendments. The warrant agreement may be amended at the discretion of the company and the warrant agent without the consent of any registered holder for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision or adding or changing any other provisions as questions arise under the warrant agreement, so long as such changes do not adversely affect the interest of the registered holders. All other modifications or amendments shall require the written consent of the beneficial owners of a majority of the then outstanding warrants.

Severability. The warrant agreement shall be deemed severable, and the invalidity or unenforceability of any term or provision thereof shall not affect the validity or enforceability of the entire warrant agreement or of any other term or provision thereof. Furthermore, in lieu of any such invalid or unenforceable term or provision, there shall be added as a part of the warrant agreement a provision as similar in terms to such invalid or unenforceable provision as may be possible and be valid and enforceable.

Warrants Received by Agents as Compensation

The Company shall issue to the Agents, upon the closing of the Offering, compensation warrants equal in number to 6.0% of the aggregate number of units issued under the Offering, including any pursuant to the exercise of the over-allotment option, except units sold to purchasers arranged by the Company, on which the Agents will be granted warrants equal to 3.0% of the number of units sold to such purchasers (to a maximum number of units corresponding to gross proceeds of $2.5 million). Each compensation warrant will entitle the Agents to purchase one share of common stock on the same terms and at the same exercise price as the warrants purchased in the offering.

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The compensation warrants and the shares of our common stock underlying such warrants are deemed to be underwriting compensation by FINRA and are therefore subject to a 180-day lock-up pursuant to FINRA Rule 5110(g)(1). The Agents will not sell, transfer, assign, pledge or hypothecate their warrants or the securities underlying these warrants, nor will they engage in any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of these warrants or the underlying securities for a period of 180 days from the effective date of the registration statement of which this prospectus forms a part, except to any agent and selected dealer participating in the offering and their bona fide officers or partners.

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U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a general summary of the material U.S. federal income tax consequences of the purchase, ownership, and disposition of our units, common stock and warrants, but does not purport to be a complete analysis of all the potential tax consequences relating thereto. This summary is based on the Internal Revenue Code of 1986, as amended (the Code), the U.S. Treasury regulations promulgated thereunder, the United States-Canada tax treaty as in effect on the date of the Offering, and administrative rulings and judicial decisions, all as in effect on the date hereof, and all of which are subject to change or differing interpretations, possibly on a retroactive basis. This summary is limited to holders that hold our common stock and warrants that comprise the units as capital assets within the meaning of Section 1221 of the Code (i.e., generally, as property held for investment purposes). This summary does not apply to holders that have special tax situations, including:

dealers in securities or currencies;

traders in securities;

U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;

persons holding common stock or warrants as part of a conversion, constructive sale, wash sale or other integrated transaction or a hedge, straddle or synthetic security;

persons subject to the alternative minimum tax;

certain former citizens or long-term residents of the United States.;

foreign governments or international organizations;

financial institutions;

controlled foreign corporations and passive foreign investment companies, and shareholders of such corporations;

real estate investment trusts;

insurance companies;

regulated investment companies and shareholders of such companies;

entities that are tax-exempt for U.S. federal income tax purposes and retirement plans, individual retirement accounts and tax-deferred accounts; and

pass-through entities, including partnerships and entities and arrangements classified as partnerships for U.S. federal tax purposes, and beneficial owners of pass-through entities.

The U.S. federal income tax treatment of a partner in a partnership (including an entity treated as a partnership for U.S. federal tax purposes) that holds our common stock or warrants generally will depend on the status of the partner and the activities of the partnership, and such partnerships and partners should consult their own tax advisors regarding the U.S. federal income tax consequences of the purchase, ownership, and disposition of our units, common stock and warrants.

This summary does not discuss all of the aspects of U.S. federal income taxation that may be relevant to a holder in light of the holder s particular investment or other circumstances. In addition, this summary does not discuss any U.S. state or local income, foreign income, estate, gift, generation-skipping or other tax consequences or (except as specifically addressed herein) the effect of any tax treaty.

We have not sought any ruling from the Internal Revenue Service (the IRS) with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with these statements and conclusions.

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WE URGE ALL PROSPECTIVE HOLDERS TO CONSULT THEIR TAX ADVISORS REGARDING THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. INCOME, ESTATE AND OTHER TAX CONSEQUENCES OF ACQUIRING, HOLDING AND DISPOSING OF OUR COMMON STOCK AND WARRANTS.

General

Each unit should be treated for U.S. federal income tax purposes as an investment unit consisting of one share of our common stock and half a warrant to acquire a share of our common stock; a whole warrant is required to acquire a share of our common stock. The purchase price paid for each unit must be allocated between the share of our common stock and the half warrant based on their respective relative fair market values. We will determine this allocation based upon our determination, which we will complete following the closing of the Offering, of the relative values of the warrants and of our common stock. This allocation will be reported to any person to which we transfer investment units that acts as a custodian of securities in the ordinary course of its trade or business, or that effects sales of securities by others in the ordinary course of its trade or business, and may be reported to the IRS by such persons. This allocation is not binding on you, the IRS or the courts. Prospective investors are urged to consult their tax advisors regarding the U.S. federal income tax consequences of an investment in a unit, and the allocation between the share of our common stock and the warrant of the purchase price paid for a unit.

Taxation of U.S. Holders

The following is a summary of the material U.S. federal income tax consequences to U.S. Holders (as defined below) of the ownership and disposition of the shares of our common stock and warrants purchased in the Offering.

Definition of U.S. Holder

As used in this prospectus, the term U.S. Holder means a beneficial owner of our common stock or warrants that is for U.S. federal income tax purposes:

- a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in, or under the laws of, the United States or any political subdivision of the United States;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if either (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) such trust has made a valid election under applicable Treasury regulations to be treated as a U.S. person.

Dividends and Other Distributions on Shares of Common Stock

We do not expect to pay dividends in the foreseeable future. However, distributions on shares of our common stock (including distributions on shares of our common stock received upon exercise of a warrant), and any constructive distributions a U.S. Holder may be deemed to receive (see U.S. Holders Adjustment to Exercise Price , below), will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current or accumulated earnings and profits, the excess will be treated first as a tax-free return of capital and will reduce (but not below zero) the U.S. Holder s adjusted tax basis in the common stock, and any remaining excess will be treated as capital gain from a sale or exchange of shares of our common stock, subject to the tax treatment described below in Sale, Exchange or Other Disposition of Shares of our Common Stock.

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Dividends received by a corporate U.S. Holder generally will qualify for the dividends received deduction if the requisite holding period is satisfied. With certain exceptions, and provided certain holding period requirements are met, dividends received by a non-corporate U.S. Holder generally will constitute qualified dividends that will be subject to tax at the maximum tax rate accorded to long-term capital gains.

Sale, Exchange or Other Disposition of Shares of Our Common Stock or Warrants

Upon the sale, exchange or other disposition of shares of our common stock or warrants, including common stock received upon exercise of a warrant, a U.S. Holder will recognize gain or loss in an amount equal to the difference between the amount realized upon such event and the U.S. Holder s adjusted tax basis in such shares of common stock or warrants. Generally, such gain or loss will be capital gain or loss. Any such capital gain or loss will be long-term capital gain or loss if the U.S. Holder s holding period for the shares or warrants exceeds one year, and will otherwise be short-term capital gain or loss. The deductibility of capital losses is subject to certain limitations.

Tax Rates Applicable to Ordinary Income and Capital Gains

Ordinary income and short-term capital gains of non-corporate U.S. Holders are generally taxable at rates of up to 39.6%. Long-term capital gains of non-corporate U.S. Holders are currently subject to rates up to 20%.

Exercise or Lapse of Warrants

Except as discussed below with respect to the net exercise of a warrant (referred to herein as a cashless exercise), upon the exercise of a warrant, a U.S. Holder will not recognize gain or loss and will have a tax basis in the common stock received equal to the U.S. Holder s tax basis in the warrant plus the exercise price of the warrant. The holding period for the common stock received pursuant to the exercise of a warrant will begin on the date following the date of exercise (or possibly the date of exercise) and will not include the period during which the U.S. Holder held the warrant. If a warrant is allowed to lapse unexercised, a U.S. Holder will recognize a capital loss in an amount equal to its tax basis in the warrant. Such loss will be long-term capital loss if the warrant has been held for more than one year as of the date the warrant lapsed. The deductibility of capital losses is subject to certain limitations.

Under certain circumstances, upon the exercise of a warrant, you or we may elect to settle the exercised warrant pursuant to a cashless exercise (see discussion above in Description of Securities Offered Description of Terms of Warrants Conversion Election). The tax consequences of a cashless exercise of a warrant are not clear under current tax law. A cashless exercise may be tax-free (except with respect to any cash received in lieu of fractional shares) either because the exercise is not a gain recognition event or because the exercise is treated as a tax-free recapitalization for U.S. federal income tax purposes. In either tax-free situation, a U.S. Holder s tax basis in the common stock received would equal the U.S. Holder s tax basis in the warrant. If the cashless exercise were treated as a recapitalization, the holding period of the common stock would include the holding period of the warrant. If the cashless exercise were otherwise treated as not being a gain recognition event, the holding period in the shares of our common stock might be treated as commencing on the date following the date of exercise (or possibly the date of exercise) of the warrants. We expect to treat such an exchange as a tax-free recapitalization for U.S. federal income tax purposes.

It is possible, however, that a cashless exercise could be treated as a taxable exchange in which gain or loss would be recognized. In such event, a U.S. Holder could be deemed to have exchanged for cash equal to their fair market value a number of warrants having a value equal to the exercise price for the total number of warrants to be exercised. In this case, a U.S. Holder would recognize gain or loss in an amount equal to the difference between the fair market value of the warrants deemed surrendered to pay the exercise price and the U.S. Holder s tax basis in such warrants deemed surrendered. Alternatively, a U.S. Holder may recognize gain or loss in an amount equal to the fair market value of all the warrants surrendered in the exercise less the U.S. Holder s tax basis in such warrants. In either such case, any such gain or loss would be capital gain or loss, and would be

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long-term capital gain or loss if the U.S. Holder s holding period of the warrants at the time of the exchange exceeded one year, and the U.S. Holder s tax basis in the common stock received would equal the sum of the U.S. Holder s tax basis in the warrants deemed exercised plus the amount of gain recognized in the exchange. A U.S. Holder s holding period for the common stock received would commence on the date following the date of exercise (or possibly the date of exercise) of the warrants.

DUE TO THE ABSENCE OF AUTHORITY ON THE U.S. FEDERAL INCOME TAX TREATMENT OF A CASHLESS EXERCISE OF WARRANTS, THERE CAN BE NO ASSURANCE WHICH, IF ANY, OF THE ALTERNATIVE TAX CONSEQUENCES AND HOLDING PERIODS DESCRIBED ABOVE WOULD BE ADOPTED BY THE IRS OR A COURT. ACCORDINGLY, HOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF A CASHLESS EXERCISE OF WARRANTS.

Adjustment to Exercise Price

Under Section 305 of the Code, if certain adjustments are made (or not made) to the number of shares to be issued upon the exercise of a warrant or to the warrant s exercise price, a U.S. Holder may be deemed to have received a constructive distribution, which could result in the inclusion of dividend income.

Taxation of Non-U.S. Holders

The following is a summary of the material U.S. federal income tax consequences to Non-U.S. Holders (as defined below) of the ownership and disposition of the shares of our common stock and warrants purchased in the Offering.

Definition of Non-U.S. Holder

As used in this prospectus, the term Non-U.S. Holder means a beneficial owner of our common stock or warrants that is an individual, corporation, estate or trust that is not a U.S. Holder.

Distributions

We do not expect to pay dividends in the foreseeable future. However, distributions on shares of our common stock (including common stock received upon exercise of a warrant), and any constructive distributions a Non-U.S. Holder may be deemed to receive (see U.S. Holders Adjustment to Exercise Price , above), will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. If a distribution exceeds our current and accumulated earnings and profits, the excess will be treated first as a tax-free return of capital and will reduce (but not below zero) the Non-U.S. Holder s adjusted tax basis in the common stock, and any remaining excess will be treated as gain realized from the sale or exchange of the shares of our common stock, the treatment of which is described below under the section entitled Sale, Exchange or Other Disposition of Shares of Common Stock . Dividends paid to a Non-U.S. Holder generally will be subject to U.S. withholding tax at the rate of 30%, or such lower rate as may be specified by an applicable income tax treaty. U.S. withholding tax on dividends paid to an individual Non-U.S. Holder that is a resident of Canada for purposes of the United States-Canada tax treaty is generally reduced to 15%. If a dividend is effectively connected with a Non-U.S. Holder s conduct of a trade or business in the United States (and, if an applicable tax treaty requires, is also attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder), our dividends will not be subject to any U.S. withholding tax, provided certain certification requirements are satisfied (as described below). Instead, such dividends will be subject to the U.S. federal income tax imposed on net income on the same basis that applies to U.S. Holders generally. A corporate Non-U.S. Holder under certain circumstances also may be subject to an additional branch profits tax equal to 30%, or such lower rate as may be specified by an applicable income tax treaty, on a portion of its effectively connected earnings and profits for the taxable year. The U.S. branch profits tax applicable to a corporate Non-U.S. Holder that is a resident of Canada for purposes of the United States-Canada tax treaty is generally reduced to 5%.

