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

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

For fiscal year ended: March 31, 2022 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 1750 - 1066 West Hastings Street
Vancouver, British Columbia V6E 3X1, 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:

Christopher L. Doerksen
Dorsey & Whitney LLP
701 Fifth Avenue, Suite 6100
Seattle, Washington 98104
(206) 903-8800

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:

☒ Annual information form ☒ 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: 177,105,799

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 ☒ 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 ☒ 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. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

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, 2022;

(b) Management's Discussion and Analysis for the fiscal year ended March 31, 2022; and

(c) Audited Consolidated Financial Statements as of and for the fiscal year ended March 31, 2022 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, 2022, 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, 2022, 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 (Vancouver, British Columbia, PCAOB ID No. 1208, which audited the consolidated financial statements incorporated by reference 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, 2022, 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, 2022.

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, LLC ("NYSE American")).

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 to the Code, or waivers of the Code that apply to the Company's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions during the fiscal year ended March 31, 2022. The Code is posted on the Company's website at http://www.silvercorpmetals.com/company/corporate_governance, and a copy of the Code may 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, 2022, 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.

CONTRACTUAL AND OTHER OBLIGATIONS

Information regarding our contractual and other obligations is included in the Management Discussion and Analysis incorporated herein by reference to Exhibit 99.3, under the heading "Liquidity and Capital Resources" and "Financial Instruments and Related Risks".

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. The Board has determined that each of the members of the Audit Committee is independent as determined under Rule 10A-3 of the Exchange Act and Section 803 of the NYSE American company guide.

MINE SAFETY DISCLOSURE

The Company does not operate any mine in the United States and has no mine safety incidents to report for the year ended March 31, 2022.

DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

NYSE AMERICAN STATEMENT OF CORPORATE GOVERNANCE DIFFERENCES

The common shares of the Company are listed on the NYSE American. Section 110 of the NYSE American company guide permits NYSE American to consider the laws, customs and practices of foreign issuers in relaxing certain NYSE American listing criteria, and to grant exemptions from NYSE American listing criteria based on these considerations. A description of the significant ways in which the Company's governance practices differ from those followed by domestic companies pursuant to NYSE American standards is provided on the Company's website at https://silvercorpmetals.com/company/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, 2022
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations for the Year Ended March 31, 2022
99.3	Consolidated Financial Statements comprised of Consolidated Statements of Financial Position as at March 31, 2022 and 2021, Consolidated Statements of Income, Comprehensive Income, Changes in Equity, and Cash Flows for the years ended March 31, 2022 and 2021, 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 Herbert Smith
99.11	Consent of Genoa Vartell (formerly known as Adrienne Ross)
99.12	Consent of Dinara Nussipakynova
99.13	Consent of Guoliang Ma
99.14	Consent of Simeon Robinson
99.15	Consent of Rod Webster
99.16	Consent of Robert Chesher
99.17	NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China, dated effective July 31, 2020 (incorporated by reference from the Company's Current Report on Form 6-K furnished to the SEC on October 19, 2020)
99.18	NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China, dated effective March 31, 2021 (incorporated by reference from the Company's Current Report on Form 6-K furnished to the SEC on October 7, 2021)
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL contained in Exhibit 101)

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 22, 2022

SILVERCORP METALS INC.

By: /s/ Rui Feng
Name: Dr. Rui Feng
Title: Chief Executive Officer

SILVERCORP METALS INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED MARCH 31, 2022

DATED AS AT JUNE 22, 2022

SILVERCORP METALS INC.

Suite 1750 - 1066 West Hastings Street
Vancouver, BC, Canada V6E 3X1
Tel: (604) 669-9397
Fax: (604) 669-9387
Email: investor@silvercorp.ca
Website: www.silvercorp.ca

TABLE OF CONTENTS

ITEM 1		**GENERAL**	**3**
	1.1	Date of Information	3
	1.2	Forward Looking Statements	3
	1.3	Cautionary Note to U.S. Investors Concerning Preparation of Mineral Resource and Mineral Reserve Estimates	4
	1.4	Currency	5
ITEM 2		**CORPORATE STRUCTURE**	**6**
	2.1	Names, Address and Incorporation	**6**
	2.2	Intercorporate Relationships	7
ITEM 3		**GENERAL DEVELOPMENT OF THE BUSINESS**	**8**
	3.1	Business of Silvercorp	8
	3.2	Three Year History	8
ITEM 4		**DESCRIPTION OF THE BUSINESS**	**13**
	4.1	General	13
	4.2	Corporate Governance, Safety, Environment and Social Responsibility	17
	4.3	Chinese Mining Law	18
	4.4	Risk Factors	21
ITEM 5		**MINERAL PROPERTIES**	**34**
	5.1	Ying Mining District, Henan Province, China	34
	5.2	GC Mine	58
ITEM 6		**DIVIDENDS AND DISTRIBUTIONS**	**70**
ITEM 7		**DESCRIPTION OF CAPITAL STRUCTURE**	**70**
ITEM 8		**MARKET FOR SECURITIES**	**71**
ITEM 9		**ESCROWED SECURITIES**	**72**
ITEM 10		**DIRECTORS AND OFFICERS**	**72**
ITEM 11		**AUDIT COMMITTEE**	**75**
ITEM 12		**PROMOTERS**	**76**
ITEM 13		**LEGAL PROCEEDINGS AND REGULATORY ACTIONS**	**77**
ITEM 14		**INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**	**77**
ITEM 15		**TRANSFER AGENTS AND REGISTRARS**	**77**
ITEM 16		**MATERIAL CONTRACTS**	**77**
ITEM 17		**INTERESTS OF EXPERTS**	**77**
ITEM 18		**ADDITIONAL INFORMATION**	**79**

ITEM 1 GENERAL

1.1 Date of Information

All information in this Annual Information Form ("**AIF**") is as of March 31, 2022, 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; access to and availability of funding for future construction and development of the Company's properties or for acquisitions; and other forecasts and predictions with respect to the Company and its properties.

Forward-looking statements are based on the opinions, assumptions, factors and estimates of management considered reasonable at the date the statements are made. The opinions, assumptions, factors and estimates which may prove to be incorrect, include, but are not limited to: the specific assumptions set forth in this AIF, or incorporated by reference herein; the expectations and beliefs of management; that prices for minerals, particularly silver, gold, lead and zinc remain consistent with the Company's expectations; that there are no significant disruptions affecting operations, including labour disruptions, supply disruptions, power disruptions, security disruptions, damage to or loss of equipment, whether due to flooding, political changes, title issues, intervention by local communities, environmental concerns, pandemics (including COVID-19) or otherwise; that operations, development and exploration at the Company's projects proceed on a basis consistent with expectations and the Company does not change its development and exploration plans and forecasts; that prices for key mining supplies, including labour costs and consumables remain consistent with the Company's current expectations; that plant, equipment and processes will operate as anticipated; that there are no material variations in the current tax and regulatory environment or the tax positions taken by the Company; that the Company will maintain access to surface rights; that the Company will be able to obtain and maintain government approvals, permits and licenses in connection with its current and planned operations, development and exploration activities; that the Company is able to meet current and future obligations; and that the Company can access adequate financing, appropriate equipment and sufficient labour, all at acceptable rates.

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 4.4 *Risk Factors* under the following headings: COVID-19; fluctuating commodity prices; recent market events and condition; estimation of mineral resources, reserves and mineralization and metal recovery; interpretations and assumptions of mineral resource and mineral reserve estimates; exploration and development programs; economic factors affecting the Company; timing, estimated amount, capital and operating expenditures and economic returns of future production; integration of future acquisitions into existing operations; permits and licences for mining and exploration in China; title to properties; non-controlling interest shareholders; acquisition of commercially mineable mineral rights; financing; competition; operations and political conditions; regulatory environment in China; regulatory environment in Mexico; environmental risks; dependence on management and key personnel; foreign exchange rate fluctuations; insurance; risks and hazards of mining operations; conflicts of interest; internal control over financial reporting as per the requirements of the *Sarbanes-Oxley Act*; outcome of current or future litigation or regulatory actions; bringing actions and enforcing judgments under U.S. securities laws; cyber-security risks; the Company's investment in New Pacific Metals Corp; and the Company's investment in Whitehorse Gold Corp.

This list of risk factors described in this AIF and the Company's other disclosure documents are 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.

1.3 Cautionary Note to U.S. Investors 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 the United States Securities and Exchange Commission's (the "SEC") under subpart 1300 of Regulation S-K (the "SEC Modernization Rules"). The terms "mineral resources", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" used in this AIF are in reference to the mining terms defined in the Canadian Institute of Mining, Metallurgy and Petroleum Standards (the "CIM Standards"), as adopted by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). The Company is not currently subject to the SEC Modernization Rules. Accordingly, the Company's disclosure of mineralization and other technical information herein may differ significantly from the information that would be disclosed had the Company prepared the resource estimates under the standards adopted under the SEC Modernization Rules.

Readers are cautioned not to assume that all or any part of mineral resources will ever be converted into reserves. Pursuant to CIM Standards, "inferred mineral resources" are that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Such geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and must not be converted to a mineral reserve. However, it is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration. Under Canadian rules, estimates of 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 is economically or legally mineable.

1.4 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 closing rate and the high and low closing exchange rates for one Canadian dollar expressed in U.S. dollar, as quoted by the Bank of Canada:

	Year Ended March 31,		
	2022	**2021**	**2020**
High	0.8306	0.8029	0.7710
Low	0.7727	0.7034	0.6898
Average	0.7980	0.7575	0.7514
Period End	0.8003	0.7952	0.7049

The exchange rate for one Canadian dollar expressed in U.S. dollar based upon the daily average exchange rate on June 21, 2022 provided by the Bank of Canada was $0.7735.

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

	Year Ended March 31,		
	2022	**2021**	**2020**
High	5.3333	5.2854	5.4142
Low	4.9116	4.9950	4.8591
Average	5.1210	5.1285	5.2330
Period End	5.0736	5.2110	4.9950

The exchange rate for one Canadian dollar expressed in RMB, based upon the daily average exchange rate on June 21, 2022 provided by the Bank of Canada, was RMB 5.1760.

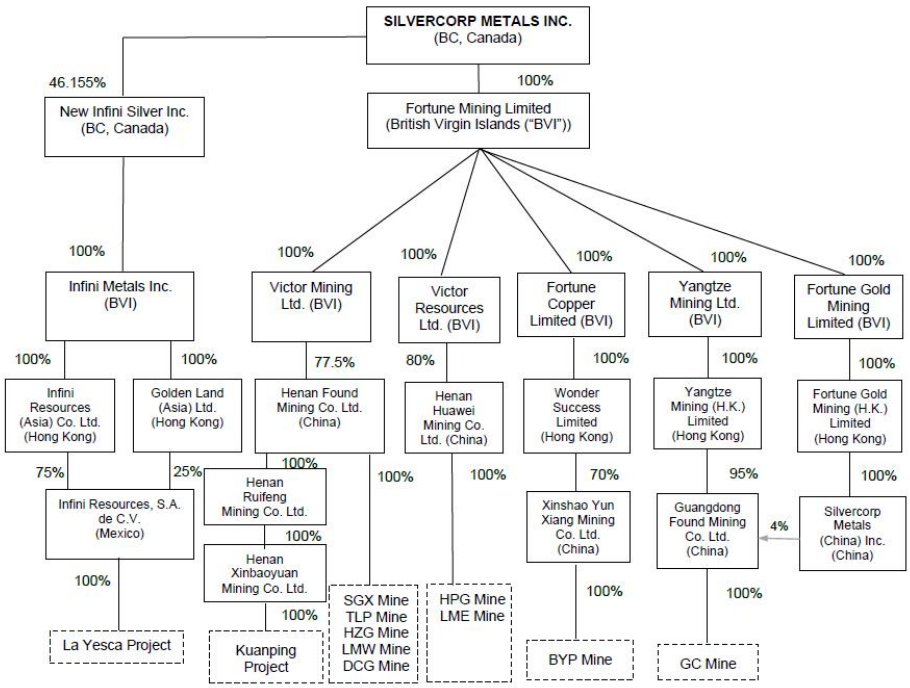
ITEM 2 CORPORATE STRUCTURE

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 approved an increase to the Company's authorized capital to an unlimited number of common shares (each, a "Common Share") and adopted new Articles consistent with the transition to the *Business Corporations Act* (British Columbia) and 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 1750 – 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1. The Company's shares are listed for trading on the Toronto Stock Exchange (the "TSX") and the NYSE American, LLC ("NYSE American"), both under the symbol "SVM". The Company is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador.

2.2 Intercorporate Relationships

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



The Company is the sole shareholder of Fortune Mining Limited ("Fortune") which was incorporated under the laws of BVI 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 owns 100% of the following material subsidiary companies:

(a) Victor Mining Ltd. ("Victor Mining") was incorporated on October 23, 2003 under the laws of 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 ("SGX Mine"); (ii) the project in Tieluping ("TLP Mine"); (iii) the project in Hou Zhang Gou and Po Cai Gou ("HZG Mine"); (iv) the project in Longmen East ("LME Mine"); and (v) the project in Dong Cao Gou ("DCG Mine"), each in Henan Province. Henan Found holds a 100% interest of Henan Xinbaoyuan Mining Co. Ltd., which holds a 100% interest in the Kuanping silver-lead-zinc-gold project (the "Kuanping 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: (i) the project in Haopinggou ("HPG Mine"); and (ii) the project in Longmen East ("LME Mine").

(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", "GC", or "Gaocheng") in Guangdong Province. In October 2018, Silvercorp Metals (China) Inc., a wholly-owned subsidiary of the Company, acquired an additional 4% interest in Guangdong Found, and as a result, the Company now beneficially owns a 99% interest in Guangdong Found.

(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, and zinc mine in Hunan Province (the "BYP Mine").

The Company also holds a 46.15% interest in New Infini Silver Inc. ("New Infini"), which was incorporated on October 13, 2020, under the laws of the Province of British Columbia. New Infini holds a 100% interest in the La Yesca silver project (the "La Yesca Project").

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 a Canadian mining company producing silver, gold, lead, zinc, and other metals with long history of profitability and growth potential. The Company's strategy is to create shareholder value by focusing on generating free cashflow from long life mines; organic growth through extensive drilling for discovery; ongoing merger and acquisition efforts to unlock value; and long term commitment to responsible mining and sound environmental, social, and governance ("ESG"). Silvercorp operates several silver-lead-zinc mines at the Ying Mining District in Henan Province, China and the GC silver-lead-zinc mine in Guangdong Province, China.

3.2 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 at the Ying Mining District in Henan Province, China also commenced production. In addition, the Company's GC Mine commenced production in July 2014.

(a) Overview of Key Developments

(i) Fiscal 2022 (year ended March 31, 2022)

In the year ended March 31, 2022 ("Fiscal 2022"), on a consolidated basis, the Company mined 996,280 tonnes of ore, an increase of 3% or 31,355 tonnes of ore, compared to 964,925 tonnes in the year ended March 31, 2021. For Fiscal 2022, the Company had revenue of $217.9 million up 13% compared to $192.1 million in the prior year, and cash flow from operations of $107.4 million up 25% or $21.5 million compared to $85.9 million in the prior year. For Fiscal 2022, net income attributable to equity holders of the Company was $30.6 million, or $0.17 per share.

In October 2021, the Company, through a 100% owned subsidiary of Henan Found, won an online open auction to acquire a 100% interest in the Kuanping silver-lead-zinc-gold project (the "Kuanping Project"). The transaction was successfully completed in November 2021 for a total consideration of $13.1 million, comprised of approximately $11.4 million in cash (RMB ¥73.5 million) plus the assumption of approximately $2.0 million (RMB ¥13.3 million) of debt, and net of $0.3 million cash received. The acquisition was through the acquisition of a 100% interest in the shares of Shanxian Xinbaoyuan Mining Co. Ltd. ("Xinbaoyuan"), an affiliate of a Henan Provincial government-controlled company located in Sanmenxia City, Henan Province. The material asset held by Xinbaoyuan is the Kuanping Project.

The Kuanping Project is located in Shanzhou District, Sanmenxia City, Henan Province, China, approximately 33 km north of the Ying Mining District. The Kuanping Project covers an area of 12.39 km², being approximately 3 km wide (east-west) and 5 km long (north-south). The exploration rights of the Kuanping Project are currently in a reservation period for mining permit application, and the Company is in the process to apply for the mining permit.

In August 2021, the Company filed the results of an updated NI 43-101 Technical Report on the GC Mine with an effective date of March 31, 2021 (Mineral Resources and Mineral Reserves effective December 31, 2020) prepared by AMC Mining Consultants (Canada) Ltd. ("AMC"). Despite the production depletion, the Technical Report reflected an 8% increase in tonnage of combined Proven and Probable Reserves compared to Mineral Reserve estimated in the previous Technical Report of the GC Mine with effective date of June 2019.

On August 25, 2021, the Company announced a normal course issuer bid ("NCIB") which allows it to acquire up to 7,054,000 common shares of the Company, representing approximately 4% of the common shares issued and outstanding as of August 22, 2021. This NCIB program is valid from August 27, 2021 to August 26, 2022. Purchase will be made at the discretion of the directors at prevailing market prices, through the facilities of the TSX, the NYSE American, and alternative trading platforms in Canada and the United States, in compliance with the regulatory requirements. The Company did not purchase any of its own shares in Fiscal 2022 and subsequent to March 31, 2022, the Company purchased 200,000 shares under this NCIB program.

(ii) Fiscal 2021 (year ended March 31, 2021)

For the year ended March 31, 2021 ("Fiscal 2021"), on a consolidated basis, the Company mined 964,925 tonnes of ore, an increase of 9% or 79,095 tonnes of ore, compared to 885,830 tonnes in the year ended March 31, 2020. For Fiscal 2021, the Company had revenue of $192.1 million, up 21%, compared to $158.8 million in the prior year, and cash flow from operations of $85.9 million up 11% or $8.7 million compared to $77.2 million in the prior year. For Fiscal 2021, net income attributable to equity holders of the Company was $46.4 million, or $0.27 per share.

In December 2020, the Company and its subsidiary, New Infini, entered into a framework agreement with various arm's length vendors (the "Vendors"), whereby New Infini agreed to acquire a 100% interest in the La Yesca Project through the indirect purchase of all of the issued and outstanding shares of Infini Resources, S.A. de C.V., a Mexican company which owns the La Yesca Project. The La Yesca Project is a silver-polymetallic, epithermal-type project located approximately 100 km (185 m by road) northwest of Guadalajara, the second-largest city in Mexico. The concessions comprising the La Yesca Project cover an area of approximately 47.7 km^2. In January 2021, New Infini completed a private placement and raised $4.0 million by issuing 8,000,000 shares of New Infini at $0.50 per share. The Company purchased an additional 3,000,000 shares for $1.5 million. As at March 31, 2022, New Infini had a total of 45.6 million shares issued and outstanding, of which the Company owned 21.0 million shares or 46.1%.

In December 2020, the Company, through its subsidiary, Henan Found, won an online auction to acquire the exploration rights to the Zhonghe Silver Project (the "Zhonghe Project") from the Henan provincial government. The Zhonghe Project covers an area of 4.96 square km, approximately 50 km (75 km by road) northeast of the Company's Ying Mining District, also located in Luoning County. The final winning bid submitted by the Company was approximately $76.0 million (RMB¥495.0 million). The acquisition was subject to the national security clearance by the relevant Chinese authorities. In January 2022, the Company withdrew its application for the national security clearance and the acquisition was terminated.

In November 2020, the Company acquired a 26.99% interest in Whitehorse Gold ("WHG") as a result of (a) receiving 5,740,285 WHG common shares under a spin-out transaction completed by New Pacific Metals Corp ("NUAG"), and (b) subscribing for 5,774,000 WHG common shares under a private placement at total of $1.3 million.

In June 2020, the Company participated in an underwritten offering of common shares of NUAG and acquired an additional 1,320,710 common shares of NUAG for a cost of $5.8 million to maintain its ownership interest.

In April 2020, the Company entered into a definitive agreement with Guyana Goldfields Inc. ("Guyana Goldfields"), subsequently amended on May 16, 2020 (collectively, the "Arrangement Agreement") to acquire all of the issued and outstanding shares of Guyana Goldfields. On June 10, 2020, Guyana Goldfields terminated the Arrangement Agreement and paid the Company a break fee of $6.5 million. The Company also realized a gain of $15.4 million on the disposal of the Guyana Goldfields' common shares in Fiscal 2021.

(iii) Fiscal 2020 (Year ended March 31, 2020)

For the year ended March 31, 2020 ("Fiscal 2020"), on a consolidated basis, the Company mined 885,830 tonnes of ore, a decrease of 2% or 20,964 tonnes, compared to 906,794 tonnes in the year ended March 31, 2019. For Fiscal 2020, the Company had revenue of $158.8 million and cash flow from operations of $77.2 million. For Fiscal 2020, net income attributable to equity holders of the Company was $34.3 million, or $0.20 per share.

Silvercorp's operations in China are usually suspended for two weeks for the Chinese New Year holiday. During the 2020 holiday season, the Company's operations in China were shut down for an additional month due to COVID-19, as reported in the Company's news releases dated January 29, February 18, and March 12, 2020. The operations were ramped up to full capacity in March 2020 with no employee infections. The Company's operations are in compliance with government measures implemented to prevent the spread of the virus. Despite the extended shutdown during the three months ended March 31, 2020 ("Q4 Fiscal 2020"), the Company was able to surpass its production guidance for Fiscal 2020.

In Fiscal 2020, the Company invested $7.0 million in NUAG to maintain the Company's ownership interest at 28.8% as at March 31, 2020.

(b) Production

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

	Year Ended March 31		
	2022	**2021**	**2020**
Silver ('000s ounces)	6,265	6,315	6,257
Gold ('000s ounces)	3.4	4.7	3.3
Lead ('000s pounds)	63,563	67,118	65,344
Zinc ('000s pounds)	26,809	27,914	25,401

Ying Mining District

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

In Fiscal 2022, a total of 681,398 tonnes of ore were mined, up 5% compared to 650,025 tonnes in Fiscal 2021. Ore milled was 684,293 tonnes, up 5% compared to 651,402 tonnes in Fiscal 2021. Average head grades of ore processed were 272 g/t for silver, 3.9% for lead, and 0.8% for zinc compared to 290 g/t for silver, 4.3% for lead, and 0.8% for zinc in prior year. The Company continues to achieve improvements in dilution control using its "Enterprise Blog" to assist in managing daily operations.

In Fiscal 2022, the Ying Mining District sold approximately 5.6 million ounces of silver, 3,400 ounces of gold, 53.9 million pounds of lead, and 6.6 million pounds of zinc, compared to 5.6 million ounces of silver, 3,500 ounces of gold, 56.7 million pounds of lead, and 7.0 million pounds of zinc in the prior year.

In Fiscal 2022, the cash production cost per tonne of ore processed [1] was $97.76, up 18% compared to $83.01 in Fiscal 2021. The per tonne cash mining cost[1] and milling cost were $81.98 and $12.10, up 18% and 25% respectively, compared to $69.56 and $9.69 in Fiscal 2021.

The all-in sustaining cost per tonne of ore processed[1] was $147.52, up 11% compared to $132.54 in Fiscal 2021. The increase was mainly due to the increase in cash production cost per tonne of ore processed[1] as discussed above.

In Fiscal 2022, the cash cost per ounce of silver[1] and all-in sustaining cost per ounce of silver[1], net of by-product credits, were $0.96 and $7.93, respectively, compared to negative $0.39 and $6.09 in Fiscal 2021. The increase was mainly due to the increase in per tonne production costs, offset by the increase of total by-product credits per ounce of silver.

[1] *Non-IFRS measure. Please refer to the reconciliation in section 12 of the MD&A for the corresponding period.*

GC Mine

In Fiscal 2022, a total of 314,882 tonnes of ore were mined and 318,042 tonnes were milled at the GC Mine, compared to 314,900 tonnes mined and 316,179 tonnes milled in Fiscal 2021.

Average head grades of ore milled were 75 g/t for silver, 1.5% for lead, and 3.2% for zinc compared to 85 g/t for silver, 1.7% for lead, and 3.4% for zinc in Fiscal 2021.

In Fiscal 2022, the GC Mine sold approximately 646 thousand ounces of silver, 9.7 million pounds of lead, and 20.2 million pounds of zinc, compared to 705 thousand ounces of silver, 10.4 million pounds of lead, and 20.9 million pounds of zinc in Fiscal 2021.

The cash mining and milling costs[1] at the GC Mine were $40.59 and $16.31 per tonne, respectively, up 5% and 27% compared to $38.56 and $12.88 per tonne in Fiscal 2021.

The cash production cost per tonne[1] was $56.90, up 11%, compared to $51.44 in Fiscal 2021. The all-in sustaining production cost per tonne of ore processed[1] was $79.56, up 7%, compared to $74.09 in Fiscal

2021.

The cash cost per ounce of silver [1] and all-in sustaining cost per ounce of silver[1], net of by-product credits, at the GC Mine, in Fiscal 2022, were negative $20.91 and negative $8.07, respectively, compared to negative $11.48 and $nil in Fiscal 2021. The improvement was mainly due to an increase of $14.84 in by-product credits per ounce of silver, offset by the increase in cash production cost per tonne and all-in sustaining production cost per tonne as discussed above. Revenue from lead and zinc was $29.9 million, up $6.4 million, compared to $23.5 million in Fiscal 2021.

BYP Mine

The BYP Mine was placed on care and maintenance in August 2014 due to the required capital upgrades to sustain ongoing production and the market environment. In Fiscal 2021, the Company sold all remaining gold concentrate inventories, containing approximately 1,200 ounces of gold, that had been produced by the mine before it was placed on care and maintenance.

The Company is carrying out activities to apply for a new mining license, but the process has taken longer than expected. No guarantee can be given that the new mining licenses for the BYP Mine will be issued, or if they are issued, that they will be issued 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.

(c) Capitalized Exploration and Development Expenditures

Ying Mining District

In Fiscal 2022, a total of 351,458 metres or $15.6 million worth of diamond drilling were completed (Fiscal 2021 – 208,904 metres or $6.9 million), of which approximately 216,068 metres or $5.0 million worth of underground drilling were expensed as part of mining costs (Fiscal 2021 – 150,324 metres or $3.2 million) and approximately 135,390 metres or $10.6 million worth of drilling were capitalized (Fiscal 2021 – 58,580 metres or $3.7 million). In addition, approximately 25,134 metres or $9.9 million worth of preparation tunnelling were completed and expensed as part of mining costs (Fiscal 2021 – 22,918 metres or $6.7 million), and approximately 60,311 metres or $26.7 million worth of horizontal tunnels, raises, ramps, and declines were completed and capitalized (Fiscal 2021 – 73,350 metres or $27.4 million).

GC Mine

In Fiscal 2022, a total of 66,699 metres or $2.5 million worth of diamond drilling were completed (Fiscal 2021 – 45,996 metres or $1.8 million), of which approximately 60,382 metres or $2.2 million worth of underground drilling were expensed as part of mining costs (Fiscal 2021 – 45,996 metres or $1.8 million) and approximately 6,317 metres or $0.3 million worth of drilling were capitalized (Fiscal 2021 – nil). In addition, approximately 6,167 metres or $1.7 million worth of preparation tunnelling were completed and expensed as part of mining costs (Fiscal 2021 – 11,719 metres or $2.2 million), and approximately 13,751 metres or $4.3 million worth of horizontal tunnels, raises, ramps, and declines were completed and capitalized (Fiscal 2021 – 11,871 metres or $3.9 million).

La Yesca Project

In Fiscal 2022, the Company completed 7,971 metres diamond drilling and capitalized $2.6 million expenditures at the La Yesca Project, but assay results are not yet available.

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. 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$	2022	2021
Silver (Ag)	121,273	111,191
Lead (Pb)	57,090	50,464
Zinc (Zn)	28,842	21,793

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 2022, ore processed at the Ying Mining District were in line with the annual guidance, while silver, lead and zinc production were below the low end of the annual guidance. The shortfall was mainly due to the disruptions arising from the mining contract renewal negotiation process, and the heavy rainfall experienced at the Ying Mining District in previous quarters. The per tonne cash production cost and all-in sustaining production cost were 7% and 4% above the high end of the annual guidance.

In Fiscal 2021, ore processed and silver and lead production at the Ying Mining District were in line with the annual guidance, while zinc production was 1% below 7.0 million pounds, the low end of the annual guidance. The all-in sustaining production cost per tonne of ore processed was 1% below the low end of the annual guidance, while the per tonne cash production cost was 1% above $82.5, the high end of the annual guidance.

In Fiscal 2022, silver, lead and zinc production at the GC Mine were in line with the annual guidance, and the ore processed was 3% above the high end of the annual guidance. The per tonne cash production was also in line with the annual guidance, and the per tonne all-in sustaining cost was 2% below the low end of the annual guidance.

In Fiscal 2021, silver, lead and zinc production at the GC Mine were all above the high end of the annual guidance by 2%, 1% and 13%, respectively, as the ore processed was 2% above the high end of the annual guidance and the zinc head grade was better than the forecast. The per tonne cash production cost and all-in sustaining production cost were 1% and 6%, respectively, below the low end of the annual guidance.

As at March 31, 2022, the Company had 1,010 employees at Henan Found, 268 at Guangdong Found, 4 at Hunan Yunxiang, 28 at Silvercorp Metals (China) Inc., and 24 at the Vancouver corporate office.

Fiscal 2023 Outlook

Production and production costs

For the year ending March 31, 2023 ("Fiscal 2023"), the Company expects production of approximately 1,040,000 – 1,140,000 tonnes of ore, yielding 6,300 to 7,900 ounces of gold, 7.0 million to 7.3 million ounces of silver, 68.4 million to 71.3 million pounds of lead, and 32.0 million to 34.5 million pounds of zinc. Fiscal 2023 production guidance represents an anticipated increases of approximately 4% to 14% in ore, 14% to 19% in silver, 85% to 132% in gold, 6% to 11% in lead, and 19% to 29% in zinc productions compared to Fiscal 2022 production results.

In Fiscal 2023, the Company plans to mine and process 740,000 – 774,000 tonnes of ore at the Ying Mining District, including 30,000 – 43,000 tonnes of gold ore with an expected head grade of 3.9 g/t gold, to produce 6,300 to 7,900 ounces of gold, 6.3 million to 6.5 million ounces of silver, 58.9 million to 60.9 million pounds of lead, and 8.2 million to 8.5 million pounds of zinc. Fiscal 2023 production guidance at the Ying Mining District represents increases of approximately 10% in ore production, 10% in silver production, 3% in lead production, and 5% in zinc production. The cash production cost is expected to be $92.3 to $93.7 per tonne of ore, and the all-in sustaining cost is estimated at $143.5 to $145.7 per tonne of ore processed.

In Fiscal 2023, the Company plans to mine and process 300,000 to 330,000 tonnes of ore at the GC Mine to produce 700 thousand to 800 thousand ounces of silver, 9.5 million to 10.4 million pounds of lead, and 21.8 million to 24.0 million pounds of zinc. Fiscal 2023 production guidance at the GC Mine represents increases of approximately 3% to 6% in ore production, 14% to 17% in silver production, 12% to 14% in lead production, and 14% to 26% in zinc production compared to Fiscal 2022 guidance. The cash production cost is expected to be $54.9 to $57.5 per tonne of ore, and the all-in sustaining cost is estimated at $86.1 to $92.0 per tonne of ore processed.

Development and Capital Expenditures

In Fiscal 2023, the Company plans to: i) complete 4,600 metres of 4x4.2 metre tunnels as major access and transportation ramps at estimated capitalized expenditures of $3.2 million, representing a 30% decrease in meterage and a 43% decrease in total cost compared to Fiscal 2022 guidance; ii) complete 74,500 metres of exploration and mining development tunnels (2.2x2.6 metres) at estimated capitalized expenditures of $30.5 million, representing a 19% increase in meterage and a 40% increase in cost mainly due to increased tunnel dimension to allow small scale mechanized equipment access, compared to Fiscal 2022 guidance; and iii) complete and capitalize 136,000 metres of drilling at an estimated cost of $7.9 million, representing a 172% increase in meterage to prepare for future production and a 126% increase in total cost compared to Fiscal 2022 guidance; and iv) spend $47.0 million on equipment, mill, and tailing facility ("TSF"). In addition to the capitalized tunnelling and drilling work, the Company also plans to complete and expense 36,600 metres of mining preparation tunnels and 181,900 metres of underground definition drilling.

The Ying Mining District plans to: i) complete 4,600 metres of 4x4.2 metre tunnels as major access and transportation ramps at estimated capitalized expenditures of $3.2 million, representing a 25% decrease in meterage and a 38% decrease in total cost compared to Fiscal 2022 guidance; ii) complete 61,300 metres of exploration and mining development tunnels (2.2x2.6 metres) at estimated capitalized expenditures of $26.3 million, representing a 17% increase in meterage and a 40% increase in cost mainly due to increased tunnel dimension to allow small scale mechanized equipment access, compared to Fiscal 2022 guidance; iii) complete and capitalize 110,700 metres of drilling at an estimated cost of $6.8 million, representing a 121% increase in meterage to prepare for future production and a 94% increase in total costs compared to Fiscal 2022 guidance; and iv) spend $44.6 million on equipment, mill and TSF, including $39.9 million towards the construction of a new 3,000 tonne per day flotation mill and 19.1 million cubic metre TSF.

The GC Mine plans to: i) complete and capitalize 13,200 metres of exploration and development tunnels (2.2x2.6 metres) at estimated capital expenditures of $4.2 million, a 28% increase in meterage and a 40% increase in cost mainly due to increased tunnel dimension to allow small scale mechanized equipment access, compared to Fiscal 2022 guidance; ii) complete and capitalize 14,800 metres of drilling at an estimated cost of $0.4 million, representing a 100% increase in meterage and cost to prepare for future production, compared to Fiscal 2022 guidance; and iii) spend $1.9 million on equipment and facilities. The total capital expenditures at the GC Mine are budgeted at $6.5 million in Fiscal 2023, up $2.1 million compared to Fiscal 2022 guidance.

Total capital expenditures at the Kuanping Project in Fiscal 2023 are estimated at $1.2 million, including $0.7 million for a 10,500 metre drilling program and $0.5 million to complete reports and studies to apply for the mining permit.

New Mill and Tailing Storage Facility

The Company has budgeted $29.8 million to construct a new 3,000 tonne per day floatation mill (the "New Mill") and $38.0 million for TSF at the Ying Mining District. The New Mill will be equipped with a Knelson gold gravity separation circuit and designed to produce silver-lead, zinc, copper and gold concentrates. The TSF may be constructed in two phases, with approximately 10.2 million cubic metres storage capacity in Phase 1, and approximately 8.9 million cubic metres capacity in Phase 2, for a total storage capacity of 19.1 million cubic metres.

In Fiscal 2023, the Company expects to spend $23.8 million on construction of the New Mill, and $16.1 million on the TSF. So far, the Company has i) leased 123.46 hectares of land; ii) filed the environmental assessment report and safety report for the TSF with the local county government; iii) completed 142 drill holes, or 5,760 metres of foundation engineering survey drilling at the TSF; iv) elected a contractor to construct approximately 5,100 metres of drain tunnel at the TSF; and v) completed the preliminary engineering design for the New Mill.

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. The increased production guidance is made possible by over 629,000 metres of exploration and resource upgrade drilling completed at the mines from 2021 to 2022. During 2021 alone, over 409,000 metres of drilling were completed. Other benefits of the extensive drilling include: i) slowing down the rate of mining depth increase, and with some mines, their average mining depths becoming shallower; and ii) reducing the amount of tunnel development as more resources and reserves were identified near existing infrastructures.

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.

Specialized Skill and Knowledge

A majority of aspects of our business require specialized skills and knowledge, certain of which are in high demand and in limited supply. Such skills and knowledge include the areas of permitting, engineering, geology, metallurgy, logistical planning, implementation of exploration programs, mine construction and development, mine operation, as well as legal compliance, finance and accounting. We have highly qualified management personnel and staff, an active recruitment program, and believe that persons having the necessary skills are generally available. We have found that we can locate and retain competent employees and consultants in such fields. We do not anticipate having significant difficulty in recruiting other personnel as needed. Training programs are in place for workers that are recruited locally.

Competitive Conditions

The silver exploration and mining business is a competitive business. We compete with numerous other companies and individuals in the search for and the acquisition of quality properties, mineral claims, permits, concessions and other mineral interests, as well as recruiting and retaining qualified employees.

Business Cycles

The mining business is subject to mineral price and investment climate cycles. The marketability of minerals is also affected by worldwide economic and demand cycles. It is difficult to assess if the current commodity prices are long-term trends, and there is uncertainty as to the recovery, or otherwise, of the world economy. If global economic conditions weaken and commodity prices decline as a consequence, a continuing period of lower prices could significantly affect the economic potential of the Company's projects.

International Operations

Our principal operations and assets are located in China. Our operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, government regulations (or changes to such regulations) with respect to restrictions on production, export controls, income taxes, royalties, excise and other taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use, local ownership requirements and land claims of local people, regional and national instability and security, mine safety, and sanctions. The effect of these factors cannot be accurately predicted. See Item 4.3 *Chinese Mining Law and* 4.4 *Risk Factors* below.

Economic Dependence

The Company's business is not substantially dependent on any contract such as a contract to see the major part of its products or services or to purchase the major part of its requirements for goods, services or raw materials, or on any franchise, license or other agreement to use a patent, formula, trade secret, process or trade name upon which its business depends.

Bankruptcy and Similar Procedures

There is no bankruptcy, receivership or similar proceedings against the Company, nor is the Company aware of any such pending or threatened proceedings. There have not been any voluntary bankruptcy, receivership or similar proceedings by the Company within the three most recently completed financial years or currently proposed for the current financial year.

4.2 Corporate Governance, Safety, Environment and Social Responsibility

The Company's core objectives are to be safe, efficient, and sustainable, and operate responsibly with the environment and cooperatively with the local communities. The Company strives to build a strong cooperate culture centered around our key values of respect, equality, and responsibility, and aims to deliver social benefits while creating shareholder value.

As a responsible miner, the Company is committed to integrating ESG factors into our business strategy and generating impactful change in the communities in which we work and live. Through the integration of ESG factors into our strategic planning, operations, and management, the Company is able to bring about sustainable economic, social, and environmental value to all stakeholders. Complete details of our ESG performance will be provided in the Company's Fiscal 2022 Sustainability Report, which is expected to be available in the second quarter of Fiscal 2023.

(a) Health, Safety, and Environment

The Company prioritizes environmental protection, as well as ensuring a safe workplace for all employees and contractors at all of our sites. In an effort to further illustrate the Company's commitment to strengthening our management team, both the Ying Mining District and GC Mine applied for environmental management system ISO 14001 certification and were certified in Fiscal 2022.

Safety is top priority at Silvercorp. In Fiscal 2022, the Company arranged more than 2,000 safety training sessions, which covered 100% of employees at the Ying Mining District and the GC Mine.

In response to health risks associated with the spread of Covid-19, the Company implemented a number of health and safety measures designed to protect employees at its operations in China and no case were reported in Fiscal 2022.

In addition to the “Green Mine” certification at SGX-HZG, TLP-LM, and HPG mines at the Ying Mining District and the GC Mine, the DCG mine at the Ying Mining District is also in the process to apply for the certification as a “Green Mine”. In Fiscal 2022, the Company completed the construction of the aggregate plant and recycled and processed approximately 428,000 tonnes of waste rock from the Ying Mining District. The Company also worked with Henan University of Science of Technology (“HAUST”) to implement an innovative technology, to treat water from underground mines, and then through an automated control system to supply the treated water to the mill for ore processing and to local farmers for irrigation.

In Fiscal 2022, the Company spent approximately $1.4 million for the efforts to reduce its energy and water consumption, to minimize the negative impact of greenhouse gas emissions and water quality, and to comply with the requirements of “Green Mine” certification.

(b) 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 taxes and fees paid to various levels of government in China, in Fiscal 2022, the Company also contributed approximately $3.7 million to social and environmental protection programs, including:

- $3.1 million contribution to the local county to help improve local infrastructure and environmental protection;
- $0.2 million donation to a local community for a clean water access project;

- $0.2 million donation to the Red Cross for the flood relief after the heavy rainstorm in the Capital City of Henan Province in July 2021;
- $0.1 million donation to the local communities to promoted community health and poverty reduction, with an emphasis on children and seniors, including periodic visits and subsidies;
- $0.1 million donation to institutions in scholarship or education assistance programs to support children’s education at the local and national levels;

(c) Corporate Governance

In Fiscal 2022, a Sustainability Committee was established by the Board and a ESG management centre was formed to oversee sustainability development and disclosure compliance. The Corporate Governance Committee of the Board of the Company has reviewed the Company’s Anti-Corruption Policy, Code of Ethical Conduct, Clawback Policy, Corporate Disclosure Policy, and Whistleblower Policy, which were then approved by the Board of the Company. One hundred percent of the Company’s directors and officers reviewed and re-certified all the policies, confirming they are familiar with the contents of the Company’s policies, and committed to fulfilling them and to report any violation. The Company also trained all its critical employees in anti-corruption practices.

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.

The *Mineral Resources Law* is subject to further revisions and in February 2020, the Ministry of Natural Resources (“MNR”) submitted the revised draft (“Revised Draft”) to the State Council for approval. Although the Revised Draft has not been formally promulgated, a substantial part of the Revised Draft was effectively brought into effect by the *Opinions on Promoting the Reform of Mineral Resources Management (Trial)* (“Opinions”) issued by MNR on December 7, 2019 (effective on January 9, 2020). It is expected that the Revised Draft will have a positive impact on the Chinese mining industry. Firstly, the term of the exploration licence granted upon the first registration is increased to five years from the original three years, which is extendible for two five-year periods (which is increased from the previous two years). Secondly, a competitive assignment system is established for mining rights. Mining rights can only be assigned by governments through public bidding, auction or listing, unless in very limited circumstances such as when the projects are related to rare earth and radioactive minerals, or key construction projects approved by the State Council, where mining rights can be granted by written transfer agreement between the government and the applicants. Thirdly, the registration for the assignment of the exploration rights and mining rights to the same mineral resources used to be completed at different levels of government authorities. However, now the assignment of the exploration rights and mining rights are registered at the same level of government – fourteen minerals that are strategically important to the state are governed by MNR, while silver, lead, zinc and other resources are governed by provincial or lower-level governments.

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. According to the *2020 Edition of the Special Administrative Measures for Access of Foreign Investment* (“Negative List”) effective July 23, 2020, as long as the mineral resources are not “tungsten, rare earth and radioactive minerals” in the Negative List, foreign investors can engage in the mining activities in China, either directly or indirectly.

On January 1, 2020, the *Regulation for Implementing the Foreign Investment Law* (“FIL”) came into force in China. FIL and supporting regulations and policies were amended to further open up China and provide foreign-invested enterprises (“FIEs”) “national treatment”. Under FIL, FIEs are treated equal to domestic enterprises in many important aspects, including the reduction of pre-approval and filing procedures. FIL replaces existing laws on foreign investment passed in China between 1979 and 1990, namely the *Law on Sino-Foreign Contractual Joint Ventures* (“CJV Law”).

Key Impact of FIL on Existing FIEs

Corporate Governance

For existing FIEs, they can retain their corporate structure etc. unchanged for five years starting from the effectiveness of the FIL, i.e., January 1, 2020. Upon the expiration of the five-year transition period (the “Transition Period”), all FIEs are governed by *PRC Company Law*.

Upon the expiration of the Transition Period, the highest authority will be transferred from the Board of Directors to the shareholders. The decision-making authority specified in the original Articles of Association of the entity will change such that decisions on significant matters are to be made by the shareholders. The shareholders have the right to elect and dismiss directors, and have broad decision-making power over a company’s management. Resolutions on major matters require more than ⅔ of the voting rights of the shareholders. If there is a special agreement on the veto power of the Chinese joint venture party or the FIE in the original Articles of Association of the entity, a supplementary term can be signed to remove or retain such agreement. Under CJV Law, terms of operations were stipulated to be 30 years in a company’s articles of association. Under FIL, this 30 year period can be amended to be a longer term.

The below table shows the key differences on corporate structure and governance under the CJV Law and FIL.

	CJV Law	FIL (PRC Company Law)
Highest authority	Board of Directors or Joint Management Committee	Shareholders
Powers and duties of highest authority	All major decisions, such as amendments to the Articles of Association, increase and decrease of registered capital, merger or spin-off, assets, mortgage and dissolution	More detailed than those under CJV Law
Voting rules for major issues	Unanimous consent of all directors or members of the Joint Management Committee present at the meeting	Favourable votes of shareholders holding ⅔ or more of the voting rights
Number of directors	No less than 3 directors or members of the Joint Management Committee	3-13 directors for a Board or one executive director
Quorum	⅔ or more of all directors or members of the Joint Management Committee	As determined by shareholders
Term of director	No more than 3 years (can be re-elected)	No more than 3 years (can be re-elected)
Legal representative	Chairman of the Board or the director of the Joint Management Committee	Chairman of the Board, executive director or general manager
Foreign investment ratio	Generally, no less than 25%. There are some restrictions applied	No restrictions – unless otherwise specified in the Negative List

Distribution of profits	In proportion to the contribution of the registered capital	In proportion to the paid-in contribution to the registered capital unless otherwise agreed by the shareholders

Equity Transfer

Under CJV Law, a shareholder needs to obtain consents of all other shareholders if it intends to transfer its shares in the joint venture regardless of whether it is an internal transfer (i.e., transfer to another shareholder if there are more than two shareholders) or it is an external transfer. In contrast, FIL offers more flexible transfer mechanisms – there are no consent requirement if it is an internal transfer. In cases of external transfers, consents of more than half of the other shareholders are required and if any other shareholder refuses the transfer but refuses to buy such shares to be transferred, then such shareholder shall be deemed having agreed with the proposed transfer. The FIL also allows the shareholders to agree on different share transfer mechanisms, which gives more flexibility to shareholders on transfer of shares.

Under FIL, FIEs can participate in government procurement, issue shares, corporate bonds and other forms of financing to the public in accordance with applicable laws. Capital gains within China by FIEs can be freely remitted in RMB or any other foreign currency. In addition to accepting supervision and inspection by applicable regulatory authorities, no organization or individual may illegally restrict the currency, amount, and frequency of remittances.

Foreign Investment Policy and COVID Pandemic

The Chinese government has remained committed to implementing FIL and providing support for FIEs during the COVID pandemic. In February to April 2020, the Ministry of Commerce ("MOFCOM") and the National Development and Reform Commission ("NDRC") issued a comprehensive array of regulations urging local governments to provide special assistance to FIEs, such as expedited licensing approvals, and other methods to help FIEs restore normal production and operation.

National Security Review for Foreign Investment and Retaliation against other Jurisdictions' Discriminatory Measures

Nevertheless, China has further developed the national security review for foreign investment and established a formal legal basis for retaliation against other jurisdictions' discriminatory measures. These measures leave great discretion in the hands of the government, and therefore, whether they will constitute a serious obstacle for foreign investors will depend on how they are applied in practice.

Under the FIL, it is reiterated that security review may be conducted for any foreign investment that affects or may affect the national security of China. On December 19, 2020, MOFCOM and NDRC jointly promulgated the *Measures for National Security Review of Foreign Investment* ("Measures"), taking effect on January 18, 2021. The Measures cover a wide range of industry sectors, from defence and technology involving foreign investment, to critical agricultural production, energy and resources, cultural products and financial services where a foreign investor gains actual control of an investment target. The term "actual control" is defined quite broadly and includes the following situations: if foreign investors own more than 50 percent of the shares; if foreign investors owns less than 50 percent of the shares, but have sufficient voting rights to exert a material influence over the shareholders' vote and resolutions of the board of directors; or if foreign investors have a significant impact on the target's business decisions-making, human resources, finance or technologies, etc. Further, foreign investors are subject to national security review not only for investing in new projects or acquiring equity or assets, but also for any other types of investment such as nominal shareholders, trust, multiple-layer investments, lease, control by agreement or offshore transactions. Regarding any transaction falling under the Measures, a foreign investor will have to file a notification with the review task force headed by NDRC and MOFCOM. After their review, the foreign investment may be approved, directly prohibited or granted conditional approval.

On September 19, 2020, MOFCOM initially announced the *Provisions on the Unreliable Entity List*, aiming to punish firms, organizations or individuals that damage national security. Companies that are on the list could be banned from trade and investing in China and face hefty fines or entry restrictions on their employees. On January 9, 2021, MOFCOM further issued the *Rules on Counteracting Unjustified Extra-Territorial Application of Foreign Legislation and Other Measures*. A Chinese person or organization that is prohibited or restricted by foreign legislation from engaging in normal economic, trade and related activities with a third State or region or its persons or organizations, must report the situation to the commerce department within 30 days. The commerce department along with other relevant central departments (working mechanism) will then assess a case for its potential violation of international law, impact on China's sovereignty and national security, and impact on Chinese persons or organizations. After assessment, the working mechanism may confirm that there exists unjustified extra-territorial application of foreign legislation/measures and decide that the State Council shall issue a prohibition order.

Civil Code

The National People's Congress passed the Civil Code of PRC, which took effect from January 1, 2021 ("Civil Code"). The Civil Code is an amalgamation of the existing civil and tort related laws and regulations, covering various matters such as private property, contracts, personal privacy, marriage and family, inheritance, and torts. While the Civil Code does not fundamentally or substantially change the civil law regime or the administrative system that affect FIEs, certain specific changes may have impacts on them in relation to their business, legal or compliance models and practices, in the areas such as contracts, secured transactions and civil litigation.

Resources Tax

Mining companies are required to pay several fees and taxes, including but not limited to resources tax for developing taxable resources in China. With the Resources Tax Law coming into effect from September 1, 2020 to replace the old regulations, there is no significant change on the tax burden of mining companies. Generally, silver, lead and zinc are taxable resources, calculated based on the prices of resources. The basic range of tax rates is 2-6% for silver, and 2-10% for lead/zinc. Within this range, provincial governments may stipulate actual rates. Each province also has the power to formulate tax exemption or reduction policies under the Resources Tax Law.

Land Reclamation and Environmental Restoration

Mining companies are regulated to rehabilitate the affected land and to restore biodiversity offset areas around the mines. Before mining activities begin, mining companies shall submit a rehabilitation plan when applying for construction land or mining rights. The existing mining right holders have the same obligation to submit such rehabilitation plan to original approving authorities. On July 16, 2019, MNR revised several regulations, including Geological Environment Protection Provisions of Mines and Measures for the Implementation of the Regulation on Land Reclamation. It is required that the fees for land rehabilitation or reclamation shall be included in the restoration fund established by the mining company. A company has more freedom to use the restoration fund, compared with the previous security bond requirement required to be submitted to the government authorities. In the meantime, the government has strengthened enforcement on the supervision and inspection of the restoration of the mine's geological environment. Non-compliance with the environment restoration obligations may cause fines, rejection of extension of permits, inclusion into the blacklist on the Credit China website, and public interest lawsuits.

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.

COVID-19

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of pandemics or other health crises, such as the outbreak of COVID-19 that was designated as a pandemic by the World Health Organization on March 11, 2020. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility, and a general reduction in consumer activity. Such public health crises can result in operating, supply chain and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition, the current COVID-19 pandemic, and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Company's operations, and the operations of suppliers, contractors and service providers.

The Company may experience business interruptions, including but not limited to suspended (whether government mandated or otherwise) or reduced operations relating to COVID-19 and other such events outside of the Company's control, which could have a material adverse impact on its business, operations and operating results, financial condition and liquidity.

The Company's exposure to such public health crises also includes risks to employee health and safety. Should an employee, contractor, community member or visitor become infected with a serious illness that has the potential to spread rapidly, this could place the Company's workforce at risk.

In response to health risks associated with the spread of Covid-19, the Company implemented a number of health and safety measures designed to protect employees at its operations in China and no case were reported in Fiscal 2022. The recent lockdown in Shanghai, China did not have material impact on the Company's productions.

As at the date of this AIF, the duration of the business disruptions internationally and related financial impact of COVID-19 cannot be reasonably estimated. It is unknown whether and how the Company may be affected if the pandemic persists for an extended period of time.

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; emerging risks relating to the spread of COVID-19; 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 which have been heightened due to risks relating to the spread of COVID-19, 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. Of note, 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 have 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, Mineral Reserves, mineralization and corresponding grades being mined or dedicated to future production. Until Mineral Resources, Mineral 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 Mineral Resources, Mineral 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, that Mineral Reserve, Mineral Resource or other mineralization figures will be accurate, or that 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, including 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 risks relating to COVID-19, 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, zinc and gold 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 in China

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 36 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	September 03, 2023	Bureau of Safety Production and Inspection of Yunfu City, Guangdong Province
Dry Stacking and Filling Safety Production Permit	September 03, 2023	Bureau of Safety Production and Inspection of Yunfu City, Guangdong Province
Pollutant Discharge Permit	August 30, 2025	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

The validity of mining or exploration titles or claims or rights, which constitute most of our property holdings, can be uncertain and may be contested. Our properties may be subject to prior unregistered liens, agreements or transfers, indigenous land claims, or undetected title defects. In some cases, we do not own or hold rights to the mineral concessions we mine. We have not conducted surveys of all the claims in which we hold direct or indirect interests and therefore, the precise area and location of such claims may be in doubt. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining titles or claims, or that such exploration and mining titles or claims will not be challenged or impugned by third parties.

We may be unable to operate our properties as expected, or to enforce our rights to our properties. Any defects in title to our properties, or the revocation of our rights to mine, could have a material adverse effect on our operations and financial condition.

We operate in countries with developing mining laws, and changes in such laws could materially impact our rights or interests to our properties. We are also subject to expropriation risk, including the risk of expropriation or extinguishment of property rights based on a perceived lack of development or advancement. Expropriation, extinguishment of rights and any other such similar governmental actions would likely have a material adverse effect on our operations and profitability.

In the jurisdictions in which we operate, legal rights applicable to mining concessions are different and separate from legal rights applicable to surface lands. Accordingly, title holders of mining concessions in many jurisdictions must agree with surface land owners on compensation in respect of mining activities conducted on such land. We do not hold title to all of the surface lands at many of our operations and rely on contracts or other similar rights to conduct surface activities.

Non-controlling interest shareholders

The Company's interests in various projects may, in certain circumstances, become subject to the risks normally associated with the conduct of non-controlling interest shareholders. 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 with non-controlling interest shareholders, which could have a material adverse impact on the Company's business prospects, results of operations and financial conditions: (i) disagreements with non-controlling interest shareholders on how to conduct exploration; (ii) inability of non-controlling interest shareholders to meet their obligations to the applicable entity or third parties; and (iii) disputes or litigation between shareholders regarding budgets, development activities, reporting requirements and other 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 likely take at least 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 more of 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 on suitable terms, 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 a ready market will exist for the sale of 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 material 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. See Item 4.3 *Chinese Mining Law* above.

Regulatory environment in China

The Company's principal operations are 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. China's legislation is undergoing a relatively fast transformation with some old laws superseded by newly enacted laws. 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 create risks or uncertainty for investors in mineral projects or have a material adverse impact on future cash flow, results of operations and the financial condition of the Company.

In addition, China has further strengthened its national security review of foreign investment. The Measures will continue to create an additional layer of uncertainty with respect to foreign investment. Investment plans, timetables, terms and conditions for closing for investment must take into account the timing and contingency of obtaining approval from the national security review process. See Item 4.3 *Chinese Mining Law* above.

Regulatory environment in Mexico

The La Yesca Project is located in Mexico and is subject to extensive laws and regulations governing various matters including, but not limited to, exploration, development, production, price controls, exports, taxes, mining royalties, environmental matters, labor standards, expropriation of property, maintenance of mining claims, land use, land claims of local and indigenous people, water use, waste disposal, power generation, protection and remediation of the environment, reclamation, historic and cultural resource preservation, mine safety, occupational health, and the management and use of toxic substances and explosives, including handling, storage and transportation of hazardous substances.

Such laws and regulations may require the Company to obtain licenses, permits and consents from various governmental authorities and indigenous groups. Failure to comply with applicable laws and regulations, including licensing and permitting requirements, may result in civil or criminal fines, penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures, requiring the installation of additional equipment, requiring remedial actions or imposing additional local or foreign parties as joint venture partners, any of which could result in significant expenditures or loss of income by the Company. The Company may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations, licensing requirements or permitting requirements.

The Company's income and its mining, exploration and development projects, could be adversely affected by amendments to such laws and regulations, by future laws and regulations, by more stringent enforcement of current laws and regulations, by changes in the policies of Mexico, Canada and other applicable jurisdictions affecting investment, mining and repatriation of financial assets, by shifts in political attitudes in Mexico and by exchange controls and currency fluctuations. The effect, if any, of these factors cannot be accurately predicted. Further, there can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at the La Yesca Project.

The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing the Company's mining, exploration and development activities and operations in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations, and new taxes, could become such that the Company would not proceed with mining, exploration and development at one or more of its properties. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from the Company's mining, exploration and development projects could result in substantial costs and liabilities for the Company, such that the Company would halt or not proceed with mining, exploration and development at one or more of its properties.

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, each as defined below).

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 U.S. 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; other acts of God or unfavourable operating conditions; and health and safety risks associated with spread of COVID-19 pandemic, and any future emergence and spread of similar pathogens.

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 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, with the participation of the CEO and CFO, 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, 2022 and provided a reasonable assurance of the reliability of the Company's financial reporting and preparation of the financial statements.

No matter how well a system of internal control over financial reporting is designed, any system 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 failure to achieve and maintain the adequacy of our internal control over financial reporting 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 United States 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 investment in New Pacific Metals Corp.

The Company is a strategic investor in New Pacific Metals, a Canadian public company listed on the TSX under the symbol "NUAG" and NYSE American under the symbol "NEWP". As at March 31, 2022, the Company owned 44,042,216 or 28.2% interest in New Pacific Metals. New Pacific Metals is a mining company engaged in exploring and developing mineral properties in Bolivia. Investments in junior mining companies involve volatile share prices, liquidity risk, and may result in possible loss of principal. New Pacific Metals 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 Metals 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, and 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.

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 Metals entails an additional risk by virtue of the fact that its projects are located in Bolivia. There has been a significant level of political and social unrest in Bolivia in recent years resulting from a number of factors, including Bolivia's history of political and economic instability under a variety of governments and high rate of unemployment. New Pacific Metals' exploration and development activities may be affected by changes in government, political instability, and the nature of various government regulations relating to the mining industry. Bolivia's fiscal regime has historically been favourable to the mining industry, but there is a risk that this could change. New Pacific Metals cannot predict the government's positions on foreign investment, mining concessions, land tenure, environmental regulation, or taxation. A change in government positions on these issues could adversely affect New Pacific Metals' business and/or its holdings, assets, and operations in Bolivia. Any changes in regulations or shifts in political conditions are beyond the control of New Pacific Metals. Moreover, protestors and cooperatives have previously targeted foreign companies in the mining sector, and as a result there is no assurance that future social unrest will not have an adverse impact on the Company's operations. Labour in Bolivia is customarily unionized and there are risks that labour unrest or wage agreements may impact operations. New Pacific Metals' operations in Bolivia may also be adversely affected by economic uncertainty characteristic of developing countries. In addition, operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, and safety factors. There is no assurance that New Pacific will be successful in obtaining ratification of the mining production contract ("MPC") it signed with *Corporación Minera de Bolivia* (COMIBOL) in a timely manner or at all, or that they will be

obtained on reasonable terms. New Pacific Metals cannot predict the government's positions on foreign investment, mining concessions, land tenure, environmental regulation, community relations, or taxation. A change in government positions on these issues could adversely affect the ratification of the MPC and New Pacific Metals's business.

The Company's investment in Whitehorse Gold Corp.

The Company is a strategic investor in Whitehorse Gold, a Canadian public company listed on the TSX-V under the symbol "WHG". As at March 31, 2022, the Company owned 15,514,285 Whitehorse Gold common shares or 29.3% interest in Whitehorse Gold.

Whitehorse Gold 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. Whitehorse Gold has no revenue from operations and no ongoing mining operations of any kind.

Long-term operation of Whitehorse Gold's business and its profitability are dependent, in part, on the cost and success of its exploration and future development programs. Mineral exploration and development involve a high degree of risk and historically few properties that are explored are ultimately developed into producing mines. There is no assurance that Whitehorse Gold's mineral exploration and future development programs will result in any discoveries, expansions of mineral resources or the definition of mineral reserves. There is also no assurance that, even if commercially viable quantities of mineral resources or mineral reserves are discovered, a mineral property will be brought into commercial production. Development of Whitehorse Gold's mineral properties will only commence if it obtains satisfactory exploration results. Discovery of mineral deposits is dependent upon a number of factors, including the technical skill of the exploration geoscientists involved. The commercial viability of a mineral deposit is also dependent upon a number of factors including: the particular attributes of the deposit such as size, grade and proximity to infrastructure; metal 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 Whitehorse Gold. Unsuccessful exploration or development programs could have a material adverse impact on Whitehorse Gold's operations and profitability.

In addition, Whitehorse Gold's mineral projects are subject to a number of risks that may make it less successful than anticipated, including, without limitation: (a) delays or higher than expected exploration costs; (b) negative technical results and/or technical results that fail to deliver the required returns to render the ongoing development of the Skukum Gold Project economic; (c) delays in receiving environmental permits and/or social license from indigenous groups; (d) delays in receiving permits; (e) delays or higher than expected costs in obtaining the necessary equipment or services to build and operate the Skukum Gold Project; and (f) adverse mining conditions may delay and hamper the ability of Whitehorse Gold to produce the expected quantities of minerals.

First Nation interests and rights as well as related consultation issues may impact Whitehorse Gold's ability to pursue exploration, development and mining at its properties. Whitehorse Gold intends to communicate and consult with First Nations communities in order to foster a positive relationship with those groups but there is no assurance that claims or other assertions of rights by First Nation communities or consultation issues will not arise on or with respect to Whitehorse Gold's properties or activities. Such claims and issues could result in significant costs and delays or materially restrict Whitehorse Gold's activities.

Cybersecurity Risks

The Company is subject to cybersecurity risks including unauthorized access to privileged information, destroy data or disable, degrade or sabotage our systems, including through the introduction of computer viruses. Although we take steps to secure our configurations and manage our information system, including our computer systems, internet sites, emails and other telecommunications, and financial/geological data, there can be no assurance that measures we take to ensure the integrity of our systems will provide protection, especially because cyberattack techniques used change frequently or are not recognized until successful. The Company has not experienced any material cybersecurity incident in the past, but there can be no assurance that the Company would not experience in the future. If our systems are compromised, do not operate properly or are disable, we could suffer financial loss, disruption of business, loss of geology data which could affect our ability to conduct effective mine planning and accurate mineral resources estimates, loss of financial data which could affect our ability to provide accurate and timely financial reporting.

General Economic Conditions

General economic conditions may adversely affect our growth, profitability and ability to obtain financing. Events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the silver and gold mining industry, have been and continue to be impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market confidence and 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 our growth, profitability and ability to obtain financing. A number of issues related to economic conditions could have a material adverse effect on our business, financial condition and results of operations, including:

(i) significant disruption to the global economic conditions caused by COVID-19 as discussed above;
(ii) contraction in credit markets could impact the cost and availability of financing and our overall liquidity;
(iii) the volatility of silver, gold and other metal prices would impact our revenues, profits, losses and cash flow;
(iv) recessionary pressures could adversely impact demand for our production;
(v) volatile energy, commodity and consumables prices and currency exchange rates could impact our production costs; and
(vi) the devaluation and volatility of global stock markets could impact the valuation of our equity and other securities.

ITEM 5 MINERAL PROPERTIES

The Company has interests in mineral properties located in China. As at March 31, 2022, these properties were carried on the Company's consolidated statements of financial position as assets with a book value of approximately $326.4 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 development plans.

For the purposes of NI 43-101, the following properties have been determined to be material to the Company as of March 31, 2021: (a) the Ying Mining District, Henan Province, China (the "Ying Property" or "Ying"); and (b) the GC Mine located in Guangdong Province, China.

Except as otherwise disclosed, Guoliang Ma, P. Geo., Manager of Exploration and Resource of the Company, is the Qualified Person for Silvercorp under NI 43-101 who has reviewed and given consent to the scientific and technical information contained in this AIF.

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 " *NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China*" (the "Ying Report") dated effective July 31, 2020 and prepared by AMC Mining Consultants (Canada) Ltd. ("AMC") on October 9, 2020. AMC has previously prepared Technical Reports on the Property in 2017 (filed 24 February 2017, effective date 31 December 2016); 2014 (filed 5 September 2014, effective date 31 December 2013); 2012 (filed 15 June 2012, effective date 1 May 2012); and in 2013 (minor update to 2012 report, filed 6 May 2013, effective date 1 May 2012).

The authors of the Technical Report all qualify as independent Qualified Persons (QPs).

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 rectangular area bounded by latitude 34°07'N to 34°12'N and longitude 111°14'E to 111°23'E. Within this district block, Silvercorp has three principal centres of operation, within which six mining projects are located.

Silvercorp, through its wholly owned subsidiary Victor Mining Ltd, is party to a cooperative joint venture agreement dated 12 April 2004 under which it earned a 77.5% interest in Henan Found Mining Co. Ltd (Henan Found), the Chinese company holding (with other assets) the Ying silver, lead, and zinc project (the Ying Project). In addition, Silvercorp, through its wholly owned subsidiary Victor Resources Ltd, is party to a cooperative agreement dated 31 March 2006, under which it initially obtained a 60% interest in Henan Huawei Mining Co. Ltd (Henan Huawei), the beneficiary owner of the project in Haopinggou (the HPG Project) and the project in Longmen (the LME Project). Since that time, Silvercorp's interest in Henan Huawei has increased to 80%.

The Ying Property is covered by four major contiguous mining licenses. The total area of the four mining licenses is 68.59 sq km. Table 1 lists their names, license numbers, areas and expiry dates. All Tables are numbered relative to their position in the AIF.

Table 1 Mining licenses

Area and licence name	Mines	Mining licence #	Sq km	ML Expiry Date
Yueliangou Lead-zinc-silver Mine	SGX and HZG	C4100002009093210038549	19.8301	Sept 2024
Haopinggou Lead-zinc-silver-gold Mine	HPG	C4100002016043210141863	6.2257	29 Apr 2028
Tieluping-Longmen Silver-lead Mine	TLP, LME and LMW	C4100002016064210142239	22.7631	26 Feb 2041 *
Dongcaogou Gold-silver Mine	none	C4100002015064210138848	19.772	15 June 2025
Total			**68.59**	

Note: Mining license for TLP , LME and LMW extended since Ying Report date.

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

- Yueliangou Mining License – 1,060 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's policy has been to initiate applications to the relevant government departments so that exploration permits are reissued beneath the lower boundary of the mining permit areas in accordance with the "Mineral Resources Law of the People's Republic of China" and the integration policy of mineral resource development issued by the Ministry of Land and Resources of China and the Henan Provincial Government.

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 of 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.

China has an established Mining Code that defines the mining rights guaranteed by the government of China.

China has a 13% Value Added Tax (VAT) on sales of concentrates and on articles such as materials and supplies. The VAT paid on materials purchased for mining is returned to Silvercorp as an incentive to mine in China. There is no VAT on labour. In addition, Silvercorp also pays a VAT surtax, which amounts to approximately 1.6% of sales, and mineral resources tax is currently levied at approximately 3% of sales. The income tax rate is 25%.

There are no known or recognized environmental issues that might preclude or inhibit a mining operation in this area. Some major land purchases may be required in the future for mine infrastructure purposes (such as for additional processing plant requirements, waste disposal, offices and accommodations). There are no significant factors and risks that may affect access, title, or the right or ability to perform work on the Ying property that are known at this time.

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 Project in 2004. Subsequently, Silvercorp acquired the HZG, HPG, TLP, and LM mines (LME and LMW), 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 north-west or north-east. 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 308 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 2016 to 31 December 2019 (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, the TLP and LM mine areas, including three producing mines (TLP, LME, and LMW), and the DCG project. The past exploration activities, including surface activities, have been detailed in previous Technical Reports prepared for the Ying Property.

Other than drilling, the projects have been explored primarily by underground development and sampling. 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.

Channel samples across the mineralized structures are collected across the back of drift tunnels and the walls of crosscut 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 including associated wall rocks across the tunnel. Assay results of samples are documented on underground level maps and longitudinal sections.

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 201,688 m of tunnelling, including 120,801 m of drifting along mineralized structures and 52,712 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 75,334 channel / chip samples was 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 Ying Property.

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

Drilling programs were continuously conducted over the Ying Property from July 2016 to December 2019 (the Reporting Period). Underground and surface drilling were 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 and to ensure a good intersection angle. A total of 325,151 m in 1,090 diamond holes was completed, including 13,236 m in 38 surface holes and 311,915 m in 1,052 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 2016 – 2019 drilling program in the Ying Property are briefly summarized in Table 2. These results have been incorporated into the mine databases and contribute to the current Mineral Resource update for the seven deposits. There is no drilling for DCG during this period.

Table 2 Brief summary of the 2016-2019 drilling results

Mine Area	Holes Completed	No of Mineralized Intersections (≧120g/t AgEq)	Average Grade of Mineralized Intersections (g/t AgEq)	Average True Width of Mineralized Intersections (m)	Detected Depth (Elevation m)
SGX	302	155	520	0.68	861-143
HZG	110	63	394	0.61	335-879
HPG	138	49	350	0.67	938-39
LME	112	118	396	0.59	411-941
LMW	191	86	439	0.71	1,097-322
TLP	237	127	494	0.52	153-1,114

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. The sample collection and preparation follow accepted industry practice.

Core Samples

NQ-sized drill cores (48 mm in diameter) are recovered from the mineralized zones. Drill core is logged, photographed and sampled in detail at the surface core shack, with each mine having its own logging and core-cutting facilities. Samples are delineated by lithology, mineralization, and alteration. Mineralized zones are sampled together with wallrock samples that bracket the mineralization. Samples have a minimum length of 20 cm and a maximum length of 2 m.

Chip / Channel Samples

Channel samples lines are marked by a geologist and collected as continuous chip samples from the roofs of drift tunnels (perpendicular to the mineralized vein structure), and from the walls of crosscut tunnels (which cross the mineralized vein structure). Samples have a minimum size of 20 cm and a maximum size of 2 m. Drill and channel samples are numbered following protocols outlined by Silvercorp that generates unique IDs. Samples bracket the vein in addition to sampling the vein itself.

Sampling, Analysis and Data Verification

Drill core samples are stored in securely sealed bags at the core logging facilities until shipment by courier to one of the following three reputable commercial laboratories which are chosen based on capacity:

- The Analytical Laboratory of Henan Nonferrous Exploration Institute (Zhengzhou Nonferrous Laboratory) in Zhengzhou, Henan Province.
- 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.

The three external 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.

Channel samples are analyzed on site at the Ying assay laboratory located at the mill complex in Luoning County. A brief examination of the Ying Laboratory was made by the QPs in both 2013 and 2016, as outlined in previous Technical Reports. The assay laboratory is officially accredited by the Quality and Technology Monitoring Bureau of Henan Province and has been used to analyze both channel samples taken from underground workings for Resource estimation purposes, and concentrate produced from the processing plants. Most of the processes for the analysis of channel samples and concentrate are completed within separate buildings, rooms, and instruments.

Silvercorp has established QA/QC procedures which cover the sample collection and processing at the Ying Property. All drilling and channel sampling programs completed on the Property incorporate the insertions of Certified Reference Materials (CRMs) and blanks into the sample stream on a batch by batch basis. Duplicate field samples are also included in the drilling programs.

Silvercorp's QA/QC programs and results prior to July 2016 have been described in previous Technical Reports. The following discussion is based on the QP's independent review of the drilling and channel sampling QA/QC databases associated with the July 2016 to December 2019 programs, which comprises 1,088 drillholes and 75,334 channel samples.

Silvercorp monitors silver, lead, zinc, copper, and gold in drillhole sampling, and silver, lead, and zinc in channel sampling programs. This is accomplished through the insertion of CRMs, blanks, and field duplicate samples. In this report gold and copper values are not discussed in detail as they are not material components of the Mineral Resource.

A summary of QA/QC samples included in the July 2016 – 2019 program is presented in Table 3. Table 4 summarizes the insertion rate of these QA/QC samples.

Table 3 Ying QA/QC samples by year [1]

Year	Drill samples				Channel samples			
	Samples	**CRMs**	**Blanks**	**Field duplicates**	**Samples**	**CRMs**	**Blanks**	**Field duplicates**
2016	2,944	111	112	112	8,537	248	253	0
2017	7,011	214	214	214	18,117	406	48	0

2018	5,145	154	153	153	17,515	474	3	0
2019	5,333	146	146	144	23,105	603	0	0
Total	**20,433**	**625**	**625**	**623**	**67,274**	**1,731**	**304**	**0**

Note: [1] Data from 1 July 2016 to 31 December 2019. Source: Compiled by AMC.

Table 4 Ying QA/QC insertion rates [1]

Year	Drill samples					Channel samples				
	Samples	**CRMs**	**Blanks**	**Field duplicates**	**Total QA/QC**	**Samples**	**CRMs**	**Blanks**	**Field duplicates**	**Total QA/QC**
2016	2,944	3.8%	3.8%	3.8%	11.4%	8,537	2.8%	3.0%	0.0%	5.6%
2017	7,011	3.1%	3.1%	3.1%	9.2%	18,117	2.5%	0.3%	0.0%	2.5%
2018	5,145	3.0%	3.0%	3.0%	8.9%	17,515	2.7%	0.0%	0.0%	2.7%
2019	5,333	2.7%	2.7%	2.7%	8.2%	23,105	2.6%	0.0%	0.0%	2.6%
Overall	**20,433**	**3.1%**	**3.1%**	**3.0%**	**9.2%**	**67,274**	**2.6%**	**0.5%**	**0.0%**	**3.0%**

Note: [1] Data from 1 July 2016 to 31 December 2019.
Source: Compiled by AMC.

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.

The objectives of the lab mineral processing testwork were:

- To maximize silver recovery to the lead concentrate.
- To develop a process flow sheet with appropriate operating parameters as a basis for the industrial scale implementation of lead, zinc, and silver recovery.
- To determine the product quality characteristics relative to the relevant national standards.

The metallurgical testing consisted of mineralogical assessment, flotation tests, and specific gravity measurements of the mineralized veins.

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.

Mineral Resource and Mineral Reserve Estimates

The Mineral Resource estimates for the SGX, HPG, LMW, and LME deposits were carried out by independent QP Rod Webster, MAIG of AMC who takes responsibility for these estimates.

The Mineral Resource estimates for the TLP, HZG, and DCG deposits were carried out by independent QP Simeon Robinson, P.Geo. of AMC who takes responsibility for these estimates.

The December 2019 Mineral Resources were estimated using a block modelling approach and the dynamic anisotropy application within Datamine™ software. Except for DCG, all metal grades were estimated using ordinary kriging. At DCG metal grades were estimated using inverse distance squared (ID^2).

The Mineral Resources include material (approximately 30% of the total Mineral Resources) below the lower elevation limit of Silvercorp's current mining licenses. However, because of the nature of Chinese regulations governing applications for new or extended mining licenses, the QPs for the Mineral Resource estimation are satisfied that there is no material risk of Silvercorp not being granted approval to extend the lower depth limit of its licenses to develop these Mineral Resources as and when required.

Table 5 shows the Mineral Resources and metal content by mine for the Ying Property as of 31 December 2019. The Mineral Resources are reported above a COG based on in-situ values in silver equivalent (AgEq) terms in grams per tonne. COGs incorporate mining, processing and G&A costs provided by Silvercorp for each mine and reviewed by the QP for Mineral Reserves – see Table 6. The AgEq formula and cut-off grade for each mine are shown in the footnotes of Table 5.

Table 5 Mineral Resources of the Ying Property as of 31 December 2019

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	3.29	-	313	6.19	3.12	-	33.08	203.6	102.5
	Indicated	3.48	-	257	5.04	2.53	-	28.77	175.5	88.1
	Measured + Indicated	6.77	-	284	5.60	2.82	-	61.86	379.1	190.6
	Inferred	4.33	-	237	4.84	1.99	-	33.00	209.8	86.1
HZG	Measured	0.49	-	342	1.09	0.25	-	5.43	5.4	1.2
	Indicated	0.60	-	274	0.70	0.15	-	5.29	4.2	0.9
	Measured + Indicated	1.09	-	305	0.87	0.20	-	10.72	9.5	2.1
	Inferred	0.97	-	250	0.78	0.18	-	7.77	7.5	1.7
HPG	Measured	0.88	1.17	93	3.74	1.43	33.3	2.64	33.1	12.6
	Indicated	1.50	1.35	67	3.02	1.30	64.9	3.22	45.2	19.5
	Measured + Indicated	2.38	1.28	77	3.29	1.35	98.2	5.87	78.3	32.1
	Inferred	3.20	2.05	84	2.65	1.04	211.2	8.65	84.9	33.2
LME	Measured	0.49	-	348	1.72	0.38	-	5.47	8.4	1.8
	Indicated	1.18	-	282	1.62	0.44	-	10.69	19.1	5.1
	Measured + Indicated	1.67	-	301	1.65	0.42	-	16.16	27.5	7.0
	Inferred	1.79	-	222	1.73	0.39	-	12.75	30.9	6.9
LMW	Measured	0.74	-	330	3.13	0.28	-	7.87	23.2	2.1
	Indicated	1.97	-	259	2.33	0.29	-	16.41	45.9	5.8
	Measured + Indicated	2.71	-	278	2.55	0.29	-	24.29	69.1	7.9
	Inferred	2.41	-	248	2.85	0.39	-	19.22	68.6	9.5
TLP	Measured	2.51	-	208	3.44	0.33	-	16.79	86.5	8.3
	Indicated	2.92	-	165	2.74	0.32	-	15.48	79.9	9.2
	Measured + Indicated	5.43	-	185	3.06	0.32	-	32.27	166.4	17.5
	Inferred	5.48	-	157	2.64	0.25	-	27.70	144.7	13.7
	Measured	-	-	-	-	-		-	-	-
	Indicated	0.06	0.09	59	3.78	0.15	0.2	0.12	2.3	0.1

DCG	Measured + Indicated	0.06	0.09	59	3.78	0.15	0.2	0.12	2.3	0.1
	Inferred	0.40	0.24	61	4.69	0.15	3.2	0.79	18.9	0.6
Total	Measured	8.41	0.12	264	4.28	1.53	33.3	71.29	360.2	128.6
	Indicated	11.71	0.17	212	3.18	1.10	65.1	79.98	372.1	128.7
	Measured + Indicated	20.12	0.15	234	3.64	1.28	98.4	151.26	732.3	257.3
	Inferred	18.58	0.36	184	3.04	0.82	214.4	109.87	565.3	151.8

Notes:

- Mineral Resources are reported according to the CIM Definition Standards (2014).
- Measured and Indicated Mineral Resources are inclusive of estimated Mineral Reserves.
- Metal prices: gold US$1,250/troy oz, silver US$18/troy oz, lead US$0.95/lb, zinc US$1.10/lb.
- Exchange rate: RMB 6.90 : US$1.00.
- Mineral Resource reported 5 m below surface.
- Veins factored to a minimum extraction width of 0.3 m.
- Cut-off grades: SGX 145 g/t AgEq; HZG 130 g/t AgEq; HPG 140 g/t AgEq; LME 120 g/t AgEq; LMW 155 g/t AgEq; TLP 130 g/t AgEq; DCG 135 AgEq.
- AgEq formulas by mine:
  - SGX: AgEq =35.63*Pb%+22.45*Zn%+Ag g/t
  - HZG: AgEq =34.6*Pb%+Ag g/t
  - HPG: AgEq =36.84*Pb%+23.61*Zn%+62.87*Au g/t + Ag g/t
  - LME: AgEq =34.17*Pb%+11.92*Zn%+Ag g/t
  - LMW: AgEq=35.06*Pb%+Ag g/t
  - TLP: AgEq =34.19*Pb%+Ag g/t
  - DCG: AgEq =36.84*Pb% + 23.61*Zn + 62.87*Au g/t + Ag g/t
- Exclusive of mine production to 31 December 2019.
- Rounding of some figures may lead to minor discrepancies in totals.

Comparison of Mineral Resources, 30 June 2016 and 31 December 2019

A comparison of Mineral Resource estimates between 30 June 2016 and 31 December 2019 indicates the following:

- Measured plus Indicated tonnes have increased by 23% overall, while the Inferred tonnes have increased by 78%.
- Measured plus Indicated grades have decreased overall by between -2% and -6%. Inferred grades decreased between -20% and -26% overall (both comparisons excluding gold as it is a very minor contributor).
- The net result in the Measured plus Indicated categories has been an increase in the contained silver of 18% and an increase in the contained lead metal of 16%. The increase in zinc content was 20%.
- The net result in the Inferred category has been an increase in the contained silver metal of 42% and a significant increase in both the contained lead and zinc metal, with increases of 38% and 32% respectively.

Reasons for the differences in grade, tonnes, and contained metal include Mineral Resource additions and conversion to higher categories arising from drilling and level development, different COGs and depletion due to mining. Additional channel and drillhole samples also became available between the two estimates to extend the Mineral Resources along-strike and down-dip, and allowed changed interpretation of the veins, given the greater degree of geological understanding.

Mineral Reserve Estimate

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.

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 (jacklegs) 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. The QP 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, 49.7% is associated with resuing and 50.3% with shrinkage.

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 6.

COG AgEq (g/t) = (operating cost + sustaining capital + mineral resources tax) / (Ag price x processing recovery x payable).

In determining metal prices for use in the cut-off calculations, available consensus forecast information, prices used in recent NI 43-101 reports, three-year trailing averages, and prices current as of March 2020 were referenced. The exchange rate used in the cut-off calculations was arrived at in similar fashion.

Table 6 Mineral Reserve cut-off grades and key estimation parameters

Item	**SGX**		**HZG**		**HPG**		**LME**		**TLP**		**LMW**	
Foreign exchange rate (RMB:US$)	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90
	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage
Operating costs (US$/t)												
Mining cost	73.63	57.55	60.36	45.19	66.30	54.39	70.04	53.78	63.52	51.79	82.27	70.28
Shipping cost	4.05	4.05	5.14	5.14	3.82	3.82	3.34	3.34	3.99	3.99	3.43	3.43
Milling cost	10.23	10.23	10.23	10.23	10.23	10.23	10.23	10.23	10.23	10.23	10.23	10.23
G&A & product selling cost	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30
Mineral Resources tax	3.47	2.99	3.51	3.05	3.23	2.88	3.12	2.64	3.41	3.06	3.81	3.45
Government fee & other tax	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78
Sustaining Capital (mine development, exploration tunneling, PPE)	16.72	16.72	30.09	30.09	16.38	16.38	9.42	9.42	24.85	24.85	20.11	20.11
Total operating costs	119.18	102.62	120.41	104.79	111.05	98.78	107.24	90.49	117.08	105.00	130.94	118.59
Mill recoveries												
Au (%)					90.7	90.7						

Ag (%)	96.5	96.5	96.8	96.8	90.2	90.2	96.9	96.9	93.4	93.4	96.6	96.6
Pb (%)	97.8	97.8	95.2	95.2	94.4	94.4	94.1	94.1	90.7	90.7	96.3	96.3
Zn (%)	64.2	64.2			63.1	63.1	34.2	34.2				
Payables												
Au (%)					81.0	81.0						
Ag (%)	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
Pb (%)	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5
Zn (%)	72.5	72.5			72.5	72.5	72.5	72.5				
Full breakeven COG (AgEq g/t) = (Total operating cost $/t)/($ value per in situ gram after metallurgical recovery & payable)	235	205	240	210	235	210	210	180	240	215	260	235

Notes:

- Numbers may not compute exactly due to rounding.
- Metal price assumptions: Au $1250/oz; Ag $18/oz; Pb $0.95/lb; Zn $1.10/lb.
- No Zn value ascribed to ore from HZG, TLP, and LMW sites.
- Operating costs from 2020 and 2021 fiscal years (actuals + FY2021 Q4 projection).

Lower COG values have been used for development ore, and for areas where, effectively, all development and drilling for a given stope is complete and the decision is whether to mine the stope or not. These values are shown in Table 7.

Table 7 Development ore and stope marginal cut-off grades

Item	SGX		HZG		HPG		LME		TLP		LMW	
	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage
Stope marginal COG (AgEq g/t)	215	180	220	190	215	190	180	150	220	195	230	205
Development ore COG (AgEq g/t)	145		140		145		120		150		165	

Note: Costs, recoveries, payables, and metal price assumptions as per Table 6 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 0.8 m. The QP 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 estimation 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. The QP considers that the resulting impact of this hand-sorting on the delivered product is not significant enough to materially affect the dilution factors used in the estimation.

The QP 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 is critical to achieving dilution targets.

Table 8 summarizes average dilution from the Mineral Reserve calculations for each of the Ying mines. The QP considers that the current dilution estimation is reasonable considering the enhanced focus on mining process control in recent years and the observed results from those efforts.

Table 8 Average dilution by mine and method

Mine	Dilution %	
	Resuing	Shrinkage
SGX	15	19
HZG	18	20
HPG	18	19
LME	16	17
TLP	14	18
LMW	13	14
Total Ying	**15**	**18**

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 9 summarizes the Mineral Reserve estimates for each Ying mine and for the entire Ying operation. 44.1% of the Mineral Reserve tonnage is categorized as Proven and 55.9% is categorized as Probable.

Table 9 Ying Mines Mineral Reserve Estimates at 31 December 2019

Mine	Reserve Category	Mt	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Metal contained in Mineral Reserves			
							Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
SGX	Proven	2.48		298	5.86	2.80		23.73	145.2	69.4
	Probable	2.71		259	5.05	2.35		22.57	137.0	63.9

Total Proven & Probable		**5.19**		**277**	**5.43**	**2.57**		**46.30**	**282.1**	**133.3**
HZG	Proven	0.30		356	0.98	0.24		3.42	2.9	0.7
	Probable	0.32		306	0.66	0.12		3.13	2.1	0.4
Total Proven & Probable		**0.62**		**330**	**0.82**	**0.18**		**6.54**	**5.0**	**1.1**
HPG	Proven	0.48	1.05	88	3.66	1.52	16	1.34	17.4	7.2
	Probable	0.76	1.38	62	3.07	1.37	34	1.53	23.4	10.5
Total Proven & Probable		**1.24**	**1.25**	**72**	**3.29**	**1.43**	**50**	**2.88**	**40.8**	**17.7**
LME	Proven	0.36		352	1.65	0.37		4.05	5.9	1.3
	Probable	0.89		287	1.57	0.40		8.18	13.9	3.5
Total Proven & Probable		**1.24**		**306**	**1.59**	**0.39**		**12.23**	**19.8**	**4.8**
LMW	Proven	0.42		347	3.30	0.28		4.73	14.0	1.2
	Probable	0.93		303	2.44	0.30		9.00	22.6	2.8
Total Proven & Probable		**1.35**		**317**	**2.71**	**0.29**		**13.73**	**36.6**	**4.0**
TLP	Proven	1.25		241	3.47	0.34		9.71	43.5	4.2
	Probable	1.10		216	2.60	0.32		7.62	28.5	3.5
Total Proven & Probable		**2.35**		**230**	**3.07**	**0.33**		**17.34**	**72.0**	**7.7**
Ying Mines	Proven	5.29	0.09	276	4.33	1.59	16	46.99	228.9	84.0
	Probable	6.70	0.16	241	3.39	1.26	34	52.02	227.5	84.5
Total Proven & Probable		**11.99**	**0.13**	**257**	**3.81**	**1.41**	**50**	**99.01**	**456.4**	**168.6**

Notes to Mineral Reserve Statement:

- Cut-off grades (AgEq g/t): SGX – 235 Resuing, 205 Shrinkage; HZG – 240 Resuing, 210 Shrinkage; HPG – 235 Resuing, 210 Shrinkage; LME – 210 Resuing, 180 Shrinkage; TLP – 240 Resuing, 215 Shrinkage; LMW – 260 Resuing, 235 Shrinkage.
- Stope Marginal cut-off grades (AgEq g/t): SGX – 215 Resuing, 180 Shrinkage; HZG – 220 Resuing, 190 Shrinkage; HPG – 215 Resuing, 190 Shrinkage; LME – 180 Resuing, 150 Shrinkage; TLP – 220 Resuing, 195 Shrinkage; LMW – 230 Resuing, 205 Shrinkage.
- Development Ore cut-off grades (AgEq g/t): SGX – 145; HZG – 140; HPG – 145; LME – 120; TLP – 150; LMW – 165.
- 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$18/troy oz, lead US$0.95/lb, zinc US$1.10/lb.
- Processing recovery factors: SGX – 96.5% Ag, 97.8% Pb, 64.2% Zn; HZG – 96.8% Ag, 95.2% Pb; HPG – 90.7% Au, 90.2% Ag, 94.4% Pb, 63.1% Zn; LME – 96.9% Ag, 94.1% Pb, 34.2% Zn; TLP – 93.4% Ag, 90.7% Pb; LMW – 96.6% Ag, 96.3% Pb.
- Payables: Au – 81%; Ag – 90.0%; Pb – 87.5%; Zn – 72.5%.
- Exclusive of mine production to 31 December 2019.
- Exchange rate assumed is RMB 6.90 : US$1.00.
- Rounding of some figures may lead to minor discrepancies in totals.

The QP notes that for TLP and LMW, silver and lead Mineral Reserve grades are approximately the same as the average silver and lead mined grades over the FY2017 to FY2020 timeframe. For the combined SGX, HZG, HPG, and LME mines, average silver and lead Mineral Reserve grades show an approximately 25% reduction compared to the average silver and lead mined grades over the FY2017 to FY2020 period, whereas average zinc Mineral Reserve grades show an approximately 25% increase. This is consistent with the mining plan generally moving to depth in these mining areas as the life-of-mine (LOM) progresses. The QP also notes that the grade distribution of the Mineral Reserves and a continued focus on best mining practices and minimizing dilution provide a continuing opportunity to mine at above-overall-average grades in at least the early stages of the projected remaining LOM.

Table 10 below summarizes the total tonnage mined and total metals produced fr om the Ying Projects as a whole between December 31, 2019, the date of the latest Mineral Reserve report, and March 31, 2021:

Table 10 Tonnage mined and metal produced since Ying Report date

	Production, year ended March 31, 2021	**Production, three months ended March 31, 2020**	**Total Production since latest Mineral Reserve report (December 31, 2019)**
Ore Mined (Mt)	0.65	0.07	0.72
Silver Produced (Moz)	5.61	0.71	6.32
Gold Produced (oz)	3,500	500	4,000
Lead Produced (t)	26,257	4,765	31,022
Zinc Produced (t)	3,137	679	3,816

Note: Table 10 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

The sensitivity of the Ying Mineral Reserves to variation in COG has been tested 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 11:

Table 11 Estimated Reduction in Contained AgEq Oz in Mineral Reserves for COG increase of 20%

COGs increased by 20%	**SGX**	**HZG**	**HPG**	**LME**	**TLP**	**LMW**
Mine AgEq oz reduction	4.7%	12.0%	21.0%	9.4%	14.1%	11.4%
Ying total AgEq oz reduction	**8.8%**					

The lowest sensitivities are seen at SGX and LME with, respectively, estimated 4.7% and 9.4% reductions in contained AgEq ounces when the COG is increased by 20%. The highest reduction of 21.0% is noted at HPG. For Ying as a whole, an approximately 8.8% reduction in AgEq ounces demonstrates relatively low overall COG sensitivity.

Conversion of Mineral Resources to Reserves

Table 12 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 12 Mineral Resources and Mineral Reserves comparison

Mine[1]		**Tonnes (Mt)**	**Au (g/t)**	**Ag (g/t)**	**Pb (%)**	**Zn (%)**	**Au (koz)**	**Ag (Moz)**	**Pb (kt)**	**Zn (kt)**
SGX	Resource MS+ID	6.77	-	284	5.60	2.82	-	61.86	379.1	190.6
	Reserve Prv+Prb	5.19		277	5.43	2.57		46.30	282.1	133.3
Conversion percentages		77%		98%	97%	91%		75%	74%	70%
HZG	Resource MS+ID	1.09	-	305	0.87	0.20	-	10.72	9.5	2.1
	Reserve Prv+Prb	0.62		330	0.82	0.18		6.54	5.0	1.1
Conversion percentages		56%		108%	94%	90%		61%	53%	51%
HPG	Resource MS+ID	2.38	1.28	77	3.29	1.35	98.2	5.87	78.3	32.1
	Reserve Prv+Prb	1.24	1.25	72	3.29	1.43	49.9	2.88	40.8	17.7
Conversion percentages		52%	98%	94%	100%	106%	51%	49%	52%	55%
LME	Resource MS+ID	1.67	-	301	1.65	0.42	-	16.16	27.5	7.0
	Reserve Prv+Prb	1.24		306	1.59	0.39		12.23	19.8	4.8
Conversion percentages		75%		102%	96%	92%		76%	72%	69%

TLP	Resource MS+ID	5.43	-	185	3.06	0.32	-	32.27	166.4	17.5
	Reserve Prv+Prb	2.35		230	3.07	0.33		17.34	72.0	7.7
Conversion percentages		43%		124%	100%	101%		54%	43%	44%
LMW	Resource MS+ID	2.71	-	278	2.55	0.29	-	24.29	69.1	7.9
	Reserve Prv+Prb	1.35		317	2.71	0.29		13.73	36.6	4.0
Conversion percentages		50%		114%	106%	102%		57%	53%	50%
DCG[1]	Resource MS+ID	0.06	0.09	59	3.78	0.15	0.17	0.12	2.3	0.1
	Reserve Prv+Prb	-	-	-	-	-	-	-	-	-
Conversion percentages		-	-	-	-	-	-	-	-	-
Total	Resource MS+ID	20.12	0.15	234	3.64	1.28	98.4	151.26	732.3	257.3
	Reserve Prv+Prb	11.99	0.13	257	3.81	1.41	49.9	99.01	456.4	168.6
Conversion percentages		60%	85%	110%	105%	110%	51%	65%	62%	66%

Notes: Numbers may not compute exactly due to rounding.
MS+ID = Measured and Indicated Mineral Resources, Prv+Prb = Proven and Probable Mineral Reserves
1 DCG Project Measured and Indicated Resources included.

For the Ying Property as a whole, total Mineral Reserve tonnes are approximately 60% of Mineral Resource (Measured plus Indicated) tonnes. Silver, lead, and zinc Mineral Reserve grades are 110%, 105%, and 110% respectively of the corresponding Measured plus Indicated Mineral Resource grades. Metal conversion percentages for silver, lead, and zinc are 65%, 62%, and 66% respectively.

With respect to the difference in tonnes and metal content between (Measured plus Indicated) Mineral Resources and (Proven plus Probable) Mineral Reserves, the QP makes note that: a) Mineral Resource COGs are approximately aligned with development ore cut-offs at each mine; and b) Mineral Resource areas that are not yet part of the LOM plan are not eligible for inclusion as Mineral Reserves.

Comparison of Mineral Reserves, mid-2016 to end-2019

Table 13 shows Ying Mineral Reserves as of mid-2016 (previous Technical Report) and as of end 2019 (this Technical Report). The 2019 Mineral Reserves do not include ore mined since mid 2016.

Table 13 Change in Mineral Reserves, mid-2016 to end-2019

Mine	Category	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Metal contained in Mineral Reserves			
							Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
SGX 2016	Proven	2.32		272	5.25	2.69		20.28	121.6	62.2
	Probable	3.18		248	4.86	2.11		25.4	154.6	67.1
Total Proven & Probable		**5.50**		**258**	**5.02**	**2.35**		**45.68**	**276.2**	**129.3**
SGX 2019	Proven	2.48		298	5.86	2.80		23.73	145.2	69.4
	Probable	2.71		259	5.05	2.35		22.57	137.0	63.9
Total Proven & Probable		**5.19**		**277**	**5.43**	**2.57**		**46.30**	**282.1**	**133.3**
SGX % Change	Proven	7%		9%	12%	4%		17%	19%	12%
	Probable	-15%		4%	4%	12%		-11%	-11%	-5%
Total Proven & Probable		**-6%**		**7%**	**8%**	**9%**		**1%**	**2%**	**3%**
HZG 2016	Proven	0.23		348	1.03	0.20		2.60	2.4	0.5
	Probable	0.35		285	0.77	0.15		3.23	2.7	0.5
Total Proven & Probable		**0.59**		**310**	**0.88**	**0.17**		**5.83**	**5.1**	**1.0**
HZG 2019	Proven	0.30		356	0.98	0.24		3.42	2.9	0.7
	Probable	0.32		306	0.66	0.12		3.13	2.1	0.4
Total Proven & Probable		**0.62**		**330**	**0.82**	**0.18**		**6.54**	**5.0**	**1.1**
HZG % Change	Proven	30%		2%	-5%	18%		31%	22%	50%
	Probable	-9%		7%	-14%	-20%		-3%	-23%	-27%
Total Proven & Probable		**4%**		**7%**	**-7%**	**4%**		**12%**	**-2%**	**10%**
HPG 2016	Proven	0.47	1.10	88	3.76	1.13	16	1.31	17.5	5.3
	Probable	0.29	1.15	108	3.28	1.17	11	1.02	9.7	3.5
Total Proven & Probable		**0.76**	**1.12**	**95**	**3.57**	**1.15**	**27**	**2.33**	**27.2**	**8.7**
HPG 2019	Proven	0.48	1.05	88	3.66	1.52	16	1.34	17.4	7.2
	Probable	0.76	1.38	62	3.07	1.37	34	1.53	23.4	10.5
Total Proven & Probable		**1.24**	**1.25**	**72**	**3.29**	**1.43**	**50**	**2.88**	**40.8**	**17.7**
HPG % Change	Proven	1%	-5%	0%	-3%	35%	-2%	3%	0%	38%
	Probable	163%	20%	-42%	-6%	17%	212%	50%	143%	203%
Total Proven & Probable		**63%**	**12%**	**-24%**	**-8%**	**24%**	**83%**	**23%**	**50%**	**103%**
LME 2016	Proven	0.20		288	1.45	0.27		1.82	2.9	0.5
	Probable	0.75		298	2.11	0.46		7.23	15.9	3.5
Total Proven & Probable		**0.95**		**296**	**1.97**	**0.42**		**9.06**	**18.8**	**4.0**
LME 2019	Proven	0.36		352	1.65	0.37		4.05	5.9	1.3
	Probable	0.89		287	1.57	0.40		8.18	13.9	3.5
Total Proven & Probable		**1.24**		**306**	**1.59**	**0.39**		**12.23**	**19.8**	**4.8**
LME % Change	Proven	81%		22%	14%	34%		122%	107%	143%
	Probable	17%		-4%	-26%	-14%		13%	-13%	1%
Total Proven & Probable		**31%**		**3%**	**-19%**	**-8%**		**35%**	**5%**	**20%**
TLP 2016	Proven	1.00		223	3.45	0.26		7.15	34.4	2.6
	Probable	1.48		178	2.91	0.29		8.45	43.1	4.3
Total Proven & Probable		**2.47**		**196**	**3.13**	**0.28**		**15.60**	**77.5**	**6.9**
TLP 2019	Proven	1.25		241	3.47	0.34		9.71	43.5	4.2
	Probable	1.10		216	2.60	0.32		7.62	28.5	3.5
Total Proven & Probable		**2.35**		**230**	**3.07**	**0.33**		**17.34**	**72.0**	**7.7**
TLP % Change	Proven	25%		8%	1%	29%		36%	26%	61%
	Probable	-26%		21%	-11%	9%		-10%	-34%	-19%

Mine	Category	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Metal contained in Mineral Reserves			
							Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
Total Proven & Probable		**-5%**		**17%**	**-2%**	**17%**		**11%**	**-7%**	**11%**
LMW 2016	Proven	0.46		316	3.29	0.25		4.69	15.2	1.1
	Probable	1.57		234	2.61	0.29		11.83	41.0	4.6
Total Proven & Probable		**2.04**		**252**	**2.76**	**0.28**		**16.52**	**56.2**	**5.8**
LMW 2019	Proven	0.42		347	3.30	0.28		4.73	14.0	1.2
	Probable	0.93		303	2.44	0.30		9.00	22.6	2.8
Total Proven & Probable		**1.35**		**317**	**2.71**	**0.29**		**13.73**	**36.6**	**4.0**

LMW % Change	Proven	-8%		10%	0%	12%		1%	-8%	3%
	Probable	-41%		29%	-6%	3%		-24%	-45%	-40%
Total Proven & Probable		**-34%**		**25%**	**-2%**	**4%**		**-17%**	**-35%**	**-31%**
Ying Total 2016	Proven	4.67	0.11	252	4.15	1.55	16	37.85	194.0	72.2
	Probable	7.63	0.04	233	3.50	1.09	11	57.16	267.0	83.5
Total Proven & Probable		**12.30**	**0.07**	**240**	**3.75**	**1.27**	**27**	**95.02**	**461.0**	**155.7**
Ying Total 2019	Proven	5.29	0.09	276	4.33	1.59	16	46.99	228.9	84.0
	Probable	6.70	0.16	241	3.39	1.26	34	52.02	227.5	84.5
Total Proven & Probable		**11.99**	**0.13**	**257**	**3.81**	**1.41**	**50**	**99.01**	**456.4**	**168.6**
Ying % Change	Proven	13%	-14%	10%	4%	3%	-2%	24%	18%	16%
	Probable	-12%	292%	4%	-3%	16%	212%	-9%	-15%	1%
Total Proven & Probable		**-3%**	**85%**	**7%**	**2%**	**11%**	**83%**	**4%**	**-1%**	**8%**

Some significant aspects of the comparison are:

- 3% decrease in total (Proven + Probable) Ying Mineral Reserve tonnes.
- Increase in total Ying Mineral Reserve silver, lead, and zinc grades of 7%, 2%, and 11%, respectively.
- Increases in total Ying Mineral Reserve metal content for silver and zinc of 4% and 8% respectively; 1% decrease in total lead content.
- SGX continues being the leading contributor to the total Ying Mineral Reserves, accounting for 43% of tonnes, 47% of silver, 62% of lead, and 79% of zinc, compared to respective values of 45%, 48%, 60%, and 83% in 2016.
- 6% decrease in total Mineral Reserve tonnes at SGX, but slight increases in total metal content for silver, lead and zinc of 1%, 2%, and 3% respectively.
- 63% increase in total Mineral Reserve tonnes at HPG, with corresponding increases in silver, lead and zinc content of 23%, 50%, and 103% respectively. Gold Mineral Reserves also increased from 27 koz to 50 koz at HPG.
- 31% increase in total Mineral Reserve tonnes at LME, with corresponding increases in silver, lead and zinc content of 35%, 5%, and 20%, respectively.
- 34% decrease in total Mineral Reserve tonnes at LMW, with corresponding decreases in silver, lead and zinc content of 17%, 35%, and 31%, respectively.
- 4% increase in total Mineral Reserve tonnes at HZG, with corresponding increases in silver and zinc content of 12% and 10% respectively; 2% decrease in total lead content.
- 5% decrease in total Mineral Reserve tonnes at TLP, but with increases in both silver and zinc content of 11%; 7% decrease in total lead content .

Mining Operations

The Ying mine complex is a viable operation with a projected LOM through to 2040 based on Proven and Probable Reserves. The potential exists for an extended LOM via further exploration and development, particularly in areas of Inferred Resources.

Annual ore production is projected to be maintained between 655 kt and 687 kt through to and including FY2031. From FY2032 to FY2036, ore production is projected to average about 600 ktpa, and then to drop from 443 ktpa to 283 ktpa over the final four years, as operations at the SGX, HPG, LME, and LMW mines wind down. The QP notes that the development and infrastructure required to allow production as projected is either already in place, is in development, or has been planned. The ability to achieve projected production will, to a large degree, be dependent on diligent planning and the consistent availability of resources, particularly skilled manpower and, although there is a certain amount of risk associated with the provision of key resources, the Ying mines performance in recent years lends support to a having a good degree of confidence that production tonnage targets can be achieved.

Silver grades, particularly driven by SGX, are indicated to steadily decrease over the LOM. Through to and including 2025, the silver grade is projected to average 307 g/t. Beyond 2025, the silver grade ranges between 267 g/t and 203 g/t, but with the AgEq grade maintained in a fairly narrow range between 378 g/t and 436 g/t. The full LOM average AgEq grade is projected at 454 g/t. The grade profile is consistent with the mines developing more to depth, with a general decrease in Ag grades and a corresponding increase in Pb and Zn grades.

The Ying mines safety is governed by Chinese statutory requirements and the QP acknowledges that, in certain areas, those requirements are exceeded. The QP 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, could provide an opportunity to effectively employ more bulk-mining methods such as longhole benching, and still with reasonable dilution. The QP recognizes the technological change that would be required for their implementation but recommends that Silvercorp investigate the application of such methods.

Processing and Recovery Operations

Silvercorp runs two processing plants, Plants 1 and 2, at the Ying Property, with a total current design capacity of about 2,800 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. Plant 1 (Xiayu Plant - originally 600 tpd, upgraded to 800 tpd) has been in operation since March 2007. Plant 2 (Zhuangtou Plant) has been in production since December 2009, with an expansion from 1,000 tpd to 2,000 tpd completed in October 2011. Although current design processing capacity is about 2,800 tpd, it is understood that the actual capacity could reach 3,000 – 3,200 tpd. However, current LOM planning requires that the plants operate up to around 2,000 tpd.

The overall processes of the two plants are similar and comprise crushing, grinding, flotation of lead and zinc concentrates, and concentrate dewatering. Plant 1 currently produces only a lead / silver concentrate. 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.

To optimize profitability, high grade lead concentrate from Plant 2 is blended with middle grade lead concentrate from Plant 1.

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

Both Plants 1 and 2 have exceeded target throughput levels. Lead and silver recovery targets are being met, although zinc recovery is lower than design, attributed to low zinc feed grades.

After innovation and modification to both plants over the last few years, lead and silver recoveries have increased significantly. Improvements have been consistently targeted on process system and other facilities both in Plant 1 and Plant 2 to improve the metal recovery and reduce energy consumption.

Historically, higher-grade feed from SGX has enhanced plant performance but, with the proportion of SGX ore decreasing, the challenge is to maintain similar metallurgical performance on lower grade feedstock. From recent performance, it appears that recoveries are being maintained but concentrate grades are lower than target, however, not to the extent where there is a major deterioration in smelter terms.

Infrastructure, Permitting and Compliance Activities

There are two tailings management facilities (TMF); TMF 1, 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. The QP understands that site-specific risk assessment, such as for geotechnical risk, was originally carried out by Henan Luoyang Yuxi Hydrological & Geological Reconnaissance Company, with more recent assessments done by other organizations.

The TMFs were designed based on then current Mineral Resource / Mineral Reserve estimations and LOM production projections. Subsequent resource expansion and increased production projections indicate that the current tailings capacity will not be adequate for the full Ying LOM. Additional tailings capacity will thus be required in the later period of the LOM production. There are several location options for the third TMF, with assessment of those options still in the study stage. It is expected that there will be no problem to get permission to build the third TMF once it becomes necessary.

Reclaimed water from the tailings storage ponds and overflows from the two concentrators is recycled to minimize fresh water requirements. Zero discharge of the process water has been achieved at both TMFs in no-rainfall seasons.

Each mine in the Ying Property has a number of rock waste dumps. Waste dump capacity at all mines is enough for the anticipated LOM waste rock. Silvercorp is investing approximately $2.9 million (M) to construct a 1 Mtpa aggregate plant to recycle and crush the waste rock from the Ying Mining District, and then supply it to the local construction market. The plant is expected to be commissioned in October 2020, and its profit, after capital recovery, will be shared between the local government, the local communities, and employees.

Power for the Ying Property is drawn from Chinese National Grids with high-voltage lines to the different mine camps and mill plants. At SGX, one 35 kV overhead line supplies main power for all production, and two 10 kV lines act mainly as a standby source of power in case of disruption. In addition, two 1,500 kW and one 1,200 kW diesel generators installed at one of the substations act as back-up power supply in the event of a grid power outage.

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. The HPG mine can be accessed either by boat or 12 km paved road, south-west of the main office complex. Ore from the TLP and LM mines is hauled to the Silvercorp central mill using 30 and 45 t truck fleets. The TLP, LME, and LMW mines are 15 km south-east of the main office complex and are accessed by paved road along the

Chongyang River.

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 have been issued by the Department of Safety Production and Inspection of Henan Province, covering the SGX mine, Zhuangtou TMF, Shiwagou TMF, HPG mine, TLP mine, LMW mine, and LME mine. Five environmental certificates have been issued by the Department of Environmental Protection of Henan Province, covering the Yueliangou project (SGX mine and 1,000 tpd mill plant), HPG mine, TLP mine, LMW mine, LME mine, and the 2,000 tpd mill plant built in 2009. For each of these certificates, there are related mine development / utilization and soil / water conservation programs, and rehabilitation plan reports. Silvercorp has also obtained approvals and certificates for wastewater discharge locations at the SGX mine, the HPG mine, and the two TMFs. All certificates must be renewed periodically.

There are no cultural minority groups within the area surrounding the general project. The culture of the broader Luoning County is predominantly Han Chinese. No records of cultural heritage sites exist within or near the SGX, HZG, TLP, LME, LMW, and HPG project areas. The surrounding land near the SGX Mining Area is used predominantly for agriculture. The mining area does not cover any natural conservation, ecological forests or strict land control zones. Current area vegetation is mainly secondary, including farm plantings. Larger wild mammals have not been found in the region. Small birds nesting and moving in the woodland are observed occasionally. The surrounding villagers raise domestic animals, such as chickens, ducks, pigs, sheep, and goats.

Capital and Operating Costs

Summary of Capital Costs

The main capital requirement at the Ying Property is for mine development. Provision is also made for exploration drilling and for sustaining surface facilities, plant expenditure, personal protective equipment, and equipment in general. Specific processing plant capital requirements are projected to be minimal as plant capacity has previously been expanded to meet the forecast mine production.

Projected LOM capital costs, by mine and for Ying as a whole, are summarized in Table 14. An exchange rate of US$1 = 6.90 RMB is assumed.

Table 14 Projected Ying LOM Capex (US$M)

Cost item	Total LOM	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040
SGX																					
Sustaining Capex																					
Exploration & mine development tunnelling	21.94	4.55	3.38	3.12	1.87	1.85	1.28	0.91	0.90	0.95	0.64	0.60	0.63	0.47	0.52	0.11	0.08	0.08	-	-	-
Facilities, plant, and equipment	17.59	0.87	0.87	0.87	0.88	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.86	0.84	0.83
Investment Capex	34.26	3.36	3.36	3.61	3.68	3.43	3.15	2.56	2.17	1.50	1.22	1.13	1.00	0.98	0.63	0.89	0.78	0.40	0.28	0.13	-
Total SGX Capex	**73.79**	**8.78**	**7.61**	**7.60**	**6.43**	**6.17**	**5.32**	**4.36**	**3.96**	**3.34**	**2.75**	**2.62**	**2.52**	**2.34**	**2.04**	**1.89**	**1.75**	**1.37**	**1.14**	**0.97**	**0.83**
HZG																					
Sustaining Capex																					
Exploration & mine development tunnelling	11.22	1.59	1.60	1.75	1.58	1.73	1.03	0.69	0.43	0.18	0.42	0.13	0.09	-	-	-	-	-	-	-	-
Facilities, plant, and equipment	1.63	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.12	0.11	-	-	-	-	-	-	-	-
Investment Capex	11.54	0.98	1.13	0.68	0.79	0.62	0.97	1.20	1.39	1.56	1.53	0.32	0.37	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total HZG Capex	**24.39**	**2.71**	**2.87**	**2.57**	**2.51**	**2.49**	**2.14**	**2.03**	**1.96**	**1.88**	**2.09**	**0.57**	**0.57**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
HPG																					
Sustaining Capex																					
Exploration & mine development tunnelling	7.67	0.66	0.86	0.61	0.62	0.62	0.56	0.47	0.50	0.71	0.46	0.46	0.21	0.17	0.10	0.34	0.26	0.06	-	-	-
Facilities, plant, and equipment	4.78	0.25	0.25	0.27	0.27	0.28	0.28	0.27	0.28	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.26	0.24	0.24	-	-
Investment Capex	5.71	0.04	0.09	0.13	0.20	0.10	0.15	0.38	0.48	0.22	0.14	0.22	0.82	0.85	0.61	0.45	0.42	0.41	**-**	**-**	**-**
Total HPG Capex	**18.16**	**0.95**	**1.20**	**1.01**	**1.09**	**1.00**	**0.99**	**1.12**	**1.26**	**1.20**	**0.87**	**0.95**	**1.30**	**1.29**	**0.98**	**1.06**	**0.94**	**0.71**	**0.24**	**-**	**-**
TLP																					
Sustaining Capex																					
Exploration & mine development tunnelling	9.79	4.54	1.81	0.97	0.75	0.36	0.13	0.21	0.29	0.19	0.14	0.14	0.09	0.07	0.07	0.03	-	-	-	-	-
Facilities, plant, and equipment	8.06	0.51	0.49	0.52	0.51	0.49	0.56	0.54	0.57	0.51	0.48	0.49	0.49	0.49	0.49	0.48	0.44	-	-	-	-
Investment Capex	17.33	1.85	1.68	1.78	1.16	1.54	1.68	1.52	1.14	1.06	0.86	0.93	0.84	0.59	0.70	**-**	**-**	**-**	**-**	**-**	**-**
Total TLP Capex	**35.18**	**6.90**	**3.98**	**3.27**	**2.42**	**2.39**	**2.37**	**2.27**	**2.00**	**1.76**	**1.48**	**1.56**	**1.42**	**1.15**	**1.26**	**0.51**	**0.44**	**-**	**-**	**-**	**-**
LME																					
Sustaining Capex																					
Exploration & mine development tunnelling	5.96	1.32	1.31	0.88	0.70	0.87	0.44	0.17	0.17	0.05	0.05	-	-	-	-	-	-	-	-	-	-
Facilities, plant, and equipment	2.70	0.14	0.15	0.17	0.15	0.17	0.15	0.16	0.18	0.16	0.17	0.18	0.16	0.16	0.16	0.16	0.14	0.14	-	-	-
Investment Capex	12.28	0.58	0.69	0.97	0.95	0.73	0.92	0.81	0.69	0.73	0.78	0.82	0.61	0.66	0.73	0.82	0.79	-	**-**	**-**	**-**
Total LME Capex	**20.94**	**2.04**	**2.15**	**2.02**	**1.80**	**1.77**	**1.51**	**1.14**	**1.04**	**0.94**	**1.00**	**1.00**	**0.77**	**0.82**	**0.89**	**0.98**	**0.93**	**0.14**	**-**	**-**	**-**
LMW																					
Sustaining Capex																					
Exploration & mine development tunnelling	9.99	0.88	0.93	1.01	1.05	0.94	0.91	0.66	0.72	0.48	0.25	0.35	0.27	0.24	0.27	0.33	0.19	0.14	0.13	0.16	0.08
Facilities, plant, and equipment	6.73	0.33	0.34	0.36	0.35	0.35	0.34	0.34	0.35	0.34	0.34	0.34	0.34	0.35	0.34	0.34	0.33	0.33	0.34	0.31	0.27
Investment Capex	11.27	0.98	1.00	1.07	1.08	1.12	1.20	1.18	1.04	1.12	0.80	0.48	0.20	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total LMW Capex	**27.99**	**2.19**	**2.27**	**2.44**	**2.48**	**2.41**	**2.45**	**2.18**	**2.11**	**1.94**	**1.39**	**1.17**	**0.81**	**0.59**	**0.61**	**0.67**	**0.52**	**0.47**	**0.47**	**0.47**	**0.35**
Ying Total																					
Sustaining Capex																					
Exploration & mine development tunnelling	66.57	13.54	9.89	8.34	6.57	6.37	4.35	3.11	3.01	2.56	1.96	1.68	1.29	0.95	0.96	0.81	0.53	0.28	0.13	0.16	0.08
Facilities, plant, and equipment	41.49	2.24	2.24	2.33	2.30	2.32	2.36	2.34	2.41	2.31	2.29	2.29	2.26	2.16	2.15	2.14	2.06	1.60	1.44	1.15	1.10
Investment Capex	92.39	7.79	7.95	8.24	7.86	7.54	8.07	7.65	6.91	6.19	5.33	3.90	3.84	3.08	2.67	2.16	1.99	0.81	0.28	0.13	-
Total Ying Capex	**200.45**	**23.57**	**20.08**	**18.91**	**16.73**	**16.23**	**14.78**	**13.10**	**12.33**	**11.06**	**9.58**	**7.87**	**7.39**	**6.19**	**5.78**	**5.11**	**4.58**	**2.69**	**1.85**	**1.44**	**1.18**

Notes: Numbers may not compute exactly due to rounding. Q4 FY2020 not included.

Summary of Operating Costs

Major operating cost categories are mining, shipping, milling, G&A, product selling, Mineral Resources tax, and government fees and other taxes. Silvercorp utilizes contract labour for mining on a rate per tonne or a rate per metre basis. The contract includes all labour, all fixed and mobile equipment, materials, and consumables, including fuel and explosives, which are purchased through the company. Ground support consumables such as timber and power to the portal areas are the responsibility of the company. Shipping costs are for moving ore from each mine to the processing plant. 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 costs include an allowance for tailings dam and other environmental costs. The major capital expenditure on the two tailings storage facilities has already been expended and ongoing costs associated with progressively raising the dam are regarded as an operating cost. The provision for Mineral Resources tax is approximately 3% of sales. Table 15 summarizes projected LOM operating costs, by mine, and for Ying as a whole. An exchange rate of US$1 = 6.90 RMB is assumed.

Table 15 Projected Ying LOM Opex (US$M)

Cost item	Total LOM	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040
SGX																					
Mining	357.80	18.95	18.16	17.66	18.25	18.73	18.62	18.48	18.69	18.45	18.09	18.15	18.06	18.40	17.95	17.76	17.51	17.22	17.68	16.53	14.46
Shipping	20.93	1.03	1.03	1.03	1.05	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.03	1.00	0.98
Milling	52.82	2.61	2.61	2.61	2.66	2.67	2.67	2.67	2.67	2.68	2.67	2.67	2.68	2.67	2.67	2.68	2.67	2.67	2.59	2.52	2.48
G&A and product selling	42.89	2.12	2.12	2.12	2.16	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.16	2.10	2.05	2.02
Mineral Resources tax	43.56	2.61	2.56	2.48	2.37	2.32	2.24	2.20	2.16	2.18	2.17	2.15	2.15	2.15	2.11	2.11	2.08	2.04	1.91	1.82	1.75
Government fee and other tax	14.40	0.71	0.71	0.71	0.72	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.72	0.70	0.69	0.68
Total SGX Opex	**532.40**	**28.03**	**27.19**	**26.61**	**27.21**	**27.68**	**27.49**	**27.31**	**27.48**	**27.27**	**26.89**	**26.93**	**26.85**	**27.18**	**26.69**	**26.51**	**26.22**	**25.87**	**26.01**	**24.61**	**22.37**
HZG																					
Mining	33.90	3.22	3.05	3.31	3.26	3.24	3.02	2.93	2.72	2.60	2.68	1.97	1.90	-	-	-	-	-	-	-	-
Shipping	3.09	0.26	0.25	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.22	0.20	-	-	-	-	-	-	-	-
Milling	6.20	0.52	0.51	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.44	0.41	-	-	-	-	-	-	-	-
G&A and product selling	5.05	0.42	0.42	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.36	0.33	-	-	-	-	-	-	-	-
Mineral Resources tax	3.63	0.36	0.35	0.37	0.35	0.33	0.33	0.33	0.30	0.29	0.27	0.19	0.16	-	-	-	-	-	-	-	-
Government fee and other tax	1.71	0.14	0.14	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.12	0.11	-	-	-	-	-	-	-	-
Total HZG Opex	**53.58**	**4.92**	**4.72**	**5.08**	**5.01**	**4.97**	**4.75**	**4.66**	**4.42**	**4.29**	**4.35**	**3.30**	**3.11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
HPG																					
Mining	74.74	4.56	3.98	4.39	4.45	4.51	4.61	4.46	4.55	4.37	4.78	4.60	3.93	3.81	3.84	3.76	3.81	3.28	3.05	-	-
Shipping	4.71	0.24	0.25	0.26	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.26	0.27	0.25	0.24	0.24	-	-
Milling	12.55	0.64	0.66	0.70	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.71	0.71	0.71	0.67	0.64	0.63	-	-
G&A and product selling	10.19	0.52	0.54	0.57	0.58	0.59	0.59	0.58	0.59	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.54	0.52	0.51	-	-
Mineral Resources tax	5.59	0.34	0.34	0.37	0.37	0.37	0.37	0.35	0.35	0.33	0.33	0.33	0.33	0.31	0.27	0.25	0.21	0.19	0.18	-	-
Government fee and other tax	3.42	0.18	0.18	0.19	0.19	0.20	0.20	0.20	0.20	0.19	0.20	0.20	0.20	0.19	0.19	0.19	0.18	0.17	0.17	-	-
Total HPG Opex	**111.20**	**6.48**	**5.95**	**6.48**	**6.58**	**6.66**	**6.76**	**6.58**	**6.68**	**6.46**	**6.88**	**6.70**	**6.03**	**5.87**	**5.85**	**5.76**	**5.66**	**5.04**	**4.78**	**-**	**-**
TLP																					
Mining	119.41	8.25	6.90	8.34	8.39	7.92	8.68	7.88	8.44	7.89	7.04	6.94	7.23	7.13	6.66	6.39	5.33	-	-	-	-
Shipping	9.25	0.58	0.56	0.60	0.59	0.56	0.64	0.62	0.66	0.58	0.55	0.56	0.56	0.56	0.57	0.55	0.51	-	-	-	-
Milling	23.74	1.50	1.44	1.53	1.51	1.44	1.65	1.59	1.69	1.49	1.41	1.43	1.44	1.44	1.45	1.42	1.31	-	-	-	-
G&A and product selling	19.26	1.21	1.17	1.24	1.23	1.17	1.34	1.29	1.37	1.21	1.14	1.16	1.17	1.17	1.18	1.15	1.06	-	-	-	-
Mineral Resources tax	12.20	0.76	0.78	0.84	0.87	0.79	0.91	0.85	0.87	0.78	0.69	0.73	0.73	0.73	0.71	0.64	0.52	-	-	-	-
Government fee and other tax	6.45	0.41	0.39	0.42	0.41	0.39	0.45	0.43	0.46	0.41	0.38	0.39	0.39	0.39	0.39	0.39	0.35	-	-	-	-
Total TLP Opex	**190.31**	**12.71**	**11.24**	**12.97**	**13.00**	**12.27**	**13.67**	**12.66**	**13.49**	**12.36**	**11.21**	**11.21**	**11.52**	**11.42**	**10.96**	**10.54**	**9.08**	**-**	**-**	**-**	**-**
LME																					
Mining	53.18	3.46	3.43	3.47	3.27	2.98	2.84	3.07	3.32	3.02	3.00	3.29	3.09	3.28	3.07	3.00	2.81	2.78	-	-	-
Shipping	4.11	0.21	0.23	0.26	0.23	0.25	0.23	0.24	0.27	0.25	0.26	0.27	0.25	0.25	0.24	0.25	0.21	0.21	-	-	-
Milling	12.60	0.66	0.70	0.78	0.72	0.77	0.70	0.74	0.81	0.76	0.79	0.83	0.76	0.76	0.75	0.76	0.66	0.65	-	-	-
G&A and product selling	10.22	0.53	0.57	0.63	0.58	0.62	0.57	0.60	0.66	0.62	0.64	0.67	0.62	0.62	0.61	0.62	0.53	0.53	-	-	-
Mineral Resources tax	7.46	0.51	0.56	0.63	0.52	0.53	0.42	0.43	0.45	0.45	0.41	0.43	0.44	0.37	0.36	0.34	0.32	0.29	-	-	-
Government fee and other tax	3.43	0.18	0.19	0.21	0.19	0.21	0.19	0.20	0.22	0.21	0.22	0.22	0.21	0.21	0.20	0.21	0.18	0.18	-	-	-
Total LME Opex	**91.00**	**5.55**	**5.68**	**5.98**	**5.51**	**5.36**	**4.95**	**5.28**	**5.73**	**5.31**	**5.32**	**5.71**	**5.37**	**5.49**	**5.23**	**5.18**	**4.71**	**4.64**	**-**	**-**	**-**
LMW																					
Mining	89.35	5.03	4.96	5.14	5.02	4.52	4.39	4.43	4.81	4.56	4.13	4.49	4.62	4.51	4.35	4.75	4.22	4.09	4.26	3.71	3.36
Shipping	4.57	0.22	0.23	0.24	0.24	0.24	0.23	0.23	0.24	0.23	0.23	0.23	0.23	0.24	0.23	0.23	0.23	0.22	0.24	0.21	0.18
Milling	13.68	0.66	0.69	0.72	0.71	0.71	0.69	0.69	0.71	0.69	0.70	0.70	0.68	0.70	0.70	0.69	0.68	0.67	0.70	0.64	0.55
G&A and product selling	11.11	0.54	0.56	0.59	0.57	0.57	0.56	0.56	0.58	0.56	0.57	0.57	0.56	0.57	0.57	0.56	0.55	0.54	0.57	0.52	0.44
Mineral Resources tax	9.03	0.45	0.48	0.53	0.53	0.52	0.50	0.50	0.51	0.48	0.48	0.48	0.46	0.47	0.46	0.44	0.41	0.38	0.37	0.32	0.26
Government fee and other tax	3.72	0.18	0.19	0.20	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.18	0.18	0.19	0.17	0.15
Total LMW Opex	**131.46**	**7.08**	**7.11**	**7.42**	**7.26**	**6.75**	**6.56**	**6.60**	**7.04**	**6.71**	**6.30**	**6.66**	**6.74**	**6.68**	**6.50**	**6.86**	**6.27**	**6.08**	**6.33**	**5.57**	**4.94**
Ying Total																					
Mining	728.38	43.47	40.48	42.31	42.64	41.90	42.16	41.25	42.53	40.89	39.72	39.44	38.83	37.13	35.87	35.66	33.68	27.37	24.99	20.24	17.82
Shipping	46.66	2.54	2.55	2.66	2.65	2.65	2.70	2.69	2.77	2.66	2.64	2.61	2.57	2.38	2.36	2.36	2.26	1.73	1.51	1.21	1.16
Milling	121.59	6.59	6.61	6.88	6.86	6.85	6.97	6.95	7.14	6.88	6.83	6.79	6.69	6.28	6.28	6.26	5.99	4.63	3.92	3.16	3.03
G&A and product selling	98.72	5.34	5.38	5.59	5.56	5.56	5.67	5.64	5.81	5.58	5.54	5.51	5.43	5.11	5.11	5.08	4.85	3.75	3.18	2.57	2.46
Mineral Resources tax	81.47	5.03	5.07	5.22	5.01	4.86	4.77	4.66	4.64	4.51	4.35	4.31	4.27	4.03	3.91	3.78	3.54	2.90	2.46	2.14	2.01
Government fee and other tax	33.13	1.80	1.80	1.88	1.85	1.87	1.91	1.90	1.95	1.88	1.87	1.85	1.83	1.71	1.70	1.71	1.62	1.25	1.06	0.86	0.83
Total Ying Opex	**1,109.95**	**64.77**	**61.89**	**64.54**	**64.57**	**63.69**	**64.18**	**63.09**	**64.84**	**62.40**	**60.95**	**60.51**	**59.62**	**56.64**	**55.23**	**54.85**	**51.94**	**41.63**	**37.12**	**30.18**	**27.31**

Notes: Numbers may not compute exactly due to rounding. Q4 FY2020 not included.

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, JiyuanWanyang Smelting (Group) Co. Ltd, JiyuanJinli Smelting (Group) Co, Lingbao Xinling Smelting Co. Ltd, and Anyang Minshan Smelting Co. Ltd. For the zinc concentrate, sales contracts are in place with Henan Yuguang Zinc Industry Co. Ltd.

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

The key elements of the smelter contracts are subject to change based on market conditions when the contracts are renewed each month. Table 16 shows terms most commonly applied.

Table 16 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	1,800	>=5,000	92	>=20	87	>=45	Price =<RMB 15,000/t:5,650
	55-60	1,900	4,500-5,000	91.5	15-20	86		Price > RMB 15,000/t:5,650+(price-15,000)*80%
	50-55	2,000	4,000-4,500	91	10-15	85	40-45	Price =<RMB 15,000/t:5,650+45 per % lower than 45%
	45-50	2,100	3,500-4,000	90.5	7-10	84		Price > RMB 15,000/t:5,650+(price-15,000)*80%+45 per % lower than 45%
	40-45	2,200	3,000-3,500	90	5-7	83		
	35-40	2,700	2,500-3,000	89.5	3-5	82		
			2,000-2,500	89	2-3	81		

			1,500-2,000 1,000-1,500 500-1,000	88.5 88 87.5	1-2	80		

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. These are in alignment with 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 of the Ying Property for the purposes of this report, the QPs consider it 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 following metal prices, costs and exchange rate were used for the economic analysis:

- Gold price US$1,400/oz
- Silver price US$20/oz
- Lead price US$0.95/lb
- Zinc price US$1.10/lb
- Mining cost US$61.34/t
- Milling cost US$10.23/t
- Shipping US$3.92/t
- Mineral Resources tax US$6.86/t
- G&A US$8.30/t
- Government fees and other taxes US$2.78/t
- Sustaining and growth capital US$16.95/t
- Exchange rate US$1 = 6.90RMB

Based on the LOM production forecast through to 2040 and the metal price and other assumptions shown above, a base case pre-tax NPV of $954M at 5% discount rate is projected ($713M post tax). Over the LOM, 62% of the net revenue is projected to come from silver, 29% from lead, 6% from zinc, and 2% from gold.

A simple economic sensitivity exercise, assessing a +/- 30% change in individual metal prices, operating cost or capital cost, has indicated that most sensitivity is seen in silver price (similar variation in silver grade would effectively give the same result). 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 17.

Table 17 Ying Mines LOM production schedule

SGX	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**Total**
Ore (kt)	29	255	255	255	260	261	261	261	261	262	261	261	262	261	261	262	261	261	253	247	243	5,193
Ag (g/t)	357	359	356	321	307	305	271	268	264	265	261	269	272	266	269	277	259	255	237	226	227	277
Pb (%)	6.43	6.45	6	6.34	5.76	5.25	5.64	5.22	5.53	5.46	5.54	4.82	5.28	5.21	4.92	4.79	5.25	5.29	5.32	5.41	5.11	5.43
Zn (%)	2.12	2.25	2.44	2.72	2.47	2.79	2.97	3.36	2.6	2.73	2.87	3.27	2.44	2.87	2.69	2.51	2.34	2.04	2.04	1.94	1.97	2.57
AgEq (g/t)	634	639	625	608	568	555	539	529	520	521	523	515	515	516	504	504	498	489	472	463	453	529
HZG	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**									**Total**
Ore (kt)	9	51	50	53	53	53	53	53	53	53	53	43	40	-	-	-	-	-	-	-	-	616
Ag (g/t)	413	403	383	389	357	324	344	337	318	306	286	244	225									330
Pb (%)	0.61	0.71	1.05	0.76	1.04	1.57	0.94	0.92	0.58	0.54	0.46	0.64	0.51									0.82
Zn (%)	0.26	0.25	0.22	0.17	0.22	0.16	0.17	0.19	0.17	0.12	0.15	0.14	0.12									0.18
AgEq (g/t)	434	427	420	415	394	378	377	368	338	325	302	266	243									359
HPG	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**			**Total**
Ore (kt)	12	63	65	69	70	71	71	70	71	70	70	70	70	70	69	70	66	63	61.719	-	-	1,240
Au (g/t)	1.14	1.14	0.65	1.58	1.42	1.21	0.92	1.16	0.52	1.25	1.85	1.48	1.89	1.65	1.61	1.37	0.91	0.87	0.94			1.25
Ag (g/t)	93	98	102	88	103	108	108	87	84	69	60	67	61	62	35	29	39	50	41			72
Pb (%)	4.27	4.5	4.64	3.18	3.34	3.48	3.17	4.17	5.01	3.64	2.95	3.29	2.96	2.7	2.06	2.77	2.8	2.19	2.18			3.29
Zn (%)	1.05	1.17	1.79	2.16	1.64	1.43	2.76	1.12	1.4	1.58	1.32	1.34	0.96	1.36	1.88	1.15	0.83	0.85	0.87			1.43
AgEq (g/t)	347	362	356	355	354	347	348	339	334	319	316	313	311	298	256	244	218	206	200			306
LME	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**				**Total**
Ore (kt)	10	64	69	76	70	75	69	72	80	74	78	81	75	74	73	74	64	64	-	-	-	1,243
Ag (g/t)	395	407	424	410	352	354	319	295	296	322	275	272	300	231	242	228	250	220				306
Pb (%)	1.59	1.86	1.71	2.35	2.7	1.95	1.27	1.68	1.18	1.15	1.21	1.23	1.45	1.83	1.43	1.29	1.26	1.53				1.59
Zn (%)	0.44	0.43	0.37	0.46	0.51	0.27	0.38	0.46	0.38	0.41	0.31	0.37	0.37	0.51	0.39	0.34	0.28	0.35				0.39
AgEq (g/t)	455	475	486	496	450	424	367	358	341	366	320	318	354	300	296	277	297	277				365
LMW	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**Total**
Ore (kt)	11	65	67	71	69	69	67	68	69	68	68	68	67	69	68	68	66	65	69	63	54	1,349
Ag (g/t)	306	333	330	330	360	369	354	341	352	329	334	333	333	339	316	297	278	267	258	236	212	317
Pb (%)	2.59	2.67	3.05	3.57	2.96	2.57	2.87	3.08	2.65	3.10	2.76	2.61	2.51	2.13	2.57	2.72	2.93	2.67	2.09	2.11	2.57	2.71
Zn (%)	0.27	0.24	0.25	0.28	0.25	0.28	0.26	0.38	0.28	0.36	0.29	0.27	0.27	0.29	0.34	0.35	0.28	0.32	0.33	0.29	0.26	0.29
AgEq (g/t)	396	426	437	456	464	460	454	449	445	437	430	425	420	413	406	392	381	360	331	310	302	412
TLP	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**					**Total**
Ore (kt)	28	146	141	149	148	141	161	155	165	146	138	140	141	141	142	139	128	-	-	-	-	2,348
Ag (g/t)	193	211	258	267	293	262	260	242	240	241	199	239	227	219	196	172	133					230
Pb (%)	3.73	3.51	2.71	2.57	2.26	2.73	2.85	3.11	2.75	2.93	3.58	2.72	2.98	3.31	3.60	3.67	3.89					3.07
Zn (%)	0.32	0.32	0.39	0.34	0.36	0.39	0.32	0.33	0.33	0.29	0.25	0.32	0.35	0.30	0.36	0.30	0.29					0.33
AgEq (g/t)	320	331	351	354	371	355	357	348	334	342	322	331	329	333	319	297	265					334
Ying Mine	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**Total**
Ore (kt)	99	645	647	673	670	670	682	679	699	672	668	664	654	615	614	612	585	452	384	309	296	11,989
Au (g/t)	0.14	0.11	0.07	0.16	0.15	0.13	0.09	0.12	0.05	0.13	0.19	0.16	0.20	0.19	0.18	0.16	0.10	0.12	0.15	-	-	0.13
Ag (g/t)	282	305	316	301	297	289	270	259	257	255	238	247	246	236	228	221	208	224	209	228	224	257
Pb (%)	3.96	4.30	4.00	4.00	3.75	3.60	3.64	3.71	3.66	3.62	3.67	3.28	3.52	3.74	3.61	3.65	3.97	3.95	4.24	4.74	4.65	3.81
Zn (%)	0.94	1.16	1.31	1.42	1.31	1.39	1.58	1.58	1.27	1.38	1.39	1.58	1.23	1.53	1.52	1.35	1.26	1.39	1.54	1.61	1.66	1.41
AgEq (g/t)	448	488	488	482	465	452	438	429	415	420	409	405	409	412	398	388	381	401	403	432	426	429

Exploration and Development

The Ying Report includes a recommendation to 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:

- 21,140 m exploration tunnelling on vein structures S1W2, S1W3, S1W5, S2, S2W, S4, S4E, S6, S6E, S7, S7-1, S7 2, S7-3, S7E2, S8, S8W, S14, S14W, S14-1, S16E, S16W, S18, S18E, S18W, S19, S19W, S19W1, S21, S21W, S22, S23, S26, S28, S29, S31, S31E, S32, S35, and S37 between levels 110 m and 710 m.

Diamond drilling:

- 21,800 m underground diamond drilling on vein structures S2, S6, S7, S7-1, S8, S14, S16W, S18E, S26, S28, S29, S31, S32.

HZG

Exploration tunnelling:

- 3,920 m exploration tunnelling on vein structures HZ5, HZ18, HZ19, HZ20, HZ20E, HZ22, HZ22E, HZ22W, HZ22W2, HZ23, HZ23W, and HZ26 between levels 500 m and 890 m.

Exploration drilling:

- 6,650 m underground exploration drilling on vein structures HZ5, HZ18, HZ22, HZ23, HZ26, HZ27, and HZ29.

HPG

Exploration tunnelling:

- 5,000 m exploration tunnelling on major vein structures H3, H4, H4W, H5, H5E, H5W, H6, H10-1, H11, H12-1, H12E, H13, H14, H15, H15W, H16, H16-1, H17, H18, and H21 between levels 100 m and 690 m.

Underground drilling:

- 10,735 m underground diamond drilling on vein structures H5, H10, H10-1, H12, H15, H17, and H20.

LME

Exploration tunnelling:

- 4,335 m on vein structures LM1, LM2, LM2-2, LM3-1, LM4, LM4W, LM5, LM5E, LM5E1, LM5E2, LM5W, LM5W2, LM6, LM6W, LM6E, and LM6E2 between levels 450 m and 959 m.

Diamond drilling:

- 6,640 m underground diamond drilling on vein groups LM2-2, LM4E, LM5, LM5E, LM61, LM62, LM63, and LM66.

LMW

Exploration tunnelling:

- 6,600 m on vein structures LM7, LM8, LM8-3, LM8-4, LM8-5, LM8W, LM12-1, LM12-2, LM13, LM14, LM14-1, LM16-1, LM17, LM17W, LM19W2, LM20W, LM25W, LM30, and LM41 as well as their parallel subzones between levels 500 m and 924 m.

Diamond drilling:

- 13.450 m underground drilling on LM14, LM16, LM17, LM19, LMW1, T11, LM5E, and LMW1 and their parallel vein structures.

TLP

Exploration tunnelling:

- 16,200 m exploration tunnelling on vein structures T1 vein group, T2, T2W, T3, T3E, T4, T5 vein group, T11, T11E, T14, T14 branch, T15W, T16 vein group, T17, T17W, T21, T22, T22E, T23, T26, T26E, T27 vein group, T28, T33 vein group, and T35 vein group, T38, T39 vein group, CJ9, CJ9W and CJ20 between levels 700 m and 1,070 m.

Diamond drilling:

- 13.620 m underground drilling on vein structures T3, T11, T27, CJ9, CJ9W1, CJ10, and CJ11.

DCG

Exploration tunnelling:

- 4,050 m exploration tunnelling on vein structures C4E, C4, C8, and C10 between levels 500 m and 790 m.

Diamond drilling:

- 7,340 m underground drilling on vein structures C4E, C7, C8, C9, C10, CJ9, and CJ9W1.

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

- Tunnelling: RMB 104,380,000 (US$15.1M); and
- Drilling: RMB 17,770,000 (US$2.6M).

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 may not be comparable to similar terms under the SEC Modernization Rules. 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 Mineral 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 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 may not be comparable to similar terms under the SEC Modernization Rules. 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 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 Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*" (the "GC Report" or the "2021 Technical Report") dated effective March 31, 2021, and prepared by AMC Mining Consultants (Canada) Ltd. ("AMC") on October 6, 2021. AMC has prepared previous Technical Reports on the GC property (the "GC property") in 2009 ('NI 43-101 Technical Report Update on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 18 June 2009), 2012 ('NI 43-101 Technical Report on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 23 January 2012), 2018 ('NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 30 June 2018), and 2019 ('NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 30 June 2019, (2019 Technical Report)).

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.

Location, Ownership, and History

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. The Property is located west of the metropolitan city of Guangzhou, the capital of Guangdong Province. Guangzhou is located about 120 kilometres (km) north-west of Hong Kong and has a total population of about 14 million people. 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.

Silvercorp owns 99% of the GC Mine through its 100% ownership of the shares of Yangtze Mining Ltd. (Yangtze Mining), which in turn wholly owns Yangtze Mining (H.K.) Ltd. (Yangtze Mining H.K.), and Fortune Gold Mining Limited, which in turn wholly owns Silvercorp Metals (China) Inc. 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. Silvercorp Metals (China) Inc. owns 4% 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. [The precding text in this paragraph is an update to the information provided in the GC Report.]

The Mining Permit in the name of Guangdong Found 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 metres (m) to minus 530 m elevations. The permit allows for the operation of an underground mine to produce silver, lead and zinc.

Currently, the GC mine is subject to Mineral Resources taxes, levied at 3% of revenue from lead and zinc and 2% of revenue from silver. The Mineral Resource taxes, together with other government fees that are not tied to revenue, amount to approximately 5% of revenue. The QP 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.

Various state-sponsored Chinese Geological Brigades and companies have conducted geological and exploration work in the project area with systematic regional geological surveys commencing in 1959. Historical drilling commenced in 2001.

Prior to Yangtze Mining acquiring the GC Property in 2005, 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. It is 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.

A total of 43 diamond drillholes for a combined total of 13,463.74 m was drilled on the GC Property between 2001 and 2007 prior to the property acquisition by Silvercorp. Diamond drillholes were drilled using PQ size in overburden, then reduced to HQ size for up to 100 m depth.

The Guangdong Provincial Institute of Geological Survey (GIGS) prepared a resource estimate for nine mineralized veins for the GC project after the 2004 – 2005 exploration season. This was not compliant with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards and is not material to the 2021 Technical Report.

Geological Setting, Mineralization, and Deposit Types

The GC Project is located at the intersection between the Wuchuan-Sihui Deep Fault zone and Daganshan Arc-ring structural zone. It is situated in the south-west part of the Daganshan uplift. Structures developed in the area are mainly the NWW-EW striking Gaocheng Fault zone, the NE striking Baimei Fault zone, and the Songgui Fault zone.

Basement rocks within the GC Project 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 Paleozoic 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 south-west contacts of the Paleozoic granites. The majority of Ag-Zn-Pb mineralization is hosted by the Mesozoic granite. The granite dips south and strikes west north-west, parallel to the majority of mineralized veins on the GC Property.

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 or trace amount of kaolinite, tremolite, actinolite, chalcedony, garnet, zoisite, apatite, and tourmaline.

Alteration minerals associated with 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.

The poly-metallic mineralization of the GC deposit belongs to the mesothermal vein infill style of deposit.

Exploration

Silvercorp has carried out surface and underground exploration activities since 2008.

Surface-based exploration occurred primarily during 2008, which included soil sampling, geological mapping and trenching. Following up on geochemical anomalies, Silvercorp conducted trenching and pitting programs that exposed the mineralized veins on the surface and at shallow depth. A total of seven pits and one trench were excavated by Silvercorp exposing three veins.

Silvercorp completed more than 51.5 km of underground tunnelling and sampling at the Property through to 2018, and 29.2 km between 2019 and 2020.

The programs through to 2018 comprised 33,297 m of drifting along mineralized structures, 10,147 m of crosscutting across mineralized structures, and 8,833 m of raises. The 2019 and 2020 work comprised 14,940 m of drifting along mineralized structures, 7,288 m of crosscutting across mineralized structures, and 6,951 m of raises. Drifts and crosscuts have been developed at 40 m intervals vertically to increase geological confidence in the Mineral Resource.

50,480 channel / chip samples were collected from the mine areas through to and including 2018, with samples being assayed for Ag, Pb, and Zn. 14,576 channel / chip samples were collected from the mine areas between 2019 and 2020.

Drilling

Silvercorp completed its first phase of diamond drilling on the Property in 2008. Systematic drilling commenced on the property in 2011 and continued through to 2020. All Silvercorp drilling was completed as NQ-sized core. Drillhole collars were surveyed using a total station and downhole surveys were completed every 50 m downhole. Surface drillhole collars were cemented after completion and locations of drillholes were marked using 50 x 30 x 20 centimetres (cm) concrete blocks.

Core recoveries from Silvercorp drilling programs varied between 35.66% and 100.00% averaging 99.36%. The QP reviewed the relationship between grade and core recovery and found no bias.

All drill core is 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.

The majority of drillholes were drilled as inclined holes to test multiple vein structures. Underground drillholes were drilled as fans of multiple holes from single set-ups.

Sampling, Analysis and Data Verification

Drill core processing is completed by Silvercorp employees in accordance with a standard procedure. Core recovery is measured followed by detailed logging of the core with lithological, vein and mineralization contacts identified and recorded. The core is photographed and sampled on 2 m maximum intervals and at geological or mineralization contacts. Core is cut in half with a rock saw with one half bagged and secured for shipment to the laboratory, and the other half retained in the core tray for future reference.

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.

Samples were shipped from the Gaocheng site to an ALS Laboratory in Guangzhou between 2008 and 2014. Since 2014, as a primary laboratory, samples have been shipped to the onsite laboratory at Gaocheng, which is owned and operated by Silvercorp. It is not certified by any standards association.

Silvercorp has established Quality Assurance / Quality Control (QA/QC) procedures that cover sample collection and processing at the GC Property. These QA/QC protocols have been progressively refined since 2011. Certified Reference Materials (CRMs) and coarse crushed blanks have been included with drilling samples since 2011, and with underground samples since 2014. Field duplicates have been included with drilling samples since 2012 and with underground samples since 2014. Check (umpire) samples (pulp duplicates) have been sent to a separate 'umpire' laboratory since 2012.

In 2018, Silvercorp further improved their QA/QC protocols to include regular and more frequent submission of CRMs, coarse blanks, and field duplicates with drilling and underground samples. Coarse reject duplicates and pulp duplicates were also incorporated into drill sampling programs. The proportion of check samples sent to a different laboratory was also increased. In 2019, Silvercorp initiated real-time monitoring of QA/QC protocols.

The QP has reviewed QA/QC data collected to date. While some issues have been noted with data collected prior to 2014, all data collected thereafter shows reasonable analytical accuracy and precision. The QP does not consider issues noted with pre-2014 data to be a material concern and considers the Gaocheng sample database acceptable for Mineral Resource estimation.

Mineral Processing and Metallurgical Testing

Since the metallurgical testing reported in the 2012 Technical Report, no further testing has been done. 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 sulphur concentrate. Concentrates are dewatered by conventional thickening and filtration.

In 2019, the lead-zinc-sulphur priority flotation process was optimized by changing from zinc-sulphur process priority flotation to zinc-sulphur mixed flotation and then zinc-sulphur separation flotation process. The quantity of ore processed has increased to around 300 ktpa.

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.

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 Property have been prepared by Silvercorp. Ms Dinara Nussipakynova, P.Geo., of AMC, has reviewed the methodologies and data used to prepare the Mineral Resource estimates and, after some adjustment to the Mineral Resource classification and capping, is satisfied that they comply with reasonable industry practice. Ms Nussipakynova takes responsibility for these estimates.

The QP 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. It is noted that approximately 1% of the Mineral Resources lie below the lower limit of the current mining lease (-530 m elevation), but this is not seen as a material risk.

The data used in the Mineral Resource estimation includes results of all drilling carried out on the GC Property to 31 December 2020. The estimation was carried out in Micromine™ software. Interpolation was carried out using inverse distance squared (ID2) for all the veins.

Table 18 Summary of Mineral Resources as of 31 December 2020

Classification	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Contained metal		
					Ag (koz)	Pb (M lbs)	Zn (M lbs)
Measured	5.286	88	1.3	3.1	14,906	154	360
Indicated	4.747	75	1.1	2.5	11,457	111	259
Measured and Indicated	10.033	82	1.2	2.8	26,363	265	619
Inferred	8.441	87	1.0	2.4	23,562	195	442

Notes:
- CIM Definition Standards (2014) were used for reporting the Mineral Resources.
- Mineral Resource are reported at a silver equivalent (AgEq) cut-off grade of 105 g/t AgEg.
- The equivalency formula is Ag g/t+50.46*Pb%+43.53*Zn% using prices of US$18.20/oz Ag, US$0.94/lb Pb, and US$1.08/lb Zn and estimated recoveries of 82.6% Ag, 89.5% Pb, and 87.3% Zn.
- Sample results up to 31 December 2020.
- Mineral Resources have been depleted to account for mining to 31 December 2020.
- Veins factored to a minimum extraction width of 0.4 m.
- Mineral Resources are inclusive of Mineral Reserves reported in Section 15.
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
- The numbers may not compute exactly due to rounding.

Source: Silvercorp Metals Inc., reproduced as a check by AMC Mining Consultants (Canada) Ltd.

The GC deposit consists of 156 veins, each of which has a separate block model. Approximately 31,844 m of channel samples and 265,965 m of core samples from 1,854 drillholes form the basis of the estimate. A composite length of 0.4 m was used. Capping was applied after compositing. The parent block size for all veins was 0.8 m by 10 m by 10 m (x, y, z), with sub-cells employed. The sub-celling resulted in minimum cell dimensions of 0.2 m by 2 m by 2 m (x, y, z). The QP imported all 156 block models into Datamine software. The volume comparison of the original models versus the Datamine models showed a difference of less than 1%.

Interpolation was carried out using the ID^2 method. Mining depletion and write-offs based on survey information to 31 December 2020 were coded into the block models by Silvercorp.

Mineral Resources are classified as Measured, Indicated, and Inferred. The QP reviewed the classification of each vein and requested changes when the classification needed to be modified.

The block models were validated by the QP in three 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.

The following observations have been made by the QP from a comparison of the 2019 Mineral Resource estimate and the 2020 Mineral Resource estimate:

- Measured and Indicated tonnes have increased by 11%. This number is a result of the discovery of new veins and new vein interpretation.
- Measured tonnes have increased by 57%. This number is a result of the discovery of new veins, new vein interpretation and conversion of Indicated tonnes (which have decreased by 17%) to Measured classification.
- In the Measured category silver grade has decreased by 9% and lead and zinc grades have both decreased by 6%.
- In the Indicated category silver grades have decreased by 3%, lead grades have increased by 6% and zinc grades have decreased by 1%.

- In the Inferred category silver grades have decreased by 5%, lead grades have increased by 5% and zinc grades have decreased by 1%.
- The net result in the Measured category has been a significant increase in contained metals due to the increase in tonnes. Silver and lead metal have each increased by 44% and zinc contained metal has increased by approximately 47%.
- The net result in the Indicated category has been a decrease in the contained silver metal of 19%; lead and zinc contained metals have decreased by 12% and 19%, respectively. This is a result of conversion of Indicated material to Measured material.
- The net result in the Inferred category has been an increase of 11% in the contained silver metal; contained lead metal has increased by 17% and contained zinc metal has increased by 13%.

Reasons for the differences in grade, tonnes, and contained metal include:

- Updated interpretation of the veins.
- Discovery of new veins.
- Conversion of Indicated Mineral Resources to a Measured classification.
- Depletion through mining.

Mineral Reserve Estimates

To convert Mineral Resources to Mineral Reserves, mining cut-off grades (COGs) 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 GC Property were prepared by Silvercorp under the guidance of independent QP, Mr H. Smith, P.Eng., who takes QP responsibility for those estimates.

The Mineral Reserve estimation is based on the assumption that current stoping practices will continue at the GC property, namely predominantly shrinkage stoping but also with some cut and fill resuing. Minimum mining widths of 1.0 m for shrinkage and 0.5 m for resuing, and minimum dilution of 0.20 m total for shrinkage and 0.10 m for resuing cut and fill stopes are assumed. Full breakeven COGs used are 215 g/t AgEq for shrinkage and 275 g/t AgEq for resuing.

Table 19 summarizes the Mineral Reserves estimate for the Gaocheng mine. 63% of the Mineral Reserve tonnage is categorized as Proven and 37% is categorized as Probable.

Table 19 Gaocheng mine Mineral Reserves estimate at 31 December 2020

					Contained metal		
Classification	**Tonnes (Mt)**	**Ag (g/t)**	**Pb (%)**	**Zn (%)**	**Ag (koz)**	**Pb (Mlbs)**	**Zn (Mlbs)**
Proven	2.587	93	1.5	3.3	7,743	84	189
Probable	1.544	95	1.5	3.0	4,740	51	103
Proven and Probable	4.131	94	1.5	3.2	12,483	135	293

Notes to Mineral Reserve Statement:
• Canadian Institute of Mining, Metallurgy and Petroleum Standards (2014) were used for reporting the Mineral Reserves.
• Full breakeven cut-off grades: Shrinkage = 215 g/t AgEq: Resuing = 275 g/t AgEq.
• Marginal material cut-off grade: Shrinkage = 185 g/t AgEq; Resuing = 250 g/t AgEq.
• Dilution (zero grade) assumed as a minimum of 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 92% for shrinkage and 95% for resuing.

• Metal prices: Silver US$18.20/troy oz, lead US$0.94/lb, zinc US$1.08/lb, with respective payables of 65.5%, 86.2%, and 66.3%.
• Processing recovery factors: Ag – 82.6%, Pb – 89.5%, Zn – 87.3%.
• Effective date 31 December 2020.
• Exchange rate assumed is RMB6.80: US$1.00.
• Rounding of some figures may lead to minor discrepancies in totals.

From the start of commercial operations at Gaocheng in 2014 through to the end of 2020, 1,853,662 tonnes have been mined at average head grades of 94 g/t silver, 1.6% lead, and 2.9% zinc. Compared to the average production head grades recorded up to the end of 2020, the current Mineral Reserve estimates show the same silver grade, a reduction in lead grade of 7%, and an increase in zinc grade of 9%.

The Main Shaft radius is 3 m. A 30 m radius around the Main Shaft is categorized as a safety pillar, with no mining or development allowed in the pillar area, other than for actual shaft access.

Relative to the Mineral Reserve estimates in the previous Technical Report (2019 Technical Report), there is a 39% increase in Proven Mineral Reserve tonnes and a 21% decrease in Probable Mineral Reserve tonnes, with an increase in Mineral Reserve total tonnes of 8% (311,000 t).

Mining Operations

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.

Production Rate

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, the QP previously observed the application of these stoping methods at Silvercorp's Ying mine operation during May 2016. The QP visited the GC site in January 2018. 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. The methods employed are considered to be appropriate for the GC Mine environment.

Mine Development

The mine design is now based on Mineral Resources above 105 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 by Silvercorp does not incorporate this feature. The QP 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 mRL and below levels.

The Main Ramp (portal elevation +176 mRL, bottom elevation reached -250 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.

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

It is understood that the Gaocheng concentrates are marketed to existing smelter customers in Henan province in China and appropriate terms have been negotiated for 2021.

The QP also 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. The QP 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 concentrates with Chenzhou Qiantai Industrial Co. Ltd. and Chenzhou Jieyin Minerals 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. The QP had previously indicated that a preferable arrangement would have been to see contracts as part of a LOM frame agreement; however, the QP 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.

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

The key elements of the contracts are summarized in Table 20.

Table 20 Key elements of 2021 smelter contracts

	Pb concentrate				Zn concentrate				
	% Pb	Deduction RMB/t Pb	Ag (g/t)	% Payable	% Zn	Deduction RMB/t Zn price < RMB 15,000/t:	Deduction RMB/t Zn price > RMB 15,001/t:	Ag (g/t)	Payable RMB/g Ag
Minimum quality	35		500		35			150	
Payment scales	> 50	2,050	>3,000	92	>=45	4,850	4,850 + (price – 15,000)*20%	>=300	RMB0.7
	45-50	2,150	2,500-3,000	91	40-45	4,850+50 per % lower than 45%	4,850 + (price – 15,000)*20% +50 per % lower than 45%	150-300	RMB0.6
	40-45	2,250	2,000-2,500	90	35-40	5,100+100 per % lower than 40%	5,100+ (price – 15,000)*20% +100 per % lower than 40%		
	35-45	2,500	1,500-2,000	89					
			1,000-1,500	88					

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. The QP considers these to be favourable terms relative to global smelter industry norms. Silver payables of approximately 90% are similarly in accord with industry norms.

Prior to the start of mining operations, silver was seen as the likely major contributor to ore value at Gaocheng. Improved zinc prices in recent years have elevated the importance of that metal to the Gaocheng operation. Silver prices have remained at reasonable levels and, since mid-2020, have been significantly above $20/oz. At long-term metal prices and payables assumed for the COG calculation (see Section 15 - zinc $1.08/lb and 66.3% payable, silver $18.20/oz and 65.5% payable, lead $0.94/lb and 86.2% payable), approximately 45% of estimated total LOM revenue would be attributed to zinc, 30% to silver, and 24% to lead.

Infrastructure, Permitting and Compliance Activities

The filtered tailings are conveyed to the TMF area via conveyor and then spread by bulldozer on a bench-by-bench basis. The tailings deposition method is dry stacking and filling (from bottom to top and stacking by bench to form the embankment), with concurrent rolling and compaction to the desired dry density standards.

The waste rock dump is located a short distance to the east of the mine portal. It is understood to have an immediate capacity of the order of 275,000 m3 (~558 kt). Underground waste rock produced to date has largely been used for construction purposes by Silvercorp or transported off site by local area persons, free of charge, again to be used for construction activities. The removal of waste rock from site is anticipated to continue for the foreseeable future. Waste rock could opportunistically be disposed of into shrinkage stope voids, but this is not in the current mine plan.

Based on the GC environmental assessment report, the QP understands that waste rock at the GC mine has no significant acid-generating potential.

The construction of a cemented tailings backfill plant was completed in December 2019. The design capacity is 60 – 80 m^3/hr, or around 450 m^3/day assuming seven hours operation. After surface and underground full-process backfilling tests and adjustment, the system began operating in July 2020. In 2020, the total backfill volume delivered was 43,091 m^3, and the backfill guidance for 2021 is 70,626 m^3.

There is a 110 kilo volts (kV) substation near Gaocun, about 6 km from the mining area. This is fed from the Guangdong Province electrical grid system. Silvercorp uses this substation as the main source of power for the mine. Currently there are two overhead power lines for the 6 km route. Two 1,500 kV diesel generators are designated for emergency backup to the man-hoist, underground ventilation system, water pumping and essential services in the plant.

A 10 kV substation within the mining area provides power service for the entire operations area. The power supply and distribution in the process plant, mining area, administrative and living areas are configured based on needs.

Sewage treatment and water treatment plants operate at the mine site. Any water that is not recycled and is released to the environment is treated to comply with standing regulations.

Underground water is discharged to surface using conventional centrifugal pumps via pipelines installed in the Ramp, Ramp Shaft, and Main Shaft. Underground water pumped to surface is collected in ponds at

the Ramp portal or Main Shaft for sediment settling prior to being pumped to the process plant water treatment station. In 2020, a total volume of 497,659 m^3 of underground water was treated, including 290,577 m^3 discharged and 207,082 m^3 recycled.

Mobile equipment repairs (trucks, loaders, etc.), other equipment breakdowns and equipment major services are conducted in the mining contractor's surface workshop adjacent to the Ramp portal, with minor services conducted in redundant stockpile areas. Other fixed and mobile equipment (primary pumps, surface electric locomotive, rail cars, vehicles, etc.) are serviced in Silvercorp's surface workshop located adjacent to the Main Shaft. This is fully equipped with overhead crane, welding, electrical, hydraulic, lathe services, etc.

The explosives warehouse is sited in the valley to the south-east of the GC Mining Area.

A properly constructed containment for storage of fuel is located in the vicinity of the diesel generators and fuel dispensing facilities.

There is a mine dry facility near the portal accommodating lockers, change room, showers, and washrooms for the miners. The mine office complex is for administration and engineering functions and to provide working space for management, supervision, geology, engineering, and other operations support staff.

Silvercorp operates the mine using contractors for development and production. The operation and maintenance of Silvercorp's fixed plant is via Silvercorp personnel. Silvercorp provides its own management, technical services, and supervision staff to manage the GC mine operation.

Silvercorp has all the required permits for its operations on the GC Property and, in conjunction with safety and environmental certificates, these give Silvercorp the right to carry out full mining and mineral processing operations.

An Environmental Impact Assessment (EIA) report on the GC Project was prepared by the Guangdong Environmental Technology Centre (GETC) initially, and then reassessment is done periodically as required by regulations. An Environmental Permit was issued by the Department of Environmental Protection of Guangdong Province in June 2010.

There are no cultural minority groups within the general area surrounding the project. No records of cultural heritage sites exist within or near the GC project areas. The surrounding land is used predominantly for agriculture. The mining area does not cover any natural conservation, ecological forests, or strict land control zones.

Silvercorp has made a range of cash donations and contributions to local capital projects and community support programs, sponsoring university students and undertaking projects such as village road construction, and school upgrading and construction. Silvercorp has also made economic contributions to the local economy in the form of direct hiring and retention of local contractors, suppliers, and service providers.

A monitoring plan has been negotiated between the company and the local environmental protection department to meet the environmental management requirements of the project. Key components of the monitoring plan are water pollution monitoring, together with environmental air and noise monitoring. The monitoring work is carried out by qualified persons and / or a third-party contractor and is undertaken on a regular basis.

Capital and Operating Costs

The 2021 Technical Report cost estimates for FY2022 are based on mining 311,271 tonnes of ore and milling the same amount. Other major operational items assumed are waste development tunnelling at 10,200 m, exploration and development tunnelling at 10,300 m, and drilling at 58,500 m. Sustaining development tunnelling of 500 m is also assumed.

All major infrastructure for operation of the Gaocheng mine is in place, including that for a potential production rate increase to 1,600 tons per day (tpd), although that is not currently envisaged. FY2022 non-sustaining capital for further main ramp development is assumed at $0.4 million. FY2022 sustaining capital is assumed at $4.0 million, which equates to $12.85 per tonne of ore projected to be mined.

Mining operating costs are categorized by direct mining (shrinkage or resuing), waste development, exploration tunnelling, drilling, and common costs. Other estimated operating costs are for milling, general and administrative items, and government fee, Mineral Resources tax, and other taxes. The FY2022 operating cost breakdown in the 2021 Technical Report is as follows: mining – $45.34/tonne, milling – $14.23/tonne, G&A – $8.17/tonne, Mineral Resources tax, etc. – $4.93/tonne, for a total estimated operating cost of $72.61/tonne.

Contractor costs are the major component of the mining cost. The principal components of the milling costs are utilities (power and water), consumables (grinding steel and reagents), and labour.

The Gaocheng mine has been in commercial production for six years. From FY2021 onwards, a 13-year LOM is envisaged for the resource as currently understood at an average annual production rate of about 310,000 tonnes. Average silver equivalent grades are projected to be of the order of 309 g/t.

Exploration and Development

As per recommendations made in the GC Report, the Company plans to 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.

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 may not be comparable to similar terms under the SEC Modernization Rules. 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 Mineral 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 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 may not be comparable to similar terms under the SEC Modernization Rules. 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 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.

Fiscal Year ended March 31,	Dividends Declared per share	Total Dividends Paid per share
2018	$0.020	$0.020
2019	$0.025	$0.025
2020	$0.025	$0.025
2021	$0.025	$0.025
2022	$0.025	$0.025

Since Fiscal 2019, the Company has been paying semi-annual dividend of $0.0125 per share ($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, of which 177,320,174 Common Shares were issued and outstanding as of June 21, 2022. A further 1,530,335 Common Shares have been reserved for issuance upon the due and proper exercise of certain incentive options ("Options") and 2,381,125 restricted share units ("RSUs") outstanding as of June 21, 2022.

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 66⅔% of the issued and outstanding Common Shares, in accordance with the requirements of the *Business Corporations Act* (British Columbia).

Under the Company's amended and restated share-based compensation plan (the "Omnibus Plan"), the maximum number of shares issuable under the Omnibus Plan shall not in the aggregate exceed 10% of the issued and outstanding Common Shares, from time to time. As of June 21, 2022, the Company has: stock options outstanding to purchase 1,530,335 Common Shares at exercise prices ranging from CAD$3.93 to CAD$9.45 per share and with terms of between three and five years, with the last options expiring on April 26, 2027; and 2,381,125 RSUs outstanding.

ITEM 8 MARKET FOR SECURITIES

The Common Shares were initially listed for trading on 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 Equities (now known as the "NYSE American") 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 on May 15, 2017.

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

Date	High	Low	Close	Volume
March 2022	5.41	4.41	4.56	18,651,476
February 2022	5.00	3.98	4.70	6,955,648
January 2022	4.90	3.95	4.19	6,425,219
December 2021	5.25	4.31	4.73	7,192,834
November 2021	5.95	5.09	5.16	8,363,738
October 2021	5.50	4.58	5.24	8,003,588
September 2021	5.83	4.74	4.83	8,807,573
August 2021	6.32	4.96	5.55	9,079,526
July 2021	7.07	5.84	6.20	6,465,108
June 2021	8.07	6.53	6.80	7,714,917
May 2021	7.92	6.67	7.85	10,713,670
April 2021	7.12	6.28	6.46	9,304,200

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

Date	High	Low	Close	Volume
March 2022	4.20	3.52	3.62	39,787,508
February 2022	3.89	3.12	3.70	25,039,342
January 2022	3.92	3.08	3.32	23,921,561
December 2021	4.14	3.33	3.76	29,123,833
November 2021	4.76	3.98	4.04	22,811,143
October 2021	4.44	3.64	4.22	20,117,818
September 2021	4.66	3.71	3.81	23,787,440
August 2021	5.04	3.92	4.41	23,505,803
July 2021	5.70	4.60	4.98	16,737,299
June 2021	6.72	5.27	5.49	19,070,823
May 2021	6.54	5.40	6.45	28,212,505
April 2021	5.70	4.98	5.28	20,533,910

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 21, 2022.

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[1] *(Percentage of Outstanding Shares)*
Dr. Rui Feng[2] West Vancouver, BC, Canada	Chairman, Chief Executive Officer, and Director	Chairman and CEO of Silvercorp from September 2003 to present. CEO of New Pacific Metals Corp. from May 2010 to April 2020, and from January 2022 to present, and Director of New Pacific Metals Corp. since May 2004. Director of Whitehorse Gold Corp.	September 4, 2003	5,863,000 *(3.31%)*
David Kong [3][4][5] Richmond, 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	203,500 *(0.11%)*

S. Paul Simpson (3)(4)(6) Vancouver, BC, Canada	Director	Lead Independent Director of Silvercorp, Corporate Securities Lawyer holding a Certificate in Mining Law from Osgoode Hall Law School at Armstrong Simpson, Barristers & Solicitors.	June 24, 2003	1,116,484 *(0.63%)*

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**(1) ***(Percentage of Outstanding Shares)***
Yikang Liu(4)(7) Beijing, China	Director	Former Deputy Secretary General of China Mining Association.	July 24, 2006	91,333 *(0.05%)*
Marina Katusa(3)(8) Vancouver, BC, Canada	Director	President/CEO of Canita Consulting Corporation 2010 to present. Director of Osisko Development Corp. since May 2021. Member of the Board of Directors of Family Services of Greater Vancouver from 2016 to 2020. 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	121,000 *(0.07%)*
Derek Liu(9) Burnaby, BC, Canada	Chief Financial Officer	Chief Financial Officer of Silvercorp since 2015. Director of Volcanic Gold Mines Inc. since December 2020.	February 6, 2015	96,666 *(0.05%)*
Yong-Jae Kim(10) Vancouver, BC, Canada	General Counsel and Corporate Secretary	General Counsel and Corporate Secretary of Silvercorp and New Pacific Metals since October 2018. Lawyer at Gowling WLG (Canada) LLP from 2010 to 2018.	October 1, 2018	30,000 *(0.02%)*
Lon Shaver(11) Surrey, BC, Canada	Vice President	Vice President of Silvercorp since October 2018. Senior Vice President (from 2011 to 2016) and Vice President (from 2005 to 2011), Investment Banking, Equity Capital Markets at Raymond James. Director of Omai Gold Mines Corp. since November 2020.	October 1, 2018	114,833 *(0.06%)*
Total:(12)				**7,636,816** ***(4.31%)***

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. The number of Common Shares and New Infini 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.
2. Dr. Rui Feng is a director of New Infini and holds 3,672,020 common shares of New Infini ("New Infini Shares"), representing 8.05% of the issued and outstanding New Infini Shares.
3. Member of Audit Committee and Corporate Governance Committee.
4. Member of Compensation Committee.
5. David Kong holds 198,002 New Infini Shares, representing 0.43% of the issued and outstanding New Infini Shares.
6. S. Paul Simpson is director of New Infini and holds 154,002 New Infini Shares, representing 0.34% of the issued and outstanding New Infini Shares.
7. Yikang Liu holds 88,001 New Infini Shares, representing 0.19% of the issued and outstanding New Infini Shares.
8. Marina Katusa holds 118,802 New Infini Shares, representing 0.26%% of the issued and outstanding New Infini Shares.
9. Derek Liu holds 132,002 New Infini Shares, representing 0.29% of the issued and outstanding New Infini Shares.
10. Yong-Jae Kim holds 110,001 New Infini Shares, representing 0.24% of the issued and outstanding New Infini Shares.
11. Lon Shaver is the President of New Infini and holds 118,801 New Infini Shares, representing 0.26% of the issued and outstanding New Infini Shares. Mr. Shaver resigned as a director of New Infini on December 31, 2020.
12. Together, the directors and officers of the Company hold an aggregate of 4,591,631 New Infini Shares, representing 10.07% of the issued and outstanding New Infini Shares.

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 7,636,816 Common Shares representing approximately 4.31% of Common Shares issued and outstanding as of June 21, 2022.

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 4.4 *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". A description of the responsibilities, powers and operation of the committee can be found therein.

The Audit Committee, among other things, reviews the annual financial statements of the Company for recommendation to the Board, reviews and approves the quarterly financial statements, oversees the annual audit process, the Company's internal accounting controls and the resolution of issues identified by the Company's auditors, and recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders at the next annual general meeting. In addition, the Audit Committee meets annually with the Company's auditors both with and without the presence of any members of the Company's management.

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 2022 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 (CPA, CA) designation in British Columbia in 1978. 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 15 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. She is currently a member of the board of directors of Osisko Development Corp. and was previously on the board of Family Services of Greater Vancouver.

Paul Simpson, Director

Mr. Paul Simpson is a Vancouver based corporate securities lawyer with the firm Armstrong Simpson, and holds a Certificate in Mining Law from Osgoode Hall Law School. He has over 25 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, 2022 and 2021 was Deloitte LLP. The Audit Committee has reviewed the nature and amount of the services provided by the principal accountants to ensure auditor independence. 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, 2022	Year Ended March 31, 2021
Audit Fees(1)	$1,095,000	$996,000
Audit-Related Fees (2)	Nil	Nil
Tax Fees (3)	Nil	Nil
All Other Fees (4)	Nil	Nil
Total	$1,095,000	$996,000

Notes:
(1) "Audit Fees" include the aggregate fees billed 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 2022 and Fiscal 2021, or review services that are normally provided by the principal accountant in connection with interim filings or engagements for those fiscal years. For the year ended March 31, 2022 and 2021, fees of $148,000 and $133,000, respectively, related to the review of interim filings have been included as part of "Audit Fees".
(2) "Audit-Related Fees" include the aggregate fees billed 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 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 for products and 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

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 2022.

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, 2022, 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 was commissioned by the Company to prepare the Ying Report titled " *NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China* " dated effective July 31, 2020 and signed on October 9, 2020.

The authors of the Ying Report are 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[1]**
Mr H.A. Smith	Senior Principal Mining Engineer	AMC Mining Consultants (Canada) Ltd.	Yes	13-16 July 2016	P.Eng. (BC), P.Eng. (ON), P.Eng. (AB), P.Eng. (NT)	2-6, 15, 16, 20-22, 27 and parts of 1, 18, 19, 25 and 26
Dr G. Vartell (formerly known as Dr. A.A. Ross)	Geology Manager / Principal Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	13-20 July 2016	P.Geo. (BC), P.Geol. (AB)	7-10, 12, 23, 24 and parts of 1, 25, and 26
Mr R. Webster	Principal Geologist	AMC Consultants Pty Ltd.	Yes	None	MAIG	Parts of 1, 14, 25 and 26
Mr S. Robinson	Senior Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	None	P.Geo. (BC),	11, parts of 1, 14, 25, and 26
Mr R. Chesher	General Manager / Senior Principal Metallurgist	AMC Consultants Pty Ltd.	Yes	None	FAusIMM(CP)	13, 17, parts of 1, 19, 25, and 26
Mr A. Riles	Director and Principal Consultant	Riles Integrated Resource Management Pty Ltd.	Yes	16-19 February 2012	MAIG	Parts of 1, 18, 25, and 26

Note: For Section 14, Mr Webster is responsible for the SGX, HPG, LMW, and LME deposits and Mr Robinson is responsible for the TLP, HZG, and DCG deposits. Mr Smith is responsible for Section 18, other than for the TMFs discussion, for which Mr. Riles takes responsibility. For other sections where QPs are indicated as having part responsibility, that responsibility reflects their individual area of expertise, whether geological, mining, or metallurgical.

GC Report

AMC was commissioned by Silvercorp Metals Inc. (Silvercorp) to prepare the GC Report titled " *NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*", effective March 31, 2021 on the GC Property, located in Gaocun Township, Yun'an County, Guangdong Province, China. The authors of the GC Report are 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. (BC)	12, 14, part of 1, 25, and 26
Mr H. A. Smith	Senior Principal Mining Engineer	AMC Mining Consultants (Canada) Ltd.	Yes	January 2018	P.Eng. (BC, ON, AB, NT)	2 to 6, 15, 16, 19,21 to 24, 27, Part of 1, 18, 25, and 26
Mr A. Riles	Director and Principal Consultant	Riles Integrated Resources Management Pty Ltd.	Yes	May 2011	MAIG	13, 17, Part of 1, 18, 25, and 26
Dr G. Vartell (formerly known as Dr. A. A. Ross)	Geology Manager/ Principal Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	No visit	P.Geo (BC), P.Geol (AB)	7 to 10, Part of 1, 25, and 26
Mr. S. Robinson	Principal Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	No visit	P.Geo (BC), MAIG	11, Part of 1, 25, and 26
Mr. G. Ma	Manager Exploration and Resources	Silvercorp Metals Inc.	No	May 2021	P.Geo (ON)	20, Part of 1, 25, and 26

Interests of Experts

None of the independent consulting geologists and independent "Qualified Persons" named in "Item 17 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 the Company and is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia and the applicable rules and regulations of the Securities and Exchange Commission and the Public Company Accounting Oversight Board (United States).

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 be responsible for the relationship between the Company and any external auditor or registered public accounting firm ("external auditor") of the Company, 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, and (c) 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 one of oversight and shall not relieve the Company's management of its responsibilities for preparing financial statements which accurately and fairly present the Company's financial results and conditions or the responsibilities of the external auditors relating to the audit or review of financial statements.

II. Organization

The Committee shall consist of three or more directors, each of whom shall be "independent" as defined in accordance with National Instrument 52-110, U.S. securities laws and regulations and applicable stock exchange rules; provided, however, that one or more members of the Committee may be non-independent if permitted by all applicable regulations.

The members of the Committee and the Chair of the Committee shall be selected annually by the Board and serve at the pleasure of the Board. 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.

Each member of the Audit Committee shall be "financially literate" as defined under National Instrument 52-110, be able to read and understand fundamental financial statements and satisfy all applicable financial literacy requirements of all applicable regulations. Additionally, at least one member of the Committee shall: be financially sophisticated, in that he or she shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, which may include being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities; and be an "audit committee financial expert" within the meaning of U.S. federal securities laws. None of the members of the Committee may have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years.

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.

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.

The Committee may also act by unanimous written consent of all members which shall constitute a meeting for the purposes of his charter of the Committee.

IV. Responsibilities

(1) The Committee shall be directly responsible, subject to any authority reserved by law to the Company's shareholders, for the appointment, compensation, retention, and oversight of any external auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or other services for the Company, in accordance with applicable securities laws (including resolution of any disagreements between management and the external auditor), and the external auditor shall report directly to the Committee.

(2) 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; obtaining from the external auditors a formal written statement delineating all relationships between the external auditors and the Company, consistent with the Public Company Accounting Oversight Board Rule 3526; and actively engaging in a dialogue with the external auditors with respect to any disclosed relationships or services that impact the objectivity and independence of the external auditor.

(3) 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.

(4) 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.

(5) 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.

(6) The Committee is responsible for overseeing the Company's Whistleblower Policy and the establishment of procedures for:

  (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

  (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

(7) Review and monitor all related party transactions which may be entered into by the Company.

(8) The 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.

(9) The Committee is responsible for annually reviewing the adequacy of its charter and recommending any changes thereto to the Board.

V. Authority and Funding

The Committee shall have the following authority to:

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

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

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

The Company shall provide for appropriate funding, as determined by the Committee, for payment of:

  (a) compensation to any registered public accounting firm engaged for the purposes of preparing or issuing an audit report or performing other audit, review or attest services for the Company;

  (b) compensation to any advisers employed by the Committee; and

  (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Exhibit 99.2



SILVERCORP METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended March 31, 2022

(Tabular amounts are in thousands of US dollars, except share, per share, unit cost, and production data, or otherwise stated)

Table of Contents

1.	**Core Business and Strategy**	**2**
2.	**Fiscal Year 2022 Highlights**	**2**
3.	**Fourth Quarter of Fiscal 2022 Highlights**	**3**
4.	**Operating Performance**	**4**
5.	**Fiscal 2023 Operating Outlook**	**12**
6.	**Investment in Associates**	**15**
7.	**Overview of Financial Results**	**18**
8.	**Liquidity and Capital Resources**	**23**
9.	**Financial Instruments and Related Risks**	**25**
10.	**Off-Balance Sheet Arrangements**	**28**
11.	**Transactions with Related Parties**	**28**
12.	**Alternative Performance (Non-IFRS) Measures**	**28**
13.	**Critical Accounting Policies, Judgments, and Estimates**	**33**
14.	**New Accounting Standards**	**33**
15.	**Other MD&A Requirements**	**34**
16.	**Outstanding Share Data**	**34**
17.	**Risks and Uncertainties**	**34**
18.	**Corporate Governance, Safety, Environment and Social Responsibility**	**39**
19.	**Disclosure Controls and Procedures**	**40**
20.	**Management's Report on Internal Control over Financial Reporting**	**41**
21.	**Changes in Internal Control over Financial Reporting**	**41**
22.	**Directors and Officers**	**41**
Technical Information		**42**
Forward Looking Statements		**42**

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, 2022 and 2021 and the related notes contained therein. The Company reports its financial position, financial performance 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 to the audited consolidated financial statements for the year ended March 31, 2022 and 2021. This MD&A refers to various alternative performance (non-IFRS) measures, such as adjusted earnings and adjusted earnings per share, working capital, cash cost per ounce of silver, net of by-product credits, all-in & all-in sustaining cost per ounce of silver, net of by-product credits, production cost per tonne, and all-in sustaining production costs 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, additional information has been provided in this MD&A. Please refer to section 12, "Alternative Performance (Non-IFRS) Measures" of this MD&A for detailed descriptions and reconciliations. Figures may not add due to rounding.

This MD&A is prepared as of May 25, 2022 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 a Canadian mining company producing silver, gold, lead, zinc, and other metals with long history of profitability and growth potential. The Company's strategy is to create shareholder value by focusing on generating free cashflow from long life mines; organic growth through extensive drilling for discovery; equity investments in potential world class opportunities; ongoing merger and acquisition efforts to unlock value; and long-term commitment to responsible mining and sound Environmental, Social and Governance ("ESG") practices. Silvercorp operates several silver-lead-zinc mines at the Ying Mining District in Henan Province, China and the GC silver-lead-zinc mine in Guangdong Province, China. The Company's common shares are traded on the Toronto Stock Exchange and NYSE American under the symbol "SVM".

2. Fiscal Year 2022 Highlights

- Mined 996,280 tonnes of ore and milled 1,002,335 tonnes of ore, up 3% and 4%, respectively compared to the prior year.
- Sold approximately 6.3 million ounces of silver, 3,400 ounces of gold, 63.6 million pounds of lead, and 26.8 million pounds of zinc, representing decreases of 1%, 28%, 5% and 4% in silver, gold, lead and zinc sold, compared to the prior year. Gold sales in the prior year included one-time sales of 1,200 ounces from the remaining concentrate inventory produced at the BYP mine before it was placed on care and maintenance in 2014.
- Revenue of $217.9 million, up 13% compared to $192.1 million in the prior year.
- Net income attributable to equity holders of $30.6 million, or $0.17 per share, compared to $46.4 million, or $0.27 per share in the prior year.
- Adjusted earnings[1] attributable to equity holders of $52.4 million, or $0.30 per share, compared to $49.8 million, or $0.28 per share in the prior year. The adjustments were made to remove impacts from non- recurring items, share-based compensation, foreign exchange gain/loss, impairment adjustments and reversals, gain/loss on equity investments and the share of associates' operating results.

[1] *Non-IFRS measures, please refer to section 12 for reconciliation.*

- Cash flow from operations of $107.4 million, up 25% or $21.5 million compared to $85.9 million in the prior year.
- Cash cost per ounce of silver[1], net of by-product credits, of negative $1.29 compared to negative $1.80 in the prior year.
- All-in sustaining cost per ounce of silver[1], net of by-product credits, of $8.77, compared to $7.49 in the prior year.
- Paid $4.4 million of dividends to the Company's shareholders.
- Acquired the Kuanping silver-lead-zinc-gold project in China for $13.1 million.
- Strong balance sheet with $212.9 million in cash and cash equivalents and short-term investments, up $13.8 million or 7% compared to $199.1 million as at March 31, 2021. This does not include the investments in associates and equity investment in other companies, having a total market value of $164.3 million as at March 31, 2022 ($212.1 million as at March 31, 2021).

3. Fourth Quarter of Fiscal 2022 Highlights

- Mined 180,505 tonnes of ore and milled 182,670 tonnes of ore, up 11% and 1%, respectively, compared to the prior year quarter.
- Sold approximately 1.2 million ounces of silver, 500 ounces of gold, 12.3 million pounds of lead, and 4.3 million pounds of zinc, up 11% and 13%, respectively, in silver and lead sold compared to the prior year quarter, and down 29% and 5%, respectively, in gold and zinc sold compared to the prior year quarter.
- Revenue of $41.6 million, up 16% or $5.9 million compared to $35.7 million in the prior year quarter.
- Net income attributable to equity holders of $4.0 million, or $0.02 per share, compared to $7.0 million, or $0.04 per share, in the prior year quarter.
- Adjusted earnings[1] attributable to equity holders of $9.5 million, or $0.05 per share, compared to $11.0 million, or $0.06 per share, in the prior year quarter.
- Cash flow from operations of $11.4 million, up 411% or $9.2 million compared to $2.2 million in the prior year quarter.

- Cash cost per ounce of silver[1], net of by-product credits, of negative $0.54 compared to negative $0.39 in the prior year quarter.
- All-in sustaining cost per ounce of silver[1], net of by-product credits, of $12.60, compared to $12.55 in the prior year quarter.

