UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

[ ] Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934

or

[X] Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For fiscal year ended: March 31, 2019 Commission File number: 001-34184

SILVERCORP METALS INC.

(Exact name of Registrant as specified in its charter)

British Columbia, Canada
(Province or Other Jurisdiction of Incorporation or Organization)

1041
(Primary Standard Industrial Classification Code Number, if applicable)

Not Applicable
(I.R.S. Employer Identification Number (if applicable))

Suite 1378 - 200 Granville Street
Vancouver, British Columbia V6C 1S4, Canada
(604) 669-9397
(Address and Telephone Number of Registrant's principal executive office)

Corporation Service Company
84 State Street, Boston MA 02109
617-227-9590
(Name, Address and Telephone Number of Agent for Service in the United States)

Copies to:

Daniel Miller
Dorsey & Whitney LLP
1095 West Pender Street Suite 1070
Vancouver, British Columbia V6E 2M6,
Canada (604) 630-5199

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange On Which Registered
Common Shares, without par value	**SVM**	**NYSE American**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **none**
Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **none**

For annual reports, indicate by check mark the information filed with this Form:

[X] Annual information form [X] Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 169,842,052

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements in the past 90 days.

Yes [X] No [ ]

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes [X] No [ ]

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company [ ]

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

PRINCIPAL DOCUMENTS

The following documents, filed as Exhibits 99.1, 99.2 and 99.3 to this Annual Report on Form 40-F of Silvercorp Metals Inc. ("Silvercorp" or the "Company"), are hereby incorporated by reference into this Annual Report on Form 40-F:

(a) Annual Information Form for the fiscal year ended March 31, 2019;

(b) Management's Discussion and Analysis for the fiscal year ended March 31, 2019; and

(c) Audited Consolidated Financial Statements for the fiscal year ended March 31, 2019 and notes thereto, together with the report of auditors thereon. Silvercorp's Audited Consolidated Financial Statements included in this Annual Report on Form 40-F have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board. Therefore, they are not comparable in all respects to financial statements of United States companies that are prepared in accordance with United States generally accepted accounting principles.

CERTIFICATIONS AND DISCLOSURE REGARDING CONTROLS AND PROCEDURES

(a) Certifications. See Exhibits 99.4, 99.5, 99.6 and 99.7 to this Annual Report on Form 40-F.

(b) Disclosure Controls and Procedures. As of the end of the Company's fiscal year ended March 31, 2019, an evaluation of the effectiveness of the Company's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) was carried out by the Company's management, with the participation of its principal executive officer and principal financial officer. Based upon that evaluation, the Company's principal executive officer and principal financial officer have concluded that as of the end of that fiscal year, the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission (the "Commission") rules and forms and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officers, to allow timely decisions regarding required disclosure.

It should be noted that while the Company's principal executive officer and principal financial officer believe that the Company's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the Company's disclosure controls and procedures or internal control over financial reporting will prevent all errors or fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

(c) Management's Annual Report on Internal Control Over Financial Reporting. The required disclosure is included in under the heading "Management's Report on Internal Control over Financial Reporting" in the Company's Management's Discussion and Analysis for the fiscal year ended March 31, 2019, filed as Exhibit 99.2 to this Annual Report on Form 40-F.

(d) Attestation Report of the Independent Registered Public Accounting Firm. The Company's independent registered public accounting firm, Deloitte LLP, which audited the consolidated financial statements included in this Annual Report on Form 40-F, has issued an attestation report on management's assessment of the Company's internal control over financial reporting, entitled "Report of Independent Registered Public Accounting Firm," that accompanies the Company's Consolidated Financial Statements for the fiscal year ended March 31, 2019, filed as Exhibit 99.3 to this Annual Report on Form 40-F.

(e) Changes in Internal Control Over Financial Reporting. There was no change in the Company's internal control over financial reporting during the period covered by this Annual Report on Form 40-F that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

NOTICES PURSUANT TO REGULATION BTR

The Company was not required by Rule 104 of Regulation BTR to send any notices to any of its directors or executive officers during the fiscal year ended March 31, 2019.

AUDIT COMMITTEE FINANCIAL EXPERT

The Company's board of directors (the "Board") has determined that it has at least one audit committee financial expert (as such term is defined in Form 40-F) serving on its audit committee. The Board has determined that David Kong is an audit committee financial expert and is independent (as determined under the rules of the NYSE American stock exchange).

Mr. David Kong holds a Bachelor in Business Administration and earned his Chartered Accountant designation in British Columbia in 1978 and U.S. CPA (Illinois) designation in 2002. From 1981 to 2004, he was partner of Ellis Foster Chartered Accountants and a partner at Ernst & Young LLP from 2005 to 2010. Currently, Mr. Kong is a director of New Pacific Metals Corp., Uranium Energy Corp., and Gold Mining Inc. Mr. Kong is a certified director (ICD.C) of the Institute of Corporate Directors.

CODE OF ETHICS

The Board has adopted a written code of ethics entitled, "Code of Business Conduct and Ethics" (the "Code"), by which it and all officers and employees of the Company, including the Company's principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions, are required to abide. There were no amendments, or waivers granted in respect of, the Code during the fiscal year ended March 31, 2019. The Code is posted on the Company's website at http://www.silvercorpmetals.com/company/corporate_governance. A copy of the Code may also be obtained, without charge, by contacting the Corporate Secretary of the Company at the address or telephone number indicated on the cover page of this Annual Report on Form 40-F. If there is an amendment to the Code, or if a waiver of the Code is granted to any of the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, the Company intends to disclose any such amendment or waiver by posting such information on the Company's website. Unless and to the extent specifically referred to herein, the information on the Company's website shall not be deemed to be incorporated by reference in this Annual Report on Form 40-F.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

The required disclosure is included under the heading "Item 11. Audit Committee External Auditor Services Fees" in the Company's Annual Information Form for the fiscal year ended March 31, 2019, filed as Exhibit 99.1 to this Annual Report on Form 40-F.

AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

See Item 11 of the Company's Annual Information Form, which is attached hereto as Exhibit 99.1. All audit-related fees, tax fees, or all other fees were approved by the Audit Committee pursuant to Rule 2-01(c)(7)(i) of Regulation S-X. However, none of such fees were approved pursuant to the exemption provided in Rule 2-01(c)(7)(i)(C) of Regulation S-X.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following table presents information regarding the Company's known contractual obligations by maturity as of March 31, 2019:

Contractual Obligations	**Payment due by period (in thousands of dollars)**				
	Total	**Less than 1 year**	**1 3 years**	**3 5 years**	**More than 5 years**
Accounts payable and accrued liabilities	$28,256	$28,256	$-	$-	$-
Bank Loan	$4,475	$4,475	-	-	$-
Operating leases	$2,612	$854	$1,241	$517	$-
Total	$35,343	$35,585	$1,241	$517	$-

IDENTIFICATION OF THE AUDIT COMMITTEE

The Company's Board has a separately designated standing Audit Committee established in accordance with section 3(a)(58)(A) of the Exchange Act. The Company's Audit Committee is comprised of Paul Simpson, David Kong and Marina Katusa.

MINE SAFETY DISCLOSURE

Not applicable.

CORPORATE GOVERNANCE PRACTICES

The Company has reviewed its corporate governance practices against the requirements of the NYSE American and determined that its corporate governance practices do not differ significantly from those followed by U.S. companies under the NYSE American listing standards for corporate governance.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. Undertaking

Silvercorp Metals Inc. undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

B. Consent to Service of Process

The Company has previously filed with the Commission an Appointment of Agent for Service of Process and Undertaking on Form F-X with respect to the class of securities in relation to which the obligation to file this Form 40-F arises.

Any change to the name or address of the agent for service of process of the Company shall be communicated promptly to the Commission by an amendment to the Form F-X referencing the file number of the Company.

EXHIBITS

99.1	Annual Information Form of the Company for the year ended March 31, 2019
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations for the Year Ended March 31, 2019
99.3	Consolidated Financial Statements comprised of Consolidated Statements of Financial Position as of March 31, 2019 and 2018, Consolidated Statements of Income, Comprehensive Income (Loss), Cash Flows, and Changes in Equity for the years ended March 31, 2019 and 2018, and Notes to Consolidated Financial Statements
99.4	Certificate of Chief Executive Officer Pursuant to Rule 13a-14(a) of the Exchange Act
99.5	Certificate of Chief Financial Officer Pursuant to Rule 13a-14(a) of the Exchange Act
99.6	Certificate of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7	Certificate of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8	Consent of Deloitte LLP, Independent Registered Public Accounting Firm
99.9	Consent of Alan Riles
99.10	Consent of AMC Mining Consultants (Canada) Ltd
99.11	Consent of Herbert Smith
99.12	Consent of Patrick Stephenson
99.13	Consent of Adrienne Ross
99.14	Consent of Dinara Nussipakynova
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Date: June 21, 2019

SILVERCORP METALS INC.

By: /s/ Dr. Rui Feng

Name: Dr. Rui Feng
Title: Chief Executive Officer

Exhibit 99.1



ANNUAL INFORMATION FORM

FOR THE YEAR ENDED MARCH 31, 2019

DATED AS AT JUNE 21, 2019

SILVERCORP METALS INC.

Suite 1378 - 200 Granville Street
Vancouver, BC, Canada V6C 1S4
Tel: (604) 669-9397
Fax: (604) 669-9387
Email: investor@silvercorp.ca
Website: www.silvercorp.ca

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ITEM 1 GENERAL

1.1 Date of Information

All information in this Annual Information Form ("**AIF**") is as of March 31, 2019, unless otherwise indicated.

1.2 Forward Looking Statements

Certain statements and information in this AIF for Silvercorp Metals Inc. (" **Silvercorp**" or the "**Company**") constitute "forward-looking statements" within the meaning of the United States *Private Securities Litigation Reform Act* of 1995 and "forward-looking information" within the meaning of applicable Canadian provincial securities laws. All statements and information concerning mineral resource and mineral reserve estimates may also be deemed to constitute "forward-looking statements" to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements or information that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategies", "targets", "goals", "forecasts", "objectives", "budgets", "schedules", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements or information. Forward-looking statements or information relate to, among other things: the price of silver, lead, zinc and other metals; the accuracy of mineral resource and mineral reserve estimates at the Company's material properties; estimated production from the Company's mines in the Ying Mining District (defined herein) and from the GC Mine; availability of funds from production to finance the Company's operations; and access to and availability of funding for future construction and development of the Company's properties or for acquisitions.

Forward-looking statements or information are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks relating to the matters described in this AIF under Item 4.3 *Risk Factors* under the following headlines: fluctuating commodity prices; estimation of mineral resources, reserves and mineralization and precious and base metal recovery; interpretations and assumptions of mineral resource and mineral reserve estimates; exploration and development programs; permits and licences; title to properties; joint venture partners; acquisition of commercially mineable mineral rights; financing; recent market events and conditions; economic factors affecting the Company; timing, estimated amount, capital and operating expenditures and economic returns of future production; integration of future acquisitions into the Company's existing operations; competition; operations and political conditions; regulatory environment in China; environmental risks; foreign exchange rate fluctuations; insurance; risks and hazards of mining operations; dependence on management and key personnel; conflicts of interest; internal control over financial reporting as per the requirements of the *Sarbanes-Oxley Act*; bringing actions and enforcing judgments under U.S. securities laws: and, the Company's investments in New Pacific Metals Corp.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements or information. Forward-looking statements or information are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements or information due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this AIF under the heading "Risk Factors" and elsewhere. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information.

The Company's forward-looking statements and information are based on the assumptions, beliefs, expectations and opinions of management as of the date of this AIF, and other than as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements and information if circumstances or management's assumptions, beliefs, expectations or opinions should change, or changes in any other events affecting such statements or information. For the reasons set forth above, investors should not place undue reliance on forward-looking statements and information.

Cautionary Note to U.S. Investors – Information Concerning Preparation of Mineral Resource and Mineral Reserve Estimates

This AIF has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all mineral resource and mineral reserve estimates included in this AIF have been prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and the Canadian Institute of Mining Metallurgy and Petroleum (" **CIM**") "*Standards on Mineral Resources and Mineral Reserves Definitions and Guidelines*" (the "**CIM Standards**"). NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission (" **SEC**"), and mineral resource and mineral reserve information contained herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserve". Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC's disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by U.S. standards in documents filed with the SEC. U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "inferred mineral resource" will ever be upgraded to a higher category. Under Canadian rules, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an "inferred mineral resource" exists or is economically or legally mineable.

Disclosure of "contained metal" in a resource is permitted disclosure in certain circumstances under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC, and reserves reported by the Company in compliance with NI 43-101 may not qualify as "reserves" under SEC standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with U.S. standards.

1.3 Currency

All sums of money which are referred to herein are expressed in lawful money of the United States, unless otherwise specified. The symbol "CAD$" denotes lawful money of Canada and "RMB" denotes lawful money of the People's Republic of China. The following table sets forth, for each of the periods indicated, the year-end exchange rate, the average noon rate and the high and low noon exchange rates for one Canadian dollar expressed in U.S. dollar, as quoted by the Bank of Canada:

	Year Ended March 31,		
	2019	**2018**	**2017**
High	0.7967	0.8245	0.7972
Low	0.7330	0.7276	0.7363
Average	0.7625	0.7798	0.7621
Period End	0.7483	0.7756	0.7506

The exchange rate for one Canadian dollar expressed in U.S. dollar based upon the daily average exchange rate on June 20, 2019 provided by the Bank of Canada was $0.7581.

The following table sets forth, for each of the periods indicated, the year-end exchange rate, the average noon rate and the high and low noon exchange rates for one Canadian dollar expressed in Chinese Renminbi ("**RMB**"), as quoted by the Bank of Canada:

	Year Ended March 31,		
	2019	**2018**	**2017**
High	5.3648	5.4142	5.2854
Low	4.8662	4.8379	4.9092
Average	5.1149	5.1648	5.1263
Period End	5.0226	4.8780	5.1706

The exchange rate for one Canadian dollar expressed in RMB based upon the daily average exchange rate on June 20, 2019 provided by the Bank of Canada was RMB5.1948.

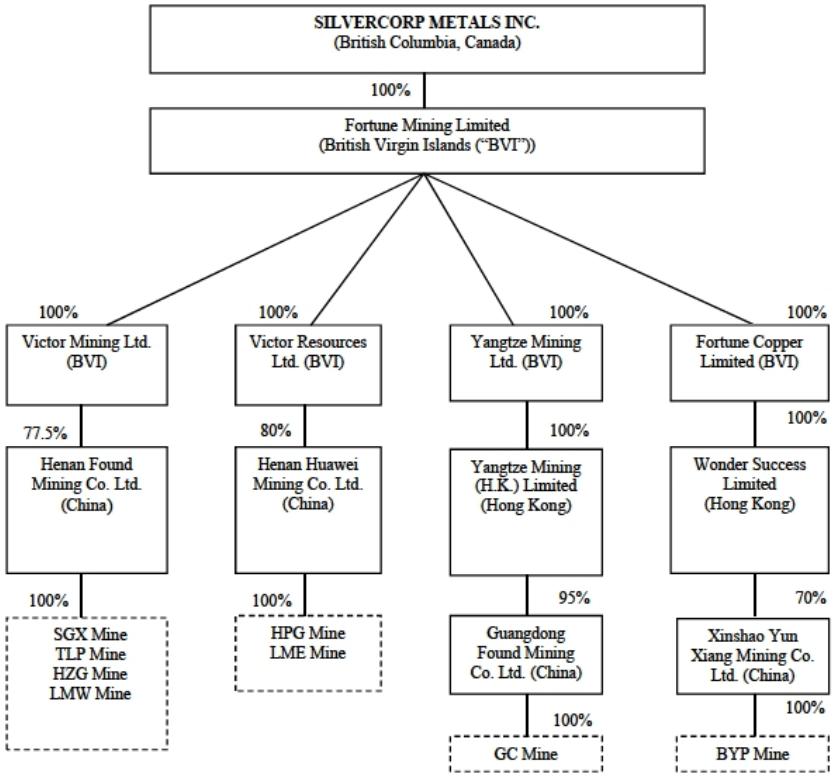
ITEM 2 CORPORATE STRUCTURE

2.1 Names, Address and Incorporation

Silvercorp was formed as Spokane Resources Ltd. pursuant to an amalgamation of Julia Resources Corporation and MacNeill International Industries Inc. under the *Company Act* (British Columbia) on October 31, 1991. By a special resolution dated October 5, 2000, Spokane Resources Ltd. consolidated its share capital on a ten for one basis and altered its Memorandum and Articles of Incorporation by changing its name to "SKN Resources Ltd." At the Company's Annual and Special General Meeting held October 20, 2004, the shareholders (a) approved an increase to the Company's authorized capital to an unlimited number of common shares and adopted new Articles consistent with the transition to the *Business Corporations Act* (British Columbia); and (b) passed a special resolution to change the Company's name. On May 2, 2005, the Company filed a Notice of Alteration with the British Columbia Registrar of Companies changing its name from "SKN Resources Ltd." to "Silvercorp Metals Inc." The head office, principal address and registered and records office of the Company is located at 1378-200 Granville Street, Vancouver, British Columbia, V6C 1S4. The Company's shares are listed for trading on the Toronto Stock Exchange (the "**TSX**") and the NYSE American, both under the symbol "SVM". The Company is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, and New Brunswick.

2.2 Inter-corporate Relationships

The corporate structure of the Company and its subsidiaries with mineral property interests as at the date of this AIF is as follows:



The Company is the sole shareholder of Fortune Mining Limited (" **Fortune**") which was incorporated on August 23, 2002 to be the holding company of several other subsidiaries which are parties to agreements relating to mineral properties in China. Fortune beneficially owns 100% of the following material subsidiary companies:

(a) Victor Mining Ltd. ("**Victor Mining**") was incorporated on October 23, 2003 under the laws of the British Virgin Islands (the " **BVI**") and continued into Barbados on August 27, 2009 and back to the BVI on March 18, 2016. Victor Mining is a party to a cooperative agreement under which it has earned a 77.5% interest in Henan Found Mining Co. Ltd. ("**Henan Found**"), the Chinese company holding, among other assets: (i) the Ying silver, lead and zinc project (the " **SGX Mine**"); (ii) the silver and lead project in Tieluping (the "**TLP Mine**"); (iii) the silver and lead project in Hou Zhang Gou and Po Cai Gou (the " **HZG Mine**"); (iv) the silver and lead project in Longmen West (the "**LMW Mine**"); and (v) the XHP project.

(b) Victor Resources Ltd. ("**Victor Resources**") was incorporated on May 30, 2003, under the laws of the BVI and is a party to a cooperative agreement under which it earned an 80% interest in Henan Huawei Mining Co. Ltd.

("**Henan Huawei**"), the Chinese company holding the beneficial interests in the project in Haopinggou (the " **HPG Mine**") and the project in Longmen East (the "**LME Mine**") each in Henan Province.

(c) Yangtze Mining Ltd. ("**Yangtze Mining**") was incorporated on February 11, 2002, under the laws of the BVI. It holds a 100% interest in Yangtze Mining (H.K.) Ltd. ("**Yangtze Mining HK**"). Yangtze Mining HK holds a 95% interest in Guangdong Found Mining Co. Ltd. (" **Guangdong Found**"), a company incorporated on October 26, 2008 under the laws of the People's Republic of China, that holds a 100% interest in the silver, lead and zinc exploration permits on the project in Gaocheng (the "**GC Mine**") in Guangdong Province.

(d) Fortune Copper Limited was incorporated on August 23, 2002, under the laws of the BVI. It holds a 100% interest in Wonder Success Limited, a Hong Kong company which has a 70% equity interest in Xinshao Yun Xiang Mining Co. Ltd. ("**Yunxiang**"), which owns the BYP gold – lead zinc mine in Hunan Province (the "**BYP Mine**").

The Company's operations in China are largely conducted through equity joint ventures, over which the Company has control. See "Item 4 General Description of Business, 4.2 Chinese Mining Law".

ITEM 3 GENERAL DEVELOPMENT OF THE BUSINESS

3.1 Business of Silvercorp

Silvercorp is engaged in the acquisition, exploration, development and mining of high-grade, silver-related, mineral properties in China through the operation of the silver-lead-zinc mines in the Ying Mining District in Henan Province and the GC Mine in Guangdong Province. The Ying Mining District consists of several mines, including the SGX Mine, HZG Mine, TLP Mine, HPG Mine, LMW Mine, and LME Mine.

3.2 The Company's Strategic Vision

Silvercorp has a distinct long-term strategy characterized by three key steps. First, Silvercorp focuses on the acquisition and selective exploration of projects with significant resource and cash flow potential. It seeks out higher grade, underground, precious metals projects that may be too small for large companies and too large for juniors. Second, Silvercorp focuses on quickly developing high-margin operations with reasonable development capital profiles to generate cash flow before the project's resource potential is fully delineated. Third, the initial cash flow Silvercorp generates from its operations is used to fund further exploration, resource expansion and production growth.

This strategy, with its focus on early production, provides earlier benefits to: (i) local communities through increased employment opportunities, (ii) local governments through payment of taxes, (iii) local joint venture partners through profit sharing, and (iv) shareholders of the Company through less dilution. The early benefits help build a base of strong stakeholder support necessary for further project growth.

3.3 Three Year History

Silvercorp has been acquiring, exploring, developing, and operating, mineral properties in China since 2003. Production at the SGX Mine at the Ying Mining District commenced on April 1, 2006, and since that time, several of the Company's other properties in Henan Province, China have commenced production. In addition, the Company commenced production at the GC Mine in July 2014.

For the year ended March 31, 2019 ("**Fiscal 2019**"), on a consolidated basis, the Company mined 906,794 tonnes of ore, an increase of 5% or 46,870 tonnes, compared to 859,924 tonnes in the year ended March 31, 2018 ("**Fiscal 2018**"). For Fiscal 2019, the Company had sales of $170.5 million, a gross profit margin of 49%, and cash flow from operations of $67.8 million. For Fiscal 2019, net income attributable to equity holders of the Company was $39.7 million, or $0.23 per share.

For Fiscal 2018, on a consolidated basis, the Company had sales of $170.0 million, a gross profit margin of 52%, cash flow from operations of $67.9 million, and net income attributable to equity holders of the Company of $47.0 million, or $0.28 per share.

For the year ended March 31, 2017 ("**Fiscal 2017**"), on a consolidated basis, the Company mined 897,506 tonnes of ore, had sales of $163.5 million, a gross profit margin of 54%, cash flow from operations of $80.4 million, and net income attributable to equity holders of the Company of $43.7 million, or $0.26 per share.

The following table summarizes the total metal sales in the past three years.

	Years Ended March 31		
	2019	**2018**	**2017**
Silver ('000s ounces)	6,390	6,040	6,494
Gold ('000s ounces)	3.5	3.1	3.3
Lead ('000s pounds)	64,788	61,934	70,473
Zinc ('000s pounds)	22,716	19,569	18,294

As reported in the Company's news releases dated April 16, 2018 and May 1, 2018, the Company reported a spillage incident at the Ying Mining District of a small amount of tailings leaking from the No. 2 tailings facility into Chong Yang Creek at approximately 9:30 p.m. on April 12, 2018. Silvercorp's subsidiary, Henan Found, took immediate actions and the leakage was fully controlled and stopped as of 12:00 p.m. on April 13, 2018. No personal injuries occurred and the results of ongoing water tests from Chong Yang Creek were within the acceptable national water quality standards. Due to the incident, milling operations at the Ying Mining District were temporarily suspended. On April 28, 2018, one flotation line of 1,000 tonnes per day at the No. 2 mill, using the No. 1 tailings storage facility resumed operation, and full mill operations resumed on May 23, 2018. As the milling capacity of Henan Found is approximately 25% greater than the mining capacity, the temporary suspension of the milling operations had minimal impact on overall annual production.

Production

Ying Mining District

The Ying Mining District consists of several mines, including the SGX, HZG, TLP, HPG, LMW, and LME Mines, and is the Company's primary source of production.

In Fiscal 2019, total ore mined at the Ying Mining District was 622,576 tonnes, an increase of 1% or 8,435 tonnes, compared to 614,141 tonnes in Fiscal 2018. Correspondingly, ore milled in Fiscal 2019 increased to 619,851 tonnes from 618,732 tonnes in the prior year. Head grades were 311 g/t for silver, 4.4% for lead, and 0.9% for zinc, compared to 305 g/t for silver, 4.4% for lead and 0.9% for zinc in the prior year. The Company continues to achieve improvements in dilution control using its "Enterprise Blog" to assist in managing daily operations.

In Fiscal 2019, the Ying Mining District sold approximately 5.8 million ounces of silver, 56.1 million pounds of lead, and 6.6 million pounds of zinc, compared to 5.4 million ounces of silver, 55.2 million pounds of lead, and 6.1 million pounds of zinc in the prior year.

Total and cash mining costs [1] at the Ying Mining District were $88.19 and $63.39 per tonne, respectively, in Fiscal 2019, compared to $84.59 and $61.46 per tonne, respectively, in Fiscal 2018. The increase in cash mining costs was mainly due to inflation resulting in an increase of (i)$0.6 million in mining contractor's costs, (ii) $0.4 million in raw material costs, and (iii) $0.7 million in utility costs.

Total and cash milling costs [1] at the Ying Mining District in Fiscal 2019 were $12.58 and $10.43 per tonne, respectively, compared to $11.71 and $9.49 per tonne, respectively, in Fiscal 2018.

Correspondingly, the cash production cost [1] per tonne of ore processed in Fiscal 2019 at the Ying Mining District was $78.04, an increase of 4% compared to $74.96 in the prior year.

The cash cost[1] per ounce of silver, net of by-product credits, in Fiscal 2019 at the Ying Mining District, was negative $3.35, compared to negative $3.88 in the prior year. The increase in the cash cost per ounce of silver, net of by-product

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[1] *Non IFRS measure. Please refer reconciliation on section 13 of MD&A for the corresponding period.*

credits, was mainly due to a $2.4 million increase in cash production cost expensed offset by a $0.6 million increase in by-product credits.

All-in sustaining costs[1] per ounce of silver, net of by-product credits, in Fiscal 2019 at the Ying Mining District was $2.60 compared to $2.04 in the prior year. The increase was mainly due to increases of $2.4 million in cash production costs expensed and $2.2 million in sustaining capital expenditures.

GC Mine

In Fiscal 2019, the total ore mined at the GC Mine was 284,218 tonnes, an increase of 38,435 tonnes or 16%, compared to 245,783 tonnes in Fiscal 2018, while ore milled increased by 18% to 288,995 tonnes from 244,338 tonnes in the prior year.

Head grades were 86 g/t for silver, 1.5% for lead, and 3.0% for zinc in Fiscal 2019, compared to 98 g/t for silver, 1.5% for lead, and 2.8% for zinc in the prior year.

In Fiscal 2019, the GC Mine sold 626,000 ounces of silver, 8.7 million pounds of lead, and 16.1 million pounds of zinc, compared to 603,000 ounces of silver, 6.8 million pounds of lead, and 13.4 million pounds of zinc in Fiscal 2018.

Total and cash mining costs[1] at the GC Mine in Fiscal 2019 were $46.04 and $37.73 per tonne, respectively, compared to $45.73 and $37.48 per tonne in Fiscal 2018.

Total and cash milling costs[1] at the GC Mine in Fiscal 2019 were $17.01 and $14.39 per tonne, respectively, compared to $19.17 and $15.72 per tonne, respectively, in Fiscal 2018.

Correspondingly, the cash production costs[1] per tonne of ore processed in Fiscal 2019 at the GC Mine decreased by 2% to $52.12 from $53.20 in the prior year.

The cash costs[1] per ounce of silver, net of by-product credits, at the GC Mine, was negative $12.97 in Fiscal 2019 compared to negative $12.37 in the prior year. The decrease was mainly due to a 4% increase in by-product credits resulting from increases of 28% in lead and 20% in zinc sold offset by a decrease of 3% and 17% in net realized lead and zinc selling prices at the GC Mine.

All-in sustaining costs[1] per ounce of silver, net of by-product credits, in Fiscal 2019 at the GC Mine was negative $6.28 compared to negative $3.69 in the prior year. The improvement was mainly due to an increase of $1.6 million in byproduct credits and a decrease of $0.9 million in sustaining capital expenditures.

BYP Mine

The BYP Mine was placed on care and maintenance in August 2014 due to the required capital upgrades to sustain its ongoing production and the current market environment. The Company continues to review alternatives for this project and is also carrying out activities to renew its mining license.

XHP project

Activities at the XHP project, a development-stage project, were suspended in Fiscal 2014. In April 2019, Henan Found, the Company's 77.5% owned subsidiary, entered into a share transfer agreement (the "Agreement") with an arm's length private Chinese company to dispose of the XHP project. Pursuant to the Agreement, Henan Found will sell its 100% equity interest in SX Gold, the holding company of the XHP project, for $7.5 million (RMB ¥50 million), net of the amount SX Gold owes to Henan Found. As of the date of this AIF, Henan Found received partial payments of $4.5 million (RMB ¥30 million) for the sale. The transaction is expected to close in the first quarter of Fiscal 2020.

Capitalized Exploration and Development Expenditures

Ying Mining District

In Fiscal 2019, approximately 75,955 m or $1.8 million worth of underground diamond drilling (Fiscal 2018 – 104,798 m or $2.3 million) and 18,656 m or $5.4 million worth of preparation tunnelling (Fiscal 2018 – 19,723 m or $5.8 million) were completed and expensed as mining preparation costs at the Ying Mining District. In addition, approximately 65,653 m or $23.2 million worth of horizontal tunnels, raises and declines (Fiscal 2018 – 61,827 m or $20.1 million) were completed and capitalized.

GC Mine

In Fiscal 2019, approximately 24,727 m or $1.3 million worth of underground diamond drilling (Fiscal 2018 – 21,717 m or $1.1 million) and 19,844 m or $5.2 million worth of tunnelling (Fiscal 2018 – 15,811 m or $4.5 million) were completed and expensed as mining preparation costs at the GC Mine. In addition, approximately 1,374 m or $1.0 million worth of horizontal tunnels, raises and declines (Fiscal 2018 – 320 m or $0.3 million) were completed and capitalized.

3.4 Other Matters

Normal Course Issuer Bids

On February 20, 2019, the Company announced that the TSX had approved a Normal Course Issuer Bid (" **2019 NCIB**") which permitted the Company to acquire (from February 25, 2019 to February 24, 2020) up to 8,484,682 of its common shares, representing approximately 5% of the Company's 169,693,640 common shares issued and outstanding as of February 5, 2019.

On November 23, 2017, the Company announced that the TSX had approved a Normal Course Issuer Bid (**"2018 NCIB**") which permitted the Company to acquire (from November 27, 2017 to November 26, 2018) up to 8,409,712 of its common shares, representing approximately 5% the Company's 168,194,254 common shares issued and outstanding as of November 16, 2017. The Company acquired 1,717,100 common shares at an average price of CAD$3.09 per share under the 2018 NCIB up to March 31, 2018, and all such shares were cancelled.

On December 23, 2015, the Company announced that the TSX had approved a Normal Course Issuer Bid (**"2016 NCIB**") which permitted the Company to acquire (from December 29, 2015 to December 28, 2016) up to 16,255,503 of its common shares, representing approximately 10% of the Company's 168,837,356 common shares issued and outstanding as of December 15, 2015. The Company acquired 1,714,500 common shares at an average price of CAD$0.72 per share under the 2016 NCIB and all shares were cancelled.

ITEM 4 DESCRIPTION OF THE BUSINESS

4.1 General

Silvercorp's principal products and its sources of sales are silver-bearing lead and zinc concentrates and direct smelting ores. At present, Silvercorp sells all its products to local smelters or companies in the mineral products trading business.

For each of the Company's two most recently completed fiscal years, revenues for each category of products that accounted for 10% or more of total consolidated revenues are as follows:

	Years ended March 31,	
In 000s'US$	2019	2018
Silver (Ag)	80,654	82,354
Lead (Pb)	64,111	62,251
Zinc	20,654	21,462

Additional information is provided in the Company's financial statements and management's discussion and analysis for its most recently completed fiscal year.

The mining industry is intensely competitive and the Company competes with many companies possessing similar or greater financial and technical resources. The Company's competitive position is largely reliant upon its ability to maintain a high margin operation, resulting from relatively high grade resources, and lower production costs in China compared to the costs of other producers outside China. The Company's competitive advantage also results from the quality of its concentrates and its proximity to local smelters.

In Fiscal 2019, silver and zinc production at the Ying Mining District surpassed the guidance by 7% and 4%, respectively, while lead production was in line with the guidance. The higher silver production was mainly due to the increase of head grades offset by lower ore production achieved and the higher zinc production was mainly due to the improvement in recovery rates. Silver and lead head grades increased to 311 g/t for silver and 4.4% for lead from the guidance of 285 g/t and 4.3%, respectively. The cash production costs per tonne were higher than the guidance mainly due to inflation resulting in higher raw material and utility costs and adjustments to mining contractor's costs.

In Fiscal 2018, silver, lead, and zinc production at the Ying Mining District surpassed the guidance by 3%, 1%, and 1%, respectively, mainly due to the increase in head grades offset by lower ore production achieved. Silver and lead head grades increased by 11% and 6%, respectively, to 305 g/t for silver and 4.4% for lead from the guidance of 275 g/t and 4.2%, respectively. The cash production costs per tonne were higher than the guidance mainly due to more drilling and tunnelling expensed and higher material costs, while the all-in sustaining costs per ounce of silver, net of by-product credits were better than the guidance.

In Fiscal 2019, silver, lead and zinc production at the GC Mine surpassed the guidance by 5%, 17% and 19%, respectively, mainly due to a 16% increase in ore production offset by lower head grades for silver and lead. The cash production costs per tonne and all-in sustaining costs per ounce were lower than the guidance.

In Fiscal 2018, silver production at the GC Mine surpassed the guidance by 42%, while there was a 6% and 1% short fall in lead and zinc production mainly due to 2% less ore processed and a 3% decrease in lead head grades. The cash production costs per tonne were higher than the guidance, while the all-in sustaining costs per ounce of silver, net of byproduct credits were better than the guidance, mainly due to higher by-product credits achieved with a 34% and 48% increase, respectively, in lead and zinc realized selling prices.

In Fiscal 2019, the Company had 899 employees at Henan Found, 243 at Guangdong Found, 4 at Hunan Yunxiang, 17 at Songxian, 28 at the Beijing representative office, and 16 in the Vancouver corporate office.

On June 20, 2017, the Company completed a corporate restructuring whereby Anhui Yangtze Mining Co. Ltd. (China) transferred its 5% interest in Guangdong Found, a company that holds a 100% interest in the GC Mine, to Yangtze Mining HK. As a result, Yangtze Mining HK currently holds a 95% interest in Guangdong Found.

Fiscal 2020 Outlook

Production

For the year ended March 31, 2020 ("**Fiscal 2020**"), the Company expects to produce approximately 900,000 tonnes of ore, which is anticipated to yield approximately 6.1 million ounces of silver, 65.1 million pounds of lead, and 21.8 million pounds of zinc.

At the Ying Mining District, production is expected to be 630,000 tonnes of ore with grades of 290 g/t silver, 4.3% lead and 0.9% zinc, with expected metal production of 5.5 million ounces of silver, 56.2 million pounds of lead and 6.3 million pounds of zinc. The cash production cost is expected to be $78.20 per tonne of ore. The all-in sustaining cost is forecast to be $130.20 per tonne of ore. In Fiscal 2020, the GC Mine plans to mine and process 270,000 tonnes of ore averaging 96 g/t silver, 1.7% lead and 3.1% zinc with expected metal production of 0.6 million ounces of silver, 8.9 million pounds of lead and 15.5 million pounds of zinc. The cash production cost is expected to be $56.70 per tonne of ore. The all-in sustaining cost at GC Mine is expected to be $77.40 per tonne of ore.

Capital Expenditures Budget

Capital expenditures at the Ying Mining District in Fiscal 2020 are budgeted at $31.7 million, including $24.4 million for mine tunnelling and ramp development and $7.3 million for equipment and infrastructure. Capital expenditures at the GC Mine in Fiscal 2020 are budgeted at $5.2 million, including $2.5 million for mine tunnelling and ramp development, $1.4 million for a paste backfill plant, and $1.3 million for other equipment and infrastructure.

Growth by Exploration and Acquisition

The Company continues to pursue future growth opportunities by carrying out exploration programs within existing permit areas at its projects. In addition, the Company continues to evaluate the acquisition of exploration, development

and production assets, or the acquisition of or merger with other entities. The Company regularly engages in discussions with respect to such possible opportunities. At any time, discussions and activities may be in progress on a number of initiatives, each at different stages of advancement. Although the Company may from time to time be a party to a number of letters of intent with respect to certain opportunities and other acquisitions, the Company currently does not have any binding agreements or binding commitments to enter into any such transactions. There is no assurance that any potential transaction will be successfully completed.

4.2 Corporate Governance, Safety, Environment and Social Responsibility

Corporate Governance

The Company adheres to high standards of corporate governance and closely follows the requirements established by both the Canadian Securities Administrators and the SEC. Silvercorp believes that our current corporate governance systems meet or exceed these requirements. The board of directors of the Company (the "**Board**") oversees the direction and strategy of the business and the affairs of the Company. The Board is comprised of five directors, and as at March 31, 2019 and the date of this AIF, four of them are independent, and one is female. The Board's wealth of experience allows it to effectively oversee the development of corporate strategies and the key risks of the business, provide management with long-term direction, consider and approve major decisions, oversee the business generally and evaluate corporate performance. The Corporate Governance and Nominating Committee, appointed by the Board, oversee the effective functioning of the Board and the implementation of governance best practices.

Corporate Philosophy on Sustainability

Silvercorp operates with the goal of achieving business success within a framework of principles and values that aims to minimize any negative impacts of its operations and maximize the benefits for the communities where it operates. The Company highly values sustainable development, as well as ensuring a safe workplace for all employees and contractors, at all of our sites. We will continue to engage and interact regularly, and in an open and honest way, with governments, shareholders, employees, local communities, business partners and other stakeholders affected by our operations. We will also report, on an ongoing basis, on topics of interest to our various stakeholders to keep them apprised of our efforts in the area of sustainability.

These corporate philosophies tie directly into the emphasis on efficient process design and effective management across all aspects of our operations. Significant, ongoing efforts are made to identify and minimize various risks, as well as streamline the collection, monitoring and reporting of relevant data. A social media platform, the "Enterprise-Blog", is an instrumental tool used to ensure all mandatory procedures are being performed. Amongst other things, it allows for the recording of appropriate environmental, health and safety data that can be made available for inspection by various authorities. In addition, in Fiscal 2019, the Company invested $1.0 million in an on-line, real time, monitoring and GPS system to further the goal of creating an "intelligent mine". This is expected to provide benefits in a number of areas.

Environmental and Social Responsibility

The Company has remained focused on sustainable development since its inception and is dedicated to fulfilling its environmental goals and responsibilities. We are committed to ensuring all our activities comply with all relevant industry standards, legislation and environmental regulations applicable in the various regions in which we operate. Our operations were all subject to inspections by government agencies in 2018 and, to the best of management's knowledge, all were, and continue to be, in compliance in all material respects with applicable regulations.

Our management team has regular, constructive dialogue with regulators in order to stay abreast of potential new environment policies or regulations that could have an impact on our operations and determine how to best address any changes. For example, as the mining industry is experiencing worldwide, the Chinese government is scrutinizing the use of dams to store mining tailings and imposing more stringent requirements on their location, form of construction, and ultimate size. In response, the Company's GC Mine is proceeding with the construction of a paste backfill plant, at a cost of approximately $1.5 million, to enable it to return a significant portion of the tailings created in the mill back underground as fill for mined out areas. While an incremental investment, this is expected to reduce the future costs and risks associated with the operation of above ground tailings facilities.

In the fiscal year ended March 31, 2019, our expenditures for concurrent reclamation included $0.2 million to re-forest more than 48,000 square metres through land reclamation and environmental restoration projects. The Company also made a $0.6 million investment to improve the tailings management facilities at the Ying Mining District. We currently estimate the aggregate present value of expenditures required for future closure and decommissioning costs to be approximately $13.7 million as of March 31, 2019. We are not aware of any material environmental matters requiring significant capital or operating outlays in the immediate future. We caution readers that actual closure and reclamation costs may vary, perhaps materially, from estimates.

The Company is committed to creating sustainable value in the communities where our people work and live. Guided by research conducted by our local offices, the Company participates in, and contributes to, numerous community programs that typically center on education and health, nutrition, environmental awareness, local infrastructure and fostering additional economic activity. In addition to the approximately $38.4 million in taxes and fees paid to various levels of government in China, in Fiscal 2019, the Company:

- donated $0.7 million to over 600 families in a local community to help alleviate poverty;
- donated $0.3 million to a local community for road construction and social activities;
- supported 24 Chinese students with scholarships to further their educations; and
- invested $1.0 million to construct a 7,600 square metre concrete facility for mining contractors' living accommodations.

Health and Safety

The Company is dedicated to minimizing the potential health and safety risks faced by employees and contractors. In Fiscal 2019, the Company reviewed and refined all standard procedures at our mines and milling facilities and identified potential risks associated with each step of the operations. In Fiscal 2019, the Company:

- invested $0.4 million to improve the fire prevention system and equipment;
- invested $0.6 million to improve the explosive storage facilities;
- for workers where comparable data is available, achieved a 26% reduction in the lost time injury rate; and
- provided regular health and safety training sessions.

4.3 Chinese Mining Law

Currently, all of the Company's material properties are located in China. Under the laws of China, mineral resources are owned by the state, and until 1997, state-owned enterprises have been the principal force in the development of mineral resources.

A new Mineral Resources Law became effective on January 1, 1997, and two regulations were promulgated on February 12, 1998, and later amended in July 2014. The new law provided for equal legal status for domestic enterprises and enterprises with foreign investment, security and transferability of mineral titles as well as the exclusivity of mining rights. The right to explore and exploit minerals is granted by way of exploration and mining rights. The holder of an exploration right has priority in obtaining the mining right to mineral resources within the exploration area provided the holder meets the conditions and requirements specified in the law. The Company's interests in mineral properties are held though joint venture companies established under and governed by, the laws of China. The Company's joint venture partners in China include state-sector entities and, like other state-sector entities, their actions and priorities may be dictated by government policies instead of purely commercial considerations.

Additionally, companies with a foreign ownership component operating in China may be required to work within a framework which is different from that imposed on domestic Chinese companies. The Chinese government currently allows foreign investment in certain mining projects under central government guidelines.

4.4 Risk Factors

An investment in the common shares of the Company involves a significant degree of risk and ought to be considered a highly speculative investment. The following risk factors, as well as risks not currently known to the Company, could materially adversely affect the Company's future business, operations and financial condition and could cause them to differ materially from the estimates described in the forward-looking statements and information relating to the Company.

Fluctuating commodity prices

The Company's sales price for silver is fixed against the Shanghai White Platinum & Silver Exchange as quoted at www.ex-silver.com; lead and zinc are fixed against the Shanghai Metals Exchange as quoted at www.shmet.com; and gold is fixed against the Shanghai Gold Exchange as quoted at www.sge.com.cn.

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of silver, lead, zinc, and gold contained in metal concentrates. The prices of those commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international and regional economic and political conditions; expectations of inflation; currency exchange fluctuations; interest rates; global or regional supply and demand for jewellery and industrial products containing silver and other metals; sale of silver and other metals by central banks and other holders, speculators and producers of silver and other metals; availability and costs of metal substitutes; and increased production due to new mine developments and improved mining and production methods. The effects of these factors on the price of base and precious metals, and therefore the viability of the Company's exploration projects and mining operations, cannot be accurately predicted and thus the price of base and precious metals may have a significant influence on the market price of the Company's shares and the value of its projects.

If silver and other metal prices were to decline significantly for an extended period of time, the Company may be unable to continue operations, develop its projects, or fulfil obligations under agreements with the Company's joint venture partners or under its permits or licenses.

Recent market events and condition

Over the past several years market events and conditions, including disruptions in the Canadian, United States and international credit markets and other financial systems, along with the uncertainty of the Canadian, United States and global economic conditions, and the prior decline in precious metal prices, could, among other things, impede access to capital or increase the cost of capital, which would have an adverse effect on the Company's ability to fund its working capital and other capital requirements.

Over the past several years, worldwide securities markets, particularly those in the United States and Canada, have experienced a high level of price and volume volatility, and the market price of securities of many resource companies, particularly those considered exploration-stage, development-stage, or single asset companies, have experienced unprecedented declines in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Most significantly, the share prices of natural resource companies have in the past experienced an extraordinary decline in value and in the number of buyers willing to purchase such securities. In addition, significantly higher redemptions by holders of mutual funds has forced many of such funds (including those holding the Company's securities) to sell such securities with little consideration to the price received.

Therefore, there can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Estimation of mineral resources, mineral reserves, mineralization, and metal recovery

There is a degree of uncertainty attributable to the estimation of mineral resources, reserves, mineralization and corresponding grades being mined or dedicated to future production. Until resources, reserves or mineralization are actually mined and processed, the quantity of metals and grades must be considered as estimates only. Any material change in quantity of resources, reserves, mineralization, or grade may affect the economic viability of the Company's

projects. In addition, there can be no assurance that precious or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests or during production.

Interpretations and assumptions of mineral resource and mineral reserve estimates

Unless otherwise indicated, mineral resource and mineral reserve estimates presented in this AIF and in the Company's other filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by the Company's personnel and independent geologists/mining engineers. These estimates are imprecise and depend upon geologic interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. The mineral resource and mineral reserve estimates contained in this AIF have been determined based on assumed future prices, cut-off grades, operating costs and other estimates that may prove to be inaccurate. There can be no assurance that these estimates will be accurate; mineral reserve, resource or other mineralization figures will be accurate; or the mineralization could be mined or processed profitably. The interpretation of drill results, the geology, grade and continuity of the Company's mineral deposits contains inherent uncertainty. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on its results of operations or financial condition.

Exploration and development programs

The long-term operation of the Company's business and its profitability is dependent, in part, on the cost and success of its exploration and development programs. Mineral exploration and development involve a high degree of risk and few properties that are explored are ultimately developed into producing mines. There can be no assurance that the Company's mineral exploration and development programs will result in any discoveries of bodies of commercial mineralization. There can also be no assurance that even if commercial quantities of mineralization are discovered that a mineral property will be brought into commercial production. Development of the Company's mineral properties will follow only upon obtaining satisfactory exploration results. Discovery of mineral deposits is dependent upon a number of factors, not the least of which is the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metals prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Company. As a result, there can be no assurance that the Company's exploration and development programs will yield reserves to replace or expand current resources. Unsuccessful exploration or development programs could have a material adverse effect on the Company's operations and profitability.

Economic factors affecting the Company

Many industries, including the mining industry, are impacted by market conditions. Some of the key impacts of the recent financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metals markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect the Company's growth and profitability. Specifically: the volatility of silver, lead and zinc prices may impact the Company's revenues, profits, losses and cash flow; volatile energy prices, commodity and consumable prices and currency exchange rates would impact the Company's production costs; and the devaluation and volatility of global stock markets may impact the valuation of the Company's equity and other securities. These factors could have a material adverse effect on the Company's financial condition and results of operations.

Timing, estimated amount, capital and operating expenditures and economic returns of future production

There are no assurances if and when a particular mineral property of the Company can enter into production. The amount of future production is based on the estimates prepared by or for the Company. The capital and operating costs to take the Company's projects into production or maintain or increase production levels may be significantly higher than anticipated. Capital and operating costs of production and economic returns are based on estimates prepared by or for the Company and may differ significantly from their actual values. There can be no assurance that the Company's actual capital and operating costs will not be higher than currently anticipated. In addition, the construction and

development of mines and infrastructure are complex. Resources invested in construction and development may yield outcomes that may differ significantly from those anticipated by the Company.

Integration of future acquisitions into existing operations

The Company may make select future acquisitions. If the Company does make acquisitions, any positive effect on the Company's results will depend on a variety of factors, including, but not limited to: integrating the operations of an acquired business or property in a timely and efficient manner; maintaining the Company's financial and strategic focus while integrating the acquired business or property; implementing uniform standards, controls, procedures and policies at the acquired business, as appropriate; and to the extent that the Company makes an acquisition outside of markets in which it has previously operated, conducting and managing operations in a new operating environment.

Acquiring additional businesses or properties could place pressure on the Company's cash reserves if such acquisitions involve cash consideration or if such acquisitions involve share consideration existing shareholders may experience dilution.

The integration of the Company's existing operations with any acquired business may require significant expenditures of time, attention and funds. Achievement of the benefits expected from consolidation may require the Company to incur significant costs in connection with, among other things, implementing financial and planning systems. The Company may not be able to integrate the operations of a recently acquired business or restructure the Company's previously existing business operations without encountering difficulties and delays. In addition, this integration may require significant attention from the Company's management team, which may detract attention from the Company's day-to-day operations.

Over the short-term, difficulties associated with integration could have a material adverse effect on the Company's business, operating results, financial condition and the price of the Company's common shares. In addition, the acquisition of mineral properties may subject the Company to unforeseen liabilities, including environmental liabilities, which could have a material adverse effect on the Company. There can be no assurance that any future acquisitions will be successfully integrated into the Company's existing operations.

Permits and licenses for mining and exploration

All mineral resources and mineral reserves of the Company's subsidiaries are owned by their respective joint venture entities in China. Mineral exploration and mining activities in China may only be conducted by entities that have obtained or renewed exploration or mining permits and licenses, and other certificates in accordance with the relevant mining laws and regulations. These permits and license are also subject to annual inspection by government authorities. Failure to pass the annual inspections may result in penalties. No guarantee can be given that the necessary exploration and mining permits and licenses will be issued to the Company or, if they are issued, that they will be renewed, or if renewed under reasonable operational and/or financial terms, or in a timely manner, or that the Company will be in a position to comply with all conditions that are imposed. Please see "Table 1, Mining licenses", on page 23 for information on the current status of mining licences at the Ying Project.

Nearly all mining projects require government approvals and permits relating to environmental, social, land and water usage, community, and other matters, including those discussed in Sections 20 of the respective NI 43-101 Technical Reports on the Company's material properties (see the Ying Report and the GC Report respectively). Some of the permits or certificates that are subject to renewal in the next three years at the GC Mine, not otherwise discussed in the GC Report include:

Permit	Expiry Date	Approving Authority
Safety Production Permit	October 25, 2020	Bureau of Safety Production and Inspection of Yunfu City, Guangdong Province
Dry Stacking and Filling Safety Production Permit	September 3, 2020	Bureau of Safety Production and Inspection of Yunfu City, Guangdong Province
Blasting Operation Permit	July 2, 2021	Ministry of Public Security
Pollutant Discharge Permit	September 8, 2020	Environment Protection Administration of Yunfu, Guangdong Province

There can be no certainty that approvals necessary to develop and operate mines on the Company's properties will be granted or renewed in a timely and/or economical manner, or at all.

Title to properties

With respect to the Company's properties located in China, while the Company has investigated title to all of its mineral claims, and to the best of its knowledge, title to all of its properties is in good standing, the properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. There may be valid challenges to the title of the Company's properties which, if successful, could impair development and/or operations. The Company cannot give any assurance that title to its properties will not be challenged. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be severely constrained. The Company's mineral properties in China have not been surveyed, and the precise location and extent thereof may be in doubt.

Joint venture partners

The Company's interests in various projects may, in certain circumstances, become subject to the risks normally associated with the conduct of joint ventures. The existence or occurrence of one or more of the following events could have a material adverse impact on the Company's profitability or the viability of its interests held through joint ventures, which could have a material adverse impact on the Company's business prospects, results of operations and financial conditions: (i) disagreements with joint venture partners on how to conduct exploration; (ii) inability of joint venture partners to meet their obligations to the joint venture or third parties; and (iii) disputes or litigation between joint venture partners regarding budgets, development activities, reporting requirements and other joint venture matters.

Acquisition of commercially mineable mineral rights

Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any particular level of recovery of mineral reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited.

The Company's future growth and productivity will depend, in part, on its ability to identify and acquire additional mineral rights, and on the costs and results of continued exploration and development programs. Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to: establish mineral reserves through drilling and metallurgical and other testing techniques; determine metal content and metallurgical recovery processes to extract metal from the ore; and construct, renovate or expand mining and processing facilities.

In addition, if the Company discovers a mineral deposit, it would take several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production may change.

The Company's success at completing any acquisitions will depend on a number of factors, including, but not limited to: identifying acquisitions that fit the Company's business strategy; negotiating acceptable terms with the seller of the business or property to be acquired; and obtaining approval from regulatory authorities in the jurisdictions of the business or property to be acquired. As a result of these uncertainties, there can be no assurance that the Company will successfully acquire additional mineral rights.

Financing

The Company has limited financial resources. If the Company's exploration programs are successful in establishing ore of commercial tonnage and grade, additional funds will be required for the development of the ore body and to place it in commercial production. Therefore, the Company's ability to continue its exploration and development activities, if any, will depend in part on the Company's ability to obtain suitable financing.