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Non-U.S. holders should consult their own tax advisors regarding the potential applicability of any income tax treaty in their particular circumstances.

To claim the benefit of a tax treaty or to claim exemption from the withholding tax on the grounds that income is effectively connected with the conduct of a trade or business in the United States, a Non-U.S. Holder must provide a properly executed form, generally on IRS Form W-8BEN for treaty benefits or Form W-8ECI for effectively connected income, or such successor forms as the IRS designates, prior to the payment of dividends. These forms must be periodically updated. Non-U.S. Holders generally may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Sale, Exchange or Other Disposition of Shares of Common Stock or Warrants

A Non-U.S. Holder generally will not be subject to U.S. federal income tax and, in certain cases, withholding tax on the sale, exchange or other disposition of shares of our common stock (including common stock received upon exercise of a warrant) or warrants unless:

- the gain is effectively connected with a U.S. trade or business of the Non-U.S. Holder (and, if an applicable tax treaty requires, is also attributable to a U.S. permanent establishment maintained by such Non-U.S. Holder),

- in the case of a Non-U.S. Holder who is an individual, such holder is present in the United States for a period or periods aggregating 183 or more days (as calculated for U.S. federal income tax purposes) during the taxable year of the disposition, and certain other conditions are satisfied, or

- we are or have been a United States real property holding corporation, or USRPHC, as defined for U.S. federal income tax purposes.

Gain described in the first bullet point above will be subject to tax at generally applicable U.S. federal income tax rates in the same manner as gain is taxable to U.S. Holders. Any gain described in the first bullet point above of a Non-U.S. Holder that is a foreign corporation may also be subject to an additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. The U.S. branch profits tax applicable to a corporate Non-U.S. Holder that is a resident of Canada for purposes of the United States-Canada tax treaty is generally reduced to 5%.

An individual Non-U.S. Holder described in the second bullet point above generally will be subject to U.S. federal income tax at a flat rate of 30% (or at a reduced rate under an applicable income tax treaty) on any gain recognized on the sale, exchange or other disposition of our common stock, which may be offset by certain U.S.-source capital losses (even though such individual is not considered a resident of the United States).

With respect to the third bullet point above, a U.S. corporation is generally a USRPHC if the fair market value of its U.S. real property interests equals or exceeds 50% of the fair market value of its real property and trade or business assets. We believe that we currently are not a USRPHC, and, based upon our current business plan, we do not expect to be a USRPHC in future years, although there can be no assurance that we will not become a USRPHC in future years. Even if we are or become a USRPHC, so long as our common stock is regularly traded on an established securities market, under applicable U.S. Treasury regulations, a Non-U.S. Holder generally will not be subject to U.S. federal income tax on any gain realized on the sale, exchange or other disposition of shares of our common stock, unless the Non-U.S. Holder has owned, directly or by attribution, more than 5% of our common stock during the shorter of the five-year period preceding the disposition or the Non-U.S. Holder s holding period for the shares of our common stock (a greater than 5% stockholder).

If gain realized by a Non-U.S. Holder is described above in the third bullet point above, or if the Non-U.S. Holder is a greater than 5% stockholder and we were a USRPHC (as described above) at any time during the relevant period, such holder generally will be taxed on the net gain derived from a sale in the same manner as U.S. Holders generally. In addition, if we were a USRPHC during the relevant period, a Non-U.S. Holder that is

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a greater than 5% shareholder may be subject to a 10% withholding tax applied to the gross proceeds received. Any amount withheld as discussed above may be applied as a credit against the Non-U.S. Holder s U.S. federal income tax liability. Non-U.S. Holders should consult their own tax advisors regarding the potential applicability of any income tax treaty in their particular circumstances.

Exercise of a Warrant

The U.S. federal income tax treatment of a Non-U.S. Holder s exercise or lapse of a warrant, including a cashless exercise of warrants, generally will correspond to the U.S. federal income tax treatment of the exercise or lapse of a warrant by a U.S. Holder, as described above under the section entitled Taxation of U.S. Holders Exercise or Lapse of a Warrant. Any gain recognized on the cashless exercise of warrants will generally be subject to U.S. federal income tax only in the circumstances described above under the section entitled - Sale, Exchange or Other Disposition of Shares of Common Stock.

Information Reporting and Backup Withholding Tax

Information reporting and backup withholding at a 28% rate may apply to dividends paid with respect to our common stock and to proceeds from the sale, exchange or other disposition of our common stock. In certain circumstances, Non-U.S. Holders may avoid information reporting and backup withholding if they certify under penalties of perjury as to their status as Non-U.S. Holders or otherwise establish an exemption and certain other requirements are met. Non-U.S. Holders should consult their own tax advisors regarding the application of the information reporting and backup withholding rules to them.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules from a payment to a Non-U.S. Holder generally may be refunded or credited against the Non-U.S. Holder s U.S. federal income tax liability, if any, provided that certain required information is timely furnished to the IRS.

Surtax on Net Investment Income

A surtax of 3.8% will apply to the net investment income of an individual taxpayer who recognizes adjusted gross income for such year, subject to certain modifications, in excess of $200,000 ($250,000 for a joint return). Net investment income generally will include, among other things, dividends paid on our common stock and net gain from the disposition of our common stock or warrants (other than property held in a non-passive trade or business). Net investment income will be reduced by deductions properly allocable to such income. Holders of our common stock and warrants should consult their tax advisers regarding the effect, if any, of this legislation on their ownership and disposition of our common stock and warrants.

Foreign Accounts

The Foreign Account Tax Compliance Act (FATCA), enacted in 2010, generally imposes a 30% withholding tax on withholdable payments, which should include dividends on our common stock and gross proceeds from the disposition of our common stock and warrants paid to (i) a foreign financial institution (as defined in Section 1471 of the Code) unless it agrees to collect and disclose to the IRS information regarding direct and indirect U.S. account holders, and (ii) a non-financial foreign entity unless it certifies certain information regarding its direct and indirect U.S. owners. If the payee is a foreign financial institution, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. In certain circumstances, an account holder may be eligible for refunds or credits of such taxes. We will not pay any additional amounts in respect to any amounts withheld under FATCA. Under recently issued final U.S. Treasury regulations, the withholding obligations described above will apply to payments of dividends on our common stock made on or after January 1, 2014, and to payments of gross proceeds from a sale or other disposition of our common stock or warrants on or after January 1, 2017.

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THE U.S. FEDERAL INCOME TAX DISCUSSION SET FORTH ABOVE IS INCLUDED FOR GENERAL INFORMATION ONLY AND MAY NOT BE APPLICABLE DEPENDING UPON A HOLDER S PARTICULAR SITUATION. EACH HOLDER SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO ALL TAX CONSEQUENCES TO THEM OF THE OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK AND WARRANTS, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN AND OTHER TAX LAWS, AND THE POSSIBLE EFFECTS OF ANY CHANGES THEREIN.

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PLAN OF DISTRIBUTION

Pursuant to an agency agreement dated February 6, 2013, we engaged PI Financial Corp. and Stifel Nicolaus Canada Inc., as co-lead placement agents (the Canadian Agents), and Roth Capital Partners, LLC, as co-placement agent in the United States, in connection with the Offering. PI Financial (US) Corp. and Stifel Nicolaus & Company, Incorporated, the U.S. affiliates of the Canadian Agents, and Roth Capital Partners, LLC (together with the Canadian Agents, the Agents) will serve as placement agents in the United States. Under the terms of the agency agreement, the Agents will agree to act as our placement agents, on a best efforts basis, in connection with the issuance and sale by us of our shares of common stock and warrants in the Offering. The agency agreement provides that the obligations of the Agents are subject to certain conditions precedent, including the absence of any material adverse change in our business and the receipt of certain certificates, opinions and letters from us and our counsel. The agency agreement does not give rise to any commitment by the Agents to purchase any of our shares of common stock and warrants.

We will deliver the shares of common stock being issued to the purchasers electronically upon receipt of purchaser funds for the purchase of the shares of our common stock and warrants offered pursuant to this prospectus supplement. The warrants will be issued in registered physical form. We expect to deliver the shares of our common stock being offered pursuant to this prospectus supplement on or about February 14, 2013, which is the fifth business day in British Columbia following the date of this prospectus supplement (such settlement being referred to as T+5).

The agency agreement will be included as an exhibit to a Current Report on Form 8-K filed with the SEC and will be incorporated by reference into the registration statement of which this prospectus supplement forms a part.

Additionally, the obligations of the Agents under the agency agreement may be terminated at the discretion of the Agents, upon the occurrence of certain stated events.

The Agents are entitled to a cash commission as described below under *Commissions and Expenses* and to compensatory warrant as described below under *Agents Compensation Warrants*.

We have granted the Agents an over-allotment option, exercisable in whole or in part at any time on or before the 30th day following the closing of the Offering, to increase the size of the Offering by up to 10%, at the public offering price. The Agents may exercise this over-allotment option, in whole or in part, solely to cover any over-allotments, if any, made in connection with this Offering. If the over-allotment option is exercised in full, the gross public offering price, agency commissions and proceeds, before expenses (as set out on the cover page of this prospectus supplement) to us will be, $10,010,000, $525,600 and $9,484,400, respectively.

This offering is being made concurrently in the United States and in the Provinces of Alberta, British Columbia and Ontario, pursuant to the multijurisdictional disclosure system implemented by the securities regulatory authorities in Canada. The units will be offered in the United States and Canada through the Agents either directly or through their respective U.S. or Canadian registered broker-dealer affiliates.

Indemnification of Agents

We have agreed to indemnify the Agents and their respective affiliates, directors, officers, employees and agents against certain expenses, losses, fees, claims, actions, damages, obligations or liabilities related to the Offering, including liabilities under the Securities Act. We have also agreed to contribute to payments the Agents may be required to make in respect of such liabilities.

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Commissions and Expenses

We have agreed to pay the Agents cash commissions equal to 6.0% of the gross proceeds of this offering, except for units sold to purchasers arranged by the Company, on which the Agents will receive a 3.0% cash commission, up to a maximum of $2.5 million.

The following table summarizes the cash compensation to be paid to the Agents by us and the proceeds, before expenses, payable to us:

	Per Unit	Total
Public offering price	$ 0.400	$ 9,100,000
Agency commissions	0.021 [1]	471,000
Proceeds, before expenses, to us	0.379	8,629,000

[1] Assuming no exercise of the over-allotment option.

The offering price of the units, including the underlying warrants, was determined by mutual negotiation between the Agents and was based on the market. In no event will the total compensation payable to the Agents and any other member of the Financial Industry Regulatory Authority, Inc. in connection with the sale of the securities offered hereby exceed 8.0% of the gross proceeds of this Offering.

The Company shall also be responsible for all expenses incurred in connection with the Offering, including the Agents out-of-pocket expenses and fees and disbursements of the Agents local counsel, up to a maximum of $180,000 (exclusive of disbursements and applicable taxes).

Agents Compensation Warrants

The Company shall issue to the Agents, upon the closing of the Offering, compensation warrants equal in number to 6.0% of the aggregate number of units issued under the Offering, including any pursuant to the exercise of the over-allotment option, except units sold to purchasers arranged by the Company, on which the Agents will be granted warrants equal to 3.0% of the number of units sold to such purchasers (to a maximum number of units corresponding to gross proceeds of $2.5 million. Each compensation warrant will entitle the Agents to purchase one share of common stock on the same terms and at the same exercise price as the warrants purchased in the offering.