[1] *Non-IFRS measures, please refer to section 12 for reconciliation.*

SILVERCORP METALS INC.
Management's Discussion and Analysis
For the Year Ended March 31, 2022
(Tabular amounts are in thousands of U.S. dollars, except share, per share, unit cost, and production data, or unless otherwise stated)

4. Operating Performance

(a) Consolidated operating performance

The following table summarizes consolidated operational information for the three months and the year ended March 31, 2022 and 2021:

Consolidated	Three months ended March 31,			Year ended March 31,		
	2022	2021	**Changes**	**2022**	2021	**Changes**
Production Data						
Mine Data						
Ore Mined (tonne)	**180,505**	163,072	**11%**	**996,280**	964,925	**3%**
Ore Milled (tonne)	**182,670**	180,674	**1%**	**1,002,335**	967,581	**4%**
Head Grades						
Silver (gram/tonne)	**213**	228	**-7%**	**209**	223	**-6%**
Lead (%)	**3.2**	3.3	**-3%**	**3.2**	3.4	**-6%**
Zinc (%)	**1.4**	1.5	**-7%**	**1.5**	1.7	**-12%**
Recovery Rates						
Silver (%)	**94.2**	92.5	**2%**	**93.8**	92.7	**1%**
Lead (%)	**95.2**	94.3	**1%**	**94.6**	95.0	**0%**
Zinc (%)	**75.8**	79.0	**-4%**	**79.3**	80.0	**-1%**
Cost Data						
+ **Mining cost per tonne of ore mined ($)**	**99.30**	94.86	**5%**	**92.14**	79.73	**16%**
Cash mining cost per tonne of ore mined ($)	**73.52**	70.56	**4%**	**68.90**	59.44	**16%**
Depreciation and amortization charges per tonne of ore mined ($)	**25.78**	24.30	**6%**	**23.24**	20.29	**15%**
+ **Unit shipping costs ($)**	**2.81**	2.48	**13%**	**2.52**	2.54	**-1%**
+ **Milling costs per tonne of ore milled ($)**	**19.18**	15.10	**27%**	**15.39**	12.41	**24%**
Cash milling costs per tonne of ore milled ($)	**16.45**	12.66	**30%**	**13.43**	10.73	**25%**
Depreciation and amortization charges per tonne of ore milled ($)	**2.73**	2.44	**12%**	**1.96**	1.68	**17%**
+ **Cash production cost per tonne of ore processed ($)**	**92.78**	85.70	**8%**	**84.85**	72.71	**17%**
+ **All-in sustaining cost per tonne of ore processed ($)**	**171.56**	156.36	**10%**	**141.54**	128.20	**10%**
+ **Cash cost per ounce of Silver, net of by-product credits ($)**	**(0.54)**	(0.39)	**-38%**	**(1.29)**	(1.80)	**28%**
+ **All-in sustaining cost per ounce of Silver, net of by-product credits ($)**	**12.60**	12.55	**0%**	**8.77**	7.49	**17%**
Concentrate inventory						
Lead concentrate (tonne)	**1,267**	2,089	**-39%**	**1,267**	2,089	**-39%**
Zinc concentrate (tonne)	**562**	471	**19%**	**562**	471	**19%**
Sales Data						
Metal Sales						
Silver (in thousands of ounces)	**1,173**	1,056	**11%**	**6,265**	6,315	**-1%**
Gold (in thousands of ounces)	**0.5**	0.7	**-29%**	**3.4**	4.7	**-28%**
Lead (in thousands of pounds)	**12,279**	10,876	**13%**	**63,563**	67,118	**-5%**
Zinc (in thousands of pounds)	**4,340**	4,580	**-5%**	**26,809**	27,914	**-4%**

Revenue						
Silver (in thousands of $)	**22,735**	21,239	**7%**	**121,273**	111,191	**9%**
Gold (in thousands of $)	**885**	1,006	**-12%**	**5,083**	6,722	**-24%**
Lead (in thousands of $)	**11,466**	8,849	**30%**	**57,090**	50,464	**13%**
Zinc (in thousands of $)	**5,295**	4,480	**18%**	**28,842**	21,793	**32%**
Other (in thousands of $)	**1,209**	158	**665%**	**5,635**	1,935	**191%**
	41,590	35,732	**16%**	**217,923**	192,105	**13%**
Average Selling Price, Net of Value Added Tax and Smelter Charges						
Silver ($ per ounce)	**19.38**	20.11	**-4%**	**19.36**	17.61	**10%**
Gold ($ per ounce)	**1,475**	1,437	**3%**	**1,495**	1,430	**5%**
Lead ($ per pound)	**0.93**	0.81	**15%**	**0.90**	0.75	**20%**
Zinc ($ per pound)	**1.22**	0.98	**24%**	**1.08**	0.78	**38%**

+ Alternative performance (Non-IFRS) measures, see section 12 for reconciliation.

(i) Mine and Mill Production

For the year ended March 31, 2022 ("Fiscal 2022"), the Company mined 996,280 tonnes of ore, up 3% or 31,355 tonnes, compared to 964,925 tonnes in the year ended March 31, 2021 ("Fiscal 2021"). Ore milled in Fiscal 2022 was 1,002,335 tonnes, up 4% or 34,754 tonnes, compared to 967,581 tonnes in Fiscal 2021.

For the three months ended March 31, 2022 ("Q4 Fiscal 2022"), the Company mined 180,505 tonnes of ore, up 11% or 17,433 tonnes, compared to 163,072 tonnes in the three months ended March 31, 2021 ("Q4 Fiscal 2021"). Ore milled in Q4 Fiscal 2022 was 182,670 tonnes, up 1% or 1,996 tonnes, compared to 180,674 tonnes in Q4 Fiscal 2021.

(ii) Metal Sales

In Fiscal 2022, the Company sold approximately 6.3 million ounces of silver, 3,400 ounces of gold, 63.6 million pounds of lead, and 26.8 million pounds of zinc, representing decreases of 1%, 28%, 5% and 4% respectively, in silver, gold, lead and zinc sold. Gold sold in Fiscal 2021 included one-time sales of 1,200 ounces from pre 2014 concentrate inventories at the BYP Mine.

In Q4 Fiscal 2022, the Company sold approximately 1.2 million ounces of silver, 500 ounces of gold, 12.3 million pounds of lead, and 4.3 million pounds of zinc, representing increases of 11% and 13%, respectively, in silver and lead sold, and decreases of 29% and 5%, respectively, in gold and zinc sold, compared to approximately 1.1 million ounces of silver, 700 ounces of gold, 10.9 million pounds of lead, and 4.6 million pounds of zinc sold in Q4 Fiscal 2021.

(iii) Per Tonne Costs[1]

Compared to Fiscal 2021, the Company's production costs in Fiscal 2022 were mainly impacted by i) an overall 14.5% increase in mining contractors' fee rate at the Ying Mining District; ii) an annual average 5% appreciation of the Chinese yuan against the US dollar, resulting in higher costs presented in US dollars; iii) an average 7% increase in employees' pay rates; iv) 12% increase in electricity prices; and iv) the contribution rate paid for employees' social welfare funds in China returning to the normal rate from a reduced rate granted by the Chinese government in Fiscal 2021 due to Covid-19.

In Fiscal 2022, the consolidated cash production cost per tonne of ore processed was $84.85, up 17% compared to $72.71 in Fiscal 2021. The consolidated cash mining cost was $68.90 per tonne, up 16% compared to $59.44 in Fiscal 2021. The consolidated cash milling cost was $13.43 per tonne, up 25% compared to $10.73 in Fiscal 2021.

In Fiscal 2022, the consolidated all-in sustaining production cost per tonne of ore processed was $141.54, up 10% compared to $128.20 in Fiscal 2021, but within the Company's annual guidance. The increase was mainly due to the increase in cash production costs as discussed above.

In Q4 Fiscal 2022, the consolidated cash mining cost was $73.52 per tonne, compared to $70.56 in Q4 Fiscal 2021. The consolidated cash milling cost was $16.45 per tonne, compared to $12.66 per tonne in Q4 Fiscal 2021.

Correspondingly, the consolidated cash production cost per tonne of ore processed in Q4 Fiscal 2022 was $92.78, up 8% compared to $85.70 in Q4 Fiscal 2021. The consolidated all-in sustaining production cost per tonne of ore processed was $171.56, up 10% compared to $156.36 in Q4 Fiscal 2021.

(iv) Costs per Ounce of Silver, Net of By-Product Credits [1]

In Fiscal 2022, the consolidated cash cost per ounce of silver, net of by-product credits, was negative $1.29, compared to negative $1.80 in Fiscal 2021. The increase was mainly due to the increase in per tonne cash production costs, offset by an increase of $2.61 in by-product credits per ounce of silver. Sales from lead and zinc in Fiscal 2022 amounted to $85.9 million, up $13.6 million compared to $72.3 million in Fiscal 2021.

[1] *Alternative Performance (Non-IFRS) measure. Please refer to section 12 for reconciliation.*

The consolidated all-in sustaining cost per ounce of silver, net of by-product credits, was $8.77, compared to $7.49 in Fiscal 2021. The increase was mainly due to the increase in cash cost per ounce of silver as discussed above.

In Q4 Fiscal 2022, the consolidated cash cost per ounce of silver, net of by-product credits, was negative $0.54, compared to negative $0.39 in Q4 Fiscal 2021. The consolidated all-in sustaining cost per ounce of silver, net of by-product credits was $12.60 compared to $12.55 in Q4 Fiscal 2021.

(v) Exploration and Development

In Fiscal 2022, on a consolidated basis, a total of 426,128 metres or $20.7 million worth of diamond drilling were completed (Fiscal 2021 – 254,900 metres or $8.7 million), of which approximately 276,450 metres or $7.2 million worth of underground drilling were expensed as part of mining costs (Fiscal 2021 – 196,320 metres or $5.0 million) and approximately 149,678 metres or $13.5 million worth of drilling were capitalized (Fiscal 2021 – 58,580 metres or $3.7 million). In addition, approximately 31,301 metres or $11.6 million worth of preparation tunnelling were completed and expensed as part of mining costs (Fiscal 2021 – 34,637 metres or $8.9 million), and approximately 74,062 metres or $31.0 million worth of tunnels, raises, ramps and declines were completed and capitalized (Fiscal 2021 – 85,221 metres or $31.5 million).

In Q4 Fiscal 2021, on a consolidated basis, approximately 66,139 metres or $2.4 million worth of diamond drilling (Q4 Fiscal 2021– 49,459 metres or $1.6 million) were completed, of which approximately 50,384 metres or $1.2 million worth of underground drilling were expensed as part of mining costs (Q4 Fiscal 2021– 41,752 metres or $0.8 million) and approximately 15,755 metres or $1.3 million worth of drilling were capitalized (Q4 Fiscal 2021– 7,887 metres or $0.8 million). In addition, approximately 5,688 metres or $2.1 million worth of preparation tunnelling were completed and expensed as part of mining costs (Q4 Fiscal 2021– 7,015 metres or $1.5 million), and approximately 13,340 metres or $5.9 million worth of tunnels, raises, ramps and declines were completed and capitalized (Q4 Fiscal 2021– 10,803 metres or $4.7 million).

(b) Individual Mine Performance

(i) Ying Mining District

The following table summarizes the operational information at the Ying Mining District for the three months and the year ended March 31, 2022 and 2021. The Ying Mining District is the Company's primary source of production, and consists of four mining licenses, containing the SGX-HZG, HPG, TLP-LME-LMW, and DCG mines.

Ying Mining District	Three months ended March 31,			Year ended March 31,		
	2022	2021	Changes	2022	2021	Changes
Production Data						
Mine Data						
Ore Mined (tonne)	**130,612**	112,561	**16%**	**681,398**	650,025	**5%**
Ore Milled (tonne)	**131,731**	131,725	**0%**	**684,293**	651,402	**5%**
Head Grades						
Silver (gram/tonne)	**271**	280	**-3%**	**272**	290	**-6%**
Lead (%)	**3.9**	3.9	**0%**	**3.9**	4.3	**-9%**
Zinc (%)	**0.8**	0.8	**0%**	**0.8**	0.8	**0%**
Recovery Rates Silver (%)	**95.2**	93.7	**2%**	**95.1**	94.2	**1%**
Lead (%)	**96.1**	95.1	**1%**	**95.6**	96.0	**0%**
Zinc (%)	**57.4**	65.0	**-12%**	**59.7**	62.4	**-4%**
Cost Data						
+ **Mining cost per tonne of ore mined ($)**	**115.80**	113.40	**2%**	**111.35**	95.27	**17%**

	Cash mining cost per tonne of ore mined ($)	**84.19**	83.35	**1%**	**81.98**	69.56	**18%**
	Depreciation and amortization charges per tonne of ore mined ($)	**31.61**	30.05	**5%**	**29.37**	25.71	**14%**
+	**Unit shipping costs ($)**	**3.90**	3.55	**10%**	**3.68**	3.76	**-2%**
+	**Milling costs per tonne of ore milled ($)**	**17.19**	13.67	**26%**	**14.24**	11.52	**24%**
	Cash milling cost per tonne of ore milled ($)	**14.40**	11.23	**28%**	**12.10**	9.69	**25%**
	Depreciation and amortization charges per tonne of ore milled ($)	**2.79**	2.44	**14%**	**2.14**	1.83	**17%**
+	**Cash production cost per tonne of ore processed ($)**	**102.49**	98.13	**4%**	**97.76**	83.01	**18%**
+	**All-in sustaining cost per tonne of ore processed ($)**	**172.63**	155.14	**11%**	**147.52**	132.54	**11%**
+	**Cash cost per ounce of Silver, net of by-product credits ($)**	**1.21**	1.20	**1%**	**0.96**	(0.39)	**346%**
+	**All-in sustaining cost per ounce of Silver, net of by-product credits ($)**	**10.76**	10.00	**8%**	**7.93**	6.09	**30%**
Concentrate inventory							
	Lead concentrate (tonne)	**1,240**	1,922	**-35%**	**1,240**	1,922	**-35%**
	Zinc concentrate (tonne)	**467**	218	**114%**	**467**	218	**114%**
Sales Data							
	Metal Sales						
	Silver (in thousands of ounces)	**1,058**	936	**13%**	**5,619**	5,610	**0%**
	Gold (in thousands of ounces)	**0.5**	0.7	**-29%**	**3.4**	3.5	**-3%**
	Lead (in thousands of pounds)	**10,278**	9,137	**12%**	**53,892**	56,708	**-5%**
	Zinc (in thousands of pounds)	**1,524**	1,306	**17%**	**6,609**	6,968	**-5%**
	Revenue						
	Silver (in thousands of $)	**20,990**	19,474	**8%**	**111,835**	102,100	**10%**
	Gold (in thousands of $)	**885**	1,006	**-12%**	**5,083**	5,169	**-2%**
	Lead (in thousands of $)	**9,618**	7,450	**29%**	**48,504**	42,836	**13%**
	Zinc (in thousands of $)	**1,908**	1,342	**42%**	**7,489**	5,898	**27%**
	Other (in thousands of $)	**664**	182	**265%**	**3,840**	1,294	**197%**
		34,065	29,454	**16%**	**176,751**	157,297	**12%**
	Average Selling Price, Net of Value Added Tax and Smelter Charges						
	Silver ($ per ounce)	**19.84**	20.81	**-5%**	**19.90**	18.20	**9%**
	Gold ($ per ounce)	**1,475**	1,437	**3%**	**1,495**	1,477	**1%**
	Lead ($ per pound)	**0.94**	0.82	**15%**	**0.90**	0.76	**18%**
	Zinc ($ per pound)	**1.25**	1.03	**21%**	**1.13**	0.85	**33%**

+ Alternative Performance (Non-IFRS) measures, see section 12 for reconciliation

i) Fiscal 2022 vs. Fiscal 2021

In Fiscal 2022, a total of 681,398 tonnes of ore were mined, up 5% compared to 650,025 tonnes in Fiscal 2021. Ore milled was 684,293 tonnes, up 5% compared to 651,402 tonnes in Fiscal 2021.

Average head grades of ore processed at the Ying Mining District were 272 g/t for silver, 3.9% for lead, and 0.8% for zinc compared to 290 g/t for silver, 4.3% for lead, and 0.8% for zinc in Fiscal 2021. As reported in the Company's news release in previous quarters, the decrease was mainly due to the disruptions arising from the mining contract renewal negotiation process and the heavy rainfall experienced at the Ying Mining District.

In Fiscal 2022, metals sold were approximately 5.6 million ounces of silver, 3,400 ounces of gold, 53.9 million pounds of lead, and 6.6 million

pounds of zinc, compared to 5.6 million ounces of silver, 3,500 ounces of gold, 56.7 million pounds of lead, and 7.0 million pounds of zinc in Fiscal 2021.

In Fiscal 2022, the cash production cost per tonne of ore processed at the Ying Mining District was $97.76, up 18% compared to $83.01 in Fiscal 2021. The cash mining cost and milling cost per tonne were $81.98 and $12.10, up 18% and 25% respectively, compared to $69.56 and $9.69 in Fiscal 2021. The increase was mainly due to the same factors for the consolidated results as discussed above.

The all-in sustaining cost per tonne of ore processed was $147.52, up 11% compared to $132.54 in Fiscal 2021. The increase was mainly due to the increase in cash production cost per tonne of ore processed.

In Fiscal 2022, the cash cost per ounce of silver and all-in sustaining cost per ounce of silver, net of by-product credits, were $0.96 and $7.93, respectively, compared to negative $0.39 and $6.09 in Fiscal 2021. The increase was mainly due to the increase in per tonne production costs, offset by the increase of total by-product credits per ounce of silver.

In Fiscal 2022, a total of 351,458 metres or $15.6 million worth of diamond drilling were completed (Fiscal 2021 – 208,904 metres or $6.9 million), of which approximately 216,068 metres or $5.0 million worth of underground drilling were expensed as part of mining costs (Fiscal 2021 – 150,324 metres or $3.2 million) and approximately 135,390 metres or $10.6 million worth of drilling were capitalized (Fiscal 2021 – 58,580 metres or $3.7 million). In addition, approximately 25,134 metres or $9.9 million worth of preparation tunnelling were completed and expensed as part of mining costs (Fiscal 2021 – 22,918 metres or $6.7 million), and approximately 60,311 metres or $26.7 million worth of horizontal tunnels, raises, ramps, and declines were completed and capitalized (Fiscal 2021 – 73,350 metres or $27.4 million).

ii) Q4 Fiscal 2022 vs. Q4 Fiscal 2021

In Q4 Fiscal 2022, a total of 130,612 tonnes of ore were mined at the Ying Mining District, up 16% or 18,051 tonnes compared to 112,561 tonnes in Q4 Fiscal 2021. Ore milled was 131,731 tonnes, compared to 131,725 tonnes in Q4 Fiscal 2021. Average head grades of ore processed were 271 g/t for silver, 3.9% for lead, and 0.8% for zinc compared to 280 g/t for silver, 3.9% for lead, and 0.8% for zinc, in Q4 Fiscal 2021.

In Q4 Fiscal 2022, the Ying Mining District sold approximately 1.1 million ounces of silver, 10.3 million pounds of lead, 1.5 million pounds of zinc, and 500 ounces of gold, increases of 13%, 12% and 17%, respectively, in silver, lead and zinc sold, and a decrease of 29% in gold sold, compared to 0.9 million ounces of silver, 9.1 million pounds of lead, 1.3 million pounds of zinc and 700 ounces of gold, in Q4 Fiscal 2021.

In Q4 Fiscal 2022, the cash production cost per tonne of ore processed was $102.49, up 4% compared to $98.13 in Q4 Fiscal 2021. The cash mining cost and milling cost per tonne were $84.19 and $14.40, up 1% and 28% respectively, compared to $83.35 and $11.23 in Q4 Fiscal 2021.

The all-in sustaining cash production cost per tonne of ore processed was $172.63, up 11%, compared to $155.14 in Q4 Fiscal 2021.

In Q4 Fiscal 2022, the cash cost per ounce of silver and all-in sustaining cost per ounce of silver, net of by-product credits, at the Ying Mining District, were $1.21 and $10.76 respectively, compared to $1.20 and $10.00 in Q4 Fiscal 2021.

In Q4 Fiscal 2022, approximately 55,473 metres or $2.2 million worth of diamond drilling (Q4 Fiscal 2021 – 40,438 metres or $1.5 million), of which approximately 42,050 metres or $0.8 million worth of underground drilling were expensed as part of mining costs (Q4 Fiscal 2021 – 32,551 metres or $0.7 million) and approximately 13,423 metres or $1.4 million worth of drilling were capitalized (Q4 Fiscal 2021 – 7,887 metres or $0.8 million). In addition, approximately 4,355 metres or $1.7 million worth of preparation tunnelling was completed and expensed as part of mining costs (Q4 Fiscal 2021 – 5,132 metres or $1.1 million), and approximately 11,603 metres or $5.2 million worth of tunnels, raises, ramps and declines were completed and capitalized (Q4 Fiscal 2021 – 9,414 metres or $4.0 million).

(ii) ***GC Mine***

The following table summarizes the operational information at the GC Mine for the three months and the year ended March 31, 2022 and 2021:

GC Mine	Three months ended March 31,			Year ended March 31,		
	2022	2021	**Changes**	**2022**	2021	**Changes**
Production Data						
Mine Data						
Ore Mined (tonne)	**49,893**	50,511	**-1%**	**314,882**	314,900	**0%**
Ore Milled (tonne)	**50,939**	48,949	**4%**	**318,042**	316,179	**1%**
Head Grades						
Silver (gram/tonne)	**62**	**87**	**-29%**	**75**	**85**	**-12%**
Lead (%)	**1.4**	1.7	**-18%**	**1.5**	1.7	**-12%**
Zinc (%)	**2.8**	3.3	**-15%**	**3.2**	3.4	**-6%**

	Recovery Rates						
	Silver (%) *	**82.4**	**81.9**	**1%**	**83.8**	**82.5**	**2%**
	Lead (%)	**88.7**	89.7	**-1%**	**89.2**	89.6	**0%**
	Zinc (%)	**89.8**	88.2	**2%**	**89.6**	88.2	**2%**
Cost Data							
+	**Mining cost per tonne of ore mined ($)**	**56.10**	53.53	**5%**	**50.55**	47.68	**6%**
	Cash mining cost per tonne of ore mined ($)	**45.58**	42.05	**8%**	**40.59**	38.56	**5%**
	Depreciation and amortization charges per tonne of ore mined ($)	**10.52**	11.48	**-8%**	**9.96**	9.12	**9%**
+	**Milling cost per tonne of ore milled ($)**	**24.32**	18.94	**28%**	**17.89**	14.25	**26%**
	Cash milling cost per tonne of ore milled ($)	**21.75**	16.51	**32%**	**16.31**	12.88	**27%**
	Depreciation and amortization charges per tonne of ore milled ($)	**2.57**	2.43	**6%**	**1.58**	1.37	**15%**
+	**Cash production cost per tonne of ore processed ($)**	**67.33**	58.56	**15%**	**56.90**	51.44	**11%**
+	**All-in sustaining cost per tonne of ore processed ($)**	**100.13**	87.69	**14%**	**79.56**	74.09	**7%**
+	**Cash cost per ounce of Silver, net of by-product credits ($)**	**(16.59)**	(12.80)	**-30%**	**(20.91)**	(11.48)	**-82%**
+	**All-in sustaining cost per ounce of Silver, net of by-product credits ($)**	**(0.39)**	0.52	**-175%**	**(8.07)**	-	**-**
Concentrate inventory							
	Lead concentrate (tonne)	**27**	167	**-84%**	**27**	167	**-84%**
	Zinc concentrate (tonne)	**95**	253	**-62%**	**95**	253	**-62%**
Sales Data							
	Metal Sales						
	Silver (in thousands of ounces)	**115**	120	**-4%**	**646**	705	**-8%**
	Lead (in thousands of pounds)	**2,001**	1,739	**15%**	**9,671**	10,410	**-7%**
	Zinc (in thousands of pounds)	**2,816**	3,274	**-14%**	**20,200**	20,946	**-4%**
	Revenue						
	Silver (in thousands of $)	**1,745**	1,765	**-1%**	**9,438**	9,091	**4%**
	Lead (in thousands of $)	**1,848**	1,399	**32%**	**8,586**	7,628	**13%**
	Zinc (in thousands of $)	**3,387**	3,138	**8%**	**21,353**	15,895	**34%**
	Other (in thousands of $)	**545**	(24)	**-2371%**	**1,795**	641	**180%**
		7,525	6,278	**20%**	**41,172**	33,255	**24%**
	Average Selling Price, Net of Value Added Tax and Smelter Charges						
	Silver ($ per ounce) **	**15.17**	14.71	**3%**	**14.61**	12.90	**13%**
	Lead ($ per pound)	**0.92**	0.80	**15%**	**0.89**	0.73	**22%**
	Zinc ($ per pound)	**1.20**	0.96	**25%**	**1.06**	0.76	**39%**

* Silver recovery includes silver recovered in lead concentrate and silver recovered in zinc concentrate.
** Silver in zinc concentrate is subjected to higher smelter and refining charges which lowers the net silver selling price.
+ Alternative Performance (Non-IFRS) measures, see section 12 for reconciliation

i) Fiscal 2022 vs. Fiscal 2021

In Fiscal 2022, a total of 314,882 tonnes of ore were mined and 318,042 tonnes were milled at the GC Mine, compared to 314,900 tonnes mined and 316,179 tonnes milled in Fiscal 2021.

Average head grades of ore milled were 75 g/t for silver, 1.5% for lead, and 3.2% for zinc compared to 85 g/t for silver, 1.7% for lead, and 3.4%

for zinc in Fiscal 2021.

Metals sold were approximately 646 thousand ounces of silver, 9.7 million pounds of lead, and 20.2 million pounds of zinc, compared to 705 thousand ounces of silver, 10.4 million pounds of lead, and 20.9 million pounds of zinc in Fiscal 2021.

The cash mining and milling cost at the GC Mine was $40.59 and $16.31 per tonne, up 5% and 27% compared to $38.56 and $12.88 per tonne in Fiscal 2021.

The cash production cost per tonne was $56.90, up 11%, compared to $51.44 in Fiscal 2021. The all-in sustaining production cost per tonne of ore processed was $79.56, up 7%, compared to $74.09 in Fiscal 2021.

The cash cost per ounce of silver and all-in sustaining cost per ounce of silver, net of by-product credits, at the GC Mine, in Fiscal 2022, were negative $20.91 and negative $8.07, respectively, compared to negative $11.48 and $nil in Fiscal 2021. The improvement was mainly due to an increase of $14.84 in by-product credits per ounce of silver, offset by the increase in cash production cost per tonne and all-in sustaining production cost per tonne as discussed above. Revenue from lead and zinc was $29.9 million, up $6.4 million, compared to $23.5 million in Fiscal 2021.

In Fiscal 2022, a total of 66,699 metres or $2.5 million worth of diamond drilling were completed (Fiscal 2021 – 45,996 metres or $1.8 million), of which approximately 60,382 metres or $2.2 million worth of underground drilling were expensed as part of mining costs (Fiscal 2021 – 45,996 metres or $1.8 million) and approximately 6,317 metres or $0.3 million worth of drilling were capitalized (Fiscal 2021 – nil). In addition, approximately 6,167 metres or $1.7 million worth of preparation tunnelling were completed and expensed as part of mining costs (Fiscal 2021 – 11,719 metres or $2.2 million), and approximately 13,751 metres or $4.3 million worth of horizontal tunnels, raises, ramps, and declines were completed and capitalized (Fiscal 2021 – 11,871 metres or $3.9 million).

ii) Q4 Fiscal 2022 vs. Q4 Fiscal 2021

In Q4 Fiscal 2022, a total of 49,893 tonnes of ore were mined and 50,939 tonnes were milled at the GC Mine, compared to 50,511 tonnes mined and 48,949 tonnes milled in Q4 Fiscal 2021. Average head grades of ore milled were 62 g/t for silver, 1.4% for lead, and 2.8% for zinc compared to 87 g/t for silver, 1.7% for lead, and 3.3% for zinc, in Q4 Fiscal 2021.

In Q4 Fiscal 2022, the GC Mine sold approximately 115 thousand ounces of silver, 2.0 million pounds of lead, and 2.8 million pounds of zinc, compared to 120 thousand ounces of silver, 1.7 million pounds of lead, and 3.3 million pounds of zinc in Q4 Fiscal 2021.

In Q4 Fiscal 2022, the cash mining cost at the GC Mine was $45.58 per tonne, up 8% compared to $42.05 per tonne in Q4 Fiscal 2021. The cash milling cost was $21.75 per tonne, compared to $16.51 in Q4 Fiscal 2021.

Correspondingly, the cash production cost per tonne of ore processed at the GC Mine was $67.33, up 15% compared to $58.56 in Q4 Fiscal 2021. The all-in sustaining production cost per tonne of ore processed was $100.13, up 14% compared to $87.69 in Q4 Fiscal 2021.

In Q4 Fiscal 2022, the cash cost per ounce of silver and all-in sustaining cost per ounce of silver, net of by-product credits, at the GC Mine were negative $16.59 and negative $0.39 respectively, compared to negative $12.80 and $0.52 in Q4 Fiscal 2021. The decrease was mainly due to an increase of $1.3 million in by-product sales.

In Q4 Fiscal 2022, approximately 10,666 metres or $0.4 million worth of diamond drilling (Q4 Fiscal 2021 – 9,021 metres or $0.2 million), of which approximately 8,334 metres or $0.3 million worth of underground drilling were expensed as part of mining costs (Q4 Fiscal 2021 – 9,021 metres or $0.2 million) and approximately 2,332 metres

or $0.1 million worth of drilling were capitalized (Q4 Fiscal 2021 – nil). In addition, approximately 1,333 metres or $0.4 million worth of preparation tunnelling was completed and expensed as part of mining costs (Q4 Fiscal 2021 – 1,883 metres or $0.4 million), and approximately 1,737 metres or $0.7 million worth of tunnels, raises, ramps and declines were completed and capitalized (Q4 Fiscal 2021 – 1,389 metres or $0.6 million).

(iii) ***La Yesca Project***

In Fiscal 2022, the Company completed 7,971 metres diamond drilling and capitalized $2.6 million expenditures at the La Yesca Project, but assay results are not yet available.

(iv) ***BYP Mine***

The BYP Mine was placed on care and maintenance in August 2014 due to required capital upgrades to sustain its ongoing production and the market environment. The Company has been carrying out activities to apply for a new mining permit for gold, but pending a provincial wide rezoning of environmental and ecological areas and the process has taken longer than expected. No guarantee can be given that the new mining permit for the BYP Mine will be issued, or if it is issued, that it will be issued 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.

(c) Comparison of Fiscal 2022 Results with Fiscal 2022 Guidance

All references to Fiscal 2022 Guidance in this MD&A refer to the "Fiscal 2022 Operating Outlook" section in the Company's Fiscal 2021 Annual MD&A dated May 20, 2021 ("Fiscal 2022 Guidance") filed under the Company's SEDAR profile at www.sedar.com.

(i) Production and Production Costs

The following table summarizes the actual production and production costs achieved in Fiscal 2022 compared to the respective Fiscal 2022 Guidance:

		Head grades			Metal production			Production costs	
	Ore processed (tonnes)	Silver (g/t)	Lead (%)	Zinc (%)	Silver (Koz)	Lead (Klbs)	Zinc (Klbs)	Cash cost ($/t)	AISC ($/t)
YTD Fiscal 2022 Actual Results									
Ying Mining District	**684,293**	**272**	**3.9**	**0.8**	**5,509**	**54,883**	**6,767**	**97.76**	**147.52**
GC Mine	**318,042**	**75**	**1.5**	**3.2**	**640**	**9,548**	**20,045**	**56.90**	**79.56**
Consolidated	**1,002,335**	**209**	**3.2**	**1.5**	**6,149**	**64,431**	**26,812**	**84.85**	**141.54**
.									
Fiscal 2022 Guidance									
Ying Mining District	670,000 - 700,000	284	4.2	0.9	5,700-5,900	57,200-59,800	7,800-8,100	87.1-91.7	134.2-141.2
GC Mine	290,000 - 310,000	86	1.5	3.6	600-700	8,500-9,100	19,100-20,400	55.7-59.6	81.3-85.6
Consolidated	**960,000 - 1,010,000**	**223**	**3.3**	**1.7**	**6,300-6,600**	**65,700-68,900**	**26,900-28,500**	**77.7-82.6**	**130.7-141.7**

In Fiscal 2022, the Company produced approximately 6.1 million ounces of silver, 3,400 ounces of gold, 64.4 million pounds of lead, and 26.8 million pounds of zinc, slightly below the guidance of 6.3 to 6.6 million ounces of silver, 65.7 to 68.9 million pounds of lead, and 26.9 to 28.5 million pounds of zinc. The shortfall was mainly due to the disruptions arising from the mining contract renewal negotiation process and the heavy rainfall experienced at the Ying Mining District as reported in previous quarters.

The consolidated all-in sustaining production costs per tonne was within the guidance while the cash production cost per tonne was slightly over the guidance due to higher than expected appreciation of the Chinese yuan against the US dollar and the increase of mining contractor rate at the Ying Mining District.

(ii) Development and Capital Expenditures

The following table summarizes the development work and capitalized expenditures in Fiscal 2022 compared to the Fiscal 2022 Guidance.

	Capitalized Development and Expenditures								Expensed Tunneling	Expensed Drilling
	Ramp Development		Exploration and Development Tunnels		Capitalized Exploration Drilling		Equipment & Facilities	Total		
	(Metres)	($ Thousand)	(Metres)	($ Thousand)	(Metres)	$ Thousand)	($ Thousand)	(Metres)	($ Thousand)	Mining Preparation (Metres)	Exploration Drilling (Metres)
YTD Fiscal 2022 Actual Results											
Ying Mining District	7,279	$ 4,858	53,032	$ 21,851	135,390	$ 10,598	$ 8,609	60,311	$ 45,916	25,134	216,068
GC Mine	1,012	1,218	12,739	3,049	6,317	240	504	13,751	5,011	6,167	60,382
Corporate and other	-	-	-	-	7,971	2,612	452	-	3,064		
Consolidated	**8,291**	**$ 6,076**	**65,771**	**$ 24,900**	**149,678**	**$ 13,450**	$ 9,565	**74,062**	**$ 53,991**	**31,301**	**276,450**
Fiscal 2022 Guidance											
Ying Mining District	6,100	$ 5,200	52,200	$ 18,800	50,000	$ 3,500	$ 6,300	58,300	$ 33,800	23,400	148,400
GC Mine	500	400	10,300	3,000	-	-	1,000	10,800	4,400	10,200	58,500
Consolidated	6,600	$ 5,600	62,500	$ 21,800	50,000	$ 3,500	$ 7,300	69,100	$ 38,200	33,600	206,900

Total capital expenditures incurred in Fiscal 2022 was $54.0 million, $15.8 million or 41% over the guidance as the Company completed more drilling, ramp and tunneling development than planned for the purposes of increasing production and defining additional mineral resources. In addition, the $2.6 million capital expenditures incurred at the Las Yesca Project was not included in the Fiscal 2022 Guidance.

(d) Acquisition of Kuanping Silver-Lead-Zinc-Gold Project

In October 2021, the Company, through a 100% owned subsidiary of Henan Found, won an online open auction to acquire a 100% interest in the Kuanping silver-lead-zinc-gold project (the "Kuanping Project"). The transaction was successfully completed in November 2021 for a total consideration of $13.1 million, comprised of for approximately $11.4 million in cash (RMB ¥73.5 million) plus the assumption of approximately $2.0 million (RMB ¥13.3 million) of debt, and net of $0.3 million cash received. The acquisition was through the acquisition of a 100% interest in the shares of Shanxian Xinbaoyuan Mining Co. Ltd. ("Xinbaoyuan"), an affiliate of a Henan Provincial government-controlled company located in Sanmenxia City, Henan Province. The material asset held by Xinbaoyuan is the Kuanping Project. As Henan Found's subsidiary is considered a domestic Chinese company, the acquisition was not subject to the national security clearance.

The Kuanping Project is located in Shanzhou District, Sanmenxia City, Henan Province, China, approximately 33 km north of the Ying Mining District. The Kuanping Project covers an area of 12.39 km², being approximately 3 km wide (east-west) and 5 km long (north-south).

The exploration rights of the Kuanping Project are currently in a reservation period for mining permit application, and the Company is in the process applying for the mining permit.

5. Fiscal 2023 Operating Outlook

The Company reiterates its production guidance for the year ended March 31, 2023 ("Fiscal 2023") previously announced in the Company's news release dated February 8, 2022.

(a) Production and Production Costs

In Fiscal 2023, the Company continues to expect production of approximately 1,040,000 - 1,140,000 tonnes of ore, yielding 6,300 to 7,900 ounces of gold, 7.0 million to 7.3 million ounces of silver, 68.4 million to 71.3 million pounds of lead, and 32.0 million to 34.5 million pounds of zinc. Fiscal 2023 production guidance represents an anticipated increases of approximately 4% to 14% in ore, 14% to 19% in silver, 85% to 132% in gold, 6% to 11% in lead, and 19% to 29% in zinc productions compared to Fiscal 2022 production results.

	Ore processed (tonnes)	Head grades				Metal production				Production costs	
		Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	Gold (koz)	Silver (Moz)	Lead (Mlbs)	Zinc (Mlbs)	Cash cost ($/t)	AISC* ($/t)
Fiscal 2023 Guidance											
Gold ore	30,000 - 43,000	3.9	60	0.5	-	3.4 - 4.9	0.1 - 0.1	0.3 - 0.5	-	-	-
Silver ore	710,000 - 731,000	0.1	287	3.9	0.9	2.9 - 3.0	6.2 - 6.4	58.6 - 60.4	8.2 - 8.5	-	-
Ying Mining District	**740,000 - 774,000**	**0.3**	**276**	**3.8**	**0.9**	**6.3 - 7.9**	**6.3 - 6.5**	**58.9 - 60.9**	**8.2 - 8.5**	**92.3 - 93.7**	**143.5 - 145.7**
GC Mine	**300,000 - 330,000**	**-**	**93**	**1.6**	**3.7**	**-**	**0.7 - 0.8**	**9.5 - 10.4**	**21.8 - 24.0**	**54.9 - 57.5**	**86.1 - 92.0**
Consolidated	**1,040,000 - 1,140,000**	**0.2**	**224**	**3.2**	**1.7**	**6.3 - 7.9**	**7.0 - 7.3**	**68.4 - 71.3**	**32.0 - 34.5**	**83.3 - 85.9**	**141.6 - 143.5**

**Both AISC and cash costs are non-IFRS measures. AISC refers to all-in sustaining costs per tonne of ore processed. Cash costs refer to cash production costs per tonne of ore processed. Foreign exchange rates assumptions used are: US$1 = CAD$1.30, US$1 = RMB¥6.40.*

(b) Development and Capital Expenditures

The increased production guidance is made possible by over 629,000 metres of exploration and resource upgrade drilling completed at the mines from 2021 to 2022. Other benefits of the extensive drilling include: i) slowing down the rate of mining depth increase, and with some mines, its average mining depths becoming shallower; and ii) reducing the amount of tunnel development as more resources and reserves were identified near existing infrastructures.

The table below summarizes the work plan and estimated capital expenditures in Fiscal 2023.

	Capitalized Development Work and Expenditures								Expensed	
	Ramp Development		Exploration and Development Tunnels		Capitalized Drilling		Equipment, Mill and TSF	Total	Mining Preparation Tunnnels	Underground driling
	(Metres)	($ Million)	(Metres)	($ Million)	(Metres)	($ Million)	($ Million)	($ Million)	(Metres)	(Metres)
Fiscal 2023 Capitalized Work Plan and Capita Expenditure Estimates										
Ying Mining District	4,600	3.2	61,300	26.3	110,700	6.8	44.6	**80.9**	29,000	135,300
GC Mine	-	-	13,200	4.2	14,800	0.4	1.9	**6.5**	7,600	46,600
Corporate and others	-	-	-	-	10,500	0.7	0.5	**1.2**	-	-
Consolidated	**4,600**	**3.2**	**74,500**	**30.5**	**136,000**	**7.9**	**47.0**	**88.6**	**36,600**	**181,900**

In Fiscal 2023, the Company plans to: i) complete 4,600 metres of 4.0 x 4.2 metre tunnels as major access and transportation ramps at estimated

capitalized expenditures of $3.2 million, representing a 30% decrease in meterage and a 43% decrease in total cost compared to Fiscal 2022 guidance; ii) complete 74,500 metres of exploration and mining development tunnels (2.2x2.6 metres) at estimated capitalized expenditures of $30.5 million, representing a 19% increase in meterage and a 40% increase in cost mainly due to increased tunnel dimension to allow small scale mechanized equipment access, compared to Fiscal 2022 guidance; iii) complete and capitalize 136,000 metres of drilling at an estimated cost of $7.9 million, representing a 172% increase in meterage to prepare for future production and a 126% increase in total cost compared to Fiscal 2022 Guidance; and iv) spend $47.0 million on equipment, mill and tailing storage facility ("TSF"), including $39.9 million towards the construction of a new 3,000 tonne per day flotation mill and 19.1 million cubic metre TSF at the Ying Mining District.

In addition to the capitalized tunneling and drilling work, the Company also plans to complete and expense 36,600 metres of mining preparation tunnels and 181,900 metres of underground definition drilling.

(i) Ying Mining District

In Fiscal 2023, the Company plans to mine and process 740,000 – 774,000 tonnes of ore at the Ying Mining District, including 30,000 – 43,000 tonnes of gold ore with an expected head grade of 3.9 g/t gold, to produce 6,300 to 7,900 ounces of gold, 6.3 million to 6.5 million ounces of silver, 58.9 million to 60.9 million pounds of lead, and 8.2 million to 8.5 million pounds of zinc. Fiscal 2023 production guidance at the Ying Mining District represents increases of approximately 10% in ore production, 10% in silver production, 3% in lead production, and 5% in zinc production.

The cash production cost is expected to be $92.3 to $93.7 per tonne of ore, and the all-in sustaining cost is estimated at $143.5 to $145.7 per tonne of ore processed.

In Fiscal 2023, the Ying Mining District plans to: i) complete 4,600 metres of 4.0 x 4.2 metre tunnels as major access and transportation ramps at estimated capitalized expenditures of $3.2 million, representing a 25% decrease in meterage and a 38% decrease in total cost compared to Fiscal 2022 Guidance; ii) complete 61,300 metres of exploration and mining development tunnels (2.2x2.6 metres) at estimated capitalized expenditures of $26.3 million, representing a 17% increase in meterage and a 40% increase in cost mainly due to increased tunnel dimension to allow small scale mechanized equipment access, compared to Fiscal 2022 Guidance; iii) complete and capitalize 110,700 metres of drilling at an estimated cost of $6.8 million, representing a 121% increase in meterage to prepare for future production and a 94% increase in total costs compared to Fiscal 2022 Guidance; and iv) spend $44.6 million on equipment, mill and TSF, including $39.9 million towards the construction of a new 3,000 tonne per day flotation mill and 20 million cubic metre TSF.

Excluding the $39.9 million capital expenditures to be incurred on the new mill and TSF, the total capital expenditures at the Ying Mining District are budgeted at $41.0 million, up 21% compared to Fiscal 2022 Guidance as a result of increased tunneling and drilling work, and a substantial increase in the price of explosives.

In addition to the capitalized tunneling and drilling work, the Company also plans to complete and expense 29,000 metres of mining preparation tunnels and 135,300 metres of underground drilling at the Ying Mining District.

(ii) GC Mine

In Fiscal 2023, the Company plans to mine and process 300,000 to 330,000 tonnes of ore at the GC Mine to produce 700 thousand to 800 thousand ounces of silver, 9.5 million to 10.4 million pounds of lead, and 21.8 million to 24.0 million pounds of zinc. Fiscal 2023 production guidance at the GC Mine represents increases of approximately 3% to 6% in ore production, 14% to 17% in silver production, 12% to 14% in lead production, and 14% to 26% in zinc production compared to Fiscal 2022 Guidance.

The cash production cost is expected to be $54.9 to $57.5 per tonne of ore, and the all-in sustaining cost is estimated at $86.1 to $92.0 per tonne of ore processed.

In Fiscal 2023, the GC Mine plans to: i) complete and capitalize 13,200 metres of exploration and development tunnels (2.2x2.6 metres) at estimated capital expenditures of $4.2 million, a 28% increase in meterage and a 40% increase in cost mainly due to increased tunnel dimension to allow small scale mechanized equipment access, compared to Fiscal 2022 Guidance; ii) complete and capitalize 14,800 metres of drilling at an estimated cost of $0.4 million, representing a 100% increase in meterage and cost to prepare for future production, compared to Fiscal 2022 Guidance; and iii) spend $1.9 million on equipment and facilities. The total capital expenditures at the GC Mine are budgeted at $6.5 million in Fiscal 2023, up $2.1 million compared to Fiscal 2022 Guidance.

In addition to the capitalized tunneling and drilling work, the Company also plans to complete and expense 7,600 metres of tunnels and 46,600 metres of underground drilling at the GC Mine.

(iii) Kuanping Project

Total capital expenditures at the Kuanping Project in Fiscal 2023 are estimated at $1.2 million, including $0.7 million for a 10,500 metre drilling program and $0.5 million to complete reports and studies to apply for the mining permit.

(iv) New Mill and Tailing Storage Facility

The Company has budgeted $29.8 million to construct a new 3,000 tonne per day floatation mill (the "New Mill") and $38.0 million for a TSF at the Ying Mining District. The New Mill will be equipped with a Knelson gold gravity separation circuit and designed to produce silver-lead, zinc, copper and gold concentrates. The TSF may be constructed in two phases, with approximately 10.2 million cubic metres storage capacity in Phase 1, and approximately 8.9 million cubic metres capacity in Phase 2, for a total storage capacity of 19.1 million cubic metres.

In Fiscal 2023, the Company expects to spend $23.8 million on construction of the New Mill and $16.1 million on the TSF. So far, the Company has i) leased 123.46 hectares of land; ii) filed the environmental assessment report and safety report for the TSF with the local county government; iii) completed 142 drill holes, or 5,760 metres of foundation engineering survey drilling at the TSF; iv) elected a contractor to construct approximately 5,100 metres of drain tunnel at the TSF; and v) completed the preliminary engineering design for the New Mill.

6. Investment in Associates

(a) Investment in New Pacific Metals Corp.

New Pacific Metals Corp. ("NUAG") is a Canadian public company listed on the Toronto Stock Exchange (symbol: NUAG) and NYSE American (symbol: NEWP). NUAG is a related party of the Company by way of two common directors and two common 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.

During the year ended March 31, 2022, the Company acquired 125,000 common shares of NUAG from the public market for a total cost of $0.4 million. Subsequent to March 31, 2022, the Company acquired additional 48,500 common shares of NUAG from the public market for a total cost of $0.2 million.

In November 2020, NUAG completed a spin-out by way of a plan of arrangement of its then wholly-owned subsidiary, Whitehorse Gold Corp. ("WHG"), which owns 100% of Skukum Gold Project (formerly "Tagish Lake Gold Project") located in Yukon, Canada, and distributed all of the WHG common shares to its shareholders on a pro rata basis.

As at March 31, 2022, the Company owned 44,042,216 common shares of NUAG (March 31, 2021 – 43,917,216), representing an ownership interest of 28.2% (March 31, 2021 – 28.6%).

The summary of the investment in NUAG common shares and its market value as at the respective reporting dates are as follows:

	Number of shares	Amount	Value of NUAG's common shares per quoted market price
Balance April 1, 2020	42,596,506	$ 44,555	$ 148,624
Participation in public offering	1,320,710	5,805	
WHG Spin-out		(1,793)	
Share of net loss		(1,672)	
Share of other comprehensive loss		(2,324)	
Foreign exchange impact		5,828	
Balance March 31, 2021	**43,917,216**	**$ 50,399**	**$ 181,257**
Purchase from open market	125,000	352	
Share of net loss		(1,715)	
Share of other comprehensive income		95	
Foreign exchange impact		306	
Balance March 31, 2022	**44,042,216**	**$ 49,437**	**$ 140,275**

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

	Years ended March 31,	
	2022(1)	2021(1)
Net loss attributable to NUAG's shareholders as reported by NUAG	**$ (6,055)**	$ 3,029
Adjustments to remove impairment charges recognized by NUAG	**-**	(8,862)

Net loss of NUAG qualified for pick-up Other comprehensive income (loss) attributable to NUAG's	**(6,055)**	(5,833)
shareholders as reported by NUAG	**334**	(8,079)
Comprehensive income (loss) of NUAG qualified for pick-up	**$ (5,721)**	$ (13,912)
Company's share of net loss	**(1,715)**	(1,672)
Company's share of other comprehensive income (loss)	**95**	(2,324)
Company's share of comprehensive income	**$ (1,620)**	$ (3,996)

(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.

As at	**March 31, 2022**	March 31, 2021
Current assets	**$ 37,075**	$ 48,511
Non-current assets	**88,171**	78,164
Total assets	**$ 125,246**	$ 126,675
Current liabilities	**2,353**	811
Total liabilities	**2,353**	811
Net assets	**$ 122,893**	$ 125,864
Non-controlling interests	**(24)**	(50)
Total equity attributable to equity holders of NUAG	**$ 122,917**	$ 125,914
Company's share of net assets of associate	**$ 34,670**	$ 35,932

(b) Investment in Whitehorse Gold Corp.

Whitehorse Gold Corp. ("WHG") is a Canadian public company listed on the TSX Venture Exchange (symbol: WHG). WHG is a related party of the Company by way of one common director, and the Company accounts for its investment in WHG using the equity method as it is able to exercise significant influence over the financial and operating policies of WHG.

On May 14, 2021, the Company participated in a brokered private placement of WHG and purchased 4,000,000 units at a cost of $5.0 million. Each unit was comprised of one WHG common share and one common share purchase warrant at exercise price of CAD$2 per share. The common share purchase warrant expires on May 14, 2026.

As at March 31, 2022, the Company owned 15,514,285 common shares of WHG (March 31, 2021 – 11,514,285), representing an ownership interest of 29.3% (March 31, 2021 – 27.0%). The summary of the investment in WHG common shares and its market value as at the respective reporting dates are as follows:

	Number of shares	Amount	Value of WHG's common shares per quoted market price
Balance April 1, 2020			
Distributed by NUAG through WHG spin-out	5,740,285	1,793	
Participation in private placement	5,774,000	1,326	
Share of net loss		(174)	
Foreign exchange impact		113	
Balance March 31, 2021	**11,514,285**	**$ 3,058**	**$ 15,108**
Participation in private placement	4,000,000	4,960	
Share of net loss		(473)	
Foreign exchange impact		(141)	
Balance March 31, 2022	**15,514,285**	**$ 7,404**	**$ 6,208**

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

	Year ended March 31,	
	2022(1)	2021(1)
Net loss attributable to WHG's shareholders as reported by WHG	**$ (1,607)**	$ (856)
Adjustments to exclude WHG's net loss before spin-out	**-**	211
Net loss of WHG qualified for pick-up	**$ (1,607)**	$ (645)
Company's share of net loss	**$ (473)**	$ (174)

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

As at	**March 31, 2022**	March 31, 2021

Current assets	**$ 3,068**	$ 823
Non-current assets	**19,159**	10,862
Total assets	**$ 22,227**	$ 11,685
Current liabilities	**575**	237
Long-term l iabilities	**5**	-
Total liabilities	**580**	237
Net assets	**$ 21,647**	$ 11,448
Company's share of net assets of associate	**$ 6,341**	$ 3,090

7. Overview of Financial Results

(a) Selected Annual and Quarterly Information

The following tables set out selected quarterly results for the past twelve quarters as well as selected annual results for the past three years. The dominant factors affecting results presented below are the volatility of the realized selling metal prices and the timing of sales. The results for the quarters ended March 31 are normally affected by the extended Chinese New Year holiday, and during the quarter ended March 31, 2020, the operations in China were shut down for an extra month due to Covid-19.

Fiscal 2022	Quarter Ended				Year Ended
(In thousands of USD, other than per share amounts)	Jun 30, 2021	Sep 30, 2021	Dec 31, 2021	Mar 31, 2022	Mar 31, 2022
Revenue	$ 58,819	$ 58,435	$ 59,079	**$ 41,590**	**$ 217,923**
Cost of mine operations	$ 33,315	$ 34,823	$ 37,603	**27,881**	**133,622**
Income from mine operations	25,504	23,612	21,476	**13,709**	**84,301**
Corporate general and administrative expenses	3,838	3,749	3,310	**3,284**	**14,181**
Foreign exchange loss (gain)	450	(2,063)	(1,813)	**3,159**	**(267)**
Share of loss in associates	396	469	403	**920**	**2,188**
Loss (gain) on equity investments	722	3,365	(1,101)	**499**	**3,485**
Other items	314	460	1,481	**(106)**	**2,149**
Income from operations	19,784	17,632	19,196	**5,953**	**62,565**
Finance items	(1,265)	(481)	8,171	**(932)**	**5,493**
Income tax expenses	4,817	5,355	3,093	**523**	**13,788**
Net income	16,232	12,758	7,932	6,362	**43,284**
Net income attributable to equity holders of the Company	12,212	9,393	5,063	**3,966**	**30,634**
Basic earnings per share	0.07	0.05	0.03	**0.02**	**0.17**
Diluted earnings per share	0.07	0.05	0.03	**0.02**	**0.17**
Cash dividend declared	2,202	-	2,211	**-**	**4,413**
Cash dividend declared per share	0.0125	-	0.0125	**-**	**0.025**
Other financial information					
Total assets					**723,538**
Total liabilities					**103,424**
Total attributable shareholders' equity					**512,396**

SILVERCORP METALS INC.
Management's Discussion and Analysis
For the Year Ended March 31, 2022
(Tabular amounts are in thousands of U.S. dollars, except share, per share, unit cost, and production data, or unless otherwise stated)

Fiscal 2021	Quarter Ended				Year Ended
(In thousands of USD, other than per share amounts)	Jun 30, 2020	Sep 30, 2020	Dec 31, 2020	Mar 31, 2021	Mar 31, 2021
Revenue	$ 46,705	$ 56,372	$ 53,296	$ 35,732	$ 192,105
Cost of mine operations	$ 27,420	$ 29,700	$ 28,495	22,328	107,943
Income from mine operations	19,285	26,672	24,801	13,404	84,162
Corporate general and administrative expenses	2,687	2,784	3,525	3,369	12,365
Foreign exchange loss	2,670	1,349	2,954	773	7,746
Share of loss in associates	161	319	550	816	1,846

Loss (gain) on equity investments	(5,466)	(2,771)	(600)	1,105	(7,732)
Other items	(3,841)	214	(258)	2,098	(1,787)
Income from operations	23,074	24,777	18,630	5,243	71,724
Finance items	(800)	(657)	295	(617)	(1,779)
Income tax expenses (recovery)	5,382	5,877	6,046	(4,311)	12,994
Net income	18,492	19,557	12,289	10,171	60,509
Net income attributable to equity holders of the Company	15,491	15,472	8,392	7,021	46,376
Basic earnings per share	0.09	0.09	0.05	0.04	0.27
Diluted earnings per share	0.09	0.09	0.05	0.04	0.26
Cash dividend declared	2,178	-	2,190	-	4,368
Cash dividend declared per share	0.0125	-	0.0125	-	0.025
Other financial information					
Total assets					652,642
Total liabilities					86,914
Total attributable shareholders' equity					467,574

Fiscal 2020	Quarter Ended				Year Ended
(In thousands of USD, other than per share amounts)	Jun 30, 2019	Sep 30, 2019	Dec 31, 2019	Mar 31, 2020	Mar 31, 2020
Revenue	$ 45,576	$ 49,886	$ 44,508	$ 18,859	$ 158,829
Cost of mine operations	27,843	27,219	28,738	15,655	99,455
Income from mine operations	17,733	22,667	15,770	3,204	59,374
Corporate general and administrative	2,353	2,583	2,568	2,590	10,094
Foreign exchange loss (gain)	854	(797)	1,277	(5,437)	(4,103)
Share of loss in associates	281	244	322	429	1,276
Dilution gain on investment in associate	(723)	-	-	-	(723)
Gain on disposal of mineral rights and properties	(1,477)	-	-	-	(1,477)
Gain on equity investments	-	-	-	-	-
Other items	386	519	160	1,080	2,145
Income from operations	16,059	20,118	11,443	4,542	52,162
Finance items	(754)	(682)	(988)	474	(1,950)
Income tax expenses (recovery)	(488)	5,139	3,715	543	8,909
Net income	17,301	15,661	8,716	3,525	45,203
Net income attributable to equity holders of the Company	12,607	12,221	6,283	3,163	34,274
Basic earnings per share	0.07	0.07	0.04	0.02	0.20
Diluted earnings per share	0.07	0.07	0.04	0.02	0.20
Cash dividend declared	2,125	-	2,162	-	4,287
Cash dividend declared per share	0.0125	-	0.0125	-	0.025
Other financial information					
Total assets					512,760
Total liabilities					73,788
Total attributable shareholders' equity					368,682

(b) Overview of Annual Financial Results

Net income attributable to equity holders of the Company in Fiscal 2022 was $30.6 million or $0.17 per share, compared to $46.4 million or $0.27 per share in Fiscal 2021.

In Fiscal 2022, the Company's consolidated financial results were mainly impacted by i) an increase of 10%, 5%, 20% and 38%, respectively, in the net realized selling prices for silver, gold, lead and zinc; offset by ii) a 1%, 28%, 5% and 4% decrease in silver, gold, lead and zinc sold; iii) a 17% increase in cash production costs per tonne, and iv) an impairment charge of $10.6 million against bond investments and a $3.5 million loss on equity investments in Fiscal 2022 while an impairment charge of $1.4 million against bond investments and a gain of $7.7 million on equity investments was recorded in Fiscal 2021.

Revenue in Fiscal 2022 was $217.9 million, up 13% or $25.8 million compared to $192.1 million in Fiscal 2021. The increase was mainly due to an increase of $29.9 million arising from the increase in the net realized silver, gold, lead and zinc selling prices; offset by a decrease of $7.8 million arising from the decrease in the quantities of silver, gold, lead and zinc sold. Revenues from silver, gold, and base metals were $121.3 million, $5.1 million, and $91.6 million, respectively, compared to $111.2 million, $6.7 million, and $74.2 million in Fiscal 2021. Revenue from the Ying Mining District was $176.8 million, up 12% compared to $157.3 million in Fiscal 2021. Revenue from the GC Mine was $41.2 million, up 24% compared to $33.3 million in Fiscal 2021. Gold sales in Fiscal 2021 included $1.5 million from sales of remaining gold concentrate inventory at the from BYP mine before it was placed on care and maintenance in 2014.

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"). The metal prices quoted on SME, excluding gold, include VAT. The following table is a comparison among the Company's net realized selling prices, prices quoted on SME, and

prices quoted on London Metal Exchange ("LME"):

	Silver (in US$/ounce)		Gold (in US$/ounce)		Lead (in US$/pound)		Zinc (in US$/pound)	
	F2022	F2021	F2022	F2021	F2022	F2021	F2022	F2021
Net realized selling prices	**$ 19.36**	$ 17.61	**$ 1,495**	$ 1,430	**$ 0.90**	$ 0.75	**$ 1.08**	$ 0.78
SME	**$ 24.58**	$ 22.93	**$ 1,826**	$ 1,800	**$ 1.08**	$ 1.00	**$ 1.65**	$ 1.29
LME	**$ 24.58**	$ 22.92	**$ 1,819**	$ 1,825	**$ 1.03**	$ 0.86	**$ 1.47**	$ 1.11

Cost of mine operations in Fiscal 2022 was $133.6 million, up 24% compared to $107.9 million in Fiscal 2021. Items included in cost of mine operations are summarized as follows:

	Fiscal 2022	Fiscal 2021	Change
Production costs	**$ 88,537**	$ 69,544	27%
Depreciation and amortization	**25,082**	21,434	17%
Mineral resource taxes	**5,952**	5,004	19%
Government fees and other taxes	**2,643**	2,374	11%
General and administrative	**11,408**	9,587	19%
	$ 133,622	107,943	24%

Production costs expensed in Fiscal 2022 were $88.5 million, up 27% compared to $69.5 million in Fiscal 2021. The increase was mainly due to the increase in per tonne production costs and more ore processed. The production costs expensed represent approximately 1,043,450 tonnes of ore processed and expensed at $84.85 per tonne, compared to approximately 956,460 tonnes of ore processed and expensed at $72.71 per tonne in Fiscal 2021.

The increases in the mineral resource taxes and government fees and other taxes were mainly due to higher revenue achieved in Fiscal 2022. Government fees and other taxes are comprised of environmental protection fees, surtaxes on VAT, land usage levies, stamp duties and other miscellaneous levies, duties and taxes imposed by the state and local Chinese governments.

General and administrative expenses for the mine operations in Fiscal 2022 were $11.4 million, up 19% compared to $9.6 million in Fiscal 2021. The increase was mainly due to the increase in salaries and benefits as results of i) an increase in employees' pay rates; ii) additional staff in preparation for production expansion and new project; and iii) the contribution to the employees' social welfare funds in China returning to the normal rate from a reduced contribution rate granted by the Chinese government in Fiscal 2021 due to Covid-19. Items included in general and administrative expenses in Fiscal 2022 are summarized as follows:

	Fiscal 2022	Fiscal 2021	Change
Amortization and depreciation	**$ 1,354**	$ 1,255	8%
Office and administrative expenses	**3,149**	2,897	9%
Professional Fees	**428**	442	-3%
Salaries and benefits	**6,477**	4,993	30%
	$ 11,408	$ 9,587	19%

Income from mine operations in Fiscal 2022 was $84.3 million, compared to $84.2 million in Fiscal 2021. Income from mine operations at the Ying Mining District was $70.0 million, down 6% compared to $74.2 million in Fiscal 2021. Income from mine operations at the GC Mine was $14.8 million, up 52% compared to $9.8 million in Fiscal 2021.

Corporate general and administrative expenses in Fiscal 2022 were $14.2 million, up 15% compared to $12.4 million in Fiscal 2021. The increase was mainly due to the increase in non-cash share-based compensation expenses. Items included in corporate general and administrative expenses are summarized as follows:

	Fiscal 2022	Fiscal 2021	Change
Amortization and depreciation	**$ 593**	$ 533	11%
Office and administrative expenses	**1,598**	1,946	-18%
Professional Fees	**771**	783	-2%
Salaries and benefits	**5,392**	4,947	9%
Share-based compensation	**5,827**	4,156	40%
	$ 14,181	$ 12,365	15%

Property evaluation and business development expenses in Fiscal 2022 were $0.9 million, compared to a recovery of $3.2 million in Fiscal 2021. In Fiscal 2021, a break fee of $6.5 million, net of expenses of $2.5 million, was included as a recovery of property evaluation and business development expenses.

Foreign exchange gain in Fiscal 2022 was $0.3 million compared to a loss of $7.7 million in Fiscal 2021. The foreign exchange gain or loss is mainly driven by the exchange rate between the US dollar and the Canadian dollar.

Share of loss in associates in Fiscal 2022 was $2.2 million, compared to $1.8 million in Fiscal 2021. Share of loss in an associate represents the Company's equity pickup in NUAG and WHG.

Loss on equity investments in Fiscal 2022 was $3.5 million, compared to a gain of $7.7 million in Fiscal 2021. The gain or loss on equity investments includes changes from the investment in mark-to-market equity instruments.

Finance income in Fiscal 2022 was $5.2 million compared to $3.8 million in Fiscal 2021. The Company invests in short-term investments which include term deposits, money market instruments, and bonds.

Finance costs in Fiscal 2022 was $10.7 million compared to $2.0 million in Fiscal 2021. The finance costs included $10.6 million impairment charge against short-term investment in bonds, compared to $1.4 million in Fiscal 2021.

Income tax expenses in Fiscal 2022 were $13.8 million, up $0.8 million compared to $13.0 million in Fiscal 2021. The income tax expenses recorded in Fiscal 2022 included a current income tax expenses of $8.8 million (Fiscal 2021 - $10.9 million) and a deferred income tax expenses of $5.0 million (Fiscal 2021 - $2.1 million).

(c) Overview of Fourth Quarter Financial Results

Net income attributable to equity holders of the Company in Q4 Fiscal 2022 was $4.0 million or $0.02 per share, compared to $7.0 million or $0.04 per share in Q4 Fiscal 2021.

Compared to the prior year quarter, the Company's consolidated financial results in Q4 Fiscal 2022 were mainly impacted by i) an increase of 3%, 15%, and 24%, respectively, in the realized selling prices for gold, lead and zinc; ii) an 11% and 13% increase in silver and lead sold; offset by iii) a 4% decrease in the realized selling price for silver; iv) a 29% and 5% decrease in gold and zinc sold; v) an 8% increase in cash production costs per tonne; and vi) a foreign exchange loss of $3.2 million.

Revenue in Q4 Fiscal 2022 was $41.6 million, up 16% or $5.7 million, compared to $35.9 million in the same prior year period. The increase was mainly due to i) an increase of $3.5 million arising from more silver and lead sold; and ii) an increase of $2.4 million arising from the increase in the net realized selling price for lead and zinc. Silver, gold and base metals sales represented $22.7 million, $0.9 million, and $18.0 million, respectively, compared to silver, gold and base metals sales of $21.2 million, $1.0 million and $13.6 million, respectively, in the same prior year period.

The following table is a comparison among the Company's net realized selling prices, prices quoted on SME, and prices quoted on LME:

	Silver (in US$/ounce)		Gold (in US$/ounce)		Lead (in US$/pound)		Zinc (in US$/pound)	
	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021	Q4 2022	Q4 2021
Net realized selling prices	**$ 19.38**	$ 20.11	**$ 1,475**	$ 1,437	**$ 0.93**	$ 0.81	**$ 1.22**	$ 0.98
SME	**$ 23.97**	$ 25.68	**$ 1,885**	$ 1,800	**$ 1.09**	$ 1.05	**$ 1.80**	$ 1.47
LME	**$ 24.01**	$ 26.26	**$ 1,877**	$ 1,794	**$ 1.05**	$ 0.92	**$ 1.69**	$ 1.25

Cost of mine operations in Q4 Fiscal 2022 was $27.9 million, up 25% compared to $22.3 million in Q4 Fiscal 2021. Items included in cost of mine operations are summarized as follows:

	Q4 Fiscal 2022	Q4 Fiscal 2021	Change
Production costs	**$ 18,226**	$ 14,084	29%
Depreciation and amortization	**5,168**	4,507	15%
Mineral resource taxes	**1,012**	898	13%
Government fees and other taxes	**446**	409	9%
General and administrative	**3,029**	2,431	25%
	$ 27,881	22,329	25%

Production costs expensed in Q4 Fiscal 2022 were $18.2 million, up 29% compared to $14.1 million during the same prior year period. The increase was mainly due to the increase in per tonne production cost and more silver and lead sold. The production costs expensed represent approximately 196,440 tonnes of ore processed and expensed at $92.78 per tonne, compared to approximately 164,340 tonnes of ore processed and expensed at $85.70 per tonne In Q4 Fiscal 2021.

Items included in general and administrative expenses for the mine operations In Q4 Fiscal 2022 are summarized as follows:

	Q4 Fiscal 2022	Q4 Fiscal 2021	Change
Amortization and depreciation	**$ 340**	$ 333	2%
Office and administrative expenses	**729**	670	9%
Professional Fees	**102**	97	5%
Salaries and benefits	**1,858**	1,331	40%
	$ 3,029	$ 2,431	25%

SILVERCORP METALS INC.
Management's Discussion and Analysis
For the Year Ended March 31, 2022
(Tabular amounts are in thousands of U.S. dollars, except share, per share, unit cost, and production data, or unless otherwise stated)

Income from mine operations in Q4 Fiscal 2022 was $13.7 million, up 2% compared to $13.4 million in Q4 Fiscal 2021. Income from mine operations at the Ying Mining District was $11.9 million, compared to $11.9 million in Q4 Fiscal 2021, while GC Mine was $2.0 million, up 16% compared to $1.7 million in Q4 Fiscal 2021.

Corporate general and administrative expenses in Q4 Fiscal 2022 were $3.3 million, down 3% compared to $3.4 million In Q4 Fiscal 2021. Items included in corporate general and administrative expenses are summarized as follows:

	Q4 Fiscal 2022	Q4 Fiscal 2021	Change
Amortization and depreciation	**$ 158**	$ 142	11%
Office and administrative expenses	**370**	387	-4%
Professional Fees	**248**	222	12%
Salaries and benefits	**1,556**	1,373	13%
Share-based compensation	**952**	1,245	-24%
	$ 3,284	$ 3,369	-3%

Property evaluation and business development expenses in Q4 Fiscal 2022 were $0.1 million, compared to $0.2 million in Q4 Fiscal 2021.

Foreign exchange gain in Q4 Fiscal 2022 was $3.2 million compared to $0.8 million in Q4 Fiscal 2021.

Share of loss in associates in Q4 Fiscal 2022 was $0.9 million, compared to $0.8 million in Q4 Fiscal 2021.

Loss on equity investments in Q4 Fiscal 2022 was $0.5 million, compared to $1.1 million in Q4 Fiscal 2021., mainly arising from changes due to the mark-to-market adjustments.

Finance income in Q4 Fiscal 2022 was $1.0 million compared to $1.0 million in Q4 Fiscal 2021.

Finance costs in Q4 Fiscal 2022 was $0.1 million compared to $0.4 million in Q4 Fiscal 2021.

Income tax expenses in Q4 Fiscal 2022 were $0.5 million, compared to a recovery of $4.3 million in the Q4 Fiscal 2021. The income tax expenses recorded in Q4 Fiscal 2022 included a current income tax expenses of $0.4 million (Q4 Fiscal 2021 – a recovery of $3.3 million) and a deferred income tax expense of $0.1 million (Q4 Fiscal 2021 – $1.0 million). In Q4 Fiscal 2022, Guangdong Found was recognized as a High and New Technology Enterprise ("HNTE") and its effective income tax rate was reduced to 15% from 25%, while Henan Found was recognized as a HNTE in Q4 Fiscal 2021.

8. Liquidity and Capital Resources

As at	March 31, 2022	March 31, 2021	Changes
Cash and cash equivalents	**$ 113,302**	$ 118,735	$ (5,433)
Short-term investments	**99,623**	80,357	19,266
	$ 212,925	$ 199,092	$ 13,833
Working capital	**$ 186,270**	$ 184,014	$ 2,256

Cash, cash equivalents and short-term investments as at March 31, 2022 were $212.9 million, up 7% or $13.8 million, compared to $199.1 million as at March 31, 2021.

Working capital as at March 31, 2022 was $186.3 million, up 1% or $2.3 million, compared to $184.0 million as at March 31, 2021.

SILVERCORP METALS INC.
Management's Discussion and Analysis
For the Year Ended March 31, 2022
(Tabular amounts are in thousands of U.S. dollars, except share, per share, unit cost, and production data, or unless otherwise stated)

	Three months ended March 31,			Year ended March 31,		
	2022	2021	Changes	2022	2021	Changes
Cash flow						
Cash provided by operating activities	**$ 11,406**	$ 2,231	$ 9,175	**$ 107,378**	$ 85,912	$ 21,466
Cash provided by (used in) investing activities	**(50,997)**	10,429	(61,426)	**(106,626)**	(40,974)	(65,652)
Cash provided by financing activities	**645**	838	(193)	**(7,426)**	(1,453)	(5,973)

Increase (decrease) in cash and cash equivalents	**(38,946)**	13,498	(52,444)	**(6,674)**	43,485	(50,159)
Effect of exchange rate changes on cash and cash equivalents	**221**	467	(246)	**1,241**	9,473	(8,232)
Cash and cash equivalents, beginning of the period	**152,027**	104,770	47,257	**118,735**	65,777	52,958
Cash and cash equivalents, end of the period	**$ 113,302**	$ 118,735	$ (5,433)	**$ 113,302**	$ 118,735	$ (5,433)

Cash flow provided by operating activities in Fiscal 2022 was $107.4 million, up 25% or $21.5 million, compared to $85.9 million in Fiscal 2021. The increase was due to:

- $100.9 million cash flow from operating activities before changes in non-cash operating working capital, up 22% or $18.1 million, compared to $82.8 million in Fiscal 2021; offset by
- $6.4 million cash inflow from a reduction in non-cash working capital, compared to $3.1 million in Fiscal 2021.

In Q4 Fiscal 2022, cash flow provided by operating activities was $11.4 million, compared to $2.2 million in Q4 Fiscal 2021. Before changes in non-cash operating working capital, cash flow provided by operating activities in Q4 Fiscal 2022 was $14.0 million, compared to $11.9 million in Q4 Fiscal 2021.

Cash flow used in investing activities in Fiscal 2022 was $106.6 million, compared to $41.0 million cash used in Fiscal 2021, and comprised mostly of:

- $43.3 million spent on mineral exploration and development expenditures (Fiscal 2021 - $35.7 million);
- $13.1 million paid for the acquisition of the Kuanping Project (Fiscal 2021 - $7.6 million paid for the acquisition of La Yesca Project)
- $10.7 million spent to acquire plant and equipment (Fiscal 2021 - $9.0 million);
- $8.2 million spent on the acquisition of other investments (Fiscal 2021 - $12.7 million);
- $5.3 million spent on investment in associates (Fiscal 2021 - $7.1million), including $5.0 million investment in WHG (Fiscal 2021 - $1.3 million) and $0.3 million in NUAG (Fiscal 2021 - $5.8million); and
- $27.2 million spent on net purchase of short-term investments (Fiscal 2021 - $9.8 million proceeds from net redemption).

In Q4 Fiscal 2022, cash flow used in investing activities was $51.0 million (Q4 Fiscal 2021 – $10.4 million provided by investing activities) and comprised mostly of:

- $7.8 million spent on mineral exploration and development expenditures (Q4 Fiscal 2021 - $6.5 million);
- $nil paid for the acquisition of mineral project (Q4 Fiscal 2021 - $1.0 million for the acquisition of La Yesca Project);
- $3.6 million spent to acquire plant and equipment (Q4 Fiscal 2021 - $2.9 million);
- $0.8 million spent on the acquisition of other investments (Q4 Fiscal 2021 - $nil); and
- $39.2 million spent on net purchase of short-term investments (Q4 Fiscal 2021 - $19.1 million proceeds from the net redemptions); offset by
- $0.4 million proceeds from disposal of other investments (Q4 Fiscal 2021 - $1.4 million).

Cash flow used in financing activities in Fiscal 2022 was $7.4 million, compared to $1.5 million in Fiscal 2021, and comprised mostly of:

- $5.1 million in distributions to non-controlling shareholders (Fiscal 2021 - $3.2 million);
- $4.4 million cash dividends paid to the equity shareholders of the Company (Fiscal 2021 - $4.4 million);
- $0.6 million lease payment (Fiscal 2021 - $0.6 million); offset by
- $0.8 million received from a related party for a loan repayment (Fiscal 2021 - $1.4 million);
- $1.9 million cash received arising from exercise of stock options (Fiscal 2021 - $3.5 million).

In Q4 Fiscal 2022, cash flow provided by financing activities was $0.6 million (Q4 Fiscal 2021 - $0.8 million) and comprised mostly of:

- $0.8 million received from a related party for a loan repayment while a loan of $2.2 million made to the related party in Q4 Fiscal 2021;
- $nil contribution received from non-controlling interests' shareholders (Q4 Fiscal 2021 - $2.5 million);
- $nil received arising from exercise of stock options (Q4 Fiscal 2021 - $0.7 million); and offset by
- $0.2 million lease payment (Q4 Fiscal 2021 - $0.1 million).

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 shares. 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.

9. 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 as at March 31, 2022 and March 31, 2021. As required by IFRS 13, the 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, 2022			
Recurring measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Cash and cash equivalents	**$ 113,302**	**$ -**	**$ -**	**$ 113,302**
Short-term investments - money market instruments	**90,455**	**-**	**-**	**90,455**
Investments in public companies	**13,916**	**-**	**-**	**13,916**
Investments in private companies	**-**	**-**	**3,852**	**3,852**

	Fair value as at March 31, 2021			
Recurring measurements	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	$ 118,735	$ -	$ -	$ 118,735
Short-term investments - money market instruments	64,545	-	-	64,545
Investments in public companies	13,444	-	-	13,444
Investments in private companies	-	-	2,289	2,289

Financial assets classified within Level 3 are equity investments in private companies owned by the Company. Significant unobservable inputs are used to determine the fair value of the financial assets, which includes recent arm's length transactions of the investee, the investee's financial performance as well as any changes in planned milestones of the investees.

Fair value of the other financial instruments excluded from the table above approximates their carrying amount as at March 31, 2022 and March 31, 2021, 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, 2022 and 2021.

(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, 2022			March 31, 2021
	Within a year	**2-5 years**	**Total**	Total
Accounts payable and accrued liabilities	**$ 39,667**	**$ -**	**$ 39,667**	$ 30,298
Lease obligation	**677**	**666**	**1,343**	1,741
	$ 40,344	**$ 666**	**$ 41,010**	$ 32,039

(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 functional currency of New Infini and its subsidiaries is USD. 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 follows:

	USD	USD
	March 31, 2022	March 31, 2021
Financial assets denominated in U.S. Dollars	**$ 59,272**	$ 58,610
Financial liabilities denominated in U.S. Dollars	**$ -**	$ 52

As at March 31, 2022, with other variables unchanged, a 10% strengthening (weakening) of the CAD against the USD would have decreased (increased) net income by approximately $6.0 million.

(d) *Interest rate risk*

The Company is exposed to interest rate risk on its cash equivalents and short term investments. As at March 31, 2022, 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 rates 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 these financial instruments, fluctuations in interest rates would not have a significant impact on the Company's net income.

(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 in the consolidated statement of financial position 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. There were no material amounts in trade or other receivables which were past due on March 31, 2022 (at March 31, 2021 - $nil).

(f) *Equity price risk*

The Company holds certain marketable securities that will fluctuate in value as a result of trading on 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, 2022, 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 the net income and other comprehensive income of $1.2 million and $0.2 million, respectively.

10. Off-Balance Sheet Arrangements

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

11. Transactions with Related Parties

Related party transactions are made on terms agreed upon with the related parties. The balances with related parties are unsecured and due on demand. Related party transactions not disclosed elsewhere in this MD&A are as follows:

(a) *Due from related parties*

	March 31, 2022	March 31, 2021
NUAG (i)	**$ 43**	$ 59
WHG (ii)	**23**	19
Henan Non-ferrous (iii)	**-**	769
	$ 66	$ 847

(i) The Company recovers costs for services rendered to NUAG and expenses incurred on behalf of NUAG pursuant to a services and administrative costs reallocation agreement. During the year ended March 31, 2022, the Company recovered $0.7 million (year ended March 31, 2021 - $0.6 million), 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) The Company recovers costs for services rendered to WHG and expenses incurred on behalf of WHG pursuant to a services and administrative costs reallocation agreement. During the year ended March 31, 2022, the Company recovered $0.2 million (year ended March 31, 2021 - $0.1 million) from WHG for services rendered and expenses incurred on behalf of WHG. The costs recovered from WHG were recorded as a direct reduction of general and administrative expenses on the consolidated statements of income.

(iii) In January 2021, Henan Found advanced a loan of $0.8 million (RMB¥5 million) to Henan Non-ferrous. The loan bears an interest rate of 4.35% per annum. In January 2022, the loan, including accumulated interest, of $0.8 million (RMB¥5.2 million) was repaid in full.

The balances with related parties are unsecured.

(b) *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, 2022 and 2021 were as follows:

	Years Ended March 31,	
	2022	2021
Cash compensation	**3,246**	3,252
Share-based compensation	**3,179**	2,814
	$ 6,425	$ 6,066

12. 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 are alternative performance (non-IFRS) measures that do not have standardized meaning prescribed by IFRS and therefore unlikely to be comparable to similar measures presented by other companies. 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 tables in this section provide the reconciliation of these measures to the financial statements for the three months and the year ended March 31, 2022 and 2021:

(a) Adjusted Earnings and Adjusted Earnings per Share

Adjusted earnings and adjusted earnings per share are non-IFRS measures and supplement information to the Company's consolidated financial statements. The Company believes that, in addition to the conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information to evaluate the Company's underlying core operating performance. The presentation of adjusted earnings and adjusted earnings per share is not meant to be a substitute of net income and net income per share presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measure.

The Company defines the adjusted earnings as net income adjusted to exclude certain non-cash and unusual items, and items that in the Company's judgment are subject to volatility as a result of factors which are unrelated to the Company's operation in the period, and/or relate to items that will settle in future period, including impairment adjustments and reversal, foreign exchange gain or loss, dilution gain or loss, share-based compensation, share of gain or loss of associates, gain or loss on investments, and other non-recurring items. 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 following table provides a detailed reconciliation of net income as reported in the Company's consolidated financial statements to adjusted earnings and adjusted earning per share.

	Three months ended March 31,		Year ended March 31,	
	2022	2021	**2022**	**2021**
Net income as reported for the period	**$ 6,362**	$ 10,171	**$ 43,284**	$ 60,509
Adjustments, net of tax				
Share-based compensation included in general and administrative	**952**	1,245	**$ 5,827**	$ 4,156
One time break fee recovery included in property evaluation and business development	-	-	-	(3,970)
Foreign exchange loss (gain)	**3,159**	773	**(267)**	7,746
Share of loss in associates	**920**	816	**2,188**	1,846
Loss (gain) on equity investments	**499**	1,105	**3,485**	(7,732)
Impairment loss on bonds investments included in finance costs	**-**	-	**10,560**	1,376
Adjusted earnings for the period	**$ 11,892**	$ 14,110	**$ 65,077**	$ 63,931
Non-controlling interest as reported	**2,396**	3,150	**12,650**	14,133
Adjusted earnings attributable to equity holders	**$ 9,496**	$ 10,960	**$ 52,427**	$ 49,798
Adjusted earnings per share attributable to the equity shareholders of the Company				
Basic adjusted earning per share	**$ 0.05**	$ 0.06	**$ 0.30**	$ 0.28
Diluted adjusted earning per share	**$ 0.05**	$ 0.06	**$ 0.29**	$ 0.28
Basic weighted average shares outstanding	**177,105,799**	175,530,456	**176,534,501**	174,868,256
Diluted weighted average shares outstanding	**178,741,964**	177,398,782	**178,323,968**	177,074,004

(b) Working Capital

Working capital is an alternative performance (non-IFRS) measure calculated as current assets less current liabilities. Working capital dose not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. The Company and certain investors use this information to evaluate whether the Company is able to meet its current obligations using its current assets.

(c) Costs per Ounce of Silver

Cash cost and all-in sustaining cost ("AISC") per ounce of silver, net of by-product credits, are non-IFRS measures. The Company produces by-product metals incidentally to our silver mining activities. We have adopted the practice of calculating a performance measure with the net cost of producing an ounce of silver, our primary payable metal, after deducting revenues gained from incidental by-product production. This performance measure has been commonly used in the mining industry for many years and was developed as a relatively simple way of comparing the net production costs of the primary metal for a specific period against the prevailing market price of such metal.

Cash cost is calculated by deducting revenue from the sales of all metals other than silver and is calculated per ounce of silver sold.

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 has been calculated based on World Gold Council ("WGC")

guidance released in 2013 and updated in 2018. The WGC is not a regulatory organization and does not have the authority to develop accounting standards for disclosure requirements.

AISC is based on the Company's cash costs, net of by-product sales, and further includes corporate general and administrative expense, government fees and other taxes, reclamation cost accretion, lease liability payments, and sustaining capital expenditures. Sustaining capital expenditures are those costs incurred to sustain and maintain existing assets at current productive capacity and constant planned levels of production output. Excluded are non-sustaining capital expenditures, which result in a material increase in the life of assets, materially increase resources or reserves, productive capacity, or future earning potential, or significant improvement in recovery or grade, or which do not relate to the current production activities. The Company believes that this measure represents the total sustainable costs of producing silver from current

operations and provides additional information about the Company's operational performance and ability to generate cash flows.

The following table provides a reconciliation of cash cost and AISC per ounce of silver, net of by-product credits:

(Expressed in thousands of U.S. dollars, except ounce and per ounce amount)		Year ended March 31, 2022					Year ended March 31, 2021				
		Ying Mining District	GC	Other	Corporate	Consolidated	Ying Mining District	GC	Other	Corporate	Consolidated
Production costs expensed as reported	**A**	**$ 70,309**	**$ 18,228**	**$ -**	**$ -**	**$ 88,537**	$ 53,023	16,072	$ 449	$ -	$ 69,544
By-product sales											
Gold		**(5,083)**	**-**	**-**	**-**	**(5,083)**	(5,169)	-	(1,553)	-	(6,722)
Lead		**(48,504)**	**(8,586)**	**-**	**-**	**(57,090)**	(42,836)	(7,628)	-	-	(50,464)
Zinc		**(7,489)**	**(21,353)**	**-**	**-**	**(28,842)**	(5,898)	(15,895)	-	-	(21,793)
Other		**(3,840)**	**(1,795)**	**-**	**-**	**(5,635)**	(1,294)	(641)	-	-	(1,935)
Total by-product sales	**B**	**(64,916)**	**(31,734)**	**-**	**-**	**(96,650)**	(55,197)	(24,164)	(1,553)	-	(80,914)
Total cash cost, net of by-product credits	**C=A+B**	**5,393**	**(13,506)**	**-**	**-**	**(8,113)**	(2,174)	(8,092)	(1,104)	-	(11,370)
Add: Mineral resources tax		**4,865**	**1,087**	**-**	**-**	**5,952**	4,072	932	-	-	5,004
General and administrative		**8,228**	**2,651**	**529**	**14,181**	**25,589**	6,191	2,812	584	12,365	21,952
Amortization included in general and administrative		**(562)**	**(398)**	**(395)**	**(593)**	**(1,948)**	(507)	(373)	(376)	(533)	(1,789)
Property evaluation and business development*		**-**	**-**	**122**	**799**	**921**	-	-	42	691	733
Government fees and other taxes		**1,960**	**669**	**14**	**-**	**2,643**	1,781	588	5	-	2,374
Reclamation accretion		**209**	**25**	**35**	**-**	**269**	196	26	30	-	252
Lease payment		**-**	**-**	**-**	**637**	**637**	-	-	-	563	563
Sustaining capital expenditures		**24,472**	**4,259**	**106**	**128**	**28,965**	24,603	4,110	389	501	29,603
All-in sustaining cost, net of by-product credits	**F**	**44,565**	**(5,213)**	**411**	**15,152**	**54,915**	34,162	3	(430)	13,587	47,322
Add: Non-sustaining capital expenditures		**21,470**	**959**	**2,676**	**-**	**25,105**	11,698	852	2,480	-	15,030
All-in cost, net of by-product credits	**G**	**66,035**	**(4,254)**	**3,087**	**15,152**	**80,020**	45,860	855	2,050	13,587	62,352
Silver ounces sold ('000s)	**H**	**5,619**	**646**	**-**	**-**	**6,265**	5,610	705	-	-	6,315
Cash cost per ounce of silver, net of by-product credits	**(A+B)/H**	**$ 0.96**	**$ (20.91)**	**$ -**	**$ -**	**$ (1.29)**	$ (0.39)	$ (11.48)	$ -	$ -	$ (1.80)
All-in sustaining cost per ounce of silver, net of by-product credits	**F/H**	**$ 7.93**	**$ (8.07)**	**$ -**	**$ -**	**$ 8.77**	$ 6.09	$ -	$ -	$ -	$ 7.49
All-in cost per ounce of silver, net of by-product credits	**G/H**	**$ 11.75**	**$ (6.59)**	**$ -**	**$ -**	**$ 12.77**	$ 8.17	$ 1.21	$ -	$ -	$ 9.87
By-product credits per ounce of silver											
Gold		**(0.90)**	**-**	**-**	**-**	**(0.81)**	(0.92)	-	-	-	(1.06)
Lead		**(8.63)**	**(13.29)**	**-**	**-**	**(9.11)**	(7.64)	(10.82)	-	-	(7.99)
Zinc		**(1.33)**	**(33.05)**	**-**	**-**	**(4.60)**	(1.05)	(22.55)	-	-	(3.45)

Other	**(0.68)**	**(2.78)**	**-**	**-**	**(0.90)**	(0.23)	(0.91)	-	-	(0.31)
Total by-product credits per ounce of silver	**$ (11.54)**	**$ (49.12)**	**$ -**	**$ -**	**$ (15.42)**	$ (9.84)	$ (34.28)	$ -	$ -	$ (12.81)

* Recovery of $3,970, arising the break fee of $6,497 (CAD$9,000) receipt from Guyana Goldfields net of expenses of $2,527, was excluded for the year ended March 31, 2021

		Three months ended March 31, 2022					Three months ended March 31, 2021				
(Expressed in thousands of U.S. dollars, except ounce and per ounce amount)		**Ying Mining District**	**GC**	**Other**	**Corporate**	**Consolidated**	Ying Mining District	GC	Other	Corporate	Consolidated
Production costs expensed as reported	**A**	**$ 14,354**	**$ 3,872**	**$ -**	**$ -**	**$ 18,226**	$11,107	2,977	$ -	$ -	$ 14,084
By-product sales											
Gold		**(885)**	**-**	**-**	**-**	**(885)**	(1,006)	-	-	-	(1,006)
Lead		**(9,618)**	**(1,848)**	**-**	**-**	**(11,466)**	(7,450)	(1,399)	-	-	(8,849)
Zinc		**(1,908)**	**(3,387)**	**-**	**-**	**(5,295)**	(1,342)	(3,138)	-	-	(4,480)
Other		**(664)**	**(545)**	**-**	**-**	**(1,209)**	(182)	24	-	-	(158)
Total by-product sales	**B**	**(13,075)**	**(5,780)**	**-**	**-**	**(18,855)**	(9,980)	(4,513)	-	-	(14,493)
Total cash cost, net of by-product credits	**C=A-B**	**1,279**	**(1,908)**	**-**	**-**	**(629)**	1,127	(1,536)	-	-	(409)
Add: Mineral resources tax		**820**	**192**	**-**	**-**	**1,012**	726	172	-	-	898
General and administrative		**2,243**	**657**	**129**	**3,284**	**6,313**	1,600	698	133	3,369	5,800
Amortization included in general and administrative		**(142)**	**(101)**	**(97)**	**(158)**	**(498)**	(136)	(98)	(100)	(142)	(476)
Property evaluation and business development*		**-**	**-**	**12**	**71**	**83**	-	-	42	171	213
Government fees and other taxes		**345**	**96**	**5**	**-**	**446**	320	89	-	-	409
Reclamation accretion		**52**	**6**	**9**	**-**	**67**	51	7	8	-	66
Lease payment		**-**	**-**	**-**	**167**	**167**	-	-	-	149	149
Sustaining capital expenditures		**6,790**	**1,013**	**5**	**5**	**7,813**	5,674	730	193	8	6,605
All-in sustaining cost, net of by-product credits	**F**	**11,387**	**(45)**	**63**	**3,369**	**14,774**	9,362	62	276	3,555	13,255
Add: Non-sustaining capital expenditures		**3,253**	**146**	**187**	**-**	**3,586**	1,534	140	1,164	-	2,838
All-in cost, net of by-product credits	**G**	**14,640**	**101**	**250**	**3,369**	**18,360**	10,896	202	1,440	3,555	16,093
Silver ounces sold ('000s)	**H**	**1,058**	**115**	**-**	**-**	**1,173**	936	120	-	-	1,056
Cash cost per ounce of silver, net of by-product credits	**(A+B)/H**	**$ 1.21**	**$(16.59)**	**$ -**	**$ -**	**$ (0.54)**	$ 1.20	(12.80)	$ -	$ -	$ (0.39)

All-in sustaining cost per ounce of silver, net of by-product credits	**F/H**	**$ 10.76**	**$ (0.39)**	**$ -**	**$ -**	**$ 12.60**	$ 10.00	0.52	$ -	$ -	$ 12.55
All-in cost per ounce of silver, net of by-product credits	**G/H**	**$ 13.84**	**$ 0.88**	**$ -**	**$ -**	**$ 15.65**	$ 11.64	1.68	$ -	$ -	$ 15.24
By-product credits per ounce of silver											
Gold		**(0.84)**	**-**	**-**	**-**	**(0.75)**	(1.07)	-	-	-	(0.95)
Lead		**(9.09)**	**(16.07)**	**-**	**-**	**(9.77)**	(7.96)	(11.66)	-	-	(8.38)
Zinc		**(1.80)**	**(29.45)**	**-**	**-**	**(4.51)**	(1.43)	(26.15)	-	-	(4.24)
Other		**(0.63)**	**(4.74)**	**-**	**-**	**(1.03)**	(0.19)	0.20	-	-	(0.15)
Total by-product credits per ounce of silver		**$ (12.36)**	**$ (50.26)**	**$ -**	**$ -**	**$ (16.06)**	$ (10.65)	$ (37.61)	$ -	$ -	$ (13.72)

(d) Costs per Tonne of Ore Processed

The Company uses cost per tonne of ore processed to manage and evaluate operating performance at each of its mines. Cost per tonne of ore processed is calculated based on total production costs on a sales basis, adjusted for changes in inventory, to arrive at total production costs that relate to ore production during the period. These total production costs are then further divided into mining cost, shipping cost, and milling cost. Cost per tonne of ore processed is the total of per tonne mining cost, per tonne shipping cost, and per tonne milling cost.

All-in sustaining production cost per tonne is an extension of the cash production cost per tonne and provides a comprehensive measure of the Company's operating performance and ability to generate cash flows. All-in sustaining production cost per tonne is based on the Company's cash production cost, and further includes corporate general and administrative expenses, government fees and other taxes, reclamation cost accretion, lease liability payments, and sustaining capital expenditures. The Company believes that this measure represents the total sustainable costs of processing ore from current operations and provides additional information about the Company's operational performance and ability to generate cash flows.

The following table provides a reconciliation of production cost and all-in sustaining production cost per tonne of ore processed:

	Year ended March 31, 2022					Year ended March 31, 2021				
(Expressed in thousands of U.S. dollars, except ounce and per ounce amount)	**Ying Mining District**	**GC**	**Other**	**Corporate**	**Consolidated**	Ying Mining District	GC	Other	Corporate	Consolidated
Production costs expensed as reported	**$ 70,309**	**$ 18,228**	**$ -**	**$ -**	**$ 88,537**	$ 53,023	$ 16,072	$ 449	$ -	$ 69,544
Depreciation and amortization	**21,392**	**3,690**	**-**	**-**	**25,082**	17,844	3,272	318	-	21,434
Adjustment for aggregate plant operations*	**(2,129)**				**(2,129)**	-	-	-	-	-
Changes in stockpile and concentrate inventory										
Less: stockpile and concentrate inventory - Beginning	**(5,996)**	**(442)**	**(34)**	**-**	**(6,472)**	(4,474)	(241)	(790)	-	(5,505)
Add: stockpile and concentrate inventory - Ending	**4,684**	**137**	**35**	**-**	**4,856**	5,996	442	34	-	6,472

Adjustment for foreign exchange movement		**(120)**	**(9)**	**(1)**	**-**	**(130)**	(492)	(27)	(11)	-	(530)
		(1,432)	**(314)**	**-**	**-**	**(1,746)**	1,030	174	(767)	-	437
Total production cost		**$ 88,140**	**$ 21,604**	**$ -**	**$ -**	**$ 109,744**	$ 71,897	$ 19,518	$ -		$ 91,415
Depreciation and amortization charged to mining costs	**A**	**20,015**	**3,135**	**-**	**-**	**23,150**	16,711	2,872	-	-	19,583
Depreciation and amortization charged to milling costs	**B**	**1,466**	**502**	**-**	**-**	**1,968**	1,189	432	-	-	1,621
Total non-cash production cost		**$ 21,481**	**$ 3,637**	**$ -**	**$ -**	**$ 25,118**	$ 17,900	$ 3,304	$ -	$ -	21,204
Cash mining cost	**C**	**55,859**	**12,780**	**-**	**-**	**68,639**	45,216	12,141	-	-	57,357
Shipping cost	**D**	**2,523**	**-**	**-**	**-**	**2,523**	2,471	-	-	-	2,471
Cash milling cost	**E**	**8,277**	**5,187**	**-**	**-**	**13,464**	6,310	4,073	-	-	10,383
Total cash production cost		**$ 66,659**	**$ 17,967**	**$ -**	**$ -**	**$ 84,626**	$ 53,997	$ 16,214	$ -	$ -	$ 70,211
General and administrative		**8,228**	**2,651**	**529**	**14,181**	**25,589**	6,191	2,812	584	12,365	21,952
Property evaluation and business development**		**-**	**-**	**122**	**799**	**921**	-	-	42	691	733
Amortization included in general and administrative		**(562)**	**(398)**	**(395)**	**(593)**	**(1,948)**	(507)	(373)	(376)	(533)	(1,789)
Government fees and other taxes		**1,960**	**669**	**14**	**-**	**2,643**	1,781	588	5	-	2,374
Reclamation accretion		**209**	**25**	**35**	**-**	**269**	196	26	30	-	252
Lease payment		**-**	**-**	**-**	**637**	**637**	-	-	-	563	563
Adjustment for aggregate plant operations*		**(257)**	**-**	**-**	**-**	**(257)**	-	-	-	-	-
Sustaining capital expenditures		**24,472**	**4,259**	**106**	**128**	**28,965**	24,603	4,110	389	501	29,603
All-in sustaining production cost	**F**	**$100,709**	**$ 25,173**	**$ 411**	**$ 15,152**	**$ 141,445**	$ 86,261	$ 23,377	$ 674	$ 13,587	$ 123,899
Non-sustaining capital expenditures		**21,470**	**959**	**2,676**	**-**	**25,105**	11,698	852	2,480	-	$ 15,030
All in production cost	**G**	**$122,179**	**$ 26,132**	**$3,087**	**$ 15,152**	**$ 166,550**	$ 97,959	$ 24,229	$3,154	$ 13,587	$ 138,929
Ore mined ('000s)	**H**	**681.398**	**314.882**	**-**	**-**	**996.280**	650.025	314.900	-		964.925
Ore shipped ('000s)	**I**	**684.959**	**314.882**	**-**	**-**	**999.841**	657.337	314.900	-		972.237
Ore milled ('000s)	**J**	**684.293**	**318.042**	**-**	**-**	**1,002.335**	651.402	316.179	-		967.581
Per tonne Production cost											
Non-cash mining cost ($/tonne)	**K=A/H**	**29.37**	**9.96**	**-**	**-**	**23.24**	25.71	9.12	-	-	20.29
Non-cash milling cost ($/tonne)	**L=B/J**	**2.14**	**1.58**	**-**	**-**	**1.96**	1.83	1.37	-	-	1.68
Non-cash production cost ($/tonne)	**M=K+L**	**$ 31.51**	**$ 11.54**	**$ -**	**$ -**	**$ 25.20**	$ 27.54	$ 10.49	$ -	$ -	$ 21.97
Cash mining cost ($/tonne)	**N=C/H**	**81.98**	**40.59**	**-**	**-**	**68.90**	69.56	38.56	-	-	59.44

Shipping costs ($/tonne)	**O=D/I**	**3.68**	**-**	**-**	**-**	**2.52**	3.76	-	-	-	2.54
Cash milling costs ($/tonne)	**P=E/J**	**12.10**	**16.31**	**-**	**-**	**13.43**	9.69	12.88	-	-	10.73
Cash production costs ($/tonne)	**Q=N+O+P**	**$ 97.76**	**$ 56.90**	**$ -**	**$ -**	**$ 84.85**	$ 83.01	$ 51.44	$ -	$ -	$ 72.71
All-in sustaining production costs ($/tonne)	**P=(F-C-D-E)/J+Q**	**$ 147.52**	**$ 79.56**	**$ -**	**$ -**	**$ 141.54**	$ 132.54	$ 74.09	$ -	$ -	$ 128.20
All in costs ($/tonne)	**S=P+(G-F)/J**	**$ 178.89**	**$ 82.57**	**$ -**	**$ -**	**$ 166.58**	$ 150.50	$ 76.79	$ -	$ -	$ 143.73

*Adjustments to exclude the opera ting costs of the aggregate pl ant.
**Recovery of $3,970, arising the break fee of $6,497 (CAD$9,000) receipt from Guyana Gol dfields net of expenses of $2,527, was excluded for the year ended March 31, 2021.

		Three months ended March 31, 2022					Three months ended March 31, 2021				
(Expressed in thousands of U.S. dollars, except ounce and per ounce amount)		**Ying Mining District**	**GC**	**Other**	**Corporate**	**Consolidated**	Ying Mining District	GC	Other	Corporate	Consolidated
Production costs expensed as reported		**$ 14,354**	**$ 3,872**	**$ -**	**$ -**	**$ 18,226**	$ 11,107	$ 2,977	$ -	$ -	$ 14,084
Depreciation and amortization as reported		**4,411**	**757**	**-**	**-**	**5,168**	3,802	705	-	-	4,507
Adjustment for aggregate plant operations*		**(471)**	**-**	**-**	**-**	**(471)**					
Change in stockpile and concentrate inventory											
Less: stockpile and concentrate inventory - Beginning		**(5,062)**	**(725)**	**(35)**	**-**	**(5,822)**	(6,156)	(499)	(34)	-	(6,689)
Add: stockpile and concentrate inventory - Ending		**4,684**	**137**	**35**	**-**	**4,856**	5,996	442	34	-	6,472
Adjustment for foreign exchange movement		**(24)**	**(3)**	**-**	**-**	**(27)**	232	6	**-**	**-**	238
		(402)	**(591)**	**-**	**-**	**(993)**	72	(51)	**-**	**-**	21
Total production cost		**$ 17,892**	**$ 4,038**	**$ -**	**$ -**	**$ 21,930**	$ 14,981	$ 3,631	$ -		$ 18,612
Depreciation and amortization charged to mining costs	**A**	**4,128**	**525**	**-**	**-**	**4,653**	3,382	580	-	-	3,962
Depreciation and amortization charged to milling costs	**B**	**367**	**131**	**-**	**-**	**498**	322	119	-	-	441
Total non-cash production cost		**$ 4,495**	**$ 656**	**$ -**	**$ -**	**$ 5,151**	$ 3,704	$ 699	$ -		$ 4,403
Cash mining cost	**C**	**10,996**	**2,274**	**-**	**-**	**13,270**	9,382	2,124	-	-	11,506
Shipping cost	**D**	**504**	**-**	**-**	**-**	**504**	416	-	-	-	416
Cash milling cost	**E**	**1,897**	**1,108**	**-**	**-**	**3,005**	1,479	808	-	-	2,287
Total cash production cost		**$ 13,397**	**$ 3,382**	**$ -**	**$ -**	**$ 16,779**	$ 11,277	$ 2,932	$ -	$ -	$ 14,209

General and administrative		**2,243**	**657**	**129**	**3,284**	**6,313**	1,600	698	133	3,369	5,800
Property evaluation and business development		**-**	**-**	**12**	**71**	**83**	-	-	42	171	213
Amortization included in general and administrative		**(142)**	**(101)**	**(97)**	**(158)**	**(498)**	(136)	(98)	(100)	(142)	(476)
Government fees and other taxes		**345**	**96**	**5**	**-**	**446**	320	89	-	-	409
Reclamation accretion		**52**	**6**	**9**	**-**	**67**	51	7	8	-	66
Lease payment		**-**	**-**	**-**	**167**	**167**	-	-	-	149	149
Adjustment for aggregate plant operations*		**(48)**									
Sustaining capital expenditures		**6,790**	**1,013**	**5**	**5**	**7,813**	5,674	730	193	8	6,605
All-in sustaining production cost	**F**	**$ 22,637**	**$ 5,053**	**$ 63**	**$ 3,369**	**$ 31,170**	$ 18,786	$ 4,358	$ 276	$ 3,555	$ 26,975
Non-sustaining capital expenditures		**3,253**	**146**	**187**	**-**	**3,586**	1,534	140	1,164	-	2,838
All in production cost	**G**	**$ 25,890**	**$ 5,199**	**$ 250**	**$ 3,369**	**$ 34,756**	$ 20,320	$ 4,498	$ 1,440	$ 3,555	$ 29,813
Ore mined ('000s)	**H**	**130.612**	**49.893**	**-**	**-**	**180.505**	112.561	50.511	-	-	163.072
Ore shipped ('000s)	**I**	**129.256**	**49.893**	**-**	**-**	**179.149**	117.205	50.511	-	-	167.716
Ore milled ('000s)	**J**	**131.731**	**50.939**	**-**	**-**	**182.670**	131.725	48.949	-	-	180.674
Per tonne Production cost											
Non-cash mining cost ($/tonne)	**K=A/H**	**31.61**	**10.52**	**-**	**-**	**25.78**	30.05	11.48	-	-	24.30
Non-cash milling cost ($/tonne)	**L=B/J**	**2.79**	**2.57**	**-**	**-**	**2.73**	2.44	2.43	-	-	2.44
Non-cash production cost ($/tonne)	**M=K+L**	**$ 34.40**	**$ 13.09**	**$ -**	**$ -**	**$ 28.51**	$ 32.49	$ 13.91	$ -	$ -	$ 26.74
Cash mining cost ($/tonne)	**N=C/H**	**84.19**	**45.58**	**-**	**-**	**73.52**	83.35	42.05	-	-	70.56
Shipping costs ($/tonne)	**O=D/I**	**3.90**	**-**	**-**	**-**	**2.81**	3.55	-	-	-	2.48
Cash milling costs ($/tonne)	**P=E/J**	**14.40**	**21.75**	**-**	**-**	**16.45**	11.23	16.51	-	-	12.66
Cash production costs ($/tonne)	**Q=N+O+P**	**$ 102.49**	**$ 67.33**	**$ -**	**$ -**	**$ 92.78**	$ 98.13	$ 58.56	$ -	$ -	$ 85.70
All-in sustaining production costs ($/tonne)	**P=(F-C-D-E)/J+Q**	**$ 172.63**	**$ 100.13**	$ -	$ -	**$ 171.56**	$ 155.14	$ 87.69	$ -	$ -	$ 156.36
All in costs ($/tonne)	**S=P+(G-F)/J**	**$ 197.33**	**$ 103.00**	$ -	$ -	**$ 191.19**	$ 166.78	$ 90.55	$ -	$ -	$ 172.07

*Adjustments to exclude the opera ting costs of the aggregate pl ant.

13. 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 financial statements for the year ended March 31, 2022 and 2021.

14. New Accounting Standards

(a) Adoption of new accounting standards

Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before Intended Use

The Company adopted Amendments to IAS 16 – Property, Plant and Equipment: Proceeds before Intended Use, on April 1, 2021 and the adoption has no material impact on the Company's financial statements. In May 2021, the IASB issued *Property, Plant and Equipment — Proceeds before Intended Use*, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

(b) Accounting standards not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted.

Amendment to IAS 1 - Presentation of Financial Statements

The amendments to IAS 1, clarify the presentation of liabilities. The classification of liabilities as current or noncurrent is based on contractual rights that are in existence at the end of the reporting period and is affected by expectations about whether an entity will exercise its right to defer settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendment also introduces a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The implementation of this amendment is not expected to have a material impact on the Company.

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendment clarifies that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendment is effective for annual reporting periods beginning on or after January 1, 2023. Early application is permitted. This amendment is not expected to have a material impact on the Company.

Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments are effective for annual reporting

periods beginning on or after January 1, 2023. The Company is currently evaluating the impact of the amendment on its financial statements.

15. 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.silvercorp.ca;

(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, 2022.

16. 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 – **177,243,675** common shares with a recorded value of **$256.2 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
535,000	$3.93	4/26/2027
540,335	$5.46	5/26/2025
455,000	$9.45	11/11/2025
1,530,335		

(c) Restricted Share Units (RSUs)

Outstanding – 2,457,624 RSUs with an average grant date closing price of CAD$5.45 per share.

17. Risks and Uncertainties

The Company is exposed to a number of 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; economic and social risks related to conducting business in foreign jurisdictions such as China and Mexico; environmental risks; risks related to its relations with employees and local communities where the Company operates, and emerging risks relating to the spread of COVID-19, which has to date resulted in profound health and economic impacts globally and which presents future risks and uncertainties that are largely unknown at this time.

Management and the Board 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, NI 43-101 technical reports, Form 40-F, and Audited Consolidated Financial Statements, which are available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. 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.

- COVID-19

The Company's business, operations and financial condition could be materially adversely affected by the outbreak of pandemics or other health crises, such as the outbreak of COVID-19 that was designated as a pandemic by the World Health Organization on March 11, 2020. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility, and a general reduction in consumer activity. Such public health crises can result in operating, supply chain and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition, the current COVID-19 pandemic, and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Company's operations, and the operations of suppliers, contractors and service providers.

The Company may experience business interruptions, including suspended (whether government mandated or otherwise) or reduced operations relating to COVID-19 and other such events outside of the Company's control, which could have a material adverse impact on its business, operations and operating results, financial condition and liquidity.

As at the date of this MD&A, the duration of the business disruptions internationally and related financial impact of COVID-19 cannot be reasonably estimated. It is unknown whether and how the Company may be affected if the pandemic persists for an extended period of time.
The Company's exposure to such public health crises also includes risks to employee health and safety. Should an employee, contractor,

community member or visitor become infected with a serious illness that has the potential to spread rapidly, this could place the Company's workforce at risk.

- 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, licenses and national security clearance

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. No guarantee can be given that the national security clearance for Zhonghe Silver Project will be issued, or if it is issued, that it will be issued 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.

In addition, China has further strengthened its national security review of foreign investment. The Measures will continue to create an additional layer of uncertainty with respect to foreign investment. Investment plans, timetables, terms and conditions for closing for investment must take into account the timing and contingency of obtaining approval from the national security review process.

- 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 Company's material 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's principal operations are 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.

China's legislation is undergoing a relatively fast transformation with some old laws superseded by newly enacted laws. 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 create risks or uncertainty for investors in mineral projects or have a material adverse impact on future cash flow, results of operations and the financial condition of the Company.

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 entails 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;
(xiii) other acts of God or unfavourable operating conditions; and
(xiv) health and safety risks associated with spread of COVID-19 pandemic, and any future emergence and spread of similar pathogens.

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.

- Cybersecurity Risks

The Company is subject to cybersecurity risks including unauthorized access to privileged information, destroy data or disable, degrade, or sabotage our systems, including through the introduction of computer viruses. Although we take steps to secure our configurations and manage our information system, including our computer systems, internet sites, emails and other telecommunications, and financial/geological data, there can be no assurance that measures we take to ensure the integrity of our systems will provide protection, especially because cyberattack techniques used change frequently or are not recognized until successful. The Company has not experienced any material cybersecurity incident in the past, but there can be no assurance that the Company would not experience in the future. If our systems are compromised, do not operate properly or are disable, we could suffer financial loss, disruption of business, loss of geology data which could affect our ability to conduct effective mine planning and accurate mineral resources estimates, loss of financial data which could affect our ability to provide accurate and timely financial reporting.

- General Economic Conditions

General economic conditions may adversely affect our growth, profitability and ability to obtain financing. Events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the silver and gold mining industry, have been and continue to be impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market confidence and 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 our growth, profitability and ability to obtain financing. A number of issues related to economic conditions could have a material adverse effect on our business, financial condition and results of operations, including:

(i) significant disruption to the global economic conditions caused by COVID-19 as discussed above;
(ii) contraction in credit markets could impact the cost and availability of financing and our overall liquidity;

(iii) the volatility of silver, gold and other metal prices would impact our revenues, profits, losses and cash flow;
(iv) recessionary pressures could adversely impact demand for our production;
(v) volatile energy, commodity and consumables prices and currency exchange rates could impact our production costs; and
(vi) the devaluation and volatility of global stock markets could impact the valuation of our equity and other securities.

18. Corporate Governance, Safety, Environment and Social Responsibility

The Company's core objectives are to be safe, efficient, and sustainable, and operate responsibly with the environment and cooperatively with the local communities. The Company strive to build a strong cooperate

culture centered around our key values of respect, equality, and responsibility, and aim to deliver social benefits while creating shareholder value.

As a responsible miner, the Company are committed to integrating environmental, social, and governance ("ESG") factors into our business strategy and generating impactful change in the communities in which the Company work and live. Through the integration of ESG factors into our strategic planning, operations, and management, the Company are able to bring about sustainable economic, social, and environmental value to all stakeholders. Complete details of our ESG performance will be provided in the Company's Fiscal 2022 Sustainability Report, which is expected to be available in the second quarter of Fiscal 2023.

(a) Health, Safety, and Environment

The Company prioritizes environmental protection, as well as ensuring a safe workplace for all employees and contractors at all of our sites. In an

effort to further illustrate the Company's commitment to strengthening our management team, both the Ying Mining District and GC Mine applied for the environmental management system ISO 14001 certification and were certified in Fiscal 2022.

Safety is top priority at Silvercorp. In Fiscal 2022, the Company arranged more than 2,000 safety training sessions, which covered 100% of workers at the Ying Mining District and the GC Mine.

In response to health risks associated with the spread of Covid-19, the Company implemented a number of health and safety measures designed to protect employees at its operations in China and no case were reported in Fiscal 2022.

In addition to the "Green Mine" certification at SGX-HZG, TLP-LM, and HPG mines at the Ying Mining District and the GC Mine, the DCG mine at the Ying Mining District is also in the process to apply for the certification of the "Green Mine". In Fiscal 2022, the Company completed the construction of the aggregate plant and recycled and processed approximately 428,000 tonnes of waste rock from the Ying Mining District. The Company also worked with Henan University of Science of Technology ("HAUST") to implement an innovative technology to treat water from underground mines, and then through an automated control system to supply the treated water to the mill for ore processing and to local farmer for irrigation.

In Fiscal 2022, the Company spent approximately $1.4 million for the efforts to reduce its energy and water consumption, to minimize the negative impact on of greenhouse gas emissions and water quality, and to comply with the requirements of the "Green Mine" certification.

(b) 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 taxes and fees paid to various levels of government in China, in Fiscal 2022, the Company also contributed approximately $3.7 million to social programs, including:

- $3.1 million contribution to the local county to help improve local infrastructure and environmental protection;
- $0.2 million donation to local community for a clean water access project;
- $0.2 million donation to Red Cross for the flood relief after the heavy rainstorm in the Capital City of Henan Province in July 2021;
- $0.1 million donation to the local communities to promoted community health and poverty reduction in the local communities, with an emphasis on children and seniors, with periodic visits and subsidies;
- $0.1 million donation to institutions in scholarship or education assistance programs to support children's education at the local and national levels;

(c) Corporate Governance

In Fiscal 2022, a Sustainability Committee was established by the Board and a ESG management centre was formed to oversee the sustainability development and the disclosure compliance. The Corporate Governance Committee of the Board of the Company reviews the Company's policies on an annual basis, including Anti- Corruption Policy, Code of Ethical Conduct, Clawback Policy, Corporate Disclosure Policy, and Whistleblower Policy, which are then approved by the Board of the Company. All of the Company's directors and officers were re-certified with all the policies, confirming they are familiar with and acknowledge of the contents of the Company's policies, and committing to fulfill them and to report any violation. The Company also regularly trains its critical employees in anti-corruption practices.

For more information on the Company's Corporate Governance practices, please review the Company's Annual Information Form and Management Information Circular available on the Company's website at *www.silvercorp.ca.*

19. Disclosure Controls and Procedures

Disclosure controls and procedures (a) under Canadian law, 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, and (b) under U.S. law, are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms, and include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the U.S. Exchange Act is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Management of the Company, including the CEO and CFO, is responsible for establishing and maintaining adequate disclosure controls and procedures. Under the supervision and with the participation of the CEO and CFO, management has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures in accordance with requirements of National Instrument 52-109 of the Canadian Securities Commission ("NI 52-109") and U.S. Exchange Act.

As of March 31, 2022, based on the evaluation, management concluded that the disclosure controls and procedures 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.

20. 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, including internal controls over financial reporting. Internal control over financial reporting is a process designed by and/or under the supervision of the CEO and CFO and effected by the Board, 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 IFRS as issued by IASB. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to maintaining records, that in reasonable detail, accurately and fairly reflect our transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary for preparation of our consolidated financial statements in accordance with generally accepted accounting principles;
- provide reasonable assurance that receipts and expenditures are made in accordance with authorizations of management and the directors of the Company; and
- provide 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.

The Company's management, including its Chief Executive Officer and Chief Financial Officer, believes that due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. In addition, 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.

The Company's management evaluates the effectiveness of the Company's internal control over financial reporting based upon the criteria set forth in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organization of the Treadway Commission. Based on the evaluation, management concluded that the Company's internal control over financial reporting as of March 31, 2022 was effective and provides a reasonable assurance of the reliability of the Company's financial reporting and preparation of the financial statements.

The effectiveness of the Company's internal control over financial reporting as of March 31, 2022 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 including with our annual consolidated financial statements.

21. Changes in Internal Control over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the fiscal year ended March 31, 2022 that has materially affected or is reasonably likely to materially affect, its internal control over financial reporting.

22. Directors and Officers

As at the date of this MD&A, 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	

Technical Information

Scientific and technical information contained in this MD&A has been reviewed and approved by Mr. Guoliang Ma, P.Geo., Manager of Exploration and Resources of the Company and a Qualified Person as such term is defined in NI 43-101.

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;*
- *projected cash operating costs and all-in sustaining costs, and budgets, on a consolidated and mine-by-mine basis;*
- *statements regarding anticipated exploration, drilling, development, construction, and other activities or achievements of the Company;*
- *plans, projections and estimates included in the Fiscal 2021 Guidance and the Fiscal 2022 Guidance;*
- *timing of national security clearance related to acquisition of the Zhonghe Project by the relevant governmental authorities and the Company's expectation that it will enter into the mineral rights transfer contract with respect to the Zhonghe Project; and*
- *timing of receipt of permits, licenses, 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,

- *COVID–19;*
- *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, Mexico and Canada;*
- *environmental risks;*
- *mining operations;*
- *cybersecurity;*

- *general economic conditions; and*

- *matters referred to in this MD&A under the heading "Risks and Uncertainties" and other public filings of the Company.*

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 expressed or implied in the forward-looking statements or information. 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 necessarily based on a number of estimates, assumptions, beliefs, expectations and opinions of management as of the date of this MD&A that, while considered reasonable by management of the Company, are inherently subject to significant business, economic and competitive uncertainties and assumptions, beliefs, expectations and options include, but are not limited to, those related to the Company's ability to carry on current and future operations, including: the duration and effects of COVID-19 on our operations and workforce; development and exploration activities; the timing, extent, duration and economic viability of such operations; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the Company's ability to meet or achieve estimates, projections and forecasts; the availability and cost of inputs; the price and market for outputs; foreign exchange rates; taxation levels; the timely receipt of necessary approvals, licenses or permits; the ability to meet current and future obligations; the ability to obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions; and other assumptions and factors generally associated with the mining industry.

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
For the year ended March 31, 2022 and 2021
(Tabular amounts are in thousands of US dollars, unless otherwise stated)

Report of Independent Registered Public Accounting Firm

To the Shareholders and the 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 (the "Company") as of March 31, 2022 and 2021, the related consolidated statements of income, comprehensive income, changes in equity, and cash flows, for each of the two years in the period ended March 31, 2022, 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 of March 31, 2022 and 2021, and its financial performance and its cash flows for each of the two years in the period ended March 31, 2022, 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, 2022, 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 25, 2022, 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.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit

matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Impairment – Assessment of Whether Indicators of Impairment or Impairment Reversal Exist in Non- financial Assets — Refer to Note 2 to the Financial Statements

Critical Audit Matter Description

The Company's determination of whether or not an indication of impairment or impairment reversal exists at the cash generating unit level requires significant management judgment. Changes in metal price forecasts, estimated future costs of production, estimated future capital costs, the amount of recoverable mineral reserves and mineral resources and/or adverse or favorable current economics can result in a write-down or write-up of the carrying amounts of the Company's mining interests.

While there are several factors that are required to determine whether or not an indicator of impairment or impairment reversal exists, the judgements with the highest degree of subjectivity are future commodity prices (for both silver and lead), forecast production output (for both silver and lead), and changes in market conditions. Auditing these estimates and market conditions required a high degree of subjectivity in applying audit procedures and in evaluating the results of those procedures. This resulted in an increased extent of audit effort, including the involvement of fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the future commodity prices (for both silver and lead), forecast production output (for both silver and lead), and the changes in market conditions in assessing indicators of impairment or impairment reversal included the following, among others:

- Evaluated the effectiveness of controls over management's assessment of whether there are indicators of impairment or impairment reversal.
- Evaluated management's ability to accurately forecast future production output by:
    - Assessing the methodology used in management's determination of the future production, and
    - Comparing management's future production to historical data.
- With the assistance of fair value specialists, assessed if changes in market conditions could likely affect the mining interests' recoverable amounts materially by:
    - Evaluating the future commodity prices by comparing management forecasts to third party pricing sources,
    - Evaluating if there were any significant changes in the market interest rates, and
    - Assessing implied in-situ multiples in comparable market transactions.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada
May 25, 2022

We have served as the Company's auditor since 2013.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the 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, 2022, 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, 2022, 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, 2022, of the Company and our report dated May 25, 2022, expressed an 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 25, 2022

SILVERCORP METALS INC.
Consolidated Statements of Financial Position

(Expressed in thousands of U.S. dollars)

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Current Assets			
Cash and cash equivalents	23	**$ 113,302**	$ 118,735
Short-term investments	4	**99,623**	80,357
Trade and other receivables		**3,615**	1,485
Current portion of lease receivable	10	**182**	213
Inventories	5	**9,124**	9,768
Due from related parties	19	**66**	847
Income tax receivable		**928**	4,978
Prepaids and deposits		**5,468**	4,806
		232,308	221,189
Non-current Assets			
Long-term prepaids and deposits		**974**	409
Long-term portion lease receivable	10	**-**	183
Reclamation deposits		**8,876**	8,513
Other investments	6	**17,768**	15,733
Investment in associates	7	**56,841**	53,457
Plant and equipment	8	**79,418**	75,729
Mineral rights and properties	9	**326,448**	277,429
Deferred income tax assets	18	**905**	-
TOTAL ASSETS		**$ 723,538**	$ 652,642
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		**$ 39,667**	$ 30,298
Current portion of lease obligation	10	**649**	657
Deposits received		**5,445**	4,857
Income tax payable		**277**	1,363
		46,038	37,175
Non-current Liabilities			
Long-term portion of lease obligation	10	**614**	1,084
Deferred income tax liabilities	18	**48,033**	40,792
Environmental rehabilitation	11	**8,739**	7,863
Total Liabilities		**103,424**	86,914
Equity			
Share capital		**255,444**	250,199
Equity reserves		**43,250**	29,469
Retained earnings		**213,702**	187,906
Total equity attributable to the equity holders of the Company		**512,396**	467,574
Non-controlling interests	14	**107,718**	98,154
Total Equity		**620,114**	565,728
TOTAL LIABILITIES AND EQUITY		$ **723,538**	$ 652,642

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	Year Ended March 31, 2022	2021
Revenue	22 (b)(c)	**$ 217,923**	$ 192,105
Cost of mine operations			
Production costs		**88,537**	69,544
Depreciation and amortization		**25,082**	21,434
Mineral resource taxes		**5,952**	5,004
Government fees and other taxes	15	**2,643**	2,374
General and administrative	16	**11,408**	9,587
		133,622	107,943
Income from mine operations		**84,301**	84,162
Corporate general and administrative	16	**14,181**	12,365
Property evaluation and business development		**921**	(3,237)
Foreign exchange (gain) loss		**(267)**	7,746
Loss on disposal of plant and equipment	8	**210**	293
Share of loss in associates	7	**2,188**	1,846
Loss (gain) on equity investments desgined as FVTPL	6	**3,485**	(7,732)
Other expense		**1,018**	1,157
Income from operations		**62,565**	71,724
Finance income	17	**5,217**	3,767
Finance costs	17	**(10,710)**	(1,988)
Income before income taxes		**57,072**	73,503
Income tax expense	18	**13,788**	12,994
Net income		**$ 43,284**	$ 60,509
Attributable to:			
Equity holders of the Company		**$ 30,634**	$ 46,376
Non-controlling interests	14	**12,650**	14,133
		$ 43,284	$ 60,509
Earnings per share attributable to the equity holders of the Company			
Basic earnings per share		**$ 0.17**	$ 0.27
Diluted earnings per share		**$ 0.17**	$ 0.26
Weighted Average Number of Shares Outstanding - Basic		**176,534,501**	174,868,256
Weighted Average Number of Shares Outstanding - Diluted		**178,323,968**	177,074,004

See accompanying notes to the consolidated financial statements

SILVERCORP METALS INC.
Consolidated Statements of Comprehensive Income

(Expressed in thousands of U.S. dollars)

	Notes	Year Ended March 31, 2022	2021
Net income		**$ 43,284**	$ 60,509
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 $nil		**13,649**	44,032
Share of other comprehensive income (loss) in associate	7	**95**	(2,324)
Items that will not subsequently be reclassified to net income or loss:			
Change in fair value on equity investments designated as FVTOCI	6	**(1,526)**	12,551
Income tax effect		**389**	-
Other comprehensive income, net of taxes		**$ 12,607**	$ 54,259
Attributable to:			
Equity holders of the Company		**$ 10,597**	$ 49,039
Non-controlling interests	14	**2,010**	5,220
		$ 12,607	$ 54,259
Total comprehensive income		**$ 55,891**	$ 114,768

Attributable to:		
Equity holders of the Company	**$ 41,231**	$ 95,415
Non-controlling interests	**14,660**	19,353
	$ 55,891	$ 114,768

See accompanying notes to the consolidated financial statements

SILVERCORP METALS INC.
Consolidated Statements of Cash Flows

(Expressed in thousands of U.S. dollars)

	Notes	Year Ended March 31, 2022	2021
Cash provided by			
Operating activities			
Net income		**$ 43,284**	$ 60,509
Add (deduct) items not affecting cash:			
Finance costs	17	**10,710**	1,988
Depreciation, amortization and depletion		**27,028**	23,224
Share of loss in associates	7	**2,188**	1,846
Income tax expense	18	**13,788**	12,994
Loss (gain) on equity investments desgined as FVTPL	6	**3,485**	(7,732)
Loss on disposal of plant and equipment	8	**210**	293
Share-based compensation	12(b)	**6,096**	4,307
Reclamation expenditures		**(251)**	(150)
Income taxes paid		**(5,512)**	(14,347)
Interest paid	10	**(72)**	(95)
Changes in non-cash operating working capital	23	**6,424**	3,075
Net cash provided by operating activities		**107,378**	85,912
Investing activities			
Mineral rights and properties			
Capital expenditures		**(43,341)**	(35,661)
Acquisition	3	**(13,135)**	(7,566)
Proceeds on disposals	9	**-**	295
Plant and equipment			
Additions		**(10,729)**	(8,972)
Proceeds on disposals	8	**74**	51
Reclamation deposits			
Paid		**(293)**	(460)
Refund		**-**	1,855
Other investments			
Acquisition	6	**(8,235)**	(12,708)
Proceeds on disposals	6	**1,362**	19,301
Investment in associates	7	**(5,313)**	(7,131)
Net redemptions (purchases) of short-term investments		**(27,233)**	9,826
Principal received on lease receivable	10	**217**	196
Net cash used in investing activities		**(106,626)**	(40,974)
Financing activities			
Related parties			
Payments made	19	**-**	(744)
Repayments received	19	**812**	1,423
Principal payments on lease obligation	10	**(637)**	(563)
Non-controlling interests			
Contribution	14	**-**	2,500
Distribution	14	**(5,096)**	(3,239)
Cash dividends distributed	12 (c)	**(4,413)**	(4,368)
Proceeds from issuance of common shares		**1,908**	3,538
Net cash used in financing activities		**(7,426)**	(1,453)
Effect of exchange rate changes on cash and cash equivalents		**1,241**	9,473
(Decrease) increase in cash and cash equivalents		**(5,433)**	52,958
Cash and cash equivalents, beginning of the year		**118,735**	65,777
Cash and cash equivalents, end of the year		**$ 113,302**	$ 118,735
Supplementary cash flow information	23		

See accompanying notes to the consolidated financial statements

Consolidated Statements of Changes in Equity

(Expressed in thousands of U.S. dollars, except numbers for share figures)

		Share capital		Equity reserves						
	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, 2020		173,816,834	$243,926	$15,038	$ 25,409	$ (61,589)	$145,898	$ 368,682	$ 70,290	$438,972
Options exercised		1,553,338	4,824	(1,286)	-	-	-	3,538	-	3,538
Restricted share units vested		372,372	1,449	(1,449)	-	-	-	-	-	-
Share-based compensation		-	-	4,307	-	-	-	4,307	-	4,307
Dividends declared		-	-	-	-	-	(4,368)	(4,368)	-	(4,368)
Acquisition of La Yesca	3	-	-	-	-	-	-	-	9,250	9,250
Contribution from non-controlling interests		-	-	-	-	-	-	-	2,500	2,500
Distribution to non-controlling interests		-	-	-	-	-	-	-	(3,239)	(3,239)
Comprehensive income		-	-	-	-	49,039	46,376	95,415	19,353	114,768
Balance, March 31, 2021		**175,742,544**	**$250,199**	**$16,610**	**$ 25,409**	**$ (12,550)**	**$187,906**	**$ 467,574**	**$ 98,154**	**$565,728**
Options exercised		797,083	2,528	(620)	-	-	-	1,908	-	1,908
Restricted share units vested		566,172	2,717	(2,717)	-	-	-	-	-	-
Share-based compensation	12(b)	-	-	6,096	-	-	-	6,096	-	6,096
Dividends declared	12(c)	-	-	-	-	-	(4,413)	(4,413)	-	(4,413)
Distribution to non-controlling interests	14	-	-	-	-	-	-	-	(5,096)	(5,096)
Contribution to reserves		-	-	-	425	-	(425)	-	-	-
Comprehensive income		-	-	-	-	10,597	30,634	41,231	14,660	55,891
Balance, March 31, 2022		**177,105,799**	**$255,444**	**$19,369**	**$ 25,834**	**$ (1,953)**	**$213,702**	**$ 512,396**	**$ 107,718**	**$620,114**

See accompanying notes to the consolidated financial statements

SILVERCORP METALS INC.
Notes to Consolidated Financial Statements

(Tabular amounts are in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

1. CORPORATE INFORMATION

Silvercorp Metals Inc., along with its subsidiaries (collectively the "Company"), is in the business of production, development, exploration and acquisition of mineral properties. The Company's producing mines are located in China, and current exploration and development projects are located in Mexico and 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 NYSE American.

The head office, registered address and records office of the Company are located at 1066 West Hastings Street, Suite 1750, Vancouver, British Columbia, Canada, V6E 3X1.

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, 2022.

These consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors dated on May 25, 2022.

(b) 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 statement 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	Country of incorporation	**March 31, 2022**	March 31, 2021	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%	
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%	
New Infini Silver Inc. ("New Infini")	Holding company	Canada	**46.1%**	43.8%	
Infini Metals Inc.	Holding company	BVI	**46.1%**	43.8%	
Infini Resources (Asia) Co. Ltd.	Holding company	Hong Kong	**46.1%**	43.8%	
Golden Land (Asia) Ltd.	Holding company	Hong Kong	**46.1%**	43.8%	
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%	
Xinshao Yunxiang Mining Co., Ltd. ("Yunxiang")	Mining	China	**70%**	70%	BYP
Guangdong Found Mining Co. Ltd. ("Guangdong Found")	Mining	China	**99%**	99%	GC
Infini Resources S.A. de C.V.	Mining	Mexico	**46.1%**	43.8%	La Yesca
Shanxi Xinbaoyuan Mining Co., Ltd. ("Xinbaoyuan")	Mining	China	**77.5%**	0.0%	Kuanping

(c) Investments in Associates

An associate is an entity over which the Company has significant influence but not control and is not a subsidiary or joint venture. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise when the Company has power to be actively involved and influential in financial and operating policy decisions of the entity even though Company has less than 20% of voting rights.

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 associates are as follows:

	Proportion of ownership interest held

Name of associate	Principal activity	Country of incorporation	**March 31, 2022**	March 31, 2021
New Pacific Metals Corp. ("NUAG")	Mining	Canada	**28.2%**	28.6%
Whitehorse Gold Corp. ("WHG")	Mining	Canada	**29.3%**	27.0%

(d) Business Combinations or asset acquisition

Optional concentration test

The Company applies an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Asset acquisitions

When the Company acquires a group of assets and liabilities that do not constitute a business, the Company identifies and recognizes the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

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.

(e) 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. Other than New Infini and its subsidiaries, 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"). The functional currency of New Infini and its subsidiaries is USD.

Foreign currency monetary assets and liabilities are translated into the functional currency using exchange rates prevailing at the reporting 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 reporting 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.

(f) Revenue Recognition

Revenue from contracts with customers is recognized when control of the asset sold is transferred to customers and the Company satisfies its performance obligation. Revenue is allocated to each performance obligation. The Company considers the terms of the contract in determining the transfer price. The transaction price is based upon the amount the Company expects to receive in exchange for the transferring of the assets. 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. This generally occurs when the assets are loaded on the trucks arranged by the customer at the Company's milling facilities. In cases where the Company is responsible for the costs of shipping and certain other services after the date on which the control of the assets transferred to the customer, these other services are considered separate performance obligations and thus a portion of revenue earned under the contract is allocated and recognized as these performance obligations are satisfied.

SILVERCORP METALS INC.
Notes to Consolidated Financial Statements

(Tabular amounts are in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

Revenue from concentrate sales is typically recorded based on the Company's assay results for the quantity and quality of concentrate sold and the applicable commodity prices, such as silver, gold, lead and zinc, set on a specific quotation period, typical ranging from ten to fifteen days around shipment date, by reference to active and freely traded commodity market. Adjustments, if any, related to the final assay results for the quantity and quality of concentrate sold are not significant and do not constrain the recognition of revenue.

Smelter charges, including refining and treatment charges, are netted against revenue from metal concentrate sales.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and held at banks and short-term money market investments that are readily convertible to cash with original terms of three months or less and exclude any restricted cash that is not available for use by the Company.

(h) 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 over three months but less than one year. Bonds traded on open markets are also included in short-term investments.

(i) Inventories

Inventories include concentrate inventories, direct smelting ore, stockpile ore and operating materials and supplies. The classification of inventory is determined by the stage at which the ore is in the production process. Material that does not contain a minimum quantity of metal to cover estimated processing expenses to recover the contained metal is not classified as inventory and is assigned no value.

Direct smelting ore and stockpiled ore are sampled for metal content and 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.

SILVERCORP METALS INC.
Notes to Consolidated Financial Statements

(Tabular amounts are in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

(j) 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.

(k) Mineral Rights and Properties

Mineral rights and properties include the following capitalized payments and expenditures:

- Acquisition costs which consist of payments for property rights and leases, including payments to acquire or renew an exploration or mining permit, and the estimated fair value of properties acquired as part of business combination or the acquisition of a group of assets.

- Exploration and evaluation costs incurred on a specific property after an acquisition of a beneficial interest or option in the property. Exploration and evaluation expenditures on properties for which the Company does not have title or rights to are expensed when incurred. Exploration and evaluation activities involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

- Development costs incurred to construct a mine and bring it into commercial production. Proceeds from sales generate during this development and pre-production stage, if any, are deducted from the costs of the asset.

- Expenditures incurred on producing properties that are expected to have future economic benefit, including to extend the life of the mine and to increase production by providing access to additional reserves, such as exploration tunneling that can increase or upgrade the mineral resources, and development tunneling, including to build shafts, drifts, ramps, and access corridors that enable to access ore underground.

- Borrowing costs incurred that are directly attributed to the acquisition, construction and development of a qualifying mineral property.

- Estimated of environmental rehabilitation and restoration costs.

Before commencement of commercial production, mineral rights and properties are carried at costs, less any accumulated impairment charges.

Upon commencement of commercial production, mineral rights and properties are carried at costs, less accumulated depletion and any accumulated impairment charges. Mineral rights and properties, other than the payments to renew mining permits (the "mine right fee") 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. The mine right fee is depleted using the units of production method based on the mineral resources which were used to determine the mine right fee payable.

(l) Impairment and Impairment Reversal

At each reporting period, the Company reviews and evaluates its assets for impairment, or reversal of a previously recognized impairment, when events or changes in circumstances indicate that the related carrying amounts may not be recoverable or when there is an indication that impairment may have reversed.

When impairment indicators exist, an estimate of the recoverable amount is undertaken, being the higher of an asset's fair value less cost of disposal ("FVLCTD") and value in use ("VIU"). If the carrying value exceeds the recoverable amount, an impairment loss is recognized in the consolidated statement of income during the period.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre- tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. The cash flows are based on best estimates of expected future cash flows from the continued use of the asset and its eventual disposal.

FVLCTD is best evidence if obtained from an active market or binding sale agreement. Where neither exists, the fair value is based the best estimates available to reflect the amount that could be received from an arm's length transaction. Fair value of asset is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects.

Impairment is normally assessed at the level of cash-generating units ("CGU"), a CGU is identified as the smallest identifiable group of assets that generates cash inflows which are independent of the cash inflows generated from other assets.

When there is an indication that an impairment loss recognized previously may no longer exist or has decreased, the recoverable amount is calculated. If the recoverable amount exceeds the carrying amount, the carrying value of the asset is increased to the recoverable amount. The increased carrying amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as a gain in the consolidated statements of income in the period it is determined.

(m) 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 costs. Closure and decommissioning provisions are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in the provision is greater than the undepreciated capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in the income statement. In the case of closed sites, changes to estimated costs are recognized immediately in the consolidated statements of income. Changes to the capitalized cost result in an adjustment to future depreciation and finance charges.

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.

(n) Leases

Lease Definition

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. An identified asset may be implicitly or explicitly specified in a contract, but must be physically distinct, and must not have the ability for substitution by a lessor. A lessee has the right to control an identified asset if it obtains substantially all of its economic benefits and either pre-determines or directs how and for what purposes the asset is used.

Measurement of Right of Use ("ROU") Assets and Lease Obligations

At the commencement of a lease, the Company, if acting in capacity as a lessee, recognizes an ROU asset and a lease obligation. The ROU asset is initially measured at cost, which comprises the initial amount of the lease obligation adjusted for any lease payments made at, or before, the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The ROU asset is subsequently amortized on a straight-line basis over the shorter of the term of the lease, or the useful life of the asset determined on the same basis as the Company's plant and equipment. The ROU asset is periodically adjusted for certain remeasurements of the lease obligation, and reduced by impairment losses, if any. If an ROU asset is subsequently leased to a third party (a "sublease") and the sublease is classified as a finance lease, the carrying value of the ROU asset to the extent of the sublease is derecognized. Any difference between the ROU asset and the lease receivable arising from the sublease is recognized in profit or loss.

The lease obligation is initially measured at the present value of the lease payments remaining at the lease commencement date, discounted using the interest rate implicit in the lease or the Company's incremental borrowing rate if the rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease obligation, when applicable, may comprise of fixed payments, variable payments that depend on an index or rate, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase, extension or termination option that the Company is reasonably certain to exercise.

The lease obligation is subsequently measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease obligation is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset.

Measurement of Lease Receivable

At the commencement of a lease, the Company, if acting in capacity as a lessor, will classify the lease as finance lease and recognize a lease receivable at an amount equal to the net investment in the lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset or if the lease is a sublease, by reference to the ROU asset arising from the original lease (the "head lease"). A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset or the lease is a short-term lease. Cash received from an operating lease is included in other income in the Company's consolidated statement of income on a straight-line basis over the period the lease.

The lease receivable is initially measure at the present value of the lease payments remaining at the lease commencement date, discounted at the interest rate implicit in the lease or the Company's incremental borrowing rate if the sublease is a finance lease. The lease receivable is subsequently measured at amortized cost using the effective interest rate method, and reduced by the amount received and impairment losses, if any.

Recognition Exemptions

The Company has elected not to recognize the ROU asset and lease obligations for short-term leases that have a lease term of 12 months or less or for leases of low-value assets. Payments associated with these leases are recognized as general and administrative expense on a straight-line basis over the lease term on the consolidated statement of income.

(o) 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.

(p) Share-based Payments

The Company makes share-based awards, including restricted share units ("RSUs"), performance share units ("PSUs"), and stock options, to employees, officers, directors, and consultants.

For equity-settled awards, the fair value is charged to the consolidated statements of income and credited to equity, on a straight-line basis over the vesting period, after adjusting for the estimated number of awards that are expected to vest. The fair value of RSUs and PSUs is determined based on quoted market price of our common shares at the date of grant. The fair value of the stock options granted to employees, officers, and directors is determined at the date of grant using the Black-Scholes option pricing model with market related input. 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.

At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed (after adjusting for non-market performance conditions). The movement in cumulative expense is recognized in the consolidated statements of income with a corresponding entry within equity. No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional

upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

(q) 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 reporting 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.

(r) 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.

(s) 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 contractual 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, on instrument by instrument basis, as either FVTPL or fair value through other comprehensive income ("FVTOCI").

Financial assets classified as amortized cost are measured at the amount of initial recognition minus principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any impairment loss allowance. Amortization or interest income 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 at the amount of initial recognition minus principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount. Amortization or interest expense

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 - equity investments designated as FVTPL and warrants;

- Financial assets classified as FVTOCI: other investments - equity investments designated as FVTOCI;

- 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.

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.

(t) 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.

(u) 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 where critical accounting judgments have the most significant effect on the consolidated financial statements include:

Capitalization of expenditures included in mineral rights and properties – management has determined that those capitalized expenditures, including exploration and evaluation expenditures and development costs incurred at producing properties, have potential future economic benefits and are potentially

economically recoverable, subject to impairment analysis. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit, including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits, whether to extend of the mine life, increase future production, or to provide access to a component of an ore body that will be mined in a future period.

Indicators of impairment and impairment reversal - Management applies significant judgement in assessing whether indicators of impairment or reserve impairment exist for an asset or group of assets which would necessitate impairment testing. Internal and external factors such as significant changes in the use of the asset, commodity prices, and interest rates are used in determining whether there are indicators.

Income taxes - Deferred tax assets and liabilities are determined based on difference between the financial statements carrying values of assets and liabilities and their respective income tax based and loss carried forward. Withholding tax are determined based on the earnings of foreign subsidiary distributed to the Company.

The recognition of deferred tax assets and the determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgement and make certain assumptions about the future performance of the Company. Management is required to access whether it is “probable” that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions, metal prices, and other factors could result in revision to the estimates of the benefits to be realized or the timing of utilization of the losses.

Functional currency - The determination of an entity’s functional currency often requires significant judgement where the primary economic environment in which the entity operates may not be clear. This can have a significant impact on the consolidated results based the foreign currency translation method of the Company.

Contingencies - Contingencies can be either possible assets or liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within our control occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal, tax or regulatory proceedings that are pending against us or unasserted claims, that may result in such proceedings or regulatory or government actions that may negatively impact our business or operations, we evaluate with our legal counsel the perceived merits of any legal, tax or regulatory proceedings, unasserted claims or actions. Also evaluated are the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to recognize as a contingent liability or assessing the impact on the carrying value of assets. Contingent assets or liabilities are not recognized in the consolidated financial statements.

Consolidation of entities in which the Company holds less than a majority of voting rights – As at March 31, 2022, the Company owned 46.1% interest in New Infini and has evaluated and concluded that the Company has control over New Infini due to New Infini’s share structure, board composition and other related facts. Accordingly it consolidates New Infini’s results from the date of acquisition.

Areas where critical accounting estimates have the most significant effect on the amounts recognized in the consolidated financial statements include:

Mineral Reserves and Mineral Resources estimates - Mineral reserves and mineral resources are estimated by qualified persons in accordance with National Instrument 43-101, “Standards of Disclosure form Mineral Projects”, issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company’s control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgements used in engineering and geological interpretation. Changes in assumptions, including metal prices, production costs, recovery rate, and market conditions could result in mineral reserve and mineral resource estimate revision. Such change could impact depreciation and amortization rates, asset carrying value and the environmental and rehabilitation provision.

Impairment and reserve impairment of assets - Where an indicator of impairment and reserves impairment exists, a formal estimate of the recoverable amount is made, which is determined as the higher of FVLCTD and VIU.

The determination of FVLCTD and VIU requires management to make estimates and assumptions about expected production based on current estimates of recoverable metal, commodity prices, operating costs, taxes and export duties, inflation and foreign exchange, salvage value, future capital expenditures and discount rates. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reversed with the impact recorded in the consolidated statements of (loss) income.

Valuation of inventory - Stockpiled ore, direct smelting ore, and concentrate inventories are valued at the lower of average cost and net realizable value. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and forecast metal prices less estimated future production costs to convert the inventory into saleable form and associated selling costs. The determination of forecast sales price, recovery rates, grade, assumed contained metal in stockpiles and production and selling costs requires significant assumptions that may impact the stated value of our inventory and lead to changes in NRV. In determining the value of material and supplies inventory, we make estimates of the amounts to be used and realizable value through disposals or sales. Changes in these estimates can result in a change in carrying amounts of inventory, as well as cost of sales.

Environmental rehabilitation provision and the timing of expenditures - Environmental rehabilitation costs are a consequence of exploration activities

and mining. The cost estimates are updated annually during the life of a mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated bases on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at the best estimates of expenditures required to settle the present obligation of decommissioning, restoration or similar liabilities that may occur over the life of the mine. The carrying amount is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur over the life of the mine. Such estimates are subject to change based on change in laws and regulations and negotiations with regulatory authorities.

3. ACQUISITION

Acquisition in Fiscal 2022

In October 2021, the Company, through a 100% owned subsidiary of Henan Found, won an online open auction to acquire a 100% interest in the Kuanping silver-lead-zinc-gold project (the "Kuanping Project"). The transaction was successfully completed in November 2021 for a total consideration of $13.1 million, comprised of approximately $11.4 million in cash (RMB ¥73.5 million) plus the assumption of approximately $2.0 million (RMB ¥13.3 million) of debt, and net of $0.3 million cash received. The acquisition was through the acquisition of a 100% interest in the shares of Shanxian Xinbaoyuan Mining Co. Ltd. ("Xinbaoyuan"), an affiliate of a Henan Provincial government-controlled company located in Sanmenxia City, Henan Province. The material asset held by Xinbaoyuan is the Kuanping Project. As Henan Found's subsidiary is considered a domestic Chinese company, the acquisition was not subject to the national security clearance.

The Kuanping Project is located in Shanzhou District, Sanmenxia City, Henan Province, China, approximately 33 km north of the Ying Mining District. The Kuanping Project covers an area of 12.39 km², being approximately 3 km wide (east-west) and 5 km long (north-south).

The exploration rights of the Kuanping Project are currently in a reservation period for mining permit application, and the Company is in the process of applying for the mining permit.

The transaction was accounted for as an acquisition of assets as the purchase price was concentrated on a single asset. The purchase price was allocated to the assets acquired and liabilities assumed on a relative fair value basis with $13.1 million allocated to mineral property interest.

Acquisition in Fiscal 2021

On December 17, 2020 the Company and its subsidiary New Infini entered into a framework agreement (the "Agreement") with several arm's length vendors (the "Vendors"), whereby New Infini agreed to acquire 100% interest in the La Yesca Silver Project ("La Yesca") through the indirect purchase of all of the issued and outstanding shares of Infini Resources, S.A. de C.V., a Mexican company which owns La Yesca.

La Yesca is a silver-polymetallic, epithermal-type project located approximately 100 kilometres ("km") (185 km by road) northwest of Guadalajara, the second-largest city in Mexico. The concessions comprising La Yesca cover an area of approximately 47.7 km^2. In total, 7,649 metres from 25 drill holes have previously been completed, all of which intersected mineralization.

The purchase consideration and payment terms for the acquisition of La Yesca are summarized as follows:

- Upon closing of the Agreement, a $8.3 million cash payment (the "Initial Cash Payment") and the transfer of a 45% interest in the issued and outstanding shares of New Infini (the "New Infini Shares") to the Vendors;
- Within 90 days of closing of the Agreement, a cash payment of $1 million, less any liabilities contemplated under the Agreement (together with the Initial Cash Payment, the "Cash Consideration"); and
- A "Discovery payment" of up to $30 million calculated on the basis of $0.20 per ounce of Ag resources as defined by National Instrument 43-101 Standards of Disclosure for Mineral Projects paid by New Infini to the Vendors subject to certain permitting considerations.

The Company paid $7.6 million of the Cash Consideration through a capital injection to New Infini to hold 45% of the issued and outstanding New Infini Shares. A group of the Company's directors, officers, employees and consultants paid $1.7 million of the Cash Consideration collectively to hold 10% of the issued and outstanding New Infini Shares. The transaction has been accounted for as an acquisition of assets as the purchase price was concentrated on a single asset, the La Yesca mineral property interest. The purchase consideration was allocated to the assets acquired based on their relative fair values at the date of the acquisition, net of any associated liabilities.

4. SHORT-TERM INVESTMENTS

As at March 31, 2022, short-term investments consist of the following:

		Amount	Interest rates	Maturity
Bonds	**$**	**9,168**	5.50% - 13.00%	April 9, 2022 - January 16, 2025

Money market instruments		**90,455**
	$	**99,623**

During the year ended March 31, 2022, the Company recorded impairment charges of $ 10.6 million against the bond investment issued by a few Chinese real estate developing companies as the Company observed financial difficulty of these bond issuers. The carrying value of such bond investments was $1.8 million as at March 31, 2022. The impairment charge was included in finance costs on the consolidated statement of income (Note 17).

During the year ended March 31, 2021, the Company recorded impairment charges of $ 1.4 million against the bond investment issued by a few Chinese manufacturing companies as the Company observed financial difficulty of these bond issuers. The carrying value of such bond investments was $0.1 million as at March 31, 2021. The impairment charge was included in finance costs on the consolidated statement of income (Note 17).

As at March 31, 2021, short-term investments consist of the following:

		Amount	Interest rates	Maturity
Bonds	$	15,812	5.38% - 13.00%	January 10, 2022 - September 3, 2024
Money market instruments		64,545		
	$	80,357		

5. INVENTORIES

Inventories consist of the following:

		March 31, 2022		March 31, 2021
Concentrate inventory	**$**	**3,199**	$	4,536
Stockpile		**1,715**		1,916
Material and supplies		**4,210**		3,316
	$	**9,124**	$	9,768

The amount of inventories recognized as expense during the year ended March 31, 2022 was $ 113.6 million (year ended March 31, 2021 - $ 91.0 million).

6. OTHER INVESTMENTS

		March 31, 2022		March 31, 2021
Equity investments designated as FVTOCI				
Public companies	**$**	**2,383**	$	2,966
Private companies		**71**		2,289
		2,454		5,255
Equity investments designated as FVTPL				
Public companies		**11,533**		10,478
Private companies		**3,781**		-
		15,314		10,478
Total	**$**	**17,768**	$	15,733

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. Investment in equity instruments that are held for trading are classified as FVTPL. For other investment in equity instruments, the Company can make an irrevocable election, on an instrument-by-instrument basis, to designate them as FVTOCI.

The continuity of such investments is as follows:

		Fair Value		**Accumulated fair value change included in OCI**		**Accumulated fair value change included in P&L**		**Equity Investment designated as FVTOCI**		**Equity Investment designated as FVTPL**
April 1, 2020	$	8,750	$	(34,879)	$	-	$	8,750	$	-
Gain on equity investments designated as FVTOCI		12,069		12,069		-		12,551		-
Gain on equity investments designated as FVTPL		7,188		-		7,188		-		7,732
Acquisition		12,708		-		-		-		12,708
Disposal		(19,301)		-		-		(16,607)		(10,742)
Reclassified to short-term investments		(7,511)		-		-				
Impact of foreign currency translation		1,830		-		-		561		780
March 31, 2021	**$**	**15,733**	**$**	**(22,810)**	**$**	**7,188**	**$**	**5,255**	**$**	**10,478**
Loss on equity investments designated as FVTOCI		(1,526)		(1,526)		-		(1,526)		-
Loss equity investments designated as FVTPL		(3,485)		-		(3,485)		-		(3,485)
Acquisition		8,235		-		-		-		8,235
Disposal		(1,362)		-		-		(1,362)		-
Impact of foreign currency translation		173		-		-		87		86
March 31, 2022	**$**	**17,768**	**$**	**(24,336)**	**$**	**3,703**	**$**	**2,454**	**$**	**15,314**

SILVERCORP METALS INC.
Notes to Consolidated Financial Statements

(Tabular amounts are in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

7. INVESTMENT IN ASSOCIATES

(a) Investment in New Pacific Metals Corp.

New Pacific Metals Corp. ("NUAG") is a Canadian public company listed on the Toronto Stock Exchange (symbol: NUAG) and NYSE American (symbol: NEWP). NUAG is a related party of the Company by way of two common directors and two common 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.

During the year ended March 31, 2022, the Company acquired 125,000 common shares of NUAG from the public market for a total cost of $ 0.4 million. Subsequent to March 31, 2022, the Company acquired additional 48,500 common shares of NUAG from the public market for a total cost of $ 0.2 million.

In November 2020, NUAG completed a spin-out by way of a plan of arrangement of its then wholly-owned subsidiary, Whitehorse Gold Corp. ("WHG"), which owns 100% of the Skukum Gold Project (formerly "Tagish Lake Gold Project") located in Yukon, Canada, and distributed all of the WHG common shares to its shareholders on a pro rata basis.

As at March 31, 2022, the Company owned 44,042,216 common shares of NUAG (March 31, 2021 – 43,917,216), representing an ownership interest of 28.2% (March 31, 2021 – 28.6%).

The summary of the investment in NUAG common shares and its market value as at the respective reporting dates are as follows:

	Number of shares	Amount	Value of NUAG's common shares per quoted market price
Balance April 1, 2020	42,596,506	$ 44,555	$ 148,624
Participation in public offering	1,320,710	5,805	
WHG Spin-out		(1,793)	
Share of net loss		(1,672)	
Share of other comprehensive loss		(2,324)	
Foreign exchange impact		5,828	
Balance March 31, 2021	**43,917,216**	**$ 50,399**	**$ 181,257**
Purchase from open market	125,000	352	
Share of net loss		(1,715)	
Share of other comprehensive income		95	
Foreign exchange impact		306	
Balance March 31, 2022	**44,042,216**	**$ 49,437**	**$ 140,275**

SILVERCORP METALS INC.
Notes to Consolidated Financial Statements

(Tabular amounts are in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

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

	Years ended March 31,	
	2022[1]	2021[1]
Net loss attributable to NUAG's shareholders as reported by NUAG	**$ (6,055)**	$ 3,029
Adjustments to remove impairment charges recognized by NUAG	**-**	(8,862)
Net loss of NUAG qualified for pick-up	**(6,055)**	(5,833)
Other comprehensive income (loss) attributable to NUAG's shareholders as reported by NUAG	**334**	(8,079)
Comprehensive income (loss) of NUAG qualified for pick-up	**$ (5,721)**	$ (13,912)
Company's share of net loss	**(1,715)**	(1,672)
Company's share of other comprehensive income (loss)	**95**	(2,324)
Company's share of comprehensive income	**$ (1,620)**	$ (3,996)

[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.

As at	**March 31, 2022**	March 31, 2021
Current assets	**$ 37,075**	$ 48,511
Non-current assets	**88,171**	78,164
Total assets	**$ 125,246**	$ 126,675
Current liabilities	**2,353**	811
Total liabilities	**2,353**	811
Net assets	**$ 122,893**	$ 125,864
Non-controlling interests	**(24)**	(50)
Total equity attributable to equity holders of NUAG	**$ 122,917**	$ 125,914

Company's share of net assets of associate	**$**	**34,670**	$	35,932

(b) Investment in Whitehorse Gold Corp.

Whitehorse Gold Corp. ("WHG") is a Canadian public company listed on the TSX Venture Exchange (symbol: WHG). WHG is a related party of the Company by way of one common director, and the Company accounts for its investment in WHG using the equity method as it is able to exercise significant influence over the financial and operating policies of WHG.

On May 14, 2021, the Company participated in a brokered private placement of WHG and purchased 4,000,000 units at a cost of $5.0 million. Each unit was comprised of one WHG common share and one common share purchase warrant at exercise price of CAD$2 per share. The common share purchase warrant expires on May 14, 2026.

As at March 31, 2022, the Company owned 15,514,285 common shares of WHG (March 31, 2021 – 11,514,285), representing an ownership interest of 29.3% (March 31, 2021 – 27.0%). The summary of the investment in WHG common shares and its market value as at the respective reporting dates are as follows:

	Number of shares		Amount		Value of WHG's common shares per quoted market price
Balance April 1, 2020					
Distributed by NUAG through WHG spin-out	5,740,285		1,793		
Participation in private placement	5,774,000		1,326		
Share of net loss			(174)		
Foreign exchange impact			113		
Balance March 31, 2021	**11,514,285**	**$**	**3,058**	**$**	**15,108**
Participation in private placement	4,000,000		4,960		
Share of net loss			(473)		
Foreign exchange impact			(141)		
Balance March 31, 2022	**15,514,285**	**$**	**7,404**	**$**	**6,208**

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

	Year ended March 31,		
	2022[(1)]		2021[(1)]
Net loss attributable to WHG's shareholders as reported by WHG	**$ (1,607)**	$	(856)
Adjustments to exclude WHG's net loss before spin-out	**-**		211
Net loss of WHG qualified for pick-up	**$ (1,607)**	$	(645)
Company's share of net loss	**$ (473)**	$	(174)

[(1)]WHG's fiscal year-end is on December 31. WHG's quarterly financial results were used to compile the financial information that matched with the Company's year-end on March 31.

As at	**March 31, 2022**		March 31, 2021
Current assets	**$ 3,068**	$	823
Non-current assets	**19,159**		10,862
Total assets	**$ 22,227**	$	11,685
Current liabilities	**575**		237
Long-term liabilities	**5**		-
Total liabilities	**580**		237
Net assets	**$ 21,647**	$	11,448
Company's share of net assets of associate	**$ 6,341**	$	3,090

8. 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, 2020	$ 96,454	$ 8,010	$ 25,800	$ 6,416	$ 2,136	$ 138,816
Additions	182	864	1,117	1,059	7,189	10,411
Disposals	(205)	(250)	(291)	(480)	-	(1,226)
Reclassification of asset groups	5,579	325	2,221	-	(8,125)	-
Impact of foreign currency translation	8,141	711	2,227	542	142	11,763
Balance as at March 31, 2021	$ 110,151	$ 9,660	$ 31,074	$ 7,537	$ 1,342	$ 159,764
Additions	1,613	967	2,575	763	3,647	9,565
Disposals	(293)	(68)	(539)	(245)	-	(1,145)
Reclassification of asset groups	2,100	154	191	-	(2,445)	-
Impact of foreign currency translation	3,676	296	1,078	258	59	5,367
Ending balance as at March 31, 2022	**$ 117,247**	**$ 11,009**	**$ 34,379**	**$ 8,313**	**$ 2,603**	**$ 173,551**
Impairment, accumulated depreciation and amortization						
Balance as at April 1, 2020	$ (43,987)	$ (5,375)	$ (18,168)	$ (4,564)	$ -	$ (72,094)
Disposals	90	228	176	388	-	882
Depreciation and amortization	(3,921)	(630)	(1,629)	(496)	-	(6,676)
Impact of foreign currency translation	(3,752)	(469)	(1,550)	(376)	-	(6,147)
Balance as at March 31, 2021	$ (51,570)	$ (6,246)	$ (21,171)	$ (5,048)	$ -	$ (84,035)
Disposals	158	64	419	220	-	861
Depreciation and amortization	(4,422)	(867)	(2,172)	(649)	-	(8,110)
Impact of foreign currency translation	(1,750)	(183)	(741)	(175)	-	(2,849)
Ending balance as at March 31, 2022	**$ (57,584)**	**$ (7,232)**	**$ (23,665)**	**$ (5,652)**	**$ -**	**$ (94,133)**
Carrying amounts						
Balance as at March 31, 2021	$ 58,581	$ 3,414	$ 9,903	$ 2,489	$ 1,342	$ 75,729
Ending balance as at March 31, 2022	**$ 59,663**	**$ 3,777**	**$ 10,714**	**$ 2,661**	**$ 2,603**	**$ 79,418**

Carrying amounts as at March 31, 2022	**Ying Mining District**	**BYP**	**GC**	**Other**	**Total**
Land use rights and building	$ 42,953	$ 2,965	$ 12,027	$ 1,718	$ 59,663
Office equipment	2,979	16	516	266	3,777
Machinery	8,225	155	2,276	58	10,714
Motor vehicles	2,127	20	323	191	2,661
Construction in progress	1,911	552	140	-	2,603
Total	**$ 58,195**	**$ 3,708**	**$ 15,282**	**$ 2,233**	**$ 79,418**

Carrying amounts as at March 31, 2021	Ying Mining District	BYP	GC	Other	Total
Land use rights and building	$ 41,177	$ 3,047	$ 12,369	$ 1,988	$ 58,581
Office equipment	2,647	20	448	299	3,414
Machinery	7,114	213	2,576	-	9,903
Motor vehicles	1,917	20	359	193	2,489
Construction in progress	796	533	13	-	1,342
Total	$ 53,651	$ 3,833	$ 15,765	$ 2,480	$ 75,729

During the year ended March 31, 2022, certain plant and equipment were disposed for proceeds of $ 0.07 million (year ended March 31, 2021 - $ 0.05 million) and resulting in loss of $0.2 million (year ended March 31, 2021 – $ 0.3 million).

(Tabular amounts are in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

9. MINERAL RIGHTS AND PROPERTIES

Mineral rights and properties consist of:

	Producing and development properties			**Exploration and evaluation properties**			
Cost	**Ying Mining District**	**BYP**	**GC**	**RZY**	**Kuanping**	**La Yesca**	**Total**
Balance as at April 1, 2020	$ 293,136	$ 63,572	$ 103,311	$ 164	$ -	$ -	$ 460,183
Capitalized expenditures	31,138	30	3,890	-	-	87	35,145
Acquisition (Note 3)	-	-	-	-	-	16,660	16,660
Environmental rehabilitation	(1,268)	(135)	(207)	-	-	-	(1,610)
Foreign currency translation impact	24,994	1,142	8,616	21	-	-	34,773
Balance as at March 31, 2021	$ 348,000	$ 64,609	$ 115,610	$ 185	$ -	$ 16,747	$ 545,151
Capitalized expenditures	37,307	-	4,507	-	24	2,588	44,426
Acquisition (Note 3)	-	-	-	-	13,135	-	13,135
Environmental rehabilitation	(68)	(18)	898	-		-	812
Derecognition	-	-	-	(185)	-	-	(185)
Foreign currency translation impact	12,096	501	3,891	-	221	-	16,709

Ending balance as at March 31, 2022	**$ 397,335**	**$ 65,092**	**$ 124,906**	**$ -**	**$ 13,380**	**$ 19,335**	**$ 620,048**
Impairment and accumulated depletion							
Balance as at April 1, 2020	$ (100,390)	$ (56,688)	$ (78,355)	$ (164)	$ -	$ -	$ (235,597)
Depletion	(13,921)	-	(2,419)		-	-	(16,340)
Foreign currency translation impact	(8,666)	(576)	(6,522)	(21)	-	-	(15,785)
Balance as at March 31, 2021	$ (122,977)	$ (57,264)	$ (87,296)	$ (185)	$ -	$ -	$ (267,722)
Depletion	(15,974)	-	(2,595)	-	-	-	(18,569)
Derecognition	-	-	-	185	-	-	185
Foreign currency translation impact	(4,313)	(257)	(2,924)	-	-	-	(7,494)
Ending balance as at March 31, 2022	**$ (143,264)**	**$ (57,521)**	**$ (92,815)**	**$ -**	**$ -**	**$ -**	**$ (293,600)**
Carrying amounts							
Balance as at March 31, 2021	$ 225,023	$ 7,345	$ 28,314	$ -	$ -	$ 16,747	$ 277,429
Ending balance as at March 31, 2022	**$ 254,071**	**$ 7,571**	**$ 32,091**	**$ -**	**$ 13,380**	**$ 19,335**	**$ 326,448**

10. LEASES

The following table summarizes changes in the Company's lease receivable and lease obligation related to the Company's office lease and sublease.

	Lease Receivable	Lease Obligation
Balance, April 1, 2020	$ 534	$ 2,069
Interest accrual	24	95
Interest received or paid	(24)	(95)
Principal repayment	(196)	(563)
Foreign exchange impact	58	235
Balance, March 31, 2021	**$ 396**	$ 1,741
Addition	-	149
Interest accrual	15	72
Interest received or paid	(15)	(72)
Principal repayment	(217)	(637)
Foreign exchange impact	3	10
Balance, March 31, 2022	**$ 182**	$ 1,263
Less: current portion	**(182)**	(649)
Non-current portion	**$ -**	$ 614

The following table presents a reconciliation of the Company's undiscounted cash flows to their present value for its lease receivable and lease obligation as at March 31, 2022:

	Lease Receivable	Lease Obligation
Within 1 year	$ 186	$ 677
Between 2 to 5 years	-	666
Total undiscounted amount	**186**	**1,343**
Less future interest	(4)	(80)
Total discounted amount	**$ 182**	**$ 1,263**
Less: current portion	**(182)**	**(649)**
Non-current portion	**$ -**	**$ 614**

The lease receivable and lease obligation were discounted using an estimated incremental borrowing rate of 5%.

11. 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, 2020	$ 8,700
Reclamation expenditures	(189)
Unwinding of discount of environmental rehabilitation	251
Revision of provision	(1,610)
Foreign exchange impact	711

Balance, March 31, 2021	**$**	**7,863**
Reclamation expenditures		(467)
Unwinding of discount of environmental rehabilitation		269
Revision of provision		812
Foreign exchange impact		262
Balance, March 31, 2022	**$**	**8,739**

As at March 31, 2022, the total undiscounted amount of estimated cash flows required to settle the Company's environmental rehabilitation provision was $12.3 million (March 31, 2021 - $10.5 million) over the next twenty-five years, which has been discounted using an average discount rate of 3.01% (March 31, 2021 – 3.39%).

During the year ended March 31, 2022, the Company incurred actual reclamation expenditures of $ 0.5 million (year ended March 31, 2021 - $ 0.2 million), paid reclamation deposit of $0.3 million (year ended March 31, 2021 - $ 0.5 million) and received nil reclamation deposit refund (year ended March 31, 2021 - $1.9 million).

Estimated future reclamation costs are based on the extent of work required and the associated costs are dependent on the requirements of relevant authorities and the Company's environmental policies. In view of uncertainties concerning environmental rehabilitation obligations, the ultimate costs could be materially different from the amounts estimated.

12. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value. All shares issued as at March 31, 2022 were fully paid.

(b) Share-based compensation

The Company has a share-based compensation plan (the "Plan") which consists of stock options, restricted share units (the "RSUs") and performance share units (the "PSUs"). The Plan allows for the maximum number of common shares to be reserved for issuance on any share-based compensation to be a rolling 10% of the issued and outstanding common shares from time to time. Furthermore, no more than 3% of the reserve may be granted in the form of RSUs and PSUs.

For the year ended March 31, 2022, a total of $ 6.1 million (year ended March 31, 2021 - $ 4.3 million) in share-based compensation expense was recognized and included in the general and administrative expenses and property evaluation and business development expenses on the consolidated statements of income.

(i) Stock options

The following is a summary of option transactions:

	Number of shares		Weighted average exercise price per share CAD$
Balance, April 1, 2020	2,423,760	$	3.00
Option granted	1,127,000		7.25
Options exercised	(1,553,338)		3.02
Options cancelled	(135,004)		4.52
Balance, March 31, 2021	**1,862,418**	**$**	**5.45**
Options exercised	(797,083)		2.98
Options cancelled	(70,000)		7.46
Balance, March 31, 2022	**995,335**	**$**	**7.28**

The following table summarizes information about stock options outstanding as at March 31, 2022:

Exercise price in CAD$	Number of options outstanding at March 31,2022	Weighted average remaining contractual life (Years)	Weighted average exercise price in CAD$	Number of options exercisable at March 31, 2022	Weighted average exercise price in CAD$
$5.46	540,335	3.15	$5.46	264,335	$5.46
$9.45	455,000	3.62	$9.45	151,665	$9.45
$5.46 to $9.45	**995,335**	**3.37**	**$7.28**	**416,000**	**$6.91**

Subsequent to March 31, 2022, a total of 535,000 options with a life of five years were granted to directors, officers, and employees at an exercise price of CAD$3.93 per share subject to a vesting schedule over a three-year term with 1/6 of the options vesting every six months after the date of grant until fully vested.

(ii) RSUs

The following is a summary of RSUs transactions:

	Number of shares	Weighted average grant date closing price per share $CAD
Balance, April 1, 2020	677,374	$ 4.94
Granted	1,021,500	6.68
Cancelled	(77,166)	5.82
Distributed	(372,372)	5.05
Balance, March 31, 2021	1,249,336	$ 6.28
Granted	1,000,000	6.40
Cancelled	(46,999)	6.63
Distributed	(566,172)	5.90
Balance, March 31, 2022	**1,636,165**	**$ 6.47**

During the year ended March 31, 2022, a total of 1,000,000 RSUs were granted to directors, officers, and employees of the Company at grant date closing price of CAD$6.40 per share subject to a vesting schedule over a three-year term with 1/6 of the RSUs vesting every six months from the date of grant.

Subsequent to March 31, 2022, a total of 961,000 RSUs were granted to directors, officers, and employees of the Company at grant date closing price of CAD$3.93 per share subject to a vesting schedule over a three- year term with 1/6 of the RSUs vesting every six months from the date of grant.

Subsequent to March 31, 2022, a total of 137,876 RSUs were distributed, and a total of 1,667 RSUs were cancelled.

(c) Cash dividends declared

During the year ended March 31, 2022, dividends of $ 4.4 million (year ended March 31, 2021 - $ 4.4 million) were declared and paid.

(d) Normal course issuer bid

On August 25, 2021, the Company announced a normal course issuer bid ("NCIB") which allows it to acquire up to 7,054,000 of its own common shares until August 26, 2022. The Company did not acquire any its own common shares during the year ended March 31, 2022

Subsequent to March 31, 2022, the Company acquired a total of 100,000 common shares at a cost of $ 0.3 million under the NCIB program.

(e) Earnings per share (basic and diluted)

	For the years ended March 31,					
	2022			2021		
	Income (Numerator)	**Shares (Denominator)**	**Per-Share Amount**	Income (Numerator)	Shares (Denominator)	Per-Share Amount
Net income attributable to equity holders of the Company	**$ 30,634**			$ 46,376		
Basic earnings per share	**30,634**	**176,534,501**	**$ 0.17**	46,376	174,868,256	$ 0.27
Effect of dilutive securities:						
Stock options and RSUs		**1,789,467**			2,205,748	
Diluted earnings per share	**$ 30,634**	**178,323,968**	**$ 0.17**	$ 46,376	177,074,004	$ 0.26

Anti-dilutive options that are not included in the diluted EPS calculation were 995,335 for the year ended March 31, 2022 (year ended March 31, 2021 – 490,000).

13. ACCUMULATED OTHER COMPREHENSIVE LOSS

	March 31, 2022	March 31, 2021
Change in fair value on equity investments designated as FVTOCI	**$ 23,043**	$ 22,328
Share of other comprehensive loss in associate	**494**	589
Currency translation adjustment	**(21,584)**	(10,367)
Balance, end of the year	**$ 1,953**	$ 12,550

The change in fair value on equity investments designated as FVTOCI, share of other comprehensive income in associates, and 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	New Infini	Total
Balance, April 1, 2020	$ 63,331	$ 4,702	$ 2,723	$ (466)	$ -	$ 70,290
Share of net income (loss)	13,210	639	219	88	(23)	14,133
Share of other comprehensive income	4,623	480	90	27	-	5,220
Acquisition of La Yesca	-	-	-	-	9,250	9,250
Contributions	-	-	-	-	2,500	2,500
Distributions	(2,600)	(639)	-	-	-	(3,239)
Balance, March 31, 2021	$ 78,564	$ 5,182	$ 3,032	$ (351)	$ 11,727	$ 98,154
Share of net income (loss)	12,639	182	(185)	154	(140)	12,650
Share of other comprehensive income	1,732	194	68	16	-	2,010
Distributions	(3,266)	(630)	-	-	(1,200)	(5,096)
Balance, March 31, 2022	**$ 89,669**	**$ 4,928**	**$ 2,915**	**$ (181)**	**$ 10,387**	**$ 107,718**

As at March 31, 2022, non-controlling interests in Henan Found, Henan Huawei, Yunxiang, Guangdong Found and New Infini were 22.5%, 20%, 30%, 1%, and 53.9%, respectively (March 31, 2021 – 22.5%, 20%, 30%, 1%, and 56.3%, 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, 2022, Henan Found declared and paid dividends of $2.5 million (year ended March 31, 2021 – declared and paid dividends of $ 2.0 million) 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, 2022, Henan Found declared and paid dividends of $0.8 million (year ended March 31, 2021 – declared and paid dividends of $ 0.6 million) 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, 2022, Henan Huawei declared and paid dividends of $0.6 million (year ended March 31, 2021 – $ 0.6 million) to Henan Xinhui.

For the year ended March 31, 2022, New Infini refunded capital contribution of $ 1.2 million to its non- controlling shareholders.

15. GOVERNMENT FEES AND OTHER TAXES

Government fees and other taxes consist of:

	Year ended March 31,	
	2022	2021
Government fees	**$ 69**	$ 63
Other taxes	**2,574**	2,311
	$ 2,643	$ 2,374

Government fees include 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.

16. GENERAL AND ADMINISTRATIVE

General and administrative expenses consist of:

	Year ended March 31, 2022			Year ended March 31, 2021		
	Corporate	**Mines**	**Total**	Corporate	Mines	Total
Amortization and depreciation	**$ 593**	**$ 1,354**	**$ 1,947**	$ 533	$ 1,255	$ 1,788
Office and administrative expenses	**1,598**	**3,149**	**4,747**	1,946	2,897	4,843
Professional fees	**771**	**428**	**1,199**	783	442	1,225
Salaries and benefits	**5,392**	**6,477**	**11,869**	4,947	4,993	9,940
Share-based compensation	**5,827**	-	**5,827**	4,156	-	4,156
	$ 14,181	**$ 11,408**	**$ 25,589**	$ 12,365	$ 9,587	$ 21,952

17. FINANCE ITEMS

Finance items consist of:

Finance income	Year ended March 31, 2022	2021
Interest income	**$ 5,019**	$ 3,767
Dividend income	**198**	-
	$ 5,217	$ 3,767

Finance costs	Year ended March 31, 2022	2021
Interest on lease obligation	**$ 72**	$ 95
Impairment charges for expected credit loss against bond investments (Note 4)	**10,560**	1,376
(Gain) loss on disposal of bonds	**(191)**	266
Unwinding of discount of environmental rehabilitation provision	**269**	251
	$ 10,710	$ 1,988

18. INCOME TAX

(a) Income tax expense

The significant components of income tax expense recognized in the statements of income are as follows:

Income tax expense	Year ended March 31, 2022	2021
Current	**$ 8,760**	$ 10,942
Deferred	**5,028**	2,052
	$ 13,788	$ 12,994

The reconciliation of the Canadian statutory income tax rates to the effective tax rate is as follows:

	Years ended March, 31 2022	2021
Canadian statutory tax rate	**27.00%**	27.00%
Income before income taxes	**$ 57,072**	$ 73,503
Income tax expense computed at Canadian statutory rates	**15,409**	19,846
Foreign tax rates different from statutory rate	**(3,398)**	(7,172)
Permanent items	**635**	2,567
Withholding taxes	**1,428**	1,191
Change in unrecognized deferred tax assets	**(286)**	(3,438)
Income tax expense	**$ 13,788**	$ 12,994

(b) Deferred income tax

The continuity of deferred income tax assets (liabilities) is summarized as follows:

	Years ended March, 31 2022	2021
Net deferred income tax liabilities, beginning of the year	**$ (40,792)**	$ (35,758)
Deferred income tax expense recognized in net income for the year	**(5,028)**	(2,052)
Deferred income tax expense recognized in other comprehensive income for the year	**122**	-
Foreign exchange impact	**(1,430)**	(2,982)
Net deferred income tax liabilities, end of the year	**$ (47,128)**	$ (40,792)

The significant components of the Company's deferred income tax are as follows:

	March 31, 2022	March 31, 2021
Deferred income tax assets		
Plant and equipment	**$ 2,230**	$ 1,706
Environmental rehabilitation	**2,021**	1,716
Unrealized loss on investments	**122**	-
Other deductible temporary difference	**133**	655
Total deferred income tax assets	**4,506**	4,077
Deferred income tax liabilities		
Plant and equipment	**(2,024)**	(1,488)
Mineral rights and properties	**(49,386)**	(43,105)
Unrealized gain on investments	**-**	-
Other taxable temporary difference	**(224)**	(276)

Total deferred income tax liabilities	**(51,634)**	(44,869)
Net deferred income tax liabilities	**(47,128)**	(40,792)
Of which		
-Deferred tax assets	**905**	-
-Deferred tax liabilities	**$ (48,033)**	$ (40,792)

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, 2022	March 31, 2021
Non-capital loss carry forward	**$ 69,341**	$ 62,764
Plant and equipment	**2,331**	10,813
Mineral rights and properties	**2,006**	1,972
Other deductible temporary difference	**21,088**	21,669
	$ 94,766	$ 97,218

As at March 31, 2022, the Company has the following net operating losses, expiring in various years to 2042 and available to offset future taxable income in Canada and China, respectively.

	Canada	**China**	**Total**
2023	$ -	$ 1,105	$ 1,105
2024	-	1,322	1,322
2025	-	902	902
2026	-	267	267
2027	-	1,308	1,308
2030	1,175	-	1,175
2031	6,820	-	6,820
2032	9,893	-	9,893
2033	10,181	-	10,181
2034	8,001	-	8,001
2035	7,266	-	7,266
2036	54	-	54
2037	585	-	585
2038	2,555	-	2,555
2039	4,719	-	4,719
2040	2,155	-	2,155
2041	4,281	-	4,281
2042	6,752	-	6,752
	$ 64,437	$ 4,904	$ 69,341

As at March 31, 2022, temporary differences of $184.6 million (March 31, 2021 - $143.6 million) 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.

19. RELATED PARTY TRANSACTIONS

Related party transactions are made on terms agreed upon by the related parties. The balances with related parties are unsecured and due on demand. Related party transactions not disclosed elsewhere in the consolidated financial statements are as follows:

(a) *Due from related parties*

	March 31, 2022	March 31, 2021
NUAG (i)	**$ 43**	$ 59
WHG (ii)	**23**	19
Henan Non-ferrous (iii)	**-**	769
	$ 66	$ 847

i. The Company recovers costs for services rendered to NUAG and expenses incurred on behalf of NUAG pursuant to a services and administrative costs reallocation agreement. During the year ended March 31, 2022, the Company recovered $0.7 million (year ended March 31, 2021 - $0.6 million), 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. The Company recovers costs for services rendered to WHG and expenses incurred on behalf of WHG pursuant to a services and administrative costs reallocation agreement. During the year ended March 31, 2022, the Company recovered $0.2 million (year ended March 31, 2021 - $0.1 million) from WHG for services rendered and expenses incurred on behalf of WHG. The costs recovered from WHG were recorded as a direct reduction of general and administrative expenses on the consolidated statements of income.

iii. In January 2021, Henan Found advanced a loan of $0.8 million (RMB¥5 million) to Henan Non-ferrous. The loan bears an interest rate of 4.35% per annum. In January 2022, the loan, including accumulated interest, of $0.8 million (RMB¥5.2 million) was repaid in full.

The balances with related parties are unsecured.

(b) *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, 2022 and 2021 were as follows:

	Years Ended March 31,	
	2022	2021
Cash compensation	**3,246**	3,252
Share-based compensation	**3,179**	2,814
	$ 6,425	$ 6,066

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 as at March 31, 2022 and March 31, 2021. As required by IFRS 13, the 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, 2022			
Recurring measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Cash and cash equivalents	**$ 113,302**	**$ -**	**$ -**	**$ 113,302**
Short-term investments - money market instruments	**90,455**	**-**	**-**	**90,455**
Investments in public companies	**13,916**	**-**	**-**	**13,916**
Investments in private companies	**-**	**-**	**3,852**	**3,852**

	Fair value as at March 31, 2021			
Recurring measurements	Level 1	Level 2	Level 3	Total

Financial assets				
Cash and cash equivalents	$ 118,735	$ -	$ -	$ 118,735
Short-term investments - money market instruments	64,545	-	-	64,545
Investments in public companies	13,444	-	-	13,444
Investments in private companies	-	-	2,289	2,289

Financial assets classified within Level 3 are equity investments in private companies owned by the Company. Significant unobservable inputs are used to determine the fair value of the financial assets, which includes recent arm's length transactions of the investee, the investee's financial performance as well as any changes in planned milestones of the investees.

Fair value of the other financial instruments excluded from the table above approximates their carrying amount as at March 31, 2022 and March 31, 2021, 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, 2022 and 2021.

(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, 2022			March 31, 2021
	Within a year	**2-5 years**	**Total**	Total
Accounts payable and accrued liabilities	**$ 39,667**	**$ -**	**$ 39,667**	$ 30,298
Lease obligation	**677**	**666**	**1,343**	1,741
	$ 40,344	**$ 666**	**$ 41,010**	$ 32,039

(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 functional currency of New Infini and its subsidiaries is USD. 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 follows:

	March 31, 2022	March 31, 2021
Financial assets denominated in U.S. Dollars	**$ 59,272**	$ 58,610
Financial liabilities denominated in U.S. Dollars	**$ -**	$ 52

As at March 31, 2022, with other variables unchanged, a 10% strengthening (weakening) of the CAD against the USD would have decreased (increased) net income by approximately $6.0 million.

(d) Interest rate risk

The Company is exposed to interest rate risk on its cash equivalents and short term investments. As at March 31, 2022, 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 rates 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 these financial instruments, fluctuations in interest rates would not have a significant impact on the Company's net income.

(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 in the consolidated statement of financial position 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. There were no material amounts in trade or other receivables which were past due on March 31, 2022 (at March 31, 2021
- $nil).

(f) Equity price risk

The Company holds certain marketable securities that will fluctuate in value as a result of trading on 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, 2022, 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 the net income and other comprehensive income of $1.2 million and $0.2 million, respectively.

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	Infini Resources S.A. de C.V. and Xinbaoyuan	La Yesca, Kuanping
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, 2022

	Mining				Administrative		
Statement of financial position items:	**Henan Luoning**	**Hunan**	**Guangdong**	**Other**	**Beijing**	**Vancouver**	**Total**
Current assets	**$ 141,376**	**$ 870**	**$ 14,919**	**$ 1,566**	**$ 8,570**	**$ 65,007**	**$ 232,308**
Plant and equipment	**58,189**	**3,708**	**15,282**	**163**	**864**	**1,212**	**79,418**
Mineral rights and properties	**254,071**	**7,571**	**32,091**	**32,715**	**-**	**-**	**326,448**
Investment in an associate	**-**	**-**	**-**	**-**	**-**	**56,841**	**56,841**
Other investments	**72**	**-**	**-**	**-**	**-**	**17,696**	**17,768**
Reclamation deposits	**3,996**	**-**	**4,872**	**-**	**-**	**8**	**8,876**
Long-term prepaids and deposits	**588**	**104**	**282**	**-**	**-**	**-**	**974**
Deferred income tax assets	**-**	**-**	**905**	**-**	**-**	**-**	**905**
Total assets	**$ 458,292**	**$ 12,253**	**$ 68,351**	**$ 34,444**	**$ 9,434**	**$ 140,764**	**$ 723,538**
Current liabilities	**$ 37,161**	**$ 545**	**$ 5,155**	**$ 2**	**$ 295**	**$ 2,880**	**$ 46,038**
Long-term portion of lease obligation	**-**	**-**	**-**	**-**	**-**	**614**	**614**
Deferred income tax liabilities	**46,849**	**1,184**	**-**	**-**	**-**	**-**	**48,033**
Environmental rehabilitation	**6,053**	**1,044**	**1,642**	**-**	**-**	**-**	**8,739**
Total liabilities	**$ 90,063**	**$ 2,773**	**$ 6,797**	**$ 2**	**$ 295**	**$ 3,494**	**$ 103,424**

March 31, 2021

	Mining				Administrative		
Statement of financial position items:	Henan Luoning	Hunan	Guangdong	Other	Beijing	Vancouver	Total
Current assets	$ 124,636	$ 909	$ 11,177	$ 191	$ 4,322	$ 79,954	$ 221,189
Plant and equipment	53,651	3,833	15,765	59	965	1,456	75,729
Mineral rights and properties	225,023	7,345	28,314	16,747	-	-	277,429
Investment in an associate	-	-	-	-	-	53,457	53,457
Other investments	2,289	-	-	-	-	13,444	15,733
Reclamation deposits	3,898	-	4,607	-	-	8	8,513
Long-term prepaids and deposits	221	101	87	-	-	-	409
Long-term portion of lease receivable	-	-	-	-	-	183	183
Total assets	$ 409,718	$ 12,188	$ 59,950	$ 16,997	$ 5,287	$ 148,502	$ 652,642
Current liabilities	$ 28,654	$ 625	$ 4,570	$ -	$ 112	$ 3,214	$ 37,175
Long-term portion of lease obligation	-	-	-	-	-	1,084	1,084
Deferred income tax liabilities	39,756	1,036	-	-	-	-	40,792
Environmental rehabilitation	6,115	993	755	-	-	-	7,863

Total liabilities	$ 74,525	$ 2,654	$ 5,325	$ -	$ 112	$ 4,298	$ 86,914

(b) Segmented information for operating results is as follows:

Year ended March 31, 2022

	Mining				Administrative		
Statement of income:	**Henan Luoning**	**Hunan**	**Guangdong**	**Other**	**Beijing**	**Vancouver**	**Total**
Revenue	**$ 176,751**	**$ -**	**$ 41,172**	**$ -**	**$ -**	**$ -**	**$ 217,923**
Costs of mine operations	**(106,706)**	**(530)**	**(26,345)**	**(41)**	**-**	**-**	**(133,622)**
Income from mine operations	**70,045**	**(530)**	**14,827**	**(41)**	**-**	**-**	**84,301**
Operating (expenses) income	**(1,367)**	**146**	**59**	**(143)**	**(2,109)**	**(18,322)**	**(21,736)**
Finance items, net	**2,862**	**(35)**	**374**	**1**	**255**	**(8,950)**	**(5,493)**
Income tax expenses	**(12,612)**	**(112)**	**364**	**-**	**-**	**(1,428)**	**(13,788)**
Net income (loss)	**$ 58,928**	**$ (531)**	**$ 15,624**	**$ (183)**	**$ (1,854)**	**$ (28,700)**	**$ 43,284**
Attributable to:							
Equity holders of the Company	**46,099**	**(346)**	**15,470**	**(77)**	**(1,854)**	**(28,658)**	**30,634**
Non-controlling interests	**12,829**	**(185)**	**154**	**(106)**	**-**	**(42)**	**12,650**
Net income (loss)	**$ 58,928**	**$ (531)**	**$ 15,624**	**$ (183)**	**$ (1,854)**	**$ (28,700)**	**$ 43,284**

(1) Hunan's BYP project was placed on care and maintenance in August 2014.