The Company intends to fund its plan of operations from working capital, proceeds of production, external financing, strategic alliances, sale of property interests and other financing alternatives. The sources of external financing that the Company may use for these purposes include project or bank financing, or public or private offerings of equity or debt. One source of future funds presently available to the Company is through the sale of equity capital. There is no assurance this source of financing will continue to be available as required, or at all. If it is available, future equity financings may result in substantial dilution to shareholders. Another alternative for the financing of further exploration would be the offering by the Company of an interest in the properties to be earned by another party or parties carrying out further exploration or development thereof. There can be no assurance the Company will be able to conclude any such agreements, on favourable terms or at all. The failure to obtain financing could have a material adverse effect on the Company's growth strategy and results of operations and financial condition.

Competition

The mining industry in general is intensely competitive and there is no assurance that, even if commercial quantities of ore are discovered, a ready market will exist for the sale of such ore, or concentrate, by the Company. Marketability of natural resources which may be discovered by the Company will be affected by numerous factors beyond the control of the Company, such as market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations including regulations relating to prices, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of such factors cannot be predicted but they may result in the Company not receiving an adequate return on its capital.

The Company may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than the Company. The Company may also encounter increasing competition from other mining companies in its efforts to hire experienced mining professionals. Competition for exploration resources at all levels is currently very intense, particularly affecting the availability of manpower. Increased competition could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

Operations and political conditions

All the Company's operations are located in China. These operations are subject to the risks normally associated with conducting business in China, which has different regulatory and legal standards than North America. Some of these risks are more prevalent in countries which are less developed or have emerging economies, including uncertain political and economic environments, as well as risks of civil disturbances or other risks which may limit or disrupt a project, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation, risk of adverse changes in laws or policies, increases in foreign taxation or royalty obligations, license fees, permit fees, delays in obtaining or the inability to obtain necessary governmental permits, limitations on ownership and repatriation of earnings, and foreign exchange controls and currency devaluations.

In addition, the Company may face import and export regulations, including export restrictions, disadvantages of competing against companies from countries that are not subject to similar laws, restrictions on the ability to pay dividends offshore, and risk of loss due to disease and other potential endemic health issues. Although the Company is not currently experiencing any significant or extraordinary problems in China arising from such risks, there can be no assurance that such problems will not arise in the future. The Company currently does not carry political risk insurance coverage.

The Company's interests in its mineral properties are held through joint venture companies established under and governed by the laws of China. The Company's joint venture partners in China include state-sector entities and, like

other state-sector entities, their actions and priorities may be dictated by government policies instead of purely commercial considerations. Additionally, companies with a foreign ownership component operating in China may be required to work within a framework which is different from that imposed on domestic Chinese companies. The Chinese government currently allows foreign investment in certain mining projects under central government guidelines. There can be no assurance that these guidelines will not change in the future.

Regulatory environment in China

The Company conducts operations in China. The laws of China differ significantly from those of Canada and all such laws are subject to change. Mining is subject to potential risks and liabilities associated with pollution of the environment and disposal of waste products occurring as a result of mineral exploration and production.

Failure to comply with applicable laws and regulations may result in enforcement actions and may also include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws and regulations.

New laws and regulations, amendments to existing laws and regulations, administrative interpretation of existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on future cash flow, results of operations and the financial condition of the Company.

Environmental risks

The Company's activities are subject to extensive laws and regulations governing environmental protection and employee health and safety, including environmental laws and regulations in China. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations. The Company's Chinese subsidiaries are required to have been issued environmental permits and safety production permits with various expiration dates. These permits are also subject to annual inspection by government authorities. Failure to pass the annual inspections may result in penalties. No guarantee can be given that the necessary permits will be issued to the Company or, if they are issued, that they will be renewed, or if renewed under reasonable operational and/or financial terms, or in a timely manner, or that the Company will be in a position to comply with all conditions that are imposed.

Nearly all mining projects require government approval and permits relating to environmental, social, land and water usage, community matters, and other matters, including those discussed in Sections 20 of the respective NI 43-101 Technical Reports on the Company's material properties (see the Ying Report and the GC Report respectively).

There are also laws and regulations prescribing reclamation activities on some mining properties. Environmental legislation in many countries, including China, is evolving and the trend has been toward stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. There can be no assurance that the Company has been or will be at all times in complete compliance with current and future environmental, and health and safety laws, and the status of permits will not materially adversely affect the Company's business, results of operations or financial condition. It is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of the Company's business, causing the Company to re-evaluate those activities at that time. The Company's compliance with environmental laws and regulations entail uncertain costs.

Dependence on management and key personnel

The executive director and the China operational management team all have extensive experience in the mineral resources industry in China. Most of the non-executive directors also have extensive experience in mining and/or exploration (or as advisors to companies in the field). The Company's success depends to a significant extent upon its ability to retain, attract and train key management personnel, both in Canada and in China.

The Company depends on the services of a number of key personnel, including the Chief Executive Officer, Chief Financial Officer, and the China operational management team, the loss of any one of whom could have an adverse effect on the Company's operations.

The Company's ability to manage growth effectively will require it to continue to implement and improve management systems and to recruit and train new employees. The Company cannot be assured that it will be successful in attracting and retaining skilled and experienced personnel.

Foreign exchange rate fluctuations

The Company reports its financial statements in US dollars. The functional currency of the head office, Canadian subsidiaries and all intermediate holding companies is the Canadian dollar while the functional currency of all Chinese subsidiaries is Chinese Renminbi. The Company is exposed to foreign exchange risk when the Company undertakes transactions and holds assets and liabilities in currencies other than its functional currencies. The fluctuation of the exchange rate between the reporting currency and its functional currencies may materially and adversely affect the Company's financial position.

Insurance

The Company's mining activities are subject to the risks normally inherent in the industry, including, but not limited, to environmental hazards, flooding, fire, periodic or seasonal hazardous climate and weather conditions, unexpected rock formations, industrial accidents and metallurgical and other processing problems. These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties; personal injury; environmental damage; delays in mining; increased production costs; monetary losses; and possible legal liability. The Company may become subject to liability which it cannot insure or may elect not to insure due to high premium costs or other reasons. Where considered practical to do so, the Company maintains insurance against risks in the operation of its business in amounts which the Company believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. The Company cannot provide any assurance that such insurance will continue to be available, be available at economically acceptable premiums or be adequate to cover any resulting liability. In some cases, coverage is not available or considered too expensive relative to the perceived risk.

Risks and hazards of mining operations

Mining is inherently dangerous and the Company's operations are subject to a number of risks and hazards including, without limitation: environmental hazards; discharge of pollutants or hazardous chemicals; industrial accidents; failure of processing and mining equipment; labour disputes; supply problems and delays; encountering unusual or unexpected geologic formations or other geological or grade problems; encountering unanticipated ground or water conditions; cave-ins, pit wall failures, flooding, rock bursts and fire; periodic interruptions due to inclement or hazardous weather conditions; equipment breakdown; other unanticipated difficulties or interruptions in development, construction or production; and other acts of God or unfavourable operating conditions.

Such risks could result in damage to, or destruction of, mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, monetary losses and possible legal liability. Satisfying such liabilities may be very costly and could have a material adverse effect on the Company's future cash flow, results of operations and financial condition.

Conflicts of interest

Conflicts of interest may arise as a result of the directors and officers of the Company also holding positions as directors and/or officers of other companies. Some of those persons who are directors and officers of the Company have and will continue to be engaged in the identification and evaluation of assets and businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers may be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (British Columbia).

Internal control over financial reporting as per the requirements of the Sarbanes-Oxley Act

Management of the Company is responsible for establishing and maintaining an adequate system of internal control, including internal controls over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Chief Executive Officer and the Chief Financial Officer and effected by the Board of Directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. Management assesses the effectiveness of our internal control over financial reporting based on the criteria set forth in the Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Company may fail to achieve and maintain the adequacy of our internal control over financial reporting as such standards are modified, supplemented, or amended from time to time, and the Company may not be able to ensure that the Company can conclude on an ongoing basis that the Company have effective internal control over financial reporting. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. No evaluation can provide complete assurance that our internal control over financial reporting will prevent or detect misstatements on a timely basis, or detect or uncover all failures of persons employed by the Company to disclose material information otherwise required to be reported. The effectiveness of the Company's control and procedures could also be limited by simple errors or faulty judgments. In addition, as the Company continues to expand, the challenges involved in implementing appropriate internal control over financial reporting will increase and will require that the Company continues to improve our internal control over financial reporting.

The failure to satisfy these requirements on a timely basis could result in the loss of investor confidence in the reliability of the financial statements, which in turn could harm the business and negatively impact the trading price of shares or market value of other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the operating results or cause to fail to meet the reporting obligations. There can be no assurance that the Company will be able to remediate material weaknesses, if any, identified in future periods, or maintain all of the controls necessary for continued compliance, and there can be no assurance that the Company will be able to retain sufficient skilled finance and accounting personnel, especially in light of the increased demand for such personnel among publicly traded companies. Future acquisitions of companies may provide the Company with challenges in implementing the required processes, procedures and controls in the acquired operations. Acquired companies may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by securities laws currently applicable to the Company.

Outcome of current or future litigation or regulatory actions

Due to the nature of its business, the Company may be subject to numerous regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the discovery of evidence process, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurances that these matters will not have a material adverse effect on the Company's business.

No assurance can be given with respect to the ultimate outcome of current or future litigation or regulatory proceedings, and the amount of any damages awarded or penalties assessed in such a proceeding could be substantial. In addition to monetary damages and penalties, the allegations made in connection with the proceedings may have a material adverse effect on the reputation of the Company and may impact its ability to conduct operations in the normal course.

Litigation and regulatory proceedings also require significant resources to be expended by the directors, officers and employees of the Company and as a result, the diversion of such resources could materially affect the ability of the Company to conduct its operations in the normal course of business. Significant fees and expenses may be incurred by the Company in connection with the investigation and defense of litigation and regulatory proceedings. The Company may also be obligated to indemnify certain directors, officers, employees and experts for additional legal and other expenses pursuant to such proceedings, which additional costs may be substantial and could have a negative effect on the Company's future operating results. The Company may be able to recover certain costs and expenses incurred in

connection with such matters from its insurer. However, there can be no assurance regarding when or if the insurer will reimburse the Company for such costs and expenses.

Bringing actions and enforcing judgments under U.S. securities laws

Investors in the U.S. or in other jurisdictions outside of Canada may have difficulty bringing actions and enforcing judgments against the Company, its directors, its executive officers and some of the experts named in this AIF based on civil liabilities provisions of the federal securities laws, other laws in the U.S. state(s) in or the equivalent laws of other jurisdictions of residence.

The Company's investments in New Pacific Metals Corp.

During Fiscal 2018, the Company invested approximately US$23.9 million in acquiring, via private placement, 28.47 million common shares of New Pacific Metals Corp. ("**New Pacific**"), a Canadian public company listed on the TSX Venture Exchange and the OTCQX Best Markets. During Fiscal 2019 and subsequent to March 31, 2019, the Company acquired an additional 444,000 common shares of New Pacific and exercised warrants to acquire 1,500,000 common shares of New Pacific. As a result, the Company beneficially owns, directly and indirectly, and controls 41,224,900 or 28.94% of the outstanding common shares of New Pacific as of the date of this AIF. New Pacific is a junior exploration company currently in the business of acquiring and exploring mineral properties. Investments in junior mining companies involve volatile share prices, liquidity risk, and may result in possible loss of principal. New Pacific has no revenue from operations and no ongoing mining operations of any kind.

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting both from the failure to discover mineral deposits and from finding mineral deposits which, though present, are insufficient in size and grade at the then prevailing market conditions to return a profit from production. The marketability of natural resources which may be acquired or discovered by New Pacific will be affected by numerous factors beyond the control of New Pacific. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital or the possible loss of principal.

At this point, there are no known mineral reserves or mineral resources at the Silver Sand project, New Pacific's material property. Substantial expenditures are required to establish ore reserves through drilling, metallurgical, and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate, or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit, even if it is established to contain an estimated resource, will ever qualify as a commercial mineable ore body, which can be legally and economically exploited.

In addition to the high degree of risk associated with investing in junior exploration mining companies, the Company's investment in New Pacific entails an additional risk by virtue of the fact that its only material property, the Silver Sand project, is located in Bolivia. Bolivia's history since the mid-1960s has been one of political and economic instability under various governments. Since 2006, the government has frequently intervened in the national economy and social structure, including periodically imposing various controls, the effects of which have been to restrict the ability of both domestic and foreign companies to operate freely. Although Silvercorp believes that the current conditions in Bolivia are relatively stable and conducive to conducting business, New Pacific's current and future mineral exploration and mining activities in Bolivia are exposed to various levels of 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, political and labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

ITEM 5 MINERAL PROPERTIES

The Company has interests in mineral properties located in China. As at March 31, 2019, these properties were carried on the Company's consolidated statements of financial position as assets with a book value of approximately $238.9 million. The book value consists of acquisition costs plus cumulative expenditures on properties, net of amortization and impairment charges for which the Company has future exploration plans.

For the purposes of NI 43-101, the following properties have been determined to be material to the Company as of March 31, 2019: (a) the Ying Mining District, Henan Province, China (the "**Ying Property**"); and (b) the GC Mine located in Guangdong Province, China.

5.1 Ying Mining District, Henan Province, China

Current Technical Report

Except as otherwise stated, the information in this AIF is based on the latest technical report titled " *Ying NI 43-101 Technical Report, Silvercorp Metals Inc., Henan Province, China*" (the "**Ying Report**") dated effective December 31, 2016, and prepared by AMC Mining Consultants (Canada) Ltd. (" **AMC**") on February 15, 2017. AMC had previously prepared technical reports on the Ying Property in 2012 (filed 15 June 2012, effective date 1 May 2012) (the "**2012 Technical Report**"), and in 2013 (minor update to 2012 report, filed 30 April 2013, effective date 1 May 2012) and in 2014, filed 5 September 2014, effective date 31 December 2013.

P R Stephenson, H A Smith and A Ross visited the Ying Property in July 2016. All authors of this report qualify as independent Qualified Persons.

Portions of the following information are based on the assumptions, qualifications and procedures described in the Ying Report, which are not fully described herein. The full text of the Ying Report which is available for review on SEDAR at www.sedar.com is incorporated by reference in this AIF.

Project Description, Location and Access

The Ying Property is situated in central China in western Henan Province near the town of Luoning. The term "Ying District" is used to describe a 100 sq. km size rectangular area bounded by latitude 34°07'N to 34°12'N and longitude 111°14'E to 111°23'E.

The Ying Property is about 240 km west-southwest of Zhengzhou, the capital city of Henan Province, and 145 km southwest of Luoyang, which is the nearest major city. The project areas have good road access and operate year round. Within this district block, Silvercorp has three principal centres of operation, within which six mining projects are located.

Silvercorp, through wholly owned subsidiaries, has effective interests of 77.5% in the SGX/HZG projects and TLP projects, and 80% in the HPG, LME and LMW projects. It has all the exploration and mining permits necessary to cover its mining and exploration activities. There are no known or recognized environmental problems that might preclude or inhibit a mining operation in this area.

The Ying Property is now covered by four major contiguous mining licenses. The total area of the four mining licenses is 68.74 sq km. Table 1 lists their names, license numbers, areas and expiry dates.

Table 1 Mining licenses

Area and licence name	Mines	Mining licence #	Sq km	ML Expiry Date
Yueliangou Lead-zinc-silver Mine	SGX and HZG	C41000020090932100385 49	19.83	Sept 2024
Haopinggou Lead-zinc-silver-gold Mine	HPG	C41000020160432101418 63	6.2257	29 Apr 2028
Tieluping-Longmen Silver-lead Mine	TLP, LME and LMW	C41000020160642101422 39	22.916	27 July 2019
Dongcaogou Gold-silver Mine	none	C41000020150642101388 48	19.772	15 June 2025
Total			**68.74**	

In addition, mining is only permitted between prescribed elevations as follows:

- Yuelianggou Mining License – 1060 m and 0 m elevations
- Haopinggou Mining License - 955 m and the 365 m elevations
- Tieluping-Longmen Mining License - 1,250 m and the 700 m elevations
- Doncaogau Mining License - 1,087 m and the 605 m elevations

Henan Found will initiate applications to the relevant government departments so that exploration permits are reissued beneath the lower boundary of the mining permit areas. This will enable exploration to continue at depth.

Silver-lead-zinc mineralization in the Ying district has been known and intermittently mined for several hundred years. Silvercorp acquired an interest in the SGX project in 2004, the HPG project in 2006, and the TLP / LM projects in late 2007.

The existing mining licenses cover all the active exploration and mining areas discussed in this Technical Report. Mining licenses are subject to mining-right usage fees (a fixed annual charge), mineral resource compensation fees, and applicable mineral resource taxes. The renewal of mining licenses and extending mining depth and boundaries occur in the ordinary course of business as long as mineral resources exist, are defined, the required documentation is submitted, and the applicable government resources taxes and fees are paid. The mining licenses give the right to carry out full mining and mineral processing operations in conjunction with safety and environmental certificates. The safety certificates for Silvercorp's mining activities have been issued by the Department of Safety, Production and Inspection of Henan Province. Environmental certificates have been issued by the Department of Environmental Protection of Henan Province.

Surface rights for mining purposes are not included in the licenses, but Silvercorp has acquired surface rights for mining and milling activities by effecting payment of a purchase fee based on the appraised value of the land. Subject to negotiation, some land use compensation fees may also be due to the local farmers if their agricultural land is disturbed by exploratory work.

Silvercorp has established an environmental protection department consisting of five full time staff, which is responsible for environment / rehabilitation management work in the Ying Property. Monitoring plans include air and dust emissions and noise and waste water monitoring, and are undertaken by qualified persons and licensed institutes. AMC understands that results from 2013 to 2016 indicate that surface water, sanitary / process plant waste water and mining water are in compliance with the required standards. In addition, project completion inspection results were all compliant for waste water discharge, air emission, noise and solid waste disposal.

There have been a few exceptional cases in which pH values of the discharged mining water were slightly over 9.0 and Pb concentrations slightly exceeded the permitted limit of 0.011 mg/l at the general discharge point after sedimentation tank for both SGX and TLP mines.

Silvercorp's production activities are in compliance with Chinese and international labour regulations. In accordance with Chinese national regulatory requirements, Silvercorp will complete a site decommissioning plan at least one year before mine closure. Site rehabilitation and closure cost estimates will be made at that time.

China has an established Mining Code which defines the mining rights guaranteed by the government of China. Before July 1, 2016, an amount equivalent to 2-4% of sales as resources compensation fee and RMB13 (approximately $1.92) per milled tonne resource tax are payable by companies to the government. Income tax rate is 25%. Effective July 1, 2016, the resources compensation fee was revised to be zero, while the resource tax was to be levied based on certain percentage of sales. The current resource tax applicable to Silvercorp is approximately 3% of sales.

The district lies within rugged, deeply dissected mountainous terrain of the Xionger Mountain Range. Elevations range from 300 m to 1,200 m above sea level. Hill slopes are steep, commonly exceeding 25°, and have good bedrock exposure.

The area is sparsely vegetated, consisting mostly of bushes, shrubs, ferns and small trees. At higher elevations the vegetation is denser and the trees are larger. The local economy is based on agriculture (wheat, corn, tobacco, medicinal herbs) and mining. Agriculture is confined to the bottoms of the larger stream valleys and to the many terraced hillsides.

The Ying Property is about 240 km west-southwest of Zhengzhou (population 7.0 million), the capital city of Henan Province, and 145 km southwest of Luoyang (population 1.4 million), which is the nearest major city. Zhengzhou, the largest industrial city in the region, offers full service facilities and daily air flights to Beijing, the capital of China, as well as Shanghai and Hong Kong. The nearest small city to the project area is Luoning (population >80,000), about 56 km by paved roads from Silvercorp's Ying mill site which is located centrally to the projects. The mill site is about 15 km by paved road from the Guxian Reservoir. The SGX exploration-development camp is accessed via a 10 minute ferry ride across the Reservoir. To date, ore from the SGX and HZG mines has been transported by ferry across the Guxian Reservoir to the mills. Silvercorp is currently driving a haulage tunnel to connect the SGX and HPG mines to increase haulage efficiency and ensure an environment-friendly operation. The HPG, TLP and LM projects have good road access.

The area has a continental sub-tropical climate with four distinct seasons. Temperature changes are dependent on elevation, with an annual range of -10°C to 38°C and annual average of 15°C. The annual precipitation averages 900 mm, occurring mostly in the July to September rainy season and supplemented by snow and frost occurring from November to March. The projects operate year round.

Silvercorp has sufficient surface rights to operate the projects. There are major power grids adjacent to the properties, including a power line extending to the SGX Area. Adjacent to the Ying Property is a hydropower generating station at the dam that forms the Guxian Reservoir. This reservoir is on the Luo River, a tributary of the Yellow River. Sufficient manpower is available to serve most exploration or mining operations. The steep valleys form natural reservoirs for mine tailings and waste dumps.

History

Silver-lead-zinc mineralization in the Ying district has been known and intermittently mined for several hundred years. The first systematic geological prospecting and exploration was initiated in 1956 by the Chinese government. Detailed summaries of the district's historical activities from 1956 to 2004, when Silvercorp first acquired interests in the area, are described in previous NI 43-101 Technical Reports.

Silvercorp acquired an interest in the SGX Mine in 2004. Subsequently, Silvercorp acquired the HZG, HPG, TLP and LM mines, all of which were previously held and operated by private Chinese companies.

Geological Setting, Mineralization and Deposit Types

The Ying Property is situated in the 300 km-long west-northwest trending Qinling orogenic belt, a major structural belt formed by the collision of two large continental tectonic plates in Paleozoic time.

The northern continental plate, the North China Plate, covers all of Henan Province and most parts of North China, while the southern plate, the Yangtze Plate, covers most part of South China. Rocks along the orogenic belt between the two major tectonic plates are severely folded and faulted, offering optimal structural conditions for the emplacement of a myriad of mineral deposits. Several operating silver-lead-zinc mines, including those in the Ying Property, occur along this belt.

The Qinling orogenic belt is comprised largely of Proterozoic- to Paleozoic-age rock sequences consisting of mafic to felsic volcanic rocks with variable amounts of interbedded clastic and carbonate sedimentary rocks. The rocks are weakly metamorphosed to lower greenschist facies, with local areas of strongly metamorphosed lower amphibolite facies. The basement of the belt is comprised of highly metamorphosed Archean-age rocks of the North China plate, dominantly felsic to mafic gneisses with minor amphibolites, intrusive gabbros and diabases. The metamorphosed Qinling belt sequence and the underlying Archean basement rocks are intruded by mafic to felsic dikes and stocks of Proterozoic and Mesozoic ages. They are overlain by non-metamorphosed sedimentary rock sequences of Mesozoic to Cenozoic age, primarily marls and carbonaceous argillites, which are in turn overlain locally by sandstone-conglomerate sequences.

The dominant structures in the Qinling orogenic belt are west-northwest trending folds and faults generated during the collision of the two major tectonic plates in Paleozoic time. The faults consist of numerous thrusts having a component of oblique movement with sets of conjugate shear structures trending either northwest or northeast. These conjugate

shear zones, which display features of brittle fracturing such as fault gouge, brecciation and well-defined slickensides, are associated with all the important mineralization recognized along the 300 km-long orogenic belt

The Ying Property contains multiple mesothermal silver-lead-zinc-rich quartz-carbonate veins in steeply-dipping fault-fissure zones which cut Archean gneiss and greenstone. To date, significant mineralization has been defined or developed in at least 224 discrete vein structures, and many other smaller veins have been found but not as yet well explored.

Structurally, the vein systems throughout the district are all somewhat similar in that they occur as sets of veins of generally similar orientation enclosed by fault-fissure zones which trend most commonly northeast-southwest, less commonly north-south, and rarely northwest-southeast. The structures extend for hundreds to a few thousand metres along strike. They are often filled by altered andesite or diabase dikes together with quartz-carbonate veins or as discrete zones of altered bedrock (mainly gneiss) associated with local selvages of quartz-carbonate veinlets. From one-third to one-half of the structures exposed at the surface are conspicuously mineralized as well as altered.

The vein systems consist of narrow, tabular or splayed veins, often occurring as sets of parallel and offset veins. The veins thin and thicken abruptly along the structures in classic “pinch-and-swell” fashion with widths varying from a few centimetres up to a few metres. “Swells” formed in structural dilatant zones along the veins often forming mineralized “shoots”. At the SGX mine, these shoots range from 30 m to more than 60 m in vertical and horizontal dimensions over true vein widths of 0.4 m to 3.0 m. The vertical dimension of the SGX shoots is commonly twice or more the horizontal dimension. Longitudinal sections constructed along the veins indicate that many of the shoots have a steep, non-vertical rake.

The vein systems of the various mine areas in the district are also generally similar in mineralogy, with slight differences between some of the separate mine areas and between the different vein systems within each area. These differences have been attributed to district-scale mineral zonation at different levels of exposure. This subtle zonation is thought to be perhaps analogous to the broad-scale zonation patterns observed in the Coeur d’Alene District (USA) and characteristic of many other significant mesothermal silver-lead-zinc camps in the world (Broili et al., 2008, Broili et al., 2010).

Exploration

From 1 July 2013 to 30 June 2016 (the “Reporting Period”), Silvercorp conducted extensive exploration programs on the Ying Property that included exploration-development activities in the SGX mine area, including two producing mines (SGX and HZG), the HPG mine area, and the TLP and LM mine areas, including three producing mines (TLP, LME and LMW). The past exploration activities, including surface activities, have been detailed in previous NI 43-101 Technical Reports.

Other than drilling, the projects have been explored primarily from underground workings. The workings follow the vein structures along strike, on levels spaced approximately 40 m apart. Silvercorp has found this method of underground exploration an effective and efficient way to define the geometry of the mineralized structures, in part due to the discontinuous character of the high-grade mineralization, but also to the relatively inexpensive development costs.

The exploration tunnelling and drilling programs were conducted during the Reporting Period to upgrade the Indicated and Inferred Mineral Resources, to test the down-dip and along-strike extensions of the major mineralized vein structures and their parallel subzones, and to explore new target areas. The programs comprised 128,385 m of tunnelling, including 72,940 m of drifting along mineralized structures and 33,354 m of cross cutting across mineralized structures. Drift and crosscut tunnels have been developed at 30 m to 50 m intervals vertically to delineate higher-category Mineral Resources. A total of 44,166 channel/chip samples were collected from the six mine areas.

Drilling

Prior to Silvercorp obtaining the rights to the SGX mine in 2004, there was little drilling work completed on the Ying Property. Drilling programs conducted by previous operators include a 10,736 m surface drilling program in the TLP-LM area by the No. 6 Nonferrous Geological Exploration Team from 1991 to 1994 and a test drilling program of two holes in the SGX area by the Henan Nonferrous Geological Exploration Bureau in 2003.

Since acquiring the Ying projects, Silvercorp has initiated systematic drilling programs to test the strike and down-dip extensions of the major mineralized vein structures and explore for new mineralized structures in less-explored or unexplored areas in the Property.

Since 2004, Silvercorp has organized extensive underground diamond drilling programs each year in the Ying Mining District with a total accumulated metreage of 1,082,840m completed as of June 2016.

Drilling programs were continuously conducted over the Ying Property during the Reporting Period. Underground and surface drilling was carried out in mining areas to test the down-dip extension of major mineralized vein structures, extend the Indicated and Measured Mineral Resources at or above the current mining depth, and infill the Inferred Mineral Resource blocks defined in previous drilling programs below the current mining depth. Most of the holes were designed as inclined holes to test multiple vein structures. A total of 224,729 m in 896 diamond holes was completed, including 7,295 m in 41 surface holes and 217,434 m in 855 underground holes drilled from at or above the current mining elevations. Results of the diamond drilling program were the down-dip and strike extension of most of the major mineralized veins and the discovery of a number of new mineralized veins in the current mine areas.

Drilling results from the 2013-2016 drilling program in the Ying Property are briefly summarized in the table below. These results have been incorporated into the mine databases and contribute to the current Mineral Resource update for the six Ying mine areas.

Brief summary of the 2013-2016 drilling results

Mine Area	Holes Completed	No of Mineralized Intersections (g120g/t AgEq)	Average Grade of Mineralized Intersections (g/t AgEq)	Average True Width of Mineralized Intersections (m)	Detected Depth (Elevation m)
SGX	371	182	532	1.23	768 - (-71)
HZG	52	13	550	0.68	899 - 361
HPG	148	103	364	0.83	826 - (-56)
TLP	134	115	367	0.96	956 - (-82)
LME	82	68	499	0.91	958 - 276
LMW	109	79	413	1.02	951 - 433

Sampling and Analysis, and Data Verification

The numerous fault-fissure structures that cut the gneissic bedrock of the Ying Property are not continuously mineralized. Veins occur intermittently along these structures, appearing and disappearing along-strike and down-dip. Silvercorp's exploration consists of horizontal tunnelling along and across the veins, in addition to driving raises or declines to access the veins at other levels. Core drilling is designed to intersect the veins in other locations both laterally and vertically. Channel samples are collected from underground tunnels and other workings, and core samples are collected from altered and mineralized drill cores.

Core Samples

NQ-sized drill cores (48 mm in diameter) are recovered from the mineralized zones. Drill core recoveries are influenced by lithology and average 98 – 99%. Drill core is moved from drill site to the surface core shack located at the mine camp on daily basis and is logged, photographed and sampled in detail there. Samples are prepared by cutting the core in half with a diamond saw. One half of the core is marked with a sample number and sample boundary and then returned to the core box for archival storage. The other half is placed in a labeled cotton cloth bag with sample number marked on the bag. A pre-numbered ticket book is used to assign the sample numbers. A ticket from the book is inserted in the bag and the stub of the ticket book is retained for reference. The bagged sample is then shipped to the laboratory for assaying.

Chip / Channel Samples

Channel samples across the mineralized structures are collected across the back of the tunnels at 5 m intervals, with the spacing of channel samples increasing to 15 or 25 m in the non-mineralized sections of the vein structures. Individual channels can consist of multiple chip samples, cut across and bracketing the mineralization and associated wall rocks across the tunnel. Assay results of samples are documented on underground level maps and longitudinal sections.

Sampling, Analysis and Data Verification

Core samples are shipped or couriered in securely sealed bags to one of the following three reputable commercial laboratories:

- The Analytical Laboratory of Henan Nonferrous Exploration Institute (Zhengzhou Nonferrous Laboratory) in Zhengzhou, Henan Province, [2]
- The Chengde Huakan 514 Geology and Mineral Testing and Research Institute (Chengde Laboratory) in Chengde, Hebei Province,
- The Analytical Laboratory of the Inner Mongolia Geological Exploration Bureau (Inner Mongolia Laboratory) in Hohhot, Inner Mongolia.

All four laboratories are accredited and certified as first class laboratories by the Chinese government. The procedures for sample preparation and quality management in these laboratories are established in accordance with the official Chinese technical standard DZ/T 0130-2006 (The Specification of Testing Quality Management for Geological Laboratories), which is a combination of the basic principles and methodologies of ISO 9000:2000 and ISO/IEC 17025:1999. Their sample preparation procedures consist of drying, crushing, splitting and weighing of a 200-gram sample, followed by pulverizing to 200-mesh size. The 200-mesh sample split is split again with a 100-gram split used for final assay. Two-acid digestion and AAS finish are utilized on a 0.5 g sample for lead and zinc assay. Titration is utilized as a modified process for higher grade materials. Silver is also analyzed using a two-acid digestion on a 0.5 g sample and AAS finish.

Channel samples are prepared and assayed at Silvercorp's mine laboratory (Ying Laboratory) located at the mill complex in Luoning County. Samples are dried at 100° to 105°C in an oven and are then crushed and pulverized through three procedures, preliminary crushing, intermediate crushing and final pulverizing. Sample splitting is conducted at each procedure. A 200 g sample of minus 160 mesh (0.1 mm) is prepared for assay. A duplicate sample of minus 1 mm is made and kept at the laboratory archives. A 0.5 g pulp sample is treated with two-acid digestion and assayed for silver, lead, zinc and copper with AAS at the laboratory.

Silvercorp's QA / QC program in the period from July 2013 to June 2016 comprised the following:

- Regular insertion of Certified Reference Material (CRM) samples, blanks and duplicates at a rate of one CRM, one blank and one duplicate per 40 sample batch.
- Regular review of results, with additional review by independent Qualified Persons.

Silvercorp geologists at each mine and the Exploration Management Department in Silvercorp's Beijing Office review QA / QC data on a regular basis. Any batch that reaches warning threshold or fails the QA / QC program is automatically notified for investigation or re-assayed, and only approved assay results are used for Mineral Resource estimation.

Mineral Processing and Metallurgical Testing

The lab scale mineral processing and metallurgical tests for the Ying Property deposits were done by three laboratories in China:

- Hunan Nonferrous Metal Research Institute (HNMRI) using SGX mineralization in 2005.
- Tongling Nonferrous Metals Design Institute (TNMDI) using HZG mineralization in 2006.
- Changsha Design and Research Institute (CDRI) using TLP mineralization in 1994.

SGX is the main deposit and the HNMRI work is the most comprehensive; therefore, the lab test results from HNMRI's study (2005) on SGX mineralization were used for both mill Plant 1 (2005) and Plant 2 (2008) design. AMC is not aware of any subsequent external Design Institute metallurgical testwork having been carried out, although continual on-site "plant-tuning" occurs.

[2] Name change from the Ying Report.

Mineral Resource and Mineral Reserve Estimates

In AMC's opinion, the geological data used to inform the Ying Property block model estimates were collected in line with industry good practice as defined in the Canadian Institute of Mining and Metallurgy and Petroleum (CIM) Exploration Best Practice Guidelines and the CIM Mineral Resource, Mineral Reserve Best Practice Guidelines.

The Mineral Resource estimates for the Ying Property were prepared by independent Qualified Person, Dr Adrienne Ross, P.Geo, with the assistance of Ms Kathy Zunica of AMC, and with input from Mr Pat Stephenson, P.Geo. Datamine software was used, and, as a result of a recommendation in AMC's 2012 Technical Report, the June 30, 2016 resources were estimated using a block modelling approach, with 3D ordinary kriging and Datamine's™ dynamic anisotropy application[2].

The Mineral Resources include material (approximately 25% of the Indicated Resources) below the lower limit of Silvercorp's current mining permits. However, because of the nature of Chinese regulations governing applications for new or extended mining permits, and because Mineral Resources have been shown to extend below the current lower limits, AMC is satisfied that there is no material risk of Silvercorp not being granted approval to extend the lower depth limit of its permits to develop these Resources as and when required.

The Mineral Resources are reported above cut-offs after applying a minimum practical extraction width of 0.3 m. Diluted grades were estimated for blocks with mineralization widths less than 0.3 m by adding a waste envelope with zero grade. Cut-off grades are based on in situ values in silver equivalent (AgEq) terms in grams per tonne and incorporate mining, processing and general & administration ("G&A") costs provided by Silvercorp for each mine and reviewed by AMC.

For the purposes of cut-off grade and silver equivalent calculations, AMC has used relevant reported individual metal processing recoveries and operating costs for each site, and the following long-term metal prices for both Mineral Resources and Mineral Reserves: Au US$1,250/oz, Ag US$19/oz, Pb US$0.90/lb, Zn US$1.00/lb.

The total estimated Mineral Resources for the SGX, HZG, HPG, TLP, and LME and LMW mines, respectively, reported by category, are summarized in the following Table 2.

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[2] Dynamic anisotropy re-orientates the search ellipsoid for each estimated block based on the local orientation of the mineralization

Table 2 Mineral Resources of the Ying Property as of June 30, 2016

Mine	Resource Category	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Metal Contained in Resource			
							Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
SGX	Measured	2.67	-	296	5.71	3.06	-	25.46	152.7	81.71
	Indicated	3.86	-	271	5.06	2.36	-	33.64	195.5	91.19
	Measured + Indicated	6.54	-	281	5.33	2.64	-	59.10	348.2	172.90
	Inferred	3.66	-	268	5.14	2.33	-	31.50	187.8	85.23
HZG	Measured	0.33	-	390	1.20	0.24	-	4.14	4.0	0.78
	Indicated	0.45	-	297	0.91	0.18	-	4.27	4.1	0.80
	Measured + Indicated	0.78	-	336	1.03	0.20	-	8.41	8.0	1.58
	Inferred	0.35	-	231	1.22	0.25	-	2.63	4.3	0.87
HPG	Measured	0.69	1.10	88	3.77	1.15	24	1.95	26.0	7.92
	Indicated	0.63	1.10	85	2.84	1.15	22	1.72	17.9	7.21
	Measured + Indicated	1.32	1.10	87	3.33	1.15	47	3.66	43.8	15.12
	Inferred	1.01	1.21	114	3.88	1.09	39	3.69	39.1	10.98
LME	Measured	0.32	-	348	1.64	0.31	-	3.55	5.2	1.0
	Indicated	0.93	-	312	2.19	0.49	-	9.33	20.3	4.51
	Measured + Indicated	1.25	-	321	2.05	0.44	-	12.88	25.5	5.51
	Inferred	0.65	-	326	1.60	0.42	-	6.79	10.3	2.73
LMW	Measured	0.54	-	329	3.44	0.27	-	5.74	18.7	1.49
	Indicated	1.93	-	239	2.68	0.31	-	14.84	51.7	6.00
	Measured + Indicated	2.47	-	259	2.85	0.30	-	20.58	70.4	7.49
	Inferred	1.36	-	250	2.37	0.32	-	10.95	32.2	4.38
TLP	Measured	1.36	-	222	3.76	0.28	-	9.71	51.1	3.80
	Indicated	2.60	-	167	3.21	0.31	-	13.97	83.5	7.94
	Measured + Indicated	3.96	-	186	3.40	0.30	-	23.68	134.6	11.74
	Inferred	3.44	-	196	3.95	0.32	-	21.69	135.6	11.04
Total	Measured	5.91	0.13	266	4.36	1.64	24	50.55	257.6	96.69
	Indicated	10.40	0.07	233	3.59	1.13	22	77.76	373.0	117.66
	Measured + Indicated	16.31	0.09	245	3.87	1.31	47	128.31	630.6	214.35
	Inferred	10.47	0.12	230	3.91	1.10	39	77.25	409.4	115.22

Notes:

Measured and Indicated Mineral Resources are inclusive of Mineral Resources from which Mineral Reserves are estimated

Metal prices: gold US$1250/troy oz, silver US$19/troy oz, lead US$0.90/lb, zinc US$1.00/lb

Exchange rate: RMB 6.50 : US$1.00

Veins factored to minimum extraction width of 0.3 m

Cut-off grades: SGX 140 g/t AgEq; HZG 125 g/t AgEq; HPG 125 g/t AgEq; LME 125 g/t AgEq; LMW 130 g/t AgEq TLP 120 g/t AgEq

Silver equivalent formulas by mine:

SGX=33.1895*Pb%+23.4590*Zn%+Ag g/t;

HZG=31.8736*Pb%+Ag g/t;

HPG=33.9925*Pb%+18.3181*Zn%+55.4773*Au g/t+Ag g/t;

LME=34.0436*Pb%+Ag g/t;

TLP=34.1401*Pb%+Ag g/t;

LMW=34.6856*Pb%+Ag g/t;

Exclusive of mine production to 30 June 2016

Rounding of some figures may lead to minor discrepancies in totals

Comparison of Mineral Resources, June 30, 2013 and June 30, 2016

A comparison of Mineral Resource estimates between 30 June 2013 and 30 June 2016 indicates the following:

- For Measured plus Indicated Resources, tonnes have increased by 16%, grades have increased by between 3% and 7%, and contained metal has increased by 20% for silver, 23% for lead and 24% for zinc.
- For Inferred Resources, tonnes have increased by 39%, silver grades have decreased by 8%, lead grades have increased by 20%, zinc grades have increased by 11%, and contained metal has increased by 28% for silver, 67% for lead and 54% for zinc.
- The main reasons for the differences are Mineral Resource addition and conversion to higher categories arising from drilling and level development, different cut-off grades, and depletion due to mining.

Mineral Reserve Estimate

The Mineral Reserve estimation is based on the assumption that current stoping practices will continue to be predominant at the Ying Property, namely cut and fill resuing and shrinkage stoping, using hand-held drills and hand-mucking within stopes, and loading to mine cars by rocker-shovel or by hand. The largely sub-vertical veins, generally competent ground, reasonably regular vein width, and hand-mining techniques using short rounds, allows a significant degree of selectivity and control in the stoping process. Minimum mining widths of 0.5 m for resuing and 1.0 m for shrinkage are assumed. AMC has observed the mining methods at the Ying Property and considers the minimum extraction and mining width assumptions to be reasonable. Minimum dilution assumptions are 0.10 m of total overbreak for a resuing cut and 0.2 m of total overbreak for a shrinkage stope. For the total tonnage estimated as Ying Mineral Reserves, 42% is associated with resuing and 58% with shrinkage. The Mineral Reserve estimates for the Ying Property were prepared by Silvercorp under the guidance of independent Qualified Person, Mr H A Smith, P.Eng., who takes QP responsibility for those estimates.

Cut-off Grades

Mineral Reserves have been estimated using breakeven cut-off values for shrinkage and resuing at each site as appropriate. The cut-off grade basis is summarized below and in Table 3.

Cut-off grade AgEq (g/t) = (mining cost + sustaining capital + milling cost + hauling cost + G&A cost + selling cost + mineral resources tax) / (processing recovery x mining recovery x Ag price).

Table 3 Mineral Reserve Cut-off Grades and Key Estimation Parameters

Item	SGX		HZG	HPG		LME		TLP		LMW	
Foreign exchange rate (RMB:US$)	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
	Resuing	**Shrinkage**	**Resuing**	**Resuing**	**Shrinkage**	**Resuing**	**Shrinkage**	**Resuing**	**Shrinkage**	**Resuing**	**Shrinkage**
Operating costs											
Sustaining Capital ($/t) (mine development & exploration tunnelling cost)	29.09	29.09	32.11	23.05	23.05	18.61	18.61	12.34	12.34	21.96	21.96
Mining Cost ($/t)	51.35	36.49	36.58	55.5	40.58	49.52	29.77	46.4	33.19	55.13	29.77
Hauling cost ($/t)	4.14	4.14	4.60	4.29	4.29	3.24	3.24	3.04	3.04	3.12	3.12
Milling cost ($/t)	8.09	8.09	8.26	8.33	8.33	12.98	12.98	8.20	8.20	5.13	5.13
G&A and product selling cost ($/t)	10.33	10.33	10.33	10.33	10.33	10.33	10.33	10.33	10.33	10.33	10.33
Mineral Resources tax ($/t)	2.42	2.42	2.19	2.04	2.04	2.18	2.18	2.03	2.03	2.22	2.22
Total operating costs (US$/t)*	105.42	90.56	94.07	103.54	88.62	96.86	77.11	82.34	69.13	97.89	72.53
Mining recovery (%)	95	92	95	95	92	95	92	95	92	95	92
Mill recoveries											
Au (%)				75	75						
Ag (%)	94.45	94.45	95.56	88.94	88.94	95.23	95.23	92.39	92.39	93.32	93.32
Pb (%)	96.51	96.51	93.77	93.08	93.08	93.22	93.22	93.48	93.48	94.98	94.98
Zn (%)	61.4	61.4		45.14	45.14						
Breakeven COG (AgEq g/t) = opex $/t / (mining recovery% x processing recovery% x Ag $ value per g*)	190	170	170	200	175	175	145	155	130	180	135

Notes:
Metal price assumptions: Ag $19/oz; Pb $0.90/lb; Zn $1.00/lb.
No Zn value ascribed to ore from HZG, LM, TLP and LMW sites.
Operating costs from 2016 calendar year actuals and projections

Lower cut-off grade values have been used for vein development operations where, effectively, the cost of this development is sunk and the value of the material mined has only to bear the cost of hauling, milling, G&A, selling and tax. These values are shown in Table 4.

Table 4 Vein development cut-off grades

Vein development cut-off estimates	SGX	HZG	HPG	LM	TLP
AgEq Cut-off g/t	50.00	50.00	50.00	50.00	50.00

Note: Costs and metal price assumptions as per Table 3 above.

Dilution

Minimum mining widths are assumed as 0.5 m and 1.0 m respectively for resuing and shrinkage. For resuing, a dilution factor has been applied to each true vein width up to a minimum extraction width of 0.5 m or to (vein width plus 0.1 m) where the true width is greater than 0.4 m. For shrinkage, a minimum dilution factor of 0.2 m is added to the minimum vein width of 0.8m. AMC notes that a key strategy used at Ying for minimizing floor dilution is the placement of rubber mats and / or conveyor belting over the waste fill floor in resuing stopes immediately before each resuing blast. This effectively serves as a barrier between ore and waste.

The dilution calculation process used for the Mineral Reserves assumes that the resulting figures represent the overall tonnes and grade delivered to surface. There is a small degree of waste hand sorting, and therefore upgrading, that occurs underground, depending on the mine and mining method. AMC considers that the resulting impact of this hand-sorting on the delivered product is not significant enough to be material.

AMC notes that the projections for dilution in both resuing and shrinkage stopes assume a high degree of process control in terms of design, drilling and blasting, and that such control on an ongoing basis will be critical to achieving dilution targets.

Table 5 summarizes average dilution from the Mineral Reserve calculations for each of the Ying mines. There is a significant reduction in estimated dilution for Mineral Reserves compared to the most recent Technical Report. AMC considers that the current dilution estimation is reasonable considering the enhanced focus on mining process control and the recently observed results from those efforts.

Table 5 Average dilution by mine and method

Mine	Dilution %	
	Resuing	Shrinkage
SGX	17%	15%
HZG	23%	22%
HPG	17%	19%
LM-E	21%	18%
LM-W	13%	14%
TLP	17%	19%
Total Ying	17%	17%

Mining Recovery Factors

Mining recovery estimates used in the Mineral Reserve calculations are based on experience at each of the Ying operations and for each mining method. For resuing stopes, 95% total recovery is assumed; for shrinkage stopes, 92% total recovery is assumed. Minimal pillars are anticipated to remain between adjacent mining blocks in the same vein, and partial recovery in sill pillars is allowed for in the respective recovery factors.

Mineral Reserve Estimate

To convert Mineral Resources to Mineral Reserves, Silvercorp uses the following procedures:

- Selection of Measured and Indicated Resource areas (potential stope blocks) for which the average AgEq grade is greater than the mine cut-off AgEq grade
- Application of minimum extraction and mining width criteria and calculation of dilution at zero grade
- Estimation of Mineral Reserve potential by applying relevant mining loss factors
- Reconfirmation that diluted AgEq grade is greater than mine cut-off
- Confirmation as Mineral Reserves by considering any other significant cost factors such as additional waste development required to gain access to the block in question

Table 6 summarizes the Mineral Reserve estimates for each Ying mine and for the Ying operation as a whole. 38% of the Mineral Reserve tonnage is categorized as Proven and 62% is categorized as Probable.

Table 6 Ying Mines Mineral Reserve Estimates at June 30, 2016

Mines	Categories	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	EQ-Ag(g/t)	Metal Contained in Reserves			
								Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
SGX	Proven	2.32		272	5.25	2.69	509		20.28	121.60	62.21
	Probable	3.18		248	4.86	2.11	459		25.40	154.55	67.06
Total Proven & Probable		5.50		258	5.02	2.35	480		45.68	276.15	129.27
HZG	Proven	0.23		348	1.03	0.20	384		2.60	2.39	0.47
	Probable	0.35		285	0.77	0.15	312		3.23	2.73	0.52
Total Proven & Probable		0.59		310	0.88	0.17	341		5.83	5.12	0.99
HPG	Proven	0.47	1.10	88	3.76	1.13	297	16.43	1.31	17.50	5.26
	Probable	0.29	1.15	108	3.28	1.17	304	10.84	1.02	9.65	3.45
Total Proven & Probable		0.76	1.12	95	3.57	1.15	300	27.27	2.33	27.15	8.71
TLP	Proven	1.00		223	3.45	0.26	341		7.15	34.39	2.62
	Probable	1.48		178	2.91	0.29	277		8.45	43.09	4.31
Total Proven & Probable		2.47		196	3.13	0.28	303		15.60	77.49	6.93
LM-E	Proven	0.20		288	1.45	0.27	337		1.82	2.85	0.54
	Probable	0.75		298	2.11	0.46	370		7.23	15.95	3.48
Total Proven & Probable		0.95		296	1.97	0.42	363		9.06	18.80	4.02
LM-W	Proven	0.46		316	3.29	0.25	428		4.69	15.21	1.14
	Probable	1.57		234	2.61	0.29	323		11.83	41.04	4.63
Total Proven & Probable		2.04		252	2.76	0.28	346		16.52	56.25	5.77
Ying Mine	**Proven**	**4.67**	**0.11**	**252**	**4.15**	**1.55**	**431**	**16.43**	**37.85**	**193.95**	**72.24**
	Probable	**7.63**	**0.04**	**233**	**3.50**	**1.09**	**374**	**10.84**	**57.16**	**267.01**	**83.45**
Total Proven & Probable		**12.30**	**0.07**	**240**	**3.75**	**1.27**	**396**	**27.27**	**95.02**	**460.96**	**155.69**

Notes to Mineral Reserve Statement:
Stope Cut-off grades (Ag/Eq g/t): SGX – 190 Resuing, 170 Shrinkage; HZG – 170 Resuing; HPG – 200 Resuing, 175 Shrinkage; LME -175 Resuing, 145 Shrinkage; LMW -180 Resuing, 135 Shrinkage; TLP - 155 Resuing, 130 Shrinkage.
Vein development cut-off grades of 50 g/t AgEq for all mines.
Unplanned dilution (zero grade) assumed as 0.05m on each wall of a resuing stope and 0.10m on each wall of a shrinkage stope.
Mining recovery factors assumed as 95% for resuing and 92% for shrinkage.
Metal prices: gold US$1,250/troy oz, silver US$19/troy oz, lead US$0.90/lb, zinc US$1.00/lb
Processing recovery factors: SGX – 94.5% Ag, 96.5% Pb, 61.4% Zn; HZG – 95.6% Ag, 93.8% Pb; HPG – 88.9% Ag, 93.1% Pb, 45.1% Zn; LME – 95.2% Ag, 93.2% Pb; LMW – 93.3% Ag, 95.0% Pb; TLP – 92.4% Ag, 93.5% Pb.
Exclusive of mine production to 30 June 2016.
Exchange rate assumed is RMB 6.50 : US$1.00.
Rounding of some figures may lead to minor discrepancies in totals

AMC notes that the average silver and lead grades for the total combined Ying Mines Mineral Reserves are of the order of 20% lower than reported mined grades from operations for January to November 2016. This is consistent with the mining plan generally moving into lower grade areas as the LOM progresses. AMC notes that the grade distribution of the Mineral Reserves and the increased operational focus on minimizing dilution allows a continuing opportunity to mine at above-overall-average grades in at least the early stages of the projected remaining LOM. AMC advises that best mining practices and the focus on tight dilution control will be key to optimizing grade throughout the extraction of the Ying Mineral Reserves.

Table 7 below summarizes the total tonnage mined and total metals produced from the Ying Projects as a whole between June 30, 2016 the date of the latest Mineral Reserve report and March 31, 2018:

Table 7 Tonnage mined and metal produced since Ying Report date

	Production, year ended March 31, 2018	Production, nine months ended March 31, 2017	Total Production since latest Mineral Reserve report (June 30, 2016)
Ore Mined (Mt)	0.61	0.46	1.07
Silver Produced (Moz)	5.44	4.44	9.88
Gold Produced (oz)	3,069	2,387	5,456
Lead Produced (t)	25,029	22,025	47,054
Zinc Produced (t)	2,783	1,828	4,611

Note: Table 7 and the immediately preceding text that references it are subsequent to and do not form part of the Ying Report.

Mineral Reserves Sensitivity to Cut-off Grade

AMC has tested the sensitivity of the Ying Mineral Reserves to variation in cut-off grade by applying a 20% increase in COG to Mineral Reserves at each of the Ying mines. The approximate percentage differences in contained AgEq ounces for each of the Ying mines and for the property as a whole are shown in Table 8

Table 8 Estimated Reduction in Contained AgEq Oz in Mineral Reserves for COG increase of 20%

	SGX	HZG	HPG	TLP	LME	LMW
Mine AgEq oz reduction	3.6%	2.4%	18.6%	10.3%	8.00%	7.2%
Ying Total AgEq oz reduction	6.1%					

The lowest sensitivities are seen at SGX and HZG with, respectively, an estimated 3.6% and 2.4% reduction in contained AgEq ounces when the COG is increased by 20%. The highest reduction of 18.6% is noted at HPG. For Ying as a whole, an approximately 6% reduction demonstrates relatively low overall COG sensitivity.

Conversion of Mineral Resources to Reserves

Table 9 compares the respective sums of Measured plus Indicated Resources and Proven plus Probable Reserves for each of the Ying mines and the entire Ying operation.