The compensation warrants and the shares of our common stock underlying such warrants are deemed to be underwriting compensation by the FINRA and are therefore subject to a 180-day lock-up pursuant to FINRA Rule 5110(g)(1). The Agents will not sell, transfer, assign, pledge or hypothecate their warrants or the securities underlying these warrants, nor will they engage in any hedging, short sale, derivative, put or call transaction that would result in the effective economic disposition of these warrants or the underlying securities for a period of 180 days from the effective date of the registration statement of which this prospectus forms a part, except to any agent and selected dealer participating in the offering and their bona fide officers or partners. We will bear all fees and expenses attendant to registering the securities, other than agency commissions which will be paid for by the holders themselves. Aside from the lock-up period imposed by FINRA, the compensation warrants shall be issued on the same terms and at the same exercise price as the warrants purchased in the offering.

Lock-Up Agreement

We, and each of our directors and officers, have agreed that, subject to certain exceptions, for a period of 90 days from the date of the closing of the Offering, we will not, without the prior written consent of the Agents (which shall not be unreasonably withheld), directly or indirectly, issue, sell, offer or grant an option or right in respect of, or otherwise dispose of, or agree to, or announce any intention to, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional shares of our common stock or any securities convertible or exchangeable into shares of our common stock.

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Agents Conduct Under U.S. Securities Laws

The Agents may be deemed to be underwriters within the meaning of Section 2(a)(11) of the Securities Act, and any commissions received by them, and any profit realized on the resale of the units sold by them while acting as principal, might be deemed to be underwriting discounts or commissions under the Securities Act. As an underwriter, the placement agent would be required to comply with the requirements of the Securities Act and the Exchange Act, including, without limitation and Rule 10b-5 and Regulation M under the Exchange Act. These rules and regulations may limit the timing of purchases and sales of shares of common stock and warrants by the placement agent acting as principal. Under these rules and regulations, the placement agent:

- may not engage in any stabilization activity in connection with our securities; and
- may not bid for or purchase any of our securities or attempt to induce any person to purchase any of our securities, other than as permitted under the Exchange Act, until it has completed its participation in the distribution

Trading Market

We have filed listing applications at NYSE MKT and TSX for our shares of common stock being registered pursuant hereto, and listing will be subject to approval by the exchanges. There is no established public trading market for the offered warrants, and we do not expect a market to develop, as we do not intend to apply for listing of the warrants on the NYSE MKT, TSX or any other national securities exchange or other nationally recognized trading system.

Electronic Delivery of Prospectus Supplements

This prospectus supplement may, subject to compliance with applicable laws, be made available on Internet sites or through other online services maintained by the Agents, or by its affiliates. Other than any prospectus made available in electronic format in this manner, the information on any website containing this prospectus supplement is not part of this prospectus supplement or the accompanying prospectus, and such information has not been approved or endorsed by us or the Agents in such capacity and should not be relied on by prospective investors.

Other Relationships

The Agents and their respective affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

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LEGAL MATTERS

Davis Graham & Stubbs LLP of Denver, Colorado will provide its opinion on the validity of the securities offered by this prospectus. Certain matters with respect to Canadian law will be passed upon by Blake, Cassels & Graydon LLP on our behalf. The Agents are being represented in connection with the Offering by Dorsey & Whitney LLP, with respect to U.S. law, and Wildeboer Dellelce LLP, with respect to Canadian law.

EXPERTS

The consolidated financial statements of Silver Bull Resources, Inc. as of October 31, 2012 and 2011 and for the years ended October 31, 2012, 2011 and 2010 and for the period from inception (November 8, 1993) to October 31, 2012, and the effectiveness of internal controls over financial reporting as of October 31, 2012 (which is included in Management s Report on Internal Control Over Financial Reporting), have been so incorporated by reference in reliance on the report of Hein & Associates LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The estimates of our mineralized material with respect to the Sierra Mojada Project have been included or incorporated by reference in reliance upon the technical report prepared by SRK Consulting (Canada), Inc. (SRK).

DOCUMENTS INCORPORATED BY REFERENCE

The SEC allows us to incorporate by reference information into this prospectus and any accompanying prospectus supplement, which means that we can disclose important information to you by referring you to other documents filed separately with the SEC. The information incorporated by reference is considered part of this prospectus, and information filed with the SEC subsequent to this prospectus and prior to the termination of the particular offering referred to in such prospectus supplement will automatically be deemed to update and supersede this information. We incorporate by reference into this prospectus and any accompanying prospectus supplement the documents listed below (excluding any portions of such documents that have been furnished but not filed for purposes of the Securities Exchange Act of 1934, as amended (the Exchange Act)):

(a) The Company s Annual Report on Form 10-K, as amended, for the fiscal year ended October 31, 2012; and

(b) The description of the Company s common stock contained in our registration statement on Form 10-SB filed with the Commission on October 15, 1999, including any subsequent amendment or report filed for the purpose of updating such description.

We also incorporate by reference all documents we subsequently file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the initial filing of the registration statement of which this prospectus is a part (including prior to the effectiveness of the registration statement) and prior to the termination of the offering. Any statement in a document incorporated by reference in this prospectus will be deemed to be modified or superseded to the extent a statement contained in this prospectus or any other subsequently filed document that is incorporated by reference in this prospectus modifies or supersedes such statement.

Unless specifically stated to the contrary, none of the information that we disclose under Items 2.02 or 7.01 or corresponding information furnished under Item 9.01 or related exhibits of any Current Report on Form 8-K that we may from time to time furnish to the SEC will be incorporated by reference into, or otherwise included in, this prospectus.

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We will provide without charge upon written or oral request, a copy of any or all of the documents which are incorporated by reference into this prospectus. Requests should be directed to:

Silver Bull Resources, Inc.

925 West Georgia Street, Suite 1908

Vancouver, British Columbia

Canada V6C 3L2

Attention: Chief Financial Officer

Telephone: 604-687-5800

Except as provided above, no other information, including information on our internet site, is incorporated by reference in this prospectus.

WHERE YOU CAN FIND MORE INFORMATION

We file and furnish annual, quarterly and current reports and other information, including proxy statements, with the SEC. You may read and copy any document we file or furnish with the SEC at the SEC s Public Reference Room located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. Our SEC filings are available to the public on the SEC s website at *www.sec.gov*. Our SEC filings are also available through the Investors section of our website at *www.silverbullresources.com*.

We also file reports, statements or other information with the Alberta, British Columbia, and Ontario Securities Commissions. Copies of these documents that are filed through the System for Electronic Document Analysis and Retrieval, or SEDAR, of the Canadian Securities Administrators are available at its web site at *www.sedar.com*.

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PROSPECTUS

$125,000,000

Senior Debt Securities

Subordinated Debt Securities

Common Stock

Warrants

Rights

Units

Silver Bull Resources, Inc. (Silver Bull, we, us, or our) may offer and sell from time to time up to $125,000,000 of our senior and subordinated debt securities, common stock, $0.01 par value per share, warrants to purchase any of the other securities that may be sold under this prospectus, rights to purchase common stock and/or senior or subordinated debt securities, units consisting of two or more of these classes or series of securities, and securities that may be convertible or exchangeable to other securities covered hereby, in one or more transactions.

We will provide specific terms of any offering in supplements to this prospectus. The securities may be offered separately or together in any combination and as separate series. You should read this prospectus and any supplement carefully before you invest.

We may sell securities directly to you, through agents we select, or through underwriters or dealers we select. If we use agents, underwriters or dealers to sell the securities, we will name them and describe their compensation in the prospectus supplement. The net proceeds we expect to receive from these sales will be described in the prospectus supplement.

Our common stock is listed on the NYSE Amex LLC (Amex) under the symbol SVBL . On March 19, 2012, the last reported sales price of our common stock on the Amex was $0.60 per share. Our common stock is also listed on the Toronto Stock Exchange (TSX) under the symbol SVB . The closing price for our common stock on March 19, 2012, as quoted on the TSX, was Cdn$0.60. The applicable prospectus supplement will contain information, where applicable, as to any other listing on the Amex, TSX, or other securities exchange of the securities covered by the prospectus supplement.

As of March 19, 2012, the aggregate market value of our outstanding voting and non-voting common equity held by non-affiliates was $66,331,488, based on an aggregate of 136,160,157 shares of common stock outstanding, of which 110,552,480 shares were held by non-affiliates, and a per share price of $0.60, the closing price of our common stock on March 19, 2012 as reported on the NYSE Amex. Pursuant to General Instruction I.B.6 of Form S-3, in no event will we sell shares of our common stock in a public primary offering with a value exceeding more than one-third of our public float in any 12-month period so long as our public float remains below $75.0 million. We have not offered any securities pursuant to General Instruction I.B.6 of Form S-3 during the 12 calendar months prior to and including the date of this prospectus.

The securities offered in this prospectus involve a high degree of risk. You should carefully consider the matters set forth in Risk Factors on page 6 of this prospectus or incorporated by reference herein in determining whether to purchase our securities.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities, or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is March 28, 2012.

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As used in this prospectus, the terms Silver Bull, we, our, ours and us may, depending on the context, refer to Silver Bull Resources, Inc. or one or more of Silver Bull Resources, Inc. s consolidated subsidiaries or to Silver Bull Resources, Inc. and its consolidated subsidiaries, taken as a whole. When we refer to shares throughout this prospectus, we include all rights attaching to our common stock under any shareholder rights plan then in effect.

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, which we refer to as the SEC or the Commission, using a shelf registration process. Under the shelf registration, we may sell any combination of the securities described in this prospectus in one or more offerings. This prospectus provides you with a general description of the securities that we may offer. Each time that we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement also may add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information incorporated by reference in this prospectus before making an investment in our securities. See Where You Can Find More Information for more information. We may use this prospectus to sell securities only if it is accompanied by a prospectus supplement.

You should not assume that the information in this prospectus, any accompanying prospectus supplement or any document incorporated by reference is accurate as of any date other than the date of such document.

WHERE YOU CAN FIND MORE INFORMATION

We file and furnish annual, quarterly and current reports and other information, including proxy statements, with the SEC. You may read and copy any document we file or furnish with the SEC at the SEC s Public Reference Room located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the Public Reference Room. Our SEC filings are available to the public on the SEC s website at *www.sec.gov*. Our SEC filings are also available through the Investors section of our website at *www.silverbullresources.com* .

We also file reports, statements or other information with the Alberta, British Columbia, and Ontario Securities Commissions. Copies of these documents that are filed through the System for Electronic Document Analysis and Retrieval, or SEDAR, of the Canadian Securities Administrators are available at its web site at *www.sedar.com* .

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The SEC allows us to incorporate by reference information into this prospectus and any accompanying prospectus supplement, which means that we can disclose important information to you by referring you to other documents filed separately with the SEC. The information incorporated by reference is considered part of this prospectus, and information filed with the SEC subsequent to this prospectus and prior to the termination of the particular offering referred to in such prospectus supplement will automatically be deemed to update and supersede this information. We incorporate by reference into this prospectus and any accompanying prospectus supplement the documents listed below (excluding any portions of such documents that have been furnished but not filed for purposes of the Securities Exchange Act of 1934, as amended (the Exchange Act)):

(a) The Company s Annual Report on Form 10-K for the fiscal year ended October 31, 2011;

(b) The Company s Quarterly Report on Form 10-Q for the fiscal quarter ended January 31, 2012;

(c) The Company s Current Reports on Form 8-K as filed with the Commission on December 2, 2011; December 6, 2011; December 13, 2011; and February 28, 2012; and the Company s Current Report, as amended, on Form 8-K/A as filed with the Commission on November 17, 2011; and

(d) The description of the Company s common stock contained in our registration statement on Form 10-SB filed with the Commission on October 15, 1999, including any subsequent amendment or report filed for the purpose of updating such description.

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We also incorporate by reference all documents we subsequently file with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the initial filing of the registration statement of which this prospectus is a part (including prior to the effectiveness of the registration statement) and prior to the termination of the offering. Any statement in a document incorporated by reference in this prospectus will be deemed to be modified or superseded to the extent a statement contained in this prospectus or any other subsequently filed document that is incorporated by reference in this prospectus modifies or supersedes such statement.

Unless specifically stated to the contrary, none of the information that we disclose under Items 2.02 or 7.01 or corresponding information furnished under Item 9.01 or related exhibits of any Current Report on Form 8-K that we may from time to time furnish to the SEC will be incorporated by reference into, or otherwise included in, this prospectus.

We will provide without charge upon written or oral request, a copy of any or all of the documents which are incorporated by reference into this prospectus. Requests should be directed to:

Silver Bull Resources, Inc.