Year ended March 31, 2021

	Mining				Administrative		
Statement of income:	Henan Luoning	Hunan	Guangdong	Other	Beijing	Vancouver	Total
Revenue	$ 157,297	$ 1,553	$ 33,255	**$ -**	**$ -**	**$ -**	$ 192,105
Costs of mine operations	(83,090)	(1,356)	(23,497)	**-**	**-**	**-**	(107,943)
Income from mine operations	74,207	197	9,758	**-**	**-**	**-**	84,162
Operating expenses	(1,848)	576	9	(6)	(1,012)	(10,157)	(12,438)
Finance items, net	1,788	(29)	145	-	118	(243)	1,779
Income tax expenses	(10,876)	41	(960)	-	(8)	(1,191)	(12,994)
Net income (loss)	$ 63,271	$ 785	$ 8,952	$ (6)	$ (902)	$ (11,591)	$ 60,509
Attributable to:							
Equity holders of the Company	49,422	566	8,864	(3)	(902)	(11,571)	46,376
Non-controlling interests	13,849	219	88	(3)	-	(20)	14,133
Net income (loss)	$ 63,271	$ 785	$ 8,952	$ (6)	$ (902)	$ (11,591)	$ 60,509

(c) Sales by metal

The sales generated for the year ended March 31, 2022 and 2021 were all earned in China and were comprised of:

Year ended March 31, 2022

	Henan Luoning	**Hunan**	**Guangdong**	**Total**
Silver (Ag)	**$ 111,835**	**$ -**	**$ 9,438**	**$ 121,273**
Gold (Au)	**5,083**	**-**	**-**	**5,083**
Lead (Pb)	**48,504**	**-**	**8,586**	**57,090**
Zinc (Zn)	**7,489**	**-**	**21,353**	**28,842**
Other	**3,840**	**-**	**1,795**	**5,635**
	$ 176,751	**$ -**	**$ 41,172**	**$ 217,923**

Year ended March 31, 2021

	Henan Luoning	Hunan	Guangdong	Total
Silver (Ag)	102,100	$ -	$ 9,091	$ 111,191
Gold (Au)	5,169	1,553	-	6,722

Lead (Pb)	42,836	-	7,628	50,464
Zinc (Zn)	5,898	-	15,895	21,793
Other	1,294	-	641	1,935
	$ 157,297	$ 1,553	$ 33,255	$ 192,105

(d) Major customers

For the year ending March 31, 2022, four major customers (year ended March 31, 2021 – five) each accounted for 13%, 18%, 19%, and 19% (year ended March 31, 2021 – 11%, 12%, 15%, 16%, and 21%) and collectively 69% (year ended March 31, 2021 – 75%) of the total sales of the Company.

23. SUPPLEMENTARY CASH FLOW INFORMATION

Changes in non-cash operating working capital:	**Year Ended March 31,**	
	2022	2021
Trade and other receivables	**$ (2,101)**	$ (470)
Inventories	**753**	(859)
Prepaids and deposits	**(650)**	(1,133)
Accounts payable and accrued liabilities	**8,014**	4,158
Deposits received	**422**	1,352
Due from a related party	**(14)**	27
	$ 6,424	$ 3,075

	March 31, 2022	March 31, 2021
Cash on hand and at bank	**$ 72,782**	$ 111,191
Bank term deposits and short-term money market investments	**40,520**	7,544
Total cash and cash equivalents	**$ 113,302**	$ 118,735

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 22, 2022

/s/ 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 22, 2022

/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, 2022 (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 22, 2022

/s/ 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, 2022 (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 22, 2022

/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 Statements No. 333-249939 on Form F-10 and No. 333-162546 on Form S-8 and to the use of our reports dated May 25, 2022 relating to the consolidated financial statements of Silvercorp Metals Inc. ("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, 2022.

/s/ Deloitte LLP
Chartered Professional Accountants
Vancouver, Canada
June 22, 2022

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, 2022, 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 Statements on Form F-10 (Registration No. 333-249939) and Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Registration Statements").

I hereby consent to the use of my name and references to, excerpts from, and summaries of, the following reports:

Technical Report titled "*NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective July 31, 2020; and

Technical Report titled "*NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective March 31, 2021

in the 40-F, the AIF, the MD&A and the Registration Statements

/s/ Alan Riles
Alan Riles, B.Met, MAIG
And on behalf of AMC Mining Consultants (Canada) Ltd.
June 22, 2022

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, 2022, 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 Statements on Form F-10 (Registration No. 333-249939) and Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Registration Statements").

I hereby consent to the use of my name and references to, excerpts from, and summaries of (i) the mineral reserve estimates for the Ying and Gaocheng property and (ii) the following reports:

Technical Report titled "*NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective July 31, 2020; and

Technical Report titled "*NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective March 31, 2021

in the 40-F, the AIF, the MD&A and the Registration Statements.

/s/ Herbert Smith
Herbert Smith, P.Eng.
And on behalf of AMC Mining Consultants (Canada) Ltd.
June 22, 2022

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, 2022, 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 Statements on Form F-10 (Registration No. 333-249939) and Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Registration Statements").

I hereby consent to the use of my name and references to, excerpts from, and summaries of, the following reports:

Technical Report titled "*NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective July 31, 2020; and

Technical Report titled "*NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective March 31, 2021

in the 40-F, the AIF, the MD&A and the Registration Statements.

/s/ Genoa Vartell
Genoa Vartell (formerly known as Adrienne Ross), P.Geo.
And on behalf of AMC Mining Consultants (Canada) Ltd.
June 22, 2022

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, 2022, 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 Statements on Form F-10 (Registration No. 333-249939) and Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Registration Statements").

I hereby consent to the use of my name and references to, excerpts from, and summaries of (i) the mineral resource estimates for the GC Property and (ii) the following report:

> Technical Report titled "*NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective March 31, 2021

in the 40-F, the AIF, the MD&A and the Registration Statements.

/s/ Dinara Nussipakynova
Dinara Nussipakynova, P.Geo.
And on behalf of AMC Mining Consultants (Canada) Ltd.
June 22, 2022

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, 2022, 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 Statements on Form F-10 (Registration No. 333-249939) and Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Registration Statements").

I hereby consent to the use of my name and references to, and the information derived from:

scientific and technical information contained in, or incorporated by reference; and

Technical Report titled "*NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective March 31, 2021

in the 40-F, the AIF, the MD&A and the Registration Statements.

/s/ Guoliang Ma
Guoliang Ma, P.Geo.
June 22, 2022

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, 2022, 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 Statements on Form F-10 (Registration No. 333-249939) and Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Registration Statements").

I hereby consent to the use of my name and references to, excerpts from, and summaries of (i) the mineral resource estimates for the TLP, HZG, and DCG deposits and (ii) the following reports:

Technical Report titled "*NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective July 31, 2020; and

Technical Report titled "*NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective March 31, 2021

in the 40-F, the AIF, the MD&A and the Registration Statements.

/s/ Simeon Robinson
Simeon Robinson, P.Geo.
And on behalf of AMC Mining Consultants (Canada) Ltd.
June 22, 2022

EXHIBIT 99.15

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, 2022, 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 Statements on Form F-10 (Registration No. 333-249939) and Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Registration Statements").

I hereby consent to the use of my name and references to, excerpts from, and summaries of (i) the mineral resource estimates for the SGX, HPG, LMW and LME deposits and (ii) the following report:

> Technical Report titled "*NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective July 31, 2020.

in the 40-F, the AIF, the MD&A and the Registration Statements.

/s/ Rod Webster
Rod Webster, MAIG
And on behalf of AMC Mining Consultants (Canada) Ltd.
June 22, 2022

EXHIBIT 99.16

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, 2022, 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 Statements on Form F-10 (Registration No. 333-249939) and Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Registration Statements").

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 the Registration Statements:

> Technical Report titled "*NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective July 31, 2020.

/s/ Robert Chesher
Robert Chesher, FAusIMM(CP)
And on behalf of AMC Mining Consultants (Canada) Ltd.
June 22, 2022

AMC Mining Consultants (Canada) Ltd.
BC0767129

200 Granville Street, Suite 202
Vancouver BC V6C 1S4
Canada

T +1 604 669 0044
E vancouver@amcconsultants.com
W amcconsultants.com

Technical Report

NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China

Silvercorp Metals Inc.

Henan Province, China

In accordance with the requirements of National Instrument 43-101 "Standards of Disclosure for Mineral Projects" of the Canadian Securities Administrators

Qualified Persons:
H.A. Smith, P.Eng.
A.A. Ross. P.Geo., P.Geol.
S. Robinson, P.Geo.
R. Webster, MAIG
R. Chesher, FAusIMM(CP)
A. Riles, MAIG

AMC Project 720009
Effective date: 31 July 2020

1 Summary

1.1 Introduction

AMC Mining Consultants (Canada) Ltd. (AMC) was commissioned by Silvercorp Metals Inc. (Silvercorp) to prepare a Technical Report (Ying 2020 Technical Report or Technical Report) on the Ying gold-silver-lead-zinc property (Property) in Henan Province, China, encompassing the SGX, HZG, HPG, TLP, LME, and LMW underground mines, and the DCG project. The six mines and the DCG project are collectively referred to as the Ying mine or Ying mines in the Technical Report. AMC has previously prepared Technical Reports on the Property in 2017 (filed 24 February 2017, effective date 31 December 2016); 2014 (filed 5 September 2014, effective date 31 December 2013); 2012 (filed 15 June 2012, effective date 1 May 2012); and in 2013 (minor update to 2012 report, filed 6 May 2013, effective date 1 May 2012).

The authors of the Technical Report all qualify as independent Qualified Persons (QPs). Three of the authors have visited the Ying Property (latest visit in July 2016), with plans for a more recent visit postponed because of the COVID-19 pandemic. In lieu of no recent site visit prior to the release of the Technical Report, there has been a particular focus, throughout the report generation, on regular and detailed communication, inclusive of video conferencing, between QPs and key Silvercorp personnel, both at the Ying site and in Canada.

Silvercorp is a Canadian mining company producing silver, lead and zinc metals in concentrates from mines in China. It is listed on both the TSX and NYSE as SVM. Through wholly owned subsidiaries, Silvercorp has effective interests of 77.5% in the SGX, HZG, TLP, and LMW mines and the DCG project, and 80% in the HPG and LME mines. It has all the exploration and mining permits necessary to cover its mining and exploration activities. There are no known or recognized environmental issues that might preclude or inhibit a mining operation in the Ying Property area.

The Property is about 240 km west-southwest of Zhengzhou, the capital city of Henan Province, and 145 km south-west of Luoyang, which is the nearest major city. The nearest small city to the project area is Luoning, about 56 km by paved roads from Silvercorp's Ying mill site. The project areas have good road access and operate year-round. The area has a continental sub-tropical climate with four distinct seasons.

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 / LMW / LME projects in late 2007. Annual production has ramped up substantially in recent years, reaching 590,000 tonnes of ore in fiscal year 2016, and maintaining around 620,000 to 635,000 tonnes in each of fiscal years 2017 to 2020.

1.2 Geology, exploration, and Mineral Resources

The 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. Rocks along the orogenic belt are severely folded and faulted, offering optimal structural conditions for the emplacement of mineral deposits. Several operating silver-lead-zinc mines, including those in the Property, occur along this belt. The dominant structures in the region are west-northwest trending folds and faults, the faults comprising numerous thrusts with sets of conjugate shear structures trending either north-west or north-east. These shear zones are associated with all the important mineralization in the district.

Mineralization comprises numerous mesothermal, silver-lead-zinc-rich, quartz-carbonate veins in steeply-dipping, fault-fissure zones which cut Precambrian gneiss and greenstone. 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. The fault-fissure zones extend for hundreds to a few thousand metres along strike. To date, significant mineralization has been defined or developed in at least 308 discrete vein structures, and many other smaller veins have been found but have not, as yet, been well explored. The vein systems of the various mine areas in the district are generally similar in mineralogy, with slight differences between some of the separate mine areas and between the different vein systems within each area.

From 1 July 2016 to 31 December 2019, Silvercorp drilled 1,052 underground holes and 38 surface holes, for a total of approximately 325,151 m. Most drill core (core) is NQ-sized. Core recoveries average 98%. Core is logged, photographed and sampled in the core shack on surface. Samples are prepared by cutting the core in half with a diamond saw. One half of the core is marked with sample number and sample boundary and then returned to the core box for archival storage. The other half is placed in a labelled cotton cloth bag with sample number marked on the bag. The bagged sample is then shipped to the laboratory for preparation and assaying.

Other than drilling, the projects have been explored primarily from underground workings. The workings follow vein structures along strike, on levels spaced approximately 40 m apart. Chip samples across the structures are collected at 5 m intervals. From 1 July 2016 to 31 December 2019, Silvercorp undertook 201,688 m of tunneling, and collected 75,334 channel / chip samples.

Drill core samples are stored in securely sealed bags at the core logging facilities until shipment by courier to one of the following three reputable commercial laboratories which are chosen based on capacity: the Analytical Laboratory of Henan Nonferrous Exploration Institute in Zhengzhou, Henan Province; the Chengde Huakan 514 Geology and Mineral Testing and Research Institute in Chengde; and the Analytical Laboratory of the Inner Mongolia Geological Exploration Bureau in Hohhot. All laboratories are officially accredited in China. Sample preparation and assaying procedures follow standard practices.

Channel samples are analyzed on site at the Ying assay laboratory located at the mill complex in Luoning County. The assay laboratory is officially accredited by the Quality and Technology Monitoring Bureau of Henan Province.

Silvercorp has implemented industry standard practices for sample preparation, security and analysis. The sampling and assaying Quality Assurance / Quality Control (QA/QC) program for the

1 July 2016 to 31 December 2019 period comprised 87,707 Certified Reference Material (CRM) samples, 929 blanks, and 623 field duplicates inserted with the core and channel / chip samples. CRMs, blanks, and duplicates each consisted of approximately 3% of the total drill samples. CRMs consisted of 2.6% of the channel samples. Blanks consisted of 0.5% of the total channel samples. For channel samples, no duplicate samples were taken.

The review of Silvercorp's QA/QC procedures has highlighted several issues that require further investigation and improvement. The QP does not consider these issues to have a material impact on the global Mineral Resources and Mineral Reserve estimates but cannot guarantee there are no material impacts on a local scale. Overall, the QP considers the assay database to be acceptable for Mineral Resource estimation.

The Mineral Resource estimates for the SGX, HPG, LMW, and LME deposits were carried out by independent QP Rod Webster, MAIG of AMC, who takes responsibility for those estimates. The Mineral Resource estimates for the TLP, HZG, and DCG deposits were carried out by independent QP Simeon Robinson, P.Geo. of AMC, who takes responsibility for those estimates.

The December 2019 Mineral Resources were estimated using a block modelling approach and Datamine's ™ dynamic anisotropy application[1]. Except for DCG, all grade estimation was completed using ordinary kriging. DCG was estimated using inverse distance squared.

Additional geological sections in the Ying 2020 Technical Report were prepared by independent QP Dr Adrienne Ross, P.Geo. of AMC, who takes responsibility for those sections.

The Mineral Resources include material (approximately 30% 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, the QPs for the Mineral Resource estimation are 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 Mineral Resources as and when required.

The Mineral Resource and metal content estimates are shown in Table 1.1 and 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 (COGs) are based on in situ values in silver equivalent (AgEq) terms in grams per tonne and incorporate mining, processing and shipping costs, and metallurgical recoveries and payable values, provided by Silvercorp for each mine and reviewed by the QPs. AgEq formulae and cut-off grades are shown in the footnotes of Table 1.1.

Table 1.1 Ying Property - Mineral Resources and metal content for silver, lead, zinc, and gold as of 31 December 2019 (Inclusive of Mineral Reserves)

Mine	Resource category	Tonnes	Au	Ag	Pb	Zn	Metal contained in Mineral Resources			
		(Mt)	(g/t)	(g/t)	(%)	(%)	Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
SGX	Measured	3.29	-	313	6.19	3.12	-	33.08	203.6	102.5
	Indicated	3.48	-	257	5.04	2.53	-	28.77	175.5	88.1
	Measured + Indicated	6.77	-	284	5.60	2.82	-	61.86	379.1	190.6
	Inferred	4.33	-	237	4.84	1.99	-	33.00	209.8	86.1
HZG	Measured	0.49	-	342	1.09	0.25	-	5.43	5.4	1.2
	Indicated	0.60	-	274	0.70	0.15	-	5.29	4.2	0.9
	Measured + Indicated	1.09	-	305	0.87	0.20	-	10.72	9.5	2.1
	Inferred	0.97	-	250	0.78	0.18	-	7.77	7.5	1.7
HPG	Measured	0.88	1.17	93	3.74	1.43	33.3	2.64	33.1	12.6
	Indicated	1.50	1.35	67	3.02	1.30	64.9	3.22	45.2	19.5
	Measured + Indicated	2.38	1.28	77	3.29	1.35	98.2	5.87	78.3	32.1
	Inferred	3.20	2.05	84	2.65	1.04	211.2	8.65	84.9	33.2
LME	Measured	0.49	-	348	1.72	0.38	-	5.47	8.4	1.8
	Indicated	1.18	-	282	1.62	0.44	-	10.69	19.1	5.1
	Measured + Indicated	1.67	-	301	1.65	0.42	-	16.16	27.5	7.0
	Inferred	1.79	-	222	1.73	0.39	-	12.75	30.9	6.9
LMW	Measured	0.74	-	330	3.13	0.28	-	7.87	23.2	2.1
	Indicated	1.97	-	259	2.33	0.29	-	16.41	45.9	5.8
	Measured + Indicated	2.71	-	278	2.55	0.29	-	24.29	69.1	7.9
	Inferred	2.41	-	248	2.85	0.39	-	19.22	68.6	9.5

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

Mine	Resource category	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Metal contained in Mineral Resources			
							Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
TLP	Measured	2.51	-	208	3.44	0.33	-	16.79	86.5	8.3
	Indicated	2.92	-	165	2.74	0.32	-	15.48	79.9	9.2
	Measured + Indicated	5.43	-	185	3.06	0.32	-	32.27	166.4	17.5
	Inferred	5.48	-	157	2.64	0.25	-	27.70	144.7	13.7
DCG	Measured	-	-	-	-	-		-	-	-
	Indicated	0.06	0.09	59	3.78	0.15	0.2	0.12	2.3	0.1
	Measured + Indicated	0.06	0.09	59	3.78	0.15	0.2	0.12	2.3	0.1
	Inferred	0.40	0.24	61	4.69	0.15	3.2	0.79	18.9	0.6
Total	**Measured**	**8.41**	**0.12**	**264**	**4.28**	**1.53**	**33.3**	**71.29**	**360.2**	**128.6**
	Indicated	**11.71**	**0.17**	**212**	**3.18**	**1.10**	**65.1**	**79.98**	**372.1**	**128.7**
	Measured + Indicated	**20.12**	**0.15**	**234**	**3.64**	**1.28**	**98.4**	**151.26**	**732.3**	**257.3**
	Inferred	**18.58**	**0.36**	**184**	**3.04**	**0.82**	**214.4**	**109.87**	**565.3**	**151.8**

Notes:

- Measured and Indicated Mineral Resources are inclusive of Mineral Resources from which Mineral Reserves are estimated.
- Metal prices: gold US$1,250/troy oz, silver US$18/troy oz, lead US$0.95/lb, zinc US$1.10/lb.
- Exchange rate: RMB 6.90 : US$1.00.
- Mineral Resource reported 5 m below surface.
- Veins factored to minimum extraction width of 0.3 m after estimation.
- Cut-off grades: SGX 145 g/t AgEq; HZG 130 g/t AgEq; HPG 140 g/t AgEq; LME 120 g/t AgEq; LMW 155 g/t AgEq; TLP 130 g/t AgEq; DCG 135 g/t AgEq.
- AgEq formulas by mine:
  -SGX=35.63*Pb%+22.45*Zn%+Ag g/t
  -HZG=34.6*Pb%+Ag g/t
  -HPG=36.84*Pb%+23.61*Zn%+62.87*Au g/t + Ag g/t
  -LME=34.17*Pb%+11.92*Zn%+Ag g/t
  -TLP=34.19*Pb%+Ag g/t
  -LMW=35.06*Pb%+Ag g/t
  -DCG=36.84*Pb% + 23.61*Zn + 62.87*Au g/t + Ag g/t
- Exclusive of mine production to 31 December 2019.
- Rounding of some figures may lead to minor discrepancies in totals.

1.3 Comparison of Mineral Resources, 30 June 2016 and 31 December 2019

A comparison of Mineral Resource estimates between 30 June 2016 and 31 December 2019 indicates the following:

- Measured and Indicated tonnes have increased by 23% overall, while the Inferred tonnes have increased by 78%.
- Measured and Indicated grades have decreased overall by between -2% and -6%. Inferred grades decreased between -20% and -26% overall (both comparisons excluding gold as it is a very minor contributor).
- The net result in the Measured and Indicated categories has been an increase in the contained silver of 18% and an increase in the contained lead of 16%. The increase in zinc content was 20%.
- The net result in the Inferred category has been an increase in the contained silver of 42% and a significant increase in both the contained lead and zinc, with increases of 38% and 32% respectively.

Reasons for the differences in grade, tonnes, and contained metal include Mineral Resource additions and conversion to higher categories arising from drilling and level development, different COGs and depletion due to mining. Additional channel and drillhole samples also became available

between the two estimates to extend the Mineral Resources along-strike and down-dip, and allowed changed interpretation of the veins, given the greater degree of geological understanding.

1.4 Mining and Mineral Reserves

The Mineral Reserve estimates for the Property were prepared by Silvercorp under the guidance of independent QP Mr H.A. Smith, P.Eng., who takes responsibility for those estimates. Table 1.2 summarizes the Mineral Reserve estimates for each mine and for the entire Ying operation. Approximately 44% of the Mineral Reserve tonnage is categorized as Proven and approximately 56% is categorized as Probable.

Table 1.2 Mineral Reserve estimates, Ying Property, 31 December 2019

Mine	Reserve category	Mt	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Metal Contained in Mineral Reserves			
							Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
SGX	Proven	2.48		298	5.86	2.80		23.73	145.2	69.4
	Probable	2.71		259	5.05	2.35		22.57	137.0	63.9
Total Proven & Probable		**5.19**		**277**	**5.43**	**2.57**		**46.30**	**282.1**	**133.3**
HZG	Proven	0.30		356	0.98	0.24		3.42	2.9	0.7
	Probable	0.32		306	0.66	0.12		3.13	2.1	0.4
Total Proven & Probable		**0.62**		**330**	**0.82**	**0.18**		**6.54**	**5.0**	**1.1**
HPG	Proven	0.48	1.05	88	3.66	1.52	16	1.34	17.4	7.2
	Probable	0.76	1.38	62	3.07	1.37	34	1.53	23.4	10.5
Total Proven & Probable		**1.24**	**1.25**	**72**	**3.29**	**1.43**	**50**	**2.88**	**40.8**	**17.7**
LME	Proven	0.36		352	1.65	0.37		4.05	5.9	1.3
	Probable	0.89		287	1.57	0.40		8.18	13.9	3.5
Total Proven & Probable		**1.24**		**306**	**1.59**	**0.39**		**12.23**	**19.8**	**4.8**
LMW	Proven	0.42		347	3.30	0.28		4.73	14.0	1.2
	Probable	0.93		303	2.44	0.30		9.00	22.6	2.8
Total Proven & Probable		**1.35**		**317**	**2.71**	**0.29**		**13.73**	**36.6**	**4.0**
TLP	Proven	1.25		241	3.47	0.34		9.71	43.5	4.2
	Probable	1.10		216	2.60	0.32		7.62	28.5	3.5
Total Proven & Probable		**2.35**		**230**	**3.07**	**0.33**		**17.34**	**72.0**	**7.7**
Ying Mines	Proven	5.29	0.09	276	4.33	1.59	16	46.99	228.9	84.0
	Probable	6.70	0.16	241	3.39	1.26	34	52.02	227.5	84.5
Total Proven & Probable		**11.99**	**0.13**	**257**	**3.81**	**1.41**	**50**	**99.01**	**456.4**	**168.6**

Notes to Mineral Reserve Statement:

- Cut-off grades (AgEq g/t): SGX - 235 Resuing, 205 Shrinkage; HZG - 240 Resuing, 210 Shrinkage; HPG - 235 Resuing, 210 Shrinkage; LME - 210 Resuing, 180 Shrinkage; TLP - 240 Resuing, 215 Shrinkage; LMW - 260 Resuing, 235 Shrinkage.
- Stope Marginal cut-off grades (AgEq g/t): SGX - 215 Resuing, 180 Shrinkage; HZG - 220 Resuing, 190 Shrinkage; HPG - 215 Resuing, 190 Shrinkage; LME - 180 Resuing, 150 Shrinkage; TLP - 220 Resuing, 195 Shrinkage; LMW - 230 Resuing, 205 Shrinkage.
- Development Ore cut-off grades (AgEq g/t): SGX - 145; HZG - 140; HPG - 145; LME - 120; TLP - 150; LMW - 165.
- 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$18/troy oz, lead US$0.95/lb, zinc US$1.10/lb.
- Processing recovery factors: SGX - 96.5% Ag, 97.8% Pb, 64.2% Zn; HZG - 96.8% Ag, 95.2% Pb; HPG - 90.7% Au, 90.2% Ag, 94.4% Pb, 63.1% Zn; LME - 96.9% Ag, 94.1% Pb, 34.2% Zn; TLP - 93.4% Ag, 90.7% Pb; LMW - 96.6% Ag, 96.3% Pb.
- Payables: Au - 81%; Ag - 90.0%; Pb - 87.5%; Zn - 72.5%.
- Exclusive of mine production to 31 December 2019.
- Exchange rate assumed is RMB 6.90 : US$1.00.
- Rounding of some figures may lead to minor discrepancies in totals.

The Mineral Reserve estimates assume that the current stoping practices of cut and fill resuing and shrinkage stoping will continue to be predominant at the Property. The largely sub -vertical veins, generally competent ground, reasonably regular vein width, and hand-mining techniques using short rounds, allow 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. The QP has observed the mining methods at the 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.

Average Ying dilution factors have been estimated as 15% for resuing and 18% for shrinkage, while assumed mining recovery factors are 95% for resuing stopes and 92% for shrinkage stopes.

For the total tonnage estimated as Ying Mineral Reserves, 49.7% is associated with resuing and 50.3% with shrinkage.

The sensitivity of the Ying Mineral Reserves to variation in COG has been tested by applying a 20% increase in COG to Mineral Reserves at each of the Ying mines. The lowest sensitivities are seen at SGX and LME with, respectively, estimated 4.7% and 9.4% reductions in contained AgEq ounces when the COG is increased by 20%. The highest reduction of 21.0% is noted at HPG. For Ying as a whole, an approximately 8.8% reduction in AgEq ounces demonstrates relatively low overall COG sensitivity.

For the entire Property, total Mineral Reserve tonnes are approximately 60% of Mineral Resource (Measured plus Indicated) tonnes. Silver, lead, and zinc Mineral Reserve grades are 110%, 105%, and 110% respectively of the corresponding Measured plus Indicated Mineral Resource grades. Metal conversion percentages for silver, lead, and zinc are 65%, 62%, and 66% respectively.

Underground access to each of the mines in the steeply-sloped, mountainous area is generally via adits at various elevations, inclined haulageways, and internal shafts (winzes). The only shaft to surface is at LM West. It has a current hoisting capacity of 150,000 tpa of combined ore and waste with a standard cage. The mines are developed using trackless equipment - 20 t trucks and one-boom jumbos; and small, conventional tracked equipment - battery / diesel locomotives, rail cars, electric rocker shovels and pneumatic hand-held drills (jacklegs). At most of TLP, four adits of SGX, part of LME, and part of LMW, small tricycle trucks with a payload of up to three tonnes each are used to haul ore to surface. These tricycle trucks are being gradually replaced by rail cars in all mines except for TLP.

The global extraction sequence is top-down between levels, and generally outwards from the central shaft or main access location. The stope extraction sequence is bottom-up. Stope production drilling is by jackleg. In-stope rock movement is by gravity to draw points or by hand-carting to steel ore passes or chutes. Production mucking uses mostly hand shovels or, occasionally, rocker shovels, with rail cars and electric or diesel locomotives transporting ore to the main shaft or inclined haulageway. Ore transport to surface is via skip / cage hoisting (shaft), rail-cars (tracked adit and / or inclined haulageway), small tricycle trucks (adit), or 20 t trucks (ramp). Some hand picking of high-grade ore and waste is done on surface, with transport to the centralized processing plants being via 30 t or 45 t trucks or barge and truck combination.

1.5 Reconciliation

Table 1.3 summarizes the Silvercorp reconciliation between Mineral Reserve estimates in areas mined and production as mill feed for the Ying mines from 1 July 2016 to 31 December 2019.

Table 1.3 Mineral Reserve to production reconciliation: July 2016 - December 2019

	Mine	Ore (kt)	Grade			Metal		
			Ag (g/t)	Pb (%)	Zn (%)	Ag (koz)	Pb (kt)	Zn (kt)
Reserve (Proven + Probable)	SGX	923	311	5.78	2.37	9,233	53.34	21.87
	HZG	191	331	1.01		2,032	1.92	
	HPG	259	114	4.46	1.07	948	11.54	2.77
	LME	223	337	1.78	0.32	2,425	3.97	0.72
	LMW	324	330	3.32		3,440	10.77	
	TLP	429	259	3.36		3,570	14.39	
	Total	**2,349**	**287**	**4.08**	**1.08**	**21,649**	**95.94**	**25.37**
Reconciled Mine Production[1,2]	SGX	919	352	6.92	1.85	10,144	61.97	16.57
	HZG	185	415	1.55		2,407	2.79	
	HPG	207	116	3.79	1.08	749	7.64	2.18
	LME	171	469	2.04	0.31	2,523	3.42	0.52
	LMW	245	325	3.33		2,494	7.95	
	TLP	502	199	3.00		3,128	14.69	
	Total	**2,229**	**307**	**4.53**	**0.89**	**21,445**	98.47	19.27
Mine Production as % of Reserves	SGX	100%	113%	120%	78%	110%	116%	76%
	HZG	97%	125%	154%		118%	146%	
	HPG	80%	101%	85%	101%	79%	66%	79%
	LME	77%	139%	115%	97%	104%	86%	72%
	LMW	76%	98%	100%		72%	74%	
	TLP	117%	77%	89%		88%	102%	
	Total	**95%**	**107%**	**111%**	**82%**	**99%**	**103%**	**76%**

Notes:
[1]Includes high-grade, hand-sorted ore.
[2]Assumes 2.5% moisture in wet ore.

The QP makes the following observations relative to the data in Table 1.3:

- Overall, the mine produced 5% less tonnes at a 7% higher silver grade, an 11% higher lead grade and an 18% lower zinc grade; for 1% less contained silver, 3% more contained lead and 24% less contained zinc relative to Mineral Reserve estimates. The significantly lower zinc grade and zinc metal contained may be attributed to some processing recovery uncertainty affecting reconciled values. The QP notes that zinc has only a small effect on revenue (6% of total projected revenue as per 2019 Mineral Reserves).
- In terms of mined silver grades, SGX, HZG, and LME were well above reserve grades, while HPG and LMW were approximately the same and TLP was significantly below. Lead grades show a similar pattern, although with HPG and TLP being 15% and 11% respectively below reserve grades. The grade values suggest that the dilution control emphasis has achieved good results overall, but with a minority of site areas (e.g., at TLP) possibly having more dilution than projected.
- Factors that may have contributed to results variability include:
  -Over- and / or under-estimation of Mineral Resource / Reserve tonnes and grades at individual sites.
  -Variable or adverse ground conditions.
  -Use of shrinkage stoping in very narrow and / or discontinuous veins.
  -Mining of lower grade, but still economic, material outside of the vein proper.

-Misattribution of feed source to the mill.
-Mill process control issues.

Silvercorp has placed a high level of focus on dilution control in recent years and has revised its stockpiling and record keeping procedures and implemented a work quality checklist management enhancement program. The QP has previously endorsed these actions and continues to do so. It is also recommended that Silvercorp undertake periodic mill audits aimed at ensuring optimum process control and mill performance.

1.6 Comparison of Mineral Reserves, 1 July 2016 to 31 December 2019

A comparison of Mineral Reserve estimates between 1 July 2016 (previous Technical Report) and 31 December 2019 (this Technical Report) indicates the following (note that the 2019 Mineral Reserves do not include ore mined since June 2016):

- 3% decrease in total (Proven + Probable) Ying Mineral Reserve tonnes.
- Increase in total Ying Mineral Reserve silver, lead, and zinc grades of 7%, 2%, and 11% respectively.
- Increases in total Ying Mineral Reserve metal content for silver and zinc of 4% and 8% respectively; 1% decrease in total lead content.
- SGX continues being the leading contributor to the total Ying Mineral Reserves, accounting for 43% of tonnes, 47% of silver, 62% of lead, and 79% of zinc, compared to respective values of 45%, 48%, 60%, and 83% in 2016.
- 6% decrease in total Mineral Reserve tonnes at SGX, but slight increases in total metal content for silver, lead and zinc of 1%, 2%, and 3% respectively.
- 63% increase in total Mineral Reserve tonnes at HPG, with corresponding increases in silver, lead and zinc content of 23%, 50%, and 103% respectively. Gold Mineral Reserves also increased from 27 koz to 50 koz at HPG.
- 31% increase in total Mineral Reserve tonnes at LME, with corresponding increases in silver, lead and zinc content of 35%, 5%, and 20% respectively.
- 34% decrease in total Mineral Reserve tonnes at LMW, with corresponding decreases in silver, lead and zinc content of 17%, 35%, and 31% respectively.
- 4% increase in total Mineral Reserve tonnes at HZG, with corresponding increases in silver and zinc content of 12% and 10% respectively; 2% decrease in total lead content.
- 5% decrease in total Mineral Reserve tonnes at TLP, but with increases in both silver and zinc content of 11%; 7% decrease in total lead content.

1.7 Life-of-mine plan

Table 1.4 is a summary of the projected life-of-mine (LOM) production for each of the Ying mines and for the entire operation based on the 31 December 2019 Mineral Reserve estimates.

Table 1.4 Life-of-mine production plan, Ying Property

SGX	2020Q4	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Total
Ore (kt)	29	255	255	255	260	261	261	261	261	262	261	261	262	261	261	262	261	261	253	247	243	5,193
Ag (g/t)	357	359	356	321	307	305	271	268	264	265	261	269	272	266	269	277	259	255	237	226	227	277
Pb (%)	6.43	6.45	6	6.34	5.76	5.25	5.64	5.22	5.53	5.46	5.54	4.82	5.28	5.21	4.92	4.79	5.25	5.29	5.32	5.41	5.11	5.43
Zn (%)	2.12	2.25	2.44	2.72	2.47	2.79	2.97	3.36	2.6	2.73	2.87	3.27	2.44	2.87	2.69	2.51	2.34	2.04	2.04	1.94	1.97	2.57
AgEq (g/t)	634	639	625	608	568	555	539	529	520	521	523	515	515	516	504	504	498	489	472	463	453	529
HZG	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**									**Total**
Ore (kt)	9	51	50	53	53	53	53	53	53	53	53	43	40	-	-	-	-	-	-	-	-	616
Ag (g/t)	413	403	383	389	357	324	344	337	318	306	286	244	225									330
Pb (%)	0.61	0.71	1.05	0.76	1.04	1.57	0.94	0.92	0.58	0.54	0.46	0.64	0.51									0.82
Zn (%)	0.26	0.25	0.22	0.17	0.22	0.16	0.17	0.19	0.17	0.12	0.15	0.14	0.12									0.18
AgEq (g/t)	434	427	420	415	394	378	377	368	338	325	302	266	243									359
HPG	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**			**Total**
Ore (kt)	12	63	65	69	70	71	71	70	71	70	70	70	70	70	69	70	66	63	61.719	-	-	1,240
Au (g/t)	1.14	1.14	0.65	1.58	1.42	1.21	0.92	1.16	0.52	1.25	1.85	1.48	1.89	1.65	1.61	1.37	0.91	0.87	0.94			1.25
Ag (g/t)	93	98	102	88	103	108	108	87	84	69	60	67	61	62	35	29	39	50	41			72
Pb (%)	4.27	4.5	4.64	3.18	3.34	3.48	3.17	4.17	5.01	3.64	2.95	3.29	2.96	2.7	2.06	2.77	2.8	2.19	2.18			3.29
Zn (%)	1.05	1.17	1.79	2.16	1.64	1.43	2.76	1.12	1.4	1.58	1.32	1.34	0.96	1.36	1.88	1.15	0.83	0.85	0.87			1.43
AgEq (g/t)	347	362	356	355	354	347	348	339	334	319	316	313	311	298	256	244	218	206	200			306
LME	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**				**Total**
Ore (kt)	10	64	69	76	70	75	69	72	80	74	78	81	75	74	73	74	64	64	-	-	-	1,243
Ag (g/t)	395	407	424	410	352	354	319	295	296	322	275	272	300	231	242	228	250	220				306
Pb (%)	1.59	1.86	1.71	2.35	2.7	1.95	1.27	1.68	1.18	1.15	1.21	1.23	1.45	1.83	1.43	1.29	1.26	1.53				1.59
Zn (%)	0.44	0.43	0.37	0.46	0.51	0.27	0.38	0.46	0.38	0.41	0.31	0.37	0.37	0.51	0.39	0.34	0.28	0.35				0.39
AgEq (g/t)	455	475	486	496	450	424	367	358	341	366	320	318	354	300	296	277	297	277				365
LMW	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**Total**
Ore (kt)	11	65	67	71	69	69	67	68	69	68	68	68	67	69	68	68	66	65	69	63	54	1,349
Ag (g/t)	306	333	330	330	360	369	354	341	352	329	334	333	333	339	316	297	278	267	258	236	212	317
Pb (%)	2.59	2.67	3.05	3.57	2.96	2.57	2.87	3.08	2.65	3.10	2.76	2.61	2.51	2.13	2.57	2.72	2.93	2.67	2.09	2.11	2.57	2.71
Zn (%)	0.27	0.24	0.25	0.28	0.25	0.28	0.26	0.38	0.28	0.36	0.29	0.27	0.27	0.29	0.34	0.35	0.28	0.32	0.33	0.29	0.26	0.29
AgEq (g/t)	396	426	437	456	464	460	454	449	445	437	430	425	420	413	406	392	381	360	331	310	302	412
TLP	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**					**Total**
Ore (kt)	28	146	141	149	148	141	161	155	165	146	138	140	141	141	142	139	128	-	-	-	-	2,348
Ag (g/t)	193	211	258	267	293	262	260	242	240	241	199	239	227	219	196	172	133					230
Pb (%)	3.73	3.51	2.71	2.57	2.26	2.73	2.85	3.11	2.75	2.93	3.58	2.72	2.98	3.31	3.60	3.67	3.89					3.07
Zn (%)	0.32	0.32	0.39	0.34	0.36	0.39	0.32	0.33	0.33	0.29	0.25	0.32	0.35	0.30	0.36	0.30	0.29					0.33
AgEq (g/t)	320	331	351	354	371	355	357	348	334	342	322	331	329	333	319	297	265					334
Ying Mine	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**Total**
Ore (kt)	99	645	647	673	670	670	682	679	699	672	668	664	654	615	614	612	585	452	384	309	296	11,989
Au (g/t)	0.14	0.11	0.07	0.16	0.15	0.13	0.09	0.12	0.05	0.13	0.19	0.16	0.20	0.19	0.18	0.16	0.10	0.12	0.15	-	-	0.13
Ag (g/t)	282	305	316	301	297	289	270	259	257	255	238	247	246	236	228	221	208	224	209	228	224	257
Pb (%)	3.96	4.30	4.00	4.00	3.75	3.60	3.64	3.71	3.66	3.62	3.67	3.28	3.52	3.74	3.61	3.65	3.97	3.95	4.24	4.74	4.65	3.81
Zn (%)	0.94	1.16	1.31	1.42	1.31	1.39	1.58	1.58	1.27	1.38	1.39	1.58	1.23	1.53	1.52	1.35	1.26	1.39	1.54	1.61	1.66	1.41
AgEq (g/t)	448	488	488	482	465	452	438	429	415	420	409	405	409	412	398	388	381	401	403	432	426	429

Notes: Rounding of some figures may lead to minor discrepancies in totals. Zinc not included in AgEq calculation for HZG, TLP and LMW mines.

1.8 Metallurgical testwork and processing

Prior to operation of the mines and the construction of Silvercorp's mills, metallurgical tests had been conducted by various labs to address the recoveries of the different types of mineralization. TLP mineralization was tested by the Changsha Design and Research Institute (CDRI) in 1994, SGX mineralization was tested by Hunan Nonferrous Metal Research Institute (HNMRI) in May 2005, and HZG mineralization was tested by Tongling Nonferrous Metals Design Institute (TNMDI) in 2006.

The results predicted a metallurgically amenable ore with clean lead-zinc separation by differential flotation and, with the possible exception of silver halides in the upper zones of the TLP deposit, high silver recoveries. Although on-site plant tuning has been carried out, it is understood that no external testwork programs have been carried out since the compilation of the original design criteria data.

Silvercorp runs two processing plants, Plants 1 and 2, at the Property, with a total current design capacity of about 2,800 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. Plant 1 (Xiayu Plant - originally 600 tpd, upgraded to 800 tpd) has been in operation since March 2007. Plant 2 (Zhuangtou Plant) has been in production since December 2009, with an expansion from 1,000 tpd to 2,000 tpd completed in October 2011. Although current design processing capacity is about 2,800 tpd, it is understood that the actual capacity could reach 3,000 - 3,200 tpd. However, current LOM planning requires that the plants operate up to around 2,000 tpd.

The overall processes of the two plants are similar and comprise crushing, grinding, flotation of lead and zinc concentrates, and concentrate dewatering. Plant 1 currently produces only a lead / silver concentrate. 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.

To optimize profitability, high grade lead concentrate from Plant 2 is blended with middle grade lead concentrate from Plant 1.

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

Both Plants 1 and 2 have exceeded target throughput levels. Lead and silver recovery targets are being met, although zinc recovery is lower than design, attributed to low zinc feed grades.

After innovation and modification to both plants over last few years, lead and silver recoveries have increased significantly. Improvements have been consistently targeted on process system and other facilities both in Plant 1 and Plant 2 to improve the metal recovery and reduce energy consumption.

Historically, higher-grade feed from SGX has enhanced plant performance but, with the proportion of SGX ore decreasing, the challenge is to maintain similar metallurgical performance on lower grade feedstock. From recent performance, it appears that recoveries are being maintained but concentrate grades are lower than target, however, not to the extent where there is a major deterioration in smelter terms.

1.9 Manpower

Silvercorp operates the Ying mines mainly using contractors for mine development, production, ore transportation and exploration. The mill plant and surface workshops are operated and maintained using Silvercorp personnel. Silvercorp provides its own management, technical services, and supervisory staff to manage the mine operations.

Each mine complex is run by a mine manager and one or two deputy mine managers. Because of proximity to each other, the SGX and HZG mines have common management, as do the TLP, LME, and LMW mines.

The Ying mines workforce is about 3,625 persons, comprising approximately 834 Silvercorp staff, 77 Silvercorp hourly employees, and 2,714 contract workers.

1.10 Main infrastructure, including tailings dams

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. The QP understands that site-specific risk assessment, such as for geotechnical risk, was originally carried out by Henan Luoyang Yuxi Hydrological & Geological Reconnaissance Company, with more recent assessments done by other organizations.

The TMFs were designed based on then current Mineral Resource / Mineral Reserve estimations and LOM production projections. Subsequent resource expansion and increased production projections indicate that the current tailings capacity will not be adequate for the full Ying LOM. Additional tailings capacity will thus be required in the later period of the LOM production. There are several location options for the third TMF, with assessment of those options still in the study stage. It is expected that there will be no problem to get permission to build the third TMF once it becomes necessary.

Flood calculations have been performed appropriate to the Chinese system Grade III classification of the TMFs, which requires the flood control measures to meet a 1 in 100-year recurrence interval for design purposes, with a 1 in 500-year probable maximum flood criterion also. Safety and reliability analyses for the TMFs have been carried out in accordance with the Safety Technical Regulations for Tailings Ponds (AQ2006-2005) and under the Grade III requirements.

Luoning County in which the Ying site is located has been classified as Grade 6 in terms of seismicity, and a basic design seismic acceleration of 0.05 g was indicated as being necessary to be taken into consideration in the TMF design. The seismic rating is in accordance with the China Seismic Intensity Scale (CSIS), which is similar to the Modified Mercali Intensity (MMI) scale, now used fairly generally. In effect, CSIS Grade 6 is similar to VI (Strong) on the MMI scale. The 0.05 g acceleration cited above for design purposes would correlate more with MMI V (Moderate) according to the United States Geological Service (USGS) Earthquakes Hazard Program, which could suggest a 0.10 g acceleration value for design.

The QP acknowledges more recent risk and stability assessment reports but recommends that Silvercorp also ensure that all safety and stability aspects of the TMFs are fully aligned with most up-to-date tailings facility recommendations on international best practice, including for latest guidance on maximum flood parameters.

The QP also recommends that Silvercorp review the design basis acceleration to ensure consistency with the most up-to-date Ying site seismic zoning classification and associated parameters; and that the dam classification under the Chinese system be reviewed in the context of recent international classifications, e.g. Canadian Dam Association 2013.

Reclaimed water from the tailings storage ponds and overflows from the two concentrators is recycled to minimize fresh water requirements. Zero discharge of the process water has been achieved at both TMFs in no-rainfall seasons.

Each mine in the Ying Property has a number of rock waste dumps. Waste dump capacity at all mines is enough for the anticipated LOM waste rock. Silvercorp is investing approximately $2.9 million (M) to construct a 1 Mtpa aggregate plant to recycle and crush the waste rock from the Ying Mining District, and then supply it to the local construction market. The plant is expected to be commissioned in October 2020, and its profit, after capital recovery, will be shared between the local government, the local communities, and employees.

Power for the Ying Property is drawn from Chinese National Grids with high-voltage lines to the different mine camps and mill plants. At SGX, one 35 kV overhead line supplies main power for all production, and two 10 kV lines act mainly as a standby source of power in case of disruption. In addition, two 1,500 kW and one 1,200 kW diesel generators installed at one of the substations act as back-up power supply in the event of a grid power outage.

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. The HPG mine can be accessed either by boat or 12 km paved road, south-west of the main office complex. Ore from the TLP and LM mines is hauled to the Silvercorp central mill using 30 and 45 t truck fleets. The TLP, LME, and LMW mines are 15 km south-east of the main office complex and are accessed by paved road along the Chongyang River.

The Luoyang government has considered a plan to use the Guxian reservoir as a drinking water source, which could affect ore transport by boat. To avoid possible disruption of ore transport, a tunnel and road link from the mill office complex to SGX via HPG has been constructed as a back-up transport route. The length of three separate tunnels in the link is 5,038 m. Also, over 10 km of road and three bridges linked to the tunnels have been built. It is anticipated that, using this alternative route, the ore transport cost would increase by between $1 and $2/t.

Currently, the DCG project can be accessed by a 10.5 km paved road, south-southwest of the mills. A 1,756 m transportation ramp is also under development from the TLP Mine camp area to enable ore haulage, with 447 m driven and completion anticipated by the end of April 2021.

Domestic water for SGX mine is drawn from the Guxian Reservoir, while water for the HPG, TLP, LM, and HZG mines comes from nearby creeks and springs. Mine production water for drilling and dust suppression is sourced from underground.

1.11 Market studies and contracts

Contracts for underground mining operations are in place with several Chinese contracting firms.

Lead and zinc concentrates are marketed to existing smelters customers in Henan and Shaanxi provinces and appropriate terms have been negotiated, on terms that the QP considers to be aligned with global smelter industry norms. Silver payables of approximately 90% are similarly in accord with industry norms.

Monthly sales contracts are in place for the lead concentrates with leading smelters, mostly located in Henan province. For the zinc concentrate, sales contracts are in place with Henan Yuguang Zinc Industry Co. Ltd. All contracts have freight and related expenses to be paid by the smelter customers.

The key elements of the smelter contracts are subject to change based on market conditions when the contracts are renewed each month. With respect to copper, testwork has so far been unsuccessful in producing a saleable copper concentrate, but copper levels in the ore are low and this is not a material commercial issue, nor does it materially impact on lead concentrate quality.

1.12 Environmental, permitting, social / community impact

Silvercorp has all the required permits for its operations on the 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 have been issued by the Department of Safety Production and Inspection of Henan Province, covering the SGX mine, Zhuangtou TMF, Shiwagou TMF, HPG mine, TLP mine, LMW mine, and LME mine. Five environmental certificates have been issued by the Department of Environmental Protection of Henan Province, covering the Yueliangou project (SGX mine and 1,000 tpd mill plant), HPG mine, TLP mine, LMW mine, LME mine, and the 2,000 tpd mill plant built in 2009. For each of these certificates, there are related mine development / utilization and soil / water conservation programs, and rehabilitation plan reports. Silvercorp has also obtained approvals and certificates for wastewater discharge locations at the SGX mine, the HPG mine, and the two TMFs. All certificates must be renewed periodically.

There are no cultural minority groups within the area surrounding the general project. The culture of the broader Luoning County is predominantly Han Chinese. No records of cultural heritage sites exist within or near the SGX, HZG, TLP, LME, LMW, and HPG project areas. The surrounding land near the SGX Mining Area is used predominantly for agriculture. The mining area does not cover any natural conservation, ecological forests or strict land control zones. Current area vegetation is mainly secondary, including farm plantings. Larger wild mammals have not been found in the region. Small birds nesting and moving in the woodland are observed occasionally. The surrounding villagers raise domestic animals, such as chickens, ducks, pigs, sheep, and goats.

Silvercorp has made a range of cash donations and contributions to local capital projects and community support programs, sponsoring university students and undertaking projects such as road construction, and school repairs, upgrading and construction. Economic contributions are also made in the form of direct hiring and retention of local contractors, suppliers, and service providers.

Silvercorp's main waste by-products are waste rock produced during mining operations and the mine tailings produced during processing. There is also minor sanitation waste produced. Waste rock is deposited in various waste rock stockpiles adjacent to the mine portals and is utilized for construction around the site. Waste rock is mainly comprised of quartz, chlorite and sericite, kaolin and clay minerals and is non-acid generating. Once a waste rock stockpile is full (or at the time of site closure), it will be covered with soil and re-vegetated. For stabilization, retaining wall structures will be built downstream of each waste rock site. A diversion channel will be constructed upstream to prevent high water flows into the stockpile and the slope surface from washing out. Waste rock stockpiles at SGX, HPG, HZG, and LMW have already been covered with soil and re-vegetated.

Process tailings are discharged into purpose built TMFs, which have decant and under-drainage systems to provide for flood protection and for the collection of return water. Daily inspections are undertaken for the tailings pipelines, TMF embankment and the seepage / return water collection system. After the completion of the TMFs, the facilities will be covered with soil and vegetation will be replanted. The SGX Environmental Impact Assessment (EIA) Report states that the tailings do not contain significant sulphides and have no material potential for acid generation.

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 wastewater monitoring, and are

implemented by qualified persons and licensed institutes. The QP understands that test results from 2016 to 2020 indicate that surface water, sanitary / process plant wastewater and mining water are in compliance with the required standards; also, that project completion inspection results were all compliant for wastewater 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.

Maintaining water quality for the Guxian Reservoir, while operating the SGX and HPG projects, is a key requirement in the project environmental approvals. Silvercorp has created a SGX / HPG surface water discharge management plan which comprises collection and sedimentation treatment of mine water combined with a containment system (i.e., zero surface water discharge), and installation of a stormwater drainage bypass system. Overflow water from the mill process and water generated from the tailings by the pressure filter are returned to the milling process to ensure that wastewater (including tailings water) is not discharged.

Water from mining operations is reused for the same purpose and the remaining water is treated according to the Surface Water Quality Standards and Integrated Wastewater Discharge Standard to meet the Class III requirements of surface water quality and Class I wastewater quality before being discharged to Guxian Reservoir at discharge points approved by the Yellow River Management Committee in Luoning County. Monthly monitoring by the Luoyang Liming Testing Company and Yellow River Basin Environmental Monitoring Centre indicate that water discharged to the surface water body is in compliance.

Except for one small creek, there are no surface water sources near the TLP and LM mines, and no mining water is discharged to this creek from the mines. There is a limited volume of mining water generated from the lower sections of the TLP and LM mines, most of which is used in mining activities, and none is generated from the upper sections.

There is a groundwater monitoring program for the processing plant area, but not for the mining areas. It is recognized that there is no requirement under Chinese environmental approvals to monitor this potential impact. The QP understands that test results indicate that groundwater quality is compliant with the required standard.

Silvercorp's production activities are compliant with Chinese and international labour regulations.

Formal contracts are signed for all the full-time employees with wages that the QP understands are well above minimum levels. The company provides annual medical surveillance and checks are conducted for its employees before, during and after their employment with the Company. The Company does not use child or under-aged labour.

Silvercorp developed remediation and reclamation plans during the project approval stage. The Company spent approximately $3.9M on environmental protection, including dust control measures, wastewater treatment, solid waste disposal, the under-drainage tunnel, soil and water conservation, noise control, ecosystem rehabilitation, and emergency response plans. From 2016 through 2019, a land area totaling 371,210 m^2 was planted with trees and grasses as planned in the EIA; of this, 174,800 m^2 of land was planted in 2019. Unused mining tunnels has been closed and rehabilitation coverage at all the mines has been completed.

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.

1.13 Capital and operating costs

The main capital requirement at the Property is for mine development. Provision is also made for exploration drilling and for sustaining surface facilities, plant expenditure, personal protective equipment, and equipment in general. Specific processing plant capital requirements are projected to be minimal as plant capacity has previously been expanded to meet the forecast mine production.

Projected LOM capital costs, by mine and for Ying as a whole, are summarized in Table 1.5. An exchange rate of US$1 = 6.90 RMB is assumed.

Table 1.5 Projected Ying LOM Capex (US$M)

Cost item	Total LOM	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040
SGX																					
Sustaining Capex																					
Exploration & mine development tunneling	21.94	4.55	3.38	3.12	1.87	1.85	1.28	0.91	0.90	0.95	0.64	0.60	0.63	0.47	0.52	0.11	0.08	0.08	-	-	-
Facilities, plant, and equipment	17.59	0.87	0.87	0.87	0.88	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.86	0.84	0.83
Investment Capex	34.26	3.36	3.36	3.61	3.68	3.43	3.15	2.56	2.17	1.50	1.22	1.13	1.00	0.98	0.63	0.89	0.78	0.40	0.28	0.13	-
Total SGX Capex	**73.79**	**8.78**	**7.61**	**7.60**	**6.43**	**6.17**	**5.32**	**4.36**	**3.96**	**3.34**	**2.75**	**2.62**	**2.52**	**2.34**	**2.04**	**1.89**	**1.75**	**1.37**	**1.14**	**0.97**	**0.83**
HZG																					
Sustaining Capex																					
Exploration & mine development tunneling	11.22	1.59	1.60	1.75	1.58	1.73	1.03	0.69	0.43	0.18	0.42	0.13	0.09	-	-	-	-	-	-	-	-
Facilities, plant, and equipment	1.63	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.12	0.11	-	-	-	-	-	-	-	-
Investment Capex	11.54	0.98	1.13	0.68	0.79	0.62	0.97	1.20	1.39	1.56	1.53	0.32	0.37	-	-	-	-	-	-	-	-
Total HZG Capex	**24.39**	**2.71**	**2.87**	**2.57**	**2.51**	**2.49**	**2.14**	**2.03**	**1.96**	**1.88**	**2.09**	**0.57**	**0.57**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
HPG																					
Sustaining Capex																					
Exploration & mine development tunneling	7.67	0.66	0.86	0.61	0.62	0.62	0.56	0.47	0.50	0.71	0.46	0.46	0.21	0.17	0.10	0.34	0.26	0.06	-	-	-
Facilities, plant, and equipment	4.78	0.25	0.25	0.27	0.27	0.28	0.28	0.27	0.28	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.26	0.24	0.24	-	-
Investment Capex	5.71	0.04	0.09	0.13	0.20	0.10	0.15	0.38	0.48	0.22	0.14	0.22	0.82	0.85	0.61	0.45	0.42	0.41	-	-	-
Total HPG Capex	**18.16**	**0.95**	**1.20**	**1.01**	**1.09**	**1.00**	**0.99**	**1.12**	**1.26**	**1.20**	**0.87**	**0.95**	**1.30**	**1.29**	**0.98**	**1.06**	**0.94**	**0.71**	**0.24**	**-**	**-**
TLP																					
Sustaining Capex																					
Exploration & mine development tunneling	9.79	4.54	1.81	0.97	0.75	0.36	0.13	0.21	0.29	0.19	0.14	0.14	0.09	0.07	0.07	0.03	-	-	-	-	-
Facilities, plant, and equipment	8.06	0.51	0.49	0.52	0.51	0.49	0.56	0.54	0.57	0.51	0.48	0.49	0.49	0.49	0.49	0.48	0.44	-	-	-	-
Investment Capex	17.33	1.85	1.68	1.78	1.16	1.54	1.68	1.52	1.14	1.06	0.86	0.93	0.84	0.59	0.70	-	-	-	-	-	-
Total TLP Capex	**35.18**	**6.90**	**3.98**	**3.27**	**2.42**	**2.39**	**2.37**	**2.27**	**2.00**	**1.76**	**1.48**	**1.56**	**1.42**	**1.15**	**1.26**	**0.51**	**0.44**	**-**	**-**	**-**	**-**
LME																					
Sustaining Capex																					
Exploration & mine development tunneling	5.96	1.32	1.31	0.88	0.70	0.87	0.44	0.17	0.17	0.05	0.05	-	-	-	-	-	-	-	-	-	-
Facilities, plant, and equipment	2.70	0.14	0.15	0.17	0.15	0.17	0.15	0.16	0.18	0.16	0.17	0.18	0.16	0.16	0.16	0.16	0.14	0.14	-	-	-
Investment Capex	12.28	0.58	0.69	0.97	0.95	0.73	0.92	0.81	0.69	0.73	0.78	0.82	0.61	0.66	0.73	0.82	0.79	-	-	-	-
Total LME Capex	**20.94**	**2.04**	**2.15**	**2.02**	**1.80**	**1.77**	**1.51**	**1.14**	**1.04**	**0.94**	**1.00**	**1.00**	**0.77**	**0.82**	**0.89**	**0.98**	**0.93**	**0.14**	**-**	**-**	**-**
LMW																					
Sustaining Capex																					
Exploration & mine development tunneling	9.99	0.88	0.93	1.01	1.05	0.94	0.91	0.66	0.72	0.48	0.25	0.35	0.27	0.24	0.27	0.33	0.19	0.14	0.13	0.16	0.08
Facilities, plant, and equipment	6.73	0.33	0.34	0.36	0.35	0.35	0.34	0.34	0.35	0.34	0.34	0.34	0.34	0.35	0.34	0.34	0.33	0.33	0.34	0.31	0.27
Investment Capex	11.27	0.98	1.00	1.07	1.08	1.12	1.20	1.18	1.04	1.12	0.80	0.48	0.20	-	-	-	-	-	-	-	-
Total LMW Capex	**27.99**	**2.19**	**2.27**	**2.44**	**2.48**	**2.41**	**2.45**	**2.18**	**2.11**	**1.94**	**1.39**	**1.17**	**0.81**	**0.59**	**0.61**	**0.67**	**0.52**	**0.47**	**0.47**	**0.47**	**0.35**
Ying Total																					
Sustaining Capex																					
Exploration & mine development tunneling	66.57	13.54	9.89	8.34	6.57	6.37	4.35	3.11	3.01	2.56	1.96	1.68	1.29	0.95	0.96	0.81	0.53	0.28	0.13	0.16	0.08
Facilities, plant, and equipment	41.49	2.24	2.24	2.33	2.30	2.32	2.36	2.34	2.41	2.31	2.29	2.29	2.26	2.16	2.15	2.14	2.06	1.60	1.44	1.15	1.10
Investment Capex	92.39	7.79	7.95	8.24	7.86	7.54	8.07	7.65	6.91	6.19	5.33	3.90	3.84	3.08	2.67	2.16	1.99	0.81	0.28	0.13	-
Total Ying Capex	**200.45**	**23.57**	**20.08**	**18.91**	**16.73**	**16.23**	**14.78**	**13.10**	**12.33**	**11.06**	**9.58**	**7.87**	**7.39**	**6.19**	**5.78**	**5.11**	**4.58**	**2.69**	**1.85**	**1.44**	**1.18**

Notes: Numbers may not compute exactly due to rounding. Q4 FY2020 not included.

Major operating cost categories are mining, shipping, milling, G&A, product selling, Mineral Resources tax, and government fees and other taxes. Silvercorp utilizes contract labour for mining on a rate per tonne or a rate per metre basis. The contract includes all labour, all fixed and mobile equipment, materials, and consumables, including fuel and explosives, which are purchased through the company. Ground support consumables such as timber and power to the portal areas are the responsibility of the company. Shipping costs are for moving ore from each mine to the processing plant. 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 costs include an allowance for tailings dam and other environmental costs. The major capital expenditure on the two tailings storage facilities has already been expended and ongoing costs associated with progressively raising the dam are regarded as an operating cost. The provision for Mineral Resources tax is approximately 3% of sales. Table 1.6 summarizes projected LOM operating costs, by mine, and for Ying as a whole. An exchange rate of US$1 = 6.90 RMB is assumed.

Table 1.6 Projected Ying LOM Opex (US$M)

Cost item	Total LOM	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040
SGX																					
Mining	357.80	18.95	18.16	17.66	18.25	18.73	18.62	18.48	18.69	18.45	18.09	18.15	18.06	18.40	17.95	17.76	17.51	17.22	17.68	16.53	14.46
Shipping	20.93	1.03	1.03	1.03	1.05	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.03	1.00	0.98
Milling	52.82	2.61	2.61	2.61	2.66	2.67	2.67	2.67	2.67	2.68	2.67	2.67	2.68	2.67	2.67	2.68	2.67	2.67	2.59	2.52	2.48
G&A and product selling	42.89	2.12	2.12	2.12	2.16	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.16	2.10	2.05	2.02
Mineral Resources tax	43.56	2.61	2.56	2.48	2.37	2.32	2.24	2.20	2.16	2.18	2.17	2.15	2.15	2.15	2.11	2.11	2.08	2.04	1.91	1.82	1.75
Government fee and other tax	14.40	0.71	0.71	0.71	0.72	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.72	0.70	0.69	0.68
Total SGX Opex	**532.40**	**28.03**	**27.19**	**26.61**	**27.21**	**27.68**	**27.49**	**27.31**	**27.48**	**27.27**	**26.89**	**26.93**	**26.85**	**27.18**	**26.69**	**26.51**	**26.22**	**25.87**	**26.01**	**24.61**	**22.37**
HZG																					
Mining	33.90	3.22	3.05	3.31	3.26	3.24	3.02	2.93	2.72	2.60	2.68	1.97	1.90	-	-	-	-	-	-	-	-
Shipping	3.09	0.26	0.25	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.22	0.20	-	-	-	-	-	-	-	-
Milling	6.20	0.52	0.51	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.44	0.41	-	-	-	-	-	-	-	-
G&A and product selling	5.05	0.42	0.42	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.36	0.33	-	-	-	-	-	-	-	-
Mineral Resources tax	3.63	0.36	0.35	0.37	0.35	0.33	0.33	0.33	0.30	0.29	0.27	0.19	0.16	-	-	-	-	-	-	-	-
Government fee and other tax	1.71	0.14	0.14	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.12	0.11	-	-	-	-	-	-	-	-
Total HZG Opex	**53.58**	**4.92**	**4.72**	**5.08**	**5.01**	**4.97**	**4.75**	**4.66**	**4.42**	**4.29**	**4.35**	**3.30**	**3.11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
HPG																					
Mining	74.74	4.56	3.98	4.39	4.45	4.51	4.61	4.46	4.55	4.37	4.78	4.60	3.93	3.81	3.84	3.76	3.81	3.28	3.05	-	-
Shipping	4.71	0.24	0.25	0.26	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.26	0.27	0.25	0.24	0.24	-	-
Milling	12.55	0.64	0.66	0.70	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.71	0.71	0.71	0.67	0.64	0.63	-	-
G&A and product selling	10.19	0.52	0.54	0.57	0.58	0.59	0.59	0.58	0.59	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.54	0.52	0.51	-	-
Mineral Resources tax	5.59	0.34	0.34	0.37	0.37	0.37	0.37	0.35	0.35	0.33	0.33	0.33	0.33	0.31	0.27	0.25	0.21	0.19	0.18	-	-
Government fee and other tax	3.42	0.18	0.18	0.19	0.19	0.20	0.20	0.20	0.20	0.19	0.20	0.20	0.20	0.19	0.19	0.19	0.18	0.17	0.17	-	-
Total HPG Opex	**111.20**	**6.48**	**5.95**	**6.48**	**6.58**	**6.66**	**6.76**	**6.58**	**6.68**	**6.46**	**6.88**	**6.70**	**6.03**	**5.87**	**5.85**	**5.76**	**5.66**	**5.04**	**4.78**	**-**	**-**
TLP																					
Mining	119.41	8.25	6.90	8.34	8.39	7.92	8.68	7.88	8.44	7.89	7.04	6.94	7.23	7.13	6.66	6.39	5.33	-	-	-	-
Shipping	9.25	0.58	0.56	0.60	0.59	0.56	0.64	0.62	0.66	0.58	0.55	0.56	0.56	0.56	0.57	0.55	0.51	-	-	-	-
Milling	23.74	1.50	1.44	1.53	1.51	1.44	1.65	1.59	1.69	1.49	1.41	1.43	1.44	1.44	1.45	1.42	1.31	-	-	-	-
G&A and product selling	19.26	1.21	1.17	1.24	1.23	1.17	1.34	1.29	1.37	1.21	1.14	1.16	1.17	1.17	1.18	1.15	1.06	-	-	-	-
Mineral Resources tax	12.20	0.76	0.78	0.84	0.87	0.79	0.91	0.85	0.87	0.78	0.69	0.73	0.73	0.73	0.71	0.64	0.52	-	-	-	-
Government fee and other tax	6.45	0.41	0.39	0.42	0.41	0.39	0.45	0.43	0.46	0.41	0.38	0.39	0.39	0.39	0.39	0.39	0.35	-	-	-	-
Total TLP Opex	**190.31**	**12.71**	**11.24**	**12.97**	**13.00**	**12.27**	**13.67**	**12.66**	**13.49**	**12.36**	**11.21**	**11.21**	**11.52**	**11.42**	**10.96**	**10.54**	**9.08**	**-**	**-**	**-**	**-**
LME																					
Mining	53.18	3.46	3.43	3.47	3.27	2.98	2.84	3.07	3.32	3.02	3.00	3.29	3.09	3.28	3.07	3.00	2.81	2.78	-	-	-
Shipping	4.11	0.21	0.23	0.26	0.23	0.25	0.23	0.24	0.27	0.25	0.26	0.27	0.25	0.25	0.24	0.25	0.21	0.21	-	-	-
Milling	12.60	0.66	0.70	0.78	0.72	0.77	0.70	0.74	0.81	0.76	0.79	0.83	0.76	0.76	0.75	0.76	0.66	0.65	-	-	-
G&A and product selling	10.22	0.53	0.57	0.63	0.58	0.62	0.57	0.60	0.66	0.62	0.64	0.67	0.62	0.62	0.61	0.62	0.53	0.53	-	-	-
Mineral Resources tax	7.46	0.51	0.56	0.63	0.52	0.53	0.42	0.43	0.45	0.45	0.41	0.43	0.44	0.37	0.36	0.34	0.32	0.29	-	-	-
Government fee and other tax	3.43	0.18	0.19	0.21	0.19	0.21	0.19	0.20	0.22	0.21	0.22	0.22	0.21	0.21	0.20	0.21	0.18	0.18	-	-	-
Total LME Opex	**91.00**	**5.55**	**5.68**	**5.98**	**5.51**	**5.36**	**4.95**	**5.28**	**5.73**	**5.31**	**5.32**	**5.71**	**5.37**	**5.49**	**5.23**	**5.18**	**4.71**	**4.64**	**-**	**-**	**-**
LMW																					
Mining	89.35	5.03	4.96	5.14	5.02	4.52	4.39	4.43	4.81	4.56	4.13	4.49	4.62	4.51	4.35	4.75	4.22	4.09	4.26	3.71	3.36
Shipping	4.57	0.22	0.23	0.24	0.24	0.24	0.23	0.23	0.24	0.23	0.23	0.23	0.23	0.24	0.23	0.23	0.23	0.22	0.24	0.21	0.18
Milling	13.68	0.66	0.69	0.72	0.71	0.71	0.69	0.69	0.71	0.69	0.70	0.70	0.68	0.70	0.70	0.69	0.68	0.67	0.70	0.64	0.55
G&A and product selling	11.11	0.54	0.56	0.59	0.57	0.57	0.56	0.56	0.58	0.56	0.57	0.57	0.56	0.57	0.57	0.56	0.55	0.54	0.57	0.52	0.44
Mineral Resources tax	9.03	0.45	0.48	0.53	0.53	0.52	0.50	0.50	0.51	0.48	0.48	0.48	0.46	0.47	0.46	0.44	0.41	0.38	0.37	0.32	0.26
Government fee and other tax	3.72	0.18	0.19	0.20	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.18	0.18	0.19	0.17	0.15
Total LMW Opex	**131.46**	**7.08**	**7.11**	**7.42**	**7.26**	**6.75**	**6.56**	**6.60**	**7.04**	**6.71**	**6.30**	**6.66**	**6.74**	**6.68**	**6.50**	**6.86**	**6.27**	**6.08**	**6.33**	**5.57**	**4.94**
Ying Total																					
Mining	728.38	43.47	40.48	42.31	42.64	41.90	42.16	41.25	42.53	40.89	39.72	39.44	38.83	37.13	35.87	35.66	33.68	27.37	24.99	20.24	17.82
Shipping	46.66	2.54	2.55	2.66	2.65	2.65	2.70	2.69	2.77	2.66	2.64	2.61	2.57	2.38	2.36	2.36	2.26	1.73	1.51	1.21	1.16
Milling	121.59	6.59	6.61	6.88	6.86	6.85	6.97	6.95	7.14	6.88	6.83	6.79	6.69	6.28	6.28	6.26	5.99	4.63	3.92	3.16	3.03
G&A and product selling	98.72	5.34	5.38	5.59	5.56	5.56	5.67	5.64	5.81	5.58	5.54	5.51	5.43	5.11	5.11	5.08	4.85	3.75	3.18	2.57	2.46
Mineral Resources tax	81.47	5.03	5.07	5.22	5.01	4.86	4.77	4.66	4.64	4.51	4.35	4.31	4.27	4.03	3.91	3.78	3.54	2.90	2.46	2.14	2.01
Government fee and other tax	33.13	1.80	1.80	1.88	1.85	1.87	1.91	1.90	1.95	1.88	1.87	1.85	1.83	1.71	1.70	1.71	1.62	1.25	1.06	0.86	0.83
Total Ying Opex	**1,109.95**	**64.77**	**61.89**	**64.54**	**64.57**	**63.69**	**64.18**	**63.09**	**64.84**	**62.40**	**60.95**	**60.51**	**59.62**	**56.64**	**55.23**	**54.85**	**51.94**	**41.63**	**37.12**	**30.18**	**27.31**

Notes: Numbers may not compute exactly due to rounding. Q4 FY2020 not included.

1.14 Economic analysis

The Ying mine complex is a viable operation with a projected LOM through to 2040 based on only Proven and Probable Mineral Reserves and assuming an average annual production rate of approximately 6 million ounces of silver between fiscal 2021 and 2027, 5 million ounces between 2028 and 2033, 4 million ounces between 2034 and 2036, and 2.5 million ounces between 2037 and 2040. The potential exists for an extended LOM via further exploration and development, particularly in areas with identified Inferred Resources.

Although Ying is a producing property and therefore does not require an economic analysis for the purposes of the Technical Report, the QP considered it reasonable to undertake a summary-level analysis to illustrate the potential economic impact relative to the latest Mineral Reserve estimations and to the associated production schedules.

The following metal prices and exchange rate were used for the economic analysis: gold - US$1,400/oz, silver - US$20/oz, lead - US$0.95/lb, zinc - US$1.10/lb; exchange rate - US$1 = 6.9RMB. Average costs used were: mining - $61.34/t; milling - $10.23/t; shipping - $3.92/t; Mineral Resources tax - $6.86/t; G&A - $8.30/t: government fees and other taxes - $2.78/t; sustaining and growth capital - $16.95/t.

Based on the LOM production forecast through to 2040 and the metal price and other assumptions shown above, a base case pre-tax NPV of $954M at 5% discount rate is projected ($713M post-tax). Over the LOM, 62% of the net revenue is projected to come from silver, 29% from lead, 6% from zinc, and 2% from gold.

A simple economic sensitivity exercise, assessing a +/- 30% change in individual metal prices, operating cost or capital cost, has indicated that most sensitivity is seen in silver price (similar variation in silver grade would effectively give the same result). The NPV is moderately sensitive to lead price and operating cost, and only slightly sensitive to zinc price and capital cost.

1.15 Recommendations

Other than for the costs estimated below for exploration tunneling and drilling - total US$17.7M - the QPs consider that implementation of the following recommendations can form part of the day-to-day operating cost of the Ying mines.

1.15.1 Safety in general

Maintain the ongoing focus on safety, including implementation of a policy where the more stringent of either Chinese or Canadian safety standards are employed.

1.15.2 Exploration

Continue exploration tunneling and diamond drilling at the Property. The exploration tunneling 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 scope of work for the exploration program is shown in Table 1.7.

Table 1.7 Exploration tunneling and drilling programs

	Unit	SGX	HZG	HPG	LME	LMW	TLP	DCG
Tunneling	m	21,140	3,920	5,000	4,335	6,600	16,200	4,050
Drilling	m	21,800	6,650	10,735	6,640	13,450	13,620	7,340

The estimated cost for the above exploration work is:

- Tunneling: RMB 104,380,000 (US$15.1M)
- Drilling: RMB 17,770,000 (US$2.6M)

1.15.3 Drilling

The QP recommends that additional bulk density sampling be completed during core logging and processing. Grab samples should also be taken for bulk density sampling in the drives. The regression formula should be updated based on the new data.

1.15.4 Sample preparation, analyses, and security

1.15.4.1 CRMs

- Issues of data bias (both positive and negative) as well as analytical drift should be further investigated, including the standardization of sample preparation methods between all labs.
- Ensure that all laboratories are running internal CRMs in order to internally monitor analytical drift, biases and abrupt changes in CRM moving averages.
- Attempt to standardize the lower and upper detection limits and overlimit techniques that are utilized by the various laboratories.
- Ensure that all CRMs are inserted as "blind" submissions so that the analytical laboratory cannot predict the expected values.
- If individual CRMs perform entirely within the warning and failure limits outlined on the certificate, consider using accrued data to calculate the performance standard deviation of the CRM.
- Ensure that the insertion rate of one CRM every 20 samples (5%) is achieved.
- Investigate the availability of CRMs certified by two-acid versus four-acid digestion, including the production of custom CRMs specific to the Ying Property.
- Add a high-grade standard that monitors the >250 g/t Ag grade range at the mines.
- Continue monitoring CRMs in real time on a batch by batch basis and continue to take immediate remedial action when necessary. CRM performance should also be tracked on a long-term basis so analytical drift and changes in the moving average of data can be recognized and addressed.
- Investigate performance issues with CRMs CDN-ME-1606 and CDN-ME-1607 if these are to be used in future programs. The use of these CRMs should be discontinued until their performance issues are corrected.

1.15.4.2 Blanks

- Assay the source of the blank material to ensure its suitability as a blank.
- Reduce Silvercorp's pass / fail criteria to conform with common industry practice.
- Increase blank insertion rates to at least 5% of samples submitted.
- Investigate if detection limits and analytical methods can be standardized between labs to ensure blank material is performing consistently.
- Monitor blank data on a real time basis and continue to have batches re-analyzed if significant contamination is indicated.

1.15.4.3 Duplicates

- Silvercorp should consider the introduction of crushed duplicate and pulp duplicates as part of its QA/QC program to improve its monitoring of sample preparation and assaying performance.
- Silvercorp should conduct sieve analyses at various stages of sample preparation at the laboratories to ensure optimal parameters are achieved and minimal sampling errors are introduced.
- More field duplicate pairs should be selected with higher silver grades.
- Duplicate samples should also be submitted as part of the channel sampling program.

1.15.4.4 Umpire samples

The QP recommends the regular submission of samples to a third-party laboratory (umpire or check lab duplicate samples) for independent analyses, to assess the accuracy of the primary laboratories. Umpire duplicates measure analytical variance and pulp sub-sampling variance, and the QP recommends that such samples comprise 5% of all assays. However, for an umpire check program to be successful, the sample preparation and analytical methods between all labs currently in use need to be standardized.

1.15.5 Data verification

The QP recommends that Silvercorp implement the following:

- Undertake further random assay checks of the channel sample database and make corrections as appropriate.
- Modify the central database so that assay data is recorded without rounding to accurately reflect the original assay certificates.
- Establish a protocol for the consistent treatment of samples with analytical results below the lower limit of analytical detection (LLD).
- Establish a protocol to ensure only samples with assays are recorded in the sample database.

1.15.6 Mineral Resource

- Review the Mineral Resource modelling approach prior to the next NI 43-101 Technical Report, with the aim of optimally balancing the complexity, work and time involved with the estimation accuracy required for (a) reporting results in the public domain, and (b) providing a sound basis for operational planning and scheduling on a short- to long-term basis.

1.15.7 Mineral processing

- Undertake periodic mill audits aimed at optimizing process control and mill performance and to assist mine to mill reconciliation.

1.15.8 Mining and infrastructure

- For internal planning and forecasting and for external reporting, continue with efforts to fully integrate the Mineral Resource estimation, Mineral Reserve estimation, and mine planning processes.
- Continue recent and current efforts on dilution and grade control via the Mining Quality Control Department.
- Maintain particular focus on consistent provision of the skilled resources that will be necessary to achieve targeted production over the LOM.

- Maintain the highly focused development approach that will be necessary throughout the Ying operation for LOM development targets to be achieved.
- 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.
- Investigate the use of portable compressors in mining areas with a view to minimizing power costs; also investigate the benefits of the application of slushers for muck movement in stopes.
- Where vein thickness, geometry and ground conditions may allow, investigate the use of more bulk-mining methods such as longhole benching (the QP recognizes the technological change that would be required for such implementation).
- Review the TMF design basis acceleration to ensure consistency with the most up-to-date Ying site seismic zoning classification and associated parameters.
- Review the Chinese system dam classification in the context of recent international classifications, e.g. Canadian Dam Association 2013.
- Ensure that all safety and stability aspects of the TMFs are fully aligned with most up-to-date tailings facility recommendations on international best practice, including for latest guidance on maximum flood parameters. It is recommended that Silvercorp reference the recently released *Global Industry Standard on Tailings Management* , which is aimed at strengthening current best practices for tailings dams in the mining sector. Recent announcements by the Chinese Ministry of Emergency Management promote similar practice improvements.

Contents

1	Summary			ii
	1.1	Introduction		ii
	1.2	Geology, exploration, and Mineral Resources		ii
	1.3	Comparison of Mineral Resources, 30 June 2016 and 31 December 2019		v
	1.4	Mining and Mineral Reserves		vi
	1.5	Reconciliation		vii
	1.6	Comparison of Mineral Reserves, 1 July 2016 to 31 December 2019		ix
	1.7	Life-of-mine plan		ix
	1.8	Metallurgical testwork and processing		xi
	1.9	Manpower		xii
	1.10	Main infrastructure, including tailings dams		xii
	1.11	Market studies and contracts		xiii
	1.12	Environmental, permitting, social / community impact		xiv
	1.13	Capital and operating costs		xvi
	1.14	Economic analysis		xx
	1.15	Recommendations		xx
		1.15.1	Safety in general	xx
		1.15.2	Exploration	xx
		1.15.3	Drilling	xxi
		1.15.4	Sample preparation, analyses, and security	xxi
			1.15.4.1 CRMs	xxi
			1.15.4.2 Blanks	xxi
			1.15.4.3 Duplicates	xxii
			1.15.4.4 Umpire samples	xxii
		1.15.5	Data verification	xxii
		1.15.6	Mineral Resource	xxii
		1.15.7	Mineral processing	xxii
		1.15.8	Mining and infrastructure	xxii
2	Introduction			40
3	Reliance on other experts			43
4	Property description and location			44
	4.1	Property location		44
	4.2	Ownership		44
	4.3	Mining licenses		45
	4.4	Exploration and mining rights and taxes		46
5	Accessibility, climate, local resources, infrastructure, and physiography			48
6	History			50
	6.1	Introduction		50
	6.2	Drilling		50
	6.3	Ownership and production		50
	6.4	Historical Resource and Reserve estimates		50
7	Geological setting and mineralization			51
	7.1	Regional geology		51
	7.2	Property geology		52
	7.3	Mineralization		53
		7.3.1	SGX area	54
		7.3.2	HZG area	57
		7.3.3	HPG area	59

		7.3.4 TLP and LM area	61
		7.3.5 DCG area	64
8	Deposit types		66
9	Exploration		67
	9.1	Introduction	67
	9.2	Tunneling progress	67
	9.3	SGX	69
	9.4	HZG	71
	9.5	HPG	73
	9.6	TLP	74
	9.7	LME	76
	9.8	LMW	78
	9.9	DCG	80
10	Drilling		82
	10.1	Drilling progress	82
	10.2	Summary of results	84
	10.3	Discussion of results by mine	84
		10.3.1 SGX	84
		10.3.2 HZG	86
		10.3.3 HPG	87
		10.3.4 TLP	87
		10.3.5 LME	89
		10.3.6 LMW	89
		10.3.7 DCG	90
	10.4	Plans and sections	90
	10.5	Bulk density measurements and results	91
		10.5.1 Measurements and results	91
		10.5.2 Recommendations on bulk density	91
	10.6	Drilling procedures	92
11	Sample preparation, analyses, and security		93
	11.1	Sampling	93
	11.2	Sampling shipment and security	93
	11.3	Sample preparation and analysis	94
	11.4	Quality Assurance / Quality Control	94
		11.4.1 Overview	94
		11.4.2 Certified Reference Materials	95
		11.4.2.1 Description	95
		11.4.2.2 Discussion on CRMs	97
		11.4.2.3 Recommendations for CRMs	104
		11.4.3 Blank samples	104
		11.4.3.1 Description	104
		11.4.3.2 Discussion on blanks	105
		11.4.3.3 Recommendations on blanks	106
		11.4.4 Duplicate samples	107
		11.4.4.1 Description	107
		11.4.4.2 Discussion on duplicates	107
		11.4.4.3 Recommendations on duplicates	109
	11.5	Conclusions	109
12	Data verification		111
	12.1	Site visit	111
	12.2	Assay data verification	111

12.3 Recommendations 112
12.4 Conclusions 112
13 Mineral processing and metallurgical testing 113
13.1 Introduction 113
13.2 Mineralogy 113
13.2.1 SGX mineralization 114
13.2.2 TLP mineralization 115
13.2.3 HPG mineralization 116
13.3 Metallurgical samples 116
13.3.1 SGX mineralization 116
13.3.2 TLP mineralization 117
13.4 Metallurgical testwork 117
13.4.1 SGX mineralization 118
13.4.2 TLP mineralization 119
13.4.3 HPG mineralization 120
13.4.4 HZG mineralization 120
13.4.5 Grind size optimization 120
13.5 Concentrate quality considerations 120
13.6 Summary of testwork outcomes 121
14 Mineral Resource estimates 122
14.1 Introduction 122
14.2 Data used 124
14.2.1 Drillholes and underground channel samples 124
14.3 Geological interpretation 124
14.4 Data preparation 128
14.4.1 Statistics and compositing 128
14.4.2 Grade capping 129
14.5 Block model 133
14.5.1 Block model parameters 133
14.6 Variography and grade estimation 134
14.6.1 Variography 134
14.6.2 Variography methodology 134
14.6.3 Estimation method 135
14.6.4 Mining depletion 137
14.6.5 Minimum mining width 138
14.7 Mineral Resource classification 138
14.8 Block model validation 140
14.9 Mineral Resource estimates 149
14.10 Comparison with Mineral Resource estimate as of 31 December 2016 153
15 Mineral Reserve estimates 156
15.1 Introduction and Mineral Resources base 156
15.2 Mineral Reserve estimation methodology 156
15.3 Cut-off grades 156
15.3.1 Comment on cut-off grades 159
15.4 Dilution and recovery factors 159
15.4.1 Dilution 159
15.4.2 Mining recovery factors 159
15.5 Mineral Reserve estimate 160
15.6 Reserves sensitivity to cut-off grade 161
15.7 Conversion of Mineral Resources to Reserves 161
15.8 Comparison of Mineral Reserves, mid-2016 to end-2019 162

16 Mining methods 165
16.1 Ying mining operations 165
16.1.1 Introduction 165
16.1.2 SGX 166
16.1.3 HZG 166
16.1.4 HPG 166
16.1.5 TLP 167
16.1.6 LME 167
16.1.7 LMW 167
16.1.8 DCG Project 167
16.2 Mining methods and mine design 167
16.2.1 Geotechnical and hydrogeological considerations 167
16.2.2 Development and access 167
16.2.3 Mining methods 170
16.2.3.1 Shrinkage stoping 170
16.2.3.2 Resue stoping 171
16.2.3.3 Stope management and grade control 172
16.2.4 Ore and waste haulage 173
16.2.5 Equipment 174
16.2.5.1 Mine equipment 174
16.2.5.2 Equipment advance rates 178
16.2.6 Manpower 178
16.2.7 Ventilation 179
16.2.7.1 SGX primary ventilation 180
16.2.7.2 Secondary ventilation 181
16.2.8 Backfill 181
16.2.9 Dewatering 181
16.2.9.1 SGX dewatering 181
16.2.9.2 HZG dewatering 183
16.2.9.3 HPG dewatering 183
16.2.9.4 TLP dewatering 183
16.2.9.5 LMW and LME dewatering 183
16.2.10 Water supply 183
16.2.11 Power supply 184
16.2.12 Compressed air 184
16.2.12.1 Explosives 184
16.2.13 Communications 185
16.3 Safety 185
16.4 Development and production quality control 185
16.5 Production and scheduling 186
16.5.1 Development schedule 186
16.5.2 Mines production 188
16.5.2.1 Production rate 188
16.5.2.2 Mines production: 1 July 2016 to 31 Dec 2019 188
16.5.2.3 Production schedule 189
16.6 Reconciliation 192
16.7 Mining summary 193
17 Recovery methods 195
17.1 Introduction 195
17.2 Ore supply and concentrate production from Ying property mines 195
17.2.1 Ore supply 195
17.2.2 Ore composition per mine 197
17.2.3 Concentrate production by mine in FY2020 197

17.2.4 Concentrate quality and metal recovery (average) FY2017 - FY2020 197
17.2.5 Impact of ore type on concentrate quality and metal recovery (FY2020) 199
17.2.6 Ore supply by plant 200
17.2.7 LOM mill feed schedule 201
17.3 Mill Plant 1 (Xiayu) 203
17.3.1 Process flowsheet 203
17.3.2 Process description 205
17.3.2.1 Crushing 205
17.3.2.2 Milling classification (two trains) 205
17.3.2.3 Flotation (one train) 206
17.3.2.4 Product concentrating, filtration, and handling 206
17.3.2.5 Tailings thickening 206
17.3.3 Metallurgical performance (Plant 1) 206
17.4 Mill Plant 2 (Zhuangtou) 207
17.4.1 Flowsheet 209
17.4.2 Process description 209
17.4.2.1 Crushing 209
17.4.2.2 Milling classification 209
17.4.2.3 Flotation 209
17.4.2.4 Product concentrating, filtration and handling 209
17.4.2.5 Tailings thickening 210
17.4.3 Metallurgical performance (Plant 2) 210
17.4.4 Sampling (for Plants 1 and 2) 210
17.5 Process control 211
17.6 Ancillary facilities 211
17.6.1 Laboratory 211
17.6.2 Maintenance workshops 211
17.7 Key inputs 211
17.7.1 Power 211
17.7.2 Water usage and mass balance for Plant 1 and Plant 2 212
17.7.2.1 Water for Plant 1 212
17.7.2.2 Water for Plant 2 212
17.7.2.3 Strategy to reduce fresh water usage 212
17.7.3 Reagents 212
17.8 Conclusions and recommendation 213
18 Project infrastructure 214
18.1 Tailings Management Facility (TMF) 214
18.1.1 Overview 214
18.1.2 Tailings properties 214
18.1.3 Site description 215
18.1.4 TMF design, construction, operation, and safety studies 216
18.1.4.1 Design: TMF 1 216
18.1.4.2 Design: TMF 2 218
18.1.4.3 Dam classifications 220
18.1.4.4 Starter dam 220
18.1.4.5 Trench design for surface water 220
18.1.4.6 Water decant system design 221
18.1.4.7 Seepage collection design 221
18.1.4.8 Reclaim pond design 221
18.1.4.9 Geotechnical stability, safety, and risk assessment study 222
18.1.4.10 Site monitor stations 222
18.1.4.11 Tailings pond operation and management 222

18.1.5 Tailings transfer to the ponds 222
18.1.6 Water balance considerations 223
18.1.7 General TMF comment 223
18.2 Waste rock dump 223
18.3 Power supply 224
18.3.1 SGX and HZG mines 224
18.3.2 HPG Mine 225
18.3.3 TLP / LM Mine 225
18.3.4 No. 1 and No. 2 Mills and office / camp complex 225
18.3.5 Underground lighting 225
18.4 Roads 225
18.5 Transportation 227
18.6 Water supply 227
18.7 Wastewater and sewage treatment 229
18.8 Other infrastructure 229
18.8.1 Mine dewatering 229
18.8.2 Site communications 229
18.8.3 Camp 229
18.8.4 Dams and tunnels 230
18.8.5 Surface maintenance workshop 230
18.8.6 Explosives magazines 231
18.8.7 Fuel farm 231
18.8.8 Mine dry 231
18.8.9 Administration building 231
18.8.10 Warehouse and open area storage 232
18.8.11 Assay laboratory 232
18.8.12 Security / gatehouse 232
18.8.13 Compressed air 232
18.8.14 Underground harmful gas monitoring system 232
18.8.15 Underground personal location system 232
19 Market studies and contracts 233
19.1 Mining contracts 233
19.2 Concentrate marketing 233
19.3 Smelter contracts 233
19.4 Commodity prices 234
20 Environmental studies, permitting and social or community impact 235
20.1 Introduction 235
20.2 Laws and regulations 235
20.2.1 Laws 235
20.2.2 Regulation guidelines 236
20.3 Waste and tailings disposal management 236
20.4 Site monitoring 237
20.4.1 Monitoring plan 237
20.4.2 Water management 238
20.4.3 Groundwater 239
20.4.4 Wastewater 240
20.5 Permitting requirements 241
20.5.1 Environmental impact assessment reports & approvals 241
20.5.2 Project safety pre-assessments reports and safety production permits 242
20.5.3 Resource utilization plan (RUP) reports & approvals 242
20.5.4 Soil and water conservation plan and approvals 242
20.5.5 The geological hazards assessment report and approval 243

		20.5.6 Mining permits	243
		20.5.7 Land use right permits	243
		20.5.8 Water permits	243
	20.6	Social and community interaction	243
		20.6.1 Cultural minorities and heritages	244
		20.6.2 Relationships with local government	244
		20.6.3 Labour practices	244
	20.7	Remediation and reclamation	244
	20.8	Site closure plan	245
21	Capital and operating costs		246
	21.1	Capital costs	246
	21.2	Operating costs	248
22	Economic analysis		250
	22.1	Introduction	250
	22.2	Annual production schedule	250
	22.3	Cash flow forecast	252
	22.4	Sensitivity analysis	254
23	Adjacent properties		255
24	Other relevant data and information		256
25	Interpretation and conclusions		257
	25.1	General	257
	25.2	Mineral Resource / Reserve estimation process	259
26	Recommendations		261
	26.1	Safety in general	261
	26.2	Exploration	261
		26.2.1 SGX	261
		26.2.2 HZG	261
		26.2.3 HPG	261
		26.2.4 LME	262
		26.2.5 LMW	262
		26.2.6 TLP	262
		26.2.7 DCG	262
	26.3	Drilling	262
	26.4	Sample preparation, analyses, and security	263
		26.4.1 CRMs	263
		26.4.2 Blanks	263
		26.4.3 Duplicates	263
		26.4.4 Umpire samples	264
	26.5	Data verification	264
	26.6	Mineral Resource	264
	26.7	Mineral processing	264
	26.8	Mining and Infrastructure	264
27	References		266
28	QP Certificates		268

Tables

Table 1.1	Ying Property - Mineral Resources and metal content for silver, lead, zinc, and gold as of 31 December 2019 (Inclusive of Mineral Reserves)	iv
Table 1.2	Mineral Reserve estimates, Ying Property, 31 December 2019	vi
Table 1.3	Mineral Reserve to production reconciliation: July 2016 - December 2019	viii
Table 1.4	Life-of-mine production plan, Ying Property	x
Table 1.5	Projected Ying LOM Capex (US$M)	xvii
Table 1.6	Projected Ying LOM Opex (US$M)	xix
Table 1.7	Exploration tunneling and drilling programs	xx
Table 2.1	Persons who prepared or contributed to this technical report	41
Table 4.1	Mining licenses	46
Table 7.1	Dimensions and occurrences of mineralized veins at SGX mine	56
Table 7.2	Dimensions and occurrences of major mineralized veins in the HZG area	59
Table 7.3	Dimensions and occurrences of major mineralized veins in the HPG mine	60
Table 7.4	Dimensions and occurrences of major mineralized veins in the TLP area	63
Table 7.5	Dimensions and occurrences of major mineralized veins in the LMW area	63
Table 7.6	Dimensions and occurrences of major mineralized veins in the LME area	63
Table 7.7	Dimensions and occurrences of the mineralized veins at the DCG project	65
Table 9.1	Tunneling exploration work completed from July 2016 to December 2019	68
Table 9.2	Mineralization exposed by drift tunneling in 2019	69
Table 9.3	Selected mineralization zones defined by the 2016 - 2019 tunneling in SGX area	70
Table 9.4	Selected mineralization zones defined by the 2016 - 2019 tunneling in HZG area	72
Table 9.5	Selected mineralization zones defined by the 2016 - 2019 tunneling in HPG area	73
Table 9.6	Selected mineralization zones defined by the 2016 - 2019 tunneling in TLP area	75
Table 9.7	Selected mineralization zones defined by the 2016 - 2019 tunneling at LME	77
Table 9.8	Selected mineralization zones defined by the 2016 - 2019 tunneling at LMW	79
Table 9.9	Selected mineralization zones defined by the 2016 - 2019 tunneling at DCG	80
Table 10.1	Drilling programs completed by Silvercorp, 2004 to June 2016	82
Table 10.2	Summary of the 2016 - 2019 drilling program on the Property	83
Table 10.3	Brief summary of the 2016 - 2019 drilling results	84
Table 10.4	Summary of the SGX 2016 - 2019 drilling program	85
Table 10.5	Summary of the HZG 2016 - 2019 drilling program	86
Table 10.6	Summary of HPG 2016 - 2019 drilling program	87
Table 10.7	Summary of TLP 2016 - 2019 drilling program	88
Table 10.8	Summary of LME 2016 - 2019 drilling program	89
Table 10.9	Summary of the LMW 2016 - 2019 drilling program	90
Table 10.10	Bulk density values for the Ying deposits	91
Table 11.1	Silvercorp Ying lab detection limits	94
Table 11.2	Ying QA/QC samples by year [1]	95
Table 11.3	Ying QA/QC insertion rates [1]	95
Table 11.4	Ying CRMs (July 2016 - 2019)	96
Table 11.5	Ying Ag CRM results (July 2016 - 2019)	98

Table 11.6	Ying Pb CRM results (July 2016 - 2019)	98
Table 11.7	Ying Zn CRM results (July 2016 - 2019)	99
Table 11.8	Silvercorp coarse blank statistics	105
Table 11.9	Silvercorp blank statistics using pass / fail parameters	105
Table 12.1	Assay verification results (drilling July 2016 - December 2019)	111
Table 12.2	Assay verification results (channel samples July 2016 - December 2019)	112
Table 13.1	Mineral composition of the SGX mineralization	114
Table 13.2	Phase distribution of silver (SGX mineralization)	114
Table 13.3	Mineral composition of the TLP-LM mineralization	115
Table 13.4	Phase distribution of silver (TLP-LM mineralization)	116
Table 13.5	Core samples used for ore blending test	116
Table 13.6	Head grade of blended sample	117
Table 13.7	TLP mineralization samples for metallurgical tests	117
Table 13.8	Liberation of Pb, Zn, and Ag vs size fractions (70% -200 mesh)	117
Table 13.9	Mass balance for locked cycle test (SGX mineralization)	118
Table 13.10	Mass balance for locked cycle test (TLP mineralization)	119
Table 13.11	Mass balance for locked cycle test (HZG mineralization)	120
Table 13.12	Grind size optimization test results	120
Table 13.13	Product quality (blends of plants 1 & 2)	121
Table 14.1	Mineral Resources as of 31 December 2019	123
Table 14.2	Summary of data used	124
Table 14.3	Grade capping summary	130
Table 14.4	Sample summary statistics	131
Table 14.5	Block model parameters	133
Table 14.6	Search parameters for each block model	136
Table 14.7	SGX and TLP grade statistics for block model vs composites: largest veins	142
Table 14.8	Comparison of 2016 and 2019 Mineral Resource estimates	153
Table 15.1	Mineral Reserve cut-off grades and key estimation parameters	157
Table 15.2	Development ore and stope marginal cut-off grades	158
Table 15.3	Average dilution by mine and method	159
Table 15.4	Ying Mines Mineral Reserve estimates at 31 December 2019	160
Table 15.5	Estimated reduction in contained AgEq Oz in Mineral Reserves for COG increase of 20%	161
Table 15.6	Mineral Resources and Mineral Reserves comparison	162
Table 15.7	Change in Mineral Reserves, mid-2016 to end-2019	163
Table 16.1	Ying mines current equipment list	175
Table 16.2	Ramp contractor equipment list	177
Table 16.3	Equipment advance rates	178
Table 16.4	Silvercorp staff	178
Table 16.5	List of contract workers in the Ying district	179
Table 16.6	Silvercorp hourly workers	179
Table 16.7	Mines water flow	181
Table 16.8	Stage 1 water pumps at SGX mine	182

Table 16.9	Second stage water pumps at SGX mine	182
Table 16.10	Ying Mines LOM development schedule by fiscal year (FY)	187
Table 16.11	Ying mines production rate summary	188
Table 16.12	Ying mines production run-of-mine, Q2 FY2017 to end of Q3 FY2020	189
Table 16.13	Ying Mines LOM production	191
Table 16.14	Mineral Reserve to production reconciliation: July 2016 - December 2019	192
Table 17.1	Summary of Processing Plants 1 and 2 capacities	195
Table 17.2	Ore supply to Plants 1 and 2 from FY2017 to FY2020	196
Table 17.3	Ore supply from FY2017 to FY2020 (wet base including lead lumps)	196
Table 17.4	Average ore composition by mine (dry basis including lead lumps, FY2020)	197
Table 17.5	Concentrate production by mine (FY2020)	197
Table 17.6	Concentrate quality by year from FY2017 to FY2020	198
Table 17.7	Overall metal recovery by year from FY2017 to FY2020	198
Table 17.8	SGX mine - ore processed - actual mass balance (FY2020)	199
Table 17.9	TLP mine - ore processed - actual mass balance (FY2020)	199
Table 17.10	LME mine - ore processed - actual mass balance (FY2020)	199
Table 17.11	LMW mine including PD 991-ore processed - actual mass balance (FY2020)	199
Table 17.12	HPG mine - ore processed - actual mass balance (FY2020)	200
Table 17.13	HZG mine (includes BCG[1] contribution) - ore processed - actual mass balance (FY2020)	200
Table 17.14	Flotation feed: ore grade and recovery (FY2020)	201
Table 17.15	Flotation feed: tonnes to plants (FY2020)	201
Table 17.16	LOM mill feed schedule	202
Table 17.17	Design mass balance at Plant 1 (daily basis)	206
Table 17.18	Flotation feed: ore grade vs. recovery (FY2020) (Plant 1)	207
Table 17.19	Design mass balance for Plant 2 (Pb+Zn Ore) (Phase I and Phase II, 2 x 1,000 tpd)	210
Table 17.20	Flotation feeds: ore grade vs. recovery (FY2020) (Plant 2)	210
Table 18.1	Key metrics of the two TMFs	214
Table 18.2	Tailings PSD[1] and compositions	215
Table 18.3	Chemical composition for pond recycle water	215
Table 18.4	Criteria for dam grade definition in Chinese system	220
Table 18.5	Geotechnical assessment reports on the Zhuangtou and Shiwagou TMFs	222
Table 18.6	Waste dumps at the Ying project	223
Table 18.7	Test results of potable water at the mines and mills (March 2020)	228
Table 18.8	Dams and tunnels in the Ying district	230
Table 19.1	Key elements of smelter contracts	234
Table 20.1	Water environmental monitoring plan for Ying mining area	237
Table 20.2	July 2019 to June 2020 monitoring results, surface water of SGX and HPG	239
Table 20.3	July 2016 to June 2020 monitoring results, surface water	239
Table 20.4	Results summary of drinking water (groundwater)	240
Table 20.5	Mining water and sanitary wastewater monitoring results	240
Table 20.6	Expenditures on reclamation and remediation from 2016 to 2020 ('000 US$) . 245	

Table 21.1	Projected Ying LOM Capex (US$M)	247
Table 21.2	Projected Ying LOM Opex (US$M)	249
Table 22.1	Ying Mines LOM production schedule	251
Table 22.2	Ying Property cash flow projection	253

Figures

Figure 4.1	Location of Ying Property	44
Figure 4.2	Location of the approved mining licenses in the Ying Property	45
Figure 5.1	Mine and mill locations in the Ying Property	48
Figure 7.1	Geology of Western Henan Province and location of Ying Property	51
Figure 7.2	Ying mining licenses and mineralization vein systems	53
Figure 7.3	Tunnels and veins at SGX	55
Figure 7.4	Cross section on Line 2, SGX	56
Figure 7.5	Tunnels and veins at HZG area	58
Figure 7.6	Tunnels and veins at HPG area	60
Figure 7.7	Distribution of mineralized veins in the TLP-LM area	61
Figure 7.8	Tunnels and veins at DCG area	64
Figure 9.1	Longitudinal projection of S19 vein, SGX	71
Figure 9.2	Longitudinal projection of vein HZ20, HZG	72
Figure 9.3	Longitudinal projection of vein H17, HPG	74
Figure 9.4	Longitudinal projection of vein T16, TLP	76
Figure 9.5	Longitudinal projection of vein LM5, LME	78
Figure 9.6	Longitudinal projection of vein LM17, LMW	80
Figure 9.7	Longitudinal projection of C4E vein, DCG	81
Figure 11.1	Control chart for CDN-ME-1302 (Ag), drillhole samples	99
Figure 11.2	Control chart for CDN-ME-1302 (Pb), drillhole samples	100
Figure 11.3	Control chart for CDN-ME-1302 (Zn), drillhole samples	100
Figure 11.4	Control chart for CDN-ME-1305 (Ag), channel samples	101
Figure 11.5	Control chart for CDN-ME-1305 (Pb), channel samples	101
Figure 11.6	Control chart for CDN-ME-1305 (Zn), channel samples	102
Figure 11.7	Blank performance for Ag (channel samples)	105
Figure 11.8	Blank performance for Pb (drill core samples)	106
Figure 11.9	Ying field duplicate RPD and scatter plot for silver	108
Figure 11.10	Ying field duplicate RPD and scatter plot for lead	108
Figure 11.11	Ying field duplicate RPD and scatter plot for zinc	109
Figure 13.1	Distribution of silver minerals and silver-bearing minerals	115
Figure 13.2	Locked cycle flotation flow sheet (SGX mineralization)	119
Figure 14.1	3D view of the SGX mineralization wireframes	125
Figure 14.2	3D view of the HZG mineralization wireframes	125
Figure 14.3	3D view of the HPG mineralization wireframes	126
Figure 14.4	3D view of the LME mineralization wireframes	126
Figure 14.5	3D view of the LMW mineralization wireframes	127
Figure 14.6	3D view of the TLP mineralization wireframes	127

Figure 14.7	3D view of the DCG mineralization wireframes	128
Figure 14.8	SGX mineralized sample length histogram	129
Figure 14.9	Probability plot for silver grades in composited channel samples for vein S8 SGX mine	130
Figure 14.10	Silver variograms: SGX variography Area 1	135
Figure 14.11	Estimation pass longitudinal projection SGX mine: vein S16W	137
Figure 14.12	Mining depletion longitudinal projection SGX mine: vein S19	137
Figure 14.13	Horizontal thickness longitudinal projection SGX mine: vein S19	138
Figure 14.14	Mineral Resource classification longitudinal projection SGX mine: vein S19	139
Figure 14.15	Silver equivalent grade longitudinal projection SGX mine: vein S19	140
Figure 14.16	Silver equivalent grade longitudinal projection TLP mine: vein T3	141
Figure 14.17	S16W silver swath plot by northing	143
Figure 14.18	S16W silver swath plot by elevation	143
Figure 14.19	S16W lead swath plot by northing	144
Figure 14.20	S16W lead swath plot by elevation	144
Figure 14.21	S16W zinc swath plot by northing	145
Figure 14.22	S16W zinc swath plot by elevation	145
Figure 14.23	T3 silver swath plot by northing [1]	146
Figure 14.24	T3 silver swath plot by elevation	146
Figure 14.25	T3 lead swath plot by northing [1]	147
Figure 14.26	T3 lead swath plot by elevation	147
Figure 14.27	T3 zinc swath plot by northing [1]	148
Figure 14.28	T3 zinc swath plot by elevation	148
Figure 14.29	SGX - Vein S19 vertical long section projection Mineral Resource	149
Figure 14.30	HZG - Vein HZ26 vertical long section projection Mineral Resource	150
Figure 14.31	HPG - Vein H17 vertical long section projection Mineral Resource	150
Figure 14.32	LME - Vein LM5E vertical long section projection Mineral Resource	151
Figure 14.33	LMW - Vein LM7 vertical long section projection Mineral Resource	151
Figure 14.34	TLP - Vein T3 vertical long section projection Mineral Resource	152
Figure 14.35	DCG - Vein C4E vertical long section projection Mineral Resource	152
Figure 16.1	Ying mines locations	165
Figure 16.2	Inclined haulageway at SGX mine	168
Figure 16.3	SGX mine design	169
Figure 16.4	Shrinkage stoping method	170
Figure 16.5	Resue stope at SGX mine	171
Figure 16.6	Resue stoping method	172
Figure 16.7	Ying loco and rail cars	174
Figure 16.8	SGX ventilation system diagram	180
Figure 17.1	Total ore treated and year on year percentage relative to 2017	196
Figure 17.2	Overall metal recovery to concentrate from FY2017 to FY2020	198
Figure 17.3	General view photos (Plant 1)	203
Figure 17.4	Flowsheet (Plant 1)	204
Figure 17.5	General view photos (Plant 2)	207

Figure 17.6	Flowsheet for Plant 2	208
Figure 18.1	Zhuangtou TMF 1 (31 March 2020)	216
Figure 18.2	Zhuangtou TMF 1 tailings discharge (31 March 2020)	217
Figure 18.3	Zhuangtou TMF 1 downstream view of starter dam (31 March 2020)	217
Figure 18.4	Shiwagou TMF 2 (31 March 2020)	218
Figure 18.5	Shiwagou TMF 2 upstream view (31 March 2020)	219
Figure 18.6	Shiwagou TMF 2 downstream view of starter dam (31 March 2020)	219
Figure 18.7	Silvercorp barge with loaded trucks	226
Figure 22.1	Ying pre-tax NPV sensitivity	254

Abbreviations & acronyms

Abbreviations & acronyms	Description
%	Percentage
>	Greater than
<	Less than
°	Degree
°C	Degrees Celsius
µm	Micrometre
3D	Three orthogonal directions
4A	Four-acid
Ag	Silver
AgEq	silver equivalent
AMC	AMC Mining Consultants (Canada) Ltd.
Au	Gold
BC	British Columbia
Capex	Capital expenditure
CDRI	Changsha Design and Research Institute
Chengde Laboratory	Chengde Huakan 514 Geology and Mineral Testing and Research Institute in Chengde, Hebei Province
CIM	Canadian Institute of Mining, Metallurgy and Petroleum
cm	Centimetre
CMCC	China Mobile
CNC	China Network Company
CO	Carbon monoxide
COD	Chemical oxygen demand
Coeff. Var.	Coefficient of variation
COG	Cut-off grade
CRM	Certified reference material
CSIS	China Seismic Intensity Scale
d	Day
DCG	Doncaogou
DL	Detection limit
EB	Enterprise Blog
EIA	Environmental Impact Assessment
g	Gram
G&A	General and Administration
g/t	Grams per tonne
h	Hour
Henan Found	Henan Found Mining Co. Ltd
Henan Huawei	Henan Huawei Mining Co. Ltd
HNMRI	Hunan Nonferrous Metal Research Institute
HPG	Haopinggou
HZG	Houzhanggou
ID^2	Inverse distance squared
Inner Mongolia Laboratory	Analytical Laboratory of the Inner Mongolia Geological Exploration Bureau in Hohhot, Inner Mongolia
kg	Kilogram

Abbreviations & acronyms	Description
km	Kilometre
koz	Thousand ounces
kt	Thousand tonnes
kV	Kilovolts
kVA	Kilovolt-Ampere
kW	Kilowatts
lb	Pound
LLD	Lower limit of analytical detection
LME	Longmen
LOM	Life-of-mine
M	Million
m	Metre
m^2	Squared metre
m^3	Cubic metre
Mg/L	Milligram per litre
mm	Millimetre
mm^2	Squared millimetre
Mm^3	Million cubic metre
MMI	Modified Mercali Intensity
MPa	Megapascal
Mt	Million tonnes
Mtpa	Million tonnes per annum
NI 43-101	National Instrument 43-101
NPV	Net Present Value
OHS	Occupational Health and Safety
Opex	Operating expenditure
oz	Troy ounce
Pb	Lead
pH	pH is a measure of hydrogen ion concentration; a measure of the acidity or alkalinity of a solution
PPE	Personal Protective Equipment
Property	Ying gold-silver-lead-zinc property
PSD	Particle size distribution
QA/QC	Quality assurance and quality control
QP	Qualified Person as defined by NI 43-101
RMB	Chinese Yuan
RPD	Relative paired difference
RUP	Resource utilization plan
SD	Standard deviation
SGX	Shagouxi
Silvercorp	Silvercorp Metals Inc.
t	Tonne
t/m^3	Tonne per cubic metre
Technical Report	Ying 2020 Technical report
TLV	Threshold limit value
TMF	Tailings management facility

Abbreviations & acronyms	Description
TNMDI	Tongling Nonferrous Metals Design Institute
tpa	Tonnes per annum
tpd	Tonnes per day
US$	United States dollar
US$/t	US dollar per tonne
USA	United States of America
USGS	United States Geological Service
VAT	Value Added Tax
Xinda	Luoning Xinda Mineral Products Trade Co. Ltd.
Ying Project	Ying silver, lead, and zinc project
Zhengzhou Nonferrous Laboratory	Analytical Laboratory of Henan Nonferrous Exploration Institute in Zhengzhou, Henan Province
Zn	Zinc

2 Introduction

AMC Mining Consultants (Canada) Ltd. (AMC) was commissioned by Silvercorp Metals Inc. (Silvercorp) to prepare a Technical Report (Ying 2020 Technical report or Technical Report) on the Ying gold-silver-lead-zinc property (Property) in Henan Province, China, encompassing the SGX, HZG, HPG, TLP, LME, and LMW underground mines and the DCG project. The six mines and the DCG project are collectively referred to as the Ying mine or Ying mines in the Technical Report. AMC has previously prepared Technical Reports on the Property in 2017 (filed 24 February 2017, effective date 31 December 2016); 2014 (filed 5 September 2014, effective date 31 December 2013); 2012 (filed 15 June 2012, effective date 1 May 2012); and in 2013 (minor update to 2012 report, filed 6 May 2013, effective date 1 May 2012).

The authors of the Technical Report all qualify as independent Qualified Persons (QPs). Three of the authors have visited the Ying Property. The latest visit, by Mr H.A. Smith and Dr A.A. Ross, was in July 2016. Earlier QP visits were made in February 2012 and September 2013. During the site visits, all aspects of the project were examined by the QPs, including drill core, exploration sites, underground workings, processing plant, laboratory, and other surface infrastructure. Plans for a more recent visit have been postponed because of the COVID-19 pandemic. In lieu of no recent site visit prior to the release of the Technical Report, there has been a particular focus, throughout the report generation, on regular and detailed communication, inclusive of video conferencing, between QPs and key Silvercorp personnel, both at the Ying site and in Canada.

Silvercorp is a Canadian mining company producing silver, lead and zinc metals in concentrates from mines in China. It is listed on both the TSE and NYSE as SVM. Through wholly owned subsidiaries, Silvercorp has effective interests of 77.5% in the SGX, HZG, TLP, and LMW mines and the DCG project, and 80% in the HPG and LME mines. It has all the exploration and mining permits necessary to cover its mining and exploration activities. There are no known or recognized environmental issues that might preclude or inhibit a mining operation in this area.

The Property is about 240 km west-southwest of Zhengzhou, the capital city of Henan Province, and 145 km south-west of Luoyang, which is the nearest major city. The nearest small city to the project area is Luoning, about 56 km by paved roads from Silvercorp's Ying mill site. The project areas have good road access and operate year-round. The area has a continental sub-tropical climate with four distinct seasons.

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. Annual production has been very consistent in the last several years, ranging from 614,000 to 637,000 tonnes between FY2017 and FY2020 (FY2020 end at 31 March 2020).

The current Technical Report is an update to the Mineral Resource and Mineral Reserve estimates, incorporating new drilling and underground channel sample results and updated depletion due to mining. The Mineral Resources and Mineral Reserves are reported with an effective date of 31 December 2019. Table 2.1 lists the persons who prepared or contributed to this report.

In preparing this report, the QPs relied on various geological maps, reports, and other technical information provided by Silvercorp. The QPs reviewed and analyzed the data provided and drew their own conclusions, augmented by previous direct field observations and knowledge of the Property, and of the results of recent detailed communication with Silvercorp personnel. Specific documents referenced in this report are listed in Section 27, References.

Much of the geological information in this report was originally written in Chinese. Translations of key technical documents and data into English were provided by Silvercorp. The QPs have no reason to believe that the translations are not credible and believe they are generally reliable but cannot attest to their absolute accuracy.

Unless otherwise stated:

- All currency amounts and commodity prices are in US dollars. Where RMB are stated an exchange rate of US$1 = 6.90 RMB is assumed.
- Quantities are in metric (SI) units.
- Years are Silvercorp fiscal years (1 April to 31 March) unless otherwise stated.
- Tonnes are dry tonnes unless otherwise stated.

This report includes the tabulation of numerical data which involves a degree of rounding for the purpose of Mineral Resource and Mineral Reserve reporting. The QPs do not consider any rounding of the numerical data to be material to the project.

Table 2.1 Persons who prepared or contributed to this technical report

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[1]**
Mr H.A. Smith	Senior Principal Mining Engineer	AMC Mining Consultants (Canada) Ltd.	Yes	13-16 July 2016	P.Eng. (BC), P.Eng. (ON), P.Eng. (AB), P.Eng. (NT)	2-6, 15, 16, 20-22, 27 and parts of 1, 18, 19, 25 and 26
Dr A.A. Ross	Geology Manager / Principal Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	13-20 July 2016	P.Geo. (BC), P.Geol. (AB)	7-10, 12, 23, 24 and parts of 1, 25, and 26
Mr R. Webster	Principal Geologist	AMC Consultants Pty Ltd.	Yes	None	MAIG	Parts of 1, 14, 25 and 26
Mr S. Robinson	Senior Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	None	P.Geo. (BC),	11, parts of 1, 14, 25, and 26
Mr R. Chesher	General Manager / Senior Principal Metallurgist	AMC Consultants Pty Ltd.	Yes	None	FAusIMM(CP)	13, 17, parts of 1, 19, 25, and 26
Mr A. Riles	Director and Principal Consultant	Riles Integrated Resource Management Pty Ltd.	Yes	16-19 February 2012	MAIG	Parts of 1, 18, 25, and 26

Other experts who assisted the Qualified Persons					
Expert	**Position**	**Employer**	**Independent of Silvercorp?**	**Visited site**	**Sections of report**
Mr L. Ma	Manager, Exploration	Silvercorp Metals Inc.	No	Since February 2017	General
Mr D. Liu	Chief Financial Officer	Silvercorp Metals Inc.	No	Since July 2014	General
Mr Y. Liu	Manager, Safety and Production Department, China Operations	Silvercorp Metals Inc.	No	Since March 2015	Parts of 16 - 18 and 20

Note: For Section 14, Mr Webster is responsible for the SGX, HPG, LMW, and LME deposits and Mr Robinson is responsible for the TLP, HZG, and DCG deposits. Mr Smith is responsible for Section 18, other than for the TMFs discussion, for which Mr. Riles takes responsibility. For other sections where QPs are indicated as having part responsibility, that responsibility reflects their individual area of expertise, whether geological, mining, or metallurgical.

The authors of the Technical Report acknowledge the numerous contributions from Silvercorp in the preparation of this report and are particularly appreciative of prompt and willing assistance of Mr L. Ma and Mr D. Liu.

This report has been produced in accordance with the Standards of Disclosure for Mineral Projects as contained in National Instrument 43-101 (NI 43-101) and accompanying policies and documents. NI 43-101 utilizes the definitions and categories of Mineral Resources and Mineral Reserves as set out in the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves 2014 (CIM 2014).

A draft of this report was provided to Silvercorp for checking for factual accuracy.

This report is dated 09 October 2020 and has an effective date of 31 July 2020.

3 Reliance on other experts

The QPs have relied, in respect of legal aspects, upon the work of the Expert listed below. To the extent permitted under NI 43-101, the QPs disclaim responsibility for the relevant section of the Report.

- Expert: Mr Henry Shi, Partner, JunHe Law Offices, Beijing, as advised in a letter of 21 July 2020 to Mr Derek Liu, Chief Financial Officer, Silvercorp Metals Inc.
- Report, opinion, or statement relied upon: information on mineral tenure and status, title issues, royalty obligations, etc.
- Extent of reliance: full reliance following a review by the QPs.
- Portion of Technical Report to which disclaimer applies: Section 4.

The QPs have relied, in respect of environmental aspects, upon the work of the issuer's expert listed below. To the extent permitted under NI 43-101, the QPs disclaim responsibility for the relevant section of the Report.

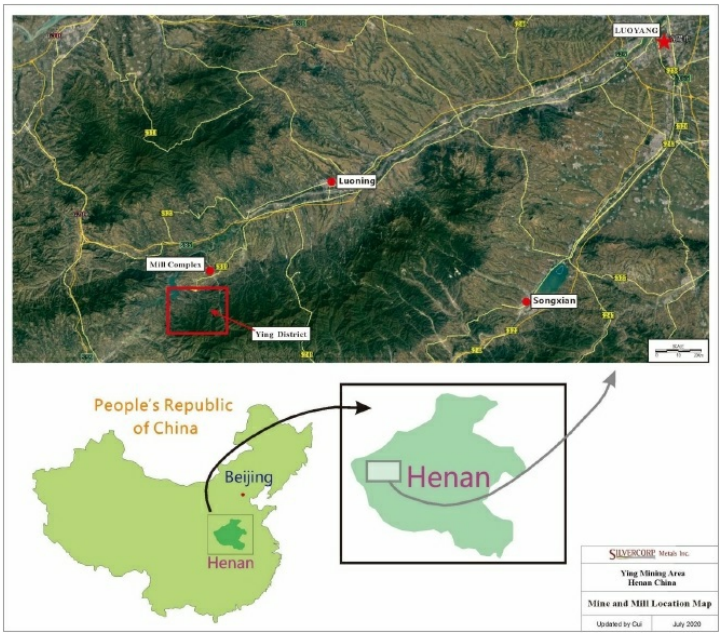
- The following disclosure is made in respect to information provided by Silvercorp personnel led by Mr Y. Liu, Manager, Safety and Production Department, Silvercorp China Operations.
- Report, opinion or statement relied upon: information on environmental studies, permitting, social, and community impact, site monitoring remediation and reclamation, and closure plan.
- Extent of reliance: full reliance following a review by the QPs.
- Portion of Technical Report to which disclaimer applies: Section 20.

4 Property description and location

4.1 Property location

The Property is situated in central China in western Henan Province near the town of Luoning (Figure 4.1). The term "Ying District" is used to describe a 100 sq. km rectangular area bounded by latitude 34°07'N to 34°12'N and longitude 111°14'E to 111°23'E. Within this district block, Silvercorp has three principal centres of operation, within which six mining projects are located.

Figure 4.1 Location of Ying Property



4.2 Ownership

Silvercorp, through its wholly owned subsidiary Victor Mining Ltd, is party to a cooperative joint venture agreement dated 12 April 2004 under which it earned a 77.5% interest in Henan Found Mining Co. Ltd (Henan Found), the Chinese company holding (with other assets) the Ying silver, lead, and zinc project (the Ying Project). In addition, Silvercorp, through its wholly owned subsidiary Victor Resources Ltd, is party to a cooperative agreement dated 31 March 2006, under which it

initially obtained a 60% interest in Henan Huawei Mining Co. Ltd (Henan Huawei), the beneficiary owner of the project in Haopinggou (the HPG Project) and the project in Longmen (the LME Project).

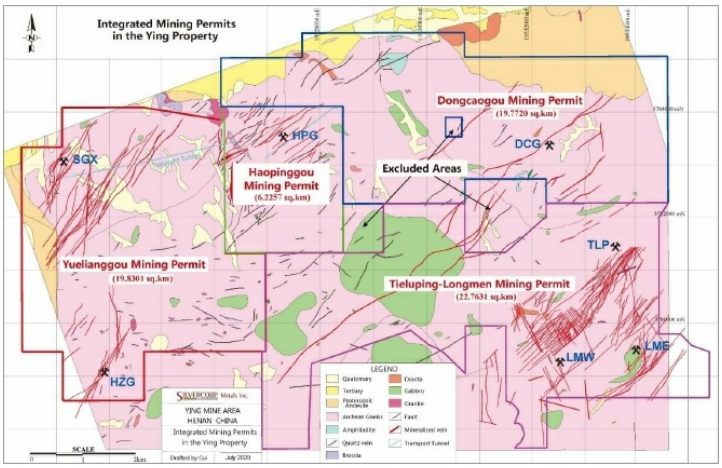
Since that time, Silvercorp's interest in Henan Huawei has increased to 80%.

4.3 Mining licenses

The information supporting Figure 4.2 and Table 4.1 is contained in a letter provided to Silvercorp by JunHe Law Offices in Beijing and is referenced in Section 3.

The Ying property is covered by four major contiguous mining licenses, as shown in Figure 4.2.

Figure 4.2 Location of the approved mining licenses in the Ying Property



The mines in the Property are located as follows:

- The Shagouxi (SGX) and Houzhanggou (HZG) lead-zinc-silver mines are within the Yueliangou Mining License in the western part of the block.
- The HPG lead-zinc-silver-gold mine is within the Haopinggou Mining License in the central western part of the block.
- The TLP, LME, and LMW lead-silver mines are within the Tieluping-Longmen Mining License in the eastern part of the block.

There is currently no producing operation in the Doncaogou (DCG) Mining License.

The total area of the four mining licenses is 68.59 sq km. Table 4.1 lists their names, license numbers, areas, and expiry dates.

Table 4.1 Mining licenses

Area and license name	Mines	Mining license #	Sq km	ML expiry date
Yueliangou Lead-zinc-silver Mine	SGX & HZG	C41000020090932100385 49	19.8301	Sep 2024
Haopinggou Lead-zinc-silver-gold Mine	HPG	C41000020160432101418 63	6.2257	29 Apr 2028
Tieluping-Longmen Silver-lead Mine	TLP, LME, & LMW	C41000020160642101422 39	22.7631	26 Feb 2021
Dongcaogou Gold-silver Mine	None	C41000020150642101388 48	19.772	15 Jun 2025
Total			**68.59**	

The permits indicate mining being permitted between prescribed elevations as follows:

- Yueliangou Mining License - 1,060 m and 0 m elevations
- Haopinggou Mining License - 955 m and 365 m elevations
- Tieluping-Longmen Mining License - 1,250 m and 700 m elevations
- Doncaogau Mining License - 1,087 m and 605 m elevations

The QP understands that, historically, it has not been unusual for mining companies in China, including Silvercorp, to undertake resource-related activities outside of limits prescribed in mining permits, with the process related to applications for, and granting of, permit limit extensions occurring in parallel with those activities. The QP also understands that the process for granting of mining permits is currently under regulatory review.

Henan Found's policy has been to initiate applications to the relevant government departments so that exploration permits are reissued beneath the lower boundary of the mining permit areas in accordance with the "Mineral Resources Law of the People's Republic of China" and the integration policy of mineral resource development issued by the Ministry of Land and Resources of China and the Henan Provincial Government.

4.4 Exploration and mining rights and taxes

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 of 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.

China has an established Mining Code that defines the mining rights guaranteed by the government of China.

China has a 13% Value Added Tax (VAT) on sales of concentrates and on articles such as materials and supplies. The VAT paid on materials purchased for mining is returned to Silvercorp as an incentive to mine in China. There is no VAT on labour. In addition, Silvercorp also pays a VAT surtax,

which amounts to approximately 1.6% of sales, and mineral resources tax is currently levied at approximately 3% of sales. The income tax rate is 25%.

There are no known or recognized environmental issues that might preclude or inhibit a mining operation in this area. Some major land purchases may be required in the future for mine infrastructure purposes (such as for additional processing plant requirements, waste disposal, offices and accommodations). There are no significant factors and risks that may affect access, title, or the right or ability to perform work on the Ying property that are known at this time.

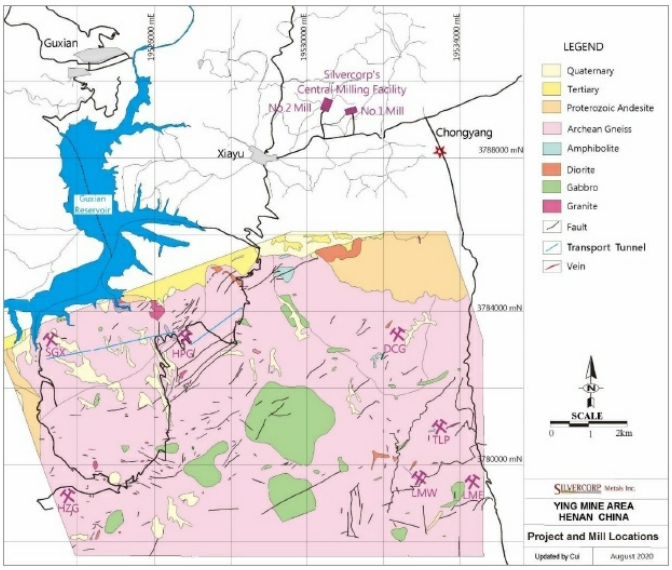
5 Accessibility, climate, local resources, infrastructure, and physiography

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 more dense 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 south-west of Luoyang (population 1.4 million), which is the nearest major city (Figure 5.1). 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 to 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 (Figure 5.1). The SGX camp is accessed via a 10-minute ferry ride across the Reservoir.

Figure 5.1 Mine and mill locations in the Ying Property



Note that the area in Figure 5.1 with the geology drape roughly corresponds to the outline of the mining licenses. To date, ore from the SGX and HZG mines has been transported by ferry across the Guxian Reservoir to the mills. Silvercorp has also driven a haulage tunnel to connect the SGX and HPG mines to increase haulage efficiency and facilitate environment-friendly operations. 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. See Section 18 for further discussion of project infrastructure.

6 History

6.1 Introduction

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 (see Section 27 - References).

6.2 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.

6.3 Ownership and production

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

The underground mine at HPG was initially constructed in April 1995, with a mining license issued in June 1996 to Huatai #1 company. The mine was shut down during 1997 and 1998, and in 2001, new mining licenses were issued by the Henan Bureau of Land and Resources to Huatai #2 company (changing names on a mine license in China is difficult so the same name is used even though they are different companies). In 2004, Huatai #3 company acquired the mine, which reportedly produced 70,000 tonnes per annum (tpa) of ore from four principal underground levels. Ore was shipped to Guxian Ore Processing Plant, owned by Huatai. In 2006, Silvercorp reached an agreement with Huatai, which included both the mine and the plant.

In 1998, a mining permit was issued for the TLP area to Tieluping Silver and Lead Mine of Luoning County. The mine produced 450 tonnes per day (tpd) of ore using shrinkage stoping methods. Ore was shipped to five small mills; lead concentrates were produced by conventional flotation methods. The government closed the mine in December 2006 due to health, safety and environment concerns. The operation is thought to have produced about 1.55 million tonnes of ore, although actual production and grades are unknown. Silvercorp acquired the TLP project from the owners in late 2007.

In 2002, a mining permit was issued for the LM area to Luoning Xinda Mineral Products Trade Co. Ltd. (Xinda), which allowed Xinda to mine 30,000 tonnes of silver-lead ore using shrinkage stoping methods. Ore was mined mainly from the 990 m to 838 m levels and shipped to a local custom mill for processing by conventional flotation. Reported production for the operation was 120,206 tonnes of ore averaging 257.06 g/t Ag and 7.04% Pb. Silvercorp acquired the LM project from the owners in late 2007.

6.4 Historical Resource and Reserve estimates

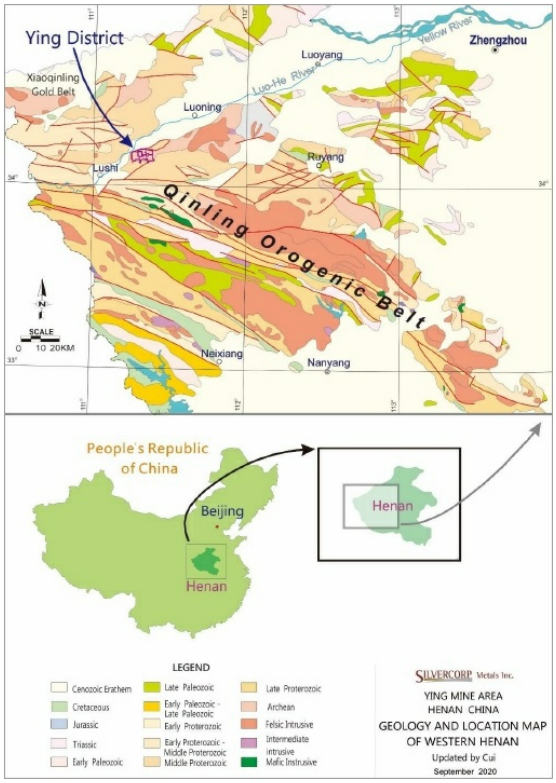
Silvercorp acquired its interests in the Ying Property between 2004 and 2007. Any Mineral Resource or Mineral Reserve estimates that pre-date Silvercorp's involvement are not considered by the QPs to be information that is material to the Technical Report.

7 Geological setting and mineralization

7.1 Regional geology

The 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. Figure 7.1 shows the regional geology and location of the Ying Property.

Figure 7.1 Geology of Western Henan Province and location of Ying Property



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 north-west or north-east. 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. At least three important north-northeast trending mineralized fault zones are identified in the Ying Property:

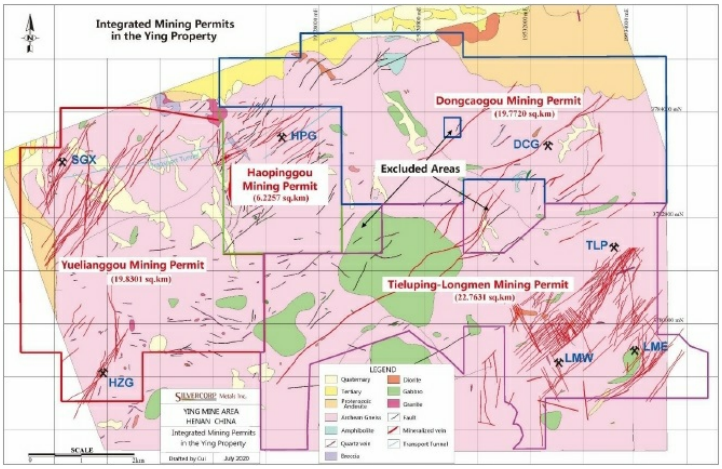
1 Heigou-Luan-Weimosi deep-seated fault zone
2 Waxuezi-Qiaoduan fault zone
3 Zhuyangguan-Xiaguan fault zone

7.2 Property geology

The Archean basement that underlies the Property consists primarily of highly metamorphosed mafic to felsic gneisses derived from mafic to felsic volcanic and sedimentary rock units as shown in Figure 7.2. The lowest part of the basement sequence is a 1 km thick mafic gneiss with local gabbroic dikes and sills that trend north-northeast and dip 30° to 60° south-east. This sequence is overlain by a much thicker sequence of thin-bedded quartz-feldspathic gneiss, which is bounded on the north and west by Proterozoic-age andesitic greenstones along a very high-angle (>70°) "detachment" fault-shear zone. The greenstones have been folded and dip steeply toward the north-east and south-west. The basement gneisses are commonly tightly-folded with boudins abundant near the mafic gneiss-feldspathic gneiss contact. Small granite porphyry stocks of Proterozoic to Paleozoic age locally intrude the gneisses.

All of these lithologies are extensively cut by high-angle, mostly west-dipping conjugate faults. These faults trend generally north-east, varying from mostly north to north-northeast on the west side of the district, to north-east with occasional north and rare north-west on the east side of the district. The faults are commonly near-vertical, with steep dips in either direction, and they are occasionally filled with swarms of younger andesitic to basaltic diabase dikes. Repeated movement on the faults has offered the openings which host all of the district's important silver-lead-zinc veins.

Figure 7.2 Ying mining licenses and mineralization vein systems



7.3 Mineralization

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 308 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, th ese 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).

7.3.1 SGX area

Currently defined Ag-Pb-Zn mineralization in the SGX area is carried by at least 75 veins which occur in eight major and two minor vein systems. The five largest veins (S19, S8, S2, S7, and S7_1, listed in terms of presently defined Mineral Resources) account for about 33% of this mineralization (Figure 7.3, Figure 7.4, Table 7.1).

The SGX veins have been extensively mapped and sampled at various levels in the underground workings and by drilling. Results show that approximately 30% of the material filling the veins is strongly mineralized with massive, semi-massive, veinlet and disseminated galena and sphalerite over narrow widths ranging from 0.3 m to 5 m or more with a weighted average true width of 0.69 m. Other than galena and sphalerite, the most common metallic minerals are small amounts of pyrite, chalcopyrite, hematite, and very small amounts of wire silver, silver-bearing sulfosalts (mainly pyrargyrite), silver-bearing tetrahedrite (known as freibergite) and possibly acanthite (silver sulphide). The metallic minerals are confined to the veins where they occur as massive accumulations or disseminations. The galena often occurs as massive tabular lenses comprised of coarsely crystalline aggregates or fine-grained granular "steel galena" bodies, which can be up to 1.0 m thick and 100 m or more in vertical and horizontal dimensions. Sphalerite, in its dark-coloured, iron-rich variety often known as "blackjack", occurs with the galena as coarse bands or aggregates. Alternating bands of galena, sphalerite, pyrite, and quartz are common near the vein margins.

A detailed study on assay results of drillcore and tunneling samples from major vein structures in 2012 revealed the existence of wide alteration and mineralization zones with lower but economic grades of silver adjacent to some high grade silver-lead-zinc vein structures, such as S7-1, S16W, S16E, S6, and S2. These lower-grade zones have mostly been neglected in previous sampling programs because of a lack of visible sulphides. An improved understanding of the geology, alteration, and mineralization of major vein structures has indicated that contacts between mineralization and wall rocks can no longer based solely on visual geological mapping, but also requires consideration of sampling results because of the silver content in adjoining alteration zones. As a result, average widths of defined mineralized zones have been substantially increased.

Several shoots in some of the SGX veins are unusually rich in silver relative to lead, containing from 131 to 343 grams silver for each percent lead. This is a much greater amount of silver to lead than most other SGX veins. The silver in these shoots is thought to be carried mostly as a silver-rich, non-lead-bearing mineral such as freibergite, which is a dark-coloured metallic mineral that could easily be hidden within metallic granular masses of galena. Freibergite is also a copper-bearing mineral, so it is not surprising that these same shoots also contain up to several percent of potentially valuable copper. Very little gold has been found in the SGX veins to date, an exception being the short S7-2 vein in the eastern part of the target area which contains from 4.4 to 8.9 g/t gold but very little silver, lead, or zinc. At present, neither gold, nor copper is recovered from the SGX veins.

Gangue in the vein systems consists mostly of quartz-carbonate minerals with occasional inclusions of altered wall-rock. The carbonate gangue mineral is dominantly ankerite, whereas siderite is the most common carbonate gangue mineral in many other mesothermal silver-lead-zinc districts.

Wall rock alteration is commonly marked as a myriad of quartz veinlets which are accompanied by sericite, chlorite, silicification, and ankerite on fractures. Some retrograde alteration is present as epidote along fractures. Underground drilling suggests that many of the vein systems appear to either persist or strengthen at depth. Additionally, Broili et al. (2006) notes that many of the veins exposed in underground workings are often significantly richer in Ag-Pb-Zn than the same veins exposed at the surface.

Figure 7.3 Tunnels and veins at SGX

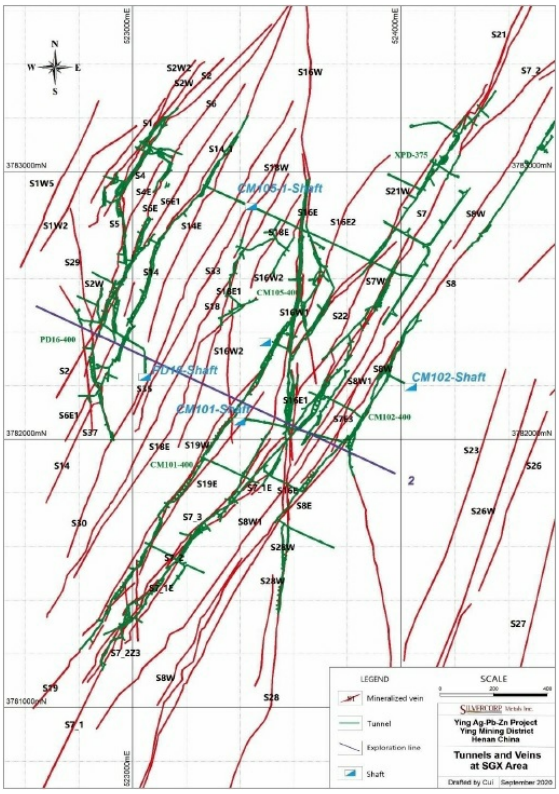


Figure 7.4 Cross section on Line 2, SGX

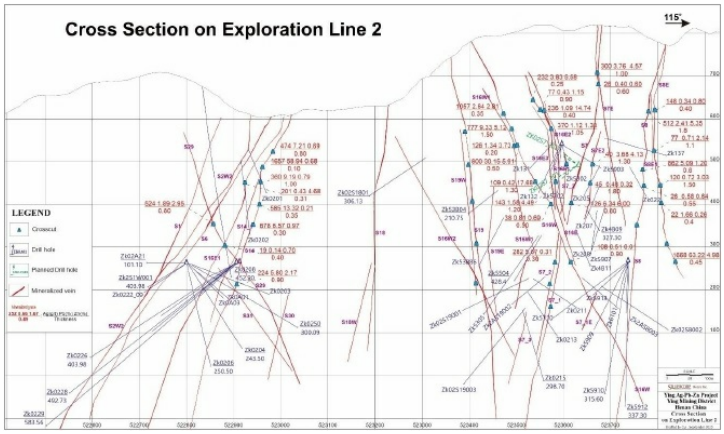


Table 7.1 presents a summary of the characteristics of the major mineralized veins in the SGX area.

Table 7.1 Dimensions and occurrences of mineralized veins at SGX mine

Vein #	Length of vein (m)	Defined inclined depth (m)	Elevation of defined depth (m)	Dip direction	Dip angle	Average true thickness / range (m)
S19	1,800	900	750 - (-150)	300-325°	70-85°	0.93 (0.30-7.29)
S8	3,590	950	850 - (-100)	295-320°	75-82°	0.49 (1.00-5.10)
S2	1,300	900	700 - (-200)	275-320°	55-85°	0.46 (0.30-8.68)
S7	2,200	885	825 - (-60)	114-125°	85-88°	1.03 (0.30-7.36)
S7-1	1,900	1,005	845 - (-160)	295-310°	67-85°	1.15 (0.30-14.62)
S16W	1,800	900	800 - (-100)	85-110°	50-75°	0.95 (0.30-15.00)
S14	1,700	950	750 - (-200)	285-305°	60-80°	0.63 (0.50-6.13)
S6	1,000	900	700 - (-200)	280-305°	50-80°	1.07 (0.30-4.05)
S21	1,600	800	800 - 0	295-310°	70-80°	0.73 (0.30-9.3)
S16W1	1,500	820	720 - (-100)	80-120°	60-75°	0.3 (0.4-1.5)

7.3.2 HZG area

The HZG mine area, south of the SGX area, has 21 Ag-Pb-Zn veins in which mineralization has been defined to date. Underground and surface sampling and drilling indicates that 14% to 23% of the vein-filling material in these veins is strongly mineralized over a true weighted average width of 0.55 m (ranging from 0.30 to 1.44 m). The veins contain distinctly more copper but lower zinc than the district's many other veins. For example, one of the largest HZG veins defined to date, HZ20, contains an average of 0.58% copper, which occurs mostly in chalcopyrite and tetrahedrite. The tetrahedrite commonly forms massive lenses, probably filling tension gashes that are distributed in relay-like fashion near the vein margins and in ladder-like fashion near the centre of the veins. The chalcopyrite occurs as disseminated crystals in the gangue and in the tetrahedrite. Other sulphides include galena (up to several percent locally) and pyrite.

The contact of the HZG veins with the wall-rock is sharply marked by shearing and gouge. The gangue is predominantly quartz-ankerite with conspicuous amounts of bright green fuchsite, a chrome-bearing muscovite alteration product that is especially abundant near the HZG vein margins. Fuchsite apparently occurs nowhere else in the Ying Property, although it is a common alteration product in many greenstone-related mesothermal gold districts throughout the world.

The HZG veins mostly trend NE-SW, bending NNE-SSW toward the western margin, although there are a few vein systems that trend approximately N-S (Figure 7.5, Table 7.2). The five largest veins (HZ26, HZ20, HZ22, HZ22E, and HZ15, listed in terms of presently defined Mineral Resources) account for about 59% of this mineralization.

Figure 7.5 Tunnels and veins at HZG area

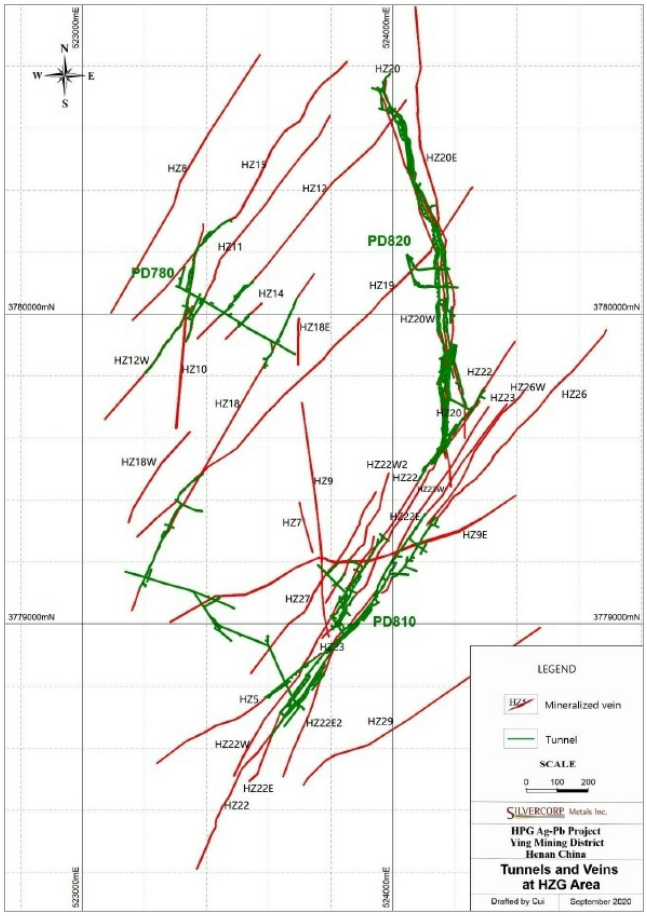


Table 7.2 presents a summary of dimensions and occurrences of major mineralized veins in the HZG area.

Table 7.2 Dimensions and occurrences of major mineralized veins in the HZG area

Vein #	Length of vein (m)	Defined inclined depth (m)	Elevation of defined depth (m)	Dips to	Dip angle	Average true thickness / range (m)
HZ26	1,100	664	211-869	290-330°/110-139°	70-90°	0.65 (0.30-1.95)
HZ20	1,360	606	337-908	60-115°	45-80°	0.89 (0.30-2.64)
HZ22	960	714	334-1047	290-330°	65-90°	0.85 (0.30-2.00)
HZ22E	880	664	218-879	290-330°	65-90°	0.77 (0.30-2.5)
HZ15	1,090	174	603-777	290-320°	68-85°	0.57 (0.30-0.87)
HZ23	990	750	233-981	290-320°/110-135°	70-90°	0.83 (0.30-1.19)
HZ22W	930	345	508-840	290-320°	65-90°	0.66 (0.30-1.74)
HZ20E	1,406	570	396-897	60-135°	45-80°	0.77 (0.30-1.93)
HZ15W2	613	184	487-668	290-310°	68-88°	0.54 (0.30-1.37)
HZ23W	530	540	369-909	290-320°	70-90°	0.67 (0.30-2.01)

7.3.3 HPG area

The HPG mine area is located in the central part of the district, immediately north-east of the SGX mine (Figure 7.6, Table 7.3). Mineralization is currently defined in 36 veins, with the five largest veins H17, H15, H15_1, H18, and H10_1 containing about 50% of the Mineral Resources defined to date. Sampling at various levels in workings along these vein structures indicates that from 27% to 50% or more of the vein material is mineralized, ranging from 0.30 m to 1.77 m in width, averaging 0.77 m.

The veins occur in relatively permeable fault-fissure zones and are extensively oxidized from the surface to depths of about 80 m. Within this zone, the veins show many open spaces with conspicuous box-work lattice textures resulting from the leaching and oxidation of sulphide minerals. Secondary minerals present in varying amounts in this zone include cerussite (lead carbonate), malachite (copper carbonate), and limonite (hydrous iron oxide). Beneath this oxide zone, sulphide minerals are mixed with secondary oxide minerals in the vein, with sulphides becoming increasingly abundant downward to about 150 m depth, beyond which fresh sulphides are present with little or no oxidation.

The dominant sulphides are galena, typically comprising a few percent to 10% of the vein, together with a few percent sphalerite, pyrite, chalcopyrite, and freibergite-tetrahedrite. Other metallic minerals in much smaller amounts include argentite, native silver, native gold, bornite, and various sulfosalts. The minerals occur in narrow massive bands, veinlets or as disseminations in the gangue, which consists of quartz, sericite, and carbonate, occurring as dolomite and calcite with some ankerite.

Figure 7.6 Tunnels and veins at HPG area

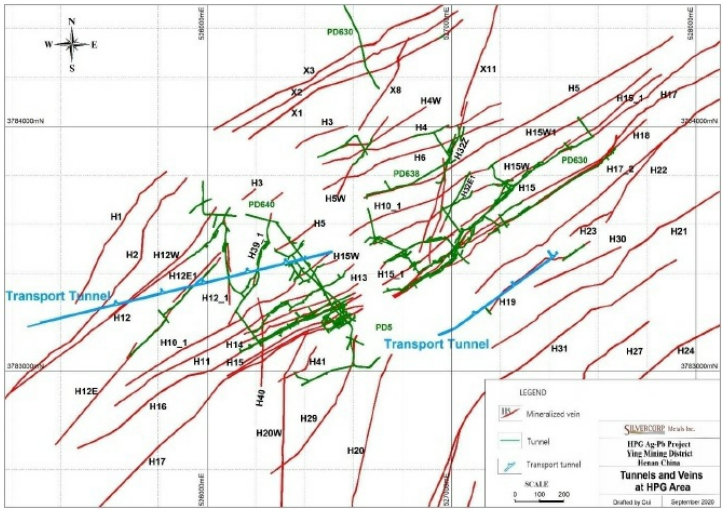


Table 7.3 summarizes features of major veins at the HPG mine.

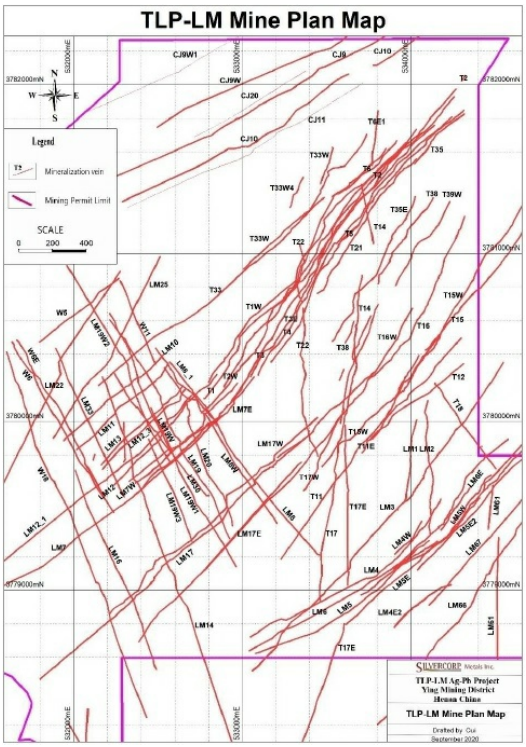
Table 7.3 Dimensions and occurrences of major mineralized veins in the HPG mine

Vein #	Length of vein (m)	Defined inclined depth (m)	Elevation of defined depth (m)	Dips to	Dip angle	Average true thickness / range (m)
H17	2,800	1,238	960 - (-233)	320-330°	64-85°	1.06 (0.30-4.00)
H15	2,200	1,160	920 - (-200)	280-340°	60-90°	0.6 (0.30-5.76)
H15_1	1,800	914	800 - (-100)	310-330°	75-85°	0.78 (0.30-2.13)
H18	1,600	1,080	830 - (-200)	290-330°	65-80°	0.84 (0.30-2.8)
H10_1	1,000	498	640 - 150	310-335°	70-90°	0.82 (0.30-1.35)
H11	1,000	474	770 - 300	300-335°	75-90°	0.73 (0.30-1.88)
H15W	1,700	808	760 - (-50)	310-330°	65-85°	0.45 (0.30-2.54)
H16	1,000	722	905 - 200	320-350°	70-85°	0.94 (0.30-4.58)
H15W1	1,360	725	750 - 50	310-330°	65-85°	0.55 (0.30-1.65)
H5	1,600	343	640 - 300	320-340°	75-90°	0.8 (0.30-2.87)

7.3.4 TLP and LM area

As the mineralization style is similar at the TLP, LME, and LMW mines, they are discussed together here. There are 78 known veins at TLP and 73 at LMW and 23 at LME (Figure 7.7, Table 7.4 to Table 7.6). The five largest veins at TLP, T3, T2, T3E, T1, and T11, contain 35% of the mineralization defined to date at that mine. At LMW the five largest veins at LME, LM7, LM8 LM14, LM17W, and LM25, constitute 25% of the mineralization defined to date in that mine. At LME the five largest veins at LME, LM7, LM8, LM14, LM17W, and LM25, constitute 38% of the mineralization defined to date in that mine.

Figure 7.7 Distribution of mineralized veins in the TLP-LM area



Extensive underground sampling at various levels along or across these veins indicates that a significant amount of the vein-filling material is strongly mineralized with massive, semi-massive and disseminated galena as well as minor amount of chalcopyrite and sphalerite over widths of 0.3 m to 10 m or more. Other metallic minerals present in much smaller amounts include pyrite, hematite, and very sparse amounts of acanthite.

The veins at TLP mostly dip westward while those at LM dip steeply both east and west. Previous mining and stoping along the T1 and T2 vein structures at TLP indicate that the mineralization plunges shallowly to the north within structural zones extending hundreds of metres to a thousand metres or more along strike. The mineralization occurs as massive accumulations or disseminations in the veins. The galena often occurs as massive tabular lenses comprised of coarsely crystalline aggregates or fine-grained granular "steel galena" bodies, which can be up to 1.0 m thick and 100 m or more in vertical and horizontal dimensions.

Most of the silver in the TLP-LM veins is present as microscopic inclusions in the galena. It appears that Ag:Pb ratios are distinctly different between veins of the northern TLP area (North Zone) and the southern TLP and LM area (South Zone). Based upon 15 verification samples collected for a previous Technical Report (Broili et al. 2008), veins in the South Zone appear to have much higher zinc contents and higher Ag:Pb ratios (90 to 130 grams silver for each percent lead) than veins from the North Zone (5 to 15 grams silver for each percent lead), as well as proportionally less gold. It is thought this difference is the result of zonation or reflects differences in the level of exposure.

Gangue in the TLP-LM vein systems is mostly fine-grained silica with zones of quartz-carbonate minerals and occasional inclusions of altered wall-rock. The carbonate is dominantly ankerite, in contrast to siderite, which is the most common carbonate gangue mineral in many mesothermal silver-lead-zinc districts.

The veins occur in relatively permeable fault-fissure zones and are extensively oxidized from the surface to depths of about 80 m. Within this zone, the veins show many open spaces with conspicuous box-work lattice textures resulting from the leaching and oxidation of sulphide minerals. Secondary minerals present in varying amounts in this zone include cerussite, malachite and limonite. Beneath this oxide zone, sulphide minerals are mixed with secondary oxide minerals in the vein, with sulphides becoming increasingly abundant downward to about 150 m depth, beyond which fresh sulphides are present with little or no oxidation.

Wall rock alteration consists of numerous quartz veinlets accompanied by sericite, chlorite, silicification, and ankerite on fractures. The vein systems appear to have better continuity and increasing mineralization at depth, and many veins exposed in the underground workings are often significantly richer in silver-lead-zinc than the same veins exposed at the surface. This suggests that the mineralization is either leached from the surface outcroppings or more likely becomes richer at depth due to primary mineral zoning (Broili et. al. 2006).

The TLP system also contains some epithermal veins and veinlets. These veins contain abundant large vugs lined with carbonate and they either crosscut or follow some of the mesothermal filled structures.

Dimensions and occurrences of major mineralized veins from the TLP and LM area are summarized in Table 7.4, Table 7.5, and Table 7.6.

Table 7.4 Dimensions and occurrences of major mineralized veins in the TLP area

Vein #	Length of vein (m)	Defined inclined depth (m)	Elevation of defined depth (m)	Dips to	Dip angle	Average true thickness / range (m)
T3	2,429	1,261	1205-0	290-325°	46-82°	1.16 (1.25-2.25)
T2	2,000	775	1185-270	300-327°	50-80°	0.88 (0.75-2.05)
T3E	1,530	910	1100-150	296-320°	60-80°	0.95 (0.80-1.85)
T1	2,100	725	1185-440	285-310°	60-80°	0.72 (0.55-1.45)
T11	810	535	939-400	298-316°	61-73°	0.75 (0.60-1.15)
T15W	877	270	846-600	280-305°	70-88°	0.72 (0.60-1.45)
T16E	738	263	960-650	280-328°	55-70°	0.63 (0.50-1.05)
T14E	985	290	960-600	80-99°	65-81°	0.87 (0.70-1.65)
T16	1,200	350	1040-480	285-315°	65-75°	0.85 (0.70-1.35)
T22	867	407	1118-716	75-87°	65-75°	0.57 (0.45-0.95)

Table 7.5 Dimensions and occurrences of major mineralized veins in the LMW area

Vein #	Length of vein (m)	Defined inclined depth (m)	Elevation of defined depth (m)	Dips to	Dip angle	Average true thickness/range (m)
LM7	1,540	1,141	1104-297	290-315°	40-49°	6.72 (0.30-16.72)
LM8	1,047	805	1103-310	17-73°	77-85°	0.70 (0.30-6.01)
LM14	1,476	783	1060-283	232-262°	68-87°	0.52 (0.30-3.23)
LM17W	1,420	691	1057-416	290-350°	58-75°	0.95 (0.30-1.85)
LM25	990	568	926-377	297-326°	55-85°	0.96 (0.30-2.13)
LM7E	825	1,138	1102-297	290-325°	38-63°	1.72 (0.28-3.68)
W18	1,440	345	1000-660	241-255°	78-83°	0.65 (0.30-1.21)
LM12	867	831	1092-311	290-342°	54-74°	0.68 (0.30-4.98)
LM17	764	621	1059-483	290-345°	65-80°	0.70 (0.30-3.15)
LM19W2	895	644	953-331	220-275°	53-89°	0.67 (0.19-1.93)

Table 7.6 Dimensions and occurrences of major mineralized veins in the LME area

Vein #	Length of vein (m)	Defined inclined depth (m)	Elevation of defined depth (m)	Dips to	Dip angle	Average true thickness / range (m)
LM5E	1,400	770	870-100	305-325°	65-85°	1.09 (0.30-4.49)
LM5	1,800	870	970-100	310-330°	56-84°	0.91 (0.54-6.93)
LM6	1,300	720	960-240	305-325°	60-80°	0.58 (0.30-1.48)
LM5E2	1,100	810	860-50	315-320°	65-80°	0.75 (0.28-3.36)
LM3_1	800	510	960-450	305-320°	60-70°	1.14 (0.30-3.36)
LM5W	1,000	660	960-300	305-325°	55-70°	0.56 (0.30-1.43)
LM3	500	400	970-570	300-325°	60-80°	0.60 (0.30-1.30)
LM6W	1,100	600	1000-400	295-320°	60-75°	0.72 (0.32-2.78)
LM5E1	800	140	570-430	290-315°	60-80°	1.17 (0.61-7.49)
LM4	800	620	970-350	310-320°	65-75°	0.47 (0.37-1.20)

7.3.5 DCG area

The DCG project area is located in the north-east part of the district, immediately north of the TLP mine (Figure 7.8, Table 7.7). Mineralization is currently defined in four veins, with the largest vein C4E, containing about 64% of the Mineral Resources defined to date at DCG. Sampling in workings along vein structures indicates that from 18% to 35% or more of the vein material is mineralized, ranging from 0.30 m to 1.25 m in width, averaging 0.61 m.

The veins occur in relatively permeable north-east striking fault-fissure zones and are oxidized from the surface to depths of about 50 m. Weak Ag-Pb mineralization at surface was exposed by trenches at around 200 m interval. The grade improves with depth.

The dominant sulphides are galena, typically comprising a few percent to 10% of the vein, together with a few percent sphalerite and pyrite and minor argentite. The minerals occur in narrow massive bands, veinlets or as disseminations in the gangue, which consists of quartz, sericite, and carbonate, occurring as dolomite and calcite with some ankerite. The dominant mineralization is Ag-Pb. The typical Ag grade ranges between 20 and 285 g/t, although Ag grade as high as 2,000 g/t are encountered. Au mineralization has been discovered in some samples, but more work is needed to reveal the distribution of gold at DCG.

Figure 7.8 Tunnels and veins at DCG area

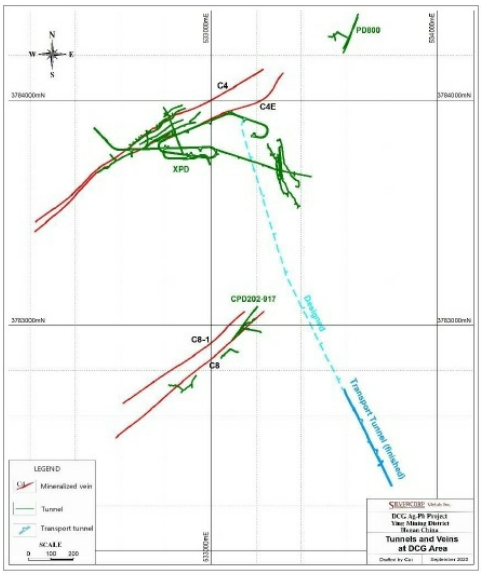


Table 7.7 summarizes features of the veins at the DCG project. Note that these dimensions reflect the vein dimensions but do not relate directly to the smaller mineralization domains used in Section 14.

Table 7.7 Dimensions and occurrences of the mineralized veins at the DCG project

Vein #	Length of vein (m)	Defined inclined depth (m)	Elevation of defined depth (m)	Dips to	Dip angle	Average true thickness / range (m)
C4E	1,800	621	700-100	90-312°	70°-90°	1.25 (0.38-6.99)
C4	2,500	400	600-1000	305°-330°	60°-85°	0.54 (0.30-2.18)
C8	740	330	700-1000	310°-325°	37°-65°	0.30 (0.30-0.60)
C8_1	550	141	850-940	295°	58°	0.36 (0.35-0.44)

8 Deposit types

The deposits described in this report are epigenetic vein deposits that have mesothermal characteristics. Mesothermal vein systems typically occur in rocks associated with orogenic belts, in the case of the Ying district, the Qinling orogenic belt. Mineralization is associated with deep-seated shear zones that cut the metamorphic rocks. The veins form in a temperature range of 200 - 300°C, at pressure depths from 600 m to 5,000 m. The veins occur in sets with the major veins in the system tending to be continuous for over 1,000 m in lateral and vertical sense.

9 Exploration

9.1 Introduction

From 1 July 2016 to 31 December 2019 (the reporting period), Silvercorp conducted extensive exploration programs on the Ying property (Figure 4.2) that included exploration-development activities in the SGX mine area, including two producing mines (SGX and HZG), the HPG mine area, the TLP and LM mine areas, including three producing mines (TLP, LME, and LMW), and the DCG project. The past exploration activities, including surface activities, have been detailed in previous Technical Reports prepared for the Ying Property.

Other than drilling, the projects have been explored primarily by underground development and sampling. 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.

Channel samples across the mineralized structures are collected across the back of drift tunnels and the walls of crosscut 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 including associated wall rocks across the tunnel. Assay results of samples are documented on underground level maps and longitudinal sections. Details of the procedures and parameters relating to the underground channel sampling and discussion of the sample quality are given in Section 11.

9.2 Tunneling progress

The exploration tunneling 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 201,688 m of tunneling, including 120,801 m of drifting along mineralized structures and 52,712 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 75,334 channel / chip samples was collected from the six mine areas. Details of the tunneling exploration work completed at each project area are briefly summarized in Table 9.1.

Table 9.1 Tunneling exploration work completed from July 2016 to December 2019

Area	Tunneling	Total metres	Channel samples (pcs)
SGX	Drifting	39,349	23,465
	Crosscut	18,008	
	Raise & others	16,882	
	Subtotal	**74,239**	
HZG	Drifting	9,449	6,316
	Crosscut	3,252	
	Raise & others	3,161	
	Subtotal	**15,862**	
HPG	Drifting	11,969	5,276
	Crosscut	4,613	
	Raise & others	3,123	
	Subtotal	**19,706**	
TLP	Drifting	35,164	26,522
	Crosscut	16,774	
	Raise & others	2184	
	Subtotal	**54,122**	
LME	Drifting	6,912	4,201
	Crosscut	2,683	
	Raise & others	1393.75	
	Subtotal	**10,988**	
LMW	Drifting	17,711	9,437
	Crosscut	7,199	
	Raise & others	1346	
	Subtotal	**26,256**	
DCG	Drifting	248	117
	Crosscut	183	
	Raise & others	83	
	Subtotal	**514**	
Total		**201,686**	**75,334**

Note: pcs=pieces. Totals may not add due to rounding.

On average, the mineralization rate of drift tunneling at Ying mines is 26.83% during the reporting period. As an example, Table 9.2 summarizes mineralization structures exposed in drift tunnels developed in 2019.

Table 9.2 Mineralization exposed by drift tunneling in 2019

Mine area	Completed meterage (m)	Mineralization exposed (m)	Mineralization rate	Mineralization width (m)	Ag (g/t)	Pb (%)	Zn (%)	Au (g/t)	AgEq (g/t)
SGX	11,340	3,495	31%	0.68	328	5.50	2.58	0.33	609
HZG	3,062	1,043	34%	0.44	447	1.20	0.37		518
HPG	11,492	3,193	28%	0.95	101	4.32	2.05	1.09	380
TLP	13,472	6,062	45%	0.68	232	3.58	0.52		364
LME	1,506	736	49%	0.66	293	2.25	0.45	0.15	390
LMW	4,946	949	19%	0.66	339	3.41	0.35		459
DCG	248	35	14%	0.76	38	4.33	0.21		206
Total / average	**46,066**	**15,513**	**34%**	**0.69**	**250**	**3.93**	**1.28**		**439**

The results of the 2016 - 2019 underground tunneling program demonstrate good down-dip and along-strike consistency in relation to existing production veins and resulted in the discovery of numerous subzones and splays beside major vein structures in the Property. A new discovery of high-grade zones in the north-east extension of the T16 vein group at depth in the TLP mine has resulted in the remodeling of some major structures. The new discovery of high-grade zones in the south-west extension of LM17 also has important implications for the future exploration of north-east-trending mineralized vein structures at the TLP, LME, and LMW mines.

The following sections summarize the results of the 2016 - 2019 tunneling exploration programs by mine. Note the tables show select veins and do not represent the whole mine area. For average grades of the sampled material for the individual mines see Table 9.2.

9.3 SGX

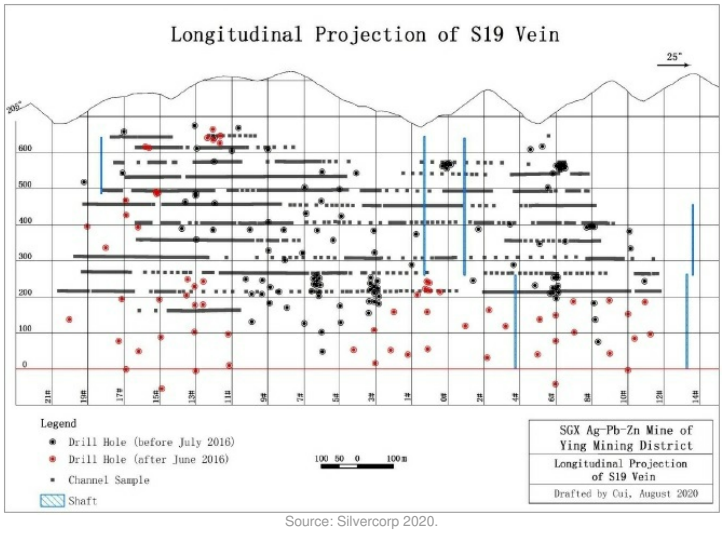
A total of 74,239 m of underground exploration tunneling was completed along and across major production vein structures S1W2, S2, S2W, S2W2, S4E, S6E, S7, S7-1, S7-2, S7_1, S7_2, S8, S14, S14-1, S16E, S16W, S18, S19, S31, S32, and S37 between the 710 m and the 110 m elevations. Drift and crosscut tunnels were developed at 30 m to 50 m intervals through eight access tunnels, CM101, CM102, CM103, CM105, PD16, PD690, PD700, and the ramp, to upgrade and expand drill-defined Mineral Resource blocks. A total of 23,465 chip samples were collected during the 2016 - 2019 program. High grade mineralized zones have been exposed in tunnels on most levels at the SGX mine. Underground channel samples from selected mineralized zones collected during the reporting period are weighted by true thickness and reported in Table 9.3. Figure 9.1 gives an example of the channel sample density and location of drifts on one of the main veins at SGX.

Table 9.3 Selected mineralization zones defined by the 2016 - 2019 tunneling in SGX area

Tunnel ID	Vein	Level (m)	Length of mineralized zone along strike (m)	True width (m)	Weighted average grade		
					Ag (g/t)	Pb (%)	Zn (%)
PD16-S14-210-4ANYM	S14	210	58	0.90	634	16.08	1.21
CM101-S16E-380-N1-sublevel	S16E	380	70	0.89	404	14.53	1.57
CM102-S19-534-2ANYM	S19	534	50	0.83	338	3.74	3.32
PD700-S19-490-9NYM	S19	490	35	0.88	357	3.14	3.74
PD700-S19-450-13NYM	S19	450	75	0.79	478	4.59	3.76
PD700-S19-400-15SYM	S19	400	70	0.75	367	3.12	7.17
CM101-S19-210-4SYM	S19	210	77	1.23	412	13.23	1.65
XPD-S19-210-13ASYM	S19	210	145	0.97	377	3.94	3.57
XPD-S19W-210-13SYM	S19W	210	56	1.32	314	7.50	0.72
CM105-S2SJ-S1W3-140-12ANYM	S1W2	140	65	0.74	236	6.24	2.18
CM105-S2-220-12SYM	S2	220	30	0.77	382	4.51	1.49
CM105-S2-180-12ANYM	S2	180	81	1.03	396	6.94	0.89
CM105-S2-180-12ASYM	S2	180	35	1.06	759	9.75	1.16
CM105-S2SJ-S2-140-12ANYM	S2	140	55	0.88	788	12.33	1.31
CM105-S2SJ-S2-140-14A-CM	S2	140	35	1.03	399	14.56	1.51
CM105-S2W2-220-12ANYM	S2W2	220	95	0.70	679	6.56	3.78
CM105-S2SJ-S2W2-140-12ANYM	S2W2	140	145	0.91	709	21.98	3.36
CM105-S2SJ-S2W2-140-12ASYM	S2W2	140	165	1.02	754	14.34	2.54
CM105-S2SJ-S2W2-140-NYM-CM	S2W2-1	140	80	0.75	462	13.77	1.92
PD16-S31-210-60SYM	S31	210	35	0.89	631	0.76	8.00
PD16-S31-210-8NYM	S31	210	65	0.78	521	7.26	2.98
PD16-S31-210-8SYM	S31	210	70	1.05	768	8.27	1.69
PD16-S31-160-8SYM	S31	160	50	0.82	346	9.06	2.01
PD16-S31-110-60SYM	S31	110	65	0.77	454	9.32	2.39
CM108-S32-710-69SYM	S32	710	45	0.76	440	4.26	1.51
CM108-S32-710-77SYM	S32	710	30	1.03	399	2.42	6.89
CM102-S32-570-59SYM	S32	570	325	0.86	439	8.84	4.29
CM102-S32-520-65SYM	S32	520	150	1.06	276	6.44	8.51
CM105-S32-260-57SYM	S32	260	150	0.75	268	7.01	3.04
PD16-S37-450-51SYM	S37	450	45	0.83	407	2.54	7.27
CM105-S7-260-14SYM	S7	260	40	1.18	469	2.04	0.99
PD700-S7_1-400-15ASYM	S7_1	400	60	0.74	515	2.39	8.07
CM101-S7-1-350-7ASYM	S7_1	350	75	0.94	393	11.77	4.63
XPD-S7_1-210-17NYM	S7_1	210	40	0.91	427	5.03	5.83
XPD-S7-1-210-9NYM	S7_1	210	30	0.99	361	4.35	4.26
XPD-S7_2-210-3NYM	S7_2	210	35	0.91	547	19.67	0.33
CM101-S7-1-350-SYM	S7-1	350	66	1.02	171	4.94	7.31
CM105-S7 支-300-12SYM	S7-1	300	45	1.08	274	7.53	0.33
CM102-S8E-520-2SYM	S7-1	520	60	0.85	222	8.01	8.30

Note: Selected results from July 2016 to December 2019.

Figure 9.1 Longitudinal projection of S19 vein, SGX



Source: Silvercorp 2020.

9.4 HZG

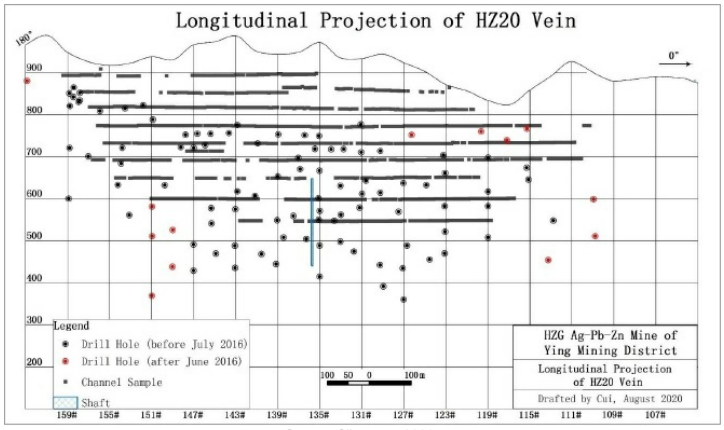
The purpose of the underground tunneling program of 15,862 m (including 9,449 m of drifts and 3,252 m of crosscuts) was to delineate and upgrade the previous drill-defined Mineral Resource blocks within the major vein structures HZ20, HZ22, and HZ5 between the 550 m and the 810 m elevations. Drift and crosscut tunnels were developed at 40 m to 50 m intervals through three access tunnels PD810, PD820, and PD890 and are connected with raises, declines, and shafts through different levels. A total of 6,316 chip samples were collected during the 2016 - 2019 program. High-grade mineralized zones were exposed in tunnels on different levels along major mineralized vein structures HZ20, HZ20E, HZ20E_1, HZ22, HZ22W, and HZ5. The underground channel samples from selected mineralized zones collected during the reporting period are weighted by true thickness and reported in Table 9.4. Figure 9.2 gives an example of the channel sample density and location of drifts on one of the main veins at HZG.

Table 9.4 Selected mineralization zones defined by the 2016 - 2019 tunneling in HZG area

Tunnel ID	Vein	Level (m)	Length of mineralized zone along strike (m)	True width (m)	Weighted average grade		
					Ag (g/t)	Pb (%)	Zn (%)
PD820-HZ20-770-123-NYM	HZ20	770	90	0.79	1,345	2.00	0.60
PD820-HZ20-730-121-NYM	HZ20	730	85	0.81	867	0.37	0.54
PD820-HZ20-600-133-SYM	HZ20	600	106	1.04	1,227	0.40	0.60
PD820-HZ20-770-117-NYM	HZ20	770	52	0.34	787	0.49	0.30
PD820-HZ20-730-117-NYM	HZ20	730	111	0.62	704	1.11	0.60
PD820-HZ20E-600-137-SYM	HZ20E	600	48	0.63	752	0.51	0.42
PD820-HZ20E_1-550-137-SYM	HZ20E_1	550	45	0.61	663	0.41	0.36
PD820-HZ5-650-53-SYM	HZ5	650	63	0.46	665	0.82	0.34
PD820-HZ5-650-55A-SYM	HZ5	650	100	0.70	819	0.68	0.33
SKS-HZ5-670-55-SYM	HZ5	670	87	0.55	1,221	0.98	0.23
PD890-HZ22-810-41-NYM	HZ22	810	38	0.42	762	2.18	0.75
PD890-HZ22W-812-47A-NYM	HZ22W	810	120	0.34	606	3.03	0.19
PD820-HZ20-770-111-NYM	HZ20	770	77	0.31	653	0.24	0.34
PD820-HZ20-600-127-NYM	HZ20	600	108	0.38	571	1.27	0.57
PD820-HZ20-650-123-NYM	HZ20	650	125	0.42	1,205	0.39	0.54
PD820-HZ20E1-600-141-SYM	HZ20E1	600	57	0.24	736	0.39	0.36

Note: Selected results from July 2016 to December 2019.

Figure 9.2 Longitudinal projection of vein HZ20, HZG



Source: Silvercorp 2020.

9.5 HPG

Compared with mineralized vein systems in other areas, mineralization in the HPG area is characterized by significant higher gold grade and significantly lower grades for silver.

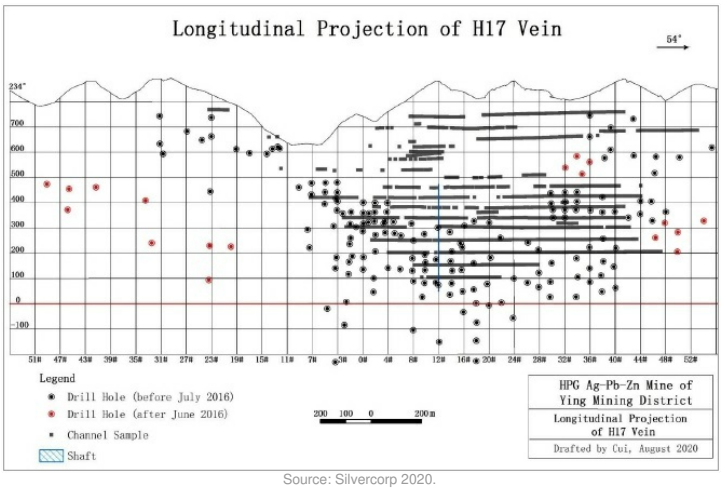
The purpose of the 19,706 m underground tunneling program was to further delineate and upgrade the previous drill-defined Mineral Resource blocks within major vein structures H5, H5E, H5W, H5_1, H12E, H15W, H13, H15, H16, and H17 between the 100 m and the 660 m elevations. Drift and crosscut tunnels were developed at 30 m to 50 m intervals through access tunnels PD2, PD3, PD6, PD600, PD630, and ramp. A total of 5,276 chip samples were collected. Significant mineralization zones were exposed in drift tunnels on different levels along the major vein structures. The underground channel samples from selected mineralized zones collected during the reporting period are weighted by true thickness and reported in Table 9.5. Figure 9.3 gives an example of the channel sample density and location of drifts on one of the main veins at HPG.

Table 9.5 Selected mineralization zones defined by the 2016 - 2019 tunneling in HPG area

Tunnel ID	Vein	Level (m)	Length of mineralized zone along strike (m)	True width (m)	Weighted average grade			
					Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)
PD2-H15W-530-4NYM1	H15W	530	10	0.23	10.12	321	1.90	0.37
PD2-H32 支 570-4NYM	H32_1	570	5	0.50	0.22	144	22.87	0.04
PD3-H17-310-32NYM	H17	310	20	2.93	1.29	141	9.10	2.56
PD3-H5-380-3 线脉外	H5E	380	40	0.57	0.20	857	5.86	6.85
PD3-H5W-380-6NYM	H5W_1	380	35	0.95	0.07	50	9.33	0.10
PD630-H15_2-630-0NYM	H15_2	630	5	0.30	4.40	34	10.33	0.06
PD6-H13-600-23SYM	H13	600	11	0.34	3.33	39	6.09	1.71
PD6-H39_1-600-21SYM	H39_1	600	34	0.47	0.90	250	2.09	0.67
Haulway_W-H12E-630-29SYM	H12E	630	21	0.73	7.85	91	5.26	3.33
PD2-H13-630-NYM	H13	630	30	0.42	0.49	586	2.11	1.81
PD2-H32E1-630-10NYM	H32E1	630	30	0.48	0.25	79	8.45	0.67
PD3-H5_1-340-10SYM	H5_1	340	15	0.88	0.26	51	6.91	7.18
PD3-H5-340-8SYM	H5E	340	45	0.75	2.60	297	3.21	4.52
PD3-H5W-340-8NYM	H5W	340	38	0.42	0.15	31	10.46	0.74
PD3-H5W-420-8NYM	H5W	420	45	0.74	0.23	104	21.83	0.68
PD630-H15_2-630-0SYM	H15_2	630	11	0.23	0.79	128	18.98	0.17
PD6-H13-600-23NYM	H13	600	10	0.42	5.42	24	1.45	3.12
PD6-H39_1-600-23NYM	H39_1	600	25	0.36	3.96	113	1.05	0.77
Ramp_E-H17-660-44NYM	H17	660	20	0.59	9.31	19	0.98	0.22
Ramp_W-H12E-630-37SYM	H12E	630	10	0.56	0.96	762	2.02	2.34
PD2-H15W-570-14NYM	H15W	570	65	0.49	0.62	104	11.94	0.27
PD3-H16-460-15SYM	H16	460	154	0.89	4.66	68	1.92	1.63
PD3-H5-340-0SYM	H5	340	145	0.90	0.92	191	2.92	3.21

Note: Selected results from July 2016 to December 2019.

Figure 9.3 Longitudinal projection of vein H17, HPG



Source: Silvercorp 2020.

9.6 TLP

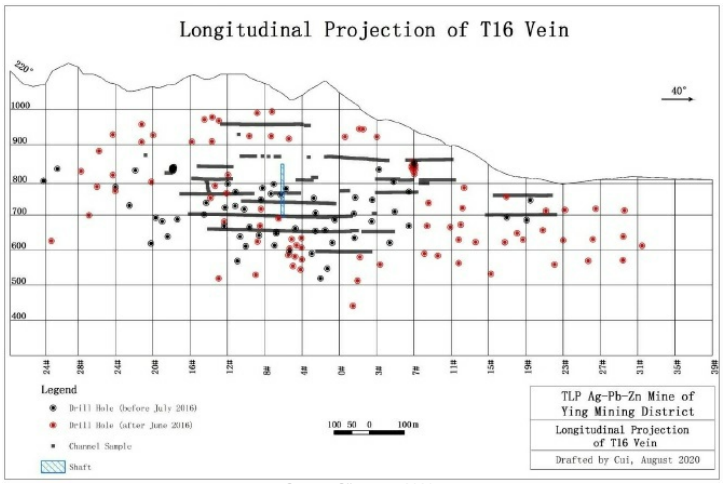
The purpose of the 54,122 m underground tunneling program from 2016 to 2019 was to further delineate and upgrade the previous drill-defined Mineral Resource blocks within major vein structures T1, T1W, T2, T3, T5, T5E1, T11, T14, T14E, T15, T16, T16E, T16W, T17, T21, T22, T23, T27, T33E, and T35E between the 560 m and the 960 m elevations. Drift and crosscut tunnels were developed at 30 m to 50 m intervals through seven access tunnels PD730, PD800, PD820, PD840, PD846, PD890, PD930, PD960, PD1050, and ramp PD820XPD. A total of 26,522 chip samples were collected. Mineralized zones were exposed in drift tunnels on different levels along the major vein structures and numerous new mineralized subzones and splays were discovered. The underground channel samples from selected mineralized zones collected during the reporting period are weighted by true thickness and reported in Table 9.6. Figure 9.4 gives an example of the channel sample density and location of drifts on one of the main veins at TLP.

Table 9.6 Selected mineralization zones defined by the 2016 - 2019 tunneling in TLP area

Tunnel ID	Vein	Level (m)	Length of mineralized zone along strike (m)	True width (m)	Weighted average grade		
					Ag (g/t)	Pb (%)	Zn (%)
PD840-T5-840-31SYM	T5	840	50	0.54	707	3.22	1.08
PD820-T14-700-2SYM	T14	700	20	1.02	491	4.29	0.19
PD820-T15W-700-4NYM	T15W	700	50	0.87	340	12.01	0.55
PD820-T17-700-8NYM	T17	820	35	0.61	655	8.03	0.73
PD800-T3E-800-35NYM	T3E	800	54	1.11	405	6.04	0.61
PD1070-T4-1070-5NYM	T4	1070	20	0.52	580	5.74	0.18
PD820-T16-795-3NYM	T16	795	63	0.97	555	2.09	0.79
PD820-T16-755-6SYM	T16	755	15	0.7	2,241	4.08	0.78
PD820-T16E-795-3SYM	T16	795	60	0.93	1,258	4.18	1.18
PD820-T16E-755-8NYM	T16E	755	84	1.02	522	2.43	0.46
PD820-T16-755-3NYM	T16E	755	75	0.9	552	1.61	1.12
PD846-T16E-846-7SYM	T16E	846	15	0.5	1,877	3.75	0.43
PD846-T16E-846-7NYM	T16E	846	45	1.02	626	1.12	0.35
PD820-T16W-700-8SYM	T16W	700	38	0.61	1,131	5.93	0.96
PD960-T33W2-990-17SYM	T33W2	990	60	1.12	852	2.39	0.25
PD840-T5E1-840-29NYM	T5E1	840	20	0.56	905	5.7	1.6
PD820-T16-650-10NYM	T16	650	20	0.81	729	4.82	0.4
PD820-T16-600-1SYM	T16	600	85	1.06	719	5.19	0.92
PD820XPD-T16-795-3NYM	T16	795	35	0.96	637	0.95	1.05
PD1050-T26-1050-A4NYM	T26	1050	20	1.2	819	10.28	0.14
PD960-T1W-990-4NYM	T1W	990	35	0.85	837	2.62	0.48
PD930-T5E1-930-31SYM	T5E1	930	55	0.77	693	2.77	1.46
PD820XPD-T11-700-13NYM	T11	700	30	0.98	543	5.8	0.78
PD930-T14E-930-A5SYM	T14E	930	25	1.84	602	7.83	0.62
PD820-T16-700-12SYM	T16	700	65	0.59	681	3.44	0.95
PD820-T17-650-4SYM	T16W	650	70	0.7	637	1.98	0.95
PD820-T17W-600-1NYM	T17W	600	15	0.48	976	4.49	0.37
PD930-T21-930-31SYM	T21	930	72	1.33	521	4.94	0.49
PD890-T5E1_1-890-31NYM	T31W3	890	30	0.48	1,481	7.79	1.07
PD820XPD-T39E-700-15SYM	T39E	700	29	0.53	521	4.51	0.74

Note: Selected results from July 2016 to December 2019.