Table 9 Resources and Reserves Comparison

Mine		Tonnes Mt	Au g/t	Ag g/t	Pb %	Zn %	Au koz	Ag Moz	Pb kt	Zn kt
SGX	Resource MS+ID	6.54		281	5.33	2.64		59.1	348.2	172.9
	Reserve Prv + Prb	5.5		258	5.02	2.35		45.68	276.15	129.27
Conversion percentages		84%		92%	94%	89%		77%	79%	75%
HZG	Resource MS+ID	0.78		336	1.03	0.2		8.41	8.034	1.58
	Reserve Prv + Prb	0.59		310	0.88	0.17		5.83	5.12	0.99
Conversion percentages		76%		92%	85%	85%		69%	64%	63%
HPG	Resource MS+ID	1.32	1.1	87	3.33	1.15	47	3.66	43.8	15.12
	Reserve Prv + Prb	0.76	1.12	95	3.57	1.15	27.27	2.33	27.15	8.71
Conversion percentages		58%	102%	109%	107%	100%	58%	64%	62%	58%
TLP	Resource MS+ID	3.96		186	3.4	0.3		23.68	134.6	11.74

	Reserve Prv + Prb	2.47		196	3.13	0.28		15.6	77.49	6.93
Conversion percentages		62%		105%	92%	93%		66%	58%	59%
LM-E	Resource MS+ID	1.25		321	2.05	0.44		12.88	25.5	5.51
	Reserve Prv + Prb	0.95		296	1.97	0.42		9.06	18.8	4.02
Conversion percentages		76%		92%	96%	95%		70%	74%	73%
LM-W	Resource MS+ID	2.47		259	2.85	0.3		20.58	70.4	7.49
	Reserve Prv + Prb	2.04		252	2.76	0.28		16.52	56.25	5.77
Conversion percentages		83%		97%	97%	93%		80%	80%	77%
Total	Resource MS+ID	16.31	0.09	243	3.87	1.31	47	127.42	630.6	214.35
	Reserve Prv + Prb	12.3	0.07	240	3.75	1.27	27.27	95.02	460.96	155.69
Conversion percentages		75%	78%	99%	97%	97%	58%	75%	73%	73%

*Numbers may not compute exactly due to rounding.

For the Property as a whole, total Mineral Reserve tonnes are approximately 75% of Mineral Resource (Measured plus Indicated) tonnes. Silver, lead and zinc Mineral Reserve grades are 99%, 97% and 97% respectively of the corresponding Measured plus Indicated Mineral Resource grades. Metal conversion percentages for silver, lead and zinc are 75%, 73% and 73% respectively.

Reconciliation

Table 10 shows Ying Mineral Reserves as of mid-2013 (previous Technical Report) and as of mid-2016 (this Technical Report). The 2016 data is exclusive of ore mined since mid-2013.

Table 10 Mineral Reserves mid-2013 and mid-2016

Mines	Categories	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Metal Contained in Reserves			
							Au (oz)	Ag (Moz)	Pb (kt)	Zn (kt)
SGX 2013	Proven	2.66		230	4.41	2.33		19.64	117.30	61.90
	Probable	2.20		206	3.75	1.90		14.56	82.50	41.90
Total Proven & Probable		4.86		219	4.11	2.14		34.20	199.80	103.80
SGX 2016	Proven	2.32		272	5.25	2.69		20.28	121.60	62.21
	Probable	3.18		248	4.86	2.11		25.4	154.55	67.06
Total Proven & Probable		5.50		258	5.02	2.35		45.68	276.15	129.27
SGX % Change	Proven	-13%		18%	19%	15%		3%	4%	1%
	Probable	45%		20%	30%	11%		74%	87%	60%
Total Proven & Probable		13%		18%	22%	10%		34%	38%	25%
HZG 2013	Proven	0.30		344	1.16	0.19		3.32	3.50	0.60
	Probable	0.39		279	1.12	0.13		3.49	4.40	0.50
Total Proven & Probable		0.69		307	1.14	0.16		6.82	7.80	1.10
HZG 2016	Proven	0.23		348	1.03	0.20		2.60	2.39	0.47
	Probable	0.35		285	0.77	0.15		3.23	2.73	0.52
Total Proven & Probable		0.59		310	0.88	0.17		5.83	5.12	0.99
HZG % Change	Proven	-23%		1%	-11%	5%		-22%	-32%	-22%
	Probable	-10%		2%	-31%	15%		-7%	-38%	4%
Total Proven & Probable		-14%		1%	-23%	6%		-15%	-34%	-10%

Mines	Categories	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Metal Contained in Reserves			
							Au (oz)	Ag (Moz)	Pb (kt)	Zn (kt)
HPG 2013	Proven	0.56	0.94	100	4.54	0.81	16,931	1.80	25.40	4.50
	Probable	0.36	1.05	84	3.33	1.14	12,230	0.97	12.10	4.10
Total Proven & Probable		0.92	0.98	94	4.06	0.94	29,160	2.77	37.40	8.70
HPG 2016	Proven	0.47	1.10	88	3.76	1.13	16,430	1.31	17.50	5.26
	Probable	0.29	1.15	108	3.28	1.17	10,840	1.02	9.65	3.45
Total Proven & Probable		0.76	1.12	95	3.57	1.15	27,270	2.33	27.15	8.71
HPG % Change	Proven	-16%	17%	-12%	-17%	40%	-3%	-27%	-31%	17%
	Probable	-19%	10%	29%	-2%	3%	-11%	5%	-20%	-16%
Total Proven & Probable		-17%	14%	1%	-12%	22%	-6%	-16%	-27%	0%
TLP 2013	Proven	1.18		135	2.67	0.18		5.13	31.50	2.10
	Probable	2.10		160	2.45	0.22		10.80	51.30	4.70
Total Proven & Probable		3.28		151	2.52	0.21		15.94	82.80	6.80
TLP 2016	Proven	1.00		223	3.45	0.26		7.15	34.39	2.62
	Probable	1.48		178	2.91	0.29		8.45	43.09	4.31
Total Proven & Probable		2.47		196	3.13	0.28		15.60	77.49	6.93
TLP % Change	Proven	-15%		65%	29%	44%		39%	9%	25%
	Probable	-30%		11%	19%	32%		-22%	-16%	-8%
Total Proven & Probable		-25%		30%	24%	33%		-2%	-6%	2%
LM 2013	Proven	0.54		282	1.67	0.20		4.92	9.10	1.10
	Probable	2.35		236	1.84	0.24		17.89	43.40	5.80
Total Proven & Probable		2.89		245	1.81	0.24		22.81	52.50	6.90
LM 2016	Proven	0.66		307	2.74	0.25		6.51	18.06	1.68
	Probable	2.33		255	2.45	0.35		19.06	56.99	8.11
Total Proven & Probable		2.99		266	2.51	0.33		25.58	75.05	9.79
LM % Change	Proven	22%		9%	64%	25%		32%	98%	53%
	Probable	-1%		8%	33%	46%		7%	31%	40%
Total Proven & Probable		3%		9%	39%	38%		12%	43%	42%
Ying Mine 2013	Proven	5.24	0.10	207	3.56	1.34	16,931	34.81	186.70	70.20
	Probable	7.40	0.05	200	2.62	0.77	12,230	47.71	193.70	57.00
Total Proven & Probable		12.64	0.07	203	3.01	1.01	29,160	82.52	380.40	127.20
Ying Mine 2016	Proven	4.67	0.11	252	4.15	1.55	16,430	37.85	193.95	72.24
	Probable	7.63	0.04	233	3.50	1.09	10,840	57.16	267.01	83.45
Total Proven & Probable		12.30	0.07	240	3.75	1.27	27,270	95.02	460.96	155.69
Ying % Change	Proven	-11%	10%	22%	17%	16%	-3%	9%	4%	3%
	Probable	3%	-20%	17%	34%	42%	-11%	20%	38%	46%
Total Proven & Probable		-3%	0%	18%	25%	26%	-6%	15%	21%	22%

Some significant aspects of the comparison are:

- 3% decrease in total Ying Mineral Reserve tonnage.

- Increase in total Ying Mineral Reserve silver, lead and zinc grades of 18%, 25%, and 26% respectively.
- Increase in total Ying Mineral Reserve metal content for silver, lead and zinc of 15%, 21% and 22% respectively.
- SGX continues being the leading contributor to the Ying Mineral Reserves, now accounting for 45% of tonnes, 48% of silver, 60% of lead and 83% of zinc, compared to respective values of 38%, 36%, 43% and 67% in 2013.
- Decrease in TLP Mineral Reserve tonnes of 25% but increase in silver, lead and zinc grades of 30%, 24% and 33% respectively.
- Decrease in HPG Mineral Reserve tonnes of 17%.
- Increase in LM (combined LME and LMW) Mineral Reserve metal content for silver, lead and zinc of 12%, 43% and 42% respectively.

Mining Operations

The Ying mine complex is a viable operation with a projected LOM through to 2036 based on Proven and Probable Reserves. The potential exists for an extended LOM via further exploration and development, particularly in areas of Inferred Resources.

The annual ore production is anticipated to be maintained at between 650 kt and 749 kt from 2017 to 2025; then from 2026 to 2036 ore production is projected to gradually fall to around 370 kt per annum as HZG, HPG and LME mines are phased out of production. Development and infrastructure to allow access to, and mining in, the necessary number of working places is either in place, in development or is planned. AMC considers that the projected production can be achieved but that there is a degree of risk associated with having sufficient skilled mining labour consistently available. AMC also notes that a continuing high degree of focus will be necessary throughout the Ying operation for planned development targets to be achieved.

Projected metal grades through to around 2023 are largely in-line with reported production grades in Fiscal 2016. The current focus on dilution and grade control will need to be diligently maintained if Mineral Reserve mining grades are to be achieved.

The Ying mines safety is governed by Chinese statutory requirements and AMC understands that, in certain areas, those requirements are exceeded. AMC advises, however, that Silvercorp should continue with a focus on safety improvement, including implementation of a policy where the more stringent of either Chinese or Canadian safety standards are employed.

The generally good ground conditions, and the regularity and sub-vertical nature of the Ying district veins, may provide an opportunity to effectively employ more bulk-mining methods such as long-hole benching, and still with reasonable dilution.

Processing and Recovery Operations

Silvercorp runs two processing plants, Plants 1 and 2, at the Ying Mine with a total current design capacity of 2,600 tpd. The two plants are situated within 2 km of each other. Both were designed based on the lab tests completed by HNMRI in 2005. The overall processes of the two plants are similar and comprise crushing, grinding, flotation of lead and zinc concentrates, and concentrate dewatering. Plant 1 also has a lead / copper flotation separation circuit for use when treating high grade copper ore. In the LOM plan, the majority of ore tonnes will be processed through Plant 2, with Plant 1 being used as a backup to process low grade ore or development ore from LM, HZG, and part of TLP.

Both Plants 1 and 2 have been exceeding design throughput levels. Lead and silver recovery targets are being met or exceeded, although zinc recovery is lower than design, attributed to low zinc feed grades. Silver grade in lead concentrate meets the design targets, however, the lead grade has, on average, been below target since 2012. These statistics are consistent with an increasing proportion of production from lower grade mines such as TLP, LME and LMW.

Historically, higher-grade feed from SGX has enhanced plant performance but, with the proportion and grade of SGX ore decreasing, the challenge is to maintain similar metallurgical performance on lower grade feedstock.

Maintaining recovery seems reasonably achievable, but with a moderately adverse impact on concentrate lead grades, still marketable, but incurring higher treatment charges and lower % payables.

SGX / HPG ores also contain high grade, large-size galena lumps with characteristic specular silver-grey colour. These are hand-sorted at the mine sites, crushed, and then shipped by dedicated trucks to Plant 1. The lumps are milled in a dedicated facility, and then sold directly or mixed with flotation lead concentrate for sale.

Infrastructure, Permitting and Compliance Activities

There are two tailings management facilities (TMF): TMF1, adjacent to and serving Plant 1, and TMF 2, adjacent to and serving Plant 2. TMF 2 was completed in July 2012, and put into service in April 2013. Each mine in the Ying Property has a number of mine waste dumps. Those for HZG and HPG are sufficient for the envisaged life of mine production, while additional waste dumps will be constructed at SGX, LME, LMW and TLP to ensure adequate capacity. Total current capacity is around 2.8 Mm^3. Power for the Ying Property is drawn from Chinese National Grids with high-voltage lines to the different mine camps and mill plants.

Access to the SGX / HZG mine from Silvercorp's mill office complex is via a 7 km paved road to the Hedong wharf of the Guxian Reservoir, and then across the reservoir by boat to the mine site. Two large barges carry up to five 45 t ore trucks from the SGX / HZG and HPG mines to the plants. At the SGX mines, ore for hand-sorting is transported to a facility at the north side of the mine by diesel powered locomotive railcars in a 2.69 km long tunnel rail system. Silvercorp has constructed a 1.27 km long tunnel in order to transport ore from HZG to SGX, with completion achieved in December 2012. Ore from the TLP and LM mines is hauled to the Silvercorp central mill using 30 and 45 t truck fleets.

Silvercorp has all the required permits for its operations on the Ying Property. The existing mining permits cover all the active mining areas and, in conjunction with safety and environmental certificates, give Silvercorp the right to carry out full mining and mineral processing operations. Six safety certificates and six environmental certificates have been issued by the relevant government departments, for each of which there is a related mine development / utilization and soil / water conservation program, and rehabilitation plan.

There are no cultural minority groups within the area surrounding the general project and no records of cultural heritage sites exist within or near the SGX and HPG project areas. The mining areas do not cover any natural conservation, ecological forests or strict land control zones, current vegetation being mainly secondary, including farm plantings. Larger wild mammals have not been found in the region.

Capital and Operating Costs

Summary of Capital Costs

The principal capital requirement in the Ying district is for mine development. Capital provision is also made for exploration drilling and for sustaining surface facilities and equipment in general. Specific processing plant capital requirements going forward are projected to be minimal as plant capacity has already been expanded to meet the forecast mine production. Projected LOM mining capital costs are summarized by mine in Table 11.

Table 11 Total projected LOM capital cost – Ying Property

	Mine	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
RMB (M)	SGX	33.77	31.27	31.58	20.12	14.05	17.03	16.5	18.02	16.12	15.44	17.13	20.44	19.87	19.61	16.29	15.82	17.24	13.4	11.79	6.01	**371.50**
	HZG	9.06	7.09	5.48	6.76	5.95	4.61	4.65	3.08	1.32	0.4											**48.40**
	HPG	7.34	7.29	7.38	7.4	7.52	7.76	7.32	5.5	3.29												**60.80**
	TLP	9.04	9.21	9.04	9.12	8.9	9.03	9.14	9.02	8.78	8.67	7.25	7.15	7.27	7	6.73	5.64	4.1	3.03	2.28	0.55	**140.95**
	LM East	7.23	7.97	5.69	4.34	3.79	4.77	4.51	2.55	2.26	1.48	1.21		0.36								**46.16**
	LM West	11.54	12.12	12.18	12.04	10.84	10.44	13.69	12.51	9.68	9.63	9.59	9.17	9.23	8.69	7.89	7.85	7.71	7.16	7.34		**189.30**
	Total Mining	**77.98**	**74.95**	**71.35**	**59.78**	**51.05**	**53.64**	**55.81**	**50.68**	**41.45**	**35.62**	**35.18**	**36.76**	**36.73**	**35.3**	**30.91**	**29.31**	**29.05**	**23.59**	**21.41**	**6.56**	**857.11**
US$ (M)	SGX	4.89	4.53	4.58	2.92	2.04	2.47	2.39	2.61	2.34	2.24	2.48	2.96	2.88	2.84	2.36	2.29	2.50	1.94	1.71	0.87	**53.84**
	HZG	1.31	1.03	0.79	0.98	0.86	0.67	0.67	0.45	0.19	0.06											**7.01**
	HPG	1.06	1.06	1.07	1.07	1.09	1.12	1.06	0.80	0.48												**8.81**
	TLP	1.31	1.33	1.31	1.32	1.29	1.31	1.32	1.31	1.27	1.26	1.05	1.04	1.05	1.01	0.98	0.82	0.59	0.44	0.33	0.08	**20.43**
	LM East	1.05	1.16	0.82	0.63	0.55	0.69	0.65	0.37	0.33	0.21	0.18		0.05								**6.69**
	LM West	1.67	1.76	1.77	1.74	1.57	1.51	1.98	1.81	1.40	1.40	1.39	1.33	1.34	1.26	1.14	1.14	1.12	1.04	1.06		**27.43**
	Total Mining	**11.30**	**10.86**	**10.34**	**8.66**	**7.40**	**7.77**	**8.09**	**7.34**	**6.01**	**5.16**	**5.10**	**5.33**	**5.32**	**5.12**	**4.48**	**4.25**	**4.21**	**3.42**	**3.10**	**0.95**	**124.22**
	Drilling Program	2.02	2.03	1.93	1.75	1.54	3.59	1.23	1.09	1.01	0.97	0.74	0.62	0.62	0.59	0.63	0.52	0.48	0.41	0.25	0.13	**22.18**
	Surface Facilities	1.02	0.87	0.43	0.58	0.58	0.58	0.43	0.58	0.73	0.43	0.43	0.43	0.43	0.43	0.51	0.29	0.29	0.29	0.14	0.08	**9.58**
	Total	**14.33**	**13.76**	**12.71**	**11.00**	**9.53**	**11.95**	**9.76**	**9.02**	**7.74**	**6.57**	**6.28**	**6.38**	**6.38**	**6.14**	**5.62**	**5.06**	**4.98**	**4.13**	**3.50**	**1.16**	**155.98**

Summary of Operating Costs

Operating costs are summarized by mine in Table 12. AMC considers these costs to be reasonable for the methods and technology used and the scale of the operations

Table 12 Operating Cost Summary (2016 US$)

Cost Item (US$/t ore)	SGX	HZG	HPG	TLP	LME	LMW
Mining cost	48.27	50.97	41.84	46.26	43.60	58.74
Hauling cost	3.87	4.68	3.98	3.10	3.10	3.18
Milling cost	8.90	8.90	8.90	8.90	8.90	8.90
G&A and other cost	8.76	8.76	8.76	8.76	8.76	8.76
Totals	69.80	73.32	63.48	67.03	64.36	79.54

Note: 1 US$ = 6.9 RMB

The principal components of the milling costs are utilities (power and water), consumables (grinding steel and reagents) and labour, each approximately one-third of the total cost. “G&A and Other” cost includes an allowance for tailings dam and other environmental costs. The major capital expenditure on the two tailings storage facilities has already been expended and the ongoing costs associated with progressively raising the dam with tailings are regarded as an operating cost.

Smelter Contracts

Monthly sales contracts are in place for the lead concentrates with leading smelters, mostly located in Henan province. Among them are Henan Yuguang Gold and Lead Smelting Co. Ltd, Jiyuan Wanyang Smelting (Group) Co. Ltd, Jiyuan Jinli Smelting (Group) Co., and Luoning Yongning Gold and Lead Smelting Co. Ltd. For the zinc concentrate, sales contracts are in place with Henan Yuguang Zinc Industry Co. Ltd and Shaaxi Shangluo Zinc Smelting Co. Ltd.

All contracts have freight and related expenses to be paid by the smelter customers themselves.

The key elements of the smelter contracts are subject to change based on market conditions when the contracts are renewed each month. Table 13 shows terms most commonly applied.

Table 13 Key Elements of Smelter Contracts

	Pb Concentrate & Direct Smelting Ore						Zn Concentrate	
	% Pb	Deduction RMB/t Pb	Ag (g/t)	% payable	Au (g/t)	% payable	% Zn	Deduction RMB/t Zn
Minimum Quality	35		500		1		40	
Payment Scales	>=60	1700	>=5000	91	>=20	87	>=45	Price =<RMB 15000/t:4800
	55-60	1800	4500-5000	90.5	15-20	86		Price > RMB 15000/t:4800+(price-15000)*80%
	50-55	1900	4000-4500	90	10-15	85	40-45	Price =<RMB 15000/t:4800+45 per % lower than 45%
	45-50	2000	3500-4000	89.5	7-10	84		Price > RMB 15000/t:4800+(price-15000)*80%+45 per % lower than 45%
	40-45	2100	3000-3500	89	5-7	83		
	35-40	2600	2500-3000	88.5	3-5	82		
			2000-2500	88	2-3	81		
			1500-2000	87.5	1-2	80		
			1000-1500	87				
			500-1000	86.5				

With respect to lead and zinc terms, the above deductibles calculate out to 85-90% payable for the lead concentrate and approximately 70% for zinc, at long-term prices. AMC considers these to be favourable terms relative to global smelter industry norms. Silver payables of approximately 90% are similarly in accord with industry norms.

Economic analysis

Although Silvercorp is a producing issuer and, therefore, does not require an economic analysis for the purposes of this report, AMC believes it is reasonable to include a summary-level analysis to illustrate the potential economic impact relative to the latest Mineral Reserve estimations and to the associated production schedules.

The Ying District is largely a mature operation. A 20-year LOM is envisaged for the resource as currently understood, with average silver equivalent grades projected to be greater than or close to 400 g/t for the first 13 years and then to fall steadily through to the end of mine life. Operating costs and capital costs are anticipated to be reasonable. For the summary economic analysis, AMC has used the same metal prices as in the Mineral Resource and Mineral Reserve estimation, namely:

- Gold US$1,250/oz
- Silver US$19/oz
- Lead US$0.90/lb
- Zinc US$1.00/lb

An exchange rate of 1US$ = 6.9RMB has been used for the economic analysis.

Based on the LOM production forecast and the metal price and other assumptions shown above, a base case pre-tax NPV at 8% discount rate of $714M is projected ($535M post-tax). Over the LOM, 63.1% of the net revenue is projected to come from silver, 31.4% from lead and 5.5% from zinc.

A simple economic sensitivity exercise, assuming a 20% adverse change in individual metal prices, operating cost or capital cost, has indicated that most sensitivity is seen in silver price. The NPV is moderately sensitive to lead price and operating cost, and only slightly sensitive to zinc price and capital cost.

Annual Production Schedule

The LOM ore production schedule by mine is shown in Table 14.

Table 14 Ying Property LOM Production Schedule

SGX	**2016 July-Dec**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**Total**
Production (kt)	154	263	263	261	266	272	271	271	264	291	298	293	296	295	298	260	264	265	253	236	180	5,514
Ag (g/t	356	316	322	322	285	290	290	276	267	291	291	262	275	254	225	222	210	187	168	177	156.4	260
Pb (%)	7.36	5.51	6.28	5.87	5.96	5.54	5.54	5.29	5.80	5.22	5.03	4.82	5.01	4.87	3.83	4.69	4.37	3.91	3.66	4.25	4.30	5.06
Zn (%)	2.01	2.41	2.32	2.50	2.56	2.58	2.10	2.32	2.50	2.28	2.06	2.40	2.30	2.34	2.73	2.36	2.16	2.31	2.40	2.30	1.87	2.34
Eq-Ag(g/t)	647	556	585	576	543	535	524	506	518	517	506	479	495	470	416	433	406	371	346	372	343	483
HZG	**2016 July-Dec**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**										**Total**
Production (kt)	26	50	55	60	60	60	60	60	60	60	33											586
Ag (g/t	355	338	329	338	341	327	303	289	284	269	272											312
Pb (%)	1.22	1.04	1.19	0.81	0.54	0.65	0.98	1.17	0.78	0.93	0.47											0.89
Zn (%)		0.21	0.20	0.16	0.16	0.17	0.14	0.16	0.18	0.16	0.14											0.16
Eq-Ag(g/t)	393	371	367	364	358	348	334	327	309	299	287											340
HPG	**2016 July-Dec**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**											**Total**
Production (kt)	36	72	74	80	82	82	84	87	83	83												763
Au (g/t)	1.13	1.08	0.93	1.57	1.18	1.23	1.14	1.37	0.82	0.79												1.12
Ag (g/t)	128.18	114	118	116	119	75	96	96	72	57												97
Pb (%)	4.21	4.80	4.90	3.57	3.68	3.71	3.32	2.47	3.27	2.29												3.55
Zn (%)	0.73	0.86	1.20	1.33	1.03	1.59	1.09	0.70	1.10	1.63												1.15
Eq-Ag(g/t)	347	353	357	349	329	298	292	268	249	208												301
TLP	**2016 July-Dec**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**Total**
Production (kt)	64	123	124	120	123	130	129	124	128	126	123	119	120	118	123	117	117	116	119	111	100	2,476
Ag (g/t	211.1	271	274	255	240	233	219	198	207	197	196	201	188	184	191	184	141	138	120	104	102	195
Pb (%)	2.4	3.84	3.18	2.80	2.70	3.00	3.69	3.17	3.84	3.16	3.00	3.41	3.39	2.99	3.42	2.89	2.66	2.78	2.66	2.40	2.73	3.08
Zn (%)		0.27	0.26	0.34	0.29	0.24	0.24	0.32	0.29	0.26	0.29	0.25	0.22	0.23	0.25	0.26	0.32	0.32	0.40	0.28	0.23	0.27
Eq-Ag(g/t)	291	402	382	351	332	336	345	306	338	305	299	317	303	286	308	283	232	233	211	186	195	300
LM East	**2016 July-Dec**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**								**Total**
Production (kt)	21	52	70	81	81	79	85	85	83	83	78	78	76									953
Ag (g/t	396	355	340	328	320	305	294	292	288	294	266	267	217									298
Pb (%)	1.87	1.88	1.60	1.90	1.86	2.05	2.10	1.97	2.27	1.83	2.23	2.46	1.55									1.98
Zn (%)		0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6	0.3									0.42
Eq-Ag(g/t)	460	419	394	392	383	375	365	359	365	356	342	351	270									365
LM West	**2016 July-Dec**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**Total**
Production (kt)	49	91	90	100	99	98	98	99	100	105	102	100	99	100	100	104	99	110	105	103	90	2,042
Ag (g/t	313	314	325	362	318	291	352	333	291	298	282	279	295	276	204	179	166	124	103	149	112	253
Pb (%)	3.64	3.71	3.69	2.46	3.30	3.89	2.08	2.25	3.28	2.61	2.94	3.02	2.44	1.90	3.02	3.16	2.40	2.71	2.76	1.76	1.54	2.76
Zn (%)		0.26	0.19	0.18	0.23	0.34	0.22	0.20	0.20	0.28	0.35	0.29	0.26	0.35	0.43	0.51	0.33	0.24	0.30	0.30	0.14	0.28
Eq-Ag(g/t)	439	443	453	447	433	426	424	411	405	388	385	384	379	342	309	289	250	217	199	210	166	349
Ying Mine	**2016 July-Dec**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**Total**
Production (kt)	350	651	677	703	712	721	727	727	718	749	634	590	592	513	520	481	480	491	477	451	370	12,334
Au (g/t)	0.12	0.12	0.10	0.18	0.14	0.14	0.13	0.16	0.10	0.09												0.07
Ag (g/t)	303	289	293	295	272	260	265	252	241	249	267	253	253	242	213	204	184	161	142	153	131	241
Pb (%)	4.81	4.23	4.32	3.70	3.84	3.86	3.71	3.44	3.98	3.46	3.72	3.92	3.80	3.85	3.58	3.92	3.55	3.37	3.21	3.22	3.20	3.75
Zn (%)	0.96	1.07	1.03	1.08	1.07	1.16	0.91	0.95	1.05	1.07	0.97	1.19	1.15	1.34	1.56	1.27	1.19	1.25	1.27	1.21	0.91	1.12
Eq-Ag(g/t)	493	462	467	454	432	423	418	398	404	393	414	412	407	401	367	364	330	302	277	288	259	396

Exploration and Development

AMC recommends that Silvercorp continue exploration tunnelling and diamond drilling at the Ying Property. The exploration tunnelling is used to upgrade the drill-defined Resources to the Measured category, and the diamond drilling is used to expand and upgrade the previous drill-defined Resources, explore for new mineralized zones within the unexplored portions of vein structures, and test for the down-dip and along-strike extensions of the vein structures. The proposed exploration work is as follows:

SGX

Exploration Tunnelling:

25,000 m exploration tunnelling on vein structures S1, S2, S2W, S4, S6, S6E1, S7, S7-1, S7-2, S7E2, S7W, S8, S8E, S10, S14, S14-1, S14-2, S16E, S19, S21, S21W, and S22 between levels 110 m and 710 m.

Diamond Drilling:

30,000 m underground diamond drilling on vein structures S2, S2W2, S7, S7-1, S8, S10, S11, S12, S16W, S18, S19, S21 and S29.

HZG

Exploration Tunnelling:

5,000 m exploration tunnelling on vein structures HZ20, HZ20E, HZ22, HZ23, and HZ5 and H22 between levels 450 m and 810 m.

Exploration Drilling:

5,000 m underground exploration drilling on vein structures HZ5, HZ22 and HZ22E.

HPG

Exploration Tunnelling:

5,000 m exploration tunnelling on major vein structures H4, H5, H13, H14, H15, H16, H16E and H17 between levels 100 m and 700 m.

Underground Drilling:

9,000 m underground diamond drilling on vein structures H5, H5W, H16 and H17 as well as their subzones.

LMW

Exploration Tunnelling:

6,500 m on vein structures LM7, LM8, LM10, LM11, LM12, LM13, LM16, LM17 and LM19 as well as their parallel subzones between levels 500 m and 900 m. LM2, LM3, LM5 and LM6 between levels 500 m and 750 m at LME, and LM7, LM8, LM10, LM11, LM12, LM13, LM14, LM16, LM19, and LM20 between levels 650 m and 900 m at LMW.

Diamond Drilling:

5,000 m underground drilling on LMW6, LM17, LM19 and W6 and their parallel vein structures.

LME

Exploration Tunnelling:

4,000 m on vein structures LM2, LM2-1, LM4, LM4W2, LM5, LM5E, LM5W, LM5W2, LM6, LM6W, LM6E and LM6E2 between levels 450 m and 790 m.

Diamond Drilling:

6,000 m underground diamond drilling on vein groups LM4, LM5, LM6 and LM21.

TLP

Exploration Tunnelling:

7,500 m exploration tunnelling on vein structures T1 vein group, T2, T3E, T4, T5 vein group, T11 vein group, T14, T14branch, T15 vein group, T16 vein group, T17 vein group, T21 vein group, T22 vein group, T23, T27, T28E, T33 vein group, and T35 vein group between levels 500 m and 790 m.

Diamond Drilling:

12,000 m underground drilling on vein structures T11, T14, T16, T21 and T35E.

The estimated cost for all of the above exploration work is:

- Tunnelling: RMB 63,600,000 (US$9.2M)
- Drilling: RMB 20,100,000 (US$2.9M)

Cautionary Note to U.S. Investors Concerning Estimates of Measured Resources and Indicated Resources:

This section uses the terms "measured resources" and "indicated resources". We advise U.S. investors that these terms are not recognized by the U.S. Securities and Exchange Commission. The estimation of measured resources and indicated resources involves greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves. U.S. investors are cautioned not to assume that mineral resources in these categories will be converted into reserves. See "Cautionary Note to U.S. Investors – Information Concerning Preparation of Mineral Resource and Mineral Reserve Estimates".

Cautionary Note to U.S. Investors Concerning Estimates of Inferred Resources

This section uses the terms "inferred resources". We advise U.S. investors that this term is not recognized by the U.S. Securities and Exchange Commission. The estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources. U.S. investors are cautioned not to assume that estimates of inferred mineral resources exist, are economically minable, or will be upgraded into measured resources or indicated mineral resources. See "Cautionary Note to U.S. Investors – Information Concerning Preparation of Mineral Resource and Mineral Reserve Estimates".

5.2 GC Mine

Current Technical Report

Except as otherwise stated, the information in this section is based on the technical report titled " *NI 43-101 Technical Report Update on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*" (the "**GC Report**") effective June 30, 2018 prepared by AMC Mining Consultants (Canada) Ltd. by Dinara Nussipakynova, P.Geo., Herbert A. Smith, P.Eng., Alan Riles, MAIG, and Patrick R. Stephenson, P.Geo.

The following is a summary from the GC Report and is based on the assumptions, qualifications and procedures which are not fully described herein. The full text of the GC Report which is available for review on SEDAR at www.sedar.com is incorporated by reference in this AIF.

Project Description and Location

The GC property is located in the vicinity of Gaocheng village, Gaocun Township, Yun'an District, Yunfu City, Guangdong Province, People's Republic of China.

In 2008, Silvercorp acquired 100% of the shares of Yangtze Gold Ltd. (Yangtze Gold), a private British Virgin Island (BVI) company, which in turn wholly owns Yangtze Mining Ltd. (Yangtze Mining). Yangtze Mining owns a 95% interest in a Sino-Foreign joint venture company, Anhui Yangtze Mining Co. Ltd. (Anhui Yangtze). Anhui Yangtze's main asset was the GC exploration permit for the GC Mine, which was subsequently converted to a mining permit in November 2010.

Guangdong Found Mining Co. Ltd. (China), (Guangdong Found), is the designated joint venture operating company of the GC Mine. Yangtze Mining (H.K.) Ltd., a wholly owned subsidiary of Yangtze Mining, owns 95% of Guangdong Found. Guangdong Found has a 100% beneficial interest in the GC Mine. The boundaries of the mining permit were surveyed, and the boundary markers were staked in the ground by the Bureau of Land and Resources of Guangdong Province before issuing the mining permit to Guangdong Found in 2010.

On 14 June 2010 Silvercorp announced that it had been issued an Environmental Permit for the project from the Department of Environmental Protection of Guangdong Province, an essential document required for a mining permit application.

A Mining Permit was issued by the Ministry of Land and Resources of China on 24 November 2010. The permit is valid for 30 years to 24 November 2040, covers the entire 5.5238 km^2 area of the GC Mine and permits mining

from 315 m to minus 530 m elevations. The permit was issued on the terms applied for and allows for the operation of an underground mine to produce silver, lead, and zinc.

Currently, GC Mine is subject to Mineral Resources taxes, levied at 3% of sales. This tax together with other government fees totals around 5% of net revenue. AMC is not aware of any additional royalties, back-in rights, payments, agreements, environmental liabilities, or encumbrances particular to the property other than those stated above.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The GC project is located in the vicinity of Gaocheng Village of Gaocun Township, Yun'an District, Yunfu City, Guangdong Province, China. Altitudes in the region range from 78 m to 378 m above sea level (ASL), usually 150 to 250 m ASL, with relative differences of 50 to 150 m. Vegetation is in the form of secondary forests of pine and hardwoods, bushes and grasses. Top soil covers most of the ground. Outcrops of bedrocks can only be observed in valleys.

The GC project is located west of the metropolitan city of Guangzhou, the capital of Guangdong Province. Guangzhou is located about 120 km northwest of Hong Kong and has a population of almost 14 million registered residents and temporary migrant inhabitants, as of December 2016, according to an economic report released by the Guangzhou Academy of Social Science. It is serviced by rail and daily flights from many of China's larger population centres. Access to the GC project from Guangzhou is via 178 km of four-lane express highway to Yunfu, then 48 km of paved road to the project site. A railway connection from Guangzhou to Yunfu is also available.

The region belongs to a sub-tropical monsoon climate zone with average annual temperature of 20 – 22°C. Rainfall is mainly concentrated in spring and summer from March to August. Winters feature short periods of frosting. The GC project is able to operate year-round.

Streams are well developed in the district, with the Hashui Creek flowing in the GC project area. There is a reservoir upstream of the GC project area. Small hydro power stations are developed in the region that are connected to the provincial electrical grid. There is a 10 kV power line that crosses through the project area.

A power supply system consisting of a 5.8 km power line, a 110 kV substation, and a 10 kV safety backup-circuit was completed in 2013. This system has sufficient capacity to support the current production and any envisaged future production expansion.

The economy of Yun'an District mainly relies upon agriculture and some small township industrial enterprises. Labour is locally available, and technical personnel are available in Yunfu and nearby cities. The Gaocheng village is located within the GC project area.

History

Various state-sponsored Chinese Geological Brigades and companies have conducted geological and exploration work in the project area. Systematic regional geological surveys covering the area started in 1959. The following is a brief history of the exploration work in the area:

- During 1959 to 1960, No. 763 Geological Brigade of Guangdong Bureau of Geology conducted a 1:200,000 regional geological survey and mapping, and regional prospecting of Mineral Resources in the area. A geological map and geological reports were published.
- From 1964 to 1967, the Comprehensive Study Brigade of Guangdong Bureau of Geology conducted general prospecting and 1:50,000 geological mapping in the area, including the current project area, and submitted a geological report.
- In 1983, the Geophysical Survey Brigade of Guangdong Bureau of Geology and Mineral Resources conducted a 1:200,000 airborne magnetic survey covering the project area.

- In 1988, the Regional Geological Survey Brigade of Guangdong Bureau of Geology and Mineral Resources conducted a 1:200,000 stream sediment survey, which covers the project area.
- In 1991, the Geophysical Survey Brigade of Guangdong Bureau of Geology and Mineral Resources conducted a 1:200,000 gravity survey covering the project area.
- In 1995, the Ministry of Geology and Mineral Resources completed the compilation and interpretation of 1:1,000,000 geochemical, geophysical and remote sensing surveys covering the area.
- During 1995 and 1996, the Geophysical Survey Brigade of Guangdong Bureau of Geology and Mineral Resources conducted a 1:50,000 soil survey, and defined some large and intensive Pb, Zn, Ag, Sn, W, and Bi geochemical anomalies, which cover the project area.
- During 1990 and 2000, the Guangdong Provincial Institute of Geological Survey (GIGS) conducted a 1:50,000 stream sediment survey, which covers the project area, and defined several intensive anomalies of Pb-Zn-Ag-Sn-Mn, leading to the discovery of the GC deposit.
- During 2001 and 2002, and again in 2004 and 2005, GIGS conducted general prospecting at the GC project area, and defined some mineralized bodies and estimated Mineral Resources for the GC deposit.
- During 2006 and 2007, contracted by Yangtze Mining, GIGS conducted detailed prospecting at the GC project area, and completed a 36-hole, 11,470 m surface diamond drilling program and 1,964 m3 of trenching and surface stripping, to update and upgrade the Mineral Resources of the GC deposit.
- In 2008, Silvercorp completed a 22-hole, 10,083 m drilling program, which resulted in the discovery of an additional 15 mineralized veins.

History of Mining

Prior to Yangtze Mining acquiring the GC Property, illegal mining activity resulted in the excavation of several tunnels and small scale mining of veins V2, V2-2, V3, V4, V5, V6, and V10. GIGS reported that a total of 1,398 m of excavation comprised of 10 adits and tunnels had been completed on the property through the illegal activity.

In 2002, GIGS developed 66 m of tunnel to crosscut veins V5 and V5-1. GIGS sampled and mapped adits ML1 to ML5, ML6, ML7, ML9, and PD12.

Yangtze Mining, after its purchase of the property in 2005, mapped and sampled the accessible tunnels ML5 and ML8. Tunnel ML5 had exposure to vein V10 and tunnel ML8 had exposure to vein V2-2. Assay results of tunnel samples were used in resource estimation.

History of Mineral Resources

GIGS prepared a resource estimate for nine mineralized veins for the GC project after the 2004 – 2005 exploration season. GIGS has its own classification system of Mineral Resources / Reserves, which is different from CIM Standards. AMC does not believe that the GIGS estimation of resources is material to this report.

Prior to this current report, three resource estimates for the GC project have been reported:

Technical Report by SRK Consulting (SRK), dated April 2008 (entitled “Technical Report on Gaocheng Ag-Zn-Pb Project and Shimentou Au-Ag-Zn-Pb Project, Guangdong Province, People’s Republic of China”).

AMC June 2009 Technical Report (entitled “NI 43-101 Technical Report Update on the GC Ag-Zn-Pb Project in Guangdong Province, People’s Republic of China”).

AMC Technical Report (entitled “NI 43-101 Technical Report on the GC Ag-Zn-Pb Project in Guangdong Province, People’s Republic of China”) dated January 2012.

Geological Setting

The GC Project is located at the intersection between the Wuchuan-Sihui Deep Fault zone and Daganshan Arc-ring structural zone.

Basement rocks within the GC Project area encompass quartz sandstone, meta-carbonaceous siltstone, carbonaceous phyllite, calcareous quartzite and argillaceous limestone of the Sinian Daganshan Formation; quartz sandstone and shale of the Triassic Xiaoyunwushan Formation, and sandy conglomerate and conglomerate of the Cretaceous Luoding Formation. These rocks are intruded by Palaeozoic gneissic, medium-grained biotite granite, and Mesozoic fine- to medium grained adamellite, brownish, fine grained, biotite mylonite, granite porphyry, quartz porphyry, diabase, and aplite. The Mesozoic intrusives intruded along the south and southwest contacts of the Palaeozoic granites. The majority of Ag-Zn-Pb mineralization is hosted by the Mesozoic granite. The granite dips south and strikes west northwest, parallel to the majority of mineralized veins on the GC property.

Mineralization

Ag-Zn-Pb mineralization at the GC deposit can be divided into two types: primary and oxidized. The primary mineralization is mainly composed of galena-sphalerite-silver minerals which occur sparsely, as disseminations, veinlets and lumps. Primary mineralization accounts for 95% of the entire mineral resource. Oxide mineralization occurs on and near the surface.

Mineralized veins in the GC area occur in relatively permeable fault-breccia zones. These zones are extensively oxidized from the surface to depths of about 40 m. Veins in this zone exhibit open space and boxwork lattice textures resulting from the leaching and oxidation of sulphide minerals. Secondary minerals present in varying amounts in this zone include kaolinite, hematite and limonite.

The dominant sulphide mineral is pyrite, typically comprising a few percent to 13% of the vein. Other constituents are a few percent of sphalerite, galena, pyrrhotite, arsenopyrite, magnetite, and less than a percentage of chalcopyrite and cassiterite. Metallic minerals in much smaller amounts include argentite, native silver, bornite, wolframite, scheelite, and antimonite. Metallic minerals occur in narrow massive bands, veinlets or as disseminations in the gangue. Gangue minerals include chlorite, quartz, fluorite, feldspar, mica, hornblende, with a small amount or trace amount of kaolinite, tremolite, actinolite, chalcedony, garnet, zoisite, apatite, and tourmaline.

Alteration minerals associated the GC vein systems include quartz, sericite, pyrite, and chlorite, together with clay minerals and limonite. Silicification commonly occurs near the centre of the veins. Chlorite and sericite occur near and slightly beyond the vein margins.

Quartz, pyrite, fluorite, and chlorite are closely related to the mineralization.

Deposit Types

The poly-metallic mineralization of the GC deposit belongs to the mesothermal vein infill style of deposit and exhibits the following characteristics:

- The mineralization occurs as veins which are structurally controlled within broader alteration zones. The alteration can reach more than a few meters along the faults distributing in both hanging wall and footwall.
- The veins have a sharp contact with the host rocks and steeply dip at angles between 60 – 85°.

In general, the Ag-Zn-Pb mineralization occurs along the strike of the faults. The veins have true widths varying from just over 0.1 m to over 10 m. They have been traced for over 1,250 m along the strike, and approximately 550 m down dip.

Exploration

The section describes surface and underground exploration activities carried out by Silvercorp between 2008 and 2017.

Surface-based exploration occurred primarily during 2008. This work included soil sampling, geological mapping and trenching (Table 9.1).

Table 9.1 Surface exploration programs completed in 2008

Program	Unit	Work completed
Trenching (pitting)	m^3	740
Soil samples	Samples Line km	535 19

Source: Silvercorp Metals Inc.

In addition to surface samples Silvercorp also completed more than 40 km of underground tunnelling and sampling at the property between 2012 and 2017.

Details of drill programs completed between 2008 and 2017 are presented in Section 10 of this report.

The grid system used for the GC project is Xi'an Geodetic Coordinate System1980. The altitude referred to is the Yellow Sea 1956 Elevation System. The project survey control points were generated from three nearby national survey control points. The control points were surveyed using four NGS-9600 GPS receivers. Survey machines used for topographical survey and geological points, trenches, adits, and drillhole collars were Topcon GTS-Serial Total Station Instrument – XJ0747 and one NX2350 and Sokkia SET-230PK Total Station Instrument.

Soil Geochemical Program

In 2008, a 1:10,000 scale soil geochemical survey was completed by Silvercorp on the southern portion of the property. The soil sampling program comprised 20 m spaced samples along 200 m spaced lined covering a 2.22 km^2 area where no previous drilling had occurred. A total of 535 soil samples were collected from C-horizon soils. Samples were analysed by aqua regia digestion and ICP analysis for Au, Ag, Cu, Pb, Zn, Mo, and As.

Three significant Ag-Zn-Pb geochemical anomalies were identified.

- AS1 anomaly: encompasses an area 500 m in length and 50 to 100 m in width and includes peak values of 2.1 ppm Ag, 0.19% Pb, and 0.03% Zn at the eastern extent of V4 vein along F4 fault. Trenching was subsequently carried out over this anomaly.
- AS2 anomaly: encompasses an area 500 m length and 20 to 200 m in width and includes maximum values of 14.5 ppm Ag, 0.11% Pb, and 0.02% Zn.
- AS3 anomaly: is approximately 500 m in length and between 20 and 50 m wide (between Exploration Lines 28 – 44). The anomaly increases to 250 m in width to the east (between Lines 36 to 44).

Topographic and Geological Mapping

The GIGS conducted 1:10,000, 1:5,000, and 1:2,000 geological mapping programs, and a 1: 2,000 topographic survey covering the GC project area in 2008. The geological mapping programs established stratigraphic sequences, and size and distributions of intrusions and faults, which was used as a framework for exploration targeting.

Trenching and Pitting

Based on the soil geochemical and surface mapping, Silvercorp conducted trenching and pitting programs on the GC property. The program exposed the mineralized veins on the surface and at shallow depth. A total of seven pits and one trench were dug by Silvercorp exposing three veins.

Table 16 Trenches and Pits Completed by Silvercorp in 2008

Trench/pit	Section#	Azimuth	Volume (m3)	Vein exposed
BT08-1	40	240°	224	0.80m wide V5-1, containing 25 g/t Ag
BT08-2	44	235°	24	0.95m wide V7-0, containing 21 g/t Ag
BT08-3	52	210°	32.4	No vein intersected
BT08-4	52	310°	24	No vein intersected
BT08-5	52	340°	52.8	0.80m wide V7-0, containing 61 g/t Ag
BT08-6	44	230°	33.6	0.65m wide V5-1, containing 98 g/t Ag
BT08-7	30	340°	118.8	0.75m wide V5-1, containing 18 g/t Ag
TC5201	52	185°	230.4	1.00m wide V4, containing 0.31% Pb and 0.13% Zn

The trenches or pits were dug perpendicular to striking direction of a soil geochemical anomaly or alteration zone. The trenching or pitting was undertaken by digging into bedrock approximately 0.3 to 0.5 m.

Drilling

Silvercorp completed its first phase of diamond drilling on the GC property in 2008. Detailed systematic drilling commenced on the property in 2011 and continued through to 2017. All Silvercorp drilling was completed as NQ sized core.

All drill programs were managed by Silvercorp. Drillhole collars were surveyed using a total station. Down hole surveys were completed every 50 m downhole using a Photographical Inclinometer manufactured by Beijing Beizheng Weiye Science and Technology Co. Ltd (Chinese made equivalent of a Sperry-Sun downhole survey tool). Surface drillhole collars were cemented after completion and locations of drillholes were marked using 50 x 30 x 20 cm concrete blocks.

Core recoveries from Silvercorp drilling programs varied between 41.67% and 99.96% averaging 96.85%. AMC reviewed the relationship between grade and core recovery and found no bias.

All drill core was stored in a clean and well-maintained core shack in the GC camp complex. This core shack is locked when unattended and monitored by two security personnel 24 hours a day.

Sampling and Security

Drill core processing is completed by Guangdong Found employees in accordance with the following procedure:

- Geologists check metre marking and completeness of core at the drill site.
- Core is transported to the core shack at the surface in the camp complex.
- Geologists assess core recovery. This is completed by measuring the length of core recovered and comparing to the length of the drilled interval.
- Geologists complete detailed logging of core. Lithological, vein and mineralization contacts are identified and recorded. Angles to core axis are recorded for mineralized veins. Mineralized veins typically contain massive sulphide or significant quantities of sulphide and are visually distinct from non-mineralized wallrock.

- Geologists photograph and sample core.
- Drill core is sampled on 1.5 m maximum intervals and at geological or mineralization contacts
- Core is cut in half with a rock saw. One half is placed in a cotton bag which is labelled with the sample number. The other half is placed back in core tray for future reference.
- Sample bags are sealed.
- Individual samples are placed into rice bags and secured for shipment to the laboratory.

Sampling of underground workings is completed by Guangdong Found employees as follows:

- Sampling of tunnels:
    - Channel samples are collected along sample lines perpendicular to the mineralized vein structure. Individual channel samples comprise a composite of chips comprising 5 m intervals across visible mineralization and increasing to 15 – 25 m across non-mineralized sections of the vein structure. Samples include vein material and associated wallrock.
- Cross cuts, tunnels, and bottom of trenches:
    - Channel samples are collected from walls of cross cut tunnels and bottom of trenches. In general, samples are limited to the thickness of the mineralized structure which can vary from 20 cm to 1.5 m wide.
- Samples are placed in a cotton bag which is labelled with the sample number. Sample bags are secured closed.
- Individual sample bags are placed into rice bags and secured for shipment to the laboratory.

Security of Samples

Samples were shipped from Gaocheng site to an ALS Laboratory in Guangzhou between 2008 and 2014. Commencing in 2012 Silvercorp shipped samples to the Gaocheng onsite laboratory in addition to ALS. GC became the primary laboratory in 2014. Samples were transported as follows:

- ALS Laboratories (2008 – 2014): Samples were transported in a pickup truck escorted by Guangdong Found employees and then couriered to ALS laboratories in Guangzhou.
- Gaocheng onsite laboratory (2012 – present): Samples are transported to the Gaucheng onsite laboratory escorted by a geologist from Guangdong Found.

Sampling, Analysis and Data Verification

ALS Chemex Guangzhou

Between 2008 and 2014 samples were prepared and analysed by ALS Chemex in Guangzhou (ALS Guangzhou), Gaungdong Province, China. ALS Guangzhou is accredited with International Standards Organization (ISO) 9001:2015 and China National Accreditation Service (CNAS). The accreditation covers General requirements for the Competence of Testing and Calibration Laboratories.

At ALS Ghangzhou, samples were dried, and then crushed to greater than 70% passing <2 mm. The crushed sample was then split using a riffle splitter and up to 250 g pulverized to achieve 85% passing 75 microns.

Prepared samples were digested using ALS assay procedure ME-OG62. In the process samples are digested with nitric, perchloric, hydrofluoric and hydrochloric acids, evaporated, have hydrochloric acid and de-ionized water added, and then are heated for an allotted time. The cooled sample is then diluted to volume with de-ionized water, homogenized and analysed by inductively coupled plasma – atomic emission spectrometry (ICP-AES) or atomic absorption spectrometry (ICP-MS).

Detection ranges for ME-OG62 are shown in Table 11.1.

Table 11.1 ALS Chemex lab method and detection limits

Element	Symbol	Units	Lower limit	Upper limit
Silver	Ag	ppm	1	1,500
Lead	Pb	%	0.001	20
Zinc	Zn	%	0.001	30

Source: Compiled by AMC Mining Consultants (Canada) Ltd. from data provided by Silvercorp Metals Inc.

Silver samples returning assays greater than 1,500 g/t Ag were subsequently analysed by ALS fire assay (method AG GRA-21). This method has a lower detection of 5 g/t and an upper limit of 10,000 g/t.

Gaocheng Mine Laboratory

The Gaocheng Mine Site Laboratory (GC Lab) is owned and operated by Silvercorp. It is not certified by any standards association.

At the GC Lab, samples are dried for 12 hours at 75 – 80°C. Dried samples are crushed to 2 – 5 mm with a jaw crusher, then further crushed to 0.84 – 1.0 mm with a roll crushing machine. The crushed sample is split through a riffle splitter resulting in a subsample of 300 g. This sample is ground with a pulverizer made in Jiangxi, China to 0.125 – 0.074 mm. The pulverizer is cleaned regularly by grinding quartz sand, then cleaned with high pressure air.

Prepared samples (0.5 g) are digested using two acid digests. Ag, Pb, and Zn are analysed using atomic-absorption spectrometry (AAS). Detection limits for the GC Lab analytical process are:

Table 11.2 Silvercorp GC lab detection limits

Element	Symbol	Units	Lower limit	Upper limit
Silver	Ag	Ppm	1	500
Lead	Pb	%	0.001	3
Zinc	Zn	%	0.001	3

Source: Silvercorp Metals Inc.

Lead and zinc reporting above the detection limit (3%) are analysed using a separate titration process. This process has a lower detection limit of 2% and an upper detection limit of 80% for Pb and Zn.

Fire assay is used to analyse high grade silver. This process has an upper detection limit of 5,000 ppm Ag.