885 West Georgia Street, Suite 2200

Vancouver, British Columbia

Canada V6C 3E8

Attention: Chief Financial Officer

Telephone: 604-687-5800

Except as provided above, no other information, including information on our internet site, is incorporated by reference in this prospectus.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, and any relevant prospectus supplement and free writing prospectus, including information incorporated herein or therein by reference, contains forward-looking statements within the meaning of Section 27A of the Securities Act, as amended (the Securities Act), Section 21E of the Exchange Act, and the United States Private Securities Litigation Reform Act of 1995, and forward-looking information within the meaning of applicable Canadian securities legislation. These statements include but are not limited to statements and information regarding our plans for the Sierra Mojada Project, our expected cash needs and statements concerning our financial condition, operating strategies and operating and legal risks.

In this prospectus, we use the words anticipate, continue, likely, estimate, expect, may, could, will, projection, should, belie expressions (including negative and grammatical variations) to identify forward-looking statements, information and uncertainties. Statements that contain these words discuss our future expectations, contain projections or state other forward-looking information. Although we believe the expectations and assumptions reflected in those forward-looking statements are reasonable, we cannot assure you that these expectations and assumptions will prove to be correct. Our actual results could differ materially from those expressed or implied in these forward-looking statements and information as a result of the factors described under Risk Factors in this prospectus and other factors set forth in this prospectus and the documents incorporated by reference herein, including:

Results of future exploration at our Sierra Mojada Project;

Our ability to raise necessary capital to conduct our exploration activities, and do so on acceptable terms;

Worldwide economic and political events affecting the market prices for silver, gold, zinc, lead, and other minerals which 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;

The timing of exploration activities;

Our ability to retain key management 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 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. We may note additional factors elsewhere in this prospectus and in any documents incorporated by reference herein. Many of those factors are beyond our ability to control or predict. You should not unduly rely on any of our forward-looking statements or information. Although we believe that the expectations reflected in our forward-looking statements are based on reasonable assumptions, such expectations may prove to be materially incorrect due to known and unknown risks and uncertainties.

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.

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COMPANY

Overview

Silver Bull Resources, Inc., formerly known as Metalline Mining Company, is an exploration stage company, formed under the laws of the state of Nevada, and is engaged in the mineral exploration business in Mexico and Gabon, Africa. We currently own or control several concessions, which are located in the municipality of Sierra Mojada, Coahuila, Mexico (the Sierra Mojada Project). Our primary objective is to define sufficient mineral reserves on the Sierra Mojada Project 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 Metalin) and Contratistas de Sierra Mojada S.A. de C.V. and through Minera Metalin s wholly-owned subsidiary Minas de Coahuila SBR S.A. de C.V. Although we have been exploring certain mineral properties, to date we have not established any reserves, we remain in the exploration stage, and we may never enter the development or production stage.

On April 16, 2010, we completed a merger transaction with Dome Ventures Corporation (Dome), whereby Dome became a wholly owned subsidiary of Silver Bull. Dome holds three exploration licenses in Gabon, Africa that cover an aggregate of approximately 6,000 square kilometers and has applied for a fourth manganese license in the area.

We have generated no revenue. We have used significant funds in our operations, and expect this trend to continue for the foreseeable future. There is no assurance that we can generate net income, increase revenues or successfully explore and exploit our properties.

Our principal offices are located at 885 West Georgia Street, Suite 2200, Vancouver, BC, Canada V6C 3E8, and our telephone number is 604-687-5800. We are a Nevada corporation.

Sierra Mojada Project

We have been exploring the Sierra Mojada concessions to identify available mineral deposits. We have focused our exploration efforts on two primary mineral types: the Silver Polymetallic Mineralization just north of the Sierra Mojada fault and the Oxide Zinc Mineralization located south of the Sierra Mojada fault. We have conducted various exploration activities at the Sierra Mojada Project. However, we remain in the exploration stage, may never enter into the development stage, and have not established any reserves.

Mineralized Material Estimate

On November 25, 2011, SRK Consulting (Canada) Inc. (SRK) delivered a technical report on the silver mineralization in the Shallow Silver Zone of the Sierra Mojada Project in accordance with the Canadian Securities Administrators National Instrument 43-101 Standards of Disclosure for Mineral Projects (NI 43-101). The resource was estimated from 1,107 diamond drill holes, 34 reverse circulation drill holes, 10,611 channel samples and 3,056 long holes. In total, these contain 157,758 assay records, of which 148,950 records contain silver and zinc assays values.

At an economic cutoff grade of 15 grams/tonne of silver for mineralized material possibly accessible by open pit mining and 70 grams/tonne of silver for mineralized material possibly amendable to underground mining, the Report indicates mineralized material of 28.564 million tonnes at an average silver grade of 50.4 grams/tonne for the silver pit and 0.282 million tonnes at an average silver grade of 110.9 grams/tonne for the underground workings. Mineralized material estimates do not include any amounts categorized as inferred resources.

Mineralized material as used in this prospectus, although permissible under SEC s Guide 7, does not indicate reserves by SEC standards. The Company cannot be certain that any part of the Sierra Mojada

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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.

Gabon Licenses and Interests

Through our wholly-owned subsidiary, Dome, we own three exploration licenses (Ndjole, Mevang, and Mitzic) each covering approximately 2,000 square kilometers in Gabon, Africa. These concessions are without known reserves and the project is exploratory in nature. In addition, Dome has applied for a manganese exploration license covering 1,514 square kilometers known as the Lambanene Property.

Two of Dome s licenses, Ndjole and Mevang, are currently being explored pursuant to a joint venture agreement with a subsidiary of AngloGold Ashanti Limited (AngloGold). AngloGold is the project manager for the Ndjole and Mevang Joint Venture. We are currently looking for joint venture partners for Dome s third license, the Mitzic license, which we believe has iron ore potential.

We maintain a website at *www.silverbullresources.com*, which contains information about us. Our website and the information contained in and connected to it are not a part of this prospectus.

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RISK FACTORS

A purchase of our securities involves a high degree of risk. Our business, operating or financial condition could be harmed due to any of the following risks. Accordingly, investors should carefully consider these risks in making a decision as to whether to purchase, sell or hold our securities. In addition, investors should note that the risks described below are not the only risks facing us. Additional risks not presently known to us, or risks that do not seem significant today, may also impair our business operations in the future. You should carefully consider the risks described below, as well as the other information contained in this prospectus and the documents incorporated by reference herein, before making a decision to invest in our securities.

RISKS RELATED TO OUR BUSINESS:

We are an exploration stage mining company with no history of operations.

We are an exploration stage enterprise engaged in mineral exploration in Mexico and Gabon, Africa. We have a very limited operating history and are subject to all the risks inherent in a new business enterprise. As an exploration stage company, we may never enter the development and production stages. To date we have had no revenues and have relied upon equity financing to fund our operations. The likelihood of our success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with an exploration stage business, and the competitive and regulatory environment in which we operate and will operate, such as under-capitalization, personnel limitations, and limited financing sources.

We have no commercially mineable ore body.

No commercially mineable ore body has been delineated on our Sierra Mojada Project or on our exploration licenses in Gabon, Africa, nor have our properties been shown to contain proven or probable mineral reserves. SRK Consulting (Canada), Inc. recently completed a technical report on the silver mineralization of the Shallow Silver Zone at the Sierra Mojada Project. We cannot assure you that any mineral deposits we identify on the Sierra Mojada Project, in Gabon or on another property will qualify as an ore body that can be legally and economically exploited or that any particular level of recovery of silver or other minerals from discovered mineralization will in fact be realized. Most exploration projects do not result in the discovery of commercially mineable ore deposits. Even if the presence of reserves is established at a project, the legal and economic viability of the project may not justify exploitation.

Mineral resource estimates may not be reliable.

There are numerous uncertainties inherent in estimating quantities of mineralized material such as silver, zinc, lead, and gold, including many factors beyond our control, and no assurance can be given that the recovery of mineralized material will be realized. In general, estimates of mineralized material are based upon a number of factors and assumptions made as of the date on which the estimates were determined, including:

- geological and engineering estimates that have inherent uncertainties and the assumed effects of regulation by governmental agencies;
- the judgment of the engineers preparing the estimate;
- estimates of future metals prices and operating costs;
- the quality and quantity of available data;
- the interpretation of that data; and

the accuracy of various mandated economic assumptions, all of which may vary considerably from actual results.

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All estimates are, to some degree, uncertain. For these reasons, estimates of the recoverable mineral resources prepared by different engineers or by the same engineers at different times, may vary substantially. As such, there is significant uncertainty in any mineralized material estimate and actual deposits encountered and the economic viability of a deposit may differ materially from our estimates.

Our business plan is highly speculative and its success largely depends on the successful exploration of our Sierra Mojada concessions.

Although we hold exploration licenses in Gabon, our business plan is focused on exploring the Sierra Mojada concessions to identify reserves, and if appropriate, to ultimately develop this property. Further, although we have recently reported mineralized material on our Sierra Mojada Project, we have not established any reserves and remain in the exploration stage. We may never enter the development or production stage. Exploration of mineralization and determining whether the mineralization might be extracted profitably is highly speculative, and it may take a number of years until production is possible, during which time the economic viability of the project may change. Substantial expenditures are required to establish reserves, extract metals from ore and to construct mining and processing facilities.

The Sierra Mojada Project is subject to all of the risks inherent in mineral exploration and development. The economic feasibility of any mineral exploration and/or development project is based upon, among other things, estimates of the size and grade of mineral reserves, proximity to infrastructures and other resources (such as water and power), anticipated production rates, capital and operating costs, and metals prices. Development projects are also subject to the completion of favorable feasibility studies, issuance of necessary permits, and the ability to raise further capital to fund activities. There can be no assurance that we will be successful in overcoming these risks. Because of our focus on the Sierra Mojada Project, the success of our operations and our profitability may be disproportionately exposed to the impact of adverse conditions unique to the Torreon, Mexico region, as the Sierra Mojada Project is located 250 kilometers north of this area.

Due to our history of operating losses, we are uncertain that we will be able to maintain sufficient cash to accomplish our business objectives.

During the years ended October 31, 2011 and October 31, 2010, we suffered net losses of $12,237,360 and $9,405,490, respectively. At October 31, 2011, we had stockholders equity of $32,991,122 and working capital of $2,424,936. For the three months ended January 31, 2012 (unaudited), we experienced a consolidated net loss of $3,593,488 or approximately $0.03 per share, compared to a consolidated net loss of $1,611,051 or approximately $0.02 per share during comparable period last year. Significant amounts of capital will be required to continue to explore and potentially develop the Sierra Mojada concessions. We are not engaged in any revenue producing activities and we do not expect to do so in the near future. Currently our sources of funding consist of the sale of additional equity securities, entering into joint venture agreements or selling a portion of our interests in our assets. There is no assurance that any additional capital that we will require will be obtainable on terms acceptable to us, if at all. Failure to obtain such additional financing could result in delays or indefinite postponement of further exploration of our projects. Additional financing, if available, will likely result in substantial dilution to existing stockholders.

We may have difficulty meeting our current and future capital requirements.

Our management and our board of directors monitor our overall costs and expenses and, if necessary, adjust our programs and planned expenditures in an attempt to ensure we have sufficient operating capital. We continue to evaluate our costs and planned expenditures for our on-going exploration efforts at our Sierra Mojada Project. We raised in excess of $3 million during our 2010 fiscal year, increased our cash and cash equivalent assets by approximately $14.58 million through the merger transaction with Dome Ventures Corporation (Dome) that occurred in April 2010, and raised approximately $5 million in a private placement in fiscal 2011. In addition, we raised approximately $10.5 million from an offering of our common stock to certain investors

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that occurred in December 2011. However, the continued exploration and possible development of the Sierra Mojada Project will require significant amounts of additional capital. In addition, in the event AngloGold funds its exploration commitment under the joint venture agreements with Dome, we may require additional capital to further our interests in Gabon.

As a result, we may need to explore raising additional capital during fiscal 2012 and beyond so that we can continue to fully fund our planned activities. The extraordinary conditions in the global financial and capital markets have currently limited the availability of this funding. If the disruptions in the global financial and capital markets continue, debt or equity financing may not be available to us on acceptable terms, if at all. 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 exploration activities will be adversely impacted.

Our exploration activities require significant amounts of capital that may not be recovered.

Mineral exploration activities are subject to many risks, including the risk that no commercially productive or extractable resources will be encountered. There can be no assurance that our activities will ultimately lead to an economically feasible project or that we will recover all or any portion of our investment. Mineral exploration often involves unprofitable efforts, including drilling operations that ultimately do not further our exploration efforts. The cost of minerals exploration is often uncertain and cost overruns are common. Our drilling and exploration operations may be curtailed, delayed or canceled as a result of numerous factors, many of which are beyond our control, including title problems, weather conditions, compliance with governmental requirements, including permitting issues, and shortages or delays in the delivery of equipment and services.