Figure 9.4 Longitudinal projection of vein T16, TLP



Source: Silvercorp 2020.

9.7 LME

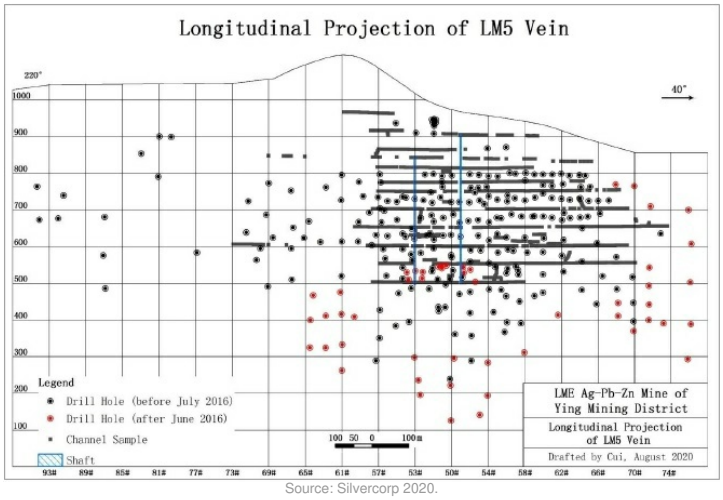
A total of 10,988 m of underground tunneling was completed from July 2016 to December 2019 at the LME Mine. The purpose of the drifting program was to upgrade existing drill-defined Mineral Resource blocks along mineralized vein structures. Drift and crosscut tunnels were developed at 40 m to 50 m intervals between the 450 m and the 950 m elevations through shaft PD900, and access tunnels PD838 and PD959 respectively. A total of 4,201 chip samples were collected. Drifting was mainly focused on the LM5, LM5E, and the LM6 veins, and successfully extended the strike lengths of known mineralized zones between the 915 m and the 450 m elevations. The underground channel samples from selected mineralized zones collected during the reporting period are weighted by true thickness and reported in Table 9.7. Figure 9.5 gives an example of the channel sample density and location of drifts on LM5, one of the main veins at LME.

Table 9.7 Selected mineralization zones defined by the 2016 - 2019 tunneling at LME

Tunnel ID	Vein	Level (m)	Length of mineralized zone along strike (m)	True width (m)	Weighted average grade		
					Ag (g/t)	Pb (%)	Zn (%)
PD838-T11E-700-12NYM	T12	700	15	0.39	1,133	3.45	0.61
PD838-T11E-700-12SYM	T12	700	25	0.45	462	2.14	0.53
PD900-LM18E1-915-52NYM	LM18E1	915	130	0.44	955	2.02	0.66
PD900-LM18E1-915-52SYM	LM18E1	915	60	0.75	415	3.84	0.29
PD900-LM5-500-50SYM	LM5	500	121	0.61	709	1.63	0.64
PD900-LM5-500-52SYM	LM5	500	20	0.87	642	2.04	0.70
PD900-LM5-510-54NYN	LM5	500	15	0.68	481	1.94	1.04
PD900-LM5-600-60SYM	LM5	600	20	0.46	549	1.95	0.22
PD900-LM5-626-53NYM-QG	LM5	626	60	1.10	601	2.38	0.58
PD900-LM5E1-557-51-QG	LM5E1	550	20	1.95	908	2.25	1.10
PD900-LM5E-500-50SYM	LM5E	500	112.5	2.15	716	2.80	0.59
PD900-LM5E1-500-51NYM	LM5E1	500	40	0.44	757	1.30	0.27
PD900-LM5E1-500-51SYM	LM5E1	500	15	0.75	1,293	2.32	1.18
PD900-LM5E2-550-51NYM	LM5E	550	15	0.81	602	2.08	0.23
PD900-LM5E2-550-51SYM	LM5E	550	60	1.30	588	2.31	0.86
PD900-LM5E 支-500-51SYM	LM5E	500	15	0.29	538	2.92	0.92
PD900-LM626-58SYM	LM5	600	24.9	0.84	532	1.95	0.56
PD900-LM9-500-9SYM	LM9	500	45	0.55	596	1.19	0.38

Notes: Selected results from July 2016 to December 2019.

Figure 9.5 Longitudinal projection of vein LM5, LME



Source: Silvercorp 2020.

9.8 LMW

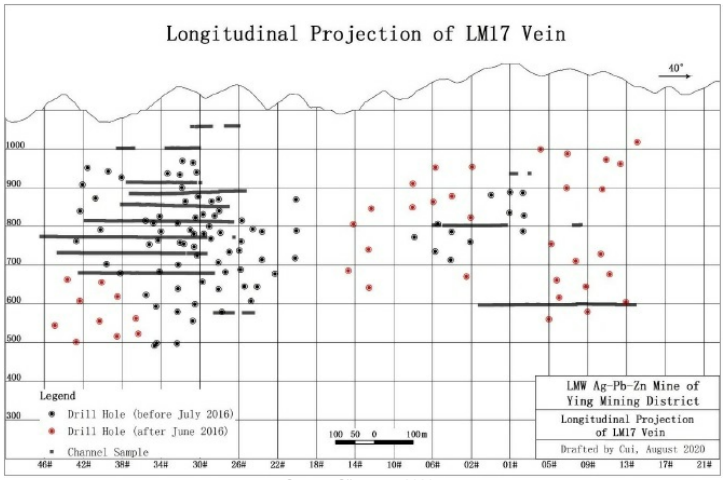
The 26,256 m underground tunneling program completed from July 2016 to December 2019 was focused on vein structures LM7W, LM8, LM11, LM12, LM12_1, LM13, LM14, LM16, LM17, LM19W1, LM19W2, LM30, and LM32, as well as the parallel zones spatially associated with these major structures. Underground tunneling was conducted on levels between the 550 m and the 990 m elevations through shaft SJ969, ramps XPDS and XPDN, and four access tunnels PD918, PD991, PD969, and PD924. A total of 9,437 chip samples were collected. High-grade mineralized zones from 20 m to 144 m in length were exposed in drift tunnels at different levels. The discovery of high-grade zones in the north-west extension of the LM19 vein group has resulted in the re-modelling of some of the major vein structures at LMW. The underground channel samples from selected mineralized zones collected during the reporting period are weighted by true thickness and reported in Table 9.8. Figure 9.6 gives an example of the channel sample density and location of drifts on one of the main veins at LMW.

Table 9.8 Selected mineralization zones defined by the 2016 - 2019 tunneling at LMW

Tunnel ID	Vein	Level (m)	Length of mineralized zone along strike (m)	True width (m)	Weighted average grade		
					Ag (g/t)	Pb (%)	Zn (%)
XPDN-LM12-785-0TJSYM	LM12	785	20	0.56	389	5.37	0.65
PD969-LM12_1-600-12SYM	LM12_1	600	45	0.77	344	3.37	0.19
SJ969-LM12_1-550-14SYM	LM12_1	550	65	0.78	403	5.08	0.37
PD969-LM12E-969-9NYM	LM12E	969	52	0.54	699	2.46	0.22
PD990-LM12E-990-13SYM	LM12E	990	40	0.98	633	3.68	0.38
PD924-LM13-924-0NYM	LM13	924	65	0.64	300	5.73	0.53
XPDN-LM13W_1-650-116NYM	LM13W_1	650	15	0.74	326	11.21	0.04
PD991-LM14-886-113N	LM14	886	21	0.37	923	9.03	0.58
PD969Shaft-LM31-550-114NYM	LM14_1	550	30	0.50	282	7.78	0.06
XPDS-LM16-725-117NYM	LM16	725	90	0.67	811	4.12	0.64
XPDS-LM16-770-113NYM	LM16	770	75	0.63	469	5.31	0.22
XPDS-LM17-725-28SYM	LM17	725	20	0.75	256	6.41	0.07
XPDN-LM17-800-2mw	LM17E	800	15	0.28	1,118	4.70	0.91
XPDN-LM17W-800-9SYM	LM17W	800	20	0.83	525	2.99	0.21
XPDN-LM17W1-800-9SYM	LM17W1	800	15	0.25	696	4.76	0.79
XPDN-LM19W1-650-112NYM	LM19W1	650	85	0.98	470	5.77	0.82
XPDN-LM19W1-700-3NYM	LM19W1	700	85	0.98	488	2.99	0.85
XPDN-LM19W1-700-3SYM	LM19W1	700	20	0.51	477	0.78	0.28
SJ969-LM19W2-500-114SYM	LM19W2	500	20	1.05	369	3.71	0.29
SJ969-LM19W2-600-120NYM	LM19W2	600	95	0.53	518	3.62	0.26
SJ969-LM19W2-650-110NYM	LM19W2	650	25	0.40	712	1.26	0.38
XPDN-LM19W2-700-122SYM	LM19W2	700	70	0.60	546	2.76	0.45
XPDN-LM20W-700-110SYM	LM20W	700	49.3	0.45	935	4.12	1.86
SJ969-LM30-600-116SYM	LM30	600	68	0.63	788	7.05	0.36
PD969Shaft-LM30W-550-114NYM	LM30W	550	85	0.81	511	8.75	0.41
SJ969-LM32-600-116NYM	LM32	600	15	0.39	658	9.06	0.25
SJ969-LM32-600-116SYM	LM32	600	50	1.00	417	5.29	0.18
SJ969-LM32E-600-112NYM	LM32E	600	20	0.48	536	11.13	0.34
PD924-T27E-900-110SYM	T27E	900	20	0.86	96	12.36	0.17

Notes: Selected results from July 2016 to December 2019.

Figure 9.6 Longitudinal projection of vein LM17, LMW



Source: Silvercorp 2020.

9.9 DCG

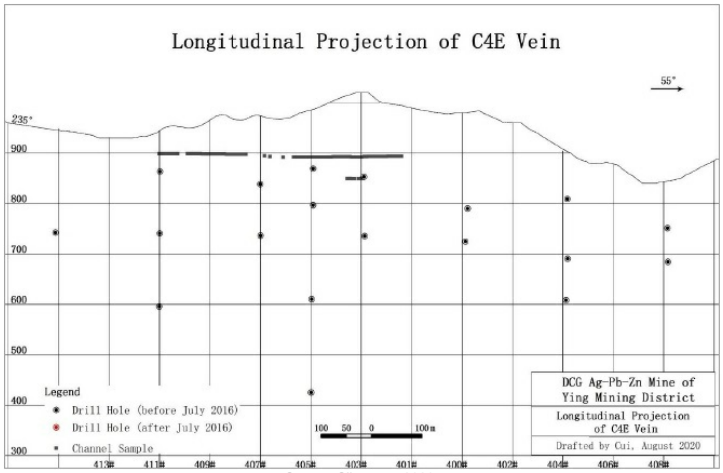
The 514 m underground tunneling program completed from July 2016 to December 2019 was focused on vein structures C4 and C4E, as well as the parallel zones spatially associated with these major structures. Underground tunneling was conducted on level 900 m elevation. A total of 117 chip samples were collected. The underground channel samples from selected mineralized zones collected during the reporting period are weighted by true thickness and reported in Table 9.9. Figure 9.7 gives an example of the channel sample density and location of drifts on one of the main veins at DCG.

Table 9.9 Selected mineralization zones defined by the 2016 - 2019 tunneling at DCG

Tunnel ID	Vein	Level (m)	Length of mineralized zone along strike (m)	True width (m)	Weighted average grade		
					Ag (g/t)	Pb (%)	Zn (%)
DCG-XPD-C4-900-407NYM	C4	900	15	0.76	45	3.01	0.28
DCG-XPD-C4E-900-407NYM	C4E	900	20	0.77	32	5.64	0.15

Notes: Selected results from July 2016 to December 2019.

Figure 9.7 Longitudinal projection of C4E vein, DCG



Source: Silvercorp 2020.

10 Drilling

10.1 Drilling progress

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. Representative longitudinal sections for the veins are presented in Section 9. Figure 7.4 (Section 7) presents a cross section which demonstrates the drill intersection angles relative to the veins.

Drilling programs undertaken by Silvercorp between 2004 and December 2019 are presented in two tables: Table 10.1 from 2004 to June 2016, and Table 10.2 from July 2016 to December 2019.

Table 10.1 Drilling programs completed by Silvercorp, 2004 to June 2016

Mine	Period	Number of holes		Meterage (m)	Major targets
		Underground	Surface		
SGX	2004 - Mar 2005	15	0	1,376	
	Mar 2005 - Apr 2006	79	12	17,697	S2, S6, S14, S16E, S16W
	May 2006 - Jun 2007	134	18	52,403	
	Jul 2007 - 2009	223	26	82,343	
	2010	93	0	32,573	
	2011	159	0	61,066	S2, S4, S6, S6-Branch, S7, S7E, S7-1, S8, S14, S14-1, S19, and S21
	Jan 2012 - Jun 2013	372	7	86,955	S2, S7, S7-1, S8, S14, S14-1, S16W, S19, S21
	Jul 2013 - Jun 2016	345	26	89,181	S1, S1W, S2, S2W, S2W2, S4, S6, S7, S7-1, S7-3, S7E2, S8, S14, S16W, S16W1, S16W2, S18, S19, S19W, S21, S22, S30
HZG	May 2006 - Jun 2007	2	18	6,346	HZ10, HZ12, HZ20, and HZ22.
	Jul 2007 - Nov 2009	40	41	24,227	
	Jan 2012 - Jun 2013	87	17	29,004	HZ20, HZ22, HZ5
	Jul 2013 - Jun 2016	38	14	12,443	HZ20, HZ22
HPG	May 2006 - Jun 2007	0	2	760	H15, H17
	Jul 2007 - Nov 2009	96	67	38,853	H13, H15, H5, H12-1, H29
	2010	30	0	6,623	
	2011	58	0	16352	H3, H5, H5W, H17, H39-1, and H39-2
	Jan 2012 - Jun 2013	130	0	27,015	H4, H5, H5W, H11, H15, H17, H39-1
	Jul 2013 - Jun 2016	147	1	31,585	H15, H16, H17, H22, H24, H27, H3, H4, H5, H5W
TLP	2008 - 2009	138	18	40,612	Veins T1, T2, T3, T4, and T5
	2010	219	0	38,748	
	2011	123	0	36,638	T1, T1W, T1W3, T2, T3, T11, T16, T17, and T33
	Jan 2012 - Jun 2013	98	0	32,001	T1, T2, T3, T11, T15, T16, T17, T33, T35
	Jul 2013 - Jun 2016	134	0	40,929	T3,T1W, T1W1, T14, T16, T33, T23, T5, T1W3, T35E
LM	2008 - 2009	125	11	33,701	LM2, LM5, LM8, LM12, and LM14.
	2010	86	0	30,743	
	2011	113	0	50,014	LME: LM2, LM5, LM5E, LM6, LM6E, and LM6W, LMW: LM10, LM12-1, LM12-2, LM12-3, LM13, LM13W, and LM17
	Jul 2013 - Jun 2016	0	0	0	
LME	Jan 2012 - Jun 2013	90	0	21,975	LM2, LM5, LM6
	Jul 2013 - Jun 2016	82	0	18,419	LM1, LM2, LM6, LM5, LM5W, LM4

Mine	Period	Number of holes		Meterage (m)	Major targets
		Underground	Surface		
LMW	Jan 2012 - Jun 2013	211	0	61,449	LM7, LM8, LM10, LM11, LM12, LM13, LM14, LM16, LM17, LM19, W5, W6
	Jul 2013 - Jun 2016	109	0	32,172	LM7, LM8, LM12, LM12_2, LM13, LM14, LM16, LM17, LM20, LM19W2, LM25, W1, W6, W18
DCG	2010	0	8	2,284	
	2011	0	17	6742	C4, C4E, and W16
	Jul 2013 - Jun 2016	0	0	0	
Reconnaissance drilling					
RHW	2006	0	7	1,981	RHW
XM	2006	0	2	479	XM
SDG-LJG	Jul 2007 - Nov 2009	11	0	2,205	
	2010	0	9	2,884	
	2011	0	9	3275	SL1, SL1-1, SL2E, and SL3
	Jan 2012 - Jun 2013	25	0	8,787	C29
Total: 2004 - Jun 2016		**3,612**	**330**	**1,082,840**	

Table 10.2 Summary of the 2016 - 2019 drilling program on the Property

Mine area	Exploration	Drillholes completed	Total metres completed	Total core samples
SGX	Surface drilling	32	10,450	5,980
	Underground drilling	270	77,863	
HZG	Surface drilling	5	2,687	2,240
	Underground drilling	105	31,989	
HPG	Surface drilling	0	0	1,676
	Underground drilling	138	44,944	
LME	Surface drilling	1	99	2,656
	Underground drilling	111	25,286	
LMW	Surface drilling	0	0	3,334
	Underground drilling	191	58,603	
TLP	Surface drilling	0	0	4,825
	Underground drilling	237	73,230	
TLP	Surface drilling	0	0	0
	Underground drilling	0	0	
Total		**1,090**	**325,151**	**20,711**

Notes: Results from July 2016 to December 2019.

Drilling programs were continuously conducted over the Property from July 2016 to December 2019 (the Reporting Period). Underground and surface drilling were 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 and to ensure a good intersection angle. A total of 325,151 m in 1,090 diamond holes was completed, including 13,236 m in 38 surface holes and 311,915 m in 1,052 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.

10.2 Summary of results

Drilling results from the 2016 - 2019 drilling program in the Property are briefly summarized in Table 10.3. These results have been incorporated into the mine databases and contribute to the current Mineral Resource update for the seven deposits. There is no drilling for DCG during this period.

Table 10.3 Brief summary of the 2016 - 2019 drilling results

Mine area	Holes completed	No of mineralized intersections (≥120 g/t AgEq)	Average grade of mineralized intersections (g/t AgEq)	Average true width of mineralized intersections (m)	Detected depth (elevation m)
SGX	302	155	520	0.68	861-143
HZG	110	63	394	0.61	335-879
HPG	138	49	350	0.67	938-39
LME	112	118	396	0.59	411-941
LMW	191	86	439	0.71	1,097-322
TLP	237	127	494	0.52	153-1,114

Notes: Results from July 2016 to December 2019 (there was no drilling for DCG during this period).

Drilling results of individual mine areas are further discussed in the following sections.

10.3 Discussion of results by mine

10.3.1 SGX

The underground and surface drilling were focused on expanding the known Mineral Resource of major production veins S1W2, S2, S2W2, S7, S7-1, S8, S10-1, S14, S16W, S18, S18E, S19, S28, S29, S32, and S33. Limited drilling was also conducted on veins S1W3, S2, S4, S6, S7-2, S8E, S12, S16E2, S21, S22, S23, S27, S30, S48, and their branch veins. The results from the program added and extended notable high-grade mineralized zones within vein structures S19, S8, S32, S18, S28, S2, S7-1, S7, and S1W2. The 2016 - 2019 SGX drilling program is summarized in Table 10.4.

Table 10.4 Summary of the SGX 2016 - 2019 drilling program

Target vein	Number of holes drilled	Holes intercepting mineralization (≥90 g/t Ag equivalent)	Detected depth (elevation m)
HZ4	1	1	552
S1W2	8	5	132-40
S1W3	3	3	264-74
S2	12	7	258-(-56)
S2W	1	-	-
S2W2	5	3	301-70
S6	1	1	169-(-102)
S6E1	1	-	-
S7	9	4	230-90
S7_1	1	-	-
S7-1	10	7	249-150
S7-2	2	-	-
S8	45	20	685-(-35)
S8E	3	3	253-214
S10-1	6	1	101
S12	2	-	-
S14	6	2	497-476
S16	1	-	-
S16E2	2	1	698
S16W	6	3	261-82
S18	35	15	656-63
S18E	6	4	452-141
S19	47	20	386-(-41)
S21	2	-	-
S22	3	-	-
S23	4	1	642
S27	2	-	-
S28	18	4	373-166
S29	5	2	593-375
S30	2	1	452
S32	38	10	774-163
S33	7	3	449-68
S35	1	-	-
S48	2	2	569-550
Pb anomalies	5	2	178-169

Notes: Results from July 2016 to December 2019.

The drillhole intersection angles with the veins are variable, as in the case of underground drillholes they are drilled as fans of multiple holes from one set up. This is best seen in Figure 7.4, which is a cross section on Exploration Line 2 for SGX.

Note that the formula and values used for AgEq calculations for all the mines are discussed in Section 14.

10.3.2 HZG

The diamond drilling program from July 2016 to December 2019 was designed to test the along-strike and down-dip extension of major mineralized vein structures HZ20, HZ22E, HZ23, H26, H10, and HZ15 between the 810 m and the 334 m elevations. The 2016 - 2019 diamond drilling program added new mineralized zones to major production veins HZ20, HZ22, and HZ5, and expanded the mineralization in vein structures HZ26, HZ23, HZ22E, H10, and HZ15. The 2016 - 2019 HZG drilling program is summarized in Table 10.5.

Table 10.5 Summary of the HZG 2016 - 2019 drilling program

Target vein	Number of holes drilled	Holes intercepting mineralization (≥90 g/t Ag equivalent)	Detected depth (elevation m)
Au_Anomaly	1	0	-
HZ8	0	1	708
HZ10	6	0	-
HZ11	2	0	-
HZ11E	0	2	612-731
HZ12	3	0	-
HZ15	5	3	446-604
HZ15W2	1	3	491-662
HZ19	3	0	-
HZ20	13	5	370-766
HZ20W_1	0	1	778
HZ20_1	0	1	762
HZ22	4	3	451-789
HZ22E	7	9	367-807
HZ22W_1	0	1	551
HZ22W2	1	0	-
HZ23	9	6	725-808
HZ23W	0	1	334
HZ23 支 2	0	1	757
HZ26	30	15	335-802
HZ26E	1	0	-
HZ26W	0	3	418-797
HZ27	3	4	559-620
HZ27E	0	1	588
HZ29	4	0	-
HZ5	2	5	466-631
HZ7	2	0	-
HZ9	1	0	-
HZ9	1	0	-
Pb_Anomaly	1	0	-
Pb_Anomaly	2	0	-
S28E1	0	2	473-521
S28E2	0	2	400-622
S28	8	1	387

Notes: Results from July 2016 to December 2019.

The drillhole intersection angles with the veins are variable, as in the case of underground drillholes they are drilled as fans of multiple holes from one set up. This is best seen in Figure 7.4, which is a cross section on Exploration Line 2 for SGX.

10.3.3 HPG

The underground diamond drilling program was designed to test the along-strike and down-dip extension of the major mineralized vein structures H17, H12, H12E, H12W, H21, H15, H11, H18, H6, X3, and H5W between the minus 50 m and the 656 m elevations. Significant new mineralized zones were defined within major vein structures H12, H12E, and H6 along strike and downdip directions. The 2016 - 2019 HPG drilling program is summarized in Table 10.6.

Table 10.6 Summary of HPG 2016 - 2019 drilling program

Target vein	Number of holes drilled	Holes intercepting mineralization (≥90 g/t Ag equivalent)	Detected depth (elevation m)
H10_1	8	4	395-596
H11	13	4	370-574
H12	24	6	302-646
H12E	26	12	338-629
H12W	19	4	256-638
H14	6	4	307-422
H15	13	5	185-617
H17	27	4	93-584
H21	21	3	50-612
H4	13	3	308-565
H5W	15	3	190-584
H6	17	7	104-549
X3	17	5	165-496

Notes: Results from July 2016 to December 2019. Holes intersect more than one vein so the number of holes in this table exceeds the number of holes in Table 10.3.

The drillhole intersection angles with the veins are variable, as in the case of underground drillholes they are drilled as fans of multiple holes from one set up. This is best seen in Figure 7.4, which is a cross section on Exploration Line 2 for SGX.

10.3.4 TLP

The 2016 - 2019 underground diamond drilling program was designed to test along-strike and down-dip extensions of the major mineralized vein structures T11, T14, T14E, T16, T16E, T16E1, T17, T17W, T17E, T22, T22E, T15, T15W, T39, T39W, and T38 and to explore for new vein structures in less-explored areas. Results of the drilling program added significant mineralization zones within major vein structures T15, T15W, T16E, T17, T17W, and T11. Numerous mineralized parallel and splay structures such as T16E1, T22E, T39W, T39E, and T1W2 were discovered beside major vein structures. The 2016 - 2019 drilling program at TLP is summarized in Table 10.7.

Table 10.7 Summary of TLP 2016 - 2019 drilling program

Target vein	Number of holes drilled	Holes intercepting mineralization (≥ 90 g/t Ag equivalent)	Detected depth (elevation m)
T11	63	19	174-914
T11E	23	3	153-905
T12	7	3	447-824
T14	24	5	391-1045
T14E	21	7	469-948
T15W	51	12	294-930
T16	82	14	347-994
T16E	45	13	384-982
T16E1	21	3	467-956
T16W	35	5	417-986
T16-1	3	2	929-1004
T17	43	8	248-1008
T17E	22	6	538-924
T17W	33	9	393-993
T1W1	8	2	770-988
T1W2	14	3	681-999
T2	13	4	445-1073
T22	31	6	493-1048
T22E	21	4	495-1057
T22E1	4	2	668-888
T27	6	3	820-1044
T28	6	3	958-1076
T2W2	9	4	944-1058
T3	14	4	384-1069
T33W4	5	2	763-877
T33-1	2	2	681-828
T39	18	6	405-776
T39E	11	4	374-782
T39E2	10	2	605-763
T39W	18	5	623-810
T3E	13	3	526-1083
T5	13	3	443-1114

Notes: Results from July 2016 to December 2019. Holes intersect more than one vein so the number of holes in this table exceeds the number of holes in Table 10.3.

The drillhole intersection angles with the veins are variable, as in the case of underground drillholes they are drilled as fans of multiple holes from one set up. This is best seen in Figure 7.4, which is a cross section on Exploration Line 2 for SGX.

The LM mine will be discussed in terms of the two sub areas LME and LMW.

10.3.5 LME

The 2016-2019 LME underground drilling program was focused on vein structures LM4, LM5, LM5E, LM5E2, LM5E1, LM6, and their subzones and splay structures. The purpose of the drilling program was to extend known mineralization along-strike and down-dip, and explore for new veins at or above the current mining depth within the mineralized vein structures. The drilling program added remarkable new mineralized zones within major production veins LM5, LM5W, and LM6. The drilling program is summarized in Table 10.8.

Table 10.8 Summary of LME 2016 - 2019 drilling program

Target vein	Number of holes drilled	Holes intercepting mineralization (≥ 90 g/t Ag equivalent)	Detected depth (elevation m)
LM3_1	15	5	458-838
T17	15	4	416-766
LM66	17	5	298-862
T17E	18	5	538-809
LM6E	24	6	188-632
LM4	25	7	344-698
LM5E1	27	15	153-587
LM5W	33	5	225-615
LM4E2	35	9	242-780
LM3	40	4	485-897
LM5E2	42	13	41-764
LM6	47	9	248-789
LM5E	54	29	101-766
LM5	65	31	126-947

Notes: Results from July 2016 to December 2019. Holes intersect more than one vein so the number of holes in this table exceeds the number of holes in Table 10.3.

The drillhole intersection angles with the veins are variable, as in the case of underground drillholes they are drilled as fans of multiple holes from one set up. This is best seen in Figure 7.4, which is a cross section on Exploration Line 2 for SGX.

10.3.6 LMW

The LMW diamond drilling from 2016 to 2019 were designed to extend and expand the known mineralized zones within major vein structures LM8, LM14, LM16, LM17, LM17W, LM19, LM19W1, LM19W2, and W18, and explore for new mineralized structures in less-explored areas. Results of the drilling program successfully expanded mineralization in vein structures LM14, LM17, LM17W, W18, and LM16. The 2016 - 2019 drilling program is summarized in Table 10.9.

Table 10.9 Summary of the LMW 2016 - 2019 drilling program

Target vein	Number of holes drilled	Holes intercepting mineralization (≥ 90 g/t Ag equivalent)	Detected depth (elevation m)
LM10W	3	1	897-886
LM12	5	2	1,030-451
LM13	5	1	886-533
LM13W-1	3	0	751-445
LM14	21	13	891-284
LM16	14	3	982-434
LM16W1	3	1	918-867
LM17	21	6	952-484
LM17W	18	8	974-560
LM19	3	1	1,051-397
LM19W1	10	2	910-318
LM19W2	11	2	917-331
LM20	3	1	1,078-576
LM25	5	3	893-383
LM30	3	2	572-368
LM30W	3	1	584-400
LM33	7	2	756-488
LM7	5	1	1,028-367
LM8	6	2	1,067-479
LM8_4	6	3	1,035-697
LM8_5	3	1	863-808
LM8W	4	1	1,033-496
W11	5	1	900-751
W18	13	4	971-662
W3E1	3	1	901-761
W5	2	0	850-765
W6	6	0	927-334

Notes: Results from July 2016 to December 2019.

The drillhole intersection angles with the veins are variable, as in the case of underground drillholes they are drilled as fans of multiple holes from one set up. This is best seen in Figure 7.4, which is a cross section on Exploration Line 2 for SGX.

10.3.7 DCG

There was no drilling at the DCG project during this period.

10.4 Plans and sections

Plans for each mine and representative examples of drill sections through the deposits are shown in Section 7, Section 9, and Section 14.

10.5 Bulk density measurements and results

10.5.1 Measurements and results

520 samples were collected for bulk density measurement by Silvercorp from the different mines in the Ying Property from 2012 on. Samples were cut as an individual block of about 1 kg from different mineralization types at each mine area. Several wallrock samples were also collected for comparison purposes. The bulk density was measured using the wax-immersion method by the Inner Mongolia Mineral Experiment Research Institute located in Hohhot, Inner Mongolia. Table 10.10 presents the average bulk densities derived for the Ying deposits.

Table 10.10 Bulk density values for the Ying deposits

Mine	Samples collected	# samples for bulk density calculation	Average bulk density	Remarks
SGX, HPG, DCG	194	186	NA	Calculated using the Pb and Zn assay results, see formula below
HZG	17	17	2.70	
TLP	186	186	2.92	Adopted from previous government exploration reports
LME, LMW	100	98	2.93	The minimum and maximum values were removed from the dataset
Wallrock	23	23	2.76	5 from SGX, 10 from LM, 8 from HZG

Source: Compiled by AMC 2020, using data provided by Silvercorp.

A relationship between measured bulk density and the weighted combination of lead and zinc grade was developed using multivariate linear least squares regression, and this formula is used for the SGX, HPG mines and the DCG project. At these mines the assay values for lead and zinc show a correlation to density and form a good regression line. Samples with a relative error of >20% between the measured and calculated bulk density were removed from the dataset before calculation of the final relationship that was used in the Mineral Resource estimate. The relationship between bulk density and grade is:

$$Bulk\ Density = 2.643339 + 0.0524358 \times Pb\% + 0.011367 \times Zn\%$$

Using this formula, the Ying Property bulk density measurements range from ~2.6 t/m ^{3} to ~6.0 t/m^3 with a mean of ~2.74 t/m^3.

10.5.2 Recommendations on bulk density

The QP recommends that additional bulk density sampling be completed during core logging and processing. Grab samples should also be taken for bulk density sampling in the drives. The regression formula should be updated based on the new data.

10.6 Drilling procedures

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. Sampling is further discussed in Section 11.

Core recovery at Ying is good. Core recoveries at Ying range between 63.33% and 100% with the average recovery being 98.36%.

The QP is not aware of any drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the results.

11 Sample preparation, analyses, and security

This section describes the sampling methods, analytical techniques, and assay Quality Control / Quality Assurance (QA/QC) protocols employed at the Ying Property between June 2016 and December 2019. All programs were managed by Silvercorp, and all work was carried out in accordance with Silvercorp's internal procedures, which have been reviewed by the QP. QA/QC completed prior to June 2016 is described in prior Technical Reports. The QP has reviewed this work and accepts the results.

11.1 Sampling

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 tunneling 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. The sample collection and preparation follow accepted industry practice.

NQ-sized drill cores (48 mm in diameter) are recovered from the mineralized zones. Drill core is logged, photographed and sampled in detail at the surface core shack, as described in Section 10.6, with each mine having its own logging and core-cutting facilities. Samples are delineated by lithology, mineralization, and alteration. Mineralized zones are sampled together with wallrock samples that bracket the mineralization. Samples have a minimum length of 20 cm and a maximum length of 2 m.

Channel samples lines are marked by a geologist and collected as continuous chip samples from the roofs of drift tunnels (perpendicular to the mineralized vein structure), and from the walls of crosscut tunnels (which cross the mineralized vein structure) as described in Section 9.1. Samples have a minimum size of 20 cm and a maximum size of 2 m. Drill and channel samples are numbered following protocols outlined by Silvercorp that generates unique IDs. Samples bracket the vein in addition to sampling the vein itself.

11.2 Sampling shipment and security

Drill core samples are stored in securely sealed bags at the core logging facilities until shipment by courier to one of the following three reputable commercial laboratories which are chosen based on capacity:

- The Analytical Laboratory of Henan Nonferrous Exploration Institute (Zhengzhou Nonferrous Laboratory) in Zhengzhou, Henan Province.
- 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.

The three external 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.

Channel samples are analyzed on site at the Ying assay laboratory located at the mill complex in Luoning County. A brief examination of the Ying Laboratory was made by the QPs in both 2013 and 2016, as outlined in previous Technical Reports. The assay laboratory is officially accredited by the Quality and Technology Monitoring Bureau of Henan Province and has been used to analyze both channel samples taken from underground workings for Resource estimation purposes, and concentrate produced from the processing plants. Most of the processes for the analysis of channel samples and concentrate are completed within separate buildings, rooms, and instruments.

11.3 Sample preparation and analysis

Sample preparation procedures at the four labs are similar but not identical. They comprise the drying of the sample at 60 - 105°C, followed by two crushing stages to a size of 1 or 2 mm, followed by a manual or riffle split for a 100 to 400 g sample for pulverization to a 200 -mesh or 160-mesh size. Pulp samples for digestion vary in size from 0.2 g to 1 g for silver and 0.1 g to 0.5 g for lead and zinc. All samples are subjected to a two-acid digestion and an AAS finish. Detection limits and overlimit protocols for the metals of interest also vary between laboratories (Table 11.1).

Table 11.1 Silvercorp Ying lab detection limits

Lab	Detection limits						Overlimit protocols		
	Ag		Pb		Zn		Ag	Pb	Zn
	LDL	UDL	LDL	UDL	LDL	UDL			
Chengde Laboratory	2 g/t	500 g/t	0.005%	5%	0.005%	3%	Dilution	Titration	Titration
Zhengzhou Nonferrous Laboratory	2 g/t	1500 g/t	0.01%	10%	0.01%	10%	FA	Titration	Titration
Ying Laboratory	5 g/t	300 g/t	0.02%	1%	0.02%	0.5%	FA	Dilution & Titration	Dilution & Titration

Notes: Data for Inner Mongolia Laboratory not available. LDL=lower detection limit. UDL = upper detection limit.
Source: Compiled by AMC from data provided by Silvercorp.

11.4 Quality Assurance / Quality Control

11.4.1 Overview

Silvercorp has established QA/QC procedures which cover the sample collection and processing at the Ying Property. All drilling and channel sampling programs completed on the Property incorporate the insertions of Certified Reference Materials (CRMs) and blanks into the sample stream on a batch by batch basis. Duplicate field samples are also included in the drilling programs.

Silvercorp's QA/QC programs and results prior to July 2016 have been described in previous

Technical Reports. The following discussion is based on the QP's independent review of the drilling and channel sampling QA/QC databases associated with the July 2016 to December 2019 programs, which comprises 1,088 drillholes and 75,334 channel samples.

Silvercorp monitors silver, lead, zinc, copper, and gold in drillhole sampling, and silver, lead, and zinc in channel sampling programs. This is accomplished through the insertion of CRMs, blanks, and field duplicate samples. In this report gold and copper values are not discussed in detail as they are not material components of the Mineral Resource.

A summary of QA/QC samples included in the July 2016 - 2019 program is presented in Table 11.2.

Table 11.3 summarizes the insertion rate of these QA/QC samples.

Table 11.2 Ying QA/QC samples by year[1]

Year	Drill samples				Channel samples			
	Samples	CRMs	Blanks	Field duplicates	Samples	CRMs	Blanks	Field duplicates
2016	2,944	111	112	112	8,537	248	253	0
2017	7,011	214	214	214	18,117	406	48	0
2018	5,145	154	153	153	17,515	474	3	0
2019	5,333	146	146	144	23,105	603	0	0
Total	**20,433**	**625**	**625**	**623**	**67,274**	**1,731**	**304**	**0**

Note: [1] Data from 1 July 2016 to 31 December 2019.
Source: Compiled by AMC.

Table 11.3 Ying QA/QC insertion rates[1]

Year	Drill samples					Channel sampeles				
	Samples	CRMs	Blanks	Field duplicates	Total QA/QC	Samples	CRMs	Blanks	Field duplicates	Total QA/QC
2016	2,944	3.8%	3.8%	3.8%	11.4%	8,537	2.8%	3.0%	0.0%	5.6%
2017	7,011	3.1%	3.1%	3.1%	9.2%	18,117	2.5%	0.3%	0.0%	2.5%
2018	5,145	3.0%	3.0%	3.0%	8.9%	17,515	2.7%	0.0%	0.0%	2.7%
2019	5,333	2.7%	2.7%	2.7%	8.2%	23,105	2.6%	0.0%	0.0%	2.6%
Overall	**20,433**	**3.1%**	**3.1%**	**3.0%**	**9.2%**	**67,274**	**2.6%**	**0.5%**	**0.0%**	**3.0%**

Note: [1] Data from 1 July 2016 to 31 December 2019.
Source: Compiled by AMC.

11.4.2 Certified Reference Materials

11.4.2.1 Description

Fourteen different CRMs were used by Silvercorp during the July 2016 - 2019 drill and channel sampling programs. All CRMs were supplied by CDN Resource Laboratories of Langley, British Columbia, Canada, and are variably certified for silver, lead, zinc, copper, and gold.

All CRMs except the standardized blank are certified by four-acid digest with an instrumental finish for silver. Three of these CRMs are also certified for silver by fire assay with a gravimetric finish (CDN-ME-1604, CDN-ME-1606, and CDN-ME-1810). All copper, lead, and zinc values are certified by four-acid digest with an instrumental finish. All gold CRMs are certified by fire assay with an instrumental finish. CRM CDN-GS-1M is only certified for gold (CDN-GS-1M), and one CRM has only a provisional value for gold (relative standard deviation >~5% (CDN-ME-14)).

Details of CRMs used at Ying and their frequency of insertion are presented in Table 11.4.

Table 11.4 Ying CRMs (July 2016 - 2019)

CRM ID	Ag g/t		Pb (%)		Zn (%)		Au (g/t)		No. CRMs (drilling)				No. CRMs (channel)			
	Expected value	SD	Expected value	SD	Expected value	SD	Expected value	SD	2016	2017	2018	2019	2016	2017	2018	2019
CDN-ME-1304	34	1.6	0.258	0.007	0.22	0.006	1.8	0.06							3	
[1]CDN-ME-14	42.3	2.1	0.495	0.015	3.1	0.14	0.1	0.01					23	15	7	2
CDN-ME-1204	58	3	0.443	0.012	2.36	0.06	0.975	0.033			4			1	6	
CDN-ME-1306	104	3.5	1.6	0.035	3.17	0.075	0.919	0.056		89	13			64	37	
CDN-ME-1801	108	3	3.08	0.05	7.43	0.15	0.911	0.029				30				111
[2]CDN-ME-1606	116	2.5	1.76	0.03	0.6	0.01	1.069	0.046			46	54			144	201
CDN-ME-1804	137	3.5	4.33	0.095	9.94	0.22	1.602	0.046				21				103
CDN-ME-1607	150	2.5	1.72	0.03	0.56	0.01	3.33	0.135			4	31				112
[2]CDN-ME-1810	154	4.5	1.46	0.035	0.96	0.02	4.41	0.165				10				2
CDN-ME-1305	231	6	3.21	0.045	1.61	0.025	1.92	0.09	25	15	22		66	38	81	6
CDN-ME-1206	274	7	0.801	0.022	2.38	0.075	2.61	0.1			2		2	10	6	12
[2]CDN-ME-1604	309	7.5	4.83	0.075	0.72	0.015	2.51	0.06			61				174	
CDN-ME-1302	418.9	8.15	4.68	0.12	1.2	0.02	2.412	0.117	86	106	2		157	278	16	54
[3]CDN-GS-1M							1.07	0.045		4						

Notes:

- CRMs are presented in order of increasing Ag expected value.
- All Ag, Pb, and Zn CRM values shown are certified by four-acid (4A) digest with instrumental finish. All CRM Au values are certified by fire assay with instrumental finish.
- SD = standard deviation.

[1] Provisional value for Au (RSD > ~5%).

[2] Ag certified for 4A digest with instrumental finish and fire assay with gravimetric finish. Instrumental finish value shown.

[3] Certified for Au only.

Source: Compiled by AMC 2020.

Silvercorp prepares individual 5 g CRM packets from bulk containers, and selects which CRMs are inserted into the sample stream based on visually estimated mineralization criteria (i.e., strongly mineralized samples are accompanied by CRMs with similarly high grades, and vice versa).

Silvercorp's internal procedures require that CRMs are inserted into the sample stream at a rate of ~ one CRM for every 30 samples (varying from one per ~25 samples in 2016 to one per ~35 samples in 2019). CRM performance is monitored on a batch by batch basis by geologists at each mine and by the Exploration Management Department in Silvercorp's Beijing office. Quality of assay data is visually reviewed on quality control charts. Assay results of a CRM within ±2 standard deviations (SD) of the recommended value is considered acceptable, and assay data outside the ±3SD control lines are deemed failed assays. When two or more consecutive assays of CRMs occur outside the control lines in a sample batch, Silvercorp will notify the laboratory immediately to check their internal QA/QC procedures and re-assay samples of the batch with failed CRM assays. Only approved assay results are used for Mineral Resource estimation.

11.4.2.2 Discussion on CRMs

CRMs contain standard, predetermined concentrations of material (silver, lead, zinc, gold, etc.) which are inserted into the sample stream to check the analytical accuracy of the laboratory. Industry best practice typically advocates an insertion rate of at least 5% of the total samples assayed. CRMs should be monitored on a batch by batch basis and remedial action taken immediately if required. For each economic mineral, the QP recommends the use of at least three CRMs with values:

- At the approximate cut-off grade (COG) of the deposit.
- At the approximate expected grade of the deposit.
- At a higher grade.

Between July 2016 and 2019 a total 625 CRMs were submitted as part of the drilling program, representing an average overall insertion rate of 3.1%. For the channel sampling program, 1,731 CRMs were submitted during this timeframe, representing an average overall insertion rate of 2.6%.

COGs for the seven mines of the Ying Property are expressed in Ag equivalency. Based on these formulae, approximate COGs range from ~35 g/t to 120 g/t for Ag, ~0.3% to 2.5% Pb, ~0.1% to 0.7% Zn (SGX, HPG, LME, DCG) and ~0.1 and 0.6 g/t Au (HPG and DCG). The approximate expected grades of the seven Ying Property mines range from ~60 g/t to 305 g/t for Ag, 1% to 4% for Pb, 0.2% to 3% for Zn, and 0.1 g/t to 1.3 g/t for Au. The fourteen CRMs used by Silvercorp adequately cover these grade ranges, and also cover higher grade ranges for all economic minerals, and are considered appropriate. However, it is noted that the higher-grade range of silver values (>250 g/t), reflecting the average silver grades at SGX, LMW, LME, and HZG, was not adequately monitored during the 2019 drilling program. While there is presently no CRM monitoring this grade range, the QP has confidence in the analytical results based on data collected during the preceding years (Table 11.4).

Industry best practice is to re-assay batches where two consecutive CRMs in a batch occur outside two standard deviations (warning), or one CRM occurs outside of three standard deviations (fail) of the expected value described on the assay certificate.

Control charts are commonly used to monitor the analytical performance of an individual CRM over time. CRM assay results are plotted in order of analysis. Control lines are also plotted on the chart for the expected value of the CRM, two standard deviations above and below the expected value, and three standard deviations above and below the expected value. These charts show analytical drift, bias, trends, and irregularities occurring at the laboratory over time. Table 11.5, Table 11.6, and Table 11.7 present details on CRM performance for silver, lead and zinc from July 2016 to end

2019. Figure 11.1 to Figure 11.6 present selected CRM control charts for silver, lead, and zinc for drilling and channel sampling programs over the same period.

Table 11.5 Ying Ag CRM results (July 2016 - 2019)

CRM ID	Expected value (Ag)	SD	Number of assays	Low warning (-2SD)	High warning (+2SD)	Low fail (-3SD)	High fail (+3SD)	Fail % (>3SD)
CDN-ME-14	42.3	2.1	47	0	1	0	1	2.1
CDN-ME-1204	58	3	11	0	0	0	0	0.0
CDN-ME-1206	274	7	32	0	0	0	0	0.0
CDN-ME-1302	418.9	8.15	699	3	14	1	2	0.4
CDN-ME-1304	34	1.6	3	0	0	0	0	0.0
CDN-ME-1305	231	6	253	8	2	0	0	0.0
CDN-ME-1306	104	3.5	203	7	1	2	0	1.0
CDN-ME-1604	309	7.5	235	10	2	2	0	0.9
CDN-ME-1606	116	2.5	445	1	42	0	15	3.4
CDN-ME-1607	150	2.5	147	9	4	4	1	3.4
CDN-ME-1801	108	3	141	1	4	0	2	1.4
CDN-ME-1804	137	3.5	124	3	4	0	1	0.8
CDN-ME-1810	154	4.5	12	0	0	0	0	0.0

Notes:
- SD=standard deviation.
- CDN-GS-1M is not included as it is only certified for Au.
- Table includes combined CRMs from drilling and channel sampling programs.

Source: Compiled by AMC 2020.

Table 11.6 Ying Pb CRM results (July 2016 - 2019)

CRM ID	Expected value (Pb)	SD	Number of assays	Low warning (-2SD)	High warning (+2SD)	Low fail (-3SD)	High fail (+3SD)	Fail % (>3SD)
CDN-ME-14	0.495	0.015	47	1	0	0	0	0
CDN-ME-1204	0.443	0.012	11	0	2	0	5	45
CDN-ME-1206	0.801	0.022	32	0	0	0	0	0
CDN-ME-1302	4.68	0.12	699	2	1	0	3	0
CDN-ME-1304	0.258	0.007	3	0	0	0	0	0
CDN-ME-1305	3.21	0.045	253	1	3	2	2	2
CDN-ME-1306	1.6	0.035	203	1	8	2	0	1
CDN-ME-1604	4.83	0.075	235	0	7	0	5	2
CDN-ME-1606	1.76	0.03	445	119	4	49	9	13
CDN-ME-1607	1.72	0.03	147	25	1	13	1	10
CDN-ME-1801	3.08	0.05	141	2	0	1	0	1
CDN-ME-1804	4.33	0.095	124	1	0	0	0	0
CDN-ME-1810	1.46	0.035	12	0	0	0	0	0

Notes:
- SD=standard deviation.
- CDN-GS-1M is not included as it is only certified for Au.
- Table includes combined CRMs from drilling and channel sampling programs.

Source: Compiled by AMC 2020.

Table 11.7 Ying Zn CRM results (July 2016 - 2019)

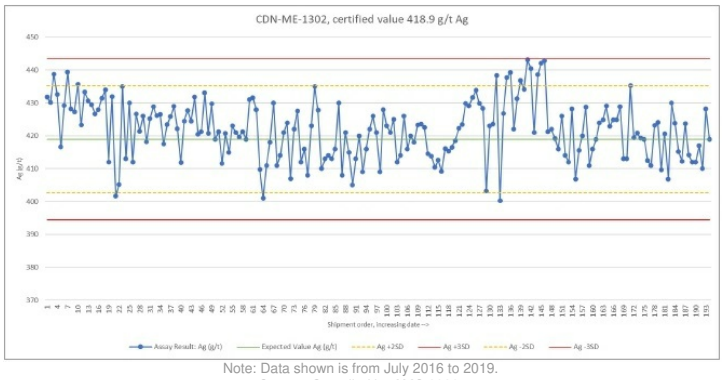
CRM ID	Expected value (Zn)	SD	Number of assays	Low warning (-2SD)	High warning (+2SD)	Low fail (-3SD)	High fail (+3SD)	Fail % (>3SD)
CDN-ME-14	3.10	0.140	47	7	5	7	6	27.7
CDN-ME-1204	2.36	0.060	11	0	0	0	0	0.0
CDN-ME-1206	2.38	0.075	32	0	0	1	1	6.3
CDN-ME-1302	1.20	0.020	699	37	4	25	7	4.6
CDN-ME-1304	0.22	0.006	3	0	0	0	0	0.0
CDN-ME-1305	1.61	0.025	253	16	0	14	0	5.5
CDN-ME-1306	3.17	0.075	203	7	0	4	0	2.0
CDN-ME-1604	0.72	0.015	235	9	4	3	2	2.1
CDN-ME-1606	0.60	0.010	445	71	2	34	7	9.2
CDN-ME-1607	0.56	0.010	147	4	1	4	0	2.7
CDN-ME-1801	7.43	0.150	141	34	1	13	0	9.2
CDN-ME-1804	9.94	0.220	124	21	1	6	0	4.8
CDN-ME-1810	0.96	0.020	12	0	0	0	0	0.0

Notes:

- SD=standard deviation.
- CDN-GS-1M is not included as it is only certified for Au.
- Table includes combined CRMs from drilling and channel sampling programs.

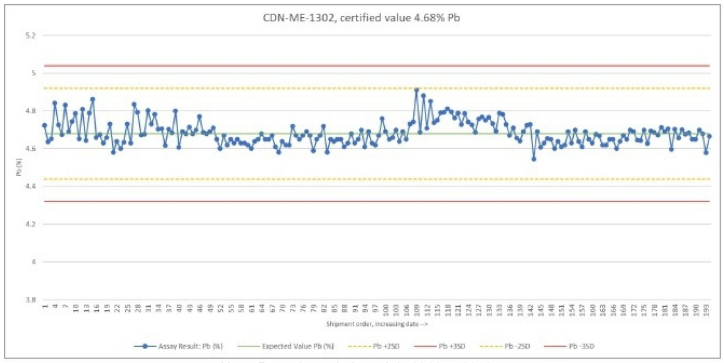
Source: Compiled by AMC 2020.

Figure 11.1 Control chart for CDN-ME-1302 (Ag), drillhole samples



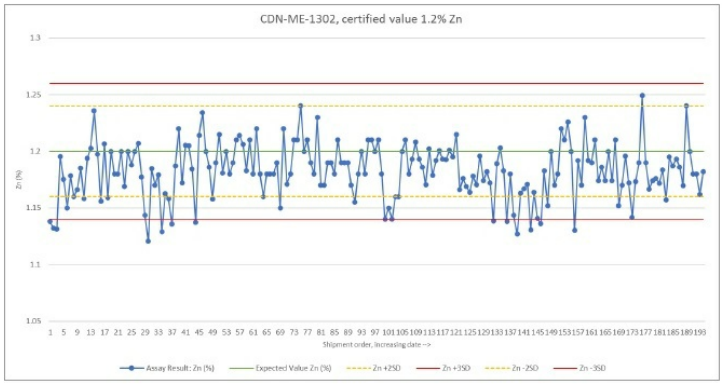
Note: Data shown is from July 2016 to 2019.
Source: Compiled by AMC 2020.

Figure 11.2 Control chart for CDN-ME-1302 (Pb), drillhole samples



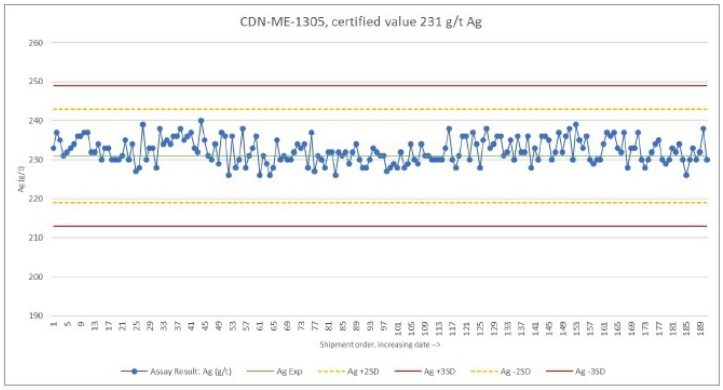
Note: Data shown is from July 2016 to 2019.
Source: Compiled by AMC 2020.

Figure 11.3 Control chart for CDN-ME-1302 (Zn), drillhole samples



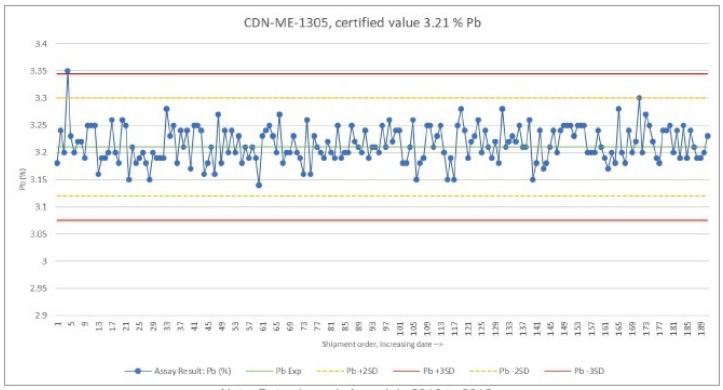
Note: Data shown is from July 2016 to 2019.
Source: Compiled by AMC 2020.

Figure 11.4 Control chart for CDN-ME-1305 (Ag), channel samples



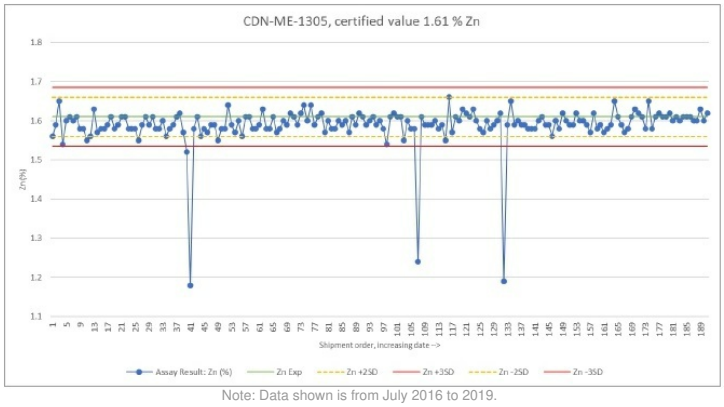
Note: Data shown is from July 2016 to 2019.
Source: Compiled by AMC 2020.

Figure 11.5 Control chart for CDN-ME-1305 (Pb), channel samples



Note: Data shown is from July 2016 to 2019.
Source: Compiled by AMC 2020.

Figure 11.6 Control chart for CDN-ME-1305 (Zn), channel samples



Note: Data shown is from July 2016 to 2019.
Source: Compiled by AMC 2020.

It is noted that CRMs used at Ying generally show overall acceptable analytical accuracy. However, the following is noted for drilling samples (analyzed at Chengde, Zhengzhou Nonferrous and Inner Mongolia Laboratories) and channel samples (analyzed at the Ying site laboratory):

- For silver:

  - The majority of CRMs analyzed as part of the drilling program show negatively biased data that also records some analytical drift (i.e., a change in the moving average of the analytical results for that CRM over time (e.g., CDN-ME-1305, CDN-ME-1306)).

  - Some silver CRMs that were analyzed as part of the channel sampling program also show negatively biased data (e.g., CDN-ME-1306), with others showing positively biased data (e.g., CDN-ME-1302 and CDN-ME-1604). Analytical drift is not recognized in the majority of silver CRMs from the channel sampling program.

- For lead:

  - The majority of CRMs analyzed as part of the drilling program show negatively biased data and / or record some analytical drift (e.g., CDN-ME-1302, CDN-ME-1801). Several CRMs show an abrupt change in the moving average of lead values (e.g., CDN-ME-1306).

  - Some lead CRMs analyzed as part of the channel sampling program also show a negative bias (e.g., CDN-ME-1607, CDN-ME-1801), with others yielding positively biased data (e.g., CDN-ME-1604, CDN-ME-1804). Analytical drift is not recognized in the majority of lead CRMs from the channel sampling program.

- For zinc:

  - Several of the CRMs analyzed as part of the drilling program yield negatively biased data (e.g., CDN-ME-1302, CDN-ME-1305) and / or record some analytical drift (e.g., CDN-ME-1604). CRM CDN-ME-1306 shows an abrupt change in the moving average of zinc values.

- Similar negative biases are also recorded by CRMs analyzed during the channel sampling program. CRM CDN-ME-1804 shows an abrupt change in the moving average of zinc values.

- Several CRMs performed within the expected range for silver and lead but returned poor results with respect to zinc.

  - CRMs CDN-ME-1302, CDN-ME-1305, and CDN-ME-1801 show poor analytical precision for zinc for both the drilling and channel sampling programs yielding a significant number of analytical results falling outside two standard deviations, and 4.2% (CDN-ME-1302), 5.5% (CDN-ME-1305), and 9.2% (CDN-ME-1801) of samples occurring outside of three standard deviations. The majority of warnings and fails for all three CRMs are negatively biased.

- CDN-ME-1606 shows poor analytical precision overall.

  - For silver: CRMs from both the drill and channel sampling program show poor analytical precision yielding a significant number of analytical results falling outside two standard deviations (warning limits), and 3.4% of samples occurring outside of three standard deviations (failure limits). All warnings and fails are positively biased.

  - For lead and zinc: CRMs from the drill program performed acceptably but results from the channel sampling program show poor analytical precision with a significant number of analytical results falling outside two standard deviations (warning limits), and 13% (lead) and 9.2% (zinc) of samples occurring outside of three standard deviations (failure limits). Virtually all warnings and fails are negatively biased for lead and zinc.

- CDN-ME-1607 performed poorly with respect to silver and lead.

  - CRMs from the drill program performed acceptably but results from the channel sampling program show poor analytical precision yielding a significant number of analytical results falling outside two standard deviations (warning limits), and 3.4% (silver) and 10% (lead) of samples occurring outside of three standard deviations (failure limits). The majority of warnings and fails from the channel sampling program for both silver and lead are negatively biased.

- The excessive number of warnings and failures occurring in CDN-ME-1606 and CDN-ME-1607 is concerning and should be further investigated prior to continued use. It is noted that all CRMs are certified using a four-acid digest but that the methods in use at all laboratories for the Ying Property utilize a two-acid digest. The difference in sample digestion may explain the poor performance of several standards in addition to the biases seen in silver, lead and zinc data.

- Several CRMs have a low rate of failure when measured against the reported standard deviation of the certificate (for silver: CDN-ME-1302, CDN-ME-1305, CDN-ME-1306, CDN-ME- 1604, for lead: CDN-ME-1302, CDN-ME-1804). The performance of these CRMs suggests that these reported standard deviations are too large, and thus do not accurately track the performance of the analytical lab.

- Inconsistent sample preparation methods are used between all labs. This may explain some of the differences recognized in the CRM results between the drillhole and channel sample programs. Differing analytical sample sizes, detection limits, and overlimit techniques would also explain some these discrepancies.

- In addition, analytical drift and abrupt changes in the CRM moving average could reflect changes in digestion parameters, or machine calibration issues at individual labs.

- In the review of laboratory certificates, it was noted that CRMs are occasionally submitted with their CRM identifier, enabling the analytical laboratory to potentially ascertain the expected assay values.

- Despite the biases and drift noted in the silver and lead CRMs, results overall show acceptable analytical precision for these elements, exhibiting low failure rates and with the majority of results falling within the control limits (three standard deviations). The mean and standard deviation of analytical results approximate the certified performance criteria and provide confidence in analytical results at the average and COGs for the Ying Property.
- Despite the sub-optimal performance of several zinc CRMs, the performance overall is acceptable. The QP does not consider the poor zinc results from selected CRMs to be of material concern, since zinc is not a major contributor to revenue at Ying.

11.4.2.3 Recommendations for CRMs

- Issues of data bias (both positive and negative) as well as analytical drift should be further investigated, including the standardization of sample preparation methods between all labs.
- Ensure that all laboratories are running internal CRMs in order to internally monitor analytical drift, biases and abrupt changes in CRM moving averages.
- Attempt to standardize the lower and upper detection limits and overlimit techniques that are utilized by the various laboratories.
- Ensure that all CRMs are inserted as "blind" submissions so that the analytical laboratory cannot predict the expected values.
- If individual CRMs perform entirely within the warning and failure limits outlined on the certificate, consider using accrued data to calculate the performance standard deviation of the CRM.
- Ensure that the insertion rate of one CRM every 20 samples (5%) is achieved.
- Investigate the availability of CRMs certified by two-acid versus four-acid digestion, including the production of custom CRMs specific to the Ying Property.
- Add a high-grade standard that monitors the >250 g/t grade range at the mines.
- Continue monitoring CRMs in real time on a batch by batch basis, and continue to take immediate remedial action when necessary. CRM performance should also be tracked on a long-term basis so analytical drift and changes in the moving average of data can be recognized and addressed.
- Investigate performance issues with CRMs CDN-ME-1606 and CDN-ME-1607 if these are to be used in future programs. The use of these CRMs should be discontinued until their performance issues are corrected.

11.4.3 Blank samples

11.4.3.1 Description

Coarse blank material is derived from a unmineralized marble local to the Ying Property. To the QP's knowledge, the source has not been subjected to detailed analytical testing or certification.

Between July 2016 to December 2019, 625 coarse blanks were inserted into the drill core sample stream. Two-hundred and fifty-three (253) coarse blanks were inserted into the channel sample stream in 2016. In 2017 and 2018, 51 certified blank (CDN-BL-10), standardized for gold, were inserted into the channel sampling program. Blanks were not regularly run as part of the channel sampling program for 2019. Insertion rates for the drilling and channel sampling programs are 3.1% and 0.5% respectively.

Silvercorp considers blank samples with assay results greater than 30 g/t Ag, 0.3% Pb, or 0.3% Zn to have failed. Statistics on blank samples submitted by Silvercorp between July 2016 and December 2019 and the results of Silvercorp pass / fail parameters are presented in Table 11.8.

Table 11.8 Silvercorp coarse blank statistics

Sample type	Total samples	# Ag fail (>30 g/t)	# Pb fail (>3%)	#Zn fail (>3%)
Channel samples	253	2	3	2
Drilling samples	625	10	6	0

Source: Compiled by AMC.

11.4.3.2 Discussion on blanks

Coarse blank material is inserted into the sample stream to monitor possible contamination problems in sample preparation and assaying. Blanks should be inserted in each batch sent to the laboratory. In the QP's opinion the pass requirements should be that 80% of coarse blank results are less than three times the detection limit for each metal of interest. The QP considers Silvercorp's fail criteria of 30 g/t Ag, 0.3% Pb, and 0.3% Zn to be too high, although it acknowledges that it is probably not a matter of material concern to Mineral Resource estimates.

Table 11.9 show the assay results from blank material for drilling and channel sampling between July 2016 to December 2019, and the results of the pass / fail parameters discussed above. The differing detection limits for each laboratory are taken into account when calculating the fail limit.

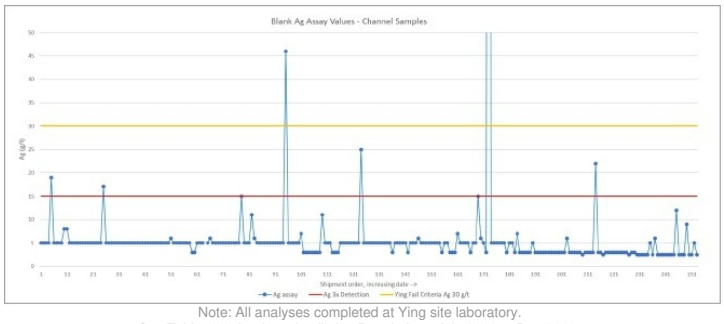
Table 11.9 Silvercorp blank statistics using pass / fail parameters

Sample type	Total samples	# Ag fail (>3x LDL)	# Pb fail (>3x LDL)	# Zn fail (>3x LDL)	% Ag blanks passed	% Pb blanks passed	% Zn blanks passed
Channel samples	253	6	76	29	98	70	89
Drilling samples	625	38	129	57	94	79	91

Note: See Table 11.1 for detection limits.
Source: Compiled by AMC from data provided by Silvercorp.

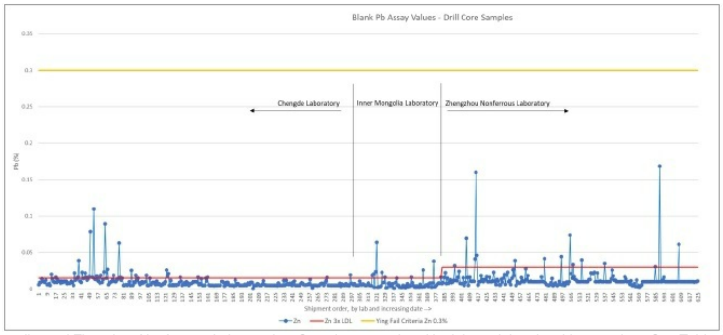
Figure 11.7 and Figure 11.8 show the blank performance based on Ag and Pb assays respectively for the period July 2016 to end 2019.

Figure 11.7 Blank performance for Ag (channel samples)



Note: All analyses completed at Ying site laboratory.
See Table 11.1 for detection limits. Data is from July 2016 to Dec 2019.
Source: Compiled by AMC from data provided by Silvercorp.

Figure 11.8 Blank performance for Pb (drill core samples)



Note: Analyses completed at Chengde, Inner Mongolia, and Zhenzhou Nonferrous Laboratories. Samples are ordered by lab, and then by shipment date. See Table 11.1 for detection limits. Data is from July 2016 to December 2019.
Source: Compiled by AMC from data provided by Silvercorp.

The QP notes the increased number of blank failures, especially for lead samples run as part of the channel sampling program, when the stricter criteria of less than three times the detection limit is applied. Lead blanks do not achieve the recommended pass / fail threshold, with only 70% and 79% of blanks yielding values below three times the detection limit for channel and drill core samples respectively. However, silver and zinc blank values comfortably exceed this threshold, indicating that the elevated lead values likely reflect anomalous lead within the blank material, and not contamination during sample preparation and analysis. Regardless, all failures should continue to be monitored and corrective action taken when necessary.

11.4.3.3 Recommendations on blanks

Despite the increased number of blank fails identified with stricter pass / fail criteria, overall, the QP considers that the assay results for the blank materials are acceptable, with corrective action taken and batches re-assayed when appropriate.

The QP makes the following recommendations:

- Assay the source of the blank material to ensure its suitability as a blank.
- Reduce Silvercorp's pass / fail criteria to conform with common industry practice.
- Increase blank insertion rates to at least 5% of samples submitted.
- Investigate if detection limits and analytical methods can be standardized between labs to ensure blank material is performing consistently.
- Monitor blank data on a real time basis and continue to have batches re-analyzed if significant contamination is indicated.

11.4.4 Duplicate samples

11.4.4.1 Description

Silvercorp has submitted field duplicates regularly as part of its drill sampling program QA/QC program. Field duplicates of core samples are prepared by cutting a quarter of a core sample with visible mineralization. Between July 2016 and December 2019, Silvercorp submitted 623 field duplicates.

11.4.4.2 Discussion on duplicates

Field duplicates monitor sampling variance, sample preparation and analytical variance, and geological variance.

The QP recommends that duplicate samples be selected over the entire range of grades seen at the Project to ensure that the geological heterogeneity is understood. However, the majority of duplicate samples should be selected from zones of mineralization. Unmineralized or very low-grade samples should not form a significant portion of duplicate sample programs as analytical results approaching the stated limit of lower detection are commonly inaccurate, and do not provide a meaningful assessment of variance.

Duplicate data can be assessed using a variety of approaches. The QP typically assesses duplicate data using scatter plots and relative paired difference (RPD) plots. These plots measure the absolute difference between a sample and its duplicate. For field duplicates it is desirable to achieve 80 to 85% of the pairs having less than 20% RPD between the original assay and check assay (Stoker 2006). In these analyses, pairs with a mean of less than 15 times the lower limit of analytical detection (LLD) are excluded. Removing these low values ensures that there is no undue influence on the RPD plots due to the higher variance of grades expected near the lower detection limit, where precision becomes poorer (Long et al. 1997).

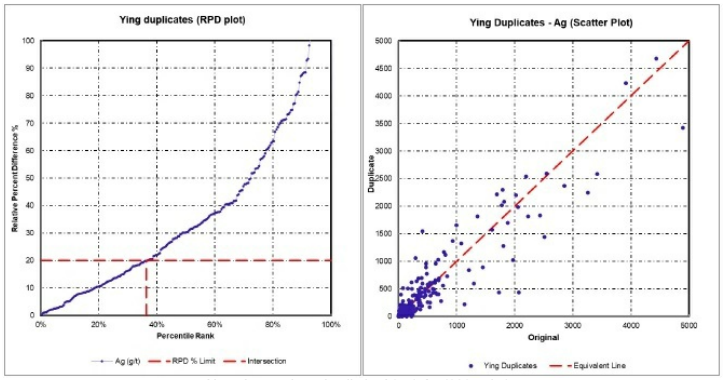
Although each duplicate pair was analyzed at the same laboratory the different detection limits used by the various labs was taken into account when calculating RPD for the entire Ying field duplicate dataset. For lead and zinc, the majority (83% and 62% respectively) of duplicate pairs have means greater than 15 times the lower detection limits of 0.005% lead and 0.005% zinc, and the removal of the sample pairs close to this lowest detection limit had little effect on the RPD plots. Conversely, for silver, only 38% of duplicate pairs have means above 15 times the 2 g/t detection limit, and only 27% have means above 15 times the 5 g/t detection limit. Thus, the majority of silver duplicate pairs are excluded from calculations in both cases.

For lead and zinc, only ~40% and 39% of duplicate pairs respectively have values that are less than 20% RPD. These are similar to 36.4% (using a 2 g/t LDL) or 40% (using a 5 g/t LDL) for silver duplicate pairs with an RPD of less than 20%. RPD and scatter plots for silver, lead, and zinc for field duplicates are presented in Figure 11.9, Figure 11.10, and Figure 11.11.

Duplicate pairs show a bias of ~5% for silver towards the original sample, but weak negative biases of ~2 - 3% towards the duplicate for both lead and zinc.

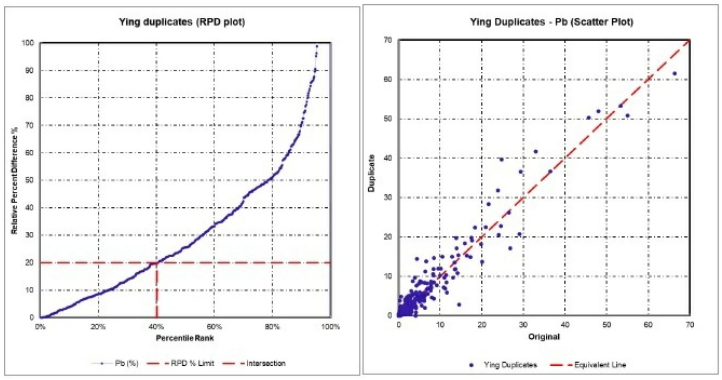
The proportion of duplicate samples with assay values within the 20% RPD is less than desirable for silver, lead, and zinc, but is consistent between elements. This is most likely due to the heterogeneous nature of mineralization.

Figure 11.9 Ying field duplicate RPD and scatter plot for silver



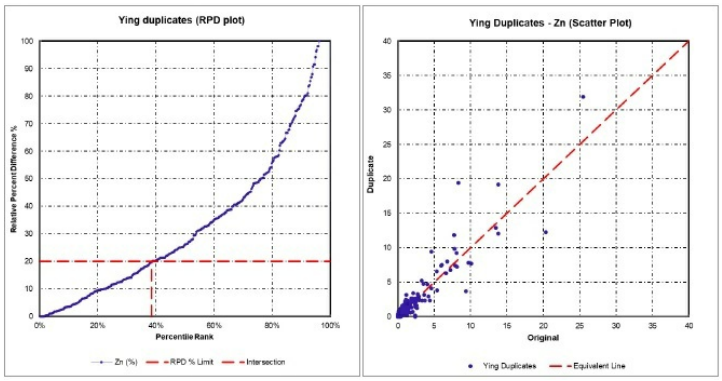
Note: Lower detection limit of 2 g/t Ag (239 pairs).
Source: Compiled by AMC from data provided by Silvercorp.

Figure 11.10 Ying field duplicate RPD and scatter plot for lead



Note: Lower detection limit of 0.005% Pb (515 pairs).
Source: Compiled by AMC from data provided by Silvercorp.

Figure 11.11 Ying field duplicate RPD and scatter plot for zinc



Note: Lower detection limit of 0.005% Zn (387 pairs).
Source: Compiled by AMC from data provided by Silvercorp.

11.4.4.3 Recommendations on duplicates

The results of the field duplicate sample submission program do not raise any issues of material concern, with sub-optimal performance probably due to the heterogeneous nature of the mineralization. The QP makes the following recommendations:

- Silvercorp should consider the introduction of crushed duplicate and pulp duplicates as part of its QA/QC program to improve its monitoring of sample preparation and assaying performance.
- Silvercorp should conduct sieve analyses at various stages of sample preparation at the laboratories to ensure optimal parameters are achieved and minimal sampling errors are introduced.
- More field duplicate pairs should be selected with higher silver grades.
- Duplicate samples should also be submitted as part of the channel sampling program.

The QP also recommends the regular submission of samples to a third-party laboratory (umpire or check lab duplicate samples) for independent analyses, to assess the accuracy of the primary laboratories. Umpire duplicates measure analytical variance and pulp sub-sampling variance, and the QP recommends that such samples comprise 5% of all assays. However, for an umpire check program to be successful, the sample preparation and analytical methods between all labs currently in use need to be standardized.

11.5 Conclusions

Silvercorp has implemented industry standard practices for sample preparation, security and analysis. This has included common industry QA/QC procedures to monitor the quality of the assay database, including inserting CRM samples, blank samples and field sample duplicates into sample batches on a predetermined frequency basis.

The review of Silvercorp's QA/QC procedures has highlighted several issues that require further investigation and improvement.

The QP does not consider these issues to have a material impact on the global Mineral Resources and Mineral Reserve estimates but cannot guarantee there are no material impacts on a local scale. Overall, it considers the assay database to be acceptable for Mineral Resource estimation.

12 Data verification

12.1 Site visit

Between 13 - 16 July 2016, AMC full-time employees and QPs Dr A.A. Ross, and H.A. Smith visited the Ying Property to undertake the following data verification steps:

- Discussions with site staff regarding:
  - Sample collection
  - Sample preparation
  - Sample storage
  - QA/QC
  - Data validation procedures
  - Underground mapping procedures
  - Survey procedures
  - Geological interpretation
  - Exploration strategy
- A review of underground tunnel roof mapping.
- Inspection of the Ying laboratory.
- Inspection of the core sheds and some recent drill core intersections from the property.
- Inspection of underground workings at the SGX, HPG, HZG, LM, and TLP mines including active resue and shrinkage stopes.
- Inspection of the mineral processing and tailings facilities.

12.2 Assay data verification

The QP for the 2016 Technical Report supervised a random cross-check of 10 - 15% of the mineralized assay results in the database with original assay results for data collected to 30 June 2016. Details are outlined in the 2016 Technical Report. No issues were noted. The current QP has reviewed this work and accepts the results.

Under supervision of Dr A.A. Ross, Simeon Robinson, P.Geo. of AMC completed additional data verification for assay results collected between 1 July 2016 and 31 December 2019. This verification comprised randomly selecting data from approximately 5% of the drilling and 5% of the channel samples from each year and each mine and comparing Ag, Zn, Pb, and Au assay results in the Mineral Resource database with analytical results on the original assay certificate.

The results of drilling and channel assay verification is presented in Table 12.1 and Table 12.2.

Table 12.1 Assay verification results (drilling July 2016 - December 2019)

Year	Total samples	# samples selected for verification	Assays confirmed [1]	Errors noted [2]	Certificate error [3]	% samples verified
2016	2,994	298	297	1	0	10.0
2017	7,407	559	559	0	0	7.5
2018	5,665	262	262	0	0	4.6
2019	5,678	453	452	1	0	8.0
Total	**21,624**	**1,571**	**1,571**	**2**	**0**	**7.3**

Notes:
[1] Assay results match certificate ignoring minor rounding and truncation discrepancies.
[2] Assay value does not match certificate by more than 1 g/t Ag, 0.01% Pb, 0.01% Zn, or 0.01 g/t Au.
[3] Certificate reference number in the database incorrect.

Table 12.2 Assay verification results (channel samples July 2016 - December 2019)

Year	Total samples	# samples selected for verification	Assays confirmed [1]	Errors noted [2]	Certificate error [3]	% samples verified
2016	9,190	512	465	33	14	5.6
2017	18,803	977	963	7	7	5.2
2018	18,106	1,036	951	72	13	5.7
2019	23,829	1,307	1,273	22	12	5.5
Total	**69,928**	**3,832**	**3,652**	**134**	**46**	**5.5**

Notes:
[1] Assay results match certificate ignoring minor rounding and truncation discrepancies.
[2] Assay value does not match certificate.
[3] Certificate reference number in the database incorrect.

The QP makes the following observations based on the data verification undertaken:

- Site geologists are appropriately trained and are conscious of the specific sampling requirements of narrow-vein, high-grade deposits.
- Cross-checking of original assay results with the drilling database noted two errors out of 1,571 samples verified representing an error rate of 0.1%.
- Cross-checking of original assay results with the channel sample database noted 134 errors out of 3,832 samples verified representing an error rate of 3.5%.
- Ag (recorded as grams per tonne) have been inconsistently rounded or truncated to the nearest integer value in the Ying drilling and channel databases.
- Pb and Zn (recorded as percent) have been inconsistently rounded or truncated to two decimal places in the Ying drilling and channel databases.
- Au (recorded as grams per tonne) is commonly recorded as 0 g/t when no Au assays are available.
- Assay results below the lower LLD are not treated consistently within the assay database. In some cases, LLD results are recorded as the LLD and in other cases they are recorded as half of the LLD or set to another background value.

12.3 Recommendations

The QP recommends that Silvercorp implement the following:

- Undertake further random assay checks of the channel sample database and make corrections as appropriate.
- Modify the central database so that assay data is recorded without rounding to accurately reflect the original assay certificates.
- Establish a protocol for the consistent treatment of samples with analytical results below the LLD.
- Establish a protocol to ensure only samples with assays are recorded in the sample database.

12.4 Conclusions

The QP does not consider the issues noted to have a material impact on Mineral Resource estimates.

The QP considers the assay database to be acceptable for Mineral Resource estimation.

13 Mineral processing and metallurgical testing

13.1 Introduction

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.

The objectives of the lab mineral processing testwork were:

- To maximize silver recovery to the lead concentrate.
- To develop a process flow sheet with appropriate operating parameters as a basis for the industrial scale implementation of lead, zinc, and silver recovery.
- To determine the product quality characteristics relative to the relevant national standards.

The metallurgical testing consisted of mineralogical assessment, flotation tests, and specific gravity measurements of the mineralized veins.

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.

The QP is not aware of any subsequent external Design Institute metallurgical testwork having been carried out, although continual on-site "plant-tuning" occurs.

13.2 Mineralogy

Silvercorp has three principal mining operations on the Ying Property:

- SGX, consisting of the SGX and HZG mines in the western part of the block.
- HPG, consisting of the HPG mine, also in the western part of the block.
- TLP / LM, consisting of the TLP, LME, and LMW mines in the eastern part of the block.

The DCG project on the Property is in the development stage.

The mineralization in the SGX-HZG deposits and other deposits in the Ying district occurs as relatively narrow tabular veins that pinch-and-swell along fault-fissure structures.

The mineralogy generally consists of galena and sphalerite plus a variety of silver minerals from native silver to silver sulphides and sulphosalts, some rare, and in the case of TLP / LM mine some silver halides in the upper zones.

The mineralogy specific to each deposit is described in the following sub-sections.

13.2.1 SGX mineralization

In 2005, HNMRI performed petrographic analysis on samples collected for metallurgical test work from veins S14, S16E, and S16W in adit CM102. HNMRI's study identified the following main mineral occurrences:

- Polymetallic sulphide minerals: galena, sphalerite with trace amounts of chalcopyrite, pyrrhotite, hematite, magnetite, and arsenopyrite.
- Silver minerals: native-silver, B-argentite, and the antimonial sulphosalts: pyrargyrite and stephanite.

Table 13.1 summarizes the mineralogical compositions of blended cores, as feed for flotation tests.

Table 13.1 Mineral composition of the SGX mineralization

Sulphides minerals	%	Gangue minerals	%
Pyrite, pyrrhotite	2.54	Quartz	40
Galena	6.8	Chlorite and sericite	22.5
Sphalerite	7.8	Kaolin and clay minerals	15
Arsenopyrite	0.06	Hornblende and feldspars	4
Chalcopyrite etc.	0.2	Iron oxides, others	1.1

The mineralogical study results showed that:

- Galena is fine to coarse-grained (0.05 to 0.5 mm) and commonly occurs as a replacement of pyrite. The galena is distributed along the fractures of quartz or other gangue minerals and commonly interlocked with sphalerite and pyrite.
- Sphalerite is commonly coarse-grained and ranges from 0.2 to 2.0 mm in size. It is formed by replacing pyrite and enclosed in a skeleton of remaining pyrite.

Table 13.2 summarizes the distribution of silver minerals. Silver appears in two forms:

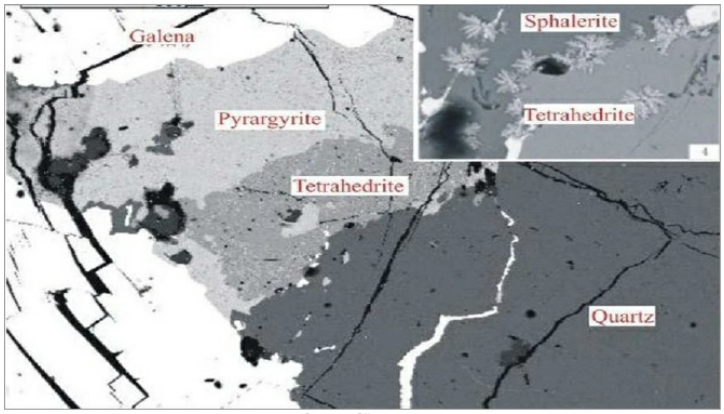
- As silver minerals, including native silver, electrum, tetrahedrite, polybasite, pyrargyrite, and argentite.
- As electro-replacement in galena, pyrite, and other sulphides. Native sulphides usually range from 0.01 to 0.07 mm in size.
- Only 4.6% of the silver is associated with gangue minerals.

Table 13.2 Phase distribution of silver (SGX mineralization)

Occurrence	g/t	%	Comments
Native Silver	89.45	23.32	Free silver
Silver Sulphides	136.32	35.54	In tetrahedrite, polybasite, pyrargyrite, and argentite
Silver in Sulphides	140.04	36.51	In galena, sphalerite, pyrite, and chalcopyrite
Enclosed in gangue minerals	17.76	4.63	In quartz etc.
Total		**100**	

An example of the distribution of silver minerals and silver bearing minerals is shown in Figure 13.1.

Figure 13.1 Distribution of silver minerals and silver-bearing minerals



Source: Silvercorp.

13.2.2 TLP mineralization

The TLP mineralogical assessment was carried out by the No. 6 Brigade, a China-based Exploration Company, and the main mineral occurrences were noted as:

- Metallic sulphide minerals: galena, sphalerite, pyrite, and chalcopyrite.
- Silver minerals: native silver, argentite-acanthite, freibergite, polybasite, cerargyrite- bromochlorargyrite, and canfieldite (a rare silver tin sulphide).
- Gangue minerals: quartz, sericite, chlorite, hornblende, feldspars, and others.

The composition of the minerals in the blended sample is listed in Table 13.3.

Figure 13.3 Mineral composition of the TLP-LM mineralization

Sulphides & iron minerals	**%**	**Gangue minerals**	**%**
Galena	2.1	Carbonate	42.5
Cerusite	0.5	Quartz	30
Anglesite	0.2	Biotite	4.5
Sphalerite	0.2	Chlorite	4.5
Chalcopyrite	0.1	Sericite	2.5
Covellite	0.1	Hornblende	2
Pyrite	0.1	Isiganeite	1.5
Hematite Limonite	6.0	Feldspars	1.4
		Clay	2.1

A detailed phase distribution of silver is listed in Table 13.4. Although only 12.7% of the silver is associated with oxides and gangue minerals, 30. 9% is as halides; thus only 56.4% is as free silver or associated with sulphide minerals - much lower than was found for SGX.

It was noted that this could result in lower recoveries for TLP mineralization, although the occurrence of halides is related to surface oxidation and would be expected to decrease at depth.

Table 13.4 Phase distribution of silver (TLP-LM mineralization)

Occurrence	g/t	%	Comments
Native Silver	18.7	13.61	Free silver
Silver Sulphides	42.9	31.22	In freibergite, argentite-acanthite, polybasite
Silver in Sulphides	15.9	11.57	In galena
Absorbed by Fe and Mn Oxides	15.5	11.28	N/A
Silver in Halides	42.4	30.86	In bromochlorargyrite
Enclosed in gangue minerals	2	1.46	N/A
Total		**100.00**	

13.2.3 HPG mineralization

Mineralogical analysis of HPG mineralization showed that:

- Common sulphide minerals are galena, sphalerite, and tetrahedrite, with lesser amounts of chalcopyrite, pyrargyrite, and other sulfosalts.
- Small amounts of acanthite and native silver may occur, but most silver in the veins is present as inclusions in galena or tetrahedrite (silver-bearing tetrahedrite is also known as freibergite).
- Copper and gold may increase at depth.
- Common gangue minerals are quartz, pyrite, and carbonate, usually siderite or ankerite with distal calcite.

13.3 Metallurgical samples

Samples sent for metallurgical tests were as follows.

13.3.1 SGX mineralization

Blends of the core samples from veins S14, S16E, and S16W in adit CM102 at the SGX mine were used. Compositions of these core samples are listed in Table 13.5.

Table 13.5 Core samples used for ore blending test

Sample	Ag (g/t)	Pb (%)	Zn (%)
No. 1	436.45	0.72	0.87
No. 3	659.75	2.66	13.34
No. 5	314.65	9.67	4.20

To better understand the metallurgical characteristics of the SGX mineralization, HNMRI blended these core samples based on the following ratios of No.1: No.3: No.5 of 2.5: 2: 5.55. It was assumed that this blend would be representative of the SGX mineralization and it would represent the expected mill grade. The head grade result of this blended sample is provided in Table 13.6.

Table 13.6 Head grade of blended sample

Pb (%)	Zn (%)	Cu (%)	S (%)	As (%)	Total Fe (%)
5.88	5.21	0.063	4.02	0.001	2.83
Au (g/t)	**Ag (g/t)**	**CaO (%)**	**MgO (%)**	**SiO (%)**	**Al2O3 (%)**
5.88	386.5	0.063	4.02	0.001	2.83

13.3.2 TLP mineralization

CDRI did some metallurgical work for silver and lead materials on the TLP project in 1994. Two representative bulk samples (Table 13.7) consisting of 110 kg of high-grade mineralization, 111 kg of wall rocks and 304.5 kg of medium grade mineralization, totaling 525.5 kg, were collected from several crosscuts and undercut drifts for metallurgical testing. The samples consisted of mainly transition mineralization but also included a small amount of oxide and sulphide materials. Sample No.1 contained more carbonate rock than Sample No.2, which had higher silicate content.

Table 13.7 TLP mineralization samples for metallurgical tests

Samples	Ag grade (g/t)	Pb grade (%)
Sample 1	187.1	2.37
Sample 2	204.9	2.66

13.4 Metallurgical testwork

Prior to operation of the mines and the construction of Silvercorp's mills, metallurgical tests by HNMRI and other labs were conducted to address the recoveries of the different types of mineralization (Broili et al. 2006, Xu et al. 2006, Broili & Klohn 2007, Broili et al. 2008):

- TLP mineralization was tested by the CDRI in 1994.
- SGX mineralization was tested by HNMRI in May 2005.
- HZG mineralization was tested by TNMDI in 2006.
- HPG mineralization: No test was done.

Some initial size by size analysis work is summarized in Table 13.8, which shows the grade and distribution of Pb, Zn, and Ag vs size fractions for a ball mill stream of 70% -200 mesh. The results indicate that liberation of Pb, Zn, and Ag at the grinding target of 70% -200 mesh are sufficient for desired flotation recovery.

Table 13.8 Liberation of Pb, Zn, and Ag vs size fractions (70% -200 mesh)

Size (mm)	Yield (%)	Grade			Distribution (%)		
		Pb (%)	Zn (%)	Ag(g/t)	Pb	Zn	Ag
+0.150	5.59	1.80	4.21	151	1.71	4.45	2.19
-0.150+0.100	12.22	3.99	5.94	278	8.31	13.72	8.78
-0.100+0.074	12.01	5.14	5.95	384	10.51	13.50	11.91
-0.074+0.037	22.43	5.76	6.60	387	22.01	27.98	22.45
-0.037+0.019	21.65	8.93	5.24	511	32.94	21.45	28.56
-0.019+0.010	14.29	7.05	4.03	441	17.16	10.89	16.28
-0.010	11.81	3.66	3.59	322	7.36	8.01	9.83
Total	**100.00**	**5.87**	**5.29**	**387**	**100.00**	**100.00**	**100.00**

HNMRI's evaluation did not find any difficulty with gangue minerals associated with the base and precious metal mineralization, but they did find a small fraction of encapsulation of the barren sulphide minerals (pyrite, etc.) with silver, lead, and zinc sulphide minerals. Due to the coarseness of these minerals, it was expected that adequate liberation during processing would occur to maintain high recoveries.

Thereafter, the main focus was on flotation testwork to maximize lead and, therefore, silver recovery. Both open circuit and closed-circuit flotation tests were conducted to derive the final metallurgical performance predictions in line with normal practice.

13.4.1 SGX mineralization

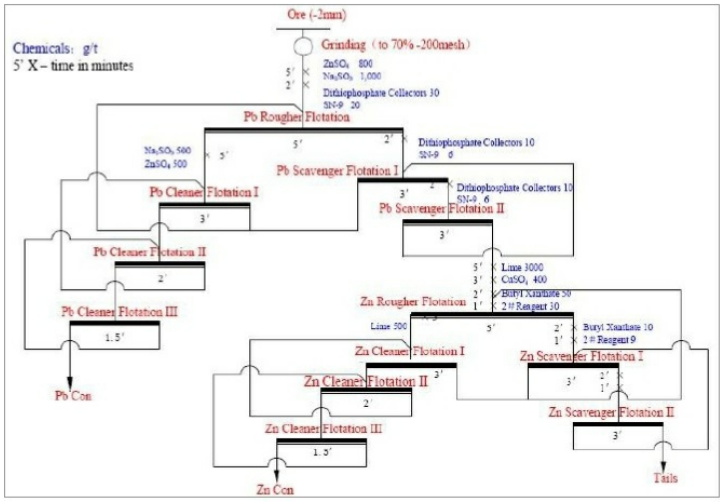
As summarized in previous SGX technical reports, the test work concluded that:

- A conventional Pb / Zn separation process by differential flotation (Figure 13.2, closed loop) would be developed.
- The optimum grinding target for the ore was 70% passing 200 mesh.
- The optimum reagent dosage at different addition locations (as shown in Figure 13.2), gives the best metal recovery (refer to Table 13.9) under recommended operating conditions.

Table 13.9 Mass balance for locked cycle test (SGX mineralization)

Product	Mass yield (%)	Grade			Recovery (%)		
		Pb (%)	Zn (%)	Ag (g/t)	Pb	Zn	Ag
Head		5.88	5.21	386.5			
Lead Con.	7.84	68.18	6.24	4,197	90.89	9.39	85.12
Zinc Con.	7.49	2.10	59.61	453.8	2.67	85.67	8.79
Tails	84.67	0.45	0.30	27.8	6.44	4.94	6.09
Total	**100**				**100**	**100**	**100**

Figure 13.2 Locked cycle flotation flow sheet (SGX mineralization)



Source: Silvercorp.

13.4.2 TLP mineralization

Under closed conditions and using an 80% -200 mesh feed the CDRI's lab performed conventional flotation tests and reported the following results (Table 13.10). The test work demonstrated that silver and lead can be easily extracted from the mineralized vein material using a conventional flotation process. It was notes that silver recovery did not in fact appear to be impacted by the presence of halides.

Table 13.10 Mass balance for locked cycle test (TLP mineralization)

Samples		Ag grade (g/t)	Pb grade (%)	Ag recovery (%)	Pb recovery (%)
Sample 1	Head	187.1	2.37		
	Conc	5274	66.94	94.71	94.96
	Tails	10.25	0.124	5.29	5.04
	Total			**100**	**100**
Sample 2	Head	204.89	2.66		
	Conc	5432	61.65	94.12	82.24
	Tails	12.5	0.49	5.88	17.76
	Total			**100**	**100**

13.4.3 HPG mineralization

No mineral processing and metallurgical tests were conducted for the HPG deposit. Silvercorp submitted a development plan to the relevant authority applying for a mining license using the metallurgical testing results from the TLP silver-lead deposit.

13.4.4 HZG mineralization

TNMDI tested the HZG mineralization, which contains low levels of copper and zinc. The mass balance is summarized in Table 13.11.

Table 13.11 Mass balance for locked cycle test (HZG mineralization)

Product	Mass yield (%)	Grade				Recovery (%)			
		Ag (g/t)	Pb (%)	Cu (%)	Au (%)	Ag	Pb	Cu	Au
Copper Conc	1.53	22026	16.4	19.44	0.29	85.82	9.67	89.98	3.12
Lead Conc	4.39	895.2	50.23	0.433	0.14	10.01	85.03	5.75	4.32
Tailings	94.08	17.4	0.146	0.015	0.14	4.14	5.3	4.27	92.56
Total	**100**	**392.7**	**2.59**	**0.33**	**0.14**	**100**	**100**	**100**	**100**

13.4.5 Grind size optimization

Table 13.12 shows the grade and distribution of Pb, Zn, and Ag vs size fractions for a ball mill stream under different grinding targets. The results indicated that:

- The minimum grinding target of 65% -200 mesh gave sufficient liberation of Pb, Zn, and Ag.
- The grade recovery performance was relatively insensitive to grind size in the 65 - 75% -200 mesh range, although some small (1%) improvement in silver recovery could be expected at the fine end of this range.

Table 13.12 Grind size optimization test results

Product	Yield (%)	Grade			Recovery (%)			-200 mesh (%)
		Pb (%)	Zn (%)	Ag (g/t)	Pb	Zn	Ag	
Lead Conc	11.84	43.1	8.61	2,726.8	86.75	19.42	84.65	60
Lead Tails	88.16	0.88	4.80	66.41	13.25	80.58	15.35	
Feed Ore	100.00	5.88	5.25	381.4	100.00	100.00	100.00	
Lead Conc	11.72	44.19	7.89	2,876.4	88.68	17.65	86.55	65
Lead Tails	88.28	0.75	4.89	59.34	11.32	82.35	13.45	
Feed Ore	100.00	5.84	5.24	389.5	100.00	100.00	100.00	
Lead Conc	11.3	45.99	7.01	2,965.2	88.69	15.21	87.19	70
Lead Tails	88.7	0.75	4.98	55.5	11.31	84.79	12.81	
Feed Ore	100.00	5.86	5.21	384.3	100.00	100.00	100.00	
Lead Conc	11.15	46.55	7.15	2,986.0	88.1	15.21	87.5	75
Lead Tails	88.85	0.79	5.00	53.53	11.9	84.79	12.5	
Feed Ore	100.00	5.89	5.24	380.5	100.00	100.00	100.00	

13.5 Concentrate quality considerations

Table 13.13 shows the product quality expected from both plants.

Table 13.13 Product quality (blends of plants 1 & 2)

Product	Content (% unless stated otherwise)					
	Cu	**Pb**	**Zn**	**As**	**Total Fe**	
Lead Conc	0.36	68.1	6.24	0.015	-	
Zinc Conc	0.33	2.10	50.00	0.010	1.61	
	Au (g/t)	**Ag (g/t)**	**MgO**	**Al2O3**	**SiO2**	**F**
Lead Conc	0.20	4196	0.13	1.13	-	-
Zinc Conc	0.10	454	-	-	2.87	0.10

Table 13.13 shows the product chemical composition, which indicates that:

- The PbS concentrate product is high grade (68 – 70% Pb). Copper (0.36%) and zinc (6.24%) levels in the lead concentrate are acceptable.
- Arsenic levels in the zinc concentrate (0.01% As) are well below the 0.4% As level for a clean Grade 3 concentrate.
- The product moisture (8%) will be low due to the coarse grind (65% -200 mesh) and, therefore, efficient filtration.
- Both lead and zinc concentrate quality are acceptable for the commercial market.

13.6 Summary of testwork outcomes

The mineralogy predicted a metallurgically amenable ore with clean lead-zinc separation by differential flotation and, with the possible exception of silver halides in the upper zones of the TLP deposit, high silver recoveries.

This was confirmed by the metallurgical testwork, with expected performance indices being:

- >90% lead recovery to a high grade (>65% Pb) lead concentrate with >85% silver recoveries.
- 85% zinc recovery to an acceptable (>50% Zn) zinc concentrate.
- Low Cu and acceptable Zn impurity levels in lead concentrates and very low As impurity levels in both concentrates.

No grindability testwork has been carried out but mill throughput has been within or exceeding expectations (see Section 17).

14 Mineral Resource estimates

14.1 Introduction

The Mineral Resource estimates for the SGX, HPG, LMW, and LME deposits were carried out by independent QP Rod Webster, MAIG of AMC who takes responsibility for these estimates.

The Mineral Resource estimates for the TLP, HZG, and DCG deposits were carried out by independent QP Simeon Robinson, P.Geo. of AMC who takes responsibility for these estimates.

The December 2019 Mineral Resources were estimated using a block modelling approach and the dynamic anisotropy application [2] within Datamine™ software. Except for DCG, all metal grades were estimated using ordinary kriging. At DCG metal grades were estimated using inverse distance squared (ID^2).

The Mineral Resources include material (approximately 30% of the total Mineral Resources) below the lower elevation limit of Silvercorp's current mining licenses. However, because of the nature of

Chinese regulations governing applications for new or extended mining licenses, the QPs for the Mineral resource estimation are satisfied that there is no material risk of Silvercorp not being granted approval to extend the lower depth limit of its licenses to develop these Mineral Resources as and when required.

Table 14.1 shows the Mineral Resources and metal content by mine for the Property as of 31 December 2019. The Mineral Resources are reported above a COG based on in-situ values in silver equivalent (AgEq) terms in grams per tonne. COGs incorporate mining, processing and G&A costs provided by Silvercorp for each mine and reviewed by the QP for Mineral Reserves – see Section 15, Table 15.1. The AgEq formula and cut-off grade for each mine are shown in the footnotes of Table 14.1.

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

Table 14.1 Mineral Resources as of 31 December 2019

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	3.29	-	313	6.19	3.12	-	33.08	203.6	102.5
	Indicated	3.48	-	257	5.04	2.53	-	28.77	175.5	88.1
	Measured + Indicated	6.77	-	284	5.60	2.82	-	61.86	379.1	190.6
	Inferred	4.33	-	237	4.84	1.99	-	33.00	209.8	86.1
HZG	Measured	0.49	-	342	1.09	0.25	-	5.43	5.4	1.2
	Indicated	0.60	-	274	0.70	0.15	-	5.29	4.2	0.9
	Measured + Indicated	1.09	-	305	0.87	0.20	-	10.72	9.5	2.1
	Inferred	0.97	-	250	0.78	0.18	-	7.77	7.5	1.7
HPG	Measured	0.88	1.17	93	3.74	1.43	33.3	2.64	33.1	12.6
	Indicated	1.50	1.35	67	3.02	1.30	64.9	3.22	45.2	19.5
	Measured + Indicated	2.38	1.28	77	3.29	1.35	98.2	5.87	78.3	32.1
	Inferred	3.20	2.05	84	2.65	1.04	211.2	8.65	84.9	33.2
LME	Measured	0.49	-	348	1.72	0.38	-	5.47	8.4	1.8
	Indicated	1.18	-	282	1.62	0.44	-	10.69	19.1	5.1
	Measured + Indicated	1.67	-	301	1.65	0.42	-	16.16	27.5	7.0
	Inferred	1.79	-	222	1.73	0.39	-	12.75	30.9	6.9
LMW	Measured	0.74	-	330	3.13	0.28	-	7.87	23.2	2.1
	Indicated	1.97	-	259	2.33	0.29	-	16.41	45.9	5.8
	Measured + Indicated	2.71	-	278	2.55	0.29	-	24.29	69.1	7.9
	Inferred	2.41	-	248	2.85	0.39	-	19.22	68.6	9.5
TLP	Measured	2.51	-	208	3.44	0.33	-	16.79	86.5	8.3
	Indicated	2.92	-	165	2.74	0.32	-	15.48	79.9	9.2
	Measured + Indicated	5.43	-	185	3.06	0.32	-	32.27	166.4	17.5
	Inferred	5.48	-	157	2.64	0.25	-	27.70	144.7	13.7
DCG	Measured	-	-	-	-	-		-	-	-
	Indicated	0.06	0.09	59	3.78	0.15	0.2	0.12	2.3	0.1
	Measured + Indicated	0.06	0.09	59	3.78	0.15	0.2	0.12	2.3	0.1
	Inferred	0.40	0.24	61	4.69	0.15	3.2	0.79	18.9	0.6
Total	Measured	8.41	0.12	264	4.28	1.53	33.3	71.29	360.2	128.6
	Indicated	11.71	0.17	212	3.18	1.10	65.1	79.98	372.1	128.7
	Measured + Indicated	20.12	0.15	234	3.64	1.28	98.4	151.26	732.3	257.3
	Inferred	18.58	0.36	184	3.04	0.82	214.4	109.87	565.3	151.8

Notes:

- Mineral Resources are reported according to the CIM Definition Standards (2014).
- Measured and Indicated Mineral Resources are inclusive of estimated Mineral Reserves.
- Metal prices: gold US$1,250/troy oz, silver US$18/troy oz, lead US$0.95/lb, zinc US$1.10/lb.
- Exchange rate: RMB 6.90 : US$1.00.
- Mineral Resource reported 5 m below surface.
- Veins factored to a minimum extraction width of 0.3 m.
- Cut-off grades: SGX 145 g/t AgEq; HZG 130 g/t AgEq; HPG 140 g/t AgEq; LME 120 g/t AgEq; LMW 155 g/t AgEq; TLP 130 g/t AgEq; DCG 135 AgEq.
- AgEq formulas by mine:
  - SGX: AgEq =35.63*Pb%+22.45*Zn%+Ag g/t
  - HZG: AgEq =34.6*Pb%+Ag g/t
  - HPG: AgEq =36.84*Pb%+23.61*Zn%+62.87*Au g/t + Ag g/t
  - LME: AgEq =34.17*Pb%+11.92*Zn%+Ag g/t
  - LMW: AgEq=35.06*Pb%+Ag g/t
  - TLP: AgEq =34.19*Pb%+Ag g/t
  - DCG: AgEq =36.84*Pb% + 23.61*Zn + 62.87*Au g/t + Ag g/t
- Exclusive of mine production to 31 December 2019.
- Rounding of some figures may lead to minor discrepancies in totals.

14.2 Data used

14.2.1 Drillholes and underground channel samples

Drillholes and underground channel sample databases were provided to AMC in csv format by Silvercorp on the 16 March 2020. These data comprised collar coordinates, downhole surveys, and assays, and were imported and verified in Datamine software. Table 14.2 is a summary of the data used in the Mineral Resource estimation, as well as the number of veins per mine. A total of 311 veins were modelled and estimated.

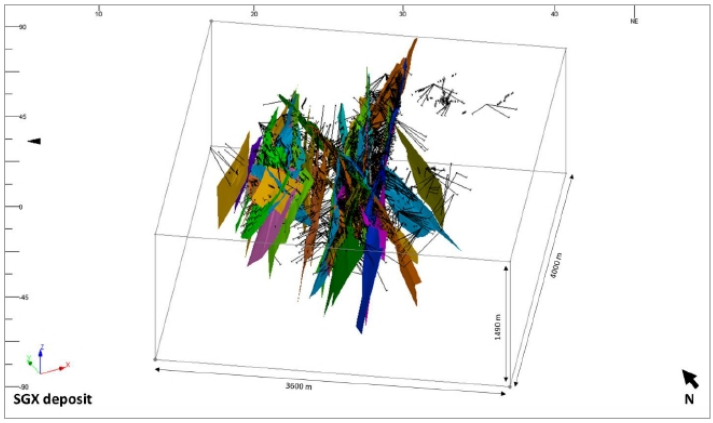
Table 14.2 Summary of data used

Mine	No. of veins	No. of channel samples	No. of drillholes	Metres of channel samples	Metres of drillcore samples
SGX	75	66,165	1,691	34,858	27,354
HZG	22	14,181	372	5,956	6,756
HPG	36	14,549	673	9,454	7,263
LME	23	11,456	539	6,814	11,715
LMW	73	21,594	892	11,312	19,467
TLP	78	54,881	1,056	33,078	25,502
DCG	4	172	44	122	912
Total	**311**	**182,998**	**5,267**	**101,594**	**98,969**

14.3 Geological interpretation

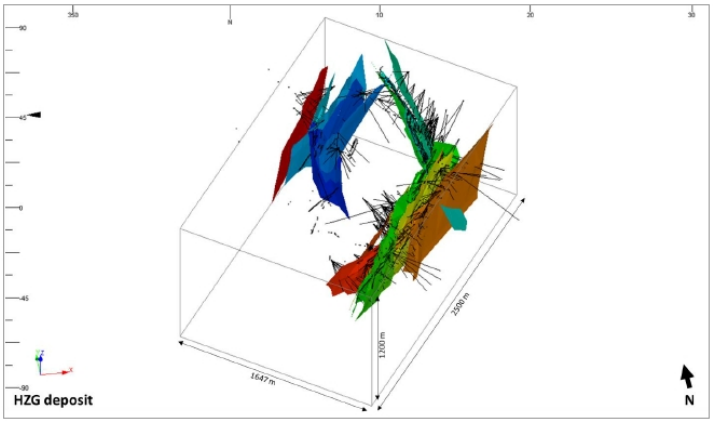
The interpretation of the mineralized domains was provided by Silvercorp. Silver, lead, and zinc mineralization was interpreted on cross section and then linked to form 3D solid wireframes. The nominal thresholds for the mineralization wireframes were 140 g/t AgEq for SGX, HZG, and HPG mines, and 120 g/t AgEq for LMW, LME, DCG, and TLP mines. Drillhole intersections with zero grade were commonly included where veins were noted, to aid interpretation. The QP's verified the 3D wireframes provided by Silvercorp. In the case of DCG, the wireframes were remodeled in LeapFrog™ by the QP. The 3D vein wireframes for each mine are shown in Figure 14.1 to Figure 14.7.

Figure 14.1 3D view of the SGX mineralization wireframes



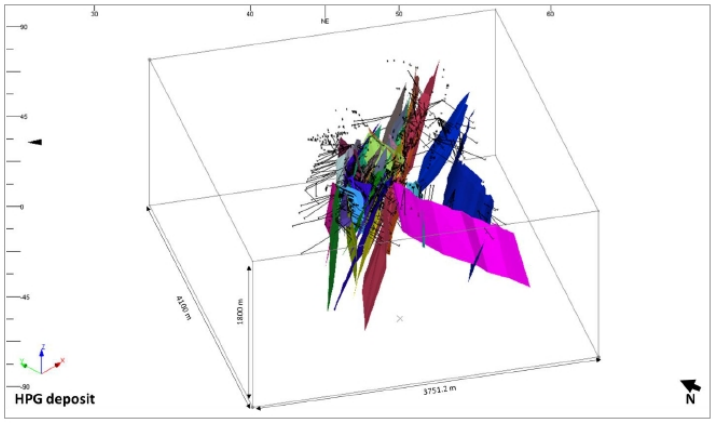
Note: Drillhole traces (black). Individual veins are given unique colours to aid visualization. Not to scale.
Source: AMC 2020.

Figure 14.2 3D view of the HZG mineralization wireframes



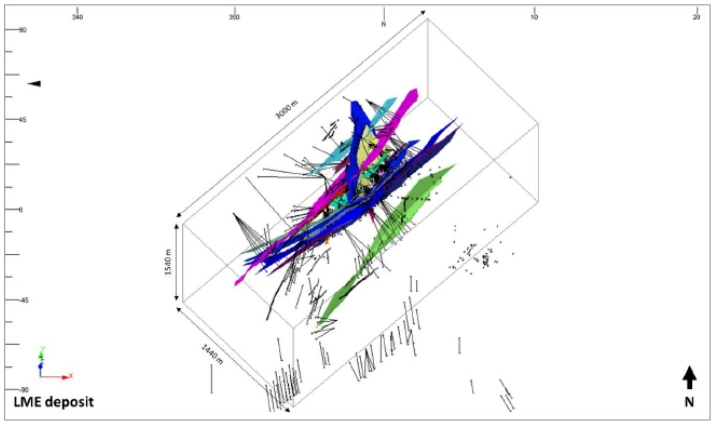
Note: Drillhole traces (black). Individual veins are given unique colours to aid visualization. Not to scale.
Source: AMC 2020.

Figure 14.3 3D view of the HPG mineralization wireframes



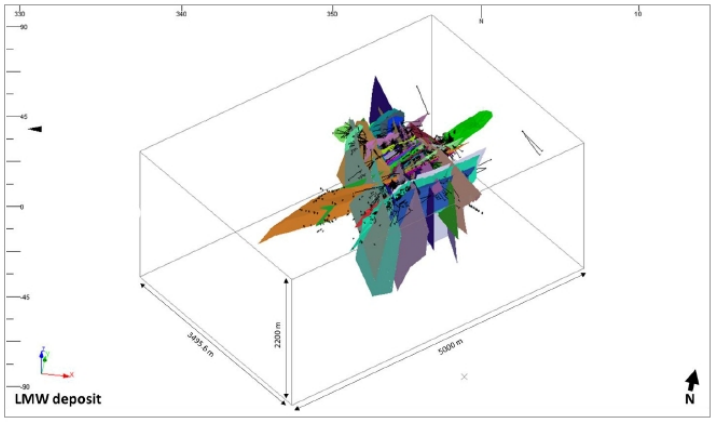
Note: Drillhole traces (black). Individual veins are given unique colours to aid visualization. Not to scale.
Source: AMC 2020.

Figure 14.4 3D view of the LME mineralization wireframes



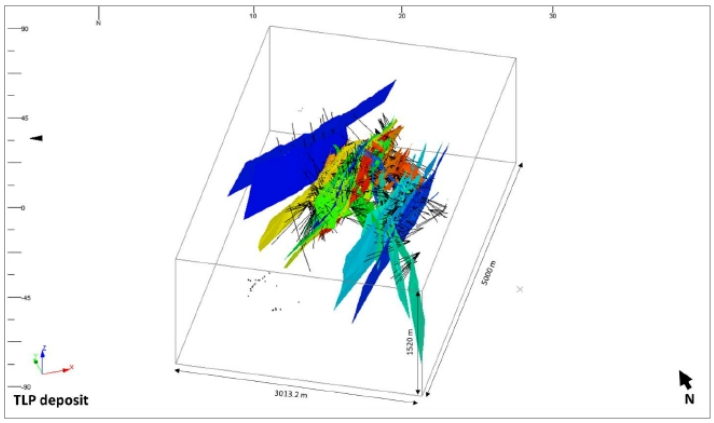
Note: Drillhole traces (black). Individual veins are given unique colours to aid visualization. Not to scale.
Source: AMC 2020.

Figure 14.5 3D view of the LMW mineralization wireframes



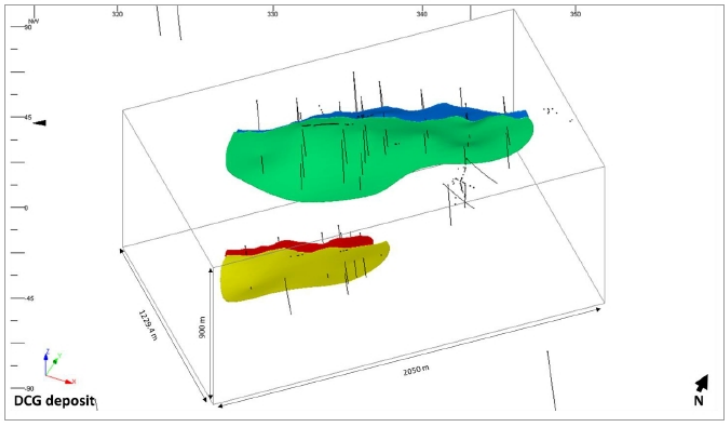
Note: Drillhole traces (black). Individual veins are given unique colours to aid visualization. Not to scale.
Source: AMC 2020.

Figure 14.6 3D view of the TLP mineralization wireframes



Note: Drillhole traces (black). Individual veins are given unique colours to aid visualization. Not to scale.
Source: AMC 2020.

Figure 14.7 3D view of the DCG mineralization wireframes



Note: Drillhole traces (black). Individual veins are given unique colours to aid visualization. Not to scale.
Source: AMC 2020.

14.4 Data preparation

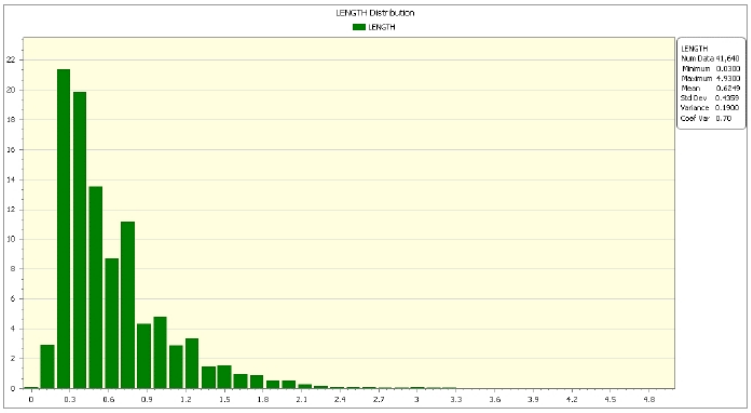
14.4.1 Statistics and compositing

Drillhole and channel sample intervals were flagged and coded using 3D vein wireframes at each deposit. Each vein was treated as a separate estimation domain and reviewed and estimated independently.

A compositing interval was selected by reviewing sample length histograms and by comparing length-weighted raw grade statistics with composited grade statistics. An example of mineralized sample length histograms from the SGX mine is displayed in Figure 14.8. A composite length of 0.4 m was chosen for most mines as it does not distort the grade distribution for the mines when compared to the length-weighted raw grade statistics. The composite length for DCG was 0.3 m.

Note that the SGX and TLP mines host the majority (61%) of the Measured and Indicated Mineral Resource tonnes and as such veins from these mines are commonly cited as examples in this subsection and others.

Figure 14.8 SGX mineralized sample length histogram



Source: AMC 2020.

14.4.2 Grade capping

Grade capping is the process of reducing the grade of an outlier sample to a value that is considered to be more representative of the surrounding grade distribution, thereby minimizing the overestimation of adjacent blocks in the vicinity of the outlier.

A capped grade value should not result in an excessively large number of values being capped; typically, this should be less than 5% of the total database. The impact of this capping varies depending on the grade distribution, value of the outliers, and the number of samples in the grade domain.

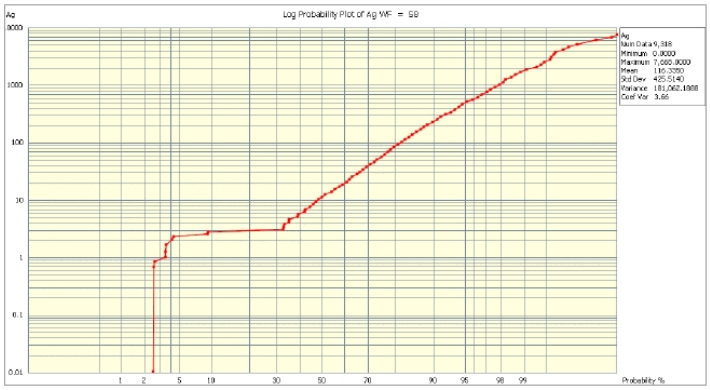
To determine the optimal grade capping strategy, the following steps were undertaken on the composited data for each grade cap exercise:

- The skewness of the grade distribution was evaluated by looking at the grade on a log probability plot and the coefficient of variation statistic. An example of a log probability plot of silver from a domain at the SGX mine is presented in Figure 14.9.
- The spatial location of the outlier values were visually evaluated in Datamine ^{TM} to determine whether they are clustered (suggesting the existence of a high grade zone within the domain), or randomly distributed (suggesting the presence of outliers that may need to be capped).
- An appropriate capped grade was interpreted based on the above criteria and in keeping with the surrounding grade distribution.

A summary of the capping grade for the outliers is presented in Table 14.3.

The raw, uncapped composite and final statistics are presented in Table 14.4 for the 16 most significant veins from the seven deposits. Capping was carried out on the composite data for each vein.

Figure 14.9 Probability plot for silver grades in composited channel samples for vein S8 SGX mine



Source: AMC 2020.

Table 14.3 Grade capping summary

Mine	Element	No of veins top cut	Lowest top cut	Highest top cut
SGX	Ag (g/t)	9	300	8000
	Pb (%)	8	0.7	70
	Zn (%)	9	0.35	40
HZG	Ag (g/t)	19	350	8000
	Pb (%)	21	1	25
	Zn (%)	15	0.5	3.5
HPG	Au (g/t)	4	4	35
	Ag (g/t)	8	40	2000
	Pb (%)	9	1.5	40
	Zn (%)	4	2	20
LME	Ag (g/t)	4	3000	10000
	Pb (%)	2	10	20
	Zn (%)	5	2	6
LMW	Ag (g/t)	15	400	3000
	Pb (%)	12	2	30
	Zn (%)	17	0.15	4
TLP	Ag (g/t)	65	200	4000
	Pb (%)	43	1.5	45
	Zn (%)	43	1	8
DCG	Au (g/t)	2	0.8	1
	Ag (g/t)	2	100	200
	Pb (%)	3	3	12
	Zn (%)	3	0.4	1

Table 14.4 Sample summary statistics

Mine	Vein	Statistic	Ag (g/t)			Pb (%)			Zn (%)		
			Raw	Comp	Capped	Raw	Comp	Capped	Raw	Comp	Capped
SGX	S19	No. samples	2,343	6,025	6,025	2,343	6,025	6,025	2,325	6,025	6,025
		Minimum	0	0	0	0	0	0	0	0	0
		Maximum	8,944	8,944	8,944	73.94	73.94	73.94	34.03	34.03	34.03
		Mean	299	204	294	4.06	3.65	3.65	1.77	1.58	1.58
		Coeff. Var	2.38	2.46	2.46	2.05	2.08	2.08	1.89	1.93	1.93
	S8	No. samples	3,757	9,556	9,556	3,745	9,556	9,556	3,755	9,556	9,556
		Minimum	0	0	0	0	0	0	0	0	0
		Maximum	7,668	7,668	7,668	78.14	78.14	78.14	36.38	36.38	35
		Mean	136	116	116	3.41	2.86	2.86	1.54	1.26	1.26
		Coeff. Var	3.25	3.66	3.66	2.4	2.44	2.44	2.27	2.34	2.34
	S2	No. samples	1,556	3,826	3,826	1,556	3,826	3,816	1,556	3,826	3,826
		Minimum	0	0	0	0	0	0	0	0	0
		Maximum	10,878	10,878	10,878	79.37	79.37	79.37	44.99	44.99	44.99
		Mean	390	351	351	6.93	6.12	6.12	2.59	2.13	2.13
		Coeff. Var	2.05	2.07	2.07	1.78	1.75	1.75	1.73	1.73	1.73
	S7	No. samples	2,398	6,417	6,417	2,397	6,417	6,417	2,398	6,417	6,417
		Minimum	0	0	0	0	0	0	0	0	0
		Maximum	4,335	4,060	4,060	69.78	69.78	69.78	34.77	34.77	30
		Mean	210	161	161	4.47	3.36	3.36	1.81	1.39	1.39
		Coeff. Var	1.94	2.11	2.11	2.09	2.21	2.21	1.94	1.96	1.95
	S7_1	No. samples	3,184	6,569	6,569	3,184	6,569	6,569	3,184	6,569	6,569
		Minimum	0	0	0	0	0	0	0	0	0
		Maximum	3,676	3,676	3,676	74.26	74.26	70	56.54	56.54	40
		Mean	177	169	169	3.62	3.5	3.5	3.64	3.39	3.32
		Coeff. Var	2.23	2.22	2.22	2.51	2.48	2.48	1.82	1.8	1.78
HZG	HZ26	No. samples	290	383	383	290	383	383	290	383	383
		Minimum	0	0	0	0	0	0	0	0	0
		Maximum	4,563	4,563	2,400	9.77	9.77	4.50	1.48	1.39	1.00
		Mean	191	191	185	0.53	0.53	0.5	0.13	0.13	0.12
		Coeff. Var	2.21	2.15	1.96	2.03	1.87	1.61	1.49	1.43	1.31
HPG	H17	No. samples	2,651	5,821	5,821	2,651	5,821	5,821	2,651	5,821	5,821
		Minimum	0	0	0	0	0	0	0	0	0
		Maximum	14,212	3,729	2,000	67.13	67.13	67.13	40.43	40.43	25
		Mean	61	51	51	2.24	2.33	2.33	0.97	0.95	0.95
		Coeff. Var	5.79	2.4	2.19	2.32	2.21	2.21	2.91	2.61	2.55
	H15	No. samples	1,276	2,059	2,059	1,276	2,059	2,059	1,276	2,059	2,059
		Minimum	0	0	0	0	0	0	0	0	0
		Maximum	3,515	2,901	2,901	73.18	73.18	73.18	27.8	27.8	27.8
		Mean	74	66	66	3.12	2.91	2.91	0.76	0.71	0.71
		Coeff. Var	2.70	2.39	2.39	1.92	1.83	1.83	3.07	2.83	2.83

Mine	Vein	Statistic	Ag (g/t)			Pb (%)			Zn (%)		
			Raw	Comp	Capped	Raw	Comp	Capped	Raw	Comp	Capped
LME	LM5E	No. samples	686	2,295	2,295	686	2,295	2,295	686	2,295	2,295
		Minimum	0	0	0	0	0	0	0	0	0
		Maximum	3,720	3,720	37,209	32.45	32.45	32.45	8.71	8.71	6.00
		Mean	228	228	228	1.36	1.29	1.29	0.38	0.36	0.35
		Coeff. Var	2.02	1.88	1.88	2.22	2.21	2.21	1.91	1.9	1.83
	LM5	No. samples	1,883	4,136	4,136	1,883	4,136	4,136	1,883	4,136	4,136
		Minimum	0	0	0	0	0	0	0	0	0
		Maximum	14,613	14,613	10,000	37.17	33.77	20	9.03	7.73	6.00
		Mean	275	257	255	1.29	1.67	1.16	0.31	0.28	0.28
		Coeff. Var	2.67	2.55	2,47	1.85	1.71	1.67	1.84	1.71	1.69
LMW	LM7	No. samples	583	1,702	1,702	583	1,702	1,702	583	1,702	1,702
		Minimum	0	0	0	0	0	0	0	0	0
		Maximum	2,260	1,539	1,539	11.92	10.78	10.78	7.24	7.24	3
		Mean	78	71	71	0.93	0.86	0.86	0.1	0.1	0.09
		Coeff. Var	2.35	2.16	2.16	1.67	1.45	1.45	3.47	4.26	2.45
TLP	T3	No. samples	3,704	7,661	7,661	3,704	7,661	7,661	3,704	7,661	7,661
		Minimum	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Maximum	2,941	2,630	2,000	68.00	68.00	30.00	4.28	4.28	4.28
		Mean	69	69	69	1.84	1.84	1.82	0.10	0.10	0.10
		Coeff. Var	2.90	2.81	2.78	2.08	2.00	1.88	2.37	2.27	2.27
	T2	No. samples	3,304	6,870	6,870	3,304	6,870	6,870	3,304	6,870	6,870
		Minimum	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		Maximum	6,093	6,870	3,000	69.67	56.09	42	17.5	17.5	8.00
		Mean	88	88	87	2.27	2.28	2.26	0.16	0.16	0.15
		Coeff. Var	2.86	2.72	2.48	1.89	1.81	1.76	3.27	3.14	2.68
	T3E	No. samples	947	1,829	1,829	947	1,829	1,829	947	1,829	1,829
		Minimum	0	0	0	0	0	0	0	0	0
		Maximum	5,010	4,885	1,200	45.59	45.59	30	11.33	10.36	3.00
		Mean	58	58	54	1.23	1.24	1.21	0.12	0.12	0.1
		Coeff. Var	3.51	3.42	2.61	2.65	2.54	2.31	4.76	4.59	2.89
	T1	No. samples	1,323	2,379	2,379	1,323	2,379	2,379	1,323	2,379	2,379
		Minimum	0	0	0	0	0	0	0	0	0
		Maximum	6,322	6,322	1,500	61.86	61.49	61.49	9.30	9.30	7.00
		Mean	84	84	71	1.52	1.52	1.62	0.13	0.13	0.13
		Coeff. Var	4.09	4.05	2.41	2.77	2.63	2.63	1.02	3.98	3.71
DCG	C4E	No. samples	65	165	165	65	165	165	65	165	165
		Minimum	0	0	0	0	0	0	0	0	0
		Maximum	241	241	100	33.63	33.63	12.00	3.42	2.48	1.00
		Mean	14.45	14.45	14.11	2.13	2.13	1.85	0.10	0.10	0.09
		Coeff. Var	1.67	1.66	1.53	1.96	1.93	1.56	2.22	1.81	1.13

14.5 Block model

14.5.1 Block model parameters

The block models were horizontally rotated around the z-axis to align the y-axis to be parallel with the strike of the veins. With the exception of DCG, two distinct groups of vein orientations are present in each mine (see Figure 14.1 to Figure 14.7), and so two different models with different rotations were produced for each mine (Areas 1 and 2 in the following tables). DCG, with only one vein orientation, had one model. This made a total of 13 models for the seven mines.

The block model parameters are shown in Table 14.5 for the Datamine models.

Table 14.5 Block model parameters

	Parameter	SGX		HZG		HPG		LME	
		Area 1	Area 2	Area 1	Area 2	Area 1	Area 2	Area 1	Area 2
	Rotation	**0**	**35**	**35 CW**	**10 CCW**	**0**	**54**	**40**	**0**
Origin (m)	Easting	522,320	521,000	522,150	523,300	525,000	523,750	532,500	533,690
	Northing	3,780,305	3,781,500	3,779,000	3,779,200	3,781,200	3,782,680	3,778,700	3,778,900
	RL	-585	-585	-100	-100	0	-600	-200	200
Parent cell dimension (m)	Easting	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
	Northing	10	10	10	10	10	10	10	10
	RL	10	10	10	10	10	10	10	10
Number of cells	Easting	3,123	4,000	1,830	1,501	3,113	4,168	1,600	768
	Northing	375	400	250	170	880	410	300	130
	RL	149	149	120	110	120	180	154	103

	Parameter	LMW		TLP		DCG
		Area 1	Area 2	Area 1	Area 2	
	Rotation	**70**	**45**	**30° CW**	**0**	**45 CW**
Origin (m)	Easting	528,905	530,360	530,764.8	532,000	531,750
	Northing	3,779,005	3,778,205	3,779,330	3,777,850	3,783,200
	RL	-900	-85	-300	-300	225
Parent cell dimension (m)	Easting	0.9	0.9	0.9	0.9	0.9
	Northing	10	10	10	10	50
	RL	10	10	10	10	30
Number of cells	Easting	3,884	3,884	3,348	3,130	1,366
	Northing	500	335	500	515	41
	RL	220	139	152	155	30

Note: CW = clockwise rotation, counter-clockwise rotation (looking down along z-axis).

14.6 Variography and grade estimation

14.6.1 Variography

Variography characterizes the average spatial continuity for a spatially located variable. An experimental variogram displays the grade continuity in a specified direction and variogram models are manually fitted to the experimental variograms in three orthogonal directions (3D). The 3D variogram models are then used to assign the appropriate kriging weights in the estimation process, taking into account the average spatial characteristics of the underlying grade distribution.

All variography was completed using Supervisor geostatistical software.

14.6.2 Variography methodology

For TLP, HZG, and DCG, the following methodology was applied for each deposit:

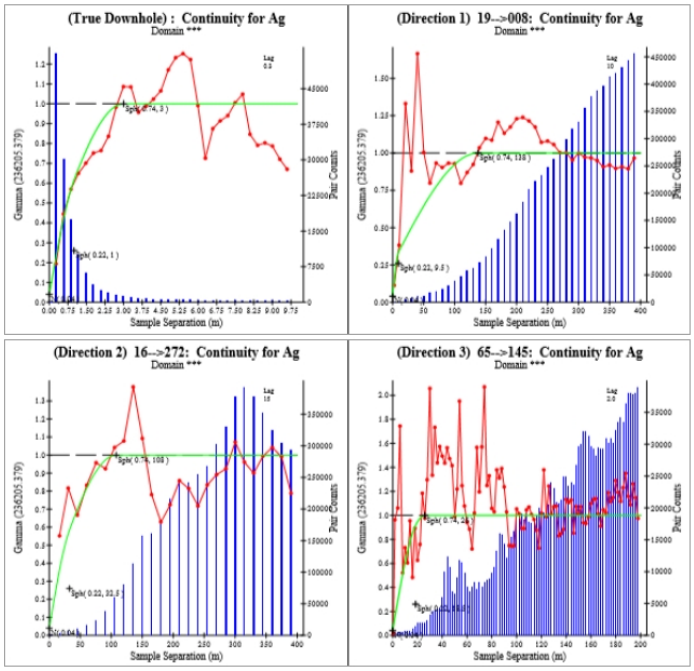
1 Capped composite data was merged into up groups at based on vein orientation .
2 Data was transformed from an approximately log-normal distribution to a normal distribution.
3 Experimental variograms were generated using normal-score data in a plane aligned with the dip and strike of the vein group for each vein group and each grade variable.
4 Spherical variogram models were fitted to the experimental variograms. Across strike (minor direction) variogram models were generally approximated due to limited data across veins.
5 Normal-score variograms were back-transformed from normal score to original units prior to import into Datamine.

Variogram models for TLP, HZG, and DCG were completed in real world coordinates. Block rotation was accounted for by Datamine during grade estimation.

For SGX, HPG, LMW, and LME, the veins were grouped into two orientations, approximately north-south and other direction. The groups that were not oriented north-south were rotated to be north south for variogram analysis and grade estimation. This resulted in the final blocks following the orientation of the veins. Spherical variograms were used during kriging to estimate the block grades.

An example of modelled variograms from the SGX mine is displayed in Figure 14.10.

Figure 14.10 Silver variograms: SGX variography Area 1



Source: AMC 2020.

14.6.3 Estimation method

Silver, lead, and zinc grades were estimated into the block models using 3D ordinary kriging and the dynamic anisotropy application within Datamine™ for all models except DCG. Dynamic anisotropy re-orientates the search ellipsoid for each estimated block, based on the local orientation of the mineralization using the wireframe modelling the vein. Due to limited data and poor experimental variograms, ID^2 was used to estimate DCG. Gold was also estimated for HPG and DCG. The following summarizes the estimation method:

- Each vein was estimated independently of the other veins.
- Block grades were estimated into the parent cells.
- Sub-cells were used to accurately define the mineralization wireframes.
- Block grade estimation did not use octant searching.

- Discretization was set to 9 × 9 × 9 (X, Y, Z) for SGX, HPG, LMW, and LME.
- Discretization was set to 2 × 4 × 4 (X, Y, Z) for TLP, HZG, and DCG.

Search parameters used are detailed in Table 14.6.

Table 14.6 Search parameters for each block model

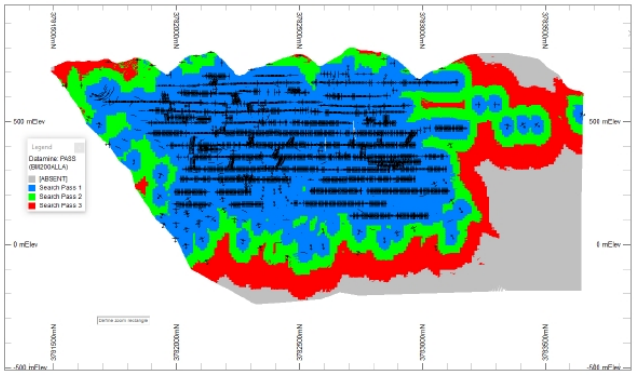
Deposit	Pass	Search distance down-dip	Search distance along-strike	Search distance A-cross strike	Minimum number of samples	Maximum number of samples	Octant search	Maximum samples per drillhole
SGX	1	50	50	30	4	8	No	2
	2	100	100	60	4	8	No	2
	3	150	150	90	4	8	No	2
HZG	1	50	50	10	4	8	No	2
	2	100	100	20	4	8	No	2
	3	250	250	50	1	8	No	2
HPG	1	100	100	25	4	8	No	2
	2	200	200	50	4	8	No	2
	3	200	200	75	4	8	No	2
LME	1	50	50	30	4	8	No	2
	2	100	100	60	4	8	No	2
	3	150	150	90	4	8	No	2
LMW	1	50	50	30	4	8	No	2
	2	100	100	60	4	8	No	2
	3	150	150	90	4	8	No	2
TLP	1	50	50	30	4	8	No	2
	2	100	100	60	4	8	No	2
	3	250	250	150	1	8	No	2
DCG	1	50	50	25	6	12	No	3
	2	250	250	125	4	6	No	3
	3	Na	Na	Na	Na	Na	Na	Na

In the 2016 report a study was carried out on the LME mine to assess the results of changing the following: maximum number of samples, octants on or off, search parameter distances.

The results were highly variable demonstrating that the vein characteristics are all different. However, to achieve a reasonable global estimate, the above parameters are considered by the QPs to be fair.

An example of the estimation passes is displayed for the S16W vein of the SGX mine in Figure 14.11.

Figure 14.11 Estimation pass longitudinal projection SGX mine: vein S16W

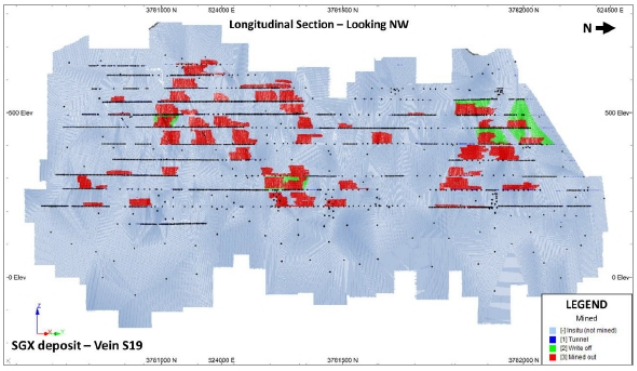


Note: Samples shown as black dots. Model coloured by estimation pass (legend displayed).
Source: AMC 2020.

14.6.4 Mining depletion

Mining depletion and write offs were coded into the block models using wireframes prepared by Silvercorp, which were based on survey information to 31 December 2019. An example of the depletion coding is displayed for the S16W vein of the SGX mine in Figure 14.12.

Figure 14.12 Mining depletion longitudinal projection SGX mine: vein S19



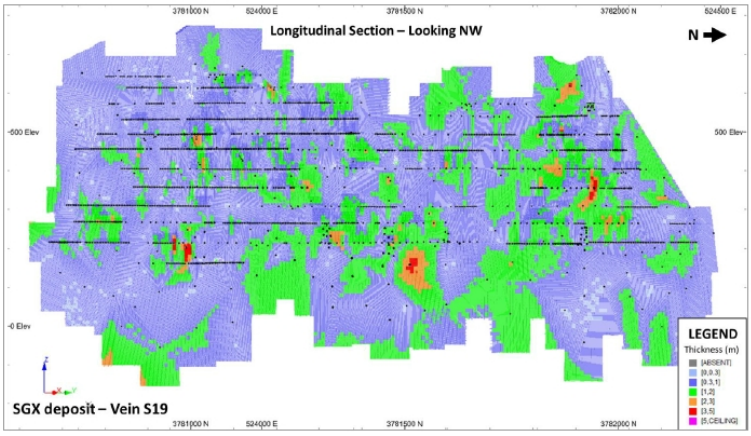
Note: Model coloured by depletion code (legend displayed).
Source: AMC 2020.

14.6.5 Minimum mining width

A minimum mining width of 0.3 m was coded into the model before applying the COG and reporting the Mineral Resource to assist in defining reasonable prospects of economic extraction. Where the dimension across the vein was less than 0.3 m, the block was expanded to 0.3 m and grades were diluted using zero grade.

An example of horizontal thickness coding in the model is shown in Figure 14.13.

Figure 14.13 Horizontal thickness longitudinal projection SGX mine: vein S19



Note: Model coloured by horizontal thickness (legend displayed).
Source: AMC 2020.

14.7 Mineral Resource classification

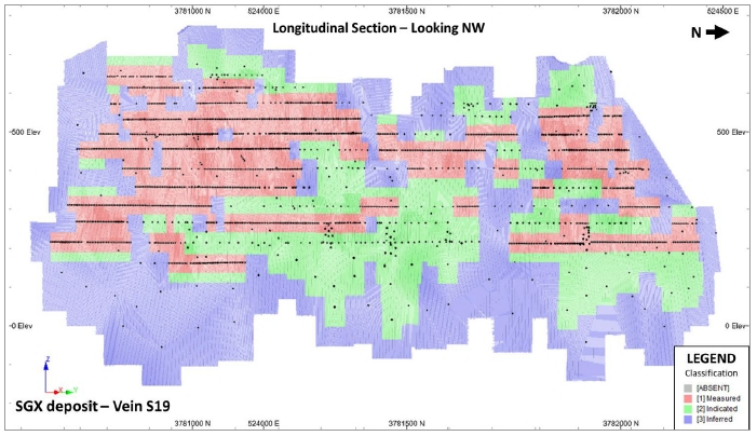
The QP's classified the Mineral Resources with consideration of the narrow-vein style of mineralization, the observed grade continuity, and the sample spacing in longitudinal projection. Smoothing was implemented to remove isolated blocks of one category that were surrounded by blocks of another category. An example of the Mineral Resource classification is displayed in Figure 14.14. The following set of parameters was used as a guide to ensure that the construction of Mineral Resource category wireframes was consistent across the 311 veins that currently comprise the Mineral Resource:

- Measured Resource:
  - Measured Resources are defined by the presence of exploration tunneling. The boundary of Measured Resources is determined by extrapolating 20 – 25 m up and down dip from the exploration tunnels where channel samples are < 15 m apart.
  - No Measured Resources are extrapolated along strike from the ends of an exploration tunnel.

- Indicated Resource:
  - Indicated Resources are defined by either exploration drilling or exploration tunneling.
  - A basic drilling grid of 50 m (along strike) × 100 m (up and down dip) is used to delineate Indicated Resources. A minimum of three holes is required to define an Indicated Resource block. Boundaries of drill-defined Indicated Resource Blocks are determined by extrapolating 25 m along strike and 50 m up and down dip from the hole closest to the boundary.
  - Boundaries of tunnel-defined Indicated Resources are defined by extrapolating 40 – 50 m up and down dip from the exploration tunnel.
  - No Indicated Resources are extrapolated along strike from the ends of exploration tunnel.
- Inferred Resource:
  - Inferred Resources are either defined by a low-density of holes or extrapolated from drill-defined Indicated Resource blocks.
  - Boundaries of Inferred Resource are determined by extrapolating 50 m along strike and 100 m up and down dip from the hole closest to the Indicated boundary.
  - No Inferred Resources are extrapolated from exploration tunnels.

At the DCG deposit, wider spaced drilling and the lack of QA/QC data resulted in an adjustment to classification parameters. Indicated classification was defined by the presence of exploration tunneling using similar criteria to Measured Resources in other deposits. Inferred resources were defined by exploration drilling. The average distance of composites used to estimate an Inferred block was less than 150 m.

Figure 14.14 Mineral Resource classification longitudinal projection SGX mine: vein S19



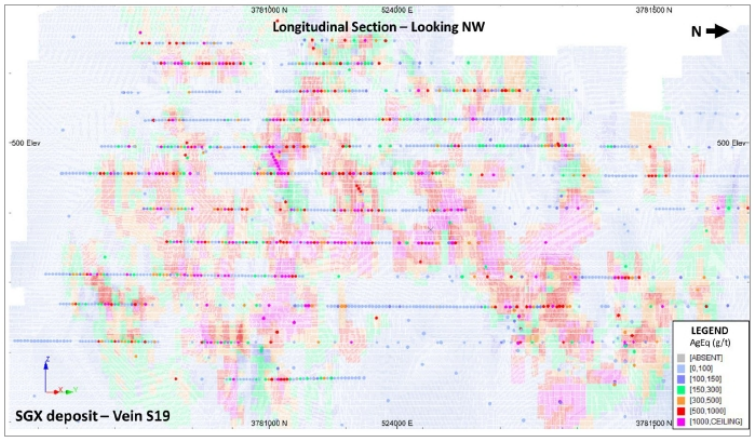
Note: Model coloured by Mineral Resource category (legend displayed). Samples shown as black dots Block model validation.
Source: AMC 2020.

14.8 Block model validation

The block models were validated by visual checks, statistical comparisons, and swath plots.

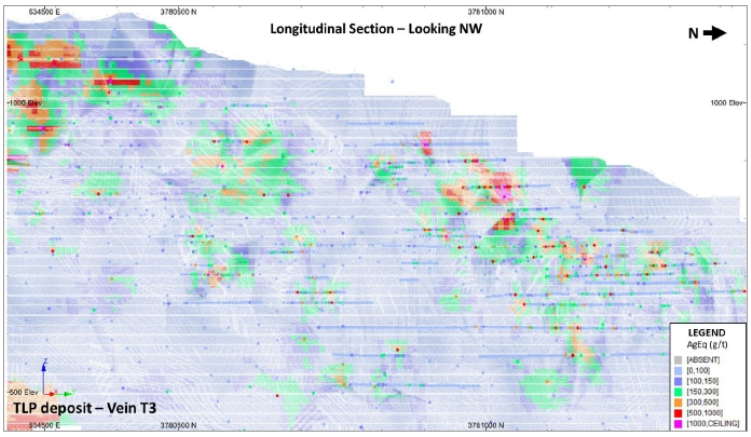
Visual checks were carried out to ensure that the estimated grades were consistent with the drillhole grades and to check that the estimated grade distribution was consistent with the style of mineralization. Figure 14.15 and Figure 14.16 show examples of the drillhole and channel composite AgEq grades compared to the block model estimated grades for part of the S19 vein at the SGX mine and the T3 vein of the TLP mine. The figures show good agreement between the drillhole composite grades and the estimated block model grades.

Figure 14.15 Silver equivalent grade longitudinal projection SGX mine: vein S19



Note: Drillhole and channel composites: coloured dots, Model: coloured open squares.
Source: AMC 2020.

Figure 14.16 Silver equivalent grade longitudinal projection TLP mine: vein T3



Note: Drillhole and channel composites: coloured dots, Model: coloured squares. Source: AMC 2020.

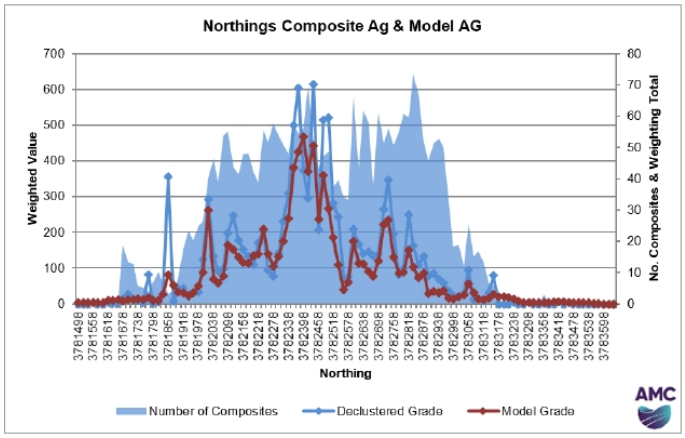
Table 14.7 shows the statistical comparison of the composites versus the block model grades for silver, lead, and zinc in the four largest veins of both the SGX and TLP deposit. The QPs consider the results are acceptable. In all cases, when declustering is used for the comparison the results are very sensitive to the declustering grid parameters.

Table 14.7 SGX and TLP grade statistics for block model vs composites: largest veins

Mine	Vein	Statistic	Ag (g/t)		Pb (%)		Zn (%)	
			Composites	BM	Composites	BM	Composites	BM
SGX	S19	No. samples	6,025	672,215	6,025	666,182	6,025	667,035
		Minimum	0	0	0	0	0	0
		Maximum	8,944	7,564	73.94	52.21	34.03	17.6
		Mean	201	193	3.57	3.50	1.55	1.46
		Std. Dev,	499	366	7.53	5.16	3.03	2.01
	S8	No. samples	9,556	1,196,514	9,556	1,196,514	9,556	1,196,514
		Minimum	0	0	0	0	0	0
		Maximum	7,668	5,623	78.14	62.79	35.00	18.81
		Mean	113	127	2.78	3.26	1.23	1.07
		Std. Dev.	421	318	47.44	5.82	2.92	2.00
	S2	No. samples	3,826	516,533	3,826	511,029	3,826	516,600
		Minimum	0	0	0	0	0	0
		Maximum	10,878	6,936	79.37	46.28	44.99	19.57
		Mean	339	281	5.89	4.87	2.05	1.75
		Std. Dev.	716	430	10.59	6.59	3.64	2.23
	S7	No. samples	6,417	746,640	6,417	746,649	6,417	746.649
		Minimum	0	0	0	0	0	0
		Maximum	4,060	2,249	69.78	40.44	30.00	15.87
		Mean	155	131	3.32	2.48	1.33	1.09
		Std. Dev.	334	216.01	7.31	4.26	2.67	1.65
TLP	T3	No. samples	7,661	992,193	7661	992,193	7,661	992,193
		Minimum	0	0	0	0	0	0
		Maximum	2,000	1,467	30.00	19.77	4.28	2.61
		Mean	68 (56)	68	1.82 (1.43)	1.60	0.10 (0.10)	0.11
		Std. Dev	190.52	102.25	3.41	1.77	0.22	0.17
	T2	No. samples	6,870	823,992	6870	823,992	6,870	823,992
		Minimum	0	0	0	0	0	0
		Maximum	3,000	1,524	42.00	31.08	8.00	5.74
		Mean	87 (55)	61	2.26 (1.43)	1.48	0.15 (0.13)	0.12
		Std. Dev	214.99	94.87	3.99	1.66	0.41	0.19
	T3E	No. samples	1,829	664,104	1,829	664,104	1,829	664,104
		Minimum	0	0	0	0	0	0
		Maximum	1,200	692	30.00	19.24	3.00	1.62
		Mean	54 (35)	36	1.21 (0.92)	0.92	0.1 (0.09)	0.08
		Std. Dev	140	65.81	2.8	1.25	0.30	0.13
	T1	No. samples	2,379	592,789	2379	592,789	2,379	592,789
		Minimum	0	0	0	0	0	0
		Maximum	1500	1,127	61.49	41.17	7.00	4.43
		Mean	71 (43)	46	1.52 (0.93)	0.87	0.13 (0.13)	0.14
		Std. Dev	171.18	73.87	4.00	1.48	0.47	0.3

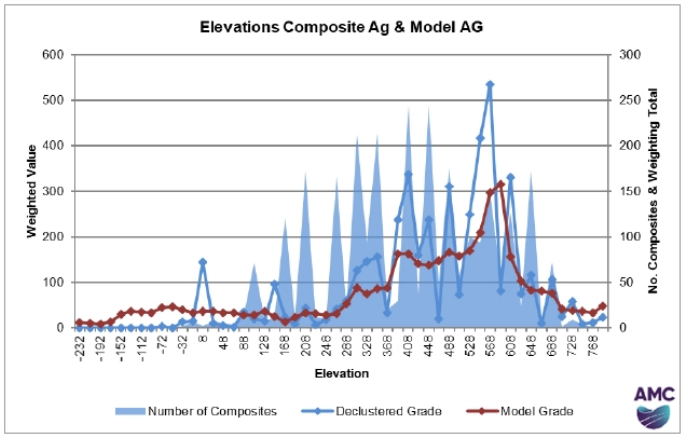
Note: Final are the composited and capped sample assays. Table shows the four largest veins from SGX and four largest veins from TLP. Brackets denote declustered grades.

Figure 14.17 S16W silver swath plot by northing



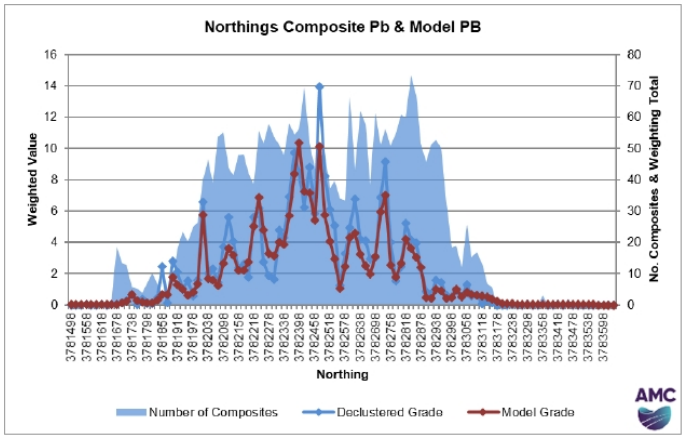
Source: AMC 2020.

Figure 14.18 S16W silver swath plot by elevation



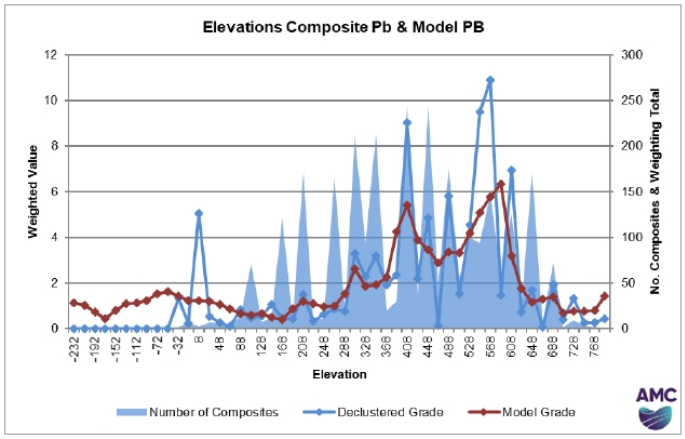
Source: AMC 2020.

Figure 14.19 S16W lead swath plot by northing



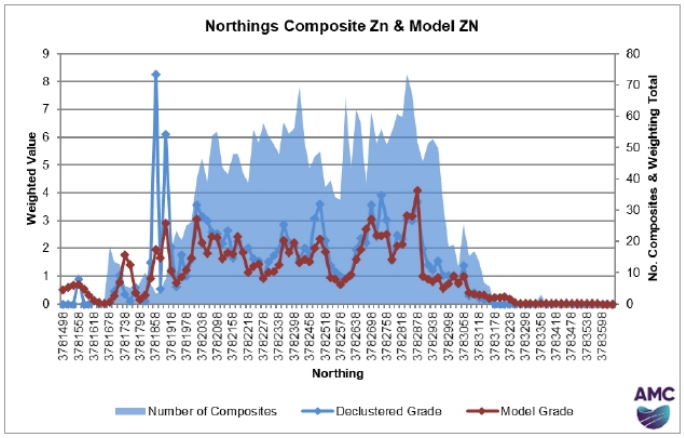
Source: AMC 2020.

Figure 14.20 S16W lead swath plot by elevation



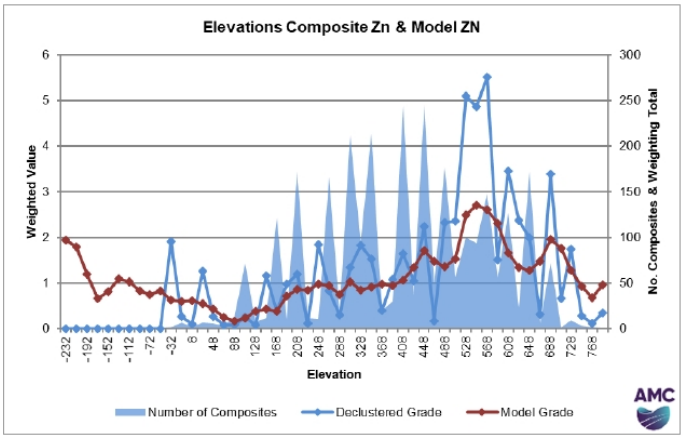
Source: AMC 2020.

Figure 14.21 S16W zinc swath plot by northing



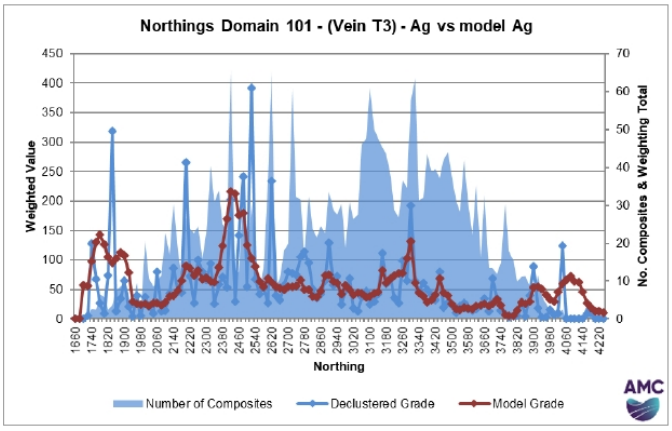
Source: AMC 2020.

Figure 14.22 S16W zinc swath plot by elevation



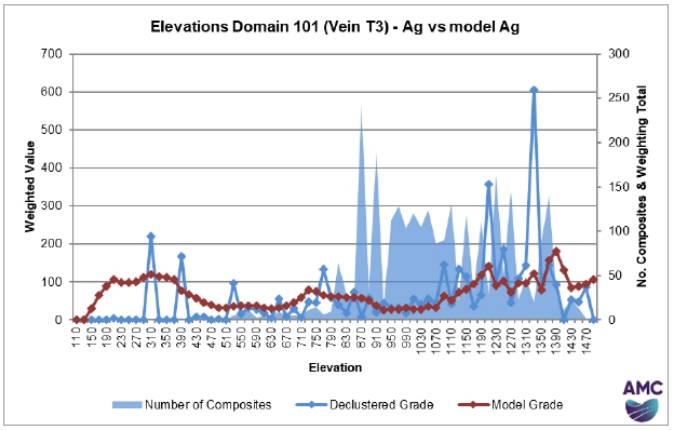
Source: AMC 2020.

Figure 14.23 T3 silver swath plot by northing [1]



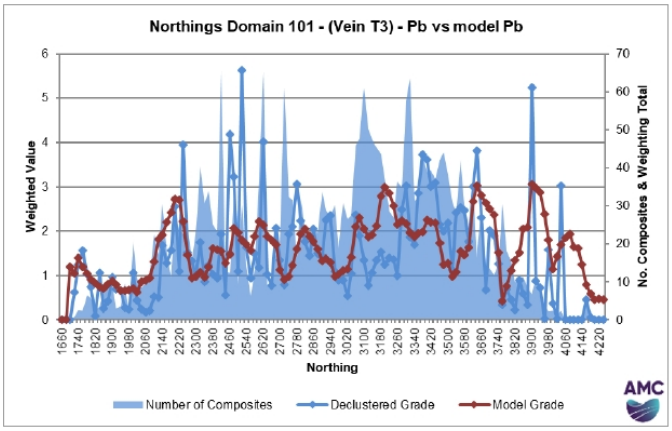
Notes: [1] Rotated model – Looking into long section plane of vein – Northings are local grid coordinates.
Source: AMC 2020.

Figure 14.24 T3 silver swath plot by elevation



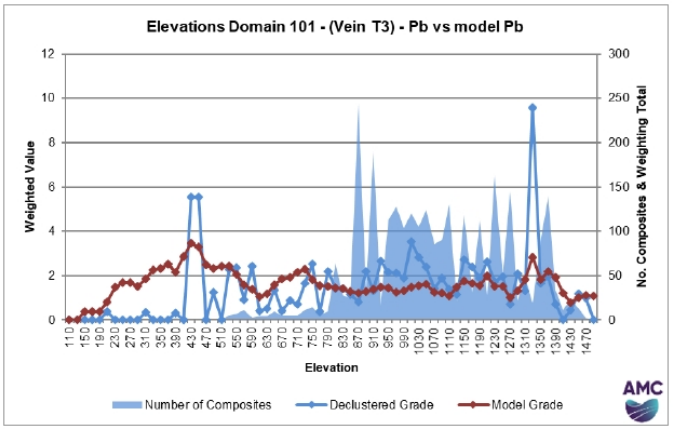
Source: AMC 2020.

Figure 14.25 T3 lead swath plot by northing [1]



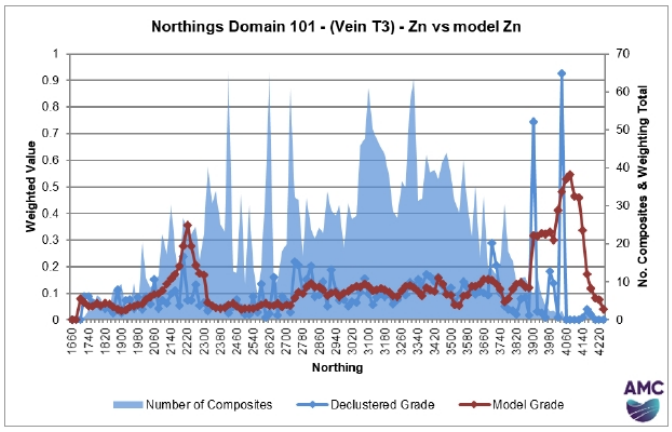
Note: [1] Rotated model – Looking into long section plane of vein - Northings are local grid coordinates.
Source: AMC 2020.

Figure 14.26 T3 lead swath plot by elevation



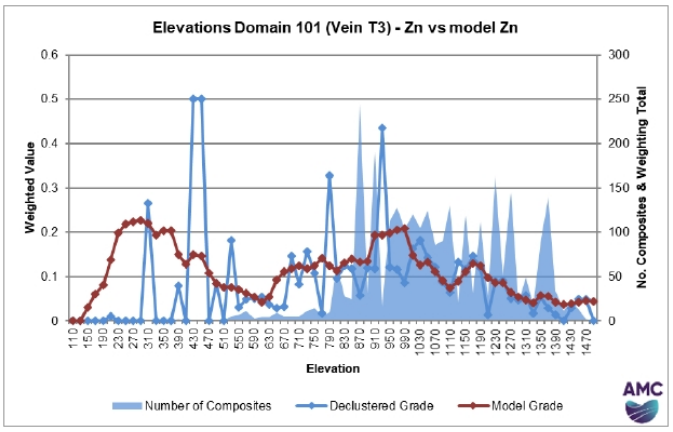
Source: AMC 2020.

Figure 14.27 T3 zinc swath plot by northing [1]



Note: [1] Rotated model – Looking into long section plane of vein - Northings are local grid coordinates
Source: AMC 2020.

Figure 14.28 T3 zinc swath plot by elevation



Source: AMC 2020.

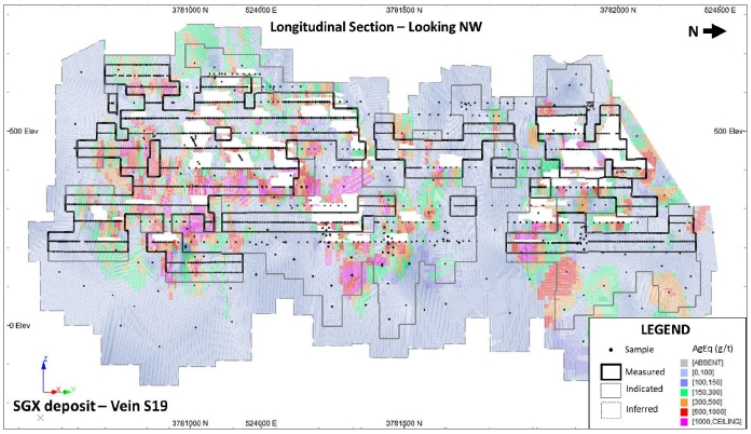
14.9 Mineral Resource estimates

The Mineral Resource estimates for the Ying property as at 31 December 2019 are shown in Table 14.1 at the beginning of this section.

Longitudinal sections showing the AgEq grades with supporting data and classification for some of the largest veins on the Ying property are displayed in Figure 14.29 to Figure 14.35.

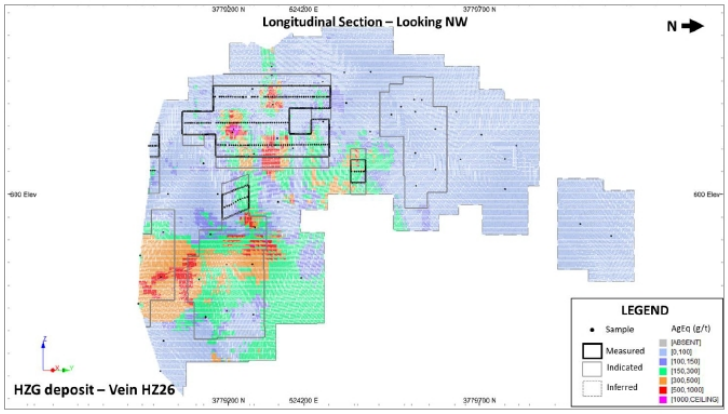
The QPs are not aware of any known environmental, permitting, legal, title, taxation, socio economic, marketing, political, or other similar factors which could materially affect the stated Mineral Resources.

Figure 14.29 SGX – Vein S19 vertical long section projection Mineral Resource



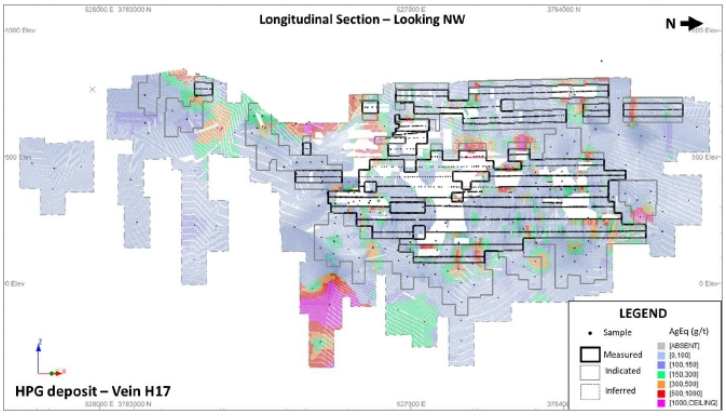
Notes: Samples shown as black dots. Partially transparent model coloured by AgEq grade (legend displayed). White areas represent material that has been mined out.
Source: AMC 2020.

Figure 14.30 HZG - Vein HZ26 vertical long section projection Mineral Resource



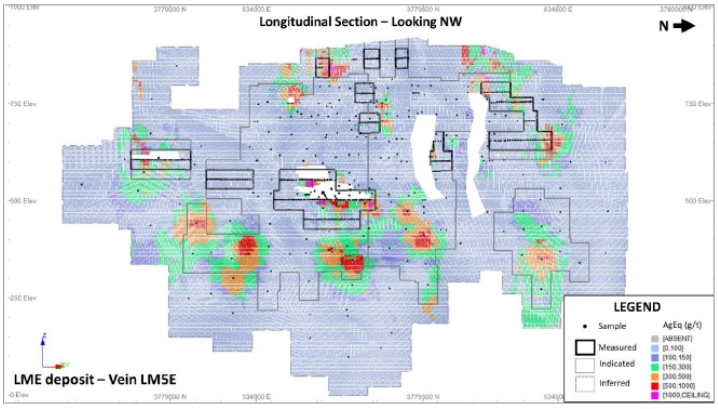
Note: Samples shown as black dots. Partially transparent model coloured by AgEq grade (legend displayed).
Source: AMC 2020.

Figure 14.31 HPG - Vein H17 vertical long section projection Mineral Resource



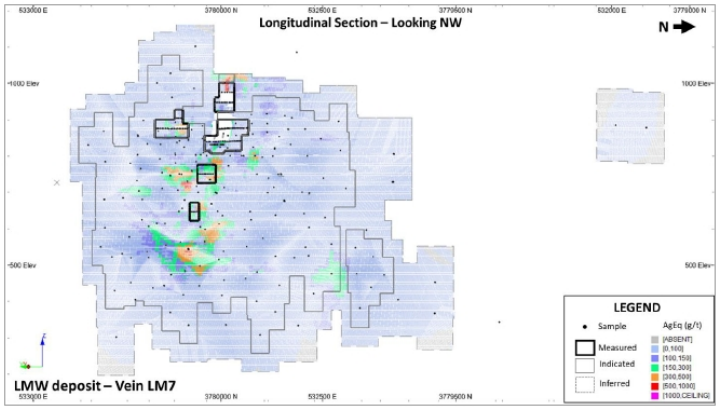
Notes: Samples shown as black dots. Partially transparent model coloured by AgEq grade (legend displayed). White areas represent material that has been mined out.
Source: AMC 2020.

Figure 14.32 LME – Vein LM5E vertical long section projection Mineral Resource



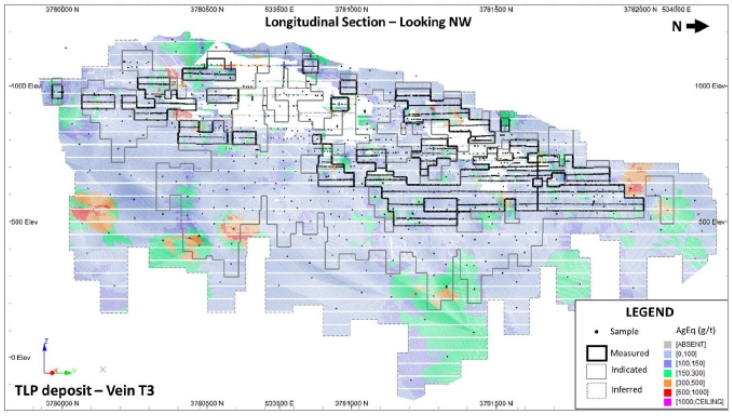
Notes: Samples shown as black dots. Model coloured by AgEq grade (legend displayed). White areas represent material that has been mined out.
Source: AMC 2020.

Figure 14.33 LMW - Vein LM7 vertical long section projection Mineral Resource



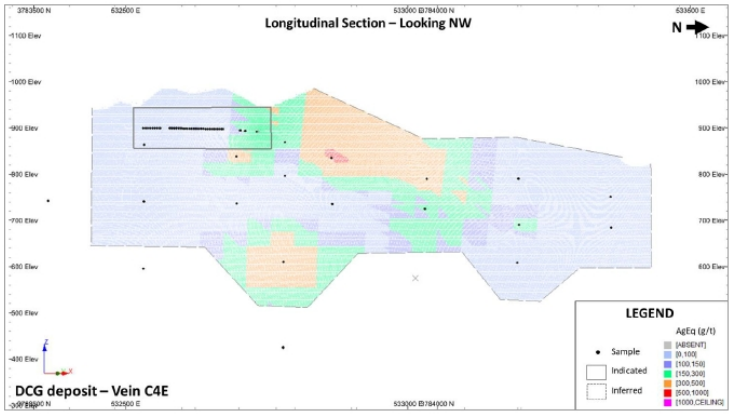
Notes: Samples shown as black dots. Model coloured by AgEq grade (legend displayed). White areas represent material that has been mined out.
Source: AMC 2020.

Figure 14.34 TLP – Vein T3 vertical long section projection Mineral Resource



Notes: Samples shown as black dots. Partially transparent model coloured by AgEq grade (legend displayed). White areas represent material that has been mined out.
Source: AMC 2020.

Figure 14.35 DCG – Vein C4E vertical long section projection Mineral Resource



Note: Samples shown as black dots. Model coloured by AgEq grade (legend displayed).
Source: AMC 2020.

14.10 Comparison with Mineral Resource estimate as of 31 December 2016

Prior to this Technical Report, the most recently published independent Mineral Resource estimate on the Property is contained in the 2016 Technical Report, with Mineral Resources estimated in that report as of 30 June 2016. A comparison between the 2016 and 2019 Mineral Resource estimates in shown in Table 14.8. Changes since the 2016 estimate include:

- Drilling of an additional 1,090 diamond core drillholes for a total of 325,151 m.
- Ongoing underground development including the completion of an additional 201,686 m of tunnels, 120,801 m of drifts, 52,712 m of cross-cuts and 28,173 m of raises.
- Collection of an additional 75,334 channel samples.
- Ongoing depletion and sterilization due to mining.
- Updated metal prices, AgEq formulas and COGs for each mine.

Table 14.8 Comparison of 2016 and 2019 Mineral Resource estimates

Mine	Resource category	Tonnes (Mt)	Au		Ag		Pb		Zn	
			g/t	Metal (koz)	g/t	Metal (Moz)	%	Metal (kt)	%	Metal (kt)
SGX	2019 MS+ID	6.77	-	-	284	61.9	5.60	379.1	2.82	190.6
	2019 IF	4.33	-	-	237	33.0	4.84	209.8	1.99	86.1
	2016 MS+ID	6.54	-	-	281	59.1	5.33	348.2	2.64	172.9
	2016 IF	3.66	-	-	268	31.5	5.14	187.8	2.33	85.23
	Difference MS+ID (%)	4%			1%	5%	5%	9%	7%	10%
	Difference IF (%)	18%			-12%	5%	-6%	12%	-15%	1%
HZG	2019 MS+ID	1.09	-	-	305	10.7	0.87	9.5	0.20	2.1
	2019 IF	0.97	-	-	250	7.8	0.78	7.5	0.18	1.7
	2016 MS+ID	0.78	-	-	336	8.41	1.03	8	0.2	1.58
	2016 IF	0.35	-	-	231	2.63	1.22	4.3	0.25	0.87
	Difference MS+ID (%)	40%			-9%	27%	-16%	19%	-2%	36%
	Difference IF (%)	176%			8%	195%	-36%	75%	-28%	100%
HPG	2019 MS+ID	2.38	1.3	98	77	5.9	3.29	78.3	1.35	32.1
	2019 IF	3.20	2.1	211	84	8.7	2.65	84.9	1.04	33.2
	2016 MS+ID	1.32	1.1	47	87	3.66	3.33	43.8	1.15	15.12
	2016 IF	1.01	1.2	39	114	3.69	3.88	39.1	1.09	10.98
	Difference MS+ID (%)	80%	17%	109%	-12%	60%	-1%	79%	17%	112%
	Difference IF (%)	217%	69%	442%	-26%	135%	-32%	117%	-5%	203%
LME	2019 MS+ID	1.67	-	-	301	16.2	1.65	27.5	0.42	7.0
	2019 IF	1.79	-	-	222	12.8	1.73	30.9	0.39	6.9
	2016 MS+ID	1.25	-	-	321	12.88	2.05	25.5	0.44	5.51
	2016 IF	0.65	-	-	326	6.79	1.6	10.3	0.42	2.73
	Difference MS+ID (%)	33%	-	-	-6%	25%	-20%	8%	-4%	27%
	Difference IF (%)	175%	-	-	-32%	88%	8%	200%	-7%	154%
LMW	2019 MS+ID	2.71	-	-	278	24.3	2.55	69.1	0.29	7.9
	2019 IF	2.41	-	-	248	19.2	2.85	68.6	0.39	9.5
	2016 MS+ID	2.47	-	-	259	20.58	2.85	70.4	0.3	7.49
	2016 IF	1.36	-	-	250	10.95	2.37	32.2	0.32	4.38
	Difference MS+ID (%)	10%	-	-	7%	18%	-11%	-2%	-4%	5%
	Difference IF (%)	77%	-	-	-1%	76%	20%	113%	22%	117%

Mine	Resource category	Tonnes (Mt)	Au		Ag		Pb		Zn	
			g/t	Metal (koz)	g/t	Metal (Moz)	%	Metal (kt)	%	Metal (kt)
TLP	2019 MS+ID	5.43	-	-	185	32.3	3.06	166.4	0.32	17.5
	2019 IF	5.48	-	-	157	27.7	2.64	144.7	0.25	13.7
	2016 MS+ID	3.96	-	-	186	23.68	3.4	134.6	0.3	11.74
	2016 IF	3.44	-	-	196	21.69	3.95	135.6	0.32	11.04
	Difference MS+ID (%)	37%	-	-	-1%	36%	-10%	24%	8%	49%
	Difference IF (%)	59%	-	-	-20%	28%	-33%	7%	-22%	24%
DCG	2019 MS+ID	0.06	0.1	0	59	0.1	3.78	2.3	0.15	0.1
	2019 IF	0.40	0.2	3	60.69	0.8	4.69	18.9	0.15	0.6
	2016 MS+ID	NA	NA	NA	NA	NA	NA	NA	NA	NA
	2016 IF	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Difference MS+ID (%)	NA	NA	NA	NA	NA	NA	NA	NA	NA
	Difference IF (%)	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	2019 MS+ID	20.12	0.2	98	234	151.3	3.64	732.3	1.28	257.3
	2019 IF	18.58	0.4	214	184	109.9	3.04	565.3	0.82	151.8
	2016 MS+ID	16.31	0.1	47	245	128.3	3.87	630.6	1.31	214.4
	2016 IF	10.47	0.1	39	230	77.25	3.91	409.4	1.10	115.2
	Difference MS+ID (%)	23%	70%	109%	-5%	18%	-6%	16%	-2%	20%
	Difference IF (%)	78%	210%	450%	-20%	42%	-22%	38%	-26%	32%

Notes for 2019 estimates: See footnotes under Table 14.1.
Notes for 2016 estimate:

- Measured and Indicated Mineral Resources are inclusive of Mineral Reserves are estimated.
- Metal prices: gold US$1,250/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.
- AgEq 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
  - LMW=34.6856*Pb%+Ag g/t
  - TLP=34.1401*Pb%+Ag g/t
- Exclusive of mine production to 30 June 2016.
- Rounding of some figures may lead to minor discrepancies in totals.

The following observations have been made by the QPs from the comparison table:

- Measured plus Indicated tonnes have increased by 23% overall, while the Inferred tonnes have increased by 78% overall between the two estimates.
- Measured plus Indicated grades have decreased overall by between -2% and -6%. Inferred grades decreased between -20% and -26% overall between the two estimates (both comparisons excluding gold as it is a very minor contributor).
- The net result in the Measured plus Indicated categories has been an increase in the contained silver metal of 18% and an increase in the contained lead metal of 16%. The increase in zinc content was 20%.
- The net result in the Inferred category has been an increase in the contained silver metal of 42% and a significant increase in both the contained lead metal and zinc metal with increases of 38% and 32% respectively.

Reasons for the differences in grade, tonnes, and contained metal are based on additional mining and development, drilling, and channel sampling has resulting in:

- Mineral Resource conversion to higher categories.
- Different COGs and depletion being used.
- Extension of the Mineral Resource along-strike and down-dip.

Changed interpretation of the veins, given the greater degree of geological understanding, resulting some parts of a vein being assigned to a different vein between the two estimates.

15 Mineral Reserve estimates

15.1 Introduction and Mineral Resources base

The Mineral Resources upon which the Ying Mineral Reserves are based have been discussed in detail in Section 14. The Mineral Resources are located in, or adjacent to, areas where Silvercorp has mining permits. The permitting issue has also been discussed in Section 14. The QP considers that it is reasonable to include all the current Mineral Resources, including those located below the current lower limit of Silvercorp's mining permits, in the Mineral Reserve estimation.

To convert Mineral Resources to Mineral Reserves, mining COGs 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 Ying property were prepared by Silvercorp under the guidance of independent QP Mr H.A. Smith, P.Eng., who takes responsibility for those estimates.

15.2 Mineral Reserve estimation methodology

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 (jacklegs) 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. The QP 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. Dilution is discussed further in Section 15.4.

For the total tonnage estimated as Ying Mineral Reserves, 49.7% is associated with resuing and 50.3% with shrinkage.

15.3 Cut-off grades

Mineral Reserves have been estimated using breakeven cut-off values for shrinkage and resuing at each site as appropriate. The COG basis is summarized below and in Table 15.1.

COG AgEq (g/t) = (operating cost + sustaining capital + mineral resources tax) / (Ag price x processing recovery x payable).

In determining metal prices for use in the cut-off calculations, available consensus forecast information, prices used in recent NI 43-101 reports, three-year trailing averages, and prices current as of March 2020 were referenced. The exchange rate used in the cut-off calculations was arrived at in similar fashion.

Table 15.1 Mineral Reserve cut-off grades and key estimation parameters

Item	SGX		HZG		HPG		LME		TLP		LMW	
Foreign exchange rate (RMB:US$)	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90
	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage
Operating costs (US$/t)												
Mining cost	73.63	57.55	60.36	45.19	66.30	54.39	70.04	53.78	63.52	51.79	82.27	70.28
Shipping cost	4.05	4.05	5.14	5.14	3.82	3.82	3.34	3.34	3.99	3.99	3.43	3.43
Milling cost	10.23	10.23	10.23	10.23	10.23	10.23	10.23	10.23	10.23	10.23	10.23	10.23
G&A & product selling cost	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30	8.30
Mineral Resources tax	3.47	2.99	3.51	3.05	3.23	2.88	3.12	2.64	3.41	3.06	3.81	3.45
Government fee & other tax	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78	2.78
Sustaining Capital (mine development, exploration tunneling, PPE)	16.72	16.72	30.09	30.09	16.38	16.38	9.42	9.42	24.85	24.85	20.11	20.11
Total operating costs	119.18	102.62	120.41	104.79	111.05	98.78	107.24	90.49	117.08	105.00	130.94	118.59
Mill recoveries												
Au (%)					90.7	90.7						
Ag (%)	96.5	96.5	96.8	96.8	90.2	90.2	96.9	96.9	93.4	93.4	96.6	96.6
Pb (%)	97.8	97.8	95.2	95.2	94.4	94.4	94.1	94.1	90.7	90.7	96.3	96.3
Zn (%)	64.2	64.2			63.1	63.1	34.2	34.2				
Payables												
Au (%)					81.0	81.0						
Ag (%)	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0	90.0
Pb (%)	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5	87.5
Zn (%)	72.5	72.5			72.5	72.5	72.5	72.5				
Full breakeven COG (AgEq g/t) = (Total operating cost $/t)/($ value per in situ gram after metallurgical recovery & payable)	235	205	240	210	235	210	210	180	240	215	260	235

Notes:

- Numbers may not compute exactly due to rounding.
- Metal price assumptions: Au $1250/oz; Ag $18/oz; Pb $0.95/lb; Zn $1.10/lb.
- No Zn value ascribed to ore from HZG, TLP, and LMW sites.
- Operating costs from 2020 and 2021 fiscal years (actuals + FY2021 Q4 projection).

Lower COG values have been used for development ore, and for areas where, effectively, all development and drilling for a given stope is complete and the decision is whether to mine the stope or not. These values are shown in Table 15.2.

Table 15.2 Development ore and stope marginal cut-off grades

Item	SGX		HZG		HPG		LME		TLP		LMW	
	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage	Resuing	Shrinkage
Stope marginal COG (AgEq g/t)	215	180	220	190	215	190	180	150	220	195	230	205
Development ore COG (AgEq g/t)	145		140		145		120		150		165	

Note: Costs, recoveries, payables, and metal price assumptions as per Table 15.1 above.

15.3.1 Comment on cut-off grades

The QP considers that the Mineral Reserve COGs and their supporting parameters are reasonable. The QP also notes that the Ying Mineral Reserves as a whole have limited sensitivity to variation in COG as discussed in Section 15.6 below.

15.4 Dilution and recovery factors

15.4.1 Dilution

As indicated above, 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 0.8 m. The QP 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 estimation 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. The QP considers that the resulting impact of this hand-sorting on the delivered product is not significant enough to materially affect the dilution factors used in the estimation.

The QP 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 is critical to achieving dilution targets.

Table 15.3 summarizes average dilution from the Mineral Reserve calculations for each of the Ying mines. The QP considers that the current dilution estimation is reasonable considering the enhanced focus on mining process control in recent years and the observed results from those efforts.

Table 15.3 Average dilution by mine and method

Mine	Dilution %	
	Resuing	Shrinkage
SGX	15	19
HZG	18	20
HPG	18	19
LME	16	17
TLP	14	18
LMW	13	14
Total Ying	**15**	**18**

15.4.2 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.

15.5 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 15.4 summarizes the Mineral Reserve estimates for each Ying mine and for the entire Ying operation. 44.1% of the Mineral Reserve tonnage is categorized as Proven and 55.9% is categorized as Probable.

Table 15.4 Ying Mines Mineral Reserve estimates at 31 December 2019

Mine	Reserve Category	Mt	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Metal contained in Mineral Reserves			
							Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
SGX	Proven	2.48		298	5.86	2.80		23.73	145.2	69.4
	Probable	2.71		259	5.05	2.35		22.57	137.0	63.9
Total Proven & Probable		**5.19**		**277**	**5.43**	**2.57**		**46.30**	**282.1**	**133.3**
HZG	Proven	0.30		356	0.98	0.24		3.42	2.9	0.7
	Probable	0.32		306	0.66	0.12		3.13	2.1	0.4
Total Proven & Probable		**0.62**		**330**	**0.82**	**0.18**		**6.54**	**5.0**	**1.1**
HPG	Proven	0.48	1.05	88	3.66	1.52	16	1.34	17.4	7.2
	Probable	0.76	1.38	62	3.07	1.37	34	1.53	23.4	10.5
Total Proven & Probable		**1.24**	**1.25**	**72**	**3.29**	**1.43**	**50**	**2.88**	**40.8**	**17.7**
LME	Proven	0.36		352	1.65	0.37		4.05	5.9	1.3
	Probable	0.89		287	1.57	0.40		8.18	13.9	3.5
Total Proven & Probable		**1.24**		**306**	**1.59**	**0.39**		**12.23**	**19.8**	**4.8**
LMW	Proven	0.42		347	3.30	0.28		4.73	14.0	1.2
	Probable	0.93		303	2.44	0.30		9.00	22.6	2.8
Total Proven & Probable		**1.35**		**317**	**2.71**	**0.29**		**13.73**	**36.6**	**4.0**
TLP	Proven	1.25		241	3.47	0.34		9.71	43.5	4.2
	Probable	1.10		216	2.60	0.32		7.62	28.5	3.5
Total Proven & Probable		**2.35**		**230**	**3.07**	**0.33**		**17.34**	**72.0**	**7.7**
Ying Mines	Proven	5.29	0.09	276	4.33	1.59	16	46.99	228.9	84.0
	Probable	6.70	0.16	241	3.39	1.26	34	52.02	227.5	84.5
Total Proven & Probable		**11.99**	**0.13**	**257**	**3.81**	**1.41**	**50**	**99.01**	**456.4**	**168.6**

Notes to Mineral Reserve Statement:

- Cut-off grades (AgEq g/t): SGX – 235 Resuing, 205 Shrinkage; HZG – 240 Resuing, 210 Shrinkage; HPG – 235 Resuing, 210 Shrinkage; LME – 210 Resuing, 180 Shrinkage; TLP – 240 Resuing, 215 Shrinkage; LMW – 260 Resuing, 235 Shrinkage.
- Stope Marginal cut-off grades (AgEq g/t): SGX – 215 Resuing, 180 Shrinkage; HZG – 220 Resuing, 190 Shrinkage; HPG – 215 Resuing, 190 Shrinkage; LME – 180 Resuing, 150 Shrinkage; TLP – 220 Resuing, 195 Shrinkage; LMW –230 Resuing, 205 Shrinkage.
- Development Ore cut-off grades (AgEq g/t): SGX – 145; HZG – 140; HPG – 145; LME – 120; TLP – 150; LMW – 165.
- 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$18/troy oz, lead US$0.95/lb, zinc US$1.10/lb.
- Processing recovery factors: SGX – 96.5% Ag, 97.8% Pb, 64.2% Zn; HZG – 96.8% Ag, 95.2% Pb; HPG – 90.7% Au, 90.2% Ag, 94.4% Pb, 63.1% Zn; LME – 96.9% Ag, 94.1% Pb, 34.2% Zn; TLP – 93.4% Ag, 90.7% Pb; LMW – 96.6% Ag, 96.3% Pb.
- Payables: Au – 81%; Ag – 90.0%; Pb – 87.5%; Zn – 72.5%.
- Exclusive of mine production to 31 December 2019.
- Exchange rate assumed is RMB 6.90 : US$1.00.
- Rounding of some figures may lead to minor discrepancies in totals.