Channel samples are collected along sample lines perpendicular to the mineralized vein structure as well as from walls of cross-cut tunnels and bottom of trenches. Samples include vein material and associated wallrock.

All data for the GC Project is stored within a central Access Database which is managed by two designated database administrators. All data collection and storage are standard with most data including the laboratory data being uploaded from Excel into the Access database.

QA/QC protocols are fairly industry standard. Certified Reference Materials (CRMs) have been routinely inserted since 2011. Blank (uncrushed) samples and coarse duplicates have been inserted since 2012 (drilling) and 2014 (underground sampling). Umpire samples (pulp duplicates) have been sent to a different laboratory since 2011.

Data verification was carried out by the QP with 5% of the samples being verified in the database. Of the 11,171 samples contained within the vein domains, 612 samples were verified, 6 errors were found, and 18 assay certificates not located. The six errors represent around 1%. Further validation of the database is recommended to identify and correct any remaining errors.

The QP does not consider these issues to have a material impact on Mineral Resource estimates and considers the assay database to be acceptable for Mineral Resource estimation.

Mineral Processing and Metallurgical Testing

Since the 2012 Technical Report no further metallurgical testing has been done, but the mill functioned in a trial mode up to 2014 and, from that point (FY2015 starting Q2 2014), has been in commercial production.

Metallurgical testing for the GC project was carried out by the Hunan Research Institute of Non-Ferrous Metals and reported in May 2009 in the report “Development and Research of the Comprehensive Recovery Test of Lead Zinc Silver Tin Sulphur for the Lead Zinc Ore Dressing in GC Mine Area”. This report was made available to AMC in English translation by Silvercorp. The testwork was also summarized in the January 2011 GMADI report as part of the “Design Instructions” for the plant design.

The objectives of the testwork were, following on from previous testwork of 2007 on samples from artisanal mining dumps, to i) maximize silver recovery to the lead concentrate, ii) investigate the potential for tin recovery, iii) develop a process flow sheet with appropriate operating parameters as a basis for the industrial scale implementation of lead, zinc, sulphur (and possibly tin) recovery, and iv) determine the product quality characteristics relative to the relevant national standards.

Since the start of trial operations in 2013 and commercial production in 2014, lead and zinc concentrates have been produced in commercial quantities at the Gaocheng mill. The overall process consists of crushing, grinding, sequential flotation of lead, zinc and pyrite concentrates, and concentrate dewatering by disc filtration. An experimental tin recovery gravity separation circuit is installed on pyrite flotation tails.

Two-stage crushing is carried out, with the second stage in closed circuit. Run of mine ore at -350 mm is reduced to crusher product at -10 mm. This is followed by two-stage grinding in ball mills to a product size of 80% passing 75 µm (P80 of 75 µm).

The flotation process consists of a standard flotation of lead, with three-stage cleaning of the lead concentrate, then flotation of zinc concentrate with three-stage cleaning; leaving pyrite tailings as S concentrate. Concentrates are dewatered by conventional thickening and filtration.

Trucks under escort by security personnel are used to transport lead and zinc concentrates from the mine site to refineries. A front-end loader is used to load the concentrate from storage sheds near filters at the mill site to the concentrate shipping trucks.

Since completion of commissioning, the plant has processed approximately the same amount of ore each year (approximately 250 ktpa).

There is a laboratory on site equipped with the customary sample preparation, wet chemistry, and basic photometric analytical equipment; as well as crushing, grinding, flotation, and gravity-separation metallurgical testing equipment.

Mineral Resource and Mineral Reserve Estimates

Mineral Resource Estimates

The Mineral Resources for the GC deposit have been prepared by Mr Shiping Yin, Resource Geologist of Silvercorp. Ms Dinara Nussipakynova, P.Geo., of AMC, has reviewed the methodologies and data used to prepare the Mineral Resource estimates and, after changes to the Mineral Resource classification, she is satisfied that they comply with reasonable industry practice. Ms Nussipakynova takes responsibility for these estimates.

AMC is not aware of any known environmental, permitting, legal, title, taxation, socioeconomic, marketing, political, or other similar factors that could materially affect the stated Mineral Resource estimates.

The data used in the Mineral Resource estimation includes results of all drilling carried out on the Property to 31 December 2017. The estimation was carried out in Micromine™ software. Interpolation was carried out using inverse distance cubed (ID^3) for all the veins.

Table 5.2 Summary of Mineral Resources as of 31 December 2017

Resource classification	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Contained metal		
					Ag (koz)	**Pb (Mlbs)**	**Zn (Mlbs)**
Measured	2.735	101	1.4	3.2	8,840	84	195
Indicated	3.638	92	1.2	2.7	10,818	98	217
Measured and Indicated	**6.374**	**96**	**1.3**	**2.9**	**19,658**	**181**	**412**
Inferred	7.481	107	1.2	2.6	25,662	196	429

Notes: CIM Definition standards (2014) were used for reporting the Mineral Resources
Mineral Resource are reported at a cut-off grade of 100 g/t AgEq.
The equivalency formula is Ag g/t+44.6*Pb%+43.5*Zn% using prices of $19/oz Ag, $1.00/lb Pb and $1.25/lb Zn and estimated recoveries of 77% Ag, 86% Pb, and 83% Zn.
Drilling results up to 31 December 2017.
Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
The numbers may not compute exactly due to rounding.
Source: Silvercorp, reproduced as a check by AMC Mining Consultants (Canada) Ltd.

The GC deposit consists of 89 veins, each of which has a separate block model. Approximately 16,000 m of channel samples and 27,800 m of core samples from 1,050 drillholes form the basis of the estimate. Capping is employed on the raw data and the composite length equals the vein thickness.

The parent block size for all veins was 1 m by 2 m by 2 m (x, y, z) with block percentages employed. In order to check the estimates AMC imported all 89 block models and, based on provided wireframes, created sub-celled models for better representation of the mined-out volumes.

Interpolation was carried out using the inverse distanced cubed (ID^3) method. Mining depletion and write-offs based on survey information to 31 December 2017 were coded into the block models by Silvercorp.

On review of the classification, AMC revised the classification system using an assessment of mineralization continuity, data quality and data density, with data density being the main criterion. Mineral Resources were classified as Measured, Indicated, and Inferred.

The block models were validated by AMC in four ways. First, visual checks were carried out to ensure that the grades respected the raw assay data. Secondly, swath plots were reviewed. Thirdly, the estimate was statistically compared to the composited assay data, with satisfactory results. Lastly, eight block models were re-estimated using independent parameters and ordinary kriging. The results of the OK estimate compared favourably with the ID^3 estimates.

Mineral Reserve Estimates

To convert Mineral Resources to Mineral Reserves, mining cut-off grades have been applied, mining dilution has been added and mining recovery factors assessed on an individual vein mining block basis. Only Measured and Indicated Resources have been used for Mineral Reserves estimation.

The Mineral Reserve estimates for the Gaocheng property were prepared by Silvercorp under the guidance of independent Qualified Person, Mr H. Smith, P.Eng., who takes QP responsibility for those estimates.

The Mineral Reserve estimation is based on the assumption that stoping practices will continue to be shrinkage stoping with a relatively small amount of cut and fill resuing. Minimum mining widths of 1.0 m for shrinkage and 0.5 m for resuing, and dilution of 0.20 m total for shrinkage and 0.10 m for resuing cut and fill stopes are assumed. Cut off grades used are 180 g/t AgEq for shrinkage and 245 g/t AgEq for resuing.

Table 1.2 summarizes the Mineral Reserves estimate for the Gaocheng mine. 47% of the Mineral Reserve tonnage is categorized as Proven and 53% is categorized as Probable.

Table 1.2 Gaocheng mine Mineral Reserves estimate at 31 December 2017

Reserve classification	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Contained metal		
					Ag (koz)	Pb (Mlbs)	Zn (Mlbs)
Proven	1.691	96	1.4	3.2	5,219	53	120
Probable	1.873	97	1.4	2.9	5,841	58	121
Proven and Probable	3.564	96	1.4	3.1	11,000	112	240

Notes to Mineral Reserve Statement:
Full breakeven cut-off grades: Shrinkage = 180 g/t AgEq: Resuing = 245 g/t AgEq.
Marginal material cut-off grade: 145 g/t AgEq.
Dilution (zero grade) assumed as 0.1 m on each wall of a shrinkage stope and 0.05 m on each wall of a resuing stope.
Mining recovery factors assumed as 95% for resuing and 92% for shrinkage.
Metal prices: Silver US$19/troy oz, lead US$1.00/lb, zinc US$1.25/lb.
Processing recovery factors: Ag – 77%, Pb - 86%, Zn – 83%.
Effective date 31 December 2017.
Exchange rate assumed is RMB 6.50: US$1.00.
Rounding of some figures may lead to minor discrepancies in totals.

Since the start of mining operations through to the end of 2017, a total of 988,000 tonnes has been milled from pre-and post-commercial production mined at Gaocheng. The comparison of the head grades to date with the current Mineral Reserve estimates shows a reduction in silver grade of 2%, a reduction in lead grade of 5%, and an increase in zinc grade of 13% in the Mineral Reserves.

Mining to date has been conducted in two stages. Stage 1 targeted bringing the project into production as soon as practicable using mobile, rubber-tired, diesel-powered equipment (development jumbo, loader and truck) with surface declines access down to -50 mRL. Stage 2 development from -50 mRL down to -300 mRL employs conventional tracked equipment (battery powered locomotives, rail cars, electric rocker shovels and pneumatic hand-held drills) via a surface shaft access. In-stope rock movement is by gravity to draw points or hand-carting to steel-lined passes.

The rock mass condition is categorized as Fair to Good and it is anticipated that the vein and host rocks in the mine area will continue to be largely competent and require minimal ground support other than in weaker ground areas.

A pillar is maintained around the Main Shaft. Development may occur within the pillar zone, however stope production will not be allowed. The shaft pillar is an expanding cone with a dip from the collar elevation of 80^{o}. The pillar radius at surface (248 mRL) is 13 m and the Main Shaft radius is 3 m.

Relative to the Mineral Reserve estimates in the previous Technical Report (2012 Technical Report - pre-operations), there is a 264% increase in Proven Mineral Reserve tonnes and a 56% decrease in Probable Mineral Reserve tonnes, with a decrease in Mineral Reserve total tonnes of 25% (1,186,000 t).

Mine Production

Commercial production to end-2017

Table 16.6 shows reported GC production from start of commercial operations in FY2015 (Q2 2014) to end of December 2017.

Table 16.6 GC production FY2015 – FY2018

Fiscal year	FY2015	FY2016	FY2017	FY2018 (Q2 to Q4 2017)	Totals
Ore mined (tonnes)	253,321	257,575	260,746	216,342	987,984
Head grades					
Silver (g/t)	107	94	94	99	98
Lead (%)	1.35	1.76	1.44	1.50	1.51
Zinc (%)	2.65	2.53	2.81	2.80	2.69
S grade, %	9.29	9.19	10.55	9.94	9.74

LOM plan production

Projected LOM production is the combination of development ore and stope ore and is summarized in Table 16.7.

Table 16.7 LOM production summary

Quarter / F-year	Ore tonnes	Mined ore grade				Planned metals		
		AgEq	Ag (g/t)	Pb (%)	Zn (%)	Ag (t)	Pb (t)	Zn (t)
FY2018Q4	30,632	298	96	1.15	3.46	2.94	352	1,059
FY2018-total	**30,632**	**298**	**96**	**1.15**	**3.46**	**3**	**352**	**1059**
FY2019Q1	59,940	296	96	1.31	3.26	5.76	783	1,953
FY2019Q2	64,444	300	96	1.22	3.44	6.19	785	2,214
FY2019Q3	71,445	298	104	1.36	3.06	7.44	971	2,185
FY2019Q4	47,288	322	136	1.42	2.82	6.42	672	1,333
FY2019-total*	**243,118**	**303**	**106**	**1.32**	**3.16**	**26**	**3210**	**7686**
FY2020Q1	68,007	320	105	1.56	3.32	7.17	1,063	2,258
FY2020Q2	65,856	346	110	2.06	3.30	7.26	1,358	2,171
FY2020Q3	85,508	348	113	1.91	3.46	9.64	1,632	2,960
FY2020Q4	63,420	339	139	1.61	2.95	8.80	1,021	1,873
FY2020-total	**282,790**	**339**	**116**	**1.79**	**3.28**	**33**	**5073**	**9262**
FY2021	294,124	351	132	1.65	3.36	38.77	4,850	9,873
FY2022	314,030	335	110	1.90	3.23	34.50	5,960	10,157
FY2023	329,479	321	102	1.57	3.41	33.70	5,166	11,234
FY2024	332,924	317	104	1.57	3.30	34.51	5,227	10,975
FY2025	335,778	303	95	1.62	3.12	31.87	5,441	10,475
FY2026	321,470	289	107	1.26	2.89	34.45	4,058	9,298
FY2027	323,713	255	79	1.12	2.88	25.60	3,628	9,338
FY2028	299,861	247	75	1.10	2.81	22.59	3,300	8,425
FY2029	251,114	208	56	1.00	2.47	14.09	2,503	6,204
FY2030	204,791	206	58	0.96	2.42	11.84	1,963	4,952
Total	**3,563,826**	**293**	**96**	**1.42**	**3.06**	**344**	**50,732**	**108,938**

Note: Excludes 6,882 t of exploration tunneling material anticipated to be ore in 2019 budgeting.

The life-of-mine (LOM) production duration is planned for 12 years with currently defined Mineral Resources. The average production rate will be 300 ktpa of ore from 2019 to 2030 inclusive. A steady state mine production rate of approximately 330 ktpa is projected from 2023 to 2027 inclusive.

Mining Operations

Mining to date has been conducted in two stages, with a general description as follows:

1. Stage 1 - +150 mRL to -50 mRL between local Mine Sections 10 to 36 for development and 12 to 32 for production. West side of project.
2. Stage 2 - +100 mRL to -50 mRL between Mine Sections 36 to 54 for development and 32 to 54 for production. For -50m RL to -300 mRL between Mine Sections 12 to 50 for both development and production.

Stage 1 essentially targeted bringing the project into production as soon as practicable using mobile rubber-tired diesel-powered equipment (development jumbo, loader and truck) with surface declines access down to -50 mRL.

Stage 2 development from -50 mRL down to -300 mRL employs conventional tracked equipment (battery powered locomotives, rail cars, electric rocker shovels and pneumatic hand held drills) via a surface shaft access. Selective stoping methods - shrinkage and resuing - are employed with stope production drilling conducted with pneumatic jackleg drilling. In-stope rock movement is by gravity to draw points or hand-carting to steel-lined passes.

Stage 1 production mucking used load-haul-dump loaders (LHD) with trucks hauling ore to the surface ROM stockpile, and ore was re-handled from the ROM stockpile to the primary crusher feed bin using a ROM front-end-loader (FEL).

Stage 2 and ongoing production mucking uses electric-powered over-throw rail loaders with rail cars and battery powered locomotives transporting ore to level ore passes at each level. Ore is hoisted using a double-story cage (holding four cars, i.e. two cars each story) to a surface stock pile where a loader conveys ore to the surface crusher feed bin.

Production Rate

Mine operations are conducted 365 days of the year but mine production is currently scheduled on the basis of 330 days per year at approximately 800 tpd for approximately 264 ktpa. An increase to a steady state rate from 2023 to 2027 of around 330 ktpa is planned. The remaining production life is estimated to be 12 years.

The average production is approximately 65 tonnes per day per stope for Shrinkage stopes and 15 tonnes per day per stope for Resue stopes with production per level capped at approximately 25% of the available stopes and up to 30 stopes concurrently working over all active levels.

The actual production rate from each stope is dependent on the vein width, and as such, the production rate and schedule assume a balance of wider and narrower vein stopes (generally Shrinkage and Resue respectively).

Mining Methods

Shrinkage stoping and Resue stoping are the methods employed.

To support AMC's understanding of the Silvercorp application of stoping methods and also their suitability for the GC Mine environment, AMC previously observed the application of these stoping methods at Silvercorp's Ying mine operation during May 2016. The Ying mine is located in Luoning County, in the Henan Province, about 10 km South-East of Xiayu and about 60 km South-East of Luoning. AMC considers the methods employed to be appropriate for the GC Mine environment.

Mine Development

The mine design is now based on Mineral Resources above 100 g/t AgEq, with the addition of vein exploration development (which in some part, is also used for stope access). Vein exploration development is categorized as development that occurs outside of the mineral resource categorization. Vein exploration development is reported as development waste and, for planning purposes, is assigned zero grade irrespective of its actual resource grade.

The mine levels are located at 50 m vertical intervals. Levels are graded at 0.3% from either the Ramp or Main Shaft access, however the mine design provided does not incorporate this feature. AMC does not consider this to be material with respect to estimates for development quantities.

Thus far, Phase 1 and Phase 2 development has all been completed. The production and ventilation systems consist of Main Shaft, Main Ramp, Exploration Ramp, and Phase 1 and 2 ventilation shafts.

The Main Shaft (from +248 mRL to -370 mRL) is used for hoisting of ore, waste rock, equipment and materials, personnel, and for intake airflow for -100 RL and below levels.

The Main Ramp (portal elevation +176 mRL, bottom elevation -67 mRL) is used for transportation of ore, waste rock, equipment and materials, personnel, and for intake airflow for -500 mRL and above levels.

The Exploration Ramp is used for transportation of ore, waste rock, equipment and materials, personnel, and for intake airflow for +100 RL and +50 mRL levels.

At present, GC mine is extending the Main Ramp from -50 mRL to -300 mRL. There is a plan to extend the main ramp to -530 mRL for transportation of ore, waste rock, equipment and materials, personnel, and for intake airflow for -300 RL level and below.

Market Studies and Contracts

AMC understands that the Gaocheng concentrates are marketed to existing smelter customers in Henan province and appropriate terms have been negotiated as detailed in Section 19.2 below.

In the 2012 Technical Report, AMC had expressed some concerns about potential arsenic levels in concentrates (0.5% As in the lead and zinc concentrates), which would potentially pose concentrate marketing problems to western smelters. AMC had also previously been able to verify from direct experience of Chinese smelter contracts that, notwithstanding the various grades within the national standards, arsenic levels up to 2 – 3% are in fact acceptable in precious metals bearing pyrite concentrate. AMC now understands that an acceptable arsenic level in base metal concentrates, without penalty, for Chinese smelters is of the order of 1.0% and notes that the GC lead and zinc concentrates are acceptable to those smelters. AMC also notes the Silvercorp concentrate selling arrangements whereby:

- Should the As level ever be higher than 1.0% in zinc concentrates, the payable Zn content would be discounted by 0.5% Zn for every 1% As above the 1.0% As level.
- For instances where the pyrite concentrate has an As content above 1.0%, a penalty is paid on a case by case basis.

Smelter and Concentrate Sales Contracts

Sales contracts are in place for the lead concentrates with Shandong Humon Smelting Co. Ltd., and for the zinc concentrate with Chenzhou Qiantai Industrial Co. Ltd. and Henan Yuguang Zinc Industry Co. Ltd.

All contracts have an effective period of one year, with key elements of the contracts subject to change based on market conditions when monthly supplemental agreements to the annual contracts are negotiated. AMC had previously indicated that a preferable arrangement would have been to see contracts as part of a life-of-mine frame agreement; however, it also understands that these contracts should be viewed in the context of the existing operations and concentrate sales to these smelters and therefore does not view the apparently short term of the contracts as a material issue.

Arsenic levels in the concentrates are acceptable to the Chinese smelters. All contracts have freight and related expenses to be paid by the customers.

The key elements of the contracts are summarized in Table 19.1.

Table 19.1 Key elements of smelter contracts

	Pb concentrate				Zn concentrate			
	%Pb	**Deduction RMB / T Pb**	**Ag (g/t)**	**% payable**	**%Zn**	**Deduction RMB / T Zn**	**Ag (g/t)**	**Payable RMB / g Ag**
Minimum quality	35		500		35		150	
Payment Scales	>50	1200	>3000	91.0	>=45	Price<RMB 15000/T: 3800	>=300	RMB1.0
	45 - 50	1350	2500 - 3000	90		Price>RMB 15000/T: 3800 + (price - 15000)*20%	150-300	RMB0.8
	40 - 45	1500	2000 - 2500	89	40 - 45	Price<RMB15000/T: 3800+50 per % lower than 45%		
	35 - 45	2000	1500 - 2000	88		Price>15000/T: 3800+(price-15000)*20%+50 per % lower than 45%		
			1000 - 1500	87.0	35 - 40	Price<RMB15000/T: 4050+100 per % lower than 40%		
						Price>15000/T: 4050+(price-15000)*20%+100 per % lower than 45%		
			500 - 1000	84.0				

With respect to lead and zinc terms, the above deductibles calculate out to 85 - 92% payable for the lead concentrate and approximately 70 - 78% for the zinc concentrate, at projected long-term prices. AMC considers these to be favourable terms relative to global smelter industry norms. Silver payables of approximately 90% are similarly in accord with industry norms.

At the time of the 2012 Technical Report, silver was seen as the likely major contributor to ore value at Gaocheng. Silver prices have remained at reasonable levels but the recent advance in base metal prices and, particularly that of zinc, have elevated the importance of those metals to the Gaocheng operation. At the time of writing of this report, spot metal prices are noted in the region of: Ag $16.75/oz, Pb $1.14/lb, and Zn $1.45/lb.

Exploration and Development

The following tasks are planned:

- For bulk density assessment and verification, collect additional samples to represent various mineralization types including low grade, medium grade, high grade and waste material.
- Assess ground conditions on a round by round basis in all development headings (ore and waste) to determine the requirement for ground support. Doing so will help prevent the occurrence of significant failures from backs and walls, which require timely rehabilitation and expose the work force to rock fall hazard.
- Ensure scaling of the development heading on a round by round basis.

- Maintain a focus on dilution and grade control.
- Conduct routine check scaling of all unsupported development at the mine. This process can help identify areas of the mine in which rock mass deterioration is occurring and allow rehabilitation works to be planned.
- Where possible, avoid mining development intersections in fault zones, and design drifts to cross fault zones at right angles (to minimize the exposure length within the drift).
- Assess specific rock mass conditions for critical underground infrastructure, including shafts and chambers, to determine ground support requirements to ensure serviceability of the excavation for the life of mine.
- Ensure that an assessment of crown pillar requirements has been incorporated into the detailed mine design with particular focus on surface pillar requirements in the vicinity of Hashui Creek valley, and any other streams (or drainage paths) that traverse the mine area.
- As part of ongoing operations at the mine, geotechnical and ground support aspects should be continuously reviewed in a formal and recordable manner, bearing in mind previous recommendations, local and mine-wide operating experience in all rock types encountered, any advisable data collection, and also looking to future mining development.
- With respect to the TMF, Silvercorp to continue to satisfy itself, as per best industry practice, that all fundamental aspects of the TMF design, construction and operation have been and continue to be satisfactorily addressed. This may include geotechnical drilling of the dam foundation area, as it is AMC's understanding that such activity has not specifically been undertaken.
- Continue with a focus on safety improvement, including implementation of a policy where the more stringent of either Chinese or Canadian safety standards are employed.
- Place a strong focus on stockpiling and record keeping procedures and ensure that the summation of individual ore car weights by stope and zone is, as far as practicable, fully integrated into the tracking and reconciliation process.
- Undertake periodic mill audits aimed at ensuring optimum process control and mill performance.
- Continue exploration tunnelling and diamond drilling at Gaocheng. The exploration tunnelling is used to upgrade the drill-defined Resources to the Measured category, and the diamond drilling is used to expand and upgrade the previous drill-defined Resources, explore for new mineralized zones within the unexplored portions of vein structures, and test for extensions of the vein structures.

As of March 31, 2019, the following exploration and development has occurred:

1. A total of 26,529 m underground drilling was completed to further define the previously drill-defined Mineral Resource blocks in the production areas.
2. A total of 12,713 m exploration tunneling was completed to upgrade the Indicated Mineral Resource blocks to the Measured category.
3. A total of 397 m of Decline development was completed. By March 31, 2019, there was a total of 4,158 m of inclines at the GC Mine, including 1,398 m of a Main Decline development and 1,777 m of an Exploration Decline development.
4. The construction of a dry tailing stowing TMF was commenced in March 2019 and expected to be completed by the end of September 2019.
5. A total of 7,960 m underground development was completed in addition to the aforementioned decline development.

Note: The preceding text that references exploration and development as of March 31, 2019 are subsequent to, and do not form part of, the GC Report.

Cautionary Note to U.S. Investors Concerning Estimates of Measured Resources and Indicated Resources:

This section uses the terms "measured resources" and "indicated resources". We advise U.S. investors that these terms are not recognized by the U.S. Securities and Exchange Commission. The estimation of measured resources and indicated resources involves greater uncertainty as to their existence and economic feasibility than the estimation of proven and probable reserves. U.S. investors are cautioned not to assume that mineral resources in these categories will be converted into reserves. See "Cautionary Note to U.S. Investors – Information Concerning Preparation of Mineral Resource and Mineral Reserve Estimates".

Cautionary Note to U.S. Investors Concerning Estimates of Inferred Resources

This section uses the terms "inferred resources". We advise U.S. investors that this term is not recognized by the U.S. Securities and Exchange Commission. The estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources. U.S. investors are cautioned not to assume that estimates of inferred mineral resources exist, are economically minable, or will be upgraded into measured resources or indicated mineral resources. See "Cautionary Note to U.S. Investors – Information Concerning Preparation of Mineral Resource and Mineral Reserve Estimates".

ITEM 6 DIVIDENDS AND DISTRIBUTIONS

The Company declared its first annual dividend of CAD$0.05 per share in calendar year 2007 (fiscal year 2008) and has declared and paid dividends as set out in the table below. Dividends are in Canadian dollars for all years up to, but not including, Fiscal 2017. Dividends since Fiscal 2017 are in US dollars.

Fiscal Year ended March 31,	Dividends Declared per share	Total Dividends Paid per share
2008	$0.05	$0.05
2009	$0.08	$0.08
2010	$0.08	$0.08
2011	$0.08	$0.08
2012	$0.10	$0.10
2013	$0.10	$0.10
2014	$0.02	$0.02
2015	$0.02	$0.02
2016	N/A	N/A
2017	US$0.01	US$0.01
2018	US$0.02	US$0.02
2019	US$0.025	US$0.025

On May 28, 2018, the Board announced an increase in dividend payments, declaring semi-annual dividend of US$0.0125 per share (US$0.025 per share on an annual basis).

The declaration and payment of future dividends, if any, is at the discretion of the Board and will be based on a number of relevant factors including commodity prices, market conditions, financial results, cash flows from operations, and expected cash requirements.

ITEM 7 DESCRIPTION OF CAPITAL STRUCTURE

General Description of Capital Structure

The Company has an authorized capital of an unlimited number of common shares without par value (the " **Common Shares**"), of which 170,000,152 Common Shares were issued and outstanding as of June 20, 2019. A

further 6,215,816 Common Shares have been reserved for issuance upon the due and proper exercise of certain incentive options (" **Options**") outstanding as of June 20, 2019.

The following is a summary of the principal attributes of the Common Shares:

Voting Rights. The holders of the Common Shares are entitled to receive notice of, attend and vote at any meeting of the shareholders of the Company. The Common Shares carry one vote per share. There are no cumulative voting rights, and directors do not stand for re-election at staggered intervals.

Dividends. The holders of Common Shares are entitled to receive on a pro rata basis such dividends as may be declared by the Board out of available funds. There are no indentures or agreements limiting the payment of dividends.

Rights on Dissolution. In the event of the liquidation, dissolution or winding up of the Company, the holders of the Common Shares will be entitled to receive on a pro rata basis all of the assets of the Company remaining after payment of all of the Company's liabilities.

Pre-Emptive, Conversion and Other Rights. No pre-emptive, redemption, sinking fund or conversion rights are attached to the Common Shares, and the Common Shares, when fully paid, will not be liable to further call or assessment. There are no provisions discriminating against any existing or prospective holder of Common Shares as a result of such shareholder owning a substantial number of Common Shares.

The rights of holders of Common Shares may only be changed by a special resolution of holders of 66T% of the issued and outstanding Common Shares, in accordance with the requirements of the *Business Corporations Act* (British Columbia).

Under the Company's stock option plan, the Company may grant options to purchase up to 10% of the issued and outstanding Common Shares outstanding from time to time, to directors, officers, employees and consultants. As of June 20, 2019, the Company has stock options outstanding to purchase 6,215,816 Common Shares at exercise prices ranging from CAD$1.43 to CAD$5.58 per share and with terms of between three and five years, with the last options expiring on November 16, 2021.

ITEM 8 MARKET FOR SECURITIES

The Common Shares were initially listed for trading on the TSX Venture Exchange (the " **TSX-V**") under the symbol "SVM". The Common Shares commenced trading on the TSX under the same symbol and delisted from the TSX-V on October 24, 2005. The Common Shares began trading on the NYSE Amex under the symbol "SVM" on February 17, 2009, and trading moved to the NYSE under the symbol of "SVM" on November 5, 2009. The Company voluntarily delisted its Common Shares from the NYSE in September 2015. The Common Shares commenced trading on the NYSE American (formerly NYSE MKT) on May 15, 2017.

The following table sets forth the high, low and month-end closing prices and average trading volume for the Common Shares on the TSX for the periods indicated (stated in Canadian dollars):

Date	High	Low	Close	Volume
March 2019	3.68	3.30	3.43	5,871,640
February 2019	3.69	2.88	3.42	4,907,093
January 2019	3.16	2.61	3.07	4,636,610
December 2018	2.89	2.52	2.85	5,130,786
November 2018	3.14	2.43	2.59	4,304,305
October 2018	3.21	2.86	2.87	5,198,402
September 2018	3.53	3.12	3.16	4,729,617

August 2018	3.73	3.27	3.53	4,836,252
July 2018	3.71	3.36	3.52	3,882,011
June 2018	3.88	3.46	3.47	5,483,812
May 2018	4.02	3.45	3.79	5,205,514
April 2018	3.75	3.28	3.50	6,915,741

The following table sets forth the high, low and month-end closing prices and average trading volume for the Common Shares on the NYSE American for the periods indicated (stated in United States dollars):

Date	High	Low	Close	Volume
March 2019	2.74	2.43	2.55	7,700,502
February 2019	2.80	2.18	2.58	7,786,339
January 2019	2.39	1.96	2.33	6,261,242
December 2018	2.13	1.87	2.10	6,277,473
November 2018	2.40	1.83	1.95	8,451,396
October 2018	2.46	2.19	2.19	8,435,889
September 2018	2.73	2.40	2.47	5,591,047
August 2018	2.86	2.50	2.70	8,908,506
July 2018	2.82	2.56	2.70	6,126,908
June 2018	2.98	2.61	2.67	6,099,971
May 2018	3.12	2.67	2.89	7,023,334
April 2018	2.97	2.57	2.74	6,894,155

ITEM 9 ESCROWED SECURITIES

The Company has no securities currently held in escrow.

ITEM 10 DIRECTORS AND OFFICERS

Name, Occupation, and Security Holding

The following table sets out the names of the directors and officers of the Company, the current position and office held, each person's principal occupation, business or employment during the last five years, the period of time during which each has been a director or officer of the Company and the number of Common Shares beneficially owned by each, directly and indirectly, or over which each exercised control or direction as at June 20, 2019.

Name and Municipality of Residence[(1)]	Current Positions and Offices Held	Principal Occupations During the Last Five Years[(1)]	Date of Appointment as a Director or Officer	Common Shares Beneficially Owned[(4)]
Rui Feng Beijing, China	Chairman, Chief Executive Officer, and Director	Chairman of Silvercorp from September 2003 to present. Appointed President of New Pacific Metals Corp. (formerly, New Pacific Holdings Corp.) as at May 2010 and Director of New Pacific Metals Corp. as at May 2004.	September 4, 2003	5,228,000

Name and Municipality of Residence[1]	Current Positions and Offices Held	Principal Occupations During the Last Five Years[1]	Date of Appointment as a Director or Officer	Common Shares Beneficially Owned[3]
David Kong [2][3] Vancouver, BC, Canada	Director	Partner at Ernst & Young LLP from 2005 to 2010. Director of New Pacific Metals Corp., Uranium Energy Corp., and Gold Mining Inc.	November 24, 2011	100,000
S. Paul Simpson[2][3] Vancouver, BC, Canada	Director	Solicitor at Armstrong Simpson, Barristers & Solicitors.	June 24, 2003	818,684
Yikang Liu[3] Beijing, China	Director	Past Deputy Secretary General of China Mining Association.	July 24, 2006	118,000
Marina Katusa[2] Vancouver, BC Canada	Director	President/CEO of Canita Consulting Corporation 2010 to present. Member of the Board of Directors of Family Services of Greater Vancouver from 2016 to present. Director Corporate Development and Strategy, GCT Global Container Terminals Inc. from 2013 to 2017. Vice President Corporate Development, Exeter Resource Corporation from 2012 to 2013.	September 29, 2017	10,000
Derek Liu Burnaby , BC Canada	Chief Financial Officer	Chief Financial Officer at Prophecy Development Corp. (formerly, Prophecy Resource Corp.) and Canickel Mining Ltd.	February 6, 2015	19,300
Yong-Jae Kim Vancouver, BC, Canada	General Counsel and Corporate Secretary	Lawyer at Gowling WLG (Canada) LLP from 2010 to 2018	October 1, 2018	Nil
Lon Shaver Surrey, BC Canada	Vice President	Senior Vice President (from 2011 to 2016) and Vice President (from 2005 to 2011), Investment Banking, Equity Capital Markets at Raymond James; Chief Financial Officer and Assistant Corporate Secretary at Diamondex Resources Ltd. from 2004 to 2005	October 1, 2018	Nil
Total				**6,293,984**

Notes:

1. The information as to municipality of residence and principal occupation of each nominee has been individually furnished by the respective director or officer.
2. Member of Audit Committee and Corporate Governance and Nominating Committee.
3. Member of Compensation Committee.
4. The number of Common Shares beneficially owned directly or indirectly, or over which control or direction is exercised is based upon information furnished to the Company by each director or officer, as applicable, as at the date hereof.

The current term of office of each of the directors expires at the next annual general meeting of shareholders.

All of the directors and officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control over 6,293,984 Common Shares representing approximately 3.7% of Common Shares issued and outstanding as of June 20, 2019.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

As at the date of this AIF and within the 10 years before the date of this AIF, no director or executive officer of the Company, is or has been a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) while that person was acting in that capacity, was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

(b) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after that person ceased to be a director, chief executive officer, or chief financial officer and which resulted from an event that occurred while that person was acting as a director, chief executive officer or chief financial officer of the company.

As at the date of this AIF and within the 10 years before the date of this AIF, no director or executive officer of the Company nor any shareholder holding sufficient number of securities of the Company to materially affect control of the Company, is or has been a director or executive officer of any company (including the Company), that:

(a) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has within 10 years before the date of this AIF, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officers or shareholders.

No director or executive officer of the Company or any shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has, within the 10 years prior to the date of this AIF, been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain directors and officers of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring and exploiting natural resources properties. These associations to other companies in the resource sector may give rise to conflicts of interest from time to time.

Under the laws of the Province of British Columbia, the directors and officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company. In the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will disclose such interest in a contract or transaction and will abstain from voting on any resolution in respect of such contract or transaction. See also “Item 4.3 Risk Factors” and “Item 14 Interest of Management and Others in Material Transactions”.

ITEM 11 AUDIT COMMITTEE

Audit Committee Charter

A copy of the Charter of the Audit Committee is attached hereto as Schedule “A”.

Composition of the Audit Committee

The current members of the Audit Committee are David Kong, Marina Katusa, and Paul Simpson, all of whom are considered independent and financially literate, pursuant to National Instrument 52-110 *Audit Committees* (“**NI 52-110**”). The Audit Committee will be re-constituted after the 2019 annual general meeting of shareholders.

Relevant Education and Experience

David Kong, Director

Mr. Kong holds a Bachelor in Business Administration and earned his Chartered Accountant designation in British Columbia in 1978 and U.S CPA (Illinois) designation in 2002. From 1981 to 2004, he was partner of Ellis Foster Chartered Accountants and from 2005 to 2010, a partner at Ernst & Young LLP. Currently, Mr. Kong is a director of New Pacific Metals Corp., Uranium Energy Corp., and Gold Mining Inc. Mr. Kong is a certified director (ICD.C) of the Institute of Corporate Directors.

Marina Katusa, Director

Ms. Katusa has over ten years of business experience in areas including mineral exploration, research analysis, strategic planning, and corporate development. She earned a Masters of Business Administration (MBA) degree and a Bachelor of Science (BSc) degree in Geology/Earth & Ocean Science from the University of British Columbia.

Paul Simpson, Director

Mr. Paul Simpson is a Vancouver based corporate securities lawyer with the firm Armstrong Simpson. He has over 20 years of experience, predominately advising public companies with international natural resource property holdings. He has been a director and officer of a number of public companies, including companies with resource assets in China.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in sections 2.4, 3.2, 3.3(2), 3.4, 3.5, 3.6 or 3.8 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Audit Committee Oversight

During the last year, all recommendations of the Audit Committee to nominate or compensate an external auditor were adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted a specific policy and procedure for the engagement of non-audit services as described in Section IV of the Audit Committee Charter. The Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor.

External Auditor Services Fees

The Company's independent registered public accounting firm for the years ended March 31, 2019 and 2018 was Deloitte LLP. The Audit Committee has reviewed the nature and amount of the services provided by the principal accountants to ensure auditor independence of independent registered public accounting firm. Fees (stated in Canadian dollars) paid or billed for audit and other services provided by Deloitte LLP in the last two fiscal years are outlined below:

Nature of Services	**Year Ended March 31, 2019**	**Year Ended March 31, 2018**
Audit Fees[(1)]	$900,000	$773,000
Audit-Related Fees [(2)]	$Nil	$120,000
Tax Fees [(3)]	$37,450	Nil
All Other Fees [(4)]	Nil	Nil
Total	$937,450	$893,000

Notes:

1. "Audit Fees" include the aggregate fees billed for each of the last two fiscal years for professional services of the principal accountant for the audit of the Company's annual financial statements and the audit of the Company's internal control over financial reporting for Fiscal 2019 and Fiscal 2018, or review services that are normally provided by the principal accountant in connection with interim filings or engagements for those fiscal years. As a result of changes in the funding model of the Canadian Public Accountability Board ("CPAB") during 2018, the Company has changed its interpretation of the classification of fees related to the review of interim filings from that in Fiscal 2018. For the year ended March 31, 2019, fees of $125,000 related to the review of interim filings have been included as part of "Audit Fees", whereas these fees were included as "Audit-Related Fees" for the year ended March 31, 2018.
2. "Audit-Related Fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under above note (1).
3. "Tax Fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning.
4. "All Other Fees" include the aggregate fees billed in each of the last two fiscal years for services provided by the principal accountant, other than the services reported in the above items.

ITEM 12 PROMOTERS

No person or company has been a promoter of the Company or a subsidiary of the Company within the two most recently completed financial years or during the current financial year.

ITEM 13 LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Except as disclosed herein, the Company is not aware of any other actual or pending material legal proceedings or any regulatory actions to which the Company is or was a party to, or is likely to be a party to, or of which any of its business or property is or was the subject of during Fiscal 2019.

- During the year ended March 31, 2016, an action was initiated by Luoyang Mining Group Co., Ltd. (" **Luoyang Mining**") at the Luoyang Luolong District People's Court (the "District Court") against Henan Found seeking payment of $1.6 million (RMB10.0 million) plus interest related to the acquisition agreements Henan Found entered into in August 2012 to acquire the XHP Project. Henan Found did not make the final payment as certain commercial conditions were not fulfilled by Luoyang Mining. In April 2016, Henan Found filed a counterclaim in Luoyang Intermediate People's Court (the "Intermediate Court") against Luoyang Mining to have the original acquisition agreements nullified and sought repayment of the amount paid to date of $9.7 million (RMB62.8 million) plus compensation of direct loss of $2.5 million (RMB16.5 million) arising from the XHP Project. A trial was heard in March 2017 by the Intermediate Court. In July 2018, the Intermediate Court decided to combine Luoyang Mining's claim and Henan Found's counterclaim as one case. In September 2018, the Company reached mutual settlement agreement with Luoyang Mining and paid the $1.6 million (RMB10.0 million) to Luoyang Mining and the case was closed. The settlement has no material impact on the Company's financial results as the $1.6 million was accrued and included into the accounts payable and accrued liabilities on the consolidated statements of financial position of the Company in prior years.

ITEM 14 INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer, person or company that beneficially owns and controls or directs, directly or indirectly, more than 10% of the Common Shares, or any associate or affiliate of such person, company or director or executive officer, have had any material interest, direct or indirect, in any material transaction of Silvercorp within the Company's three most recently completed financial years or during the current financial year, which has materially affected or is reasonably expected to materially affect Silvercorp.

ITEM 15 TRANSFER AGENTS AND REGISTRARS

The Company's transfer agent and registrar is Computershare Investor Services Inc. of 510 Burrard Street, 3rd Floor, Vancouver, British Columbia, Canada V6C 3B9.

ITEM 16 MATERIAL CONTRACTS

There are no contracts other than those entered into in the ordinary course of the Company's business, that are material to the Company and which were entered into in the most recently completed financial year ended March 31, 2019, or before the most recently completed financial year but are still in effect as of the date of this AIF.

ITEM 17 INTERESTS OF EXPERTS

Names of Experts

Ying Report

AMC Mining Consultants (Canada) Ltd. (" **AMC**") was commissioned by the Company to prepare the latest technical report titled " *Ying NI 43-101 Technical Report, Silvercorp Metals Inc., Henan Province, China*" (the "**Ying Report**") dated effective December 31, 2016, and signed on February 15, 2017.

Persons who prepared, or contributed to, the Ying Report are identified in that report as follows:

Qualified Persons responsible for the preparation of this Technical Report						
Qualified Person	**Position**	**Employer**	**Independent of Silvercorp**	**Date of last site visit**	**Professional designation**	**Sections of report**
Mr P R Stephenson	Associate Principal Geologist	AMC Mining Consultants (Canada) Ltd	Yes	13-16 July 2016	PGeo (BC), PGeo (Sask), BSc (Hons), FAusIMM (CP), MCIM and 26.	1-12, 20, 23, 24, 27 and parts of 1, 25
Mr H A Smith	Senior Principal Mining Engineer	AMC Mining Consultants (Canada) Ltd	Yes	13-16 July 2016	PEng (BC), PEng (Ontario), PEng (Alberta) MSc, BSc	15, 16,18, 21, 22 and parts of 1, 25 and 26
Dr A Ross	Principal Geologist	AMC Mining Consultants (Canada) Ltd	Yes	13-20 July 2016	PGeo (BC), PGeo (AB), PhD	14
Mr H Muller	Principal Metallurgical Consultant	AMC Mining Consultants (Canada) Ltd	Yes	none	FAusIMM	13, 17, 19, parts of 22,
Other experts who assisted the Qualified Persons						
Expert	**Position**	**Employer**		**Independent of Silvercorp**	**Visited site**	**Sections of report**
Mr A Zhang, P.Geo	Vice-President, Exploration	Silvercorp Metals Inc.		No	Since February, 2015	General
Mr. Luke Liu	Vice President, China Operations	Silvercorp Metals Inc.		No	Since July, 2014	General
Mr R Jiang, P.Geo	Silvercorp consultant	Independent		No	Since January, 2012	General
Mr Z Li, P.Eng	Senior Mining Engineer	Silvercorp Metals Inc.		No	Since April, 2010	Parts of 15 to 21
Mr Y Wang	Chief Environment Engineer, Ying Mines	Silvercorp Metals Inc.		No	Since March, 2010	20
Mr JM Shannon	Geology Manager, Principal Geologist	AMC Mining Consultants (Canada) Ltd		Yes	none	Overall compilation

Mr G Methven	Principal Mining Engineer	AMC Mining Consultants (Canada) Ltd	Yes	No	15, 16
Mr A. Riles	Principal Metallurgical Consultant	Riles Integrated Resource Management Ltd	Yes	3-6 September 2013	13, 17, 19, parts of 22,

GC Report

AMC Mining Consultants (Canada) Ltd. ("AMC") was commissioned by Silvercorp Metals Inc. (Silvercorp) to prepare an independent technical report titled " *NI 43-101 Technical Report Update on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*" (the "**GC Report**") effective June 30, 2018 on the Gaocheng (GC) property, located in Gaocun Township, Yun'an County, Guangdong Province, China. Persons who prepared, or contributed to, the GC Report are set out as follows:

Qualified Persons responsible for the preparation of this Technical Report						
Qualified Person	**Position**	**Employer**	**Independent of Silvercorp?**	**Date of last site visit**	**Professional designation**	**Sections of Report**
Ms D. Nussipakynova	Principal Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	January 2018	P.Geo.	12, 14, Part of 1, 25, and 26
Mr H. Smith	Senior Principal Mining Engineer	AMC Mining Consultants (Canada) Ltd.	Yes	January 2018	B.Sc., M.Sc., P.Eng.	2 to 6, 15, 16, 18 to 22, 24, 27, Part of 1, 25, and 26
Mr A. Riles	Associate Principal Metallurgical Consultant	AMC Mining Consultants (Canada) Ltd.	Yes	May 2011	B.Met. (Hons) Grad Dipl Business Management, M. Econ. Geol, MAIG (QP)	13, 17, Part of 1, 25, and 26
Mr P. Stephenson	Associate Principal Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	No visit	P.Geo., B.Sc., FAusIMM (CP), MAIG, MCIM	7 to 11, 23, Part of 1, 25, and 26
Other Experts who assisted the Qualified Persons in the preparation of this report						
Expert	**Position**	**Employer**	**Independant of Silvercorp**	**Visited site**		**Sections of Report**
Dr A. Ross	Geology Manager / Principal Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	No visit		12, 14
Mr S. Robinson	Senior Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	No visit		7 to 11, 23
Mr Leon Ma	Senior Resources Geologist	Silvercorp Metals Inc. Inc.	No	January 2018		1 to 11
Mr Derek Liu	Chief Financial Officer	Silvercorp Metals Inc. Inc.	No	2015		15, 21
Mr Luke Liu	Vice President China Operations	Silvercorp Metals Inc. Inc.	No	Since July 2014		15, 16, 18
Mr L. Waldman	Senior Vice President	Silvercorp Metals Inc. Inc.	No	2014		4
Mr J. M. Shannon	General Manager / Principal Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	No visit		1, 25, 26
Mr R. Chesher	Principal Metallurgical Consultant	AMC Consultants Pty. Ltd.	Yes	No visit		13, 17

Interests of Experts

None of the independent consulting geologists and independent "Qualified Persons" named in "Item 16 Names of Experts", when or after they prepared the statement, report or valuation, has received any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of one of the Company's associates or affiliates or is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company except as disclosed below. This information has been provided to the Company by the individual experts.

The Qualified Persons who were responsible for the preparation of the Ying Report and GC Report beneficially owned, directly or indirectly, less than 1% of the Common Shares. The Company confirms that its personnel named herein are non-independent Qualified Persons.

Auditor

Deloitte LLP is the independent registered public accounting firm of Silvercorp and is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

ITEM 18 ADDITIONAL INFORMATION

Additional information on the Company can be found on the Company's website at www.silvercorp.ca or on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's information circular for its most recent annual meeting of shareholders that involved the election of directors. Additional information is provided in the Company's most recent financial statements and the management's discussion and analysis for its most recently completed financial year.

SCHEDULE "A"

SILVERCORP METALS INC.

AUDIT COMMITTEE CHARTER

I. Purpose

The main objective of the Audit Committee is to act as a liaison between the Board and the Company's independent auditors (the "Auditors") and to assist the Board in fulfilling its oversight responsibilities with respect to (a) the financial statements and other financial information provided by the Company to its shareholders, the public and others, (b) the Company's compliance with legal and regulatory requirements, (c) the qualification, independence and performance of the Auditors and (d) the Company's risk management and internal financial and accounting controls, and management information systems.

Although the Committee has the powers and responsibilities set forth in this Charter, the role of the Committee is oversight. The members of the Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.

II. Organization

The Committee shall consist of three or more directors and shall satisfy the laws governing the Company and the independence, financial literacy, expertise and experience requirements under applicable securities law, stock exchange and any other regulatory requirements applicable to the Company.

The members of the Committee and the Chair of the Committee shall be appointed by the Board. A majority of the members of the Committee shall constitute a quorum. A majority of the members of the Committee shall be empowered to act on behalf of the Committee. Matters decided by the Committee shall be decided by majority votes.

Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director.

The Committee may form and delegate authority to subcommittees when appropriate.

III. Meetings

The Committee shall meet as frequently as circumstances require, but not less frequently than four times per year. The Committee shall meet at least quarterly.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee.

The Company's accounting and financial officer(s) and the Auditors shall attend any meeting when requested to do so by the Chair of the Committee.

IV. Responsibilities

The Committee shall recommend to the Board of directors: the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and the compensation of the external auditor.

The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.

The Committee must pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor.

The Committee must review the Company's financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information.

The Committee must be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in subsection (4), and must periodically assess the adequacy of those procedures.

The Committee must establish procedures for:

- the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

An audit committee must review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.

V. Authority

The Committee shall have the following authority:

(a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,

(b) to set and pay the compensation for any advisors employed by the Committee, and

(c) to communicate directly with the internal and external auditors.

Exhibit 99.2



SILVERCORP METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended March 31, 2019

(Expressed in thousands of US dollars, except per share figures or otherwise stated)

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This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the significant factors that have affected Silvercorp Metals Inc. and its subsidiaries' ("Silvercorp" or the "Company") performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2019 and the related notes contained therein. The Company reports its financial position, results of operations and cash flow in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Silvercorp's significant accounting policies are set out in Note 2 of the audited consolidated financial statements for the year ended March 31, 2019. This MD&A refers to various non-IFRS measures, such as total and cash cost per ounce of silver, net of by-product credits, all-in & all-in sustaining cost per ounce of silver, net of byproduct credits, cash flow from operations per share, and production cost per tonne. Non-IFRS measures do not have standardized meanings under IFRS. Accordingly, non-IFRS measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. To facilitate a better understanding of these measures as calculated by the Company, we have provided detailed descriptions and reconciliations in section 13 of this MD&A. Figures may not add due to rounding.

This MD&A is prepared as of May 22, 2019 and expressed in thousands of U.S. dollars, except share per share, unit cost, and production data, or unless otherwise stated.

1. Core Business and Strategy

Silvercorp is engaged in the acquisition, exploration, development and mining of high-grade silver-related mineral properties in China. Silvercorp is the primary silver producer in China through the operation of several silver-lead-zinc mines at the Ying Mining District in Henan Province, China and GC silver-lead-zinc mine in Guangdong Province, China. The Company's common shares are traded on the Toronto Stock Exchange and NYSE American Stock Exchange.

2. Fiscal Year 2019 Highlights

- Ore mined up 5% to 906,794 tonnes compared to the prior year;
- Metals sold amounted to approximately 6.4 million ounces of silver, 3,500 ounces of gold, 64.8 million pounds of lead, and 22.7 million pounds of zinc, up 6%, 13%, 5% and 16%, respectively, compared to the prior year;
- Sales of $170.5 million, compared to $170.0 million in the prior year;
- Gross profit margin of 49% compared to 52% in the prior year, with the decrease mainly due to lower metal prices;
- Net income attributable to equity shareholders of $39.7 million, or $0.23 per share compared to $47.0 million, or $0.27 per year in the prior year. The adjusted net income attributable to equity shareholders of $32.2 million, or $0.19 per share, compared to $41.5 million, or $0.24 per share, in the prior year;
- Cash cost per ounce of silver [1], net of by-product credits, of negative $4.29 compared to negative $4.73 in the prior year;
- All-in sustaining cost per ounce of silver [1], net of by-product credits, of $3.52, compared to $3.27 in the prior year;
- Cash flow from operations of $67.8 million, compared to $67.9 million in the prior year;
- Paid $18.2 million of income tax, including $5.2 million of withholding tax, compared to $19.7 million of income tax, including $1.0 million of withholding tax in the prior year;
- Paid $4.2 million of dividends to the Company's shareholders, compared to $3.4 million in the prior year; and

[1] *Non-IFRS measure. Please refer to section 13 for reconciliation.*

- Ended the fiscal year with $115.3 million in cash and cash equivalents and short-term investments, an increase of $9.2 million or 9% compared to $106.1 million as at March 31, 2018.

3. Fourth Quarter of Fiscal Year 2019 Highlights

- Ore mined up 13% to 161,400 tonnes compared to the prior year quarter;
- Metals sold amounted to approximately 1.3 million ounces of silver, 700 ounces of gold, 12.7 million pounds of lead, and 7.3 million pounds of zinc, compared to approximately 1.4 million ounces of silver, 700 ounces of gold, 13.3 million pounds of lead, and 2.6 million pounds of zinc sold in the prior year quarter.
- Sales of $35.0 million, down 9% compared to $38.4 million in the prior year quarter;
- Gross profit margin of 47% compared to 50% in the prior year quarter;
- Net income attributable to equity shareholders of $12.1 million, or $0.07 per share compared to $12.2 million or $0.07 per share in the prior year quarter. The adjusted net income attributable to equity shareholders of $4.6 million, or $0.03 per share, compared to $7.5 million, or $0.04 per share, in the prior year quarter;
- Cash cost per ounce of silver, net of by-product credits, of negative $3.97 compared to negative $3.89 in the prior year quarter;
- All-in sustaining cost per ounce of silver, net of by-product credits, of $4.49, compared to $3.04 in the prior year quarter; and
- Cash flow from operations of $6.0 million, compared to $2.9 million in the prior year quarter.

