



September 27, 2021

OTCQB: SVBL, TSX: SVB

## SILVER BULL ANNOUNCES COMPLETION OF DISTRIBUTION OF ARRAS MINERALS SHARES TO SILVER BULL SHAREHOLDERS

**Vancouver, British Columbia** – Silver Bull Resources, Inc. (OTCQB: SVBL, TSX: SVB) (“Silver Bull” or the “Company”) is pleased to announce the completion of the previously announced distribution of shares of Arras Minerals Corp. (“Arras”) to Silver Bull shareholders (the “Distribution”).

The Distribution was effective as of September 24, 2021. Pursuant to the Distribution, shareholders of Silver Bull common stock as of September 10, 2021 were entitled to receive one common share of Arras for each share of Silver Bull common stock held as of that date.

In connection with the Distribution, Silver Bull’s shareholders were issued a total of 34,547,838 common shares of Arras, collectively representing approximately 84% of Arras, on a non-diluted basis. Silver Bull continues to own approximately 4% of Arras, on a non-diluted basis. The remaining approximately 12% of Arras is held by those who participated in Arras’ private placement in April 2021.

Registered Silver Bull shareholders holding physical share certificates or shares in book-entry form with the Company’s transfer agent (Olympia Trust Company) were issued Arras shares in book-entry form. Silver Bull shareholders who hold their shares of Silver Bull stock through a bank, broker or other nominee had or will have their Arras shares credited to their accounts by their bank, broker or other nominee. For questions relating to the transfer or mechanics of the Distribution, please contact Olympia Trust Company by telephone at 1-833-684-1546 (toll free in North America) or by online inquiry at [cssinquiries@olympiustrust.com](mailto:cssinquiries@olympiustrust.com).

Arras is not currently listed on a public stock exchange but will report under the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”), as a non-U.S. company with foreign private issuer status. The Arras shares distributed to Silver Bull shareholders, though freely transferable in the United States, may be illiquid until such time as the shares are listed or a trading market develops, if at all. The Distribution of Arras shares by Silver Bull constitutes a distribution of securities that is exempt from the prospectus requirements of Canadian securities legislation. As such, the first trade in Arras shares in Canada will be a distribution for the purposes of Canadian securities laws and subject to prospectus requirements unless certain conditions are satisfied. Until such conditions are satisfied, Arras shares may only be resold in Canada pursuant to an exemption from prospectus requirements. Silver Bull warrants and options will also be adjusted pursuant to the Distribution. For further details regarding the Canadian resale restrictions on the Arras shares distributed by Silver Bull and the adjustments being made to Silver Bull warrants and options in connection with the Distribution, please refer to the Registration Statement on Form 20-F of Arras filed on September 1, 2021 with the U.S. Securities and Exchange Commission (the “SEC”) on EDGAR at [www.sec.gov/edgar](http://www.sec.gov/edgar) (the “20-F”).

## **Tax Implications**

The following discussion is qualified in its entirety by the discussion of tax matters set forth in the 20-F. Silver Bull shareholders who were entitled to receive the Distribution of Arras shares should make reference to that discussion for further details regarding the tax consequences of the Distribution.

For U.S. federal income tax purposes, the receipt of Arras common shares by Silver Bull shareholders should be treated as a distribution of property in an amount equal to the fair market value of the common shares received. The Distribution of Arras common shares should be treated as dividend income to the extent considered paid out of Silver Bull's current and accumulated earnings and profits. Distributions in excess of Silver Bull's current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the holder's basis in its Silver Bull shares and thereafter as capital gain. Silver Bull will not be able to determine the amount of the Distribution that will be treated as a dividend until after the close of the taxable year of the Distribution because its current year earnings and profits will be calculated based on its income for the entire taxable year in which the Distribution occurs. However, based on current projections, it is reasonably expected that a portion of the Distribution of Arras common shares should be treated as a return of capital rather than a dividend. ***Silver Bull's tax year-end is October 31, and as such, the Company expects to advise shareholders of these determinations by no later than January 31, 2022.***

For Canadian tax purposes, the Distribution of Arras shares is considered a dividend in kind on the Silver Bull shares to shareholders resident in Canada. Such shareholders will be required to include in computing their income for a taxation year the amount of such dividend (equal to the fair market value of the Arras shares received). A dividend in kind of the Arras shares paid in respect of the Silver Bull shares to a shareholder who is not a resident of Canada will not be subject to Canadian withholding tax or other income tax under the *Income Tax Act* (Canada).

## **Management Focus**

Silver Bull is continuing to focus on the Sierra Mojada asset and surrounding area in Mexico and managing the joint venture option with South32. It continues to trade under the symbol "SVB" on the TSX and "SVBL" on the OTCQB. The current management and board are remaining in place to continue to run the Company.

Arras is focused on the Beskauga deposit located in Kazakhstan along with additional exploration licenses held or under application in the country. In addition, current Silver Bull management and directors have been appointed as management and directors of Arras, along with G. Wesley Carson as an additional independent director.

Both companies remain headquartered in Vancouver.

On behalf of the Board of Directors  
*"Tim Barry"*

**Tim Barry, CPAusIMM**  
Chief Executive Officer, President and Director

## INVESTOR RELATIONS:

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**Cautionary note regarding forward looking statements:** *This news release contains forward-looking statements regarding future events and Silver Bull's future results that are subject to the safe harbors created under the U.S. Private Securities Litigation Reform Act of 1995, the Securities Act of 1933, as amended, and the Exchange Act, and applicable Canadian securities laws. Forward-looking statements include, among others, statements regarding the expected income tax consequences and other aspects of the Distribution and expected management focus. These statements are based on current expectations, estimates, forecasts, and projections about Silver Bull's exploration projects, the industry in which Silver Bull operates and the beliefs and assumptions of Silver Bull's management. Words such as "expects," "anticipates," "targets," "goals," "projects," "intends," "plans," "believes," "seeks," "estimates," "continues," "may," variations of such words, and similar expressions and references to future periods, are intended to identify such forward-looking statements. Forward-looking statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control, including such factors as whether some or all of the expected benefits of the Distribution will be achieved, the impact of the Distribution on Silver Bull shareholders, whether management's focus will be as described in this news release following the Distribution, the results of exploration activities and whether the results continue to support continued exploration activities, unexpected variations in ore grade, types and metallurgy, volatility and level of commodity prices, the availability of sufficient future financing, and other matters discussed under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended October 31, 2020 and our Quarterly Report on Form 10-Q for the interim periods ended January 31, 2021, April 30, 2021, and July 31, 2021 and our other periodic and current reports filed with the SEC and available on [www.sec.gov](http://www.sec.gov) and with the Canadian securities commissions available on [www.sedar.com](http://www.sedar.com). Readers are cautioned that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those expressed or implied in the forward-looking statements. Any forward-looking statement made by us in this release is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.*