The QP notes that for TLP and LMW, silver and lead Mineral Reserve grades are approximately the same as the average silver and lead mined grades over the FY2017 to FY2020 timeframe. For the combined SGX, HZG, HPG, and LME mines, average silver and lead Mineral Reserve grades show an approximately 25% reduction compared to the average silver and lead mined grades over the FY2017 to FY2020 period, whereas average zinc Mineral Reserve grades show an approximately 25% increase. This is consistent with the mining plan generally moving to depth in these mining areas as the life-of-mine (LOM) progresses. The QP also notes that the grade distribution of the Mineral Reserves and a continued focus on best mining practices and minimizing dilution provide a continuing opportunity to mine at above-overall-average grades in at least the early stages of the projected remaining LOM.

15.6 Reserves sensitivity to cut-off grade

The sensitivity of the Ying Mineral Reserves to variation in COG has been tested 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 15.5.

Table 15.5 Estimated reduction in contained AgEq Oz in Mineral Reserves for COG increase of 20%

COGs increased by 20%	**SGX**	**HZG**	**HPG**	**LME**	**TLP**	**LMW**
Mine AgEq oz reduction	4.7%	12.0%	21.0%	9.4%	14.1%	11.4%
Ying total AgEq oz reduction	**8.8%**					

The lowest sensitivities are seen at SGX and LME with, respectively, estimated 4.7% and 9.4% reductions in contained AgEq ounces when the COG is increased by 20%. The highest reduction of 21.0% is noted at HPG. For Ying as a whole, an approximately 8.8% reduction in AgEq ounces demonstrates relatively low overall COG sensitivity.

15.7 Conversion of Mineral Resources to Reserves

Table 15.6 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 15.6 Mineral Resources and Mineral Reserves comparison

Mine[1]		Tonnes (Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
SGX	Resource MS+ID	6.77	-	284	5.60	2.82	-	61.86	379.1	190.6
	Reserve Prv+Prb	5.19		277	5.43	2.57		46.30	282.1	133.3
Conversion percentages		77%		98%	97%	91%		75%	74%	70%
HZG	Resource MS+ID	1.09	-	305	0.87	0.20	-	10.72	9.5	2.1
	Reserve Prv+Prb	0.62		330	0.82	0.18		6.54	5.0	1.1
Conversion percentages		56%		108%	94%	90%		61%	53%	51%
HPG	Resource MS+ID	2.38	1.28	77	3.29	1.35	98.2	5.87	78.3	32.1
	Reserve Prv+Prb	1.24	1.25	72	3.29	1.43	49.9	2.88	40.8	17.7
Conversion percentages		52%	98%	94%	100%	106%	51%	49%	52%	55%
LME	Resource MS+ID	1.67	-	301	1.65	0.42	-	16.16	27.5	7.0
	Reserve Prv+Prb	1.24		306	1.59	0.39		12.23	19.8	4.8
Conversion percentages		75%		102%	96%	92%		76%	72%	69%
TLP	Resource MS+ID	5.43	-	185	3.06	0.32	-	32.27	166.4	17.5
	Reserve Prv+Prb	2.35		230	3.07	0.33		17.34	72.0	7.7
Conversion percentages		43%		124%	100%	101%		54%	43%	44%
LMW	Resource MS+ID	2.71	-	278	2.55	0.29	-	24.29	69.1	7.9
	Reserve Prv+Prb	1.35		317	2.71	0.29		13.73	36.6	4.0
Conversion percentages		50%		114%	106%	102%		57%	53%	50%
DCG[1]	Resource MS+ID	0.06	0.09	59	3.78	0.15	0.17	0.12	2.3	0.1
	Reserve Prv+Prb	-	-	-	-	-	-	-	-	-
Conversion percentages		-	-	-	-	-	-	-	-	-
Total	Resource MS+ID	20.12	0.15	234	3.64	1.28	98.4	151.26	732.3	257.3
	Reserve Prv+Prb	11.99	0.13	257	3.81	1.41	49.9	99.01	456.4	168.6
Conversion percentages		60%	85%	110%	105%	110%	51%	65%	62%	66%

Notes: Numbers may not compute exactly due to rounding.
MS+ID = Measured and Indicated Mineral Resources, Prv+Prb = Proven and Probable Mineral Reserves [1] DCG Project Measured and Indicated Resources included.

For the Property as a whole, total Mineral Reserve tonnes are approximately 60% of Mineral Resource (Measured plus Indicated) tonnes. Silver, lead, and zinc Mineral Reserve grades are 110%, 105%, and 110% respectively of the corresponding Measured plus Indicated Mineral Resource grades. Metal conversion percentages for silver, lead, and zinc are 65%, 62%, and 66% respectively.

With respect to the difference in tonnes and metal content between (Measured plus Indicated) Mineral Resources and (Proven plus Probable) Mineral Reserves, the QP makes note that: a) Mineral Resource COGs are approximately aligned with development ore cut-offs at each mine; and b) Mineral Resource areas that are not yet part of the LOM plan are not eligible for inclusion as Mineral Reserves.

15.8 Comparison of Mineral Reserves, mid-2016 to end-2019

Table 15.7 shows Ying Mineral Reserves as of mid-2016 (previous Technical Report) and as of end-2019 (this Technical Report). The 2019 Mineral Reserves do not include ore mined since mid-2016.

Table 15.7 Change in Mineral Reserves, mid-2016 to end-2019

Mine	Category	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Metal contained in Mineral Reserves			
							Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
SGX 2016	Proven	2.32		272	5.25	2.69		20.28	121.6	62.2
	Probable	3.18		248	4.86	2.11		25.4	154.6	67.1
Total Proven & Probable		**5.50**		**258**	**5.02**	**2.35**		**45.68**	**276.2**	**129.3**
SGX 2019	Proven	2.48		298	5.86	2.80		23.73	145.2	69.4
	Probable	2.71		259	5.05	2.35		22.57	137.0	63.9
Total Proven & Probable		**5.19**		**277**	**5.43**	**2.57**		**46.30**	**282.1**	**133.3**
SGX % Change	Proven	7%		9%	12%	4%		17%	19%	12%
	Probable	-15%		4%	4%	12%		-11%	-11%	-5%
Total Proven & Probable		**-6%**		**7%**	**8%**	**9%**		**1%**	**2%**	**3%**
HZG 2016	Proven	0.23		348	1.03	0.20		2.60	2.4	0.5
	Probable	0.35		285	0.77	0.15		3.23	2.7	0.5
Total Proven & Probable		**0.59**		**310**	**0.88**	**0.17**		**5.83**	**5.1**	**1.0**
HZG 2019	Proven	0.30		356	0.98	0.24		3.42	2.9	0.7
	Probable	0.32		306	0.66	0.12		3.13	2.1	0.4
Total Proven & Probable		**0.62**		**330**	**0.82**	**0.18**		**6.54**	**5.0**	**1.1**
HZG % Change	Proven	30%		2%	-5%	18%		31%	22%	50%
	Probable	-9%		7%	-14%	-20%		-3%	-23%	-27%
Total Proven & Probable		**4%**		**7%**	**-7%**	**4%**		**12%**	**-2%**	**10%**
HPG 2016	Proven	0.47	1.10	88	3.76	1.13	16	1.31	17.5	5.3
	Probable	0.29	1.15	108	3.28	1.17	11	1.02	9.7	3.5
Total Proven & Probable		**0.76**	**1.12**	**95**	**3.57**	**1.15**	**27**	**2.33**	**27.2**	**8.7**
HPG 2019	Proven	0.48	1.05	88	3.66	1.52	16	1.34	17.4	7.2
	Probable	0.76	1.38	62	3.07	1.37	34	1.53	23.4	10.5
Total Proven & Probable		**1.24**	**1.25**	**72**	**3.29**	**1.43**	**50**	**2.88**	**40.8**	**17.7**
HPG % Change	Proven	1%	-5%	0%	-3%	35%	-2%	3%	0%	38%
	Probable	163%	20%	-42%	-6%	17%	212%	50%	143%	203%
Total Proven & Probable		**63%**	**12%**	**-24%**	**-8%**	**24%**	**83%**	**23%**	**50%**	**103%**
LME 2016	Proven	0.20		288	1.45	0.27		1.82	2.9	0.5
	Probable	0.75		298	2.11	0.46		7.23	15.9	3.5
Total Proven & Probable		**0.95**		**296**	**1.97**	**0.42**		**9.06**	**18.8**	**4.0**
LME 2019	Proven	0.36		352	1.65	0.37		4.05	5.9	1.3
	Probable	0.89		287	1.57	0.40		8.18	13.9	3.5
Total Proven & Probable		**1.24**		**306**	**1.59**	**0.39**		**12.23**	**19.8**	**4.8**
LME % Change	Proven	81%		22%	14%	34%		122%	107%	143%
	Probable	17%		-4%	-26%	-14%		13%	-13%	1%
Total Proven & Probable		**31%**		**3%**	**-19%**	**-8%**		**35%**	**5%**	**20%**
TLP 2016	Proven	1.00		223	3.45	0.26		7.15	34.4	2.6
	Probable	1.48		178	2.91	0.29		8.45	43.1	4.3
Total Proven & Probable		**2.47**		**196**	**3.13**	**0.28**		**15.60**	**77.5**	**6.9**
TLP 2019	Proven	1.25		241	3.47	0.34		9.71	43.5	4.2
	Probable	1.10		216	2.60	0.32		7.62	28.5	3.5
Total Proven & Probable		**2.35**		**230**	**3.07**	**0.33**		**17.34**	**72.0**	**7.7**

Mine	Category	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Metal contained in Mineral Reserves			
							Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
TLP % Change	Proven	25%		8%	1%	29%		36%	26%	61%
	Probable	-26%		21%	-11%	9%		-10%	-34%	-19%
Total Proven & Probable		**-5%**		**17%**	**-2%**	**17%**		**11%**	**-7%**	**11%**
LMW 2016	Proven	0.46		316	3.29	0.25		4.69	15.2	1.1
	Probable	1.57		234	2.61	0.29		11.83	41.0	4.6
Total Proven & Probable		**2.04**		**252**	**2.76**	**0.28**		**16.52**	**56.2**	**5.8**
LMW 2019	Proven	0.42		347	3.30	0.28		4.73	14.0	1.2
	Probable	0.93		303	2.44	0.30		9.00	22.6	2.8
Total Proven & Probable		**1.35**		**317**	**2.71**	**0.29**		**13.73**	**36.6**	**4.0**
LMW % Change	Proven	-8%		10%	0%	12%		1%	-8%	3%
	Probable	-41%		29%	-6%	3%		-24%	-45%	-40%
Total Proven & Probable		**-34%**		**25%**	**-2%**	**4%**		**-17%**	**-35%**	**-31%**
Ying Total 2016	Proven	4.67	0.11	252	4.15	1.55	16	37.85	194.0	72.2
	Probable	7.63	0.04	233	3.50	1.09	11	57.16	267.0	83.5
Total Proven & Probable		**12.30**	**0.07**	**240**	**3.75**	**1.27**	**27**	**95.02**	**461.0**	**155.7**
Ying Total 2019	Proven	5.29	0.09	276	4.33	1.59	16	46.99	228.9	84.0
	Probable	6.70	0.16	241	3.39	1.26	34	52.02	227.5	84.5
Total Proven & Probable		**11.99**	**0.13**	**257**	**3.81**	**1.41**	**50**	**99.01**	**456.4**	**168.6**
Ying % Change	Proven	13%	-14%	10%	4%	3%	-2%	24%	18%	16%
	Probable	-12%	292%	4%	-3%	16%	212%	-9%	-15%	1%
Total Proven & Probable		**-3%**	**85%**	**7%**	**2%**	**11%**	**83%**	**4%**	**-1%**	**8%**

Some significant aspects of the comparison are:

- 3% decrease in total (Proven + Probable) Ying Mineral Reserve tonnes.
- Increase in total Ying Mineral Reserve silver, lead, and zinc grades of 7%, 2%, and 11% respectively.
- Increases in total Ying Mineral Reserve metal content for silver and zinc of 4% and 8% respectively; 1% decrease in total lead content.
- SGX continues being the leading contributor to the total Ying Mineral Reserves, accounting for 43% of tonnes, 47% of silver, 62% of lead, and 79% of zinc, compared to respective values of 45%, 48%, 60%, and 83% in 2016.
- 6% decrease in total Mineral Reserve tonnes at SGX, but slight increases in total metal content for silver, lead and zinc of 1%, 2%, and 3% respectively.
- 63% increase in total Mineral Reserve tonnes at HPG, with corresponding increases in silver, lead and zinc content of 23%, 50%, and 103% respectively. Gold Mineral Reserves also increased from 27 koz to 50 koz at HPG.
- 31% increase in total Mineral Reserve tonnes at LME, with corresponding increases in silver, lead and zinc content of 35%, 5%, and 20% respectively.
- 34% decrease in total Mineral Reserve tonnes at LMW, with corresponding decreases in silver, lead and zinc content of 17%, 35%, and 31% respectively.
- 4% increase in total Mineral Reserve tonnes at HZG, with corresponding increases in silver and zinc content of 12% and 10% respectively; 2% decrease in total lead content.
- 5% decrease in total Mineral Reserve tonnes at TLP, but with increases in both silver and zinc content of 11%; 7% decrease in total lead content.

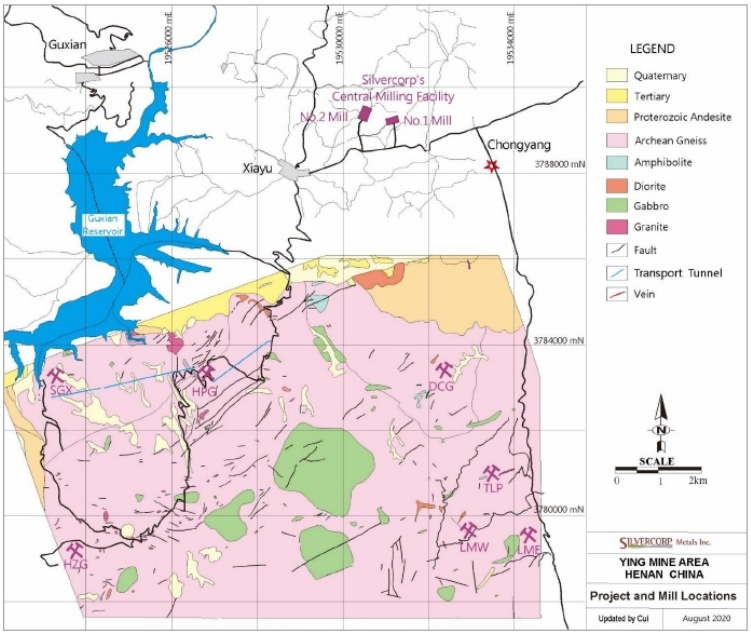
16 Mining methods

16.1 Ying mining operations

16.1.1 Introduction

The Ying Mining District has been intermittently mined over many years by small-scale, local miners. Silvercorp commenced mining at its Ying property (SGX mine) in April 2006. Its current mining activities continue to be focused at the SGX mine, but now also include the HZG (a satellite deposit to SGX), HPG, TLP, LME, and LMW mines, and the DCG project. Figure 16.1 is a plan view showing the relative location of the mines.

Figure 16.1 Ying mines locations



Source: Silvercorp 2020.

Underground access to each of the mines in the steeply-sloped, mountainous district is via adits at various elevations, inclined haulageways, shaft / internal shafts (winzes), and declines (ramps).

The mines are developed using trackless equipment – 20 t trucks and single-boom jumbos; small, conventional tracked equipment – electric / diesel locomotives, rail cars, electric rocker shovels; and pneumatic hand-held drills. At most of TLP, four adits of SGX, part of LME and part of LMW mines, small tricycle trucks with a payload of up to three tonnes each are used to haul ore to surface. These tricycle trucks are being gradually replaced by rail cars in all mines except for TLP.

The global extraction sequence is top-down between levels, and generally outwards from the central shaft or main access location. The stope extraction sequence is bottom-up, with shrinkage and resuing being the main mining methods. Jacklegs are used in stope blast drilling. In-stope ore handling is by hand-carting / hand-shoveling to specially manufactured steel-lined ore passes for resuing stopes, and by gravity to draw points for shrinkage stopes. Production mucking uses mostly hand shovels or, occasionally, rocker shovels, with rail cars and battery-powered or diesel locomotives transporting ore to the main shaft, inclined haulageway or main loading points in declines. Ore transport to surface is accomplished via skip / cage hoisting (shaft), rail-cars (tracked adit and / or inclined haulageway), small tricycle trucks, or 20 t trucks on ramps. Some hand picking of high-grade ore and of waste may be carried out on surface at either ore pile or sorting belt, with transport to the centralized processing plants being via 30 t and 45 t trucks or barge and truck combination.

16.1.2 SGX

The SGX mine is located in the western part of the Ying district. It is accessed by eight adits and a ramp to 260 mRL with a total length of 2,955 m. An inclined-haulageway from the ramp at 260 mRL is being extended to -90 mRL. When the extension is completed by the end of 2020, the total length of the ramp will be 5,600 m. In addition, an S2 branch ramp of 1,020 m from 83 mRL to -20 mRL is being developed and is expected to be completed in 2021. In respect of the existing underground infrastructure and the distribution of Mineral Resources, the whole mining area is divided into 13 production systems. A production system is an independent mining area with an independent transport and muck-hoisting system. SGX is the largest of the Silvercorp Ying operations, producing about 39% of tonnes and 44% of silver ounces for the total operation in fiscal 2019. The Ag-Pb-Zn mineralization is found in at least 75 veins with the five largest vein systems (S7, S8, S2, S19, and S16) accounting for over 60% of this mineralization. Vein widths range from around 0.3 m to 5.1 m, with resuing very much the predominant mining method and only 0.2% mined by shrinkage in FY2019, on a tonnage basis. Mining is currently planned down to the 110 mRL. Adjacent to the SGX mine are the ore and waste sorting facilities, and main office, engineering and administration buildings.

16.1.3 HZG

The HZG mine is a satellite of the SGX mine, with portals located about 4 km to the south of the main SGX site. It is accessed by five adits and hosts five production systems. A ramp of 2,100 m from 712 mRL to 500 mRL is being developed and is expected to be completed in early 2021. There are 21 known veins. The vein widths for mining range from about 0.2 m to 3.0 m, the veins being generally similar to those found throughout the district. The mining method by tonnage was effectively 100% resuing in FY2019, and the mining plan envisages ore being produced from five veins between the 550 mRL and 850 mRL. The first year of production at HZG was 2011. Approximately 9% of Ying ore tonnage and 14% of silver ounces in FY2019 were produced at HZG.

16.1.4 HPG

The HPG mine has been operated since 2007 and is located in the central part of the Ying district, to the north-east of the SGX mine. It is accessed from six adits and mining from 36 veins is projected in the LOM plan between 100 mRL and 630 mRL. The HPG mine is divided into five production systems. The mining method by tonnage was about 48% resuing and about 52% shrinkage in FY

2019, with vein widths projected for mining ranging from less than 0.3 m up to about 2.7 m. About 9% of Ying ore tonnage in FY2019 was produced at HPG (approximately 3% of silver ounces).

16.1.5 TLP

The TLP mine lies about 11 km east–southeast of SGX. There are 77 known veins, all dipping westward. The mine is serviced from eight adits and hosts seven production systems. The 3,300 m ramp from 840 mRL to 510 mRL will be completed by the end of 2020. The mining plan currently shows production occurring through to 2036 from stopes between 510 mRL and 1,070 mRL and from vein widths generally between 0.3 m and 5.0 m. The mining method by tonnage was almost all resuing in FY2019, with only 0.3% by shrinkage. TLP contributed 25% of Ying ore tonnes and 16% of Ying Ag ounces in FY2019.

16.1.6 LME

The LME mine is located just south of the TLP mine and about 12 km from SGX. 23 veins with steep dips to either east or west have been identified. Access is via one adit, three shafts and two inclined haulageways. A 2,500 m ramp is being developed from 600 mRL at the TLP ramp to 350 mRL and is scheduled for completion in 2021 The mining method by tonnage was 93.6% resuing and 6.4% shrinkage in FY2019. LME contributed 8% of Ying ore tonnes and 13% of Ying Ag ounces in FY2019.

16.1.7 LMW

The LMW mine is located just south of the TLP mine and about 12 km from SGX. To date, 72 veins with steep dips to either the north-east or north-west have been identified. Access is via four adits, two shafts, and one ramp. The mining method by tonnage was 100% resuing in FY2019. LMW contributed 10% of Ying ore tonnes and 11% of Ying Ag ounces in FY2019.

16.1.8 DCG Project

The DCG project is located around 2.7 km north-west of TLP mine. There are three veins, C4, C4E, and C8, which strike north-east and dip north-west. The project is in the development stage and production is anticipated to commerce in late-2021. Access is via a ramp from 900 mRL to 796 mRL. A 1,768 m transportation decline from the TLP area to 930 mRL is projected to be completed by April 2021.

16.2 Mining methods and mine design

16.2.1 Geotechnical and hydrogeological considerations

No specific geotechnical or hydrogeological study data is available for the Ying mines. In general, the ground at current mining levels is in good condition, similar to development and mining operations experience to date. The excavation of relatively small openings, both in development and stoping, facilitates ground stability. An increased percentage of resuing mining stopes also means a greater number of smaller rather than larger openings. Support is only installed where deemed to be necessary, with rockbolts being used for hangingwall support on very rare occasion. Timber and steel I-beams are also used where unstable ground is encountered.

The QP is not aware that water in-flow to date at the Ying mines has created any significant problems. Section 16.2.9 discusses mine dewatering.

16.2.2 Development and access

As referenced above, the mines in the Ying District are sited in narrow valleys, and a series of adits at each mine provides access from the surface to the mining areas. Most of the operational levels do not have their own access portal and must connect to internal shafts or inclined haulageways.

The LMW ramp developed from surface to 500 mRL is 4,800 m in length. The SGX ramp being completed from surface to -90 mRL will be 5,600 m in length.

In summary, mine access for rock transportation, materials supply and personnel is provided by five different means and, in combination, they form the access systems for the Ying District mines:

- Adits and portals
- Inclined haulageways
- Decline accesses (ramp)
- Internal shafts (winzes)
- Shaft

Adits are driven at a slight incline at dimensions of approximately 2.2 m x 2.2 m with arch profile. These are the principal means of access for men and materials and transport of ore and waste. All services such as electrical, compressed air, drill water and dewatering lines are sited in the adits. In many instances, the adits are also used for delivery and removal of fresh or return air. Most of the adits are equipped with narrow gauge rail for transport by railcars. Where there is no rail, tricycle cars are utilized for transport of ore, waste and supplies.

Inclined haulageways are driven at approximately 25° to 30°. Typical dimensions are 2.4 m wide x 2.2 m high. They are equipped with narrow gauge rail and steps on one side for foot travel. The main purpose of these drives is haulage of ore and waste, and delivery of ventilation and other services such as water, compressed air, communications, and electricity. Figure 16.2 shows an inclined haulageway at the SGX mine.

Figure 16.2 Inclined haulageway at SGX mine



Source: AMC.

The main ramps developed in the SGX and LMW mines are jumbo-driven drifts with dimensions of 4.2 m wide by 3.8 m high at a 12% grade. One daylights at LMW as the 980 Ramp, developed from 980 to 500 m elevation. At the SGX mine, the 560 Ramp starts at 560 m elevation and bottoms at -90 m elevation. The total developed length is just over 5.6 km.

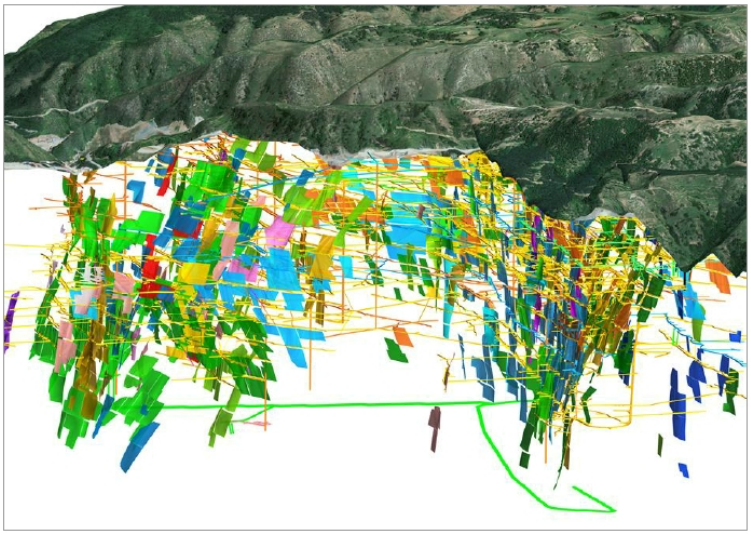
As of December 2019, there were 26 internal shafts (winzes) throughout the Ying Property. The hoisting capacity of these shafts varies from 50,000 tpa to 150,000 tpa (combined ore and waste). Fully-loaded rail cars that bring up ore and waste are cage-transported via these shafts; they are also used for hoisting men and materials.

The only shaft to surface is the 969 shaft at LMW. It has a finished diameter of 3.5 m and is equipped with a ZJK-2×125P hoist winch. The total depth of the shaft is 480 m, and the hoisting capacity is 150,000 tpa of combined ore and waste, with a standard cage. This shaft works in tandem with PD900 winze in the LM East area.

At SGX, only the adit portals and one ramp connect the mine workings to surface. Inclined haulageways and internal shafts provide access to the ore, which is generally located at elevations below the level of portal entrances. Declines / internal shafts are developed for the SGX, LMW, LME, HZG, and HPG mines.

Figure 16.3 is an orthogonal view of the SGX mine design.

Figure 16.3 SGX mine design



Source: Silvercorp 2020.

16.2.3 Mining methods

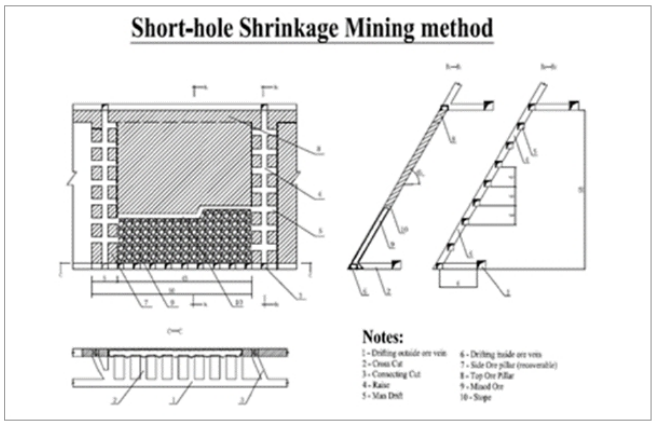
Shrinkage stoping and resue stoping are the mining methods employed at the Ying mines. The LOM plan envisages the continuation of these methods.

16.2.3.1 Shrinkage stoping

A sill drive is initially driven along the vein at 1.8 m height. For typical shrinkage stopes, the lower part of the vein will be mined at 1.2 m width, while the upper part will be mined at 0.8 m width. An access drive at 2 m wide x 2 m high (conventionally a footwall drive) is also developed parallel to the vein at a stand-off distance of about 6 m. Crosscuts for ore mucking from draw-points are driven between the vein and the strike drives at approximately 5 m spacing. Each stoping block is typically 40 m to 60 m in strike length by 40 m to 50 m in height. Travelway raises that are also used for services are established between the levels at each end of the stope block. Waste packs are built on each void side of the raise as stoping proceeds upwards.

Jacklegs are used to drill a 1.8 – 2.0 m stope lift that is drilled and blasted as inclined up-holes with a forward inclination of 65 – 75 ^{o} ("half-uppers"). The typical drill pattern has a burden of 0.6 - 0.8 m and spacing of 0.8 – 1.2 m, dependent on vein width. Holes are charged with cartridge explosives and ignited with tape fuse. The powder factor is generally 0.4 – 0.5 kg/t. Stope blasting fills the void below with ore as mining proceeds upwards. The ore swell is mucked from the drawpoints to maintain a stope working height of about 2 m. While mining is underway, only about 30% of the stope ore may be mucked. When mining is complete, all remaining ore is mucked from the stope, unless significant wall dilution occurs. The stope is left empty beneath a sill (crown) pillar of, typically, around 3 m thickness (adopted thickness ultimately dependent on extraction width). Ventilation, compressed air and water are carried up the travelway raises to the mining horizon. Loading of the ore from the draw-points is by miners into rail cars, either using rocker-shovels or by hand. Figure 16.4 is a schematic of the shrinkage stoping method.

Figure 16.4 Shrinkage stoping method



Source: Silvercorp.

16.2.3.2 Resue stoping

Resue stoping veins are typically high-grade and generally between 0.1 m (minimum extraction 0.3 m) and 0.80 m width. Resue stoping involves separately blasting and mucking the vein and adjoining waste to achieve a minimum stope mining width.

Vein and access development preparation is essentially the same as for shrinkage stoping, other than draw points being established at approximately 15 m spacing along strike. Blasted ore is mucked into steel-lined mill holes that are carried up with the stope and feed to the draw points. The base of the mill holes is held in place with a timber set.

Half-upper lifts are drilled with jacklegs and blasted in essentially the same manner as for shrinkage stoping. Typically, after a lift in the vein is blasted and mucked, the footwall is blasted and the ensuing waste is used to fill the space mined out and to provide a working floor. This process is repeated until the stope sill (crown) pillar is reached. The entire stope is left filled with waste from the slashing of the footwall.

The blasted ore is transported by wheelbarrow and / or hand shoveled to the mill hole, which is extended in lift segments as the stope is mined upwards. The footwall waste is slashed (blasted) to maintain a minimum mining width (typically 0.8 m).

The order of vein extraction and footwall slashing is generally dependent on the condition of the vein hangingwall contact. Where the contact is distinct and stable, the vein is extracted first; otherwise the footwall waste is extracted first, followed by vein slashing.

Figure 16.5 shows the back of a resue stope at the SGX mine. Excavation width at the back is about 0.4 m.

Figure 16.5 Resue stope at SGX mine



Source: AMC.

Rubber mats and / or belting are placed on top of the waste after each waste lift to minimize ore intermingling with the waste (ore losses) and also to minimize over-mucking of the waste (dilution). The rubber mats and / or belting are rolled up and removed prior to slashing the footwall, with that broken material forming the floor for the next platform lift.

Silvercorp acknowledges that in-stope ore movement may potentially be improved by using scraper winches with small buckets.

Figure 16.6 is a schematic of the resue stoping method.

Figure 16.6 Resue stoping method

Source: Silvercorp.

16.2.3.3 Stope management and grade control

Silvercorp has developed a stope management protocol and stope management manual at the Ying operations. The purpose of stope management is to implement stope operation procedures for dilution reduction via the Mining Quality Control Department. The department has a total of 11 technical staff, including management, mine engineers, geologists and technicians, and reports directly to Silvercorp's HQ in Beijing. The mine engineers in the group are responsible for supervising the stope operation procedure, with stope inspection occurring at least once per day to check that mine contractors are following procedure guidelines. The geologists and geological technicians are responsible for stope geological mapping and sampling, which occurs every 3 – 5 m of stope lift.

The department also measures the mined area of a stope at the end of each month for mine contract payment purposes.

Key aspects of the stope inspection are as follows:

- Ensuring that the back and floor of the stope are flat prior to drilling blasting holes.
- Checking to ensure the boundary of the mineralization and drillhole locations are correctly marked with red paint before drilling.
- Ensuring drillholes are inclined not less than 60° to the horizontal, are not longer than 2 m, and are drilled optimally relative to vein and excavation width to minimize dilution.
- In a resuing stope, checking if the stope floor is covered with rubber mat / belt before blasting.
- In a resuing stope, checking to make sure that waste is sorted first and left in the stope before mucking ore to the mill holes after blasting; also ensuring that the floor and walls are cleaned with a broom to minimize ore losses before footwall slashing.
- After blasting, checking that the stope back is not more than 3.5 m high and the steel mill holes in a resue stope are properly covered with timbers.

Regarding contract payments, a mine contractor is paid based on the amount of ore mined. As it may be seen as an incentive for the contractor to maximize material removed from the stope, contractor payments are governed by a specific formula that calculates planned ore tonnes based on extraction to design and a planned dilution factor. During mine operations, each rail car or small tricycle load of ore is weighed at a weigh station outside the mine portals. If weighed ore tonnes are greater than planned ore tonnes from a given stoping area, the mine contractor is paid solely based on the planned tonnes. For shrinkage stopes, an adjustment for paid tonnes is required to be made, since a stope usually takes several months to complete and, generally, only blast swell is mucked until the stope nears completion.

16.2.4 Ore and waste haulage

As described above, ore from the resue or shrinkage stopes and waste from development are loaded by hand or rocker shovel into 0.7 m^3 rail cars. Each ore car is tagged to identify the stope from which the ore has been mined. The cars are pushed by hand or by loco along the rail on the production level to the bottom of the inclined haulageway, where they are hoisted to the next level. If this level is the adit level, the cars are parked until sufficient numbers have been accumulated to form a train for the locomotive to bring to the portal. The dimensions of the adits and inclined haulageways are referenced above. Some of the mines in the Ying District have internal shafts (winzes). These shafts are used in the same manner as the inclined haulageways. Rail cars are pushed onto the cage for transport to the next level. Only one internal shaft in SGX is equipped with a skip to hoist waste.

Figure 16.7 shows a typical Ying loco with rail cars.

Figure 16.7 Ying loco and rail cars

Source: AMC.

16.2.5 Equipment

16.2.5.1 Mine equipment

Most of the key mining equipment is provided by Silvercorp and is maintained by contractors. Exceptions to this are the air compressors at small adits such as CM103 and CM102 at the SGX mine, which are provided by the mining contractors. Auxiliary fans, vent bags, low voltage transformers, rocker shovels, submersible pumps, small winches, etc. are provided and maintained by contractors. Ramp development contractors in SGX and LMW also use their own equipment.

The Silvercorp fixed plant is predominantly domestically manufactured and locally sourced. The equipment manufacturers are well known and commonly used. Table 16.1 and Table 16.2 list equipment at the Ying mines.

Table 16.1 Ying mines current equipment list

Mine / camp	Equipment	Model	Capacity	Quantities
SGX	Winch	2JTP-1.6*0.9	95 kW	1
	Winch	2JTP-1.6*0.9	132 kW	9
	Winch	2JPT-1.6*1.0	132 kW	1
	Winch	JTP-1.2*1.2	75 kW	1
	Winch	JTK-1.0*0.8 (to be replaced)	45 kW	1
	Winch	JTK-1.0*0.8	37 kW	1
	Winch	JTK-1.0*0.8	132 kW	1
	Winch	JTK1.2*1.2	75 kW	1
	Primary fan	K45-No.16	35-65 m^3/s	1
	Primary fan	FKCDZ-6-No.20	43.2-103.4 m^3/s	2
	Compressor	BK132-8G	Flow: 24 m^3/min; Pressure: 0.8 MPa 132 kW	1
	Compressor	JG110LA	Flow: 20 m^3/min; Pressure: 0.8 MPa 110 kW	1
	Compressor	JN132-8	Flow: 24.63 m^3/min; Pressure: 0.8 MPa 132 kW	1
	Compressor	KPS132	Flow: 22 m^3/min; Pressure: 0.8 MPa 132 kW	1
	Compressor	KRT90-8	Flow: 19.5 m^3/min; Pressure: 0.8 MPa 95 kW	2
	Compressor	LG110-8	Flow: 20 m^3/min; Pressure: 0.8 MPa 110 kW	1
	Compressor	LG110A-8	Flow: 20 m^3/min; Pressure: 0.8 MPa 110 kW	4
	Compressor	LG110G1-8	Flow: 20 m^3/min; Pressure: 0.7 MPa 110 kW	1
	Compressor	LG110G1-8\17110178	Flow: 20 m^3/min; Pressure: 0.8 MPa 110 kW	1
	Compressor	LG110G-8	Flow: 20 m^3/min; Pressure: 0.8 MPa 110 kW	5
	Compressor	LG122-8	Flow: 22 m^3/min; Pressure: 0.8 MPa 132 kW	2
	Compressor	LG-20/8G	Flow: 20 m^3/min; Pressure: 0.8 MPa 110 kW	2
	Compressor	LG-22/8G	Flow: 22 m^3/min; Pressure: 0.8 MPa 132 kW	4
	Compressor	LGB-9.3/8	Flow: 13 m^3/min; Pressure: 0.8 MPa 55 kW	1
	Cage	GLS1/6/1/1		4
	Cage	GLM1/6/1/1		6
	Skip		1.5 m^3	1
	Shotcreter	HPS-5	5 m^3/h	2
	Shotcreter	JG-150	3.5 m^3/h	2
	Auxiliary fan	JK58-4	5.5 kW	52
	Auxiliary fan	JK58-4.5	11 kW	36
HZG	Winch	JTP-1.6*1.2P	132 kW	1
	Winch	2JTP-1.6×1.2P	132 kW	1
	Winch	JTK-1.6×1.5	185 kW	1
	Winch	JTK-1X0.8	45 kW	1
	Winch	JTP-1.2*1.0	75 kW	1
	Skip		1.5 m^3	1
	Cage	GLM1/6/1/1		1
	Primary fan	FKZN011/30	30 kW	1
	Primary fan	FKZ-4 N0.10	15 kW	2
	Primary fan	FKZN09/11	11 kW	1
	Auxiliary fan	JK58-4	5.5 kW	10
	Auxiliary fan	JK58-4.5	11 kW	6
	Compressor	BJN-22/80	Flow: 22 m^3/min; Pressure: 0.7 MPa	1
	Compressor	LG132G-8	Flow: 24 m^3/min; Pressure: 0.7 MPa	1
	Compressor	JG75HA	Flow: 12.5 m^3/min; Pressure: 0.7 MPa	1
	Compressor	LG75A	Flow: 13.5 m^3/min; Pressure: 0.7 MPa	1
	Compressor	LG110-8	Flow: 20 m^3/min; Pressure: 0.8 MPa	2
	Compressor	BJN-10/8G	Flow: 10 m^3/min; Pressure: 0.8 MPa	1

Mine / camp	Equipment	Model	Capacity	Quantities
HPG	Winch	JTP-1.6	132 kW	1
	Winch	JK-2*1.25P	220 kW	1
	Winch	JTP-1.2	75 kW	2
	Winch	JTK-1 (to be replaced)	45 kW	1
	Winch	JTP-1.2*1.0P	45 kW	1
	Winch	JTK-1.2	75 kW	2
	Winch	JTP-1.6*1.25	132 kW	1
	Winch	JTP-1.6*1.5P	185 kW	1
	Compressor	LG110-8	Flow: 20 m^3/min; Pressure: 0.8 Mpa, 110 kW	3
	Compressor	LGM75A-II/161201	110 kW	1
	Cage	GLS1/6/1/1		1
	Primary fan	K45-4-10	30 kW	1
	Auxiliary fan	JK 2-2-No.4	5.5 kW	4
	Auxiliary fan	9.19-No.5.6	11 kW	3
	Auxiliary fan	JK255-2	5.8 kW	8
	Auxiliary fan	JK58-4.5	11 kW	4
LME	Winch	JTP1.6*1.2P	132 kW	1
	Winch	2JTP-1.6*0.9	132 kW	1
	Winch	2JTP-1.6*0.9P	132 kW	1
	Cage	GLM-1/6/1/1		1
	Primary fan	FBCZ No11	7.5 kW	1
	Auxiliary fan	JK2-2-No4	5.5 kW	3
	Compressor	LG110A-8	Flow: 20 m^3/min; Pressure: 0.8 Mpa, 110 kW	1
LMW	Winch	JTP-1.2*1.0P	75 kW	3
	Winch	JT1.0*0.8	37 kW	1
	Winch	JTP-1.0*0.8	37 kW	1
	Winch	JTP-1.6*1.2P	132 kW	1
	Cage	GLM-1/6/1/1		1
	Primary Fan	K45N017/6	110 kW	1
	Auxiliary fan	Jk58-4	5.5 kW	12
	Auxiliary fan	JK58-4.5	11 kW	13
	Compressor	3L-10/8	65 kW	1
	Compressor	4L-20/8	132 kW	1
	Compressor	JC110-10	110 kW	1
	Compressor	LG110A-8	Flow: 20 m^3/min; Pressure: 0.8 Mpa, 110 kW	8
	Compressor	LG110G-8/11012	110 kW	1
	Compressor		55 kW	1
TLP	Winch	JK-2.0×1.5	185 kW	1
	Winch	JTK-1.0×0.8	55 kW	1
	Winch	JTP-1.2*1.0	75 kW	2
	Winch	JTP-1.2*1.0P	75KW	2
	Winch	JTP-1.6*1.2	132KW	1
	Winch	JTP-1.6×1.2	132KW	1
	Winch	GLM1/6/1/1		2
	Skip		1.2 m^3	1
	Primary fan	FBCZ-4-No11	30 kW	1
	Primary fan	FBCZ No11/30	30 kW	1
	Auxiliary fan	JK 2-2-NO4	5.5 kW	20
	Auxiliary fan	9.19-No.5.6	11 kW	15
	Compressor	MGM901-8		1
	Compressor	LG75A	Flow: 13.5 m^3/min; Pressure: 0.7 Mpa	1
	Compressor	LG132A-8		2
	Compressor	LG110G-8		2
	Compressor	LG110SF-22/8	Flow: 22 m^3/min; Pressure: 0.8 MPa	2
	Compressor	LG110A-8	Flow: 20 m^3/min; Pressure: 0.8 MPa	3
	Compressor	JA75HA	Flow: 12.5 m^3/min; Pressure: 0.8 MPa	3

Table 16.2 Ramp contractor equipment list

Contractors	Equipment	Model	Capacity	Quantities
SGX Ramp	One boom Jumbo Drill	CIJ17HT-C	55 kW	1
	Caterpillar type loader	LWLX-180	55 kW	2
	Shovel	XG951 III	162 kW	1
	Shotcreter	PC5T	5 m^3/h	2
	Concrete mixer	JZC350	20 m^3/h	2
	Compressor	LG110A-8/11011	20 m^3/min	3
	Haul trucks	15t	125 kW	5
	Auxiliary fan	JK58-4	5.5 kW	15
HZG Ramp	Slag harrow	LWLX-120	45 kw	1
	Shovel	LG833N	92 kW	1
	Compressor	VDS-150A/110KW	24 m^3/min	1
	Haul trucks	15T	118 kw	3
	Auxiliary fan	FBCDN06.0/2	18.5 kW	1
LMW Ramp	Shovel	XG951 III	60 kW	1
	Shovel	50	60 kW	1
	One boom Jumbo Drill	HT81	60 kW	1
	Electric rake		22.5 kW	3
	Auxiliary fan	JK58-4	5.5 kW	32
	Auxiliary fan	YBT/FBY	7.5 kW	15
	Concrete mixer	350 Model	15 kW	1
	Haul trucks	15t	125 kW	2
	Haul trucks	25T	125 kW	7
	Compressor	LG110A-8/11011	20 m^3/min	7
	Wheel Mucking Loader	LWT-60	15 kW	2
	Wheel mounted mucker	Y17	10.5 kW	10
	Shotcreter	PZ-5	5.5 kw	2
	Mucking machine	Z-17AW	10.5 kW	3
TLP Ramp	One boom Jumbo Drill	CYTJ45B	55	1
	Shovel	CLG855N	162	2
	Shotcreter	PZ-6-1		1
	Concrete mixer	JZC350B	5.5	1
	Compressor	LG132G-8/17	132	5
	Haul trucks	FQ3250GD303	250	8
	Axial flow fan	FBDNo 8.0	2*45	1
	Axial flow fan	FBDNo 7.1	2*37	3
	Axial flow fan	YBT-22	22	
	Axial flow fan	YBT-18.5	18.5	8
	Axial flow fan	YBT-5.5	5.5	2
	Axial flow fan	YBT-11	11	8
DCG Ramp	Shovel	CLG855N	162 kW	1
	Excavator	E655F	38.3 kW	1
	Slag harrow	ZWY-60/11T	11 kW	3
	Shotcreter	PC5T	5 m^3/h	1
	Concrete mixer	JG320	10 m^3/h	1
	Compressor	YMFII110	110 kW	1
	Compressor	LG110G-8/190505	110 kW	1
	Haul trucks	15t	125 kW	3
	Auxiliary fan	SDF No7.1	75 kW	1
	Auxiliary fan	JK58-4	5.5 kW	6

16.2.5.2 Equipment advance rates

Table 16.3 summarizes advance rates assumed for development and production activities.

Table 16.3 Equipment advance rates

Development or production activity	Rate (m/month)	Machine type
Jumbo - Ramp	120	Single boom electric-hydraulic
Jackleg – Levels (Hand Mucking)	50	Jackleg (YT-24)
Jackleg – Levels (Mechanical Mucking)	60	Jackleg (YT-24)
Jackleg - Stope Raises	40	Jackleg (YT-24)
Jackleg – Shaft (Mechanical Mucking)	55	Jackleg (YT-24)
Jackleg – Declines (Mechanical Mucking)	60	Jackleg (YT-24)

16.2.6 Manpower

Silvercorp operates the Ying mines mainly using contractors for mine development, production, ore transportation and exploration. The mill plant and surface workshops are operated and maintained using Silvercorp personnel. Silvercorp provides its own management, technical services, and supervisory staff to manage the mine operations.

Each mine complex is run by a mine manager and one or two deputy mine managers. Because of their proximity, the SGX and HZG mines have common management, as do the TLP, LME, and LMW mines.

The Ying mines have about 3,625 workers in total. Table 16.4, Table 16.5, and Table 16.6 provide a recent 'snapshot' of the workforce, split by Silvercorp staff, contract workers, and Silvercorp hourly employees.

Table 16.4 Silvercorp staff

Mine	Staff
SGX	206
HGZ	40
HPG	52
TLP / LME	175
LMW	75
Mill Plant	178
Company Administration	108
Total	**834**

Table 16.5 List of contract workers in the Ying district

Mine	Contractors	Workers	Location
SGX	Henan Sanyi Construction Engineering Ltd	238	CM101, PD700
	Lushi Jinsheng Tunneling Engineering Ltd.	280	CM105
	Hongji Construction Engineering Ltd	290	PD16, SGX XPD
	Luoyang Xinsheng Mining Engineering Ltd.	68	CM102, CM103, CM108
	Subtotal	**876**	
HZG	Luoyang Xinsheng Mining Engineering Ltd.	36	HZG XPD
	Lushi Jinsheng Tunneling Engineering Ltd	187	PD820, PD810, PD890
	Subtotal	**223**	
HPG	Luoyang Xinsheng Mining Engineering Ltd.	72	PD2
	Luoyang Xinsheng Mining Engineering Ltd.	154	PD3
	Subtotal	**226**	
LME	Henan Sanyi Mining Construction	251	PD900, PD838
	Subtotal	**251**	
LMW	Luoyang Xinsheng Mining Engineering Ltd.	264	PD991, PD924, SJ969
	Shangluo Shunan Engineering Ltd. (T)	232	PD980 (XPD)
	Subtotal	**281**	
TLP	Luoyang Xinsheng Mining Engineering Ltd.	153	PD820, PD846
	Luoyang Xinsheng Mining Engineering Ltd.	133	PD800, PD840, PD890
	Shangluo Shunan Tunneling Engineering Ltd.	291	PD730, PD930, PD960, PD990, PD1050, PD1070
	Zhejiang Xinlong Construction Ltd	141	PD820-XPD
	Subtotal	**717**	
DCG	Luoyang Xinsheng Mining Engineering Ltd.	45	DCG XPD
	Subtotal	**45**	
Total		**2,714**	

Table 16.6 Silvercorp hourly workers

Mine	Workers	Location
SGX	43	SGX Hand picking, waste sorting
HZG	4	HZG Hand picking, waste sorting
HPG	5	HPG Hand picking, waste sorting
LME	4	LME Hand picking, waste sorting
LMW	5	LMW Hand picking, waste sorting
TLP	16	TLP Hand picking, waste sorting
Total	**77**	

16.2.7 Ventilation

Mine ventilation at the Ying mines is planned and set up to be in accordance with Chinese laws and regulations. Among the key ventilation requirements are: minimum ventilation volume per person (4 m^3/min/person), minimum ventilation velocity (typically 0.25 - 0.50 m/sec dependent on location or activity), and minimum diluting volume for diesel emissions (4 m^3/min/kW). The following section describes the ventilation system at SGX. Other mines have a similar network of fans, entries and face ventilation.

16.2.7.1 SGX primary ventilation

The SGX primary ventilation volume is predominantly influenced by the minimum air velocity for the various development and production activities. The peak ventilation volume is estimated to be 63.6 m ^{3}/sec, which is inclusive of 15% air leakage.

A diagonal ventilation system is utilized in the SGX mine.

West Wing (Vein S14, S6, S2 Stopes): fresh air enters 400 mRL, 350 mRL, 300 mRL, and 260 mRL from adit PD16 via No.2 internal shaft and CM105 via No.1 internal shaft. Exhaust air returns to the 650 Adit via 450 mRL, exploration line 70 - 72 internal shaft, and ventilation raises, and then is exhausted to surface by a main axial fan.

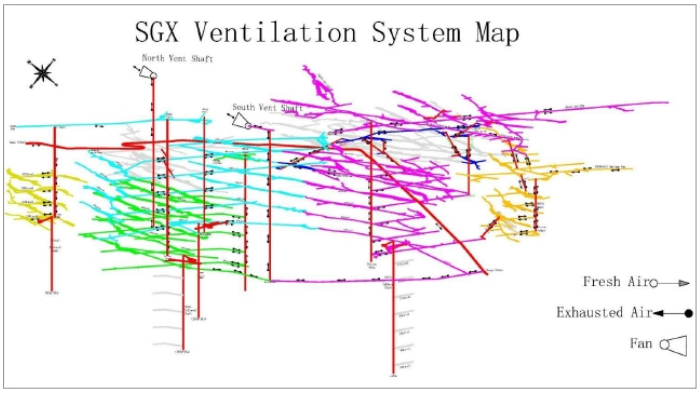
East Wing (Vein S16W, S7, S8, S21 Stopes): fresh air enters 400 mRL, 350 mRL, 300 mRL, and 260 mRL from adit CM101 via No.3 internal shaft, and CM105 via No.1 internal shaft. Exhaust air: part returns to the 650 Adit via 450 mRL, exploration line 70 – 72 internal shaft, and ventilation raises, and then is exhausted to surface by a main axial fan, which is located at PD650 entrance; the remainder of the exhaust air returns to the 680 Adit via 490 mRL and ventilation raises, and then is exhausted to surface by a main axial fan.

The PD700 adit uses a separate ventilation system: fresh air enters 570 mRL and 530 mRL from adit PD700 via the inclined haulageway and internal shaft. Exhaust air returns to the CM108 Adit via 640 mRL and ventilation raises, and then is exhausted to surface by a main axial fan.

One 75 kW axial ventilation fan is installed in the entrance of PD 650 Adit. One 22 kW axial ventilation fan is installed in the entrance of PD 680 Adit. One 22 kW axial ventilation fan is installed in the entrance of CM108 Adit. All these fans have spare motors for back-up.

Figure 16.8 is a ventilation system diagram for the SGX mine.

Figure 16.8 SGX ventilation system diagram



Source: Silvercorp 2020.

16.2.7.2 Secondary ventilation

The secondary ventilation system consists of auxiliary fans for ventilating production faces, development faces, and infrastructure chambers.

Development faces are ventilated using domestically manufactured fans (5.5 to 11 kW – 380 V). A combination of forced and exhaust ventilation is applied for long distance blind-headings.

Stopes are force ventilated using domestically manufactured fans via the timber-cribbed access. The stope air returns to the upper level via a raise.

16.2.8 Backfill

Backfill such as tailings or development waste is not required for shrinkage mining, where blasted ore provides a working platform for each stope lift. The ore is removed on completion of stope mining leaving an empty void. There is potential to opportunistically dispose of development waste into these voids, but current mine plans do not make allowance for this.

The resue stoping method uses blasted waste from the footwall (to achieve the minimum mining width) as the working platform for each stope lift. The waste remains in the stope at completion of stope mining.

16.2.9 Dewatering

Mine dewatering is accomplished under the requirement from the "Chinese Safety Regulations of Metal and Non-metal Mines".

Typical underground water flow from the different mines is listed in Table 16.7 below.

Table 16.7 Mines water flow

Mine	Maximum water flow (m^3/day)	Average water flow (m^3/day)
SGX	3,888	3,360
HZG	346	249
HPG	346	327
LME	188	175
LMW	1,723	1,564
TLP	495	456

The SGX dewatering system is described in some detail below. The dewatering systems at HZG, HPG, TLP, LME, and LMW mines are similar to those at SGX. These systems are briefly described also.

16.2.9.1 SGX dewatering

The pumping system is a dirty water arrangement with a sump and three pumps at each location. In normal circumstances, one pump is running, one is being maintained, and one is on standby. Under conditions of maximum water inflow, all available pumps can be operated, except for pumps that are being maintained. If all pumps operate, they can handle the maximum estimated inflow rate. There are two main pipelines to surface, one of which is on standby. The underground sump capacity is 6 – 8 hours at the average water yield.

Stage 1 dewatering

Pump stations equipped with three or more pumps connected directly to surface are located at the bottom of internal shafts. Table 16.8 lists station pumps at the bottom of internal shafts.

Table 16.8 Stage 1 water pumps at SGX mine

Portal	Model	Units	Power (kW)	Flow (m^3/h)	Lift (m)
CM101	MD85-45*9	3	160	85	405
	D46-50*9	1	110	46	450
CM105-S1#	MD155-67*6	2	280	155	402
	MD85-45*9	1	160	85	405
CM105-S2#	MD155-67*6	2	280	155	402
	D46-50*9	1	110	46	450
	MD25-50*8	1	75	25	400
PD16	D25-50*8	2	75	25	400
	MD25-50*8	1	90	46	400
PD700	MD46-50*7	3	75	46	350
CM105 Skip shaft	MD155-67*6	3	280	155	402
CM102	MD25-50*5	1	37	50	250
	MD46-50*5	1	55	46	250
CM103	WQX12.5-80/4	2	5.5	12.5	80
YPD	WQX12.5-80/4	2	5.5	12.5	80

Stage 2 dewatering

Mining level accesses have been designed with a 0.3% gradient to allow for drainage. The pump and piping arrangements are similar to Stage 1. The inflow collected from various mining levels is then pumped to the 260 m elevation; from here it is pumped to surface through the 1st stage dewatering system. Table 16.9 lists the details of the SGX second stage pumping system.

Table 16.9 Second stage water pumps at SGX mine

Pump stations	Units	Model	Power (kW)	Flow (m^3/h)	Lift (m)
CM101	7	WQX12.5-120	9.2	12.5	120
CM105-S1	1	MD25-50*6	45	25	300
	1	MD46-50*5	55	46	250
	1	MD46-50*6	75	46	300
	4	WQX20-80	5.5	20	80
CM105-S2	3	MD155-67*5	220	155	335
PD16	5	WQX20-80	5.5	20	80

In case of a flood, water dams are set up at the entrance to shaft stations and pump houses in order to protect personnel and equipment.

Development face dewatering

Conventional electric submersible pumps are used for development ramp and decline face dewatering on an as-needed basis. Water is stage discharged to the nearest level pump station.

16.2.9.2 HZG dewatering

HZG dewatering is divided into two stages: the first stage is from 450 mRL to 650 mRL, the second stage is from 650 mRL to 820 mRL. The first stage utilizes three 75 kW D25-50xX8 centrifugal pumps. For the second stage, three 75 kW D25-50X5 centrifugal pumps are located at the pump station in a similar set-up to SGX.

16.2.9.3 HPG dewatering

PD3 dewatering is divided into two stages: the first is from 300 mRL to 460 mRL, and the second is from 460 mRL to PD3 (600 m) adit level. The sumps at both 300 mRL and 460 mRL have a capacity of 300 m^3. For the first stage, there are two centrifugal pumps: model D85-50X4 with power draw 75 kW, and one centrifugal pump - D46-50X4 model - with power draw at 45 kW. For the second stage, there are three centrifugal pumps: model D85-50X5 with power draw at 75 kW. Two 108 mm pipelines installed in inclined haulageways take the water to surface. One line is on standby.

16.2.9.4 TLP dewatering

Water discharge is currently from the 700 m level to the 730 m level, and then via the PD730 adit to surface. The pump model is WQ40-80/4-15, head is 80 m, designed discharge capacity is 40 m^3/h and power is 15 kW. For the second dewatering area, there are three centrifugal pumps installed in Line 31 internal shaft at 510 mRL bottom pump station. The model is MD46-50X6, power is 75 kW. Two 89 mm pipelines are installed along Line 31 internal shaft, via 650 mRL, Line 33 internal shaft, PD770 inclined haulageway, and PD 770 adit to surface.

16.2.9.5 LMW and LME dewatering

LMW

Three centrifugal pumps (model MD46-50X11), with a combined power draw of 132 kW, are installed in the 969 shaft 500 mRL bottom pump station. There are two 89 mm pipelines installed in the 969 shaft, which are then routed via 926 mRL and PD 924 adit to surface.

LME

At LME, three 110 kW MD46-50x8 centrifugal water pumps are installed at the 500 mRL pump station in the PD900 internal shaft to the surface. The second dewatering area is handled by three 75 kW MD46-50x6 centrifugal water pumps installed in the internal shaft 700 mRL bottom pump station. Two 89 mm pipelines are installed in PD838-700 and then routed via 840mRL and PD 838 adit to surface.

16.2.10 Water supply

Water consumption at the SGX area is low and is sourced from the Guxian Reservoir. It is primarily used for drilling and dust suppression. Water consumption is rated at 19.3 m^3/h for each portal. As per safety regulations, a fire-prevention system with 27 m^3/h is required. To meet safety and production needs, there is a 200 m^3 water pond at each portal, except for PD16, where the capacity is 300 m^3. Water supply is via 89 mm diameter pipelines.

The water source for HZG, HPG, TLP, LME, and LMW mines is from nearby creeks and springs and underground sources. A water pond of 100~200 m^3 capacity is established at each adit portal. Both the water quality and quantity from local creeks is sufficient to meet mine requirements.

HZG requirements are estimated at 330 m^3/d. There is a water pond of 100 m^3 at each portal.

HPG requirements are estimated at 310 m ^{3}/d. There is a water pond of 200 m ^{3} at the mine site, with water being delivered via a 107 mm diameter pipeline. An additional water pond of 300 m ^{3} was constructed in 2017 for pumping underground water to No.2 Mill.

TLP Mine requirements are estimated at 556 m ^{3}/d for drilling and dust suppression. There is a water pond of 200 m ^{3} at the mine site, with water being delivered via an 89 mm diameter pipeline.

LM Mine requirements are estimated at 320 m ^{3}/d for LME and 400 m ^{3}/d for LMW. There is a water pond of 200 m ^{3} at each portal, with water being delivered via 89 mm diameter pipelines for LME and 150 mm diameter pipelines for LMW.

16.2.11 Power supply

Power for the SGX mine is supplied from the local government network by three lines. One is a 35 kV high-voltage line that is connected from Luoning Guxian 110 kV substation; the second is a 10 kV high-voltage line that is connected from Luoning Guxian 35 kV substation. The power source is hydropower, generated at the Guxian Reservoir Dam, and the length of overhead power lines is about 8 km. The third network supply is a 10 kV high-voltage line from the Luoning-Chongyang 35 kV substation, about 12 km from SGX.

A fully automated 35 kV substation in the immediate vicinity of the mine site was built in 2008. The capacity of the main transformers is 6,300 kVA.

The 35 kV overhead line can supply main power for all mine production; the 10 kV overhead line is maintained as a standby. Two 1,500 kW and one 1,200 kW generators are installed in the fully automated 35 kV substation as a back-up supply for the CM101, CM102, CM103, CM105, PD16, and PD700 adits and XPD decline in the event of a power outage.

Underground water pumping stations and hoist winches belong to the first-class power load, and require two independent 10 kV power lines, one for operation and the other for backup. During normal operation they can maintain stope operation in addition to meeting the requirement of the first-class power load. In case of emergencies, including underground flooding, they are only required to guarantee service of the first-class power load.

See also Section 18.3.

16.2.12 Compressed air

Compressed air is primarily used for drilling. Jacklegs are used in all stopes and conventional development faces. A minor quantity of air is used for shotcrete application and cleaning blast holes.

Compressor plants are located adjacent to each portal; they are of two-stage, electric piston configuration. Air is reticulated via steel pipes of varying sizes, depending on demand, to all levels and is directed to emergency refuge stations. Air lines are progressively sized from 101 mm diameter down to 25 mm diameter at the stopes.

Compressed air consumption is estimated for each mine operating system (usually differentiated by adits), based on mine production and number of development faces. Suitable air compressors are installed to satisfy volume requirements.

16.2.12.1 Explosives

Refer to Section 18.8.6.

16.2.13 Communications

Mine surface communication is available by landline service from China Network Company (CNC) and by mobile phone service from China Mobile (CMCC) and China Unicom.

Key underground locations such as hoist rooms, shaft stations, transportation dispatching rooms, power substations, pump stations, refuge rooms, and the highest point of each level are equipped with telephones. Communication cables to underground are connected via internal shafts and declines. Internal telephones are installed in operating areas and dispatching rooms, which are also connected with communication cables to the local telephone lines.

16.3 Safety

Ying mine safety is practiced as per Chinese health and safety laws and regulations. The Occupational Health and Safety (OHS) department role is to provide safety training, enforce OHS policies and procedures, make mine safety recommendations and carry out daily inspections of the underground workings and explosives usage.

Each of the mining contractors is required to appoint safety officers at an average ratio of one safety officer to 20 contractor workers for each portal.

A ten-member safety committee is maintained for each of the SGX (including HZG), HPG, TLP, LME, and LMW mines. The committees are led by the Henan Found General Manager and include the Deputy General Manager, Mine Manager, Safety Department Supervisor, and mining contractor representatives. The committees are coordinated by each mine's safety division, and the mine management and the safety officers are required to have valid mine safety training certificates issued by the Provincial Bureau of Safe Production and Inspection.

Insurance policies covering death and injury have been purchased for all company staff and contractor workers in the mines.

The mine and contractors supply Personal Protective Equipment (PPE) to their own personnel.

A contract with the Luoning County General Hospital is in place to take and treat injured workers from all mines, except those only requiring first aid treatment at the mine clinic.

The QP notes that Silvercorp has gone beyond Chinese statutory requirements in certain areas of safety but also recognizes that some operating practices and procedures fall short of more international standards. The QP recommends that Silvercorp continue with a focus of improving mine and site safety and including implementation of a policy where the more stringent of either Chinese or Canadian safety standards is employed.

16.4 Development and production quality control

Since late 2015, Silvercorp has implemented a workplace safety and work quality checklist system to reinforce operations process control. The significant improvement in the head grades of silver, lead and zinc since the December quarter of 2015 may be attributed in part to this initiative, a feature of which is an internal "Enterprise Blog" (EB) system in the management of Mine Production and Safety Information, which the Company implemented in August 2015. The "Enterprise Blog" is an internet social media system that facilitates and makes transparent the distribution and flow of work-related knowledge and information for parties at different locations.

First, all possible risks / hazard sources (potential hazards), risk levels, and control methods in all operating activities, machinery and equipment are identified; then, management processes and

formulates corresponding inspection items for different hazards, and summarize them into an "Inspection Form".

Before each shift, on-site management personnel investigate item by item, enter the inspection results into the "Fact Sheet" system, and upload on-site inspection photos or other attachments. If all the inspection results of the inspection items are satisfied, the operation can be started. If there is a potential safety hazard but the hidden hazard can be eliminated by on-site action, the operation will be started after the hidden hazard is eliminated on the site. Personnel cannot start an operation until the safety risks are eliminated and safety is confirmed.

In the system, for example, each of the mining stopes, development faces, or pieces of equipment is assigned a "blog" name. Daily results of onsite inspection for these stopes or faces by responsible engineers are required to be "published" on their "blogs". The results are listed in a structured data format in a "check-list table", containing information and supporting photos as required by the Company. Related parties at different levels of the management team can access the daily "blog" directly, for each workplace, for first-hand information. The EB system will also record if a management person has accessed the "blog" to read or comment on the daily results under his responsibility. With the EB, information collection, distribution, retrieval and monitoring has become transparent and immediate. The information and knowledge collected by the frontline technicians or engineers freely flows throughout layers of the management structure. The responsible management person has the requirement, incentive, and tools to make prompt and more accurate decisions that can be instantly delivered to responsible parties. From the safety point of view, using the EB enables personnel to be easily informed about any potentially hazardous conditions and mine safety inspectors to collect and analyze the current status and history of stopes and development faces.

Further, based on all the data recorded by the fact-finding system, performance appraisal of the work quality of personnel involved in safety production management is carried out to ensure that safety production measures and processes are implemented as required.

In summary, some of the benefits of the EB system are:

- Information collection, distribution, retrieval, and monitoring has become transparent and instant.
- Information and knowledge collected by the frontline technicians or engineers freely flows through the management structure.
- Safety information is readily shared.
- The structured data format allows statistics to be generated for key management info.
- Management has the requirement, incentive, and tools to make prompt and more accurate decisions.
- Collaboration is facilitated, KPI assessments are able to be fair and timely, and each person is accountable for his work.

16.5 Production and scheduling

16.5.1 Development schedule

Table 16.10 summarizes the LOM development schedule for each of the Ying mines and for the operation as a whole.

Table 16.10 Ying Mines LOM development schedule by fiscal year (FY)

Mine	Categories (m)	2020 Q4	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Total
SGX	Capital lateral	1,207	14,974	12,834	13,953	12,300	10,632	9,469	7,880	6,885	5,263	4,019	3,493	3,565	3,191	2,467	2,750	2,635	1,500	950	450		120,417
	Capital vertical	54	1,331	2,280	1,620	1,756	2,515	2,123	1,029	683	456	290	461	235	452	150	270						15,705
	Operating lateral	923	11,122	8,796	9,101	9,341	9,853	9,903	9,745	8,749	8,120	7,633	7,784	6,991	7,131	5,920	5,071	5,356	5,148	4,994	3,870		145,551
	Operating vertical	343	4,343	3,558	3,511	4,203	4,053	4,500	5,029	4,619	3,903		3,740				3,098						44,900
	Total	**2,527**	**31,770**	**27,468**	**28,185**	**27,600**	**27,053**	**25,995**	**23,683**	**20,936**	**17,742**	**11,942**	**15,478**	**10,791**	**10,774**	**8,537**	**11,189**	**7,991**	**6,648**	**5,944**	**4,320**		**326,573**
HZG	Capital lateral	349	4,797	5,566	4,179	4,317	3,907	4,031	4,388	4,550	5,039	5,158	993	1,210									48,485
	Capital vertical	0	125	3	60	0	125	124	67	125	0	113	134	0									876
	Operating lateral	142	1,910	1,539	1,832	1,664	1,931	1,721	1,561	1,206	961	647	479	289									15,882
	Operating vertical	48	865	503	803	853	724	738	584	668	293	293	94	156									6,622
	Total	**539**	**7,697**	**7,611**	**6,874**	**6,834**	**6,687**	**6,614**	**6,600**	**6,549**	**6,293**	**6,211**	**1,700**	**1,655**									**71,865**
HPG	Capital lateral	135	175	721	984	845	320	811	1,309	1,858	986	675	954	3,022	3,084	1,954	2,005	1,646	1,534				23,018
	Capital vertical	0	305	46	0	348	115	93	157	148	381	20	48	100	245	368	81	61	49				2,565
	Operating lateral	588	4,593	4,399	4,092	3,889	4,476	4,233	3,341	3,327	3,784	4,151	3,622	1,535	789	845	857	820	290				49,631
	Operating vertical	306	979	758	1,028	1,040	1,112	929	1,210	587	783	1,076	1,039	355	171	159	61	0	49				11,642
	Total	**1,029**	**6,052**	**5,924**	**6,104**	**6,122**	**6,023**	**6,066**	**6,017**	**5,920**	**5,934**	**5,922**	**5,663**	**5,012**	**4,289**	**3,326**	**3,004**	**2,527**	**1,922**				**86,856**
LME	Capital lateral	281	3,970	2,420	1,050	1,474	2,619	1,337	503	515	140	140	0	0	0	0	0	0					14,448
	Capital vertical	0	5	1,310	1,310	510	0	0	0	0	0	0	0	0	0	0	0	0					3,135
	Operating lateral	816	2,119	2,204	3,330	3,673	2,680	3,279	2,803	2,343	2,671	2,505	2,767	2,315	2,535	2,560	2,654	2,055					43,310
	Operating vertical	147	671	1,077	1,233	1,266	1,093	1,293	1,088	1,032	1,093	1,335	887	1,356	1,223	1,231	1,082	1,595					18,701
	Total	**1,244**	**6,765**	**7,012**	**6,922**	**6,923**	**6,392**	**5,909**	**4,394**	**3,890**	**3,904**	**3,980**	**3,654**	**3,671**	**3,758**	**3,792**	**3,736**	**3,649**					**79,593**
LMW	Capital lateral	0	3,774	3,837	4,391	4,528	4,921	5,164	4,597	3,977	4,292	3,069	1,841	770	0	0	156	0	0	0	0	0	45,318
	Capital vertical	0	0	0	0	61	0	0	0	0	0	0	0	0	0	61	0	0	0	0	0	0	122
	Operating lateral	692	4,665	4,466	4,365	4,062	3,250	3,277	2,780	3,685	2,402	1,373	1,733	2,016	1,631	1,724	1,689	1,242	1,117	988	1,103	485	48,744
	Operating vertical	884	1,251	1,342	1,464	1,281	915	1,098	915	1,098	732	366	1,281	1,037	915	915	976	732	549	488	610	305	19,154
	Total	**1,576**	**9,690**	**9,645**	**10,220**	**9,932**	**9,086**	**9,539**	**8,292**	**8,760**	**7,426**	**4,808**	**4,855**	**3,823**	**2,546**	**2,700**	**2,822**	**1,974**	**1,666**	**1,476**	**1,713**	**790**	**113,338**
TLP	Capital lateral	1,690	10,158	8,443	8,582	5,565	7,385	8,050	7,255	5,450	5,070	4,105	4,450	4,030	2,835	3,360							86,428
	Capital vertical	622	6,068	1,830	1,050	595																	10,165
	Operating lateral	2,761	6,843	6,178	5,274	5,904	5,392	4,316	3,972	4,783	4,175	3,716	3,489	2,762	3,488	2,506	1,884	505					67,949
	Operating vertical	1,112	1,581	1,939	2,183	2,629	2,015	2,346	1,738	2,291	2,388	1,847	1,468	1,655	1,646	1,067	1,045	421					29,371
	Total	**6,184**	**24,651**	**18,390**	**17,089**	**14,693**	**14,792**	**14,712**	**12,965**	**12,524**	**11,633**	**9,668**	**9,407**	**8,447**	**7,969**	**6,933**	**2,929**	**926**					**193,913**
Ying	Capital lateral	2,455	22,874	20,987	19,186	16,729	19,152	19,394	18,051	16,349	15,527	13,147	8,239	9,032	5,919	5,314	2,161	1,646	1,534	0	0	0	217,697
	Capital vertical	676	7,834	5,469	4,040	3,270	2,755	2,340	1,253	956	837	423	643	335	697	579	351	61	49	0	0	0	32,568
	Operating lateral	5,921	31,253	27,582	27,994	28,533	27,583	26,730	24,203	24,094	22,113	20,025	19,874	15,908	15,573	13,555	12,154	9,977	6,555	5,982	4,973	485	371,067
	Operating vertical	2,840	9,690	9,177	10,222	11,272	9,912	10,904	10,564	10,295	9,192	4,917	8,509	4,559	3,955	3,372	6,262	2,748	598	488	610	305	130,390
Total	**Total**	**11,891**	**71,651**	**63,215**	**61,442**	**59,804**	**59,402**	**59,367**	**54,071**	**51,694**	**47,668**	**38,512**	**37,265**	**29,833**	**26,145**	**22,820**	**20,929**	**14,432**	**8,736**	**6,470**	**5,583**	**790**	**751,722**

Note: Some totals may not compute exactly due to rounding.

Development is characterized as either operating or capital, and includes vein exploration, stope preparation, level development, decline and shaft excavation, and underground infrastructure development. Capital development is notionally that associated with ramp excavation, level access and level rock transportation routes. Operating development is notionally the portions of the level access that provide immediate access to a stope, draw point accesses, and vein development, including exploration vein development.

The QP notes the projected advance rate of 120 m/month (~4 m/day) for the main ramp developments at SGX and LMW. The QP considers that the projected LOM development totals are achievable and that a continuing high degree of development focus will be necessary throughout the Ying operation.

16.5.2 Mines production

16.5.2.1 Production rate

Mine operations are scheduled for 365 days of the year, but with production on a 330 days per year basis. Nominal projected production rates for shrinkage and resuing stopes are around 1,200 and 600 t per month respectively, but with the actual rate from each stope being dependent on realized vein and excavation widths.

Table 16.11 is a general summary of production rates and projected years of operation for the Ying mines.

Table 16.11 Ying mines production rate summary

Mine	Production rate (t/month)		Typical no. of stopes in operation	Typical annual production (kt/a)	Estimated mine life (years)
	Shrinkage	Resue			
SGX	1,200	600	69	238	20
HZG	1,200	600	15	56	11
HPG	1,200	600	14	73	17
LME	1,200	600	16	67	17
LMW	1,200	600	17	64	20
TLP	1,200	600	40	121	16

16.5.2.2 Mines production: 1 July 2016 to 31 Dec 2019

Table 16.12 summarizes mine production tonnes and grade from 1 July 2016 to end of December 2019, including high-grade, hand-sorted ore (direct shipping ore).

Table 16.12 Ying mines production run-of-mine, Q2 FY2017 to end of Q3 FY2020

Mine	Ore type	Unit	2017Q2-Q4	2018	2019	2020Q1-Q3
SGX	Ore mined	t	201,803	257,601	251,047	208,399
	Grade	Ag (g/t)	356	353	346	355
		Pb (%)	7.31	6.72	6.66	7.09
		Zn (%)	1.94	1.83	1.81	1.83
HZG[1]	Ore mined	t	34,516	48,027	56,070	46,390
	Grade	Ag (g/t)	340	356	486	446
		Pb (%)	1.22	1.16	2.01	1.64
		Zn (%)	-			
HPG	Ore mined	t	48,621	51,261	58,958	47,768
	Grade	Ag (g/t)	128	119	107	111
		Pb (%)	4.24	4.44	3.29	3.26
		Zn (%)	0.64	1.10	1.28	1.26
LME	Ore mined	t	28,485	50,073	52,301	40,608
	Grade	Ag (g/t)	396	502	472	478
		Pb (%)	1.84	2.09	2.10	2.05
		Zn (%)		0.14	0.50	0.50
LMW[2]	Ore mined	t	64,318	66,213	63,466	50,993
	Grade	Ag (g/t)	315	317	328	343
		Pb (%)	3.68	3.19	3.45	2.92
		Zn (%)	-			0.12
TLP	Ore mined	t	85,508	140,966	140,734	134,660
	Grade	Ag (g/t)	210	194	195	200
		Pb (%)	2.49	2.80	3.08	3.46
		Zn (%)	-			
Ying Mines	Ore mined	t	463,252	614,141	622,576	528,818
	Grade	Ag (g/t)	301	306	310	310
		Pb (%)	4.80	4.44	4.40	4.55
		Zn (%)	0.91	0.87	0.89	0.89

Notes: Total Ore Mined includes hand-sorted, high-grade ore. [1] HZG includes ore from BCG (BCG is south portion of HZG). [2] LMW includes ore from PD991 (small access tunnel at LM).

16.5.2.3 Production schedule

Table 16.13 is a summary of projected LOM production for each of the Ying mines and for the entire operation based on the end-2019 Mineral Reserve estimates.

Annual ore production is projected to be maintained between 655 kt and 687 kt through to and including FY2031. From 2032 to 2036, annual ore production is projected to average about 600 kt, and then to drop from 443 kt to 283 kt over the final four years, as operations at the SGX, HPG, LME, and LMW mines tail off. The QP notes that the development and infrastructure required to allow production as projected is either already in place, is in development, or has been planned. The QP also comments that the ability to achieve projected production will, to a large degree, be dependent on diligent planning and the consistent availability of resources, particularly skilled manpower. The QP notes that, although there is a certain amount of risk associated with the

provision of key resources, the Ying mines performance in recent years lends support to a having a good degree of confidence that production tonnage targets can be achieved.

The QP comments that, although Ag grades, particularly driven by SGX, are indicated to steadily decrease over the LOM, beyond 2025, the AgEq grade is maintained in a fairly narrow range between 378 g/t and 436 g/t, with the full LOM average AgEq grade at 454 g/t. This is consistent with the mines developing more to depth, with a general decrease in Ag grades and a corresponding increase in Pb and Zn grades. To maintain optimum metal grades, the QP recommends that Silvercorp continue its recent and current efforts on dilution and grade control via the Mining Quality Control Department.

Table 16.13 Ying Mines LOM production

SGX	2020Q4	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Total
Ore (kt)	29	255	255	255	260	261	261	261	261	262	261	261	262	261	261	262	261	261	253	247	243	5,193
Ag (g/t)	357	359	356	321	307	305	271	268	264	265	261	269	272	266	269	277	259	255	237	226	227	277
Pb (%)	6.43	6.45	6	6.34	5.76	5.25	5.64	5.22	5.53	5.46	5.54	4.82	5.28	5.21	4.92	4.79	5.25	5.29	5.32	5.41	5.11	5.43
Zn (%)	2.12	2.25	2.44	2.72	2.47	2.79	2.97	3.36	2.6	2.73	2.87	3.27	2.44	2.87	2.69	2.51	2.34	2.04	2.04	1.94	1.97	2.57
AgEq (g/t)	634	639	625	608	568	555	539	529	520	521	523	515	515	516	504	504	498	489	472	463	453	529
HZG	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**									**Total**
Ore (kt)	9	51	50	53	53	53	53	53	53	53	53	43	40	-	-	-	-	-	-	-	-	616
Ag (g/t)	413	403	383	389	357	324	344	337	318	306	286	244	225									330
Pb (%)	0.61	0.71	1.05	0.76	1.04	1.57	0.94	0.92	0.58	0.54	0.46	0.64	0.51									0.82
Zn (%)	0.26	0.25	0.22	0.17	0.22	0.16	0.17	0.19	0.17	0.12	0.15	0.14	0.12									0.18
AgEq (g/t)	434	427	420	415	394	378	377	368	338	325	302	266	243									359
HPG	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**			**Total**
Ore (kt)	12	63	65	69	70	71	71	70	71	70	70	70	70	70	69	70	66	63	61.719	-	-	1,240
Au (g/t)	1.14	1.14	0.65	1.58	1.42	1.21	0.92	1.16	0.52	1.25	1.85	1.48	1.89	1.65	1.61	1.37	0.91	0.87	0.94			1.25
Ag (g/t)	93	98	102	88	103	108	108	87	84	69	60	67	61	62	35	29	39	50	41			72
Pb (%)	4.27	4.5	4.64	3.18	3.34	3.48	3.17	4.17	5.01	3.64	2.95	3.29	2.96	2.7	2.06	2.77	2.8	2.19	2.18			3.29
Zn (%)	1.05	1.17	1.79	2.16	1.64	1.43	2.76	1.12	1.4	1.58	1.32	1.34	0.96	1.36	1.88	1.15	0.83	0.85	0.87			1.43
AgEq (g/t)	347	362	356	355	354	347	348	339	334	319	316	313	311	298	256	244	218	206	200			306
LME	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**				**Total**
Ore (kt)	10	64	69	76	70	75	69	72	80	74	78	81	75	74	73	74	64	64	-	-	-	1,243
Ag (g/t)	395	407	424	410	352	354	319	295	296	322	275	272	300	231	242	228	250	220				306
Pb (%)	1.59	1.86	1.71	2.35	2.7	1.95	1.27	1.68	1.18	1.15	1.21	1.23	1.45	1.83	1.43	1.29	1.26	1.53				1.59
Zn (%)	0.44	0.43	0.37	0.46	0.51	0.27	0.38	0.46	0.38	0.41	0.31	0.37	0.37	0.51	0.39	0.34	0.28	0.35				0.39
AgEq (g/t)	455	475	486	496	450	424	367	358	341	366	320	318	354	300	296	277	297	277				365
LMW	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**Total**
Ore (kt)	11	65	67	71	69	69	67	68	69	68	68	68	67	69	68	68	66	65	69	63	54	1,349
Ag (g/t)	306	333	330	330	360	369	354	341	352	329	334	333	333	339	316	297	278	267	258	236	212	317
Pb (%)	2.59	2.67	3.05	3.57	2.96	2.57	2.87	3.08	2.65	3.10	2.76	2.61	2.51	2.13	2.57	2.72	2.93	2.67	2.09	2.11	2.57	2.71
Zn (%)	0.27	0.24	0.25	0.28	0.25	0.28	0.26	0.38	0.28	0.36	0.29	0.27	0.27	0.29	0.34	0.35	0.28	0.32	0.33	0.29	0.26	0.29
AgEq (g/t)	396	426	437	456	464	460	454	449	445	437	430	425	420	413	406	392	381	360	331	310	302	412
TLP	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**					**Total**
Ore (kt)	28	146	141	149	148	141	161	155	165	146	138	140	141	141	142	139	128	-	-	-	-	2,348
Ag (g/t)	193	211	258	267	293	262	260	242	240	241	199	239	227	219	196	172	133					230
Pb (%)	3.73	3.51	2.71	2.57	2.26	2.73	2.85	3.11	2.75	2.93	3.58	2.72	2.98	3.31	3.60	3.67	3.89					3.07
Zn (%)	0.32	0.32	0.39	0.34	0.36	0.39	0.32	0.33	0.33	0.29	0.25	0.32	0.35	0.30	0.36	0.30	0.29					0.33
AgEq (g/t)	320	331	351	354	371	355	357	348	334	342	322	331	329	333	319	297	265					334
Ying Mine	**2020Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**Total**
Ore (kt)	99	645	647	673	670	670	682	679	699	672	668	664	654	615	614	612	585	452	384	309	296	11,989
Au (g/t)	0.14	0.11	0.07	0.16	0.15	0.13	0.09	0.12	0.05	0.13	0.19	0.16	0.20	0.19	0.18	0.16	0.10	0.12	0.15	-	-	0.13
Ag (g/t)	282	305	316	301	297	289	270	259	257	255	238	247	246	236	228	221	208	224	209	228	224	257
Pb (%)	3.96	4.30	4.00	4.00	3.75	3.60	3.64	3.71	3.66	3.62	3.67	3.28	3.52	3.74	3.61	3.65	3.97	3.95	4.24	4.74	4.65	3.81
Zn (%)	0.94	1.16	1.31	1.42	1.31	1.39	1.58	1.58	1.27	1.38	1.39	1.58	1.23	1.53	1.52	1.35	1.26	1.39	1.54	1.61	1.66	1.41
AgEq (g/t)	448	488	488	482	465	452	438	429	415	420	409	405	409	412	398	388	381	401	403	432	426	429

Notes: Rounding of some figures may lead to minor discrepancies in totals. Zinc not included in AgEq calculation for HZG, TLP, and LMW mines.

16.6 Reconciliation

Table 16.14 summarizes the Silvercorp reconciliation between Mineral Reserve estimates in areas mined and production as mill feed, including high grade, hand-sorted ore, for the Ying mines from 1 July 2016 to 31 December 2019.

Table 16.14 Mineral Reserve to production reconciliation: July 2016 – December 2019

	Mine	Ore (kt)	Grade			Metal		
			Ag (g/t)	Pb (%)	Zn (%)	Ag (koz)	Pb (kt)	Zn (kt)
Reserve (Proven + Probable)	SGX	923	311	5.78	2.37	9,233	53.34	21.87
	HZG	191	331	1.01		2,032	1.92	
	HPG	259	114	4.46	1.07	948	11.54	2.77
	LME	223	337	1.78	0.32	2,425	3.97	0.72
	LMW	324	330	3.32		3,440	10.77	
	TLP	429	259	3.36		3,570	14.39	
	Total	**2,349**	**287**	**4.08**	**1.08**	**21,649**	**95.94**	**25.37**
Reconciled Mine Production[1,2]	SGX	919	352	6.92	1.85	10,144	61.97	16.57
	HZG	185	415	1.55		2,407	2.79	
	HPG	207	116	3.79	1.08	749	7.64	2.18
	LME	171	469	2.04	0.31	2,523	3.42	0.52
	LMW	245	325	3.33		2,494	7.95	
	TLP	502	199	3.00		3,128	14.69	
	Total	**2,229**	**307**	**4.53**	**0.89**	**21,445**	98.47	19.27
Mine Production as % of Reserves	SGX	100%	113%	120%	78%	110%	116%	76%
	HZG	97%	125%	154%		118%	146%	
	HPG	80%	101%	85%	101%	79%	66%	79%
	LME	77%	139%	115%	97%	104%	86%	72%
	LMW	76%	98%	100%		72%	74%	
	TLP	117%	77%	89%		88%	102%	
	Total	**95%**	**107%**	**111%**	**82%**	**99%**	**103%**	**76%**

Notes:
[1] Includes high-grade, hand-sorted ore.
[2]Assumes 2.5% moisture in wet ore.

The QP makes the following observations relative to the data in Table 16.14:

- Overall, the mine produced 5% less tonnes at a 7% higher silver grade, an 11% higher lead grade and an 18% lower zinc grade; for 1% less contained silver, 3% more contained lead and 24% less contained zinc relative to Mineral Reserve estimates. The significantly lower zinc grade and zinc metal contained may be attributed to some processing recovery uncertainty affecting reconciled values. The QP notes that zinc has only a small effect on revenue (6% of total projected revenue as per 2019 Mineral Reserves).
- In terms of mined silver, SGX, HZG, and LME were well above reserve grades, while HPG and LMW were approximately the same and TLP was significantly below. Lead grades show a similar pattern, although with HPG and TLP being 15% and 11% respectively below reserve grades. Grade values suggest that the dilution control emphasis has achieved good results overall, but with a minority of site areas (e.g., at TLP) possibly having more dilution than projected.
- Factors that may have contributed to results variability include:

- Over- and / or under-estimation of Mineral Resource / Reserve tonnes and grades at individual sites.
- Variable or adverse ground conditions.
- Use of shrinkage stoping in very narrow and / or discontinuous veins.
- Mining of lower grade, but still economic, material outside of the vein proper.
- Misattribution of feed source to the mill.
- Mill process control issues.

Silvercorp has placed a high level of focus on dilution control in recent years and has revised its stockpiling and record keeping procedures and implemented a work quality checklist management enhancement program. The QP has previously endorsed these actions and continues to do so. It is also recommended that Silvercorp undertake periodic mill audits aimed at ensuring optimum process control and mill performance.

16.7 Mining summary

The Ying mine complex is a viable operation with a projected LOM through to 2040 based on Proven and Probable Reserves. The potential exists for an extended LOM via further exploration and development, particularly in areas of Inferred Resources.

Annual ore production is projected to be maintained between 655 kt and 687 kt through to and including FY2031. From FY2032 to FY2036, ore production is projected to average about 600 ktpa, and then to drop from 443 ktpa to 283 ktpa over the final four years, as operations at the SGX, HPG, LME, and LMW mines wind down. The QP notes that the development and infrastructure required to allow production as projected is either already in place, is in development, or has been planned. The ability to achieve projected production will, to a large degree, be dependent on diligent planning and the consistent availability of resources, particularly skilled manpower and, although there is a certain amount of risk associated with the provision of key resources, the Ying mines performance in recent years lends support to a having a good degree of confidence that production tonnage targets can be achieved.

Silver grades, particularly driven by SGX, are indicated to steadily decrease over the LOM. Through to and including 2025, the silver grade is projected to average 307 g/t. Beyond 2025, the silver grade ranges between 267 g/t and 203 g/t, but with the AgEq grade maintained in a fairly narrow range between 378 g/t and 436 g/t. The full LOM average AgEq grade is projected at 454 g/t. The grade profile is consistent with the mines developing more to depth, with a general decrease in Ag grades and a corresponding increase in Pb and Zn grades.

The QP recommends that efforts continue to fully integrate the Resource estimation, Reserve estimation, and mine planning processes for both internal planning and external reporting.

The QP also recommends that Silvercorp undertake periodic audits aimed at optimizing process control and mill performance, and that the summation of individual ore car weights by stope and zone be fully integrated into the tracking and reconciliation process.

The Ying mines safety is governed by Chinese statutory requirements and the QP acknowledges that, in certain areas, those requirements are exceeded. The QP 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 QP recommends that Silvercorp investigate the use of portable compressors in mining areas with a view to minimizing power costs; and also investigate the benefits of the application of slushers for muck movement in stopes.

The generally good ground conditions, and the regularity and sub-vertical nature of the Ying district veins, could provide an opportunity to effectively employ more bulk-mining methods such as longhole benching, and still with reasonable dilution. The QP recognizes the technological change that would be required for their implementation but recommends that Silvercorp investigate the application of such methods.

The QP considers that adoption of the above recommendations can form part of the day-to-day running of the Ying mines and that no specific cost provisions need be made in this regard.

17 Recovery methods

17.1 Introduction

Silvercorp runs two processing plants, Plant 1 (also known as No.1 Mill) and Plant 2 (also known as No.2 Mill), for the Ying operations, with a total design capacity of 1,600 tpd (prior to October 2011), and then 2,600 tpd after October 2011 when expansion phase II was completed. The two plants are situated within 2 km of each other. The development history is described below and summarized in Table 17.1:

- Both plants were designed based on the lab tests completed by HNMRI in 2005.
- Plant 1 (Xiayu Plant, 600 tpd) has been in operation since March 2007.
- Plant 2 (Zhuangtou Plant): (1) Phase I (1,000 tpd) has been in production since December 2009; (2) Phase II (1,000 tpd) has been in production since October 2011 when expansion of another parallel flotation bank was completed. The total design processing capacity is now 2,000 tpd.
- Total processing capacity for Plants 1 and 2 in 2020 is 2,600 tpd of ore.

In this section, global production data up to March 2020 has generally been referenced. Individual plant performance reconciliation data is based on the full FY2020.

Table 17.1 Summary of Processing Plants 1 and 2 capacities

Items	Plant 1	Plant 2 (Phase I)	Plant 2 (Phase II)	Plants 1+2
First year in operation	Mar 2007	Dec 2009	Oct 2011	
Design capacity (tpd)	600	1000	1000	2600
Actual capacity (tpd)	800	900	900	2600
Plant availability (day/yr)	330	330	330	330
Major ore feed	LM / TLP / HZG	All	All	All
Tailings pond	P1-Zhuangtou	P2-Shiwagou	P2-Shiwagou	P1+P2

17.2 Ore supply and concentrate production from Ying property mines

17.2.1 Ore supply

Ore from the Ying mines is shipped via barge and / or truck to the milling flotation Plants 1 and 2:

- SGX / HPG lumps: Rich, large-size galena lumps with characteristic specular silver-grey colour may be hand-sorted at the mine sites, crushed, and then shipped by dedicated trucks to Plant 1. Such lumps are milled in a dedicated facility, and then sold directly or mixed with flotation PbS concentrate for sale. The lead lumps bypass the flotation circuit. No hand-sorting was done in FY2020.
- SGX / HZG and HPG ore: Transported using trucks on barges from the SGX / HZG and the HPG mines across the lake, and then trucked to the plant. In addition, an ore transportation tunnel from SGX to HPG has been constructed and the haul road from HPG to the plants has been upgraded. Thus, as a backup, the ore can be transported through the tunnel and via the haul road to the plants.
- TLP / LME / LMW ores: Transported via truck directly from mine site to the plant.
- DCG ore: a transportation tunnel is being built from TLP to DCG to haul the ores from DCG via TLP to the plant.

Table 17.2 summarizes the ore supply from the mines from 2017 to June 2020. Some aspects of note are:

- There has been a slight decline in annual production from 2017 to 2020.
- SGX and TLP have been the major ore suppliers for the plants, but with increasing and decreasing contributions from TLP and SGX respectively.
- LMW production decreased from 88 ktpa to 58 ktpa.
- Ore production from LME, HZG, and HPG has generally been stable.

Table 17.2 Ore supply to Plants 1 and 2 from FY2017 to FY2020

Fiscal year	Unit	SGX	TLP	LME	LMW	HZG	HPG	Subtotal
2017	Tonnes	278,280	115,944	42,364	88,430	50,520	62,673	638,211
	Contribution (%)	44	18	7	14	8	10	100
2018	Tonnes	259,121	141,752	49,458	66,821	48,464	53,117	618,732
	Contribution (%)	42	23	8	11	8	9	100
2019	Tonnes	251,354	140,305	52,498	63,553	54,447	57,695	619,851
	Contribution (%)	41	23	8	10	9	9	100
2020	Tonnes	236,797	154,373	44,436	58,435	52,618	54,946	601,605
	Contribution (%)	39	26	7	10	9	9	100
Production ranking (2020)		**1**	**2**	**6**	**3**	**5**	**4**	

Notes:

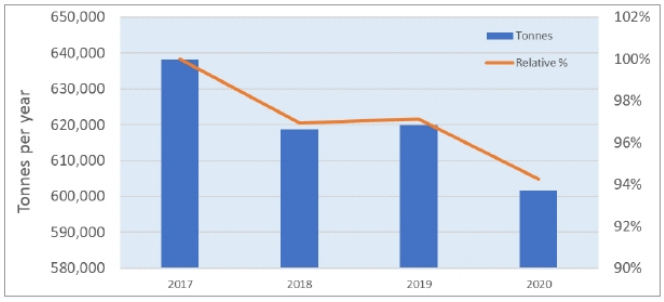
- Wet tonnes basis.
- Numbers may not compute exactly due to rounding.

Table 17.3 and Figure 17.1 again show the decrease in processed ore tonnes (wet) from 2017 to 2020, with the 2020 number being 94% of the 2017 value.

Table 17.3 Ore supply from FY2017 to FY2020 (wet base including lead lumps)

Fiscal year	2017	2018	2019	2020
Tonnes	638,211	618,732	619,851	601,605
Relative %	100	97	97	94

Figure 17.1 Total ore treated and year on year percentage relative to 2017



Source: Silvercorp.

17.2.2 Ore composition per mine

Table 17.4 shows average ore grades by mine for FY2020. TLP and HZG have very low zinc values (shown as 'zero' in the table as processing of zinc from these sites is of little value).

Table 17.4 Average ore composition by mine (dry basis including lead lumps, FY2020)

Unit	SGX	TLP	LME	LMW	HPG	HZG	Average
Ag (g/t)	356	201	473	340	117	445	322
Pb (%)	7.11	3.42	2.05	2.92	3.30	1.67	3.41
Zn (%)	1.86		0.50	0.10	1.31		0.94
Au (g/t)					0.68		

17.2.3 Concentrate production by mine in FY2020

Table 17.5 summarizes the quantity of PbS and ZnS concentrate products, by mine, in FY2020. There was no hand-sorting ore during this period.

Table 17.5 Concentrate production by mine (FY2020)

Products	Wt.	SGX	TLP	LME	LMW	HZG	HPG	Subtotal
1. Hand-sorted concentrate								
	(tonnes)	0	0	0	0	0	0	0
2. Flotation concentrate								
Pb Float Conc	(tonnes)	24,645	10,503	1,716	3,808	1,581	4,031	46,285
Zn Float Conc	(tonnes)	5,329		154	14		848	6,344
Pb+Zn Conc	(tonnes)	29,973	10,503	1,870	3,822	1,581	4,879	52,629
Conc contribution (%)		56.95	19.96	3.55	7.26	3.00	9.27	100
Conc. production ranking (2020)		1	2	5	4	6	3	

17.2.4 Concentrate quality and metal recovery (average) FY2017 – FY2020

Table 17.6 and Table 17.7 summarize the concentrate quality and recovery (average) by year, with the recovery also shown in Figure 17.2. The results indicate that:

- Pb and Ag recoveries have been stable. The average recovery rates for Pb and Ag are 96.09% and 95.75%, respectively; these values are significantly higher than the common design recovery rate of 90%.
- Ag and Pb grades in PbS concentrate have shown a gradual increase over the years, although the average Pb grade is still lower than the design value of 60%.
- Zn grade in ZnS concentrate has shown a gradual increase over the years, and the average Zn grade is also higher than the design value of 45%.
- Zn recovery has shown a significant increase over the years, but the average Zn recovery is still significantly lower than the target, this being attributed to lower zinc content in the ore feed.
- The statistics are consistent with an increasing proportion of production from lower grade mines like TLP, while over 50% of Pb concentrate is from SGX.

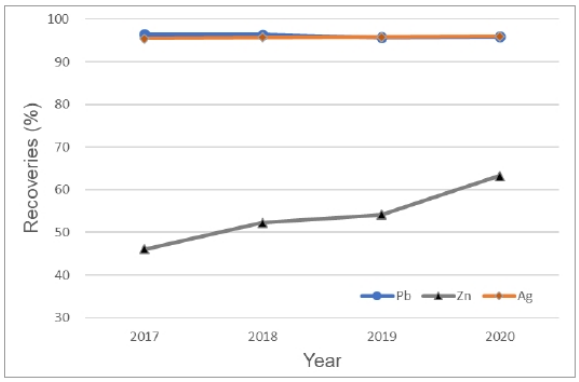
Table 17.6 Concentrate quality by year from FY2017 to FY2020

Product	Year	Wt (t)	Pb (%)	Zn (%)	Ag (g/t)
PbS Lumps Hand sort	2017	315	60.58	4.06	2,244
	2018	82	67.39	2.61	1,965
	2019	281	62.59	2.32	2,961
	2020				
PbS Flotation Conc	2017	55,955	49.81	4.71	3,211
	2018	50,995	50.39	4.00	3,444
	2019	47,227	53.62	4.21	3,790
	2020	46,285	55.31	3.35	3,758
Design			60	1.95	
ZnS Flotation Conc	2017	5,597	1.10	48.82	313
	2018	5,352	0.78	51.25	283
	2019	5,750	0.78	50.91	292
	2020	6,344	0.81	52.46	307
Design			0.95	45	

Table 17.7 Overall metal recovery by year from FY2017 to FY2020

Year	Pb (%)	Zn (%)	Ag (g/t)
2017	96.45	46.03	95.45
2018	96.32	52.29	95.74
2019	95.68	54.12	95.83
2020	95.89	63.24	95.98
Average	96.09	53.92	95.75
Design	90	85	90

Figure 17.2 Overall metal recovery to concentrate from FY2017 to FY2020



Source: Silvercorp.

17.2.5 Impact of ore type on concentrate quality and metal recovery (FY2020)

Table 17.8 to Table 17.12 summarizes the concentrate production by mine (SGX, HZG, HPG, TLP, LME, and LMW) for FY2020.

Table 17.8 SGX mine – ore processed – actual mass balance (FY2020)

Production	Wt (Tonne)	Mass yield (%)	Grade			Recovery		
			Pb (%)	Zn (%)	Ag (g/t)	Pb (%)	Zn (%)	Ag (%)
Wet tonnes	236,797							
Dry tonnes	230,601	100	7.11	1.86	356	100.00	100.00	100.00
Lead Con.	24,645	11	65.05	5.15	3,216	97.76	29.57	96.54
Zinc Con.	5,329	2	0.84	52.16	311	0.27	64.81	2.02
Tails	200,628	87	0.16	0.12	6	1.96	5.62	1.44

Zinc grade and recovery at SGX are lower than target due to lower zinc content in the ore feed.

Table 17.9 TLP mine – ore processed – actual mass balance (FY2020)

Productio n	Wt (Tonne)	Mass yield (%)	Grade			Recovery		
			Pb (%)	Zn (%)	Ag (g/t)	Pb (%)	Zn (%)	Ag (%)
Wet tonnes	154,373							
Dry tonnes	150,065	100	3.42	0.00	201	100.00	0.00	100.00
Lead Con.	10,503	7	44.38	0.00	2,687	90.95	0.00	93.60
Zinc Con.	0	0	0.00	0.00	0.00	0.00	0.00	0.00
Tails	139,561	93	0.33	0.00	14	9.05	0.00	6.40

Table 17.10 LME mine – ore processed – actual mass balance (FY2020)

Production	Wt (Tonne)	Mass yield (%)	Grade			Recovery		
			Pb (%)	Zn (%)	Ag (g/t)	Pb (%)	Zn (%)	Ag (%)
Wet tonnes	44,436							
Dry tonnes	43,163	100	2.05	0.50	473	100.00	100.00	100.00
Lead Con.	1,716	4	48.42	5.51	11,542	94.10	43.74	97.00
Zinc Con.	154	0	0.80	50.96	929	0.14	36.18	0.70
Tails	41,293	96	0.12	0.11	11	5.76	20.07	2.30

Table 17.11 LMW mine including PD 991-ore processed – actual mass balance (FY2020)

Production	Wt (Tonne)	Mass yield (%)	Grade			Recovery		
			Pb (%)	Zn (%)	Ag (g/t)	Pb (%)	Zn (%)	Ag (%)
Wet tonnes	58,435							
Dry tonnes	57,058	100	2.92	0.10	340	100.00	100.00	100.00
Lead Con.	3,808	7	42.09	0.71	4,927	96.18	45.67	96.68
Zinc Con.	11	0	1.10	47.35	407	0.01	8.86	0.02
Tails	53,239	93	0.12	0.05	12	3.81	43.54	3.29

Table 17.12 HPG mine – ore processed – actual mass balance (FY2020)

Production	Wt (Tonne)	Mass yield (%)	Grade			Recovery		
			Pb (%)	Zn (%)	Ag (g/t)	Pb (%)	Zn (%)	Ag (%)
Wet tonnes	54,946							
Dry tonnes	53,471	100	3.30	1.31	117	100.00	100.00	100.00
Lead Con.	4,031	8	41.36	3.96	1,400	94.49	22.90	90.47
Zinc Con.	848	2	0.61	54.71	168	0.30	66.44	2.28
Tails	48,592	91	0.19	0.15	9	5.21	10.67	7.24

Table 17.13 HZG mine (includes BCG[1] contribution) - ore processed - actual mass balance (FY2020)

Production	Wt (Tonne)	Mass yield (%)	Grade			Recovery		
			Pb (%)	Zn (%)	Ag (g/t)	Pb (%)	Zn (%)	Ag (%)
Wet tonnes	52,618							
Dry tonnes	51,420	100	1.67	0.00	445	100.00	0.00	100.00
Lead Con.	1,581	3	50.91	0.00	14,062	93.81	0.00	97.05
Zinc Con.	0	0	0.00	0.00	0	0.00	0.00	0.00
Tails	49,839	97	0.10	0.00	13	6.09	0.00	2.90

Note: [1]BCG is south part of HZG.

Table 17.8 to Table 17.13 indicate that:

- PbS grade: only SGX is close to the design concentrate grade of 60 – 65% Pb.
- Pb recovery reached design for all mines, and Pb recoveries for SGX and LMW are significantly higher than design.
- Ag recoveries for SGX, LME, LMW, HZG, and TLP ore exceeded the design value.
- ZnS grade: Zn grades met the target grade for SGX, HPG, LMW, and LME.
- Zn recovery for all mines is lower than the design value (85%), due to low zinc in the feed, or minimal zinc for TLP, LME, LMW, and HZG.
- In all the six mines, lead concentrates contained more than 33% Pb, which is acceptable within the Chinese domestic smelting market, although higher treatment charges and lower percent payables are experienced (see terms in Section 19).

17.2.6 Ore supply by plant

Silvercorp has adopted the following strategies to maximize the metal recovery and plant processing throughput:

- High-grade lead lumps can be hand-sorted at the mine sites (although none were processed in this manner in FY2020) and not processed via flotation circuit. This increases overall lead recovery as the recovery for this fraction of lead in the feed is 100%. This has also helped to reduce the flotation circuit loading and the operating cost.
- Plant 1: mainly processes development low grade ores from LME, LMW, HZG, and part of TLP. It is normally operated once a month or once every two months.
- Plant 2: processes ores from all mines.
- Lead concentrates from Plant 1 and Plant 2 are blended to maximize profit.
- For higher Ag-grade ore from LME, LMW, and HZG, the Pb concentrate product grade set-point is set slightly lower to increase the recovery.

Table 17.14 shows the ore feed by mine for flotation. SGX, TLP, and HPG are rich in lead; and TLP, LMW, LME, and HZG have little zinc. Lead recovery ranges from 90.95% to 97.76%, with an average of 94.55%. Silver recovery ranges from 90.47% to 97.05%, with an average of 95.22%. Zinc recoveries are 66.44% for HPG, 64.81% for SGX, and 36.18% for LME, with an average of 44.55%.

Table 17.14 Flotation feed: ore grade and recovery (FY2020)

Mines	Grade			Recovery		
	Pb (%)	Zn (%)	Ag (g/t)	Pb (%)	Zn (%)	Ag (%)
SGX	7.11	1.86	356	97.76	64.81	96.54
HZG	1.67	0.00	445	93.81	0.00	97.05
TLP	3.42	0.00	201	90.95	0.00	93.60
HPG	3.30	1.31	117	94.49	66.44	90.47
LME	2.05	0.50	473	94.10	36.18	97.00
LMW	2.92	0.10	340	96.18	10.78	96.68
Average	3.41	0.63	322.04	94.55	44.55	95.22

Table 17.15 shows the ore feed from each mine processed at flotation Plants 1 and 2 in FY2020.

Table 17.15 Flotation feed: tonnes to plants (FY2020)

Mines	Plant 1 (t)	Plant 2 (t)	Subtotal (t)
SGX	1,095	235,702	236,797
TLP	16,687	137,686	154,373
LME	0	44,436	44,436
LMW	35,675	22,761	58,435
HPG	0	54,946	54,946
HZG	42,270	10,348	52,618
Subtotal	**95,726**	**505,879**	**601,605**
Ratio (%)	16.00	84.00	100.00

Table 17.15 indicates that, for FY2020:

- For Plant 2, ore from all mines was used as the feed for flotation.
- For Plant 1, generally only low-grade ores from TLP, LMW, and HZG were processed.
- 84% of the ore was processed at Plant 2; the average daily processing rate was about 1,480 tpd. Plant 2 is currently under-utilized, treating less than its design capacity of 2,000 tpd.
- 16% of the ore was processed at Plant 1; the average daily processing rate was about 280 tpd, versus the original design capacity of 600 tpd.

17.2.7 LOM mill feed schedule

From the LOM mine schedule, a mill feed schedule has been derived on the assumption that only low-grade ores from LME, LMW, TLP, and HZG are fed to Plant 1, while the majority of ore from all mines is fed to Plant 2. This is shown in Table 17.16 below.

Table 17.16 LOM mill feed schedule

Plant	Plant 1					Plant 2								Total ktpa
Mine year	HZG ktpa	TLP ktpa	LMW ktpa	Subtotal ktpa	Rate ktpd	SGX ktpa	HZG ktpa	HPG ktpa	TLP ktpa	LME ktpa	LMW ktpa	Subtotal ktpa	Rate ktpd	
FY2020Q4	3.6	5.5	4.6	13.6	0.2	29.3	5.3	12.0	22.1	10.0	6.8	85.5	1.0	99.2
FY2021	20.4	29.3	25.9	75.6	0.2	255.2	30.5	63.0	117.1	64.3	38.9	569.0	1.7	644.5
FY2022	20.1	28.1	26.8	75.1	0.2	255.2	30.2	64.7	112.4	68.8	40.2	571.5	1.7	646.6
FY2023	21.1	29.9	28.3	79.3	0.2	255.2	31.6	68.9	119.4	76.5	42.4	594.1	1.8	673.4
FY2024	21.1	29.6	27.7	78.4	0.2	260.1	31.7	70.0	118.3	70.1	41.5	591.8	1.8	670.2
FY2025	21.1	28.2	27.7	77.0	0.2	261.0	31.7	70.6	112.8	75.2	41.6	592.9	1.8	669.9
FY2026	21.2	32.2	27.0	80.3	0.2	261.1	31.7	70.6	128.8	68.7	40.4	601.3	1.8	681.6
FY2027	21.1	31.1	27.0	79.2	0.2	261.1	31.7	70.3	124.2	71.9	40.5	599.8	1.8	679.0
FY2028	21.1	33.0	27.7	81.9	0.2	261.0	31.7	70.8	132.0	79.6	41.6	616.7	1.9	698.6
FY2029	21.1	29.2	27.0	77.3	0.2	261.7	31.7	70.1	116.8	74.2	40.5	594.9	1.8	672.3
FY2030	21.2	27.6	27.3	76.0	0.2	261.0	31.7	70.2	110.3	77.5	40.9	591.6	1.8	667.6
FY2031	17.2	28.0	27.4	72.6	0.2	261.0	25.8	70.2	112.0	80.9	41.1	591.0	1.8	663.5
FY2032	16.1	28.2	26.7	71.0	0.2	261.5	24.1	70.2	112.8	74.8	40.1	583.5	1.8	654.5
FY2033		28.2	27.6	55.8	0.2	261.2		69.9	112.8	74.3	41.3	559.5	1.7	615.3
FY2034		28.4	27.4	55.8	0.2	261.1		69.3	113.6	73.1	41.1	558.4	1.7	614.2
FY2035		27.8	27.2	55.0	0.2	261.6		69.6	111.2	74.3	40.7	557.4	1.7	612.4
FY2036		25.5	26.5	52.0	0.2	261.0		65.6	102.1	64.2	39.7	532.6	1.6	584.6
FY2037			26.1	26.1	0.1	260.5		62.7		63.9	39.1	426.2	1.3	452.2
FY2038			27.5	27.5	0.1	253.3		61.7			41.2	356.3	1.1	383.7
FY2039			25.0	25.0	0.1	246.7					37.6	284.3	0.9	309.3
FY2040			21.4	21.4	0.1	242.9					32.2	275.1	0.8	296.5
Total	**246**	**470**	**540**	**1,256**		**5,193**	**370**	**1,240**	**1,879**	**1,243**	**810**	**10,733**		**11,989**

17.3 Mill Plant 1 (Xiayu)

17.3.1 Process flowsheet

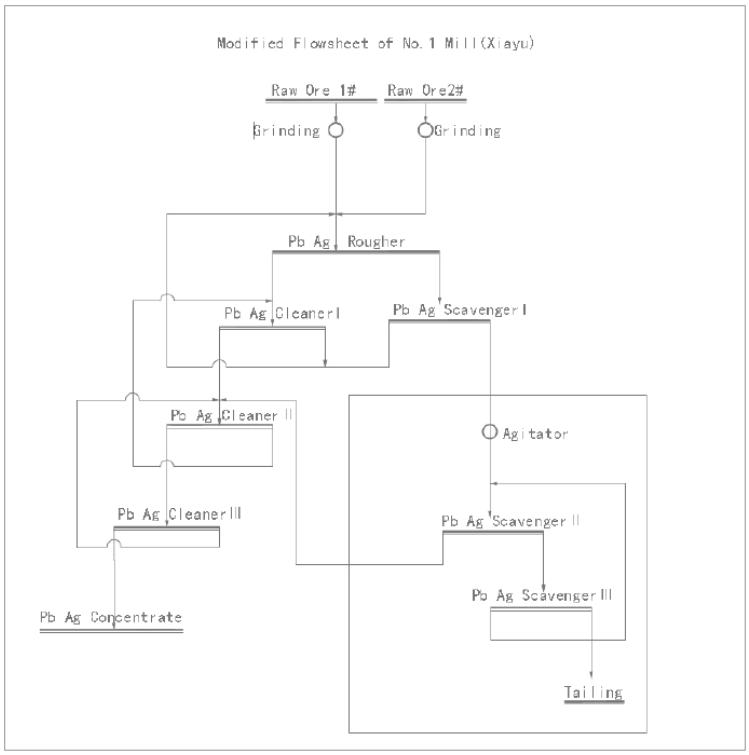
For processing Plant 1, general view photos and the flowsheet are shown in Figure 17.3 and Figure 17.4 respectively.

Figure 17.3 General view photos (Plant 1)



Source: Silvercorp.

Figure 17.4 Flowsheet (Plant 1)



Source: Silvercorp.

The flowsheet includes the following major unit operations:

- Crusher circuit - crusher discharge becomes mill feed.
- Ball mill and Pb flotation circuit (one train, conventional Pb flotation arrangement, capable of processing 800 tpd).
- Filtration and product handling circuit.

17.3.2 Process description

The overall process consists of crushing, grinding, flotation of lead concentrate, and concentrate dewatering unit operations:

- Ore crusher circuit (closed circuit with two-stage crusher-screen: jaw crusher, one cone crusher, vibrating screen, dust collectors, two ore storage bins) (one train: 1 x 800 tpd).
- Ball mill circuit-spiral classifiers circuit (one train: 1 x 800 tpd).
- Plant 1 was upgraded from its initial 600 tpd design capability – now 800 tpd.
- Flotation circuit (PbS flotation circuit: rougher-scavenger-cleaner cells, chemical preparation tanks) (one bank: 1 x 800 tpd).
- Concentrate thickening-ceramic filtration circuit (PbS filtration - one train).
- Water make-up system.
- Tailings storage pond.

The following minor changes have been made to the original Plant 1 design:

- Addition of one cone crusher to reduce ball mill feed size and thus to increase overall ball mill capacity from 600 to 800 tpd.
- The original ball mill grinding size target was coarsened from 70% to 60% (-200 mesh), which helps to reduce energy consumption, mill grinding time and filtration time; with only a small recovery loss (see Section 13). In 2014, the system was adjusted with the ball mill grinding size target modified from 60% to 61% to 63% (-200 mesh), which resulted in increased Pb recovery of 0.41% and Ag recovery of 2.16 g/t respectively.
- Replacement of lime slurry by NaOH / Na_2CO_3 for pH control in the flotation circuit, with improvements in operability.
- Chemical consumption is slightly higher than that determined by the lab work.
- No water treatment plant is required, with recycle water from the tailings storage pond and fresh water from the reservoir being used.

17.3.2.1 Crushing

The crushing is a closed circuit, consisting of jaw-cone crushers with a vibrating screen. The primary jaw crusher (Model: PEF 500 x 750) has a closed side setting of 80 mm. Discharge from the primary jaw crusher is conveyed to the 15 mm aperture vibrating screen. Ore larger than 15 mm is conveyed to the secondary cone crusher (Model: PYH-2X cone crusher), which has a closed side setting of 15 mm. Discharge from the secondary crusher is conveyed back to the 15 mm aperture screen. Product undersize discharge from the screen feeds fine-ore bins with live storage capacity of 100 t.

Dust from the crushing and screening processes is collected under vacuum, captured in a baghouse dust filter and then transferred to a process tank, with the resulting slurry introduced to flotation.

17.3.2.2 Milling classification (two trains)

- Crushed ore from the live bins is conveyed to a closed milling circuit consisting of two trains, each with a grate-discharge ball mill (Model: MQCG 2100 x 3600) and a screw classifier (Model: FG-200).
- The ball charge is made up of Mn-steel balls, with diameters ranging from 60 mm to 120 mm.
- The target grind size is 61% to 63% passing 200 mesh and the overflow density is maintained at 40% solids by weight, when introduced to the conditioning tanks ahead of lead flotation.

17.3.2.3 Flotation (one train)

- The O/F (fine product) from the screw classifier flows to the lead rougher conditioning tank, and then to the lead rougher flotation cells. The lead flotation bank consists of one stage of roughing, two stages of scavenging (both BF-4 type cells) and three stages of cleaning (BF-1.2 type cells), arranged as shown in Figure 17.4.

17.3.2.4 Product concentrating, filtration, and handling

- The lead concentrate slurry flows to a concrete settling containment structure for settling.
- The settled slurry, containing approximately 50% to 60% solids by weight, is pumped to a ceramic filter for dewatering. The moisture content of the dewatered lead concentrate is 7% to 10%.
- The filter cake product is sent to Plant 2 for concentrate blending. Blended concentrate products are then sold and shipped by truck to the clients.

The QP notes that there is also a zinc flotation circuit in Plant 1 but, due to low Zn in the feed ore to Plant 1, that circuit is not in operation.

To optimize profitability, high grade PbS concentrate (55% to 65% Pb) from Plant 2 is blended with medium grade PbS concentrate (40% to 50% Pb) from Plant 1, before shipping the blended concentrate to the clients.

17.3.2.5 Tailings thickening

- Tailings are directly pumped through up to four discharge outlets into the Zhuangtou tailings storage pond located at the northern creek between Plant 1 and Plant 2.
- The plant recirculates the lead concentrate tailings overflow in addition to the tailings dam supernatant water.
- A crew of two people monitors the tailings storage pond. Reclaimed process water from the tailings pond is recycled for reuse in the milling process. In addition, a crew of two staff carry out maintenance of the water reclamation circuit and pump stations.

17.3.3 Metallurgical performance (Plant 1)

Table 17.17 lists the mass balance based on design for the Plant 1. It is noted that only the lead flotation circuit is in operation.

Table 17.17 Design mass balance at Plant 1 (daily basis)

Product	Quantity (tpd)	Distribution (%)	Pb (%)	Zn (%)	Pb recovery (%)	Zn recovery (%)
Ore	600	100	3.18	1.73	100	100
Pb Conc	28.62	4.77	60.00	1.95	90.00	5.38
Zn Conc	19.62	3.27	0.95	45.00	0.98	85.00
Tailings	551.76	91.96	0.31	0.18	9.02	9.62

Mass balances have been shown in Table 17.10, Table 17.11, and Table 17.13 for LME, LMW, and HZG ores respectively for FY2020, and ore grade vs recovery for LM, HZG and (part of) TLP is shown in Table 17.18. The processing results show that:

- Pb / Ag recoveries exceed the design expectation for both LMW and HZG ores.
- Pb recovery is slightly lower than the design expectation for SGX ore and slightly higher for the TLP ore, but the Ag recovery exceeds the design target of 90%.
- No Zn concentrate generated.

Table 17.18 Flotation feed: ore grade vs. recovery (FY2020) (Plant 1)

	Grade			Recovery		
Mines	**Pb (%)**	**Zn (%)**	**Ag (g/t)**	**Pb (%)**	**Zn (%)**	**Ag (%)**
SGX	0.66	N/A	130	89.59	N/A	94.20
HZG	1.57	N/A	432	93.43	N/A	97.08
LMW	2.69	N/A	323	96.31	N/A	96.57
TLP	3.36	N/A	220	93.54	N/A	94.42

17.4 Mill Plant 2 (Zhuangtou)

A general view photo and flowsheet are shown in Figure 17.5 and Figure 17.6, respectively.

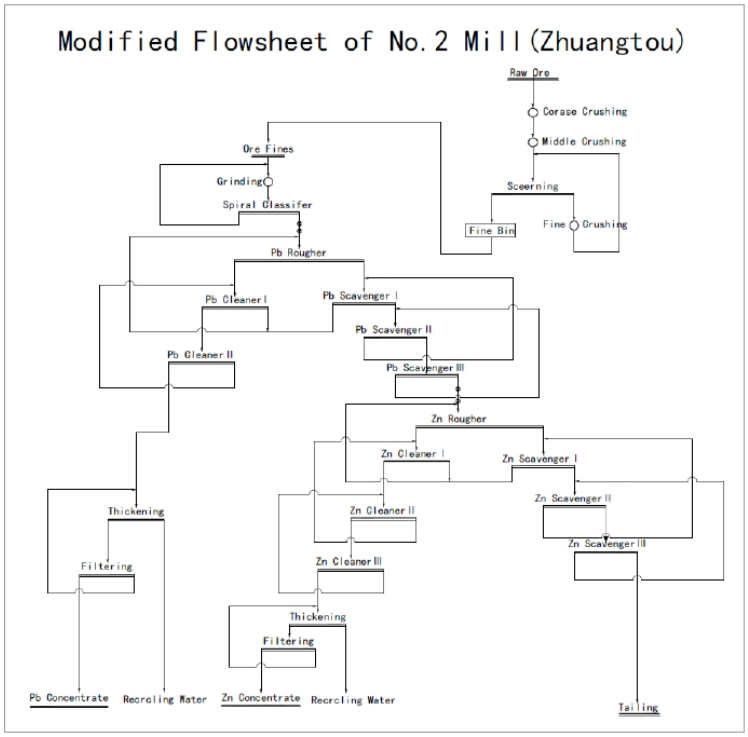
Figure 17.5 General view photos (Plant 2)



Source: Silvercorp.

Plant 2 (Zhuangtou) is located 2 km to the west of Plant 1. Plant 2 also includes two parallel processing lines. The first line with a design capacity of 1,000 tpd has been operating since December 2009. The second flotation line, also with a design capacity 1,000 tpd, was installed in October 2011.

Figure 17.6 Flowsheet for Plant 2



Source: Silvercorp.

17.4.1 Flowsheet

The flowsheet includes the following major unit operations:

- Crusher circuit (one train).
- Ball mill and Pb / Zn differential flotation circuit (two trains).
- Filtration and product handling circuit (one train).

17.4.2 Process description

The process for Plant 2 is very similar to that for Plant 1, except for the larger size equipment, and consists of the following:

- Ore crusher circuit (closed circuit with three-stage crushing-screening: one jaw crusher, two cone crushers, vibration screen, dust collectors, ore storage bins) (one train: 1 x 2,500 tpd).
- Ball mill circuit two-stages ball mill, (Model: φ2.7 × 4.0 with 15" hydrocylone / spiral classifiers, Model: 2FG2.4) (two trains: 2 x 1,000 tpd).
- Flotation circuit (PbS flotation-ZnS flotation: rougher-scavenger-cleaner cells, chemical reagent preparation tanks) (2 x 1,000 tpd). No copper flotation.
- Product thickening – Ceramic-disc filtration circuit (PbS filtration, ZnS filtration).
- Water make-up system.
- Tailings storage pond (monitored by 7 people).

The plant design was based on a design document very similar to Plant 1, with minor changes to those implemented in Plant 1.

17.4.2.1 Crushing

The crushing is a closed circuit, consisting of two jaw-cone crushers with a vibrating screen (see Figure 17.6). The primary jaw crusher (Model: PEF 800 x 1000) has a closed side setting of 80 mm. Discharge from the primary jaw crusher is conveyed to the secondary cone (Model: PYHD-3CC), which has a closed-side setting of 15 mm. Discharge of the secondary cone is conveyed to the 15 mm aperture vibrating screen. Ore larger than 15 mm is conveyed to the tertiary cone crusher (Model: PYH-3CC), which has a closed-side setting of 15 mm. Discharge from the tertiary crusher is conveyed back to the 15 mm aperture screen. Undersize product discharge from the screen feeds ore bins with a live capacity of 1,000 t.

17.4.2.2 Milling classification

Crushed ore from the live bins is conveyed to a closed milling circuit consisting of a two trains, each of grate-discharge ball mill (Model: MQG 2.7 x 4.0) and 15" hydrocyclone / spiral classifiers (Model:2FG2.4).

17.4.2.3 Flotation

- Similar to Plant 1, but with larger cells (BF-16 and BF-4).
- No copper flotation.

17.4.2.4 Product concentrating, filtration and handling

Similar to Plant 1 with larger size thickener, filter, and handling system.

To optimize profitability, high grade PbS concentrate (55% to 65% Pb) from Plant 2 is blended with medium grade PbS concentrate (40% to 50% Pb) from Plant 1 before shipping to clients.

17.4.2.5 Tailings thickening

Tailings from the zinc scavenger flotation circuit are directly pumped into the Shi Wa Gou tailings storage pond located below Plant 2.

17.4.3 Metallurgical performance (Plant 2)

Originally, Plant 2 was designed to process both Pb / Zn ore as well as Cu / Pb / Zn ore. In practice, however, Plant 2 currently processes Pb / Zn ore only. The design mass balance for Phase I of Plant 2 is shown in Table 17.19. Plant 2 was subsequently upgraded (Phase II) in 2011. The design mass balance for Phase II is the same as that for Phase I.

Table 17.19 Design mass balance for Plant 2 (Pb+Zn Ore) (Phase I and Phase II, 2 x 1,000 tpd)

Product	Quantity (t)	Product rate (%)	Pb (%)	Zn (%)	Pb recovery (%)	Zn recovery (%)
Ore	1000	100	4.75	3.63	100	100
Pb Conc	64.4	6.44	65	1.95	93.11	9.39
Zn Conc	59.1	5.91	0.45	50.57	2.67	81.98
Tailings	876.5	87.65	0.35	0.24	6.44	4.94

Mass balances are shown in Table 17.8, Table 17.9, and Table 17.12 for SGX, TLP, and HPG ores, and grades vs recovery are shown in Table 17.20. The processing results indicate that:

- Pb / Ag recoveries exceed the design expectation for SGX ores.
- Pb recovery for LME, HPG, and HZG ores are close to design, and for LMW exceeds design expectation. Ag recovery for LME, LMW, HZG, and TLP ores exceeds the design expectation of 90%.
- Zn recoveries for SGX, LME, LMW, and HPG ores are 64.50%, 36.39%, 7.85%, and 66.04% respectively, lower than the design expectation (81.98%).
- Since Zn grade is very low, no Zn concentrate is generated from HZG and TLP ores.

Table 17.20 Flotation feeds: ore grade vs. recovery (FY2020) (Plant 2)

Mines	Grade			Recovery		
	Pb (%)	Zn (%)	Ag (g/t)	Pb (%)	Zn (%)	Ag (%)
SGX	7.14	1.87	357	97.77	64.50	96.55
HZG	2.02	0.00	418	94.71	0.00	96.72
LME	2.05	0.50	473	93.99	36.39	96.90
LMW	3.29	0.27	355	95.99	7.85	96.74
TLP	3.42	0.00	199	90.61	0.00	93.49
HPG	3.30	1.31	117	94.49	66.04	90.45

17.4.4 Sampling (for Plants 1 and 2)

For metallurgical accounting purposes, a set of five samples is usually taken during every eight-hour shift for a total of 15 samples per 24-hour day. The shift samples include flotation feed from the classifier overflow, lead and zinc concentrates from the third cleaners, and lead and zinc tailings from the last scavengers.

17.5 Process control

There is no centralized station or control room for overall plant process monitoring or control.

Operation control is done locally:

- Ore feed to ball mill is controlled via an electronic scale, water addition is controlled to a set point by operators via manual slurry density measurement and manually adjusted water addition.
- Chemical reagent dosages are controlled via a localized PLC (programmable logic controller) system for each set of equipment. Chemical reagent dosage is adjusted in a narrow range (around the default target or setting value), based on assay feedback (each half hour) to handle process upsets such as ore feed changes.
- A central control room in the grinding-flotation building allows monitoring of key points in the production flow via TV imaging.
- In 2019, a PCL system located in the crushing building was installed to allow automatic control of the entire crushing system and each jaw crusher, cone crusher and screen. This reduced the workload for the workers, increased the efficiency, and reduced the cost.

The planned level of process control and automation is basic but adequate, recognizing that the process separation is complex and that low-cost operating labour to monitor and control process variables is readily available.

17.6 Ancillary facilities

17.6.1 Laboratory

The laboratory is equipped with the usual sample preparation, and fire assay, wet chemistry and basic photometric analytical equipment, as well as sample crushing equipment.

The laboratory also conducts routine analyses of ores and concentrates, as well as water quality and other environmental testing. It also provides a technical service to the processing plant in monitoring plant conditions, solving production problems and investigating processes to assist with the improvement efforts.

Silvercorp QA/QC check procedures include inserting standards in the sample batches submitted to the labs on a regular basis and submitting duplicate pulps to an independent external lab on an intermittent basis.

17.6.2 Maintenance workshops

Daily maintenance requirements are serviced through section specific workshops, each equipped with a crane, welding capability and basic machine-shop facilities. More extensive maintenance and major overhaul needs are met through use of appropriate contractors.

17.7 Key inputs

17.7.1 Power

Mill power is drawn from the Chinese national grid. It is transformed from 10,000 V to 400 V by a total of twelve 400 KVA transformers (See also Section 18.3).

Plant 1: Total installed power amounts to 3,124 kW (includes standby equipment), including 963 kW for crushing and milling. The average mill power consumption is 32.1 kW/t per tonne of ore.

Plant 2: Total installed power amounts to 9,260 kW (includes standby equipment) including 3,260 kW for crushing and milling. The average mill power consumption is 38.9 kW/t per tonne of ore.

17.7.2 Water usage and mass balance for Plant 1 and Plant 2

The water usage includes:

- Fresh make-up water used for cooling, reagent preparation, and flotation.
- Recycle water used for ball mill and flotation.
- Water recycle from the tailings pond back to the recycle water tank.

17.7.2.1 Water for Plant 1

The fresh makeup water usage is around 709 m^3/d, while the remainder is recycle water - 271 m^3/d from thickeners and 2,215 m^3/d tailings pond. Total water usage is about 3,195 m^3/d, with recycled water accounting for about 78%.

17.7.2.2 Water for Plant 2

The fresh makeup water usage is around 1,606 m^3/d, while the remainder is recycle water - 7,200 m^3/d recycle from tailings pond and 951 m^3/d from thickeners. Total water usage is about 9,757 m^3/d, with recycled water accounting for about 84%.

17.7.2.3 Strategy to reduce fresh water usage

To reduce water consumption, and achieve zero discharge for non-rainy seasons, the following practices have been implemented:

- Reclaimed water from the tailings storage ponds and overflows from the two concentrators is recycled to minimize fresh water requirements. The raw water cost at 1.67 RMB per m^3 is at least 250,000 RMB per annum at the current production rate. Water is piped to the raw water tank from a river source adjacent to the concentrator property, a distance of 2.5 km.
- The cost of reclaimed water from the tailing storage ponds is 1.1 RMB per m^3 and for recycled water in the plant is 0.23 RMB per m^3. The in-plant recycled water is mainly for milling and flotation.
- With the reuse of recycled water from the tailings storage pond, there is minimal lock-up of water in tailings and close to 75% of the water is recycled; however, there is a requirement for fresh water, e.g. for pump seals, cooling and reagent mixing, and it is this requirement that sets the overall fresh water demand. The reclaimed water from the tailings storage ponds accounts for about 65% of total water usage and in-plant recycled water for about 10%.
- Upfront water usage is about 3.5-4 m^3/t ore processed, but allowing for recycled water, net usage is less than 1 m^3/t ore processed.

17.7.3 Reagents

The reagents used in both plants include:

- Depressant / modifiers: 1-Sodium sulphide, 2-Zinc sulphate, 3-Sodium sulphite, 4-Copper sulphate.
- Collectors: 1-Di-ethyl dithiocarbamate, 2-Ammonium dibutyl dithiophosphate, 3-Butyl xanthate.
- Frother: No. 2 oil (added directly).

Reagent preparation and application of chemicals are described as follows:

- Reagent storage and mixing is located adjacent to the grinding / flotation plant and comprises a storage area with hoisting equipment to lift bags and drums through into the mixing area.
- From the mixing area the reagents are pumped up to the dosing station, located above the flotation section for dosing and gravity feeding to the various addition points.

17.8 Conclusions and recommendation

Plant 1 is exceeding the design throughput on a daily basis but is run only in campaigns depending on the ore supply. Plant 2 is operating below the design throughput level.

Lead and silver recovery targets are being met, although zinc recovery is lower than design, attributed to low zinc feed grades.

After innovation and modification to both plants over the last few years, Pb and Ag recoveries have increased significantly.

Improvements have been consistently targeted on process system and other facilities both in Plant 1 and 2 to improve the metal recovery and reduce energy consumption.

Historically, higher-grade feed from SGX has enhanced plant performance but, with the proportion of SGX ore decreasing, the challenge is to maintain similar metallurgical performance on lower grade feedstock. From recent performance, it appears that recoveries are being maintained but concentrate grades are lower than target, however, not to the extent where there is a major deterioration in smelter terms.

The QP recommends that Silvercorp undertake periodic mill audits aimed at optimizing process control and mill performance, and to assist mine to mill reconciliation.

18 Project infrastructure

18.1 Tailings Management Facility (TMF)

18.1.1 Overview

Table 18.1 outlines key parameters for the two TMFs. TMF 1 served both mill Plant 1 and mill Plant 2 during the period of 2007 – 2012. Since TMF 2 was put into operation in April 2013, the two TMFs serve their respective mill plants:

- TMF 1 (Zhuangtou tailings pond, built in 2006, designed by Sinosteel Institute of Mining Research Co., Ltd) serves mill Plant 1.
- TMF 2 (Shiwagou tailings pond, built in 2011, designed by San-Men-Xia Institute of Gold Mining Engineering Co.) serves mill Plant 2.

The TMFs were designed based on then current Resource / Reserve estimations and LOM production projections. Subsequent resource expansion and increased production projections indicate that the current tailings capacity will not be adequate for the full Ying LOM. Additional tailings capacity will thus be required in the later period of the LOM production. There are several location options for the third TMF, with assessment of those options still in the study stage. It is expected that there will be no problem to get permission to build the third TMF once it becomes necessary.

Table 18.1 Key metrics of the two TMFs

	Unit	TMF 1 (Zhuangtou)	TMF 2 (Shiwagou)
Year built		2006	2011
Start operation		Mar-07	Apr-13
Total volume	Mm^3	3.32	5.91
Working volume	Mm^3	2.83	4.05
Service life	yr, design	23	11.9
Remaining life	yr	6	5.9
Production rate[1]	ore, tpd	Plant 1 (600 tpd)	Plant 2 (2,000 tpd)
TMF occupation percentage	tpa, dry	85.10%	68.50%

Notes: [1]The rates for production and tailings deposition indicated in this table are as per original design. Average daily production rates in the LOM plan fall within the rates indicated above.
TMF Occupation Percentage = working volume divided by total volume.

This TMF section describes the site, tailings properties, TMF sizing and design, tailings transfer, and water balance – recycle. The TMF designs cover:

- Starter dam.
- Trench, seepage collection, water decant system.
- Reclaiming and water recycle system.
- Geotechnical, safety and risk assessment, etc.

18.1.2 Tailings properties

Tailings from the two mill-flotation plants are similar in terms of properties. Tailings properties (mainly from zinc rougher flotation circuit) are summarized below:

- Dry solids: true density 2.94 t/m^3, bulk density 1.64 t/m^3.
- Tailings slurry: before deposition – weight percent solids of 21.8% with slurry density of 1.16 t/m^3; after deposition in the pond – solids component 49% by weight; S.G. 1.49 t/m^3.

- Tailings particle sizing: 70% <75 µm (200 mesh), average diameter 49 – 50 µm. A detailed particle size distribution (PSD) analysis is summarized in Table 18.2.
- Clay content is about 15% by weight.

Compaction and ultimate density are normally quite sensitive to moisture content. The optimum moisture can be fairly tightly constrained in the +/-1 – 2% range. Shear tests are conducted to determine the internal strength of the tailings, which is important for the stability analysis.

Geochemical properties of the tailings were assessed by a multi-element analysis (Pb and Zn). No leaching tests have been carried out to determine the potential for metal leaching.

Table 18.2 Tailings PSD[1] and compositions

Size range (mm)	Yield (%)	Composition			Distribution (%)		
		Pb (%)	Zn (%)	Ag (g/t)	Pb	Zn	Ag
+0.100	14.73	0.20	0.19	21.25	6.85	9.03	11.12
-0.100+0.074	15.18	0.27	0.23	27.28	9.49	11.11	14.71
-0.074+0.037	21.31	0.36	0.27	22.10	17.81	18.73	16.73
-0.037+0.019	21.57	0.62	0.40	31.43	31.10	27.83	24.08
-0.019+0.010	14.90	0.57	0.38	34.77	19.75	18.26	18.40
-0.010	12.31	0.52	0.38	34.21	15.00	15.04	14.96
Total	**100.00**	**0.43**	**0.31**	**28.15**	**100.00**	**100.00**	**100.00**

Note: [1]PSD measured by the Hunan Institute of Metallurgy.

Water chemistry is shown in Table 18.3. All process water is recycled back to the plant (refer to Section 17.7.2).

Table 18.3 Chemical composition for pond recycle water

Element	Pb	Zn	Cu	S2-	Sulphate	COD[1]	Org carbon	pH
Level (mg/L)	0.95	1.94	0.06	0.35	68	38.8	4.03	7.5

Note: [1]Chemical oxygen demand (COD).

18.1.3 Site description

TMF 1 is located adjacent to Plant 1 and TMF 2 is located adjacent to Plant 2. The distance between the two plants is about 3 km, and the distance between the two TMFs is less than 2 km.

- TMF 1: The TMF starter dam is located within the lower reaches of Donggou valley.
- TMF 2: The TMF starter dam is located within the lower reaches of Shi-Wa-Gou valley.
- TMFs 1 and 2 are both about 1.5 km from Zhuangtou Village and about 600 m from the entry of Xiashi Gully.

TMFs 1 and 2 are located on the south edge of the North China Platform, within the Xiaoshan-Lushan arch fault fold cluster area and the Feiwei Earthquake Zone. Historically the area has been subjected to earthquakes with recorded magnitudes of less than five. Luoning County has been classified as Grade 6 in terms of seismicity, and a basic design seismic acceleration of 0.05 g was indicated as being necessary to be taken into consideration in the design.

The seismic rating is in accordance with the China Seismic Intensity Scale (CSIS), which is similar to the Modified Mercali Intensity (MMI) scale, now used fairly generally and which measures the effect of an earthquake at the surface, as opposed to the Richter magnitude scale, which measures only the energy released at source. In effect, CSIS Grade 6 is similar to VI (Strong) on the MMI

scale; the CSIS scale also specifies peak acceleration and peak velocity. The 0.05 g acceleration cited above for design purposes would correlate more with MMI V (Moderate) according to the United States Geological Service (USGS) Earthquakes Hazard Program, which could suggest a 0.10 g acceleration value for design. The QP recommends that Silvercorp review the design basis acceleration to ensure consistency with the most up-to-date Ying site seismic zoning classification and associated parameters.

18.1.4 TMF design, construction, operation, and safety studies

18.1.4.1 Design: TMF 1

The following criteria and parameters are based on the design done by the Sinosteel Institute of Mining Research Co. Ltd (Report dated March 2006) and updated survey data:

- Storage capacity calculations for the valley site indicate an estimated total volume of 3.32 Mm^3 and available volume of 2.83 Mm^3. It is assumed that, at the dry density of 1.49 t/m^3, this volume is equivalent to 4.2 Mt of tailings.
- At a rate of deposition of 183,000 tpa, the calculated design service life was approximately 23 years.
- In 2007, the dam elevation was 610 m.
- At the end of 2020, the dam elevation was 645.3 m, reflecting the build-up of tailings from the previous 13 years of production. Due to a lower tonnage of ore than was initially estimated to be processed from Plant 1, the actual remaining life is longer than the previously estimated 6.2 years.
- At the end of another six years of service, it is expected that the dam maximum elevation of 650 m will be reached at design production rates. A deposition rate of 1 m per year translates to six additional metres of height. Figure 18.1 to Figure 18.3 show the status of TMF 1 as of the end of March 2020. In the last three years, the dam elevation has risen only three metres.

Figure 18.1 Zhuangtou TMF 1 (31 March 2020)



Source: Silvercorp.

Figure 18.2 Zhuangtou TMF 1 tailings discharge (31 March 2020)

Source: Silvercorp.

Figure 18.3 Zhuangtou TMF 1 downstream view of starter dam (31 March 2020)



Source: Silvercorp.

18.1.4.2 Design: TMF 2

The preliminary design for the Shiwagou Tailings Storage Facility (TMF 2) was completed by San-Men-Xia Institute of Gold Mining Engineering Co. (Report dated Jan 2011). The final design for Shiwagou Tailings Storage Facility (TMF 2) was completed in 2012.

- The total volume of TMF 2 is 5.91 Mm^3 and the working volume is 4.05 Mm^3. It is assumed that at a dry density of 1.49 t/m^3, this volume is equivalent to 6.03 Mt of tailings.
- At a deposition rate of 475.800 tpa, the designed service life is approximately 12 years. The remaining life is projected to be about 5.9 years.
- This second storage facility was completed at the end of July 2012 and put into service in April 2013. As of the end of 2020, the dam elevation was at 653 m.
- At the end of approximately 7 years of additional service, it is anticipated that the maximum dam elevation of 690 m will be reached at design production rates.
- Figure 18.4 to Figure 18.6 show the status of TMF 2 as of March 2020.

Figure 18.4 Shiwagou TMF 2 (31 March 2020)



Source: Silvercorp.

Figure 18.5 Shiwagou TMF 2 upstream view (31 March 2020)



Source: Silvercorp.

Figure 18.6 Shiwagou TMF 2 downstream view of starter dam (31 March 2020)



Source: Silvercorp.

18.1.4.3 Dam classifications

Table 18.4 shows the Chinese system of dam classifications. This system is based on height and volume of the dam. Both TMF 1 and TMF 2 are classified as Grade III facilities.

Table 18.4 Criteria for dam grade definition in Chinese system

Dam grade level	Volume V (x10,000 m^3)	Dam height (m)
I	V>10,000 and / or H>100	
II	V≥10,000	H≥100
III	1000≤V 10,000	60≤H 100
IV	100≤V 1000	30≤H 60
V	V 100	H 30

The QP understands that site-specific risk assessment, such as for geotechnical risk, was originally carried out by Henan Luoyang Yuxi Hydrological & Geological Reconnaissance Company, with more recent assessments done by other organizations (see below). The QP recommends that the dam classification under the Chinese system be reviewed in the context of recent international classifications, e.g. Canadian Dam Association 2013.

18.1.4.4 Starter dam

Each TMF consists of an initial earth retaining dam, behind which the tailings are stored. These tailings are delivered via a pipeline. The tailings are allowed to drain to the desired dry density. The same tailings are used to raise the dam gradually until the allowable height and volume are reached.

Key starter dam design parameters are shown below:

The starter dam (approximately 36 m in height) is a homogeneous rock-filled dam. Starter dam embankment slopes are designed at 1:2. Construction lifts are to be 2 m high. The preliminary design requires the downstream slope of the tailings to be formed at an overall slope of 1:5.

- TMF 1: The starter dam crest elevation is at 606 m. The design information indicates that the crest design width is 4 m, and that it has a length of 97.2 m. The TMF is designed to be constructed by the upstream method of construction to a maximum crest elevation of 650 m and the overall height of the TMF facility will be 70 m.
- TMF 2: The starter dam crest elevation is at 591 m. The design information indicates that the crest design width is 4 m, and that it has a length of 101.7 m. The TMF is designed to be constructed by the upstream method of construction with a height of 99 m, to a maximum crest elevation of 690 m. The overall height of the TMF facility will be 135 m (36+99=135 m).

18.1.4.5 Trench design for surface water

Surface water drainage features have been incorporated into the design of the TMFs. Immediately downstream of the starter dam embankment there is a surface water cut-off trench (cross section area 400 mm x 400 mm). Cut-off trenches (cross section area 1,000 mm x 1,000 mm) have been constructed 2 m above the starter dam embankment to prevent scour of the abutments by rainwater run-off.

18.1.4.6 Water decant system design

The results of a hydrology study were referenced as part of the design process and the water balance has been evaluated.

- TMF 1: Provision was made in the TMF construction process to remove supernatant water from the TMF via five vertical reinforced concrete decant structures. Water from the decant structures is diverted around the starter embankment via a 2.0 m diameter by 1,093 m long reinforced concrete lined drainage culvert with a 5.71% grade.
- TMF 2: Provision was made in the TMF construction process to remove supernatant water from the TMF via ten vertical reinforced concrete decant structures. Water from the decant structures is diverted around the starter embankment via a 2.5 m diameter by 1,400 m long reinforced concrete lined drainage culvert with a 5.71% grade. The water discharge flow capacity is about 28 to 29 m^3/s, which is greater than that calculated as required (27.23 m^3/s) to meet a 1 in 500-year recurrence interval (probable maximum flood criterion).
- Water balance assessment indicates that each day around 2,215 tonnes of process water are recycled from the Zhuangtou TMF to Plant 1, and 7,200 tonnes of process water from the Shiwagou TMF to Plant 2.
- The fact that the water diversion does not pass through the starter dam embankment is considered to be a positive feature.

18.1.4.7 Seepage collection design

In both Zhuangtou and Shiwagou TMFs, seepage control is affected by geo-membrane and geo-textile impervious layers together with an intercepting drain and collector system discharging into a downstream water storage dam for pumping to the concentrator.

The TMF provides for a cut-off drain to be constructed 150 m downstream of the starter dam embankment at an elevation of 610 m. High strength nylon injection-moulded 300 mm diameter seepage collector pipes, at a spacing of 15 m and inclined upwards at 1%, have been incorporated into the design of the cut-off drain. The cut-off drain design includes provision for a gravel (15 mm to 50 mm particle size) pack filter encased in a geo-fabric (400 g/m^2). The intention of this cut-off drain is to capture seepage from the TMF and to improve stability under dynamic conditions by lowering the phreatic surface.

18.1.4.8 Reclaim pond design

A 'reclaim pond' was constructed below each starter dam, formed by the construction of an earth embankment. The stated intention of the water reclaim pond is to intercept all the seepage and discharge water of the tailings reservoir dam during normal operation to realize zero discharge for no-rainfall seasons. All water is recycled back to the mill plant:

- TMF 1: The reclaim and settling pond size is about 4 x 150 m^3 = 600 m^3 (four cells in series for water clarification). Two pumps (one spare pump) are used to pump the recycle water back to the plant.
- TMF 2: The reclaim and settling pond is designed to process recycle water (input about 8,790 m^3/day of water / tailings). Two pumps (one spare or standby pump) are used to pump the recycle water back to the plant (about 7,200 m^3/day, net water recycle with evaporation losses excluded).

18.1.4.9 Geotechnical stability, safety, and risk assessment study

The Henan Luoyang Yuxi Hydrological and Geological Reconnaissance Company prepared a geotechnical report titled 'Reconnaissance Report upon Geotechnical Engineering' (4 July 2006).

This report was prepared during the construction of the TMF1 tailings starter embankment, when the foundation had been prepared and in accordance with recommendations given in the Preliminary Design report.

Flood calculations have been performed appropriate to the Grade III classification of the TMFs, which requires the flood control measures to meet a 1 in 100-year recurrence interval for design purposes, with a 1 in 500-year probable maximum flood criterion also. Safety and reliability analyses for the TMFs have been carried out in accordance with the Safety Technical Regulations for Tailings Ponds (AQ2006-2005) and under the Grade III requirements. Table 18.5 lists the recent reports on the safety and stabilities of the two TMFs.

Table 18.5 Geotechnical assessment reports on the Zhuangtou and Shiwagou TMFs

Report	Author	Date
Evaluation on the stability of the Shiwagou TMF - geotechnical report	West Henan Hydrogeological and Engineering Geological Survey company	30 July 2019
Geotechnical report on the Zhuangtou TMF	Henan Nonferrous Engineering Survey Co. Ltd	29 June 2020
Assessment report on the safety status of the Zhuangtou TMF	China Gold (Henan) Co., Ltd.	14 Nov 2019
Assessment report on the safety status of the Shiwagou TMF	China Gold (Henan) Co., Ltd.	21 Nov 2019

The QP acknowledges the recent assessment reports but recommends that Silvercorp also ensure that all safety and stability aspects of the TMFs are fully aligned with most up-to-date tailings facility recommendations on international best practice, including for latest guidance on maximum flood parameters.

18.1.4.10 Site monitor stations

For each TMF, survey monitoring stations have been established at regular intervals along the embankment crest.

18.1.4.11 Tailings pond operation and management

Site management has indicated that each TMF is staffed by a total of 10 people, including a safety manager.

18.1.5 Tailings transfer to the ponds

TMF 1: Tailings (about 2,225 m^3/day) and other water streams (combined total about 2,277 m^3/day, 95 m^3/hr) from Plant 1 are discharged into TMF 1 via three PVC pipes under gravity from the crest of the starter dam

TMF 2: Tailings (about 8,440 m^3/day) and other water streams (combined total about 8,790 m^3/day, 366 m^3/hr: refer to Section 17.7.2) from Plant 2 are discharged into TMF 2 via three PVC pipes under gravity from the crest of the starter dam.

The velocity of discharge at the time of the site visit in 2012 was variable along the length of the abutment, with discharge velocity being the lowest at the discharge nearest the right abutment. Discharge direction at the discharge near the left abutment was also approximately parallel to the starter dam crest alignment. Discharge described in the above manner is not optimal in that it has

potential to allow accumulation of fine material adjacent to the starter dam embankment, and this may have an adverse effect on the phreatic surface.

18.1.6 Water balance considerations

Water usage and mass balance for Plant 1-TMF 1 and Plant 2-TMF 2 have been discussed in Section 17.7.2. Zero discharge of the process water has been achieved at both TMFs.

18.1.7 General TMF comment

As a general comment with respect to the Ying TMFs, it is recommended that Silvercorp reference the recently released *Global Industry Standard on Tailings Management*, which is aimed at strengthening current best practices for tailings dams in the mining sector. Recent announcements by the Chinese Ministry of Emergency Management promote similar practice improvements. There are six key topics in the is Global Industry Standard:

- Affected Communities
- Integrated Knowledge Base
- Design, Construction, Operation and Monitoring of the Tailings Facility
- Management and Governance
- Emergency Response and Long-Term Recovery
- Public Disclosure and Access to Information

18.2 Waste rock dump

Waste dumps for the Ying mines are listed in Table 18.6 and locations of the dumps are marked on the surface layout maps of the different mines. Based on mine and development plans, the mines on the Ying Property will move about 5 Mm^3 of waste rock to the surface dumps during the remaining mine life. The remaining capacities of the existing dumps are about 18 Mm ^{3}.

Table 18.6 Waste dumps at the Ying project

Mines	No. of waste dumps	Remaining capacity in 2017 (m^3)	Remaining capacity in 2020 (m^3)	LOM waste (m^3)	Variance [1] (m^3)
SGX	4	15,293,530	14,927,495	1,976,250	12,951,244
HZG	2	887,695	817,376	468,071	349,305
HPG	1	648,411	554,995	487,677	67,318
TLP	3	557,704	80,000	1,197,518	-1,117,518
LME	1	449,761	384,157	489,607	-105,450
LMW	2	1,412,018	1,270,132	653,642	616,490
DCG	1		50,000		
Total	**14**	**19,249,119**	**18,084,155**	**5,272,766**	**12,761,389**

Note: [1] +ve value indicates dump has excess capacity.

From Table 18.6 it is seen that the waste dump capacity at all mines is enough for the anticipated LOM waste rock.

At the SGX mine, there are four existing waste dumps in use:

- Development waste from CM101, PD16, and PD700 will be transported to the Zhaogou waste dump, which has a remaining capacity of approximately 14.17 Mm ^{3}.
- Development waste from CM105, CM102, CM103, YPD01, and YPD02 will be transported to the Yueliangou waste dump, which has a remaining capacity of approximately 0.69 Mm ^{3}.
- Development waste from XPD will be transported to the 628 mRL waste dump, which has a remaining capacity of approximately 70,000 m ^{3}.
- Hand sorted waste rock will be transported to the CM101 Portal waste dump, which has a remaining capacity of over approximately 0.36 Mm ^{3}.

At LM West, a new waste dump has been built in the Houyangpo Valley near the New Ramp portal. The remaining capacity of the two LMW dumps is approximately 1.27 Mm ^{3}.

At TLP, the waste rock from PD730 can be dumped to the Xigou valley, and it can also be used for planned road construction, which can accommodate about 560,000 m ^{3} of waste.

Silvercorp is investing approximately $2.9M (approximately RMB¥20.0 million) to construct a 1,000,000 tonnes per year aggregate plant to recycle and crush the waste rock from the Ying Mining District, and then supply it to the local construction market. The plant is expected to be commissioned in October 2020, and its profit, after capital recovery, will be shared between the local government, the local communities, and employees.

Waste may also be opportunistically placed into the shrinkage stope voids, although this is not in the current mine plan.

Waste can also be consumed for local construction works such as hardstand areas, retainer walls, and other miscellaneous infrastructure foundations.

18.3 Power supply

The power supply for the Ying property is from the Chinese National Grid, with various high voltage power lines and distances to the different mine camps and mill plants.

18.3.1 SGX and HZG mines

Three power lines supply electricity to the SGX / HZG camps:

- The 35 kV and 10 kV power lines are from nearby Luoning Guxian Hydropower Station, 7.85 km north-west of the SGX mine, where the hydropower is generated by the Guxian Dam and there are two substations, one with 110 kV and another with 35 kV capacity.
- The SGX 35 kV line is connected to the Luoning Guxian 110 kV substation, while the 10 kV line is connected to the Luoning Guxian 35 kV substation.
- The third line is a 10 kV line that is connected from the Chongyang 35 kV substation, about 12.1 km north-east of the SGX mine.

At the SGX mine, a fully automated 35 kV transformer station in the immediate vicinity of the mine site was built in 2008. This connects to the 35 kV line from Guxian and provides main electricity for the mine production and for office and residential use. The main transformers in the 35 kV substation have a total capacity of 6,300 kVA.

Two 10 kV lines mainly act as a standby source of power in case of disruption of the 35 kV line. Two 1,500 kW and one 1,200 kW diesel generators are installed at the 35 kV substation and are

connected to local mine power grids, acting as a backup power supply in the event of a grid power outage.

Underground water pumps, primary fans and shaft hoists are major pieces of equipment that require a guaranteed power supply, so two 10 kV power lines (one for normal operation and another for backup) from different sources are installed to connect to this equipment.

Power from the 35 kV substation is transformed to 10 kV and is delivered to each adit portal by overhead lines that mostly follow the access roads. The overhead lines terminate at transformers outside each adit portal, shaft, or decline. The transmission cables are 105 to 150 mm^2 size.

18.3.2 HPG Mine

Two high voltage 10 kV lines supply electricity to the HPG mine site. The main power supply line is from the Chongyang 35 kV substation, 11 km north-east of the mine, and a second line connects to the SGX 35 kV substation that is used as a standby line. One 400 kW diesel generator is installed outside of the HPG PD3 tunnel, acting as backup power supply.

The 10 kV line terminates at the transformers outside each adit portal. The office buildings and camp areas for mine operations are connected to the same power line. A 105 mm^2 cable is used to connect 10 kV power to an internal shaft hoist chamber in PD3.

18.3.3 TLP / LM Mine

Two 10 KV power lines provide electricity for TLP and LM mine; both are from Chongyang 35 kV substation, 8 km north of the TLP mine.

Similar to the other mines on the Ying Property, the 10 kV line terminates directly at transformers outside of adit portals. The office buildings and camp areas for mine operations are connected to the same power line. The 105 to 150 mm^2 cables are used to connect 10 kV power to internal shaft hoist chambers of Lines 55, 33, 23, inclined haulageways in PD730 at the TLP mine, and the internal shaft hoist chamber in PD900 at the LM East camp.

18.3.4 No. 1 and No. 2 Mills and office / camp complex

Power for the No. 1 and No. 2 Plants and Silvercorp's site administration office building and camp complex is drawn from the Chongyang 35 kV substation. The 10 kV power from the substation is transformed to 400 V by several transformers for mill operations, water pumps and for office and camp uses.

The total power consumptions for No. 1 and No. 2 Plants, including associated water pumps, are 2,500 kVA and 6,500 kVA respectively.

18.3.5 Underground lighting

400 V to 230 V and 400 V to 127 V transformers are used to transform high voltage to low voltage power for underground lighting purposes. Mining level lights run on a 36 V system. Step-down transformers are used in many locations, as required.

18.4 Roads

The central mills and mine administration office and camp complex are located about 3 km north-east of the town of Xiayu, in the south-west of the Luoning County. Luoning to Xiayu is connected by a 7 m wide and 48 km long paved road called the Yi-Gu Way. The company has built a 2 km long, 6 m wide concrete road to link the mill / office complex to the Yi-Gu Way.

Access to the SGX / HZG mine from the mill-office complex is via a 7 km paved hilly road to the Hedong wharf of the Guxian Reservoir, and then across the reservoir by boat to the mine site. Silvercorp has built two large barges that can carry up to five 45-tonne trucks (see Figure 18.7) to ship ore from the SGX / HZG and HPG mines across the reservoir. Mine personnel are transported by motorboats. Mine supplies are usually hauled by small barges owned and operated by local villagers.

Figure 18.7 Silvercorp barge with loaded trucks

Source: AMC.

The HPG mine can be accessed either by boat or 12 km paved road, south-west of the main office complex.

The TLP, LME, and LMW mines are 15 km south-east of the main office complex and are accessed by paved road along the Chongyang River.

Gravel roads link to all adits from the mine camps. Drainage ditches with trees are formed along the roads. The roads are regularly repaired and maintained by designated workers. Safety barriers are installed in some steep slope areas, and warning signs are posted at steep slopes, sharp turn points, and places with potential traffic risks. The road to the TLP mine was upgraded in 2016.

The Luoyang government has considered a plan to use the Guxian reservoir as a drinking water source, which could affect ore transport by boat. To avoid possible disruption of ore transport, a tunnel and road link from the Mill to SGX via HPG has been constructed as a back-up ore transport route. The total length of three separate tunnels in the link is 5,038 m. In addition, over 10 km of road and three bridges linked to the tunnels have been built. It is anticipated that, using this alternative route, the ore transport cost would increase by between $1 and $2/t.

Currently, the DCG project can be accessed by a 10.5 km paved road, south-southwest of the mills. At the same time, a 1,756 m transportation ramp is also under development from the TLP Mine camp area to enable ore haulage. So far, 447 m has been completed, with the remaining 1,309 m expected to be completed by the end of April 2021.

18.5 Transportation

Heavy-duty trucks are used to transport ore, mine supplies, and concentrates.

As indicated above, ore produced at the SGX / HZG and HPG mines is loaded onto 45-tonne trucks, with the trucks being transported by barge across the Guxian Reservoir (6 km and 4 km across from SGX and HPG respectively). The trucks then continue a further 7 km by road to Silvercorp's central mills.

At the SGX mine, ore from adits PD700, CM101, PD16, and CM105 is transported to a hand-sorting facility at the north side of the mine by diesel-powered locomotive with railcars in a 2.7 km long tunnel rail system. The tunnel starts at PD700 at 640 mRL and then extends north-easterly for 1,245 m to CM101. From CM101, the tunnel extends north-westerly for 365 m to PD16, where an ore bin was built to transfer ore from 640 m to 565 m elevation. From PD16, the rail goes north about 810 m to the ore bin at the hand-sorting facility. Ore from CM102, CM103, YPD01, and YPD02 of the SGX mine and from all adits of the HZG mine is hauled to the ore stockpile yard at the SGX site using 6-tonne tricycle trucks.

To efficiently and safely transport ore from HZG to SGX, Silvercorp has constructed a 1,270 m long tunnel from PD820 that connects the existing tunnel rail system to PD700 at SGX. The tunnel was completed in December 2012, with overhead electrical line installation and narrow- gauge railway construction following. This allows ore mined from all the adits at the HZG mine to be transported to the SGX mine stockpile yard via the tunnel rail system by trolley locomotive.

Ore from the TLP, LME and LMW mines is hauled to the central mill using 30- and / or 45-tonne trucks. All ore stockpiled outside of the underground adits is accessible by the trucks.

The final products from the mill plants are lead and zinc concentrates, which are transported by trucks to local smelters located within a 210 km radius.

18.6 Water supply

Domestic water for the SGX mine is sourced from the Guxian Reservoir, while water for the HPG, TLP, LME, LMW and HZG mines is sourced from nearby creeks and springs. Water is regularly tested and the QP understands that its quality and quantity meet requirements. Table 18.7 shows example test results for March 2020.

Table 18.7 Test results of potable water at the mines and mills (March 2020)

Location	PH	Hardness (mg/L)	Dissolved solids (mg/L)	CODMn (mg/L)	NH3-N (mg/L)	Sulphate (mg/L)	Nitrate (mg/L)	Iodide (mg/L)	Sulphide (mg/L)	Pb (mg/L)	Cd (mg/L)	As (mg/L)	Hg (mg/L)	Coliform Cout (number/L)
State Standard (GB5749-2006)	6.5-8.5	450	1000	< 0.5	0.5	250	10	< LDL	0.02	0.01	0.005	0.01	0.001	< LDL
LME	8.34	223	303	0.5	0.026	60.8	6.8	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL
LMW	8.25	102	180	0.5	0.034	27.8	2.91	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL
TLP	8.36	214	340	0.7	0.089	45.4	0.657	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL
HPG	7.91	184	268	0.6	0.059	51.3	2.12	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL
SGX	8.32	189	251	0.5	< LDL	55.1	1.98	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL
HZG	8.11	214	340	0.7	0.089	45.4	0.657	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL
DCG	8.28	242	320	0.6	< LDL	43.4	7.57	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL
Mill 1	8.42	206	324	1.3	0.028	43.4	7.56	< LDL	< LDL	< LDL	< LDL	0.0007	< LDL	< LDL
Mill 2	8.44	234	324	1.5	< LDL	61.4	2.22	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL	< LDL

Mine production water for drilling and dust suppression is sourced from underground at all the mines.

18.7 Wastewater and sewage treatment

Wastewater is generated from mining activities, mineral processing, and domestic sewage.

At the SGX mine, underground water is pumped to surface via the mine portals, and then pumped to Sedimentation Pond 1. At this pond, lime is added to assist flocculation. Further sedimentation occurs in Pond 2. The overflow is then allowed to drain to three settlement tanks before it is discharged into the Guxian Reservoir through a discharge point near CM102 that has been approved by the Yellow River Management Committee.

The Ying TMF tailings water is collected using four dams under the TMF embankment over a 1 km range. The collected tailings water from the TMF is piped back to the processing plant for reuse. No tailings water is discharged to the environment.

Sewage from the SGX mining areas is collected and treated by a biological and artificial wetland treatment system. The QP understands that reports indicate that the treated water meets all the criteria of water reuse, with 100% being reused for landscape watering. There is no discharge to the reservoir.

At the HZG, HPG, TLP, LME, and LMW mines, underground water and domestic sewage are filtered through gravel pits and then discharged to the environment.

At HPG, the underground water is pumped through a 13.2 km, 150 mm diameter pipeline to Plant 2 for reuse. The set-up includes a 300 m^3 wastewater pond and installation of two MD155-67x8(p) water pumps.

18.8 Other infrastructure

18.8.1 Mine dewatering

Mine dewatering is described in Section 16.2.9. It is undertaken in accordance with the "Chinese Safety Regulations of Metal and Non-metal Mines".

18.8.2 Site communications

Mine surface communications are by landline and optical fibre service from CNC and with mobile phone services from China Mobile, China Telecom and China Unicom. Internal telephones are installed in active mining areas and the dispatch room and are connected with local communication cable nets. An HYA cable is used for surface and an HUVV cable is used for underground tunnels.

High-speed internet and fibre cables are connected to all the mine sites from Xiayu.

18.8.3 Camp

At each mine and mill site there are dormitory buildings and administration buildings that are equipped with dining rooms and washrooms for Silvercorp's management, technical personnel and hourly workers. Colour-coded steel housing structures are built adjacent to each portal as living facilities for the mine contractor workers. These buildings also include dining rooms and washrooms.

18.8.4 Dams and tunnels

Dam and diversion tunnels have been constructed to prevent storm and heavy rainfall from impacting surface infrastructures, and to block waste rock and waste material flow into the Guxian Reservoir. Table 18.8 lists the dam and tunnels at each mine.

Table 18.8 Dams and tunnels in the Ying district

Mine	Tunnel / dam	Profile (m x m)	Length (m)	Purpose
SGX	PD700-Zhanggou Tunnel	5.0 x 5.0	512	To divert flood to Zhanggou above PD700 (712 m Elevation) in the SGX valley
	PD16-Zhaogou Tunnel	2.2 x 2.4	540	To divert flood water to Zhanggou above PD16 (598 m elevation) in the SGX valley
	CM101-PD16 Tunnel	2.2 x 2.4	330	To divert flood water from above CM101 (650 m Elevation) into PD16-Zhanggou Tunnel (598 m elevation)
	CM105 West Tunnel	2.2 x 2.4	580	To divert flood water from above CM105 (570 m Elevation) to east site of the Guxian Reservoir
	SGX Dam	50 x 12 x 55 (bottom width, top width, height)	90	To prevent waste rock and waste material from washing into the Guxian Reservoir
TLP	PD770-Chongyang River	3.0 x 3.0	750	To divert the Xigou Creek and prevent PD730 from flooding
LM West	924 West Tunnel	3.0 x 3.0	70	To divert the Xigou Creek and prevent PD924 from flooding
HPG	PD3 Tunnel	3.2 x 3.5	80	To divert HPG creek and prevent PD3 from flooding

18.8.5 Surface maintenance workshop

Each mine has a maintenance workshop in which the following auxiliary services are provided:

- Tire processing, maintenance, and servicing
- Welding
- Electrical
- Hydraulic
- Tools, parts, and material warehouse

The repair workshop is mainly responsible for maintenance of large-scale production equipment, vehicle repair, processing and repair of component parts, and the processing of emergency parts. All necessary equipment is available. Mechanical maintenance facilities are composed of mining equipment maintenance workshop, equipment and spare parts store, dump oil depot, reserve battery locomotives, and tramcar maintenance workshop and stockpile yard.

The QP has noted that working practices and safety equipment standards observed during its site visits were sometimes less than would be anticipated in North America in similar mining operations.

The mining contractor generally has its own maintenance workshops adjacent to adit portals. Tricycle trucks, electric locomotive and rail cars, minor equipment (such as jacklegs, secondary fans, development pumps, etc.) are serviced in these workshops.

All maintenance work at the Ying camp is performed on surface and there are no workshops located underground.

18.8.6 Explosives magazines

Each mine has an explosives magazine and detonator storage house with strict security. The magazines are gated and are guarded by two gatekeepers and a dog. Surveillance cameras are installed in the magazine areas. All explosive tubes and detonators are labeled with barcodes, which are scanned before release from the magazine for security audit purposes. The QP has noted that these magazines are well constructed and maintained.

Underground working party magazines are located adjacent to each level's return air shaft or decline and are limited to one day's requirement for bulk explosives and three days' requirement for blasting ancillaries.

18.8.7 Fuel farm

Diesel fuel is used for mobile mine equipment, some small trucks, and surface vehicles. There are two fuel farms at the SGX mine, with a total capacity of 60 tonnes. The first unit is located 459 m north of PD16 to supply diesel for mobile equipment. The second unit is at the PD700 waste dump, and mainly supplies diesel to the generators.

Fuel storage tanks are also installed in the TLP, LME, LMW, and HPG mines to provide diesel for surface mobile equipment.

Each of two large truck-carrying barges has two diesel fuel tanks that can store up to 7.5 t of diesel. Full tanks of diesel can keep the barges operating for about 10 days.

The contractors have their own small fuel tankers near the portals, and provide fuel for underground diesel locomotives, tricycle trucks and mobile equipment.

There are up to ten 200 L gasoline tanks stored in an underground tunnel about 450 m east of the SGX wharf to supply gasoline for surface personnel-carrying vehicles and motorboats.

Containment for storage of fuel is constructed in the vicinity of the diesel generators and fuel dispensing facilities. The storage facility must be located down-wind from the mine air intake fans and a reasonable distance from buildings, camp and mine portal (dependent upon local OHS regulations and fire-fighting requirements). The lined containment areas are constructed such that spills are confined and can readily be cleaned up, and so that the need for extensive and costly remediation work can be avoided during site closure.

18.8.8 Mine dry

At each mine site, the dormitory buildings and administration buildings provide showers and washrooms for Silvercorp employees. There are showers and washrooms near each adit portal for contract workers. Provisions for PPE such as gloves, safety glasses, hard hats, and cap lamps / batteries are made by Silvercorp or its contractors.

18.8.9 Administration building

At each mine site, there is an administration building that provides working space for management, supervision, geology, engineering, and other operations support staff. Silvercorp's local office is located at the central mill site; this building can accommodate over 200 staff. The senior management in charge of Ying District sales, purchasing, accounting and technical services are located at the local office.

18.8.10 Warehouse and open area storage

There are warehouses at each mine site that are designed for materials and equipment inventory storage. In addition, there are open storage areas that can be used for the same purpose.

18.8.11 Assay laboratory

The assay laboratory is located in a separate building at the north-west side of Plant 1. The laboratory is a two-story structure equipped to perform daily analyses of mine and process samples.

18.8.12 Security / gatehouse

There is a designated security department at each mine site and mill plant that is responsible for daily security tasks. A security gatehouse is located at each mine site access road with personnel on round-the-clock duty. Monitoring cameras are installed at the gatehouses, loading point, ore stockpiles and warehouses for additional coverage. There are also personnel on duty at all times at each access road. The night shift is responsible for patrol of the key areas. In terms of the ore transportation, there are dedicated personnel in charge of inspection for the transportation process. The central monitoring room located at the local office is manned round-the-clock.

18.8.13 Compressed air

Compressed air is primarily used for drilling blastholes. Jacklegs are used in all stopes and conventional development faces. There are some minor uses for shotcreting and hole cleaning.

Compressor plants are located adjacent to every portal. These compressors are of a two-stage electric piston configuration. Compressed air is reticulated via steel pipes of varying sizes, depending on demand, to all levels and to the emergency refuge stations. Air lines are progressively sized from 4 inch to 1 inch at the stopes and development headings.

18.8.14 Underground harmful gas monitoring system

An implementational plan has been underway for installation of underground Harmful Gas Monitoring and Personal Location Systems at each mine in the Ying District. Silvercorp has indicated that systems are now operational in the SGX, TLP, HPG, LME, LMW, and HZG mines. The Underground Harmful Gas Monitoring System and Personal Location System should meet the requirements of the Chinese Coal Mine Safety Regulation (Version 2006). All of the underground areas must be covered.

The system is used to monitor the underground ventilation network. Data such as air velocity and CO concentration can be collected, processed, and reported instantly. When any item is above the threshold limit value (TLV), the mine control room is notified immediately. The sub-system of safety monitoring, which has a routine inspection cycle of less than 30 seconds, can exchange data with the Automation Integrated Software Platform instantly.

The underground monitoring substation has two-way communication with transmission interfaces. It has a simulation data collector for air speed, air pressure, carbon monoxide (CO) and temperature, and can collect information on power status, ventilator switch, air door switch and smoke. The system is supported by a computer in the central office.

18.8.15 Underground personal location system

The underground personal location system can indicate the exact time that each miner enters or exits underground. The system can provide the total number of miners going underground, with detail of names and working durations, and can print out daily and monthly timesheets. It can instantly report the number of workers working underground and their location. All mines also use the tag board system to monitor personnel entering and exiting a portal.

19 Market studies and contracts

19.1 Mining contracts

Contracts for underground mining operations are in place with several contracting firms, including Luoyang Xinsheng Mining Engineering Co. Ltd., Lushi County Jingsheng Tunneling Engineering Co. Ltd., Henan Sanyi Mine Construction Engineering Co. Ltd., Hongji Construction Engineering Co. Ltd., Zhejiang Xinlong Construction Engineering Co. Ltd., and Shandluo Shunan Tunnelinng Engineering Co. Ltd.

19.2 Concentrate marketing

The QP understands that the lead and zinc concentrates are marketed to existing smelter customers in Henan and Shaanxi provinces and appropriate terms have been negotiated as detailed in Section 19.3.

With respect to copper, testwork has so far been unsuccessful in producing a saleable copper concentrate, but copper levels in the ore are low and this is not a material commercial issue, nor does it materially impact concentrate quality.

19.3 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, JiyuanWanyang Smelting (Group) Co. Ltd, JiyuanJinli Smelting (Group) Co, Lingbao Xinling Smelting Co. Ltd, and Anyang Minshan Smelting Co. Ltd. For the zinc concentrate, sales contracts are in place with Henan Yuguang Zinc Industry Co. Ltd.

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

The key elements of the smelter contracts are subject to change based on market conditions when the contracts are renewed each month. Table 19.1 shows terms most commonly applied.

Table 19.1 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	1,800	>=5,000	92	>=20	87	>=45	Price =<RMB 15,000/t:5,650
	55-60	1,900	4,500-5,000	91.5	15-20	86		Price > RMB 15,000/t:5,650+(price-15,000)*80%
	50-55	2,000	4,000-4,500	91	10-15	85	40-45	Price =<RMB 15,000/t:5,650+45 per % lower than 45%
	45-50	2,100	3,500-4,000	90.5	7-10	84		Price > RMB 15,000/t:5,650+(price-15,000)*80%+45 per % lower than 45%
	40-45	2,200	3,000-3,500	90	5-7	83		
	35-40	2,700	2,500-3,000	89.5	3-5	82		
			2,000-2,500	89	2-3	81		
			1,500-2,000	88.5	1-2	80		
			1,000-1,500	88				
			500-1,000	87.5				

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. These are in alignment with global smelter industry norms. Silver payables of approximately 90% are similarly in accord with industry norms.

19.4 Commodity prices

The following metal prices for COG and AgEq calculations were used in the Mineral Resource and Mineral Reserve estimation: Au $1,250/oz, Ag $18.0/oz, Pb $0.95/lb, Zn $1.10/lb.

In the economic analysis in Section 22 of this report, the following metal prices have been used: Au $1,400/oz, Ag $20/oz, Pb $0.95/lb, Zn $1.10/lb.

In establishing metal prices to be used, the QP has referenced available consensus forecast information, prices used in recent NI 43-101 reports, three-year trailing averages, and prices current at the time of writing. The exchange rate used was arrived at through consultation with Silvercorp and after referencing historical and forecast information.

20 Environmental studies, permitting and social or community impact

20.1 Introduction

Silvercorp has all the required permits for its operations on the Ying Property. The exploration and mining permits are described in Section 4.1 of this report.

The existing mining permits cover all the active mining areas and give Silvercorp the right to carry out full mining and mineral processing operations, in conjunction with safety and environmental certificates. Six safety certificates have been issued by the Department of Safety Production and Inspection of Henan Province, covering the SGX mine, HZG mine, Zhuangtou TMF, Shiwagou TMF, HPG mine, TLP mine (west and east section), LMW mine, and LME mine. Five environmental certificates have been issued by the Department of Environmental Protection of Henan Province, covering the Yueliangou project (SGX mine and 1,000 tpd mill plant), HPG mine, TLP mine, LMW mine, LME mine, and the 2,000 tpd mill plant built in 2009. For each of these certificates, there are related mine development / utilization and soil / water conservation programs, and rehabilitation plan reports. Silvercorp has also obtained approvals and certificates for wastewater discharge locations at the SGX mine, the HPG mine, and the two TMFs. All certificates must be renewed periodically.

There are no cultural minority groups within the area surrounding the general project. The culture of the broader Luoning County is predominantly Han Chinese. No records of cultural heritage sites exist within or near the SGX, HZG, TLP, LME, LMW, and HPG project areas. The surrounding land near the SGX Mining Area is used predominantly for agriculture. The mining area does not cover any natural conservation, ecological forests or strict land control zones. The current vegetation within the project area is mainly secondary, including farm plantings. Larger wild mammals have not been found in the region. Small birds nesting and moving in the woodland are observed occasionally. The surrounding villagers raise domestic animals, such as chickens, ducks, pigs, sheep, goats, dogs, etc.

Silvercorp has made a range of cash donations and contributions to local capital projects and community support programs, sponsoring university students and undertaking projects such as road construction, and school repairs, upgrading and construction. Silvercorp has also made economic contributions in the form of direct hiring and retention of local contractors, suppliers and service providers.

20.2 Laws and regulations

Silvercorp's activities in the Property operate under the following Chinese laws, regulations, and guidelines:

20.2.1 Laws

- Law of Environmental Protection PRC (1989)
- Law of Minerals Resources of PRC (1996)
- Production Safety Law of the PRC (2002)
- Law of Occupational Disease Prevention (2001-Amended 2011)
- Environmental Impact Assessment (EIA) Law (2002)
- Law on Prevention & Control of Atmospheric Pollution (2000)
- Law on Prevention & Control of Noise Pollution (1996)
- Law on Prevention & Control of Water Pollution (1996, amended in 2008)
- Law on Prevention & Control Environmental Pollution by Solid Waste (2002)
- Forestry Law (1998)

- Water Law (1988)
- Water & Soil Conservancy Law (1991)
- Land Administration Law (1999)
- Protection of Wildlife Law (1989)
- Energy Conservation Law (1998)
- Management Regulations for the Prevention & Cure of Tailings Pollution (1992)
- Management Regulations for Dangerous Chemical Materials (1987)

20.2.2 Regulation guidelines

- Environment Protection Design Regulations of Construction Project (No.002) by Environment Protection Committee of State Council of PRC (1987)
- Regulations on the Administration of Construction Project Environmental Protection (1998)
- Regulations for Environmental Monitoring (1983)
- Regulations on Nature Reserves (1994)
- Regulations on Administration of Chemicals Subject to Supervision & Control (1995)
- Regulations on Management of Chemicals Subject to Supervision & Control (1995)
- Environment Protection Design Regulations of Metallurgical Industry (YB9066-55)
- Comprehensive Emission Standard of Wastewater (GB8978-1996)
- Environmental Quality Standard for Surface Water (GB3838-1988)
- Environmental Quality Standard for Groundwater (GB/T14848-1993)
- Ambient Air Quality Standard (GB3095-1996)
- Comprehensive Emission Standard of Atmospheric Pollutants (GB16297-1996)
- Environmental Quality Standard for Soils (GB15618-1995)
- Standard of Boundary Noise of Industrial Enterprise (GB12348-90)
- Emissions Standard for Pollution from Heavy Industry; Non-Ferrous Metals (GB4913-1985)
- Control Standard on Cyanide for Waste Slugs (GB12502-1990)
- Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001)
- Identification Standard for Hazardous Wastes-Identification for Extraction Procedure-Toxicity (GB5085.3-1996)
- Standard of Landfill and Pollution Control of Hazardous Waste (GB 18598-2001)
- Environmental Quality Standard for Noise (GB3096-2008)
- Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008)
- Evaluating Indicator System for Lead and Zinc Industry Cleaner Production (Trial) (2007)

20.3 Waste and tailings disposal management

Silvercorp's main waste by-products are waste rock produced during mining operations and the mine tailings produced during processing. There is also minor sanitation waste produced.

Waste rock is deposited in various waste rock stockpiles adjacent to the mine portals and is utilized for construction around the site. The waste rock is mainly comprised of quartz, chlorite and sericite, kaolin and clay minerals and is non-acid generating.

The protocol for waste stockpiles is as follow: Once a waste stockpile is full (or at the time of site closure), it is covered with soil and re-vegetated. For stabilization, retaining wall structures are built downstream of the waste rock site. Also, a diversion channel is constructed upstream to prevent

high flows into the stockpile and the slope surface from washing out. Waste rock stockpiles at the SGX mine, HPG mine, HZG mine, and LMW mine have already been covered with soil and re-vegetated.

Process tailings are discharged into purpose-built tailings management facilities (TMF1 and TMF2) - that have an effective design capacity of 2.43 Mm^3 and 4.06 Mm^3 respectively (refer also to Section 18.1). The TMFs have decant and under-drainage systems that provide for flood protection and for the collection of return water. Daily inspections are undertaken of the tailings pipelines, TMF embankment and the seepage / return water collection system. The TMF under-drainage and return water collection system comprise a tunnel discharging directly into an unlined collection pond / pumping station, which is situated just downstream of the TMF embankment. According to the current rehabilitation plan, after the completion of the TMFs, the facility will be covered with soil and re-vegetated. The SGX Environmental Impact Assessment (EIA) Report states that the tailings do not contain sulphide and have no potential for acid generation.

20.4 Site monitoring

20.4.1 Monitoring plan

Silvercorp developed comprehensive monitoring plans during the EIA stage, including monitoring plans for the construction period. An environmental protection department consisting of five full time staff was set up for the project. The full-time environment management personnel are mainly responsible for the environment management and rehabilitation management work in the Ying Property.

The monitoring plans include air and dust emissions and noise and wastewater monitoring. The monitoring work is completed by qualified persons and licensed institutes. For water environment monitoring, an intensive program has been developed and implemented, including twice-a-month testing of sanitary wastewater and surface water by the Luoning Liming Testing Company. Mine water discharge and surface water are tested monthly by the Yellow River Basin Environmental Monitoring Centre, an inter-provincial government organization. Water monitoring plans are summarized in Table 20.1.

Table 20.1 Water environmental monitoring plan for Ying mining area

Items	Monitoring points (section)	Monitoring parameters	Frequency	Monitored by
Sanitary wastewater	Final discharge point	Ag, Cd, As, Hg, Cr	Twice / month	Luoyang Liming Testing
Surface water	Shagou Yueliangou	Ag, Cd, As, Hg, Cr	Twice / month	Company
Mining water	Discharge point after sedimentation tank	Temperature, pH, SS, CODcr, NH3-N, total P, N, SO4, Ag, Cu, Zn, Pb, Cd, Hg, phenol and TPH	Once / month	Yellow River Basin Monitoring Centre
Surface water	Sections at Shagou to Guxian Reservoir Upper section of Guxian Reservoir from Shagou Down gradient section of Guxian reservoir (500 m from Shagou entrance)			

The QP understands that monitoring results from 2016 to 2020 indicate that the surface water results are in compliance with Class II and III limits of Surface Water Environmental Quality Standards (GB3838-2002), sanitary and process plant wastewater results are in compliance with Class I limits of Integrated Wastewater Discharge Standard (GB8978-1996), and mining water results are in compliance with Class I limits of Integrated Wastewater Discharge Standard (GB8978-1996). These standards match the requirements in the EIA approvals. In addition, the QP understands that the project-stage completion inspection results were all compliant for wastewater 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.

20.4.2 Water management

The water supply for the SGX and HPG projects is sourced mainly from the Guxian Reservoir and mountain spring water. Water supply for the TLP, LM, and HZG projects is mainly from mountain spring water near the mines.

Maintaining water quality for Guxian Reservoir, while operating the SGX / HZG and HPG projects, is a key requirement in the project environmental approvals. Silvercorp has created an SGX and HPG surface water discharge management plan. This comprises collection and sedimentation treatment of mine water combined with a containment system (i.e., zero surface water discharge), and installation of a stormwater drainage bypass system for the segregation and diversion of clean stormwater and for flood protection.

Prior to completion of the stormwater drainage bypass system, drainage construction in the project water catchment area was completed. Overflow water from the mill process (which is segregated by the thickener), and water generated from the tailings by the pressure filter, are returned to the milling process to ensure that wastewater (including tailings water) is not discharged.

Water from mining operations is reused for the same purpose and the remaining water is treated according to the Surface Water Quality Standards (GB3838-2002) and Integrated Wastewater Discharge Standard (GB8978-1996) to meet the Class III requirements of surface water quality and Class I wastewater quality before being discharged to Guxian Reservoir at discharge points approved by the Yellow River Management Committee in Luoning County.

Monthly monitoring results from the Luoyang Liming Testing Company and Yellow River Basin Environmental Monitoring Centre indicate that quality of water discharged to the surface water body is compliant with standards. Selected data are shown in Table 20.2 and Table 20.3 and show the general level of test results.

Table 20.2 July 2019 to June 2020 monitoring results, surface water of SGX and HPG

Mine	Sampling date	SS	COD	NH3-N	Ag	Cu	Zn	Pb	Cd	TPH	Phenol
SGX	9 Jul 2019	13	11	0.04	< DL	0.006	< DL	0.0008	0.0001	< DL	0.002
	14 Aug 2019	20	12	0.05	< DL	0.001	< DL	0.0018	0.0001	< DL	< DL
	11 Sep 2019	23	12	0.08	< DL	< DL	0.004	0.0011	0.0001	< DL	0.003
	9 Oct 2019	21	12	0.03	< DL	0.003	< DL	0.0007	0.0001	< DL	0.001
	14 Nov 2019	18	12	0.10	< DL	< DL	0.001	0.0011	0.0001	< DL	0.002
	11 Dec 2019	20	11	0.19	< DL	0.002	0.002	0.0007	0.0003	< DL	0.001
	14 Jan 2020	26	11	0.22	< DL	0.002	< DL	0.0007	0.0001	0.01	< DL
	24 Mar 2020	24	10	0.24	< DL	0.018	0.008	0.0099	0.0001	< DL	0.002
	23 Apr 2020	20	12	0.26	< DL	0.001	< DL	0.0008	0.0001	< DL	< DL
	20 May 2020	22	12	0.08	< DL	0.001	< DL	< DL	0.0001	< DL	< DL
HPG	9 Jul 2019	19	12	0.12	< DL	0.001	< DL	0.0004	0.0001	< DL	< DL
	14 Aug 2019	15	13	0.03	< DL	0.001	< DL	0.0028	0.0001	< DL	< DL
	11 Sep 2019	25	11	0.12	< DL	0.000	0.005	0.0026	0.0001	< DL	0.001
	9 Oct 2019	17	12	0.11	< DL	0.002	< DL	0.0005	0.0001	< DL	< DL
	14 Nov 2019	28	11	0.05	< DL	0.000	0.001	0.0026	0.0001	< DL	0.001
	11 Dec 2019	25	12	0.15	< DL	0.001	0.002	0.0006	0.0002	< DL	0.001
	14 Jan 2020	22	10	0.22	< DL	0.002	< DL	0.0008	0.0001	< DL	< DL
	24 Mar 2020	23	9	0.15	< DL	0.002	0.004	0.0003	0.0001	< DL	0.001
	23 Apr 2020	24	11	0.24	< DL	0.001	< DL	0.0004	0.0001	< DL	< DL
	20 May 2020	12	11	0.09	< DL	0.001	< DL	0.0003	0.0001	< DL	< DL
GB3838 Limit		70	15	0.5	0.1	1	1	0.011	0.005	0.05	0.002

Note: Units – mg/L.