4. Operating Performance

The following table summarizes consolidated and each mining district's operational information for the year ended March 31, 2019:

	Year ended March 31, 2019		
	Ying Mining District[1]	GC[2]	Total
Production Data			
Mine Data			
Ore Mined (tonne)	622,576	284,218	906,794
Ore Milled (tonne)	619,851	288,995	908,846
+ **Mining cost per tonne of ore mined ($)**	88.19	46.04	74.98
Cash mining cost per tonne of ore mined ($)	63.39	37.73	55.35
Non cash mining cost per tonne of ore mined ($)	24.80	8.31	19.63
+ **Unit shipping costs($)**	4.22	-	2.88
+ **Milling cost per tonne of ore milled ($)**	12.58	17.01	13.99
Cash milling cost per tonne of ore milled ($)	10.43	14.39	11.69
Non cash milling cost per tonne of ore milled ($)	2.15	2.62	2.30
+ **Average Production Cost**			
Silver ($ per ounce)	5.89	5.93	6.10
Gold ($ per ounce)	473	-	503
Lead ($ per pound)	0.45	0.60	0.48
Zinc ($ per pound)	0.43	0.56	0.44
Other ($ per pound)	0.44	0.03	0.08
+ **Total production cost per ounce of Silver, net of by-product credits ($)**	(0.42)	(7.95)	(1.16)
+ **Total cash cost per ounce of Silver, net of by-product credits ($)**	(3.35)	(12.97)	(4.29)
+ **All-in sustaining cost per ounce of Silver, net of by-product credits ($)**	2.60	(6.28)	3.52
+ **All-in cost per ounce of Silver, net of by-product credits ($)**	4.30	(5.49)	5.22
Recovery Rates			
Silver (%)	95.8	78.4	93.8
Lead (%)	95.7	90.4	94.9
Zinc (%)	54.1	84.9	72.8
Head Grades			
Silver (gram/tonne)	311	86	240
Lead (%)	4.4	1.5	3.5
Zinc (%)	0.9	3.0	1.6
Concentrate in stock			
Lead concentrate (tonne)	3,150	98	3,248
Zinc concentrate (tonne)	250	118	368
Sales Data			
Metal Sales			
Silver (in thousands of ounces)	5,764	626	6,390
Gold (in thousands of ounces)	3.5	-	3.5
Lead (in thousands of pounds)	56,138	8,650	64,788
Zinc (in thousands of pounds)	6,626	16,090	22,716
Metal Sales			
Silver (in thousands of $)	74,702	5,952	80,654
Gold (in thousands of $)	3,642	-	3,642
Lead (in thousands of $)	55,739	8,372	64,111
Zinc (in thousands of $)	6,305	14,349	20,654

Other (in thousands of $)	**1,095**	**363**	**1,458**
	141,483	**29,036**	**170,519**
Average Selling Price, Net of Value Added Tax and Smelter Charges			
Silver ($ per ounce)	**12.96**	**9.51**	**12.62**
Gold ($ per ounce)	**1,041**	**-**	**1,041**
Lead ($ per pound)	**0.99**	**0.97**	**0.99**
Zinc ($ per pound)	**0.95**	**0.89**	**0.91**

1 Ying Mining District includes mines: SGX, TLP, HPG,LM, BCG and HZG.
2 GC Silver recovery rate consists of 53.19% from lead concentrates and 25.18% from zinc concentrates.
2 GC Silver sold in zinc concentrates is subjected to higher smelter and refining charges which lowers the net silver selling price.
+ Non-IFRS measures, see section 13 for reconciliation

The following table summarizes consolidated and each mining district's operational information for the year ended March 31, 2018:

	Year ended March 31, 2018		
	Ying Mining District[1]	GC[2]	Total
Production Data			
Mine Data			
Ore Mined *(tonne)*	614,141	245,783	859,924
Ore Milled *(tonne)*	618,732	244,338	863,070
+ **Mining cost per tonne of ore mined** ($)	84.59	45.73	73.48
Cash mining cost per tonne of ore mined ($)	61.46	37.48	54.60
Non cash mining cost per tonne of ore mined ($)	23.13	8.25	18.88
+ **Unit shipping costs($)**	4.01	-	2.87
+ **Milling cost per tonne of ore milled** ($)	11.71	19.17	13.82
Cash milling cost per tonne of ore milled ($)	9.49	15.72	11.25
Non cash milling cost per tonne of ore milled ($)	2.22	3.45	2.57
+ **Average Production Cost**			
Silver *($ per ounce)*	5.93	6.52	6.21
Gold *($ per ounce)*	443	-	475
Lead *($ per pound)*	0.43	0.61	0.46
Zinc *($ per pound)*	0.48	0.66	0.50
Other *($ per pound)*	0.41	0.01	0.02
+ **Total production cost per ounce of Silver, net of by-product credits ($)**	(1.07)	(7.41)	(1.70)
+ **Total cash cost per ounce of Silver, net of by-product credits ($)**	(3.88)	(12.37)	(4.73)
+ **All-in sustaining cost per ounce of Silver, net of by-product credits ($)**	2.04	(3.69)	3.27
+ **All-in cost per ounce of Silver, net of by-product credits ($)**	2.72	(2.88)	4.01
Recovery Rates			
Silver *(%)*	95.7	76.2	93.5
Lead *(%)*	96.3	85.4	95.1
Zinc *(%)*	52.3	81.8	68.7
Head Grades			
Silver *(gram/tonne)*	305	98	246
Lead *(%)*	4.4	1.5	3.6
Zinc *(%)*	0.9	2.8	1.4
Concentrate in stock			
Lead concentrate *(tonne)*	4,050	20	4,070
Zinc concentrate *(tonne)*	350	20	370
Sales Data			
Metal Sales			
Silver *(in thousands of ounces)*	5,437	603	6,040
Gold *(in thousands of ounces)*	3.1	-	3.1
Lead *(in thousands of pounds)*	55,180	6,754	61,934
Zinc *(in thousands of pounds)*	6,136	13,433	19,569
Other *(in thousands of pound)*	524	16,276	16,800
Metal Sales			
Silver *(in thousands of $)*	75,891	6,463	82,354
Gold *(in thousands of $)*	3,232	-	3,232
Lead *(in thousands of $)*	55,488	6,763	62,251

Zinc *(in thousands of $)*	7,000	14,462	21,462
Other *(in thousands of $)*	502	238	740
	142,113	27,926	170,039
Average Selling Price,Net of Value Added Tax and Smelter Charges			
Silver *($ per ounce)*	13.96	10.72	13.63
Gold *($ per ounce)*	1,043	-	1,043
Lead *($ per pound)*	1.01	1.00	1.01
Zinc *($ per pound)*	1.14	1.08	1.10

1 Ying Mining District includes mines: SGX, TLP, HPG,LM, BCG and HZG.
2 GC Silver recovery rate consists of 55.2% from lead concentrates and 21.0% from zinc concentrates.
2 GC Silver sold in zinc concentrates is subjected to higher smelter and refining charges which lower the net silver selling price.
+ Mineral resouces tax was excluded from production costs, but presented as a separate line item on the consolidated statements of income
+ Non-IFRS measures, see section 13 for reconciliation

The following table summarizes consolidated and each mining district's operational information for the three months ended March 31, 2019:

	Three months ended March 31, 2019		
	Ying Mining District[1]	GC[2]	Total
Production Data			
Mine Data			
Ore Mined (tonne)	111,032	50,368	161,400
Ore Milled (tonne)	107,039	52,865	159,904
+ **Mining cost per tonne of ore mined ($)**	93.86	50.13	80.22
Cash mining cost per tonne of ore mined ($)	65.24	40.58	57.55
Non cash mining cost per tonne of ore mined ($)	28.62	9.55	22.67
+ **Unit shipping costs($)**	3.97	-	2.72
+ **Milling cost per tonne of ore milled ($)**	15.55	21.70	17.58
Cash milling cost per tonne of ore milled ($)	12.57	18.52	14.53
Non cash milling cost per tonne of ore milled ($)	2.98	3.18	3.05
+ **Average Production Cost**			
Silver ($ per ounce)	6.13	6.08	6.41
Gold ($ per ounce)	501	-	546
Lead ($ per pound)	0.42	0.59	0.45
Zinc ($ per pound)	0.38	0.47	0.38
Other ($ per pound)	0.42	0.06	0.11
+ **Total production cost per ounce of Silver, net of by-product credits ($)**	0.27	(5.30)	(0.47)
+ **Total cash cost per ounce of Silver, net of by-product credits ($)**	(3.02)	(10.23)	(3.97)
+ **All-in sustaining cost per ounce of Silver, net of by-product credits ($)**	3.28	(4.97)	4.49
+ **All-in cost per ounce of Silver, net of by-product credits ($)**	8.39	(4.45)	9.09
Recovery Rates			
Silver (%)	95.5	81.3	93.6
Lead (%)	96.1	91.5	95.3
Zinc (%)	63.7	85.7	77.7
Head Grades			
Silver (gram/tonne)	324	101	250
Lead (%)	4.5	1.8	3.6
Zinc (%)	0.9	3.3	1.7
Concentrate in stock			
Lead concentrate (tonne)	3,150	98	3,248
Zinc concentrate (tonne)	250	118	368
Sales Data			
Metal Sales			
Silver (in thousands of ounces)	1,141	173	1,314
Gold (in thousands of ounces)	0.7	-	0.7
Lead (in thousands of pounds)	10,310	2,360	12,670
Zinc (in thousands of pounds)	2,464	4,874	7,338
Metal Sales			
Silver (in thousands of $)	15,137	1,595	16,732
Gold (in thousands of $)	759	-	759
Lead (in thousands of $)	9,318	2,102	11,420
Zinc (in thousands of $)	2,028	3,501	5,529
Other (in thousands of $)	344	168	512

	27,586	**7,366**	**34,952**
Average Selling Price, Net of Value Added Tax and Smelter Charges			
Silver ($ per ounce)	**13.27**	**9.22**	**12.73**
Gold ($ per ounce)	**1,084**	**-**	**1,084**
Lead ($ per pound)	**0.90**	**0.89**	**0.90**
Zinc ($ per pound)	**0.82**	**0.72**	**0.75**

1 Ying Mining District includes mines: SGX, TLP, HPG,LM, BCG and HZG.
2 GC Silver recovery rate consists of 56.37% from lead concentrates and 24.92% from zinc concentrates.
2 GC Silver sold in zinc concentrates is subjected to higher smelter and refining charges which lower the net silver selling price.
+ Non-IFRS measures, see section 13 for reconciliation

The following table summarizes consolidated and each mining district's operational information for the three months ended March 31, 2018:

	Three months ended March 31, 2018		
	Ying Mining District[1]	GC[2]	Total
Production Data			
Mine Data			
Ore Mined *(tonne)*	113,820	29,442	143,262
Ore Milled *(tonne)*	112,285	26,252	138,537
+ **Mining cost per tonne of ore mined** ($)	92.81	57.47	85.55
Cash mining cost per tonne of ore mined ($)	65.88	45.92	61.78
Non cash mining cost per tonne of ore mined ($)	26.93	11.55	23.77
+ **Unit shipping costs($)**	4.37	-	3.46
+ **Milling cost per tonne of ore milled** ($)	15.80	33.41	19.14
Cash milling cost per tonne of ore milled ($)	12.59	25.07	14.96
Non cash milling cost per tonne of ore milled ($)	3.21	8.34	4.18
+ **Average Production Cost**			
Silver *($ per ounce)*	6.56	7.92	6.79
Gold *($ per ounce)*	509	-	532
Lead *($ per pound)*	0.49	0.81	0.52
Zinc *($ per pound)*	0.57	0.89	0.61
Other *($ per pound)*	0.03	-	-
+ **Total production cost per ounce of Silver, net of by-product credits ($)**	(0.04)	(5.73)	(0.30)
+ **Total cash cost per ounce of Silver, net of by-product credits ($)**	(3.41)	(13.95)	(3.89)
+ **All-in sustaining cost per ounce of Silver, net of by-product credits ($)**	1.39	(4.57)	3.04
+ **All-in cost per ounce of Silver, net of by-product credits ($)**	2.81	2.62	4.91
Recovery Rates			
Silver *(%)*	95.9	76.3	94.6
Lead *(%)*	96.5	87.5	95.9
Zinc *(%)*	54.5	85.7	67.6
Head Grades			
Silver *(gram/tonne)*	309	96	269
Lead *(%)*	4.3	1.3	3.8
Zinc *(%)*	1.0	2.9	1.3
Concentrate in stock			
Lead concentrate *(tonne)*	4,050	20	4,070
Zinc concentrate *(tonne)*	350	20	370
Sales Data			
Metal Sales			
Silver *(in thousands of ounces)*	1,319	63	1,382
Gold *(in thousands of ounces)*	0.7	-	0.7
Lead *(in thousands of pounds)*	12,649	688	13,337
Zinc *(in thousands of pounds)*	1,106	1,479	2,585
Metal Sales			
Silver *(in thousands of $)*	19,041	728	19,769
Gold *(in thousands of $)*	784	-	784
Lead *(in thousands of $)*	13,760	815	14,575
Zinc *(in thousands of $)*	1,396	1,914	3,310

Other *(in thousands of $)*	7	4	11
	34,988	3,461	38,449
Average Selling Price, Net of Value Added Tax and Smelter Charges			
Silver *($ per ounce)*	14.44	11.56	14.30
Gold *($ per ounce)*	1,120	-	1,120
Lead *($ per pound)*	1.09	1.18	1.09
Zinc *($ per pound)*	1.26	1.29	1.28

1 Ying Mining District includes mines: SGX, TLP, HPG,LM, BCG and HZG.
2 GC Silver recovery rate consists of 53.1% from lead concentrates and 23.2% from zinc concentrates.
2 GC Silver sold in zinc concentrates is subjected to higher smelter and refining charges which lower the net silver selling price.
+Non-IFRS measures, see section 13 for reconciliation

(a) Mine and Mill Production

In Fiscal 2019, on a consolidated basis, the Company mined 906,794 tonnes of ore, an increase of 5% or 46,870 tonnes, compared to 859,924 tonnes in Fiscal 2018. Ore mined at the Ying Mining District increased by 1% or 8,435 tonnes, and ore mined at the GC Mine increased by 16% or 38,435 tonnes. Ore milled in Fiscal 2019 was 908,846 tonnes, an increase of 5% compared to 863,070 tonnes in Fiscal 2018.

During the three months ended March 31, 2019 ("Q4 Fiscal 2019"), the Company mined 161,400 tonnes of ore, and increase of 13%, compared to 143,262 tonnes in Q4 Fiscal 2018. Correspondingly, ore milled in Q4 Fiscal 2019 was 159,904 tonnes, an increase of 15% compared to 138,537 tonnes in Q4 Fiscal 2018.

(b) Metal Sales

In Fiscal 2019, the Company sold approximately 6.4 million ounces of silver, 3,500 ounces of gold, 64.8 million pounds of lead, and 22.7 million pounds of zinc, up 6%, 13%, 5%, and 16%, respectively, compared to 6.0 million ounces of silver, 3,100 ounces of gold, 61.9 million pounds of lead, and 19.6 million pounds of zinc in Fiscal 2018.

In Q4 Fiscal 2019, the Company sold approximately 1.3 million ounces of silver, 700 ounces of gold, 12.7 million pounds of lead, and 7.3 million pounds of zinc compared to 1.4 million ounces of silver, 700 ounces of gold, 13.3 million pounds of lead, and 2.6 million pounds of zinc in Q4 Fiscal 2018.

As at March 31, 2019, the Company had inventories of 3,248 tonnes of silver-lead concentrate and 368 tonnes of zinc concentrate, containing approximately 0.3 million ounces of silver, 3.2 million pounds of lead, and 0.4 million pounds of zinc.

(c) Mining and Milling Cost [1]

In Fiscal 2019, the consolidated total mining cost and cash mining cost were $74.98 and $55.35 per tonne, up 2% and 1%, respectively, compared to $73.48 and $54.60 per tonne, respectively, in Fiscal 2018. The increase in cash mining cost was mainly due to inflation resulting in an increase of i) $1.1 million in mining contractor's costs; ii) $0.6 million in raw material costs; and iii) $0.6 million in utility costs.

The consolidated total milling cost and cash milling cost were $13.99 and $11.69 per tonne, up 1% and 4%, respectively, compared to $13.82 and $11.25 per tonne, respectively, in Fiscal 2018. The increase in the cash milling cost was mainly due to a $0.4 million increase in raw material costs.

The consolidated cash production cost per tonne of ore processed in Fiscal 2019 was $69.92, a 2% increase compared to $68.72 in Fiscal 2018, but below the Company's annual guidance.

In Q4 Fiscal 2019, the consolidated total mining cost and cash mining cost were $80.22 and $57.55 per tonne, down 6% and 7%, respectively, compared to $85.55 and $61.78 per tonne in Q4 Fiscal 2018. The consolidated total milling cost and cash milling cost in Q4 Fiscal 2019 were $17.58 and $14.53 per tonne, down 8% and 3%, respectively, compared to $19.14 and $14.96 per tonne in Q4 Fiscal 2018.

(d) Total and Cash Cost per Ounce of Silver, Net of By-Product Credits

In Fiscal 2019, the consolidated total production cost and cash production cost per ounce of silver, net of by-product credits, were negative $1.16 and negative $4.29, respectively, compared to negative $1.70 and negative $4.73, respectively, in the prior year. The increase was mainly due to a $3.3 million increase in cash production cost expensed offset by a $2.2 million increase in by-product credits.

In Q4 Fiscal 2019, the consolidated total production cost and cash production cost per ounce of silver, net of by-product credits, were negative $0.47 and negative $3.97, respectively, compared to negative

1 Non-IFRS measure. Please refer to section 13 for reconciliation.

$0.30 and negative $3.89 in Q4 Fiscal 2018. The improvement was mainly due to the decrease in per tonne mining and milling cost as discussed above.

(e) All-in Sustaining Cost per Ounce of Silver, Net of By-Product Credits

In Fiscal 2019, the consolidated all-in sustaining cost per ounce of silver, net of by-product credits, was $3.52, compared to $3.27 in Fiscal 2018. The increase was mainly due to i) a $3.4 million increase in cash production cost expensed; ii) a $0.7 million increase in general and administrative expenses; and iii) a $1.0 million increase in sustaining capital expenditures, offset by a $2.2 million increase in by-product credits.

In Q4 Fiscal 2019, the consolidated all-in sustaining cost per ounce of silver, net of by-product credits, was $4.49, compared to $3.04 in Q4 Fiscal 2018. The increase was mainly due to an increase of $1.4 million in sustaining capital expenditures.

(f) Operation Review *i) Ying Mining District*

The Ying Mining District consists of several mines, including the SGX, HPG, TLP, LM, PCG, and HZG mines, and is the Company's primary source of production. The operational results at the Ying Mining District for the past five quarters and for the years ended March 31, 2019 and 2018 are summarized in the table below:

Ying Mining District	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Fiscal year ended March 31	
	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018	2019	2018
Ore Mined (tonne)	**111,032**	174,152	180,662	156,730	113,820	**622,576**	614,141
Ore Milled (tonne)	**107,039**	184,684	172,200	155,929	112,285	**619,851**	618,732
Head Grades							
Silver (gram/tonne)	**324**	296	308	323	309	**311**	305
Lead (%)	**4.5**	4.1	4.6	4.5	4.3	**4.4**	4.4
Zinc (%)	**0.9**	0.8	0.9	1.1	1.0	**0.9**	0.9
Recoveries							
Silver (%)	**95.5**	95.6	96.1	96.0	95.9	**95.8**	95.7
Lead (%)	**96.1**	95.2	95.6	96.3	96.5	**95.7**	96.3
Zinc (%)	**63.7**	50.2	51.2	54.5	54.5	**54.1**	52.3
Metal Sales							
Silver (in thousands of ounce)	**1,141**	1,545	1,765	1,313	1,319	**5,764**	5,437
Gold (in thousands of ounce)	**0.7**	1.1	1.0	0.7	0.7	**3.5**	3.1
Lead (in thousands of pound)	**10,310**	15,156	17,359	13,313	12,649	**56,138**	55,180
Zinc (in thousands of pound)	**2,464**	381	1,648	2,133	1,106	**6,626**	6,136
Cash mining costs ($ per tonne)	**65.24**	63.04	58.65	63.49	65.88	**63.39**	61.46
Total mining costs ($ per tonne)	**93.86**	86.27	81.50	89.57	92.81	**88.19**	84.59
Cash milling costs ($ per tonne)	**12.57**	10.49	8.54	10.30	12.59	**10.43**	9.49
Total milling costs ($ per tonne)	**15.55**	12.24	10.47	12.60	15.80	**12.58**	11.71
Cash production costs ($ per tonne)	**81.78**	77.80	71.45	78.10	82.84	**78.04**	74.96
Cash costs per ounce of silver ($)	**(3.02)**	(1.74)	(2.80)	(6.25)	(3.41)	**(3.35)**	(3.88)
All-in sustaining costs per ounce of silver ($)	**3.28**	5.80	1.52	(0.28)	1.39	**2.60**	2.04

Fiscal 2019 vs. Fiscal 2018

In Fiscal 2019, the total ore mined at the Ying Mining District was 622,576 tonnes, an increase of 1% or 8,435 tonnes, compared to 614,141 tonnes mined in Fiscal 2018. Ore milled was 619,851 tonnes, an increase of 1,119 tonnes compared to 618,732 tonnes in Fiscal 2018.

Head grades of ore milled at the Ying Mining District in Fiscal 2019 were 311 grams per tonne ("g/t") for silver, 4.4% for lead, and 0.9% for zinc, compared to 305 g/t for silver, 4.4% for lead, and 0.9% for zinc in Fiscal 2018. The Company continues to achieve positive dilution control using its "Enterprise Blog" to assist and manage daily operations.

In Fiscal 2019, the Ying Mining District sold approximately 5.8 million ounces of silver, 3,500 ounces of gold, 56.1 million pounds of lead, and 6.6 million pounds of zinc, up 6%, 13%, 2% and 8%, respectively, compared to 5.4 million ounces of silver, 3,100 ounces of gold, 55.2 million pounds of

lead, and 6.1 million pounds of zinc in Fiscal 2018. As at March 31, 2019, the Ying Mining District has inventories of

3,150 tonnes of silver-lead concentrate and 250 tonnes of zinc concentrate, compared to 4,050 tonnes of silver-lead concentrate and 350 tonnes of zinc concentrate as at March 31, 2018.

Total mining cost and cash mining cost per tonne at the Ying Mining District in Fiscal 2019 were $88.19 and $63.39 per tonne, respectively, compared to $84.59 and $61.46 per tonne, respectively, in Fiscal 2018. The increase was mainly due to inflation resulting in an increase of i) $0.6 million in mining contractor's costs, ii) $0.4 million in raw material costs, and iii) $0.7 million in utility costs. Total milling cost and cash milling cost per tonne at the Ying Mining District in Fiscal 2019 were $12.58 and $10.43, respectively, compared to $11.71 and $9.49, respectively, in Fiscal 2018.

Correspondingly, the total production cost and cash production cost per tonne of ore processed in Fiscal 2019 at the Ying Mining District were $104.99 and $78.04, respectively, compared to $100.31 and $74.96 in Fiscal 2018.

Cash cost per ounce of silver, net of by-product credits, at the Ying Mining District in Fiscal 2019, was negative $3.35 compared to negative $3.88 in the prior year. The increase in the cash cost per ounce of silver, net of by-product credits, was mainly due to a $2.4 million increase in cash production cost expensed offset by a $0.6 million increase in by-product credits.

All-in sustaining cost per ounce of silver, net of by-product credits, at the Ying Mining District in Fiscal 2019, was $2.60 compared to $2.04 in the prior year. The increase was mainly due to increases of $2.4 million in cash production costs expensed and $2.2 million in sustaining capital expenditures.

In Fiscal 2019, approximately 75,955 metres or $1.8 million worth of underground diamond drilling (Fiscal 2018 – 104,798 metres or $2.3 million) and 18,656 metres or $5.4 million worth of preparation tunnelling (Fiscal 2018 – 19,723 metres or $5.8 million) were completed and expensed as mining preparation cost at the Ying Mining District. In addition, approximately 65,653 metres or $23.2 million worth of horizontal tunnels, raises, ramps and declines (Fiscal 2018 – 61,827 metres or $20.1 million) were completed and capitalized.

Q4 Fiscal 2019 vs. Q4 Fiscal 2018

In Q4 Fiscal 2019, a total of 111,032 tonnes of ore were mined at the Ying Mining District, a decrease of 2% or 2,788 tonnes, compared to 113,820 tonnes in Q4 Fiscal 2018. Ore milled was 107,039 tonnes, a decrease of 3% or 5,246 tonnes, compared to 112,285 tonnes in Q4 Fiscal 2018.

Average head grades of ore processed were 324 g/t for silver, 4.5% for lead, and 0.9% for zinc compared to 309 g/t for silver, 4.3% for lead, and 1.0% for zinc in Q4 Fiscal 2018.

Metals sold were approximately 1.1 million ounces of silver, 700 ounces of gold, 10.3 million pounds of lead, and 2.5 million pounds of zinc, compared to 1.3 million ounces of silver, 700 ounces of gold, 12.6 million pounds of lead, and 1.1 million pounds of zinc in Q4 Fiscal 2018.

In Q4 Fiscal 2019, the cash mining cost at the Ying Mining District was $65.24 per tonne, down 1% compared to $65.88 in Q4 Fiscal 2018. The cash milling cost was $12.57 per tonne compared to $12.59 in Q4 Fiscal 2018.

In Q4 Fiscal 2019, cash cost per ounce of silver and all in sustaining cost per ounce of silver, net of byproduct credits, at the Ying Mining District were negative $3.02 and $3.28, respectively, compared to negative $3.41 and $1.39 in Q4 Fiscal 2018.

In Q4 Fiscal 2019, approximately 6,083 metres or $0.3 million worth of underground diamond drilling (Q4 Fiscal 2018 – 18,791 metres or $0.6 million) and 3,061 metres or $1.0 million worth of preparation tunnelling (Q4 Fiscal 2018 – 2,809 metres or $0.9 million) were completed and expensed as mining preparation costs at the Ying Mining District. In addition, approximately 10,730 metres or $4.0 million worth of horizontal tunnels, raises, and declines (Q4 Fiscal 2018 – 9,653 metres or $3.9 million) were completed and capitalized.

ii) GC Mine

The operational results at the GC Mine for the past five quarters and for the year ended March 31, 2019 and 2018 are summarized in the table below:

GC Mine	Q4 2019 March 31, 2019	Q3 2019 December 31, 2018	Q2 2019 September 30, 2018	Q1 2019 June 30, 2018	Q4 2018 March 31, 2018	Fiscal year ended March 31 2019	2018
Ore Mined (tonne)	**50,368**	86,126	67,757	79,967	29,442	**284,218**	245,783
Ore Milled (tonne)	**52,865**	86,792	67,528	81,811	26,252	**288,995**	244,338
Head Grades							
Silver (gram/tonne)	**101**	84	78	87	96	**86**	98
Lead (%)	**1.8**	1.6	1.4	1.3	1.3	**1.5**	1.5
Zinc (%)	**3.3**	3.1	2.8	2.9	2.9	**3.0**	2.8
Recovery Rates							
Silver (%)	**81.3**	80.5	76.7	75.3	76.3	**78.4**	76.2
Lead (%)	**91.5**	916.0	91.2	87.1	87.5	**90.4**	85.4
Zinc (%)	**85.7**	85.5	83.3	84.8	85.7	**84.9**	81.8
Metal Sales							
Silver (in thousands of ounce)	**173**	167	136	150	63	**626**	603
Lead (in thousands of pound)	**2,360**	2,644	2,063	1,583	688	**8,650**	6,754
Zinc (in thousands of pound)	**4,874**	3,730	3,240	4,244	1,479	**16,090**	13,433
Cash mining cost ($ per tonne)	**40.58**	34.17	41.25	36.78	45.92	**37.73**	37.48
Total mining cost ($ per tonne)	**50.13**	42.40	49.29	44.62	57.47	**46.04**	45.73
Cash milling cost ($ per tonne)	**18.52**	14.08	11.45	14.46	25.07	**14.39**	15.72
Total milling cost ($ per tonne)	**21.70**	15.98	14.47	17.14	33.41	**17.01**	19.17
Cash production cost ($ per tonne)	**59.10**	48.25	52.70	51.24	70.99	**52.12**	53.20
Cash cost per ounce of silver ($)	**(10.23)**	(12.32)	(10.81)	(18.81)	(13.95)	**(12.97)**	(12.37)
All-in sustaining cost per ounce of silver ($)	**(4.97)**	(6.54)	(2.03)	(11.36)	(4.57)	**(6.28)**	(3.69)

Fiscal 2019 vs. Fiscal 2018

In Fiscal 2019, the total ore mined at the GC Mine was 284,218 tonnes, an increase of 16% or 38,435 tonnes, compared to 245,783 tonnes in Fiscal 2018, while ore milled was 288,995 tonnes, an increase of 18% or 44,657 tonnes, compared to 244,338 tonnes in Fiscal 2018.

Average head grades of ore processed at the GC Mine were 86 g/t for silver, 1.5% for lead, and 3.0% for zinc compared to 98 g/t for silver, 1.5% for lead, and 2.8% for zinc in the prior year. Recovery rates of ore processed at the GC Mine were 78.4% for silver, 90.4% for lead, and 84.9% for zinc, compared to 76.2% for silver, 85.4% for lead, and 81.8% for zinc in Fiscal 2018.

In Fiscal 2019, the GC Mine sold 626,000 ounces of silver, 8.7 million pounds of lead, and 16.1 million pounds of zinc, compared to 603,000 ounces of silver, 6.8 million pounds of lead, and 13.4 million pounds of zinc in Fiscal 2018.

Total mining cost and cash mining cost at the GC Mine in Fiscal 2019 were $46.04 and $37.73 per tonne, respectively, a slight increase of 1%

compared to $45.73 and $37.48 per tonne, respectively, in Fiscal 2018. Total milling cost and cash milling cost per tonne at the GC Mine were $17.01 and $14.39, respectively, down 11% and 8%, compared to $19.17 and $15.72, respectively, in Fiscal 2018.

Correspondingly, total production cost and cash production cost per tonne of ore processed in Fiscal 2019 at the GC Mine were $63.05 and $52.12, respectively, a decrease of 3% and 2%, compared to $64.90 and $53.20, respectively, in Fiscal 2018.

Cash cost per ounce of silver, net of by-product credits, at the GC Mine, was negative $12.97 compared to negative $12.37 in the prior year. The decrease was mainly due to a 4% increase in by-product credits resulting from increases of 28% in lead and 20% in zinc sold offset by a decrease of 3% and 17% in net realized lead and zinc selling prices at the GC Mine.

All-in sustaining cost per ounce of silver, net of by-product credits, in Fiscal 2019 at the GC Mine was negative $6.28 compared to negative $3.69 in the prior year. The improvement was mainly due to an increase of $1.6 million in by-product credits and a decrease of $0.9 million in sustaining capital expenditures.

In Fiscal 2019, approximately 24,727 metres or $1.3 million worth of underground diamond drilling (Fiscal 2018 – 21,717 metres or $1.1 million) and 19,844 metres or $5.2 million worth of tunnelling

(Fiscal 2018 – 15,811 metres or $4.5 million) were completed and expensed as mining preparation costs at the GC Mine. In addition, approximately 1,374 metres or $1.0 million of horizontal tunnels, raises and declines (Fiscal 2018 – 320 metres or $0.3 million) were completed and capitalized.

Q4 Fiscal 2019 vs. Q4 Fiscal 2018

In Q4 Fiscal 2019, a total of 50,368 tonnes of ore were mined and 52,865 tonnes were milled at the GC Mine, up 71% and 101%, respectively, compared to 29,442 tonnes mined and 26,252 tonnes milled in Q4 Fiscal 2018.

Average head grades of ore milled were 101 g/t for silver, 1.8% for lead, and 3.3% for zinc compared to 96 g/t for silver, 1.3% for lead, and 2.9% for zinc in the same prior year quarter.

Metals sold were approximately 173,000 ounces of silver, 2.4 million pounds of lead, and 4.9 million pounds of zinc, compared to 63,000 ounces of silver, 0.7 million pounds of lead, and 1.5 million pounds of zinc in the same prior year quarter.

The cash mining cost at the GC Mine was $40.58 per tonne, a decrease of 12% compared to $45.92 per tonne in the same prior year quarter. The cash milling cost was $18.52 per tonne, a decrease of 26% compared to $25.07 in the same prior year quarter. Correspondingly, the cash production cost per tonne decreased by 17% to $59.10 from $70.99 in the same prior year quarter. The improvement in production cost was mainly due to higher production output resulting in lower fixed cost allocation.

Cash cost per ounce of silver and all-in sustaining cost per ounce of silver, net of by product credits, at the GC Mine, for Q4 Fiscal 2019, were negative $10.23 and negative $4.97, respectively, compared to negative $13.95 and negative $4.57 in the same prior year quarter.

In Q4 Fiscal 2019, approximately 2,864 metres or $0.3 million worth of underground diamond drilling (Q4 Fiscal 2018 – 3,464 metres or $0.2 million) and 3,366 metres or $0.9 million of tunnelling (Q4 Fiscal 2018 – 1,526 metres or $0.7 million) were completed and expensed as mining preparation costs at the GC Mine. In addition, approximately 262 metres or $0.2 million of horizontal tunnels, raise, and declines (Q4 Fiscal 2018 – 40 metres or $0.1 million) were completed and capitalized.

In October 2018, the Company exercised its first right of refusal and entered into an agreement with GRT Mining Investment (Beijing) Co., Ltd. ("GRT") to acquire from GRT a 4% ownership in the GC Mine for cash consideration of $2.2 million (RMB ¥15 million). GRT is a 5% equity shareholder of GC Mine and a related party of the Company as it is controlled by a relative of an officer and director of the Company. The transaction completed in January 2019, and the Company now holds a 99% ownership interest in the GC Mine. *iii) BYP Mine*

The BYP Mine was placed on care and maintenance in August 2014 in consideration of the required capital upgrades to sustain its ongoing production and the market environment. The Company continues to review alternatives for this project and is also carrying out activities to renew its mining license. An updated National Instrument 43-101 Technical Report on BYP Mine, with an effective date of April 30, 2019, was completed by RPM Global Asia Limited and filed by the Company's SEDAR profile at www.sedar.com on May 08, 2019. *iv) XHP Project*

Activities at the XHP project, a development stage project, were suspended in Fiscal 2014. In April 2019, Henan Found, the Company's 77.5% owned subsidiary, entered into a share transfer agreement (the "Agreement") with an arm's length private Chinese company to dispose of the XHP project. Pursuant to the Agreement, Henan Found will sell its 100% equity interest in SX Gold, the holding company of the XHP project, for $7.5 million (RMB ¥50 million), net of the amount SX Gold owes to Henan Found. As of the date of this MD&A, Henan Found received partial payments of $4.5 million (RMB ¥30 million) for the sale. The transaction is expected to close in the first quarter of Fiscal 2020.

As at March 31, 2019, the carrying amount of the XHP project was remeasured to its recoverable amount, being its fair value less costs of disposal ("FVLCD"), based on the expected proceeds from the sale less certain debt settlement and estimated costs prior to the closing of the transaction. As a result, the Company recorded an impairment reversal of $7.3 million during the year ended March 31, 2019. *v) Comparison of Fiscal 2019 Results with Fiscal 2019 Guidance*

The following table provides a comparison of Fiscal 2019 results to the Fiscal 2019 production guidance provided in February 2018:

	Ying Mining District		GC Mine		Consolidated	
	Actual	Guidance	**Actual**	Guidance	**Actual**	Guidance
Ore milled (tonne)	**619,851**	630,000	**288,995**	250,000	**908,846**	880,000
Head Grades						
Silver (gram/tonne)	**311**	285	**86**	98		
Lead (%)	**4.4**	4.3	**1.5**	1.6		
Zinc (%)	**0.9**	0.9	**3.0**	3.0		
Metal Production*						
Silver ('000 Oz)	**5,782**	5,400	**630**	600	**6,411**	6,000
Lead (million pounds)	**56.2**	56.1	**8.7**	7.5	**65.0**	63.6
Zinc (million pounds)	**6.5**	6.2	**16.2**	13.6	**22.6**	19.8
Costs						
Cash production cost ($/tonne of ore)	**78.04**	75.40	**52.12**	57.20	**69.92**	70.20
All-in sustaining production cost ($/tonne of ore)	**126.93**	123.70	**63.59**	75.50	**119.48**	122.20

*Metal production is estimated based on head grades of the ore processed and metal recoveries.

On consolidated basis, ore production exceeded the guidance by 3% while silver, lead, and zinc production surpassed the guidance by 7%, 2%, and 14% respectively. The cash production cost per tonne was in line with the guidance, while the all-in sustaining cost, net of by-product credits, was 2% lower compared to the guidance.

At the Ying Mining District, silver and zinc production surpassed the guidance by 7% and 4%, respectively, while lead production was in line with the guidance. The higher silver production was mainly due to the increase in head grades offset by lower ore production achieved, and higher zinc production was mainly due to the improvement in recovery rates. The cash production cost per tonne was higher than the guidance mainly due to inflation resulting in higher raw material and utility costs and adjustments to mining contractor's costs.

At the GC Mine, silver, lead and zinc production surpassed the guidance by 5%, 17% and 19%, respectively, mainly due to a 16% increase in ore production offset by lower head grades in silver and lead. Per tonne cash production cost and all-in sustaining production cost were 9% and 16% lower than the guidance.

5. Fiscal 2020 Production and Cash Cost Guidance

Fiscal 2020 production guidance was previously announced in the Company's news release dated February 14, 2019. The Company continues to expect production of approximately 900,000 tonnes of ore, yielding 6.1 million ounces of silver, 65.1 million pounds of lead, and 21.8 million pounds of zinc. Fiscal 2020 production guidance represents an increase of approximately 2% in silver production, 2% in lead production, and 10% in zinc production compared to the prior year's guidance (Fiscal 2019 Guidance).

	Ore processed (tonnes)	Silver (g/t)	Lead (%)	Zinc (%)
Ying Mining District	630,000	290	4.3	0.9
GC Mine	270,000	96	1.7	3.1

	Silver (Moz)	Lead (Mlbs)	Zinc (Mlbs)	Cash cost* ($/t)	AISC* ($/t)
Ying Mining District	5.5	56.2	6.3	78.2	130.2
GC Mine	0.6	8.9	15.5	56.7	77.4
Consolidated	6.1	65.1	21.8	71.8	125.5

*Both AISC and cash cost are non-IFRS measures. AISC refers to all-in sustaining cost per tonne of ore processed. Cash cost refers to cash production cost per tonne of ore processed. Foreign exchange rates assumptions used are: US$1 = CAD$1.30, US$1 = RMB¥6.50.

(a) Ying Mining District, Henan Province, China

In Fiscal 2020, the Company plans to mine and process 630,000 tonnes of ore at Ying Mining District averaging 290 g/t silver, 4.3% lead, and 0.9% zinc, with expected metal production of 5.5 million ounces of silver, 56.2 million pounds of lead and 6.3 million pounds of zinc. Fiscal 2020 production guidance at the Ying Mining District represents an increase of approximately 2% in silver head grade and 2% in silver and zinc metal production. Lead head grade and metal production are comparable to the prior year's guidance.

The cash production cost is expected to be $78.20 per tonne of ore, and the all-in sustaining cost is estimated at $130.20 per tonne of ore processed.

Capital expenditures at the Ying Mining District in Fiscal 2020 are budgeted at $31.7 million, including $24.4 million for mine tunnelling and ramp development and $7.3 million for equipment and infrastructure.

(b) GC Mine, Guangdong Province, China

In Fiscal 2020, the Company plans to mine and process 270,000 tonnes of ore at GC Mine averaging 96 g/t silver, 1.7% lead, and 3.1% zinc with expected metal production of 0.6 million ounces of silver, 8.9 million pounds of lead and 15.5 million pounds of zinc. Fiscal 2020 production guidance at the GC Mine represents an increase of approximately 8% in ore production, 19% in lead production, and 14% in zinc production compared to the prior year's guidance.

The cash production cost is expected to be $56.70 per tonne of ore, and the all-in sustaining cost is estimated at $77.4 per tonne of ore processed.

Capital expenditures at GC Mine in Fiscal 2020 are budgeted at $5.2 million, including $2.5 million for mine tunneling and ramp development, $1.4 million for a paste backfill plant, and $1.3 million for other equipment and infrastructure.

6. Investment in New Pacific Metals Corp. ("NUAG")

New Pacific Metals Corp. ("NUAG") is a Canadian public company listed on the TSX Venture Exchange (symbol: NUAG). NUAG is a related party of the Company by way of two common directors and officers, and the Company accounts for its investment in NUAG using the equity method as it is able to exercise significant influence over the financial and operating policies of NUAG.

As at March 31, 2019, the Company owned 39,346,300 common shares (March 31, 2018 – 39,280,900) of NUAG, representing an ownership interest of 29.6% (March 31, 2018 – 29.8%). The summary of the investment in NUAG common shares and its market value as at the respective balance sheet dates are as follows:

	Number of shares	Amount	Value of NUAG's common shares per quoted market price
Balance, April 1, 2017	10,806,300	$ 8,517	$ 8,517
Participate in Private placement	28,000,000	23,352	
Purchase from open market	474,600	509	
Share of net loss		(700)	
Share of other comprehensive income		461	
Impairment recovery		4,714	
Dilution gain		822	
Foreign exchange impact		326	
Balance March 31, 2018	39,280,900	$ 38,001	$ 50,266
Purchase from open market	65,400	107	
Share of net loss		(330)	
Share of other comprehensive income		398	
Impairment recovery		1,899	
Foreign exchange impact		(1,372)	
Balance March 31, 2019	**39,346,300**	**$ 38,703**	**$ 69,783**

Summarized financial information for the Company's investment in NUAG on a 100% basis is as follows:

	Years ended March 31,	
	2019 (1)	2018 (1)
Income (loss) from investments	**$ 576**	$ (976)
General and administrative expense	**(2,286)**	(2,527)
Foreign exchange gain (loss)	**542**	(358)
Other income	**7**	372
Net loss of associate	**$ (1,161)**	$ (3,489)
Adjustments to net loss of associate	**23**	**760**
Net loss of associate qualified for pick-up	**$ (1,138)**	$ (2,729)
Company's share of net loss	**$ (330)**	$ (700)

	March 31, 2019 (1)	March 31, 2018 (1)
Current assets	**$ 17,233**	$ 28,279
Non-current assets	**62,568**	57,268
Total assets	**$ 79,801**	$ 85,547
Current liabilities	**675**	970
Long-term liabilities	**197**	4,839
Total liabilities	**872**	5,809
Net assets	**$ 78,929**	$ 79,738
Company's share of net assets of associate	**$ 23,371**	$ 23,730

(1)NUAG's fiscal year-end is on June 30. NUAG's quarterly financial results were used to compile the financial information that matched with the Company's year-end on March 31.

Subsequent to March 31, 2019, the Company acquired additional 300,000 of NUAG shares from the public market for a total cost of $528 and exercised warrants to acquire 1,500,000 of NUAG shares for a cost of $2,348.

NUAG acquired a 100% interest in the Silver Sand Project, an early-stage exploration projects in the Potosi Department of Bolivia in July 2017. NUAG completed its 2018 Drill Program, a 55,010 meters exploration drilling program, at the Silver Sand Project and the drill results were released in NUAG's news releases dated January 22, 2019 and February 20, 2019. On April 26, 2019, NUAG announced the

commencement of its 2019 drill program, consisting of about 55,000 metres of diamond drilling, at the Silver Sand Project.

As part of the Silver Sand Project's expansion plan, in July 2018, NUAG entered into an acquisition agreement with private owners to acquire their 100% interest in certain mineral concessions located adjacent to the Silver Sand Project. On January 11, 2019, NUAG announced that through its wholly-owned subsidiary, Empresa Mineral Alcira S.A. ("Alcira"), it had entered into a Mining Production Contract (the "MPC") with Corporación Minera de Bolivia ("COMIBOL") granting NUAG the right to carry out exploration, mining, and production activities in the areas adjoining the Silver Sand Project. The MPC remains subject to ratification by the Plurinational Legislative Assembly of Bolivia.

7. Fiscal Year 2019 Financial Results

(a) Selected Annual Information

	Fiscal 2019	Fiscal 2018	Fiscal 2017
Sales	$ 170,519	$ 170,039	$ 163,471
Gross Profit	83,197	87,884	88,186
Expenses and foreigh exchange	(20,765)	(23,284)	(20,486)
Impairment reversal	9,178	4,714	5,097
Dilution gain on investment in associate	-	822	-
Gain on disposal of NSR	-	4,320	-
Other Items	1,308	3,359	1,938
Net income	52,047	58,896	55,498
Net income (loss) attributable to the equity holders of the Company	39,724	46,994	43,674
Basic earnings (loss) per share	0.24	0.28	0.26
Diluted earnings (loss) per share	0.23	0.27	0.25
Cash dividend declared	4,208	3,362	1,585
Cash dividended declared per share	0.020	0.020	0.015
Total Assets	499,076	476,894	397,970
Total non-current liabilities	48,022	46,408	39,878

Financial results including sales, gross profit, net income, basic earnings per share, and diluted earnings per share are heavily influenced by changes in commodity prices, particularly, silver and lead prices.

(b) Financial Results – Fiscal 2019 compared to Fiscal 2018

Net income attributable to equity shareholders of the Company in Fiscal 2019 was $39.7 million or $0.23 per share, compared to $47.0 million or $0.27 per share in Fiscal 2018. The adjusted net income attributable to equity shareholders was $32.2 million or $0.19 per share after the adjustment of impairment reversal, compared to the adjusted net income of $41.5 million or $0.24 per share in Fiscal 2018.

In Fiscal 2019, the Company's consolidated financial results were mainly impacted by i) an increase of 6%, 5% and 16% in silver, lead and zinc sold, respectively; ii) a decrease of 7%, 2% and 17% in the realized selling prices for silver, lead and zinc, respectively; and iii) a 2% increase in total production costs.

Sales in Fiscal 2019 were $170.5 million, up $0.5 million compared to $170.0 million in Fiscal 2018. Silver and gold sales represented $80.7 million and $3.6 million, respectively, while base metals represented $86.2 million of the total sales, compared to silver, gold and base metals sales of $82.4 million, $3.2 million, and $84.5 million, respectively, in Fiscal 2018.

Fluctuation in sales revenue is mainly dependent on metal sales and realized metal prices. The net realized selling price is calculated using the Shanghai Metal Exchange ("SME") price, less smelter

charges, recovery, and value added tax ("VAT"). VAT is not applied to gold sales. The following table is a reconciliation of the Company's net realized selling prices in Fiscal 2019, including a comparison with London Metal Exchange ("LME") prices:

	Silver (in US$/ounce)		Gold (in US$/ounce)		Lead (in US$/pound)		Zinc (in US$/pound)	
	F2019	F2018	F2019	F2018	F2019	F2018	F2019	F2018
Net realized selling prices	**$ 12.62**	$ 13.63	**$ 1,041**	$ 1,043	**$ 0.99**	$ 1.01	**$ 0.91**	$ 1.10
Add back: Value added taxes	**2.02**	2.32	**-**	-	**0.16**	0.17	**0.15**	0.19
Add back: Smelter charges and recovery	**1.93**	1.91	**228**	252	**0.12**	0.09	**0.46**	0.40
SME	**$ 16.57**	$ 17.86	**$ 1,269**	$ 1,295	**$ 1.27**	$ 1.27	**$ 1.52**	$ 1.69
LME	**$ 15.80**	$ 16.88	**$ 1,262**	$ 1,286	**$ 0.96**	$ 1.08	**$ 1.24**	$ 1.39

Cost of sales in Fiscal 2019 was $87.3 million compared to $82.2 million in Fiscal 2018. The cost of sales included $62.5 million of cash production cost (Fiscal 2018 - $59.1 million), $4.9 million of mineral resources tax (Fiscal 2018 - $4.8 million), and $20.0 million of depreciation, amortization and depletion charges (Fiscal 2018 - $18.2 million). The increase in cash production costs expensed and amortization charges were mainly due to a 2% increase in production costs and more metals sold. The increase in mineral resources tax was associated with the increase in revenue. The cash production costs expensed in cost of sales represents approximately 893,000 tonnes of ore processed and expensed at a cost of $69.92 per tonne (Fiscal 2018 – approximately 861,000 tonnes at $68.72 per tonne).

Gross profit margin in Fiscal 2019 was 49%, compared to 52% in Fiscal 2018. The decrease was mainly due to the decrease in the realized metal selling prices. Ying Mining District's gross profit margin was 52% compared to 55% in Fiscal 2018. GC Mine's gross profit margin was 35% compared to 36% in Fiscal 2018.

General and administrative expenses were $19.4 million in Fiscal 2019, and increase of 4% compared to $18.7 million in Fiscal 2018. The increase was mainly due to a $0.3 million increase in non-cash stock based compensation expenses and a $1.0 million increase in labour costs, arising primarily from the increase of employees' pay rate as well as an increase in social insurance premium in China, offset by a $0.7 million decrease in discretionary office and administrative expenses. Items included in general and administrative expenses are as follows:

(i) **Amortization expenses** of $1.3 million (Fiscal 2018 - $1.2 million);
(ii) **Office and administrative expenses** of $6.0 million (Fiscal 2018 - $6.7 million);
(iii) **Salaries and benefits** of $9.4 million (Fiscal 2018 - $8.4 million);
(iv) **Stock based compensation expense** of $1.9 million (Fiscal 2018 - $1.6 million); and
(v) **Professional fees** of $0.9 million (Fiscal 2018 - $0.9 million).

Government fees and other taxes were $2.7 million in Fiscal 2019 (Fiscal 2018 - $3.0 million). Government fees and other taxes are comprised of environmental protection fees, surtaxes on value-added tax, land usage levies, stamp duties and other miscellaneous levies, duties and taxes imposed by the state and local Chinese government.

Foreign exchange gain in Fiscal 2019 was $1.4 million compared to foreign exchange loss of $1.6 million in Fiscal 2018. The foreign exchange gain or loss is mainly driven by the fluctuations of the RMB and US dollar against the functional currency of the entities.

Loss on disposal of plant and equipment in Fiscal 2019 was $0.4 million compared to $0.3 million in the prior year. The loss was related to the disposal of obsolete equipment.

Gain on sales of Net Smelter Royalty was $nil in Fiscal 2019 (Fiscal 2018 - $4.3 million). On April 5, 2017, the Company entered into a royalty purchase and sale agreement (the "Agreement") with Maverix Metals Inc. ("Maverix"), a publicly traded Canadian precious metals royalty and streaming company (TSX-V: MMX), to sell its 2.5% net smelter royalty ("NSR") on the Silvertip Mine for

consideration of up to 6,600,000 common shares of Maverix payable as follows:

- 3,800,000 common shares of Maverix on closing of the transaction; and
- 2,800,000 common shares of Maverix once the Silvertip Mine achieves (i) commercial production, and (ii) a cumulative throughput of 400,000 tonnes of ore through the processing plant.

On April 19, 2018, the transaction closed and the Company received a total of 3,800,000 common shares of Maverix valued at $4,319 (CAD$5.8 million) and recognized a gain of $4,319 on the disposal of the NSR.

Share of loss in an associate in Fiscal 2019 was $0.3 million (Fiscal 2018 - $0.7 million). Share of loss in an associate represents the Company's equity pickup in NUAG.

Dilution gain on investment in an associate in Fiscal 2019 was $nil (Fiscal 2017 - $0.8 million). In Fiscal 2018, the Company's equity interest in NUAG was diluted to 29.8% from 32.2%, resulting in a dilution gain of $0.8 million.

Impairment reversal of investment in associate in Fiscal 2019 was $1.9 million (Fiscal 2018 - $4.7 million). Based on the quoted market price of NUAG as at March 31, 2019, using fair value less cost to sell approach, the Company reversed $1.9 million of impairment charges (Fiscal 2018 - $4.7 million) taken in prior years against the carrying value of the Company's investment in NUAG.

