

Part II Organizational Action *(continued)*

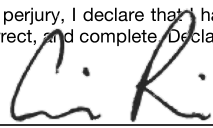
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [Please see attached statement](#)

18 Can any resulting loss be recognized? ▶ [Please see attached statement](#)


19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [Please see attached statement](#)

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶  Date ▶ January 14, 2022

Print your name ▶ **Christopher Richards** Title ▶ **CFO**

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Diana C Estrada		2022-01-14		P01411949
	Firm's name ▶ Deloitte LLP	Firm's EIN ▶ 98-0115552		Phone no. 403-267-1700	
Firm's address ▶ 700-850 2nd St. SW, Calgary, AB Canada T2P 0R8					

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

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

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

Part II – Line 14:

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

Part II – Line 15:

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

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

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

Part II – Line 16:

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

Part II – Line 17:

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

Part II – Line 18:

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

Part II Line 19:

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

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