Table 20.3 July 2016 to June 2020 monitoring results, surface water

Sample location	NH 3N	Ag	Cu	Zn	Pb	Cd	As	Hg
GB3838 Limit	0.5	0.1	1	1	0.011	0.005	0.05	0.002
SGX	0.1078	< DL	0.0042	0.0036	0.0019	0.0001	0.0017	0.0000
HPG	0.1137	< DL	0.0012	0.0031	0.0011	0.0001	0.0113	0.0000
TLP	0.0437	/	/	/	< DL	< DL	0.0037	< DL

Note: Units – mg/L.

Except for one small creek, there are no surface water sources near the TLP and LM mines, and no mining water is discharged to this creek from the mines. There is a limited volume of mining water generated from the lower sections of the TLP and LM mines, most of which is used in the mining activities, and none is generated from the upper sections.

20.4.3 Groundwater

Groundwater guidelines are contained in the Groundwater Environmental Quality Standards (GB/T14848-93). There is a groundwater monitoring program for the processing plant area, but not for the mining areas. It is recognized that there is no requirement under the Chinese environmental approval to monitor this potential impact. Groundwater (the main drinking water sources) monitoring results of tested parameters, including pH, Pb, Hg, Zn, Cd, Cu, As, cyanide, and sulphate, conducted by the Luoyang Environmental Monitoring Station in January 2013 at different areas indicated that groundwater quality is in compliance with Class III of GB/T14848-93. The results are summarized in the Table 20.4 below.

Table 20.4 Results summary of drinking water (groundwater)

Location	Pb	Hg	Zn	Cd	Cu	As	Ag	CN
Class III Limit	0.05	0.001	1.0	0.01	1.0	0.05		0.05
SGX Mine	< DL	< DL	< DL	< DL	< DL	< DL	< DL	< DL
Mill Plant	< DL	< DL	< DL	< DL	< DL	< DL	< DL	< DL
Mill Plant nearby								
HPG Mine	< DL	< DL	< DL	< DL	< DL	< DL	< DL	< DL
Chongyang Mine	< DL	< DL	< DL	< DL	< DL	< DL	< DL	< DL
Detection limit (DL)	0.01	0.00005	0.01	0.001	0.01	0.002	0.007	0.004

Note: Units – mg/L.

20.4.4 Wastewater

There are three sources of wastewater: mining activities, mineral processing, and domestic sewage. Mine water is pumped to surface via the mine portals, and then pumped to Sedimentation Pond 1 via a lime dosing system to assist in flocculation. The settled water is then drained to Sedimentation Pond 2, where the overflow is allowed to drain to another system of three settlement tanks before being discharged to Guxian Reservoir through a discharge point approved by the Yellow River Management Committee at an elevation of 549.5 m above sea level. Sewage from mining areas is collected and treated by a biological and artificial wetland treatment system. The treated water meets the criteria for water reuse and is applied 100% to landscape watering with no discharge to the public water body. Table 20.5 shows representative mine water and sanitary wastewater monitoring results.

Table 20.5 Mining water and sanitary wastewater monitoring results

Sampling location	pH	Cd (mg/L)	Pb (mg/L)	Zn (mg/L)	Cu (mg/L)
Industrial wastewater reuse standard (GB / T19923-2005)	6.5-7.5	10	60	20	20
Discharge point after sedimentation treatment	8.4	< DL	0.0067	0.002	0.0061
Entrance to Guxian Reservoir	8.1	< DL	0.007	0.001	0.0017
Integrated wastewater discharge standards (GB 8978-1996) Class I Limit	6-9	0.1	1.0	2.0	0.5
Sanitary wastewater treatment	pH	NH3-N (mg/L)	COD (mg/L)	BOD (mg/L)	SS (mg/L)

According to the EIA approval, water quality protection for the Guxian Reservoir and the SGX project area is subject to Chinese National Standard Environmental Quality Standard for Surface Water (GB3838-1988 – Class II) and the mine discharge water quality is to meet Class I of the Integrated Wastewater Discharge Standard (i.e., at the point of discharge). Quality monitoring of the mine waters and the surrounding receiving surface waters is carried out under contract by the Luoning County Environmental Protection Bureau and the Yellow River Basin Environmental Monitoring Centre, in line with specifications in the site environmental monitoring plan. The monthly monitoring results have so far indicated that quality of water discharged to surface water bodies is compliant with both standards.

The Ying TMFs under-drainage and return water collection system comprises a tunnel discharging directly into a collection pond / pumping station just downstream of the TMF embankment. This TMF decant and under-drainage system provides a mechanism for the direct discharge of tailings and / or contaminated tailings water from the TMF. This existing collection pond is designed to overflow into a second containment / seepage dam. There are two further containment dams downstream, with a fourth dam, approximately 1 km downstream, also acting as another pumping station and emergency containment system. The collected tailings water from the TMF in these dams, is pumped

back through a long pipe to the processing plant for reuse. No tailings water is discharged to the public water body.

20.5 Permitting requirements

The following permits and approvals have been obtained by Silvercorp for the Ying operation.

20.5.1 Environmental impact assessment reports & approvals

- Environmental Impact Assessment Report of SGX Mine Project, by Luoyang Environmental Protection & Design Institute, January 2006
- Approval of Environmental Impact Assessment Report of SGX Mine Project by Henan Environmental Protection Bureau, February 2006
- SGX Mine Project Trial Production Completion Acceptance Inspection Approval by Henan Environmental Protection Bureau, January 2009
- Environmental Impact Assessment Report of HPG Mine, by Luoyang Environmental Protection & Design Institute, November 2002
- Approval of Environmental Impact Assessment Report of HPG Mine by Henan Environmental Protection Bureau, January 2003
- Approval of Environmental Impact Assessment Report of TLP Mine by Henan Environmental Protection Bureau, November 1998
- Approval of Environmental Impact Assessment of LM Mine Expansion by Henan Environmental Protection Bureau, May 2010
- Environmental Impact Assessment Report of 2000 t/d processing plant and tailings storage facility, by Luoyang Environmental Protection & Design Institute, May 2009
- Approval of Environmental Impact Assessment Report for 2000 t/d Processing Plant and Tailings Storage Facility, by Henan Environmental Protection Bureau, July 2009
- Approval of Environmental Impact Assessment Report of TLP / LM Mines, by Henan Environmental Protection Bureau, March 2016
- Approval of Environmental Impact Assessment Report of HPG Mine, by Henan Environmental Protection Bureau, February 2016
- Approval of Environmental Impact Assessment Report of Dongcaogou Mine, by Henan Environmental Protection Bureau, July 2016
- Clean Site Production Auditing Report of Henan Found Mining Ltd, by Luoyang Environmental Protection Bureau, December 2013
- Clean Site Production Auditing Report of Henan Found Mining Ltd, by Luoyang Environmental Protection Bureau, January 2015
- Environment Emergency Management Plan of Henan Found Mining Ltd, filed in Luoyang Environmental Protection Bureau, April 2012
- Environment Emergency Management Plan for Henan Found TLP mine and Shiwagou Tailing Dam. filed in Luoyang Environmental Protection Bureau, January 2014
- Geological Environment Protection and Reclamation Treatment for SGX Mine, Henan Found Mining Ltd. Filed in Henan Land and Resources Bureau, July 2012
- Geological Environment Protection and Reclamation Treatment for SGX Mine, Henan Found Mining Ltd. Filed in Henan Land and Resources Bureau, June 2014
- Geological Environment Protection and Reclamation Treatment for HPG Mine, Henan Found Mining Ltd. Filed in Henan Land and Resources Bureau, June 2014
- Geological Environment Protection and Reclamation Treatment for TLP Mine, Henan Found Mining Ltd. Filed in Henan Land and Resources Bureau, July 2012

- Geological Environment Protection and Reclamation Treatment for TLP / LM Mines, Henan Found Mining Ltd. Filed in Henan Land and Resources Bureau, December 2014
- Geological Environment Protection and Reclamation Treatment for Dongcaogou Mines, Henan Found Mining Ltd. Filed in Henan Land and Resources Bureau, January 2014

20.5.2 Project safety pre-assessments reports and safety production permits

- Yueliangou (SGX Mine) Project Safety Pre-Assessment Report & Registration by Henan Tiantai Mining Safety Engineering Company, December 2008
- HPG Mine Safety Pre-Assessment Report & Registration by Henan Minerals Test Centre, April 2010
- TLP Mine Safety Pre-Assessment Report & Registration by Henan Tiantai Mining Safety Engineering Company, December 2008
- LM Mine Safety Pre-Assessment Report & Registration by Henan Minerals Test Centre, January 2011
- Safety Production Permit (XCGL301B) for Henan Found Mining Ltd by Henan Safety Production & Supervision Bureau, valid from 9 May 2016 to 7 March 2019
- Safety Production Permit (XCJC302B) for SGX Mine by Henan Safety Production & Supervision Bureau, valid from 9 May 2016 to 2 March 2018
- Safety Production Permit (XCJC304B) for HPG Mine by Henan Safety Production & Supervision Bureau, valid from 9 May 2016 to 7 July 2017
- Safety Production Permit (XCJC303B) for TLP / LM Mines by Henan Safety Production & Supervision Bureau, valid from 9 May 2016 to 18 January 2018
- Safety Production Permit (XCWK332Y) for SGX Tailing Dam Operation by Henan Safety Production & Supervision Bureau, valid from 28 November 2010 to 27 November 2019
- Safety Production Permit (XCWK331Y) for Shiwagou Tailing Dam Operation by Henan Safety Production & Supervision Bureau, valid from 9 November 2010 to 8 November 2019

20.5.3 Resource utilization plan (RUP) reports & approvals

- RUP Report and Approval for SGX Mine by China Steel Group Design Institute
- RUP Report and Approval for HPG Mine by Sanmenxia Gold Design Institute, February 2010
- RUP Report and Approval for TLP Mine by China Steel Group Design Institute
- RUP Report and Approval for LM Mine by Sanmenxia Gold Design Institute, April 2010

20.5.4 Soil and water conservation plan and approvals

- Soil and Water Conservation Plan for the SGX Mine by Luoyang Soil and Water Conservation Supervision Station and approved by Luoyang Water Resources Management Bureau, May 2009
- Soil and Water Conservation Plan for HPG Mine by Luoyang Soil and Water Conservation Supervision Station and approved by Luoyang Water Resources Management Bureau, May 2008
- Soil and Water Conservation Plan for LM Mine by Luoyang Soil and Water Conservation Supervision Station and approved by Luoyang Water Resources Management Bureau, January 2007
- Approval of Wastewater Discharge at the SGX mine and HPG mines to the Guxian Reservoir by Yellow River Irrigation Work Committee, January 2007
- Approval of Wastewater Discharge in the Ying TMF to the Chongyang River by Yellow River Irrigation Work Committee, January 2007

- Land Reclamation Plan for SGX Mine, Henan Found Mining Ltd. Filed in Henan Land and Resources Bureau, July 2014
- Land Reclamation Plan for TLP / LM Mines, Henan Found Mining Ltd. Filed in Henan Land and Resources Bureau, June 2015
- Land Reclamation Plan for HPG Mine, Henan Found Mining Ltd. Filed in Henan Land and Resources Bureau, January 2016
- Land Reclamation Plan for Dongcaogou Mine, Henan Found Mining Ltd. Filed in Henan Land and Resources Bureau, September 2014
- Land Reclamation Plan for Shiwagou Tailings Dam, Henan Found Mining Ltd. Filed in Henan Land and Resources Bureau, July 2014

20.5.5 The geological hazards assessment report and approval

- The Geological Hazards Assessment Report for the SGX mine by Henan Provincial Science and Research Institute of Land and Resources, January 2009.
- Geological Hazards Assessment Report is a part of the documents for the mining permit application that was implemented in March 2004. This report was not required for HPG, LM, and TLP mines since the original mining permits were issued before March 2004.

20.5.6 Mining permits

See Section 4.1.

20.5.7 Land use right permits

- **Land use right certificate No 0032 (Luoning County Guoyong (2011) No 0032).** The certificate covers a land area of 98,667 m^2 located in Shagou Village, Xiayu Town, Luoning County and will expire in 2061; issued and approved by Luoning County Government, Luoning County Land and Resources Bureau and Ministry of Land and Resources of PRC.
- **Forest land use right permit (Yulinzixu 2008 No 170),** issued by Henan Forest Bureau in November 2008. The permit covers a forest land area of 12.8064 hectares located in Zhuangtou Village, Xiayu Township, Luoning County for the processing plant and the tailings dam construction.

20.5.8 Water permits

- **Water permits (Ning Water No. 2012-001).** The permit allows the taking of 309,600 m^3 water for mill processing from Chongyang River at the inlet of the Xiashi Valley (downstream of No. 1 TMF) and the Chongyang River and expires on 30 June 2017. The permit was issued and approved by Luoning County Bureau of Water Resources Management on 21 June 2012.
- **Water permits (Ning Water No. 2008-001).** The permit allows the taking of 823,100 m^3 of water for mill processing from Luo River at the inlet of the Chongyang River, 7 km north of the No. 2 mill were renewed in 2013. The permit was issued and approved by Luoning County Bureau of Water Resources Management on 13 August 2008.

20.6 Social and community interaction

The nearest significant community to the Ying projects is the Xia Yu Township, which is approximately 2 km to the south-west of the Ying processing plant. The Luoning County Town is approximately 48 km to the north-east and the Lushi County Town is approximately 30 km to the south-west.

The project area surrounding land is predominantly agricultural.

Silvercorp has provided several donations and contributions to communities within the Luoning County; these comprise a range of cash donations, to local capital projects and community support programs, and capital projects such as road construction and repairing, constructing and upgrading schools. As of 31 December 2019, Silvercorp had donated over RMB¥24.5 million in cash or in kind.

The QP understands that there are no records of public complaints in relation to Silvercorp's Ying Property operations.

20.6.1 Cultural minorities and heritages

There are no cultural minority groups within the general project area. The cultural make-up of the broader Luoning County is predominantly Han Chinese. It is understood that there are no records of cultural heritage sites located within or near the Ying Property.

20.6.2 Relationships with local government

Silvercorp has indicated that it has close relationships with the local Luoning County and Luoyang City, evidenced by the following:

- The Company consults with the Luoning County on local issues.
- The Luoning County is utilized to undertake regular water quality monitoring for the SGX and HPG Projects.
- Relations with statutory bodies are positive and Silvercorp has received no notices of breaches of environmental conditions.

20.6.3 Labour practices

Silvercorp's production activities are compliant with Chinese labour regulations. Formal contracts are signed for all the full-time employees with what the QP understands are wages well above minimum. The company provides annual medical surveillance and checks are conducted for its employees before, during and after their employment with the Company. The Company does not use child or under-aged labour.

20.7 Remediation and reclamation

Silvercorp developed remediation and reclamation plans during the project approval stage, including measures for project construction, operation and closure. The Company has spent approximately $3.9M on environmental protection, including dust control measures, wastewater treatment, solid waste disposal, the under-drainage tunnel, soil and water conservation, noise control, ecosystem rehabilitation, and emergency response plans. From 2016 through 2019, a land area of 371,210 m^2 was planted with trees and grasses, as planned in the EIA; of this, 174,800 m^2 of land was planted in 2019. Unused mining tunnels has been closed and rehabilitation coverage at all the mines has been completed.

Table 20.6 details expenditures for environmental protection, rehabilitation, reclamation, and compensation for land acquisition from 2016 to 2020.

Table 20.6 Expenditures on reclamation and remediation from 2016 to 2020 ('000 US$)

Year / Item	2016	2017	2018	2019	2020	Totals
EIA	64	0	0	0	0	64
Soil & water conservation	0	0	0	41	13	54
Environmental equipment	0	14	24	77	8	123
Tailing dam	113	61	1,009	1,083	2	2,267
Land reclamation	60	78	106	298	112	654
Compensation for land acquisition	154	155	284	178	2	774
Total	**392**	**307**	**1,423**	**1,677**	**137**	**3,936**

20.8 Site closure plan

Mine closure will comply with the Chinese National regulatory requirements. These comprise of Article 21 (Closure Requirements) of the Mineral Resources Law (1996), and Articles 33 and 34 of the Rules of Implementation Procedures of the Mineral Resources Law of the People's Republic of China (2006).

The site closure planning process will include the following components:

- Identify all site closure stakeholders (e.g., government, employees, community, etc.).
- Undertake stakeholder consultation to develop agreed upon site closure criteria and post-operational land use.
- Maintain records of stakeholder consultation.
- Establish a site rehabilitation objective in line with the agreed post-operational land use.
- Describe / define the site closure liabilities (i.e., determined against agreed closure criteria).
- Establish site closure management strategies and cost estimates (i.e., to address / reduce site closure liabilities).
- Establish a financial accrual process for the site closure.
- Describe the post-site closure monitoring activities / program (i.e., to demonstrate compliance with the rehabilitation objective / closure criteria).

Based on the 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.

21 Capital and operating costs

21.1 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, plant expenditure, personal protective equipment, and equipment in general. Specific processing plant capital requirements going forward are projected to be minimal as plant capacity has previously been expanded, as described in Section 17, to meet the forecast mine production.

The basis for calculating the mine development capital cost has been described in Section 16, where the projected horizontal and vertical mine development meterage is presented for each mine.

Projected LOM capital costs in US$, by mine and for Ying as a whole, are summarized in Table 21.1. An exchange rate of US$1 = 6.90 RMB is assumed.

The QP considers the projected capital costs to be reasonable relative to the mine development planned and the site facilities, equipment and infrastructure.

Table 21.1 Projected Ying LOM Capex (US$M)

Cost item	Total LOM	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040
SGX																					
Sustaining Capex																					
Exploration & mine development tunneling	21.94	4.55	3.38	3.12	1.87	1.85	1.28	0.91	0.90	0.95	0.64	0.60	0.63	0.47	0.52	0.11	0.08	0.08	-	-	-
Facilities, Plant, and Equipment	17.59	0.87	0.87	0.87	0.88	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.89	0.86	0.84	0.83
Investment Capex	34.26	3.36	3.36	3.61	3.68	3.43	3.15	2.56	2.17	1.50	1.22	1.13	1.00	0.98	0.63	0.89	0.78	0.40	0.28	0.13	-
Total SGX Capex	**73.79**	**8.78**	**7.61**	**7.60**	**6.43**	**6.17**	**5.32**	**4.36**	**3.96**	**3.34**	**2.75**	**2.62**	**2.52**	**2.34**	**2.04**	**1.89**	**1.75**	**1.37**	**1.14**	**0.97**	**0.83**
HZG																					
Sustaining Capex																					
Exploration & mine development tunneling	11.22	1.59	1.60	1.75	1.58	1.73	1.03	0.69	0.43	0.18	0.42	0.13	0.09	-	-	-	-	-	-	-	-
Facilities, Plant, and Equipment	1.63	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.12	0.11	-	-	-	-	-	-	-	-
Investment Capex	11.54	0.98	1.13	0.68	0.79	0.62	0.97	1.20	1.39	1.56	1.53	0.32	0.37	-	-	-	-	-	-	-	-
Total HZG Capex	**24.39**	**2.71**	**2.87**	**2.57**	**2.51**	**2.49**	**2.14**	**2.03**	**1.96**	**1.88**	**2.09**	**0.57**	**0.57**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
HPG																					
Sustaining Capex																					
Exploration & mine development tunneling	7.67	0.66	0.86	0.61	0.62	0.62	0.56	0.47	0.50	0.71	0.46	0.46	0.21	0.17	0.10	0.34	0.26	0.06	-	-	-
Facilities, Plant, and Equipment	4.78	0.25	0.25	0.27	0.27	0.28	0.28	0.27	0.28	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.26	0.24	0.24	-	-
Investment Capex	5.71	0.04	0.09	0.13	0.20	0.10	0.15	0.38	0.48	0.22	0.14	0.22	0.82	0.85	0.61	0.45	0.42	0.41	-	-	-
Total HPG Capex	**18.16**	**0.95**	**1.20**	**1.01**	**1.09**	**1.00**	**0.99**	**1.12**	**1.26**	**1.20**	**0.87**	**0.95**	**1.30**	**1.29**	**0.98**	**1.06**	**0.94**	**0.71**	**0.24**	**-**	**-**
TLP																					
Sustaining Capex																					
Exploration & mine development tunneling	9.79	4.54	1.81	0.97	0.75	0.36	0.13	0.21	0.29	0.19	0.14	0.14	0.09	0.07	0.07	0.03	-	-	-	-	-
Facilities, Plant, and Equipment	8.06	0.51	0.49	0.52	0.51	0.49	0.56	0.54	0.57	0.51	0.48	0.49	0.49	0.49	0.49	0.48	0.44	-	-	-	-
Investment Capex	17.33	1.85	1.68	1.78	1.16	1.54	1.68	1.52	1.14	1.06	0.86	0.93	0.84	0.59	0.70	-	-	-	-	-	-
Total TLP Capex	**35.18**	**6.90**	**3.98**	**3.27**	**2.42**	**2.39**	**2.37**	**2.27**	**2.00**	**1.76**	**1.48**	**1.56**	**1.42**	**1.15**	**1.26**	**0.51**	**0.44**	**-**	**-**	**-**	**-**
LME																					
Sustaining Capex																					
Exploration & mine development tunneling	5.96	1.32	1.31	0.88	0.70	0.87	0.44	0.17	0.17	0.05	0.05	-	-	-	-	-	-	-	-	-	-
Facilities, Plant, and Equipment	2.70	0.14	0.15	0.17	0.15	0.17	0.15	0.16	0.18	0.16	0.17	0.18	0.16	0.16	0.16	0.16	0.14	0.14	-	-	-
Investment Capex	12.28	0.58	0.69	0.97	0.95	0.73	0.92	0.81	0.69	0.73	0.78	0.82	0.61	0.66	0.73	0.82	0.79	-	-	-	-
Total LME Capex	**20.94**	**2.04**	**2.15**	**2.02**	**1.80**	**1.77**	**1.51**	**1.14**	**1.04**	**0.94**	**1.00**	**1.00**	**0.77**	**0.82**	**0.89**	**0.98**	**0.93**	**0.14**	**-**	**-**	**-**
LMW																					
Sustaining Capex																					
Exploration & mine development tunneling	9.99	0.88	0.93	1.01	1.05	0.94	0.91	0.66	0.72	0.48	0.25	0.35	0.27	0.24	0.27	0.33	0.19	0.14	0.13	0.16	0.08
Facilities, Plant, and Equipment	6.73	0.33	0.34	0.36	0.35	0.35	0.34	0.34	0.35	0.34	0.34	0.34	0.34	0.35	0.34	0.34	0.33	0.33	0.34	0.31	0.27
Investment Capex	11.27	0.98	1.00	1.07	1.08	1.12	1.20	1.18	1.04	1.12	0.80	0.48	0.20	-	-	-	-	-	-	-	-
Total LMW Capex	**27.99**	**2.19**	**2.27**	**2.44**	**2.48**	**2.41**	**2.45**	**2.18**	**2.11**	**1.94**	**1.39**	**1.17**	**0.81**	**0.59**	**0.61**	**0.67**	**0.52**	**0.47**	**0.47**	**0.47**	**0.35**
Ying Total																					
Sustaining Capex																					
Exploration & mine development tunneling	66.57	13.54	9.89	8.34	6.57	6.37	4.35	3.11	3.01	2.56	1.96	1.68	1.29	0.95	0.96	0.81	0.53	0.28	0.13	0.16	0.08
Facilities, Plant, and Equipment	41.49	2.24	2.24	2.33	2.30	2.32	2.36	2.34	2.41	2.31	2.29	2.29	2.26	2.16	2.15	2.14	2.06	1.60	1.44	1.15	1.10
Investment Capex	92.39	7.79	7.95	8.24	7.86	7.54	8.07	7.65	6.91	6.19	5.33	3.90	3.84	3.08	2.67	2.16	1.99	0.81	0.28	0.13	-
Total Ying Capex	**200.45**	**23.57**	**20.08**	**18.91**	**16.73**	**16.23**	**14.78**	**13.10**	**12.33**	**11.06**	**9.58**	**7.87**	**7.39**	**6.19**	**5.78**	**5.11**	**4.58**	**2.69**	**1.85**	**1.44**	**1.18**

Notes: Numbers may not compute exactly due to rounding. Q4 FY2020 not included.

21.2 Operating costs

Major operating cost categories are mining, shipping, milling, G&A, product selling, Mineral Resources tax, and government fees and other taxes.

Silvercorp utilizes contract labour for mining on a rate per tonne or a rate per metre basis. The contract includes all labour, all fixed and mobile equipment, materials, and consumables, including fuel and explosives, which are purchased through the company. Ground support consumables such as timber and power to the portal areas are the responsibility of the company.

Shipping costs are for moving ore from each mine to the processing plant.

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 costs include 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.

As of 1 July 2016, the previous Mineral Resources tax was switched to a levy based on percentage of sales. At the Ying mine, the provision for Mineral Resources tax is approximately 3% of sales.

Table 21.2 summarizes projected LOM operating costs in US$, by mine, and for Ying as a whole. Again, an exchange rate of US$1 = 6.90 RMB is assumed.

The QP considers the operating costs to be reasonable relative to the methods and technology used and to the scale of the operations.

Table 21.2 Projected Ying LOM Opex (US$M)

Cost item	Total LOM	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040
SGX																					
Mining	357.80	18.95	18.16	17.66	18.25	18.73	18.62	18.48	18.69	18.45	18.09	18.15	18.06	18.40	17.95	17.76	17.51	17.22	17.68	16.53	14.46
Shipping	20.93	1.03	1.03	1.03	1.05	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.06	1.03	1.00	0.98
Milling	52.82	2.61	2.61	2.61	2.66	2.67	2.67	2.67	2.67	2.68	2.67	2.67	2.68	2.67	2.67	2.68	2.67	2.67	2.59	2.52	2.48
G&A and product selling	42.89	2.12	2.12	2.12	2.16	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.17	2.16	2.10	2.05	2.02
Mineral Resources tax	43.56	2.61	2.56	2.48	2.37	2.32	2.24	2.20	2.16	2.18	2.17	2.15	2.15	2.15	2.11	2.11	2.08	2.04	1.91	1.82	1.75
Government fee and other tax	14.40	0.71	0.71	0.71	0.72	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.73	0.72	0.70	0.69	0.68
Total SGX Opex	**532.40**	**28.03**	**27.19**	**26.61**	**27.21**	**27.68**	**27.49**	**27.31**	**27.48**	**27.27**	**26.89**	**26.93**	**26.85**	**27.18**	**26.69**	**26.51**	**26.22**	**25.87**	**26.01**	**24.61**	**22.37**
HZG																					
Mining	33.90	3.22	3.05	3.31	3.26	3.24	3.02	2.93	2.72	2.60	2.68	1.97	1.90	-	-	-	-	-	-	-	-
Shipping	3.09	0.26	0.25	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.22	0.20	-	-	-	-	-	-	-	-
Milling	6.20	0.52	0.51	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.44	0.41	-	-	-	-	-	-	-	-
G&A and product selling	5.05	0.42	0.42	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.36	0.33	-	-	-	-	-	-	-	-
Mineral Resources tax	3.63	0.36	0.35	0.37	0.35	0.33	0.33	0.33	0.30	0.29	0.27	0.19	0.16	-	-	-	-	-	-	-	-
Government fee and other tax	1.71	0.14	0.14	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.12	0.11	-	-	-	-	-	-	-	-
Total HZG Opex	**53.58**	**4.92**	**4.72**	**5.08**	**5.01**	**4.97**	**4.75**	**4.66**	**4.42**	**4.29**	**4.35**	**3.30**	**3.11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
HPG																					
Mining	74.74	4.56	3.98	4.39	4.45	4.51	4.61	4.46	4.55	4.37	4.78	4.60	3.93	3.81	3.84	3.76	3.81	3.28	3.05	-	-
Shipping	4.71	0.24	0.25	0.26	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.26	0.27	0.25	0.24	0.24	-	-
Milling	12.55	0.64	0.66	0.70	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.72	0.71	0.71	0.71	0.67	0.64	0.63	-	-
G&A and product selling	10.19	0.52	0.54	0.57	0.58	0.59	0.59	0.58	0.59	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.54	0.52	0.51	-	-
Mineral Resources tax	5.59	0.34	0.34	0.37	0.37	0.37	0.37	0.35	0.35	0.33	0.33	0.33	0.33	0.31	0.27	0.25	0.21	0.19	0.18	-	-
Government fee and other tax	3.42	0.18	0.18	0.19	0.19	0.20	0.20	0.20	0.20	0.19	0.20	0.20	0.20	0.19	0.19	0.19	0.18	0.17	0.17	-	-
Total HPG Opex	**111.20**	**6.48**	**5.95**	**6.48**	**6.58**	**6.66**	**6.76**	**6.58**	**6.68**	**6.46**	**6.88**	**6.70**	**6.03**	**5.87**	**5.85**	**5.76**	**5.66**	**5.04**	**4.78**	**-**	**-**
TLP																					
Mining	119.41	8.25	6.90	8.34	8.39	7.92	8.68	7.88	8.44	7.89	7.04	6.94	7.23	7.13	6.66	6.39	5.33	-	-	-	-
Shipping	9.25	0.58	0.56	0.60	0.59	0.56	0.64	0.62	0.66	0.58	0.55	0.56	0.56	0.56	0.57	0.55	0.51	-	-	-	-
Milling	23.74	1.50	1.44	1.53	1.51	1.44	1.65	1.59	1.69	1.49	1.41	1.43	1.44	1.44	1.45	1.42	1.31	-	-	-	-
G&A and product selling	19.26	1.21	1.17	1.24	1.23	1.17	1.34	1.29	1.37	1.21	1.14	1.16	1.17	1.17	1.18	1.15	1.06	-	-	-	-
Mineral Resources tax	12.20	0.76	0.78	0.84	0.87	0.79	0.91	0.85	0.87	0.78	0.69	0.73	0.73	0.73	0.71	0.64	0.52	-	-	-	-
Government fee and other tax	6.45	0.41	0.39	0.42	0.41	0.39	0.45	0.43	0.46	0.41	0.38	0.39	0.39	0.39	0.39	0.39	0.35	-	-	-	-
Total TLP Opex	**190.31**	**12.71**	**11.24**	**12.97**	**13.00**	**12.27**	**13.67**	**12.66**	**13.49**	**12.36**	**11.21**	**11.21**	**11.52**	**11.42**	**10.96**	**10.54**	**9.08**	**-**	**-**	**-**	**-**
LME																					
Mining	53.18	3.46	3.43	3.47	3.27	2.98	2.84	3.07	3.32	3.02	3.00	3.29	3.09	3.28	3.07	3.00	2.81	2.78	-	-	-
Shipping	4.11	0.21	0.23	0.26	0.23	0.25	0.23	0.24	0.27	0.25	0.26	0.27	0.25	0.25	0.24	0.25	0.21	0.21	-	-	-
Milling	12.60	0.66	0.70	0.78	0.72	0.77	0.70	0.74	0.81	0.76	0.79	0.83	0.76	0.76	0.75	0.76	0.66	0.65	-	-	-
G&A and product selling	10.22	0.53	0.57	0.63	0.58	0.62	0.57	0.60	0.66	0.62	0.64	0.67	0.62	0.62	0.61	0.62	0.53	0.53	-	-	-
Mineral Resources tax	7.46	0.51	0.56	0.63	0.52	0.53	0.42	0.43	0.45	0.45	0.41	0.43	0.44	0.37	0.36	0.34	0.32	0.29	-	-	-
Government fee and other tax	3.43	0.18	0.19	0.21	0.19	0.21	0.19	0.20	0.22	0.21	0.22	0.22	0.21	0.21	0.20	0.21	0.18	0.18	-	-	-
Total LME Opex	**91.00**	**5.55**	**5.68**	**5.98**	**5.51**	**5.36**	**4.95**	**5.28**	**5.73**	**5.31**	**5.32**	**5.71**	**5.37**	**5.49**	**5.23**	**5.18**	**4.71**	**4.64**	**-**	**-**	**-**
LMW																					
Mining	89.35	5.03	4.96	5.14	5.02	4.52	4.39	4.43	4.81	4.56	4.13	4.49	4.62	4.51	4.35	4.75	4.22	4.09	4.26	3.71	3.36
Shipping	4.57	0.22	0.23	0.24	0.24	0.24	0.23	0.23	0.24	0.23	0.23	0.23	0.23	0.24	0.23	0.23	0.23	0.22	0.24	0.21	0.18
Milling	13.68	0.66	0.69	0.72	0.71	0.71	0.69	0.69	0.71	0.69	0.70	0.70	0.68	0.70	0.70	0.69	0.68	0.67	0.70	0.64	0.55
G&A and product selling	11.11	0.54	0.56	0.59	0.57	0.57	0.56	0.56	0.58	0.56	0.57	0.57	0.56	0.57	0.57	0.56	0.55	0.54	0.57	0.52	0.44
Mineral Resources tax	9.03	0.45	0.48	0.53	0.53	0.52	0.50	0.50	0.51	0.48	0.48	0.48	0.46	0.47	0.46	0.44	0.41	0.38	0.37	0.32	0.26
Government fee and other tax	3.72	0.18	0.19	0.20	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.19	0.18	0.18	0.19	0.17	0.15
Total LMW Opex	**131.46**	**7.08**	**7.11**	**7.42**	**7.26**	**6.75**	**6.56**	**6.60**	**7.04**	**6.71**	**6.30**	**6.66**	**6.74**	**6.68**	**6.50**	**6.86**	**6.27**	**6.08**	**6.33**	**5.57**	**4.94**
Ying Total																					
Mining	728.38	43.47	40.48	42.31	42.64	41.90	42.16	41.25	42.53	40.89	39.72	39.44	38.83	37.13	35.87	35.66	33.68	27.37	24.99	20.24	17.82
Shipping	46.66	2.54	2.55	2.66	2.65	2.65	2.70	2.69	2.77	2.66	2.64	2.61	2.57	2.38	2.36	2.36	2.26	1.73	1.51	1.21	1.16
Milling	121.59	6.59	6.61	6.88	6.86	6.85	6.97	6.95	7.14	6.88	6.83	6.79	6.69	6.28	6.28	6.26	5.99	4.63	3.92	3.16	3.03
G&A and product selling	98.72	5.34	5.38	5.59	5.56	5.56	5.67	5.64	5.81	5.58	5.54	5.51	5.43	5.11	5.11	5.08	4.85	3.75	3.18	2.57	2.46

Mineral Resources tax	81.47	5.03	5.07	5.22	5.01	4.86	4.77	4.66	4.64	4.51	4.35	4.31	4.27	4.03	3.91	3.78	3.54	2.90	2.46	2.14	2.01
Government fee and other tax	33.13	1.80	1.80	1.88	1.85	1.87	1.91	1.90	1.95	1.88	1.87	1.85	1.83	1.71	1.70	1.71	1.62	1.25	1.06	0.86	0.83
Total Ying Opex	**1,109.95**	**64.77**	**61.89**	**64.54**	**64.57**	**63.69**	**64.18**	**63.09**	**64.84**	**62.40**	**60.95**	**60.51**	**59.62**	**56.64**	**55.23**	**54.85**	**51.94**	**41.63**	**37.12**	**30.18**	**27.31**

Notes: Numbers may not compute exactly due to rounding. Q4 FY2020 not included.

22 Economic analysis

22.1 Introduction

Although Silvercorp is a producing issuer and, therefore, does not require an economic analysis of the Ying Property for the purposes of this report, the QPs consider it 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 following metal prices, costs and exchange rate were used for the economic analysis:

- Gold price US$1,400/oz
- Silver price US$20/oz
- Lead price US$0.95/lb
- Zinc price US$0.1.10/lb
- Mining cost US$61.34/t
- Milling cost US$10.23/t
- Shipping US$3.92/t
- Mineral Resources tax US$6.86/t
- G&A US$8.30/t
- Government fees and other taxes US$2.78/t
- Sustaining and growth capital US$16.95/t
- Exchange rate US$1 = 6.90RMB

22.2 Annual production schedule

Table 16.13 showing the LOM ore production schedule by mine is repeated below as Table 22.1.

Table 22.1 Ying Mines LOM production schedule

SGX	**2020 Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**Total**
Ore (kt)	29	255	255	255	260	261	261	261	261	262	261	261	262	261	261	262	261	261	253	247	243	5,193
Ag (g/t)	357	359	356	321	307	305	271	268	264	265	261	269	272	266	269	277	259	255	237	226	227	277
Pb (%)	6.43	6.45	6	6.34	5.76	5.25	5.64	5.22	5.53	5.46	5.54	4.82	5.28	5.21	4.92	4.79	5.25	5.29	5.32	5.41	5.11	5.43
Zn (%)	2.12	2.25	2.44	2.72	2.47	2.79	2.97	3.36	2.6	2.73	2.87	3.27	2.44	2.87	2.69	2.51	2.34	2.04	2.04	1.94	1.97	2.57
AgEq (g/t)	634	639	625	608	568	555	539	529	520	521	523	515	515	516	504	504	498	489	472	463	453	529
HZG	**2020 Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**									**Total**
Ore (kt)	9	51	50	53	53	53	53	53	53	53	53	43	40	-	-	-	-	-	-	-	-	616
Ag (g/t)	413	403	383	389	357	324	344	337	318	306	286	244	225									330
Pb (%)	0.61	0.71	1.05	0.76	1.04	1.57	0.94	0.92	0.58	0.54	0.46	0.64	0.51									0.82
Zn (%)	0.26	0.25	0.22	0.17	0.22	0.16	0.17	0.19	0.17	0.12	0.15	0.14	0.12									0.18
AgEq (g/t)	434	427	420	415	394	378	377	368	338	325	302	266	243									359
HPG	**2020 Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**			**Total**
Ore (kt)	12	63	65	69	70	71	71	70	71	70	70	70	70	70	69	70	66	63	61.719	-	-	1,240
Au (g/t)	1.14	1.14	0.65	1.58	1.42	1.21	0.92	1.16	0.52	1.25	1.85	1.48	1.89	1.65	1.61	1.37	0.91	0.87	0.94			1.25
Ag (g/t)	93	98	102	88	103	108	108	87	84	69	60	67	61	62	35	29	39	50	41			72
Pb (%)	4.27	4.5	4.64	3.18	3.34	3.48	3.17	4.17	5.01	3.64	2.95	3.29	2.96	2.7	2.06	2.77	2.8	2.19	2.18			3.29
Zn (%)	1.05	1.17	1.79	2.16	1.64	1.43	2.76	1.12	1.4	1.58	1.32	1.34	0.96	1.36	1.88	1.15	0.83	0.85	0.87			1.43
AgEq (g/t)	347	362	356	355	354	347	348	339	334	319	316	313	311	298	256	244	218	206	200			306
LME	**2020 Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**				**Total**
Ore (kt)	10	64	69	76	70	75	69	72	80	74	78	81	75	74	73	74	64	64	-	-	-	1,243
Ag (g/t)	395	407	424	410	352	354	319	295	296	322	275	272	300	231	242	228	250	220				306
Pb (%)	1.59	1.86	1.71	2.35	2.7	1.95	1.27	1.68	1.18	1.15	1.21	1.23	1.45	1.83	1.43	1.29	1.26	1.53				1.59
Zn (%)	0.44	0.43	0.37	0.46	0.51	0.27	0.38	0.46	0.38	0.41	0.31	0.37	0.37	0.51	0.39	0.34	0.28	0.35				0.39
AgEq (g/t)	455	475	486	496	450	424	367	358	341	366	320	318	354	300	296	277	297	277				365
LMW	**2020 Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**Total**
Ore (kt)	11	65	67	71	69	69	67	68	69	68	68	68	67	69	68	68	66	65	69	63	54	1,349
Ag (g/t)	306	333	330	330	360	369	354	341	352	329	334	333	333	339	316	297	278	267	258	236	212	317
Pb (%)	2.59	2.67	3.05	3.57	2.96	2.57	2.87	3.08	2.65	3.10	2.76	2.61	2.51	2.13	2.57	2.72	2.93	2.67	2.09	2.11	2.57	2.71
Zn (%)	0.27	0.24	0.25	0.28	0.25	0.28	0.26	0.38	0.28	0.36	0.29	0.27	0.27	0.29	0.34	0.35	0.28	0.32	0.33	0.29	0.26	0.29
AgEq (g/t)	396	426	437	456	464	460	454	449	445	437	430	425	420	413	406	392	381	360	331	310	302	412
TLP	**2020 Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**					**Total**
Ore (kt)	28	146	141	149	148	141	161	155	165	146	138	140	141	141	142	139	128	-	-	-	-	2,348
Ag (g/t)	193	211	258	267	293	262	260	242	240	241	199	239	227	219	196	172	133					230
Pb (%)	3.73	3.51	2.71	2.57	2.26	2.73	2.85	3.11	2.75	2.93	3.58	2.72	2.98	3.31	3.60	3.67	3.89					3.07
Zn (%)	0.32	0.32	0.39	0.34	0.36	0.39	0.32	0.33	0.33	0.29	0.25	0.32	0.35	0.30	0.36	0.30	0.29					0.33
AgEq (g/t)	320	331	351	354	371	355	357	348	334	342	322	331	329	333	319	297	265					334
Ying Mine	**2020 Q4**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**	**2039**	**2040**	**Total**
Ore (kt)	99	645	647	673	670	670	682	679	699	672	668	664	654	615	614	612	585	452	384	309	296	11,989
Au (g/t)	0.14	0.11	0.07	0.16	0.15	0.13	0.09	0.12	0.05	0.13	0.19	0.16	0.20	0.19	0.18	0.16	0.10	0.12	0.15	-	-	0.13
Ag (g/t)	282	305	316	301	297	289	270	259	257	255	238	247	246	236	228	221	208	224	209	228	224	257
Pb (%)	3.96	4.30	4.00	4.00	3.75	3.60	3.64	3.71	3.66	3.62	3.67	3.28	3.52	3.74	3.61	3.65	3.97	3.95	4.24	4.74	4.65	3.81
Zn (%)	0.94	1.16	1.31	1.42	1.31	1.39	1.58	1.58	1.27	1.38	1.39	1.58	1.23	1.53	1.52	1.35	1.26	1.39	1.54	1.61	1.66	1.41
AgEq (g/t)	448	488	488	482	465	452	438	429	415	420	409	405	409	412	398	388	381	401	403	432	426	429

Note: Numbers may not compute exactly due to rounding.

22.3 Cash flow forecast

Based on the LOM production profile and the metal price and other assumptions shown above, pre-tax and post-tax cashflow projections have been generated as presented in Table 22.2. At 5% discount rate, base case pre-tax and post-tax NPVs of $954M and $713M are projected. Over the LOM, 62% of the net revenue is projected to come from silver, 29% from lead, 6% from zinc, and 2% from gold.

Table 22.2 Ying Property cash flow projection

	Totals	Q4 FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040
Metal production																						
Au (koz)	44.77	0.39	2.07	1.22	3.13	2.87	2.47	1.87	2.35	1.06	2.53	3.74	3.00	3.82	3.32	3.23	2.75	1.72	1.58	1.67	-	-
Ag (koz)	94,987	863	6,072	6,302	6,255	6,129	5,965	5,667	5,406	5,521	5,293	4,905	5,045	4,971	4,473	4,312	4,180	3,752	3,135	2,485	2,193	2,062
Pb (Mlb)	966.6	8.3	58.5	54.8	57.1	53.3	50.9	52.5	53.1	54.1	51.5	51.8	46.0	48.8	48.6	46.8	47.2	49.1	38.3	34.9	31.6	29.7
Zn (Mlb)	220.4	1.1	9.5	10.8	12.4	11.2	12.0	14.1	14.0	11.4	12.1	12.3	13.8	10.3	12.4	12.2	10.8	9.7	8.6	8.2	6.9	6.9
Net realized selling price																						
Au ($/oz)	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134	1,134
Ag ($/oz)	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18
Pb ($/lb)	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83	0.83
Zn ($/lb)	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Revenue																						
Au ($M)	50.77	0.45	2.35	1.38	3.55	3.26	2.80	2.12	2.66	1.20	2.87	4.24	3.40	4.33	3.76	3.66	3.12	1.95	1.79	1.89	0.00	0.00
Ag ($M)	1,709.77	15.53	109.29	113.43	112.59	110.33	107.38	102.01	97.32	99.38	95.28	88.30	90.80	89.48	80.51	77.61	75.24	67.54	56.43	44.73	39.47	37.11
Pb ($M)	803.51	6.86	48.67	45.51	47.46	44.29	42.34	43.65	44.13	44.95	42.81	43.08	38.24	40.54	40.37	38.91	39.21	40.78	31.82	29.00	26.25	24.66
Zn ($M)	175.75	0.89	7.58	8.60	9.86	8.90	9.59	11.26	11.14	9.07	9.64	9.78	11.01	8.24	9.89	9.71	8.58	7.71	6.83	6.52	5.49	5.47
Total revenue ($M)	2,739.80	23.72	167.89	168.92	173.46	166.78	162.11	159.03	155.25	154.59	150.60	145.40	143.45	142.59	134.53	129.89	126.14	117.98	96.88	82.15	71.21	67.24
Mining costs																						
Resuing mining ($M)	214.28	3.33	18.86	13.96	13.68	13.07	12.34	10.63	10.34	12.35	11.32	10.20	10.07	10.21	10.24	9.29	9.92	9.49	6.64	6.69	5.59	6.05
Shrinkage mining ($M)	113.30	0.09	2.26	4.81	5.54	5.81	6.04	7.18	7.34	6.49	6.72	7.05	7.12	6.96	6.04	6.45	6.14	5.80	5.49	4.10	3.13	2.72
Drilling ($M)	39.43	0.31	2.07	2.09	2.17	2.16	2.17	2.18	2.18	2.23	2.17	2.16	2.14	2.11	2.00	1.99	1.99	1.92	1.64	1.47	1.18	1.12
Expensed tunneling ($M)	98.50	1.17	6.05	5.40	6.18	6.84	6.64	7.20	6.51	6.24	5.95	5.68	5.53	5.11	4.97	4.27	3.78	3.17	2.86	2.69	2.13	0.12
Mine common costs ($M)	269.93	2.16	14.20	14.24	14.75	14.76	14.71	14.97	14.89	15.22	14.74	14.63	14.56	14.44	13.88	13.86	13.81	13.32	10.74	10.04	8.20	7.80
Total mining costs	735.45	7.06	43.46	40.49	42.32	42.64	41.90	42.16	41.26	42.53	40.89	39.72	39.43	38.83	37.13	35.87	35.65	33.69	27.37	24.99	20.24	17.82
Milling costs ($M)	122.65	1.01	6.59	6.61	6.89	6.86	6.85	6.97	6.95	7.15	6.88	6.83	6.79	6.70	6.29	6.28	6.26	5.98	4.63	3.93	3.16	3.03
Shipping costs ($M)	47.03	0.39	2.55	2.56	2.66	2.65	2.64	2.70	2.68	2.76	2.66	2.64	2.61	2.57	2.37	2.37	2.36	2.26	1.73	1.50	1.21	1.17
Mineral Resource tax @ 3% of sales ($M)	82.19	0.71	5.04	5.07	5.20	5.00	4.86	4.77	4.66	4.64	4.52	4.36	4.30	4.28	4.04	3.90	3.78	3.54	2.91	2.46	2.14	2.02
Total cash cost ($M)	987.32	9.18	57.64	54.73	57.07	57.15	56.26	56.60	55.55	57.07	54.94	53.54	53.13	52.37	49.83	48.42	48.06	45.47	36.64	32.88	26.75	24.03
General & Administrative ($M)	99.51	0.82	5.35	5.37	5.59	5.56	5.56	5.66	5.64	5.80	5.58	5.54	5.51	5.43	5.11	5.10	5.08	4.85	3.75	3.19	2.57	2.46
Government fees & other taxes ($M)	33.33	0.28	1.79	1.80	1.87	1.86	1.86	1.89	1.89	1.94	1.87	1.86	1.84	1.82	1.71	1.71	1.70	1.63	1.26	1.07	0.86	0.82
Cashflow before tax and capital ($M)	1,619.64	13.45	103.11	107.03	108.92	102.20	98.42	94.88	92.17	89.78	88.21	84.46	82.97	82.97	77.88	74.66	71.30	66.03	55.23	45.02	41.02	39.92
Amortization ($M)	203.45	0.22	7.78	14.17	19.96	18.13	17.26	15.90	14.69	13.38	12.15	10.99	9.53	8.30	7.17	6.49	5.74	5.19	4.21	3.22	2.28	6.67
Taxable income ($M)	1,416.19	13.22	95.33	92.85	88.96	84.07	81.16	78.98	77.48	76.40	76.06	73.47	73.44	74.67	70.71	68.18	65.56	60.84	51.02	41.80	38.74	33.25
Income tax @ 25% tax rate ($M)	354.05	3.31	23.83	23.21	22.24	21.02	20.29	19.74	19.37	19.10	19.02	18.37	18.36	18.67	17.68	17.04	16.39	15.21	12.75	10.45	9.69	8.31
Cash flow after taxes ($M)	1,265.59	10.14	79.28	83.81	86.68	81.18	78.13	75.13	72.80	70.68	69.20	66.09	64.61	64.30	60.20	57.62	54.91	50.82	42.47	34.57	31.34	31.61
Sustaining capital ($M)	109.85	1.84	15.76	12.13	10.67	8.89	8.67	6.72	5.45	5.42	4.87	4.25	3.96	3.54	3.10	3.11	2.95	2.59	1.89	1.57	1.31	1.17
Growth capital ($M)	93.37	0.96	7.80	7.94	8.24	7.86	7.54	8.07	7.65	6.91	6.20	5.34	3.90	3.84	3.08	2.67	2.16	1.98	0.81	0.28	0.13	0.00
Total capital costs ($M)	203.22	2.81	23.56	20.08	18.91	16.75	16.21	14.79	13.09	12.32	11.06	9.58	7.86	7.38	6.18	5.79	5.10	4.57	2.70	1.85	1.44	1.17
Free cash flow before taxes ($M)	1,416.42	10.64	79.55	86.95	90.01	85.45	82.21	80.09	79.08	77.46	77.15	74.88	75.11	75.59	71.70	68.88	66.20	61.46	52.53	43.16	39.58	38.75
Free cash flow after taxes ($M)	1,062.37	7.33	55.72	63.74	67.77	64.43	61.91	60.34	59.71	58.36	58.13	56.51	56.75	56.93	54.02	51.83	49.81	46.25	39.78	32.71	29.89	30.43
NPV 5% before tax: $954,251,004																						
NPV 5% after tax: $713,344,156																						

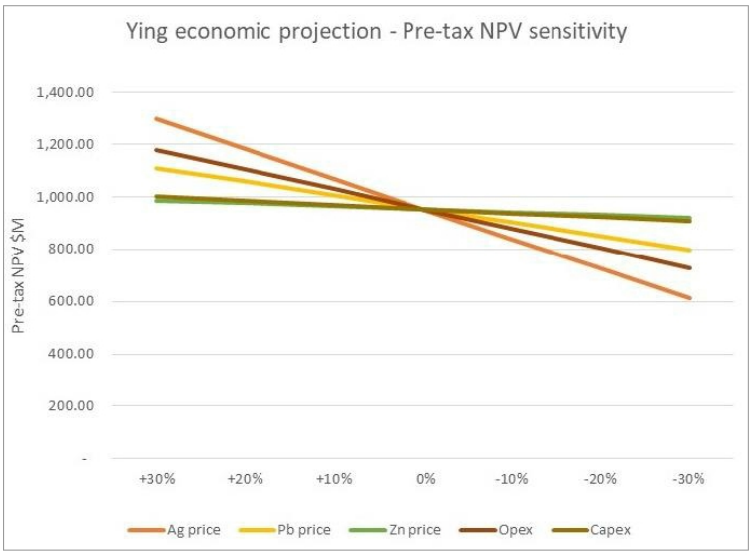
Notes:

- Exclusive of 17% VAT.
- Numbers may not compute exactly due to rounding.

22.4 Sensitivity analysis

Figure 22.1 shows the Ying pre-tax NPV sensitivity over a +/- 30% change in Ag, Pb, and Zn metal prices, and in operating and capital costs.

Figure 22.1 Ying pre-tax NPV sensitivity



Source: AMC.

Most sensitivity is seen in silver price (the sensitivity would effectively be the same with variation in Ag grade). The NPV is moderately sensitive to lead price and operating cost, and only slightly sensitive to zinc price and capital cost.

The Ying mine complex is seen to be a very viable operation with a projected LOM through to 2040 based on only Proven and Probable Mineral Reserves and assuming an average annual production rate of approximately six million ounces of silver between FY2021 and FY2027, five million ounces between FY2028 and FY2033, four million ounces between FY2034 and FY2036, and two-point-five million ounces between FY2037 and FY2040. The potential exists for an extended LOM via further exploration and development, particularly in areas with identified Inferred Resources.

23 Adjacent properties

The QP is not aware of any adjacent properties with similar type of mineralization.

24 Other relevant data and information

The QP is not aware of any additional information or explanation that is necessary to make the Technical Report understandable and not misleading.

25 Interpretation and conclusions

25.1 General

Silvercorp has been active on the Ying Property, which currently includes the SGX, HZG, HPG, TLP, LME, LMW mines, and the DCG project, since 2004. Annual production has ranged between 614,000 tonnes and 637,000 tonnes in the fiscal years 2017 to 2020.

Mineralization in the Ying district comprises numerous steeply-dipping silver-lead-zinc veins with widths varying from a few centimetres to a few metres and with strike lengths up to a few thousand metres. To date, significant mineralization has been defined or developed in at least 311 discrete vein structures, and many other smaller veins have been found but not, as yet, well explored. Exploration is by underground drilling, surface drilling and chip sampling of underground workings. Silvercorp's logging, surveying, sampling, sub-sampling and assaying procedures follow common industry practice. QA/QC programs have been in place since 2004 and the results are deemed satisfactory by the QP.

Because of the pinch and swell nature of Ying veins, there is often significant uncertainty in location of potentially economic mineralization within the veins, and in the grade and tonnage of that mineralization. However, the large number of veins and active mining areas within each vein means that economic risk related to this uncertainty is likely to be low. Silvercorp has a history of profitable mining, which demonstrates its ability to successfully manage this uncertainty.

The 2019 Mineral Resource estimates for the Ying property were prepared by independent QP Rod Webster, MAIG and independent QP Simeon Robinson, P.Geo. both of AMC.

Datamine software was used. Resources were estimated using a block modelling approach, with 3D ordinary kriging for the six biggest mines. At DCG, metal grades were estimated using ID ^{2}. Because of the numerous veins (311) for which Resource estimates were prepared, this proved to be an extremely time-consuming process. After interpolation, a 0.3 m minimum mining width calculation was applied, whereby mineralization widths < 0.3 m had a dilution envelope of zero grade added to make up the difference. The Mineral Resources were then reported above a COG.

For the purposes of COG and AgEq calculations, the QP has used recently reported individual metal processing recoveries, payables 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$18/oz, Pb US$0.95/lb, Zn US$1.10/lb.

Measured and Indicated Resources total 20.12 Mt averaging 234 g/t Ag, 3.64% Pb, and 1.28% Zn, while Inferred Resources total 18.58 Mt averaging 184 g/t Ag, 3.04% Pb, and 0.82% Zn. Mineral Resource COGs are SGX 145 g/t AgEq; HZG 130 g/t AgEq; HPG 140 g/t AgEq; LME 120 g/t AgEq; LMW 155 g/t AgEq; TLP 130 g/t AgEq; DCG 135 g/t AgEq.

Proven and Probable Reserves total 12.0 Mt averaging 257 g/t Ag, 3.81% Pb and 1.41% Zn. Mineral Reserve COGs in g/t AgEq are SGX: 235 Resuing, 205 Shrinkage; HZG: 240 Resuing, 210 Shrinkage; HPG: 235 Resuing, 210 Shrinkage; LME: 210 Resuing, 180 Shrinkage; TLP: 240 Resuing, 215 Shrinkage; LMW: 260 Resuing, 235 Shrinkage.

The sensitivity of the Ying Mineral Reserves to variation in COG has been tested by applying a 20% increase in COG to Mineral Reserves at each of the Ying mines. The lowest sensitivities are seen at SGX and LME with, respectively, estimated 4.7% and 9.4% reductions in contained AgEq ounces when the COG is increased by 20%. The highest reduction of 21.0% is noted at HPG. For Ying as a whole, an approximately 8.8% reduction in AgEq ounces demonstrates relatively low overall COG sensitivity.

Mineral Reserve estimates assume that the current stoping practices of cut and fill resuing and shrinkage stoping will continue to be predominant. The sub-vertical veins, generally competent ground, reasonably regular vein width, and hand-mining techniques using short rounds, allow a significant degree of selectivity and control in the stoping process. Minimum extraction widths of 0.3 m for resuing and 0.8 m for shrinkage are assumed, with 0.8 m being the minimum mining width for both methods. The QP has observed the mining methods at Ying and considers these widths to be reasonable.

Mining dilution and recovery factors vary from mine to mine, dependent on vein width and mining method. Calculated dilution factors average 15% for resuing and 18% for shrinkage, while assumed recovery factors are 95% for resue stopes and 92% for shrinkage stopes.

Examination of the Silvercorp reconciliation between Mineral Reserve estimates and mill feed for the Ying mines from 1 July 2016 to 31 December 2019 indicates that, overall, the mine produced 8% less tonnes at a 5% higher silver grade, a 10% higher lead grade and a 20% lower zinc grade; for 5% less contained silver, 1% less contained lead and 28% less contained zinc relative to Mineral Reserve estimates. The significantly lower zinc grade and zinc metal contained may be attributed to some processing recovery uncertainty affecting reconciled values. The QP notes that zinc has only a small effect on revenue (6% of total projected revenue as per 2019 Mineral Reserves).

Grade values suggest that the emphasis on dilution control in recent years has achieved good results overall, but with a minority of site areas (e.g., at TLP) possibly having more dilution than projected.

The Ying mine complex is a viable operation with a projected LOM through to 2040 based on Proven and Probable Reserves. The potential exists for an extended LOM via further exploration and development, particularly in areas of Inferred Resources.

Annual ore production is projected to be maintained between 655 kt and 687 kt through to and including FY2031. From FY2032 to FY2036, annual ore production is projected to average about 600 kt, and then to drop from 443 kt to 283 kt over the final four years, as operations at the SGX, HPG, LME, and LMW mines tail off. The QP notes that the development and infrastructure required to allow production as projected is either already in place, is in development, or has been planned. The ability to achieve projected production will, to a large degree, be dependent on diligent planning and the consistent availability of resources, particularly skilled manpower and, although there is a certain amount of risk associated with the provision of key resources, the Ying mines performance in recent years lends support to a having a good degree of confidence that production tonnage targets can be achieved.

Silver grades, particularly driven by SGX, are indicated to steadily decrease over the LOM. Through to and including 2025, the silver grade is indicated as averaging 307 g/t. Beyond 2025, the silver grade ranges between 267 g/t and 203 g/t, but with the AgEq grade maintained in a fairly narrow range between 378 g/t and 436 g/t. The full LOM average AgEq grade is projected at 454 g/t. The grade profile is consistent with the mines developing more to depth, with a general decrease in Ag grades and a corresponding increase in Pb and Zn grades.

The two processing plants, Plant 1 and Plant 2, are situated within 2 km of each other and have a total current design capacity of 2,800 tpd, comprising 800 tpd for Plant 1 and 2,000 tpd for Plant 2. The envisaged maximum throughput for the combined plants over the LOM is about 2,070 tpd. Plant 1 feed comprises mainly low-grade ore from the LM mines, HPG, and HZG, while Plant 2 feed comprises mostly higher-grade ore from SGX and TLP. To optimize profitability, blending of concentrates is practiced. SGX / HPG also contains high grade ore which may be hand-sorted at the mine sites, milled in a dedicated facility, and then sold directly or mixed with flotation lead concentrate for sale.

Historically, higher-grade feed from SGX has enhanced plant performance but, with the proportion of SGX ore decreasing, the challenge is to maintain similar metallurgical performance on lower grade feedstock. From recent performance, it appears that recoveries are being maintained but concentrate grades are lower than target, however, not to the extent where there is a major deterioration in smelter terms.

The TMFs were designed based on then current Mineral Reserve estimations and LOM production projections. Subsequent resource expansion and increased production projections indicate that the current tailings capacity will not be adequate for the full Ying LOM. Additional tailings capacity will thus be required in the later period of the LOM production. There are several location options for the third TMF, with assessment of those options still in the study stage. It is expected that there will be no problem to get permission to build the third TMF once it becomes necessary.

Recent risk and stability assessment reports have been completed on the TMFs, but it is also recommended that Silvercorp ensure that all safety and stability aspects of the TMFs are fully aligned with most up-to-date tailings facility recommendations on international best practice.

Silvercorp has all the required permits for its operations on the Ying Property. The Mineral Resource and Mineral Reserve estimates include material (about 30% of the Mineral Resources) that is currently below the elevation approved in the mining permits. However, the QPs are satisfied that there is no material risk of Silvercorp not receiving approval to mine these resources when access is required in the future.

Silvercorp has established an environmental protection department that is responsible for environmental and rehabilitation management work in the Ying Property. Monitoring results to date indicate, with relatively minor exceptions, that discharges have met required standards. In accordance with Chinese national regulatory requirements, Silvercorp will complete a site decommissioning plan at least one year before mine closure.

The principal capital requirement in the Ying mines is for mine development. Capital provision is also made for exploration drilling and for sustaining surface facilities, plant expenditure, personal protective equipment, and equipment in general. Specific processing plant capital requirements going forward are projected to be minimal as plant capacity has previously been expanded to meet the forecast mine production. The projected total LOM capital expenditure – sustaining and investment – through to 2040 is $200M.

Major operating cost categories are mining, shipping, milling, G&A, product selling, Mineral Resources tax, and government fees and other taxes. Estimated total LOM operating cost is $995M, at a unit cost averaging $83/t per tonne of ore mined.

Based on the LOM production profile, capital and operating costs as described, and metal prices of gold - US$1,400/oz, silver - US$20/oz, lead - US$0.95/lb, and - US$0.1.10/lb, pre-tax and post-tax NPV cashflow projections at 5% discount rate are $954M and $713M respectively. Over the LOM, 62% of the net revenue is projected to come from silver, 29% from lead, 6% from zinc, and 2% from gold. Most NPV sensitivity is seen in silver price (the sensitivity would effectively be the same with variation in Ag grade). The NPV is moderately sensitive to lead price and operating cost, and only slightly sensitive to zinc price and capital cost.

25.2 Mineral Resource / Reserve estimation process

As noted above, the December 2019 Mineral Resources were estimated using a 3D block modelling approach using Ordinary Kriging. Because of the large number of veins (311) for which estimates were prepared, this was an extremely time-consuming process, particularly for the Resource modelling. The time taken from commencement of the project to completion of the report was six

months. The QPs consider that this timeframe merits a close examination of how Ying Mineral Resource / Reserve estimates are prepared for the purposes of public (NI 43-101) reporting.

Silvercorp has, for the last five years, employed its own version of block modelling on the mines for the purpose of preparing internal Mineral Resource / Reserve estimates and for short-term mine planning. The QPs have not reviewed this process in detail but an initial assessment of options with Silvercorp has pointed the way to a possible alternative modelling approach for external reporting that may significantly reduce the time required for resource estimation and report generation.

26 Recommendations

Other than for costs estimated below for exploration tunneling and drilling – total US$17.7M – the QPs consider that implementation of the following recommendations can form part of the day-to-day operating cost of the Ying mines.

26.1 Safety in general

- Maintain the ongoing focus on safety, including implementation of a policy where the more stringent of either Chinese or Canadian safety standards are employed.

26.2 Exploration

- Continue exploration tunneling and diamond drilling at the Ying Property. The exploration tunneling 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.

26.2.1 SGX

Exploration tunneling:

- 21,140 m exploration tunneling on vein structures S1W2, S1W3, S1W5, S2, S2W, S4, S4E, S6, S6E, S7, S7-1, S7-2, S7-3, S7E2, S8, S8W, S14, S14W, S14-1, S16E, S16W, S18, S18E, S18W, S19, S19W, S19W1, S21, S21W, S22, S23, S26, S28, S29, S31, S31E, S32, S35, and S37 between levels 110 m and 710 m.

Diamond drilling:

- 21,800 m underground diamond drilling on vein structures S2, S6, S7, S7-1, S8, S14, S16W, S18E, S26, S28, S29, S31, S32.

26.2.2 HZG

Exploration tunneling:

- 3,920 m exploration tunneling on vein structures HZ5, HZ18, HZ19, HZ20, HZ20E, HZ22, HZ22E, HZ22W, HZ22W2, HZ23, HZ23W, and HZ26 between levels 500 m and 890 m.

Exploration drilling:

- 6,650 m underground exploration drilling on vein structures HZ5, HZ18, HZ22, HZ23, HZ26, HZ27, and HZ29.

26.2.3 HPG

Exploration tunneling:

- 5,000 m exploration tunneling on major vein structures H3, H4, H4W, H5, H5E, H5W, H6, H10-1, H11, H12-1, H12E, H13, H14, H15, H15W, H16, H16-1, H17, H18, and H21 between levels 100 m and 690 m.

Underground drilling:

- 10,735 m underground diamond drilling on vein structures H5, H10, H10-1, H12, H15, H17, and H20.

26.2.4 LME

Exploration tunneling:

- 4,335 m on vein structures LM1, LM2, LM2-2, LM3-1, LM4, LM4W, LM5, LM5E, LM5E1, LM5E2, LM5W, LM5W2, LM6, LM6W, LM6E, and LM6E2 between levels 450 m and 959 m.

Diamond drilling:

- 6,640 m underground diamond drilling on vein groups LM2-2, LM4E, LM5, LM5E, LM61, LM62, LM63, and LM66.

26.2.5 LMW

Exploration tunneling:

- 6,600 m on vein structures LM7, LM8, LM8-3, LM8-4, LM8-5, LM8W, LM12-1, LM12-2, LM13, LM14, LM14-1, LM16-1, LM17, LM17W, LM19W2, LM20W, LM25W, LM30, and LM41 as well as their parallel subzones between levels 500 m and 924 m.

Diamond drilling:

- 13.450 m underground drilling on LM14, LM16, LM17, LM19, LMW1, T11, LM5E, and LMW1 and their parallel vein structures.

26.2.6 TLP

Exploration tunneling:

- 16,200 m exploration tunneling on vein structures T1 vein group, T2, T2W, T3, T3E, T4, T5 vein group, T11, T11E, T14, T14 branch, T15W, T16 vein group, T17, T17W, T21, T22, T22E, T23, T26, T26E, T27 vein group, T28, T33 vein group, and T35 vein group, T38, T39 vein group, CJ9, CJ9W and CJ20 between levels 700 m and 1,070 m.

Diamond drilling:

- 13.620 m underground drilling on vein structures T3, T11, T27, CJ9, CJ9W1, CJ10, and CJ11.

26.2.7 DCG

Exploration tunneling:

- 4,050 m exploration tunneling on vein structures C4E, C4, C8, and C10 between levels 500 m and 790 m.

Diamond drilling:

- 7,340 m underground drilling on vein structures C4E, C7, C8, C9, C10, CJ9, and CJ9W1.

The estimated cost for the above exploration work is:

- Tunneling: RMB 104,380,000 (US$15.1M)
- Drilling: RMB 17,770,000 (US$2.6M)

26.3 Drilling

- The QP recommends that additional bulk density sampling be completed during core logging and processing. Grab samples should also be taken for bulk density sampling in the drives. The regression formula should be updated based on the new data.

26.4 Sample preparation, analyses, and security

26.4.1 CRMs

- Issues of data bias (both positive and negative) as well as analytical drift should be further investigated, including the standardization of sample preparation methods between all labs.
- Ensure that all laboratories are running internal CRMs in order to internally monitor analytical drift, biases and abrupt changes in CRM moving averages.
- Attempt to standardize the lower and upper detection limits and overlimit techniques that are utilized by the various laboratories.
- Ensure that all CRMs are inserted as "blind" submissions so that the analytical laboratory cannot predict the expected values.
- If individual CRMs perform entirely within the warning and failure limits outlined on the certificate, consider using accrued data to calculate the performance standard deviation of the CRM.
- Ensure that the insertion rate of one CRM every 20 samples (5%) is achieved.
- Investigate the availability of CRMs certified by two-acid versus four-acid digestion, including the production of custom CRMs specific to the Ying Property.
- Add a high-grade standard that monitors the >250 g/t Ag grade range at the mines.
- Continue monitoring CRMs in real time on a batch by batch basis and continue to take immediate remedial action when necessary. CRM performance should also be tracked on a long-term basis so analytical drift and changes in the moving average of data can be recognized and addressed.
- Investigate performance issues with CRMs CDN-ME-1606 and CDN-ME-1607 if these are to be used in future programs. The use of these CRMs should be discontinued until their performance issues are corrected.

26.4.2 Blanks

- Assay the source of the blank material to ensure its suitability as a blank.
- Reduce Silvercorp's pass / fail criteria to conform with common industry practice.
- Increase blank insertion rates to at least 5% of samples submitted.
- Investigate if detection limits and analytical methods can be standardized between labs to ensure blank material is performing consistently.
- Monitor blank data on a real time basis and continue to have batches re-analyzed if significant contamination is indicated.

26.4.3 Duplicates

- Silvercorp should consider the introduction of crushed duplicate and pulp duplicates as part of its QA/QC program to improve its monitoring of sample preparation and assaying performance.
- Silvercorp should conduct sieve analyses at various stages of sample preparation at the laboratories to ensure optimal parameters are achieved and minimal sampling errors are introduced.
- More field duplicate pairs should be selected with higher silver grades.
- Duplicate samples should also be submitted as part of the channel sampling program.

26.4.4 Umpire samples

The QP recommends the regular submission of samples to a third-party laboratory (umpire or check lab duplicate samples) for independent analyses, to assess the accuracy of the primary laboratories. Umpire duplicates measure analytical variance and pulp sub-sampling variance, and the QP recommends that such samples comprise 5% of all assays. However, for an umpire check program to be successful, the sample preparation and analytical methods between all labs currently in use need to be standardized.

26.5 Data verification

The QP recommends that Silvercorp implement the following:

- Undertake further random assay checks of the channel sample database and make corrections as appropriate.
- Modify the central database so that assay data is recorded without rounding to accurately reflect the original assay certificates.
- Establish a protocol for the consistent treatment of samples with analytical results below the LLD.
- Establish a protocol to ensure only samples with assays are recorded in the sample database.

26.6 Mineral Resource

- Review the Mineral Resource modelling approach prior to the next NI 43-101 Technical Report, with the aim of optimally balancing the complexity, work and time involved with the estimation accuracy required for (a) reporting results in the public domain, and (b) providing a sound basis for operational planning and scheduling on a short- to long-term basis.

26.7 Mineral processing

- Undertake periodic mill audits aimed at optimizing process control and mill performance and to assist mine to mill reconciliation.

26.8 Mining and Infrastructure

- For internal planning and forecasting and for external reporting, continue with efforts to fully integrate the Resource estimation, Reserve estimation, and mine planning processes.
- Continue recent and current efforts on dilution and grade control via the Mining Quality Control Department.
- Maintain particular focus on consistent provision of the skilled resources that will be necessary to achieve targeted production over the LOM.
- Maintain the highly focused development approach that will be necessary throughout the Ying operation for LOM development targets to be achieved.
- 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.
- Investigate the use of portable compressors in mining areas with a view to minimizing power costs; also investigate the benefits of the application of slushers for muck movement in stopes.
- Where vein thickness, geometry and ground conditions may allow, investigate the use of more bulk-mining methods such as longhole benching (the QP recognizes the technological change that would be required for such implementation).
- Review the TMF design basis acceleration to ensure consistency with the most up-to-date Ying site seismic zoning classification and associated parameters.

- Review the Chinese system dam classification in the context of recent international classifications, e.g. Canadian Dam Association 2013.
- Ensure that all safety and stability aspects of the TMFs are fully aligned with most up-to-date tailings facility recommendations on international best practice, including for latest guidance on maximum flood parameters. It is recommended that Silvercorp reference the recently released Global Industry Standard on Tailings Management, which is aimed at strengthening current best practices for tailings dams in the mining sector. Recent announcements by the Chinese Ministry of Emergency Management promote similar practice improvements.

27 References

AMC Mining Consultants (Canada) Ltd. 2012, Technical Report for Ying Gold-Silver-Lead-Zinc Property, Henan Province, China. Prepared for Silvercorp Metals Inc. Effective date 1 May 2012, filed 15 June 2012.

AMC Mining Consultants (Canada) Ltd. 2013, Technical Report for Ying Gold-Silver-Lead-Zinc Property, Henan Province, China. Prepared for Silvercorp Metals Inc. Effective date 1 May 2012 (Revised 30 April 2013), filed 6 May 2013.

AMC Mining Consultants (Canada) Ltd. 2014, Ying NI 43-101 Technical Report. Prepared for Silvercorp Metals Inc. Effective date 31 December 2013, filed 5 September 2014.

AMC Mining Consultants (Canada) Ltd. 2017, Ying NI 43-101 Technical Report. Prepared for Silvercorp Metals Inc. Effective date 31 December 2016, filed 24 February 2017.

Broili, C. and Klohn, M. 2007, Technical Update on the Ying Silver-Lead-Zinc and the HPG Gold-Silver-Lead Projects, Henan Province, China, 16 August 2007; Report prepared for Silvercorp Metals Inc., by BK Exploration Assoc., Washington USA.

Broili, C., Klohn, M., and Moran, R. 2008, NI 43-101 Technical Report and Pre-Feasibility Study November 2008 for Silvercorp Metals Inc. TP-LM Silver-Lead Project, Henan Province, Peoples Republic of China. Prepared for Silvercorp Metals Inc. by BK Exploration Assoc., Washington USA, 20 November 2008.

Broili, C., Klohn, M., and Ni, W. 2010, Ying District Silver-Lead-Zinc Project. Prepared for Silvercorp Metals Inc., 26 February 2010.

Broili, C., Klohn, M., Yee, J.W., Petrina, M., and Fong, C. 2006, Technical Update for Silvercorp Metals Inc. on the Ying Silver-Lead-Zinc Project Henan Province Peoples Republic of China, 26 May 2006.

Broili, C., Yee, J.W., and Fong, C. 2006, Technical Update for Silvercorp Metals Inc. on the Ying Silver-Lead-Zinc Project Henan Province Peoples Republic of China, 18 April 2006.

China Gold (Henan) Co., Ltd. 2019, Assessment report on the safety status of the Shiwagou TMF, 21 November 2019.

China Gold (Henan) Co., Ltd. 2019, Assessment report on the safety status of the Zhuangtou TMF, 14 November 2019.

Henan Luoyang 2006, Yuxi Hydrological and Geological Reconnaissance Company, 'Reconnaissance Report upon Geotechnical Engineering', 4 July 2006.

Henan Nonferrous Engineering Survey Co. Ltd 2020, Geotechnical report on the Zhuangtou TMF, 29 June 2020.

International Council on Mining & Metals (ICMM), United Nations Environment Programme (UNEP), and Principles for Responsible Investment (PRI) 2020, *Global Industry Standard on Tailings Management* , August 2020.

Long, S.D. Parker, H.M. and Françis-Bongarçon, D. 1997, "Assay quality assurance quality control programme for drilling projects at the prefeasibility to feasibility report level", Prepared by Mineral Resources Development Inc. (MRDI) August 1997.

San-Men-Xia Gold Mining Engineering Ltd 2011, Original report prepared for Silvercorp Metals Inc., in Mandarin, report dated Jan 2011.

Shi, H. 2020, Re: Summary of Mining Licenses and Exploration Licenses, Letter to Silvercorp dated 21 July 2020, Jun He Law Offices, Beijing.

Sinosteel Institute of Mining Research Co., Ltd 2006, report dated March 2006.

Stoker, P.T. 2006, Newmont Australia technical services sampling notes, AMC report to Australia Technical Services. January 2006, p. 3-5.

West Henan Hydrogeological and Engineering Geological Survey company 2019, Evaluation on the stability of the Shiwagou TMF - geotechnical report, 30 July 2019.

Xu, A., Schrimpf, T., and Liu, Z. 2006, Technical Review on HPG Silver-Lead Project, Luoning County, Henan Province, People's Republic of China. Report prepared for Silvercorp Metals Inc. by SRK Consulting, Beijing, China.

Various Silvercorp files and documents not specifically referenced

Broili, C. 2004, Technical Report for SKN Resources Ltd on the Ying Silver-Lead-Zinc Project, Henan Province, China, 21 April 2004; Report prepared for Silvercorp Metals Inc., by BK Exploration Assoc., Washington, USA.

Broili, C. 2005, Technical Report for SKN Resources Ltd on the Ying Silver-Lead-Zinc Project Henan Province, Shina, 18 April 2005; Report prepared for Silvercorp Metals Inc., by BC Exploration Assoc. Washington, USA.

Cullen, R. 2011, Technical Report on the BYP Property, Hunan Province, China, Report prepared for Silvercorp Metals Inc., 24 June 2011.

Klohn, M., Ni, W., and Broili, C. 2011, Technical Report Resources and Reserves Update HPG Mine Ying Silver-Lead-Zinc District. Report prepared for Silvercorp Metals Inc., 20 May 2011.

Klohn, M., Ni, W., and Broili, C. 2011, Technical Report Resources and Reserves Update SGX Mine Ying Silver-Lead-Zinc District. Report prepared for Silvercorp Metals Inc., 20 May 2011.

Klohn, M., Ni, W., and Broili, C. 2011, Technical Report Resources and Reserves Update TLP & LM Mine Ying Silver-Lead-Zinc District. Report prepared for Silvercorp Metals Inc., 20 May 2011.

Maanshan Engineering Exploration and Design Institute 2006, Original report prepared for Silvercorp Metals Inc. in Mandarin, report dated March 2006.

28 QP Certificates

CERTIFICATE OF AUTHOR

I, Herbert A. Smith, P.Eng., of Vancouver, British Columbia, do hereby certify that:

1. I am currently employed as Senior Principal Mining Engineer with AMC Mining Consultants (Canada) Ltd., with an office at Suite 202, 200 Granville Street, Vancouver, British Columbia V6C 1S4.
2. This certificate applies to the technical report titled "NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China" with an effective date of 31 July 2020, (the "Technical Report") prepared for Silvercorp Metals Inc. ("the Issuer").
3. I graduated with a degree of B.Sc. in Mining Engineering in 1972 and a degree of M.Sc. in Rock Mechanics and Excavation Engineering in 1983, both from the University of Newcastle upon Tyne, England. I am a registered member in good standing of the Engineers and Geoscientists of British Columbia (License #32378), Professional Engineers of Ontario (License #100017396), Association of Professional Engineers and Geoscientists of Alberta (License #31494), and the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists (License #L4413).
   I have worked as a Mining Engineer for a total of 42 years since my graduation and have relevant experience in underground mining, feasibility studies, and technical report preparation for mining projects.
   I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
4. I visited the Ying Property from 13 - 16 July 2016 for three days.
5. I am responsible for Sections 2 to 6, 15, 16, 20 to 22, 27 and parts of 1, 18, 19, 25 and 26 of the Technical Report.
6. I am independent of the Issuer and related companies applying all of the tests in Section 1.5 of NI 43-101.
7. I have had prior involvement with the property that is the subject of the Technical Report in that I was a qualified person for previous AMC Technical Reports on the Ying property in 2012 (filed 15 June 2012, effective date 1 May 2012), 2013 (minor update to 2012 report, filed 6 May 2013, effective date 1 May 2012), 2014 (filed 5 September 2014, effective date 31 December 2013), and in 2016 (filed 24 February 2017, effective date 31 December 2016).
8. I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.
9. As of the effective date of the Technical Report and the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: 31 July 2020
Signing Date: 9 October 2020

Original signed and sealed by

_____
Herbert A. Smith, P.Eng.
Senior Principal Mining Engineer
AMC Mining Consultants (Canada) Ltd.

CERTIFICATE OF AUTHOR

I, Adrienne A. Ross, P.Geo., P.Geol., of Vancouver, British Columbia, do hereby certify that:

1 I am currently employed as a Geology Manager / Principal Geologist with AMC Mining Consultants (Canada) Ltd., with an office at Suite 202, 200 Granville Street, Vancouver British Columbia, V6C 1S4.
2 This certificate applies to the technical report titled "NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China" with an effective date of 31 July 2020, (the "Technical Report") prepared for Silvercorp Metals Inc. ("the Issuer").
3 I am a graduate of the University of Alberta in Edmonton, Canada (Bachelors of Science (Hons) in Geology in 1991). I am a graduate of the University of Western Australia in Perth, Australia (Ph.D. in Geology). I am a registered member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (License #37418) and Alberta (Reg. #52751). I have practiced my profession for a total of 26 years since my graduation and have relevant experience in precious and base metal deposits.
I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
4 I visited the Ying Property from 13 – 20 July 2016 for 8 days.
5 I am responsible for Sections 7-10, 12, 23, and 24, and parts of 1, 25, and 26 of the Technical Report.
6 I am independent of the Issuer and related companies applying all of the tests in Section 1.5 of NI 43-101.
7 I have had prior involvement with the property that is the subject of the Technical Report in that I assisted the qualified persons with respect to a previous AMC Technical Report on the Ying property in 2013 (filed 6 May 2013, effective date 1 May 2012) and co-authored the previous AMC Technical Report on the Ying property in 2016 (filed 24 February 2017, effective date 31 December 2016).
8 I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.
9 As of the effective date of the Technical Report and the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: 31 July 2020
Signing Date: 9 October 2020

Original signed and sealed by

_____
Adrienne A. Ross, P.Geo., P.Geol.
Geology Manager / Principal Geologist
AMC Mining Consultants (Canada) Ltd.

CERTIFICATE OF AUTHOR

I, Simeon Robinson, P.Geo., of Nanaimo, British Columbia, do hereby certify that:

1 I am currently employed as a Senior Geologist with AMC Mining Consultants (Canada) Ltd., with an office at Suite 202, 200 Granville Street, Vancouver British Columbia, V6C 1S4.

2 This certificate applies to the technical report titled "NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China" with an effective date of 31 July 2020, (the "Technical Report") prepared for Silvercorp Metals Inc. ("the Issuer").

3 I am a graduate of Curtin University of Technology, Kalgoorlie, Western Australia (Bachelor of Science – Mineral Exploration and Mining Geology, 2001). I am a registered member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (License #192869). I have practiced my profession for a total of 18 years since my graduation and have relevant experience in vein deposits.
I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

4 I have not visited the Ying Project.

5 I am responsible for Section 11 and parts of 1, 14, 25, and 26 of the Technical Report.

6 I am independent of the Issuer and related companies applying all of the tests in Section 1.5 of NI 43-101.

7 I have not had prior involvement with the property that is the subject of the Technical Report.

8 I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.

9 As of the effective date of the Technical Report and the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: 31 July 2020
Signing Date: 9 October 2020

Original signed and sealed by

_____
Simeon Robinson, P.Geo.
Senior Geologist
AMC Mining Consultants (Canada) Ltd.

CERTIFICATE OF AUTHOR

I, Rodney Webster, MAusIMM, MAIG, of Melbourne, Victoria, do hereby certify that:

1 I am currently employed as a Principal Geologist with AMC Consultants Pty Ltd with an office at Level 29, 140 William Street, Melbourne, Victoria 3000, Australia.
2 This certificate applies to the technical report titled "NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China" with an effective date of 31 July 2020, (the "Technical Report") prepared for Silvercorp Metals Inc. ("the Issuer").
3 I am a graduate of Royal Melbourne Institute of Technology University in Melbourne, Australia (BappSC. in Geology in 1980). I am a member in good standing of the Association of Australasian Institute of Mining and Metallurgy (License No. 108489), and of the Australian Institution of Geoscientists (License No. 4818). I have practiced my profession continuously since 1980, and have been involved in mineral exploration and mine geology for a total of 40 years since my graduation from university. This has involved working in Australia, the United Kingdom, and Canada. My experience is principally in base metals, precious metals, coal, mineral sands, and uranium.
I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.
4 I have not visited the property.
5 I am responsible for parts of Sections 1, 14, 25, and 26 of the Technical Report.
6 I am independent of the Issuer and related companies applying all of the tests in Section 1.5 of NI 43-101.
7 I have not had prior involvement with the property that is the subject of the Technical Report.
8 I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.
9 As of the effective date of the Technical Report and the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: 31 July 2020
Signing Date: 9 October 2020

Original signed by

_____
Rodney Webster, MAusIMM, MAIG
Principal Geologist
AMC Consultants Pty Ltd

CERTIFICATE OF AUTHOR

I, Robert Chesher, FAusIMM(CP), RPEQ, MTMS, of Brisbane, Australia, do hereby certify that:

1 I am currently employed as the General Manager – Brisbane / Principal Consultant with AMC Consultants Pty Ltd, with an office at Level 21, 179 Turbot Street, Brisbane, Queensland 4000, Australia.

2 This certificate applies to the technical report titled "NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China" with an effective date of 31 July 2020, (the "Technical Report") prepared for Silvercorp Metals Inc. ("the Issuer").

3 I am a graduate of University of Queensland in Saint Lucia, Australia (BA Science in Metallurgical in 1977). I am a Fellow in good standing of the Australian Institute of Mining and Metallurgy (AusIMM) and am accredited as a Chartered Professional of the AusIMM in the discipline of Metallurgy (License #311429). I am a Registered Professional Engineer of Queensland (RPEQ #24758). I have practiced my profession continuously since 1977. My expertise is in corporate and technical (metallurgical) consulting, focusing on operational and performance reviews, improvements, and optimization.
I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

4 I have not visited the property.

5 I am responsible for Sections 13 and 17, and parts of 1, 19, 25, and 26 of the Technical Report.

6 I am independent of the Issuer and related companies applying all of the tests in Section 1.5 of NI 43-101.

7 I have not had prior involvement with the property that is the subject of the Technical Report.

8 I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.

9 As of the effective date of the Technical Report and the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: 31 July 2020
Signing Date: 9 October 2020

Original signed by

_____
Robert Chesher, FAusIMM(CP), RPEQ, MTMS
General Manager – Brisbane / Principal Consultant
AMC Consultants Pty Ltd

CERTIFICATE OF AUTHOR

I, Alan Riles, MAIG, of Gorokan, New South Wales do hereby certify that:

1 I am the Director and Principal Consultant of Riles Integrated Resource Management Pty Ltd. with an office at 8 Winbourne Street, Gorokan, NSW 2263, Australia.

2 This certificate applies to the technical report titled "NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China" with an effective date of 31 July 2020, (the "Technical Report") prepared for Silvercorp Metals Inc. ("the Issuer").

3 I graduated with a Bachelor of Metallurgy (Hons Class 1) from Sheffield University, UK in 1974. I am a registered member of the Australian Institute of Geoscientists. I have practiced my profession continuously since 1974, with particular experience in study management, and both operational and project experience in precious and base metal deposits.
I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

4 I visited the Ying Property from 16 – 19 February 2012 for three days.

5 I am responsible for parts of Sections 1, 18, 25, and 26 of the Technical Report.

6 I am independent of the Issuer and related companies applying all of the tests in Section 1.5 of NI 43-101.

7 I have had prior involvement with the property that is the subject of the Technical Report in that I was a qualified person for previous AMC Technical Reports on the Ying property in 2012 (filed 15 June 2012, effective date 1 May 2012), in 2013 (minor update to 2012 report, filed 6 May 2013, effective date 1 May 2012).

8 I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43_101 and Form 43-101F1.

9 As of the effective date of the Technical Report and the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: 31 July 2020
Signing Date: 9 October 2020

Original signed by

_____
Alan Riles, MAIG
Director and Principal Consultant
Riles Integrated Resource Management Pty Ltd.

Our offices

Australia

Adelaide
Level 1, 12 Pirie Street
Adelaide SA 5000 Australia

T +61 8 8201 1800
E adelaide@amcconsultants.com

Brisbane
Level 21, 179 Turbot Street
Brisbane Qld 4000 Australia

T +61 7 3230 9000
E brisbane@amcconsultants.com

Melbourne
Level 29, 140 William Street
Melbourne Vic 3000 Australia

T +61 3 8601 3300
E melbourne@amcconsultants.com

Perth
Level 1, 1100 Hay Street
West Perth WA 6005 Australia

T +61 8 6330 1100
E perth@amcconsultants.com

Canada

Toronto
140 Yonge Street, Suite 200
Toronto, ON M5C 1X6 Canada

T +1 647 953 9730
E toronto@amcconsultants.com

Vancouver
200 Granville Street, Suite 202
Vancouver BC V6C 1S4 Canada

T +1 604 669 0044
E vancouver@amcconsultants.com

Russia

Moscow
5/2, 1 Kazachiy Pereulok, Building 1
Moscow 119017 Russian Federation

T +7 495 134 01 86
E moscow@amcconsultants.com

Singapore

Singapore
65 Chulia Street, Level 46 OCBC Centre
Singapore 049513

T +65 6670 6630
E singapore@amcconsultants.com

United Kingdom

Maidenhead
Registered in England and Wales
Company No. 3688365

Level 7, Nicholsons House
Nicholsons Walk, Maidenhead
Berkshire SL6 1LD United Kingdom

T +44 1628 778 256
E maidenhead@amcconsultants.com

Registered Office: Ground Floor,
Unit 501 Centennial Park
Centennial Avenue
Elstree, Borehamwood
Hertfordshire, WD6 3FG United Kingdom

amcconsultants.com

AMC Mining Consultants (Canada) Ltd.
BC0767129

200 Granville Street, Suite 202
Vancouver BC V6C 1S4
Canada

T +1 604 669 0044
E vancouver@amcconsultants.com
W amcconsultants.com

Technical Report

NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China

Silvercorp Metals Inc.

Guangdong Province, People's Republic of China

In accordance with the requirements of National Instrument 43-101 "Standards of Disclosure for Mineral Projects" of the Canadian Securities Administrators

Qualified Persons:
D. Nussipakynova, P.Geo.
H.A. Smith, P.Eng.
A. Riles, MAIG.
A.A. Ross. P.Geo., P.Geol.
S. Robinson, P.Geo., MAIG.
G. Ma, P.Geo.

AMC Project 721004
Effective date: 31 March 2021
Report date: 6 October 2021

Unearth a smarter way

Quality control

The signing of this statement confirms this report has been prepared and checked in accordance with the AMC Peer Review Process.

Project Manager	The signatory has given permission to use their signature in this AMC document Bert Smith	XX October 2021 Date
Peer Reviewer	The signatory has given permission to use their signature in this AMC document Mort Shannon	XX October 2021 Date
Author	The signatory has given permission to use their signature in this AMC document Multiple authors – see Table 2.1	XX October 2021 Date

Important information about this report

Confidentiality

This document and its contents are confidential and may not be disclosed, copied, quoted or published unless AMC Mining Consultants (Canada) Ltd. (AMC) has given its prior written consent.

No liability

AMC accepts no liability for any loss or damage arising as a result of any person other than the named client acting in reliance on any information, opinion or advice contained in this document.

Reliance

This document may not be relied upon by any person other than the client, its officers and employees.

Information

AMC accepts no liability and gives no warranty as to the accuracy or completeness of information provided to it by or on behalf of the client or its representatives and takes no account of matters that existed when the document was transmitted to the client but which were not known to AMC until subsequently.

Precedence

This document supersedes any prior documents (whether interim or otherwise) dealing with any matter that is the subject of this document.

Recommendations

AMC accepts no liability for any matters arising if any recommendations contained in this document are not carried out, or are partially carried out, without further advice being obtained from AMC.

Outstanding fees

No person (including the client) is entitled to use or rely on this document and its contents at any time if any fees (or reimbursement of expenses) due to AMC by its client are outstanding. In those circumstances, AMC may require the return of all copies of this document.

Public reporting requirements

If a client wishes to publish a Mineral Resource or Ore / Mineral Reserve estimate prepared by AMC, it must first obtain the Competent / Qualified Person's written consent, not only to the estimate being published but also to the form and context of the published statement. The published statement must include a statement that the Competent / Qualified Person's written consent has been obtained.

1 Summary

1.1 Introduction

AMC Mining Consultants (Canada) Ltd. (AMC) was commissioned by Silvercorp Metals Inc . (Silvercorp) to prepare an independent Technical Report (the 2021 Technical Report) on the Gaocheng (Gaocheng or GC) property (Property), located in Gaocun Township, Yun'an District, Yunfu City, Guangdong Province, China. AMC has prepared previous Technical Reports on the Property in 2009 ('NI 43-101 Technical Report Update on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 18 June 2009), 2012 ('NI 43-101 Technical Report on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 23 January 2012), 2018 ('NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 30 June 2018), and 2019 ('NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 30 June 2019, (2019 Technical Report)). Two of the independent authors of the 2019 Technical Report, Ms Dinara Nussipakynova and Mr Herbert Smith of AMC, visited the GC property in January 2018. Mr Guoliang Ma of Silvercorp, who takes Qualified Person (QP) responsibility for Section 20 of the 2021 Technical Report, has visited the Property on numerous occasions, including most recently in 2021.

This report has been produced in accordance with the Standards of Disclosure for Mineral Projects as contained in National Instrument 43-101 (NI 43-101) and accompanying policies and documents. NI 43-101 utilizes the definitions and categories of Mineral Resources and Mineral Reserves as set out in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (2014) (CIM Definition Standards).

1.2 Location, ownership, and history

The Property is located in the vicinity of Gaocheng village, Gaocun Township, Yun'an District, Yunfu City, Guangdong Province, People's Republic of China. The Property is located west of the metropolitan city of Guangzhou, the capital of Guangdong Province. Guangzhou is located about 120 kilometres (km) north-west of Hong Kong and has a total population of about 14 million people. 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.

Silvercorp owns 95% of the Property through its 100% ownership of the shares of Yangtze Gold Ltd. (Yangtze Gold), 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.

The Mining Permit in the name of Guangdong Found 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 metres (m) to minus 530 m elevations. The permit allows for the operation of an underground mine to produce silver, lead, and zinc.

Currently, the GC mine is subject to Mineral Resources taxes, levied at 3% of revenue from lead and zinc and 2% of revenue from silver. The Mineral Resource taxes, together with other government fees that are not tied to revenue, amount to approximately 5% of revenue. The QP 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.

Various state-sponsored Chinese Geological Brigades and companies have conducted geological and exploration work in the project area, with systematic regional geological surveys commencing in 1959. Historical drilling commenced in 2001.

Prior to Yangtze Mining acquiring the Property in 2005, 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. It is 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.

A total of 43 diamond drillholes for a combined total of 13,463.74 m was drilled on the Property between 2001 and 2007 prior to the property acquisition by Silvercorp. Diamond drillholes were drilled using PQ size in overburden, then reduced to HQ size for up to 100 m depth.

The Guangdong Provincial Institute of Geological Survey (GIGS) prepared a resource estimate for nine mineralized veins for the GC project after the 2004 – 2005 exploration season. This was not compliant with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards and is not material to the 2021 Technical Report.

1.3 Geology and mineralization

The Property is located on the east margin of the Luoding basin, east of the Wuchuan – Sihui major fault within the north portion of the Yunkai uplift of the South China Orogenic Belt. North-east striking structures and arc structures form the basic geological framework of the region. Deposits on the Property occur at the intersection of a north-easterly striking fault zone and a near east-westerly striking fault zone.

Basement geology in the area comprises late Proterozoic Sinian sedimentary clastics and carbonate rocks; Palaeozoic (Ordovician, Silurian, Devonian, Carboniferous) sedimentary clastics and carbonate rocks; and Mesozoic (Triassic) coal-bearing clastic rocks and Cretaceous red clastic rocks. Ag-Pb-Zn polymetallic deposits occur within late Proterozoic rocks. Cu-Pb-Zn, Mn, and Au-Ag deposits occur within Paleozoic rocks.

The GC Project is located at the intersection between the Wuchuan-Sihui Deep Fault zone and Daganshan Arc-ring structural zone. It is situated in the south-west part of the Daganshan uplift. Structures developed in the area are mainly the NWW-EW striking Gaocheng Fault zone, the NE striking Baimei Fault zone, and the Songgui Fault zone.

Basement rocks within the Property 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 Paleozoic 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 south-west contacts of the Paleozoic granites. The majority of Ag-Zn-Pb mineralization is hosted by the Mesozoic granite. The granite dips south and strikes west north-west, parallel to the majority of mineralized veins on the GC property.

Mineralization at GC is primarily hosted within a WNW-ENE trending, 4.8 km long and 2 km wide fault zone. This zone encompasses numerous veins, with the more common WNW veins generally striking between 90° and 150° and dipping between 55° to sub-vertical. The average thickness of the WNW-ENE veins is about 0.8 m.

There are also east-west striking veins that typically strike 50° to 130° and dip between 65° and sub-vertical to the SE and SSW. The average thickness is around 0.8 m.

NE-striking faults cut through the NWW-striking structures with no or minor displacement. Mineralized veins form part of this trend. These veins are sub-parallel to two major NE striking faults and generally strike between 10° and 85° and dip between 60° and 75° to the SE. The average thickness of these veins is also about 0.8 m.

Ag-Pb-Zn 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 these zones exhibit open space and boxwork lattice textures resulting from the leaching and oxidation of sulphide minerals. Secondary minerals present in varying amounts include kaolinite, hematite, and limonite.

The dominant sulphide mineral is pyrite, and other constituents are a few percent of sphalerite, galena, pyrrhotite, arsenopyrite, magnetite, and less than one percent of chalcopyrite and cassiterite. Gangue minerals include chlorite, quartz, fluorite, feldspar, mica, and hornblende, with a small or trace amount of kaolinite, tremolite, actinolite, chalcedony, garnet, zoisite, apatite, and tourmaline.

Alteration minerals associated with 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.

The poly-metallic mineralization of the GC deposit belongs to the mesothermal vein infill style of deposit.

1.4 Exploration and data management

Silvercorp has carried out surface and underground exploration activities since 2008.

Surface-based exploration occurred primarily during 2008, which included soil sampling, geological mapping and trenching. Following up on geochemical anomalies, Silvercorp conducted trenching and pitting programs that exposed the mineralized veins on the surface and at shallow depth. A total of seven pits and one trench were excavated by Silvercorp exposing three veins.

Silvercorp completed more than 51.5 km of underground tunnelling and sampling at the Property through to 2018, and 29.2 km between 2019 and 2020.

The programs through to 2018 comprised 33,297 m of drifting along mineralized structures, 10,147 m of crosscutting across mineralized structures, and 8,833 m of raises. The 2019 and 2020 work comprised 14,940 m of drifting along mineralized structures, 7,288 m of crosscutting across mineralized structures, and 6,951 m of raises. Drifts and crosscuts have been developed at 40 m intervals vertically to increase geological confidence in the Mineral Resource.

50,480 channel / chip samples were collected from the mine areas through to and including 2018, with samples being assayed for Ag, Pb, and Zn. 14,576 channel / chip samples were collected from the mine areas between 2019 and 2020.

Silvercorp completed its first phase of diamond drilling on the Property in 2008. Systematic drilling commenced on the property in 2011 and continued through to 2020. All Silvercorp drilling was completed as NQ-sized core. Drillhole collars were surveyed using a total station and downhole surveys were completed every 50 m downhole. Surface drillhole collars were cemented after completion and locations of drillholes were marked using 50 x 30 x 20 centimetres (cm) concrete blocks.

Core recoveries from Silvercorp drilling programs varied between 35.66% and 100.00% averaging 99.36%. The QP reviewed the relationship between grade and core recovery and found no bias.

All drill core is 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.

The majority of drillholes were drilled as inclined holes to test multiple vein structures. Underground drillholes were drilled as fans of multiple holes from single set-ups.

Drill core processing is completed by Silvercorp employees in accordance with a standard procedure. Core recovery is measured followed by detailed logging of the core with lithological, vein and mineralization contacts identified and recorded. The core is photographed and sampled on 2.0 m maximum intervals and at geological or mineralization contacts. Core is cut in half with a rock saw with one half bagged and secured for shipment to the laboratory, and the other half retained in the core tray for future reference.

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.

Samples were shipped from the Gaocheng site to an ALS Laboratory in Guangzhou between 2008 and 2014. Since 2014, as a primary laboratory, samples have been shipped to the onsite laboratory at Gaocheng, which is owned and operated by Silvercorp. It is not certified by any standards association.

Silvercorp has established Quality Assurance / Quality Control (QA/QC) procedures that cover sample collection and processing at the Property. These QA/QC protocols have been progressively refined since 2011. Certified Reference Materials (CRMs) and coarse crushed blanks have been included with drilling samples since 2011, and with underground samples since 2014. Field duplicates have been included with drilling samples since 2012 and with underground samples since 2014. Check (umpire) samples (pulp duplicates) have been sent to a separate 'umpire' laboratory since 2012.

In 2018, Silvercorp further improved their QA/QC protocols to include regular and more frequent submission of CRMs, coarse blanks, and field duplicates with drilling and underground samples. Coarse reject duplicates and pulp duplicates were also incorporated into drill sampling programs. The proportion of check samples sent to a different laboratory was also increased. In 2019, Silvercorp initiated real-time monitoring of QA/QC protocols.

The QP has reviewed QA/QC data collected to date. While some issues have been noted with data collected prior to 2014, all data collected thereafter shows reasonable analytical accuracy and precision. The QP does not consider issues noted with pre-2014 data to be a material concern and considers the Gaocheng sample database acceptable

for Mineral Resource estimation.

A series of recommendations has been provided for the improvement of QA/QC processes (see Section 1.13 Recommendations).

1.5 Mineral Resource estimates

The Mineral Resources for the Property have been prepared by Mr Shoupu Xiang, 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 some adjustment to the Mineral Resource classification and capping, is satisfied that they comply with reasonable industry practice. Ms Nussipakynova takes responsibility for these estimates.

The QP 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. It is noted that approximately 1% of the Mineral Resources lie below the lower limit of the current mining lease (-530 m elevation), but this is not seen as a material risk.

The data used in the Mineral Resource estimation includes results of all drilling carried out on the Property to 31 December 2020. The estimation was carried out in Micromine™ software. Interpolation was carried out using inverse distance squared (ID^2) for all the veins.

Table 1.1 Summary of Mineral Resources as of 31 December 2020

Classification	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Contained metal		
					Ag (koz)	Pb (M lbs)	Zn (M lbs)
Measured	5.286	88	1.3	3.1	14,906	154	360
Indicated	4.747	75	1.1	2.5	11,457	111	259
Measured and Indicated	10.033	82	1.2	2.8	26,363	265	619
Inferred	8.441	87	1.0	2.4	23,562	195	442

Notes:
- CIM Definition Standards (2014) were used for reporting the Mineral Resources.
- Mineral Resource are reported at a silver equivalent (AgEq) cut-off grade of 105 g/t AgEg.
- The equivalency formula is Ag g/t+50.46*Pb%+43.53*Zn% using prices of US$18.20/oz Ag, US$0.94/lb Pb, and US$1.08/lb Zn and estimated recoveries of 82.6% Ag, 89.5% Pb, and 87.3% Zn.
- Sample results up to 31 December 2020.
- Mineral Resources have been depleted to account for mining to 31 December 2020.
- Veins factored to a minimum extraction width of 0.4 m.
- Mineral Resources are inclusive of Mineral Reserves reported in Section 15.
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
- The numbers may not compute exactly due to rounding.

Source: Silvercorp Metals Inc., reproduced as a check by AMC Mining Consultants (Canada) Ltd.

The GC deposit consists of 156 veins, each of which has a separate block model. Approximately 31,844 m of channel samples and 265,965 m of core samples from 1,854 drillholes form the basis of the estimate. A composite length of 0.4 m was used. Capping was applied after compositing.

The parent block size for all veins was 0.8 m by 10 m by 10 m (x, y, z), with sub-cells employed. The sub-celling resulted in minimum cell dimensions of 0.2 m by 2 m by 2 m (x, y, z). The QP imported all 156 block models into Datamine software. The volume comparison of the original models versus the Datamine models showed a difference of less than 1%.

Interpolation was carried out using the ID^2 method. Mining depletion and write-offs based on survey information to 31 December 2020 were coded into the block models by Silvercorp.

Mineral Resources are classified as Measured, Indicated, and Inferred. The QP reviewed the classification of each vein and requested changes when the classification needed to be modified.

The block models were validated by the QP in three 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.

The following observations have been made by the QP from a comparison of the 2019 Mineral Resource estimate and the 2020 Mineral Resource estimate:

- Measured and Indicated tonnes have increased by 11%. This number is a result of the discovery of new veins and new vein interpretation.
- Measured tonnes have increased by 57%. This number is a result of the discovery of new veins, new vein interpretation and conversion of Indicated tonnes (which have decreased by 17%) to Measured classification.
- In the Measured category silver grade has decreased by 9% and lead and zinc grades have both decreased by 6%.
- In the Indicated category silver grades have decreased by 3%, lead grades have increased by 6% and zinc grades have decreased by 1%.
- In the Inferred category silver grades have decreased by 5%, lead grades have increased by 5% and zinc grades have decreased by 1%.
- The net result in the Measured category has been a significant increase in contained metals due to the increase in tonnes. Silver and lead metal have each increased by 44% and zinc contained metal has increased by approximately 47%.
- The net result in the Indicated category has been a decrease in the contained silver metal of 19%; lead and zinc contained metals have decreased by 12% and 19%, respectively. This is a result of conversion of Indicated material to Measured material.
- The net result in the Inferred category has been an increase of 11% in the contained silver metal; contained lead metal has increased by 17% and contained zinc metal has increased by 13%.

Reasons for the differences in grade, tonnes, and contained metal include:

- Updated interpretation of the veins.
- Discovery of new veins.
- Conversion of Indicated Mineral Resources to a Measured classification.
- Depletion through mining.

1.6 Mineral Reserve estimates and mining

To convert Mineral Resources to Mineral Reserves, mining cut-off grades (COGs) 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 Property were prepared by Silvercorp under the guidance of independent QP, Mr H. Smith, P.Eng., who takes QP responsibility for those

estimates.

The Mineral Reserve estimation is based on the assumption that current stoping practices will continue at the Gaocheng property, namely predominantly shrinkage stoping but also with some cut and fill resuing. Minimum mining widths of 1.0 m for shrinkage and 0.5 m for resuing, and minimum dilution of 0.20 m total for shrinkage and 0.10 m for resuing cut and fill stopes are assumed. Full breakeven COGs used are 215 g/t AgEq for shrinkage and 275 g/t AgEq for resuing.

Table 1.2 summarizes the Mineral Reserves estimate for the Gaocheng mine. 63% of the Mineral Reserve tonnage is categorized as Proven and 37% is categorized as Probable.

Table 1.2 Gaocheng Mineral Reserve estimate at 31 December 2020

Classification	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Contained metal		
					Ag (koz)	Pb (Mlbs)	Zn (Mlbs)
Proven	2.587	93	1.5	3.3	7,743	84	189
Probable	1.544	95	1.5	3.0	4,740	51	103
Proven and Probable	4.131	94	1.5	3.2	12,483	135	293

Notes to Mineral Reserve Statement:
- Canadian Institute of Mining, Metallurgy and Petroleum Standards (2014) were used for reporting the Mineral Reserves.
- Full breakeven cut-off grades: Shrinkage = 215 g/t AgEq; Resuing = 275 g/t AgEq.
- Marginal material cut-off grade: Shrinkage = 185 g/t AgEq; Resuing = 250 g/t AgEq.
- Dilution (zero grade) assumed as a minimum of 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 92% for shrinkage and 95% for resuing.
- Metal prices: Silver US$18.20/troy oz, lead US$0.94/lb, zinc US$1.08/lb, with respective payables of 65.5%, 86.2%, and 66.3%.
- Processing recovery factors: Ag – 82.6%, Pb – 89.5%, Zn – 87.3%.
- Effective date 31 December 2020.
- Exchange rate assumed is RMB6.80: US$1.00.
- Rounding of some figures may lead to minor discrepancies in totals.

From the start of commercial operations at Gaocheng in 2014 through to the end of 2020, 1,853,662 tonnes have been mined at average head grades of 94 g/t silver, 1.6% lead, and 2.9% zinc. Compared to the average production head grades recorded up to the end of 2020, the current Mineral Reserve estimates show the same silver grade, a reduction in lead grade of 7%, and an increase in zinc grade of 9%.

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.

The Main Shaft radius is 3 m. A 30 m radius around the Main Shaft is categorized as a safety pillar, with no mining or development allowed in the pillar area, other than for actual shaft access.

Relative to the Mineral Reserve estimates in the previous Technical Report (2019 Technical Report), there is a 39% increase in Proven Mineral Reserve tonnes and a 21% decrease in Probable Mineral Reserve tonnes, with an increase in Mineral Reserve total tonnes of 8% (311,000 t).

1.7 Metallurgy and processing

Since the metallurgical testing reported in the 2012 Technical Report, no further testing has been done. 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 millimetres (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 (P_{80} 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 sulphur concentrate. Concentrates are dewatered by conventional thickening and filtration.

In 2019, the lead-zinc-sulphur priority flotation process was optimized by changing from zinc-sulphur process priority flotation to zinc-sulphur mixed flotation and then zinc-sulphur separation flotation process. The quantity of ore processed has increased to around 300 ktpa.

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.

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.

Table 1.3 shows the projected life-of-mine (LOM) mill feed and metal production profile.

Table 1.3 Gaocheng LOM mill feed and metal production

Item	Unit	2021 Q4	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Mill Feed - Ore tonnes	t	77,496	311,271	317,885	310,407	313,288	313,644	311,336	315,013	311,802	311,762	310,516	312,573	313,563	300,482	4,131,039
Head grade, Ag	g/t	88	86	92	96	96	94	96	93	95	94	94	94	98	97	94
Head grade, Pb	%	1.51	1.46	1.55	1.47	1.47	1.35	1.51	1.58	1.49	1.26	1.40	1.60	1.43	1.69	1.48
Head grade, Zn	%	3.72	3.64	3.52	3.42	3.20	3.29	3.08	2.95	3.08	3.28	3.21	2.99	3.06	2.95	3.22
Planned metal - Ag mined	t	6.79	26.75	29.21	29.78	30.02	29.36	29.85	29.39	29.56	29.35	29.30	29.26	30.64	29.01	388.27
Planned metal - Pb mined	t	1,173	4,544	4,940	4,565	4,592	4,224	4,706	4,965	4,651	3,929	4,354	5,007	4,492	5,084	61,225
Planned metal - Zn mined	t	2,883	11,317	11,175	10,607	10,011	10,304	9,591	9,308	9,604	10,238	9,974	9,361	9,581	8,863	132,818
Planned metal - Ag recovered	t	5.61	22.10	24.13	24.60	24.79	24.25	24.65	24.28	24.42	24.24	24.20	24.17	25.31	23.96	320.71
Planned metal - Pb recovered	t	1,050	4,067	4,422	4,086	4,109	3,780	4,212	4,444	4,162	3,516	3,897	4,482	4,020	4,550	54,797
Planned metal - Zn recovered	t	2,517	9,880	9,756	9,260	8,740	8,995	8,373	8,125	8,384	8,938	8,708	8,173	8,364	7,738	115,950

1.8 Project infrastructure

The filtered tailings are conveyed to the TMF area via conveyor and then spread by bulldozer on a bench-by-bench basis. The tailings deposition method is dry stacking and filling (from bottom to top and stacking by bench to form the embankment), with concurrent rolling and compaction to the desired dry density standards.

The waste rock dump is located a short distance to the east of the mine portal. It is understood to have an immediate capacity of the order of 275,000 m^3 (~558 kt). Underground waste rock produced to date has largely been used for construction purposes by Silvercorp or transported off site by local area persons, free of charge, again to be used for construction activities. The removal of waste rock from site is anticipated to continue for the foreseeable future. Waste rock could opportunistically be disposed of into shrinkage stope voids, but this is not in the current mine plan.

Based on the GC environmental assessment report, the QP understands that waste rock at the GC mine has no significant acid-generating potential.

The construction of a cemented tailings backfill plant was completed in December 2019. The design capacity is 60 – 80 m^3/hr, or around 450 m^3/day assuming seven hours operation. After surface and underground full-process backfilling tests and adjustment, the system began operating in July 2020. In 2020, the total backfill volume delivered was 43,091 m^3, and the backfill guidance for 2021 is 70,626 m^3.

There is a 110 kilovolt (kV) substation near Gaocun, about 6 km from the mining area. This is fed from the Guangdong Province electrical grid system. Silvercorp uses this substation as the main source of power for the mine. Currently there are two overhead power lines for the 6 km route. Two 1,500 kV diesel generators are designated for emergency backup to the man-hoist, underground ventilation system, water pumping and essential services in the plant.

A 10 kV substation within the mining area provides power service for the entire operations area. The power supply and distribution in the process plant, mining area, administrative and living areas are configured based on needs.

Sewage treatment and water treatment plants operate at the mine site. Any water that is not recycled and is released to the environment is treated to comply with standing regulations.

Underground water is discharged to surface using conventional centrifugal pumps via pipelines installed in the Ramp, Ramp Shaft, and Main Shaft. Underground water pumped to surface is collected in ponds at the Ramp portal or Main Shaft for sediment settling prior to being pumped to the process plant water treatment station. In 2020, a total volume of 497,659 m^3 of underground water was treated, including 290,577 m^3 discharged and 207,082 m^3 recycled.

Mobile equipment repairs (trucks, loaders, etc.), other equipment breakdowns and equipment major services are conducted in the mining contractor's surface workshop adjacent to the Ramp portal, with minor services conducted in redundant stockpile areas. Other fixed and mobile equipment (primary pumps, surface electric locomotive, rail cars, vehicles, etc.) are serviced in Silvercorp's surface workshop located adjacent to the Main Shaft. This is fully equipped with overhead crane, welding, electrical, hydraulic, lathe services, etc.

The explosives warehouse is sited in the valley to the south-east of the GC Mining Area.

A properly constructed containment for storage of fuel is located in the vicinity of the diesel generators and fuel dispensing facilities.

There is a mine dry facility near the portal accommodating lockers, change room, showers, and washrooms for the miners. The mine office complex is for administration and engineering functions and to provide working space for management, supervision, geology, engineering, and other operations support staff.

Silvercorp operates the mine using contractors for development and production. The operation and maintenance of Silvercorp's fixed plant is via Silvercorp personnel. Silvercorp provides its own management, technical services, and supervision staff to manage the GC mine operation.

1.9 Concentrate contracts

Sales contracts are in place for the lead concentrates with Shandong Humon Smelting Co. Ltd., and for the zinc concentrates with Chenzhou Qiantai Industrial Co. Ltd. and Chenzhou Jieyin Minerals 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. Arsenic (As) levels in the concentrates are acceptable to the Chinese smelters. All contracts have freight and related expenses to be paid by the customers.

1.10 Environment

Silvercorp has all the required permits for its operations on the Property and, in conjunction with safety and environmental certificates, these give Silvercorp the right to carry out full mining and mineral processing operations.

An Environmental Impact Assessment (EIA) report on the GC Project was prepared by the Guangdong Environmental Technology Centre (GETC) initially, and reassessment is done periodically as required by regulations. An Environmental Permit was issued by the Department of Environmental Protection of Guangdong Province in June 2010.

There are no cultural minority groups within the general area surrounding the project. No records of cultural heritage sites exist within or near the GC project areas. The surrounding land is used predominantly for agriculture. The mining area does not cover any natural conservation, ecological forests, or strict land control zones.

Silvercorp has made a range of cash donations and contributions to local capital projects and community support programs, sponsoring university students and undertaking projects such as village road construction, and school upgrading and construction. Silvercorp has also made economic contributions to the local economy in the form of direct hiring

and retention of local contractors, suppliers, and service providers.

A monitoring plan has been negotiated between the company and the local environmental protection department to meet the environmental management requirements of the project. Key components of the monitoring plan are water pollution monitoring, together with environmental air and noise monitoring. The monitoring work is carried out by QPs and / or a third-party contractor and is undertaken on a regular basis.

Full-time Silvercorp environment management personnel are mainly responsible for environment and rehabilitation management work in the mining area. They also visit various GC workplaces regularly to check the equipment for environmental protection and coordinate the environmental protection work.

1.11 Costs and economics

As Silvercorp is a producing issuer, an economic analysis for the Gaocheng mine is not required.

The 2021 Technical Report cost estimates for FY2022 are based on mining 311,271 tonnes of ore and milling the same amount. Other major operational items assumed are waste development tunnelling at 10,200 m, exploration and development tunnelling at 10,300 m, and drilling at 58,500 m. Sustaining development tunnelling of 500 m is also assumed.

All major infrastructure for operation of the Gaocheng mine is in place, including that for a potential production rate increase to 1,600 tons per day (tpd), although that is not currently envisaged. FY2022 non-sustaining capital for further main ramp development is assumed at $0.4 million. FY2022 sustaining capital is assumed at $4.0 million, which equates to $12.85 per tonne of ore projected to be mined.

Mining operating costs are categorized by direct mining (shrinkage or resuing), waste development, exploration tunnelling, drilling, and common costs. Other estimated operating costs are for milling, general and administrative items, and government fee, Mineral Resources tax, and other taxes. The FY2022 operating cost breakdown in the 2021 Technical Report is as follows: mining – $45.34/tonne, milling – $14.23/tonne, G&A – $8.17/tonne, Mineral Resources tax, etc. – $4.93/tonne, for a total estimated operating cost of $72.61/tonne.

Contractor costs are the major component of the mining cost. The principal components of the milling costs are utilities (power and water), consumables (grinding steel and reagents), and labour.

The QP considers the operating cost estimates to be reasonable relative to the methods and technology used and to the scale of the Gaocheng operation. The QP notes that the 2021 Technical Report estimate for combined total operating and sustaining capital cost for FY2022 on a unit basis is $85.46/t of ore mined and milled, and is within the range of cost estimates for FY2022 indicated by Silvercorp in its MD&A of May 2021.

The Gaocheng mine has been in commercial production for six years. From FY2021 onwards, a 13-year LOM is envisaged for the resource as currently understood at an average annual production rate of about 310,000 tonnes. Average silver equivalent grades are projected to be of the order of 309 g/t.

1.12 Interpretation and conclusions

Polymetallic mineralization at the Gaocheng project comprises over 150 distinct veins, ranging in thickness from a few centimetres to several metres, with a general east-west orientation and dipping generally south at 55^{o} to subvertical. The Mineral Resource estimates described in the report were prepared by Silvercorp using Micromine software and reviewed, classified, and signed off by Ms D. Nussipakynova, P.Geo. of AMC, who is a QP for the purposes of the Technical Report.

Using a 105 g/t AgEq COG, Measured and Indicated Resources (inclusive of Mineral Reserves) are estimated at 10.03 Mt grading 82 g/t Ag, 1.2% Pb, and 2.8% Zn; and Inferred Mineral Resources are estimated at 8.44 Mt grading 87 g/t Ag, 1.0% Pb, and 2.4% Zn.

Compared to the previous estimate of Mineral Resources in the 2019 Technical Report, Measured Resource tonnes increased by 57% and Indicated Resource tonnes have decreased by 11%. This is mainly due to conversion of the Indicated material into the Measured category, new resource delineation and an updated geological interpretation. Inferred Mineral Resource tonnes have increased by 17%. The QP notes that at the time of the 2019 Technical Report there were 110 veins identified at GC and now there are 156 veins. In the Measured category the silver grade has decreased by 9% and lead and zinc grades have both decreased by 6%. In the Indicated category

silver grades have decreased by 3%. Lead grades have increased by 6% and zinc grades have decreased by 1%. In the Inferred category, grades have decreased for silver and zinc by 5% and 1% respectively. Lead grades have increased by 5%.

The results of the underground drilling program at GC show that vein structures are still open at depth.

Silvercorp has established QA/QC procedures that cover sample collection and processing at the Property. These QA/QC protocols have been progressively refined since 2011. Certified Reference Materials (CRMs) and coarse crushed blanks have been included with drilling samples since 2011, and with underground samples since 2014. Field duplicates have been included with drilling samples since 2012 and with underground samples since 2014. Check (umpire) samples (pulp duplicates) have been sent to a separate 'umpire' laboratory since 2012.

In 2018, Silvercorp further improved their QA/QC protocols to include regular and more frequent submission of CRMs, coarse blanks, and field duplicates with drilling and underground samples. Coarse reject duplicates and pulp duplicates were also incorporated into drill sampling programs. The proportion of check samples sent to a different laboratory was also increased. In 2019, Silvercorp initiated real-time monitoring of QA/QC protocols.

The QP has reviewed QA/QC data collected to date. While some issues have been noted with data collected prior to 2014, all data collected thereafter shows reasonable analytical accuracy and precision. The QP does not consider issues noted with pre-2014 data to be a material concern and considers the Gaocheng sample database acceptable for Mineral Resource estimation and the development of a long-term planning model.

A series of recommendations has been provided for the improvement of QA/QC processes (see Section 1.13 Recommendations).

Mineral Reserves have been estimated using a full breakeven COG of 215 g/t AgEq for shrinkage stoping and 275 g/t AgEq for resuing, based on a mine design and plan prepared by Silvercorp engineers and reviewed by Mr H. Smith, P.Eng. of AMC, who is a QP for the purposes of the Technical Report. Total Proven and Probable Reserves are 4.13 Mt grading 94 g/t silver, 1.5% lead, and 3.2% zinc, containing 12.5 million ounces silver, 135 million pounds lead, and 293 million pounds zinc.

Metal prices used in determining COGs for both Mineral Resources and Mineral Reserves are: silver - $18.20/troy ounce; lead - $0.94/lb; zinc - $1.08/lb. An exchange rate of RMB6.8 to US$1 and mining costs of $49/t for shrinkage and $68/t for resuing have been assumed. Average metallurgical recovery assumptions are: silver – 82.6%; lead – 89.5%, zinc – 87.3%. Average payable assumptions are: silver – 65.5%, lead – 86.2%, zinc – 66.3%.

In comparison with the Mineral Reserve estimate in the 2019 Technical Report, there is a 39% increase in Proven Mineral Reserve tonnes and a 21% decrease in Probable Mineral Reserve tonnes, resulting in an increase in total Mineral Reserve tonnes of 8% (311,000 tonnes). Silvercorp received a mining permit in December 2010. From the start of commercial operations at Gaocheng in 2014 through to 31 December 2020, 1,853,662 tonnes have been mined at average head grades of 94 g/t silver, 1.6% lead, and 2.9% zinc.

The predominant shrinkage mining method uses the blasted ore as the working platform for each stope lift. The ore is removed on completion of stope mining leaving an empty void. There is potential to opportunistically dispose of development waste into these voids, but this is not envisaged in current mine plans. The resue method uses blasted waste from the footwall as the working platform for each stope lift. The waste remains in the stope at completion of stope mining. Some hand sorting of ore from waste is conducted.

The rock mass conditions are categorized as Fair to Good. Previous AMC assessment had anticipated that the vein and host rocks in the mine area would generally be competent and require minimal ground support. This has largely been confirmed in operations, with most areas deemed to require little or no support. Where Poor ground conditions have been encountered, ground support is provided, with a range of strategies available depending on the local situation.

Based on Proven and Probable Reserves only, the GC mine is a viable operation with a projected LOM of 13 years through to 2034, with an average annual production rate of approximately 310,000 tonnes, and with average silver equivalent grades of 309 g/t. GC also has the potential to extend the LOM beyond 2034, via conversion of existing Mineral Resources to Mineral Reserves and further exploration and development.

Since the start of trial operations in 2013 and commercial production in 2014 (FY2015), lead and zinc concentrates have been produced in commercial quantities at the GC processing plant. Small amounts of tin concentrate and sulphur have also been produced but these quantities have not been significant enough to be material to mine economics. In all sections of the plant, space / capacity has been allocated for an expansion to 1,600 tpd, but such expansion is not contemplated at this time.

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 Chenzhou Jieyin Minerals 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. All contracts have freight and related expenses to be paid by the customers.

The QP understands that an acceptable arsenic level in base metal concentrates, without penalty, for the Chinese smelters with which Silvercorp has contracts is of the order of 1.0%, and notes that the GC lead and zinc concentrates are acceptable to those smelters.

All pertinent facilities are in place at the GC site, inclusive of security, accommodation, catering, engineering and administration building, mine dry, mine ventilation, main power sub-station, mine rescue, water supply, compressed air, underground dewatering, sewage treatment, explosives magazines, water treatment plant, maintenance / repair facilities, storage, laboratory, communications, fuel farm, fire prevention, waste rock dump, and TMF.

With respect to waste rock, all such material brought to surface is either used by Silvercorp for construction / maintenance activities or is removed from the site, free of charge, by local persons, again as construction material. The environmental assessment has indicated that waste rock at the GC mine has no significant acid-generating potential.

The TMF utilizes dry stacking and filling (from bottom to top and stacking by bench to form the embankment) with concurrent rolling and compaction. The QP notes that the most recent TMF risk assessment (report dated 30 July 2020) was done by Guangdong Huasheng Safety Occupation Evaluation Co., Ltd. After the issuing of the report, a new TMF Safety Production Certificate was granted on 3 September 2020, following a satisfactory on-site assessment organized by the local government. The certificate is valid until 3 September 2023.

Silvercorp has also entrusted Sinochem Mingda (Fujian) Geological Survey Co., Ltd., a survey company with China Grade A qualification, to conduct an engineering survey of the dry tailings area. Silvercorp has further entrusted the designer of the dry tailings area, Guangdong Metallurgical Architectural Design and Research Institute Co. Ltd., to assess the current flood control safety and dam stability of the dry tailings facility. This Project is expected to be completed by the end of 2021.

Silvercorp utilizes contract labour for mining at GC on a rate per tonne or a rate per metre basis. The contract includes all labour, all fixed and mobile equipment, materials, and consumables, including fuel and explosives, which are purchased through the company. Ground support consumables such as timber and power are the responsibility of the company.

All major infrastructure for operation of the Gaocheng mine is in place. FY2022 non-sustaining capital for further main ramp development is assumed at $0.4 million. FY2022 sustaining capital is assumed at $4.0 million, which equates to $12.85 per tonne of ore projected to be mined.

The FY2022 operating cost estimate breakdown in the 2021 Technical Report is as follows: mining – $45.34/tonne, milling – $14.23/tonne, G&A – $8.17/tonne, Mineral Resources tax, etc. – $4.93/tonne, for a total estimated operating cost of $72.61/tonne.

Contractor costs are the major component of the mining cost. The principal components of the milling costs are utilities (power and water), consumables (grinding steel and reagents), and labour.

The QP considers the operating cost estimates to be reasonable relative to the methods and technology used and to the scale of the Gaocheng operation. The QP notes that the 2021 Technical Report estimate for combined total operating and sustaining capital cost for FY2022 on a unit basis is $85.46/t of ore mined and milled.

The GC mine has been in commercial production for six years. From FY2021 onwards, a 13-year LOM is envisaged for the resource as currently understood at an average annual production rate of about 310,000 tonnes. Average silver equivalent grades are projected to be of the order of 309 g/t.

1.13 Recommendations

The QP recommendations for the GC mine are indicated below. The QPs consider that the associated costs can be accommodated within existing operating budgets.

- All database records (drillhole and channel samples) to be assigned a consistent year between the collar and assay files.
- Each density sample to be geologically logged, with particular attention to the degree of oxidation and the presence or absence of vughs or porosity.
- The minimum size of the density samples to be 1 kg. The part of the sample that is selected for assaying should be as representative as possible of the mineralization in the part used for density measurement. Assaying of the density sample itself is preferable, but only if the wax does not lead to problems with assay sample preparation.
- Iron and / or sulphur to be added to the regular assay suite for samples used for resource estimation.
- Undertake additional bulk density measurements on representative samples with varying base metal and pyrite content.
- Take bulk density measurements on samples from the bounding waste material to allow more accurate estimation of the density of diluted Mineral Resources.
- Estimate the density of oxidized and fresh ores separately.
- Consider procurement of an additional CRM to monitor low grades and the anticipated COGs.
- Consider purchasing one or more 'pigeon pair' CRMs with similar, but not identical, expected values to CRMs currently in use. This will provide an additional check on laboratory accuracy.
- Revise protocols so that CRMs are inserted using a systematic approach at a rate of 1 CRM in every 20 samples (5%) for both drilling and underground samples. Consider implementation of practises such as assigning CRM samples in the sample tag books prior to actual sampling, so that CRM samples occur regularly and within each batch of samples.

- Continue monitoring CRM results on a 'real-time' basis and ensure that sample batches where consecutive CRMs return results outside of two standard deviations, or one CRM outside of three standard deviations, are investigated and reanalyzed.
- Revise protocols so that blanks are inserted using a systematic approach at a rate of at least one blank in every 25 samples (4%) for both drilling and underground samples.
- Insert blanks immediately after expected high grade mineralization to assess contamination occurring during sample preparation.
- Implement the use of both coarse and fine (pulp) blank material to enable sample preparation and analytical processes to be monitored for contamination.
- Revise and further reduce failure rates for Pb and Zn from current level of 0.1% Pb and 0.1% Zn.
- Implement the monitoring of blanks results on a 'real-time' basis and ensure that sample batches where blanks exceed failure limits are investigated and reanalyzed.
- Implement procedures to collect and submit coarse reject and pulp duplicates into the underground sample stream.
- Duplicate insertion rates to be increased to match that of drilling samples (approximately 5 - 6%).
- Investigate the cause of poor field duplicate performance in both core and underground samples. This could include a test phase which incorporates the following:
  - ¾ Completing polished section petrology to understand the particle size and nature of mineralization.
  - ¾ Submitting the second half of the core, instead of quarter core, as the field duplicates (if required, a thin slice (fillet) of core could be sliced off and retained for archival storage before cutting the core into halves).
  - ¾ Consider increasing the size of underground samples.
- Submit at least 5% of drilling and underground samples to a third-party umpire laboratory for check analysis on a regular basis.
- Maintain a 'table of fails' that documents the remedial action completed on any failed batches.
- Implement a system whereby the original assays of failed batches are retained in the sample database and are available for audit.
- Continue to submit all QA/QC samples (with no identification), so that the results are not known by the laboratory.
- Insert QA/QC samples randomly within sample batches as opposed to the present practise of consistently inserting consecutive CRMs, blanks, and duplicates.
- Continue communication between the geology department and laboratory to ensure that any sample biases noted are investigated and addressed in a timely fashion.
- Sample on a minimum sample length of 0.4 m.
- Validate the master sample database and ensure that all fields are fully populated. Date fields should be reviewed and made consistent between collar, assay, and QA/QC datasets to enable consistent year-to-year reporting of results. Laboratory and laboratory report IDs should also be fully populated in the assay and QA/QC databases.
- Modify the central database so that assay data are recorded without rounding to accurately reflect the original assay certificates.
- Internally validate the existing sample database to ensure that any other sample prefix issues are addressed.
- Review database and sample procedures to ensure that sample prefix issues do not reoccur.

- 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 workforce to rock fall hazard.
- Ensure scaling of the development headings 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.
- As part of overall mine design, consider possible destabilizing effects associated with major structures such as faults or shear zones. These should be considered on a case-by-case basis. 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 and pillar requirements to ensure serviceability of the excavation for the LOM.
- 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, continuously review geotechnical aspects and ground support in a formal, recordable manner, bearing in mind previous recommendations, local and mine-wide operating experience in all rock types encountered, data collection protocols, and also looking to future mining development.
- Collect additional detailed geotechnical logging data, from drill core and mapping of underground workings, to incorporate collection of structural orientation data. Data collection to allow rock mass classification using an internationally recognized system, such as the Q-System (after Barton et al., 1974) or RMR (after Bieniawski, 1989).
- Develop a three-dimensional geotechnical model with interpretations of primary lithologies and structures (such as faults and shear zones).
- As the mine moves deeper, undertake further investigation of in situ stresses to confirm assumptions made in the mine design and stability assessments.
- Consider the advisability of any further hydrogeological assessments.
- 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 the QP's understanding that such activity has not specifically been undertaken.
- Continue with a focus on safety improvement, including implementation of a policy whereby the more stringent of either Chinese or Canadian safety standards is 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.

Contents

1 Summary iii
1.1 Introduction iii
1.2 Location, ownership, and history iii
1.3 Geology and mineralization iv
1.4 Exploration and data management v
1.5 Mineral Resource estimates vii
1.6 Mineral Reserve estimates and mining viii
1.7 Metallurgy and processing ix
1.8 Project infrastructure xii
1.9 Concentrate contracts xiii

1.10 Environment xiii
1.11 Costs and economics xiv
1.12 Interpretation and conclusions xiv
1.13 Recommendations xvii

2 Introduction 30

3 Reliance on other experts 32

4 Property description and location 33
4.1 Location 33
4.2 Ownership and permits 34
4.3 Obligations of Silvercorp with respect to the GC Mine 35
4.4 Taxes and royalties 36
4.5 Other 36

5 Accessibility, climate, local resources, infrastructure, and physiography 37

6 History 38
6.1 Prior ownership 38
6.2 Exploration and development work 38
6.3 Production 39
6.4 Historical Mineral Resource estimates 40

7 Geological setting and mineralization 41
7.1 Regional geology 41
7.2 Property geology 42
7.2.1 Structures 43
7.3 Mineralization 46
7.4 Characteristics of the mineralized veins 46
7.5 Other mineralization features 51

8 Deposit types 52

9 Exploration 53
9.1 Soil geochemical program 53
9.2 Topographic and geological mapping 54
9.3 Trenching and pitting 54
9.4 Underground works 56

10 Drilling 61
10.1 Historical drilling (pre-2008) 61
10.2 Silvercorp drilling (2008 – 2020) 61
10.2.1 2008 surface drill program 62
10.2.2 2011 to 2020 drill programs 62
10.2.3 Bulk density 71

10.3 Recommendations 73
10.4 Conclusion 73

11 Sample preparation, analyses, and security 74
11.1 Introduction 74
11.1.1 Drillhole sampling 74
11.1.2 Underground sampling 74
11.2 Sample preparation and analysis 75
11.2.1 Sample shipment and security 75
11.2.2 ALS Guangzhou 75
11.2.3 Gaocheng mine laboratory 76
11.3 QA/QC monitoring program 76
11.3.1 Overview 76
11.4 Certified Reference Materials 79
11.4.1 Description 79
11.4.2 Discussion on CRMs 80
11.4.3 CRM recommendations 89
11.5 Blank samples 90
11.5.1 Description 90
11.5.2 Blank discussion 90
11.5.3 Blank recommendations 93
11.6 Duplicate samples 93
11.6.1 Description 93
11.6.2 Duplicate samples discussion 94
11.6.3 Duplicate samples recommendations 96
11.7 Check (umpire) samples 96
11.7.1 Description 96
11.7.2 Check sample discussion 97
11.7.3 Check sample recommendations 99
11.8 General comments and conclusions 99
11.9 Recommendations 99

12 Data verification 100
12.1 Site visit 100
12.2 Assay data verification 100
12.3 Data validation 101
12.4 AMC discussion 101
12.5 Recommendations 102
12.6 Conclusions 102

13 Mineral processing and metallurgical testing 103
13.1 Introduction 103
13.2 Metallurgical samples 103
13.3 Mineralogy 104
13.4 Metallurgical testwork 105
13.4.1 Lead flotation conditions 105

13.4.2 Zinc and pyrite flotation conditions 106
13.4.3 Sulphide circuit flotation tests 106
13.4.4 Copper-lead separation tests 108
13.4.5 Tin recovery tests 108
13.4.6 Optimization opportunities 109
13.5 Concentrate quality considerations 110
13.6 Summary of testwork outcomes 111
13.6.1 Metallurgical samples 111
13.6.2 Mineralogy 111

13.6.3 Laboratory testwork 111
13.6.3.1 Grinding 111
13.6.3.2 Flotation 111
13.6.3.3 Tin recovery 111
13.6.4 Optimization opportunities 111
13.6.5 Concentrate quality 111
13.7 Mill operation FY2015 to end-2020 (Q3 FY2021) 112

14 Mineral Resource estimates 114
14.1 Introduction 114
14.2 Data used 115
14.2.1 Drillhole database 115
14.2.2 Bulk density 116
14.3 Geological interpretation 116
14.4 Statistics, compositing, and capping 118
14.5 Block model 121
14.5.1 Block model parameters 121
14.5.2 Grade estimation 122
14.5.3 Mining depletion 123
14.5.4 Resource classification 124
14.5.5 Block model validation 125
14.5.6 Mineral Resource reporting 131
14.6 Comparison with previous Mineral Resource estimate 132
14.7 Recommendations 134

15 Mineral Reserve estimates 135
15.1 Introduction and Mineral Resources base 135
15.2 Mineral Reserve estimation methodology 135
15.3 Cut-off grades 135
15.3.1 QP comment on cut-off grades 136
15.4 Bulk density 136
15.5 Dilution and recovery factors 137
15.5.1 Dilution 137
15.5.2 Mining recovery factors 137
15.6 Mineral Reserve estimate 137
15.7 Conversion of Mineral Resources to Reserves 138
15.8 Comparison of 2021 and 2019 Mineral Reserve estimates 139

16 Mining methods 140
16.1 Conventions 140
16.2 Introduction 140
16.3 Geotechnical conditions 140
16.3.1 Introduction 140
16.3.2 Available data 141
16.3.3 Data analysis 142
16.3.4 Characterization of geotechnical conditions 144
16.3.5 In situ stress 145
16.3.6 Hydrogeology 145
16.3.7 Mine design considerations 145
16.3.7.1 Rock mass conditions 145
16.3.7.2 Surface requirements 146
16.3.7.3 Stability assessment for stoping 146
16.3.7.4 Stope pillars 147
16.3.7.5 Main Shaft pillar 147
16.3.7.6 Ground support requirements 147

16.3.7.7 Conclusions 148
16.4 Extraction sequence 149
16.5 Production rate 149
16.6 Mining methods 149
16.6.1 Shrinkage stoping 149
16.6.2 Resue stoping 150
16.6.3 Stope management and grade control 152
16.7 Mine design 153
16.7.1 Pre-existing development 155
16.7.2 Mine access 156
16.8 Mine development 156
16.8.1 Development requirement 157
16.8.2 Shafts 158
16.9 Mine production 158
16.9.1 Commercial production to end-2020 158
16.9.2 LOM plan production 159
16.10 Rock handling 160

16.10.1 Shaft hoisting 160
16.10.2 Waste material 162
16.11 Mine services 162
16.11.1 Ventilation 162
16.11.1.1 Primary ventilation 162
16.11.1.2 Secondary ventilation 163
16.11.2 Water supply 163
16.11.3 Dewatering 163
16.11.4 Power supply 165
16.11.5 Fuel storage and dispensing 165
16.11.6 Compressed air 165
16.11.7 Communications 165
16.11.8 Explosives storage 165
16.11.9 Mine equipment maintenance 165
16.12 Mine equipment details 166
16.12.1 Equipment productivities 167
16.13 Mine personnel 167
16.14 Mine safety 168
16.14.1 Fire prevention 169
16.14.2 Mine rescue 169
16.14.3 Dust 169
16.14.4 Emergency egress 169
16.14.5 Mine refuge stations 170
16.14.6 Ablutions 170
17 Recovery methods 171
17.1 Introduction 171
17.2 Process flowsheet 171
17.3 Process description 172
17.3.1 Summary 172
17.3.2 Crushing 174
17.3.3 Grinding 174
17.3.4 Flotation 175
17.3.5 Concentrate handling 177
17.3.6 Tin recovery circuit 177
17.4 Process control and automation 178
17.5 Ancillary facilities 179

17.5.1 Laboratory 179
17.5.2 Maintenance workshops 179
17.6 Key inputs 180
17.6.1 Power 180
17.6.2 Water 180
17.6.3 Reagents 180
17.7 Mill feed schedule 180
17.8 Summary 182
18 Project infrastructure 183
18.1 Tailings Management Facility (TMF) 183
18.1.1 Overview 183
18.1.2 Site selection 184
18.1.3 TMF design and assessment 185
18.1.4 Tailings delivery 188
18.2 Waste rock dump 188
18.3 Backfill plant 188
18.4 Power supply 190
18.5 Roads 191
18.6 Transportation 191
18.7 Water supply 191
18.8 Sewage treatment 191
18.9 Mine dewatering 191
18.10 Water treatment facility 191
18.11 Site communications 192
18.12 Camp 192
18.13 Dams and tunnels 193
18.14 Surface maintenance workshop 193
18.15 Explosives magazines 193
18.16 Fuel farm 194
18.17 Mine dry 194
18.18 Administration building 194
18.19 Assay laboratory 194
18.20 Security / gatehouse 194
19 Market studies and contracts 195
19.1 Concentrate marketing 195
19.2 Smelter contracts 195
19.3 Commodity prices 196
20 Environmental studies, permitting and social or community impact 197
20.1 Introduction 197
20.2 Laws and regulations 197
20.2.1 Regulation guidelines 198
20.3 Waste and tailings disposal management 199
20.4 Site monitoring 199
20.4.1 Monitoring plan 199
20.4.2 Water management 200
20.4.3 Groundwater 201
20.4.4 Wastewater 201
20.4.5 Gas emission monitoring 203

20.4.6 Noise monitoring 204
20.4.7 Soil testing 204
20.5 Permitting requirements 205
20.6 Social and community interaction 206

20.6.1 Cultural minorities and heritages 206
20.6.2 Relationships with local government 206
20.6.3 Labour practices 206
20.7 Remediation and reclamation 207
20.8 Site closure plan 207

21 Capital and operating costs 208
21.1 Key cost items 208
21.2 Capital cost estimates 208
21.2.1 Non-sustaining capital 208
21.2.2 Sustaining capital 208
21.3 Operating cost estimates 209

22 Economic analysis 211

23 Adjacent properties 212

24 Other relevant data and information 213

25 Interpretation and conclusions 214

26 Recommendations 217

27 References 220

28 QP Certificates 222

Tables

Table 1.1 Summary of Mineral Resources as of 31 December 2020 vii
Table 1.2 Gaocheng Mineral Reserve estimate at 31 December 2020 ix
Table 1.3 Gaocheng LOM mill feed and metal production xi
Table 2.1 Persons who prepared or contributed to this Technical Report 30
Table 4.1 Mining Permit corner points of the Property 34
Table 4.2 Gaocheng Mining Permit, owned by Guangdong Found 35
Table 6.1 Historical exploration work 2001 – 2008 39
Table 6.2 Record of drilling 2001 – 2008 39
Table 6.3 Details of historical underground workings 40
Table 7.1 Dimensions and occurrences of selected WNW-ENE mineralized veins 47
Table 7.2 Dimensions and occurrences of selected E-W mineralized veins 48
Table 7.3 Dimensions and occurrences of selected NE mineralized veins 50
Table 7.4 Dimensions and occurrences of selected mineralized veins 51
Table 9.1 Surface exploration programs completed in 2008 53
Table 9.2 Trenches and pits completed by Silvercorp in 2008 with vein highlights 55
Table 9.3 Summaries of underground works between 2012 and 2020 56
Table 9.4 Underground tunnelling program – mineralization highlights 2019 - 2020 58
Table 10.1 Metres of various drill core sizes prior to acquisition by Silvercorp (pre-2008) 61
Table 10.2 Selected drillhole intersections >100 g/t AgEq by vein 63
Table 10.3 Drilling program summary 64
Table 10.4 Drillhole intersections highlighted on Figure 10.5 68
Table 11.1 ALS Chemex lab method and detection limits 75
Table 11.2 Silvercorp GC lab detection limits 76

Table 11.3 GC QA/QC samples by year 77
Table 11.4 GC QA/QC insertion rates 78
Table 11.5 Gaocheng Certified Reference Materials 79
Table 11.6 Gaocheng Ag CRM results (2011 - 2020) 81
Table 11.7 Gaocheng Pb CRM results (2011 - 2020) 82
Table 11.8 Gaocheng Zn CRM results (2011 - 2020) 84
Table 11.9 Gaocheng coarse blank results 91
Table 11.10 Gaocheng field duplicates (drilling and underground samples) 95
Table 11.11 Gaocheng coarse reject and pulp duplicates (drilling only) 95
Table 11.12 Gaocheng check (umpire) laboratories used 2011 - 2020 97
Table 11.13 Results of check samples 98
Table 12.1 Data verification results pre-2012 to 2018 100
Table 12.2 Data verification results to 2020 101
Table 13.1 Metallurgical samples relative to 2012 Mineral Reserve and FY2015 to Q3 FY2021 mill head grades 104
Table 13.2 Silver associations 104
Table 13.3 Closed circuit flotation test results 108
Table 13.4 Gaocheng mill performance FY2015 to 2020 (Q3 FY2021) 112
Table 14.1 Mineral Resources as of 31 December 2020 114

Table 14.2 Summary of data used in 2020 estimation 115
Table 14.3 Grade capping summary 120
Table 14.4 Statistics of raw, composited, and capped assay data for the selected 10 veins 120
Table 14.5 Block models rotation angles 122
Table 14.6 Micromine search parameters 123
Table 14.7 Statistical comparison of composites and block model for the 10 largest veins 127
Table 14.8 Input parameters in calculating Mineral Resource cut-off grade 132
Table 14.9 Reporting at a range of cut-off values 132
Table 14.10 Comparison of Mineral Resources 133
Table 15.1 Mineral Reserve cut-off grades and key estimation parameters 136
Table 15.2 Average dilution by mining method 137
Table 15.3 Gaocheng mine Mineral Reserve estimate at 31 December 2020 138
Table 15.4 Resources and Reserves comparison 138
Table 15.5 Comparison of 2019 and 2021 Mineral Reserve estimates 139
Table 16.1 Rock mass classification parameters by geotechnical domain 145
Table 16.2 Co-ordinates of pre-existing development, Main Shaft, and RARs 155
Table 16.3 LOM development profile and categories 157
Table 16.4 Development waste volumes 157
Table 16.5 Mine shafts 158
Table 16.6 GC production FY2015 – FY2021 (Q1 to Q3) 159
Table 16.7 LOM production summary 159
Table 16.8 Underground water pumped, discharged, and recycled for year 2020 164
Table 16.9 Mining contractor typical key equipment summary 166
Table 16.10 Owner's fixed equipment summary 167

Table 16.11 Development and production activity productivities 167
Table 17.1 List of equipment in Figure 17.2 174
Table 17.2 List of equipment in Figure 17.5 176
Table 18.1 Key metrics of design and latest assessment 186
Table 19.1 Key elements of 2021 smelter contracts 195
Table 20.1 Water environmental monitoring plan for the Gaocheng mining area 200
Table 20.2 Groundwater testing results at Gaocheng village (1) [1] 201
Table 20.3 Groundwater testing results at Gaocheng village (2) 201
Table 20.4 Wastewater monitoring results – Guangzhou Najia Testing Lab Co. Ltd. Report No. GZNJ20200827 202
Table 20.5 Tailings water monitoring results – Guangzhou Najia Testing Lab Co. Ltd. Report No. GZNJ20200828 203
Table 20.6 Exhaust gas monitoring results – Screening Workshop – Guangzhou Najia Testing Lab Co. Ltd. Report No. 20200827 203
Table 20.7 Exhaust gas monitoring results – Crushing Workshop – Guangzhou Najia Testing Lab Co. Ltd. Report No. GZNJ20200827 204
Table 20.8 Noise monitoring results – Guangzhou Najia Testing Lab Co. Ltd. Report No. GZNJ20200827 204
Table 20.9 Soil testing results – Guangzhou Najia Testing Lab Co. Ltd. Report No. GZNJ20200829 204
Table 20.10 Expenditures on reclamation and remediation from FY2012 to FY2021 ('000 RMB) 207
Table 21.1 Gaocheng non-sustaining capital assumptions FY2022 208
Table 21.2 Gaocheng sustaining capital assumptions FY2022 209
Table 21.3 Gaocheng operating cost assumption 2022 209

Figures

Figure 4.1 GC Property location map 33
Figure 7.1 Tectonic geology map of southern China 41
Figure 7.2 Regional geological map 42
Figure 7.3 Property geology map 43
Figure 7.4 The occurrence and distribution of mineralized veins (Level -100 m) 44
Figure 7.5 Cross section of Exploration Line 22A 45
Figure 7.6 Fault planes 45
Figure 9.1 Soil geochemical anomalies of Ag, Pb, and Zn on the Property 54
Figure 9.2 Trenches and pits on the Property 55
Figure 9.3 Longitudinal projection of vein V2E 57
Figure 10.1 Drill core storage facility 61
Figure 10.2 Surface drilling completed on the Property 62
Figure 10.3 Underground plan showing mineralized veins and tunnels at Level 0 m 65
Figure 10.4 Cross section on Exploration Line 22A 66
Figure 10.5 Inset map for Cross Section 22A 67
Figure 10.6 Cross section on Exploration Line 34 69
Figure 10.7 Longitudinal section of Vein V2E 70

Figure 10.8 Measured density vs density estimated by linear regression with Pb, Zn, Ag 72
Figure 11.1 Control chart for GSO-2 (Ag) 86

Figure 11.2 Control chart for GSO-2 (Pb) 86

Figure 11.3 Control chart for CDN-FCM7 (Ag) 87
Figure 11.4 Control chart for CDN-FCM7 (Zn) 87
Figure 11.5 Control chart for CDN-ME-1410 (Pb) 88
Figure 11.6 Control chart for CDN-ME-1604 (Zn) 88
Figure 11.7 Gaocheng blank performance 2011 - 2020 (Pb) 91
Figure 11.8 Gaocheng blank performance 2011 - 2020 (Zn) 92
Figure 13.1 Closed circuit flotation test flowsheet 107
Figure 13.2 Concentrate value vs % Pb (Ag $18/oz) 109
Figure 13.3 Concentrate value vs % Pb (Ag $30/oz) 110
Figure 14.1 View of Gaocheng drillholes and channel sampling 116
Figure 14.2 Plan view of mineralization domains 117
Figure 14.3 Pie chart of 156 veins by Measured and Indicated tonnes 118
Figure 14.4 GC mineralized sample length histogram 119
Figure 14.5 Mining depletion longitudinal project vein V2E 123
Figure 14.6 Plan view of mined-out stopes (purple) and written-off shapes (yellow) 124
Figure 14.7 Mineral Resource classification vertical section: vein V2E 125
Figure 14.8 Silver equivalent grades vertical section: vein V2E 126
Figure 14.9 Swath-plot of silver grades in classified blocks of vein V2E 129
Figure 14.10 Swath-plot of lead grades in classified blocks of vein V2E 130
Figure 14.11 Swath-plot of zinc grades in classified blocks of vein V2E 131
Figure 16.1 Section looking west at 93500 mE showing ‘100-RQD’ histograms plotted on drillhole traces 142
Figure 16.2 Distribution analysis for all geotechnical logging data 143
Figure 16.3 RQD data distribution 144
Figure 16.4 Typical shrinkage stope layout 150
Figure 16.5 Typical resue stope layout 152
Figure 16.6 GC Mine design 154
Figure 16.7 GC veins and development plan at –150 mRL 155
Figure 16.8 Development profile by type 158
Figure 16.9 LOM production profile 160
Figure 16.10 Main shaft headframe 161
Figure 16.11 GC Mine operations labour 168
Figure 17.1 Process flowsheet 172
Figure 17.2 Processing plant site plan 173
Figure 17.3 Surface grizzly feed to ROM ore bin 174
Figure 17.4 Grinding mills and spiral classifier 175
Figure 17.5 Grinding / flotation plant general arrangement 176
Figure 17.6 Flotation cells 177
Figure 17.7 Disc filters and zinc concentrate shed 177
Figure 17.8 Control room screens 178

Figure 17.9 Laboratory 179
Figure 18.1 Plan of surface facilities, GC Project 184
Figure 18.2 Satellite aerial view of surface facilities, GC Project 185
Figure 18.3 GC TMF dam and water pond 186
Figure 18.4 TMF dam water catchment 187
Figure 18.5 Backfill plant process 189
Figure 18.6 GC mine substation 190
Figure 18.7 GC water treatment facility 192
Figure 23.1 Zonation of mineralization in the Daganshan mineralization field 212

Distribution list

1 e-copy to Silvercorp Metals Inc.
1 e-copy to AMC Vancouver office

2 Introduction

AMC Mining Consultants (Canada) Ltd. (AMC) was commissioned by Silvercorp Metals Inc．(Silvercorp) to prepare an updated independent Technical Report (the 2021 Technical Report) on the Gaocheng (GC) Property (Property), located in Gaocun Township, Yun'an County, Guangdong Province, China. AMC has prepared previous Technical Reports on the Property in 2009 ('NI 43-101 Technical Report Update on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 18 June 2009), 2012 ('NI 43-101 Technical Report on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 23 January 2012), 2018 ('NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 30 June 2018), and 2019 ('NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 30 June 2019 (the 2019 Technical Report)).

Prior to the AMC reporting referenced above, SRK Consulting (SRK), prepared a Technical Report on the Property dated April 2008 ('Technical Report on Gaocheng Ag-Zn-Pb Project and Shimentou Au-Ag-Zn-Pb Project, Guangdong Province, People's Republic of China' (the 2008 Technical Report)).

Certain information in the 2021 Technical Report was sourced from the earlier Technical Reports.

Table 2.1 indicates persons who prepared or contributed to the 2021 Technical Report.

Table 2.1 Persons who prepared or contributed to this Technical Report

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. (BC)	12, 14, part of 1, 25, and 26
Mr H. Smith	Senior Principal Mining Engineer	AMC Mining Consultants (Canada) Ltd.	Yes	January 2018	P.Eng. (BC, ON, AB, NT)	2 - 6, 15, 16, 19, 21 - 24, 27, part of 1, 18, 25, and 26
Mr A. Riles	Associate Principal Metallurgical Consultant	Riles Integrated Resource Management Pty Ltd.	Yes	May 2011	MAIG	13, 17, part of 1, 18, 25, and 26
Dr A. Ross	Geology Manager / Principal Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	No visit	P.Geo. (BC), P.Geol. (AB)	7 - 10, part of 1, 25, and 26
Mr S. Robinson	Principal Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	No visit	P.Geo. (BC), MAIG	11, part of 1, 25, and 26
Mr G. Ma	Manager Exploration and Resource	Silvercorp Metals Inc.	No	May 2021	P.Geo. (ON)	20, part of 1, 25, and 26

Other Experts who assisted the Qualified Persons in the preparation of this report					
Expert	**Position**	**Employer**	**Independent of Silvercorp**	**Visited site**	**Sections of Report**
Mr J.M. Shannon, P.Geo.	General Manager / Principal Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	No	Report peer review
Mr G. Ma, P.Geo.	Manager Exploration and Resource	Silvercorp Metals Inc.	No	Since 2018	General
Mr D. Liu	Chief Financial Officer	Silvercorp Metals Inc.	No	2015	General
Mr J. Zang	Senior Mining Engineer	Silvercorp Metals Inc.	No	No	16
Mr Q. Song	Environmental Specialist	Silvercorp Metals Inc.	No	Since 2019	20

Note: Mr Smith is responsible for Section 18, other than for the TMF discussion, for which Mr Riles takes responsibility. For other sections where QPs are indicated as having part responsibility, that responsibility reflects their individual area of expertise, whether geological, mining, or metallurgical.

The independent authors of the Technical Report acknowledge the numerous contributions from Silvercorp in the preparation of this report and are particularly appreciative of prompt and willing assistance of Mr G. Ma and Mr D. Liu.

Ms Dinara Nussipakynova and Mr Herbert Smith visited the Property in January 2018. Mr Guoliang Ma has visited the GC Property on numerous occasions, most recently in May 2021. All aspects of the Project were examined by the Qualified Persons (QPs), including drill core, laboratories, underground workings, processing plant, tailings stockpile, water treatment plant, and other surface infrastructure. Other AMC personnel have previously visited the site.

This report includes the tabulation of numerical data that involves a degree of rounding for the purpose of resource estimation. The QPs do not consider any rounding of the numerical data to be material to the Project.

All currency amounts and commodity prices are in U.S. dollars (US$) unless otherwise stated. Quantities are stated in metric (SI) units. Commodity weights of measure are in grams (g) or percent (%) unless otherwise stated.

This report has been produced in accordance with the Standards of Disclosure for Mineral Projects as contained in the National Instrument 43-101 (NI 43-101) and accompanying policies and documents. NI 43-101 utilizes the definitions and categories of Mineral Resources and Mineral Reserves as set out in the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Mineral Reserves Definitions and Guidelines (2014) (CIM Definition Standards).

A draft of the report was provided to Silvercorp for checking for factual accuracy. The report is dated 6 October 2021 and has an effective date of 31 March 2021.

3 Reliance on other experts

The QPs have relied, in respect of legal aspects, upon the work of the Expert listed below. To the extent permitted under NI 43-101, the QPs disclaim responsibility for the relevant section of the Report.

- Expert: Wenhui Lian, BaiRun Law Firm, Yunfu City, Guangdong Province, as advised in a letter of 23 March 2021 to Mr Derek Liu, Chief Financial Officer, Silvercorp Metals Inc.
- Report, opinion, or statement relied upon: information on mineral tenure and status, royalty obligations, Mineral Resources tax, etc.
- Extent of reliance: full reliance following a review by the QPs.
- Portion of Technical Report to which disclaimer applies: Section 4.

The QPs have relied, in respect of environmental aspects, upon the work of the issuer's expert listed below. To the extent permitted under NI 43-101, the QPs disclaim responsibility for the relevant section of the Report.

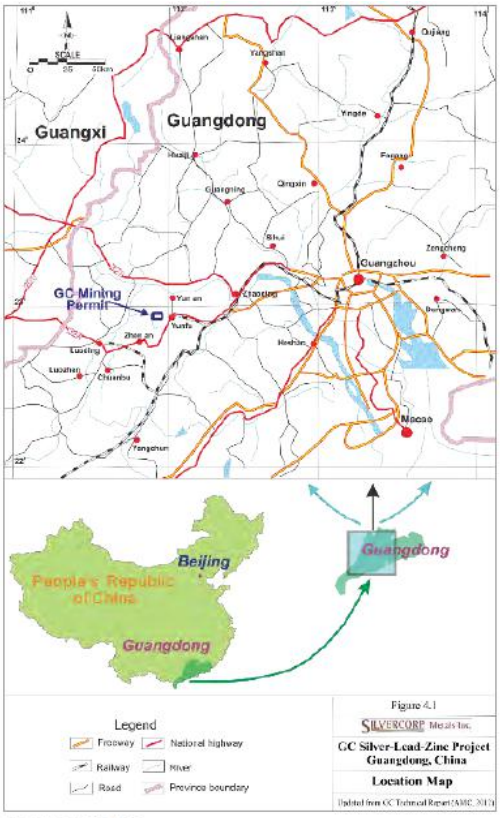
- Expert: Mr Qiang Song, Environmental Specialist, Silvercorp Metals Inc.
- Report, opinion, or statement relied upon: information current as of 31 March 2021 on environmental studies, permitting, social and community impact, site monitoring, remediation and reclamation, and closure plan.
- Extent of reliance: full reliance following a review by the QPs.
- Portion of Technical Report to which disclaimer applies: Section 20.

4 Property description and location

4.1 Location

The Property is located in the vicinity of Gaocheng village, Gaocun Township, Yun'an District, Yunfu City, Guangdong Province, People's Republic of China (Figure 4.1).

Figure 4.1 GC Property location map



Note: Updated in 2021.

4.2 Ownership and permits

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 to Anhui Yangtze 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 metres (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. In June 2012, Anhui Yangtze transferred the mining permit to Guangdong Found, and a new mining permit was issued to Guangdong Found by the Ministry of Land and Resources of China on 6 June 2012.

Mining Permit Corner Points of the Property are as shown below in Table 4.1.

Table 4.1 Mining Permit corner points of the Property

Point	Gauss coordinates	
	X	Y
1	2536958.82	37591830.45
2	2536977.34	37594822.59
3	2535131.42	37594834.19
4	2535112.90	37591841.69

The grid system used for the GC Project is the Xi'an Geodetic Coordinate System 1980. Altitude is referred to the Yellow Sea 1956 Elevation System. The project survey control points were generated from three nearby national survey control points.

Key information contained in the Mining Permit is provided in Table 4.2.

Table 4.2 Gaocheng Mining Permit, owned by Guangdong Found

Permit No.	No. C1000002010113210083333
Owner	Guangdong Found Mining Co. Ltd.
Owner's address	48 Zhenqian Rd., Gaocun Township, Yun'an County, Yunfu City of Guangdong Province, P. R. China
Name of the mine	GC Lead and Zinc Mine of Guangdong Found Mining Co. Ltd.
Business category	Sino-Foreign cooperative enterprises
Types of ore mined	Zinc, lead, and silver ore
Mining method	Underground mining
Production capacity	330,000 tonne/year
Mine area	5.5238 km^2
Valid period	6 June 2012 to 24 November 2040
Issued date*	6 June 2012

Note: *Exploration Permit converted to Mining Permit 24 November 2010.

4.3 Obligations of Silvercorp with respect to the GC Mine

Under Chinese laws applicable to the GC Mine, Silvercorp is obliged to, among other things: (a) carry out mining activities in accordance with the provisions of the mining permit; (b) conduct an annual inspection and report its utilisation of mineral resources and other required information to the relevant government authorities; (c) prepare a report on mineral resources and reserves for assessment and filing with relevant government authorities upon the occurrence of certain prescribed events; (d) pay mineral resources compensation fees, mining-right use fees, resources tax, and other similar taxes and fees; (e) adopt mining methods and technologies that meet applicable design requirements; (f) construct appropriate safety facilities at the mine site which facilities' design must be approved and inspected by the relevant authorities prior to use thereof; (g) comply with the prohibitions on profiteering and transferring of mining rights; (h) comply with laws and regulations relating to labour safety; and (i) comply with laws and regulations relating to land conservation, land rehabilitation and environmental protection.

Under Chinese laws applicable to the GC Mine, Silvercorp's obligations with respect to environmental protection include, among other things: (a) conducting an environment impact assessment prior to the commencement of the project construction or in the event of any major changes in certain aspects of the project; (b) implementing the environment protection measures provided by the approving government authority in relation to the environmental impact assessment; (c) ensuring that environmental protection facilities are designed, constructed and put into use concurrently with the main production facilities; (d) ensuring that project construction has completed and passed the inspection and acceptance of relevant environmental authorities; (e) ensuring that environmental protection facilities are not dismantled or left idle without authorization; (f) developing a plan on the protection and restoration of the geologic environment as well as land reclamation; (g) preventing and controlling water pollution in accordance with applicable laws by, for example, ensuring the discharge of water pollutants within the state or local standards; (h) preventing and controlling atmosphere pollution in accordance with applicable laws by, for example, ensuring that measures are taken to reduce the discharge of dust and gaseous pollutants; (i) preventing and controlling pollution from environmental noise in accordance with applicable laws; (j) preventing and controlling pollution caused by solid waste in accordance with applicable laws by, for example, ensuring that facilities, equipment and places for collection, storage, transportation and treatment of solid waste are maintained in good condition; (k) preventing and controlling water and soil loss in accordance with applicable laws; (l) developing emergency response plans and file such plans with the competent environment protection authorities; (m) ensuring that the emergency facilities, equipment and measures are complete; (n) periodically reporting and registering with competent local environmental department for discharging pollutants; (o) periodically monitoring the quality

of water, atmosphere, noise, soil; and (p) establishing an environmental department and formulating environmental management systems.

4.4 Taxes and royalties

Currently, the GC mine is subject to Mineral Resources taxes, levied at 3% of revenue from lead and zinc and 2% of revenue from silver. The Mineral Resource taxes, together with other government fees that are not tied to revenue, amount to approximately 5% of revenue. The QP 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.

4.5 Other

Environmental issues and more detail on permitting are discussed in Section 20.

5 Accessibility, climate, local resources, infrastructure, and physiography

The GC mine 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 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. Topsoil covers most of the ground. Outcrops of bedrocks can only be observed in valleys.

The mine is located west of the metropolitan city of Guangzhou, the capital of Guangdong Province, see Figure 4.1. Guangzhou is located about 120 kilometres (km) north-west of Hong Kong and has a population of about 14 million people. It is serviced by rail and daily flights from many of China's larger population centres. Access to the mine 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 Gaocheng mine area. There is a reservoir upstream of the mine. Small hydropower stations are developed in the region that are connected to the provincial electrical grid. There is a 10 kilovolts (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 Gaocheng mine area.

6 History

6.1 Prior ownership

Prior to Yangtze Mining acquiring the Property (see Section 4.2), illegal mining activity resulted in the excavation of several tunnels and small-scale mining of veins as discussed in Section 6.3.

Yangtze Mining purchased the Property in 2005.

In 2008, Silvercorp acquired 100% of the shares of Yangtze Gold Ltd. which in turn wholly owns Yangtze Mining Ltd.

6.2 Exploration and development work

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 1999 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 m^3 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.

A summary of the historical work between 2001 and 2008 is shown in Table 6.1. Table 6.2 contains a drill record for the same period. The historical drilling is further discussed in Section 10.1.

Table 6.1 Historical exploration work 2001 – 2008

Program	Unit	Work completed				
		2001 - 2002	2004 - 2005	2006 - 2007	2008	Total
1:10,000 Soil survey	km^2	4.0				4.0
1:10,000 Soil profiling	km	12.4				12.4
1: 5,000 Hydrogeological survey	km^2			12.5		12.5
1:10,000 Geological survey	km^2	15.0				15.0
1:5000 Geological survey	km^2		5.3			5.3
1:2000 Geological survey	km^2			4.5		4.5
1:2000 Topographic survey	km^2			4.5		4.5
Exploration line survey	km	3.8	2.0	6.7		12.5

Diamond drilling	m	1,010.3	983.6	11,469.8	10,083.0	23,546.7
Trenching (pitting)	m^3	3,888.0	3,582.5	1,964.1		9,434.6
Tunnelling	m	66.0				66.0
Tunnel clean-up	m	197.2		302.6		499.8
Tunnel geological mapping and sampling	m	637.2		632.6		1,269.8
Control point survey	Point			42.0		42.0
Survey of engineering points	Point		23.0	222.0		245.0
Hydrogeological observation hole	Point			2.0		2.0
Soil samples	Sample	1,116.0				1,116.0
Chemical analysis samples	Sample	454.0	182.0	2,849.0		3,485.0
Internal checking samples	Sample	17.0		275.0		292.0
External checking samples	Sample			150.0		150.0
Rock survey samples	Sample	41.0				41.0
Thin and polishing sections	Piece	34.0	8.0	27.0		69.0
Composite samples	Sample	2.0		26.0		28.0
Spectrum analysis sample	Sample			1.0		1.0
Small specific gravity samples	Sample			62.0		62.0
Artificial heavy mineral sample	Sample			1.0		1.0
Multiple element samples	Sample			3.0		3.0
Water quality samples	Sample			11.0		11.0
Rock and ore samples	Sample			38.0		38.0
Sample for metallurgical test	Sample			1.0		1.0
Metallurgical testing	Test			1.0		1.0

Table 6.2 Record of drilling 2001 – 2008

Year drilled	PQ (m) 85.0 mm	HQ (m) 63.5 mm	NQ (m) 47.6 mm	Total (m)
2001 – 2005		1,993.9		1,993.9
2006 – 2007	420.3	5,179.7	5,869.9	11,469.8
2008			10,083.0	10,083.0
Total (m)	**420.3**	**7,173.6**	**15,952.9**	**23,546.7**

6.3 Production

Prior to Yangtze Mining acquiring the 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. Table 6.3 details the underground workings and work completed. However, there are no detailed reconciliation data available for any of the mineralization extracted.

Table 6.3 Details of historical underground workings

Tunnel / adit	Length of tunnel / adit (m)	Vein intersected	No. samples collected	Mapped and sampled by
ML1	156	V4	12	GIGS
ML2	70	V3	1	GIGS
ML3	2	V4	6	GIGS
ML4	41	V4	3	GIGS
ML5	324	V10	13	Yangtze
ML6	438	V2	25	GIGS
ML7	45	Not named, parallel to V4		GIGS
ML8	246	V2-2	19	Yangtze
ML9	46	V4		GIGS
PD12	28	V6	3	GIGS
PD4401	66	V5	5	GIGS

6.4 Historical Mineral Resource estimates

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 Definition Standards. The QP does not consider the GIGS estimation of resources to be material to this report.

Silvercorp acquired the Property in 2008 (see Section 4.2). Five resource estimates for Gaocheng have been reported since 2008:

- Technical Report by SRK Consulting (SRK), dated April 2008 (titled 'Technical Report on Gaocheng Ag-Zn-Pb Project and Shimentou Au-Ag-Zn-Pb Project, Guangdong Province, People's Republic of China').
- AMC Technical Report (titled 'NI 43-101 Technical Report Update on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China'), effective date 18 June 2009.
- AMC Technical Report (titled 'NI 43-101 Technical Report on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China'), effective date 31 December 2011.
- AMC Technical Report (titled 'NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China'), effective date 30 June 2018.
- AMC Technical Report (titled 'NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China'), effective date 30 June 2019.

Current estimates of Mineral Resources and Mineral Reserves are discussed in the relevant sections of this report.

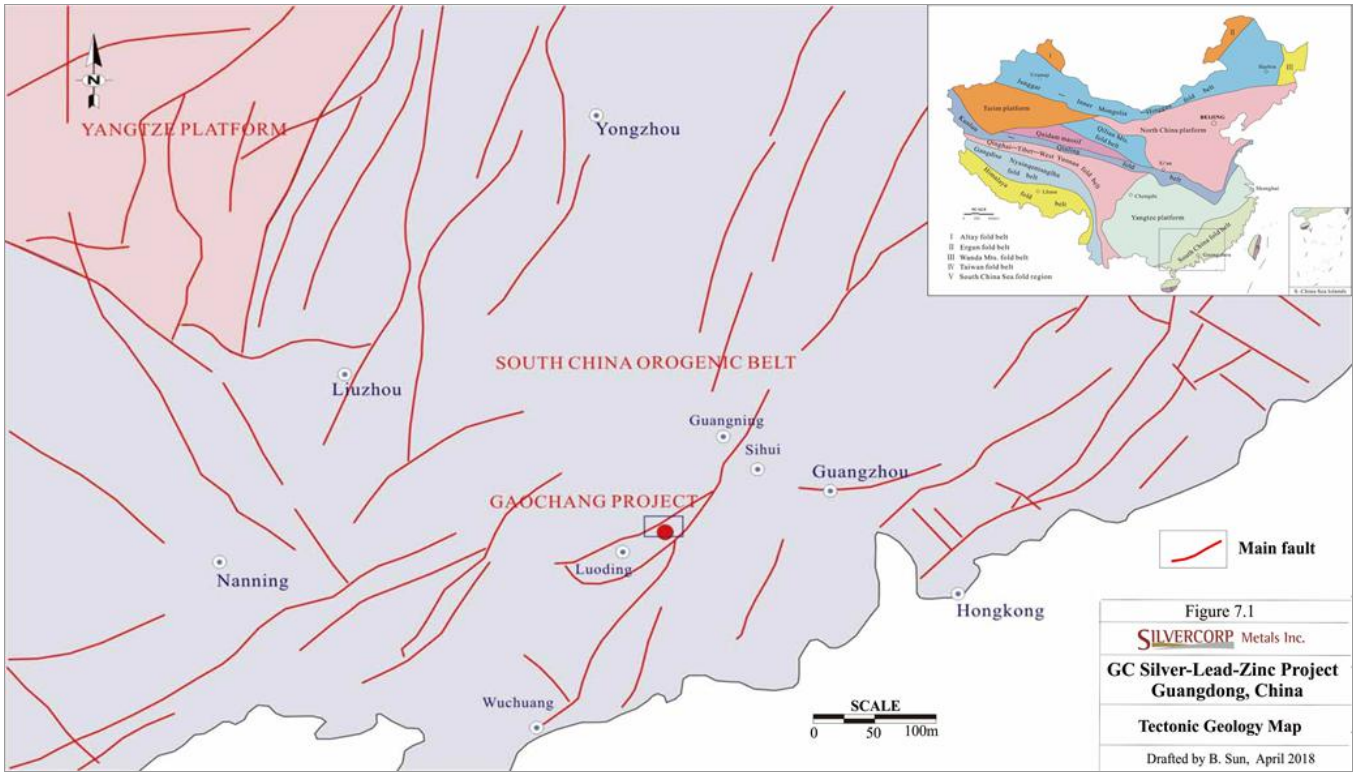
7 Geological setting and mineralization

7.1 Regional geology

This section includes a summary of the geological setting and mineralization presented in the 2019 Technical Report and the 2008 SRK Technical Report.

The Property is located on the east margin of the Luoding basin, east of the Wuchuan – Sihui major fault within the north portion of the Yunkai uplift of the South China Orogenic Belt. North-east striking structures and arc structures form the basic geological framework of the region. Deposits on the Property occur at the intersection of a north-easterly striking fault zone and a near east-westerly striking fault zone.

Figure 7.1 Tectonic geology map of southern China



Basement geology in the area comprises late Proterozoic Sinian sedimentary clastic and carbonate rocks; Palaeozoic (Ordovician, Silurian, Devonian, Carboniferous) sedimentary clastic and carbonate rocks; and Mesozoic (Triassic) coal-bearing clastic rocks and Cretaceous red clastic rocks. Ag-Pb-Zn poly-metallic deposits occur within late Proterozoic rocks. Cu-Pb-Zn, Mn, and Au-Ag deposits occur within Palaeozoic rocks.

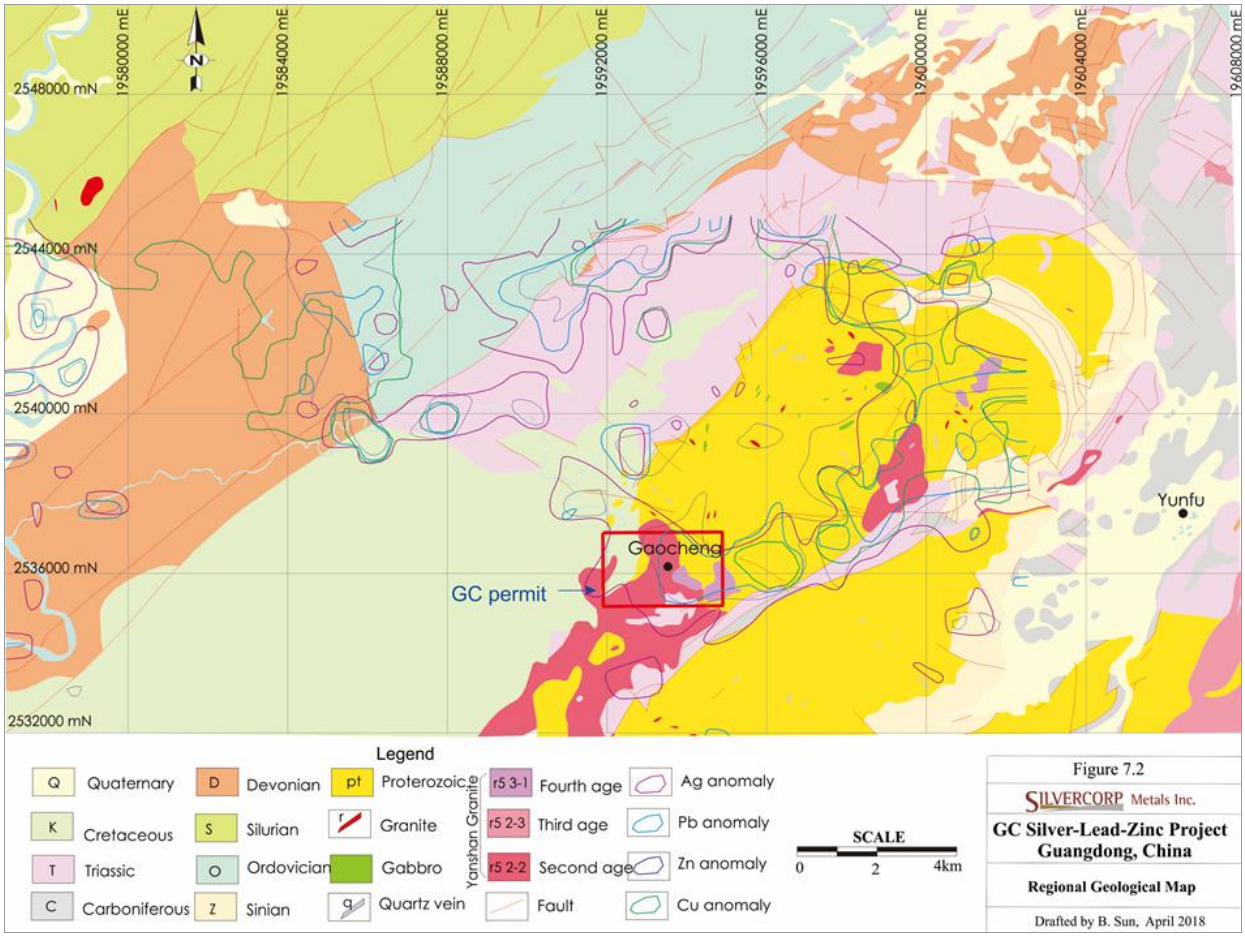
Three prominent sets of structures occur within the region:

- North-easterly striking structures comprising a series of folds and faults that host some mineralized bodies.
- Approximately east-westerly striking structures which dip steeply and contain structural breccias and quartz infill within the fault zones. Prominent alteration zones occur along both sides of these structures.

- Arc or ring structures which include folds and faults surrounding the Daganshan granite body. The Pb-Zn-Ag-Sn deposits, mineralization showings, and Au-Ag-Pb-Zn geochemical anomalies occur in the arc / ring structural zone.

Palaeozoic granite batholiths and Mesozoic granite stocks and dykes occur commonly within the arc / ring structure. These intrusions are closely related with Pb-Zn-Ag poly-metallic mineralization in the region.

Figure 7.2 Regional geological map



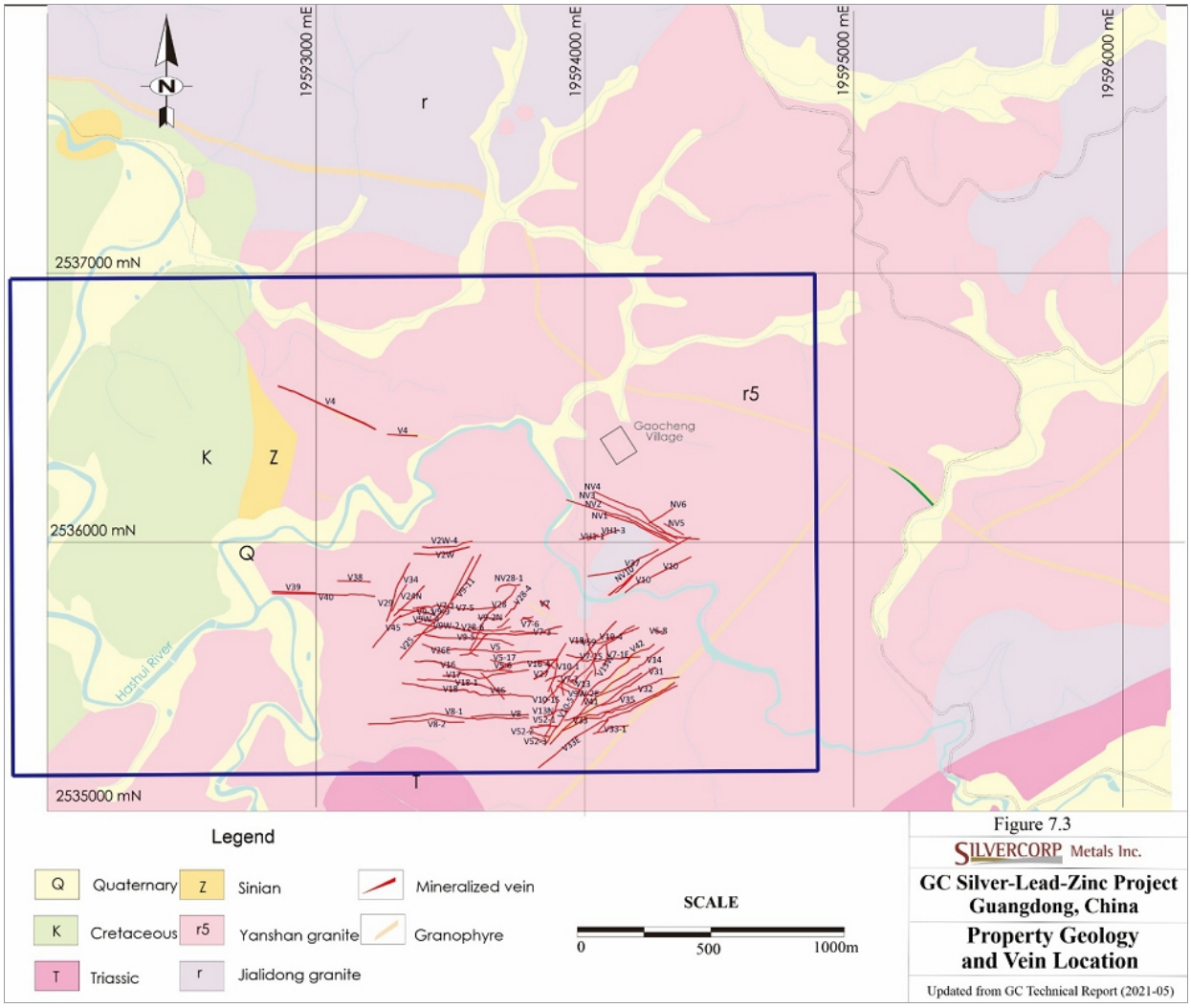
7.2 Property geology

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

Basement rocks within the Property 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 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 intrusive rocks intruded along the south and south-west contacts of the Palaeozoic

granites. The majority of Ag-Zn-Pb mineralization is hosted by the Mesozoic granite. The granite dips south and strikes approximately west north-west, parallel to many of the mineralized veins on the Property.

Figure 7.3 Property geology map



7.2.1 Structures

The project area is situated in the south-west part of the Daganshan uplift. Structures developed in the area are mainly the NWW-EW striking Gaocheng Fault zone, the NE striking Baimei Fault zone, and the Songgui Fault zone.

Mineralization at GC is primarily hosted within a WNW-ENE trending, 4.8 km long and 2 km wide fault zone. This zone encompasses numerous veins (V2E, V2-1, V2-2, V2-5, V6-0, V6-1, V6-7, V6-8, V6E, V6E1, V6E2, V6M, V6M-2, V7, V7-1E, V7-2, V7E, V9-1, V9-2, V9-3, and V9W-2E) with the more common WNW veins generally striking between 90° and 150° and dipping between 55° to sub-vertical. The average thickness of the WNW-ENE veins is 0.76 metres (m).

East-west striking veins include NV10, NV28, NV28-1, V2-3, V2-6, V2W, V2W-0, V2W-4, V2W-8, V5, V6, V6-0, V6-2, V6-5, V6M-3, V7-1, V7-3, V7-4, V8, V8-1, V8-2, V9-4, V9W-2, V9-5, V11, V14, V16, V17, V18, V18-1, V18-2, V18-3, V19, V33, V35, V37. These veins generally strike 50° to 130° and dip between 65° and sub-vertical to the SE and SSW (Figure 7.4 and Figure 7.5). The average thickness is 0.77 m.

NE-striking faults cut through the NWW-striking structures with no or minor displacement. Mineralized veins including V5-5, V5-9, V9-9, V9-11, V10, V10-1, V10-2, V10-3, V10-4, V12, V13, V25, V26, V27, V28, V28-4, V29, V29-1, V31, V32, V33E, and V41 form part of this trend. These veins are sub-parallel to the major NE striking faults F25 and F27. These veins generally strike between 10° and 80° and dip between 60 and 75° to the SE (Figure 7.4). The average thickness of these veins is 0.76 m.

