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

Table of Contents

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.

Table of Contents

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

Table of Contents

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

Table of Contents

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.

Table of Contents

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

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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

Table of Contents

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%.

Table of Contents

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

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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*.

Table of Contents

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.

Table of Contents

TABLE OF CONTENTS

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.

Table of Contents

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.

Table of Contents

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.

Table of Contents

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 wi