Impairment reversal of mineral rights and properties in Fiscal 2019 was $7.3 million (Fiscal 2018 - $nil million). As at March 31, 2019, the carrying amount of the XHP project was remeasured to its recoverable amount, being its fair value less costs of disposal ("FVLCD"), based on the expected proceeds from a share transfer agreement (the "Agreement"), Henan Found, the Company's subsidiary, entered on April 11, less certain debt settlement and estimated costs prior to the closing of the transaction. Pursuant to the Agreement, Henan Found will sell its 100% equity interest in SX Gold, the holding company of the XHP project, to an arm's length private Chinese company, for $7.5 million (RMB ¥50 million). As a result, an impairment reversal of $7.3 million against the XHP project was recorded in Fiscal 2019.

Finance income in Fiscal 2019 was $3.5 million compared to $2.8 million in the prior year. The Company invests in short-term investments which include term deposits, money market instrument, and bonds.

Finance costs in Fiscal 2019 were $0.6 million compared to $0.4 million in the prior year. The finance costs include a $479 provision on unwinding of the discount on environmental rehabilitation estimates (Fiscal 2018 - $449) and $152 interest expense on a bank loan Henan Found drew upon in Fiscal 2019 (Fiscal 2018 - $nil).

Income tax expenses in Fiscal 2019 were $20.9 million, compared to $18.9 million in Fiscal 2018. The income tax expense recorded in Fiscal 2019 included a current income tax expense of $17.8 million (Fiscal 2018 - $16.1 million) and a deferred income tax expense of $3.1 million (Fiscal 2017 - $2.8 million). The current income tax included $5.2 million of withholding tax (Fiscal 2018 - $1.0 million), which was paid at a rate of 10% of dividends and interest distributed out of China.

8. Fourth Quarter Fiscal 2019 Financial Results

(a) Summary of Quarterly Results

The tables below set out selected quarterly results for the past eight quarters:

	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018
Sales	$ 34,952	$ 42,351	$ 48,091	$ 45,125
Gross Profit	16,344	19,303	22,700	24,851
Expenses and foreigh exchange	(6,550)	(3,649)	(6,080)	(4,486)
Impairment reversal	9,178	-	-	
Dilution gain on investment in associate		-	-	
Other Items	445	333	220	311
Net income	19,417	10,853	11,077	14,177
Net income, attributable to the shareholders of the Company	12,107	8,660	8,037	10,921
Basic earnings per share	0.07	0.05	0.05	0.07
Diluted earnings per share	0.07	0.05	0.05	0.06
Cash dividend declared	-	2,112	-	2,095
Cash dividended declared per share	-	0.01	-	0.01

	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017
Sales	$ 38,449	$ 44,352	$ 47,541	$ 39,697
Gross Profit	19,107	23,166	25,606	20,005
Expenses and foreigh exchange	(4,403)	(5,581)	(6,274)	(7,026)
Impairment reversal	4,714	-	-	-
Dilution gain on investment in associate	-	822		
Gain on disposal of NSR	-	-	-	4,320
Other Items	628	1,962	533	236
Net Income	14,713	16,067	14,602	13,514
Net income, attributable to the shareholders of the Company	12,194	12,718	11,145	10,937
Basic earnings per share	0.07	0.08	0.07	0.07
Diluted earnings per share	0.07	0.07	0.07	0.06
Cash dividend declared	-	1,683	-	1,679
Cash dividended declared per share (CAD)	-	0.01	-	0.01

Financial results including sales, gross profit, net income, basic earnings per share, and diluted earnings per share are heavily influenced by changes in commodity prices, particularly, the silver price.

(b) Financial Results – Three months ended March 31, 2019 ("Q4 Fiscal 2019")

Net income attributable to equity shareholders of the Company in Q4 Fiscal 2019 was $12.1 million, or $0.07 per share, compared to $12.2 million, or $0.07 per share in Q4 Fiscal 2018. The adjusted net income attributable to equity shareholders was $4.6 million, or $0.03 per share in Q4 Fiscal 2019 after adjustments of impairment reversal of $9.2 million (Q4 Fiscal 2018 - $4.7 million) compared to $7.5 million or $0.04 per share in Q4 Fiscal 2018.

Compared to the prior year quarter, the Company's consolidated financial results in Q4 Fiscal 2019 were mainly impacted by the following: i) a decrease of 11%, 3%, 18%, and 41% in the net realized selling prices for silver, gold, lead, and zinc, respectively; ii) a 5% decrease in silver and lead sold; iii) a 184% increase in zinc sold; and iii) a 7% decrease in per tonne production costs.

Sales were $35.0 million, down 9%, in Q4 Fiscal 2019, compared to $38.4 million in Q4 Fiscal 2018. The decrease was mainly due to the decrease in net realized selling prices and less silver and lead sold. Silver and gold sales represented $16.7 million and $0.8 million, respectively, while base metals

represented $17.5 million of total sales compared to silver, gold and base metals of $19.8 million, $0.8 million, and $17.9 million, respectively, in the prior year quarter.

Cost of sales was $18.6 million in Q4 Fiscal 2019, compared to $19.3 million in Q4 Fiscal 2018. The cost of sales included $13.0 million of cash production costs (Q4 Fiscal 2018 - $13.3 million), $1.0 million of mineral resource taxes (Q4 Fiscal 2018 - $1.1 million), and $4.6 million of depreciation, amortization and depletion charges (Q4 Fiscal 2018 - $5.0 million).

Gross profit margin decreased to 47% in Q4 Fiscal 2019, compared to 50% in Q4 Fiscal 2018.

General and administrative expenses in Q4 Fiscal were $5.0 million, an increase of $0.3 million or 6%, compared to $4.7 million in Q4 Fiscal 2018. Items included in general and administrative expenses in Q4 Fiscal 2019 are as follows:

(i) **Amortization expenses** of $0.3 million (Q4 Fiscal 2018 - $0.3 million);
(ii) **Office and administrative expenses** of $1.3 million (Q4 Fiscal 2018 - $1.8 million);
(iii) **Salaries and benefits** of $2.5 million (Q4 Fiscal 2018 - $2.1 million);
(iv) **Stock based compensation expense** of $0.5 million (Q4 Fiscal 2018 - $0.4 million); and
(v) **Professional fees** of $0.4 million (Q4 Fiscal 2018 - $0.1 million).

Government fees and other taxes in Q4 Fiscal 2019 were $0.5 million (Q4 Fiscal 2018 - $0.5 million).

Foreign exchange loss was $1.0 million in Q4 Fiscal 2019, compared to a gain of $0.8 million in Q4 Fiscal 2018. The foreign exchange gain or loss is mainly driven by the fluctuation of the RMB and US dollar against the functional currency of the entities.

Loss on disposal of plant and equipment was $13 in Q4 Fiscal 2019, compared to $6 in the prior year quarter. The loss was related to the disposal of obsolete equipment.

Share of loss in an associate in Q4 Fiscal 2019 was $118 (Q4 Fiscal 2018 - $189), representing the Company's equity pickup in NUAG.

Impairment reversal of investment in associate in Q4 Fiscal 2018 was $1.9 million (Q4 Fiscal 2018 -$4.7 million). Based on the quoted market price of NUAG as at March 31, 2019, using fair value less cost to sell approach, the Company reversed $1.9 million in impairment charges taken in prior years against the carrying value of the Company's investment in NUAG.

Impairment reversal of mineral rights and properties in Q4 Fiscal 2019 was $7.3 million (Q4 Fiscal 2018 - $nil million). As at March 31, 2019, the carrying amount of the XHP project was remeasured to its recoverable amount, being its fair value less costs of disposal ("FVLCD"), based on the expected proceeds from a share transfer agreement (the "Agreement"), Henan Found, the Company's subsidiary, entered on April 11, less certain debt settlement and estimated costs prior to the closing of the transaction, Pursuant to the Agreement, Henan Found will sell its 100% equity interest in SX Gold, the holding company of the XHP project, to an arm's length private Chinese company, for $7.5 million (RMB ¥50 million). As a result, an impairment reversal of $7.3 million against the XHP project was recorded in Q4 Fiscal 2019.

Income tax expenses in Q4 Fiscal 2019 were $3.5 million, compared to income tax expenses of $5.3 million in the same period last year. The income tax expenses recorded in Q4 Fiscal 2019 included a current income tax expense of $2.4 million (Q4 Fiscal 2018 - $4.6 million) and a deferred income tax expense of $1.1 (Q4 Fiscal 2018 – $703). The current income tax included $1.2 million withholding tax (Q4 Fiscal 2018 - $1.0 million), which was paid at a rate of 10% for dividends and interest distributed out of China.

9. Liquidity and Capital Resources

Cash and cash equivalents and short-term investments as at March 31, 2019 were $115.3 million, an increase of $9.2 million or 9%, compared to $106.1 million as at March 31, 2018.

Working capital as at March 31, 2019 was $96.9 million, an increase of $6.4 million or 7%, compared to $90.5 million as at March 31, 2018.

Cash flows provided by operating activities in Fiscal 2019 were $67.8 million, slightly lower than the $67.9 million in the prior year. Before changes in non-cash operating working capital, cash flows provided by operating activities in Fiscal 2019 were $67.1 million, a decrease of $3.4 million or 5%, compared to $70.5 million in the prior year, and the decrease was mainly due to the decrease in operating earnings.

In Q4 Fiscal 2019, cash flow provided by operating activities were $6.0 million compared to $2.9 million in Q4 Fiscal 2018. Before changes in non-cash operating working capital, cash flows provided by operating activities in the current quarter were $7.7 million, a decrease of $3.4 million, compared to $11.1 million in the prior year quarter.

Cash flows used in investing activities in Fiscal 2019 were $29.4 million (Fiscal 2018 - $81.7 million), comprising mainly of $24.5 million for capitalized mineral exploration and development expenditures (Fiscal 2018 - $20.9 million), $3.8 million payment for a mineral right fee (Fiscal 2018 - $nil), $6.3 million for the acquisition of plant and equipment (Fiscal 2018 - $6.2 million), $0.1 million for the investment in NUAG (Fiscal 2018 - $23.9 million), and $1.0 million for the acquisition of other investments (Fiscal 2018 - $nil), offset by the net redemption of short-term investment of $6.0 million (Fiscal 2018 – net purchase of $30.8 million).

In Q4 Fiscal 2019, cash flows used in investing activities were $1.1 million (Q4 Fiscal 2018 - $15.5 million), comprising mainly of $4.8 million for capitalized mineral exploration and development expenditure (Q4 Fiscal 2018 - $4.3 million), $3.8 million payment for a mineral right fee (Q4 Fiscal 2018 - $nil), $1.9 million for the acquisition of plant and equipment (Q4 Fiscal 2018 - $1.7 million), $0.1 million for the investment in NUAG (Q4 Fiscal 2018 - $nil million), and $1.0 million for the acquisition of other investments (Q4 Fiscal 2018 - $nil), offset by the net redemption of short-term investment of $10.6 million (Fiscal 2018 – net purchase of $9.5 million).

Cash flows used in financing activities in Fiscal 2019 were $15.2 million, comprising mostly of $13.3 million in distribution to non-controlling shareholders, $1.1 million for the acquisition of non-controlling interests, $3.0 million for a loan to a related party, and $4.2 million of dividends distributed to equity shareholders of the Company, offset by $4.5 million from a bank loan, and $1.9 million from the issuance of common shares of the Company arising from stock options exercised. In Fiscal 2018, cash flows used in financing activities were $14.8 million, comprising mostly of $7.8 million in distribution to non-controlling shareholders, $4.2 million for common shares buyback, and $3.4 million of dividends distributed to equity shareholders of the Company, offset by $0.6 million from the issuance of common shares of the Company arising from stock options exercised.

Cash flows used in financing activities in Q4 Fiscal 2019 were $6.1 million, comprising mostly of $3.3 million in distribution to non-controlling shareholders and $3.0 million for a loan to a related party, offset by $0.2 million from the issuance of common shares of the Company arising from stock options exercised. In Q4 Fiscal 2018, cash used in financing activities were $5.1 million, comprising mostly of $2.9 million in distribution to non-controlling shareholders and $2.4 million for common shares buyback, offset by $0.2 million from the issuance of common shares of the Company arising from stock options exercised.

Contractual commitments and contingencies not disclosed elsewhere in this MD&A are as follows:

	Total	Less than 1 year	1-5 years	After 5 years
Operating leases	$ 2,612	$ 854	$ 1,758	$ -

As of March 31, 2019, the Company has two office rental agreements totaling $2,612 for the next four years. During the year ended March 31, 2019, the Company incurred rental expenses of $798 (year ended March 31, 2018 - $684), which were included in office and administrative expenses on the consolidated statement of income.

Although the Company has taken steps to verify title to properties in which it has an interest, these procedures do not guarantee the Company's title. Property title may be subject to, among other things, unregistered prior agreements or transfers and may be affected by undetected defects.

Due to the size, complexity and nature of the Company's operations, the Company is subject to various claims, legal and tax matters arising in the ordinary course of business. Each of these matters is subject to various uncertainties and it is possible that some of these matters may be resolved unfavorably to the Company. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated.

In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

Available sources of funding

The Company does not have unlimited resources and its future capital requirements will depend on many factors, including, among others, cash flow from operations. To the extent that its existing resources and the funds generated by future income are insufficient to fund the Company's operations, the Company may need to raise additional funds through public or private debt or equity financing. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced, and such equity securities may have rights, preferences or privileges senior to those of the holders of the Company's common stock. No assurance can be given that additional financing will be available or that, if available, can be obtained on terms favourable to the Company and its shareholders. If adequate funds are not available, the Company may be required to delay, limit or eliminate some or all of its proposed operations. The Company believes it has sufficient capital to meet its cash needs for the next 12 months, including the cost of compliance with continuing reporting requirements.

10. Financial Instruments and Related Risks

The Company manages its exposure to financial risks, including liquidity risk, foreign exchange risk, interest rate risk, credit risk, and equity price risk in accordance with its risk management framework. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

(a) Fair value

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 13, Fair Value Measurement ("IFRS 13").

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

The following tables set forth the Company's financial assets and liabilities that are measured at fair value level on a recurring basis within the fair value hierarchy at March 31, 2019 and March 31, 2018 that are not otherwise disclosed. As required by IFRS 13, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Fair value as at March 31, 2019			
Recurring measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Cash and cash equivalents	**$ 67,441**	**$ -**	**$ -**	**$ 67,441**
Short-term investments - money market instruments	**22,850**	**-**	**-**	**22,850**
Investments in publicly traded companies	**9,253**	**-**	**-**	**9,253**

	Fair value as at March 31, 2018			
Recurring measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	$ 49,199	$ -	$ -	$ 49,199
Investments in publicly traded companies	6,132	-	-	6,132

Fair value of the other financial instruments excluded from the tables above approximates their carrying amount as of March 31, 2019 and March 31, 2018, respectively, due to the short-term nature of these instruments.

There were no transfers into or out of Level 3 during the year ended March 31, 2019 and 2018.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its short-term business requirements. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansion plans.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following summarizes the remaining contractual maturities of the Company's financial liabilities.

	March 31, 2019				March 31, 2018
	Within a year	**2-3 years**	**4-5 years**	**Total**	Total
Bank loan	**$ 4,475**	**$ -**	**$ -**	**$ 4,475**	$ -
Accounts payable and accrued liabilities	**29,856**	**-**	**-**	**29,856**	25,198

(c) Foreign exchange risk

The Company reports its financial statements in US dollars. The functional currency of the head office, Canadian subsidiaries and all intermediate holding companies is CAD and the functional currency of all Chinese subsidiaries is RMB. The Company is exposed to foreign exchange risk when the Company undertakes transactions and holds assets and liabilities in currencies other than its functional currencies.

The Company currently does not engage in foreign exchange currency hedging. The Company's exposure to currency risk that may affect net income is summarized as follow:

	March 31, 2019	March 31, 2018
Financial assets denominated in U.S. Dollars	**$ 45,912**	$ 27,256

As at March 31, 2019, with other variables unchanged, a 10% strengthening (weakening) of the CAD against the USD would have decreased (increased) net income by approximately $4.6 million.

(d) Interest rate risk

The Company is exposed to interest rate risk on its cash equivalents, short term investments, and bank loan payable. As at March 31, 2019, all of its interest-bearing cash equivalents and short-term investments earn interest at market rates that are fixed to maturity or at variable interest rate with

terms of less than one year. The Company monitors its exposure to changes in interest rates on cash equivalents and short-term investments. Due to the short-term nature of the financial instruments, fluctuations in interest rates would not have a significant impact on the Company's after-tax net income.

The outstanding bank loan is subject to Chinese prevailing loan prime interest rate. If the prime interest rate increased (decreased) by 100 basis points, interest expenses would be increased (decreased) by approximately $0.5 million per annum.

(e) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk primarily associated to accounts receivable, due from related parties, cash and cash equivalents and short-term investments. The carrying amount of assets included on the balance sheet represents the maximum credit exposure.

The Company undertakes credit evaluations on counterparties as necessary, requests deposits from customers prior to delivery, and has monitoring processes intended to mitigate credit risks.

The Company has no trade receivables from customers as at March 31, 2019. There were no amounts in other receivables which were past due at March 31, 2019 (at March 31, 2018 - $nil) for which no provision is recognized.

(f) Equity price risk

The Company holds certain marketable securities that will fluctuate in value as a result of trading on Canadian financial markets. As the Company's marketable securities holdings are mainly in mining companies, the value will also fluctuate based on commodity prices. Based upon the Company's portfolio as at March 31, 2019, a 10% increase (decrease) in the market price of the securities held, ignoring any foreign currency effects, would have resulted in an increase (decrease) to comprehensive income of approximately $925.

11. Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

12. Transactions with Related Parties

Related party transactions are made on terms agreed upon with the related parties. The balances with related parties are unsecured. Related party transactions not disclosed elsewhere in this MD&A are as follows: (a) *Due from related parties*

Due from related parties		**March 31, 2019**		March 31, 2018
NUAG (i)	**$**	**33**	$	11
Henan Non-ferrous (ii)		**2,989**		-
	$	**3,022**	$	11

(i) According to a services and administrative costs reallocation agreement between the Company and NUAG, the Company recovers costs for services rendered to NUAG and expenses incurred on behalf of NUAG. During the year ended March 31, 2019, the Company recovered $225 (year ended March 31, 2018 - $433) from NUAG for services rendered and expenses incurred on behalf of NUAG. The costs recovered from NUAG were recorded as a direct reduction of general and administrative expenses on the consolidated statements of income.

(ii) During the year ended March 31, 2019, Henan Found lent Henan Non-ferrous a loan of $2,989 (RMB¥20.0 million). The loan has a term of six months and bears an interest rate of 4.35% oer annum.

(b) *Transactions with key management personnel*

The remuneration of directors and other members of key management personnel, who are those having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, for the years ended March 31, 2019 and 2018 were as follows:

	Years Ended March 31,	
	2019	2018
Directors' fees and bonus	**$ 256**	$ 168
Salaries and bonus for key management personnel	**2,498**	2,656
Share-based compensation	**725**	981
	$ 3,479	$ 3,805

Share-based compensation was measured at grant date fair value.

13. Alternative Performance (Non-IFRS) Measures

The following alternative performance measures are used by the Company to manage and evaluate operating performance of the Company's mines and are widely reported in the silver mining industry as benchmarks for performance, but do not have standardized meaning. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. To facilitate a better understanding of these measures, the following tables provide the reconciliation of these measures to the financial statements for the years ended March 31, 2019 and 2018.

(a) Adjusted Net Income and Adjusted Earnings per Share

Adjusted net income and adjusted earnings per share are non-IFRS measures that the Company considers to better reflect normalized earnings as it eliminates items that may be volatile from period to period, relate to positions that will settle in future periods. Certain items that become applicable in a period may be adjusted for, with the Company retroactively presenting comparable periods with an adjustment for such items and, conversely, items no longer applicable may be removed from the calculation. The Company adjusts certain items in the periods that they occurred but does not reverse or otherwise unwind the effect of such items in future periods. Neither adjusted net income nor adjusted earnings per share have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measure presented by other companies. The following table shows a reconciliation of adjusted net income and loss for three and twelve months ended March 31, 2019 and 2018 to the net income for each period.

	Three monthns ended March 31,		Year ended March 31,	
('000s US$)	**2019**	2018	**2019**	**2018**
Net income as reported	**$ 15,940**	$ 14,713	**$ 52,047**	$ 58,896
Adjust dilution gain on investment in associate	**-**	-	**-**	(822)
Adjust impairment reversal of investment in associate	**(1,899)**	(4,714)	**(1,899)**	(4,714)
Adjust impairment reversal of mineral rights and properties	**(7,279)**	-	**(7,279)**	-
Adjusted net income	**$ 6,762**	$ 9,999	**$ 42,869**	$ 53,360
Non-controlling interest as reported	**3,833**	2,519	**12,323**	11,902
Adjustments to non-controlling interest	**(1,637)**	-	**(1,637)**	-
Adjusted non-controlling interest	**2,196**	2,519	**10,686**	11,902
Adjusted net income attributable to equity holders	**$ 4,566**	$ 7,480	**$ 32,183**	$ 41,458
Adjusted earnings per share attributable to the equity shareholders of the Company				
Basic adjusted earning per share	**$ 0.03**	$ 0.04	**$ 0.19**	$ 0.25
Diluted adjusted earning per share	**$ 0.03**	$ 0.04	**$ 0.19**	$ 0.24
Basic weighted average shares outstanding	**169,705,269**	167,374,757	**168,483,412**	167,848,117
Basic adjusted earnings per share	**170,645,002**	171,756,605	**170,386,993**	171,405,904

(b) Cash and Total Cost per Ounce

Cash and total cost per ounce of silver are used by the Company to manage and evaluate operating performance at each of the Company's operating mining units, and are widely reported in the mining industry as benchmarks for performance. The Company believes these measures provide investors and analysts with useful information about the Company's underlying cash cost of operations and the impact of by-product credits on the Company's cost structure, operating profitability and ability to generate cash flows. Cash and total cost on a by-product basis are calculated by deducting revenue from the sales of by-product metals from the Company's cash and total cost of sales.

The following table provides a reconciliation of cash and total cost per ounce of silver, net of by-product credits.

Year ended March 31, 2019				
		Ying Mining District	GC	Total
Cost of sales		$ 68,346	$ 18,976	$ 87,322
Less: mineral resources tax		(3,993)	(871)	(4,864)
Total production costs expensed into cost of sales	**A**	64,353	18,105	82,458
Less: Amortization and depletion		(16,857)	(3,140)	(19,997)
Total cash production cost expensed into cost of sales	**B**	47,496	14,965	62,461
By-product sales				
Gold		(3,642)	-	(3,642)
Lead		(55,739)	(8,372)	(64,111)
Zinc		(6,305)	(14,349)	(20,654)
Other		(1,095)	(363)	(1,458)
Total by-product sales	**C**	(66,781)	(23,084)	(89,865)
Silver ounces sold ('000s)	**D**	5,764	626	6,390
Total production cost per ounce of silver, net of by-product credits	**(A+C)/D**	$ (0.42)	$ (7.95)	$ (1.16)
Total cash cost per ounce of silver, net of by-product credits	**(B+C)/D**	$ (3.35)	$ (12.97)	$ (4.29)
Total production cost per ounce of silver, before by-product credits	**A/D**	$ 11.16	$ 28.92	$ 12.90
Total cash cost per ounce of silver, before by-product credits	**B/D**	$ 8.24	$ 23.91	$ 9.77
By-product credits per ounce of silver				
Gold		$ (0.63)	$ -	$ (0.57)
Lead		(9.67)	(13.37)	(10.03)
Zinc		(1.09)	(22.92)	(3.23)
Other		(0.19)	(0.58)	(0.23)
Total by-product credits per ounce of silver		$ (11.58)	$ (36.87)	$ (14.06)

Year ended March 31, 2018				
		Ying Mining District	GC	Total
Cost of sales		$ 64,321	$ 17,834	$ 82,155
Less: mineral resources tax		(3,927)	(837)	(4,764)
Total production costs expensed into cost of sales	A	60,394	16,997	77,391
Amortization and depletion		(15,251)	(2,996)	(18,247)
Total cash production cost expensed into cost of sales	B	45,143	14,001	59,144
By-product sales				
Gold		(3,232)	-	(3,232)
Lead		(55,488)	(6,763)	(62,251)
Zinc		(7,000)	(14,462)	(21,462)
Other		(502)	(238)	(740)
Total by-product sales	C	(66,222)	(21,463)	(87,685)
Silver ounces sold ('000s)	D	5,437	603	6,040
Total production cost per ounce of silver, net of by-product credits	(A+C)/D	$ (1.07)	$ (7.41)	$ (1.70)
Total cash cost per ounce of silver, net of by-product credits	(B+C)/D	$ (3.88)	$ (12.37)	$ (4.73)
Total production cost per ounce of silver, before by-product credits	A/D	$ 11.11	$ 28.19	$ 12.81
Total cash cost per ounce of silver, before by-product credits	B/D	$ 8.30	$ 23.22	$ 9.79
By-product credits per ounce of silver				
Gold		$ (0.59)	$ -	$ (0.54)
Lead		(10.21)	(11.22)	(10.31)
Zinc		(1.29)	(23.98)	(3.55)
Other		(0.09)	(0.39)	(0.12)
Total by-product credits per ounce of silver		$ (12.18)	$ (35.59)	$ (14.52)

Three months ended March 31, 2019				
		Ying Mining District	**GC**	**Total**
Cost of sales		**$ 13,534**	**$ 5,075**	**$ 18,609**
Less: mineral resources tax		**(782)**	**(221)**	**(1,003)**
Total production costs expensed into cost of sales	**A**	**12,752**	**4,854**	**17,606**
Less: Amortization and depletion		**(3,749)**	**(852)**	**(4,601)**
Total cash production cost expensed into cost of sales	**B**	**9,003**	**4,002**	**13,005**
By-product sales				
Gold		**(759)**	**-**	**(759)**
Lead		**(9,318)**	**(2,102)**	**(11,420)**
Zinc		**(2,028)**	**(3,501)**	**(5,529)**
Other		**(344)**	**(168)**	**(512)**
Total by-product sales	**C**	**(12,449)**	**(5,771)**	**(18,220)**
Silver ounces sold ('000s)	**D**	**1,141**	**173**	**1,314**
Total production cost per ounce of silver, net of by-product credits	**(A+C)/D**	**$ 0.27**	**$ (5.30)**	**$ (0.47)**
Total cash cost per ounce of silver, net of by-product credits	**(B+C)/D**	**$ (3.02)**	**$ (10.23)**	**$ (3.97)**
Total production cost per ounce of silver, before by-product credits	**A/D**	**$ 11.18**	**$ 28.06**	**$ 13.40**
Total cash cost per ounce of silver, before by-product credits	**B/D**	**$ 7.89**	**$ 23.13**	**$ 9.90**
By-product credits per ounce of silver				
Gold		**$ (0.67)**	**$ -**	**$ (0.58)**
Lead		**(8.17)**	**(12.15)**	**(8.69)**
Zinc		**(1.78)**	**(20.24)**	**(4.21)**
Other		**(0.30)**	**(0.97)**	**(0.39)**
Total by-product credits per ounce of silver		**$ (10.92)**	**$ (33.36)**	**$ (13.87)**

Three months ended March 31, 2018				
		Ying Mining District	GC	Total
Cost of sales		$ 16,867	$ 2,475	$ 19,342
Less: mineral resources tax		(977)	(103)	(1,080)
Total production costs expensed into cost of sales	A	15,890	2,372	18,262
Amortization and depletion		(4,437)	(518)	(4,955)
Total cash production cost expensed into cost of sales	B	11,453	1,854	13,307
By-product sales				
Gold		(784)	-	(784)
Lead		(13,760)	(815)	(14,575)
Zinc		(1,396)	(1,914)	(3,310)
Other		(7)	(4)	(11)
Total by-product sales	C	(15,947)	(2,733)	(18,680)
Silver ounces sold ('000s)	D	1,319	63	1,382
Total production cost per ounce of silver, net of by-product credits	(A+C)/D	$ (0.04)	$ (5.73)	$ (0.30)
Total cash cost per ounce of silver, net of by-product credits	(B+C)/D	$ (3.41)	$ (13.95)	$ (3.89)
Total production cost per ounce of silver, before by-product credits	A/D	$ 12.05	$ 37.65	$ 13.21
Total cash cost per ounce of silver, before by-product credits	B/D	$ 8.68	$ 29.43	$ 9.63
By-product credits per ounce of silver				
Gold		$ (0.59)	$ -	$ (0.57)
Lead		(10.43)	(12.94)	(10.55)
Zinc		(1.06)	(30.38)	(2.40)
Other		(0.01)	(0.06)	(0.01)
Total by-product credits per ounce of silver		$ (12.09)	$ (43.38)	$ (13.53)

(c) All-in & All-in Sustaining Cost per Ounce of Silver

All-in sustaining cost ("AISC") per ounce and all-in cost ("AIC") per ounce of silver are non-IFRS measures calculated based on guidance developed by the World Gold Council in an effort to provide a comparable standard within the precious metal industry. These measures do not have standardized meaning and should not be considered in isolation or as a substitute for measures of performance prepared in accordance to IFRS. These measures are used by the Company to manage and evaluate operating performance at each of the Company's mining units and consolidated group and are widely reported in the silver mining industry as a benchmark for performance.

AISC is an extension of the "cash cost" metric and provides a comprehensive measure of the Company's operating performance and ability to generate cash flows. AISC is based on the Company's cash production cost, net of by-product sales, and further includes corporate, general and administrative expenses, government fees and other taxes, reclamation cost accretion, and sustaining capital expenditures. The Company believes that this measure represents the total sustainable cost of producing silver from current operations.

AIC further extends the AISC metric by including non-sustaining expenditures, mainly investment capital expenditures, which are deemed expansionary in nature that result in an increase in asset life, expanded mineral resources and reserves, or higher capacity and productivity.

The following tables provide a detailed reconciliation of these measures for the periods presented:

Year ended March 31, 2019		Ying Mining District	BYP	GC	Developing Projects	Corporate	Total
Cost of sales (as reported)		$ 68,346	$ -	$ 18,976	$ -	$ -	$ 87,322
Depreciation, amortization and depletion		(16,857)	-	(3,140)	-	-	(19,997)
By-products credits		(66,781)	-	(23,084)	-	-	(89,865)
Total cash cost, net of by-product credits		(15,292)	-	(7,248)	-	-	(22,540)
General & administrative		5,950	819	1,969	828	9,861	19,427
Amortization included in general & administrative		(437)	(309)	(314)	(30)	(162)	(1,252)
Government fees and other taxes		1,980	36	621	26	36	2,699
Reclamation accretion		400	36	32	11	-	479
Sustaining capital		22,411	-	1,007	-	275	23,693
All-in sustaining cost, net of by-product credits	**A**	$ 15,012	$ 582	$ (3,933)	$ 835	$ 10,010	$ 22,506
Non-sustaining expenditures		9,766	127	495	482	-	10,870
All-in cost, net of by-product credits	**B**	$ 24,778	$ 709	$ (3,438)	$ 1,317	$ 10,010	$ 33,376
Ounces of silver sold	**C**	5,764	-	626	-	-	6,390
All-in sustaining cost per ounce of silver, net of by-product credits	**A/C**	$ 2.60	$ -	$ (6.28)	$ -	$ -	$ 3.52
All-in cost per ounce of silver, net of by-product credits	**B/C**	$ 4.30	$ -	$ (5.49)	$ -	$ -	$ 5.22

Year ended March 31, 2018		Ying Mining District	BYP	GC	Developing Projects	Corporate	Total
Cost of sales (as reported)		$ 64,321	$ -	$ 17,834	$ -	$ -	$ 82,155
Depreciation, amortization and depletion		(15,251)	-	(2,996)	-	-	(18,247)
By-products credits		(66,222)	-	(21,463)	-	-	(87,685)
Total cash cost, net of by-product credits		(17,152)	-	(6,625)	-	-	(23,777)
General & administrative		5,764	1,249	2,152	671	8,849	18,685
Amortization included in general & administrative		(413)	(317)	(267)	-	(199)	(1,196)
Government fees and other taxes		2,356	7	573	1	34	2,971
Reclamation accretion		374	34	30	11	-	449
Sustaining capital		20,165	38	1,910	258	277	22,648
All-in sustaining cost, net of by-product credits	A	$ 11,094	$ 1,011	$ (2,227)	$ 941	$ 8,961	$ 19,780
Non-sustaining expenditures		3,704	14	488	246	-	4,452
All-in cost, net of by-product credits	B	$ 14,798	$ 1,025	$ (1,739)	$ 1,187	$ 8,961	$ 24,232
Ounces of silver sold	C	5,437	-	603	-	-	6,040
All-in sustaining cost per ounce of silver, net of by-product credits	A/C	$ 2.04	$ -	$ (3.69)	$ -	$ -	$ 3.27
All-in cost per ounce of silver, net of by-product credits	B/C	$ 2.72	$ -	$ (2.88)	$ -	$ -	$ 4.01

Three month ended March 31, 2019		Ying Mining District	BYP	GC	Developing Projects	Corporate	Total
Cost of sales (as reported)		$ 13,534	$ -	$ 5,075	$ -	$ -	$ 18,609
Depreciation, amortization and depletion		(3,749)	-	(852)	-	-	(4,601)
By-products credits		(12,449)	-	(5,771)	-	-	(18,220)
Total cash cost, net of by-product credits		(2,664)	-	(1,548)	-	-	(4,212)
General & administrative		1,500	193	466	118	2,734	5,011
Amortization included in general & administrative		(111)	(77)	(79)	(30)	(43)	(340)
Government fees and other taxes		385	3	91	26	-	505
Reclamation accretion		101	9	8	3	-	121
Sustaining capital		4,531	-	202	-	77	4,810
All-in sustaining cost, net of by-product credits	**A**	$ 3,742	$ 128	$ (860)	$ 117	$ 2,768	$ 5,895
Non-sustaining expenditures		5,831	70	90	57	-	6,048
All-in cost, net of by-product credits	**B**	$ 9,573	$ 198	$ (770)	$ 174	$ 2,768	$ 11,943
Ounces of silver sold	**C**	1,141	-	173	-	-	1,314
All-in sustaining cost per ounce of silver, net of by-product credits	**A/C**	$ 3.28	$ -	$ (4.97)	$ -	$ -	$ 4.49
All-in cost per ounce of silver, net of by-product credits	**B/C**	$ 8.39	$ -	$ (4.45)	$ -	$ -	$ 9.09

Three months ended March 31, 2018		Ying Mining District	BYP	GC	Developing Projects	Corporate	Total
Cost of sales (as reported)		$ 16,867	$ -	$ 2,475	$ -	$ -	$ 19,342
Depreciation, amortization and depletion		(4,438)	-	(518)	-	-	(4,956)
By-products credits		(15,947)	-	(2,733)	-	-	(18,680)
Total cash cost, net of by-product credits		(3,518)	-	(776)	-	-	(4,294)
General & administrative		1,582	308	489	214	2,134	4,727
Amortization included in general & administrative		(109)	(82)	(79)	-	(41)	(311)
Government fees and other taxes		513	1	23	-	1	538
Reclamation accretion		99	9	8	4	-	120
Sustaining capital		3,261	-	47	14	96	3,418
All-in sustaining cost, net of by-product credits	A	$ 1,828	$ 236	$ (288)	$ 232	$ 2,190	$ 4,198
Non-sustaining expenditures		1,874	14	453	246	-	2,587
All-in cost, net of by-product credits	B	$ 3,702	$ 250	$ 165	$ 478	$ 2,190	$ 6,785
Ounces of silver sold	C	1,319	-	63	-	-	1,382
All-in sustaining cost per ounce of silver, net of by-product credits	A/C	$ 1.39	$ -	$ (4.57)	$ -	$ -	$ 3.04
All-in cost per ounce of silver, net of by-product credits	B/C	$ 2.81	$ -	$ 2.62	$ -	$ -	$ 4.91

(d) Average Production Cost

The Company assesses average production cost as the total production cost on a co-product basis. This is calculated by allocating the Company's total cost of sales to each co-product based on the ratio of actual sales volumes multiplied by realized sales prices. The following table provides a reconciliation of average production cost for the periods presented:

		Year ended March 31, 2019			March ended March 31, 2018		
		Ying Mining District	GC	Total	Ying Mining District	GC	Total
Cost of slaes		**$ 68,346**	**$ 18,976**	**$ 87,322**	$ 64,321	$ 17,834	$ 82,155
Less: mineral resources tax		**(3,993)**	**(871)**	**(4,864)**	(3,927)	(837)	(4,764)
Production costs expensed in cost of sales	**A**	**64,353**	**18,105**	**82,458**	60,394	16,997	77,391
Metals revenue (in thousands of US$)							
Silver	**B**	**74,702**	**5,952**	**80,654**	75,891	6,463	82,354
Gold	**C**	**3,642**	**-**	**3,642**	3,232	-	3,232
Lead	**D**	**55,739**	**8,372**	**64,111**	55,488	6,763	62,251
Zinc	**E**	**6,305**	**14,349**	**20,654**	7,000	14,462	21,462
Other	**F**	**1,095**	**363**	**1,458**	502	238	740
	G	**141,483**	**29,036**	**170,519**	142,113	27,926	170,039
Metals sold							
Silver (in thousands of ounces)	**H**	**5,764**	**626**	**6,390**	5,437	603	6,040
Gold (in thousands of ounces)	**I**	**3.5**	**-**	**3.5**	3.1	-	3.1
Lead (in thousands of pounds)	**J**	**56,138**	**8,650**	**64,788**	55,180	6,754	61,934
Zinc (in thousands of pounds)	**K**	**6,626**	**16,090**	**22,716**	6,136	13,433	19,569
Other (in thousands of pounds)	**L**	**1,122**	**7,376**	**8,498**	524	16,276	16,800
Average production cost ($/unit)							
Silver	**B/G*A/H**	**$ 5.89**	**$ 5.93**	**$ 6.10**	$ 5.93	$ 6.52	$ 6.21
Gold	**C/G*A/I**	**$ 473**	**$ -**	**$ 503**	$ 443	$ -	$ 475
Lead	**D/G*A/J**	**$ 0.45**	**$ 0.60**	**$ 0.48**	$ 0.43	$ 0.61	$ 0.46
Zinc	**E/G*A/K**	**$ 0.43**	**$ 0.56**	**$ 0.44**	$ 0.48	$ 0.66	$ 0.50
Other	**F/G*A/L**	**$ 0.44**	**$ 0.03**	**$ 0.08**	$ 0.41	$ 0.01	$ 0.02

		Three months ended March 31, 2019			Three months ended March 31, 2018		
		Ying Mining District	GC	Total	Ying Mining District	GC	Total
Cost of slaes		$ 13,534	$ 5,075	$ 18,609	$ 16,867	$ 2,475	$ 19,342
Less: mineral resources tax		(782)	(221)	(1,003)	(977)	(103)	(1,080)
Production costs expensed in cost of sales	**A**	12,752	4,854	17,606	15,890	2,372	18,262
Metals revenue (in thousands of US$)							
Silver	**B**	15,137	1,595	16,732	19,041	728	19,769
Gold	**C**	759	-	759	784	-	784
Lead	**D**	9,318	2,102	11,420	13,760	815	14,575
Zinc	**E**	2,028	3,501	5,529	1,396	1,914	3,310
Other	**F**	344	168	512	7	4	11
	G	27,586	7,366	34,952	34,988	3,461	38,449
Metals sold							
Silver (in thousands of ounces)	**H**	1,141	173	1,314	1,319	63	1,382
Gold (in thousands of ounces)	**I**	0.7	-	0.7	0.7	-	0.7
Lead (in thousands of pounds)	**J**	10,310	2,360	12,670	12,649	688	13,337
Zinc (in thousands of pounds)	**K**	2,464	4,874	7,338	1,106	1,479	2,585
Other (in thousands of pounds)	**L**	380	1,999	2,379	94	4,054	4,148
Average production cost ($/unit)							
Silver	**B/G*A/H**	$ 6.13	$ 6.08	$ 6.41	$ 6.56	$ 7.92	$ 6.79
Gold	**C/G*A/I**	$ 501	$ -	$ 546	$ 508.65	$ -	$ 531.96
Lead	**D/G*A/J**	$ 0.42	$ 0.59	$ 0.45	$ 0.49	$ 0.81	$ 0.52
Zinc	**E/G*A/K**	$ 0.38	$ 0.47	$ 0.38	$ 0.57	$ 0.89	$ 0.61
Other	**F/G*A/L**	$ 0.42	$ 0.06	$ 0.11	$ 0.03	$ -	$ -

(e) Production Cost per Tonne

Year ended March 31, 2019		**Ying Mining District**	**GC**	**Other**	**Consolidated**
Cost of sales		$ 68,346	$ 18,976	$ -	$ 87,322
Less: mineral resources tax		(3,993)	(871)	-	(4,864)
Less: stockpile and concentrate inventory - Beginning		(5,353)	(340)	(891)	(6,584)
Add: stockpile and concentrate inventory - Ending		5,947	213	834	6,994
Adjustment for foreign exchange movement		322	20	57	399
Total production costs		$ 65,269	$ 17,998	$ -	$ 83,267
Non-cash mining costs	**A**	15,438	2,361	-	17,799
Non-cash milling costs	**B**	1,333	756	-	2,089
Total non-cash production costs		$ 16,771	$ 3,117	$ -	$ 19,888
Cash mining costs	**C**	39,468	10,723	-	50,191
Shipping costs	**D**	2,565	-	-	2,565
Cash milling costs	**E**	6,464	4,158	-	10,622
Total cash production costs		$ 48,497	$ 14,881	$ -	$ 63,378
Ore mined ('000s)	**F**	622.576	284.218	-	906.794
Ore shipped ('000s)	**G**	607.134	284.218	-	891.352
Ore milled ('000s)	**H**	619.851	288.995	-	908.846
Per tonne Production costs					
Non-cash mining costs ($/tonne)	**I=A/F**	24.80	8.31	-	19.63
Non-cash milling costs ($/tonne)	**J=B/H**	2.15	2.62	-	2.30
Non-cash production costs ($/tonne)	**K=I+J**	$ 26.95	$ 10.93	$ -	$ 21.93
Cash mining costs ($/tonne)	**L=C/F**	63.39	37.73	-	55.35
Shipping costs ($/tonne)	**M=D/G**	4.22	-	-	2.88
Cash milling costs ($/tonne)	**N=E/H**	10.43	14.39	-	11.69
Cash production costs ($/tonne)	**0=L+M+N**	$ 78.04	$ 52.12	$ -	$ 69.92
Total production costs ($/tonne)	**P=K+O**	$ 104.99	$ 63.05	$ -	$ 91.85

Year ended March 31, 2018		Ying Mining District	GC	Other	Consolidated
Cost of sales		$ 64,321	$ 17,834	$ -	$ 82,155
Less: mineral resources tax		(3,927)	(837)	-	(4,764)
Less: stockpile and concentrate inventory - Beginning		(3,514)	(1,358)	(814)	(5,686)
Add: stockpile and concentrate inventory - Ending		5,353	340	891	6,584
Adjustment for foreign exchange movement		(567)	(58)	(77)	(702)
Total production costs		$ 61,666	$ 15,922	$ -	$ 77,587
Non-cash mining costs	A	14,208	2,027	-	16,235
Non-cash milling costs	B	1,373	842	-	2,215
Total non-cash production costs		$ 15,581	$ 2,869	$ -	$ 18,450
Cash mining costs	C	37,743	9,211	-	46,954
Shipping costs	D	2,471	-	-	2,471
Cash milling costs	E	5,871	3,842	-	9,713
Total cash production costs		$ 46,085	$ 13,053	$ -	$ 59,138
Ore mined ('000s)	F	614.141	245.783	-	859.924
Ore shipped ('000s)	G	616.410	245.783	-	862.193
Ore milled ('000s)	H	618.732	244.338	-	863.070
Per tonne Production costs					
Non-cash mining costs ($/tonne)	I=A/F	23.13	8.25	-	18.88
Non-cash milling costs ($/tonne)	J=B/H	2.22	3.45	-	2.57
Non-cash production costs ($/tonne)	K=I+J	$ 25.35	$ 11.70	$ -	$ 21.45
Cash mining costs ($/tonne)	L=C/F	61.46	37.48	-	54.60
Shipping costs ($/tonne)	M=D/G	4.01	-	-	2.87
Cash milling costs ($/tonne)	N=E/H	9.49	15.72	-	11.25
Cash production costs ($/tonne)	0=L+M+N	$ 74.96	$ 53.20	$ -	$ 68.72
Total production costs ($/tonne)	P=K+O	$ 100.31	$ 64.90	$ -	$ 90.17

Three months ended March 31, 2019		**Ying Mining District**	**GC**	**Other**	**Consolidated**
Cost of sales		**$ 13,534**	**5,075**	**$ -**	**$ 18,609**
Less: mineral resources tax		**(782)**	**(221)**		**(1,003)**
Less: stockpile and concentrate inventory - Beginning		**(5,748)**	**(600)**	**(815)**	**(7,163)**
Add: stockpile and concentrate inventory - Ending		**5,947**	**213**	**834**	**6,994**
Adjustment for foreign exchange movement		**(430)**	**(796)**	**(19)**	**(1,245)**
Total production costs		**$ 12,521**	**$ 3,671**	**$ -**	**$ 16,192**
Non-cash mining costs	**A**	**3,178**	**481**	**-**	**3,659**
Non-cash milling costs	**B**	**319**	**168**	**-**	**487**
Total non-cash production costs		**$ 3,497**	**$ 649**	**$ -**	**$ 4,146**
Cash mining costs	**C**	**7,244**	**2,044**	**-**	**9,288**
Shipping costs	**D**	**436**	**-**	**-**	**436**
Cash milling costs	**E**	**1,345**	**979**	**-**	**2,324**
Total cash production costs		**$ 9,025**	**$ 3,023**	**$ -**	**$ 12,048**
Ore mined ('000s)	**F**	**111.032**	**50.368**	**-**	**161.399**
Ore shipped ('000s)	**G**	**109.793**	**50.368**	**-**	**160.161**
Ore milled ('000s)	**H**	**107.039**	**52.865**	**-**	**159.904**
Per tonne Production costs					
Non-cash mining costs ($/tonne)	**I=A/F**	**28.62**	**9.55**	**-**	**22.67**
Non-cash milling costs ($/tonne)	**J=B/H**	**2.98**	**3.18**	**-**	**3.05**
Non-cash production costs ($/tonne)	**K=I+J**	**$ 31.60**	**$ 12.73**	**$ -**	**$ 25.72**
Cash mining costs ($/tonne)	**L=C/F**	**65.24**	**40.58**	**-**	**57.55**
Shipping costs ($/tonne)	**M=D/G**	**3.97**	**-**	**-**	**2.72**
Cash milling costs ($/tonne)	**N=E/H**	**12.57**	**18.52**	**-**	**14.53**
Cash production costs ($/tonne)	**0=L+M+N**	**$ 81.78**	**$ 59.10**	**$ -**	**$ 74.80**
Total production costs ($/tonne)	**P=K+O**	**$ 113.38**	**$ 71.83**	**$ -**	**$ 100.52**

Three months ended March 31, 2018		Ying Mining District	GC	Other	Consolidated
Cost of sales		$ 16,867	$ 2,475	$ -	$ 19,342
Less: mineral resources tax		(977)	(103)	-	(1,080)
Less: stockpile and concentrate inventory - Beginning		(823)	(109)	(842)	(1,774)
Add: stockpile and concentrate inventory - Ending		5,353	340	861	6,554
Adjustment for foreign exchange movement		(193)	(34)	(19)	(246)
Total production costs		$ 12,828	$ 2,569	$ -	$ 22,796
Non-cash mining costs	A	3,065	340	-	3,405
Non-cash milling costs	B	360	219	-	579
Total non-cash production costs		$ 3,425	$ 559	$ -	$ 3,984
Cash mining costs	C	7,499	1,352	-	8,851
Shipping costs	D	490	-	-	490
Cash milling costs	E	1,414	658	-	2,072
Total cash production costs		$ 9,403	$ 2,010	$ -	$ 11,413
Ore mined ('000s)	F	113.820	29.442	-	143.262
Ore shipped ('000s)	G	112.023	29.442	-	141.465
Ore milled ('000s)	H	112.285	26.252	-	139
Per tonne Production costs					
Non-cash mining costs ($/tonne)	I=A/F	26.93	11.55	-	23.77
Non-cash milling costs ($/tonne)	J=B/H	3.21	8.34	-	4.18
Non-cash production costs ($/tonne)	K=I+J	$ 30.14	$ 19.89	$ -	$ 27.95
Cash mining costs ($/tonne)	L=C/F	65.88	45.92	-	61.78
Shipping costs ($/tonne)	M=D/G	4.37	-	-	3.46
Cash milling costs ($/tonne)	N=E/H	12.59	25.07	-	14.96
Cash production costs ($/tonne)	0=L+M+N	$ 82.84	$ 70.99	$ -	$ 80.20
Total production costs ($/tonne)	P=K+O	$ 112.98	$ 90.88	$ -	$ 108.15

14. Critical Accounting Policies, Judgments, and Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported on the consolidated financial statements. These critical accounting estimates represent management estimates and judgements that are uncertain and any changes in these estimates could materially impact the Company's consolidated financial statements. Management continuously reviews its estimates and assumptions using the most current information available. The Company's critical accounting policies, judgements and estimates are described in Note 2 of the audited consolidated financial statements for the year ended March 31, 2019.

15. New Accounting Standards

(a) Adoption of new accounting standards

IFRS 9 (2014) – Financial Instruments (amended 2014)

On April 1, 2018, the Company adopted, retrospectively without restatement, IFRS 9 – Financial Instruments, the final version issued in 2014 by IASB ("IFRS 9 (2014)"). As the Company applied IFRS 9 (2010) effective April 1, 2011, the adoption of IFRS 9 (2014) has no impact on the classification or the carrying value of the Company's financial instruments. IFRS 9 (2014) introduced a single expected credit loss impairment model for the financial assets measured at amortized cost and for debt instrument at fair value through other comprehensive income, which is based on changes in credit quality since initial recognition. The adoption of the expected credit loss impairment model did not have a significant impact on the Company's financial statements. IFRS 9 (2014) change the requirements for hedge effectiveness and consequently for the application of hedge accounting. As the Company does not apply hedge accounting, the adoption of IFRS 9 (2014) with regards to hedge accounting did not impact the Company or its accounting policies.

IFRS 15 – Revenue from contracts with customers

On April 1, 2018, the Company adopted IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 18 – Revenue ("IAS 18"). IFRS 15 establishes a single five-step model framework for

determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018. The Company applied IFRS 15 using the modified retrospective transition approach, where the cumulative impact of the application, if any, was recognized in retained earnings and comparative period balances were not restated.

IFRS 15 requires entities to recognize revenue when 'control' of goods or services transfers to the customer whereas the previous standard, IAS 18, required entities to recognize revenue when the 'risks and rewards' of the goods or services transfer to the customer. The Company concluded there is no change in the timing of revenue recognition of its concentrate sales under the new standard as the point of transfer of risks and rewards of goods and services and transfer of control occur at the same time. As such, no adjustment was required to the Company's financial statements.

Additionally, IFRS15 requires entities to apportion price attributable to contracts from customers to distinct performance obligations on a relative standalone selling price basis. In accordance with the terms of the Company's concentrate sales contracts, customers are required to arrange and pay for transportation to pick up the concentrates at the Company's milling facilities. As such, no distinct service was provided and price apportionment was not required.

IFRS 15 requires that variable consideration should only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Company concluded that the adjustments relating to the final assay results for the quantity and quality of concentrate sold and the retroactive pricing adjustment for the new pricing terms are not significant and does not constrain the recognition of revenue.

The Company concluded after review of its revenue streams and underlying contracts with customers that the adoption of IFRS 15 has no material impact on the Company's financial statements.

Other narrow scope amendments

The Company adopted IFRIC interpretation 22 – Foreign currency transactions and advance consideration, and narrow scope amendments to IFRS 2 – Share-based payment, which did not have a material impact on the Company's financial statements.

(b) Accounting standards not yet effective

IFRS 16 – Lease

IFRS 16 – *Leases* ("IFRS 16") was issued by the IASB and will replace *Leases* ("IAS 17") and *determining whether an arrangement contains a lease* ("IFRIC 4"). IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a non-lease component on the basis of whether the customer controls the specific asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset. For those contracts that are or contain a lease, IFRS 16 introduces significant changes to the accounting for contracts that are or contain a lease, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that apply IFRS 15.

The Company will apply IFRS 16 on April 1, 2019 retrospectively, with the cumulative effect of initially applying the standard as an adjustment to retained earnings and no restatement of comparative information. The Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight basis for short term leases (lease term of 12 months or less) and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short term lease.

Upon adoption of IFRS 16, the Company expects to recognize additional right of use assets and lease liabilities related to the Company's office rentals. Based on the Company's assessment of the expected impact of IFRS 16, the Company expects that the adoption of the new standard will result in recognition of additional lease receivable, right of use asset and lease liabilities of approximately $414, $360, and $1,642, respectively, and the cumulative adjustments to retained earning and accumulated other comprehensive income of $(1,068) and $200, respectively. The Company does not expect there will be a material impact to the consolidated statements of cash flow.