Figure 7.4 The occurrence and distribution of mineralized veins (Level -100 m)

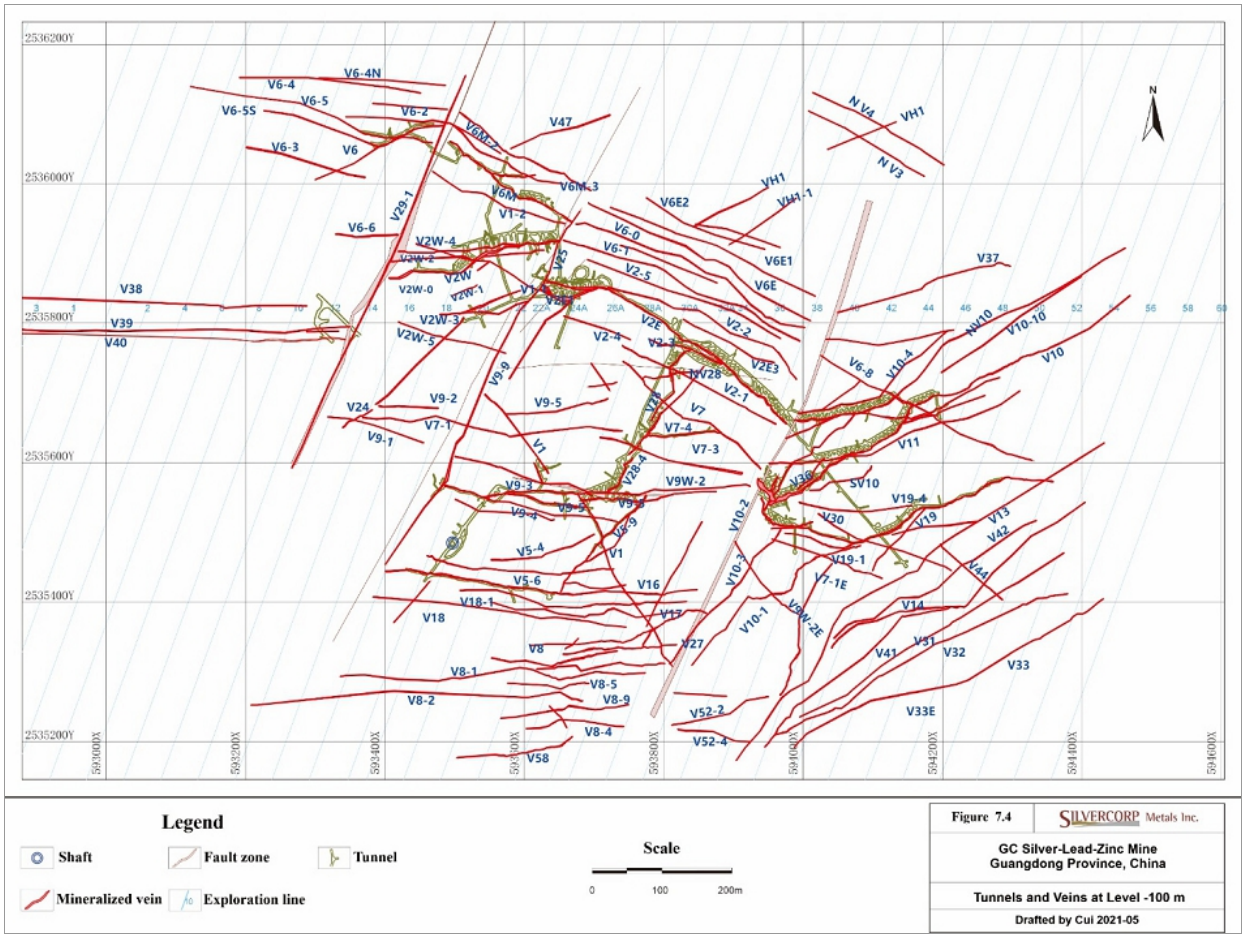
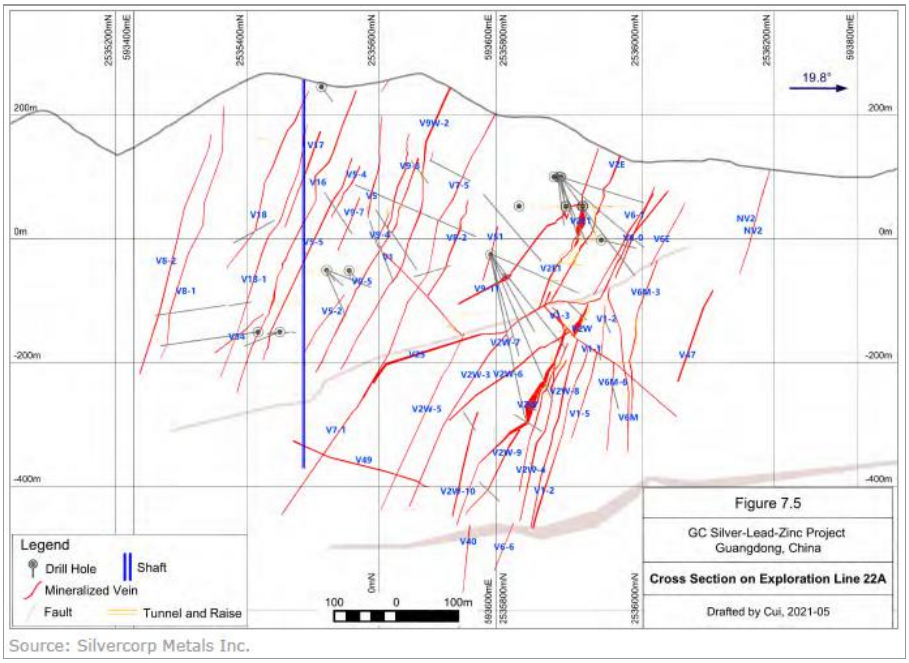


Figure 7.5 Cross section of Exploration Line 22A



Source: Silvercorp Metals Inc.

Photos of the NWW and NE striking faults are presented in Figure 7.6. The faults demonstrate a sharp contact between the veins and the host rock.

Figure 7.6 Fault planes

a) Vertical and smooth fault plane of NE vein V10 in an open stope of Tunnel ML5.

b) Vertical and smooth fault plane of NWW vein V2-2 in an open stope of Tunnel ML5.





Source: Silvercorp Metals Inc.

7.3 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 or trace amount of kaolinite, tremolite, actinolite, chalcedony, garnet, zoisite, apatite, and tourmaline.

Alteration minerals associated with 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.

7.4 Characteristics of the mineralized veins

Table 7.1 to Table 7.4 presents a summary of the characteristics of the veins on the Property. The veins are grouped by dominant orientations.

Table 7.1 presents a summary of the characteristics of the WNW-ENE mineralized veins.

Table 7.1 Dimensions and occurrences of selected WNW-ENE mineralized veins

Vein	Length (m)	Inclined depth (m)	Elevation (m)	Strike (°)	Dip direction (°)	Average dip angle (°)	Average true thickness (m)
NV4	302	102	80-(-20)	98-142	188-232	78	0.87
V1-1	155	138	-105-(-218)	101-145	11-55	55	1.03
V1-2	210	539	-30-(-522)	101-145	11-45	66	0.57
V19-1	126	113	-50-(-161)	99-143	189-233	78	0.55
V2-1	311	258	-143-(-377)	101-145	191-235	65	0.56
V2-2	240	574	83-(-463)	98-142	188-232	72	0.74
V2-5	210	394	30-(-318)	90-134	180-224	62	0.62
V2-8	80	61	-199-(-252)	115-159	25-69	60	0.91
V2-9	84	67	-213-(-257)	200-210	110-120	77	0.62
V2E	448	675	127-(-490)	95-139	185-229	66	1.23
V2E3	102	267	-41-(-279)	90-134	180-224	63	0.55
V30	111	145	59-(-76)	92-136	182-226	69	0.66
V4	360	175	140-(-99)	200-211	110-121	80	1.12
V4-1	254	280	-221	200-205	110-115	74	0.77
V46	106	58	159-142	120-164	30-74	62	0.31
V6-1	354	640	51-(-489)	193-215	103-125	65	0.76
V6-7	50	100	-157-(-248)	91-135	181-225	66	0.86
V6-8	318	257	108-(-143)	92-136	182-226	78	0.68
V6E	300	509	57-(-430)	99-143	189-233	73	0.62
V6E1	176	386	52-(-282)	90-134	180-224	60	0.58
V6E2	233	202	-167-(-241)	195-209	105-119	62	0.63
V6M	273	334	71-(-250)	102-146	192-236	74	1.00
V6M-2	197	103	-28-(-125)	100-144	10-54	71	0.76
V7	270	408	95-(-291)	101-145	191-235	71	0.67
V7-1E	195	231	164-(-56)	100-144	190-234	72	0.54
V7-2	173	303	56-(-229)	109-153	199-243	70	0.64
V7E	71	285	8-(-254)	102-146	192-236	67	1.78
V9-1	140	192	83-(-91)	88-132	178-222	65	0.75
V9-2	135	181	62-(-106	91-135	181-225	68	0.86
V9-3	390	355	132-(-199)	89-133	179-223	69	0.92

V9W-2E	130	417	157-(-246)	111-155	201-245	75	0.54

Source: Silvercorp Metals Inc.

Table 7.2 presents a summary of the characteristics of the E-W mineralized veins on the Property.

Table 7.2 Dimensions and occurrences of selected E-W mineralized veins

Vein	Length (m)	Inclined depth (m)	Elevation (m)	Strike (°)	Dip direction (°)	Average dip angle (°)	Average true thickness (m)
NV10	400	390	163-(-193)	52-96	142-186	66	0.93
NV2	495	110	63-10	190-197	107-100	75	0.63
NV28	221	237	103-(-115)	60-104	150-194	67	1.33
NV28-1	187	216	103-(-96)	66-110	156-200	67	0.85
NV3	124	49	59-11	73-117	163-207	79	0.42
NV6	118	65	60-38	49-93	139-183	61	0.38
V10-10	56	123	35-(-69)	54-98	144-188	58	0.62
V10W	165	190	-136-(-302)	54-98	144-188	61	0.81
V11	362	329	56-(-237)	57-101	147-191	63	0.68
V14	285	278	156-(-108)	69-113	159-203	72	0.56
V16	460	403	158-(-213)	67-111	157-201	67	0.74
V17	326	426	152-(-251)	73-117	163-207	71	0.66
V17-1	217	236	27-(-201)	74-118	164-208	75	0.70
V18	461	374	185-(-166)	69-113	159-203	70	0.75
V18-1	258	262	152-(-108)	83-127	173-217	83	0.62
V18-2	208	234	6-(-219)	66-110	156-200	74	0.63
V18-3	178	269	28-(-221)	64-108	154-198	68	0.57
V18-4	143	146	24-(-116)	72-116	162-206	74	0.36
V19	405	479	136-(-287)	63-107	153-197	62	0.82
V19-2	75	171	8-(-147)	58-102	148-192	65	0.58
V19-4	128	350	108-(-221)	69-113	159-203	70	0.62
V19-7	135	117	-114-(-145)	74-118	164-208	61	0.57
V19-8	120	108	-202-(-239)	165-180	75-90	75	0.95
V2-3	255	252	110-(-127)	86-130	176-220	70	1.12
V2-4	85	122	-234-(-344)	82-126	172-216	64	1.73
V2-6	252	195	11-(-160)	200-210	110-120	66	0.65
V2E1	146	613	87-(-464)	65-109	155-199	64	1.98
V2E2	81	79	-175-(-250)	64-108	154-198	71	1.30
V2E4	68	110	-250-(-354)	58-102	148-192	71	1.63
V2E-4E	268	289	108-(-160)	52-96	142-186	68	0.52
V2W	350	668	90-(-534)	55-99	145-189	69	2.16
V2W-0	130	84	11-(-70)	66-110	156-200	75	0.81
V2W-10	84	210	-288-(-510)	173-185	83-95	79	1.03
V2W-3	98	95	-53-(-146)	60-104	150-194	78	0.51
V2W-4	295	453	109-(-317)	70-114	160-204	70	1.06
V2W-5	128	185	21-(-164)	81-125	351-35	87	0.55
V2W-7	121	209	-49-(-139)	160-165	70-75	50	0.62
V2W-8	172	345	-182-(-519)	73-117	163-207	78	0.87
V2W-9	120	217	-85-(-291)	66-110	156-200	72	0.85
V3	60	185	130-(-46)	195-200	105-110	85	0.49
V33	515	222	150-(-56)	49-93	139-183	68	0.61
V33-1	80	108	149-91	170-177	80-87	53	0.68
V33-2	90	185	146-85	182-200	92-110	57	0.65

Vein	Length (m)	Inclined depth (m)	Elevation (m)	Strike (°)	Dip direction (°)	Average dip angle (°)	Average true thickness (m)
V35	261	243	264-40	55-99	145-189	67	0.57
V37	290	220	207-(-8)	68-112	158-202	78	0.67
V37-1	192	242	53-(-108)	170-190	80-100	75	0.49
V38	158	220	25-(-131)	180-185	90-95	85	0.49
V39	15	274	43-(-194)	63-107	153-197	60	0.60
V40	180	287	69-(-202)	69-113	159-203	71	0.71
V47	14	70	-46-(-109)	49-93	139-183	65	0.52
V5-17	118	94	139-53	79-123	169-213	66	0.55
V52	108	176	206-37	64-108	154-198	74	0.54
V5-2	153	72	-148-(-215)	65-109	155-199	68	0.54
V52-2	108	334	160-(-167)	65-109	155-199	78	0.77
V52-3	56	130	160-34	69-113	159-203	76	0.65
V5-7	117	61	103-47	56-100	146-190	67	0.54
V58	118	167	-62-(-221)	64-108	154-198	72	0.79
V6	110	280	20-(-254)	63-107	153-197	78	0.93
V6-0	265	562	57-(-464)	81-125	171-215	68	0.80
V6-2	54	295	-134-(-250)	182-197	92-107	76	1.17
V6-3	130	131	25-(-48)	188-197	98-107	80	0.70
V6-4	117	333	58-(-270)	173-189	83-99	83	0.52
V6-4N	112	165	-109-(-282)	180-186	90-96	87	0.33
V6-5	295	334	79-(-239)	67-111	157-201	72	0.64
V6-5S	98	190	84-(-98)	69-113	159-203	73	0.71
V6M-3	210	308	51-(-250)	78-122	168-212	78	0.68
V6N	51	195	-70-(-259)	180-184	90-94	72	0.51
V7-1	135	275	114-(-144)	60-104	150-194	70	1.13
V7-3	223	196	122-(-67)	76-120	166-210	75	0.53
V7-4	155	313	143-(-153)	64-108	154-198	71	0.65
V7-5	190	142	53-(-85)	73-117	163-207	77	0.77
V7S	38	69	-212-(-262)	238-250	148-160	72	1.54
V8	82	425	201-(-216)	75-119	165-209	79	0.60
V8-1	429	438	209-(-218)	80-124	170-214	77	0.51
V8-2	382	389	142-(-219)	70-114	160-204	68	0.57
V9-4	231	217	-74-(-274)	79-123	169-213	67	0.71
V9-5	412	481	149-(-303)	73-117	163-207	70	0.97
V9W-2	577	553	168-(302)	70-114	160-204	70	0.89
VH1-4	65	98	52-(-42)	70-114	160-204	74	0.80

Source: Silvercorp Metals Inc.

Table 7.3 presents a summary of the characteristics of the NE mineralized veins on the Property.

Table 7.3 Dimensions and occurrences of selected NE mineralized veins

Vein	Length (m)	Inclined depth (m)	Elevation (m)	Strike (°)	Dip direction (°)	Average dip angle (°)	Average true thickness (m)
V10	646	422	131-(-245)	42-86	132-176	63	1.03
V10-1	443	421	179-(-211)	33-77	123-167	68	0.71
V10-11	123	91	31-(-41)	34-78	124-168	52	0.55
V10-17	71	45	-145-(-147)	36-80	126-170	78	0.76
V10-1S	103	116	157-53	42-86	132-176	64	0.52
V10-2	251	135	153-23	10-54	100-144	74	0.84
V10-3	124	145	-95-(-234)	19-63	109-153	73	0.75
V10-4	294	348	111-(-222)	42-86	132-176	73	0.74
V12	448	335	159-(-147)	29-73	119-163	66	0.57
V13	615	373	206-(-142)	15-59	105-149	69	0.47
V25	410	436	105-(-299)	33-77	123-167	68	0.98
V26	63	145	100-(-40)	8-52	98-142	75	0.86
V27	280	276	107-(-160)	24-68	114-158	75	0.67
V28	256	280	158-(-96)	23-67	113-157	65	0.80
V28-4	307	399	157-(-195)	26-70	116-160	62	0.81
V28-5	75	262	-131-(-263)	105-115	15-25	45	1.35
V29	118	171	162-(-3)	178-42	88-132	75	0.93
V29-1	457	346	44-(-270)	2-46	92-136	65	1.04
V2W-11	65	145	-356-(-401)	145-157	55-67	87	1.20
V2W-14	101	102	-203-(-302)	47-91	137-181	75	1.19
V31	233	188	159-(-5)	27-71	117-161	61	0.55
V32	477	296	153-(-115)	29-73	119-163	65	0.47
V33E	410	117	48-(-58)	43-87	133-177	65	0.63
V34	41	151	118-(-10)	27-71	117-161	58	0.62
V36	98	208	91-(-102)	20-64	110-154	68	0.79
V41	420	324	189-(-109)	35-79	125-169	67	0.56
V45	108	146	128-(-5)	24-68	114-158	66	0.50
V49	173	120	-300-(-302)	15-59	105-149	53	0.83
V5-12	78	271	7-(-225)	20-64	110-154	59	0.53
V5-4	150	378	89-(-245)	45-89	135-179	62	0.70
V5-5	266	363	80-(-234)	46-90	136-180	60	0.71
V5-9	232	373	99-(-221)	34-78	124-168	59	0.75
V8-5	6	141	-105-(-218)	8-52	98-142	53	0.50
V9-11	165	236	158-(-59)	16-60	106-150	67	1.20
V9-9	105	162	155-5	23-67	113-157	68	0.75
VH1	87	98	18-(-28)	155-160	65-70	80	0.82
VH1-3	122	135	106-17	155-160	65-70	68	0.43

Source: Silvercorp Metals Inc.

Table 7.4 presents a summary of the characteristics of the other veins on the Property that do not conform to the three main orientations above.

Table 7.4 Dimensions and occurrences of selected mineralized veins

Vein	Length (m)	Inclined depth (m)	Elevation (m)	Strike (°)	Dip direction (°)	Average dip angle (°)	Average true thickness (m)
V1	462	477	20-(-299)	315-359	45-89	42	0.71
V10-5	168	268	159-(-105)	171-35	81-125	80	0.66
V1-6	85	91	-283-(-296)	175-39	85-129	74	1.09
V26E	20	75	93-25	174-38	84-128	65	0.85
V28-7	67	80	-212-(-236)	128-142	38-52	37	1.11
V2E-8	34	55	54-1	152-16	242-286	75	0.74
V59	97	104	195-108	146-10	56-100	57	0.47
V6E3	96	49	22-(-24)	139-3	49-93	70	0.36
V9-6	100	50	-248-(-249)	173-37	263-307	69	0.98

Source: Silvercorp Metals Inc.

7.5 Other mineralization features

The following are additional mineralization features of the GC deposit:

- High-grade shoots of Ag-Zn-Pb mineralization are commonly associated with the intersections of the NWW and east-west striking faults. This intersection results in east plunging shoots of high-grade mineralization.
- Ag-Zn-Pb mineralization is most intense, continuous, and wide within fault breccia zones.

Grade contours of individual metals within mineralized veins suggests that the Zn mineralization is more continuous than Ag and Pb. Ag and Pb appear to be locally concentrated.

8 Deposit types

This section is a summary of the description of deposit types presented in the 2019 Technical Report The original data source was the 2008 SRK Technical Report.

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 that are structurally controlled within broader alteration zones. The alteration can reach more than a few metres along the faults distributing in both hangingwall 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.

9 Exploration

The section describes surface and underground exploration activities carried out by Silvercorp between 2008 and 2020.

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 10

Source: Silvercorp Metals Inc.

In addition to surface sampling, Silvercorp also completed more than 51.5 km of underground tunnelling and sampling at the Property through to 2018, and 29.2 km between 2019 and 2020.

Details of drill programs completed between 2008 and 2020 are presented in Section 10 of this report.

The grid system used for the GC project is Xi'an Geodetic Coordinate System 1980. 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 NX2350, and Sokkia SET-230PK Total Station Instrument.

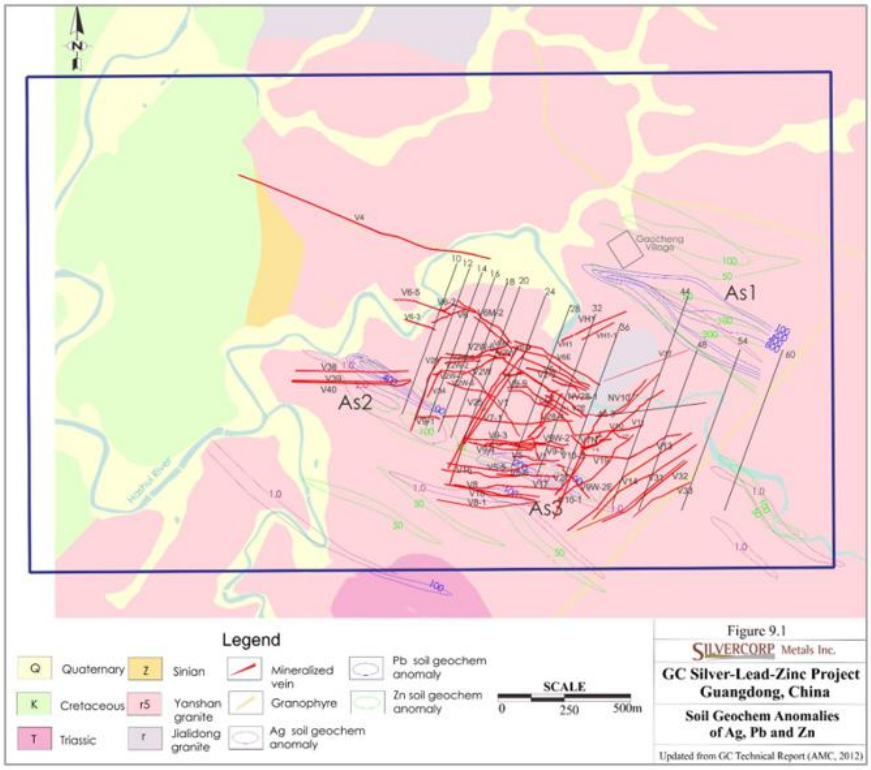
9.1 Soil geochemical program

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 lines 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 analyzed 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 (Figure 9.1):

- AS1 anomaly: Encompasses an area 500 m in length and 50 to 100 m in width and includes peak values of 2.1 parts per million (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 in 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: 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).

Figure 9.1 Soil geochemical anomalies of Ag, Pb, and Zn on the Property



Note: Updated in 2021.

9.2 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.

9.3 Trenching and pitting

Based on the soil geochemical and surface mapping, Silvercorp conducted trenching and pitting programs on the 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 9.2 presents results of this program.

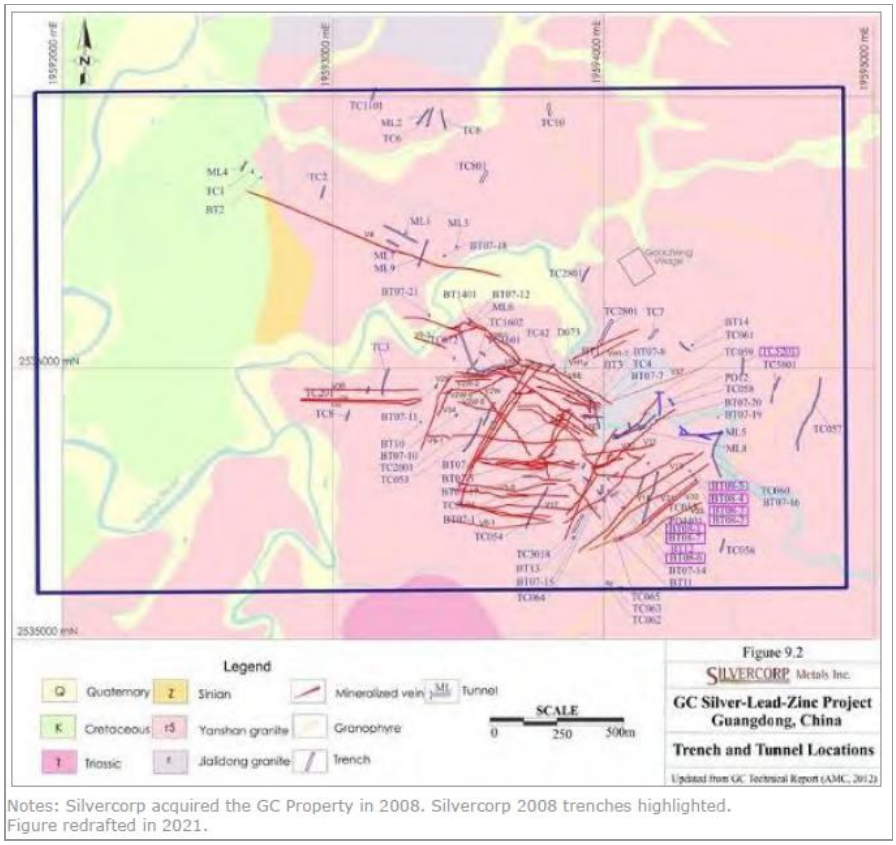
Table 9.2 Trenches and pits completed by Silvercorp in 2008 with vein highlights

Trench / pit	Section#	Azimuth	Volume (m^3)	Vein exposed
BT08-1	40	240°	224	0.80 m wide V5-1, containing 25 g/t Ag
BT08-2	44	235°	24	0.95 m 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	0.80 m wide V7-0, containing 61 g/t Ag
BT08-6	44	230°	33.6	0.65 m wide V5-1, containing 98 g/t Ag
BT08-7	30	340°	118.8	0.75 m wide V5-1, containing 18 g/t Ag
TC5201	52	185°	230.4	1.00 m wide V4, containing 0.31% Pb and 0.13% Zn

Source: Silvercorp Metals Inc.

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 m to 0.5 m.

Figure 9.2 Trenches and pits on the Property



Notes: Silvercorp acquired the GC Property in 2008. Silvercorp 2008 trenches highlighted. Figure redrafted in 2021.

9.4 Underground works

Underground tunnelling programs comprising 29,179 m of tunnelling were completed on the Property between 2019 and 2020. These programs comprised 14,940 m of drifting along mineralized structures, 7,288 m of crosscutting across mineralized structures, and 6,951 m of raises. Drifts and crosscuts were developed at 40 m intervals vertically to increase geological confidence in the Mineral Resource.

A breakdown of all underground tunnelling between 2012 and 2020 is shown in Table 9.3.

Channel samples across the mineralized vein structures were collected across the back of the adits at 5 m intervals, with the spacing of channel sample lines increasing to 15 or 25 m in the non-mineralized sections of the vein structures. Individual channels consisted of multiple chip samples, cut across the mineralization and associated wallrocks across the tunnel. Details of the procedures and parameters relating to the underground channel sampling and discussion of the sample quality are given in Section 11.

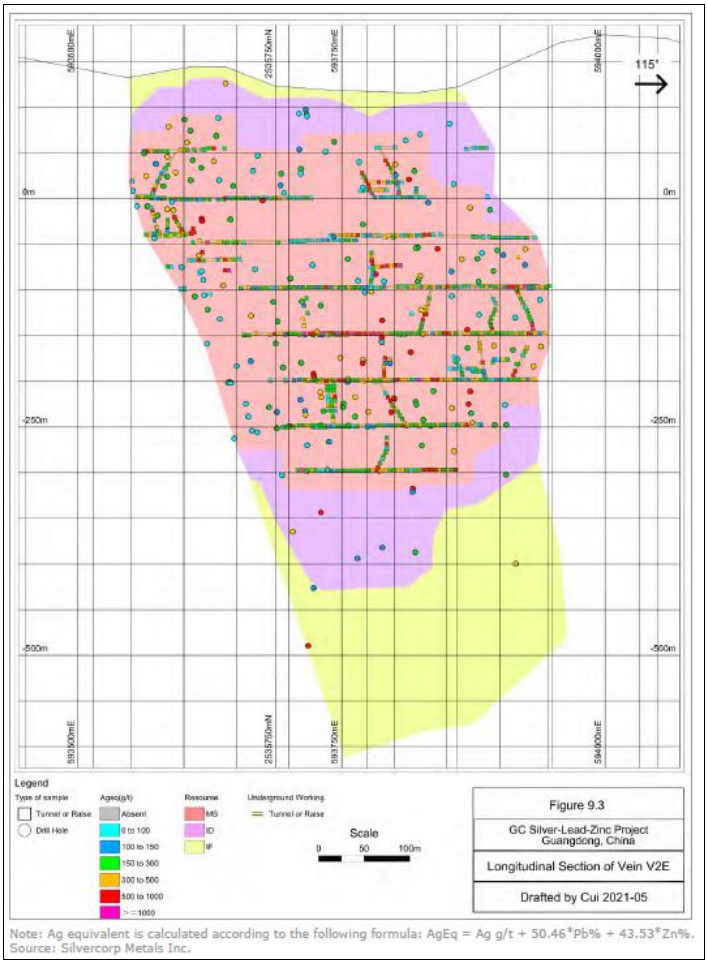
A total of 14,576 channel / chip samples were collected from the mine areas between 2019 and 2020. Figure 9.3 outlines channel sample density and location of drifts on one of the main veins at GC Mine.

Table 9.3 Summaries of underground works between 2012 and 2020

Underground works	Drift metres	Crosscut metres	Raise metres	Total metres
2012	2,379			2,379
2013	5,321			5,321
2014	3,355	1,060		4,415
2015	6,734	2,286	1,037.60	10,058
2016	4,328	1,432	2,461	8,221
2017	5,286	2,514	2,667.90	10,467
2018	5,894	2,855	2,666	11,415
2019	7,581	3,912	3,752	15,245
2020	7,359	3,376	3,199	13,934
Total	**48,237**	**17,435**	**15,784**	**81,456**

Source: Silvercorp Metals Inc.

Figure 9.3 Longitudinal projection of vein V2E



Note: Ag equivalent is calculated according to the following formula: AgEq = Ag g/t + 50.46*Pb% + 43.53*Zn%.
Source: Silvercorp Metals Inc.

The 2019 Technical Report showed a table of highlights from the 2012 to 2018 tunnelling. These highlights included 103 adits that intersected mineralization ranging from 171 g/t silver equivalent (AgEq) to 1,521 g/t AgEq (applying the current AgEq formula). Between 2019 and 2020 (subsequent to the 2019 Technical Report period), 335 Silvercorp adits encountered mineralization over 150 g/t AgEq in 66 veins. Results ranged from 150 to 1,311 g/t AgEq.

Table 9.4 summarizes the characteristics of the mineralized veins exposed by the underground works between 2019 and 2020 with a combined value greater than 500 g/t AgEq.

Table 9.4 Underground tunnelling program – mineralization highlights 2019 - 2020

Tunnel ID	Vein	Elevation (m)	Length of mineralized vein (m)	Width of mineralized vein (m)	Weighted average grade			Year
					Ag (g/t)	Pb (%)	Zn (%)	
NV4-50-46WYM NV4-50-46EYM NV3-50-46NECM	NV4	50	100	1.19	70	7.02	3.95	2020 2020 2019
NV4-0-38SEYM NV4-0-38NWYM	NV4	0	50	0.70	86	10.37	4.45	2020 2020
NV6-50-46SWYM NV6-50-46NEYM NV6-50-46NCM	NV6	50	30	0.42	95	7.75	2.34	2020 2020 2020
V29-0-114NEYM V29-0-114ANEYM	V29	0	85	0.67	55	0.09	10.36	2020 2020
V2E-(-80)-30AEYM	V2E	-80	30	0.96	86	5.70	5.42	2020
V2E-4E-(-100)-46AWYM	V2E-4E	-100	25	0.55	96	3.18	6.01	2019
V5-12-(-50)-30ASWYM V5-12-(-50)-30ANEYM	V5-12	-50	40	0.39	101	0.08	10.05	2019 2019
V5-12-(-100)-32SWYM	V5-12	-100	40	0.45	91	0.30	4.40	2019
V16-135-32WYM	V5-17	150	150	0.55	389	1.24	3.39	2019
V5-6-110-30SWYM V5-6-110-30NEYM V5-17-100-30WYM	V5-17	100	75	0.60	399	1.67	2.65	2020 2020 2020
V6E4-0-32NWYM V6E3-0-32EYM	V6E3	0	110	0.39	163	13.66	10.54	2019
V6M-(-200)-22ASEYM V6M-(-200)-22ANWYM	V6M	-200	145	1.21	61	4.06	5.47	2019 2019
V6M-2-(-150)-18SEYM	V6M-3	-150	45	0.95	134	8.18	4.70	2019
V9-5-50-32ANCM V9-5-50-18AWYM-CM-SYM V9-5-50-18AWYM V9-5-50-18AEYM	V9-5	50	35	0.64	163	1.56	6.55	2019 2020 2020 2020

V5-50-30AEYM								2019
V5-13-50-32NCM								2019
V10-(-119)-107SWYM	V10	-119	15	0.81	340	12.99	1.93	2019
V10-1-135-40SWYM								2019
V10-1-135-40SCM	V10-1	135	85	0.76	268	1.06	17.26	2019
V10-1-135-40NEYM								2019

Tunnel ID	Vein	Elevation (m)	Length of mineralized vein (m)	Width of mineralized vein (m)	Weighted average grade			Year
					Ag (g/t)	Pb (%)	Zn (%)	
V10-1-85-104SWYM	V10-1	85	85	0.65	85	0.50	10.91	2020
V10-1-85-104NEYM								2020
V16-100-36EYM	V10-1S	100	40	0.41	139	0.05	12.12	2020
V10-1-100-38ANEYM								2019
V10-1-50-38SECM	V10-5	50	25	0.17	554	1.76	4.05	2019
V10-1-50-38NEYM								2019
V1-1-(-150)-20WYM	V1-1	-150	45	1.29	86	7.31	3.28	2019
V16-135-32SCM	V16	135	65	0.61	453	1.49	5.30	2019
V16-135-32EYM								2019
V17-(-100)-34AWYM	V16	-100	30	0.66	280	1.96	3.25	2019
V17-(-100)-34AEYM								2019
V16-(-100)-22AEYM								2019
V17-0-34WYM	V17	0	130	0.38	375	0.50	17.17	2019
V17-0-34EYM								2019
V17-1-0-34WYM	V17-1	0	65	1.17	420	1.23	2.58	2019
V17-1-0-34SCM								2019
V17-1-0-34EYM								2019
V18-150-28AWYM	V18	150	90	0.62	514	1.52	1.52	2019
V18-150-28AEYM								2019
V18-150-20WYM								2019
V18-1-(-100)-28SEYM	V18	-100	95	1.23	137	2.64	7.51	2019
V18-(-100)-36WYM								2020
V18-(-100)-30AWYM								2019
V18-(-100)-30AEYM								2019
V8-(-50)-30AEYM	V18-2	-50	105	0.58	335	2.03	2.95	2019
V18-2-(-50)-32NECM								2019
V18-3-0-34SWYM	V18-3	0	45	0.85	442	1.07	6.31	2020
V18-3-0-34NEYM								2020
V17-1-0-34SCM								2019
V18-3-(-50)-34ASWYM	V18-3	-50	90	0.35	185	0.55	14.52	2020
V18-3-(-50)-34ANEYM								2020
V18-3-(-150)-36AWYM	V18-3	-150	85	0.99	85	1.42	10.05	2020
V18-3-(-150)-36AEYM								2020
V18-4-0-34SWYM	V18-4	0	30	0.32	604	0.74	9.17	2020
V19-(-50)-48ANEYM	V19	-50	95	1.15	124	1.98	9.47	2019
V19-(-50)-42AWYM								2019
V19-(-125)-46AWYM	V19	-125	80	0.94	143	3.24	4.75	2020
V19-(-125)-46AEYM								2020
V19-4-85-104EYM	V19-4	85	35	0.73	240	4.42	3.44	2020
V32-50-50EYM	V32	50	80	0.43	1071	1.02	1.20	2020
V32-50-48SWYM								2019
V32-20-50SWYM	V32	20	60	0.59	187	5.42	6.97	2019
V32-20-50NEYM								2019

Tunnel ID	Vein	Elevation (m)	Length of mineralized vein (m)	Width of mineralized vein (m)	Weighted average grade			Year
					Ag (g/t)	Pb (%)	Zn (%)	
V32-0-50ASWYM	V32	0	155	0.43	644	4.27	3.26	2019
V32-0-50ANEYM								2019
V37-50-44ASWYM	V37	50	65	0.52	75	5.64	6.72	2019
V37-50-44ANEYM								2019
V37-50-36AEYM								2020
V37-50-36AECM								2020
V33-(-50)-44SECM	V41	-50	60	0.52	299	0.93	3.82	2020
V32-(-50)-44SWYM								2020
V52-200-38AWYM	V52	200	115	0.48	385	3.97	10.15	2020
V52-200-38AEYM								2020
V52-150-38WYM	V52	150	100	0.75	386	3.28	7.97	2019
V52-150-38EYM								2019
V52-150-119SECM								2019
V52-150-119NEYM								2019
V52-2-150-40WYM	V52-2	150	45	0.88	958	4.28	1.82	2020
V52-(-50)-42AWYM	V52-2	-50	125	0.82	115	0.56	11.98	2019
V14-(-50)-116SWYM								2019
V59-150-42SYM	V59	150	305	0.52	280	0.94	10.85	2020
V59-150-42SCM								2020
V59-150-42NYM								2020

V19-2-150-40ASEYM								2019
V19-2-150-40ANWYM								2019
V10-1-150-38ANEYM								2019

Source: Silvercorp Metals Inc.

10 Drilling

10.1 Historical drilling (pre-2008)

Forty-three (43) diamond drillholes for a combined total of 13,463.74 m were drilled on the Property between 2001 and 2007 prior to the Property acquisition by Silvercorp. Diamond drillholes were drilled using PQ size in overburden, then reduced to HQ size for up to 100 m depth. The remainder of a hole was drilled using NQ size unless the hole was planned to drill in excess of 600 m in length. Core recoveries varied from 85 to 100%, averaging 99%.

Drilling statistics for prior to the issuer's involvement are presented in Table 10.1.

Table 10.1 Metres of various drill core sizes prior to acquisition by Silvercorp (pre-2008)

Year drilled	PQ -85 mm (m)	HQ-63.5 mm (m)	NQ-47.6 mm (m)	Total (m)
2001 – 2005		1,993.91		1,993.91
2006 – 2007	420.27	5,179.68	5,869.88	11,469.83
Total	**420.27**	**7,173.59**	**5,869.88**	**13,463.74**

Source: Silvercorp Metals Inc.

10.2 Silvercorp drilling (2008 – 2020)

Silvercorp completed its first phase of diamond drilling on the Property in 2008. Detailed systematic drilling commenced on the Property in 2011 and continued through to 2020. All Silvercorp drilling was completed as NQ-sized core.

All drill programs were managed by Silvercorp. Drillhole collars were surveyed using a total station. Downhole surveys were completed every 50 m downhole using a Photographical Inclinometer manufactured by 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 centimetres (cm) concrete blocks.

Core recoveries from Silvercorp drilling programs have varied between 35.66% and 100.00% averaging 99.36%. The relationship between grade and core recovery was reviewed and no bias was found.

Photographs of the well-maintained core shack in the GC camp complex are shown in Figure 10.1.

Figure 10.1 Drill core storage facility

a) Drill core racks in core shack



b) Drill core racks in core shack



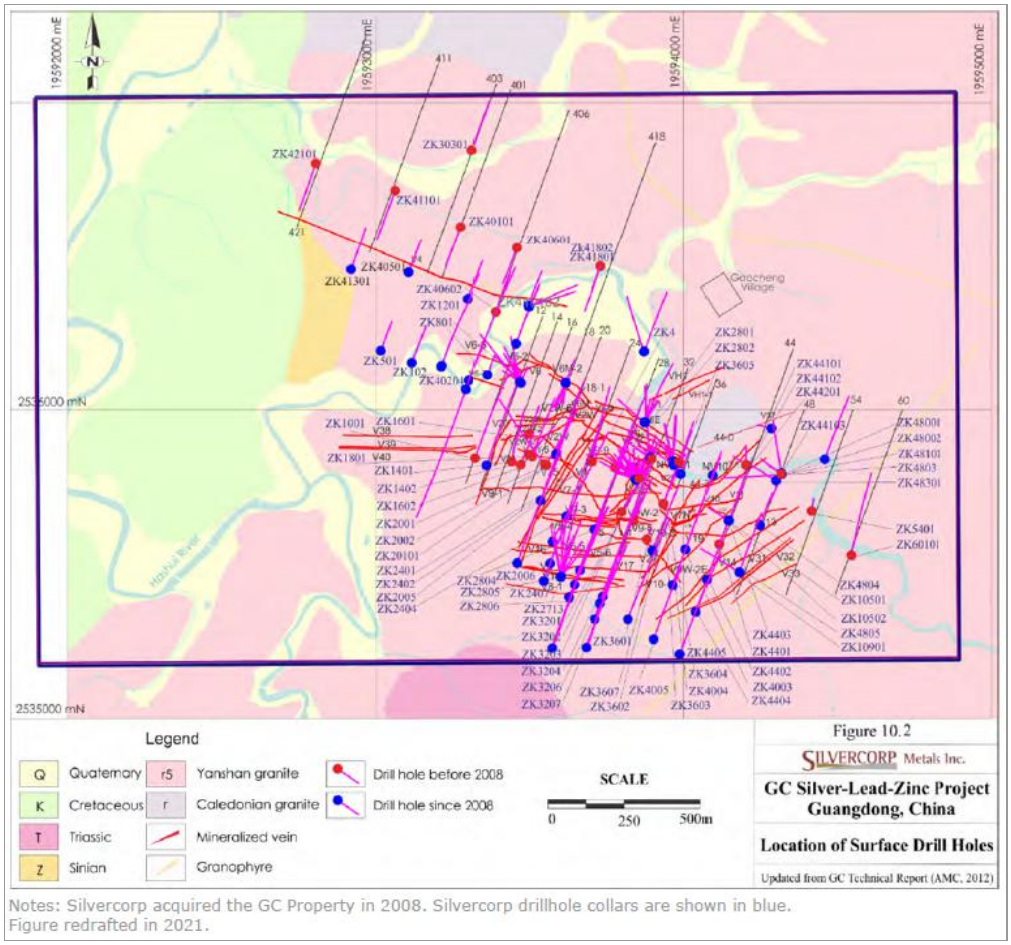
Source: Silvercorp Metals Inc.

10.2.1 2008 surface drill program

In 2008, Silvercorp completed a 22-hole (10,082.6 m) surface drilling program, which resulted in the discovery of 15 mineralized veins.

All surface drillhole locations, which were drilled before and after 2008, are shown in Figure 10.2.

Figure 10.2 Surface drilling completed on the Property



Notes: Silvercorp acquired the GC Property in 2008. Silvercorp drillhole collars are shown in blue.
Figure redrafted in 2021.

10.2.2 2011 to 2020 drill programs

Silvercorp commenced a detailed, systematic drilling program at the GC project in 2011. Between 2019 and 2020, a total of 538 underground diamond drillholes (59,898.2 m) were completed. This brings the 2011 to 2020 totals to 1,664 underground diamond drillholes and 102 surface diamond drillholes. 48,307 samples have been taken from the drill core since 2011.

In total, 1,145 drillholes hit mineralization with AgEq greater than 100 g/t (select drillhole intersections are shown in Table 10.2). Note: Silver equivalent is calculated using the equation AgEq = Ag g/t + 50.46*Pb% + 43.53*Zn%. The assumptions used to derive the silver equivalent formula are shown in Table 14.8.

Table 10.2 Selected drillhole intersections >100 g/t AgEq by vein

Vein	No. of holes	> 100 g/t Ag*	Vein	No. of holes	> 100 g/t Ag*	Vein	No. of holes	> 100 g/t Ag*	Vein	No. of holes	> 100 g/t Ag*
NV10	66	37	V19-8	15	10	V31	48	13	V6-4N	3	2
NV2	15	6	V2-1	17	10	V32	63	36	V6-5	15	12
NV28	59	42	V2-2	72	35	V33	71	42	V6-5S	9	5
NV28-1	42	23	V2-3	47	29	V33-1	7	4	V6-7	12	4
NV3	8	3	V2-4	9	7	V33-2	5	2	V6-8	43	21
NV4	16	8	V25	95	50	V33E	39	13	V6E	47	23
NV6	4	3	V2-5	47	15	V34	4	2	V6E1	27	12
V1	47	34	V26	17	10	V35	28	13	V6E2	12	4
V10	109	80	V2-6	18	6	V36	20	13	V6E3	4	4
V10-1	83	53	V26E	8	4	V37	15	11	V6M	46	32
V10-10	19	7	V27	39	13	V37-1	13	6	V6M-2	14	5
V10-11	9	2	V28	58	36	V38	3	1	V6M-3	20	14
V10-17	2	1	V2-8	6	5	V39	9	3	V6N	3	1
V10-1S	16	5	V28-4	85	60	V4	14	6	V7	56	27
V10-2	18	9	V28-5	7	6	V40	14	10	V7-1	51	20
V10-3	27	14	V28-7	7	5	V41	53	20	V7-1E	22	11
V10-4	29	18	V29	17	10	V4-1	1	1	V7-2	21	8
V10-5	15	12	V2-9	2	2	V45	7	4	V7-3	35	25
V10W	21	11	V29-1	32	14	V46	3	2	V7-4	31	18
V11	57	25	V2E	162	130	V47	5	3	V7-5	28	13
V1-1	22	15	V2E1	61	46	V49	5	3	V7E	9	8
V12	63	33	V2E2	13	10	V5-12	19	14	V7S	3	2
V1-2	30	20	V2E3	26	13	V5-17	7	3	V8	20	9
V13	75	35	V2E4	13	8	V52	12	6	V8-1	39	22
V14	41	24	V2E-4E	38	20	V5-2	13	8	V8-2	19	11
V16	133	82	V2E-8	3	3	V52-2	21	15	V8-5	9	6
V1-6	1	1	V2W	164	138	V52-3	13	7	V9-1	26	13

V17	95	55	V2W-0	18	8	V5-4	46	17	V9-11	38	21
V17-1	33	15	V2W-10	4	2	V5-5	42	17	V9-2	24	7
V18	83	39	V2W-11	3	2	V5-7	12	7	V9-3	79	39
V18-1	46	18	V2W-14	15	10	V58	11	8	V9-4	35	19
V18-2	18	8	V2W-3	24	15	V59	4	2	V9-5	128	72
V18-3	21	17	V2W-4	85	33	V5-9	29	19	V9-6	2	0
V18-4	14	6	V2W-5	19	13	V6	10	10	V9-9	11	6
V19	90	60	V2W-7	16	9	V6-0	62	30	V9W-2	130	57
V19-1	16	9	V2W-8	13	9	V6-1	64	26	V9W-2E	38	22
V19-2	8	6	V2W-9	29	16	V6-2	9	4	VH1	4	3
V19-4	12	8	V3	1	1	V6-3	4	4	VH1-3	5	4
V19-7	5	3	V30	5	3	V6-4	5	4	VH1-4	8	6

Note: *Holes with > 100 g/t Ag equivalent intersection. Ag equivalent is calculated using the equation AgEq = Ag g/t+50.46*Pb%+43.53*Zn%.
Source: Silvercorp Metals Inc.

Table 10.3 presents drilling statistics by year for holes drilled from surface and underground set-ups. In 2011, the majority of drilling was completed from surface. As drill target depths increased, underground drilling was increasingly utilized. Since 2014, all diamond drilling has been completed using underground set-ups.

Table 10.3 Drilling program summary

Year	Metres drilled	Holes completed		Holes with > 100 g/t AgEq
		Underground	Surface	
2008-2011	28,412.6	0	123	62
2011	14,484.2	2	34	22
2012	27,450.0	109	27	106
2013	46,565.4	262	41	233
2014	19,331.9	121	0	100
2015	22,431.0	150	0	117
2016	11,944.4	129	0	91
2017	21,085.1	164	0	125
2018	24,993.4	189	0	160
2019	24,945.5	192	0	151
2020	34,952.6	346	0	278
Total	**276,596.1**	**1,664**	**225**	**1,445**

Note: Ag equivalent is calculated using the equation AgEq =Ag g/t+50.46*Pb%+43.53*Zn%.
Source: Silvercorp Metals Inc.

The majority of drillholes were drilled as inclined holes to test multiple vein structures. Underground drillholes were drilled as fans of multiple holes from single set-ups (Figure 10.4).

Significant high-grade mineralized zones have been exposed at and below the current production levels, and major mineralized zones have been extended along strike and down dip.

Figure 10.3 presents a level plan of mineralized veins and tunnels at the 0 level. Cross sections of drilling are presented in Figure 10.4, Figure 10.5 (inset) and Figure 10.6. A longitudinal section for vein V2E is presented in Figure 10.7. Table 10.4 provides data for drillholes highlighted in Figure 10.5.

Figure 10.3 Underground plan showing mineralized veins and tunnels at Level 0 m

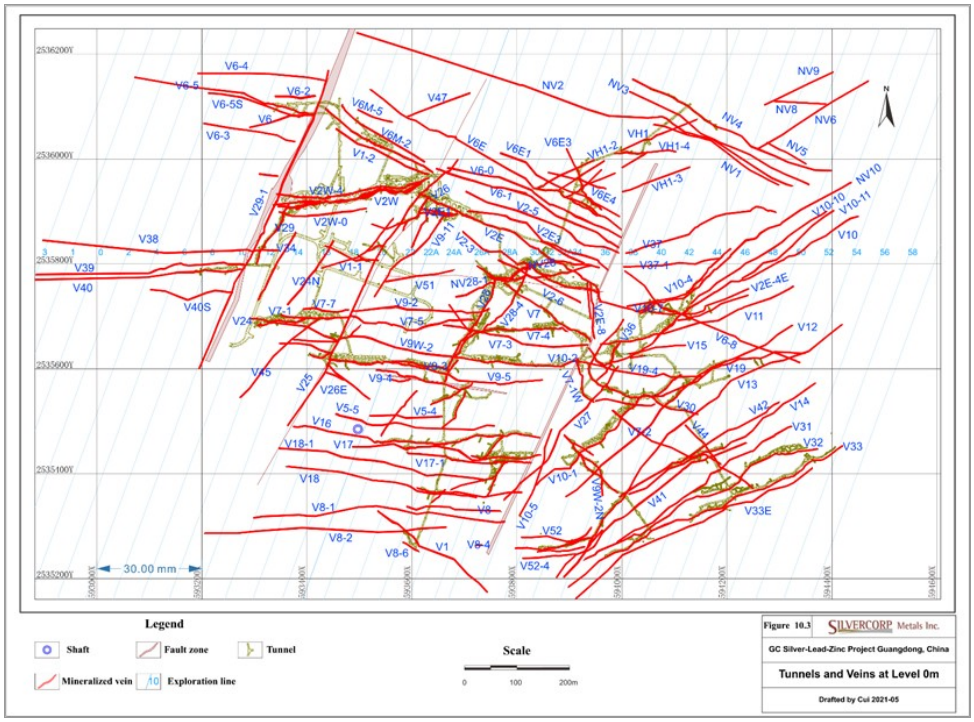


Figure 10.4 Cross section on Exploration Line 22A

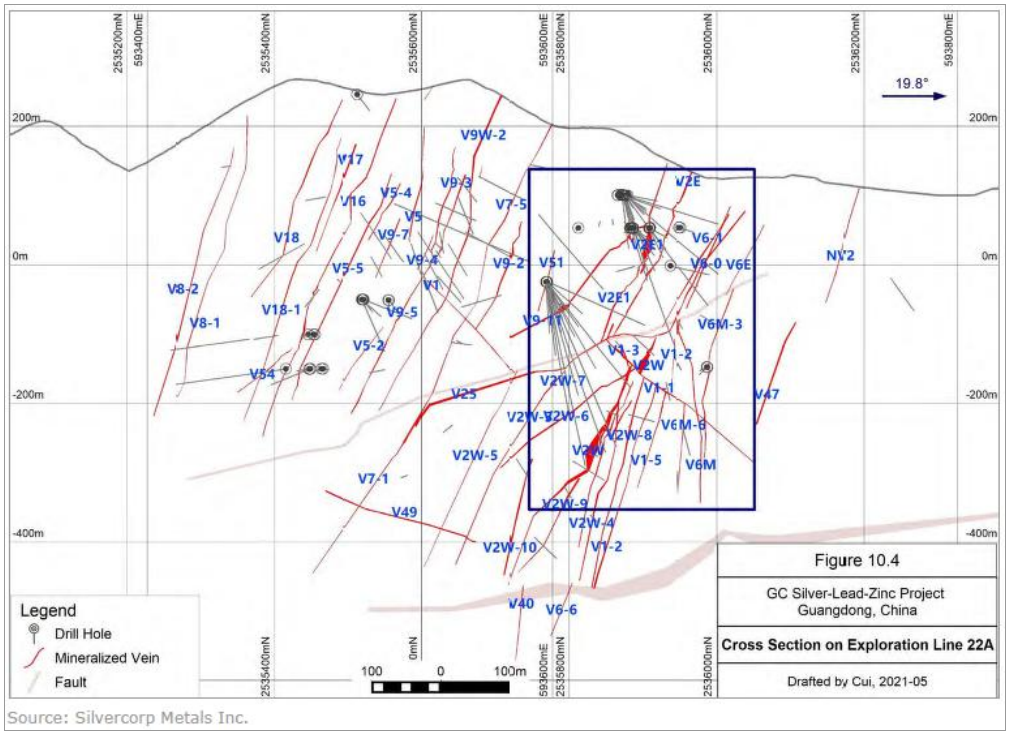
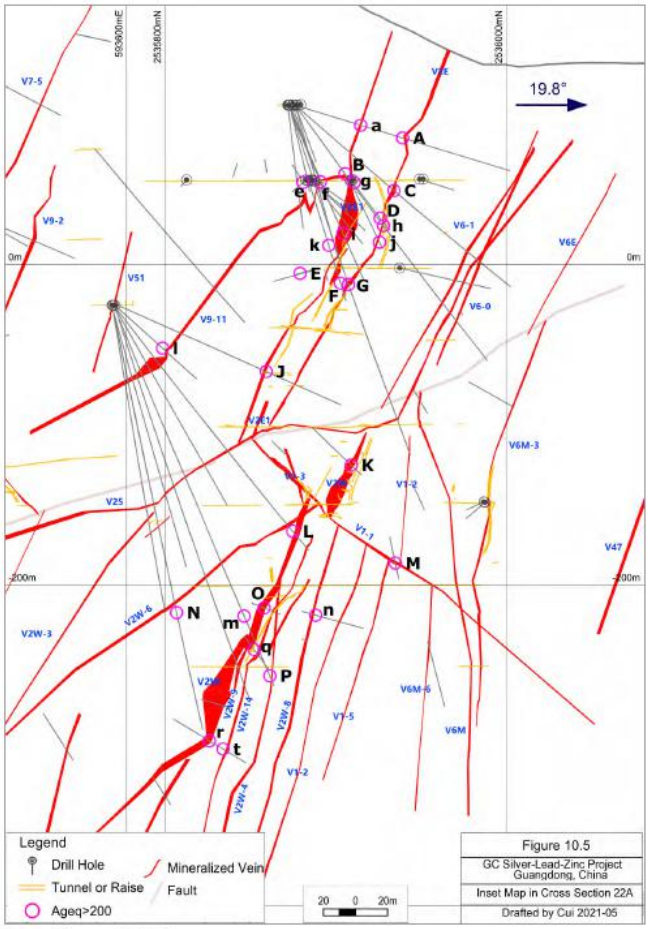


Figure 10.5 Inset map for Cross Section 22A



Source: Silvercorp Metals Inc.

Table 10.4 Drillhole intersections highlighted on Figure 10.5

Figure 10.5 point	Vein	Hole ID	From (m)	To (m)	Horizontal width (m)	Interval length (m)	Ag (g/t)	Pb (%)	Zn (%)	AgEq (g/t)
a	V2E1	CK2301	44.70	45.75	1.03	0.99	19	0.34	5.33	268
A	V2E	CK2301	71.68	73.28	1.56	1.51	146	3.06	3.39	448
B	V9-11	CK2303	51.63	54.28	2.34	2.19	118	3.62	3.20	440
C	V2E	CK2302	79.82	83.02	3.18	2.99	109	2.96	4.12	438
D	V2E	20CK22A02	29.74	31.44	1.61	1.45	95	0.42	5.03	335
e	V9-11	20CK10513	1.84	4.89	1.79	1.65	65	2.14	2.85	298
E	V9-10	CK2163	29.61	29.91	0.18	0.18	50	0.67	5.19	310
f	V9-11	CK2307	51.28	52.45	0.81	0.76	38	0.27	3.52	205
F	V2E	20CK22A03	65.11	69.25	3.70	3.15	59	3.13	2.58	330
g	V2E1	20CK10309	8.02	12.06	2.54	2.34	64	1.67	3.14	285
G	V2E	CK2305	116.38	119.63	2.07	1.95	349	0.66	1.77	460
h	V2E	CK2303	92.68	93.73	0.93	0.87	45	0.29	5.51	300
i	V2E1	CK2307	80.65	93.25	8.67	8.15	47	1.93	1.63	215
j	V2E	20CK22A01	41.83	43.75	1.65	1.63	50	1.88	3.36	291
J	V2E1	CK2311	100.63	102.83	1.61	1.51	176	2.03	3.14	415
k	V2E1	20CK22A03	42.07	42.75	0.65	0.61	84	1.97	0.61	210
K	V2W	CK2217	154.89	160.20	4.43	4.17	118	2.99	6.76	563
l	V9-11	CK2124	42.12	43.22	0.60	0.56	104	1.25	2.35	269
L	V2W	CK2317	177.36	184.27	2.20	2.06	82	2.50	4.94	423
m	V2W	CK2313	210.03	212.93	2.10	1.97	45	1.11	3.58	257
M	V1-1	CK2260	194.35	198.17	1.22	1.14	37	2.53	4.07	342
n	V2W-8	19CK2403	82.18	84.11	2.03	1.84	181	0.23	1.08	240
N	V2W-6	CK2316	195.17	197.17	1.12	1.05	43	3.17	4.17	385
O	V2W	19CK10509	60.53	64.23	3.68	3.34	71	2.35	6.66	480
P	V2W-4	CK2313	251.81	252.71	0.65	0.61	91	0.59	6.55	406
q	V2W	19CK10510	66.98	71.47	4.42	4.00	35	2.17	2.24	242
r	V2W	18CK10707	196.74	199.25	2.81	2.39	32	1.96	3.77	295
t	V2W-14	18CK10707	208.42	209.55	1.27	1.08	90	1.37	1.40	220

Note: Ag equivalent is calculated using the equation AgEq = Ag g/t+50.46*Pb%+43.53*Zn%.
Source: Silvercorp Metals Inc.

Figure 10.6 Cross section on Exploration Line 34

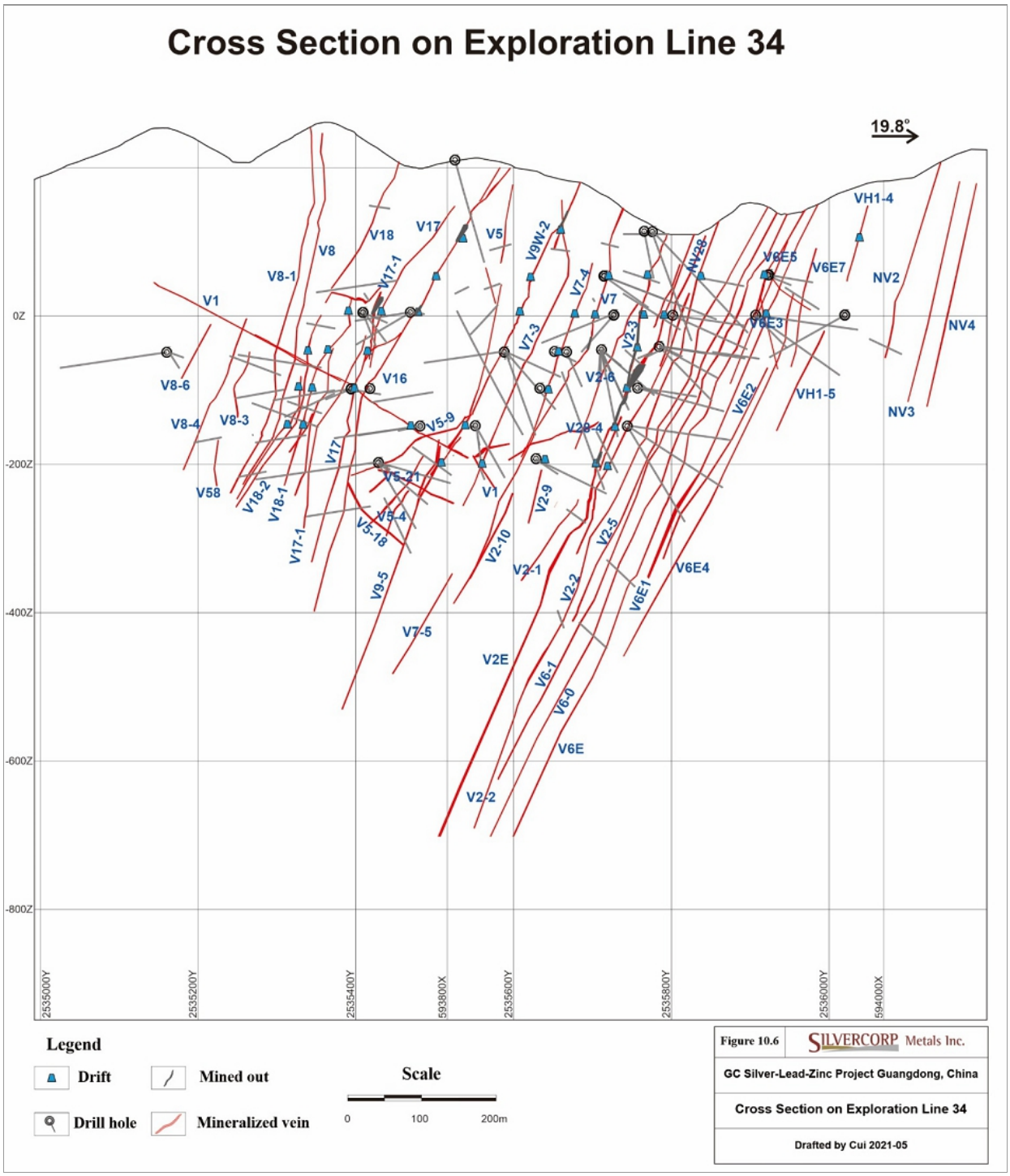
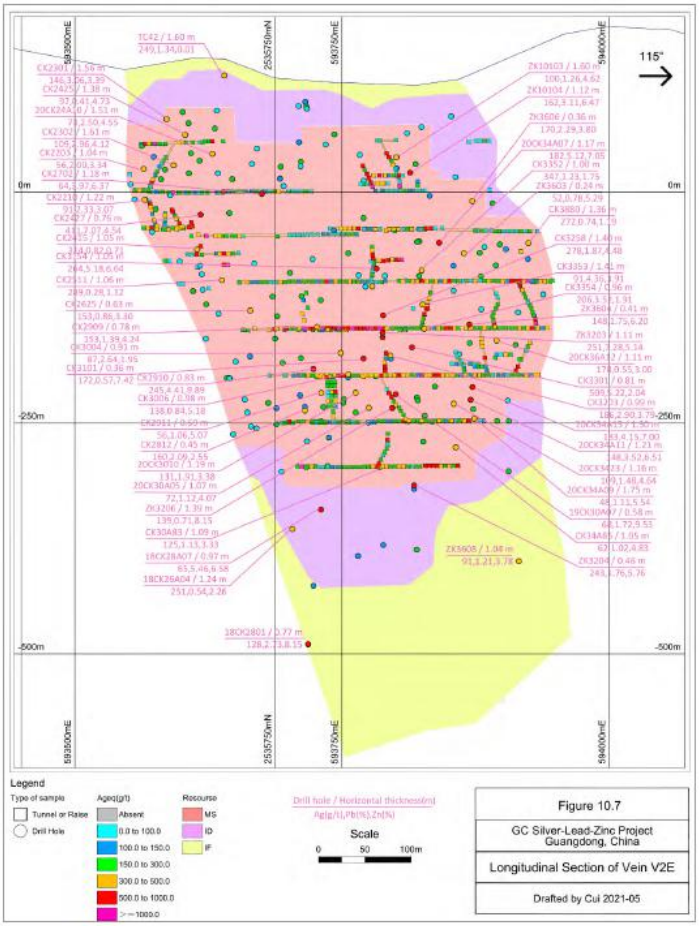


Figure 10.7 Longitudinal section of Vein V2E



Source: Silvercorp Metals Inc.

10.2.3 Bulk density

In the 2019 Technical Report the following comments on bulk density were made:

"Average bulk density for all samples after removal of outliers was calculated to be 3.57 t/m ^{3}. AMC noted that the average grade of the selected samples is around 65% higher than the average grade of the Mineral Resources, which raises the possibility that the average bulk density of 3.57 t/m^3 may err on the high side."

It was recommended that:

- Additional bulk density samples from representative veins be taken with varying base metal and pyrite content.
- The average grade of bulk density samples should reasonably approximate the average grade of the Mineral Resources.
- Bulk density samples be assayed for total S in addition to Ag, Pb, and Zn.
- Bulk density samples should also encompass bounding waste material in situations where minimum mining widths are applied for Mineral Resource estimation purposes.

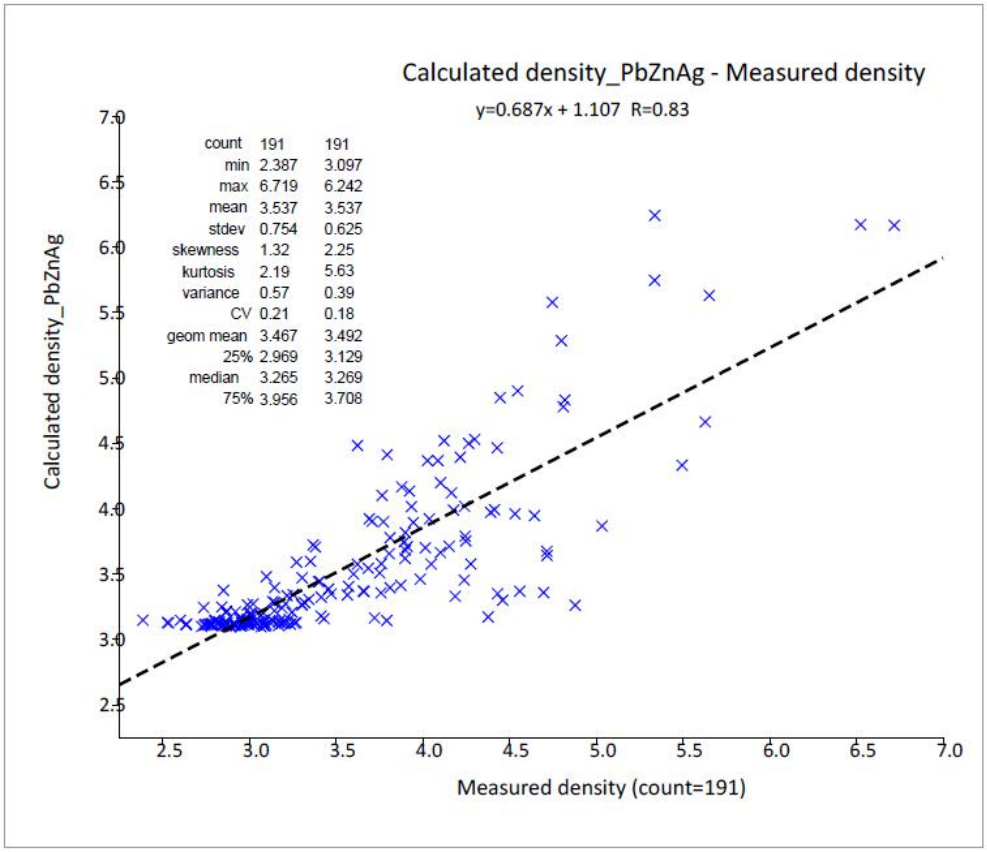
Since the 2019 Technical Report, Silvercorp has collected 191 samples.

The new AMC-derived density formula for the GC deposit is based on the new samples and is a multiple linear regression model using lead, zinc, and silver grades.

DENSITY = 3.094919 + (0.040827 x Pb) + (0.034253 x Zn) + (0.000482 x Ag)

The QP notes that this formula is only applied within mineralization wireframes. Barren rock is assumed to have a density of 2.60, as discussed in Section 15. A scatterplot showing the measured density versus the density estimated by linear regression is shown in Figure 10.8.

Figure 10.8 Measured density vs density estimated by linear regression with Pb, Zn, Ag



Source: AMC Consultants Pty Ltd based on data provided by Silvercorp Metals Inc.

The majority of the resource samples and the block model only have analyses and estimates of lead, zinc, and silver, so using a multiple regression including iron is not feasible for the resource model. However, the QP notes that when the linear regression model includes all four metals (iron, lead, zinc, and silver), the correlation coefficient improves. From a geological perspective, this is accounting for the pyrite at GC that is not directly related to mineralization. It is from this basis that the QP makes the following conclusions:

- The three-element linear regression model (lead, zinc, and silver) provides better estimates of density than the average density used in the previous resource model. The regression model should be applied to the estimated block grades to derive block density and block tonnage.
- Adding iron to the regular assay suite for samples used for resource estimation would enable a significant improvement in the density estimates. A similar improvement would be expected by addition of sulphur to the assay suite, assuming that any sulphur not occurring in galena or sphalerite is probably in iron sulphides. The aim should be to move to use of the four-element regression model as soon as possible.

10.3 Recommendations

In regard to the drilling database, the QP recommends that all records (drillhole and channel samples) be assigned a consistent year between the collar and assay files. This will reduce reporting discrepancies.

The QP makes the following recommendations for future density measurements:

- Each density sample should be geologically logged, with particular attention to the degree of oxidation and the presence or absence of vughs or porosity.
- The minimum size of the density samples should be 1 kg. The part of the sample that is selected for assaying should be as representative of the mineralization in the part used for density measurement as possible. Assaying of the density sample itself is preferable but only if the wax does not lead to problems with assay sample preparation.
- Iron and / or sulphur should be added to the regular assay suite for samples used for resource estimation.
- Additional bulk density measurements on representative samples with varying base metal and pyrite content should be made.
- Bulk density measurements should also be made on samples from the bounding waste material so that in situations where minimum mining widths are applied for Mineral Resource estimation purposes, the bulk density of the diluted ore can be correctly estimated.
- The density of oxidized and fresh ores should be estimated separately.

10.4 Conclusion

In the QP's opinion there are no drilling, sampling, or recovery factors that could materially impact the accuracy and reliability of drill results.

11 Sample preparation, analyses, and security

11.1 Introduction

This section describes the sampling methods, analytical techniques, and assay Quality Control / Quality Assurance (QA/QC) protocols employed at the GC Property to the end of December 2020. All work programs were managed by Silvercorp and carried out in accordance with Silvercorp's internal procedures.

The QP has reviewed sample preparation, analysis, security, and QA/QC protocols and associated data collected during operations at the Property between 2011 and 2020. QA/QC samples were not incorporated into drillhole or underground sampling programs prior to 2011, and only partially incorporated into underground sampling programs prior to 2014. Pre-2011 work accounts for 11% of all drilling and 3% of all underground sampling.

11.1.1 Drillhole sampling

Drilling completed at the Property comprises NQ sized (48 mm) diamond core collared from both surface and underground. Drill core is collected in wooden core trays by drilling personnel. Silvercorp geologists visit the drill site daily to check drilling progress, drill core quality and correct depth markings. Once checks are complete, core is transported to the surface core shack at the mine camp for further processing.

Silvercorp personnel complete all logging and sampling processes. This comprises the collection of core recovery data, detailed lithological, vein and mineralization logging, core photography, and core sampling. After geological logging, sample intervals are determined by the geologist based on the presence of veining and sulphide content, respecting geological and mineralization contacts. Sample lengths generally range from 5 cm and up to 2 m, averaging 1.1 m in length. During the sampling process the geologist records the hole ID and relevant depth interval of the sample in a sample book with a pre-numbered sample ID and tear off tags.

After the core has been photographed, core to be sampled is cut in half with a rock saw. One half of the core is collected and placed into cotton bags and the other half of the core is returned to the core tray for archival storage (or quartered if a duplicate sample is required). The sample number for the corresponding interval is then marked on the outside of the cotton bag, and a tear off tag with the sample number is inserted into the bag. The sample number is also recorded on the retained half of the core with an indelible marker for future reference. Sample bags are then sealed and placed into larger rice bags and secured for shipment to the laboratory.

11.1.2 Underground sampling

Underground samples comprise a composite of chips collected from channels cut into tunnels, cross cuts, and the bottom of trenches. Tunnels are typically sampled along sample lines perpendicular to the mineralized vein structure on 5 m intervals within mineralized zones and increasing to 15 to 25 m within non-mineralized zones. Samples collected from the walls of cross cuts and the bottom of trenches are generally restricted to the thickness of the mineralized structure.

Samples include vein material and associated wallrock. Samples are collected in cotton bags labelled with a unique sample number. Sample bags are then sealed and placed into larger rice bags and secured for shipment to the laboratory.

11.2 Sample preparation and analysis

Silvercorp has used two primary laboratories for sample preparation and analysis since 2008. ALS Chemex (Guangzhou) CO., Ltd. (ALS Guangzhou), part of ALS Global, located in Guangdong Province was used as the primary laboratory between 2008 and 2014. Silvercorp's Gaocheng Mine Site Laboratory (GC Lab) has been used as the primary laboratory since 2014.

ALS Guangzhou is accredited with International Standards Organization (ISO) standards 9001:2015 and 17025:2007 and China National Accreditation Service (CNAS). The accreditation covers General requirements for the Competence of Testing and Calibration Laboratories.

The GC Lab is owned and operated by Silvercorp and is not certified by any standards association.

11.2.1 Sample shipment and security

Drill core is stored in a clean and well-maintained core shack in the GC camp complex (Figure 10.1). This core shack is locked when unattended and monitored by two security personnel 24 hours a day.

Samples are shipped to the laboratory in sample bags inside sealed poly-woven rice bags. Between 2008 and 2014, samples were transported by Silvercorp personnel in a pickup truck and then couriered to ALS laboratories in Guangzhou. Between 2014 and 2020 samples were transported to the GC lab by Silvercorp personnel.

11.2.2 ALS Guangzhou

ALS Guangzhou was used by Silvercorp as the primary laboratory for GC sample preparation and analysis from 2008 to 2014, and as an umpire laboratory in subsequent years. At ALS Guangzhou, samples are dried, then crushed to greater than 70% passing <2 mm. The crushed sample is then split using a riffle splitter and up to 250 g pulverized to achieve 85% passing 75 microns.

Prepared samples are digested using ALS assay procedure OG62. In the process samples are digested with nitric, perchloric, hydrofluoric and hydrochloric acids (four-acid digest), 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 analyzed by inductively coupled plasma – atomic emission spectrometry (ICP-AES) or atomic absorption spectrometry (ICP-AAS).

Detection ranges for the OG62 method are presented in Table 11.1.

Table 11.1 ALS Chemex lab method and detection limits

Element	ALS method	Units	Lower limit	Upper limit
Ag	Ag-OG62	ppm	1	1,500
Pb	Pb-OG62	%	0.001	20
Zn	Zn-OG62	%	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 are subsequently analyzed 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.

11.2.3 Gaocheng mine laboratory

The GC Lab has been used as the primary laboratory for GC sample preparation and analysis since 2014.

At the GC Lab, samples are dried for 12 hours at 75 – 80°C, 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 analyzed using atomic-absorption spectrometry (AAS). Lead and zinc reporting above the upper detection limit (3%) are analyzed 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 analyze high grade silver. This process has an upper detection limit of 5,000 ppm Ag.

Detection limits for the GC Lab analytical process are presented in Table 11.2.

Table 11.2 Silvercorp GC lab detection limits

Element	Detection range	Over limit notes	Over limit upper detection limit
Ag	5 - 1,000 ppm	>1,000 g/t overlimit samples analyzed by fire assay	5,000 ppm
Pb	0.001 - 3%	>3% overlimit samples analyzed by separate titration	80%
Zn	0.001 - 3%	>3% overlimit samples analyzed by separate titration	80%

Source: Silvercorp Metals Inc.

11.3 QA/QC monitoring program

11.3.1 Overview

Silvercorp has established QA/QC procedures which cover sample collection and processing at the GC Property. These QA/QC protocols have been progressively refined since 2011. Certified Reference Materials (CRMs) and coarse blanks have been included with drilling samples since 2011, and with underground samples since 2014. Field duplicates have been included with drilling samples since 2012 and with underground samples since 2014. Check (umpire) samples (pulp duplicates) have been sent to a separate 'umpire' laboratory since 2012.

In 2018, Silvercorp further improved their QA/QC protocols to include regular and more frequent submission of CRMs, coarse blanks, and field duplicates with drilling and underground samples. Coarse reject duplicates and pulp duplicates were also incorporated into drill sampling programs. The proportion of check samples sent to a different laboratory was also increased. In 2019, Silvercorp initiated real-time monitoring of QA/QC protocols.

A summary of QA/QC samples included in drilling and underground sampling programs since 2011 is provided in Table 11.3. Table 11.4 summarizes the insertion rates of these QA/QC samples.

Table 11.3 GC QA/QC samples by year

Year [1]	Drilling							Underground sampling				
	Drill samples [2]	CRMs	Blanks	Duplicates			Umpire samples [3]	Channel samples [2]	CRMs	Blanks	Field duplicates [3]	Umpire samples [4]
				Field	Coarse	Pulp						
Pre-2011 [5]	5,300	0	0	0	0	0	0	102	0	0	0	0
2011	1,859	68	82	0	0	0	60	34	0	0	0	0
2012	4,707	98	133	94	0	0	2,247	1,142	0	0	0	103
2013	7,235	105	132	106	0	0	3,094	2,145	0	0	0	11
2014	1,617	44	50	44	0	0	109	1,991	31	29	35	102
2015	1,729	45	48	41	0	0	31	4,139	64	67	68	0
2016	1,974	82	81	80	0	0	33	4,299	71	71	74	0
2017	4,150	150	153	155	0	0	46	5,183	84	84	84	0
2018	5,178	178	184	184	60	60	303	5,786	281	289	289	976
2019	5,085	164	176	163	163	163	0	7,629	122	124	118	482
2020	9,473	331	407	331	331	327	467	6,961	136	141	138	382
Total	**48,307**	**1,265**	**1,446**	**1,198**	**554**	**550**	**6,390**	**39,411**	**789**	**805**	**806**	**2,056**

Notes:
[1] Breakdown by year is approximate. Year compiled by AMC based on drill date recorded in collar file and assay files. Where missing, dates were compiled from assay date or interpolated by sorting data by sample ID.
[2] Samples with no assays are not included in totals.
[3] Additional CRMs, blanks and duplicates were submitted with umpire samples sent to check laboratory.
[4] Underground duplicates comprise only field duplicates.
[5] Includes all drilling completed prior to 2011 including that by previous operators
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

Table 11.4 GC QA/QC insertion rates

Year [1]	Drilling							Underground sampling				
	Drill samples [2]	CRMs (%)	Blanks (%)	Duplicates (%)			Umpire samples [3] (%)	Samples	CRMs (%)	Blanks (%)	Field duplicates [3] (%)	Umpire samples [4] (%)
				Field	Coarse	Pulp						
Pre-2011 [5]	5,300	0.0	0.0	0.0	0.0	0.0	0.0	102	0.0	0.0	0.0	0.0
2011	1,859	3.7	4.4	0.0	0.0	0.0	3.2	34	0.0	0.0	0.0	0.0
2012	4,707	2.1	2.8	2.0	0.0	0.0	47.7	1,142	0.0	0.0	0.0	9.0
2013	7,235	1.5	1.8	1.5	0.0	0.0	42.8	2,145	0.0	0.0	0.0	0.5
2014	1,617	2.7	3.1	2.7	0.0	0.0	6.7	1,991	1.6	1.5	1.8	5.1
2015	1,729	2.6	2.8	2.4	0.0	0.0	1.8	4,139	1.5	1.6	1.6	0.0
2016	1,974	4.2	4.1	4.1	0.0	0.0	1.7	4,299	1.7	1.7	1.7	0.0
2017	4,150	3.6	3.7	3.7	0.0	0.0	1.1	5,183	1.6	1.6	1.6	0.0
2018	5,178	3.4	3.6	3.6	1.2	1.2	5.9	5,786	4.9	5.0	5.0	16.9
2019	5,085	3.2	3.5	3.2	3.2	3.2	0.0	7,629	1.6	1.6	1.5	6.3
2020	9,473	3.5	4.3	3.5	3.5	3.5	4.9	6,961	2.0	2.0	2.2	5.5
Total	**48,307**	**2.6**	**3.0**	**2.5**	**1.1**	**1.1**	**13.2**	**39,411**	**2.0**	**2.0**	**2.0**	**5.2**

Notes:
[1] Breakdown by year is approximate. Year compiled by AMC based on drill date recorded in collar file and assay files. Where missing, dates were compiled from assay date or interpolated by sorting data by sample ID.
[2] Samples with no assays are not included in totals.
[3] Additional CRMs, blanks and duplicates were submitted with umpire samples sent to check laboratory.
[4] Underground duplicates comprise only field duplicates.
[5] Includes all drilling completed prior to 2011 including that by previous operators.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

11.4 Certified Reference Materials

11.4.1 Description

Ten CRMs have been used by Silvercorp since 2011 (Table 11.5). CRMs GSO-2, GSO-4, and GBW07173 were sourced from The Institute of Geophysical and Geochemical Exploration and approved by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China. CRMs with prefix "CDN" were sourced from CDN Resource Laboratories Ltd in Langley, BC, Canada. Details of the CRMs used at the Gaocheng Property are presented in Table 11.4.

Table 11.5 Gaocheng Certified Reference Materials

CRM ID	In use	Ag expected value (g/t)	Ag measure of variation (g/t) [1, 2]	Pb expected value (%)	Pb measure of variation (%) [1, 2]	Zn expected value (%)	Zn measure of variation (%) [1, 2]
GBW07173	2011	92	±11	2.14	±0.17	6.06	±0.29
GSO-4 (GBW07165) [4]	2011 - 2013	148	±6	5.13	±0.08	13.90	±0.20
GSO-2 (GBW07163)	2011 - 2018	220	±10	2.17	±0.07	4.26	±0.15
CDN-FCM-7 [3]	2013 - 2020	64.7	±4.1	0.629	±0.042	3.85	±0.19
CDN-ME-1410 [3]	2018-2020	69	±3.8	0.248	±0.012	3.68	±0.084
CDN-ME-1306 [3]	2018-2020	104	±7	1.6	±0.07	3.17	±0.15
CDN-ME-1801 [3]	2018-2020	108	±6	3.08	±0.1	7.43	±0.3
CDN-ME-1206 [3]	2018-2020	274	±14	0.801	±0.044	2.38	±0.15
CDN-ME-1604 [3]	2018-2020	309	±15	4.83	±0.15	0.72	±0.03
CDN-ME-1807 [3]	2018-2020	324	±15	2.34	±0.1	2.43	±0.08

Notes:
[1] For GSO-2 and GSO-4 the measure of variation = t0.01 x s / N, where "t0.01" is the listed value of the t-distribution at the 99% confidence level, "s" the standard deviation and "N" the number of data sets used.
[2] For GBW07173 the measure of variation = one standard deviation.
[3] For "CDN" standards the measure of variation = two standard deviations.
[4] GSO-4 was replaced with CDN-FCM-7 in 2013 because of its purported poor performance.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

Gaocheng currently uses seven CRMs supplied by CDN Resource Laboratories. All CRMs have a relative standard deviation (RSD) of less than 5%.

Insertion of CRMs by Silvercorp was implemented in 2012 for drill samples and in 2014 for underground samples. CRM insertion rates for drilling have not been systematic, varying from approximately 1 CRM in 60 samples to 1 CRM in 20 samples until 2018. In 2018, Silvercorp modified protocols to include the insertion of 1 CRM in approximately 30 samples. These protocols have not yet been implemented systematically for underground sampling with insertion rates varying from ~1 in 10 to ~ 1 in excess of 200 samples.

In 2019, Silvercorp implemented monitoring of CRMs on a batch-by-batch basis. Quality of assay data is visually reviewed by a designated geologist using quality control charts. Assay results of a CRM within ±2 standard deviations (SD) of the recommended value are considered acceptable, and assay data outside the ±3SD control lines are deemed failed assays. When two or more consecutive assays of CRMs occur outside the control lines in a sample batch, Silvercorp will notify the laboratory immediately to check their internal QA/QC procedures and re-assay samples of the batch with failed CRM assays. Original assay results are replaced by re-assays. Only approved assay results are used for Mineral Resource estimation.

11.4.2 Discussion on CRMs

CRMs contain known concentrations of silver, lead, and zinc which are inserted into the sample stream to check the analytical accuracy of the laboratory. Industry best practice typically advocates an insertion rate of at least 5 – 6% of the total samples assayed (Long et al. 1997; Mendez 2011; Rossi and Deutsch 2014). CRMs should be monitored on a batch-by-batch basis and remedial action taken immediately if required. For each economic mineral, the use of at least three CRMs is recommended with values:

- At the approximate cut-off grade (COG) of the deposit.
- At the approximate expected grade of the deposit.
- At a higher grade.

Since the implementation of Silvercorp's QA/QC program in 2011, a total of 1,265 CRMs were included with drill samples, and 789 included with underground samples representing average insertion rates of 2.6% and 2% respectively. Since Silvercorp's overhaul of the QA/QC program in 2018, CRM insertion rates have increased to approximately 3.5% of drill samples and 2.8% of underground samples.

The average grade of the GC Mineral Resource is approximately 83 g/t Ag, 1.2% Pb, and 2.7% Zn at a 105 g/t AgEq COG. Given that metals are generally moderately (positively) correlated, a CRM monitoring the 105 AgEq COG would comprise approximately 35 g/t Ag, 0.5% Pb, and 1% Zn. Between 2011 and 2017, only two CRMs were effectively used to monitor grade ranges (low and higher grades). A total of five samples of GBW07173 were submitted in 2011 before being discontinued. A total of 77 samples of GSO-4 were inserted between 2011 and 2013 before being replaced by CDN-FCM-7 in 2013. Between 2013 and 2017 only GSO-2 and CDN-FCM7 were used to monitor laboratory performance. An additional six CRMs were purchased by Silvercorp in 2018.

Present CRMs in use monitor the approximate COG range reasonably well for Pb by CRMs CDN-FCM-7 (0.629% Pb) and for Zn by CDN-ME-1604 (0.72% Zn). The QP notes however that no CRM monitors Ag grades below 60 g/t Ag. Average deposit grades and higher grades have been monitored reasonably well by various CRMs since 2018. The grade ranges monitored by each CRM are noted in Table 11.6, Table 11.7, and Table 11.8.

Industry best practice is to investigate and, where necessary, re-assay batches where two consecutive CRMs assay results occur outside of two standard deviations (warning), or one CRM occurs outside of three standard deviations (fail) of the expected value described on the CRM certificate. Consecutive warnings can be defined by two different CRMs.

Control charts are commonly used to monitor the analytical performance of an individual CRM over time. CRM assay results are plotted in order of analysis along the X axis. Assay values of the CRM are plotted on the Y axis. Control lines are also plotted on the chart for the expected value of the CRM, two standard deviations above and below the expected value (defining a warning threshold), and three standard deviations above and below the expected value (defining a fail threshold). Control charts show analytical drift, bias, trends, and irregularities occurring at the laboratory over time.

CRMs GSO-2 and GSO-4 supplied by The Institute of Geophysical and Geochemical Exploration report a value of "uncertainty" rather than a standard deviation – see note to Table 11.5. As the values of uncertainty defined on the certificate were not considered practical performance limits the QP calculated the standard deviation for these CRMs based on all assay results to date.

Table 11.6 to Table 11.8 and Figure 11.1 to Figure 11.6 summarizes CRM performance between 2011 and 2020.

Table 11.6 Gaocheng Ag CRM results (2011 - 2020)

CRM supplier		IGGE (China)			CDN Resource Laboratories (Canada)						
CRM ID		GBW07173	GSO-2 #	GSO-4	CDN-FCM-7 #	CDN-ME-1206	CDN-ME-1306	CDN-ME-1410	CDN-ME-1604	CDN-ME-1801	CDN-ME-1807
Expected value (Ag g/t)		92	220	148	64.7	247	104	69	309	108	327
SD (Ag g/t)		11	3.6 *	3.62 *	2.05	7	3.5	1.9	7.5	3	10
Grade range monitored		AG	HG	HG	LG	HG	AG	LG	HG	AG	HG
2011	Number	5	32	31	-	-	-	-	-	-	-
	Warning (>2SD)	0	2	1	-	-	-	-	-	-	-
	Fail (>3SD)	0	11	4	-	-	-	-	-	-	-
2012	Number	-	61	37	-	-	-	-	-	-	-
	Warning (>2SD)	-	5	0	-	-	-	-	-	-	-
	Fail (>3SD)	-	6	0	-	-	-	-	-	-	-
2013	Number	-	75	9	21	-	-	-	-	-	-
	Warning (>2SD)	-	1	1	0	-	-	-	-	-	-
	Fail (>3SD)	-	0	0	0	-	-	-	-	-	-
2014	Number	-	37	-	38	-	-	-	-	-	-
	Warning (>2SD)	-	0	-	0	-	-	-	-	-	-
	Fail (>3SD)	-	0	-	0	-	-	-	-	-	-
2015	Number	-	52	-	57	-	-	-	-	-	-
	Warning (>2SD)	-	0	-	0	-	-	-	-	-	-
	Fail (>3SD)	-	0	-	1	-	-	-	-	-	-
2016	Number	-	98	-	55	-	-	-	-	-	-
	Warning (>2SD)	-	0	-	0	-	-	-	-	-	-
	Fail (>3SD)	-	0	-	0	-	-	-	-	-	-
2017	Number	-	79	-	155	-	-	-	-	-	-
	Warning (>2SD)	-	0	-	0	-	-	-	-	-	-
	Fail (>3SD)	-	0	-	0	-	-	-	-	-	-
2018	Number	-	34	-	134	80	59	13	52	81	6
	Warning (>2SD)	-	0	-	0	0	0	2	0	4	0
	Fail (>3SD)	-	0	-	0	0	0	0	0	0	0
2019	Number	-	-	-	46	28	62	11	30	90	17
	Warning (>2SD)	-	-	-	0	0	0	0	2	0	0
	Fail (>3SD)	-	-	-	1	1	3	0	0	0	0

CRM supplier		IGGE (China)			CDN Resource Laboratories (Canada)						
2020	Number	-	-	-	62	43	91	56	84	102	31
	Warning (>2SD)	-	-	-	0	0	0	1	6	0	1
	Fail (>3SD)	-	-	-	1	1	0	0	0	1	0
Total	**Number**	**5**	**468**	**77**	**568**	**151**	**212**	**80**	**166**	**273**	**54**
	Warning (>2SD)	**-**	**8**	**2**	**0**	**0**	**0**	**3**	**0**	**4**	**1**
	Fail (>3SD)	**-**	**17**	**4**	**3**	**1**	**3**	**0**	**0**	**1**	**0**

Notes: Drillhole and underground channel samples combined. Table excludes CRMs included with umpire samples. Original assay results. IGGE=The Institute of Geophysical and Geochemical Exploration, SD=standard deviation, LG=low grade, AG=average grade, HG=high grade.
* Standard deviation used for CRM control limits derived from assay results.
# Control chart presented.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

Table 11.7 Gaocheng Pb CRM results (2011 - 2020)

CRM supplier		IGGE (China)			CDN Resource Laboratories (Canada)						
CRM ID		GBW07173	GSO-2 #	GSO-4	CDN-FCM-7	CDN-ME-1206	CDN-ME-1306	CDN-ME-1410 #	CDN-ME-1604	CDN-ME-1801	CDN-ME-1807
Expected value (Pb %)		2.14	2.17	5.13	0.629	0.801	1.60	0.248	4.83	3.08	2.34
SD (Pb %)		0.17	0.03 *	0.08 *	0.021	0.022	0.035	0.006	0.075	0.05	0.05
Grade range monitored		HG	HG	HG	LG	AG	AG	LG	HG	HG	HG
2011	Number	5	32	31	-	-	-	-	-	-	-
	Warning (>2SD)	-	10	4	-	-	-	-	-	-	-
	Fail (>3SD)	-	11	1	-	-	-	-	-	-	-
2012	Number	-	61	37	-	-	-	-	-	-	-
	Warning (>2SD)	-	3	1	-	-	-	-	-	-	-
	Fail (>3SD)	-	1	0	-	-	-	-	-	-	-
2013	Number	-	75	9	21	-	-	-	-	-	-
	Warning (>2SD)	-	0	0	0	-	-	-	-	-	-
	Fail (>3SD)	-	0	0	0	-	-	-	-	-	-
2014	Number	-	37	-	38	-	-	-	-	-	-
	Warning (>2SD)	-	0	-	0	-	-	-	-	-	-
	Fail (>3SD)	-	0	-	0	-	-	-	-	-	-
2015	Number	-	52	-	57	-	-	-	-	-	-
	Warning (>2SD)	-	0	-	0	-	-	-	-	-	-
	Fail (>3SD)	-	0	-	1	-	-	-	-	-	-

CRM supplier		IGGE (China)			CDN Resource Laboratories (Canada)						
2016	Number	-	98	-	55	-	-	-	-	-	-
	Warning (>2SD)	-	0	-	2	-	-	-	-	-	-
	Fail (>3SD)	-	1	-	0	-	-	-	-	-	-
2017	Number	-	79	-	155	-	-	-	-	-	-
	Warning (>2SD)	-	0	-	1	-	-	-	-	-	-
	Fail (>3SD)	-	0	-	0	-	-	-	-	-	-
2018	Number	-	34	-	134	80	59	13	52	81	6
	Warning (>2SD)	-	0	-	0	0	0	0	32	0	0
	Fail (>3SD)	-	2	-	0	0	0	3	12	0	0
	Number	-	-	-	46	27	62	11	30	90	17

2019	Warning (>2SD)	-	-	-	0	0	0	1	0	0	0
	Fail (>3SD)	-	-	-	1	0	1	0	0	0	0
2020	Number	-	-	-	62	44	91	56	84	102	31
	Warning (>2SD)	-	-	-	1	0	1	0	0	1	0
	Fail (>3SD)	-	-	-	1	2	1	1	0	1	0
Total	**Number**	**5**	**468**	**77**	**568**	**151**	**212**	**80**	**166**	**273**	**54**
	Warning (>2SD)	**0**	**13**	**5**	**4**	**0**	**1**	**1**	**32**	**1**	**0**
	Fail (>3SD)	**0**	**15**	**1**	**3**	**2**	**2**	**4**	**12**	**1**	**0**

Notes: Drillhole and underground channel samples combined. Table excludes CRMs included with umpire samples. Original assay results. IGGE=The Institute of Geophysical and Geochemical Exploration, SD=standard deviation, LG=low grade, AG=average grade, HG=high grade.
* Standard deviation used for CRM control limits derived from assay results.
# Control chart presented.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

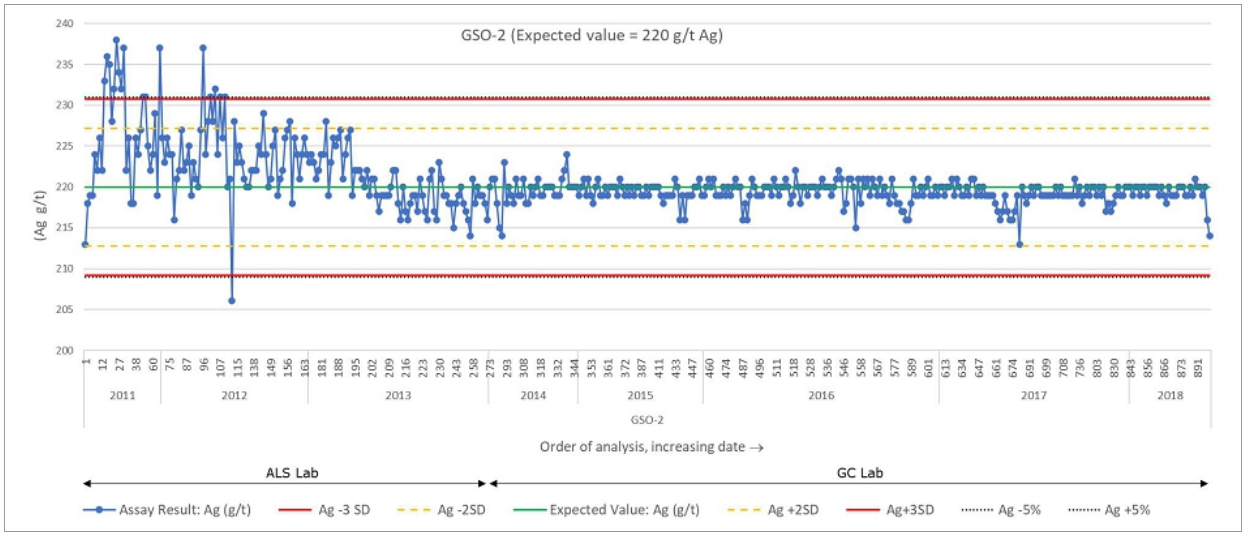
Table 11.8 Gaocheng Zn CRM results (2011 - 2020)

CRM supplier		**IGGE (China)**			**CDN Resource Laboratories (Canada)**						
CRM ID		GBW07173	GSO-2	GSO-4	CDN-FCM-7 #	CDN-ME-1206	CDN-ME-1306	CDN-ME-1410	CDN-ME-1604 #	CDN-ME-1801	CDN-ME-1807
Expected Value (g/t)		6.06	4.26	13.9	3.85	2.38	3.17	3.682	0.72	7.43	2.43
SD (g/t)		0.29	0.04 *	0.25 *	0.095	0.075	0.075	0.042	0.015	0.15	0.04
Grade range monitored		HG	HG	HG	HG	AG	HG	HG	LG	HG	AG
2011	Number	5	32	31	-	-	-	-	-	-	-
	Warning (>2SD)	-	10	6	-	-	-	-	-	-	-
	Fail (>3SD)	-	5	1	-	-	-	-	-	-	-
2012	Number	-	61	37	-	-	-	-	-	-	-
	Warning (>2SD)	-	21	1	-	-	-	-	-	-	-
	Fail (>3SD)	-	9	0	-	-	-	-	-	-	-
2013	Number	-	75	9	21	-	-	-	-	-	-
	Warning (>2SD)	-	2	4	0	-	-	-	-	-	-
	Fail (>3SD)	-	0	0	0	-	-	-	-	-	-
2014	Number	-	37	-	38	-	-	-	-	-	-
	Warning (>2SD)	-	0	-	0	-	-	-	-	-	-
	Fail (>3SD)	-	0	-	0	-	-	-	-	-	-
2015	Number	-	52	-	57	-	-	-	-	-	-
	Warning (>2SD)	-	0	-	1	-	-	-	-	-	-
	Fail (>3SD)	-	0	-	0	-	-	-	-	-	-
2016	Number	-	98	-	55	-	-	-	-	-	-
	Warning (>2SD)	-	1	-	0	-	-	-	-	-	-
	Fail (>3SD)	-	0	-	0	-	-	-	-	-	-
2017	Number	-	79	-	155	-	-	-	-	-	-
	Warning (>2SD)	-	0	-	0	-	-	-	-	-	-
	Fail (>3SD)	-	0	-	0	-	-	-	-	-	-
2018	Number	-	34	-	134	80	59	13	52	81	6
	Warning (>2SD)	-	0	-	-	0	0	2	2	25	0
	Fail (>3SD)	-	1	-	-	0	0	11	1	0	0
2019	Number	-	-	-	46	27	62	11	30	90	17
	Warning (>2SD)	-	-	-	0	0	0	0	0	0	1
	Fail (>3SD)	-	-	-	0	0	0	0	0	0	1

CRM supplier		**IGGE (China)**			**CDN Resource Laboratories (Canada)**						
2020	Number	-	-	-	62	44	91	56	84	102	31
	Warning (>2SD)	-	-	-	0	1	0	1	0	0	0
	Fail (>3SD)	-	-	-	0	0	1	1	1	0	1
Total	**Number**	**5**	**468**	**77**	**568**	**151**	**212**	**80**	**166**	**273**	**54**
	Warning (>2SD)	**0**	**34**	**11**	**0**	**1**	**0**	**3**	**2**	**25**	**1**
	Fail (>3SD)	**-**	**15**	**1**	**1**	**1**	**0**	**12**	**2**	**1**	**1**

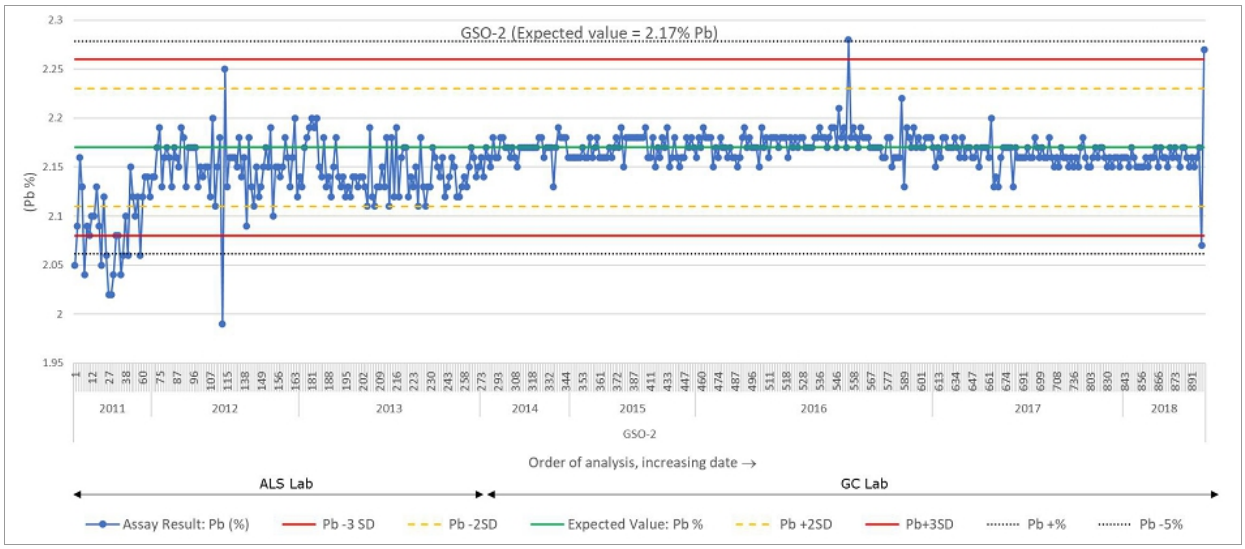
Notes: Drillhole and underground channel samples combined. Table excludes CRMs included with umpire samples. Original assay results. IGGE=The Institute of Geophysical and Geochemical Exploration, SD=standard deviation, LG=low grade, AG=average grade, HG=high grade.
* Standard deviation used for CRM control limits derived from assay results.
# Control chart presented.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

Figure 11.1 Control chart for GSO-2 (Ag)



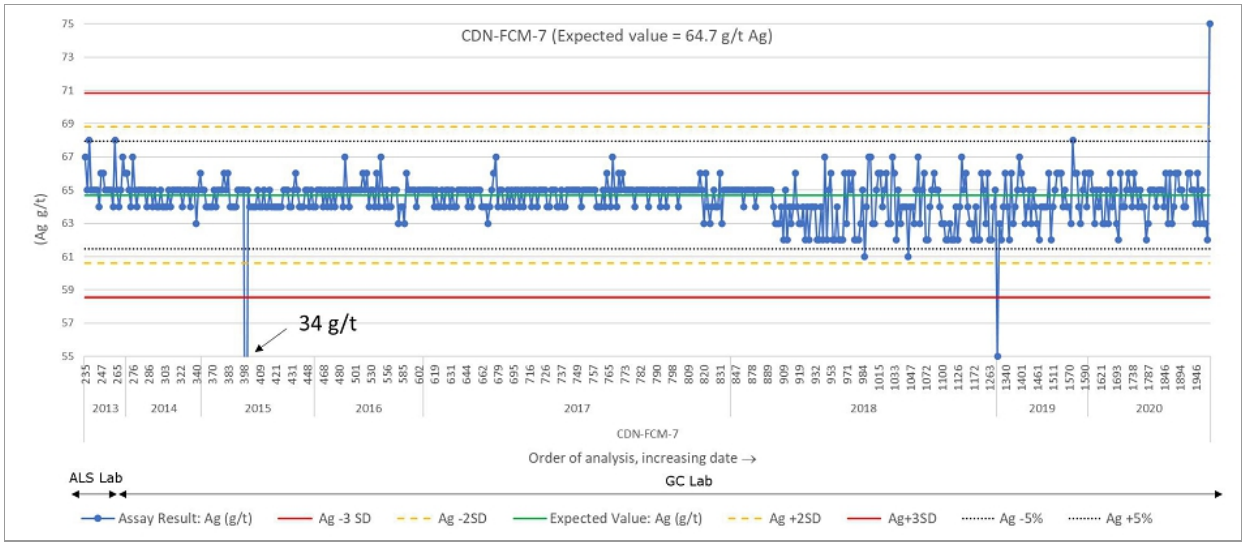
Notes: Includes drilling and underground channel samples, Laboratories shown. Note the high proportion of warnings and fails in 2011 and 2012.Zn control chart shows similar trends.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

Figure 11.2 Control chart for GSO-2 (Pb)



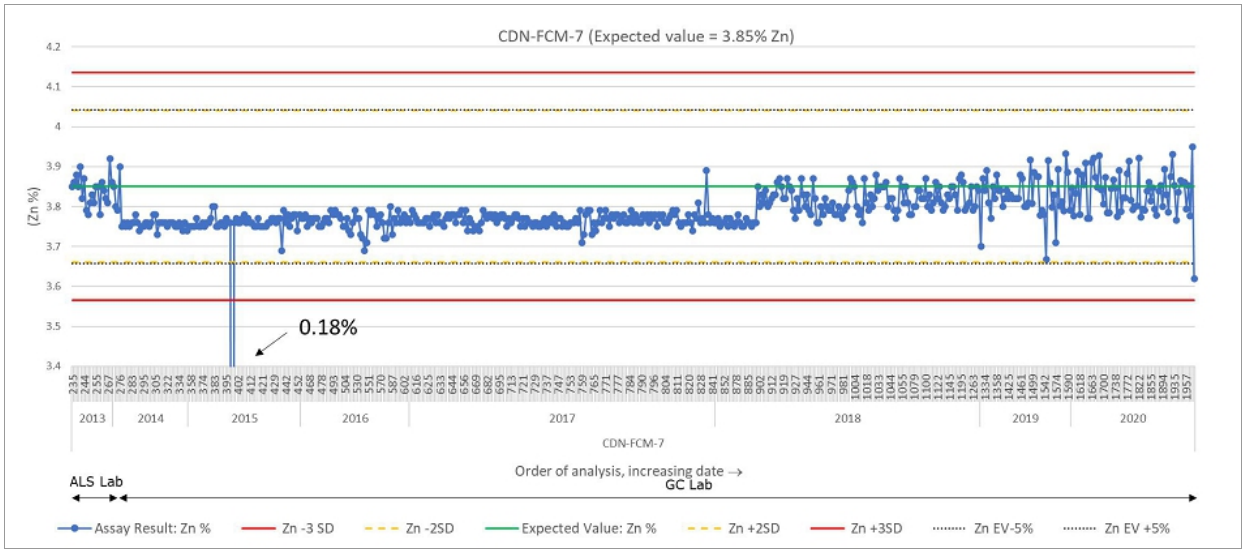
Notes: Includes drilling and underground channel samples, Laboratories shown. Note the high proportion of warnings and fails during 2011.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

Figure 11.3 Control chart for CDN-FCM7 (Ag)



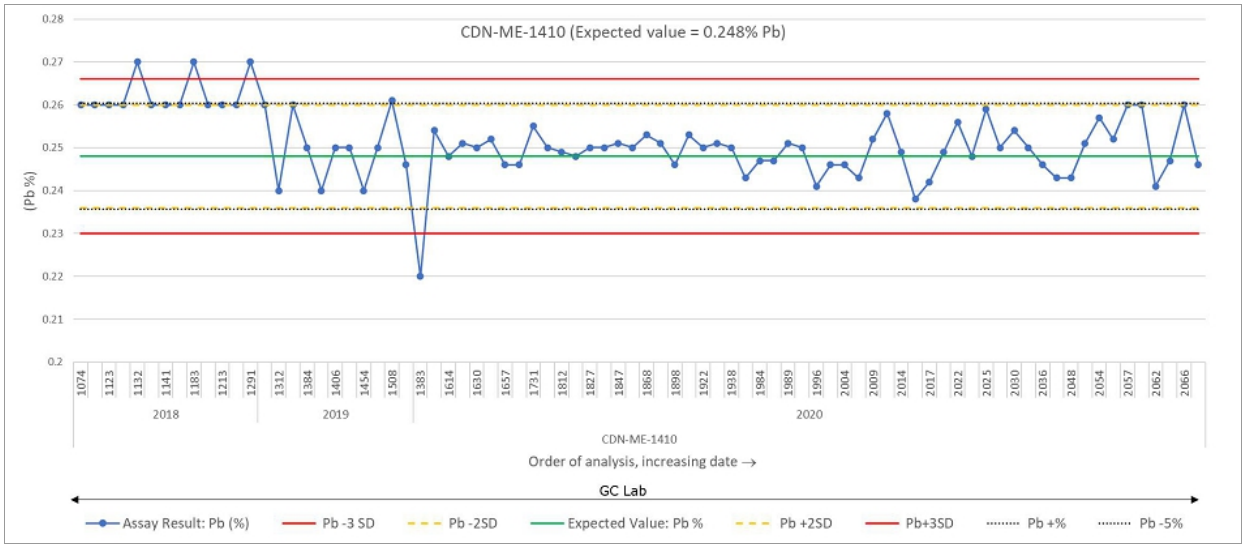
Notes: Includes drilling and underground channel samples, Laboratories shown. A new shipment of CRM CDN-FCM7 was received in April 2018.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

Figure 11.4 Control chart for CDN-FCM7 (Zn)



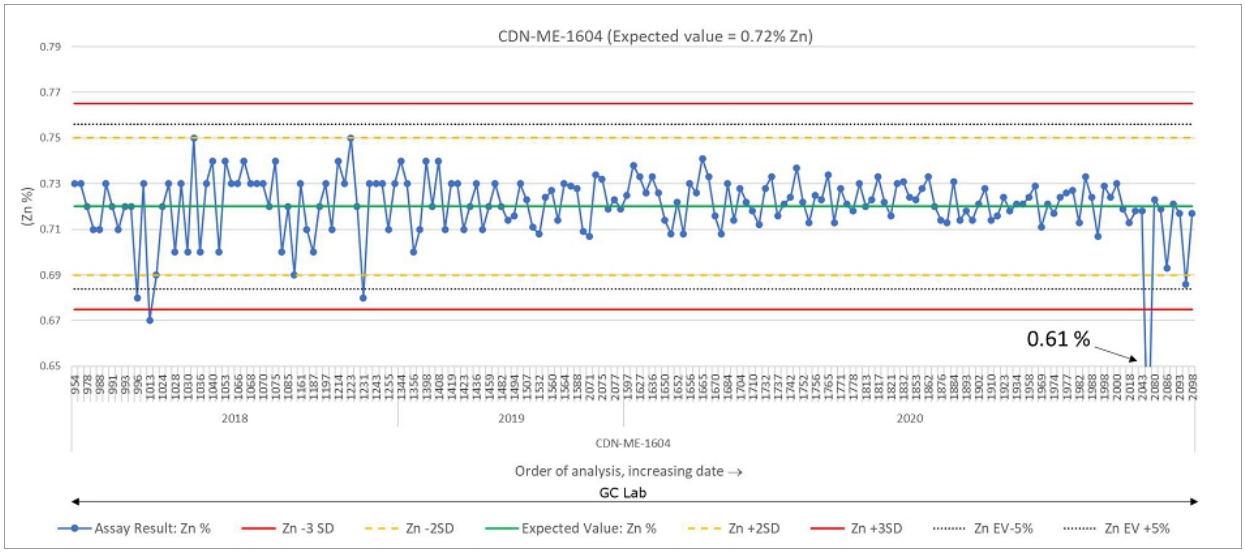
Notes: Includes drilling and underground channel samples. All analyses completed by GC lab. A new shipment of CRM CDN-FCM7 was received in April 2018. Pb control chart shows similar trends.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

Figure 11.5 Control chart for CDN-ME-1410 (Pb)



Notes: Includes drilling and underground channel samples. All analyses completed by GC lab. Original assay results. Note the positive bias in 2018. Ag and Zn control chart shows similar trends but Ag positively biased and Zn negatively biased in 2018.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

Figure 11.6 Control chart for CDN-ME-1604 (Zn)



Notes: Includes drilling and underground channel samples. All analyses completed by GC lab. Original assay results. Ag and Pb control charts show similar trends.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

The QP notes the following based on the review of CRMs used at Gaocheng between 2011 and 2020:

- CRMs results after 2014 show reasonable analytical accuracy, with minimal systematic bias, and relatively low warning and failure rates.
- In 2019, Silvercorp's protocols were revised so that CRMs were monitored in real time, and batches with failed CRMs were re-assayed. Certificates for failed batches were provided to the QP and have been used for all CRM analysis from 2019 to 2020.

- CRM insertion procedures were improved for drilling samples in 2018 and comprise 3.5% of the total samples, with CRMs being inserted systematically at a rate of about 1 CRM in ~30 samples (Table 11.4).
- The use of CRMs in underground sampling improved significantly in 2018 (to 4.9%) but decreased to 2% or less in 2019 and 2020. Insertion of CRMs since 2019 has not been systematic with insertion rates varying between 1 CRM in 10 samples to in excess of 1 CRM in 200 samples (Table 11.4).
- While CRM insertion rates were improved in 2018, current insertion rates are less than the preferred rate of 5%. CRMs are not inserted with underground samples in a systematic fashion.
- The six CRMs adequately monitor average grades and higher grades at Gaocheng but are less effective at monitoring the expected grade ranges at COGs, specifically with respect to Ag.
- Some accuracy issues are noted during the period between 2011 and 2014 where ALS was used as the primary laboratory and CRMs were not effectively monitored and addressed in real time (Figure 11.1, Figure 11.2).
- As noted in previous technical reports, there was an improvement in CRM performance when the primary lab changed from ALS to the GC lab in 2014. The notable accurate and precise performance of the GC lab with respect to GSO-2 from 2014 to 2018 suggests that the lab may have been aware of the expected values of CRMs, diminishing the usefulness as a blind check (Figure 11.1, Figure 11.2). There is a similar concern with respect to the GC lab and CDN-FCM-7, although the consistently 2 – 3% low bias shown for the lead and zinc CRM assays, while not of material concern to Mineral Resource estimates, suggests that the lab may believe the certified values to be less than their true values (0.60% Pb instead of 0.63% Pb, and 3.75% Zn instead of 3.85% Zn) (Figure 11.4).
- Silvercorp's revision to QA/QC protocols in approximately April 2018 included sourcing additional CRMs, blind CRM insertion and more systematic insertion of CRMs with drilling. CRMs were not systematically monitored on a real time basis until 2019.
- CRM CDN-FCM7 control chart (Figure 11.3, Figure 11.4) shows a marked change in CRM results in approximately April 2018, which coincides with a new shipment of CRM CDN-FCM7 (Figure 11.4).
- A number of consecutive warnings and fails are noted in CRM CDN-ME-1410 during 2018 associated with a 4 – 5% bias (high for Pb and Ag, low for Zn). This bias appears to have been corrected in 2019 (Figure 11.5).
- A number of consecutive low warning and fails are noted in CRM CDN-ME-1604 with a 5% negative bias for Pb. This bias was corrected in 2019. A 4% negative bias is noted in this same CRM for Ag, however only a small number of warnings and failures are noted.
- Silvercorp's process of overwriting original results from failed batches with re-analysis is not ideal as it does not facilitate an efficient audit of QA/QC.

11.4.3 CRM recommendations

The QP recommends that the following improvements be made to the QA/QC protocols with respect to CRMs:

- Consider procurement of an additional CRM to monitor low grades which cover the expected COGs.
- Consider purchasing at least one 'pigeon pair' CRM with similar, but not identical expected values to a CRM currently in use. This will provide an additional check on laboratory accuracy.
- Revise protocols so that CRMs are inserted using a systematic approach at a rate of 1 CRM in every 20 samples (5%) for both drilling and underground samples. Consider implementation

of practises such as assigning CRM samples in the sample tag books prior to actual sampling, so that CRM samples occur regularly and within each batch of samples.
- Continue to submit CRMs blind (with no identification), so that the expected results are not known by the laboratory.
- Continue monitoring CRM results in a 'real-time' basis and ensure that sample batches where CRMs return results outside of two standard deviations, or one CRM outside of three standard deviations are investigated and reanalyzed.
- Maintain a 'table of fails' which documents the remedial action completed on any failed batch.
- Implement a system whereby the original assays of failed batches are retained in the sample database and available for audit.
- Continue communication between the geology department and laboratory to ensure that any sample biases noted are investigated and addressed in a timely fashion.

11.5 Blank samples

11.5.1 Description

Silvercorp uses a Carboniferous dolomitic limestone from a local source as a blank material. This material has previously been submitted to the umpire laboratory to confirm that concentrations of Ag, Pb, and Zn are suitably low. Blank samples are submitted as crushed coarse samples within both the drilling and underground sampling streams.

Silvercorp has inserted 1,446 blanks with drillhole samples between 2011 and 2020 and a further 805 blanks with underground chip samples between 2014 and 2020. Blank samples represent 3% and 2% of the total drillhole and underground channel samples, respectively. In 2018, Silvercorp increased the insertion of blank materials (in line with CRMs) to approximately one blank in 30 samples in drilling. As with CRMs, blank insertion in underground sampling streams has not been systematic and varies between one blank in 10 samples to one blank in more than 200 samples.

Silvercorp's protocols until 2018 considered blank samples with assay results greater than 30 g/t Ag, 0.3% Pb, or 0.3% Zn to have failed. This protocol was revised in 2018 and failure limits reduced to 8 g/t Ag, 0.1% Pb, and 0.1% Zn.

11.5.2 Blank discussion

Coarse blanks test for contamination during both the sample preparation (crushing, pulverizing) and assay process. Pulp or fine blanks test for contamination during the analytical process. Both coarse and fine blanks should be inserted in each batch sent to the laboratory and comprise 4 – 5% of total samples submitted (Long et al. 1997; Mendez 2011; Rossi and Deutsch 2014).

Blank samples should be monitored in a real-time basis as the results of sample batches are received. Failed blank samples should be investigated and sample batches where contamination is identified should be re-assayed. The generally accepted criterion is that 80% of coarse blanks should be less than three times the lower limit of analytical detection, and 90% of pulp blanks should be less than two times the lower limit of analytical detection.

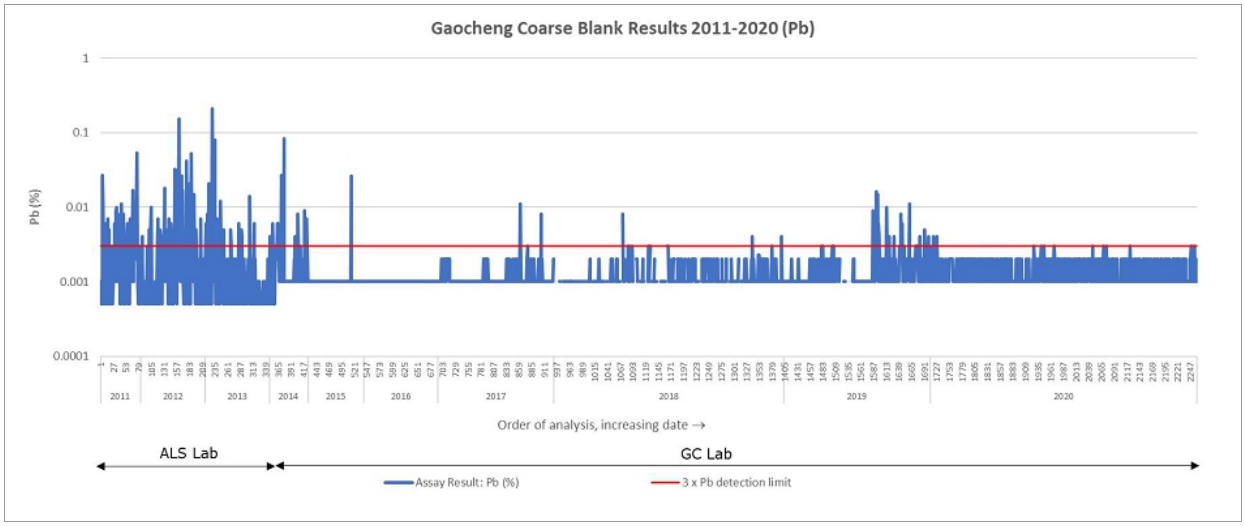
Table 11.9 summarizes blank performance between 2011 and 2020 using Silvercorp fail criteria and the generally accepted criteria. Figure 11.7 and Figure 11.8 show blank control charts for the same period for Pb and Zn.

Table 11.9 Gaocheng coarse blank results

Year	Lab	Detection limits	Number of blank samples	Ag				Pb				Zn			
				SVM fail		3 x LDL Fail		SVM fail		3 x LDL Fail		SVM fail		3 x LDL Fail	
				Fail limit (g/t)	n fails	Fail (g/t)	n fails	Fail limit (g/t)	n fails	Fail limit (%)	n fails	Fail limit (%)	n fails	Fail limit (%)	n fails
2011	ALS	Ag LDL=1 g/t Pb LDL=0.001% Zn LDL=0.001%	82	30	2	3	3	0.3	0	0.003	25	0.3	0	0.003	65
2012			133	30	1	3	3	0.3	1	0.003	36	0.3	4	0.003	78
2013			132	30	2	3	4	0.3	1	0.003	19	0.3	6	0.003	80
2014	GC	Ag LDL=5 g/t Pb LDL=0.001% Zn LDL=0.001%	79	30	1	15	1	0.3	0	0.003	11	0.3	0	0.003	22
2015			115	30	0	15	0	0.3	0	0.003	1	0.3	2	0.003	2
2016			152	30	0	15	0	0.3	0	0.003	0	0.3	0	0.003	0
2017			237	30	1	15	0	0.3	0	0.003	2	0.3	1	0.003	3
2018			473	8	0	15	0	0.1	0	0.003	3	0.1	0	0.003	4
2019			300	8	0	15	0	0.1	0	0.003	22	0.1	1	0.003	14
2020			548	8	0	15	0	0.1	0	0.003	2	0.1	0	0.003	1
Totals			**2,251**		**7**		**11**		**2**		**121**		**14**		**269**

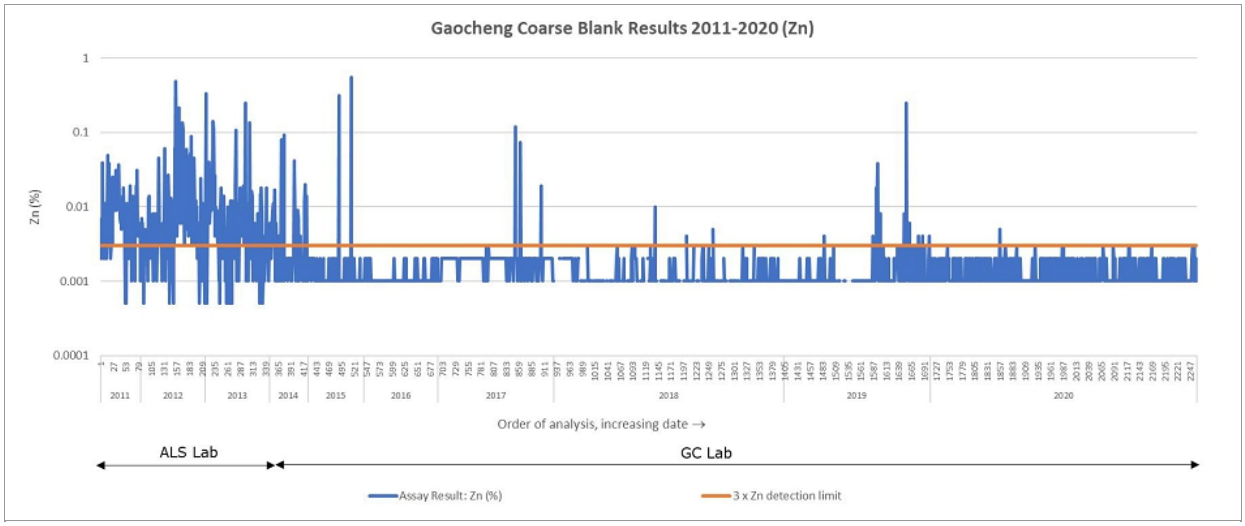
Notes: ALS=ALS Guangzhou, GC=Gaocheng site laboratory, n=number of samples, LDL=lower limit of analytical detection. SVM failure limits changed in 2018. Drill and underground samples combined.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

Figure 11.7 Gaocheng blank performance 2011 - 2020 (Pb)



Notes: Primary laboratory changed from ALS Guangzhou to Gaocheng in March 2014. Below detection samples are recorded as half the lower limit of analytical detection. Drilling and underground samples combined.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

Figure 11.8 Gaocheng blank performance 2011 - 2020 (Zn)



Notes: Primary laboratory changed from ALS Guangzhou to Gaocheng in March 2014. Below detection samples are recorded as half the lower limit of analytical detection. Drilling and underground samples combined.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

The QP notes the following based on the review of blanks used at Gaocheng between 2011 and 2020:

- For the period 2011 to 2020 the number of blank samples with assay results in excess of three times the LDL are 11, 121, and 269 for Ag, Pb, and Zn, respectively. This equates to an approximate failure rate of 0.5% for Ag, 5% for Pb, and 12% for Zn. Overall failure rates are within acceptable criteria; however, failed batches do not appear to have been investigated and remedial actions implemented.
- A high number of Pb and Zn blank failures occurred between 2011 and 2014, when ALS was the primary laboratory. This may reflect systematic contamination during sample preparation or analysis or the use of a blank material with elevated Pb and Zn concentrations. No remedial action was taken.
- Blank samples inserted between 2014 and 2020 have a substantially lower rate of failure. The decreased failure rate occurred soon after the GC lab took over as the primary laboratory. The reasons for the significant change in results are not known, however, this could be the result of more stringent cleaning procedures being implemented at GC or changes made to the source of blank material.
- The blank failure parameters used by Silvercorp between 2011 and 2018 were insufficient to detect laboratory contamination and were revised in 2018. The revised failure limit of 8 g/t Ag is more stringent than generally accepted best practises. The revised failure limits of 0.1% for Pb and Zn are too generous and do not initiate investigation of potential contamination on a batch-by-batch basis.
- Coarse blank insertion rates are generally in line with CRMs over the period 2011 to 2020 averaging 3% of all drill samples and 2% of all underground samples. Blank sample rates increased to 4.3% for drill samples in 2020 but have remained relatively unchanged for underground samples, with the exception of 2018, where insertion rates increased to 5% of total samples submitted. As with CRMs, the insertion of blanks in underground sampling has not been systematically applied with insertion rates being highly variable between sample batches.

11.5.3 Blank recommendations

The QP recommends that the following improvements be made to the QA/QC protocols with respect to blanks:

- Revise protocols so that blanks are inserted using a systematic approach at a rate of at least one blank in every 25 samples (4%) for both drilling and underground samples.
- Insert blanks immediately after expected high grade mineralization.
- Implement the use of both coarse and fine (pulp) blank material to enable sample preparation and analytical processes to be monitored for contamination.
- Continue to submit blanks blind (with no identification), so that the results are not known by the laboratory.
- Revise and further reduce failure rates for Pb and Zn from the current levels of 0.1% Pb and 0.1% Zn.
- Implement the monitoring of blank results in 'real-time' and ensure that sample batches where blanks exceed failure limits are investigated and reanalyzed.
- Maintain a 'table of fails' which documents the remedial action completed on any failed batch.
- Implement a system whereby the original assays of failed batches are retained in the sample database and available for audit.
- Continue communication between the geology department and laboratory to ensure that any sample biases noted are investigated and addressed in a timely fashion.

11.6 Duplicate samples

11.6.1 Description

Silvercorp's current QA/QC protocols include the insertion of field duplicates, coarse reject duplicates, and pulp duplicates. Field duplicates have been included with drilling samples since 2012 and with underground samples since 2014. Coarse duplicates and pulp duplicates have been included in drillhole sample batches since 2018. In the period between 2011 and 2020, a total of 2,517 quarter core field duplicates, 554 coarse reject duplicates, and 550 pulp duplicates was submitted with drillhole samples, and 806 field duplicates were submitted with underground samples (Table 11.3).

Field duplicates are collected at a rate of one field duplicate in every 30 drill samples and one duplicate in every 50 underground samples. Field duplicates of core samples are prepared by cutting the unsampled half of the core into quarters and including one of these quarters as a separate sample in the original laboratory submission. Underground field duplicates comprise the collection of a separate sample from rock chips taken at the same location in the face, back or wall of tunnels, and including this in the initial laboratory submission.

Coarse reject and pulp duplicates are included at a rate of approximately one coarse duplicate and one pulp duplicate in every ~30 drill samples. Samples are identified by the geologist during the sampling process and marked on the sample submittal form. The laboratory collects a second sample during the relevant preparation process (after crushing for coarse reject duplicates, and after pulverization for pulps duplicates).

Silvercorp monitors field duplicates using scatter graph plots of the grades of original samples against the grades of the corresponding duplicate. A 45-degree line representing equal grades of the original and the duplicate are included on the plot as well as a line representing 20% error. Silvercorp expects field duplicates to be within 20% of the original sample.

11.6.2 Duplicate samples discussion

Duplicate samples are taken at successive points within the sample preparation and analysis process to understand the variances occurring at each stage of the process. Pulp duplicates monitor variance associated with sub-sampling of the pulp, the analysis process as well as the inherent geological variability. Coarse reject duplicates monitor these same variances plus the variance associated with sub-sampling of the coarse reject. Field duplicates monitor all previously described variances plus the variance associated with the actual sampling process.

While duplicate samples should encompass the entire range of grades seen within a deposit to ensure that the geological heterogeneity is understood, most duplicate samples should be selected from zones of mineralization. Unmineralized or very low-grade samples approaching the stated limit of lower detection are commonly inaccurate, and do not provide a meaningful assessment of variance.

Generally accepted industry best practice is to include a combination of field, coarse and pulp duplicates in the original sample stream in approximately equal proportions at a combined insertion rate of 5 to 6% (Long et al. 1997; Mendez 2011; Rossi and Deutsch 2014).

Duplicate data can be assessed using a variety of approaches. The QP typically assesses duplicate data using scatter plots and absolute relative paired difference (RPD) plots. These plots measure the absolute difference between a sample and its duplicate. In these analyses, pairs with a mean of less than 15 times the lower limit of analytical detection (LDL) are excluded. Removing these low values ensures that there is no undue influence on the RPD plots due to the higher variance of grades expected near the lower detection limit, where precision becomes poorer (Long et al. 1997).

The performance of duplicates is dependent on the mineralization style, inherent geological variance and variance associated with sampling. The relative precision of a duplicate sample will increase as the variance associated with sub-sampling is removed. Pulp duplicates should therefore be more precise (alike) than coarse duplicates as they do not incorporate the sampling errors associated with collection of the sub-sample from the coarse reject. Coarse reject duplicates should be more precise than field duplicates.

The generally accepted criterion is that 85 - 90% of field duplicate samples should have an absolute relative difference of 25%. The threshold RPD decreases to 20% for coarse duplicates and to 10% for pulp duplicates (Rossi and Deutsch 2014).

Table 11.10 presents the results of quarter core field duplicates and underground duplicate samples. Work programs from 2011 to 2017 have been combined to provide sufficient samples for meaningful analysis.

Table 11.10 Gaocheng field duplicates (drilling and underground samples)

Time period	Element	Detection limits	Quarter core duplicate samples			Underground duplicate samples		
			n dup	n>15xLDL	% <25% RPD	n dup	n>15xLDL	% <25% RPD
2011 - 2017	Ag	5 *	520	120	72.5	261	97	70.1
	Pb	0.001		426	55.4		239	54.0
	Zn	0.001		496	61.3		269	64.5
2018	Ag	5	184	48	70.8	289	181	83.4
	Pb	0.001		168	49.4		284	67.2
	Zn	0.001		182	68.7		288	83.0
2019	Ag	5	163	49	63.3	118	70	81.4
	Pb	0.001		148	55.4		116	67.2
	Zn	0.001		162	71.0		118	85.6
2020	Ag	5	331	118	77.1	138	95	88.4
	Pb	0.001		315	58.4		137	70.8
	Zn	0.001		331	81.2		138	89.1

Notes: n dup=number of duplicate samples, LDL=lower limit of analytical detection, RPD=absolute relative percent difference between original samples and duplicate. *=detection limit was 1 g/t from 2011 to 2013 and 5 g/t from 2014 - 2017.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

Table 11.11 presents the results of coarse reject and pulp duplicates for drill samples for each year since 2018.

Table 11.11 Gaocheng coarse reject and pulp duplicates (drilling only)

Time period	Element	Detection limits	Coarse reject duplicates			Pulp duplicates		
			n dup	n>15xLDL	% <20% RPD	n dup	n>15xLDL	% <10% RPD
2018	Ag	5	60	21	90.5	60	20	100.0
	Pb	0.001		54	96.3		54	94.4
	Zn	0.001		58	94.8		58	100.0
2019	Ag	5	163	54	96.3	163	59	100.0
	Pb	0.001		151	96.7		151	92.7
	Zn	0.001		162	99.4		162	99.3
2020	Ag	5	331	124	100.0	327	126	100
	Pb	0.001		315	98.7		312	97.1
	Zn	0.001		331	99.4		327	99.7

Notes: n dup=number of duplicate samples, LDL=lower limit of analytical detection, RPD=absolute relative percent difference between original samples and duplicate.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

The QP notes the following based on the review of duplicates used at Gaocheng between 2011 and 2020:

- Quarter core duplicates and underground sample field duplicates performance is sub-optimal. Underground duplicates generally perform slightly better than field duplicates. There is a slight improvement in underground duplicate performance for Ag and Zn from 2018.
- The percentage of quarter core duplicates samples within a 25% RPD ranges from 66 - 77% for Ag, 49 - 58% for Pb, and 61 - 81% for Zn.
- The percentage of underground samples within 25% RPD ranges from 70 - 88% for Ag, 54 - 70% for Pb, and 64 - 89% for Zn.

- Coarse reject duplicate performance is reasonable with more than 90% of samples (for Ag, Pb, and Zn) being within 20% RPD. This suggests minimal variance is occurring in processes following crushing.
- Pulp reject duplicate performance is reasonable with more than 90% of samples (for Ag, Pb, and Zn) being within 10% RPD. This is consistent with the results of coarse duplicates and suggests minimal variance is occurring in processes following pulverization.
- Poor performance of field duplicates, when viewed in context of coarse reject and pulp reject results, demonstrates that a significant source of variance occurs during the initial sampling processes. This suggests that the use of quarter core as a field duplicate may not be appropriate and suggests that the size of underground samples may be less than optimal.

- Within field duplicates the percentage of Pb duplicate samples within 20% RPD is significantly less than that of Ag or Zn. This may be due to Pb preferentially occurring within coarse grained galena.

11.6.3 Duplicate samples recommendations

The QP recommends that the following improvements be made to the QA/QC protocols with respect to CRMs:

- Implement procedures to collect and submit coarse reject and pulp duplicates into the underground sample stream.
- Duplicate insertion rates should be increased to match that of drilling samples (approximately 5 - 6%).
- Investigate the cause of poor field duplicate performance in both core and underground samples. This could include a test phase that incorporates the following:
  - ¾ Completing polished section petrology to understand the particle size and nature of mineralization.
  - ¾ Submitting the second half of the core, instead of quarter core as the field duplicates (if required, a thin slice of core could be sliced off and retained for archival storage before cutting the core into halves).
  - ¾ Consider increasing the size of underground samples.

11.7 Check (umpire) samples

11.7.1 Description

Silvercorp regularly submits a portion of pulps to a third-party check (umpire) laboratory for independent analysis. Since 2011, a total of 6,390 drillhole samples, and 2,056 underground samples have been submitted for analysis. Laboratories used for check analysis since 2012 have included the following:

- Gaocheng site laboratory (when not used as the primary laboratory).
- ALS Guangzhou (when not used as the primary laboratory).
- The Chengde Huakan 514 Geology and Mineral Testing and Research Institute (Chengde) in Chengde, Hebei Province.
- The Analytical Laboratory of the Inner Mongolia Geological Exploration Bureau (Inner Mongolia) in Hohhot, Inner Mongolia.

Table 11.12 summarizes the number of drillhole and underground samples sent to the respective check laboratories between 2011 and 2020.

Silvercorp submits pulp rejects for check sample analysis. Individual samples are selected randomly from mineralized samples (>100 g/t AgEq) and encompassing a variety of grade ranges.

Silvercorp monitors check samples using scatter graph plots and quantile-quantile plots.

Table 11.12 Gaocheng check (umpire) laboratories used 2011 - 2020

Year	Primary Laboratory	Umpire Laboratory	n drillhole check assays	n underground check assays
2011	ALS	Chengde	60	-
2012	ALS	GC	2,175	-
		Inner Mongolia	49	103
		Chengde	23	-
2013	ALS	GC	2,969	-
		Inner Mongolia	74	11
		Chengde	51	-
2014	ALS	GC	71	101
		Inner Mongolia	-	1
	GC	Chengde	38	-
2015	GC	Chengde	31	-
2016	GC	Chengde	33	-
2017	GC	Chengde	46	-
2018	GC	ALS	303	976
2019	GC	ALS	-	482
2020	GC	ALS	467	382
Total			**6,390**	**2,056**

Notes: n=number of samples.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

11.7.2 Check sample discussion

Check laboratory samples are pulp samples sent to a separate laboratory to assess the accuracy of the primary laboratory. Check samples measure analytical variance and sub-sampling variance. Generally accepted practises are that at least 4 - 5% of total samples submitted to the primary laboratory should be sent to a third-party check laboratory (Mendez 2011; Rossi and Deutsch 2014).

Table 11.12 presents the results of the major check sampling programs completed between 2011 and 2020 to assess the performance of primary laboratories.

Table 11.13 Results of check samples

Time period	Primary Lab	Check Lab	Element	Number of sample pairs*	n>15xLDL	Mean of original sample	Mean of check samples	% Samples within 10% RPD
2012 -2013	ALS	GC	Ag	5,144	493	30.9	31.8	70.6
			Pb		3,101	0.26	0.27	55.3
			Zn		4,522	0.83	0.84	62.3
2014 - 2017	GC	Chengde	Ag	148	27	57.5	52.7	55.6
			Pb		143	0.85	0.80	55.2
			Zn		148	2.65	2.60	70.2
2018	GC	ALS	Ag	1,279	398	128.1	125.3	85.2
			Pb		977	2.18	2.17	82.1
			Zn		998	4.19	4.11	92.5
2019	GC	ALS	Ag	482	206	147.8	148.5	83.5
			Pb		478	1.83	1.79	82.6
			Zn		482	4.48	4.50	96.5

2020	GC	ALS	Ag	849	406	139.6	139.1	87.1
			Pb		837	1.83	1.79	88.3
			Zn		849	4.38	4.40	98.0

Notes: *Excludes samples with no assay.
Source: Compiled by AMC Mining Consultants (Canada) Ltd. 2021 from data provided by Silvercorp Metals Inc.

The QP notes the following based on the review of check samples used at Gaocheng between 2011 and 2020:

- Silvercorp's Gaocheng check samples submitted since 2011 comprise 13.2% of all drillhole samples, and 5.2% of all underground samples submitted.
- Check sampling rates have been submitted inconsistently at rates of between 0% to 47.7% of total samples on a year-by-year basis (Table 11.3, Table 11.4).
- A major check sampling program was completed in 2012 and 2013 comprising checks of more than ~48% and ~43% of samples respectively, which Silvercorp advised was related to commissioning of the GC site lab.
- Between 2015 and the end of 2017 very few check samples were submitted for analysis.
- Since 2018 (except for 2019 where no check samples were submitted with drilling) check sampling has been relatively consistent and comprising more than 5% of total samples.
- Check samples submitted between 2012 and 2014 are less than optimal with between ~55% and 71% of samples within a 10% RPD. If these samples were used primarily to assess the performance of the GC Lab during commissioning, then these samples may not provide a meaningful assessment of the primary lab.
- The number of check samples collected between 2014 and 2017 is not considered sufficient for meaningful analysis.
- Since 2018, between 82% and 98% of check samples pairs are within a 10% RPD, demonstrating acceptable analytical precision. Check samples submitted during this time included CRMs and duplicates.
- Check samples collected between 2012 and 2020 do not show any significant or systematic bias suggesting acceptable analytical accuracy of the primary lab.

11.7.3 Check sample recommendations

The QP recommends submitting at least 5% of drilling and underground samples to a third party, umpire laboratory for assays on a regular basis.

11.8 General comments and conclusions

Silvercorp has implemented sample preparation, analysis, and security protocols at the Gaocheng Property in line with industry standards. Silvercorp has established QA/QC procedures which cover sample collection and processing at the Property. These QA/QC protocols have been progressively refined since 2011. CRMs and coarse crushed blanks have been included with drilling samples since 2011, and with underground samples since 2014. Field duplicates have been included with drilling samples since 2012 and with underground samples since 2014. Check (umpire) samples (pulp duplicates) have been sent to a separate 'umpire' laboratory since 2012. In 2018, Silvercorp further improved its QA/QC protocols to include regular and more frequent submission of CRMs, coarse blanks, and field duplicates with drilling and underground samples. Coarse reject duplicates and pulp duplicates were also incorporated into drill sampling programs. The proportion of check samples sent to a different laboratory was also increased. In 2019, Silvercorp initiated real-time monitoring of QA/QC protocols.

The QP notes that QA/QC procedures were not implemented until 2012. In addition, low QA/QC sampling rates, poor CRM and blank performance, the absence of significant duplicate samples, and check assays occurred during the 2012 and 2013 programs. This collectively reduces the confidence in 19,101 drillhole samples and 3,423 underground samples collected prior to 2014 (representing 40% and 9% of the respective sample databases). The QP has reviewed the spatial location of data collected prior to 2014 and notes that, in general, much of the data from this period relates to the upper portion of the GC deposit where a significant proportion of Mineral Resources has been mined out. Outside of mined areas, pre-2014 data is predominantly wide spaced drilling supporting Inferred classification. QA/QC results related to drilling completed since 2014 confirm reasonable accuracy and precision of associated data.

The QP does not consider issues discussed above with pre-2014 QA/QC to be a material concern and considers the Gaocheng sample database acceptable for Mineral Resource estimation.

11.9 Recommendations

In addition to recommendations outlined in Sections 11.4.3, 11.5.3, 11.6.3, and 11.7.3, the QP recommends that QA/QC samples be inserted randomly within sample batches as opposed to the present practise of consistently inserting consecutive CRMs, blanks, and duplicates. This will make it more difficult for the laboratory to pre-determine the QA/QC types.

12 Data verification

12.1 Site visit

On 23, 24, and 25 January 2018, AMC Principal Geologist Ms Dinara Nussipakynova, P.Geo., visited the Property to undertake the following verification steps:

- Discussions with site geologists regarding:
  - Sample collection.
  - Sample preparation.
  - Sample storage.
  - QA/QC.
  - Geological interpretation.
  - Underground mapping procedures.
- A review of the GC onsite laboratory.
- A review of underground workings.
- An inspection of the core shed and drill core intersections.

12.2 Assay data verification

In 2017 and 2018, under supervision of Ms Nussipakynova, AMC employees undertook random cross-checks of assay results in the database with original assay results on the assay certificates returned from ALS Minerals and Silvercorp's onsite GC lab for Ag, Pb, and Zn. This verification included comparing 1,175 of the 14,023 assays contained within mineralized wireframes comprising drillhole and underground sampling data collected between 2008 and 2018. The results of data verification are presented in Table 12.1.

Table 12.1 Data verification results pre-2012 to 2018

Year	Samples within wireframe	# Samples selected for verification	Assays confirmed	Error noted	Certificate not found	Total samples verified	% Samples verified
Pre-2012	2,417	151	136	0	15	136	6

2013	725	36	35	1	0	36	5
2014	1,287	71	70	1	0	71	6
2015	1,783	97	95	0	2	95	5
2016	2,091	104	98	4	1	103	5
2017	2,868	153	152	0	0	153	5
2018	2,852	563	557	6	0	557	20
Total	**14,023**	**1,175**	**1,143**	**12**	**18**	**1,151**	**8**

In 2021, under supervision of Ms Nussipakynova, Terra Reinelt of AMC undertook random cross-checks of assay results in the database with original assay results on the assay certificates returned from Silvercorp's onsite GC lab for Ag, Pb, and Zn from 2019 - 2020. This verification included comparing 401 of the 7,905 assays contained within mineralized wireframes comprising drillhole and underground sampling data collected from 2019 - 2020. The results of this and prior data verification are presented in Table 12.2.

Table 12.2 Data verification results to 2020

Year	Samples within wireframe	# Samples selected for verification	Assays confirmed	Error noted	Certificate not found	Total samples verified	% Samples verified
2019	3,883	198	192	8	0	198	5
2020	4,022	203	193	13	0	203	5
Sub total 2019 - 2020	7,905	401	385	21	0	401	5
Pre-2012 to 2018	14,023	1,175	1,143	12	18	1,151	8
Grand total	21,928	1,576	1,528	33	18	1,552	7

12.3 Data validation

Data validation was carried out using the normal routines in Datamine where the database was checked for collar, survey, and assay inconsistencies, overlaps, and gaps.

12.4 AMC discussion

The QP makes the following observation based on the site visit:

- Site geologists are appropriately trained and are conscious of the specific sampling requirements of narrow vein, high-grade deposits.

The QP makes the following observations based on the pre-2012 to 2017 data verification:

- Six errors were noted out of 594 samples checked, representing an error rate of 1.0%.
  - ¾ All errors identified were related to data entry:
    - One instance where the assay results for the adjacent sample on the certificate was entered.
    - Four instances where the sample prefix was omitted in the sample database and the incorrect assays loaded (e.g., G169092 vs 169092).
    - One instance where the sample number was entered incorrectly in the database and did not match the certificate (M890074 vs M89074).
- Pb and Zn (recorded as percent) are rounded to two decimal places in the GC database.
- Ag values (recorded as g/t) are rounded to nearest g/t.
- Assays reporting below detection limit are recorded at the detection limit.

The QP makes the following observations based on the 2018 data verification:

- Six errors were noted out of 557 samples checked representing an error rate of 1.0%.
  - ¾ All errors identified were related to data entry where the sample number was entered incorrectly in the database and did not match the certificate.

The QP makes the following observations based on the 2019 to 2020 data verification:

- 21 errors were noted out of 401 samples checked representing an error rate of 5.2%.
  - ¾ All errors identified were related to data entry where the sample number was entered incorrectly in the database and did not match the certificate.
  - ¾ In addition to the above, there were typing errors in the sample ID names in 15 samples (G19O280 – G19O297).

12.5 Recommendations

The QP recommends that Silvercorp implement the following:

- Modification of the central database so that assay data be recorded without rounding to accurately reflect the original assay certificates.
- Improve internal ongoing validation of the existing sample database to ensure that assays and sample IDs are correctly entered.

12.6 Conclusions

Verification issues identified prior to 2019 were fixed in the database before Mineral Resource estimation. The QP does not consider the 2019 to 2020 data verification issues to have a material impact on Mineral Resource estimates. The QP considers the assay database to be acceptable for Mineral Resource estimation.

13 Mineral processing and metallurgical testing

13.1 Introduction

This section includes significant extracts from the equivalent sections from the 2012, 2018, and 2019 Technical Reports. Since the 2012 Technical Report, no further metallurgical testing has been done, but the mill functioned in a trial mode up to 2014 and, since that point (FY2015 starting Q2 2014), has been in commercial production. The commentary below discusses metallurgical test work carried out prior to mill start-up, and results from actual processing operations. Further commentary on production operations is provided in Section 17.

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 summarized in the January 2011 GMADI report as part of the “Design Instructions” for the plant design. Information from the original Hunan Institute report was referenced in preparing this section of the report.

The objectives of the testwork were, following on from the 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, iv) determine the product quality characteristics relative to the relevant national standards.

13.2 Metallurgical samples

The mineralization and vein structure have been well-summarized in this report and in the 2019, 2018, 2012, and 2009 Technical Reports. Figure 10.2 of this report shows the veins and drillhole locations.

For the purposes of assessing the representativeness of the metallurgical test samples, the following was noted in the 2012 Technical Report:

- The samples derive from 152 drillhole intersections drilled along Lines 24 – 48, representing the central main cluster of veins.
- The main metal tonnage in the resource is contained in veins V2, V6, V7, and V10, although V6 is not as well represented in the reserve, presumably because of its depth.
- The high-grade Ag-Pb-Zn shoots occur at the intersections of the WNW and E-W striking faults.
- The Zn mineralization is more pervasive; Ag and Pb are more locally concentrated but intensive, continuous, and wide within the breccia fault zones.

The distribution of the metallurgical samples, relative to the 2012 Mineral Reserve estimated tonnages and grades for the major veins, was discussed in the 2012 Technical Report. The conclusion was made that the metallurgical sample grades approximated closely to the average reserve grades and, although vein V2 was somewhat under-represented, the weight distribution of the samples followed fairly closely the distribution by weight of the main veins that made up the 2012 Mineral Reserve.

Table 13.1 shows the average weight % metallurgical sample grades, 2012 Mineral Reserve grades from the metallurgical sample veins, and average mill head grades from FY2015 through to and including the end of 2020 (Q3 FY2021).

Table 13.1 Metallurgical samples relative to 2012 Mineral Reserve and FY2015 to Q3 FY2021 mill head grades

Mineralization reference	Ag g/t	Pb %	Zn %
Met samples average grades	147	1.42	3.26
2012 Reserve grades metallurgical sample veins	114	1.28	2.85
Mill Head Grades FY2015 to Q3 FY2021	94	1.59	2.94

As can be seen from Table 13.1, the actual production mill head grades are closer to the average 2012 Mineral Reserve grades for silver and zinc, but closer to the metallurgical sample grades for lead.

13.3 Mineralogy

The sulphide mineralization is typical of mesothermal silver-lead-zinc-quartz-pyrite veins and has been described in general terms by O’Connor in earlier Technical Reports. AMC previously noted that the sphalerite is described as having very fine inclusions of chalcopyrite and that this “diseased” sphalerite would promote general sphalerite flotation and inhibit selectivity against it in the lead (and copper) flotation.

The main focus of the Hunan Research Institute mineralogical work was on the silver deportment, relative to the projected importance of silver revenue.

The occurrence of silver is in three main forms, as summarized below together with the approximate weight distribution:

- Elemental silver, 23%.
- Silver sulphides, e.g., acanthite and argentite (both Ag_2S), 41%.
- Silver in sulphides, i.e., as solid solution or inclusions, 33%.

In liberation terms, the principal elemental silver and silver sulphide associations are approximately 13% free, 40% with galena, 14% with sphalerite, and 30% with other sulphides, mainly pyrite, also pyrrhotite and arsenopyrite.

Of the silver in sulphides the occurrence is summarized in Table 13.2.

Table 13.2 Silver associations

Mineral	Wt %	Ag g/t	Ag % distribution
Galena	1.6	2,897	46.2
Sphalerite	4.8	352	16.8
Other sulphides (pyrite, pyrrhotite, arsenopyrite)	16.7	207	34.5

These mineralogical results, with the silver spread across the sphalerite and pyrite as well as the galena, have implications for metallurgical performance. As silver is only paid in the lead concentrates, previous discussion referenced compromising lead concentrate grades (and zinc recovery) in order to maximize silver recovery to a payable (i.e., lead) concentrate. This is dealt with further in Section 13.4 in consideration of optimization of the process flowsheet. The QP also considered that the presence of elemental silver and silver sulphides would benefit from the use of a precious metal specific collector like a dithiophosphinate (e.g., Cytec 3418A) in addition to the standard dithiophosphate collectors used in the testwork. GC mine adopted the QP suggestion and the testwork is still going on with the beneficiation reagent BK903G purchased from BGRIMM Technology Group (BGRIMM) of China.

The tin mineralogy was seen to be dominated by cassiterite (75%) with minor amounts of stannite (14%), tin in silicates (6%), and colloidal tin (5%). However, the granulometric distribution of the tin was noted as very fine (<75 µm), which does not augur well for effective gravity concentration.

13.4 Metallurgical testwork

The QP has previously noted that no comminution testwork had been carried out so that no work index data or similar was available for grinding circuit design. Production operations have obviously superseded this commentary.

The prime focus of the flotation testwork was on lead – and, therefore, silver recovery and both open circuit and closed-circuit flotation tests were conducted to derive the final metallurgical performance predictions, in line with normal practice. Some investigations into copper-lead separation and tin recovery were also carried out.

13.4.1 Lead flotation conditions

A series of rougher-scavenger flotation tests was performed to determine the optimum grind size, collector selection and dosage, and modifier regime. These tests were followed by kinetic rougher tests to determine the flotation residence time required.

Initial tests on various grind sizes ranging from 65% passing 75 µm to 90% passing 75 µm showed that, based on lead recovery and the silver grade in the lead concentrate, the optimum grind size was 80% passing 75 µm. The QP noted, however, that silver recovery was still increasing at finer sizes and investigations into regrinding the rougher concentrate could be warranted.

The basic chemical regime selected was based on lime for pH adjustment, and pyrite depression with a combination of zinc sulphate and sodium sulphite for depressing sphalerite, and a modest dosage of sodium sulphide to enhance flotation of any oxidized ores (note that an excess of sodium sulphide depressed lead). The use of cyanide in combination with zinc sulphate, the preferred combination in western complex sulphide flotation plants for sphalerite and pyrite depression, was not considered for environmental reasons.

Optimum rougher dosages were found to be:

- Lime 2,000 g/t.
- Sodium sulphide 500 g/t.
- Zinc sulphate 1,000 g/t.
- Sodium sulphite 500 g/t.

Based on this regime, investigations were carried out into the collector type and dosage from which it was concluded that the best result in terms of lead and silver recovery was a combination of a dithiocarbamate (the QP noted that this is more usually used for selective copper flotation) and a dithiophosphate, at 25 g/t and 10 g/t, respectively. The QP also noted that no tests were carried out with a precious metal's specific collector of the type previously mentioned and considered this to be an improvement opportunity.

Conditions for cleaner flotation were determined to be 700 g/t lime and 400 g/t zinc sulphate, with no further additions of sodium sulphide or sodium sulphite.

The kinetic rougher tests showed that a laboratory flotation time of five minutes was required (subject to the usual scale-up factors for industrial design).

13.4.2 Zinc and pyrite flotation conditions

Only limited testwork on zinc and pyrite flotation was carried out, based on the 2007 testwork and industry practice of copper sulphate as an activator and sodium iso-butyl xanthate (SIBX) under alkaline conditions as the collector for zinc flotation. This was followed by lowering the pH to 8 with sulphuric acid, and flotation of the pyrite with more SIBX.

Acceptable zinc concentrate grades (52% Zn) at reasonable open-circuit recoveries and high pyrite recoveries were achieved.

13.4.3 Sulphide circuit flotation tests

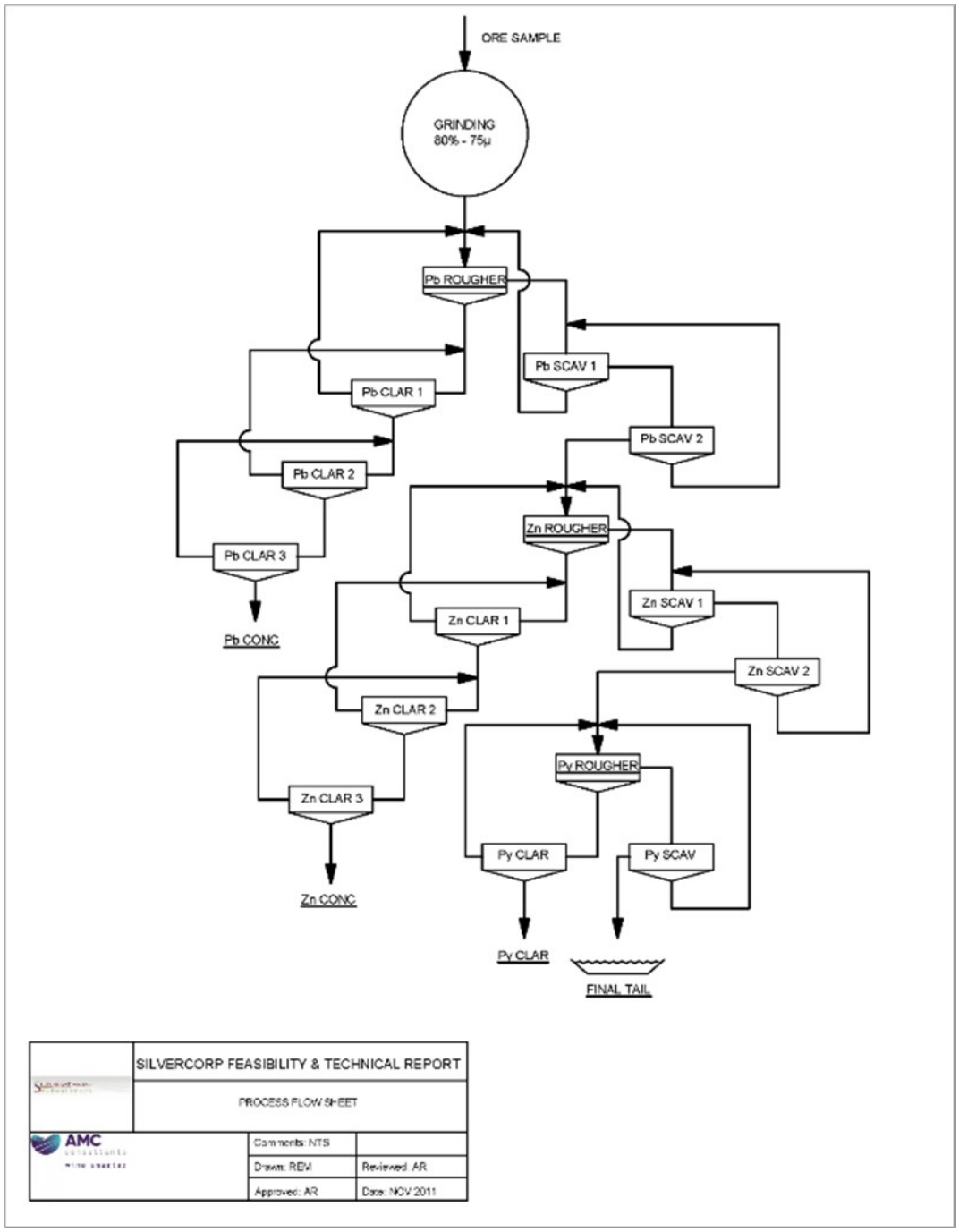
Based on the conditions established for lead, zinc, and pyrite flotation and with three stages of cleaning for lead and zinc flotation and one cleaner for pyrite flotation, a full open-circuit test of sulphide minerals flotation was conducted, as a proof of concept of the overall circuit.

A 48% Pb concentrate at 72% recovery was achieved; zinc recovery was lower (49%) to a 52% Zn concentrate with a substantial amount of the zinc tied up in lead circuit cleaner tails and scavenger concentrates that, in practice, would be recycled. The remainder of the sulphur was largely recovered to a 48% S pyrite concentrate.

This test demonstrated that sulphide flotation to saleable lead and zinc concentrates at acceptable (for batch tests) recoveries, and a high recovery of the balance of the sulphur to a pyrite concentrate was possible.

Determination of likely recoveries in an actual industrial scale flotation plant with recycling of intermediate "middlings" streams such as cleaner tails and scavenger concentrates was noted to require closed circuit flotation testing. This was carried out according to the flowsheet shown in Figure 13.1.

Figure 13.1 Closed circuit flotation test flowsheet



It was not clear to the QP from the testwork data and report of the extent to which this closed-circuit test approached the locked cycle test standards commonly used in western laboratories. There was no information on how many cycles were performed (the usual minimum is six) and whether circuit stability was in fact achieved as the circulating loads of middling approached a sort of equilibrium. The most likely consequence of not attaining equilibrium was seen to be that concentrate grades may be over-estimated and recoveries under-estimated.

Notwithstanding this, the results as presented in Table 13.3 appeared reasonable and in accord with expectations from the mineralogy and experience of similar ores. These results constituted the design basis for the flowsheet and the 2012 Technical Report financial model.

Table 13.3 Closed circuit flotation test results

Product	Wt %	Grades				Recoveries %			
		% Pb	% Zn	% S	Ag g/t	Pb	Zn	S	Ag
Pb Conc	2.63	46.35	9.53		3,009	84.7	7.74		62.8
Zn Conc	5.84	0.92	48.95		268	3.73	88.2		12.4
Pyrite Conc	14.65	0.81	0.41	42.52	190	8.24	1.85	61.3	22.1
Tailings	76.88	0.06	0.09	0.53	4.5	3.38	2.18	4.01	2.74
Feed	100.0	1.44	3.24	10.16	126	100.0	100.0	100.0	100.0

Note: Copper-lead separation not deemed commercially viable.

13.4.4 Copper-lead separation tests

The closed-circuit test produced a lead concentrate with 3% Cu; accordingly, some preliminary investigations were carried out into producing separate copper and lead concentrates. No details of the experimental conditions were available, but the results showed that an 18.5% copper concentrate was produced at 67.6% recovery, but with 7.2% Pb and 16.6% Zn - not attractive to a smelter. The lead concentrate assayed 57.2% Pb at 89% recovery, with negligible copper levels. There was no information on silver deportment.

The QP understands that no further work has been done and no consideration given to incorporating a copper recovery circuit; the QP would consider that reasonable, given the results.

13.4.5 Tin recovery tests

Despite the low tin head grade and fine size distribution of the tin previously referred to, an extensive series of tests to recover tin was performed.

Attempts to produce a saleable grade tin concentrate through either froth flotation or centrifugal, enhanced gravity (high-g) devices were unsuccessful.

Finally, a concentrate of >50% Sn was obtained by spiral concentration followed by tabling of sized streams of the spiral concentrate, then froth flotation on the table concentrate to remove the sulphides also concentrated by the gravity processes. Overall tin recovery from these batch tests was of the order of 30%. It was estimated that, in a closed circuit, tin recovery to a saleable concentrate would be 37%.

The QP considered that the concentrate grade was still relatively low but that if an appropriate smelter customer could be found, a tin recovery circuit could, in fact, be potentially economically viable.

13.4.6 Optimization opportunities

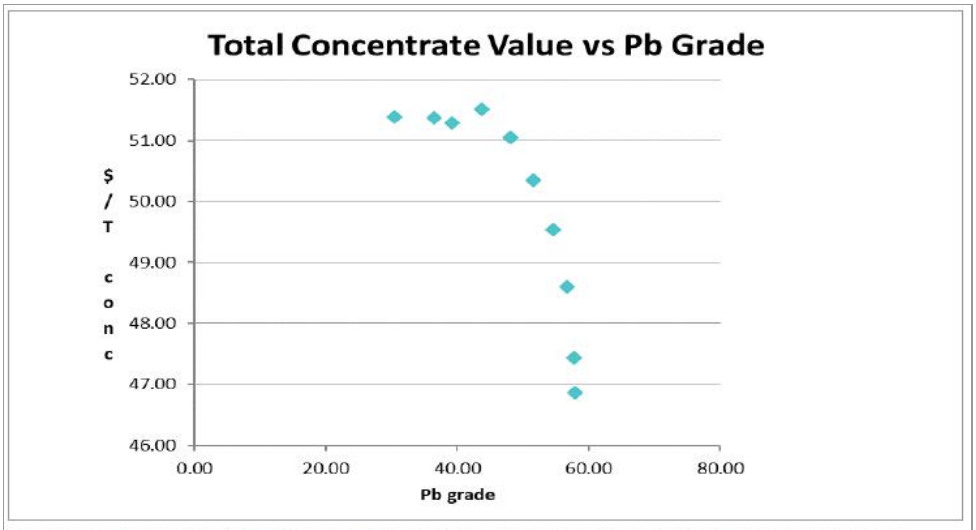
It is the QP's experience with silver-lead-zinc concentrates that the optimum grade-recovery point for the lead concentrate is driven by maximizing silver recovery and is often at a surprisingly low lead grade. This is particularly so in a fully integrated mine-concentrator-smelter operation and at higher silver prices.

As part of the 2012 Technical Report, the QP carried out a preliminary assessment of the optimization opportunity for moving to a lower grade point on the grade-recovery curve, referencing certain parameters. These are indicated below:

- Analysis of the open-circuit flotation test results to derive grade-recovery data for the lead concentrate and lead-zinc selectivity.
- Polynomial curve-fitting of this data to derive predictive formulae (relying on interpolation only, not extrapolation).
- Estimation from the flotation test data, covering a range of lead and silver grades, of the silver content of the lead concentrate at various lead grades (approx. 65 g/t Ag per 1% Pb).
- Calculation of the concentrate value at a range of concentrate grades from 30% to 60% Pb, allowing for:
  - ¾ Incremental increases in silver recovery with increasing lead recovery (and lower lead grade).
  - ¾ Declining lead and silver payables as grade falls.
  - ¾ Zinc losses from the zinc concentrate to the lead concentrate (Zn non-payable).
- No allowance made for incremental transport costs (no data available).

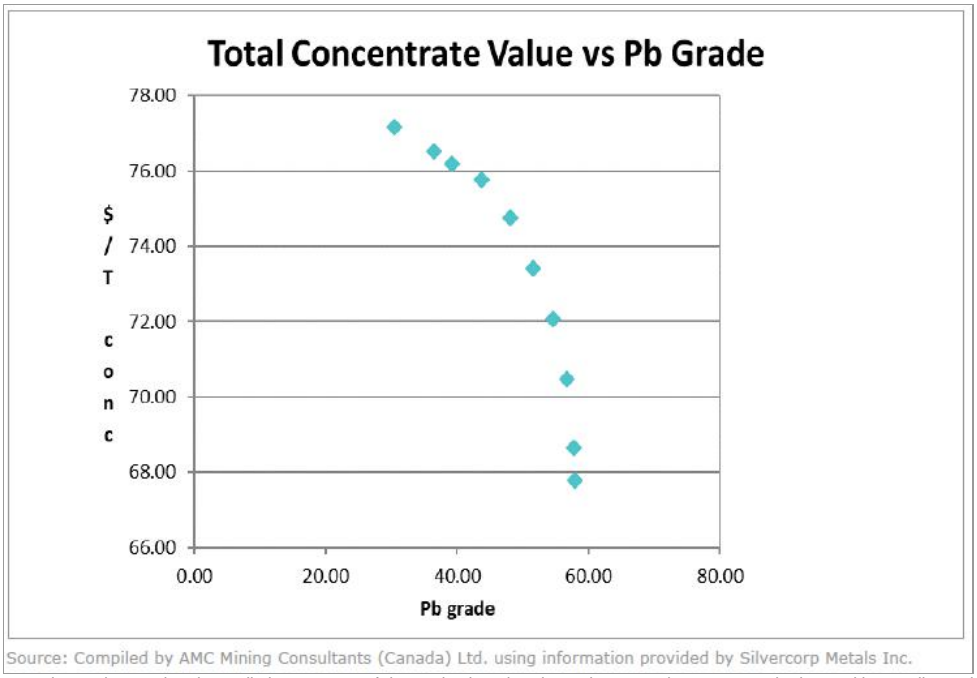
The results of this exercise are summarized in Figure 13.2 and Figure 13.3 below, where two silver prices were considered, what was deemed a 'longer-term' projection of US$18/oz, and a significantly higher price of US$30/oz. Note that, in both cases, lead and zinc prices of US$1.00/lb were used.

Figure 13.2 Concentrate value vs % Pb (Ag $18/oz)



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

Figure 13.3 Concentrate value vs % Pb (Ag $30/oz)



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

It is clear from the above graphs, and accepting the preliminary nature of the evaluation, that the optimum grade-recovery point is sensitive to silver prices. At the 'longer-term' price, the strategy targeting a lead concentrate grade of 46% Pb is seen to be close to the optimum of around 43%; however, at a silver price of around US$30/oz, and assuming lead and zinc prices around US$1/lb, it would make more sense to pursue a strategy of maximizing lead and silver recovery, at the expense of zinc recovery and, within smelter contract constraints (min. 35% Pb grade), lead concentrate grade.

13.5 Concentrate quality considerations

For the metallurgical testing, the main issues highlighted by GMADI with respect to concentrate quality relative to the national standards were:

- Copper and zinc levels in the lead concentrate (3% and 9% respectively), which the QP considered to be more of a commercial issue rather than a material quality issue.
- Arsenic level in the zinc concentrate (0.57% As) which exceeds the 0.4% As level for an otherwise clean Grade 3 concentrate.
- Arsenic level in the pyrite concentrate (1.15% As) which exceeds the 0.07% As level in the top category (Grade 1) of the standard.

The QP considered that the only potential quality issue was arsenic (As). Experience reported in operations indicates that the As level in the zinc concentrate has been maintained below 1% (As content in Zn concentrate 0.91% and 0.83% in 2019 and 2020, respectively) with, in most

instances, a similar result for the pyrite concentrate. The QP 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.

13.6 Summary of testwork outcomes

The key outcomes of the metallurgical testwork were as noted in the following sub-sections.

13.6.1 Metallurgical samples

The metallurgical samples were adequately representative of the main part of the orebody and of the 2012 Mineral Reserves.

13.6.2 Mineralogy

The mineralogy is more challenging than Silvercorp's Ying Mine in Henan province, mainly because the silver content is more widely spread across the mineral suite, i.e., in the sphalerite and pyrite as well as being of payable content in association with the galena.

13.6.3 Laboratory testwork

13.6.3.1 Grinding

No grinding testwork had been carried out at the time of the 2012 Technical Report. Although this would normally be a standard inclusion in any feasibility study, the QP made allowance to compensate for this deficiency in the discussion around process design.

13.6.3.2 Flotation

- Batch flotation tests established a workable set of flotation conditions and reagents, although an opportunity was recognized to pursue the use of a precious metal specific collector like Cytec A3418A.
- Closed circuit flotation tests allowed derivation of reasonable predictions of concentrate grades and recoveries, as summarized in Table 13.3 above.

13.6.3.3 Tin recovery

Despite the fine grain size and resulting low gravity recoveries, a tin recovery circuit appended to the end of the main circuit was projected to be low cost and potentially viable.

13.6.4 Optimization opportunities

Relative to the high silver price environment of 2012, a recommendation was made that attention should be paid to increasing further the silver recovery, even at the expense of a lower % Pb concentrate grade, and with smelter contracts to be negotiated accordingly.

13.6.5 Concentrate quality

Copper and zinc levels in the lead concentrate are a commercial rather than a material quality issue; however arsenic levels in the lead and zinc concentrates were previously seen to be potentially material and were seen as meriting further investigation. The QP now notes that GC lead and zinc concentrates are acceptable to the Chinese smelters with

which Silvercorp has contracts (see Section 13.5 above).

13.7 Mill operation FY2015 to end-2020 (Q3 FY2021)

Table 13.4 is a summary of mill results since the start of commercial production in 2014 Q2 (start of FY2015) through to the end of 2020 (Q3 FY2021). The QP has noted that the closed-circuit test work conducted to provide design data for the flotation circuit produced results that appeared reasonable in accordance with experience of similar ores. The mill was designed and constructed using these data.

In operations, the mill has consistently exceeded the lead closed-circuit test result of 85% recovery, averaging 87.8% since FY2015 and 89.7% since FY2019. Lead concentrate grade has generally improved, averaging 46.8% since FY2019, versus the closed-circuit test value of 46%.

Zinc recovery has largely shown a consistent improvement since the start of operations, averaging 85.4% in FY2019 and FY2020, and achieving 88.2% in FY2021 Q1 to Q3, compared to the closed-circuit test performance of 88%. The grade of zinc in zinc concentrate has averaged 45.2% since the start of operations, versus the closed-circuit value of 49%.

Silver recovery has consistently exceeded the closed-circuit value of 75.2%, averaging 78.0% since the start of operations and 82.6% for the first three quarters of FY2021.

In the past, sulphur has been recovered. This has not been the case in the last two years due to poor market conditions for sulphur.

Table 13.4 Gaocheng mill performance FY2015 to 2020 (Q3 FY2021)

Fiscal year	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021Q1-3
Ore mined (tonnes)	253,321	257,575	260,746	245,783	284,218	287,633	264,389
Ore milled (tonnes)	261,315	256,861	260,696	244,338	288,995	290,611	267,230
Head grades							
Silver (g/t)	107	94	94	98	86	97	85
Lead (%)	1.35	1.76	1.44	1.45	1.52	1.91	1.69
Zinc (%)	2.65	2.53	2.81	2.78	2.99	3.31	3.45
S grade (%)	9.29	9.19	10.55	10.4	9.80	10.33	9.95
Average metal grades of lead concentrate							
Ag (g/t)	1,947.50	1,589.03	1,729.77	1,984.44	1,605.29	1,483.54	1,451.82
Pb (%)	39.06	44	42.45	45.2	47.92	47.70	44.88
Average metal grades of zinc concentrate							
Ag (g/t)	516.75	420.73	389.28	395.96	386.78	345.44	314.21
Zn (%)	45.21	47.38	45.09	43.53	45.08	45.39	44.59
Sulphur concentrate and tailings							
S grade (% in concentrate)	47.71	49.7	49.48	49.4	49.4		
Ag grade (g/t in tailings)	18.73	10.93	18.69	25.75	19.25	24.28	16.45
Pb grade (% in tailings)	0.14	0.13	0.14	0.17	0.11	0.17	0.13
Zn grade (% in tailings)	0.18	0.13	0.22	0.32	0.27	0.24	0.22
S grade (% in tailings)	5.43	3.28	3.9	8.57	7.46	8.48	7.76
Pb concentrate (t)	7,799	9,022	7,586	6,685	8,281	10,401	8,987
Zn concentrate (t)	12,355	11,354	13,760	12,746	16,270	18,231	18,230
S concentrate (t)	12,769	21,464	15,458	186	3,303		
Tailings (t)	228,391	215,023	223,892	224,720	261,141	261,979	240,013
Ag recovered from lead concentrate (kg)	15,189	14,336	13,122	13,266	13,293	15,430	13,047

Fiscal year	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021Q1-3
Ag recovered from zinc concentrate (kg)	6,384	4,777	5,356	5,047	6,293	6,298	5,728
Total Ag recovered (kg)	21,573	19,113	18,478	18,313	19,586	21,728	18,775
Pb recovered in lead concentrate (t)	3,047	3,970	3,220	3,021	3,968	4,961	4,033
Zn recovered in zinc concentrate (t)	5,585	5,379	6,205	5,548	7,334	8,275	8,128
S processed (t)	6,092	10,668	7,649	92	1,632		
Recovery rates							
Silver recovered in lead concentrate (%)	53.63	59.22	53.73	55.17	53.19	54.93	57.42
Silver recovered in zinc concentrate (%)	23.30	19.70	21.90	20.99	25.18	22.42	25.21
Total Ag recovery rate (%)	76.93	78.92	75.63	76.16	78.38	77.36	82.62
Lead recovery (%)	86.25	88.00	85.74	85.42	90.40	89.30	89.52
Zinc recovery (%)	80.59	82.76	84.67	81.75	84.86	86.01	88.19
S recovery (%)	25.10	45.17	27.82	0.36	5.76		

14 Mineral Resource estimates

14.1 Introduction

The Mineral Resource estimates for the Gaocheng deposit have been prepared by Mr Shoupu Xiang, 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 some adjustment to the Mineral Resource classification and capping, is satisfied that they comply with reasonable industry practice. Ms Nussipakynova takes responsibility for these estimates.

The Mineral Resources include a relatively small amount of material (less than 1% of the total Mineral Resources) below the lower elevation limit (-530 m elevation) of Silvercorp's current mining licenses. However, because of the nature of Chinese regulations governing applications for new or extended mining licenses, and because Mineral Resources have been shown to extend below the current lower limit, the QP is satisfied that there is no material risk of Silvercorp not being granted approval to extend the lower depth limit of its licenses to develop these Mineral Resources as and when required.

Other than the low risk referred to above the QP 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.

This estimate supersedes the previous estimate outlined in the 'NI 43-101 Technical Report on the Gaocheng Ag-Zn-Pb Project in the Guangdong Province, People's Republic of China' dated 30 June 2019. The previously estimate had an effective date of 30 June 2019 and included drilling to 31 December 2018.

The drilling and underground channel data used in this report (effective date 31 March 2021) include results of all drilling carried out on the Property to 31 December 2020.

The estimation was carried out in Micromine™ software. Interpolation was carried out using inverse distance squared (ID ^{2}) for all the veins.

The results of the current estimate are summarized in Table 14.1.

Table 14.1 Mineral Resources as of 31 December 2020

Classification	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Contained metal		
					Ag (koz)	Pb (M lbs)	Zn (M lbs)
Measured	5.286	88	1.3	3.1	14,906	154	360
Indicated	4.747	75	1.1	2.5	11,457	111	259
Measured and Indicated	10.033	82	1.2	2.8	26,363	265	619
Inferred	8.441	87	1.0	2.4	23,562	195	442

Notes:
- CIM Definition standards (2014) were used for reporting the Mineral Resources.
- Mineral Resources are reported at a cut-off grade of 105 g/t AgEg.
- The equivalency formula is Ag g/t+50.46*Pb%+43.53*Zn% using prices of US$18.20/oz Ag, US$0.94/lb Pb, and US$1.08/lb Zn and estimated recoveries of 82.6% Ag, 89.5% Pb, and 87.3% Zn.
- Sample results up to 31 December 2020.
- Mineral Resources have been depleted to account for mining to 31 December 2020.
- Veins factored to a minimum extraction width of 0.4 m.
- Mineral Resources are inclusive of Mineral Reserves reported in Section 15.
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration
- The numbers may not compute exactly due to rounding.

Source: Silvercorp Metals Inc., reproduced as a check by AMC Mining Consultants (Canada) Ltd.

14.2 Data used

14.2.1 Drillhole database

The data used in the estimate consists of surface and underground diamond drillholes and channel samples. The underground channel samples are from tunnels, raises, and crosscuts. Silvercorp maintains the drill and channel data in an Access database and provided the data to AMC in that format. The number of holes and number of assays used in the estimate, by year of drilling, are shown in Table 14.2.

Table 14.2 Summary of data used in 2020 estimation

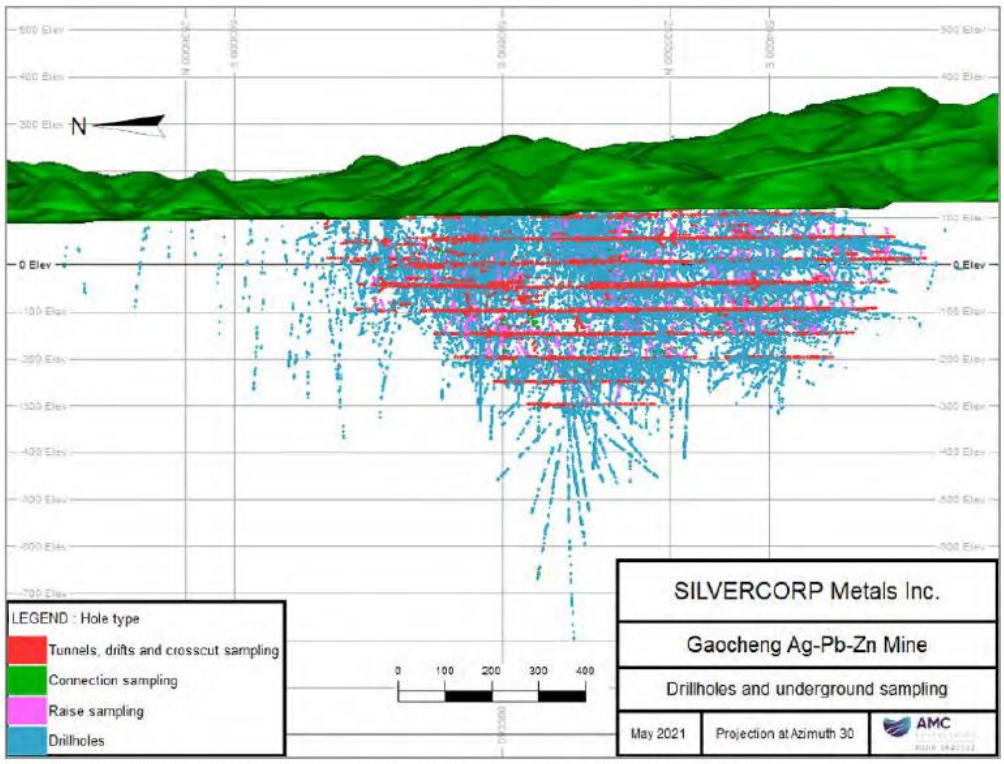
Year	Trench			Underground channel			Surface drillhole			Underground drillhole		
	No	No. of samples	Length (m)	No	No. of samples	Length (m)	No	Metres sampled	Length (m)	No	Metres sampled	Length (m)
2002							3	92	680			
2005							3	84	972			
2006				12	1,121	3,674						
2007	23	143	1,593	38	104	119	47	1,740	8,335			
2008							29	2,041	10,417			
2011				17	34	25						
2012				389	1,003	1,111						
2013				782	2,125	2,415	87	3,990	26,341	231	6,100	34,764
2014				832	2,138	1,806				187	3,480	29,545
2015	14	14	18	1,619	3,866	2,708	24	640	54	183	3,416	30,703
2016				1,732	4,432	3,418	4	99	370	131	2,120	12,633
2017				2,003	5,369	3,780	4	205	882	191	4,865	25,032
2018				2,188	5,700	3,601	187	5,291	24,778			
2019				2,991	7,620	4,685				197	5,686	25,506
2020				2,689	7,047	4,502				346	9,419	34,953
Total	**37**	**157**	**1,611**	**15,292**	**40,559**	**31,844**	**388**	**14,182**	**72,829**	**1,466**	**35,086**	**193,136**

Notes:
- Drill data to 31 December 2020.
- Numbers may not add due to rounding.

Source: Silvercorp Metals Inc., reproduced as a check by AMC Mining Consultants (Canada) Ltd.

Figure 14.1 shows a view of the drillholes and channel samples.

Figure 14.1 View of Gaocheng drillholes and channel sampling



Source: AMC Mining Consultants (Canada) Ltd., based on data provided by Silvercorp Metals Inc.

14.2.2 Bulk density

A bulk density was assigned to all blocks in the model using the formula:

DENSITY = 3.094919 + (0.040827 X Pb%) + (0.034253 x Zn%) + (0.000482 x Ag (g/t))

The regression formula is based on 191 samples. This formula and recommendations for bulk density are discussed in Section 10.

14.3 Geological interpretation

The Gaocheng deposit consists of 156 veins. Lithological domains were constructed for each vein. The vein domains were modelled in Micromine and provided by Silvercorp to the QP. The vein domains are based on the vein structure and not on grade. The domains were reviewed and accepted by the QP.

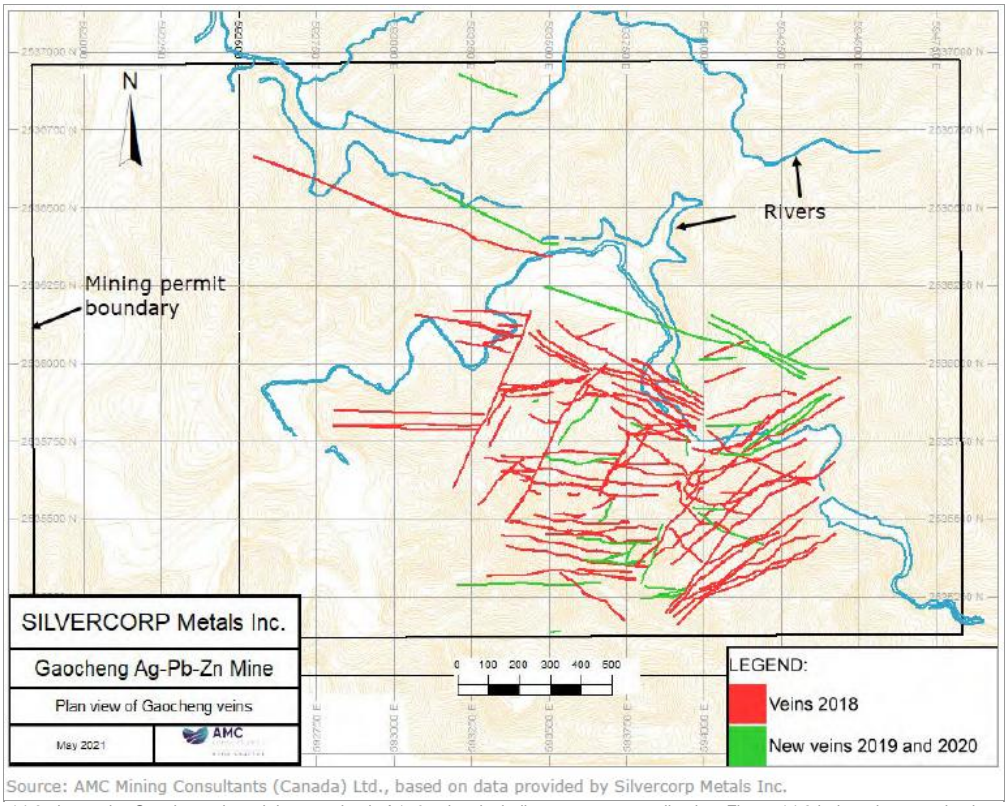
As the lithology domains constrained the extent of the veins, these domains were also used for the mineralization domains.