We primarily rely on a third party to fund the exploration of our interests in Gabon, Africa.

In October 2009, Dome, which became our wholly owned subsidiary in April 2010, entered into two joint venture agreements with AngloGold for the exploration of its Ndjole and Mevang exploration licenses in Gabon. In addition, Dome entered into a separate joint venture agreement with respect to a license held by a third party the Ogooue license. Prior to Dome entering into the joint venture agreement with respect to its license, it was not engaged in active exploration operations on its Gabon licenses. The terms of the joint venture agreements require AngloGold to fund the initial (and current) exploration costs of two of our exploration licenses in order to earn an interest in the project. Should AngloGold elect not to fund the exploration commitments under the joint venture agreements, the entire interest in the licenses would revert to Dome and the joint venture will cease. Accordingly, we may have to temporarily or permanently scale back exploration of our Gabon licenses and/or attempt to identify another third party to fund the exploration efforts. Alternatively, we could suspend our exploration activities in Gabon altogether.

Our financial condition could be adversely affected by changes in currency exchange rates, especially between the U.S. dollar and the Mexican peso given our focus on the Sierra, Mojada Project .

Our financial condition is affected in part by currency exchange rates, as portions of our exploration costs in Mexico and Gabon are denominated in the local currency. A weakening U.S. dollar relative to the Mexican peso will have the effect of increasing exploration costs while a strengthening U.S. dollar will have the effect of reducing exploration costs. The Gabon local currency is tied to the Euro. Some of our exploration activities in Mexico are tied to the peso. The exchange rates between the Euro and the U.S. dollar and between the peso and U.S. dollar have fluctuated widely in response to international political conditions, general economic conditions and other factors beyond our control. We seek to mitigate exposure to foreign currency fluctuations by completing a majority of our purchases in U.S. dollars and holding a majority of our cash balances in U.S. dollars.

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THE BUSINESS OF MINERAL EXPLORATION IS SUBJECT TO MANY RISKS:

There are inherent risks in the mineral exploration industry.

We are subject to all of the risks inherent in the minerals exploration industry including, without limitation, the following:

- we are subject to competition from a large number of companies, many of which are significantly larger than we are, in the acquisition, exploration, and development of mining properties;
- we might not be able raise enough money to pay the fees and taxes and perform the labor necessary to maintain our concessions in good force;
- exploration for minerals is highly speculative and involves substantial risks, even when conducted on properties known to contain significant quantities of mineralization, our exploration projects may not result in the discovery of commercially mineable deposits of ore;
- the probability of an individual prospect ever having reserves that meet the requirements for reporting under SEC Industry Guide 7 is remote and any funds spent on exploration may be lost;
- our operations are subject to a variety of existing laws and regulations relating to exploration and development, permitting procedures, safety precautions, property reclamation, employee health and safety, air quality standards, pollution and other environmental protection controls and we may not be able to comply with these regulations and controls; and
- a large number of factors beyond our control, including fluctuations in metal prices, inflation, and other economic conditions, will affect the economic feasibility of mining.

Metals prices are subject to extreme fluctuation.

Our activities are influenced by the prices of commodities, including silver, zinc, lead, gold, and other metals. These prices fluctuate widely and are affected by numerous factors beyond our control, including interest rates, expectations for inflation, speculation, currency values (in particular the strength of the U.S. dollar), global and regional demand, political and economic conditions and production costs in major metal producing regions of the world.

Our ability to establish reserves through our exploration activities, our future profitability and our long-term viability, depend, in large part, on the market prices of silver, zinc, lead, gold, and other metals. The market prices for these metals are volatile and are affected by numerous factors beyond our control, including:

- global or regional consumption patterns;
- supply of, and demand for, silver, zinc, lead, gold, and other metals;
- speculative activities and producer hedging activities;

expectations for inflation;

political and economic conditions; and

supply of, and demand for, consumables required for production.

Future weakness in the global economy could increase volatility in metals prices or depress metals prices, which could in turn reduce the value of our properties, make it more difficult to raise additional capital, and make it uneconomical for us to continue our exploration activities.

There are inherent risks with foreign operations.

Our business activities are primarily conducted in Mexico, and we also hold interests in Gabon, and as such, our activities are exposed to various levels of foreign political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, extreme

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fluctuations in currency exchange rates, high rates of inflation, labor unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, changing political conditions, currency controls and governmental regulations that favor or require the rewarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in Mexico and/or Gabon may adversely affect our exploration and possible future development activities. We may also be affected in varying degrees by government regulations with respect to, but not limited to, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on our operations. In addition, legislation in the U.S., Canada, Mexico and/or Gabon regulating foreign trade, investment and taxation could have a material adverse effect on our financial condition.

Our Sierra Mojada Project is located in Mexico and is subject to various levels of political, economic, legal and other risks.

The Sierra Mojada Project, our primary focus, is in Mexico. In the past, Mexico has been subject to political instability, changes and uncertainties, which have resulted in changes to existing governmental regulations affecting mineral exploration and mining activities. Mexico s status as a developing country may make it more difficult for us to obtain any required financing for the Sierra Mojada Project or other projects in Mexico in the future. Our Sierra Mojada Project is also subject to a variety of governmental regulations governing health and worker safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters. Mexican regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards.

Our exploration activities in Mexico may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase the costs related to the Sierra Mojada Project. Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect our financial condition. Expansion of our activities will be subject to the need to assure the availability of adequate supplies of water and power, which could be affected by government policy and competing operations in the area.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on our financial condition. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration activities with the Sierra Mojada Project or in respect to any other projects in which we become involved in Mexico. Any failure to comply with applicable laws and regulations, even if inadvertent, could result in the interruption of exploration operations or material fines, penalties or other liabilities.

Title to our properties may be challenged or defective.

Our future operations, including our activities at the Sierra Mojada Project and other exploration activities, will require additional permits from various governmental authorities. Our operations are and will continue to be governed by laws and regulations governing prospecting, mineral exploration, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety, mining royalties and other matters. There can be no assurance that we will be able to acquire all required licenses,

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permits or property rights on reasonable terms or in a timely manner, or at all, and that such terms will not be adversely changed, that required extensions will be granted, or that the issuance of such licenses, permits or property rights will not be challenged by third parties.

We attempt to confirm the validity of our rights of title to, or contract rights with respect to, each mineral property in which we have a material interest. However, we cannot guarantee that title to our properties will not be challenged. The Sierra Mojada property may be subject to prior unregistered agreements, interests or native land claims, and title may be affected by undetected defects. There may be valid challenges to the title of any of the claims comprising the Sierra Mojada property that, if successful, could impair possible development and/or operations with respect to such properties in the future. Challenges to permits or property rights, whether successful or unsuccessful; changes to the terms of permits or property rights; or a failure to comply with the terms of any permits or property rights that have been obtained, could have a material adverse effect on our business by delaying or preventing or making continued operations economically unfeasible.

A title defect could result in Silver Bull losing all or a portion of its right, title, and interest in and to the properties to which the title defect relates. Title insurance generally is not available, and our ability to ensure that we have obtained secure title to individual mineral properties or mining concessions may be severely constrained. In addition, we may be unable to operate our properties as permitted or to enforce our rights with respect to our properties. We annually monitor the official land records in Mexico City to determine if there are annotations indicating the existence of a legal challenge against the validity of any of our concessions. As of March 2012, there were no such annotations, nor are we aware of any challenges from the government or from third parties.

In addition, in connection with the purchase of certain mining concessions, it appears that the prior management of Silver Bull agreed to pay a net royalty interest on revenue from future mineral sales on certain concessions at the Sierra Mojada project. We are currently evaluating the applicability of this royalty interest, but if the royalty remains in effect and applies to concessions on which a significant portion of our mineralized material is located, the existence of the royalty may have a material effect on the economic feasibility of potential future development of the Sierra Mojada project.

We are subject to complex environmental and other regulatory risks, which could expose us to significant liability and delay, and potentially the suspension or termination of our exploration efforts.

Our mineral exploration activities are subject to federal, state and local environmental regulation in the jurisdictions where our mineral properties are located. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. No assurance can be given that environmental standards imposed by these governments will not be changed, thereby possibly materially adversely affecting our proposed activities. Compliance with these environmental requirements may also necessitate significant capital outlays or may materially affect our earning power.

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. As a result of recent changes in environmental laws in Mexico, for example, more legal actions supported or sponsored by non-governmental groups interested in halting projects may be filed against companies operating in all industrial sectors, including the mining sector. Mexican projects are also subject to the environmental agreements entered into by Mexico, the United States and Canada in connection with the North American Free Trade Agreement.

Future changes in environmental regulation in the jurisdictions where our projects are located may adversely affect our exploration activities, make them prohibitively expensive, or prohibit them altogether. Environmental hazards may exist on the properties in which we currently hold interests, such as the Sierra Mojada Project, or

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may hold interests in the future, which are unknown to us at present and that have been caused by us or previous owners or operators, or that may have occurred naturally. We may be liable for remediating any damage that we may have caused. The liability could include costs for removing or remediating the release and damage to natural resources, including ground water, as well as the payment of fines and penalties.

We may face a shortage of water.

Water is essential in all phases of the exploration and development of mineral properties. It is used in such processes as exploration, drilling, leaching, placer mining, dredging, testing, and hydraulic mining. Both the lack of available water and the cost of acquisition may make an otherwise viable project economically impossible to complete. Although the work completed on the Sierra Mojada Project thus far indicates that an adequate supply of water can probably be developed in the area for an underground mining operation, we will need to complete an additional water exploration program to determine if there is sufficient water available for an open pit mining operation.

We may face a shortage of supplies and materials.

The mineral industry has experienced from time to time shortages of certain supplies and materials necessary in the exploration for and evaluation of mineral deposits. The prices at which such supplies and materials are available have also greatly increased. Our planned operations could be subject to delays due to such shortages and further price escalations could increase our costs for such supplies and materials. Our experience and that of others in the industry is that suppliers are often unable to meet contractual obligations for supplies, equipment, materials, and services, and that alternate sources of supply do not exist.

Competition for outside engineers and consultants is fierce.

We are heavily dependent upon outside engineers and other professionals to complete work on our exploration projects. The mining industry has experienced significant growth over the last several years and as a result, many engineering and consulting firms have experienced a shortage of qualified engineering personnel. We closely monitor our outside consultants through regular meetings and review of resource allocations and project milestones. However, the lack of qualified personnel combined with increased mining projects could result in delays in completing work on our exploration projects or result in higher costs to keep personnel focused on our project.

Our non-operating properties are subject to various hazards.

We are subject to risks and hazards, including environmental hazards, the encountering of unusual or unexpected geological formations, cave-ins, flooding, earthquakes and periodic interruptions due to inclement or hazardous weather conditions. These occurrences could result in damage to, or destruction of, mineral properties or future production facilities, personal injury or death, environmental damage, delays in our exploration activities, asset write-downs, monetary losses and possible legal liability. We may not be insured against all losses or liabilities, either because such insurance is unavailable or because we have elected not to purchase such insurance due to high premium costs or other reasons. Although we maintain insurance in an amount that we consider to be adequate, liabilities might exceed policy limits, in which event we could incur significant costs that could adversely affect our activities. The realization of any significant liabilities in connection with our activities as described above could negatively affect our activities and the price of our common stock.

We need and rely upon key personnel.

Presently, we employ a limited number of full-time employees, utilize outside consultants, and in large part rely on the personal efforts of our officers and directors. Our success will depend, in part, upon the ability to attract and retain qualified employees. We believe that we will be able to attract competent employees and

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consultants, but no assurance can be given that we will be successful in this regard. If we are unable to engage and retain the necessary personnel, our business would be materially and adversely affected. Competition for these professionals is extremely intense.

RISKS RELATING TO OUR COMMON STOCK:

No dividends are anticipated.

At the present time we do not anticipate paying dividends, cash or otherwise, on our common stock in the foreseeable future. Future dividends will depend on our earnings, if any, our financial requirements and other factors. There can be no assurance that we will pay dividends.

Our stock price can be extremely volatile.

Our common stock is listed on the TSX and NYSE Amex. The trading price of our common stock has been and could continue to be subject to wide fluctuations in response to announcements of our business developments, results and progress of our exploration activities at the Sierra Mojada Project and in Gabon, progress reports on our exploration activities, and other events or factors. In addition, stock markets have experienced extreme price volatility in recent years. This volatility has had a substantial effect on the market prices of companies, at times for reasons unrelated to their operating performance. These fluctuations could be in response to:

volatility in metal prices;

political developments in the foreign countries in which our properties, or properties for which we perform services, are located; and

news reports relating to trends in our industry or general economic conditions.