16. Other MD&A Requirements

Additional information relating to the Company:

(a) may be found on SEDAR at www.sedar.com;

(b) may be found at the Company's website www.silvercorpmetals.com;

(c) may be found in the Company's Annual Information Form; and,

(d) is also provided in the Company's annual audited consolidated financial statements as of March 31, 2019.

17. Outstanding Share Data

As at the date of this MD&A, the following securities were outstanding:

(a) Share Capital

Authorized - unlimited number of common shares without par value

Issued and outstanding – **170,000,552** common shares with a recorded value of **$231.5 million**

Shares subject to escrow or pooling agreements - $nil.

(b) Options

As at the date of this MD&A, the outstanding options comprise the following:

Number of Options	Exercise Price (CAD$)	Expiry Date
30,000	5.58	2020-02-24
143,000	4.34	2019-09-18
830,000	3.63	2020-01-18
1,120,000	3.40	2021-08-24
1,000,000	3.36	2020-10-02
1,022,500	3.23	2021-03-12
675,000	2.60	2021-11-16
143,656	1.76	2019-10-14
104,000	1.75	2019-05-29
1,254,260	1.43	2020-06-02
6,322,416		

18. Risks and Uncertainties

The Company is exposed to many risks in conducting its business, including but not limited to: metal price risk as the Company derives its revenue from the sale of silver, lead, zinc, and gold; credit risk in the normal course of dealing with other companies and financial institutions; foreign exchange risk as the Company reports its financial statements in USD whereas the Company operates in jurisdictions that utilize other currencies; equity price risk and interest rate risk as the Company has investments in marketable securities that are traded in the open market or earn interest at market rates that are fixed to maturity or at variable interest rates; inherent risk of uncertainties in estimating mineral reserves

and mineral resources; political risks; and environmental risks.

Management and the Board of Directors continuously assess risks that the Company is exposed to, and attempt to mitigate these risks where practical through a range of risk management strategies.

These and other risks are described in the Company's Annual Information Form and NI 43-101 technical reports, which are available on SEDAR at www.sedar.com; Form 40-F; and Audited Consolidated Financial Statements. Readers are encouraged to refer to these documents for a more detailed description of some of the risks and uncertainties inherent to Silvercorp's business.

- Metal Price Risk

The Company's sales prices for lead and zinc pounds are fixed against the Shanghai Metals Exchange as quoted at www.shmet.com; gold ounces are fixed against the Shanghai Gold Exchange as quoted at www.sge.com.cn and silver ounces are fixed against the Shanghai White Platinum & Silver Exchange as quoted at www.ex-silver.com.

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of silver, lead, zinc, and gold contained in metal concentrates. The prices of those commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international and regional economic and political conditions; expectations of inflation; currency exchange fluctuations; interest rates; global or regional supply and demand for jewellery and industrial products containing silver and other metals; sale of silver and other metals by central banks and other holders, speculators and producers of silver and other metals; availability and cost of metal substitutes; and increased production due to new mine developments and improved mining and production methods. The price of base and precious metals may have a significant influence on the market price of the Company's shares and the value of its projects. The effect of these factors on the price of base and precious metals, and therefore the viability of the Company's exploration projects and mining operations, cannot be accurately predicted.

If silver and other metals prices were to decline significantly or for an extended period of time, the Company may be unable to continue operations, develop its projects, or fulfil obligations under agreements with the Company's joint venture partners or under its permits or licenses.

- Permits and licenses

All mineral resources and mineral reserves of the Company's subsidiaries are owned by their respective governments, and mineral exploration and mining activities may only be conducted by entities that have obtained or renewed exploration or mining permits and licenses in accordance with the relevant mining laws and regulations. No guarantee can be given that the necessary exploration and mining permits and licenses will be issued to the Company or, if they are issued, that they will be renewed, or if renewed under reasonable operational and/or financial terms, or in a timely manner, or that the Company will be in a position to comply with all conditions that are imposed.

Nearly all mining projects require government approval. There can be no certainty that approvals necessary to develop and operate mines on the Company's properties will be granted or renewed in a timely and/or economical manner, or at all.

- Title to properties

With respect to the Company's Chinese properties, while the Company has investigated title to all of its mineral claims and to the best of its knowledge, title to all of its properties is in good standing, the properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. There may be valid challenges to the title of the Company's properties which, if successful, could impair development and/or operations. The Company cannot give any assurance that title to its properties will not be challenged. Title insurance is generally not available for mineral properties and the Company's ability to ensure that it has obtained secure claims to individual mineral

properties or mining concessions may be severely constrained. The Company's mineral properties in China have not been surveyed, and the precise location and extent thereof may be in doubt.

- Operations and political conditions

All the properties in which the Company has an interest are located in China, which has different regulatory and legal standards than those in North America. Even when the Company's mineral properties are proven to host economic reserves of metals, factors such as political instability, terrorism, opposition and harassment from local miners, or governmental expropriation or regulation may prevent or restrict mining of any such deposits or repatriation of profits.

All the Company's operations are located in China. These operations are subject to the risks normally associated with conducting business in China. Some of these risks are more prevalent in countries which are less developed or have emerging economies, including uncertain political and economic environments, as well as risks of war and civil disturbances or other risks which may limit or disrupt a project, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalization or expropriation without fair compensation, risk of adverse changes in laws or policies, increases in foreign taxation or royalty obligations, license fees, permit fees, delays in obtaining or the inability to obtain necessary governmental permits, limitations on ownership and repatriation of earnings, and foreign exchange controls and currency devaluations.

In addition, the Company may face import and export regulations, including export restrictions, disadvantages of competing against companies from countries that are not subject to similar laws, restrictions on the ability to pay dividends offshore, and risk of loss due to disease and other potential endemic health issues. Although the Company is not currently experiencing any significant or extraordinary problems in China arising from such risks, there can be no assurance that such problems will not arise in the future. The Company currently does not carry political risk insurance coverage.

The Company's interests in its mineral properties are held through joint venture companies established under and governed by the laws of China. The Company's joint venture partners in China include state-sector entities and, like other state-sector entities, their actions and priorities may be dictated by government policies instead of purely commercial considerations. Additionally, companies with a foreign ownership component operating in China may be required to work within a framework which is different from that imposed on domestic Chinese companies. The Chinese government currently allows foreign investment in certain mining projects under central government guidelines. There can be no assurance that these guidelines will not change in the future.

- Regulatory environment in China

The Company conducts its operations in China. The laws of China differ significantly from those of Canada and all such laws are subject to change. Mining is subject to potential risks and liabilities associated with pollution of the environment and disposal of waste products occurring as a result of mineral exploration and production.

Failure to comply with applicable laws and regulations may result in enforcement actions and may also include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws and regulations.

New laws and regulations, amendments to existing laws and regulations, administrative interpretation of existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on future cash flow, results of operations and the financial condition of the Company.

- Environmental risks

The Company's activities are subject to extensive laws and regulations governing environmental protection and employee health and safety, including environmental laws and regulations in China. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations.

There are also laws and regulations prescribing reclamation activities on some mining properties. Environmental legislation in many countries, including China, is evolving and the trend has been toward stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. There can be no assurance that the Company has been or will be at all times in complete compliance with current and future environmental and health and safety laws and permits will not materially adversely affect the Company's business, results of operations or financial condition. It is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of the Company's business, causing the Company to re-evaluate those activities at that time. The Company's compliance with environmental laws and regulations entail uncertain cost.

- Risks and hazards of mining operations

Mining is inherently dangerous and the Company's operations are subject to a number of risks and hazards including, without limitation:

(i) environmental hazards;

(ii) discharge of pollutants or hazardous chemicals;

(iii) industrial accidents;

(iv) failure of processing and mining equipment;

(v) labour disputes;

(vi) supply problems and delays;

(vii) encountering unusual or unexpected geologic formations or other geological or grade problems;

(viii) encountering unanticipated ground or water conditions;

(ix) cave-ins, pit wall failures, flooding, rock bursts and fire;

(x) periodic interruptions due to inclement or hazardous weather conditions;

(xi) equipment breakdown;

(xii) other unanticipated difficulties or interruptions in development, construction or production; and

(xiii) other acts of God or unfavourable operating conditions.

Such risks could result in damage to, or destruction of, mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, monetary losses and possible legal liability. Satisfying such liabilities may be very costly and could have a material adverse effect on the Company's future cash flow, results of operations and financial condition.

19. Corporate Governance, Safety, Environment and Social Responsibility

(a) **Governance**

The Company adheres to high standards of corporate governance and closely follows the requirements established by both the Canadian Securities Administrators and the SEC. We believe that our current corporate governance systems meet or exceed these requirements.

Our Board oversees the direction and strategy of the business and the affairs of the Company. The Board is comprised of five directors, and as at March 31, 2019 and the date of this MD&A, four of them are independent, and one is a female. The Board's wealth of experience allows it to effectively oversee the development of corporate strategies and the key risks of the business, provide management with long-term direction, consider and approve major decisions, oversee the business generally and evaluate corporate performance. The Corporate Governance and Nominating Committee, appointed by the Board, oversee the effective functioning of the Board and the implementation of governance best practices.

We believe that good corporate governance is essential to the effective performance of the Company, and plays a significant role in protecting the interests of all stakeholders while helping to maximize value.

(b) **Health, Safety, and Environment**

The Company highly values ecological and environmental protection, as well as ensuring a safe workplace for all employees and contractors, at all of our sites. These corporate philosophies tie directly into the emphasis on efficient process design and management across all aspects of the operation. Significant, ongoing efforts are made to identify and minimize risks, as well as streamline the collection, monitoring and reporting of data. A social media platform that was developed in-house in 2014, the "Enterprise-Blog", is an instrumental tool used to ensure all mandatory procedures are being performed. In addition, during the year ended March 31, 2019, the Company invested $1.0 million in an on-line, real time, monitoring and GPS system to further the goal of creating an "intelligent mine".

The Company has remained focused on sustainable development since its inception and is dedicated to fulfilling our environmental goals and responsibilities for the communities where it operates. Silvercorp takes practical measures to minimize the operational impacts on the environment and specific initiatives undertaken during the year ended March 31, 2019 include:

- invested $0.6 million to improve the tailing management facilities; and
- re-forested more than 48,000 square metres through land reclamation and environmental restoration projects.

The Company is dedicated to minimizing the potential health and safety risks faced by employees and contractors. During the year ended March 31, 2019, the Company reviewed and refined all standard procedures at our mines and milling facilities and identified any potential risks associated with each step of the operations. In Fiscal 2019, the Company:

- invested $0.4 million to improve the fire prevention system and equipment;
- invested $0.6 million to improve the explosive storage facilities;
- for workers where comparable data is available, achieved a 26% reduction in the lost time injury rate; and
- provided health and safety training to more than 36,000 man sessions.

(c) **Social Responsibility and Economic Value**

The Company is committed to creating sustainable value in the communities where our people work and live. Guided by research conducted by our local offices, the Company participates in, and

contributes to numerous community programs that typically center on education and health, nutrition, environmental awareness, local infrastructure and fostering additional economic activity. In addition to the approximately $38.4 million in taxes and fees paid to various levels of government in China, in fiscal 2019, the Company:

- donated $0.7 million to over 600 families in a local community to help alleviate poverty;
- donated $0.3 million to a local community for road construction and social activities;
- supported 24 Chinese students with scholarships to further their educations; and
- invested $1.0 million to construct a 7,600 square metre concrete facility for mining contractors' accommodations.

20. Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate to allow for timely decision about public disclosure.

Management, including the CEO and CFO, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of March 31, 2019, as defined in the rules of the U.S. Securities and Exchange Commission and Canadian Securities Administration. The evaluation included documentation review, enquiries and other procedures considered by management to be appropriate in the circumstances. Based on this evaluation, management concluded that the disclosure controls and procedures (as defined in Rule 13a-15(e) under Securities Exchange Act of 1934) are effective in providing reasonable assurance that the information required to be disclosed in annual filings, interim filings, and other reports the Company filed or submitted under United States and Canadian securities legislation were recorded, processed, summarized and reported within the time periods specified in those rules.

21. Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining an adequate system of internal control over financial reporting, and used the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to evaluate the effectiveness of internal controls. The Company's internal control over financial reporting includes:

- maintaining records, that in reasonable detail, accurately and fairly reflect our transactions and dispositions of the assets of the Company;
- providing reasonable assurance that transactions are recorded as necessary for preparation of our consolidated financial statements in accordance with generally accepted accounting principles;
- providing reasonable assurance that receipts and expenditures are made in accordance with authorizations of management and the directors of the Company; and
- providing reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on the Company's consolidated financial statements would be prevented or detected on a timely basis.

Based on this evaluation, management concluded that the Company's internal control over financial reporting based on the criteria set forth in Internal Control – Integrated Framework (2013) issued by COSO was effective as of March 31, 2019 and provided a reasonable assurance of the reliability of the Company's financial reporting and preparation of the financial statements.

No matter how well it's designed, however, any system of internal control has inherent limitations. Even systems determined to be effective can provide only reasonable assurance of the reliability of financial statement preparation and presentation. Also, controls may become inadequate in the future because of changes in conditions or deterioration in the degree of compliance with the Company's policies and procedures.

The effectiveness of the Company's internal control over financial reporting as of March 31, 2019 has been audited by Deloitte LLP, the Company's independent registered public accounting firm, who has also issued a report on the internal controls over financial reporting.

22. Changes in Internal Control over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the period ended March 31, 2019 that has materially affected or is reasonably likely to materially affect, its internal control over financial reporting.

23. Directors and Officers

As at the date of this report, the Company's directors and officers are as follows:

Directors	Officers
Dr. Rui Feng, Director, Chairman	Rui Feng, Chief Executive Officer
Yikang Liu, Director	Derek Liu, Chief Financial Officer
Paul Simpson, Director	Yong-Jae Kim, General Counsel & Corporate Secretary
David Kong, Director	Lon Shaver, Vice President
Marina A. Katusa, Director	

Mr. Guoliang Ma, P.Geo., Manager of Exploration and Resources of the Company, is a Qualified Person for Silvercorp under NI 43-101 and has reviewed and given consent to the technical information contained in this MD&A.

Forward Looking Statements

Certain of the statements and information in this MD&A constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian provincial securities laws. Any statements or information that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategies", "targets", "goals", "forecasts", "objectives", "budgets", "schedules", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements or information. Forward-looking statements or information relate to, among other things:

- *the price of silver and other metals;*
- *estimates of the Company's revenues and capital expenditures;*
- *estimated ore production and grades from the Company's mines in the Ying Mining District and the GC Mine ; and;*
- *timing of receipt of permits and regulatory approvals.*

Forward-looking statements or information are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks relating to,

- *fluctuating commodity prices;*

- *fluctuating currency exchange rates;*
- *increasing labour cost;*
- *exploration and development programs;*
- *feasibility and engineering reports;*
- *permits and licenses;*
- *operations and political conditions;*
- *regulatory environment in China and Canada;*
- *environmental risks; and*
- *risks and hazards of mining operations.*

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements or information. Forward-looking statements or information are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements or information due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this MD&A under the heading "Risks and Uncertainties" and elsewhere. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information.

The Company's forward-looking statements and information are based on the assumptions, beliefs, expectations and opinions of management as of the date of this MD&A, and other than as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements and information if circumstances or management's assumptions, beliefs, expectations or opinions should change, or changes in any other events affecting such statements or information. For the reasons set forth above, investors should not place undue reliance on forward-looking statements and information.



SILVERCORP METALS INC.

CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2019 and 2018
(Expressed in thousands of US dollars, except per share and share data, unless otherwise stated)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders Board of Directors of Silvercorp Metals Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Silvercorp Metals Inc. and subsidiaries as of March 31, 2019 and 2018, the related consolidated statements of income, comprehensive income (loss), cash flows and changes in equity for each of the two years in the period ended March 31, 2019, and the related notes (collectively referred to as the "financial statements").In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2019 and 2018, and its financial performance and its cash flows for each of the two years in the period ended March 31, 2019, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of March 31, 2019, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 23, 2019 expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada

May 23, 2019

We have served as the Company's auditor since 2013.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders Board of Directors of Silvercorp Metals Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Silvercorp Metals Inc and subsidiaries (the "Company") as of March 31, 2019, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2019, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended March 31, 2019, of the Company and our report dated May 23, 2019, expressed unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada

May 23, 2018

SILVERCORP METALS INC.
Consolidated Statements of Financial Position
(Expressed in thousands of U.S. dollars)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Current Assets			
Cash and cash equivalents	24	**$ 67,441**	$ 49,199
Short-term investments	3	**47,836**	56,910
Trade and other receivables		**467**	676
Inventories	4	**10,836**	11,018
Due from related parties	15	**3,022**	11
Income tax receivable		**1,301**	534
Prepaids and deposits		**3,958**	4,456
		134,861	122,804
Non-current Assets			
Long-term prepaids and deposits		**769**	954
Reclamation deposits		**7,953**	5,712
Investment in an associate	5	**38,703**	38,001
Other investments	6	**9,253**	6,132
Plant and equipment	7	**68,617**	71,211
Mineral rights and properties	8	**238,920**	232,080
TOTAL ASSETS		**$ 499,076**	$ 476,894
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		**$ 29,856**	$ 25,198
Bank loan	9	**4,475**	-
Deposits received		**3,040**	6,806
Income tax payable		**502**	303
		37,873	32,307
Non-current Liabilities			
Deferred income tax liabilities	19	**34,334**	33,310
Environmental rehabilitation	10	**13,688**	13,098
Total Liabilities		**85,895**	78,715
Equity			
Share capital		**231,269**	228,729
Share option reserve		**15,898**	14,690
Reserves	12	**25,409**	25,409
Accumulated other comprehensive loss	13	**(41,864)**	(25,875)
Retained earnings		**116,734**	86,283
Total equity attributable to the equity holders of the Company		**347,446**	329,236
Non-controlling interests	14	**65,735**	68,943
Total Equity		**413,181**	398,179
TOTAL LIABILITIES AND EQUITY		**$ 499,076**	$ 476,894
Commitments and contingencies	23		

Approved on behalf of the Board:

(Signed) David Kong
Director

(Signed) Rui Feng
Director

See accompanying notes to the consolidated financial statements

SILVERCORP METALS INC.
Consolidated Statements of Income

(Expressed in thousands of U.S. dollars, except numbers for share and per share figures)

	Notes	Years Ended March 31, 2019	2018
Sales	22(c)	**$ 170,519**	$ 170,039
Cost of sales			
Production costs		**62,461**	59,144
Mineral resource taxes		**4,864**	4,764
Depreciation and amortization		**19,997**	18,247
		87,322	82,155
Gross profit		**83,197**	87,884
General and administrative	16	**19,427**	18,685
Government fees and other taxes	17	**2,699**	2,971
Foreign exchange (gain) loss		**(1,361)**	1,628
Loss on disposal of plant and equipment	7	**401**	329
Gain on disposal of NSR		**-**	(4,320)
Share of loss in associate	5	**330**	700
Dilution gain on investment in associate		**-**	(822)
Reclassification of other comprehensive loss upon ownership dilution of investment in associate		**-**	18
Impairment reversal of investment in associate	5	**(1,899)**	(4,714)
Impairment reversal of mineral rights and properties	8	**(7,279)**	-
Other expense (income)		**806**	(2,016)
Income from operations		**70,073**	75,425
Finance income	18	**3,476**	2,839
Finance costs	18	**(631)**	(449)
Income before income taxes		**72,918**	77,815
Income tax expense	19	**20,871**	18,919
Net income		**$ 52,047**	$ 58,896
Attributable to:			
Equity holders of the Company		**$ 39,724**	$ 46,994
Non-controlling interests	14	**12,323**	11,902
		$ 52,047	$ 58,896
Earnings per share attributable to the equity holders of the Company			
Basic earnings per share	11(e)	**$ 0.24**	$ 0.28
Diluted earnings per share	11(e)	**$ 0.23**	$ 0.27
Weighted Average Number of Shares Outstanding - Basic		**168,483,412**	167,848,117
Weighted Average Number of Shares Outstanding - Diluted		**170,386,993**	171,405,904

See accompanying notes to the consolidated financial statements

SILVERCORP METALS INC.
Consolidated Statements of Comprehensive Income
(Expressed in thousands of U.S. dollars)

	Notes	Years Ended March 31, 2019	2018
Net income		**$ 52,047**	$ 58,896
Other comprehensive income (loss), net of taxes:			
Items that may subsequently be reclassified to net income or loss:			
Currency translation adjustment, net of tax of $nil		**(21,831)**	28,831
Share of other comprehensive income in associate	5	**398**	461
Reclassification to net income upon ownership dilution of investment in associate		**-**	18
Items that will not subsequently be reclassified to net income or loss:			
Change in fair value on equity investments designated as FVTOCI, net of tax of $nil	6	**2,380**	378
Other comprehensive (loss) income, net of taxes		**$ (19,053)**	$ 29,688
Attributable to:			
Equity holders of the Company		**$ (15,989)**	$ 24,544
Non-controlling interests	14	**(3,064)**	5,144
		$ (19,053)	$ 29,688
Total comprehensive income		**$ 32,994**	$ 88,584
Attributable to:			
Equity holders of the Company		**$ 23,735**	$ 71,538
Non-controlling interests		**9,259**	17,046
		$ 32,994	$ 88,584

See accompanying notes to the consolidated financial statements

SILVERCORP METALS INC.
Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. dollars)

	Notes	Years Ended March 31, 2019	2018
Cash provided by			
Operating activities			
Net income		**$ 52,047**	$ 58,896
Add (deduct) items not affecting cash:			
Finance costs	18	**631**	449
Depreciation, amortization and depletion		**21,250**	19,442
Share of loss in associate	5	**330**	700
Dilution gain on investment in associate		**-**	(822)
Reclassification of other comprehensive loss upon ownership			
dilution of investment in associate		**-**	18
Gain on disposal of NSR		**-**	(4,320)
Impairment reversal of investment in associate	5	**(1,899)**	(4,714)
Impairment reversal of mineral rights and properties	8	**(7,279)**	-
Income tax expense	19	**20,871**	18,919
Finance income	18	**(3,476)**	(2,839)
Loss on disposal of plant and equipment	7	**401**	329
Share-based compensation	11(b)	**1,896**	1,566
Reclamation expenditures and deposits	10	**(2,788)**	(194)
Income taxes paid		**(18,225)**	(19,743)
Interest received		**3,476**	2,839
Interest paid	9	**(144)**	-
Changes in non-cash operating working capital	24	**659**	(2,625)
Net cash provided by operating activities		**67,750**	67,901
Investing activities			
Mineral rights and properties			
Capital expenditures		**(28,049)**	(20,948)
Plant and equipment			
Additions		**(6,258)**	(6,152)
Proceeds on disposals	7	**31**	33
Other investments			
Acquisition		**(1,018)**	-
Investment in associate	5	**(107)**	(23,861)
Net redemption (purchases) of short-term investments		**5,969**	(30,803)
Net cash used in investing activities		**(29,432)**	(81,731)
Financing activities			
Related parties			
Payments made		**(2,989)**	-
Bank loan			
Proceeds	9	**4,527**	-
Non-controlling interests			
Distribution	14	**(13,259)**	(7,785)
Acquisition	14	**(1,121)**	-
Cash dividends distributed	11(c)	**(4,208)**	(3,362)
Proceeds from issuance of common shares		**1,852**	550
Common shares repurchased as part of normal course issuer bid		**-**	(4,177)
Net cash used in financing activities		**(15,198)**	(14,774)
Effect of exchange rate changes on cash and cash equivalents		**(4,878)**	4,800
Increase (decrease) in cash and cash equivalents		**18,242**	(23,804)
Cash and cash equivalents, beginning of the year		**49,199**	73,003
Cash and cash equivalents, end of the year		**$ 67,441**	$ 49,199
Supplementary cash flow information	24		

See accompanying notes to the consolidated financial statements

SILVERCORP METALS INC.

Consolidated Statements of Changes in Equity

(Expressed in thousands of U.S. dollars, except numbers for share figures)

		Share capital								
	Notes	Number of shares	Amount	Share option reserve	Reserves	Accumulated other comprehensive loss	Retained earnings	Total equity attributable to the equity holders of the Company	Non-controlling interests	Total equity
Balance, April 1, 2017		167,889,636	$232,155	$ 13,325	$ 25,409	$ (50,419)	$ 42,651	$ 263,121	$ 54,814	$ 317,935
Options exercised		857,020	751	(201)	-	-	-	550	-	550
Share-based compensation		-	-	1,566	-	-	-	1,566	-	1,566
Dividends declared		-	-	-	-	-	(3,362)	(3,362)	-	(3,362)
Distribution to non-controlling interests		-	-	-	-	-	-	-	(2,917)	(2,917)
Common shares repurchased as part of normal course issuer bid		(1,717,100)	(4,177)	-	-	-	-	(4,177)	-	(4,177)
Comprehensive income		-	-	-	-	24,544	46,994	71,538	17,046	88,584
Balance, March 31, 2018		**167,029,556**	**$228,729**	**$ 14,690**	**$ 25,409**	**$ (25,875)**	**$ 86,283**	**$ 329,236**	**$ 68,943**	**$ 398,179**
Options exercised		2,812,496	2,540	(688)	-	-	-	1,852	-	1,852
Share-based compensation	11 (b)	-	-	1,896	-	-	-	1,896	-	1,896
Dividends declared	11 (c)	-	-	-	-	-	(4,208)	(4,208)	-	(4,208)
Distribution to non-controlling interests	14	-	-	-	-	-	-	-	(13,259)	(13,259)
Disposition of non-controlling interests upon wound-up of a subsidiary	14	-	-	-	-	-	-	-	(1,002)	(1,002)
Acquisition of non-controlling interest	14	-	-	-	-	-	(5,065)	(5,065)	1,794	(3,271)
Comprehensive (loss) income		-	-	-	-	(15,989)	39,724	23,735	9,259	32,994
Balance, March 31, 2019		**169,842,052**	**$231,269**	**$ 15,898**	**$ 25,409**	**$ (41,864)**	**$ 116,734**	**$ 347,446**	**$ 65,735**	**$ 413,181**

See accompanying notes to the consolidated financial statements

1. CORPORATE INFORMATION

Silvercorp Metals Inc., along with its subsidiary companies (collectively the "Company"), is engaged in the acquisition, exploration, development, and mining of precious and base metal mineral properties. The Company's producing mines and other current exploration and development projects are in China.

The Company is a publicly listed company incorporated in the Province of British Columbia, Canada, with limited liability under the legislation of the Province of British Columbia. The Company's shares are traded on the Toronto Stock Exchange and the NYSE American Stock Exchange.

The head office, registered address and records office of the Company are located at 200 Granville Street, Suite 1378, Vancouver, British Columbia, Canada, V6C 1S4.

2. SIGNIFICANT ACCOUNTING POLICIES

(a)Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The policies applied in these consolidated financial statements are based on IFRS in effect as of March 31, 2019.

These consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors dated on May 22, 2019.

(b)Adoption of New Accounting Standards

New accounting standards adopted by the Company during the year ended March 31, 2019 are as follow:

IFRS 9 (2014) – Financial Instruments (amended 2014)

On April 1, 2018, the Company adopted, retrospectively without restatement, IFRS 9 – Financial Instruments, the final version issued in 2014 by IASB ("IFRS 9 (2014)"). As the Company applied IFRS 9 (2010) effective April 1, 2011, the adoption of IFRS 9 (2014) has no impact on the classification or the carrying value of the Company's financial instruments. IFRS 9 (2014) introduced a single expected credit loss impairment model for the financial assets measured at amortized cost and for debt instrument at fair value through other comprehensive income, which is based on changes in credit quality since initial recognition. The adoption of the expected credit loss impairment model did not have a significant impact on the Company's financial statements. IFRS 9 (2014) change the requirements for hedge effectiveness and consequently for the application of hedge accounting. As the Company does not apply hedge accounting, the adoption of IFRS 9 (2014) with regards to hedge accounting did not impact the Company or its accounting policies.

IFRS 15 – Revenue from contracts with customers

On April 1, 2018, the Company adopted IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 18 – Revenue ("IAS 18"). IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The standard is effective for annual periods beginning on or after January 1, 2018. The

Company applied IFRS 15 using the modified restropective transition approach. The application of this standard had no impact on the Company's financial statements.

IFRS 15 requires entities to recognize revenue when 'control' of goods or services transfers to the customer whereas the previous standard, IAS 18, required entities to recognize revenue when the 'risks and rewards' of the goods or services transfer to the customer. The Company concluded there is no change in the timing of revenue recognition of its concentrate sales under the new standard as the point of transfer of risks and rewards of goods and services and transfer of control occur at the same time. As such, no adjustment was required to the Company's financial statements.

Additionally, IFRS15 requires entities to apportion price attributable to contracts from customers to distinct performance obligations on a relative standalone selling price basis. In accordance with the terms of the Company's concentrate sales contracts, customers are required to arrange and pay for transportation to pick up the concentrates at the Company's milling facilities. As such, no distinct service was provided and allocation of purchase price was not required.

IFRS 15 requires that variable consideration should only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Company concluded that the adjustments relating to the final assay results for the quantity and quality of concentrate sold and the retroactive pricing adjustment for the new pricing terms are not significant and does not constrain the recognition of revenue.

The Company concluded after review of its revenue streams and underlying contracts with customers that the adoption of IFRS 15 has no material impact on the Company's financial statements.

Other scope amendments

The Company has adopted IFRIC interpretation 22 – Foreign currency transaction and advanced consideration, and narrow scope amendments to IFRS 2 – Share-based payment, which did not have a material impact on the Company's financial statements.

(c) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly or partially owned subsidiaries.

Subsidiaries are consolidated from the date on which the Company obtains control up to the date of the disposition of control. Control is achieved when the Company has power over the subsidiary, is exposed or has rights to variable returns from its involvement with the subsidiary; and has the ability to use its power to affect its returns.

For non-wholly-owned subsidiaries over which the Company has control, the net assets attributable to outside equity shareholders are presented as "non-controlling interests" in the equity section of the consolidated statements of financial position. Net income for the period that is attributable to the non-controlling interests is calculated based on the ownership of the non-controlling interest shareholders in the subsidiary. Adjustments to recognize the non-controlling interests' share of changes to the subsidiary's equity are made even if this results in the non-controlling interests having a deficit balance. Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are

recorded as equity transactions. The carrying amount of non-controlling interests is adjusted to reflect the change in the non-controlling interests' relative interests in the subsidiary and the difference between the adjustment to the carrying amount of non-controlling interest and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to equity holders of the Company.

Balances, transactions, revenues and expenses between the Company and its subsidiaries are eliminated on consolidation.

Details of the Company's significant subsidiaries which are consolidated are as follows:

			Proportion of ownership interest held		
Name of subsidiaries	Principal activity	Place of incorporation	**March 31, 2019**	March 31, 2018	Mineral properties
Silvercorp Metals China Inc.	Holding company	Canada	**100%**	100%	
Silvercorp Metals (China) Inc.	Holding company	China	**100%**	100%	
0875786 B.C. LTD.	Holding company	Canada	**100%**	100%	
Fortune Mining Limited	Holding company	BVI (i)	**100%**	100%	RZY
Fortune Copper Limited	Holding company	BVI	**100%**	100%	
Fortune Gold Mining Limited	Holding company	BVI	**100%**	100%	
Victor Resources Ltd.	Holding company	BVI	**100%**	100%	
Yangtze Mining Ltd.	Holding company	BVI	**100%**	100%	
Victor Mining Ltd.	Holding company	BVI	**100%**	100%	
Yangtze Mining (H.K.) Ltd.	Holding company	Hong Kong	**100%**	100%	
Fortune Gold Mining (H.K.) Limited	Holding company	Hong Kong	**100%**	100%	
Wonder Success Limited	Holding company	Hong Kong	**100%**	100%	
Henan Huawei Mining Co. Ltd. ("Henan Huawei")	Mining	China	**80%**	80%	Ying Mining District
Henan Found Mining Co. Ltd. ("Henan Found")	Mining	China	**77.5%**	77.5%	
Songxian Gold Mining Co., Ltd. ("SX Gold")	Mining	China	**77.5%**	77.5%	XHP
Xinshao Yunxiang Mining Co., Ltd. ("Yunxiang")	Mining	China	**70%**	70%	BYP
Guangdong Found Mining Co. Ltd. (Guangdong Found")	Mining	China	**99%**	95%	GC

(i) British Virgin Islands ("BVI")

(d)Investments in Associates

An associate is an entity over which the Company has significant influence, and is not a subsidiary or joint venture. Significant influence is presumed to exist when the Company has power to be actively involved and influential in financial and operating policy decisions of the associate but does not have control or joint control over those policies.

The Company accounts for its investments in associates using the equity method. Under the equity method, the Company's investment in an associate is initially recognized at cost and subsequently increased or decreased to recognize the Company's share of profit and loss of the associate and for impairment losses after the initial recognition date. The Company's share of an associate's loss that are in excess of its investment are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. The Company's share of comprehensive income or losses attributable to shareholders of associates are recognized in comprehensive income during the period. The carrying amount of the Company's investments in associates also include any long-term debt interests which in substance form part of the Company's net investment. Distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment.

At the end of each reporting period, the Company assesses whether there is any objective evidence that an investment in an associate is impaired. Objective evidence includes observable data indicating there is

a measurable decrease in the estimated future cash flows of the associate's operations. When there is objective evidence that an investment in an associate is impaired, the carrying amount is compared to its recoverable amount, being the higher of its fair value less cost to sell and value in use. An impairment loss is recognized if the recoverable amount is less than its carrying amount. When an impairment loss reverses in a subsequent period, the carrying amount of the investment is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. Impairment losses and reversal of impairment losses, if any, are recognized in net income in the period in which the relevant circumstances are identified.

Details of the Company's associate are as follows:

			Proportion of ownership interest held	
Name of associate	Principal activity	Place of incorporation	**March 31, 2019**	March 31, 2018
New Pacific Metals Corp. ("NUAG")	Mining	Canada	**29.6%**	29.8%

(e) Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administrative expenses.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

(f) Foreign Currency Translation

The functional currency for each subsidiary of the Company is the currency of the primary economic environment in which the entity operates. The functional currency of the head office, Canadian subsidiaries and all intermediate holding companies is the Canadian dollar ("CAD"). The functional currency of all Chinese subsidiaries is the Chinese Renminbi ("RMB").

Foreign currency monetary assets and liabilities are translated into the functional currency using exchange rates prevailing at the balance sheet date. Foreign currency non-monetary assets are translated using exchange rates prevailing at the transaction date. Foreign exchange gains and losses are included in the determination of net income.

The consolidated financial statements are presented in U.S. dollars ("USD"). The financial position and results of the Company's entities are translated from functional currencies to USD as follows:

- assets and liabilities are translated using exchange rates prevailing at the balance sheet date;
- income and expenses are translated using average exchange rates prevailing during the period; and
- all resulting exchange gains and losses are included in other comprehensive income.

The Company treats inter-company loan balances, which are not intended to be repaid in the foreseeable future, as part of its net investment. When a foreign entity is sold, the historical exchange differences plus the foreign exchange impact that arises on the transaction are recognized in the statement of income as part of the gain or loss on sale.

(g)Revenue Recognition

Sales of all metals products, which are contained in direct smelting ore or concentrates, are recognized as revenue.

Upon application of IFRS 15 on April 1, 2018, revenue is recognized when control of metal products is transferred to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products. In determining whether the Company has satisfied a performance obligation, it considers the indicators of the transfer of control, which include, but are not limited to, whether: the Company has a present right to payment; the customer has legal title to the asset; the Company has transferred physical possession of the asset to the customer; and the customer has the significant risks and rewards of ownership of the asset.

Prior to the application of IFRS 15 on April 1, 2018, revenue was recognized when the significant risks and rewards of ownership passed to customers, it was probable that economic benefits associated with the transaction flowed to the Company, the sale price was measured reliably, the Company had no significant continuing involvement and the costs incurred or to be incurred in respect of the transaction were measured reliably. These conditions for revenue were satisfied when title passed to customers. The passing of the title to customers was based on the terms of the sales contract, which was upon shipment of the products.

Product pricing is determined at the point revenue is recognized by reference to active and freely traded commodity markets. Under the Company's concentrate sales contracts with its customers, final commodity prices are set on a specified quotation period, typically ranging from ten to fifteen days around shipment date. Refining and treatment charges are netted against revenue from metal concentrate sales.

(h)Cash and Cash Equivalents

Cash and cash equivalents include cash, and short-term money market instruments that are readily convertible to cash with original terms of three months or less.

(i) Short-term Investments

Short-term investments consist of certificates of deposit and money market instruments, including cashable guaranteed investment certificates, bearer deposit notes and other financial assets with original terms of less than one year. Bonds traded on open markets are also included in short-term investments.

(j) Inventories

Inventories include metals contained in concentrates, direct smelting ore, stockpile ore and operating materials and supplies. The classification of metals inventory is determined by the stage at which the ore is in the production process. Mined materials that do not contain a minimum quantity of metal needed to compensate the estimated processing expenses for recovery of the contained metal, are not classified as inventory and are assigned no value.

Direct smelting ore and stockpiled ore are valued at the lower of mining cost and net realizable value. Mining cost includes the cost of raw material, mining contractor cost, direct labour costs, depletion and depreciation, and applicable production overheads, based on normal operating capacity. Concentrate inventories are valued at the lower of cost and net realizable value. The cost of concentrate inventories includes the mining cost for stockpiled ore milled, freight charges for shipping stockpile ore from mine sites to mill sites and milling cost. Milling cost includes cost of materials and supplies, direct labour costs, and applicable production overheads cost, based on normal operating capacity. Material and supplies are valued at the lower of cost, determined on a weighted average cost basis, and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sales.

(k) Plant and Equipment

Plant and equipment are initially recorded at cost, including all directly attributable costs to bring the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. Plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is computed on a straight-line basis based on the nature and useful lives of the assets. The significant classes of plant and equipment and their estimated useful lives are as follows:

Buildings	20 years
Office equipment	5 years
Machinery	5-10 years
Motor vehicles	5 years
Land use rights	50 years
Leasehold improvements	5 years

Subsequent costs that meet the asset recognition criteria are capitalized, while costs incurred that do not extend the economic useful life of an asset are considered repairs and maintenance, which are accounted for as an expense recognized during the period.

Assets under construction are capitalized as construction-in-progress. The cost of construction-in-progress comprises of the asset's purchase price and any costs directly attributable to bringing it into working condition for its intended use. Construction-in-progress assets are transferred to other respective asset classes and are depreciated when they are completed and available for use.

Upon disposal or abandonment, the carrying amounts of plant and equipment are derecognized and any associated gain or loss is recognized in net income.

(l) Mineral Rights and Properties

The cost of acquiring mineral rights and properties as part of a business combination is capitalized and represents the property's fair value at the date of acquisition. Fair value is determined by estimating the value of the property's reserves, resources and exploration potential where appropriate. The cost of acquiring or renewing an exploration or mining permit or mineral rights and properties not as part of a business combination is recognized at the amount paid and capitalized.

Exploration and evaluation costs incurred associated with specific mineral rights and properties prior to demonstrable technical feasibility and commercial viability of extracting a mineral resource are capitalized. The Company determines that a property is in the development stage when it has completed a positive economic analysis of the mineral deposit. Subsequent development costs incurred prior to the commercial production stage are capitalized and included in the carrying amount of the related property in the period incurred. Proceeds from sales during this period, if any, are offset against costs capitalized.

When a property has achieved operational results that are expected to remain at a sustainable operational level over a period of time, it enters the commercial production stage. Quantitative and qualitative factors indicating the achievement of commercial production stage include but are not limited to the following:

- A significant portion of planned capacity, production levels, grades and recovery rate are achieved at a sustainable level;
- completion of major mine and plant components;
- significant milestones such as obtaining necessary permits and production inputs are achieved to allow continuous and sustainable operations; and
- management's intended operating results are being achieved consistently for a period of time.

Production costs incurred during commercial production stage are included in cost of sales. Development costs incurred during commercial production stage that provide access to reserve and resources that will be produced in future periods that would not have otherwise been accessible are capitalized.

Upon commencement of commercial production, mineral rights and properties and capitalized expenditures, other than the mine right fee to renew a mining permit, are depleted over the mine's estimated life using the units of production method calculated based on proven and probable reserves. Estimation of proven and probable reserves for each property is updated when relative information is available; the result will be prospectively applied to calculate depletion amounts for future periods. If commercial production commences prior to the determination of proven and probable reserves, depletion is calculated based on the mineable portion of measured and indicated resources. Amounts capitalized for the mine right fee are depleted using the units of production method based on the mineral resources which were used to determine the mine right fee payable.

(m) Impairment of Long-lived Assets

Long-lived assets, including mineral rights and properties, plant and equipment are reviewed and tested for impairment when indicators of impairment are considered to exist. Impairment assessments are conducted at the level of cash-generating units ("CGU"), which is the lowest level for which identifiable cash inflows are largely independent of the cash inflows of other assets. An impairment loss is recognized for any excess of carrying amount of a CGU over its recoverable amount, which is the greater of its fair

value less costs to sell and value in use. For mineral rights and properties and processing facilities, the recoverable amount is estimated as the discounted future net cash flows expected to be derived from expected future production, metal prices, and net proceeds from the disposition of assets on retirement, less operating and capital costs. Impairment losses are recognized in the period they are incurred.

For exploration and evaluation assets, indication of impairment includes but is not limited to, expiration of the right to explore, abandonment of the property, substantive expenditures in the specific area are neither budgeted nor planned, and exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources.

Impairment losses are reversed if the conditions that gave rise to the impairment are no longer present and it has been determined that the asset is no longer impaired as a result. This reversal is recognized in net income in the period the reversal occurs limited by the carrying value that would have been determined, net of any depreciation, had no impairment charge been recognized in prior years.

(n) Environmental Rehabilitation Provision

The mining, extraction and processing activities of the Company normally give rise to obligations for site closure or rehabilitation. Closure and decommissioning works can include facility decommissioning and dismantling; removal or treatment of waste materials; site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of relevant authorities and the Company's environmental policies. Provisions for the cost of each closure and rehabilitation program are recognized at the time when environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass all closure and decommissioning activity expected to occur progressively over the life of the operation and at the time of closure in connection with disturbances at the reporting date. Routine operating costs that may impact the ultimate closure and decommissioning activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision.

Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognized as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation. The timing of the actual closure and decommissioning expenditure is dependent upon a number of factors such as the life and nature of the asset, the operating license conditions, and the environment in which the mine operates. Expenditure may occur before and after closure and can continue for an extended period of time dependent on closure and decommissioning requirements.

Closure and decommissioning provisions are measured at the expected amount of future cash flows, discounted to their present value for each operation. Discount rates used are specific to the underlying obligation. Significant judgments and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements which give rise to a constructive or legal obligation.

When provisions for closure and decommissioning are initially recognized, the corresponding cost is capitalized as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalized cost of closure and decommissioning activities is recognized in Mineral Rights and Properties and depleted accordingly. The value of the provision is progressively increased over time as

the effect of discounting unwinds, creating an expense recognized in finance expenses. Closure and decommissioning provisions are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost.

Adjustments to the estimated amount and timing of future closure and decommissioning cash flows are a normal occurrence in light of the significant judgments and estimates involved. The provision is reviewed at the end of each reporting period for changes to obligations, legislation or discount rates that impact estimated costs or lives of operations and adjusted to reflect current best estimate.

The cost of the related asset is adjusted for changes in the provision resulting from changes in the estimated cash flows or discount rate and the adjusted cost of the asset is depreciated prospectively.

(o)Leases

Contracts which contain the legal form of a lease are classified as either finance or operating leases. Finance lease represent leases that transfer substantially all of the risks and rewards of ownership of the leased asset. They are capitalized at the commencement of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. These capitalized costs are depreciated over the shorter of the period of expected use and the lease term. Lease in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are included in general and administrative costs in the Company's consolidated statement of income on a straight-line basis over the period of the lease. In addition to contracts which take the legal form of a lease, other significant contracts are assessed to determine whether, in substance, they are or contain a lease, if the contractual arrangement contains the use of a specific asset and the right to use that asset. The Company will apply the new lease accounting standard, IFRS 16 – *Leases*, on April 1, 2019 (note 2(v)).

(p)Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, which necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalized as part of the cost of that asset. All other borrowing costs are expensed in the period in which they are incurred. No borrowing costs were capitalized in the periods presented.

(q) Share-based Payments

The Company recognizes share-based compensation expense for all stock options awarded to employees, officers, directors, and consultants using the fair value method. The fair value of the stock options at the date of grant is expensed over the vesting periods of the stock options with a corresponding increase to equity. The fair value of options granted to employees, officers, and directors is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant. The fair value of stock options granted to consultants is measured at the fair value of the services delivered unless that fair value cannot be estimated reliably, which then is determined using the Black-Scholes option pricing model. Stock options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. Forfeitures are accounted for using estimates based on historical actual forfeiture data. Share-based compensation expenses for options granted to those working in exploration are capitalized in mineral rights and properties.

Upon the exercise of the stock option, consideration received and the related amount transferred from contributed surplus are recorded as share capital.

(r) Income Taxes

Current tax for each taxable entity is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the balance sheet date and includes adjustments to tax payable or recoverable in respect to previous periods.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized using the balance sheet liability method on temporary differences at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilized, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax relating to items recognized outside profit or loss is recognized in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(s) Earnings per Share

Earnings per share are computed by dividing net income available to equity holders of the Company by the weighted average number of common shares outstanding for the period. Diluted earnings per share

reflect the potential dilution that could occur if additional common shares are assumed to be issued under securities that entitle their holders to obtain common shares in the future. For stock options and warrants, the number of additional shares for inclusion in diluted earnings per share calculations is determined by the options and warrants, whose exercise price is less than the average market price of the Company's common shares, are assumed to be exercised and the proceeds are used to repurchase common shares at the average market price for the period. The incremental number of common shares issued under stock options, and repurchased from proceeds, is included in the calculation of diluted earnings per share.

(t) Financial Instruments

Initial recognition:

On initial recognition, all financial assets and financial liabilities are recorded at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as fair value through profit or loss ("FVTPL"), in which case transaction costs are expensed as incurred.

Subsequent measurement of financial assets:

Subsequent measurement of financial assets depends on the classification of such assets.

I. Non-equity instruments:

IFRS 9 includes a single model that has only two classification categories for financial instruments other than equity instruments: amortized cost and fair value. To qualify for amortized cost accounting, the instrument must meet two criteria:

i. The objective of the business model is to hold the financial asset for the collection of the cash flows; and
ii. All contractual cash flows represent only principal and interest on that principal.

All other instruments are mandatorily measured at fair value.

II. Equity instruments:

At initial recognition, for equity instruments other than held for trading, the Company may make an irrevocable election to designate them as either FVTPL or fair value through other comprehensive income ("FVTOCI").

Financial assets classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization from the effective interest method is included in finance income.

Financial assets classified as FVTPL are measured at fair value with changes in fair values recognized in profit or loss. Equity investments designated as FVTOCI are measured at fair value with changes in fair values recognized in other comprehensive income ("OCI"). Dividends from that investment are recorded in profit or loss when the Company's right to receive payment of the dividend is established unless they represent a recovery of part of the cost of the investment.

Impairment of financial assets carried at amortized cost:

The Company recognizes a loss allowance for expected credit losses on its financial assets carried at amortized cost. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

Subsequent measurement of financial liabilities:

Financial liabilities classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization using the effective interest method is included in finance costs.

Financial liabilities classified as FVTPL are measured at fair value with gains and losses recognized in profit or loss.

The Company classifies its financial instruments as follows:

- Financial assets classified as FVTPL: cash and cash equivalents, short-term investments – money market instruments, and other investments - warrants;
- Financial assets classified as FVTOCI: other investments - common shares;
- Financial assets classified as amortized cost: short-term investments - bonds, trade and other receivables and due from related parties;
- Financial liabilities classified as amortized cost: accounts payable and accrued liabilities, dividends payable, bank loan, customer deposits and due to related parties.

Derecognition of financial assets and financial liabilities:

A financial asset is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass- through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Gains and losses on derecognition of financial assets and liabilities classified as amortized cost are recognized in profit or loss when the instrument is derecognized or impaired, as well as through the amortization process.

Gains and losses on derecognition of equity investments designated as FVTOCI (including any related foreign exchange component) are recognized in OCI. Amounts presented in OCI are not subsequently transferred to profit or loss, although the cumulative gain or loss may be transferred within equity.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability. In this case, a new liability is recognized, and the difference in the respective carrying amounts is recognized in the statement of income.

Offsetting of financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle liabilities simultaneously.

Fair value of financial instruments:

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without deduction for transaction costs. For financial instruments that are not traded in active markets, the fair value is determined using appropriate valuation techniques, such as using a recent arm's length market transaction between knowledgeable and willing parties, discounted cash flow analysis, reference to the current fair value of another instrument that is substantially the same, or other valuation models.

(u)Government Assistance

Refundable mining exploration tax credits received from eligible mining exploration expenditures and other government grants received for project construction and development reduce the carrying amount of the related mineral rights and properties or plant and equipment assets. The depletion or depreciation of the related mineral rights and properties or plant and equipment assets is calculated based on the net amount.

Government subsidies as compensation for expenses already incurred are recognized in profit and loss during the period in which it becomes receivable.

(v) Significant Accounting Judgments and Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions about future events that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these judgments and estimates are continuously evaluated and are based on management's experience and best knowledge of relevant facts and circumstances, actual results may differ from these estimates.

Areas of significant judgments include:

- Capitalization of expenditures with respect to exploration, evaluation and development costs to be included in mineral rights and properties.
- Anticipated reinvestment of undistributed earnings of foreign subsidiaries, therefore no withholding taxes was accrued.
- Recognition, measurement and impairment or impairment reversal assessment for equity investments and investment in associates.
- Recognition, measurement and impairment or impairment reversal assessment for mineral rights and properties.
- Determination of functional currency for all entities in the group.
- Determination of the components of each CGU.

Areas of significant estimates include: Ore reserve and mineral resource estimates

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates. Such an analysis requires complex engineering and geological judgements to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates,

commodity prices, future capital requirements, and production costs along with engineering and geological assumptions and judgements made in estimating the size and grade of the ore body.

The Company estimates ore reserves in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous assumptions including:

- Future production estimates – which include proved and probable reserves, resource estimates and committed expansions;
- Expected future commodity prices, based on current market price, forward prices and the Company's assessment of the long-term average price; and
- Future cash costs of production, capital expenditure and rehabilitation obligations.

As the economic assumptions change and as additional geological information is produced during the operation of a mine, estimates of reserves may change. Such changes may impact the Company's reported financial position and results which include:

- The carrying value of mineral rights and properties and plant and equipment may be affected due to changes in estimated future cash flows;
- Depreciation and depletion charges in net income may change where such charges are determined using the units of production method, or where the useful life of the related assets change; and
- The recognition and carrying value of deferred income tax assets may change due to changes in the judgements regarding the existence of such assets and in estimates of the likely recovery of such assets.

Impairment of assets

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is determined as the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, exploration potential, reserves and operating performance (which includes production and sales volumes). These estimates and assumptions are subject to risk and uncertainty. Therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are reversed if the conditions that gave rise to the impairment are no longer present and it has been determined that the asset is no longer impaired as a result. This reversal is recognized in net income in the period the reversal occurs limited by the carrying value that would have been determined, net of any depreciation, had no impairment charge been recognized in prior years.

(w) Accounting standards issued but not yet in effect

IFRS 16 – *Leases* ("IFRS 16") was issued by the IASB and will replace IAS 17 - *Leases* ("IAS 17") and *Determining whether an arrangement contains a lease* ("IFRIC 4"). IFRS 16 applies a control model to the

identification of leases, distinguishing between a lease and a non-lease component on the basis of whether the customer controls the specific asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset. For those contracts that are or contain a lease, IFRS 16 introduces significant changes to the accounting for such contracts, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019.

The Company will apply IFRS 16 on April 1, 2019 retrospectively, with the cumulative effect of initially applying the standard as an adjustment to retained earnings and no restatement of comparative information. The Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight basis for short term leases (lease term of 12 months or less) and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short term lease.

Upon adoption of IFRS 16, the Company expects to recognize additional right of use assets and lease liabilities related to the Company's office rentals. Based on the Company's assessment of the expected impact of IFRS 16, the Company expects that the adoption of the new standard will result in recognition of additional lease receivable, right of use asset and lease liabilities of approximately $414, $360, and $1,642, respectively, and the cumulative adjustments to retained earnings and accumulated other comprehensive income of $(1,068) and $200, respectively. The Company does not expect there will be a material impact to the consolidated statements of income and statements of cash flow.

3. SHORT-TERM INVESTMENTS

As at March 31, 2019, short-term investments consist of the following:

		Carrying value	Interest rates	Maturity
Bonds	**$**	**24,986**	3.88% - 13%	April 28, 2019 - April 29, 2026
Money market instruments		**22,850**		
	$	**47,836**		

As at March 31, 2018, short-term investments consist of the following:

		Carrying value	Interest rates	Maturity
Term deposits	$	36,596	3.6% - 4.15%	April 11 - August 3, 2018
Bonds		20,314	3.88% - 8.75%	June 4, 2018 - October 31, 2046
	$	56,910		

All bonds were purchased on open markets and are readily tradable.

