Silver Bull halts work at Sierra Mojada, Mexico, due to a blockade

Silver Bull Resources Inc. {TSX.V: SVB}

Has temporarily halted all work on the Sierra Mojada project due to a blockade by a co-operative of local miners called Sociedad Cooperativa de Exploracion Minera Mineros Nortenos SCL.

The dispute is over a royalty payment demanded by the union despite production not yet starting.

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Mr. Tim Barry reports

SILVER BULL HALTS OPERATIONS AT THE SIERRA MOJADA PROJECT DUE TO BLOCKADE

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Silver Bull has an agreement with Mineros Nortenos on two mineral licences which cover the eastern part of the Sierra Mojada deposit. These licences are subject to a 2-per-cent production royalty capped at $6,875,000 (U.S.) to Mineros Nortenos should a mine go into production.

Since 2014, Silver Bull has been fighting a lawsuit by Mineros Nortenos seeking payment of the royalty, including interest at a rate of 6 per cent per annum since Aug. 30, 2004, even though no revenue has been produced from the applicable mining concessions.

Mineros Nortenos also sought payment of wages to the Mineros Nortenos members since Aug. 30, 2004, under this agreement, even though none of the individuals were hired or performed work for Silver Bull under this agreement and Silver Bull did not commit to hiring them.

On Oct. 4, 2017, the court ruled that Mineros Nortenos was time barred from bringing the case. On Oct. 19, 2017, Mineros Nortenos appealed this ruling. On July 31, 2019, the Federal Appeal Court upheld the original ruling. This ruling has been subsequently challenged by Mineros Nortenos. If Mineros Nortenos challenge is unsuccessful Silver Bull will win the lawsuit.

In an attempt to force Silver Bull into making a settlement before this final court ruling is issued, Mineros Nortenos has undertaken to illegally block access to the project. To ensure the safety of all involved, Silver Bull has elected to halt all operations on the project until a resolution can be found.

Silver Bull is working with authorities to resolve the situation in a safe, fair and timely manner.

Silver Bull remains committed to good faith dialogue with Mineros Nortenos, many of whom have worked for Silver Bull, to find a solution that is acceptable to both parties.

The company’s drill contractor, Major Drilling De Mexico SA de CV, has agreed to charge zero standby fee until the access issue is resolved.

About Silver Bull Resources Inc.

Silver Bull is a well-financed mineral exploration company whose shares are listed on the Toronto Stock Exchange and is based out of Vancouver, Canada. The Sierra Mojada project is

located 150 kilometres north of the city of Torreon in Coahuila, Mexico, and is highly prospective for silver and zinc.

We seek Safe Harbour.