These broad market and industry fluctuations may adversely affect the price of our stock, regardless of our operating performance.

We cannot make any predictions or projections as to what the prevailing market price for our common stock will be at any time, including as to whether our common stock will sustain market prices at or near the offering price, or as to what effect the sale of shares or the availability of common stock for sale at any time will have on the prevailing market price.

Further equity financings may lead to the dilution of our common stock.

In order to finance future operations, we may raise funds through the issuance of common stock or the issuance of debt instruments or other securities convertible into common stock. We cannot predict the size of future issuances of common stock or the size and terms of future issuances of debt instruments or other securities convertible into common stock or the effect, if any, that future issuances and sales of our securities will have on the market price of our common stock. Any transaction involving the issuance of previously authorized but unissued shares, or securities convertible into common stock, would result in dilution, possibly substantial, to present and prospective security holders.

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RATIO OF EARNINGS TO FIXED CHARGES

We had neither earnings nor fixed charges for the five fiscal years ended October 31, 2011 or for the three month period ended January 31, 2012. Accordingly, we have no ratio of earnings to fixed charges to illustrate for such periods.

USE OF PROCEEDS

Unless otherwise indicated in the applicable prospectus supplement, we intend to use the net proceeds for exploration activities at our Sierra Mojada Project, as well as working capital requirements and general corporate purposes. Specific allocations of the net proceeds for such purposes have not been made at this time.

PLAN OF DISTRIBUTION

We may sell securities under this prospectus and any relevant prospectus supplement to or through underwriters or dealers, directly to other purchasers or through agents. In addition, we may from time to time sell securities through a bidding or auction process, block trades, ordinary brokerage transactions or transactions in which a broker solicits purchasers. We may also use a combination of any of the foregoing methods of sale. We may distribute the securities from time to time in one or more transactions at a fixed price or prices (which may be changed from time to time), at market prices prevailing at the times of sale, at prices related to these prevailing market prices or at negotiated prices. We may offer securities in the same offering or in separate offerings.

From time to time, we may exchange securities for indebtedness or other securities that we may have outstanding. In some cases, dealers acting for us may also purchase securities and re-offer them to the public by one or more of the methods described above.

Any person participating in the distribution of common stock registered under the registration statement that includes this prospectus will be subject to applicable provisions of the Exchange Act and applicable SEC rules and regulations, including, among others, Regulation M, which may limit the timing of purchases and sales of any of our common stock by any such person. Furthermore, Regulation M may restrict the ability of any person engaged in the distribution of our common stock to engage in market-making activities with respect to our common stock. These restrictions may affect the marketability of our common stock and the ability of any person or entity to engage in market- making activities with respect to our common stock.

Certain persons participating in an offering may engage in over-allotment, stabilizing transactions, short-covering transactions and penalty bids in accordance with Regulation M under the Exchange Act that stabilize, maintain or otherwise affect the price of the offered securities. If any such activities may occur, they will be described in the applicable prospectus supplement or a document incorporated by reference to the extent required.

With respect to the sale of any securities under this prospectus, the maximum commission or discount to be received by any member of the Financial Industry Regulatory Authority, Inc. or independent broker or dealer will not be greater than eight percent (8%).

We will provide required disclosure concerning the terms of the offering of the securities in a prospectus supplement or information incorporated by reference, including, to the extent applicable:

- the name or names of underwriters, dealers or agents;
- the purchase price of the securities and the proceeds the issuer will receive from the sale;
- any underwriting discounts, commissions, and other items constituting underwriters compensation;

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any commissions paid to agents;

any discounts or concessions allowed or reallowed or paid to dealers; and

any securities exchange or market on which the securities may be listed.

The distribution of securities may be effected, from time to time, in one or more transactions, including:

underwritten offerings;

best efforts offerings;

block transactions (which may involve crosses) and transactions on the NYSE Amex or any other organized market where the securities may be traded;

purchases by a broker-dealer as principal and resale by the broker- dealer for its own account;

ordinary brokerage transactions and transactions in which a broker- dealer solicits purchasers;

sales at the market to or through a market maker or into an existing trading market, on an exchange or otherwise;

sales in other ways not involving market makers or established trading markets, including direct sales to purchasers; and

any other method permitted pursuant to applicable law.

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DESCRIPTION OF DEBT SECURITIES

The following description, together with the additional information we include in any applicable prospectus supplements, summarizes the material terms and provisions of the debt securities that we may offer under this prospectus. While the terms we have summarized below will apply generally to any future debt securities we may offer, we will describe the particular terms of any debt securities that we may offer in more detail in the applicable prospectus supplement. Because the terms of a specific series of debt securities may vary from the general information that we have provided below, you should rely on information in the applicable prospectus supplement that varies from any information below.

We may issue senior notes under a senior indenture to be entered into among us and a trustee to be named in the senior indenture. We may issue subordinated notes under a subordinated indenture to be entered into among us and a trustee to be named in the subordinated indenture. We have filed forms of these documents as exhibits to the registration statement which includes this prospectus. We use the term indentures to refer to both the senior indenture and the subordinated indenture. The indentures will be qualified under the Trust Indenture Act of 1939 (the Trust Indenture Act). We use the term trustee to refer to either the senior trustee or the subordinated trustee, as applicable. We urge you to read the indenture applicable to your investment because the indenture, and not this section, defines your rights as a holder of debt securities.

The following summaries of material provisions of senior notes, subordinated notes and the indentures are subject to, and qualified in their entirety by reference to, the provisions of the indenture applicable to a particular series of debt securities. Except as we may otherwise indicate, the terms of the senior indenture and the subordinated indenture are identical in all material respects.

General

The senior debt securities will have the same ranking as all of our other unsecured and unsubordinated debt. The subordinated debt securities will be unsecured and will be subordinated and junior to all senior indebtedness.

The debt securities may be issued in one or more separate series of senior debt securities and/or subordinated debt securities. The prospectus supplement relating to the particular series of debt securities being offered will specify the particular amounts, prices and terms of those debt securities. These terms may include:

- the title of the debt securities;
- any limit upon the aggregate principal amount of the debt securities;
- the date or dates, or the method of determining the dates, on which the debt securities will mature;
- the interest rate or rates of the debt securities, or the method of determining those rates, the interest payment dates and, for registered debt securities, the regular record dates;
- if a debt security is issued with original issue discount, the yield to maturity;
- the places where payments may be made on the debt securities;
- any mandatory or optional redemption provisions applicable to the debt securities;
- any sinking fund or analogous provisions applicable to the debt securities;

whether and on what terms we will pay additional amounts to holders of the debt securities that are not U.S. persons in respect of any tax, assessment or governmental charge withheld or deducted and, if so, whether and on what terms we will have the option to redeem the debt securities rather than pay the additional amounts;

any terms for the attachment to the debt securities of warrants, options or other rights to purchase or sell our securities;

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the portion of the principal amount of the debt security payable upon the acceleration of maturity if other than the entire principal amount of the debt securities;

any deletions of, or changes or additions to, the events of default or covenants applicable to the debt securities;

if other than U.S. dollars, the currency or currencies in which payments of principal, premium and/or interest on the debt securities will be payable and whether the holder may elect payment to be made in a different currency;

the method of determining the amount of any payments on the debt securities which are linked to an index;

whether the debt securities will be issued in fully registered form without coupons or in bearer form, with or without coupons;

or any combination of these, and whether they will be issued in the form of one or more global securities in temporary or definitive form;

whether the debt securities will be convertible or exchangeable into or for common stock or other debt securities and the conversion price or exchange ratio, the conversion or exchange period and any other conversion or exchange provisions;

any terms relating to the delivery of the debt securities if they are to be issued upon the exercise of warrants; and

any other specific terms of the debt securities.

Unless otherwise specified in the applicable prospectus supplement, (1) the debt securities will be registered debt securities and (2) debt securities denominated in U.S. dollars will be issued, in the case of registered debt securities, in denominations of $1,000 or an integral multiple of $1,000 and, in the case of bearer debt securities, in denominations of $5,000. Debt securities may bear legends required by United States federal tax law and regulations.

If any of the debt securities are sold for any foreign currency or currency unit or if any payments on the debt securities are payable in any foreign currency or currency unit, the prospectus supplement will contain any restrictions, elections, tax consequences, specific terms and other information with respect to the debt securities and the foreign currency or currency unit.

Some of the debt securities may be issued as original issue discount debt securities. Original issue discount securities bear no interest during all or a part of the time that these debt securities are outstanding or bear interest at below-market rates and will be sold at a discount below their stated principal amount at maturity. The prospectus supplement will also contain special tax, accounting or other information relating to original issue discount securities or relating to other kinds of debt securities that may be offered, including debt securities linked to an index or payable in currencies other than U.S. dollars.

Exchange, Registration and Transfer

Debt securities may be transferred or exchanged at the corporate trust office of the security registrar or at any other office or agency maintained by our company for these purposes, without the payment of any service charge, except for any tax or governmental charges. The senior trustee initially will be the designated security registrar in the United States for the senior debt securities. The subordinated trustee initially will be the designated security registrar in the United States for the subordinated debt securities.

If debt securities are issuable as both registered debt securities and bearer debt securities, the bearer debt securities will be exchangeable for registered debt securities. Except as provided below, bearer debt securities will have outstanding coupons. If a bearer debt security with related coupons is surrendered in exchange for a

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registered debt security between a record date and the date set for the payment of interest, the bearer debt security will be surrendered without the coupon relating to that interest payment and that payment will be made only to the holder of the coupon when due.

In the event of any redemption in part of any class or series of debt securities, we will not be required to:

- issue, register the transfer of, or exchange, debt securities of any series between the opening of business 15 days before any selection of debt securities of that series to be redeemed and the close of business on:
- if debt securities of the series are issuable only as registered debt securities, the day of mailing of the relevant notice of redemption, and
- if debt securities of the series are issuable as bearer debt securities, the day of the first publication of the relevant notice of redemption or, if debt securities of the series are also issuable as registered debt securities and there is no publication, the day of mailing of the relevant notice of redemption;
- register the transfer of, or exchange, any registered debt security selected for redemption, in whole or in part, except the unredeemed portion of any registered debt security being redeemed in part; or
- exchange any bearer debt security selected for redemption, except to exchange it for a registered debt security which is simultaneously surrendered for redemption.

Payment and Paying Agent

We will pay principal, interest and any premium on fully registered securities in the designated currency or currency unit at the office of a designated paying agent. Payment of interest on fully registered securities may be made at our option by check mailed to the persons in whose names the debt securities are registered on days specified in the indentures or any prospectus supplement.

We will pay principal, interest and any premium on bearer securities in the designated currency or currency unit at the office of a designated paying agent or agents outside of the United States. Payments will be made at the offices of the paying agent in the United States only if the designated currency is U.S. dollars and payment outside of the United States is illegal or effectively precluded. If any amount payable on any debt security or coupon remains unclaimed at the end of two years after that amount became due and payable, the paying agent will release any unclaimed amounts to our company, and the holder of the debt security or coupon will look only to our company for payment.

Global Securities

A global security represents one or any other number of individual debt securities. Generally all debt securities represented by the same global securities will have the same terms. Each debt security issued in book-entry form will be represented by a global security that we deposit with and register in the name of a financial institution or its nominee that we select. The financial institution that we select for this purpose is called the depositary. Unless we specify otherwise in the applicable prospectus supplement, The Depository Trust Company, New York, New York, known as DTC, will be the depositary for all debt securities that are issued in book-entry form.

A global security may not be transferred to or registered in the name of anyone other than the depositary or its nominee, unless special termination situations arise. As a result of these arrangements, the depositary, or its nominee, will be the sole registered holder of all debt securities represented by a global security, and investors will be permitted to own only beneficial interests in a global security. Beneficial interests must be held by means of an account with a broker, bank or other financial institution that in turn has an account either with the depositary or with another institution that has an account with the depositary. Thus, an investor whose security is represented by a global security will not be registered holder of the debt security, but an indirect holder of a beneficial interest in the global security.

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Temporary Global Securities

All or any portion of the debt securities of a series that are issuable as bearer debt securities initially may be represented by one or more temporary global debt securities, without interest coupons, to be deposited with the depositary for credit to the accounts of the beneficial owners of the debt securities or to other accounts as they may direct. On and after an exchange date provided in the applicable prospectus supplement, each temporary global debt security will be exchangeable for definitive debt securities in bearer form, registered form, definitive global bearer form or any combination of these forms, as specified in the prospectus supplement. No bearer debt security delivered in exchange for a portion of a temporary global debt security will be mailed or delivered to any location in the United States.