4. INVENTORIES

Inventories consist of the following:

		March 31, 2019		March 31, 2018
Direct smelting ore and stockpile ore	**$**	**1,794**	$	1,071
Concentrate inventory		**5,201**		5,513
Total stockpile and concentrate		**6,995**		6,584
Material and supplies		**3,841**		4,434
	$	**10,836**	$	11,018

The amount of inventories recognized as expense during the years ended March 31, 2019 was $82,458 (year ended March 31, 2018 - $77,391).

5. INVESTMENT IN AN ASSOCIATE

New Pacific Metals Corp. (“NUAG”) is a Canadian public company listed on the TSX Venture Exchange (symbol: NUAG). NUAG is a related party of the Company by way of two common directors and officers, and the Company accounts for its investment in NUAG using the equity method as it is able to exercise significant influence over the financial and operating policies of NUAG.

In July 2017, the Company participated in NUAG’s private placement and subscribed 25,000,000 common shares of NUAG for $20.0 million.

In November 2017, the Company participated in NUAG’s strategic private placement. The placement was for 19,000,000 units, and the Company subscribed 3,000,000 units while Pan American Silver Corp. subscribed 16,000,000 units, at a price of CAD$1.42 per unit. Each unit is comprised of one common share of NUAG and one half of one common share purchase warrant. Arising from this strategic private placement, the Company’s ownership in NUAG was diluted from 32.2% to 29.8% and a dilution gain of $0.8 million was recorded along with the reclassification of loss of $18 from other comprehensive income to net income for the year ended March 31, 2018.

The Company acquired additional 65,400 common shares (year ended March 31, 2018 - 474,600) from the public market for $107 (year ended March 31, 2018 - $509) during the year ended March 31, 2019.

Subsequent to March 31, 2019, the Company acquired additional 300,000 of NUAG shares from the public market for a total cost of $528 and exercised warrants to acquire 1,500,000 of NUAG shares for a cost of $2,348.

As at March 31, 2019, the Company owned 39,346,300 common shares (March 31, 2018 – 39,280,900) of NUAG, representing an ownership interest of 29.6% (March 31, 2018 – 29.8%). The summary of the investment in NUAG common shares and its market value as at the respective balance sheet dates are as follows:

	Number of shares		Amount		Value of NUAG's common shares per quoted market price
Balance, April 1, 2017	10,806,300	$	8,517	$	8,517
Participate in Private placement	28,000,000		23,352		
Purchase from open market	474,600		509		
Share of net loss			(700)		
Share of other comprehensive income			461		
Impairment recovery			4,714		
Dilution gain			822		
Foreign exchange impact			326		
Balance March 31, 2018	39,280,900	$	38,001	$	50,266
Purchase from open market	65,400		107		
Share of net loss			(330)		
Share of other comprehensive income			398		
Impairment recovery			1,899		
Foreign exchange impact			(1,372)		
Balance March 31, 2019	**39,346,300**	**$**	**38,703**	**$**	**69,783**

For the year ended March 31, 2019, an impairment recovery of $1,899 (year ended March 31, 2018 -$4,714) was recognized for the investment in NUAG based on the quoted market price of NUAG common shares.

Summarized financial information for the Company's investment in NUAG on a 100% basis is as follows:

	Years ended March 31,		
	2019[1]		2018[1]
Income (loss) from investments	**$ 576**	$	(976)
General and administrative expense	**(2,286)**		(2,527)
Foreign exchange gain (loss)	**542**		(358)
Other income	**7**		372
Net loss of associate	**$ (1,161)**	$	(3,489)
Adjustments to net loss of associate	**23**		**760**
Net loss of associate qualified for pick-up	**$ (1,138)**	$	(2,729)
Company's share of net loss	**$ (330)**	$	(700)

		March 31, 2019[1]		March 31, 2018[1]
Current assets	**$**	**17,233**	$	28,279
Non-current assets		**62,568**		57,268
Total assets	**$**	**79,801**	$	85,547
Current liabilities		**675**		970
Long-term liabilities		**197**		4,839
Total liabilities		**872**		5,809
Net assets	**$**	**78,929**	$	79,738
Company's share of net assets of associate	**$**	**23,371**	$	23,730

[1]NUAG's fiscal year-end is on June 30. NUAG's quarterly financial results were used to compile the financial information that matched with the Company's year-end on March 31.

6. OTHER INVESTMENTS

		March 31, 2019		March 31, 2018
Equity investments designated as FVTOCI				
Publicly-traded companies	**$**	**9,253**	$	6,132

Investments in publicly-traded companies represent equity interests of other publicly-trading mining companies that the Company has acquired through the open market or through private placements. These equity interests are for long-term investment purposes and consist of common shares and warrants.

The continuity of such investments is as follows:

		Fair value		**Accumulated fair value change included in OCI**
April 1, 2017	$	1,207	$	(6,233)
Change in fair value on equity investments designated as FVTOCI		378		378
Equity investments received as consideration for disposal of NSR		4,320		-
Impact of foreign currency translation		227		-
March 31, 2018	$	6,132	$	(5,855)
Change in fair value on equity investments designated as FVTOCI		2,380		2,380
Acquisition of equity investments		1,018		-
Impact of foreign currency translation		(277)		-
March 31, 2019	**$**	**9,253**	**$**	**(3,475)**

On April 5, 2017, the Company entered into a royalty purchase and sale agreement (the “Agreement”) with Maverix Metals Inc. (“Maverix”), a publicly traded (TSX-V: MMX) Canadian precious metals royalty and streaming company, to sell its 2.5% net smelter return (“NSR”) on the Silvertip Mine for consideration of up to 6,600,000 of Maverix’s common shares payable as follows:

- 3,800,000 common shares of Maverix on closing of the transaction; and

- 2,800,000 common shares of Maverix when the Silvertip Mine achieves (i) commercial production, and (ii) a cumulative throughput of 400,000 tonnes of ore through the processing plant.

On April 19, 2017, the transaction closed and the Company received a total of 3,800,000 Maverix common shares valued at $4,320 (CAD$5.8 million) and recognized a gain of $4,320 on disposal of the NSR.

7. PLANT AND EQUIPMENT

Plant and equipment consist of:

Cost	Land use rights and building	Office equipment	Machinery	Motor vehicles	Construction in progress	Total
Balance as at April 1, 2017	$ 94,484	$ 5,964	$ 26,352	$ 6,131	$ 2,143	$ 135,074
Additions	1,497	1,156	1,084	559	1,540	5,836
Disposals	(246)	(194)	(298)	(515)	-	(1,253)
Reclassification of asset groups [1]	344	-	4	-	(348)	-
Impact of foreign currency translation	9,086	829	2,271	555	267	13,008
Balance as at March 31, 2018	$ 105,165	$ 7,755	$ 29,413	$ 6,730	$ 3,602	$ 152,665
Additions	1,586	553	2,266	792	2,750	7,947
Disposals	(316)	(126)	(505)	(376)	-	(1,323)
Reclassification of asset groups [1]	189	-	145	-	(334)	-
Impact of foreign currency translation	(6,596)	(447)	(1,867)	(424)	(228)	(9,562)
Ending balance as at March 31, 2019	**$ 100,028**	**$ 7,735**	**$ 29,452**	**$ 6,722**	**$ 5,790**	**$ 149,727**
Impairment, accumulated depreciation and amortization						
Balance as at April 1, 2017	$ (42,706)	$ (4,666)	$ (17,520)	$ (4,928)	$ (53)	$ (69,873)
Disposals	68	175	208	440	-	891
Depreciation and amortization	(3,180)	(438)	(1,643)	(390)	-	(5,651)
Impact of foreign currency translation	(4,198)	(383)	(1,768)	(467)	(5)	(6,821)
Balance as at March 31, 2018	$ (50,016)	$ (5,312)	$ (20,723)	$ (5,345)	$ (58)	$ (81,454)
Disposals	128	108	317	338	-	891
Depreciation and amortization	(3,172)	(500)	(1,615)	(347)	-	(5,634)
Impact of foreign currency translation	3,131	295	1,320	337	4	5,087
Ending balance as at March 31, 2019	**$ (49,929)**	**$ (5,409)**	**$ (20,701)**	**$ (5,017)**	**$ (54)**	**$ (81,110)**
Carrying amounts						
Balance as at March 31, 2018	$ 55,149	$ 2,443	$ 8,690	$ 1,385	$ 3,544	$ 71,211
Ending balance as at March 31, 2019	**$ 50,099**	**$ 2,326**	**$ 8,751**	**$ 1,705**	**$ 5,736**	**$ 68,617**

[1] when an asset is available for use, it is reclassified from construction in progress to one of the appropriate plant and equipment categories.

Carrying amounts as at March 31, 2019	Ying Mining District	BYP	GC	Other	Total
Land use rights and building	$ 34,160	$ 2,158	$ 12,860	$ 921	$ 50,099
Office equipment	1,800	35	214	277	2,326
Machinery	6,294	257	2,071	129	8,751
Motor vehicles	1,521	27	140	17	1,705
Construction in progress	3,825	1,842	69	-	5,736
Total	**$ 47,600**	**$ 4,319**	**$ 15,354**	**$ 1,344**	**$ 68,617**

Carrying amounts as at March 31, 2018	Ying Mining District	BYP	GC	Other	Total
Land use rights and building	$ 37,432	$ 2,527	$ 14,039	$ 1,151	$ 55,149
Office equipment	2,053	46	168	176	2,443
Machinery	5,649	339	2,652	50	8,690
Motor vehicles	1,270	33	80	2	1,385
Construction in progress	1,529	1,966	49	-	3,544
Total	**$ 47,933**	**$ 4,911**	**$ 16,988**	**$ 1,379**	**$ 71,211**

During the year ended March 31, 2019, certain plant and equipment were disposed for proceeds of $31 (year ended March 31, 2018 - $33) and loss of $401 (year ended March 31, 2018 – loss of $329).

8. MINERAL RIGHTS AND PROPERTIES

Mineral rights and properties consist of:

	Producing and development properties			Exploration and evaluation properties		
Cost	**Ying Mining District**	**BYP**	**GC**	**XHP**	**RZY**	**Total**
Balance as at April 1, 2017	$ 234,847	$ 63,746	$ 103,202	$ 19,906	$ 174	$ 421,875
Capitalized expenditures	20,125	14	323	231	-	20,693
Environmental rehabiliation	(589)	(52)	(36)	(17)	-	(694)
Foreign currecy translation impact	23,351	1,346	9,755	1,904	6	36,362
Balance as at March 31, 2018	$ 277,734	$ 65,054	$ 113,244	$ 22,024	$ 180	$ 478,236
Capitalized expenditures	23,238	189	1,014	261	-	24,702
Mine right fee	3,839	-	-	-	-	3,839
Environmental rehabiliation	1,091	35	(12)	8	-	1,122
Foreign currecy translation impact	(17,449)	(973)	(7,085)	(1,384)	(6)	(26,897)
Ending balance as at March 31, 2019	**$ 288,453**	**$ 64,305**	**$ 107,161**	**$ 20,909**	**$ 174**	**$ 481,002**
Impairment and accumulated depletion						
Balance as at April 1, 2017	$ (64,157)	$ (56,891)	$ (74,547)	$ (19,906)	$ (174)	$ (215,675)
Depletion	(12,196)	-	(1,837)	-	-	(14,033)
Foreign currecy translation impact	(6,746)	(693)	(7,111)	(1,892)	(6)	(16,448)
Balance as at March 31, 2018	$ (83,099)	$ (57,584)	$ (83,495)	$ (21,798)	$ (180)	$ (246,156)
Impairment reversal	-	-	-	7,279	-	7,279
Depletion	(13,312)	-	(2,209)	-	-	(15,521)
Foreign currecy translation impact	5,232	501	5,213	1,364	6	12,316
Ending balance as at March 31, 2019	**$ (91,179)**	**$ (57,083)**	**$ (80,491)**	**$ (13,155)**	**$ (174)**	**$ (242,082)**
Carrying amounts						
Balance as at March 31, 2018	$ 194,635	$ 7,470	$ 29,749	$ 226	$ -	$ 232,080
Ending balance as at March 31, 2019	**$ 197,274**	**$ 7,222**	**$ 26,670**	**$ 7,754**	**$ -**	**$ 238,920**

On March 31, 2019, the Company paid a mine right fee of $3,839 (RMB ¥25.7 million) to the Chinese government for the additional mineral resources of TLP and LM mine (part of the Ying Mining District).

Subsequent to March 31, 2019, the Company's subsidiary, Henan Found, entered into a share transfer agreement (the "Agreement") with an arm's length private Chinese company to dispose the XHP project. Pursuant to the Agreement, Henan Found will sell its 100% equity interest in SX Gold, the holding company of the XHP project, for $7.45 million (RMB ¥50 million), net of amounts SX Gold owing to Henan Found. The Company was neither committed to a plan to sell the XHP project, nor did any active marketing activities for a sale. Accordingly, assets or liabilities associated with SX Gold were not classified as held for sale as at March 31, 2019. During April 2019, the Company received partial payments of $4.47 million (RMB ¥30 million) for the sale. The transaction is expected to close in the first quarter of Fiscal 2020.

As at March 31, 2019, the carrying amount of the XHP project was remeasured to its recoverable amount, being its fair value less costs of disposal ("FVLCD"), based on the expected proceeds from the sale less certain debt settlement and estimated costs prior to the closing of the transaction. As a result, the Company recorded an impairment reversal of $7,279 during the year ended March 31, 2019.

9. BANK LOAN

	Total
Balance, April 1, 2018	$ -
Addition	4,527
Interest accrued	152
Interest paid	(144)
Foreign exchange impact	(60)
Balance, March 31, 2019	**$ 4,475**

On June 14, 2018, the Company's 77.5% owned subsidiary Henan Found borrowed a loan of $4,527 (RMB ¥30 million) from Bank of China. The loan bears Chinese prevailing loan prime interest rate and matures on June 14, 2019. As of March 31, 2019, the Chinese prevailing loan prime interest rate was 4.35%. For the year ended March 31, 2019, interests of $152 (year ended March 31, 2018 - $nil) were accrued and expensed through finance costs (see note 18).

10. ENVIRONMENTAL REHABILITATION

The following table presents the reconciliation of the beginning and ending obligations associated with the retirement of the properties:

		Total
Balance, April 1, 2017	$	12,186
Reclamation expenditures		(25)
Unwinding of discount of environmental rehabilitation		449
Revision of provision		(694)
Foreign exchange impact		1,182
Balance, March 31, 2018	$	13,098
Reclamation expenditures		(187)
Unwinding of discount of environmental rehabilitation		479
Revision of provision		1,122
Foreign exchange impact		(824)
Balance, March 31, 2019	**$**	**13,688**

As at March 31, 2019, the total undiscounted amount of estimated cash flows required to settle the Company's environmental rehabilitation provision was $19,413 (March 31, 2018 - $20,836) over the next twenty-four years, which has been discounted using an average discount rate of 3.23% (March 31, 2018 –3.84%).

During the year ended March 31, 2019, the Company incurred actual reclamation expenditures of $187 (year ended March 31, 2018 - $25) and paid reclamation deposit of $2,601 (year ended March 31, 2018 -$169).

11. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value. All shares issued as at March 31, 2019 and 2018 were fully paid.

(b) Stock options

The Company has a stock option plan which allows for the maximum number of common shares to be reserved for issuance on the exercise of options granted under the stock option plan to be a rolling 10% of the issued and outstanding common shares from time to time. The maximum exercise period may not exceed 10 years from the date of the grant of the options to employees, officers, and directors. The following is a summary of option transactions:

	Number of shares	Weighted average exercise price per share CAD$
Balance, April 1, 2017	7,679,507	$ 1.97
Option granted	2,192,500	3.30
Options exercised	(857,020)	0.81
Options forfeited	(195,626)	3.00
Options expired	(672,562)	5.25
Balance, March 31, 2018	8,146,799	$ 2.15
Option granted	1,815,000	3.10
Options exercised	(2,812,496)	0.87
Options forfeited	(164,075)	3.34
Options expired	(504,312)	3.27
Balance, March 31, 2019	**6,480,916**	**$ 2.86**

During the year ended March 31, 2019, a total of 1,815,000 options with a life of three years (year ended March 31, 2018 – 2,192,500 options with a life of three years) were granted to directors, officers, and employees at exercise prices of $1.98 (CAD$2.60) and $2.59 (CAD$3.40) per share (year ended March 31, 2018 – prices of $2.52 (CAD$3.23) and $2.62 (CAD$3.36)) subject to a vesting schedule over a two-year term with 25% of the options vesting every six months from the date of grant.

The fair value of stock options granted during the years ended March 31, 2019 and 2018 were calculated as of the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Years ended March 31,	
	2019	2018
Risk free interest rate	**2.16%**	1.70%
Expected life of option in years	**2.27 years**	2.27 years
Expected volatility	**58%**	69%
Expected dividend yield	**2.10%**	1.36%
Estimated forfeiture rate	**10%**	10%
Weighted average share price at date of grant	**$ 3.10**	$ 3.30

The weighted average grant date fair value of options granted during the year ended March 31, 2019 was $0.76 (CAD$1.00) (year ended March 31, 2018 – $0.99 (CAD$1.27)). Volatility was determined based on the historical volatility of the Company's shares over the estimated life of stock options. For the year ended March 31, 2019, a total of $1,896 (year ended March 31, 2018 - $1,566) in share-based compensation expense was recognized and included in the general and administrative expenses on the consolidated statements of income.

The following table summarizes information about stock options outstanding at March 31, 2019:

	Exercise price in CAD$	Number of options outstanding at March 31, 2019	Weighted average remaining contractual life (Years)		Weighted average exercise price in CAD$	Number of options exercisable at March 31, 2019		Weighted average exercise price in CAD$
$	1.43	1,254,260	1.17	$	1.43	1,254,260		1.43
$	1.75	204,000	0.16	$	1.75	204,000		1.75
$	1.76	202,156	0.54	$	1.76	202,156		1.76
$	2.60	675,000	2.63	$	2.60	-		-
$	3.23	1,022,500	1.95	$	3.23	511,250		1.95
$	3.36	1,000,000	1.51	$	3.36	495,000		3.36
$	3.40	1,120,000	2.40	$	3.40	280,000		2.40
$	3.63	830,000	0.80	$	3.63	830,000		3.63
$	4.34	143,000	0.47	$	4.34	143,000		4.34
$	5.58	30,000	0.90	$	5.58	30,000		5.58
	$ 1.43 - 5.58	**6,480,916**	**1.60**	**$**	**2.86**	**3,949,666**	**$**	**2.68**

Subsequent to March 31, 2019, a total of 158,500 options with exercise prices ranging from CAD$1.75 to CAD$1.76 were exercised.

(c) Cash dividends declared and distributed

During the year ended March 31, 2019, dividends of $4,208 (year ended March 31, 2018 - $3,362) were declared and paid.

(d) Normal course issuer bid

On November 23, 2017, the Company announced a normal course issuer bid ("NCIB") which allows it to acquire up to 8,409,712 of its own common shares until November 26, 2018.

For the year ended March 31, 2018, the Company acquired a total of 1,717,100 common shares at a cost of $4,177 under the NCIB program. Transaction costs related to the acquisition of the common shares were $13. All shares bought were subsequently cancelled.

(e) Earnings per share (basic and diluted)

	For the years ended March 31,					
	2019			2018		
	Income (Numerator)	**Shares (Denominator)**	**Per-Share Amount**	Income (Numerator)	Shares (Denominator)	Per-Share Amount
Net income attributable to equity holders of the Company	**$ 39,724**			$ 46,994		
Basic earnings per share	**39,724**	**168,483,412**	**$ 0.24**	46,994	167,848,117	$ 0.28
Effect of dilutive securities:						
Stock options		**1,903,581**			3,557,787	
Diluted earnings per share	**$ 39,724**	**170,386,993**	**$ 0.23**	$ 46,994	171,405,904	$ 0.27

Anti-dilutive options that are not included in the diluted EPS calculation were 3,123,000 for the year ended March 31, 2019 (year ended March 31, 2018 – 1,073,000).

12. RESERVES

Pursuant to Chinese company law applicable to foreign investment enterprises, the Company's Chinese subsidiaries are required to maintain dedicated reserves. The amounts are appropriated at a percentage, at the discretion of the Board of Directors of each Chinese subsidiary, of their respective after tax net income determined in accordance with accounting principles and relevant financial regulations applicable to Chinese enterprises each year. Once the dedicated reserves appropriated reach 50% of a subsidiary's registered capital, it is not required to appropriate more earnings into the reserves.

Dedicated reserves for all periods presented include an Enterprise Reserve Fund of $2,903 and an Enterprise Expansion Fund of $22,506, which are recorded as a component of equity, and are not available for distribution to shareholders other than upon liquidation.

As of March 31, 2019, the Company had two subsidiaries, Henan Found and Henan Huawei, which had appropriated the dedicated reserves. No dedicated reserves were appropriated for the years ended March 31, 2019 and 2018 for Henan Found and Henan Huawei since the balance has reached the required amount in prior years.

13. ACCUMULATED OTHER COMPREHENSIVE INCOME

	March 31, 2019	March 31, 2018
Change in fair value on equity investments designated as FVTOCI	**$ (35,128)**	$ (37,508)
Share of other comprehensive income in associate	**679**	281
Currency translation adjustment	**(7,415)**	11,352
Balance, end of the year	**$ (41,864)**	$ (25,875)

The unrealized loss on equity investments designated as FVTOCI and on currency translation adjustment are net of tax of $nil for all periods presented.

14. NON-CONTROLLING INTERESTS

The continuity of non-controlling interests is summarized as follows:

	Henan Found	Henan Huawei	Yunxiang	Guangdong Found	SX Gold	Total
Balance, April 1, 2017	$ 53,812	$ 4,084	$ 3,664	$ (2,848)	$ (3,898)	$ 54,814
Share of net income (loss)	10,230	1,313	(374)	341	392	11,902
Share of other comprehensive income (loss)	4,476	512	242	(38)	(48)	5,144
Distributions	(2,917)	-	-	-	-	(2,917)
Balance, March 31, 2018	$ 65,601	$ 5,909	$ 3,532	$ (2,545)	$ (3,554)	$ 68,943
Share of net income (loss)	9,992	892	(365)	352	1,452	12,323
Share of other comprehensive (loss) income	(3,687)	(204)	(150)	954	23	(3,064)
Distributions	(11,565)	(1,694)	-	-	-	(13,259)
Acquisition of non-controlling interest	-	-	-	1,794	-	1,794
Disposition upon wound-up of a subsidiary	-	-	-	(1,002)	-	(1,002)
Balance, March 31, 2019	**$ 60,341**	**$ 4,903**	**$ 3,017**	**$ (447)**	**$ (2,079)**	**$ 65,735**

As at March 31, 2019, non-controlling interests in Henan Found, Henan Huawei, Yunxiang, Guangdong Found and SX Gold were 22.5%, 20%, 30%, 1% and 22.5%, respectively.

Henan Non-ferrous Geology Minerals Ltd. ("Henan Non-ferrous") is the 17.5% equity interest holder of Henan Found. During the year ended March 31, 2019, Henan Found declared and paid dividends of $8,995 (year ended March 31, 2018 – declared and paid dividends of $2,269 along with dividends of $3,786 that was declared and accrued in the prior year) to Henan Non-ferrous.

Henan Xinxiangrong Mining Ltd. ("Henan Xinxiangrong") is the 5% equity interest holder of Henan Found. During the year ended March 31, 2019, Henan Found declared and paid dividends of $2,570 (year ended March 31, 2018 – declared and paid dividends of $648 along with dividends of $1,082 that was declared and accrued in the prior year) to Henan Xinxiangrong.

Henan Xinhui Mining Co., Ltd. ("Henan Xinhui") is a 20% equity interest holder of Henan Huawei. For the year ended March 31, 2019, Henan Huawei declared and paid dividends of $1,694 (year ended March 31, 2018 – nil) to Henan Xinhui.

GRT Mining Investment (Beijing) Co., Ltd. ("GRT") was the 5% equity holder of Guangdong Found and a related party of the Company as it is controlled by a relative of an officer and director of the Company. In October 2018, the Company exercised its first right of refusal and entered into an agreement with GRT to acquire its 4% ownership in Guangdong Found for cash consideration of $2.2 million (RMB¥15 million). As at March 31, 2019, the non-controlling interest in Guangdong Found was reduced to 1% since the transaction was completed and cash consideration of $1,121 (RMB¥7.5 million) was paid to GRT.

15. RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in the consolidated financial statements are as follows:

Due from related parties	**March 31, 2019**	March 31, 2018
NUAG (a)	**$ 33**	$ 11
Henan Non-ferrous (b)	**2,989**	-
	$ 3,022	$ 11

(a) According to a services and administrative costs reallocation agreement between the Company and NUAG, the Company recovers costs for services rendered to NUAG and expenses incurred on behalf of NUAG. During the year ended March 31, 2019, the Company recovered $225 (year ended March 31, 2018 - $433) from NUAG for services rendered and expenses incurred on behalf of NUAG. The costs recovered from NUAG were recorded as a direct reduction of general and administrative expenses on the consolidated statements of income.

(b) During the year ended March 31, 2019, Henan Found lent Henan Non-ferrous a loan of $2,989 (RMB¥20.0 million). The loan has a term of six months and bears an interest rate of 4.35% per annum.

The balances with related parties are unsecured.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management personnel, who are those having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, for the years ended March 31, 2019 and 2018 were as follows:

	Years Ended March 31,	
	2019	2018
Directors' fees and bonus	**$ 256**	$ 168
Salaries and bonus for key management personnel	**2,498**	2,656
Share-based compensation	**725**	981
	$ 3,479	$ 3,805

Share-based compensation was measured at grant date fair value (see note 10(b)).

16. GENERAL AND ADMINISTRATIVE

General and administrative expenses consist of:

	Years ended March 31,	
General and administrative	**2019**	**2018**
Office and administrative expenses	**$ 5,968**	$ 6,667
Amortization and depreciation	**1,253**	1,196
Salaries and benefits	**9,444**	8,395
Share-based compensation	**1,896**	1,566
Professional fees	**866**	861
	$ 19,427	$ 18,685

17. GOVERNMENT FEES AND OTHER TAXES

Government fees and other taxes consist of:

	Years ended March 31,	
	2019	2018
Government fees	**$ 162**	$ 351
Other taxes	**2,537**	2,620
	$ 2,699	$ 2,971

Government fees refer to the environmental protection fees paid to the state and local Chinese government. Other taxes were composed of surtax on value-added tax, land usage levy, stamp duty and other miscellaneous levies, duties and taxes imposed by the state and local Chinese government.

18. FINANCE ITEMS

Finance items consist of:

	Years ended March 31,	
Finance income	**2019**	**2018**
Interest income	**$ 3,476**	$ 2,839

	Years ended March 31,	
Finance costs	**2019**	2018
Interest on bank loan	**$ 152**	$ -
Unwinding of discount of environmental rehabilitation provision	**479**	449
	$ 631	$ 449

19. INCOME TAX

(a) Income tax expense

The significant components of income tax expense recognized in the statements of income are as follows:

	Years ended March 31,	
Income tax expense	**2019**	2018
Current	**$ 17,750**	$ 16,086
Deferred	**3,121**	2,833
	$ 20,871	$ 18,919

The reconciliation of the Canadian statutory income tax rates to the effective tax rate is as follows:

	Years ended March, 31	
	2019	2018
Canadian statutory tax rate	**27.00%**	26.25%
Income before income taxes	**$ 72,918**	$ 77,815
Income tax expense computed at Canadian statutory rates	**19,688**	20,426
Foreign tax rates different from statutory rate	**(1,707)**	(467)
Change in tax rates	**-**	(681)
Permanent items and other	**(444)**	1,008
Withholding taxes	**5,153**	1,023
Change in unrecognized deferred tax assets	**(1,816)**	(2,378)
Other	**(3)**	(12)
Income tax expense	**$ 20,871**	$ 18,919

(b) Deferred income tax

The continuity of deferred income tax assets (liabilities) is summarized as follows:

	Years ended March, 31	
	2019	2018
Net deferred income tax liabilities, beginning of the year	**$ (33,310)**	$ (27,692)
Deferred income tax expense recognized in net income for the year	**(3,121)**	(2,833)
Foreign exchange impact	**2,097**	(2,785)
Net deferred income tax liabilities, end of the year	**$ (34,334)**	$ (33,310)

The significant components of the Company's deferred income tax are as follows:

	March 31, 2019	March 31, 2018
Deferred income tax assets		
Plant and equipment	**$ 880**	$ 1,442
Environmental rehabilitation	**3,155**	2,980
Other deductible temporary difference	**454**	890
Total deferred income tax assets	**4,489**	5,312
Deferred income tax liabilities		
Plant and equipment	**(829)**	(261)
Mineral rights and properties	**(37,465)**	(37,308)
Unrealized gain on investments	**(365)**	(876)
Other taxable temporary difference	**(164)**	(177)
Total deferred income tax liabilities	**(38,823)**	(38,622)
Net deferred income tax liabilities	**$ (34,334)**	$ (33,310)

Deferred tax assets are recognized to the extent that the realization of the related tax benefit through future taxable profits is probable. The ability to realize the tax benefits is dependent upon numerous factors, including the future profitability of operations in the jurisdictions in which the tax benefits arose. Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognized are attributable to the following:

	March 31, 2019	March 31, 2018
Non-capital loss carry forward	**$ 77,620**	$ 82,882
Plant and equipment	**25,765**	27,050
Mineral rights and properties	**4,378**	15,539
Other deductible temporary difference	**12,225**	18,876
	$ 119,988	$ 144,347

As at March 31, 2019, the Company has the following net operating losses, expiring in various years to 2040 and available to offset future taxable income in Canada and China, respectively.

		Canada		China		Total
2020	$	-	$	4,688	$	4,688
2021		-		4,343		4,343
2022		-		3,175		3,175
2023		-		4,069		4,069
2024		-		2,748		2,748
2027		1,244		-		1,244
2029		-		-		-
2030		3,722		-		3,722
2031		6,374		-		6,374
2032		9,251		-		9,251
2033		9,520		-		9,520
2034		7,482		-		7,482
2035		6,795		-		6,795
2036		4,039		-		4,039
2037		547		-		547
2038		2,389		-		2,389
2039		2,700		-		2,700
2040		4,534		-		4,534
	$	58,597	$	19,023	$	77,620

As at March 31, 2019, temporary differences of $184,147 (March 31, 2018 - $196,435) associated with the investments in subsidiaries have not been recognized as the Company is able to control the timing of the reversal of these differences which are not expected to reverse in the foreseeable future.

20. CAPITAL DISCLOSURES

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirement on an ongoing basis, continue the development and exploration of its mineral properties, and support any expansionary plans.

The capital of the Company consists of the items included in equity less cash and cash equivalents and short-term investments. Risk and capital management are primarily the responsibility of the Company's corporate finance function and is monitored by the Board of Directors. The Company manages the capital structure and makes adjustments depending on economic conditions. Funds have been primarily secured through profitable operations and issuances of equity capital. The Company invests all capital that is surplus to its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term deposits, all held with major financial institutions. Significant risks are monitored and actions are taken, when necessary, according to the Company's approved policies.

21. FINANCIAL INSTRUMENTS

The Company manages its exposure to financial risks, including liquidity risk, foreign exchange risk, interest rate risk, credit risk and equity price risk in accordance with its risk management framework. The

Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

(a)Fair value

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 13, Fair Value Measurement ("IFRS 13").

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

The following tables set forth the Company's financial assets and liabilities that are measured at fair value level on a recurring basis within the fair value hierarchy at March 31, 2019 and March 31, 2018 that are not otherwise disclosed. As required by IFRS 13, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Fair value as at March 31, 2019			
Recurring measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Cash and cash equivalents	**$ 67,441**	**$ -**	**$ -**	**$ 67,441**
Short-term investments - money market instruments	**22,850**	**-**	**-**	**22,850**
Investments in publicly traded companies	**9,253**	**-**	**-**	**9,253**

	Fair value as at March 31, 2018			
Recurring measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	$ 49,199	$ -	$ -	$ 49,199
Investments in publicly traded companies	6,132	-	-	6,132

Fair value of the other financial instruments excluded from the table above approximates their carrying amount as at March 31, 2019 and March 31, 2018, respectively, due to the short-term nature of these instruments.

There were no transfers into or out of level 3 during the years ended March 31, 2019 and 2018.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its short term business requirements. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansion plans.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following summarizes the remaining contractual maturities of the Company's financial liabilities.

	March 31, 2019				March 31, 2018
	Within a year	**2-3 years**	**4-5 years**	**Total**	Total
Bank loan	**$ 4,475**	**$ - $**	**-**	**$ 4,475**	$ -
Accounts payable and accrued liabilities	**29,856**	**-**	**-**	**29,856**	25,198

(c) Foreign exchange risk

The Company reports its financial statements in US dollars. The functional currency of the head office, Canadian subsidiaries and all intermediate holding companies is CAD and the functional currency of all Chinese subsidiaries is RMB. The Company is exposed to foreign exchange risk when the Company undertakes transactions and holds assets and liabilities in currencies other than its functional currencies. The Company currently does not engage in foreign exchange currency hedging. The Company's exposure to currency risk affect net income is summarized as follow:

	March 31, 2019	March 31, 2018
Financial assets denominated in U.S. Dollars	**$ 45,912**	$ 27,256

As at March 31, 2019, with other variables unchanged, a 10% strengthening (weakening) of the CAD against the USD would have decreased (increased) net income by approximately $4.6 million.

(d)Interest rate risk

The Company is exposed to interest rate risk on its cash equivalents, short term investments, and bank loan payable. As at March 31, 2019, all of its interest-bearing cash equivalents and short term investments earn interest at market rates that are fixed to maturity or at variable interest rate with terms of less than one year. The Company monitors its exposure to changes in interest rates on cash equivalents and short term investments. Due to the short term nature of the financial instruments, fluctuations in interest rates would not have a significant impact on the Company's after-tax net income.

The outstanding bank loan is subject to Chinese prevailing loan prime interest rate. If the prime interest rate increased (decreased) by 100 basis points, interest expenses would be increased (decreased) by approximately $0.5 million per annum.

(e) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk primarily associated to accounts receivable, due from related parties, cash and cash equivalents and short term investments. The carrying amount of assets included on the balance sheet represents the maximum credit exposure.

The Company undertakes credit evaluations on counterparties as necessary, requests deposits from customers prior to delivery, and has monitoring processes intended to mitigate credit risks. The Company has trade receivables from time to time from its major customers primarily in China engaged in the mining and milling of base and polymetallic metals. The historical level of customer default is zero and aging of

trade receivables are no more than 180 days, and, as a result, the credit risk associated with trade receivables from customers as at March 31, 2019 is considered to be immaterial. There were no amounts in receivables which were past due at March 31, 2019 (at March 31, 2018 - $nil) for which no provision is recognized.

(f) Equity price risk

The Company holds certain marketable securities that will fluctuate in value as a result of trading on Canadian financial markets. As the Company's marketable securities holding are mainly in mining companies, the value will also fluctuate based on commodity prices. Based upon the Company's portfolio at March 31, 2019, a 10% increase (decrease) in the market price of the securities held, ignoring any foreign currency effects would have resulted in an increase (decrease) to comprehensive income of approximately $925.

22. SEGMENTED INFORMATION

The Company's reportable operating segments are components of the Company where separate financial information is available that is evaluated regularly by the Company's Chief Executive Officer who is the Chief Operating Decision Maker ("CODM"). The operational segments are determined based on the Company's management and internal reporting structure. Operating segments are summarized as follows:

Operational Segments	Subsidiaries Included in the Segment	Properties Included in the Segment
Mining		
Henan Luoning	Henan Found and Henan Huawei	Ying Mining District
Hunan	Yunxiang	BYP
Guangdong	Guangdong Found	GC
Other	SX Gold	XHP
Administrative		
Vancouver	Silvercorp Metals Inc. and holding companies	
Beijing	Silvercorp Metals (China) Inc.	

(a) Segmented information for assets and liabilities are as follows:

	March 31, 2019						
	Mining				Administrative		
Statement of financial position items:	**Henan Luoning**	**Hunan**	**Guangdong**	**Other**	**Beijing**	**Vancouver**	**Total**
Current assets	**$ 66,992**	**$ 1,540**	**$ 11,870**	**$ 529**	**$ 5,435**	**$ 48,495**	**$ 134,861**
Plant and equipment	**47,600**	**4,319**	**15,354**	**255**	**932**	**157**	**68,617**
Mineral rights and properties	**197,274**	**7,222**	**26,670**	**7,754**	**-**	**-**	**238,920**
Investment in an associate	**-**	**-**	**-**	**-**	**-**	**38,703**	**38,703**
Other investments	**-**	**-**	**-**	**-**	**-**	**9,253**	**9,253**
Reclamation deposits	**5,330**	**-**	**2,616**	**-**	**-**	**7**	**7,953**
Long-term prepaids and deposits	**369**	**104**	**170**	**126**	**-**	**-**	**769**
Total assets	**$ 317,565**	**$ 13,185**	**$ 56,680**	**$ 8,664**	**$ 6,367**	**$ 96,615**	**$ 499,076**
Current liabilities	**$ 27,000**	**$ 1,391**	**$ 4,036**	**$ 2,548**	**$ 1,102**	**$ 1,796**	**$ 37,873**
Deferred income tax liabilities	**33,337**	**997**	**-**	**-**	**-**	**-**	**34,334**
Environmental rehabilitation	**11,623**	**998**	**774**	**293**	**-**	**-**	**13,688**
Total liabilities	**$ 71,960**	**$ 3,386**	**$ 4,810**	**$ 2,841**	**$ 1,102**	**$ 1,796**	**$ 85,895**

	March 31, 2018						
	Mining				Administrative		
Statement of financial position items:	Henan Luoning	Hunan	Guangdong	Other	Beijing	Vancouver	Total
Current assets	$ 82,567	$ 1,833	$ 7,911	$ 699	$ 1,574	$ 28,220	$ 122,804
Plant and equipment	47,933	4,911	16,988	137	1,104	138	71,211
Mineral rights and properties	194,635	7,470	29,749	226	-	-	232,080
Investment in an associate	-	-	-	-	-	38,001	38,001
Other investments	-	-	-	-	-	6,132	6,132
Reclamation deposits	5,544	-	160	-	-	8	5,712
Long-term prepaids and deposits	311	108	325	210	-	-	954
Total assets	$ 330,990	$ 14,322	$ 55,133	$ 1,272	$ 2,678	$ 72,499	$ 476,894
Current liabilities	$ 22,419	$ 1,652	$ 3,485	$ 2,745	$ 474	$ 1,532	$ 32,307
Deferred income tax liabilities	32,382	928	-	-	-	-	33,310
Environmental rehabilitation	10,929	989	887	293	-	-	13,098
Total liabilities	$ 65,730	$ 3,569	$ 4,372	$ 3,038	$ 474	$ 1,532	$ 78,715

(b) Segmented information for operating results are as follows:

Year ended March 31, 2019

	Mining				Administrative		Total
Statement of income:	**Henan Luoning**	**Hunan[1]**	**Guangdong**	**Other**	**Beijing**	**Vancouver**	
Sales	**$ 141,483**	**$ -**	**$ 29,036**	**$ -**	**$ -**	**$ -**	**$ 170,519**
Cost of sales	**(68,346)**	**-**	**(18,976)**	**-**	**-**	**-**	**(87,322)**
Gross profit	**73,137**	**-**	**10,060**	**-**	**-**	**-**	**83,197**
Operating expenses	**(8,788)**	**(961)**	**(2,934)**	**(810)**	**(1,591)**	**(7,218)**	**(22,302)**
Impairment recovery, net	**-**	**-**	**-**	**7,279**	**-**	**1,899**	**9,178**
Finance items, net	**1,131**	**(127)**	**51**	**(11)**	**145**	**1,656**	**2,845**
Income tax expenses	**(15,588)**	**(128)**	**-**	**-**	**(2)**	**(5,153)**	**(20,871)**
Net income (loss)	**$ 49,892**	**$ (1,216)**	**$ 7,177**	**$ 6,458**	**$ (1,448)**	**$ (8,816)**	**$ 52,047**
Attributable to:							
Equity holders of the Company	**39,008**	**(851)**	**6,825**	**5,006**	**(1,448)**	**(8,816)**	**39,724**
Non-controlling interests	**10,884**	**(365)**	**352**	**1,452**	**-**	**-**	**12,323**
Net income (loss)	**$ 49,892**	**$ (1,216)**	**$ 7,177**	**$ 6,458**	**$ (1,448)**	**$ (8,816)**	**$ 52,047**

[1] Hunan's BYP project was placed on care and maintenance in August 2014;

Year ended March 31, 2018

	Mining				Administrative		Total
Statement of income:	Henan Luoning	Hunan	Guangdong	Other	Beijing	Vancouver	
Sales	$ 142,113	$ -	$ 27,926	$ -	$ -	$ -	$ 170,039
Cost of sales	(64,321)	-	(17,834)	-	-	-	(82,155)
Gross profit	77,792	-	10,092	-	-	-	87,884
Operating (expenses) income	(8,136)	(1,164)	(2,726)	1,755	(1,321)	(5,581)	(17,173)
Impairment recovery, net	-	-	-	-	-	4,714	4,714
Finance items, net	580	(83)	9	(11)	250	1,645	2,390
Income tax expenses	(17,894)	(1)	-	-	(1)	(1,023)	(18,919)
Net income (loss)	$ 52,342	$ (1,248)	$ 7,375	$ 1,744	$ (1,072)	$ (245)	$ 58,896
Attributable to:							
Equity holders of the Company	40,799	(874)	7,034	1,352	(1,072)	(245)	46,994
Non-controlling interests	11,543	(374)	341	392	-	-	11,902
Net income (loss)	$ 52,342	$ (1,248)	$ 7,375	$ 1,744	$ (1,072)	$ (245)	$ 58,896

(c) Sales by metal

The sales generated for the years ended March 31, 2019 and 2018 were all earned in China and are comprised of:

	Year ended March 31, 2019		
	Henan Luoning	**Guangdong**	**Total**
Silver (Ag)	**$ 74,702**	**$ 5,952**	**$ 80,654**
Gold (Au)	**3,642**	**-**	**3,642**
Lead (Pb)	**55,739**	**8,372**	**64,111**
Zinc (Zn)	**6,305**	**14,349**	**20,654**
Other	**1,095**	**363**	**1,458**
	$ 141,483	**$ 29,036**	**$ 170,519**

	Year ended March 31, 2018		
	Henan Luoning	Guangdong	Total
Silver (Ag)	$ 75,891	$ 6,463	$ 82,354
Gold (Au)	3,232	-	3,232
Lead (Pb)	55,488	6,763	62,251
Zinc (Zn)	7,000	14,462	21,462
Other	502	238	740
	$ 142,113	$ 27,926	$ 170,039

(d) Major customers

For the year ended March 31, 2019, four major customers (year ended March 31, 2018 - three) accounted for 12% to 26%, (year ended March 31, 2018 - 22%, 25% and 28%) and collectively 67% (year ended March 31, 2018 - 75%) of the total sales of the Company as reported across the Henan Luoning and Guangdong segments.

23. COMMITMENTS AND CONTINGENCIES

Commitments, not disclosed elsewhere in these financial statements, are as follows:

	Total	**Less than 1 year**	**1-5 years**	**After 5 years**
Operating leases	$ 2,612	$ 854	$ 1,758	$ -

As of March 31, 2019, the Company has two office rental agreements totaling $2,612 for the next four years. During the year ended March 31, 2019, the Company incurred rental expenses of $798 (year ended March 31, 2018 - $684), which were included in office and administrative expenses on the consolidated statement of income.

Although the Company has taken steps to verify title to properties in which it has an interest, these procedures do not guarantee the Company's title. Property title may be subject to, among other things, unregistered prior agreements or transfers and may be affected by undetected defects.

Due to the size, complexity and nature of the Company’s operations, the Company is subject to various claims, legal and tax matters arising in the ordinary course of business. Each of these matters is subject to

various uncertainties and it is possible that some of these matters may be resolved unfavorably to the Company. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated.

In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company and its legal counsel evaluate the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

24. SUPPLEMENTARY CASH FLOW INFORMATION

	March 31, 2019	March 31, 2018
Cash on hand and at bank	**$ 67,215**	$ 31,281
Bank term deposits and GICs	**226**	17,918
Total cash and cash equivalents	**$ 67,441**	$ 49,199

Changes in non-cash operating working capital:	**Years Ended March 31,**	
	2019	2018
Trade and other receivables	**$ 169**	$ 715
Inventories	**(606)**	(1,164)
Prepaids and deposits	**500**	86
Accounts payable and accrued liabilities	**3,962**	(1,743)
Deposits received	**(3,343)**	(603)
Due from a related party	**(23)**	84
	$ 659	$ (2,625)

EXHIBIT 99.4

CERTIFICATION REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a), PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Dr. Rui Feng, certify that:

1. I have reviewed this Annual Report on Form 40-F of Silvercorp Metals Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: June 21, 2019

/s/ Dr. Rui Feng
Name: Dr. Rui Feng
Title: Chief Executive Officer

EXHIBIT 99.5

CERTIFICATION REQUIRED BY RULE 13a-14(a) OR RULE 15d-14(a), PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Derek Liu, certify that:

1. I have reviewed this Annual Report on Form 40-F of Silvercorp Metals Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: June 21, 2019

/s/ Derek Liu
Name: Derek Liu
Title: Chief Financial Officer

EXHIBIT 99.6

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ENACTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002

Silvercorp Metals Inc. (the "Company") is filing with the U.S. Securities and Exchange Commission on the date hereof, its Annual Report on Form 40-F for the fiscal year ended March 31, 2019 (the "Report").

I, Dr. Rui Feng, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

i. the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

ii. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 21, 2019

/s/ Dr. Rui Feng

Name: Dr. Rui Feng
Title: Chief Executive Officer

EXHIBIT 99.7

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ENACTED PURSUANT TO
SECTION 906 OF THE U.S. SARBANES-OXLEY ACT OF 2002

Silvercorp Metals Inc. (the "Company") is filing with the U.S. Securities and Exchange Commission on the date hereof, its Annual Report on Form 40-F for the fiscal year ended March 31, 2019 (the "Report").

I, Derek Liu, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as enacted pursuant to section 906 of the U.S. Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

i. the Report fully complies with the requirements of section 13(a) or 15(d) of the U.S. Securities Exchange Act of 1934; and

ii. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: June 21, 2019

/s/ Derek Liu

Name: Derek Liu
Title: Chief Financial Officer

EXHIBIT 99.8

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-162546 on Form S-8 and to the use of our reports dated May 23, 2019 relating to the consolidated financial statements of Silvercorp Metals Inc. and subsidiaries ("Silvercorp") and the effectiveness of Silvercorp's internal control over financial reporting appearing in this Annual Report on Form 40-F of Silvercorp for the year ended March 31, 2019.

/s/
Chartered Professional Accountants
Vancouver, Canada
June 21, 2019

EXHIBIT 99.9

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F, and the documents incorporated by reference therein, of Silvercorp Metals Inc. for the fiscal year ended March 31, 2019, and any amendments thereto (the "40-F"), to be filed with the United States Securities and Exchange Commission (the "SEC"), and the Annual Information Form (the "AIF") and Management's Discussion and Analysis (the "MD&A") for the year then ended, which are filed as exhibits to and incorporated by reference in the 40-F, and the Registration Statement on Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Form S-8").

I hereby consent to the use of my name and references to, excerpts from, and summaries of, the following report in the 40-F, the AIF, the MD&A and Form S-8:

> Technical Report titled "*NI 43-101 Technical Report on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China* " prepared for Silvercorp Metals Inc., dated effective June 30, 2018.

/s/ Alan Riles

Alan Riles, B.Met, MAIG
And on behalf of AMC Mining Consultants (Canada) Ltd
June 21, 2019

EXHIBIT 99.10

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F, and the documents incorporated by reference therein, of Silvercorp Metals Inc. for the fiscal year ended March 31, 2019, and any amendments thereto (the "40-F"), to be filed with the United States Securities and Exchange Commission (the "SEC"), and the Annual Information Form (the "AIF") and Management's Discussion and Analysis (the "MD&A") for the year then ended, which are filed as exhibits to and incorporated by reference in the 40-F, and the Registration Statement on Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Form S-8").

We hereby consent to the use of our firm's name and references to, excerpts from, and summaries of, the following report in the 40-F, the AIF, the MD&A and Form S-8:

Technical Report titled "*Ying NI 43-101 Technical Report, Silvercorp Metals Inc., Henan Province, China* " dated effective December 31, 2016, and signed on February 15, 2017.

/s/ AMC Mining Consultants (Canada) Ltd

AMC Mining Consultants (Canada) Ltd
June 21, 2019

EXHIBIT 99.11

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F, and the documents incorporated by reference therein, of Silvercorp Metals Inc. for the fiscal year ended March 31, 2019, and any amendments thereto (the "40-F"), to be filed with the United States Securities and Exchange Commission (the "SEC"), and the Annual Information Form (the "AIF") and Management's Discussion and Analysis (the "MD&A") for the year then ended, which are filed as exhibits to and incorporated by reference in the 40-F, and the Registration Statement on Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Form S-8").

I hereby consent to the use of my name and references to, excerpts from, and summaries of, the following report in the 40-F, the AIF, the MD&A and Form S-8:

Technical Report titled "*Ying NI 43-101 Technical Report, Silvercorp Metals Inc., Henan Province, China* " dated effective December 31, 2016, and signed on February 15, 2017; and

Technical Report titled "*NI 43-101 Technical Report on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China* " prepared for Silvercorp Metals Inc., dated effective June 30, 2018.

/s/ Herbert Smith

Herbert Smith, P.Eng.
And on behalf of AMC Mining Consultants (Canada) Ltd
June 21, 2019

EXHIBIT 99.12

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F, and the documents incorporated by reference therein, of Silvercorp Metals Inc. for the fiscal year ended March 31, 2019, and any amendments thereto (the "40-F"), to be filed with the United States Securities and Exchange Commission (the "SEC"), and the Annual Information Form (the "AIF") and Management's Discussion and Analysis (the "MD&A") for the year then ended, which are filed as exhibits to and incorporated by reference in the 40-F, and the Registration Statement on Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Form S-8").

I hereby consent to the use of my name and references to, excerpts from, and summaries of, the following reports in the 40-F, the AIF, the MD&A and Form S-8:

Technical Report titled "*Ying NI 43-101 Technical Report, Silvercorp Metals Inc., Henan Province, China* " prepared for Silvercorp Metals Inc., dated effective December 31, 2016, and signed on February 15, 2017; and

Technical Report titled "*NI 43-101 Technical Report on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China* " prepared for Silvercorp Metals Inc., dated effective June 30, 2018.

/s/ Patrick Stephenson

Patrick Stephenson, P.Geo.
And on behalf of AMC Mining Consultants (Canada) Ltd
June 21, 2019

EXHIBIT 99.13

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F, and the documents incorporated by reference therein, of Silvercorp Metals Inc. for the fiscal year ended March 31, 2019, and any amendments thereto (the "40-F"), to be filed with the United States Securities and Exchange Commission (the "SEC"), and the Annual Information Form (the "AIF") and Management's Discussion and Analysis (the "MD&A") for the year then ended, which are filed as exhibits to and incorporated by reference in the 40-F, and the Registration Statement on Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Form S-8").

I hereby consent to the use of my name and references to, excerpts from, and summaries of, the following report in the 40-F, the AIF, the MD&A and Form S-8:

> Technical Report titled " *Ying NI 43-101 Technical Report, Silvercorp Metals Inc., Henan Province, China* " prepared for Silvercorp Metals Inc., dated effective December 31, 2016, and signed on February 15, 2017.

/s/ Adrienne Ross

Adrienne Ross
And on behalf of AMC Mining Consultants (Canada) Ltd
June 21, 2019

EXHIBIT 99.14

CONSENT OF EXPERT

Reference is made to the Annual Report on Form 40-F, and the documents incorporated by reference therein, of Silvercorp Metals Inc. for the fiscal year ended March 31, 2019, and any amendments thereto (the "40-F"), to be filed with the United States Securities and Exchange Commission (the "SEC"), and the Annual Information Form (the "AIF") and Management's Discussion and Analysis (the "MD&A") for the year then ended, which are filed as exhibits to and incorporated by reference in the 40-F, and the Registration Statement on Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Form S-8").

I hereby consent to the use of my name and references to, excerpts from, and summaries of, the following report in the 40-F, the AIF, the MD&A and Form S-8:

> Technical Report titled "*NI 43-101 Technical Report on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China* " prepared for Silvercorp Metals Inc., dated effective June 30, 2018.

/s/ Dinara Nussipakynova

Dinara Nussipakynova, P.Geo.
And on behalf of AMC Mining Consultants (Canada) Ltd
June 21, 2019