Interest on a temporary global debt security will be paid to the depositary with respect to the portion held for its account only after they deliver to the trustee a certificate which states that the portion:

- is not beneficially owned by a United States person;
- has not been acquired by or on behalf of a United States person or for offer to resell or for resale to a United States person or any person inside the United States; or
- if a beneficial interest has been acquired by a United States person, that the person is a financial institution, as defined in the Internal Revenue Code, purchasing for its own account or has acquired the debt security through a financial institution and that the debt securities are held by a financial institution that has agreed in writing to comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code and the regulations to the Internal Revenue Code and that it did not purchase for resale inside the United States.

The certificate must be based on statements provided by the beneficial owners of interests in the temporary global debt security. The depositary will credit the interest received by it to the accounts of the beneficial owners of the debt security or to other accounts as they may direct.

United States person means a citizen or resident of the United States, a corporation, partnership or other entity created or organized in or under the laws of the United States or an estate or trust with income subject to United States federal income taxation regardless of its source.

Definitive Global Securities

Bearer Securities. The applicable prospectus supplement will describe the exchange provisions, if any, of debt securities issuable in definitive global bearer form. We will not deliver any bearer debt securities delivered in exchange for a portion of a definitive global debt security to any location in the United States.

U.S. Book-Entry Securities. Debt securities of a series represented by a definitive global registered debt security and deposited with or on behalf of a depositary in the United States will be represented by a definitive global debt security registered in the name of the depositary or its nominee. Upon the issuance of a global debt security and the deposit of the global debt security with the depositary, the depositary will credit, on its book-entry registration and transfer system, the respective principal amounts represented by that global debt security to the accounts of participating institutions that have accounts with the depositary or its nominee. The accounts to be credited shall be designated by the underwriters or agents for the sale of U.S. book-entry debt securities or by us, if these debt securities are offered and sold directly by us.

Ownership of U.S. book-entry debt securities will be limited to participants or persons that may hold interests through participants. In addition, ownership of U.S. book-entry debt securities will be evidenced only by, and the transfer of that ownership will be effected only through, records maintained by the depositary or its nominee for the definitive global debt security or by participants or persons that hold through participants.

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So long as the depositary or its nominee is the registered owner of a global debt security, that depositary or nominee, as the case may be, will be considered the sole owner or holder of the U.S. book-entry debt securities represented by that global debt security for all purposes under the indenture. Payment of principal of, and premium and interest, if any, on, U.S. book-entry debt securities will be made to the depositary or its nominee as the registered owner or the holder of the global debt security representing the U.S. book-entry debt securities. Owners of U.S. book-entry debt securities:

- will not be entitled to have the debt securities registered in their names;
- will not be entitled to receive physical delivery of the debt securities in definitive form; and
- will not be considered the owners or holders of the debt securities under the indenture.

The laws of some jurisdictions require that purchasers of securities take physical delivery of securities in definitive form. These laws impair the ability to purchase or transfer U.S. book-entry debt securities.

We expect that the depositary for U.S. book-entry debt securities of a series, upon receipt of any payment of principal of, or premium or interest, if any, on, the related definitive global debt security, will immediately credit participants accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global debt security as shown on the records of the depositary. We also expect that payments by participants to owners of beneficial interests in a global debt security held through those participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of those participants.

Consolidation, Merger, Sale or Conveyance

We may, without the consent of the holders of the debt securities, merge into or consolidate with any other person, or convey or transfer all or substantially all of our company s properties and assets to another person provided that:

- the successor assumes on the same terms and conditions all the obligations under the debt securities and the indentures; and
- immediately after giving effect to the transaction, there is no default under the applicable indenture.

The remaining or acquiring person will be substituted for our company in the indentures with the same effect as if it had been an original party to the indenture. A prospectus supplement will describe any other limitations on the ability of our company to merge into, consolidate with, or convey or transfer all or substantially all or our properties and assets to, another person.

Satisfaction and Discharge; Defeasance

We may be discharged from our obligations on the debt securities of any class or series that have matured or will mature or be redeemed within one year if we deposit with the trustee enough cash and/or U.S. government obligations or foreign government securities, as the case may be, to pay all the principal, interest and any premium due to the stated maturity or redemption date of the debt securities and comply with the other conditions set forth in the applicable indenture. The principal conditions that we must satisfy to discharge our obligations on any debt securities are (1) pay all other sums payable with respect to the applicable series of debt securities and (2) deliver to the trustee an officers certificate and an opinion of counsel which state that the required conditions have been satisfied.

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Each indenture contains a provision that permits us to elect to be discharged from all of our obligations with respect to any class or series of debt securities then outstanding. However, even if we effect a legal defeasance, some of our obligations will continue, including obligations to:

- maintain and apply money in the defeasance trust,
- register the transfer or exchange of the debt securities,
- replace mutilated, destroyed, lost or stolen debt securities, and
- maintain a registrar and paying agent in respect of the debt securities.

Each indenture also permits us to elect to be released from our obligations under specified covenants and from the consequences of an event of default resulting from a breach of those covenants. To make either of the above elections, we must deposit in trust with the trustee cash and/or U.S. government obligations, if the debt securities are denominated in U.S. dollars, and/or foreign government securities if the debt securities are denominated in a foreign currency, which through the payment of principal and interest under their terms will provide sufficient amounts, without reinvestment, to repay in full those debt securities. As a condition to legal defeasance or covenant defeasance, we must deliver to the trustee an opinion of counsel that the holders of the debt securities will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit and defeasance and will be subject to U.S. federal income tax in the same amount and in the same manner and times as would have been the case if the deposit and defeasance had not occurred. In the case of a legal defeasance only, the opinion of counsel must be based on a ruling of the U.S. Internal Revenue Service or other change in applicable U.S. federal income tax law.

The indentures specify the types of U.S. government obligations and foreign government securities that we may deposit.

Events of Default, Notice and Waiver

Each indenture defines an event of default with respect to any class or series of debt securities as one or more of the following events:

- failure to pay interest on any debt security of the class or series for 30 days when due;
- failure to pay the principal or any premium on any debt securities of the class or series when due;
- failure to make any sinking fund payment for 30 days when due;
- failure to perform any other covenant in the debt securities of the series or in the applicable indenture with respect to debt securities of the series for 90 days after being given notice; and
- occurrence of an event of bankruptcy, insolvency or reorganization set forth in the indenture.

An event of default for a particular class or series of debt securities does not necessarily constitute an event of default for any other class or series of debt securities issued under an indenture.

In the case of an event of default arising from events of bankruptcy or insolvency set forth in the indenture, all outstanding debt securities will become due and payable immediately without further action or notice. If any other event of default as to a series of debt securities occurs and is continuing, the trustee or the holders of at least 25% in principal amount of the then outstanding debt securities of that series may declare all the

debt securities to be due and payable immediately.

The holders of a majority in aggregate principal amount of the debt securities then outstanding by notice to the trustee may on behalf of the holders of all of the debt securities of that series waive any existing default or event of default and its consequences under the applicable indenture except a continuing default or event of default in the payment of interest on, or the principal of, the debt securities of that series.

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Each indenture requires the trustee to, within 90 days after the occurrence of a default known to it with respect to any outstanding series of debt securities, give the holders of that class or series notice of the default if uncured or not waived. However, the trustee may withhold this notice if it determines in good faith that the withholding of this notice is in the interest of those holders, except that the trustee may not withhold this notice in the case of a payment default. The term default for the purpose of this provision means any event that is, or after notice or lapse of time or both would become, an event of default with respect to debt securities of that series.

Other than the duty to act with the required standard of care during an event of default, a trustee is not obligated to exercise any of its rights or powers under the applicable indenture at the request or direction of any of the holders of debt securities, unless the holders have offered to the trustee reasonable security and indemnity. Each indenture provides that the holders of a majority in principal amount of outstanding debt securities of any series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or other power conferred on the trustee if the direction would not conflict with any rule of law or with the indenture. However, the trustee may take any other action that it deems proper which is not inconsistent with any direction and may decline to follow any direction if it in good faith determines that the directed action would involve it in personal liability.

Each indenture includes a covenant that we will file annually with the trustee a certificate of no default, or specifying any default that exists.

Modification of the Indentures

We and the applicable trustee may modify an indenture without the consent of the holders for limited purposes, including adding to our covenants or events of default, establishing forms or terms of debt securities, curing ambiguities and other purposes which do not adversely affect the holders in any material respect.

We and the applicable trustee may make modifications and amendments to an indenture with the consent of the holders of a majority in principal amount of the outstanding debt securities of all affected series. However, without the consent of each affected holder, no modification may:

- change the stated maturity of any debt security;
- reduce the principal, premium, if any, or rate of interest on any debt security;
- change any place of payment or the currency in which any debt security is payable;
- impair the right to enforce any payment after the stated maturity or redemption date;
- adversely affect the terms of any conversion right;
- reduce the percentage of holders of outstanding debt securities of any series required to consent to any modification, amendment or waiver under the indenture;
- change any of our obligations, with respect to outstanding debt securities of a series, to maintain an office or agency in the places and for the purposes specified in the indenture for the series; or
- change the provisions in the indenture that relate to its modification or amendment other than to increase the percentage of outstanding debt securities of any series required to consent to any modification or waiver under the indenture.

Meetings

The indentures will contain provisions for convening meetings of the holders of debt securities of a series. A meeting may be called at any time by the trustee and also, upon request, by our company or the holders of at least 25% in principal amount of the outstanding debt securities of a series, in any case upon notice given in accordance with Notices below. Persons holding a majority in principal amount of the outstanding debt securities of a series will constitute a quorum at a meeting. A meeting called by our company or the trustee that

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does not have a quorum may be adjourned for not less than 10 days. If there is not a quorum at the adjourned meeting, the meeting may be further adjourned for not less than 10 days. Any resolution presented at a meeting at which a quorum is present may be adopted by the affirmative vote of the holders of a majority in principal amount of the outstanding debt securities of that series, except for any consent which must be given by the holders of each debt security affected by the modifications or amendments of an indenture described above under Modification of the Indentures. However, a resolution with respect to any request, demand, authorization, direction, notice, consent, waiver, or other action which may be made, given, or taken by the holders of a specified percentage, which is equal to or less than a majority, in principal amount of outstanding debt securities of a series may be adopted at a meeting at which a quorum is present by the affirmative vote of the holders of the specified percentage in principal amount of the outstanding debt securities of that series. Any resolution passed or decision taken at any meeting of holders of debt securities of any series duly held in accordance with an indenture will be binding on all holders of debt securities of that series and the related coupons. The indentures will provide that specified consents, waivers and other actions may be given by the holders of a specified percentage of outstanding debt securities of all series affected by the modification or amendment, acting as one class. For purposes of these consents, waivers and actions, only the principal amount of outstanding debt securities of any series represented at a meeting at which a quorum is present and voting in favor of the action will be counted for purposes of calculating the aggregate principal amount of outstanding debt securities of all series affected by the modification or amendment favoring the action.

Notices

In most instances, notices to holders of bearer debt securities will be given by publication at least once in a daily newspaper in New York, New York and in London, England and in other cities as may be specified in the bearer debt securities and will be mailed to those persons whose names and addresses were previously filed with the applicable trustee, within the time prescribed for the giving of the notice. Notice to holders of registered debt securities will be given by mail to the addresses of those holders as they appear in the security register.

Title

Title to any bearer debt securities and any related coupons will pass by delivery. We, the trustee, and any agent of ours or the trustee may treat the holder of any bearer debt security or related coupon and, prior to due presentment for registration of transfer, the registered owner of any registered debt security as the absolute owner of that debt security for the purpose of making payment and for all other purposes, regardless of whether or not that debt security or coupon shall be overdue and notwithstanding any notice to the contrary.

Replacement of Securities Coupons

Debt securities or coupons that have been mutilated will be replaced by us at the expense of the holder upon surrender of the mutilated debt security or coupon to the security registrar. Debt securities or coupons that become destroyed, stolen, or lost will be replaced by us at the expense of the holder upon delivery to the security registrar of evidence of its destruction, loss, or theft satisfactory to our company and the security registrar. In the case of a destroyed, lost, or stolen debt security or coupon, the holder of the debt security or coupon may be required to provide reasonable security or indemnity to the trustee and our company before a replacement debt security will be issued.

Governing Law

The indentures, the debt securities and the coupons will be governed by, and construed under, the laws of the State of New York.

Concerning the Trustees

We may from time to time maintain lines of credit, and have other customary banking relationships, with any of the trustees.

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Senior Debt Securities

The senior debt securities will rank equally with all of our company s other unsecured and non-subordinated debt.

Certain Covenants in the Senior Indenture

The prospectus supplement relating to a series of senior debt securities will describe any material covenants in respect of that series of senior debt securities.

Subordinated Debt Securities

The subordinated debt securities will be unsecured. The subordinated debt securities will be subordinate in right of payment to all senior indebtedness. In addition, claims of creditors generally will have priority with respect to the assets and earnings of our subsidiaries over the claims of our creditors, including holders of the subordinated debt securities, even though those obligations may not constitute senior indebtedness. The subordinated debt securities, therefore, will be effectively subordinated to creditors, including trade creditors with regard to the assets of our subsidiaries. Creditors of our subsidiaries include trade creditors, secured creditors and creditors holding guarantees issued by our subsidiaries.

Unless otherwise specified in a prospectus supplement, senior indebtedness shall mean the principal of, premium, if any, and interest on, all indebtedness for money borrowed by our company and any deferrals, renewals, or extensions of any senior indebtedness. Indebtedness for money borrowed by our company includes all indebtedness of another person for money borrowed that we guarantee, other than the subordinated debt securities, whether outstanding on the date of execution of the subordinated indenture or created, assumed or incurred after the date of the subordinated indenture. However, senior indebtedness will not include any indebtedness that expressly states to have the same rank as the subordinated debt securities or to rank junior to the subordinated debt securities. Senior indebtedness will also not include:

any of our obligations to our subsidiaries; and

any liability for federal, state, local or other taxes owed or owing by our company.

The senior debt securities constitute senior indebtedness under the subordinated indenture. A prospectus supplement will describe the relative ranking among different series of subordinated debt securities.

Unless otherwise specified in a prospectus supplement, we may not make any payment on the subordinated debt securities and may not purchase, redeem, or retire any subordinated debt securities if any senior indebtedness is not paid when due or the maturity of any senior indebtedness is accelerated as a result of a default, unless the default has been cured or waived and the acceleration has been rescinded or the senior indebtedness has been paid in full. We may, however, pay the subordinated debt securities without regard to these limitations if the subordinated trustee and our company receive written notice approving the payment from the representatives of the holders of senior indebtedness with respect to which either of the events set forth above has occurred and is continuing. Unless otherwise specified in a prospectus supplement, during the continuance of any default with respect to any designated senior indebtedness under which its maturity may be accelerated immediately without further notice or the expiration of any applicable grace periods, we may not pay the subordinated debt securities for 90 days after the receipt by the subordinated trustee of written notice of a default from the representatives of the holders of designated senior indebtedness. If the holders of designated senior indebtedness or the representatives of those holders have not accelerated the maturity of the designated senior indebtedness at the end of the 90 day period, we may resume payments on the subordinated debt securities. Only one notice may be given in any consecutive 360-day period, irrespective of the number of defaults with respect to designated senior indebtedness during that period.

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In the event that we pay or distribute our company s assets to creditors upon a total or partial liquidation, dissolution or reorganization of our company or our company s property, the holders of senior indebtedness will be entitled to receive payment in full of the senior indebtedness before the holders of subordinated debt securities are entitled to receive any payment. Until the senior indebtedness is paid in full, any payment or distribution to which holders of subordinated debt securities would be entitled but for the subordination provisions of the subordinated indenture will be made to holders of the senior indebtedness as their interests may appear. However, holders of subordinated debt securities will be permitted to receive distributions of shares and debt securities subordinated to the senior indebtedness. If a distribution is made to holders of subordinated debt securities that, due to the subordination provisions, should not have been made to them, the holders of subordinated debt securities are required to hold it in trust for the holders of senior indebtedness, and pay it over to them as their interests may appear.

If payment of the subordinated debt securities is accelerated because of an event of default, either we or the subordinated trustee will promptly notify the holders of senior indebtedness or the representatives of the holders of the acceleration. We may not pay the subordinated debt securities until five business days after the holders or the representatives of the senior indebtedness receive notice of the acceleration. Afterwards, we may pay the subordinated debt securities only if the subordination provisions of the subordinated indenture otherwise permit payment at that time.

As a result of the subordination provisions contained in the subordinated indenture, in the event of insolvency, our creditors who are holders of senior indebtedness may recover more, ratably, than the holders of subordinated debt securities. In addition, our creditors who are not holders of senior indebtedness may recover less, ratably, than holders of senior indebtedness and may recover more, ratably, than the holders of subordinated indebtedness.

The prospectus supplement relating to a series of subordinated debt securities will describe any material covenants in respect of any series of subordinated debt securities.

Conversion or Exchange

We may issue debt securities that we may convert or exchange into common stock or other securities, property or assets. If so, we will describe the specific terms on which the debt securities may be converted or exchanged in the applicable prospectus supplement. The conversion or exchange may be mandatory, at your option, or at our option. The applicable prospectus supplement will describe the manner in which the shares of common stock or other securities, property or assets you would receive would be issued or delivered.

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DESCRIPTION OF COMMON STOCK

We are authorized to issue 300,000,000 shares of common stock, par value $0.01 per share. As of March 14, 2012, we had 136,160,157 shares of common stock issued and outstanding.

Dividends

Holders of our common stock will be entitled to receive dividends when, as and if declared by our board, out of funds legally available for their payment. At the present time, we do not anticipate paying dividends, cash or otherwise, on our common stock in the foreseeable future. Future dividends will depend on our earnings, if any, our financial requirements and other factors.

Voting Rights

Each holder of our common stock is entitled to one vote per share, and all voting rights are vested in the holders of shares of our common stock. Holders of shares of common stock will have noncumulative voting rights, which means that the holders of more than 50% of the shares voting for the election of directors will be able to elect 100% of the directors, and the holders of the remaining shares voting for the election of directors will not be able to elect any directors.

Election of Directors

Our directors are elected by a plurality of the votes cast by the holders of our common stock in a meeting at which a quorum is present. Plurality means that the individuals who receive the largest number of votes cast are elected as directors, up to the maximum number of directors to be chosen at the meeting. Our stockholders may vote to remove any director with or without cause by the affirmative vote of at least sixty-six and two-thirds percent (66 2/3%) of the voting power of outstanding common stock.

Liquidation

In the event of our voluntary or involuntary liquidation, dissolution or winding up, the holders of our common stock will be entitled to share equally in any of our assets available for distribution after the payment in full of all debts and distributions.

Redemption

Silver Bull s common stock is not redeemable or convertible.

No Preemptive or Similar Rights

Under Nevada law, a stockholder of a corporation does not have a preemptive right to acquire the corporation s unissued shares unless there is a provision to the contrary in the articles of incorporation. Our Amended and Restated Articles of Incorporation do not provide our stockholders with any preemptive or similar rights.

Shareholder Rights Plan

On June 11, 2007, our board adopted a shareholder rights plan through the adoption of a Rights Agreement, which became effective immediately. In connection with the adoption of the Rights Agreement, the board declared a distribution of one Right for each outstanding share of our common stock, payable to shareholders of record at the close of business on June 22, 2007. In accordance with the Rights Agreement, one Right is attached to each share of our 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.

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

Other Provisions

All our outstanding common stock is, and the common stock offered by this prospectus or obtainable upon exercise or conversion of other securities offered hereby, if issued in the manner described in this prospectus and the applicable prospectus supplement, will be, fully paid and non-assessable.

You should read the prospectus supplement relating to any offering of common stock, or of securities convertible, exchangeable or exercisable for common stock, for the terms of the offering, including the number of shares of common stock offered, any initial offering price and market prices relating to the common stock.

This section is a summary and may not describe every aspect of our common stock that may be important to you. We urge you to read applicable Nevada law, our amended and restated articles of incorporation and our amended and restated bylaws, because they, and not this description, define your rights as a holder of our common stock. See Where You Can Find More Information for information on how to obtain copies of these documents.

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DESCRIPTION OF WARRANTS

We may issue warrants for the purchase of debt securities, common stock, or other securities. Warrants may be issued independently or together with debt securities, common stock, or other securities offered by any prospectus supplement and may be attached to or separate from any such offered securities. Series of warrants may be issued under a separate warrant agreement entered into between us and a bank or trust company, as warrant agent, all as will be set forth in the prospectus supplement relating to the particular issue of warrants. The warrant agent would act solely as our agent in connection with the warrants and would not assume any obligation or relationship of agency or trust for or with any holders of warrants or beneficial owners of warrants.

You should refer to the provisions of the warrant agreement that will be filed with the SEC in connection with the offering of warrants for the complete terms of the warrants.

Prior to the exercise of any warrants, holders of such warrants will not have any rights of holders of the securities purchasable upon such exercise, including the right to receive payments of dividends, or the right to vote such underlying securities.

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DESCRIPTION OF RIGHTS

We may issue rights to purchase debt securities or common stock. These rights may be issued independently or together with any other security offered hereby and may or may not be transferable by the stockholder receiving the rights in such offering. In connection with any offering of such rights, we may enter into a standby arrangement with one or more underwriters or other purchasers pursuant to which the underwriters or other purchasers may be required to purchase any securities remaining unsubscribed for after such offering.

Each series of rights will be issued under a separate rights agreement which we will enter into with a bank or trust company, as rights agent, all as set forth in the applicable prospectus supplement. The rights agent will act solely as our agent in connection with the certificates relating to the rights and will not assume any obligation or relationship of agency or trust with any holders of rights certificates or beneficial owners of rights. We will file the rights agreement and the rights certificates relating to each series of rights with the SEC, and incorporate them by reference as an exhibit to the registration statement of which this prospectus is a part on or before the time we issue a series of rights.

The applicable prospectus supplement will describe the specific terms of any offering of rights for which this prospectus is being delivered, including the following:

- the date of determining the stockholders entitled to the rights distribution;
- the number of rights issued or to be issued to each stockholder;
- the exercise price payable for each share of debt securities, common stock, or other securities upon the exercise of the rights;
- the number and terms of the shares of debt securities, common stock, or other securities which may be purchased per each right;
- the extent to which the rights are transferable;
- the date on which the holder s ability to exercise the rights shall commence, and the date on which the rights shall expire;
- the extent to which the rights may include an over-subscription privilege with respect to unsubscribed securities;
- if applicable, the material terms of any standby underwriting or purchase arrangement entered into by us in connection with the offering of such rights; and
- any other terms of the rights, including the terms, procedures, conditions and limitations relating to the exchange and exercise of the rights.

The description in the applicable prospectus supplement of any rights that we may offer will not necessarily be complete and will be qualified in its entirety by reference to the applicable rights certificate, which will be filed with the SEC.

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DESCRIPTION OF UNITS

As specified in the applicable prospectus supplement, we may issue units consisting of one or more debt securities, shares of common stock, warrants or any combination of such securities. In addition, the prospectus supplement relating to units will describe the terms of any units we issue, including as applicable:

- the designation and terms of the units and the securities included in the units;
- any provision for the issuance, payment, settlement, transfer or exchange of the units;
- the date, if any, on and after which the units may be transferable separately;
- whether we will apply to have the units traded on a securities exchange or securities quotation system;
- any material United States federal income tax consequences; and
- how, for United States federal income tax purposes, the purchase price paid for the units is to be allocated among the component securities.

LEGAL MATTERS

Davis Graham & Stubbs LLP of Denver, Colorado has provided its opinion on the validity of the securities offered by this prospectus.

EXPERTS

The consolidated financial statements of Silver Bull Resources, Inc. for the years ended October 31, 2011 and 2010, and the effectiveness of internal control over financial reporting as of October 31, 2011, have been so incorporated by reference in reliance on the report of Hein & Associates LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The estimates of our mineralized material with respect to the Sierra Mojada Project have been included or incorporated by reference in reliance upon the technical report prepared by SRK Consulting (Canada), Inc. (SRK).

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You should rely only on the information incorporated by reference or provided in this prospectus or any supplement to this prospectus. We have authorized no one to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus is accurate as of any date other than the date on the front of this prospectus.

Up to 22,750,000 Units

Consisting of One Share of Common Stock and

0.50 of a Warrant to Purchase One Share of Common Stock

$0.40 per Unit

PROSPECTUS SUPPLEMENT

Co-Lead Agents

PI Financial (US) Corp. **Stifel Nicolaus & Company, Incorporated**

Co-Agent

Roth Capital Partners

The date of this prospectus supplement is February 6, 2013.