The blocks inside the block model are coded by estimated silver, lead, and zinc.

Figure 14.2 shows the mineralization domains (red colour) in the plan view.

Visual checks were carried out to ensure that the constraining wireframes respected the raw data.

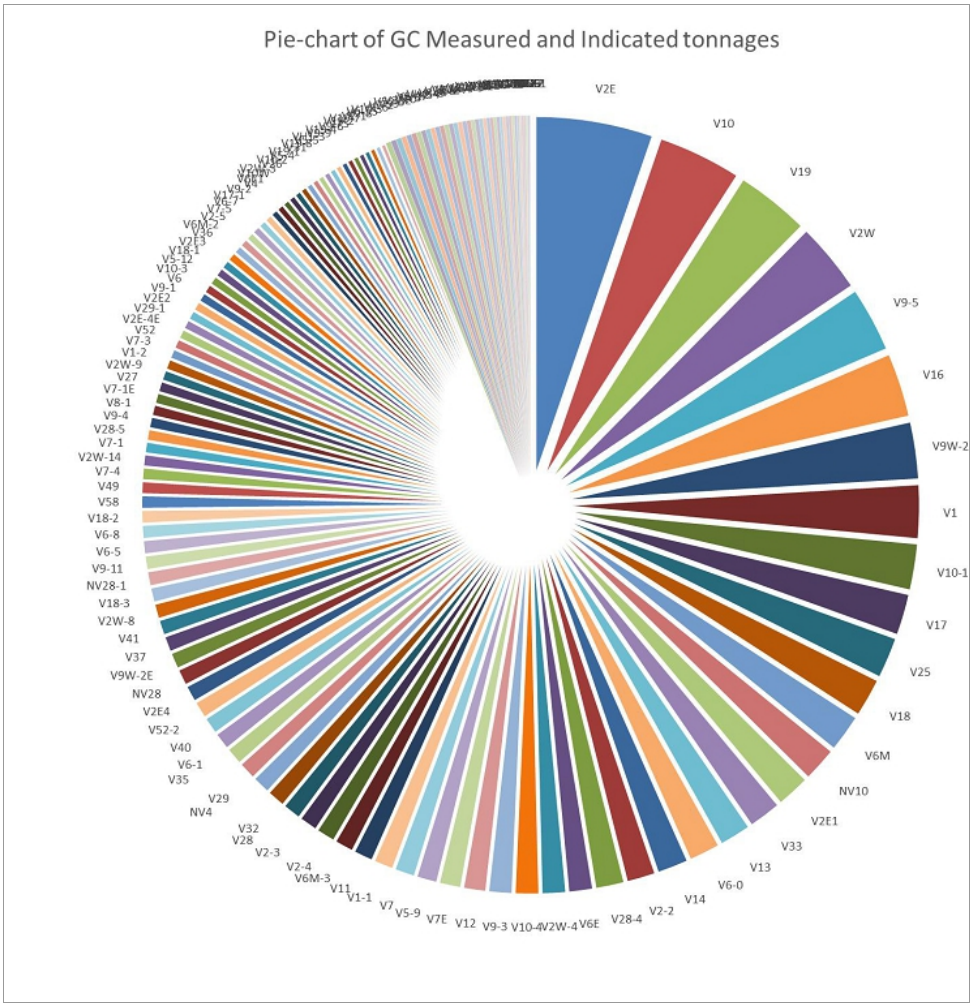
Figure 14.2 Plan view of mineralization domains



Source: AMC Mining Consultants (Canada) Ltd., based on data provided by Silvercorp Metals Inc.

As illustrated in Figure 14.2 above, the Gaocheng deposit is comprised of 156 veins, including numerous small veins. Figure 14.3 below shows a pie chart of the veins by tonnes of classified material. As it is not feasible to list the details of all 156 veins in all tables, the sections discuss all vein methodologies but only the 10 largest veins based on classified tonnes are shown in the tables. Procedures and parameters of these 10 veins are representative of the whole.

Figure 14.3 Pie chart of 156 veins by Measured and Indicated tonnes



Source: AMC Mining Consultants (Canada) Ltd. 2021.

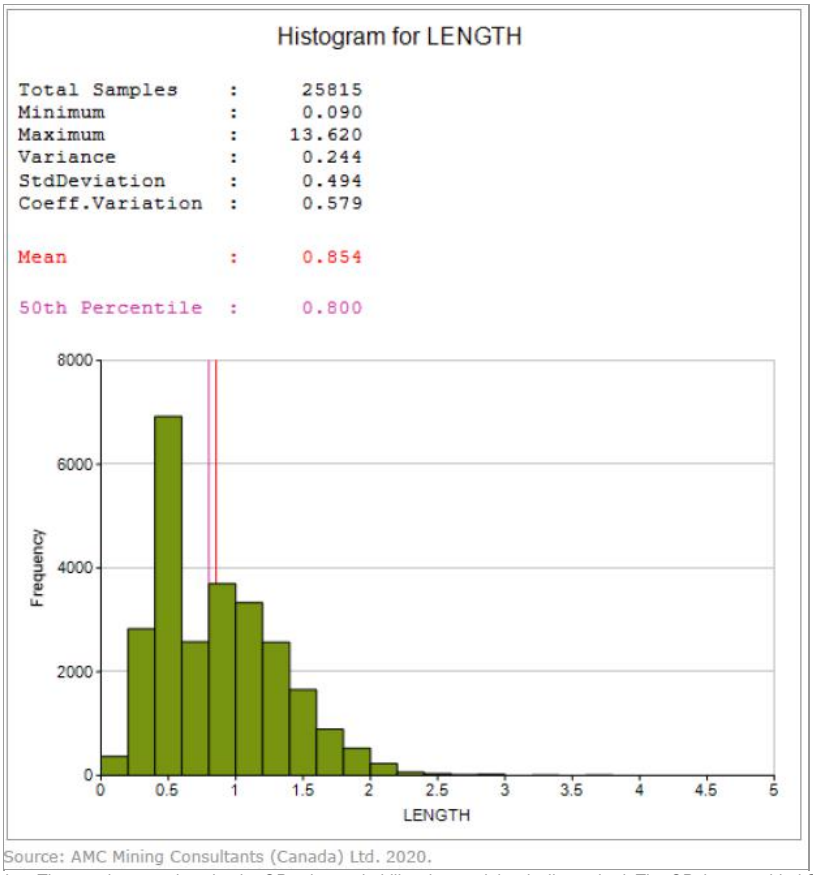
14.4 Statistics, compositing, and capping

Drillhole and channel sample intervals were flagged and coded using 3D vein wireframes. Each vein was treated as a separate block model and estimated independently.

The assay file provided contained 90,278 samples. The total number of samples within the mineralization wireframes is 23,596 including 1,822 inserted zeroes. This is approximately 7.7% of the data.

A compositing interval was selected by reviewing sample length histograms and by comparing length-weighted raw grade statistics with composited grade statistics. A mineralized sample length histogram from the GC mine is displayed in Figure 14.4. A composite length of 0.4 m was chosen as it does not distort the grade distribution for the mine when compared to the length-weighted raw grade statistics.

Figure 14.4 GC mineralized sample length histogram



Source: AMC Mining Consultants (Canada) Ltd. 2020.

Capping was applied after compositing. The capping was done by the QP using probability plots and the decile method. The QP then provided Silvercorp with the capping values prior to estimation. This is a refinement upon prior years where the capping values were determined by 97.5% cumulative distributive assay values for each vein.

The review of probability plots and decile method showed that many of the veins do not require capping. Table 14.3 shows a summary of the capping levels.

Table 14.3 Grade capping summary

Element	No of veins capped	Lowest cap value	Highest cap value
Ag (g/t)	63	40	1,921
Pb (%)	81	1	30
Zn (%)	34	1.8	33

Source: Silvercorp Metals Inc., summarized by AMC Mining Consultants (Canada) Ltd.

The raw, composited, and capped assay data for the 10 largest mineralized veins (based on classified tonnes) are shown in Table 14.4. Note the grades were weighted by sample length.

Table 14.4 Statistics of raw, composited, and capped assay data for the selected 10 veins

		Ag (g/t)			Pb (%)			Zn (%)		
Vein	Field	Raw	Comp	Capped	Raw	Comp	Capped	Raw	Comp	Capped
V2E	No Samples	1,379	3,528	3,528	1,379	3,528	3,528	1,379	3,528	3,528
	Minimum	0	0	0	0	0	0	0	0	0
	Maximum	2,015	2,015	1,300	53.27	53.27	20.00	20.20	20.20	20.20
	Mean	**105**	**105**	**104**	**1.59**	**1.59**	**1.57**	**3.17**	**3.17**	**3.17**
	Standard Dev.	139.99	136.55	128.66	2.69	2.59	2.32	2.94	2.87	2.87
	Coef. Var.	1.34	1.31	1.24	1.69	1.62	1.48	0.93	0.90	0.90
V10	No Samples	952	2,026	2,026	952	2,026	2,026	952	2,026	2,026
	Minimum	0	0	0	0	0	0	0	0	0
	Maximum	846	846	846	29.90	26.61	20.00	31.18	31.18	31.18
	Mean	**65**	**65**	**65**	**1.76**	**1.77**	**1.75**	**3.59**	**3.60**	**3.59**
	Standard Dev.	85.58	83.50	83.54	2.80	2.73	2.60	3.31	3.22	3.23
	Coef. Var.	1.32	1.28	1.29	1.59	1.55	1.49	0.92	0.90	0.90
V19	No Samples	975	1,956	1,956	975	1,956	1,956	975	1,956	1,956
	Minimum	0	0	0	0	0	0	0	0	0
	Maximum	1,308	1,199	1,199	49.73	49.73	20.00	38.25	38.25	38.25
	Mean	**86**	**86**	**86**	**1.63**	**1.63**	**1.57**	**4.12**	**4.12**	**4.12**
	Standard Dev.	117.95	114.09	114.10	3.38	3.26	2.73	4.85	4.76	4.76
	Coef. Var.	1.36	1.32	1.32	2.08	2.00	1.74	1.18	1.15	1.15
V2W	No Samples	1,643	4,996	4,996	1,643	4,996	4,996	1,643	4,996	4,996
	Minimum	0	0	0	0	0	0	0	0	0
	Maximum	1,533	1,533	1,533	35.33	35.33	25.00	30.00	30.00	30.00
	Mean	**123**	**123**	**123**	**1.82**	**1.82**	**1.80**	**3.45**	**3.45**	**3.45**
	Standard Dev.	135.19	131.35	131.35	3.21	3.12	3.00	3.33	3.25	3.25
	Coef. Var.	1.10	1.07	1.07	1.77	1.72	1.67	0.97	0.94	0.94
V9-5	No Samples	984	2,155	2,155	984	2,155	2,155	984	2,155	2,155
	Minimum	0	0	0	0	0	0	0	0	0
	Maximum	1,104	1,104	1,104	33.28	33.28	15.00	29.54	27.54	27.54
	Mean	**84**	**84**	**83**	**1.56**	**1.56**	**1.50**	**3.21**	**3.20**	**3.20**
	Standard Dev.	111.83	109.75	109.57	2.92	2.86	2.42	3.62	3.52	3.52
	Coef. Var.	1.34	1.31	1.31	1.87	1.84	1.62	1.13	1.10	1.10

		Ag (g/t)			Pb (%)			Zn (%)		
Vein	**Field**	**Raw**	**Comp**	**Capped**	**Raw**	**Comp**	**Capped**	**Raw**	**Comp**	**Capped**
V16	No Samples	811	1,605	1,605	811	1,605	1,605	811	1,605	1,605
	Minimum	0	0	0	0	0	0	0	0	0
	Maximum	3,321	3,321	1,200	14.62	14.62	8.00	34.76	27.43	27.43
	Mean	**129**	**129**	**120**	**0.83**	**0.83**	**0.81**	**2.39**	**2.40**	**2.38**
	Standard Dev.	261.39	256.58	190.22	1.39	1.38	1.22	3.19	3.13	3.09
	Coef. Var.	2.02	1.99	1.59	1.68	1.66	1.52	1.33	1.30	1.30
V9W-2	No Samples	644	1,565	1,565	644	1,565	1,565	644	1,565	1,565
	Minimum	0	0	0	0	0	0	0	0	0
	Maximum	2,517	2,517	1,250	11.00	11.00	7.00	25.12	25.12	25.12
	Mean	**87**	**87**	**84**	**0.48**	**0.48**	**0.47**	**1.83**	**1.83**	**1.83**
	Standard Dev.	189.06	185.79	151.74	1.08	1.07	1.01	2.70	2.66	2.66
	Coef. Var.	2.16	2.13	1.80	2.28	2.25	2.16	1.47	1.45	1.45
V1	No Samples	413	830	830	413	830	830	413	830	830
	Minimum	0	0	0	0	0	0	0	0	0
	Maximum	656	656	656	28.49	28.49	28.49	21.10	18.80	18.80
	Mean	**48**	**48**	**48**	**2.33**	**2.33**	**2.32**	**3.32**	**3.32**	**3.32**
	Standard Dev.	66.08	64.07	64.09	3.23	3.12	3.12	3.36	3.26	3.26
	Coef. Var.	1.37	1.33	1.33	1.39	1.34	1.34	1.01	0.98	0.98
V10-1	No Samples	787	1,434	1,434	787	1,434	1,434	787	1,434	1,434
	Minimum	0	0	0	0	0	0	0	0	0
	Maximum	1,763	1,763	1,763	11.26	11.26	9.00	46.97	46.97	46.97
	Mean	**113**	**113**	**111**	**0.76**	**0.75**	**0.74**	**5.52**	**5.60**	**5.45**
	Standard Dev.	165.76	162.15	160.84	1.34	1.32	1.28	7.06	6.97	6.77
	Coef. Var.	1.47	1.43	1.44	1.77	1.75	1.72	1.28	1.24	1.24
V17	No Samples	298	608	608	298	608	608	298	608	608
	Minimum	0	0	0	0	0	0	0	0	0
	Maximum	2,345	2,345	1,000	10.35	10.35	5.00	38.37	38.37	33.00
	Mean	**127**	**127**	**105**	**0.62**	**0.63**	**0.57**	**2.34**	**2.42**	**2.28**
	Standard Dev.	312.30	308.99	195.45	1.14	1.14	0.84	5.18	5.23	4.95
	Coef. Var.	2.47	2.44	1.86	1.82	1.82	1.47	2.21	2.16	2.17

Note: Comp=composited assay data.
Source: Silvercorp Metals Inc., reproduced as a check by AMC Mining Consultants (Canada) Ltd.

14.5 Block model

14.5.1 Block model parameters

The parent block size for all veins was 0.8 m by 10 m by 10 m (x, y, z), with sub-celling employed. The sub-celling resulted in minimum cell dimensions of 0.2 m by 2 m by 2 m (x, y, z). Silvercorp exported the 156 block models as Datamine files.

Each vein is a separate block model with the block model origins, dimensions and rotations used for the estimates being different for each vein. The rotation is around the Z axis. The block models were horizontally rotated around the z-axis to align the y-axis to be parallel with the strike of the veins. This provides the best filling direction for the wireframes.

Block model rotation angles are shown in Table 14.5.

Table 14.5 Block models rotation angles

Vein	Z-angle	Vein	Z-angle	Vein	Z-angle	Vein	Z-angle
NV10	48	V19-8*	90	V31	52	V6-4N*	92
NV2	110	V2-1	109	V32	65	V6-5	110
NV28	75	V2-2	115	V33	60	V6-5S	110
NV28-1	85	V2-3	120	V33-1*	82	V6-7*	108
NV3	116	V2-4	100	V33-2*	39	V6-8	115
NV4	120	V25	31	V33E	59	V6E	120
NV6	59	V2-5	110	V34	28	V6E1	113
V1	145	V26	38	V35*	75	V6E2	115
V10	60	V2-6*	115	V36	30	V6E3*	149
V10-1	47	V26E	108	V37	73	V6M	123
V10-10	55	V27	38	V37-1*	83	V6M-2	126
V10-11	48	V28	33	V38	90	V6M-3	115
V10-17	51	V2-8*	103	V39	92	V6N*	94
V10-1S	41	V28-4	50	V4	100	V7	128
V10-2	25	V28-5*	146	V40	89	V7-1	90
V10-3	45	V28-7*	104	V41	58	V7-1E	84
V10-4	58	V29	23	V4-1*	115	V7-2*	118
V10-5	13	V2-9*	114	V45	45	V7-3	100
V10W	47	V29-1	30	V46*	139	V7-4	90
V11	74	V2E	120	V47	71	V7-5*	90
V1-1	115	V2E1	85	V49*	32	V7E	114
V12	46	V2E2	85	V5-12*	49	V7S*	137
V1-2	100	V2E3	108	V5-17*	100	V8	95
V13	50	V2E4*	100	V52*	90	V8-1	95
V14	59	V2E-4E*	78	V5-2	95	V8-2*	90
V16	90	V2E-8*	355	V52-2*	79	V8-5*	95
V1-6*	279	V2W	73	V52-3*	100	V9-1	100
V17	95	V2W-0	85	V5-4	78	V9-11*	40
V17-1*	93	V2W-10*	85	V5-5	93	V9-2	90
V18	95	V2W-11*	63	V5-7*	85	V9-3	90
V18-1	100	V2W-14*	74	V58*	77	V9-4	101
V18-2*	84	V2W-3	90	V59*	346	V9-5	95
V18-3*	63	V2W-4	84	V5-9	43	V9-6*	255
V18-4*	80	V2W-5	104	V6	70	V9-9	70
V19	65	V2W-7*	68	V6-0	120	V9W-2	95
V19-1	102	V2W-8*	100	V6-1	120	V9W-2E	135
V19-2*	99	V2W-9*	75	V6-2	93	VH1	67

V19-4	88	V3*	110	V6-3	105	VH1-3	71
V19-7*	82	V30	107	V6-4	95	VH1-4*	90

Notes: *= New vein since last report.
Source: Silvercorp Metals Inc.

14.5.2 Grade estimation

Interpolation was carried out using the ID^2 method. Three estimation passes were employed.

The search distances are shown in Table 14.6 along with the minimum and maximum number of composite samples used for each pass.

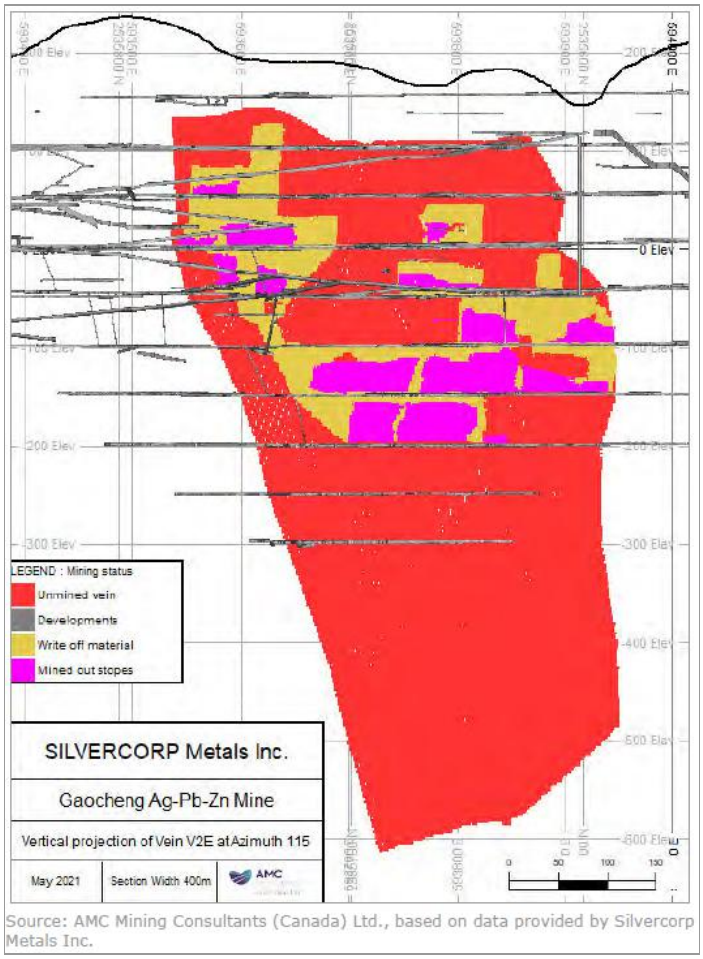
Table 14.6 Micromine search parameters

Pass	Search distance X, Y, Z (m)	Minimum number of samples	Maximum number of samples	Maximum number of samples per drillhole or channel
1	25	4	12	2
2	50	4	12	2
3	200	3	12	2

14.5.3 Mining depletion

Mining depletion and write-offs were coded into the block models by Silvercorp, based on survey information at 31 December 2020. An example of depletion coding is displayed for the V2E vein in Figure 14.5.

Figure 14.5 Mining depletion longitudinal project vein V2E

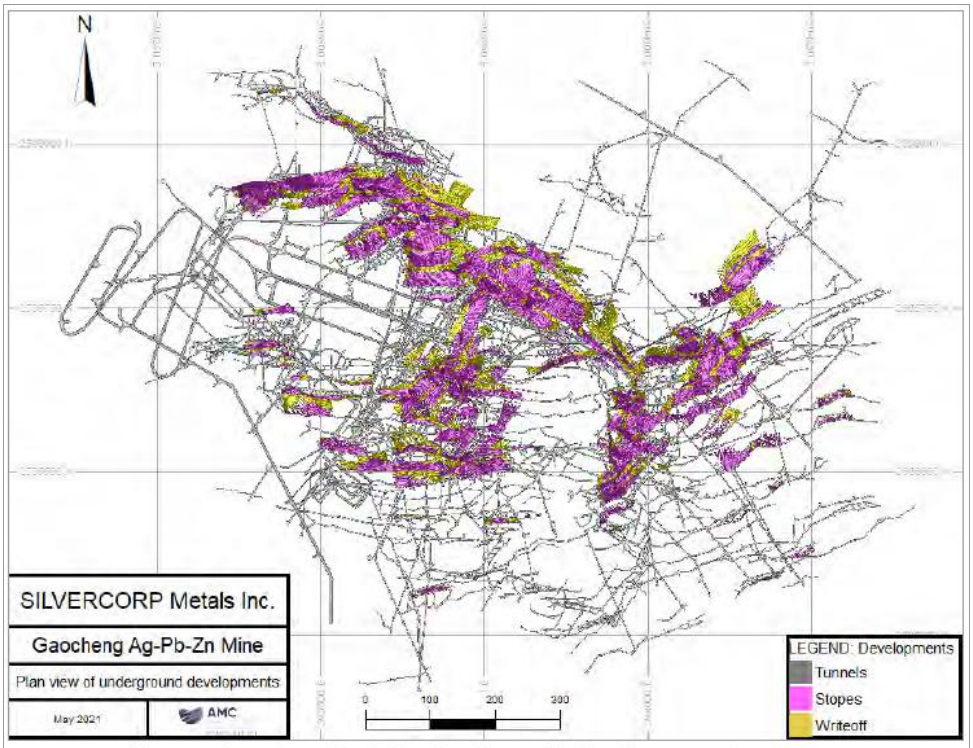


Source: AMC Mining Consultants (Canada) Ltd., based on data provided by Silvercorp Metals Inc.

The total of mined out stopes at a zero-COG is about 1,473,000 tonnes of classified blocks. The tonnage of the underground developments that was assigned in the block models is approximately 209,000 tonnes. The total tonnage assigned to the written-off code (sterilization) is about 778,000 tonnes.

Figure 14.6 shows a composite plan view of mined-out and written-off material.

Figure 14.6 Plan view of mined-out stopes (purple) and written-off shapes (yellow)



Source: AMC Mining Consultants (Canada) Ltd., based on data provided by Silvercorp Metals Inc.

14.5.4 Resource classification

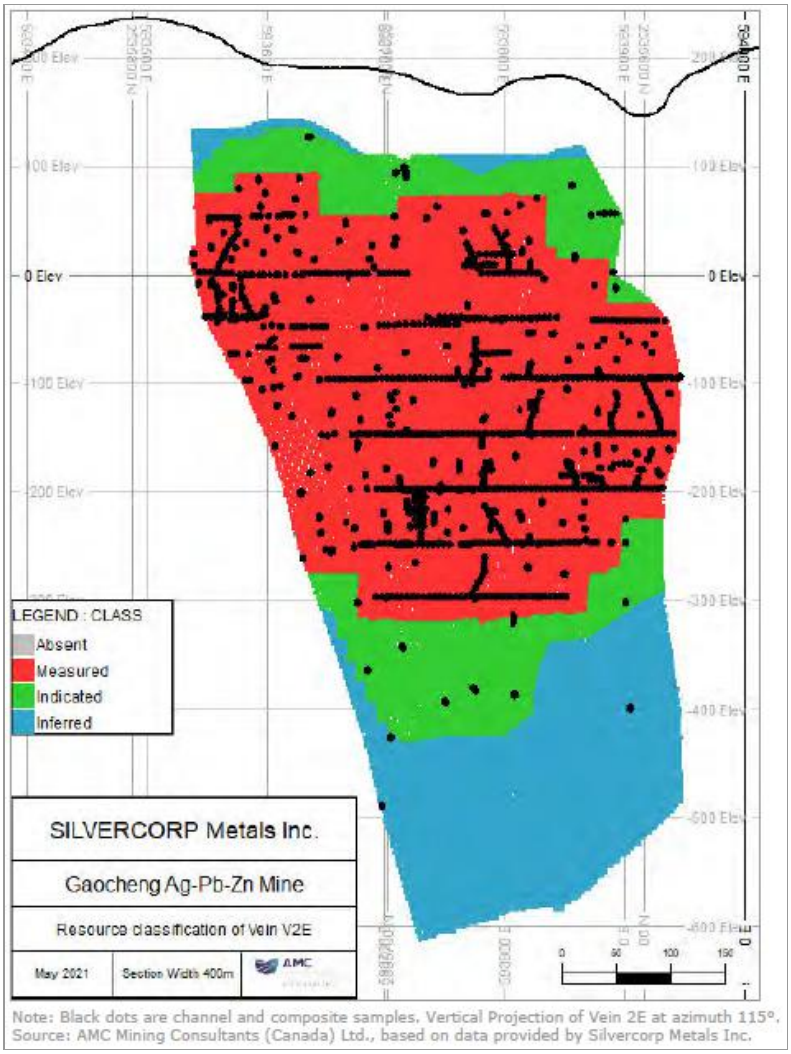
Mineral Resources were classified as Measured, Indicated, and Inferred.

Classification was carried out based on the three search passes used for the estimation, (25 m, 50 m, and 200 m), with a manual review creating volumes based on sample density and the presence or absence of an exploration drive. Measured material was restricted to the presence of tunnels. Outliers were removed and smoothing of the outlines gave a better sense of continuity.

The QP reviewed the classification of each vein and requested changes by Silvercorp where required.

Figure 14.7 shows the block model classification for a selected vein as well as channel and composite samples.

Figure 14.7 Mineral Resource classification vertical section: vein V2E



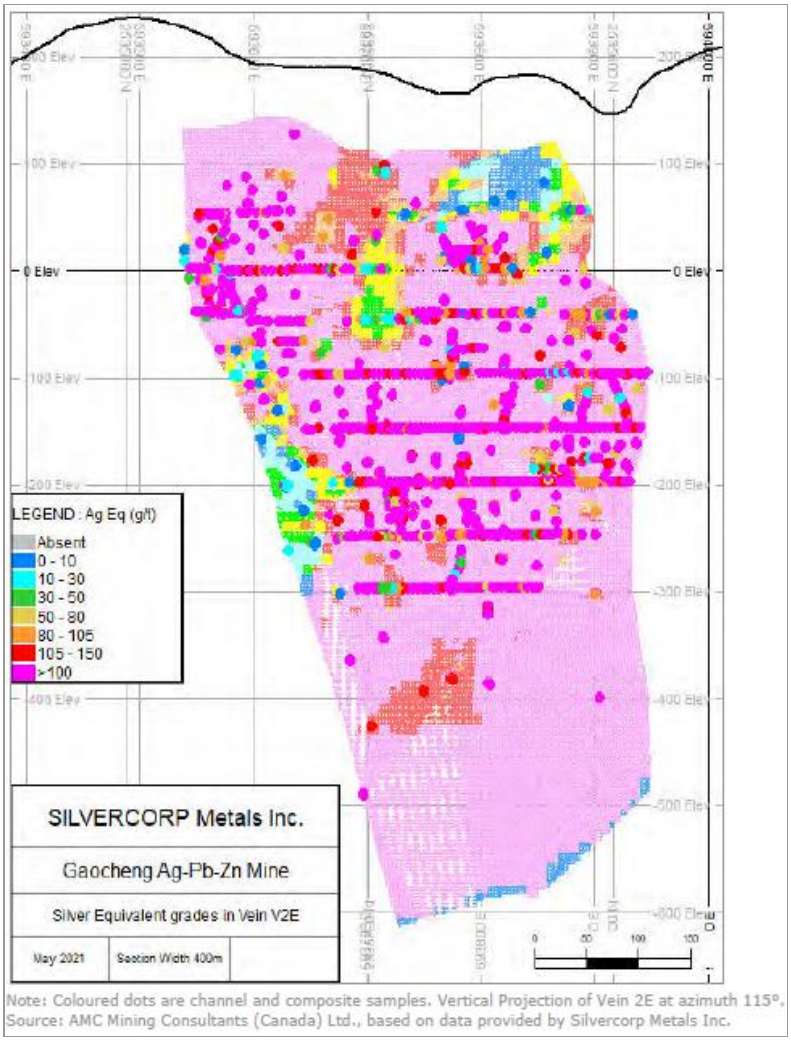
Note: Black dots are channel and composite samples, Vertical Projection of Vein 2E at azimuth 115°,
Source: AMC Mining Consultants (Canada) Ltd., based on data provided by Silvercorp Metals Inc.

14.5.5 Block model validation

The block models were validated by the QP in three 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.

Figure 14.8 shows an example of the composite silver equivalent grades compared to the block model estimated grades for vein V2E. V2E contains one of the largest Measured Resource tonnages and the metal grades are reasonably representative of the Mineral Resource grades as a whole. The figure shows good agreement between the composite grades and the estimated block model grades.

Figure 14.8 Silver equivalent grades vertical section: vein V2E



Note: Coloured dots are channel and composite samples. Vertical Projection of Vein 2E at azimuth 115°.
Source: AMC Mining Consultants (Canada) Ltd., based on data provided by Silvercorp Metals Inc.

Table 14.7 shows the statistical comparison of the composites versus the block model grades for silver, lead, and zinc for the 10 largest veins.

Table 14.7 Statistical comparison of composites and block model for the 10 largest veins

		Ag (g/t)		Pb (%)		Zn (%)	
Vein	**Data file**	**Composites**	**Model**	**Composites**	**Model**	**Composites**	**Model**
V2E	No Samples	3,528	124,151	3,528	124,151	3,528	124,151
	Minimum	0	0	0	0	0	0
	Maximum	1300	674.99	20	11.84	20.2	15.46
	Mean	**103.88**	**87.56**	**1.57**	**1.28**	**3.17**	**3.05**
	Standard Dev.	128.68	60.58	2.32	1.15	2.87	1.57
	Coef. Var.	1.24	0.69	1.48	0.90	0.90	0.51
V10	No Samples	2,026	119,728	2,026	119,728	2,026	119,728
	Minimum	0	0	0	0	0	0
	Maximum	846	464.15	20	12.25	31.18	13.94
	Mean	**65.11**	**55.55**	**1.75**	**1.48**	**3.60**	**3.48**
	Standard Dev.	83.58	37.40	2.60	0.99	3.22	1.52
	Coef. Var.	1.28	0.67	1.49	0.67	0.90	0.44
V19	No Samples	1,956	94,650	1,956	94,650	1,956	94,650
	Minimum	0	0	0	0	0	0
	Maximum	1199	721.09	20	13.76	38.25	31.20
	Mean	**86.46**	**69.15**	**1.57**	**1.13**	**4.13**	**3.30**
	Standard Dev.	114.12	54.11	2.73	1.10	4.76	2.21
	Coef. Var.	1.32	0.78	1.74	0.97	1.15	0.67
V2W	No Samples	4,996	96,497	4,996	96,497	4,996	96,497
	Minimum	0	0	0	0	0	0
	Maximum	1533	772.14	25	13.89	30	12.74
	Mean	**122.70**	**112.64**	**1.80**	**1.58**	**3.45**	**3.36**
	Standard Dev.	131.35	74.68	3.00	1.48	3.25	1.67
	Coef. Var.	1.07	0.66	1.67	0.94	0.94	0.50
V9-5	No Samples	2,155	92,041	2,155	92,041	2,155	92,041
	Minimum	0	0	0	0	0	0
	Maximum	1104	529.77	15	14.72	27.54	20.14
	Mean	**83.52**	**65.27**	**1.50**	**1.30**	**3.20**	**2.54**
	Standard Dev.	109.69	55.50	2.42	1.49	3.52	2.09

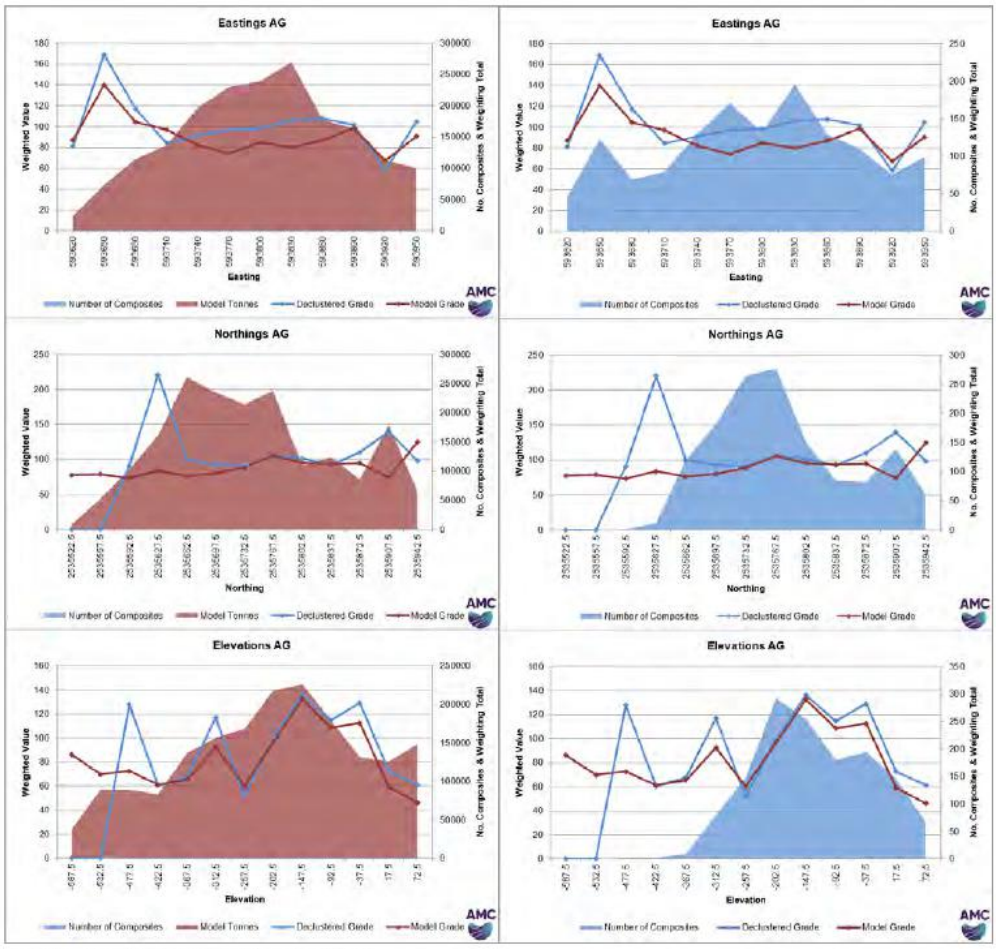
	Coef. Var.	1.31	0.85	1.61	1.15	1.10	0.82
V16	No Samples	1,605	89,011	1,605	89,011	1,605	89,011
	Minimum	0	0.023798	0	0.00004	0	0.000416
	Maximum	1200	889.74	8	7.84	27.43	13.38
	Mean	**120.38**	**80.04**	**0.81**	**0.56**	**2.38**	**1.82**
	Standard Dev.	190.49	84.50	1.22	0.57	3.10	1.71
	Coef. Var.	1.58	1.06	1.51	1.02	1.30	0.94
V9W-2	No Samples	1,565	70,275	1,565	70,275	1,565	70,275
	Minimum	0	0	0	0	0	0
	Maximum	1250	1,159.86	7	5.93	25.12	22.01
	Mean	**84.18**	**73.43**	**0.47**	**0.40**	**1.83**	**1.45**
	Standard Dev.	151.77	85.99	1.01	0.67	2.66	1.49
	Coef. Var.	1.80	1.17	2.16	1.68	1.45	1.03

		Ag (g/t)		Pb (%)		Zn (%)	
Vein	**Data file**	**Composites**	**Model**	**Composites**	**Model**	**Composites**	**Model**
V1	No Samples	830	51,960	830	51,960	830	51,960
	Minimum	0	0	0	0	0	0
	Maximum	656	425.93	28.49	12.36	18.8	13.28
	Mean	**48.38**	**59.43**	**2.33**	**1.77**	**3.32**	**2.64**
	Standard Dev.	64.12	50.39	3.12	1.47	3.27	1.63
	Coef. Var.	1.33	0.85	1.34	0.83	0.98	0.62
V10-1	No Samples	1,434	74,163	1,434	74,163	1,434	74,163
	Minimum	0	0	0	0	0	0
	Maximum	1763	822.89	9	5.61	46.97	30.97
	Mean	**112.15**	**95.02**	**0.75**	**0.69**	**5.46**	**3.93**
	Standard Dev.	161.47	78.64	1.29	0.58	6.79	3.67
	Coef. Var.	1.44	0.83	1.72	0.84	1.24	0.93
V17	No Samples	608	62,813	608	62,813	608	62,813
	Minimum	0	0	0	0	0	0
	Maximum	1000	878.20	5	3.60	33	22.57
	Mean	**106.27**	**76.17**	**0.58**	**0.59**	**2.28**	**1.38**
	Standard Dev.	196.79	91.99	0.84	0.48	4.97	1.98
	Coef. Var.	1.85	1.21	1.47	0.82	2.18	1.43

Note: For minimum, maximum, and mean values, silver values are in g/t and lead and zinc are in %. Largest veins are based on Measured and Indicated tonnes.
Source: Silvercorp Metals Inc., reproduced as a check by AMC Mining Consultants (Canada) Ltd.

Figure 14.9, Figure 14.10, and Figure 14.11 show the swath plots for classified blocks for silver, lead, and zinc for vein V2E, respectively. The swath plots show acceptable agreement between composites and block model grades.

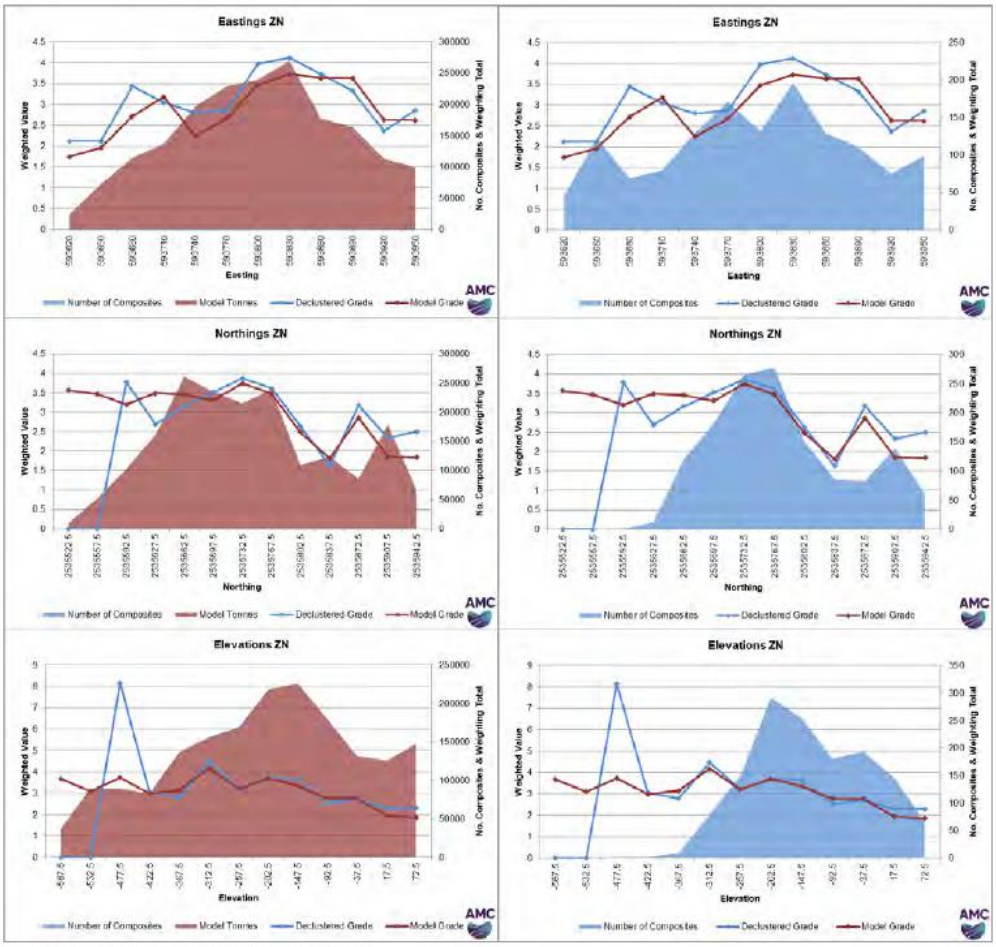
Figure 14.9 Swath-plot of silver grades in classified blocks of vein V2E



Source: AMC Mining Consultants (Canada) Ltd.

Figure 14.10 Swath-plot of lead grades in classified blocks of vein V2E

Figure 14.11 Swath-plot of zinc grades in classified blocks of vein V2E



Source: AMC Mining Consultants (Canada) Ltd.

14.5.6 Mineral Resource reporting

Mineral Resource estimates consist of material within the mineralized veins at a silver equivalent cut-off of 105 g/t. The cut-off value was based on estimated costs for mining, maintenance / admin., internal ore transport and processing. The cut-off value calculation was generated by AMC with input from Silvercorp. The equivalency formula is: AgEq = Ag g/t+50.46*Pb%+43.53*Zn%. The multiplication factors for Pb and Zn were derived from equations based on metal prices, recoveries, and payable factors. Input parameters are shown in Table 14.8.

Table 14.8 Input parameters in calculating Mineral Resource cut-off grade

Item	Value	Unit
Silver price	18.20	$/oz
Lead price	0.94	$/lb
Zinc price	1.08	$/lb
Silver recovery	82.6	%
Lead recovery	89.5	%
Zinc recovery	87.3	%
Silver payable	65.5	%
Lead payable	86.2	%
Zinc payable	66.3	%

Source: Silvercorp Metals Inc. and AMC Mining Consultants (Canada) Ltd.

The Mineral Resource estimates have been shown above in Table 14.1.

Table 14.9 shows the results of reporting out of the block models at a range of cut-offs with the preferred cut-off shown in bold text.

Table 14.9 Reporting at a range of cut-off values

Resource classification	AgEq COG (g/t)	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Contained metal		
						Ag (koz)	Pb (Mlbs)	Zn (Mlbs)
Measured	80	5.824	82	1.2	2.9	15,444	158	372
	105	**5.286**	**88**	**1.3**	**3.1**	**14,906**	**154**	**360**
	120	4.984	91	1.4	3.2	14,553	151	352
	140	4.580	95	1.4	3.4	14,018	146	340
	160	4.191	100	1.5	3.5	13,420	141	326
Indicated	80	5.615	68	1.0	2.2	12,290	118	278
	105	**4.747**	**75**	**1.1**	**2.5**	**11,457**	**111**	**259**
	120	4.260	80	1.1	2.6	10,898	107	245
	140	3.676	86	1.2	2.8	10,138	101	227
	160	3.153	92	1.4	3.0	9,369	94	208

	80	10.051	78	0.9	2.2	25,055	208	477
	105	**8.441**	**87**	**1.0**	**2.4**	**23,562**	**195**	**442**
Inferred	120	7.605	93	1.1	2.5	22,630	186	421
	140	6.716	99	1.2	2.7	21,454	176	395
	160	5.846	107	1.3	2.8	20,020	165	365

Note: Sample results up to 31 December 2020.
Source: Silvercorp Metals Inc.

14.6 Comparison with previous Mineral Resource estimate

The most recently published Mineral Resource estimate on the Property (2019 Mineral Resource estimate) is contained in the 2019 Technical Report. That estimate included drilling to 31 December 2018. A comparison between the 2019 and 2021 Mineral Resource estimates is shown in Table 14.10.

Changes since the 2019 Mineral Resource estimate include:

- 60,459 m additional underground drilling.
- 9,187 m additional sampling of underground development on mineralization.
- Ongoing depletion and sterilization due to mining.
- Updated AgEq inputs and COGs.
- Veins added - number of veins increased from 110 to 156.

Table 14.10 Comparison of Mineral Resources

Resource estimate	Classification	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Contained metal		
						Ag (koz)	Pb (Mlbs)	Zn (Mlbs)
2021 Report	Measured	5.286	88	1.3	3.1	14,906	154	360
	Indicated	4.747	75	1.1	2.5	11,457	111	259
	Measured and Indicated	10.033	82	1.2	2.8	26,363	265	619
	Inferred	8.441	87	1.0	2.4	23,562	195	442
2019 Report	Measured	3.366	96	1.4	3.3	10,350	107	246
	Indicated	5.686	77	1.0	2.5	14,155	126	318
	Measured and Indicated	9.052	84	1.2	2.8	24,505	233	564
	Inferred	7.245	91	1.0	2.4	21,167	166	391
Difference %	Measured	57%	-9%	-6%	-6%	44%	44%	47%
	Indicated	-17%	-3%	6%	-1%	-19%	-12%	-19%
	Measured and Indicated	11%	-3%	0%	0%	8%	14%	10%
	Inferred	17%	-5%	5%	-1%	11%	17%	13%

Notes for the 2021 Report Mineral Resource estimate: See footnotes under Table 14.1.
Notes for the 2019 Report Mineral Resource estimate:
- CIM Definition Standards (2014) were used for reporting the Mineral Resources.
- Mineral Resources are reported at a cut-off grade of 100 g/t AgEg.
- The silver equivalency formula is Ag g/t+46.1*Pb%+42.8*Zn% using prices of US$18/oz Ag, US$1.00/lb Pb, and US$1.25/lb Zn and estimated recoveries of 77% Ag, 88% Pb, and 84% Zn.
- Sample results up to 31 December 2018.
- Mineral Resources are inclusive of Mineral Reserves reported in Section 15.
- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
- Numbers may not compute exactly due to rounding. Percentage differences are based on unrounded data.

The following observations have been made by the QP when comparing the 2019 Mineral Resource estimate with the 2021 Mineral Resource estimate:

- Measured and Indicated tonnes have increased by 11%. This is a result of the discovery of new veins and new vein interpretation.
- Measured tonnes have increased by 57%. This is a result of the discovery of new veins, new vein interpretation and conversion of Indicated tonnes (which have decreased by 17%) to Measured classification.
- In the Measured category silver grade has decreased by 9% and lead and zinc grades have both decreased by 6%.
- In the Indicated category silver grades have decreased by 3%, lead grades have increased by 6% and zinc grades have decreased by 1%.
- In the Inferred category silver grades have decreased by 5%, lead grades have increased by 5% and zinc grades have decreased by 1%.

- The net result in the Measured category has been a significant increase in contained metals, due to the increase in tonnes. Silver and lead metal have each increased by 44% and zinc contained metal has increased by approximately 47%.
- The net result in the Indicated category has been a decrease in the contained silver metal by 19%; lead and zinc contained metals have decreased by 12% and 19% respectively. This is a result of conversion of Indicated material to Measured material.
- The net result in the Inferred category has been an increase of 11% in the contained silver metal; contained lead metal has increased by 17% and contained zinc metal has increased by 13%.

Reasons for the differences in grade, tonnes, and contained metal include:

- Updated interpretation of the veins.
- Discovery of new veins.
- Conversion of Indicated resources to a Measured classification.
- Depletion through mining.

14.7 Recommendations

The QP recommends the following:

- Collect additional density measurements including host rock.
- Assay for iron for better calculation of density.
- Sample on a minimum sample length of 0.4 m.

15 Mineral Reserve estimates

15.1 Introduction and Mineral Resources base

The Mineral Resources upon which the Gaocheng Mineral Reserves are based have been discussed in detail in Section 14. The Mineral Resources are located in areas where Silvercorp has mining permits.

To convert Mineral Resources to Mineral Reserves, mining COGs 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 Reserve estimation.

The Mineral Reserve estimates for the Property were prepared by Silvercorp under the guidance of independent QP, Mr H. Smith, P.Eng., of AMC, who validated the output and takes QP responsibility for those estimates.

15.2 Mineral Reserve estimation methodology

The Mineral Reserve estimation is based on the assumption that current stoping practices will continue at the Gaocheng mine, namely predominantly shrinkage stoping but also with some cut and fill resuing, using hand-held drills and hand-mucking within stopes, and loading to mine cars by rocker-shovel or by hand. Minimum mining widths of 1.0 m for shrinkage and 0.5 m for resuing are assumed. The QP has observed the shrinkage mining method at the Property and the application of both cut and fill resuing and shrinkage at the Silvercorp Ying property and considers the minimum extraction and mining width assumptions at Gaocheng to be reasonable. Minimum dilution assumptions are 0.2 m of total overbreak for a shrinkage stope and 0.10 m of total overbreak for a resuing cut and fill stope. Dilution is discussed further in Section 15.4.

For the total tonnage estimated as Gaocheng Mineral Reserves, 69% is associated with shrinkage and 31% with resuing.

15.3 Cut-off grades

Mineral Reserves have been estimated using AgEq COG values for shrinkage and resuing. The COG calculation basis (full breakeven, marginal material, and development ore) is summarized below and in Table 15.1.

In situ AgEq (g/t) = Ag g/t + 50.46 x Pb% + 43.53 x Zn%, where the respective factors for Pb and Zn are calculated as (value of 1% metal after application of metallurgical recovery and payable metal) divided by (value of 1 g silver after application of metallurgical recovery and payable metal).

Full breakeven cut-off grade, AgEq (g/t) = (mining cost + tunnelling cost + drilling cost + maintenance cost + milling cost + G&A + sustaining capital + government fee and Mineral Resources and sales taxes) / ($ value per in situ gram after application of mining recovery, metallurgical recovery, and payable).

Marginal material cut-off grade, AgEq (g/t) = (mining cost + maintenance cost + milling cost + G&A + sustaining capital + government fee and Mineral Resources and sales taxes) / ($ value per in situ gram after application of mining recovery, metallurgical recovery, and payable).

Development ore cut-off grade, AgEq (g/t) = (maintenance cost + milling cost + G&A + sustaining capital + government fee and Mineral Resources and sales taxes) / ($ value per in situ gram after application of mining recovery, metallurgical recovery, and payable).

In determining metal prices for use in the cut-off calculations (and Mineral Resource / Mineral Reserve estimation and assessment of economic viability), the QP has referenced three-year trailing averages, prices current as of Q1 2021, prices used in recent NI 43-101 reports, and available consensus forecast information. The exchange rate used was RMB6.8 = US$1.

Table 15.1 Mineral Reserve cut-off grades and key estimation parameters

Item	Gaocheng Mine	
Foreign exchange rate (RMB:US$)	**6.8**	
	Shrinkage	**Resuing**
Operating costs		
Mining cost (includes development & exploration) (US$/t)	25.94	45.05
Milling cost (US$/t)	13.58	13.58
G&A and product selling cost (US$/t)	9.84	9.84
Sustaining & non-sustaining capital (US$/t)	16.72	16.72
Mineral Resources tax, etc. (US$/t)	1.98	2.56
Total operating costs (US$/t)	**68.07**	**87.74**
Mining recovery (%)	92	95
Mill recoveries		
Ag (%)	82.6	82.6
Pb (%)	89.5	89.5
Zn (%)	87.3	87.3
Payables		
Ag (%)	65.5	65.5
Pb (%)	86.2	86.2
Zn (%)	66.3	66.3
Breakeven COG (AgEq g/t)	**215**	**275**

Note: Metal price assumptions: Ag US$18.20/oz; Pb US$0.94/lb; Zn US$1.08/lb.

Lower COG values of 185 g/t AgEq (shrinkage) and 250 g/t (resuing) have been generated for any small amount of marginal material considered for inclusion in the Mineral Reserves estimate. These cut-off values are considered for operational areas where, effectively, all tunnelling and associated drilling expenditures have already been accounted for. For development ore, the COG is 155 g/t AgEq.

15.3.1 QP comment on cut-off grades

The QP considers that the Mineral Reserve COGs and their supporting parameters are reasonable and appropriate.

15.4 Bulk density

A bulk density for mineralized material was assigned to all resource model blocks using the formula:

DENSITY = 3.094919 + (0.040827 X Pb%) + (0.034253 x Zn%) + (0.000482 x Ag (g/t))

The regression formula is based on 191 samples. This formula and recommendations for bulk density are discussed in Section 10.

The waste density assumed for dilution estimation purposes was 2.60 t/m^3.

15.5 Dilution and recovery factors

15.5.1 Dilution

As indicated above, minimum mining widths are assumed as 1.0 m and 0.5 m respectively for shrinkage and resuing. For shrinkage, a minimum dilution factor of 0.2 m is added to the minimum vein width of 0.8 m. 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. The QP notes that, for Silvercorp narrow vein operations generally, a key strategy 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, which occurs underground and may also occur on surface. The QP considers that the resulting impact of this hand-sorting on the delivered product is not significant enough to be material.

The QP notes that the projections for dilution in both shrinkage and resuing 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 15.2 summarizes average dilution from the Mineral Reserve calculations for each mining method. The QP again notes the dominance of shrinkage mining in the current Mineral Reserves (wider veins) but also cautions that, as with most narrow vein operations, a particular focus on minimizing dilution via mining process control will be important in realizing Mineral Reserve grades in the future.

Table 15.2 Average dilution by mining method

Gaocheng Mine	Dilution %
Shrinkage	19.8
Resuing	12.4
Total dilution Gaocheng	**17.5**

15.5.2 Mining recovery factors

Mining recovery estimates used in the Mineral Reserve calculations are based on experience at the Gaocheng site and Silvercorp operations as a whole. For shrinkage stopes, 92% total recovery is assumed; for resuing stopes, 95% 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.

15.6 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 full breakeven 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 full breakeven 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.
- Inclusion of marginal material where, in an operations scenario, the material in question will at the very least recover costs directly associated with that material and will be transported to the mill for processing.

Table 15.3 summarizes the Mineral Reserve estimates for the Gaocheng mine. 63% of the Mineral Reserve tonnage is categorized as Proven and 37% is categorized as Probable.

Table 15.3 Gaocheng mine Mineral Reserve estimate at 31 December 2020

Classification	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Contained metal		
					Ag (koz)	Pb (Mlbs)	Zn (Mlbs)
Proven	2.587	93	1.5	3.3	7,743	84	189
Probable	1.544	95	1.5	3.0	4,740	51	103
Proven and Probable	4.131	94	1.5	3.2	12,483	135	293

Notes to Mineral Reserve Statement:
- Canadian Institute of Mining, Metallurgy and Petroleum Standards (2014) were used for reporting the Mineral Reserves.
- Full breakeven cut-off grades: Shrinkage = 215 g/t AgEq; Resuing = 275 g/t AgEq.
- Marginal material cut-off grade: Shrinkage = 185 g/t AgEq; Resuing = 250 g/t AgEq.
- Dilution (zero grade) assumed as a minimum of 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 92% for shrinkage and 95% for resuing.
- Metal prices: Silver US$18.20/troy oz, lead US$0.94/lb, zinc US$1.08/lb, with respective payables of 65.5%, 86.2%, and 66.3%.
- Processing recovery factors: Ag – 82.6%, Pb – 89.5%, Zn – 87.3%.
- Effective date 31 December 2020.
- Exchange rate assumed is RMB6.80: US$1.00.
- Rounding of some figures may lead to minor discrepancies in totals.

From the start of commercial operations at Gaocheng in 2014 through to the end of 2020, 1,853,662 tonnes have been mined at average head grades of 94 g/t silver, 1.6% lead, and 2.9% zinc. Compared to those average head grades, the current Mineral Reserve estimates show the same silver grade, a reduction in lead grade of 7%, and an increase in zinc grade of 9%.

15.7 Conversion of Mineral Resources to Reserves

Table 15.4 compares the respective values of Measured plus Indicated Resources and Proven plus Probable Reserves for Gaocheng.

Table 15.4 Resources and Reserves comparison

Gaocheng		Mineral Resources			Mineral Reserves			Conversion factor*		
		Measured	Indicated	M + I	Proven	Probable	P + P	Meas / Prov	Ind / Prob	M+I/P+P
Tonnes	Mt	5.286	4.747	10.033	2.587	1.544	4.131	49%	33%	41%
Silver	g/t	88	75	82	93	95	94	52%	41%	47%

Lead	%	1.3	1.1	1.2	1.5	1.5	1.5	55%	46%	51%
Zinc	%	3.1	2.5	2.8	3.3	3.0	3.2	53%	40%	47%

Note: *Tonnes and metal content. Numbers may not compute exactly due to rounding.

Total Mineral Reserve tonnes (Proven plus Probable) are approximately 41% of Mineral Resource (Measured plus Indicated) tonnes. The tonnage conversion from Measured to Proven is 49% and for Indicated to Probable is 33%. Total metal conversion percentages for silver, lead, and zinc are

47%, 51%, and 47% respectively, but with the conversion from Measured to Proven again significantly greater than that for Indicated to Probable. The overall much higher conversion rate from the Measured category may offer the possibility of a future increased conversion from the material currently classified as Indicated through the normal processes of increasing resource definition and more detailed stope design.

15.8 Comparison of 2021 and 2019 Mineral Reserve estimates

Relative to the Mineral Reserve estimates in the 2019 Technical Report, there is a 39% increase in Proven Mineral Reserve tonnes, a 21% decrease in Probable Mineral Reserve tonnes, and an increase in Mineral Reserve total tonnes of 8% (311,000 t). Overall zinc grade remains the same but with overall slight grade decreases (1%) for silver and lead. The respective Mineral Reserves estimates are shown in Table 15.5.

Table 15.5 Comparison of 2019 and 2021 Mineral Reserve estimates

Mineral Reserve estimate	Classification	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)
2021 Report	Proven	2.587	93	1.5	3.3
	Probable	1.544	95	1.5	3.0
	Proven and Probable	4.131	94	1.5	3.2
2019 Report	Proven	1.865	94	1.6	3.5
	Probable	1.955	96	1.4	3.0
	Proven and Probable	3.820	95	1.5	3.2
Difference %	Proven	39	-1	-8	-5
	Probable	-21	-1	7	1
	Proven and Probable	8	-1	-1	0

Notes to Mineral Reserve Statements:
- See Table 15.3 for 2021 Mineral Reserve notes.

For 2019 Mineral Reserves:
- Metal prices used: silver US$18.00/troy oz, lead US$1.00/lb, zinc US$1.25/lb.
- Full breakeven cut-off grades: Shrinkage = 200 g/t AgEq: Resuing = 245 g/t AgEq.
- Mining recovery factors assumed as 95% for resuing and 92% for shrinkage.
- Processing recovery factors: Ag – 77%, Pb – 88%, Zn – 84%.
- Payable factors: Ag – 85%, Pb – 90%, Zn – 70%.
- Exchange rate assumed: RMB6.50 : US$1.00.
- Effective date 31 December 2018.
- Rounding may lead to minor discrepancies in some totals.

16 Mining methods

16.1 Conventions

All measurement units are metric SI units.

The GC project has a local mine section grid (Mine Section) orientated at 200° – 20° bearing whereby the section numbers increase with easting and the section spacing is at 50 m intervals between even numbered sections (e.g., Sections 10 to 12 is a 50 m interval).

16.2 Introduction

Mining to date has been conducted in two stages that are horizontally defined by mine sections and vertically by elevations, 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. From -50 mRL 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 handheld drills) via a surface shaft access.

Selective stoping methods - shrinkage and resuing - are employed with stope production drilling conducted with pneumatic jacklegs. 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 stockpile where a loader conveys ore to the surface crusher feed bin.

16.3 Geotechnical conditions

16.3.1 Introduction

The initial AMC geotechnical review included the following:

- Review of existing available data including RQD and reports provided by Silvercorp.
- Preliminary characterization of rock mass conditions based on available geotechnical data.
- Preliminary assessment of ground support requirements for lateral mine development.
- Review of mine design parameters including stope spans and pillar dimensions.

Presented within this section is a summary of the methodology and results of the various geotechnical assessments undertaken, and recommendations for further work as

appropriate.

It is noted that, due to the limited geotechnical data at the time of the assessment, which was prior to significant development at Gaocheng, the AMC review was considered high-level and not to the level of detail normally associated with a mining operation in Canada. As such, AMC's geotechnical review incorporated preliminary assessments aimed at assessing the "reasonableness" of the geotechnical aspects of the initial mine design.

No updated specific geotechnical or hydrogeological study data is available for the GC mine. In general, the geotechnical assessment undertaken projected the ground at current mining levels to be in good condition, which is in line with actual development and mining operations experience to date. The excavation of relatively small openings, both in development and stoping, facilitates ground stability. Support is only installed where deemed to be necessary, with rockbolts being used for hangingwall support on occasion, and shotcrete for decline or permanent excavations. Timber and steel I-beams are also used where unstable ground is encountered.

As shrinkage stope void volumes increase, associated ground instability could be anticipated but, to date, ground conditions at the operation continue to be reported as generally very stable with no evidence of hangingwall failure.

No geotechnical simulation software such as Map3D is used at GC. The mining sequence is usually planned in accordance with engineering and operational experience.

16.3.2 Available data

Initial geotechnical assessments were conducted in May 2011, based upon observations made during a site visit to the GC Project by Owen Watson (then AMC Senior Geotechnical Engineer), together with reports and data provided by Silvercorp.

As part of the site visit, geotechnical observations were made of the following:

- Rock mass exposures in portal areas of previously mined adits ML-5 and ML-8.
- Selections of core from drillholes ZK1401, ZK1001, ZK40204, and ZK101.

The following data was provided by Silvercorp:

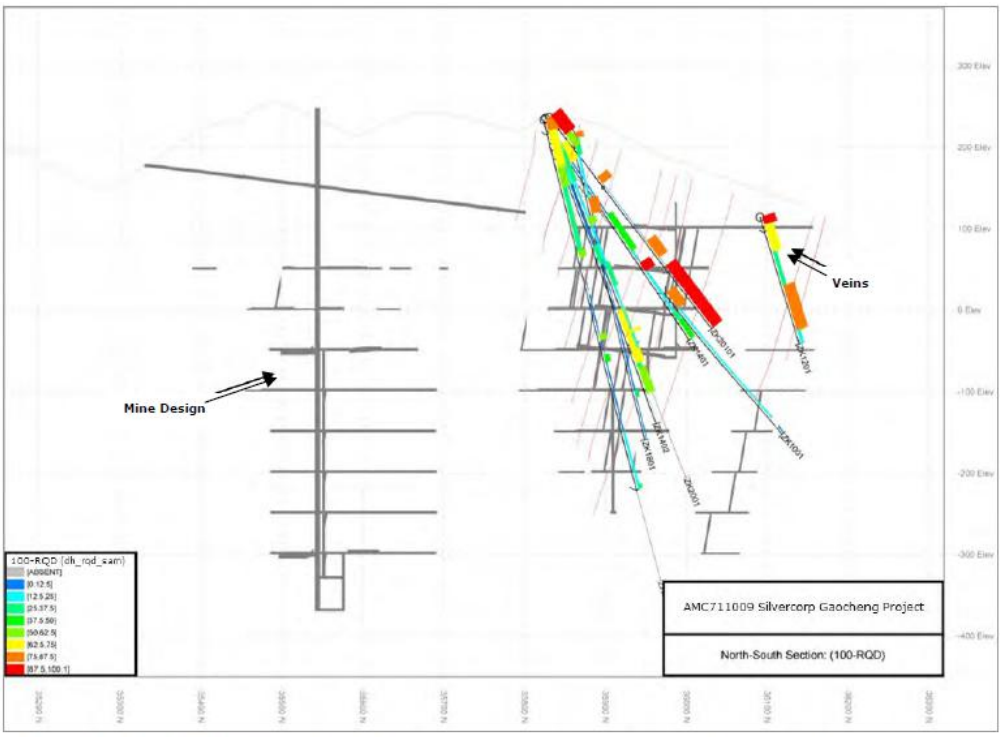
- GMADI Report: 'Mining and Dressing Project of Gaocheng Lead-Zinc Ore in Yun'an County, Guangdong Province - Preliminary Design (GD1371CS) Volume I', January 2011.
- Detailed geotechnical interval data of Q-System rock mass classification parameters (after Barton et al. 1974) from two drillholes (ZK2002 and ZK3604), collected by Silvercorp.
- RQD logging data from 35 drillholes collected by Silvercorp. RQD data had been recorded in long intervals based on lithological units, rather than shorter intervals based on drilling runs. As a result, the data provided an indication of the overall rock quality for the entire lithology unit, but detail on the variation of RQD within the logged lithology unit could not be determined.
- Additional geotechnical data including degree of weathering, compressive strength, and rock quality index data. The compressive strength data and rock quality index data were not directly used for the analysis as the QP was unable to establish the specific procedures used to obtain the data, and therefore could not determine its reliability.
- Wireframe interpretations of the mineralized veins.
- Wireframe of underground geological structures.
- Wireframe of surface topography.
- Drillhole database with partial geotechnical logging data.

16.3.3 Data analysis

The QP analysis of the geotechnical logging data involved the following:

- Generation of sections (on 250 m spacing, looking west) showing RQD histograms plotted along drillhole traces, to investigate the spatial variation in RQD values relative to the mine design and interpreted veins. RQD was plotted as '100-RQD' in order that zones of lowest RQD values are displayed as the tallest histograms. Presented in Figure 16.1 is a north-south section located towards the western limit of the mine design showing RQD histograms. Low RQD values appear to be generally related to weathered material near surface and locally throughout the rock mass, possibly related to veins and / or vein contacts.
- Generation of distribution plots of the logged rock mass classification parameters to investigate the statistical distribution of the logged parameters for each of the main geotechnical domains. The distribution plots for 'all data' are shown in Figure 16.2.
- Generation of distribution plots of RQD logging data for each of the main geotechnical domains. These plots are presented in Figure 16.3.

Figure 16.1 Section looking west at 93500 mE showing '100-RQD' histograms plotted on drillhole traces



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

Figure 16.2 Distribution analysis for all geotechnical logging data

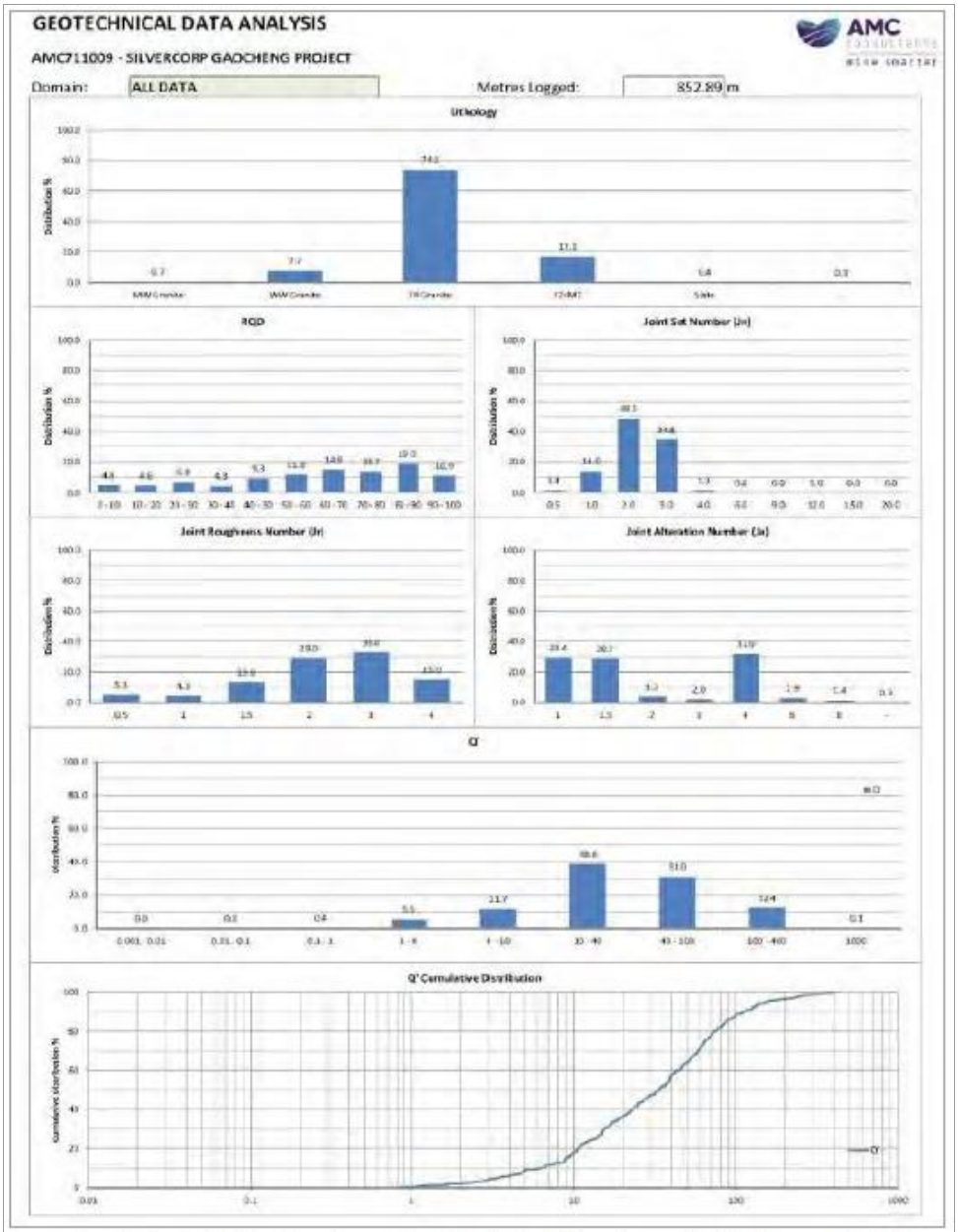
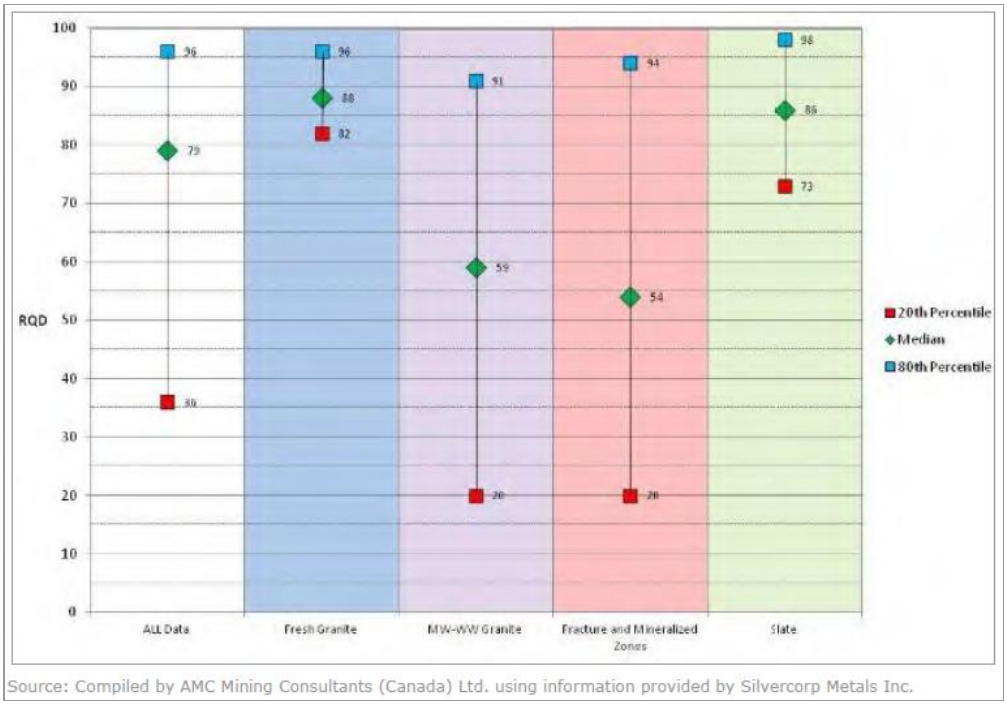


Figure 16.3 RQD data distribution



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

16.3.4 Characterization of geotechnical conditions

Geotechnical domains were assigned according to lithology and degree of weathering as follows:

- Moderately- and weakly-weathered granite.
- Fresh granite.
- Fracture and mineralized zones.

These domains were considered ‘preliminary’ based on the limited available geotechnical data. Collection of additional data could result in definition of additional geotechnical domains, particularly in the immediate hangingwall of the veins, where there is insufficient detailed specific geotechnical information, and also beyond the footwall contact of the vein system in which there is limited drilling coverage. Geological logging of existing drill core indicates the presence of an argillaceous slate unit beyond the footwall of the veins, however there is insufficient geotechnical data to characterize rock mass conditions in the slate.

Depth of weathering is variable across the Project area. Completely- to highly-weathered material generally extends up to approximately 20 m below surface, with moderate- to weakly-weathered granite extending to depths of approximately 100 m.

The QP notes that Fresh granite forms the primary host rock of mineralization and is the domain in which the majority of waste development has occurred to date and is likely to occur in future.

Mineralized veins that comprise the orebody have been included in the domain ‘Fracture and mineralized zones’.

The ‘Q’ rock mass classification parameters (after Barton et al. 1974) which characterize anticipated rock mass conditions within each domain are summarized in Table 16.1. These values are based on the geotechnical logging data provided by Silvercorp, and observations of drill core made by AMC during its 2011 site visit. It should be noted that AMC increased the logged values of Joint Set Number for all rock types by one joint set based on observations made during the 2011 site visit. It should also be noted that there was no specific geotechnical component to the 2018 site visit but that ground conditions were observed to be generally good.

Table 16.1 Rock mass classification parameters by geotechnical domain

Domain	Moderate- to weakly-weathered granite	Fresh granite	Fracture and mineralized zones
RQD	20% to 60%	80% to 90%	20% to 50%
Joint Set Number (Jn)	2 to 3 Joint Sets *(Jn = 4 to Jn = 9)*	2 to 3 Joint Sets *(Jn = 4 to Jn = 9)*	2 to 3 Joint Sets *(Jn = 4 to Jn = 9)*
Joint Roughness (Jr)	Smooth to Rough, Undulating *(Jr = 2 to Jr = 3)*	Rough and Planar to Smooth and Undulating *(Jr =1.5 to Jr =2)*	Rough and Planar to Smooth and Undulating *(Jr = 1.5 to Jr = 2)*
Joint Alteration (Ja)	Hard, non-softening coating to soft, sheared coating *(Ja = 1.5 to Ja = 4)*	Hard, non-softening coating to soft, sheared coating *(Ja = 1.5 to Ja = 4)*	Non-softening coating to soft, sheared coating *(Ja = 2 to Ja = 4)*
Rock Mass Classification	*Poor* to *Good* rock mass quality	*Poor* to *Good* rock mass quality	*Poor* to *Fair* rock mass quality

16.3.5 In situ stress

No specific data was available for the study regarding in situ stresses at the Project. However, the GMADI report states that direction and magnitude of major principal stress is expected to be consistent with dead-weight loading of overburden. This assumption formed the basis for estimating mining induced stresses as part of stope stability and ground support assessments presented below.

16.3.6 Hydrogeology

Specific hydrogeological investigations were not conducted. The GMADI report presents discussion of hydrogeological conditions at the Project and states that hydrogeological exploration in the district is relatively inadequate. For AMC’s preliminary geotechnical assessments, minor water inflows (less than five litres per minute locally) were assumed.

The QP notes that operating experience to date indicates that the assumption of minor water inflows is reasonable.

16.3.7 Mine design considerations

16.3.7.1 Rock mass conditions

The rock mass condition is categorized as Fair to Good and the AMC assessment anticipated that the vein and host rocks in the mine area would generally be competent and, local conditions permitting, require minimal ground support. This has largely been confirmed in operations, with most areas deemed to require little or no support. Where Poor ground conditions have been encountered, ground support is provided, with a range of strategies available depending on the local situation. This may be either rock bolts with or without mesh, shotcrete only, shotcrete with rock bolts, shotcrete with rock bolts and mesh, timber, or heavier steel support.

It is noted that the surface shaft collar traversed approximately 10 m of soil coverage and 20 m of oxidized ground.

16.3.7.2 Surface requirements

It is the understanding that surface subsidence is not permitted at the GC Project. The GMADI design incorporated a surface crown pillar. The local topography above the mine plan area varies between approximately 105 mRL (at river level) to 340 mRL (hilltop). The upper limit of Mineral Resources and Mineral Reserves is at 319.35 mRL.

The Hashui Creek traverses the north-eastern portion of the mine area inside the Stage 1 and Stage 2 potential subsidence zones between mine Sections 26 to 56. The river is diverted via a tunnel (579 m) to the north-east to fall outside of the Stage 2 potential subsidence zone. The river tunnel diversion was implemented prior to Stage 1 production commencing.

It is considered that the allowance for the surface crown pillar made in the design was generally appropriate. The QP recommends that a detailed investigation and assessment of crown pillar requirements be undertaken for input into 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. No detailed investigation and assessment of crown pillar requirements has been made since the start of operations, but based on operational experience and observation, Hashui Creek and other streams are indicated as not having an impact on the stability of the surface crown pillar.

16.3.7.3 Stability assessment for stoping

A preliminary stability assessment of the proposed shrinkage stoping configuration was undertaken using the Modified Stability Graph method as described by Hutchinson and Diederichs (1996). The input parameters used for the assessment were based on median rock mass conditions estimated from distribution plots of geotechnical logging data.

The proposed shrink stoping layout (which largely reflects what has been undertaken in operations) consisted of mining panels 50 m in length on strike, and 50 m in height, resulting in a hangingwall with hydraulic radius (HR) of 12.5. Each shrink stope remains filled with broken ore until excavation is completed to full height, at which time the broken ore is removed from the stope via cross-cut draw points established on the mucking horizon. During this stage, some secondary dilution is anticipated. On completion of production, stopes have remained open and, until recently, all unfilled.

Silvercorp completed the construction and commissioning of a cemented backfill system in 2020. In 2020, cemented backfill placed underground was 43,091 m^3, with guidance for 2021 at 70,626 m^3.

The AMC preliminary assessment indicated that an open stope hangingwall of HR=12.5 was at the upper limit to achieve stability without the requirement for cable bolt support. Because ground conditions were anticipated to be variable (locally better or worse than the median values used for the assessment), instances of local hangingwall instability were anticipated, with the possibility of unacceptable levels of dilution of broken ore stocks, or loss of ore within the stope. As indicated above, ground conditions in operations to date have generally been noted as very stable. Average mining dilution in 2020 was 21.9%, concurrent with a focus on mining and process control measures. No hangingwall instability issues have been noted.

Shrink stope end walls and back were forecast to be stable without requirement for cable bolt support for the majority of expected rock mass conditions.

It is noted that the AMC assessment was concerned with the 'rock mass' and did not consider possible destabilizing effects associated with major structures such as faults or shear zones. These should be considered on a case-by-case basis.

16.3.7.4 Stope pillars

Stope crown pillars for both shrinkage and resue stopes were envisaged to be approximately 3 – 5 m in height on-dip at the prevailing mining width and vein dip.

For the shrinkage stoping method, the travelway access pillars were anticipated to be approximately 3 m height on-dip by 2 m width on-strike for the prevailing mining width and vein dip.

For the resue stoping method a secondary sill pillar was projected to be employed (located above the vein drive, which is at the access level elevation), at approximately 3 m height on-dip at the prevailing mining width and vein dip.

Based on the QP's understanding of the rock mass conditions, and the generally narrow mining widths envisaged, the pillar allowances were considered reasonable, with operating experience to date generally confirming the same. As with all mining operations, however, variability of rock mass conditions may dictate that, locally, larger pillars are necessary where poor rock mass conditions are encountered. In addition, as mining progresses to greater depths, increases in in situ stress and mining induced stresses may also result in the requirement for larger pillars.

16.3.7.5 Main Shaft pillar

The Main Shaft radius is 3 m. A 30 m radius around the Main Shaft is categorized as a safety pillar, with no mining or development allowed in the pillar area, other than for actual shaft access.

16.3.7.6 Ground support requirements

Indicative ground support requirements were estimated for the lateral development using the Q-system (after Barton et al. 1974) and the Tunnelling Support Guidelines developed by Grimstad and Barton (1993).

Assessments were conducted for each geotechnical domain for median and lower 20 th percentile rock mass conditions estimated from distribution plots of geotechnical logging data.

Based on the QP's experience, where drift development is by conventional drill and blast methods, installing a minimum standard of ground support on a round-by-round basis in all mine development is the most effective and reliable method of reducing the exposure of mine personnel to rock fall hazard, particularly at the working heading. This is the approach recommended for any new mine, regardless of the mine's location and local mining practices.

However, the QP understands and has observed that, in general, the mine development at the GC Project has been and will be left unsupported unless ground conditions are deemed to warrant otherwise – as is common mining industry practice in China. AMC's ground support assessment indicated that, for the relatively small-dimensioned drift development proposed, excavations were anticipated to be stable without installation of support for the majority of expected rock mass conditions; this has generally been borne

out in operations to date. Where poor ground conditions are encountered, the assessment indicated that pattern bolting on a spacing of 1.5 m and shotcrete support (50 - 70 mm thickness) would be necessary.

In lieu of installing ground support in all underground development on a round-by-round basis, the QP made, and continues to make, the following recommendations:

- 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 helps prevent the occurrence of significant failures from backs and walls, which require timely rehabilitation and expose the workforce to rock fall hazard.
- Ensure scaling of the development headings on a round-by-round basis.
- 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).

In addition to the above, the QP recommends that specific rock mass conditions be assessed for critical underground infrastructure, including shafts and chambers, to determine ground support requirements to ensure serviceability of the excavation for the LOM.

Silvercorp has indicated adoption of all the above recommendations.

16.3.7.7 Conclusions

Based on the review of the available geotechnical data and high-level assessments undertaken, the QP considered that the geotechnical aspects of the GMADI mine design were generally reasonable for mining study purposes. However, given the limited nature of the data, the geotechnical knowledge at the Project prior to commencement of operations was not considered to be at the level of detail normally associated with a mining operation or feasibility study in Canada. That geotechnical knowledge has, at the practical level, been significantly advanced since the commencement of operations.

Further geotechnical investigations were previously recommended to advance the mine design to an 'executable design'. In particular, the QP recommended that the following work be undertaken:

- Collection of additional detailed geotechnical logging data, from drill core and mapping of underground workings, to allow improved characterization of rock mass conditions within the immediate stope hangingwall zone, and the mineralized veins. This should incorporate collection of structural orientation data. Data collection should allow rock mass classification using an internationally recognized system, such as the Q-System (after Barton et al. 1974) or RMR (after Bieniawski 1989).
- Development of a three-dimensional geological model with interpretations of primary lithologies and structures (such as faults and shear zones).
- Geotechnical investigations of any proposed shaft locations below -300 mRL to determine site suitability and ground support requirements. This should incorporate more detailed assessment of shaft pillar requirements.
- Geotechnical investigations of the surface crown pillar, particularly in the vicinity of the Hashui Creek valley, and any other streams or drainage paths that traverse the mine area.
- Further hydrogeological assessments, particularly to assess hydraulic connectivity between the Hashui Creek valley (and any other streams or drainage paths that traverse the mine area) and the underground mine workings.
- Further investigation of in situ stresses to confirm assumptions made in the mine design and stability assessments.

The QP has recommended that, 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 looking to future mining development. Silvercorp has indicated that the operation has adopted this advice.

16.4 Extraction sequence

For extraction, the mine is divided into two stages: Stage 1 mining focuses on the orebody west of Line 32 between +100 mRL and -50 mRL. Stage 2 mining focuses on the orebody east of Line 32 between +100 mRL and -50 mRL, and the whole ore body between -50 mRL and -300 mRL.

The macro stope extraction sequence is bottom-up for both stoping methods.

16.5 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 an average of approximately 950 tonnes per day (tpd) for approximately 312 ktpa. The remaining production life for current Mineral Reserves is estimated to be 13 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).

16.6 Mining methods

Shrinkage stoping and resue stoping are the methods employed.

To support understanding of the Silvercorp application of stoping methods and also their suitability for the GC Mine environment, the QP previously observed the application of these stoping methods at Silvercorp's Ying mine operation during May 2016. The QP visited the GC site in January 2018. The Ying mine is located in Luoning County, in Henan Province, about 10 km south-east of Xiayu and about 60 km south-east of Luoning. The methods employed are considered to be appropriate for the GC Mine environment.

16.6.1 Shrinkage stoping

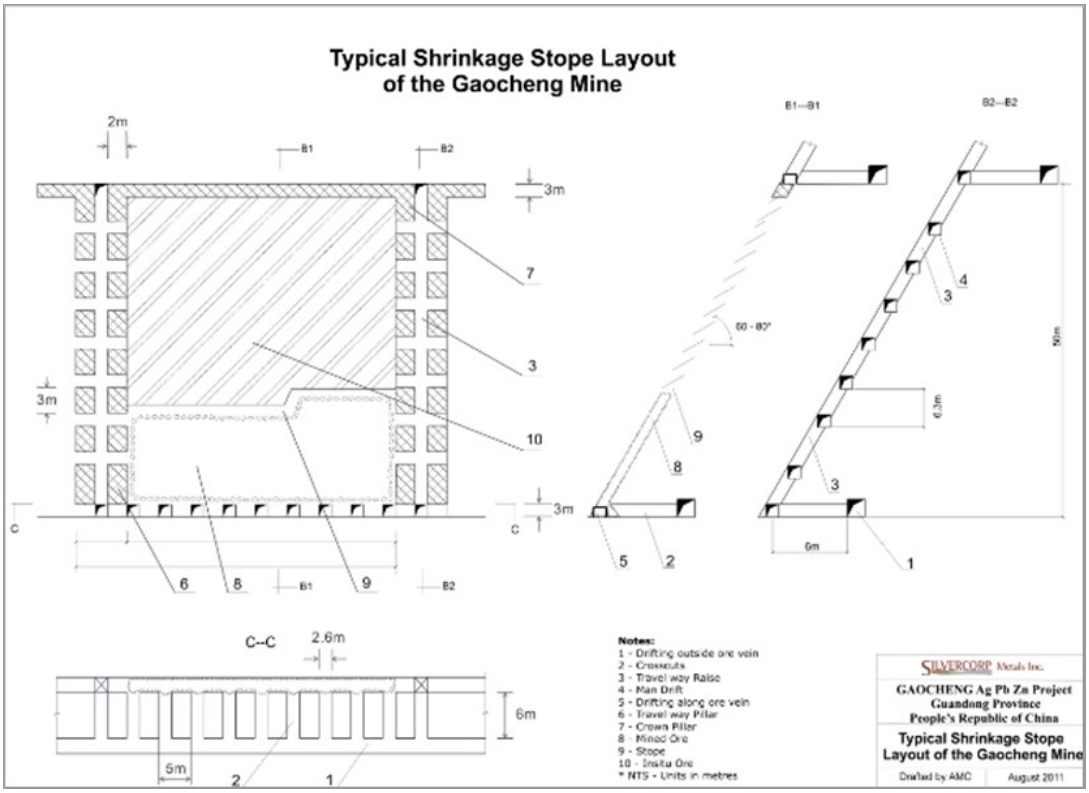
The method begins with establishing a sill drive along the vein to expose the vein at 2.4 m height. An access drive (conventionally a footwall drive) is also developed parallel to the vein at 2.4 m wide x 2.4 m high at a minimum stand-off distance of 6 m. Cross-cuts between the access and vein drives are developed at approximately 7.5 m strike spacing (actual spacing is dependent on the loader used, loader dimensions and the rib pillar thickness required for rib stability). The cross-cuts act as draw points for the mucking of the stope ore. Travelway raises that are also used for services are established between the levels at each end of the stope block. Waste packs are built on each void side of the raise as stoping proceeds upwards. Each stoping block is normally 50 m strike length by 50 m height.

Jackleg miners use pneumatic drills to drill a 1.8 – 2.0 m stope lift that is drilled and blasted as inclined up-holes with a forward inclination of 75 – 85° ("half-uppers"). The typical drill pattern uses a drill burden of 0.6 – 0.8 m and spacing of 0.8 – 1.2 m, depending on vein thickness. Holes are

charged with cartridge explosives and ignited with tape fuse. The powder factor is generally 0.4 – 0.5 kg/t. Stope blasting fills the void below with ore as the mining proceeds upwards. While mining upwards, only 30 – 35% of the stope ore may be mucked until the entire stope is mined. At this point, all ore is mucked from the stope, leaving the stoping void effectively empty. A crown pillar is maintained for the stope to provide regional stability and to minimize dilution from up-dip stopes. Ventilation, compressed air, and water are carried up the travelway raises to the stoping level. Loading of the ore from the draw points is by rubber-tired LHD into trucks (Stage 1) or electric rail over-throw loaders into rail cars (Stage 2).

Figure 16.4 depicts the Shrinkage stoping method as used at GC Mine.

Figure 16.4 Typical shrinkage stope layout



16.6.2 Resue stoping

Vein and access development preparation is essentially the same as for shrinkage stoping except that an elevated sill drive (3 m on-dip height) is established along with draw points (generally limited to two or three) to provide access to the raise positions (raises equipped with steel liners as mill holes).

Resue stoping veins are typically higher-grade and generally between 0.20 m (minimum extraction width 0.3 m) and 0.80 m width. Resue stoping involves separately blasting and mucking the high-grade narrow vein and waste required to achieve a minimum stoping work width.

The mining crew consists of jackleg miners using pneumatic drills. Half-uppers lifts are drilled and blasted in essentially the same manner as for shrinkage stoping. After an ore lift is blasted and mucked, the footwall is blasted and used to fill the space mined out. This process is repeated until the crown pillar is reached. The entire stope is left filled with waste from the slashing of the footwall.

The blasted ore is transported by wheelbarrow and / or hand shovelling to the steel-lined mill-hole. The steel pass is constructed in lift segments as the stope is mined upwards. The base of the steel pass is held in place with a timber set. The footwall waste is then slashed (blasted) to maintain a minimum mining width (typically 0.8 m for GC) and to provide the working platform for the next stope lift. In contrast to shrinkage stoping, the mined-out stope is left filled with waste from the slashing of the footwall necessary to maintain a minimum mining thickness and to provide a working platform.

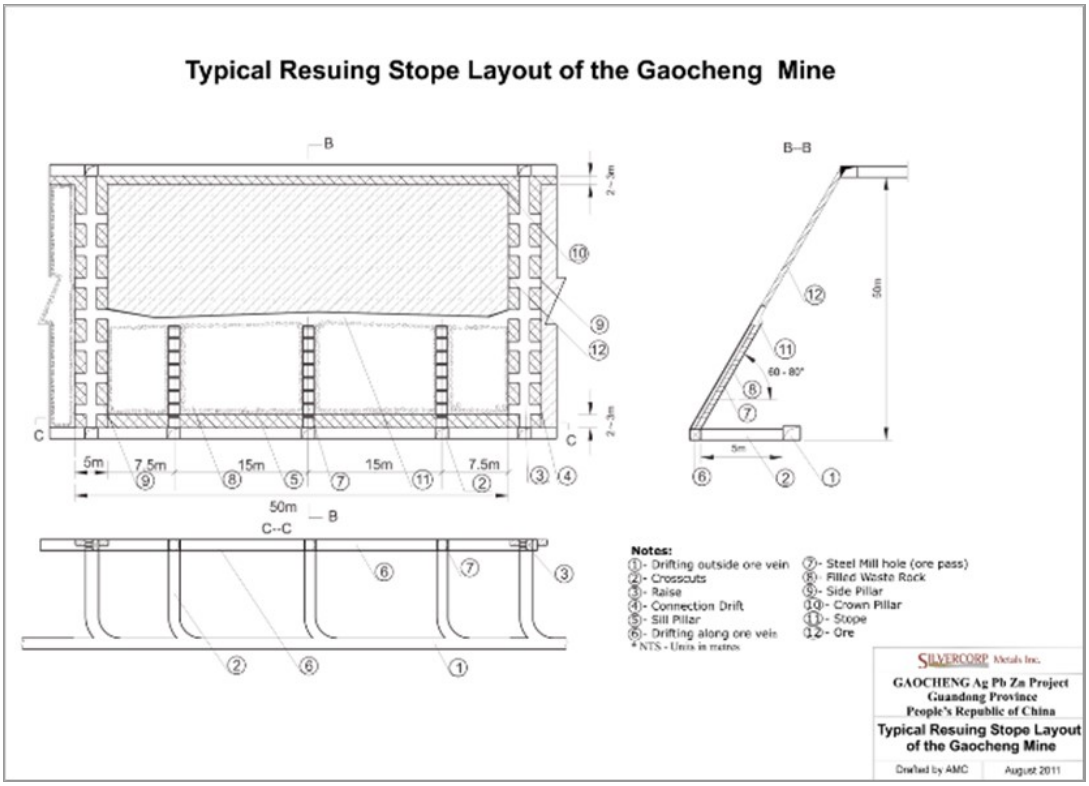
The order of vein extraction and footwall slashing is generally dependent on the condition of the vein hangingwall contact. Where the vein hangingwall contact is distinct and stable, the vein is extracted first; otherwise, the footwall waste is extracted first followed by vein slashing.

Rubber mats and / or belting are placed on top of the levelled waste after each waste lift to minimize ore intermingling with the waste (ore losses) and also to minimize over-mucking of the waste (dilution). Mucking of the ore consists of hand lashing (shovelling) and hand carting to the steel pass which connects to the mill hole crosscut. The rubber mats and / or belt are rolled up and removed for reuse prior to slashing the footwall and forming the next platform lift.

In-stope ore transporting may potentially be improved by using scraper winches with small hoes.

Figure 16.5 depicts the resue stoping method at GC Mine.

Figure 16.5 Typical resue stope layout



16.6.3 Stope management and grade control

Silvercorp has developed a stope management protocol and stope management manual at the GC and Ying operations. The purpose of stope management is to implement stope operation procedures for dilution reduction via the Mining Quality Control Department. The department has a total of four technical staff, including management, mine engineer, geologist, and technician. The mine engineer in the group is responsible for supervising the stope operation procedure, with stope inspection occurring at least once per day to check that mine contractors are following procedure guidelines. The geologist and geological technician are responsible for stope geological mapping and sampling, which occurs every 1.5 m of stope lift. The department also measures the mined area of a stope at the end of each month for mine contract payment and reconciliation purposes.

Key aspects of the stope inspection are as follows:

- Ensuring that the back and floor of the stope are flat prior to drilling blasting holes.
- Checking to ensure the boundary of the mineralization and drillhole locations are correctly marked with red paint before drilling.
- Ensuring drillholes are inclined not less than 60 o to the horizontal, are not longer than 2 m, and are drilled optimally relative to vein and excavation width to minimize dilution.
- In a resuing stope, checking if the stope floor is covered with rubber mat / belt before blasting.

- In a resuing stope, checking to make sure that waste is sorted first and left in the stope before mucking ore to the mill holes after blasting; also ensuring that the floor and walls are cleaned with a broom to minimize ore losses before footwall slashing.
- After blasting, checking that the stope back is not more than 3.5 m high and the steel mill holes in a resue stope are properly covered with steel grid.

Regarding contract payments, a mine contractor is paid based on the quantity of ore mined. As it may be seen as an incentive for the contractor to maximize material removed from the stope, contractor payments are governed by a specific formula that calculates planned ore tonnes based on extraction to design and a planned dilution factor. During mine operations, each rail car or small tricycle load of ore is weighed at a weigh station outside the mine portals. If weighed ore tonnes are greater than planned ore tonnes from a given stoping area, the mine contractor is paid solely based on the planned tonnes. For shrinkage stopes, an adjustment for paid tonnes is required to be made, since a stope usually takes several months to complete and, generally, only blast swell is mucked until the stope nears completion.

16.7 Mine design

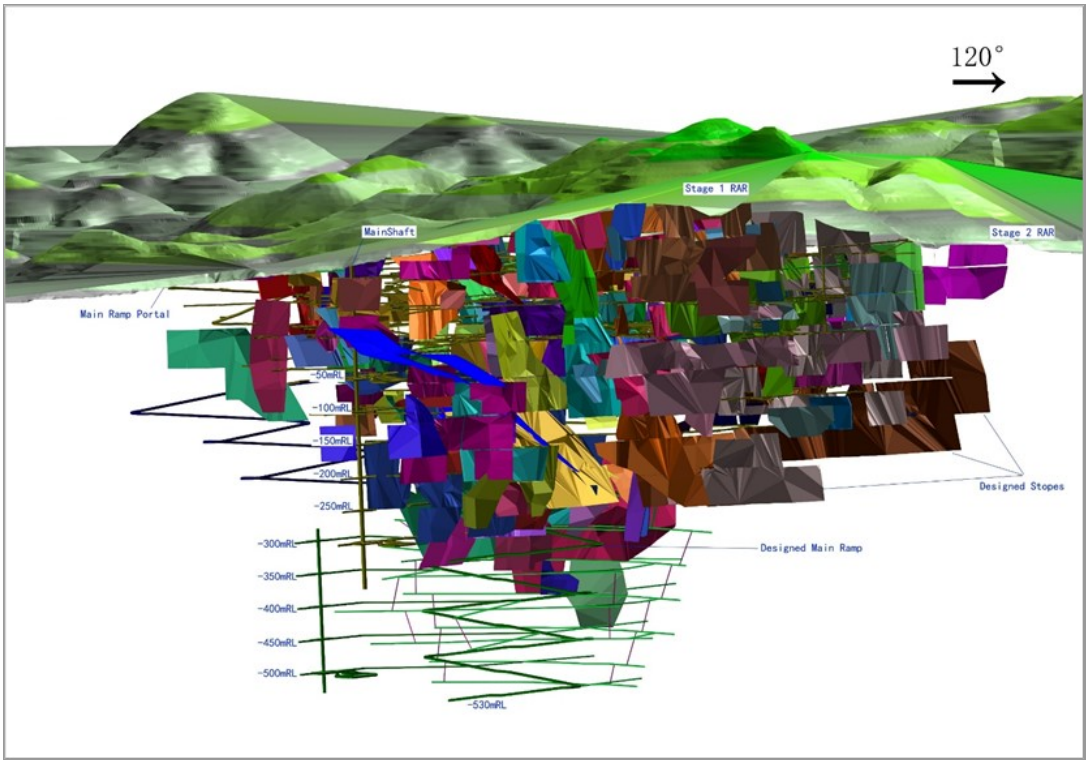
The mine design is based on the engineering work completed by the local official provincial design institute GMADI (April 2016). Refinements in areas such as profile dimensions, alignments, fleet sizing, etc. have been made by Silvercorp technical personnel on an as-needed basis during the Project construction and operations phases.

The initial mine design provided prior to the commencement of operations was considered by the QP to be below feasibility study standard (within +/- 10 – 15% on the inputs) with respect to knowledge of the vein location and vein peripheral extents and missing minor miscellaneous development items such as travelway refuges, stripping, and service holes. Design aspects have been progressively advanced and refined as operations have progressed but without any major change in development requirements.

In plan view, the mine development covers an area approximately 600 m by 1,200 m between Mine Sections 8 and 56. The mine design total combined lateral and vertical requirements are projected at 147,991 m from FY2022 to the end of mine life. A surface plan, showing key mine infrastructure locations is provided in Figure 18.1.

Figure 16.6 illustrates the mine design for stopes and development drives looking generally north-west. Planned development is shown predominantly in green.

Figure 16.6 GC Mine design



Source: Silvercorp Metals Inc. 2021.

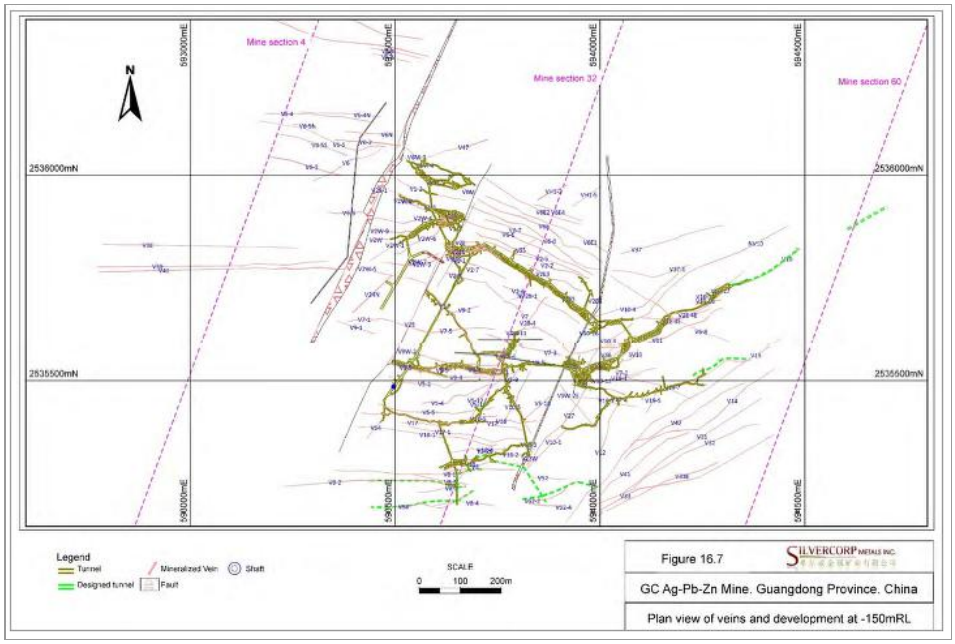
The mine design has been implemented in two stages, with Stage 1 being predominantly mechanized development to fast-track production while the longer-term Stage 2 at deeper levels reverted to Chinese conventional tracked development methods. Both stages have been approved by local government departments.

The Stage 1 Ramp is used for hauling ore, waste rock, materials, equipment, personnel, and providing access for key services like dewatering lines, feed water, power, communications, and ventilation.

The Stage 2 Main Shaft is used for cage hoisting ore and waste, hoisting materials, equipment, personnel and providing access for key services like dewatering lines, feed water, power, compressed air, communications, egress ladderways, and ventilation.

Figure 16.7 is indicative of relative vein positions and development design at -150 mRL.

Figure 16.7 GC veins and development plan at –150 mRL



16.7.1 Pre-existing development

There were nine sealed, development adits named ML1 to ML9 that pre-existed the Silvercorp operations. The development from the three adits of ML5, ML6, ML8 had a combined void volume of approximately 13,000 m^3 (as advised by the GMADI study). Table 16.2 summarizes the complete list of pre-existing development in the GC Project

resource area, along with coordinates for the Exploration Ramp, Main Ramp, Main Shaft, and the Stages 1 and 2 RARs.

Table 16.2 Co-ordinates of pre-existing development, Main Shaft, and RARs

Access	Northing	Easting	Elevation
ML1	2,536,522	37,593,270	139
ML2	2,536,898	35,793,310	97
ML3	2,536,444	37,593,459	129
ML4	2,536,759	37,592,679	120
ML5	2,535,758	37,594,035	116
ML6	2,536,156	37,593,460	101
ML7	2,536,450	37,593,241	148
ML8	2,535,761	37,594,440	117
ML9	2,536,375	37,593,315	110
Exploration Ramp	2,535,987	37,593,379	112
Main Ramp	2,535,330	37,593,581	176
Main Shaft	2,535,544	37,593,562	248
Stage1 RAR	2,535,748	37,594,018	114
Stage2 RAR	2,535,579	37,594,415	122

16.7.2 Mine access

As indicated above, mine access for rock transport, materials supply, and personnel is provided by two declines (Exploration Ramp, Main Ramp) and a shaft (Main Shaft). Secondary mine access for personnel emergency egress is provided by the Stage 1 and Stage 2 return airway shafts.

The Main Ramp portal co-ordinates are approximately 37,593,581 m easting, 2,535,330 m northing, +176 mRL elevation. The Main Ramp provides access to the +100 mRL, +50 mRL, 0 mRL, -50 mRL, and -100 mRL levels. The Main Ramp development is continuing and reached -250 mRL at the end of 2020. The ramp profile is 4.2 m wide by 3.6 m high (approximately 13.9 m^2 profile area). The average gradient is 12% (1 in 8.3) with minimum radius of 20 m. The total ramp access length is 2,358 m (excluding stockpiles).

The ramp includes 10 m length remuck stockpiles at approximately 100 m intervals with travelway refuges excavated between the remuck stockpiles. The ramp spirals at the northern end to make connections to a blind sunk shaft (Ramp Shaft) at approximately +100 mRL, 0 mRL, -50 mRL, and -100 mRL. The Ramp Shaft at 3.5 m diameter (9.6 m^2) was designed to act as a return ventilation airway during ramp development and revert to an intake ventilation airway prior to Stage 1 production. The Ramp Shaft also provides secondary egress and is used for mine services (piping for air and water, electrical cables, and ladders).

The Main Shaft collar is located at +248 mRL elevation at approximately 37,593,562 m easting, 2,535,544 m northing. The shaft diameter is 6.0 m.

16.8 Mine development

The mine design is now based on Mineral Resources above 105 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 by Silvercorp does not incorporate this feature. The QP 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 mRL and below levels.

The Main Ramp (portal elevation +176 mRL, bottom elevation reached -250 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.

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.

16.8.1 Development requirement

Table 16.3 summarizes the projected LOM development requirement profile, and categories.

Table 16.3 LOM development profile and categories

Year	Capital lateral (m)	Capital vertical (m)	Operating lateral (m)	Operating vertical (m)	Total (m)
FY2022	2,860	-	12,905	4,857	20,622
FY2023	2,161	53	13,186	4,140	19,540
FY2024	1,565	-	7,589	2,305	11,459
FY2025	1,484	-	8,027	3,360	12,871
FY2026	1,185	150	8,067	2,980	12,382
FY2027	985	150	8,658	2,430	12,223
FY2028	1,655	550	8,744	3,030	13,979
FY2029	1,484	-	6,814	1,800	10,098
FY2030	200	-	7,966	2,880	11,046
FY2031	-	100	6,192	1,980	8,272
FY2032	-	200	5,772	2,085	8,057
FY2033	-	160	5,423	1,860	7,443
FY2033	-	-	-	-	-
Total	**13,579**	**1,363**	**99,343**	**33,707**	**147,991**

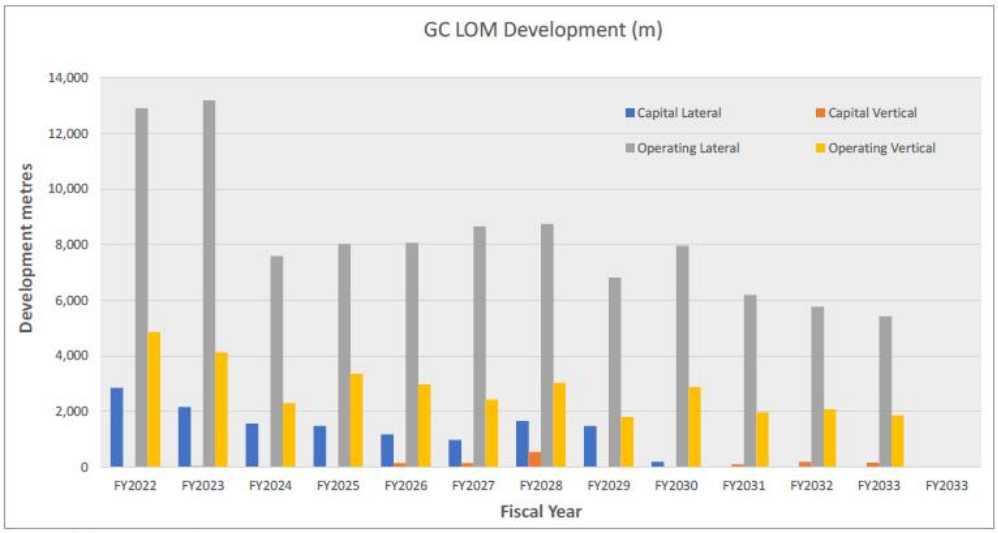
Table 16.4 summarizes the development waste volumes projected.

Table 16.4 Development waste volumes

Year	Waste (m³)
FY2022	98,924
FY2023	94,058
FY2024	62,661
FY2025	64,639
FY2026	53,557
FY2027	54,563
FY2028	66,348
FY2029	49,033
FY2030	46,171
FY2031	34,390
FY2032	33,746
FY2033	30,784
Total LOM	**688,874**

Figure 16.8 shows projected development metres by type over the LOM.

Figure 16.8 Development profile by type



Source: Silvercorp Metals Inc.

16.8.2 Shafts

Several shafts have been planned for the LOM design. All shafts have been planned to be sunk by conventional underhand method.

Table 16.5 summarizes the general details for each shaft.

Table 16.5 Mine shafts

Shaft name	Diameter (m)	Collar elevation (mRL)	Bottom elevation (mRL)	Depth (m)	Profile	East collar co-ordinate	North collar co-ordinate	Collar access
Main Ramp extend	4.2 x 3.75	176	-530	706	Rectangular	37,593,581	2,535,330	Surface
Exploration Ramp	3.7 x 3.5	112	50	62	Rectangular	37,593,379	2,535,987	Surface
Stage 1 RAR	3.5	120	-50	170	Circular	37,593,954	2,535,692	Surface
Stage 2 RAR	3.5	122	-50	172	Circular	37,594,206	2,535,586	Adit
Main Shaft	6.0	248	-370	618	Circular	37,593,562	2,535,544	Surface
Blind Shaft	5.0	-300	-530	230	Circular	37,593,417	2,535,534	Internal

16.9 Mine production

16.9.1 Commercial production to end-2020

Table 16.6 shows reported GC production from start of commercial operations in FY2015 (Q2 2014) to the end of 2020 (Q3 FY2021).

Table 16.6 GC production FY2015 – FY2021 (Q1 to Q3)

Fiscal Year	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 (Q1 to Q3)	Total
Ore mined (tonnes)	253,321	257,575	260,746	245,783	284,217	287,632	264,388	1,853,662
Head grades								
Silver (g/t)	107	94	94	98	86	97	84	94
Lead (%)	1.35	1.76	1.44	1.45	1.51	1.89	1.68	1.59
Zinc (%)	2.65	2.53	2.81	2.78	3.00	3.32	3.44	2.94

S (%)	9.29	9.19	10.55	9.88	9.82	10.29	9.89	9.85

16.9.2 LOM plan production

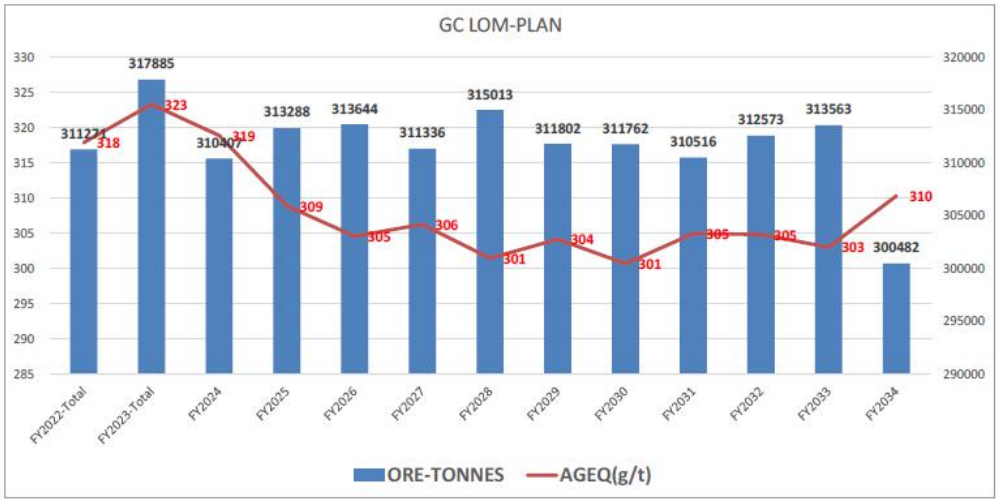
Projected LOM production is the combination of development ore and stope ore and is summarized in Table 16.7.

Table 16.7 LOM production summary

Quarter / financial year	Ore Tonnes	Mined ore grade				Planned metal		
		AgEq	Ag (g/t)	Pb (%)	Zn (%)	Ag (t)	Pb (t)	Zn (t)
FY2021Q4	77,496	326	88	1.51	3.72	7	1,173	2,883
FY2022Q1	77,341	316	85	1.45	3.62	7	1,124	2,800
FY2022Q2	80,459	322	87	1.49	3.68	7	1,196	2,957
FY2022Q3	81,479	312	84	1.39	3.64	7	1,130	2,963
FY2022Q4	71,991	322	88	1.52	3.61	6	1,094	2,597
FY2022-total	311,271	318	86	1.46	3.64	27	4,544	11,317
FY2023Q1	82,078	320	93	1.40	3.59	8	1,151	2,950
FY2023Q2	77,057	331	94	1.51	3.68	7	1,161	2,838
FY2023Q3	78,048	324	87	1.58	3.62	7	1,235	2,822
FY2023Q4	80,703	319	93	1.73	3.18	8	1,394	2,564
FY2023-total	317,885	323	92	1.55	3.52	29	4,940	11,175
FY2024	310,407	319	96	1.47	3.42	30	4,565	10,607
FY2025	313,288	309	96	1.47	3.20	30	4,592	10,011
FY2026	313,644	305	94	1.35	3.29	29	4,224	10,304
FY2027	311,336	306	96	1.51	3.08	30	4,706	9,591
FY2028	315,013	301	93	1.58	2.95	29	4,965	9,308
FY2029	311,802	304	95	1.49	3.08	30	4,651	9,604
FY2030	311,762	301	94	1.26	3.28	29	3,929	10,238
FY2031	310,516	305	94	1.40	3.21	29	4,354	9,974
FY2032	312,573	305	94	1.60	2.99	29	5,007	9,361
FY2033	313,563	303	98	1.43	3.06	31	4,492	9,581
FY2034	300,482	310	97	1.69	2.95	29	5,084	8,863
Total	**4,131,039**	**309**	**94**	**1.48**	**3.22**	**388**	**61,225**	**132,818**

The LOM production duration is planned for 13 years with currently defined Mineral Resources. The average production rate is projected to be 312 ktpa of ore through to the end of mine life. Figure 16.9 summarizes the LOM production profile tonnes and silver equivalent grade.

Figure 16.9 LOM production profile



Source: Silvercorp Metals Inc.

16.10 Rock handling

Total ore and waste quantities planned to be produced over the LOM are approximately 4.13 Mt and 1.79 Mt respectively.

All waste in the mine plan is currently disposed of at surface, either by Silvercorp for any mine construction needs or by the local contractors who use the supply for construction material.

Hand sorting of waste from ore at surface is conducted opportunistically.

16.10.1 Shaft hoisting

The Main Shaft has one tower-mounted multi-rope friction winder (600 kW), and is used for hoisting of waste, labour, materials, and mine equipment access for areas below the -50 mRL. The shaft is also used for intake air, services access (ladder, cables, and pipes) and labour emergency egress.

The shaft hoisting capacity is estimated at approximately 300 ktpa. The capacities are estimated based on 330 days per year, three shifts per day, and eight-hour shifts.

Waste that is cage hoisted in rail cars to surface is transferred to the rail waste dump tip head that is within 200 m of the Main Shaft. Figure 16.10 shows the Main Shaft headframe.

Figure 16.10 Main shaft headframe



Source: AMC Mining Consultants (Canada) Ltd.

16.10.2 Waste material

The total LOM waste produced is projected to be 1.79 Mt.

Other than use for construction purposes as indicated above, waste could opportunistically be disposed of into the shrinkage stope voids, but this is not in the current mine plan.

16.11 Mine services

Mine services are described in the following sub-sections.

16.11.1 Ventilation

Mine ventilation is practiced as set out by Chinese laws and regulations. Among key ventilation regulations are: minimum ventilation volume per person (4 m^3/min/person), minimum ventilation velocity (typically 0.25 – 0.50 m/sec dependent on location or activity) and minimum diluting volume for diesel emissions (4 m^3/min/kW).

The primary ventilation generally flows from west to east using the main levels interconnected by dedicated level vent raises (plus active stope accesses). The upper level(s) where stoping has been completed are used as return airways to separate the fresh and exhaust air. A series of air doors and sealed walls is utilized in the ventilation system. Inactive development headings and draw points are sealed to enhance the ventilation circuit by minimizing leakage.

16.11.1.1 Primary ventilation

The ventilation volume is predominantly influenced by the minimum air velocity for the various development and production activities. No diesel equipment is required for Stage 2 stoping. The peak ventilation volume is estimated to be 140 m^3/sec inclusive of 30% air leakage. The total air quantity is 105 m^3/sec, with 25 m^3/sec from the decline and 80 m^3/sec from the shaft. The primary fan (FBCDZ-NO30) is powered by YF-400-12 electrical motors (200 kW x 2, one for standby).

The fresh air intake airways are:

- Main Shaft (6.0 m diameter located approximately at Mine Section 22) with air flow of 80 m^3/sec at the collar. The friction factor acknowledges hoisting equipment and fittings in the shaft. For hoisting intake airways, there is a regulatory requirement for air purification prior to a level receiving fresh air from the Main Shaft.
- Ramp (4.2 m x 3.6 m located approximately at Mine Section 26) with 25 m^3/sec at the portal.
- Ramp Shaft (3.5 m diameter located at Mine Section 10) with 33 m^3/sec at the collar.

The return air exhaust airways are:

- Stage 2 Ventilation Shaft (3.5 m diameter located approximately at Mine Section 52). The fan duty point is 140 m^3/sec at 2070 Pa (total pressure). The friction factor assumes the shaft is furnished with a ladderway. The exhaust fan configuration is axial (200 kW – 380 V) mounted horizontally with a fan diffuser for silencing. The development on the inlet side is configured to enable emergency egress. The Stage 2 Ventilation Shaft is developed internally from within a short drift with the fan installation also established within the drift development.

The key airway regulation requirements are:

- Vehicle access doors (airlock system) placed in the Ramp level accesses for the +100 mRL, +50 mRL and 0 mRL levels.
- Two regulators on the -100 mRL level and one on the -50 mRL level to force air to the lower level working areas.

- The Stage 1 Vent Shaft is sealed at the collar and is used as an internal exhaust.
- All rock passes are assumed to be filled with rock for leakage purposes.
- All stope and inter-level ventilation raises include ladderway resistances.

16.11.1.2 Secondary ventilation

The secondary ventilation consists of auxiliary fans for ventilating development faces, infrastructure chambers, loading and tipping areas and stope faces.

Development faces are ventilated using domestically manufactured fans (5.5 kW – 380 V). A combination of forced and exhaust ventilation is applied for long blind-heading distances as required.

Stopes are force-ventilated using domestically manufactured fans (4 kW – 380 V) via the access timber cribbed travelway. The stope air returns to the upper level via a second access travelway at 50 m strike spacing.

16.11.2 Water supply

The source of water for the mine is from local creeks and gullies that flow into the Hashui Creek. The flows typically vary from about 11,000 m^3/day (dry season) to 69,000 m^3/day (wet season), with the wet season being from April to September inclusive. The annual average rainfall varies in the range of 1,400 – 1,734 mm. The water quality and quantity from the local creeks is sufficient to meet the Project requirements, which are of the order of 2,000 m^3/day.

Water is drawn from the Bai Mai reservoir (at approximately Mine Section 56 and elevation 105 mRL) and pumped to an elevated hilltop water tank (at approximately 343 mRL) for water treatment-filtration and surge capacity storage. The treated water is then gravity fed to the mine site and treatment plant (at approximately 248 mRL).

The key specifications of the water supply system are:

- Bai Mai reservoir water tank with 100 m^3 of settling capacity and 200 m^3 clean water capacity.
- Hilltop water tank with 300 m^3 storage, and water filtration capability via two filtration units.

Water consumption underground is primarily for drilling and suppressing dust.

Potable water is provided underground adjacent to the Main Shaft with water quality conforming to regulatory requirements. Personnel carry drinking water as required to remote workplaces in water containers.

16.11.3 Dewatering

Underground water is discharged to surface using conventional centrifugal pumps via pipelines installed in the Ramp, Ramp Shaft, and Main Shaft. Underground water pumped to surface is collected in ponds at the Ramp portal or Main Shaft for sediment settling prior to being pumped to the process plant water treatment station. The underground water is discharged to surface in two stages in relay.

At the Stage 1 pump station (-300 mRL), three pumps (Model MD155-67×5, capacity 155 m^3/h) are installed. Water from -300 mRL pump station is discharged through two steel pipelines installed in the shaft to the Stage 2 station. The effective water storage volume of the inner and outer sumps totals 2,000 m^3 at -300 mRL.

At the Stage 2 pump station (-50 mRL), three pumps (Model MD280-43×8, capacity 280 m^3/h) are installed. Water from -50 mRL pump station is discharged through two steel pipelines installed in the Ramp to the surface. The effective water storage volume of the inner and outer sumps totals 2,450 m^3 at -50 mRL.

As indicated, three pumps are installed in each pump chamber. Under normal water inflow conditions one unit is running, one unit is under maintenance, and the other is on standby. Under maximum water inflow conditions, two pumps will be running. Underground pumps are specified for clean water discharge, so each pump station has its own twin compartment sediment settling arrangement. The capacity of these is equivalent to six to eight hours of normal water inflow condition (Safety Regulations on Metal and Nonmetal Mining Operation – National Standard GB16423-2006).

Quality monitoring of the mine water and the surrounding receiving surface water is conducted on a regular basis.

In 2020, a total volume of 497,659 m^3 of underground water was treated, including 290,577 m^3 discharged and 207,082 m^3 recycled. The water treatment cost for year 2020 was US$0.0371/$m^3$. Table 16.8 shows underground water pumped, discharged, and recycled by month for year 2020.

Table 16.8 Underground water pumped, discharged, and recycled for year 2020

Date	U/G water pumped m^3	Discharged m^3	Recycled m^3	Recycle rate %
Jan 2020	37,429	25,944	11,485	30.68
Feb 2020	37,835	30,050	7,785	20.58
Mar 2020	39,373	26,737	12,636	32.09
Apr 2020	36,122	18,789	17,333	47.98
May 2020	40,328	20,633	19,695	48.84
Jun 2020	38,827	18,760	20,067	51.68
Jul 2020	39,994	20,946	19,048	47.63
Aug 2020	45,043	24,548	20,495	45.50
Sep 2020	41,113	24,082	17,031	41.42
Oct 2020	45,235	25,653	19,582	43.29
Nov 2020	48,704	27,876	20,828	42.76
Dec 2020	47,656	26,559	21,097	44.27
Total	**497,659**	**290,577**	**207,082**	**41.39**

Pumping demand under normal conditions is approximately 5.5 hours per day and, under maximum conditions, would be approximately 10 hours per day. Pump station sumps provide six hours of water inflow capacity.

For secondary dewatering, conventional compressed air diaphragm and / or electric submersible pumps are used for face dewatering on an as-needed basis. Water is stage-discharged via a pump line to the surface settling pond or the -50 mRL pump station.

Levels are self-draining (0.3% gradient) to either the Ramp access or Main Shaft access drainage holes. Drains are constructed from 245 mm diameter half pipes.

16.11.4 Power supply

Power is provided from a 110 kV substation near Gaocun town, about 6 km from the mine site, which is fed from the Guangdong Province electrical grid system.

High voltage supply is 10 kV to the surface sub-stations. The mine has standby diesel generator power for essential mine facilities (pump stations, shaft operations, primary ventilation fans).

Underground sub-stations are located on each level. Level development utilizing jumbo drills has incorporated additional sub-stations along the level to manage voltage drop from the sub-station.

Low voltage supply from the underground sub-stations is 415 V (jumbo), 380 V (pumps and fans), and 220 – 250 V (lighting and rail operation).

There are two 1,500 kW diesel power generators on standby.

16.11.5 Fuel storage and dispensing

No fuel is stored underground. Trucks and loaders are refueled at the surface fuel farm and dispensing facility.

16.11.6 Compressed air

Compressed air is primarily used for drilling blastholes. Jackleg drilling is used in the stopes and conventional development faces. There is some minor use for shotcreting, blasthole cleaning, and ANFO charging of blastholes, as necessary.

Compressed air is reticulated to all levels and to the emergency refuge stations.

Compressors (electrically powered two-stage piston compressors) are located adjacent to the Ramp portal (2 x 20 m^3/min, 0.8 Mpa, 110 kW) and Main Shaft headframe (2 x 40 m^3/min, 0.8 Mpa, 250 kW). Compressed air is reticulated using steel and plastic piping for air distribution via the Main Shaft (via the Ramp and Ramp Shaft for earlier Stage 1 operations).

16.11.7 Communications

Mine surface communications are available by landline and mobile phone services.

Telephones are the base means of communicating with underground. Phones are located adjacent to the Ramp level accesses (Stage 1 set-up) and adjacent to the Main Shaft level accesses.

16.11.8 Explosives storage

The surface explosives magazine is permitted to hold 10 t of bulk explosives and 15,000 detonators. Security services are used, and detonators are scanned on release from the magazine for security audit purposes.

Underground working party magazines are located adjacent to each level return air shaft and are limited to one day of requirement for bulk explosives and three days of requirements for blasting ancillaries.

16.11.9 Mine equipment maintenance

The mining contractor has its own mobile equipment workshop for repairs and servicing located adjacent to the Ramp portal. There are also underground drill service bays established in redundant stockpile areas to minimize tramming delays.

Mobile equipment repairs (trucks, loaders, etc.), other equipment breakdowns and equipment major services are conducted in the mining contractor's surface workshop with minor services conducted in redundant stockpile areas.

Minor equipment (such as jacklegs, secondary fans, development pumps, etc.) are also serviced in the mining contractor's surface workshop.

The electric locomotive and rail cars are serviced and repaired in a service rail siding located adjacent to the Main Shaft.

Other fixed and mobile equipment (primary pumps, surface electric locomotive, rail cars, vehicles, etc.) are serviced in Silvercorp's surface workshop located adjacent to the Main Shaft. This is fully equipped with overhead crane, welding, electrical, hydraulic, lathe services, etc.

16.12 Mine equipment details

All mobile equipment and some minor fixed equipment are provided by the mining contractor.

Silvercorp's fixed equipment is predominantly domestically manufactured and locally sourced (Guangdong Province). The equipment manufacturers are well known, and their equipment is commonly used for China mine operations.

Table 16.9 summarizes the characteristics of the contractor's equipment.

Table 16.9 Mining contractor typical key equipment summary

Contractor equipment	Units	Manufacturer	Model	Capacity
Single boom jumbo	1	Atlas Copco	Boomer 281	3,660 mm rod
LHD small	20	Shandong Derui Mining Machinery Co. Ltd	WJ-1	1 m^3
LHD large	5	Guangxi Liugong Machinery Co., Ltd.	CLG833	3 m^3
Haul truck	10	Fujian Longyan Shifeng Construction Machinery Co. Ltd	LHF30	13 t
Personnel carrier	2	Anhui Tongguan Machinery Co. Ltd.	JY-5YR-16	16 persons
Shotcreter	2	Hunan Changde Shotcrete Machinery Factory	HPZ-6	6 m^3/hr
Electric locomotive	18	Shandong Nadian Electromechanical Equipment Co. Ltd	CTY2.5/6B	70 m^3/h
Electric loader	10	Nanchang Hengye Mining and Metallurgical Machinery Factory	Z-30	0.3 m^3

Rail cars	116	Henan Hebi Mishi Machinery Co. Ltd.	YCC0.85-6	0.85 m^3
Auxiliary stoping & development fan	55	Zib Ventilation Machine Plant Ltd.	JK56-No4	0.1~3.4 m^3/hr

Table 16.10 summarizes the characteristics of the owner's equipment.

Table 16.10 Owner's fixed equipment summary

Equipment	Stage	Units	Manufacturer	Model	Capacity
Multi-rope friction hoister	2	1	Citic Heavy Machinery Manufacturing Company Ltd	JKMD-2.8 x 4	1,200 t/day – ore+waste
Primary fan	1 & 2	2	Shandong Befeng Ventilation Machine Ltd	DK-40-8-No25/2x200	62.9-150.4 m^3/sec
Waste and service cage	2	1	Xuzou Coal Mine Safety Equipment Limited	4# lengthen cage	
Multiple stage centrifugal pump -50 mRL	2	3	Changsha Canon General Pumps Company Ltd	200D65B	Q=200 m^3/hr, 344 m head
Multiple stage centrifugal pump -300 mRL	2	3	Changsha Canon General Pumps Company Ltd	D155-30x8	Q=155 m^3/hr, 140 m head
Air compressor – ramp	1 & 2	2	Kaishan Boreas Compressor	BK132-8T	22 m^3/min at 0.8 Mpa
	1 & 2	1	Kangluopu Compressor	KLP-350A	40.5 m^3/min at 0.8 Mpa
Air compressor – main shaft	1 & 2	1	Atlas Kunxi Compressor Company	QGD250AC	42 m^3/min at 0.8 Mpa
	1 & 2	1	Kangluopu Compressor	KLP-350A	40.5 m^3/min at 0.8 Mpa
	1 & 2	2	Hang Jian Compressor	HJ-350A	42 m^3/min at 0.8 Mpa

16.12.1 Equipment productivities

Table 16.11 summarizes the productivities assumed for the development and production activities.

Table 16.11 Development and production activity productivities

Development or production activity	Unit	Schedule rate	Machine type
Jumbo - Single Heading (Ramp)	m/mth	100	Single Boom Electric-Hydraulic
Jumbo - Single Heading (Levels)	m/mth	80	Single Boom Electric-Hydraulic
Jumbo - Multi Heading (Levels)	m/mth	240	Single Boom Electric-Hydraulic
Jackleg - Single Heading (Levels)	m/mth	60	Jackleg (YT-24)
Jackleg - Multi Heading (Levels)	m/mth	180	Jackleg (YT-24)
Jackleg - Stope Raises	m/mth	50	Jackleg (YT-24)
LHD - Stope Mucking	t/mth	30,000	TCY-3 (3 m^3)
LHD - Development Mucking	t/mth	16,000	TCY-2A (2 m^3)
Truck - Production (to ROM Stockpile)	t/mth	14,000	JZC-20 (20 t)
Truck - Development (to Waste Dump)	t/mth	13,000	JZC-20 (20 t)
Rail Loader - Development & Stope Mucking	t/mth/level	13,000	Z-30 (0.3 m^3)
Rail Trucks - Production & Waste (to Main Shaft)	t/mth/level	24,000	ZK3-6/250 Loco & 10xYCC0.7 m^3 cars

16.13 Mine personnel

Silvercorp operates the mine using contractors for development, production and the operation and maintenance of Silvercorp's fixed equipment, with Silvercorp providing its own management, technical services, and supervision staff to manage the GC Mine.

The mine is operated on a continuous roster for 365 days per year working three eight-hour shifts per day.

Figure 16.11 summarizes the Silvercorp employee numbers from year 2011 to 2020 These numbers exclude General and Administration (G&A) personnel, geological drilling, external consultants, and process plant operation. The numbers depict people on-site at any point in time and do not account for the off-site labour panels, sick leave, absenteeism, annual leave, turn-over, etc. The contractor average yearly employee numbers are approximately 265 for all years.

Figure 16.11 GC Mine operations labour



Source: Silvercorp Metals Inc.

16.14 Mine safety

Mine safety is practiced as set out by Chinese health and safety laws and regulations.

There is an OHS department for the GC Mine, staffed with three mine safety trainer officers and seven technicians.

The mine and mining contractors are tasked with providing appropriate Personal Protective Equipment (PPE) to their own staff or miners. The PPE available includes protective cloths, hard hats, safety boots, work gloves, face masks, and ear plugs.

The OHS department provides safety training, enforces the OHS policies and procedures, makes recommendations on mine safety issues, and carries out daily inspections of the underground workings and explosives usages.

Safety committees are headed by the General Manager and made up of the Deputy General Manager, Mine Superintendent, Safety Department Supervisor, and representatives of the mining contractor. The committees are coordinated by the GC Safety Department. The mine management and the safety officers are required to have valid mine safety training certificates issued by the Provincial Bureau of Safe Production and Inspection.

With respect to safety in general, the QP recommends that Silvercorp continue with a focus on safety improvement, including implementation of a policy whereby the more stringent of either Chinese or Canadian safety standards is employed.

16.14.1 Fire prevention

Water for fire protection is provided via the Main Shaft with 200 t surge capacity. Primary reticulation and secondary reticulation are by 108 mm and 89 mm nominal bore pipes respectively, which are installed and maintained in accordance with national safety standards (Safety Regulations on Metal and Non-metal Mining Operation – National Standard GB16423-2006).

Fire extinguishers are provided and maintained in accordance with regulations and good practice at the electrical installations, pump stations, service workshops, and locomotive garage, and wherever a fire hazard is identified to exist.

Visible fire signs and fire safety notices are posted in appropriate areas.

A suitable number of fire extinguishers are provided and maintained at each stationary diesel motor and transformer substation.

Every light duty vehicle carries at least one fire extinguisher of adequate size and proper type.

All heavy-duty mobile mine equipment - loaders, trucks, drills, charge-up machines, etc. - are equipped with on-board fire suppression systems.

A mine-wide warning system is installed at the main mine intake airway entries to alert underground workers to the event of an emergency. This consists of audible alarms, ventilation status lights, and stench gas.

16.14.2 Mine rescue

Fully trained and equipped mine rescue teams are site-based with team members provided by the mining contractor and maintained on-site at all times. The mine rescue teams are trained for surface and underground emergencies.

A mine rescue Emergency Response Plan has been developed and is kept up to date.

A mine rescue room is provided in the surface mine offices adjacent to the Main Shaft.

An emergency clinic is maintained on-site and manned by a physician 24 hrs per day. Silvercorp also has a contract established with the Yunfu General Hospital to provide emergency services and ambulance extraction to the hospital.

16.14.3 Dust

All broken rock is wetted down using hoses and sprays after blasting, prior to mucking, and during mucking.

Decline roadway dust suppression uses a water cart with sprays on an as-needed basis.

Regular dust monitoring is conducted as per regulatory requirements.

Personnel working in dust generating work areas are provided with personal dust respirators.

16.14.4 Emergency egress

Egress to surface is available via all ventilation shafts, Exploration Ramp, Main Ramp, and Main Shaft.

The Main Shaft and ventilation shafts are equipped with staged ladderways incorporating general mine services and partitioned from other shaft activities; they are provided with appropriate ventilation profile clearance and established in accordance with good practices.

Lateral egresses are appropriately signposted and maintained for walking access.

16.14.5 Mine refuge stations

A permanent refuge station is located at -300 mRL in the bottom of the Main Shaft.

Static and / or mobile refuge stations are established on each mine level with the exception of the +100 mRL, which is not a production level.

The static refuge stations or mobile refuge chambers are established in accordance with good practices with independent air supply (compressed air or oxygen), communications, first aid, etc., and are of appropriate capacity to cater for the personnel numbers in the active mine areas.

For the +50 mRL, 0 mRL, and -50 mRL levels, mobile mine refuge chambers are located in close proximity to the active development and production stopes in redundant stockpile areas.

For the remaining levels from -100 mRL to -300 mRL, static mine refuge stations are located adjacent to the Main Shaft.

16.14.6 Ablutions

Facilities are provided on each working level in the middle section (approximately Mine Section 32) adjacent to a return airway and are cleaned and disinfected on a regular basis.

17 Recovery methods

17.1 Introduction

The key outcomes from the metallurgical testwork are presented in Section 13.6, and recent operating performance is summarized in Section 13.7.

Prior to the start of operations, items of direct pertinence to discussion on recovery methods were seen to be the following:

- The silver mineralogy indicated an optimization opportunity in increasing silver recovery from all species, including sphalerite and pyrite, to the lead concentrate, within the constraints of the minimum % Pb specifications. This had implications for lead cleaner circuit and filtration capacity.
- There was no comminution testwork to serve as a basis for the crushing and grinding circuit design.
- The flotation testwork culminating in the closed-circuit test provided an adequate basis for the flotation process design.
- Some circuit options had been investigated, specifically copper-lead separation and tin recovery, and although these had been included in the GMADI Design Instructions, neither had been included in financial modelling.
- The QP considered the copper-lead separation not to be viable, but in any case, to be of such a small scale and, therefore, of such limited materiality that it was of little consequence to projected operations. Moreover, there was only limited Cu resource data to support any copper recovery process.
- On the other hand, the QP believed that a tin recovery circuit did have potential merit and, although the base case for operations did not include such, it was considered as an opportunity and a material circuit option.

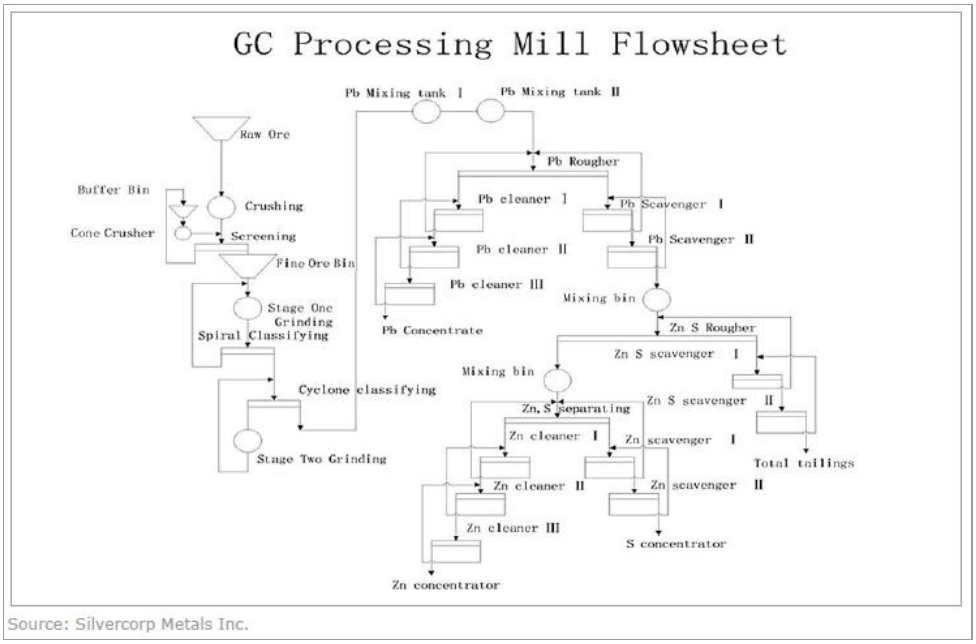
Since the start of trial operations in 2013 and commercial production in 2015, lead and zinc concentrates have been produced in commercial quantities at the Gaocheng mill (see Table 13.4). The process flowsheet and other key aspects of the processing operation are discussed below. Of further note is that some small amounts of tin concentrate and sulphur have also been produced but that these quantities have not been significant enough to be material to mine economics.

17.2 Process flowsheet

The process flowsheet is shown schematically in Figure 17.1, being very similar to the process adopted in the closed-circuit flotation tests described in Section 13.4.3; the tin recovery circuit is also shown in Figure 17.1.

In 2019, the lead-zinc-sulphur priority flotation process was optimized by changing from zinc-sulphur process priority flotation to zinc-sulphur mixed flotation and then zinc-sulphur separation flotation process. The quantity of ore processed has increased to around 300 ktpa.

Figure 17.1 Process flowsheet



Source: Silvercorp Metals Inc.

17.3 Process description

17.3.1 Summary

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 (P_{80} 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 sulphur concentrate. Concentrates are dewatered by conventional thickening and filtration.

The experimental tin recovery circuit treats Zn scavenger flotation tailings. It comprises spiral classification, followed by coarse and fine gravity concentration using shaking tables, with a final stage of flotation to remove residual sulphides.

The process design was based on the following overall throughput assumptions:

- 1,000 tpd feed base case (potential expansion to 1,600 tpd if required)
- 330 days per year
- Crushing 18 hrs/day
- Grinding-flotation, etc. 24 hrs/day

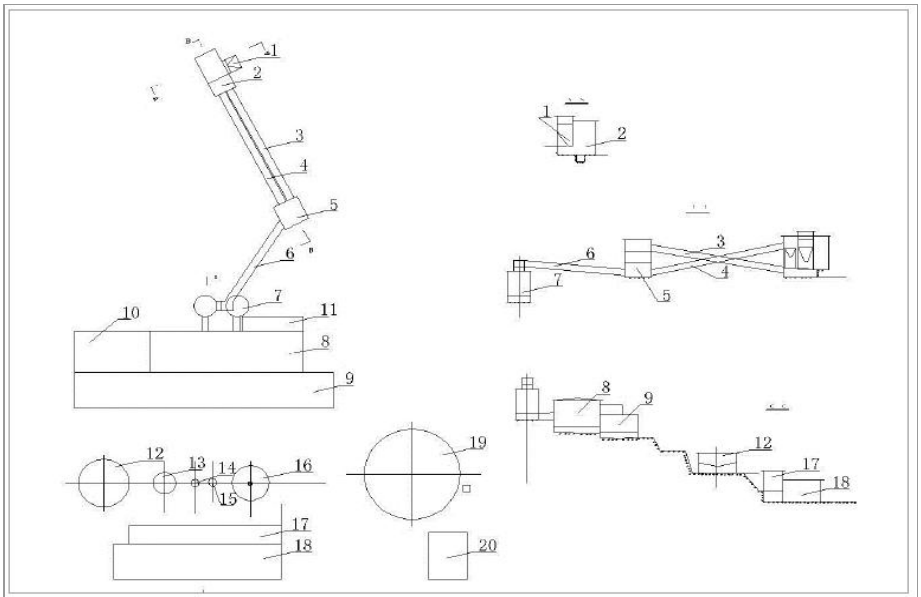
Daily throughput to date has generally been between 900 and 950 tpd. The following are typical assumptions for a throughput around 310,000 tpa:

- Feed rate: 44 tph
- Daily utilization of time: 90%
- Annual days worked: 330 days

The required steps to increase daily throughput to 1,600 tpd have been identified. The QP considers necessary availability and utilization factors for 1,600 tpd to be reasonable and in line with normal mining industry practice. In all sections of the plant, space / capacity has been allocated for an expansion to 1,600 tpd (mine feed to the mill at around 500,000 tpa). The implications of this are discussed in the section descriptions following.

A general site plan layout is shown in Figure 17.2.

Figure 17.2 Processing plant site plan



Note: Numbers in Figure 17.2 explained in Table 17.1.
Source: Silvercorp Metals Inc.

Table 17.1 List of equipment in Figure 17.2

Number	Item	Number	Item
1	Ground ore bin	8	Slurry mixing bucket
2	Conveyor belt	9	Flotation cell 1
3	Ball mill	10	Flotation cell 2
4	Overflow ball mill	11	Flotation cell 3
5	Belt scale	12	Reagent mixing bin 1
6	Spiral classifier	13	Reagent mixing bin 2
7	Hydrocyclone	14	Slurry pump

Source: Silvercorp Metals Inc.

17.3.2 Crushing

The crushing circuit consists of a run-of-mine ore bin from which the ore is drawn by a vibratory feeder into the primary jaw crusher. The jaw crusher product is screened on a vibrating screen, with the -10 mm fines being conveyed forwards to the fine ore bin while the +10 mm material feeds the secondary cone crusher via a buffer storage bin to maintain choke feeding of the crusher. The fine ore bin has a capacity of 1,600 t.

Figure 17.3 Surface grizzly feed to ROM ore bin



Source: AMC Mining Consultants (Canada) Ltd.

17.3.3 Grinding

In similar fashion to the crushing section, the two-stage grinding circuit is sized for 1,600 tpd.

Given that 1,600 tpd could be the ultimate throughput, four mills with 400 kW motors have been installed.

Typical of Chinese practice and conforming to the design successfully used at Silvercorp's Ying mine, the grinding circuit consists of a grate-discharge ball mill in closed circuit with screw classifier, followed by an overflow ball mill in closed circuit with hydrocyclones, to achieve the desired flotation

feed size of 80% passing 75 µm (P_{80} of 75 µm) in the cyclone overflow. The primary mills have weightometers fitted to the feed conveyors linked to a variable speed belt motor for mill feed control.

The circuit is configured in two parallel trains, each of 800 tpd capacity, for reasons of flexibility and ease of maintenance.

Figure 17.4 Grinding mills and spiral classifier



Source: Silvercorp Metals Inc.

17.3.4 Flotation

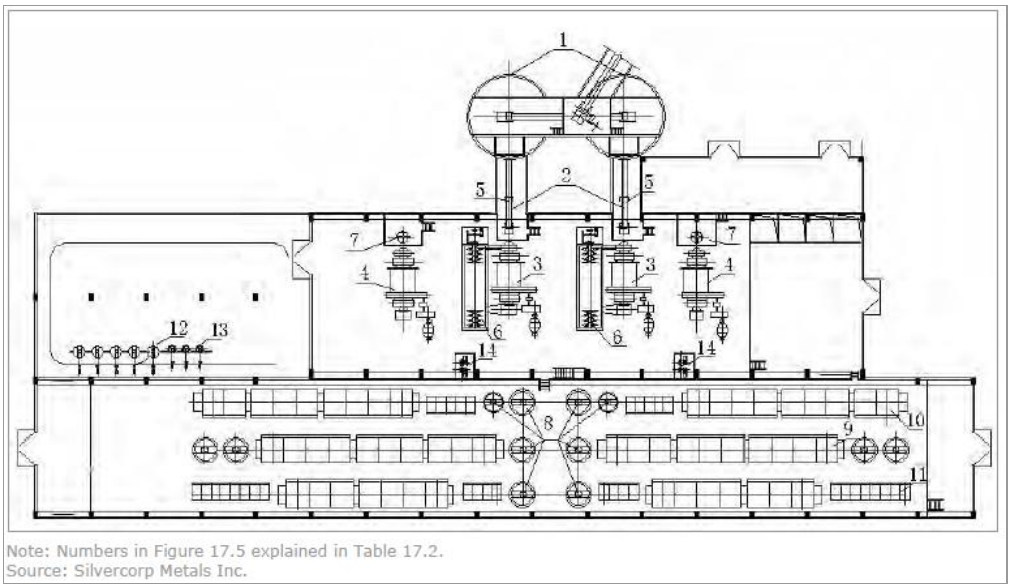
Following on from the grinding circuit, the flotation circuit is similarly configured in two parallel trains.

The flotation cell sizing is adequate for 1,600 tpd, with rougher residence time designed to be a minimum of 15 minutes plus scavenger time, also of 15 minutes. Conditioning times of the order of five minutes apply.

The general layout is compact and efficient, making use of gravity and the sloping site terrain as the banks follow successive parallel contour lines.

Figure 17.5 shows a general arrangement plan of the grinding and flotation section. Figure 17.6 shows flotation cells on a flotation deck.

Figure 17.5 Grinding / flotation plant general arrangement



Note: Numbers in Figure 17.5 explained in Table 17.2.
Source: Silvercorp Metals Inc.

Source: Silvercorp Metals Inc.

Table 17.2 List of equipment in Figure 17.5

Number	Item	Number	Item
1	Ore storage bin	12	Hydrocyclone room
2	Crushing workshop	13	Central drive thickener (φ 3.6 m)
3	Conveyor belt corridor 1	14	Central drive thickener (φ 3.6 m)
4	Conveyor belt corridor 2	15	Central drive thickener (φ 3.6 m)
5	Screening Station	16	Central drive thickener (φ 3.6 m)
6	Conveyor belt corridor 3	17	Central drive thickener (φ 3.6 m)
7	Ground ore storage	18	Peripheral drive thickener (φ 38 m)
8	Ground ore size classification	19	Vacuum press filter
9	Flotation workshop	20	Concentrate storage
10	Reagent storage	21	Tailing pumping station
11	Lime preparation room		

Figure 17.6 Flotation cells



Source: Silvercorp Metals Inc.

17.3.5 Concentrate handling

The respective concentrates are thickened and then filtered on ceramic disk filters sized at 9 m^2, 15 m^2, and 30 m^2 for the lead, zinc, and pyrite concentrates, respectively.

The filters are positioned above the concentrate storage shed for direct discharge and, from which, the concentrates are loaded by front-end loader into trucks for transport to the smelter customers. Figure 17.7 shows a ceramic disc filter and stockpiles of filtered zinc concentrate in the Zn concentrate storage shed.

Figure 17.7 Disc filters and zinc concentrate shed



Source: AMC Mining Consultants (Canada) Ltd.

17.3.6 Tin recovery circuit

The experimental tin recovery circuit is set up to treat the pyrite flotation tailings.

After an initial pre-concentration stage on eight sets of four-start spiral concentrators, the stream is cycloned to split at 75 µm, and then the +75 µm size fraction is fed over 25 coarse (sand) shaking tables and the -75 µm material is fed over 51 fine shaking tables. The final step is a batch flotation

stage to remove any residual sulphides also concentrated by the gravity separation processes. This takes place in a small unit in the main flotation building.

As indicated earlier, tin quantities produced to date are such as to not be material to overall mine economics.

17.4 Process control and automation

The level of process control and automation is appropriate and consists of the following key components:

- A central control room in the grinding-flotation building from which TV imaging of key operating points in the production flow can be monitored (Figure 17.8).
- Centralized monitoring of equipment run status.
- On / off interlocking of the main crushing and grinding system flows.
- Measurement and control of key parameters, including:
  - ¾ Ball mill feed tonnage.
  - ¾ Critical bin and tank levels.
  - ¾ Critical densities, e.g., screw classifier, thickener underflow densities.
  - ¾ Flotation cell pulp levels and reagent dosage.
- Automatic sampling of key metallurgical accounting streams, e.g., flotation feed, concentrates, and tailings.

Figure 17.8 Control room screens



17.5 Ancillary facilities

17.5.1 Laboratory

The laboratory is 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 (Figure 17.9).

Routine analyses of ores and concentrates are conducted, as well as water quality and other environmental testing. The laboratory also provides a technical service to the processing plant by monitoring plant conditions, helping solve production problems and investigating new technology and new processes to assist with improvement efforts.

Figure 17.9 Laboratory



Source: AMC Mining Consultants (Canada) Ltd.

17.5.2 Maintenance workshops

Daily maintenance requirements are serviced through workshop facilities equipped with craneage, welding, and basic machine-shop capabilities.

More extensive maintenance and major overhaul needs can be met through use of appropriate contractors or equipment suppliers.

17.6 Key inputs

17.6.1 Power

Total installed power amounts to 5,043 kW (includes standby equipment). Actual power drawn is of the order of 3,657 kW, which corresponds to 28,963,000 kWh per annum. Note that this includes tailings return water pumping.

17.6.2 Water

With the use of dry stacking of tailings there is minimal lock-up of water in tailings and close to 90% recycle of water from the recycled water pond; however, there is a requirement for some fresh water, of the order of 0.4 m^3 per tonne of plant feed, for items such as pump seals, cooling units and reagent mixing.

Total water demand (including recycle) is approximately 3,200,000 L/day (4 m^3 per tonne of ore processed). 6,000,000 L/day of water is projected for a potential 1,600 tpd production.

17.6.3 Reagents

Reagent storage and mixing is located adjacent to the grinding / flotation plant and comprises a storage area with hoisting equipment to lift bags and drums through into the mixing area.

The reagents in this area are:

- Depressant / modifiers:
  - Sodium sulphide
  - Zinc sulphate
  - Sodium sulphite
  - Copper sulphate
- Collectors:
  - Di-ethyl dithiocarbamate
  - Ammonium dibutyl dithiophosphate
  - Butyl xanthate
- Frother – no. 2 oil (added directly)

From the mixing area the reagents are pumped up to the dosing station located above the flotation section for dosing and gravity feeding to the various addition points.

Since the usage of lime is large (8 kg/t) the lime storage and milk-of-lime mixing area is separate, but also adjacent to the grinding / flotation plant. Milk-of-lime storage tanks have grit removal submersible pumps.

The sulphuric acid tank and dosing pumps are also located separately, for reasons of safety.

17.7 Mill feed schedule

Table 17.3 shows the projected LOM mill feed schedule and metal production.

Table 17.3 Gaocheng LOM mill feed and metal production

Item	Unit	2021 Q4	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Mill Feed - Ore tonnes	t	77,496	311,271	317,885	310,407	313,288	313,644	311,336	315,013	311,802	311,762	310,516	312,573	313,563	300,482	4,131,039
Head grade, Ag	g/t	88	86	92	96	96	94	96	93	95	94	94	94	98	97	94
Head grade, Pb	%	1.51	1.46	1.55	1.47	1.47	1.35	1.51	1.58	1.49	1.26	1.40	1.60	1.43	1.69	1.48
Head grade, Zn	%	3.72	3.64	3.52	3.42	3.20	3.29	3.08	2.95	3.08	3.28	3.21	2.99	3.06	2.95	3.22
Planned metal - Ag mined	t	6.79	26.75	29.21	29.78	30.02	29.36	29.85	29.39	29.56	29.35	29.30	29.26	30.64	29.01	388.27
Planned metal - Pb mined	t	1,173	4,544	4,940	4,565	4,592	4,224	4,706	4,965	4,651	3,929	4,354	5,007	4,492	5,084	61,225
Planned metal - Zn mined	t	2,883	11,317	11,175	10,607	10,011	10,304	9,591	9,308	9,604	10,238	9,974	9,361	9,581	8,863	132,818
Planned metal - Ag recovered	t	5.61	22.10	24.13	24.60	24.79	24.25	24.65	24.28	24.42	24.24	24.20	24.17	25.31	23.96	320.71
Planned metal - Pb recovered	t	1,050	4,067	4,422	4,086	4,109	3,780	4,212	4,444	4,162	3,516	3,897	4,482	4,020	4,550	54,797
Planned metal - Zn recovered	t	2,517	9,880	9,756	9,260	8,740	8,995	8,373	8,125	8,384	8,938	8,708	8,173	8,364	7,738	115,950

17.8 Summary

The recovery methods used for the GC deposit are appropriate for the ore characteristics. The following specific comments apply:

- The flowsheet is fit for purpose and has demonstrated that it can achieve targeted recoveries and concentrate grades.
- The comminution circuit, especially grinding, performs well for the current 900 to 950 tpd operation, and is also adequate for a 1,600 tpd throughput level.
- Drawing on the design data provided and on-site visit information, the QP concludes that appropriate equipment is in place and that the plant layout is practical and functional.
- Ancillary facilities are adequate.
- The experimental tin recovery circuit yields quantities that are not material to the commercial viability of the operation.

18 Project infrastructure

18.1 Tailings Management Facility (TMF)

18.1.1 Overview

The tailings deposition method is dry stacking and filling (from bottom to top and stacking by bench to form the embankment) with concurrent rolling and compaction.

In the 2012 Gaocheng Technical Report, the QP noted the following items with respect to the proposed TMF:

- *"Tailings properties determination is critical for dry stacking as the tailings are effectively their own containment and so requires additional testwork including:*
  - *Proctor compaction tests to derive target moisture levels for the required compacted density.*
  - *Shear tests to assess the internal strength of the tailings as an input to stability analysis.*
  - *More comprehensive size analysis, to include potential clay component size range.*
  - *Geochemical characterization, e.g., metal leaching tests.*
  - *Filtration tests to assist in the pressure filter sizing to meet target moisture levels.*
- *Site investigations are required including:*
  - *Geotechnical evaluation of underlying bedrock, etc.*
  - *An assessment of the implications of the Gaocheng River Class II water resource classification for the TMF location and design.*
- *Although the TMF design meets storage capacity requirements, the following work is still required:*
  - *A site-specific risk assessment as opposed to the generic Grade III design criteria within the Chinese volume-height categories.*
  - *A re-assessment of factor of safety calculations using standard industry practice finite element numerical modelling.*
- *A more detailed water balance on a month-by-month basis is required since the Project is situated in the monsoon belt with 70% of annual precipitation falling in the summer months."*

As noted in the 2018 and 2019 Technical Reports, an AMC QP observed the actual TMF during the 2018 AMC site visit. The TMF has been functioning since the start of mining and processing operations in 2014. The TMF operation and dry-stacking process appear to be taking place as planned, and with drainage installed as described below and as shown in Figure 18.3 and Figure 18.4. The QP notes that the most recent TMF risk assessment (report dated 30 July 2020) was done by Guangdong Huasheng Safety Occupation Evaluation Co., Ltd. After the issuing of the report, a new TMF Safety Production Certificate was granted on 3 September 2020, following a satisfactory on-site assessment organized by the local government. The certificate is valid until 3 September 2023.

Silvercorp has also entrusted Sinochem Mingda (Fujian) Geological Survey Co., Ltd., a survey company with China Grade A qualification, to conduct an engineering survey of the dry tailings area. Silvercorp has further entrusted the designer of the dry tailings area, Guangdong Metallurgical Architectural Design and Research Institute Co. Ltd., to assess the current flood control safety and dam stability of the dry tailings facility. This Project is expected to be completed by the end of 2021.

18.1.2 Site selection

Two possible sites for the TMF were considered initially, one immediately to the south of the mine and concentrator in the Daken valley, and the second 5 km to the south-east in the Heliken valley.

The Daken valley site was selected on the basis of:

- Proximity to the concentrator.
- No residential or industrial developments, although there was some small-scale farming within the proposed site.
- Small catchment area and adequate storage capacity.

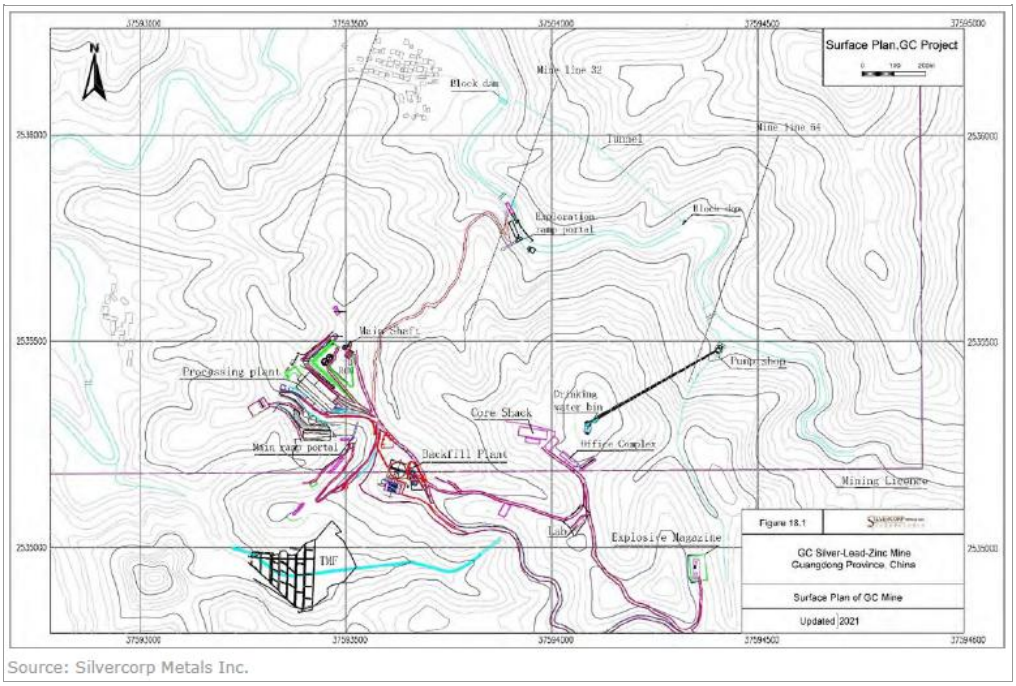
Data on site conditions consisted of:

- Rainfall data (annual average 1,493 mm, with 70% of that occurring in the April to August period).
- Surficial geology: Quaternary residual overlying shales and schists, no known structures.
- Seismic intensity rating according to the Earthquake Intensity Zoning Map of China (2002) of VI (the intensity scale is similar to the Modified Mercali, i.e., in this case “slightly damaging”).

The QP understands that no site-specific geotechnical field investigations have been carried out with respect to geotechnical drilling to bedrock beneath the main containment structures.

The TMF location, along with other surface infrastructure, is shown in Figure 18.1 and Figure 18.2.

Figure 18.1 Plan of surface facilities, GC Project



Source: Silvercorp Metals Inc.

Figure 18.2 Satellite aerial view of surface facilities, GC Project



Source: Silvercorp Metals Inc.

18.1.3 TMF design and assessment

Storage capacity calculations for the Daken valley site under the bottom to top dry stacking by bench method indicated a total storage volume of 3.57 Mm ^{3}. At a dry density that is now understood to be close to 2.0 t/m^3, the equivalent tailings tonnage is of the order of 7.0 Mt. This is more than adequate for the tonnage of tailings in the LOM production schedule.

The design criteria under the Chinese system are based solely on the TMF height and volume, which places it within a Grade III facility (i.e., mid-range in the I-V system). A site-specific risk assessment is one of the pre-conditions to renew the TMF Safety Production Certificate. The first such certificate was granted in 2014. On 4 September 2017, the TMF Safety Production Certificate was renewed and was valid until 3 September 2020. As noted above in Section 18.1.1, the most recent TMF risk assessment (report dated 30 July 2020) was done by Guangdong Huasheng Safety Occupation

Evaluation Co., Ltd. After the report, a new TMF Safety Production Certificate was granted on 3 September 2020, following a satisfactory on-site assessment organized by the local government. The certificate is valid until 3 September 2023.

The TMF was designed as Class III under Chinese TMF classification criteria but was assessed as Class IV under the same criteria. Table 18.1 shows key metrics of the design and latest working volume assessment.

Table 18.1 Key metrics of design and latest assessment

	Unit	GC TMF	Remarks
Year built		2013	Completed on 15 July 2013
Start operation		2014	
Total volume	Mm^3	2.98	Designed volume
Remaining working volume	Mm^3	2.05	Assessed December 2020
Service life	yr, design	18	Assessed 15 years
Remaining life	yr	12	At December 2020
Tailing production rate	tailing, tpd	783.6	
Stacked volume	Mm^3	0.93	Assessed December 2020

The TMF consists of an initial earth retaining dam, behind which the tailings are delivered by a system of conveyors and then spread by bulldozer on a bench-by-bench basis, with concurrent rolling and compaction to the desired dry density standards. The resulting construction is a tiered tailings embankment gradually rising up the valley. Figure 18.3 shows the dam and water pond. Figure 18.4 shows the dam water catchment set-up.

Figure 18.3 GC TMF dam and water pond



Source: AMC Mining Consultants (Canada) Ltd.

Figure 18.4 TMF dam water catchment



Source: AMC Mining Consultants (Canada) Ltd.

Seepage control is affected by geomembrane and geotextile impervious layers together with an intercepting drain and collector system discharging into a downstream water storage dam for pumping to the concentrator.

Aspects of the TMF design and assessment have included:

- Water drainability analysis: Based on area precipitation records, rainwater collection area and slope of the topography, and resulting requirements for discharge ditches and water discharge pipes under extreme circumstances.
- Tailings dam seepage analysis: Based on the elevation of underground water during extreme rainfall and the permeability coefficient of the rocks, to determine the location of the seepage line and the slope of the underground water. This analysis suggested that the seepage line is not exposed and there would be no seepage, even in case of heavy rain.
- Tailings dam stability analysis: Based on information such as material used for dam construction and geotechnical characteristics of the dam foundation. The anti-slip stability factor was calculated to be 1.427, which is significantly higher than the value of 1.1 in the case of extreme heavy rain that the QP understands is required in China.
- TMF monitoring system: Online monitoring equipment installed includes the following:
  - ¾ Online seepage line monitoring system.
  - ¾ Dam displacement GPS monitoring system.
  - ¾ CCTV monitor system.
  - ¾ Precipitation alarming system.

The QP also understands that a safety and reliability analysis for the TMF was previously carried out in accordance with the Safety Technical Regulations for Tailings Ponds (AQ2006-2005) and under the Grade III requirements. It was referenced in previous Technical Reports that the methodology used was now considered outdated and industry practice would be to conduct finite element numerical modelling.

The QP notes that flood calculations have been indicated as being performed appropriate to the Grade III classification of the TMF, under a dry stacking scenario, which requires the flood control measures to meet a 1 in 100-year recurrence interval for design purposes with a 1 in 500-year probable maximum flood criterion also.

As referenced above, the most recent TMF Safety Production Certificate was renewed on 3 September 2020. The QP also acknowledges the independent dam engineering surveys and the flood control safety and stability analysis of the dam expected to be completed in 2021. That notwithstanding, the QP recommends that Silvercorp continues 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 the QP's understanding that such activity has not specifically been undertaken.

18.1.4 Tailings delivery

The concentrator tailings are thickened in a conventional rake thickener and then filtered in plate and frame pressure filters of Chinese manufacture at the filtration plant situated immediately adjacent to the TMF.

The two XA90 / 920 filters selected were sized for 1,000 tpd ore feed and have proved to be of adequate capacity for the tonnages processed to date.

The filtered tailings are conveyed to the TMF delivery point via conveyor belts, with subsequent spreading and stacking as previously described.

18.2 Waste rock dump

The + 215 mRL waste rock dump is located a short distance to the east of the mine portal. It is understood to have an immediate capacity of the order of 275,000 m^3 (~558 kt). Previous site observations and review of surface plans referenced that there appeared to be room for a downstream extension of the waste dump location and / or ability to increase the waste dump height to approximately +300 mRL to accommodate all waste produced over the LOM.

As noted earlier, however, waste rock produced to date has largely been used for construction purposes by Silvercorp or transported off-site by local companies, free of charge, again to be used for construction activities. Waste dump areas on site are thus empty. The removal of waste rock from site is anticipated to continue for the foreseeable future.

Also, as noted earlier, waste rock could opportunistically be disposed of into shrinkage stope voids, but this is not in the current mine plan.

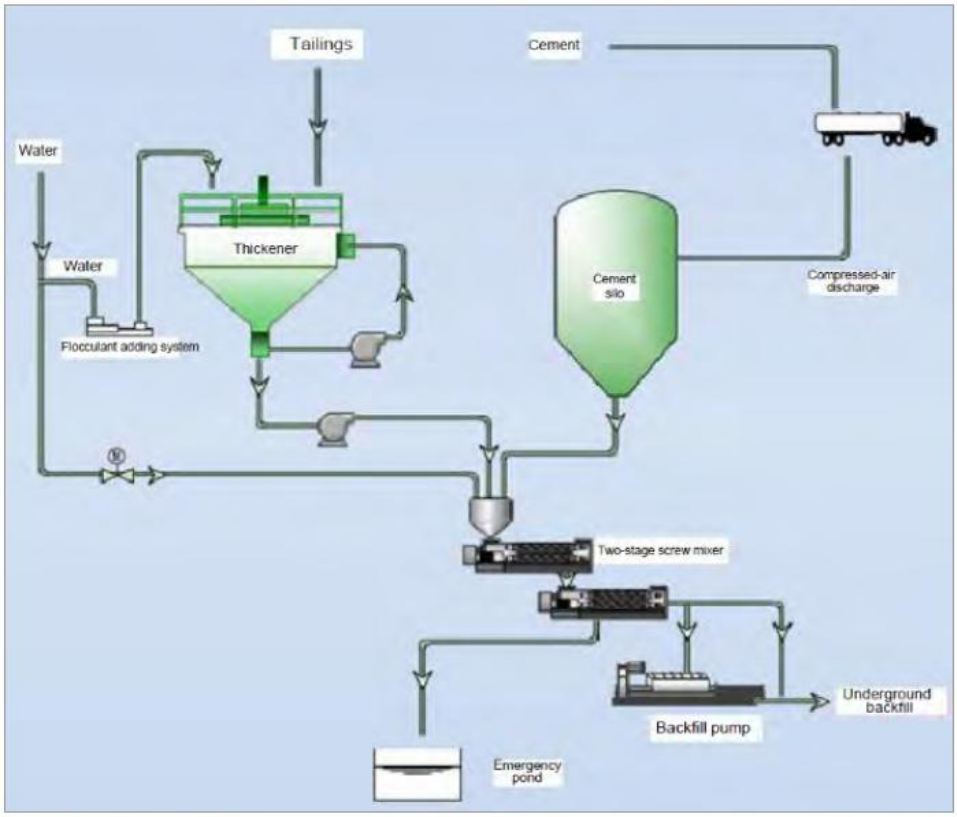
Based on the GC environmental assessment report, the QP understands that waste rock at the GC mine has no significant acid-generating potential.

18.3 Backfill plant

The backfill plant is designed for cemented full tailings, with a system capacity of 60 – 80 m^3/hr, or around 450 m^3/day assuming seven hours operation. The envisaged concentration of the backfill is around 69 - 72% solids, at a density of approximately 1.9 t/m^3. The capacity of the plant at the

projected utilization is more than sufficient to supply underground backfill requirements at LOM mining rates. Figure 18.5 illustrates the backfill plant process.

Figure 18.5 Backfill plant process



Source: Silvercorp Metals Inc.

The backfilling system is mainly composed of the sub-systems of tailings delivery, tailings thickening, tailings mixing, water addition, backfill control, cement supply, pipeline conveying, water supply, and power supply.

The full tailings with a mass concentration of 10 - 12% produced by the process plant are pumped into the deep cone thickener in order to thicken them to the range of 66 - 68% solids. The concentrated tailings are conveyed to the mixing system by gravity from the bottom of the thickener.

The bulk cement is stored in a steel silo from where it is delivered to the mixer. The concentrated tailings are mixed with water and cement in the mixer to prepare backfilling slurry, which is then pumped underground via a backfill raise or raises and pipelines, to be delivered to various underground shrinkage stope voids as required.

Tailings feed to the backfill plant can come directly from the mill or from the dry stack tailings area.

Silvercorp notes that underground tailings backfill has obvious advantages, including reduction of the surface storage footprint and thus being more environmentally friendly, facilitation of in situ ore pillar removal and thus maximizing ore production, enhancing mine support with associated safety benefits, and improvement of the ventilation circuit through elimination of potential short-circuiting.

The construction of the backfill plant was completed and linkage tested on 24 December 2019. After surface and underground full-process backfilling tests and adjustment, the system began operating on 15 July 2020. In 2020, the total backfill volume delivered was 43,091 m^3, and the backfill guidance for 2021 is 70,626 m^3.

18.4 Power supply

There is a 110 kV substation near Gaocun, about 6 km from the mining area. This is fed from the Guangdong Province electrical grid system. Silvercorp uses this substation as the main source of power for the mine. Currently there are two overhead power lines for the 6 km route. Two 15.0 MW diesel generators are designated for emergency backup to the man-hoist, underground ventilation system, water pumping and essential services in the plant.

A new 10 kV substation was built in the mining area to provide power service for the operations area as a whole. The power supply and distribution in the process plant, mining area, administrative and living areas are configured based on needs. Figure 18.6 is a view inside the substation compound.

Figure 18.6 GC mine substation



Source: AMC Mining Consultants (Canada) Ltd.

According to Chinese standards the electrical loads are sub-divided into three classes. Underground dewatering and the man-cage belong to first class. At peak dewatering, the working capacity of first-class load is estimated at 1.7 MW. The total installed capacity above the second-class load is 12.3 MW, working capacity is 10.1 MW, calculated load is 6.7 MW, apparent power is 7,612 kVA, and annual electricity consumption is of the order of 39,000,000 kWh.

18.5 Roads

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 including high speed rail from Guangzhou to Yunfu is also available.

There are 15 roads assigned to this Project, some are site and others general access roads. There are no issues of large equipment and / or ore concentrates transportation.

18.6 Transportation

Trucks under escort by security personnel are used to transport lead and zinc concentrates from the mine site to smelters / 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.

18.7 Water supply

See Section 16.11.2.

18.8 Sewage treatment

A sewage treatment station is located at the mine site for processing of mine camp sewage.

18.9 Mine dewatering

See Section 16.11.3.

18.10 Water treatment facility

Figure 18.7 is a view of part of the water treatment facility at Gaocheng. As indicated earlier, any water that is not recycled and is released to the environment is treated to comply with standing regulations.

Figure 18.7 GC water treatment facility



Source: AMC Mining Consultants (Canada) Ltd.

18.11 Site communications

A level-1 dispatching system is used for production dispatching at the mine. A 200-gate digital programmed control dispatching exchange is deployed at the dispatching room of the office building under production management personnel. To facilitate external communication, 10 pairs of trunk lines are used.

The underground communication line is in the form of a communication cable laid out along the sidewall of the drift. Two communication cables are fed to underground by two different shaft / tunnel routes. If any communication cable fails, the other has adequate capacity to assume communication with all underground communication terminals.

18.12 Camp

Silvercorp operates the mine using contractors for development, production and the operation and maintenance of Silvercorp's fixed plant, with Silvercorp providing its own management, technical services, and supervision staff to manage the GC mine operation.

Administrative, Living, and Welfare Facilities are composed of administrative office building, hostel, canteen, washroom, and residential building, as well as dining and entertainment facilities.

18.13 Dams and tunnels

Silvercorp has built an approximately 1 km long diversion tunnel with two dams on the Hashui Creek to relocate the course of this river beyond the projected subsidence zone of influence (see
Figure 18.1).

18.14 Surface maintenance workshop

The surface maintenance facilities include a workshop building area of 756.5 m ^{2}, in which the following auxiliary services are provided:

- Tyre processing, maintenance, and servicing
- Welding
- Electrical
- Hydraulic
- Tools, parts, and material warehouse

The workshop is mainly responsible for maintenance of large-scale production equipment, vehicle repair, processing and repair of components, and the processing of emergency parts. One LD 10 t electric single-beam crane, one BC6063B shaping machine, one CD6240A saddle bed lathe, one Z3040 × 16/I radial drilling machine, and one bench drilling machine are located in the workshop, as well as alternating current arc welding, rectification arc welding, snag grinding machine, cut-off machine, electric drying oven, mobile air compressor, etc. Maintenance facilities such as tool rack, working platform, gas cutting device, etc. are also provided, along with a dynamic balancing machine, tire picking machine, tire mending machine, battery charger, and vehicle repair pit.

Mechanical maintenance facilities also include equipment and spare parts store, dump oil depot, reserve electric locomotives, and tramcars maintenance workshop and stockpile yard.

The mining contractor has its own mobile equipment workshop for repairs and servicing located adjacent to the Ramp portal. There are underground drill service bays established in redundant stockpile areas to minimize tramming delays for the slower moving drills.

Mobile equipment repairs (trucks, loaders, etc.), other equipment breakdowns and equipment major services are conducted in the mining contractor's surface workshop, with minor services conducted in the redundant stockpile areas. Minor equipment (such as jacklegs, secondary fans, development pumps, etc.) are also serviced in the mining contractor's surface workshop.

Electric locomotives and rail cars are serviced and repaired in a service rail siding located adjacent to the Main Shaft.

Other fixed and mobile equipment (primary pumps, surface electric locomotive, rail cars, vehicles, etc.) are serviced in Silvercorp's surface workshop located adjacent to the Main Shaft.

18.15 Explosives magazines

The explosives magazine is located in the valley to the south-east of the GC Mining Area. It is permitted to hold 10 t of bulk explosives and 15,000 detonators, representing approximately 15 days and 30 days of supply, respectively. Security services are used, and detonators are scanned on release from the magazine for security audit purposes.

A safety evaluation of the explosives magazine is currently underway. The existing facilities will be converted into two 5 t explosives magazines, and a new detonator magazine is being built. Completion has been planned for June 2021.

Underground working party magazines are located adjacent to each level's return air shaft and are limited to one day of requirement for bulk explosives and three days of requirement for blasting ancillaries.

18.16 Fuel farm

Diesel fuel is required for the mobile mine equipment, some small trucks, and surface vehicles. The surface fuel tank and pumping station set-up allows for refueling of both light vehicles and heavy-duty mining equipment.

A properly constructed containment for storage of fuel is located in the vicinity of the diesel generators and fuel dispensing facilities. The storage facility is located down-wind from the mine air intake fans and a reasonable distance from buildings, camp, and mine portal (referencing local occupational health and safety regulations and fire-fighting requirement). The lined containment area is constructed such that spills are confined and can readily be cleaned, and so that the need for extensive and costly remediation work can be avoided during site closure.

The UTM coordinates of the fuel farm are 2,535,168.1 m (easting) and 37,593,487.9 m (northing). No fuel is allowed to be stored underground. Trucks and loaders are refueled at the surface fuel farm and dispensing facility.

18.17 Mine dry

Facilities accommodating lockers, change room, showers, and washrooms for the miners are located near the portal. Provisions for personal protective equipment such as gloves, safety glasses, self-rescuers, hard hats, and cap lamps and batteries are the responsibility of both Silvercorp and its contractor for their respective workers.

18.18 Administration building

The mine office complex to the east of the warehouse comprises the administration and engineering buildings, which provide working space for management, supervision, geology, engineering, and other operations support staff.

18.19 Assay laboratory

An assay laboratory is located in a separate modular building at the south-east side of the mill building. The laboratory is a single-story structure equipped to perform daily analyses of mine and process samples.

18.20 Security / gatehouse

A security / gatehouse is located on the site access road at the plant site. The access road off a local village road has a manual gate with signage indicating that vehicles and persons are now entering the private Silvercorp Property.

19 Market studies and contracts

19.1 Concentrate marketing

It is understood that the Gaocheng concentrates are marketed to existing smelter customers in Henan province in China and appropriate terms have been negotiated for 2021 as detailed in Section 19.2 below.

The QP 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. The QP 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.

19.2 Smelter contracts

Sales contracts are in place for the lead concentrates with Shandong Humon Smelting Co. Ltd., and for the zinc concentrates with Chenzhou Qiantai Industrial Co. Ltd. and Chenzhou Jieyin Minerals 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. The QP had previously indicated that a preferable arrangement would have been to see contracts as part of a LOM frame agreement; however, the QP 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.

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 2021 smelter contracts

	Pb concentrate				Zn concentrate				
	% Pb	Deduction RMB/t Pb	Ag (g/t)	% Payable	% Zn	Deduction RMB/t Zn price < RMB 15,000/t:	Deduction RMB/t Zn price > RMB 15,001/t:	Ag (g/t)	Payable RMB/g Ag
Minimum quality	35		500		35			150	
Payment scales	> 50	2,050	>3,000	92	>=45	4,850	4,850 + (price – 15,000)*20%	>=300	RMB0.7
	45-50	2,150	2,500-3,000	91	40-45	4,850+50 per % lower than 45%	4,850 + (price – 15,000)*20% +50 per % lower than 45%	150-300	RMB0.6
	40-45	2,250	2,000-2,500	90	35-40	5,100+100 per % lower than 40%	5,100+ (price – 15,000)*20% +100 per % lower than 40%		
	35-45	2,500	1,500-2,000	89					
			1,000-1,500	88					

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. The QP considers these to be favourable terms relative to global smelter industry norms. Silver payables of approximately 90% are similarly in accord with industry norms.

19.3 Commodity prices

Prior to the start of mining operations, silver was seen as the likely major contributor to ore value at Gaocheng. Improved zinc prices in recent years have elevated the importance of that metal to the Gaocheng operation. Silver prices have remained at reasonable levels and, since mid-2020, have been significantly above $20/oz. At long-term metal prices and payables assumed for the COG calculation (see Section 15 - zinc $1.08/lb and 66.3% payable, silver $18.20/oz and 65.5% payable, lead $0.94/lb and 86.2% payable), approximately 45% of estimated total LOM revenue would be attributed to zinc, 30% to silver, and 24% to lead.

20 Environmental studies, permitting and social or community impact

20.1 Introduction

Silvercorp has all the required permits for its operations on the Property. The mining permit is described in Section 4.2 of this report.

The existing mining permit covers all the active mining areas and, in conjunction with safety and environmental certificates, gives Silvercorp the right to carry out full mining and mineral processing operations. The safety certificates have been issued by the Department of Safety Production and Inspection of Guangdong Province, covering the GC underground mine, the mill, and the TMF. Two environmental certificates have been issued by the Department of Environmental Protection of Guangdong Province, covering the GC Project (GC Mine and 1,600 tpd mill plant). For each of these certificates there are related mine development / utilization and soil / water conservation programs, and rehabilitation plan reports. Silvercorp has also obtained approvals and certificates for wastewater discharge locations at the GC Mine and the TMF. All certificates must be renewed periodically.

An Environmental Impact Assessment (EIA) report on the GC Project was prepared by the Guangdong Environmental Technology Centre (GETC) initially, and then reassessment is done periodically as required by regulations. The Yunfu EPB (Environment Protection Bureau) states that the mining area does not cover any natural conservation zones, ecological forests, and strict land control zones. Based on the assessment of the EIA report and the recommendations of the provincial environmental technology centre regarding site remediation, that no overflow of wastewater occurs, and that environmental protection is maintained, the Yunfu EPB gave consent to operate the GC Project with the stipulation that the scope, site, processing technique, and environmental protection measures are followed as written in the report. An Environmental Permit was subsequently issued by the Department of Environmental Protection of Guangdong Province in June 2010.

There are no cultural minority groups within the area surrounding the general project. The culture of the broader Yunan County is predominantly Han Chinese. No records of cultural heritage sites exist within or near the GC Project areas. The surrounding land near the GC Mining Area is used predominantly for agriculture. The mining area does not cover any natural conservation, ecological forests, or strict land control zones. The current vegetation within the Project area is mainly secondary, including farm plantings. Larger wild mammals have not been found in the region. Small birds nesting and moving in the woodland are observed occasionally. The surrounding villagers raise domestic animals, such as chickens, ducks, pigs, sheep, goats, dogs, etc.

Silvercorp has made a range of cash donations and contributions to local capital projects and community support programs, sponsoring university students, and undertaking projects such as village road construction, and school upgrading and construction. Silvercorp has also made economic contributions in the form of direct hiring and retention of local contractors, suppliers, and service providers to support the local economy.

20.2 Laws and regulations

The GC Mine operates under the following laws, regulations, and guidelines:

- Law of Environmental Protection of the People's Republic of China (1989.12)
- Law of Minerals Resources of PRC (1996)
- Production Safety Law of the PRC (2002)
- Law of Occupational Disease Prevention (2001, amended 2011)
- Law on Prevention & Control of Atmospheric Pollution (2000)
- Law on Prevention & Control of Noise Pollution (1996)

- Law on Prevention & Control of Water Pollution (1996, amended in 2008)
- Law on Prevention & Control Environmental Pollution by Solid Waste (2002)
- Forestry Law (1998)
- Water Law (1988)
- Water & Soil Conservancy Law (1991)
- Land Administration Law (1999)
- Protection of Wildlife Law (1989)
- Energy Conservation Law (1998)

- Management Regulations for the Prevention & Cure of Tailings Pollution (1992)
- Management Regulations for Dangerous Chemical Materials (1987)
- Law of the People's Republic of China on Environmental Impact Assessment (2003.9)
- Law of the People's Republic of China on Environmental Noise Pollution Prevention (1997.3)
- Solid Waste Pollution Prevention and Control Act of Guangdong Province (2004)
- Regulations on the Administration of Construction Project Environmental Protection of Guangdong Province (Tenth Standing Committee of the National People's Congress of Guangdong Province in 2004)
- Notice to Strengthen Water Pollution Control of Guangdong Province (People's Government of Guangdong Province, office of Guangdong Government [1999.11.26])
- Environmental Protection Regulations of Guangdong Province (2005.1)
- Law of the People's Republic of China on Soil Pollution Prevention and Control (31 August 2018)
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (revised in April 2020)
- Regulations of Guangdong Province on the Prevention and Control of Water Pollution (27 November 2020)
- Regulations on the Administration of Pollution Discharge Permits (24 January 2021)

20.2.1 Regulation guidelines

- Environmental Quality Standard for Surface Water (GB3838-2002)
- Groundwater Environmental Quality Standards (GB/T14848-93)
- Ambient Air Quality Standard (GB3095-1996, Amendment Sheet in 2000)
- Environmental Quality Standard for Noise (GB3096-2008)
- Emission Standard for Industrial Enterprises Noise at Boundary (GB12348-2008)
- Noise limits for Construction Site (GB12523-90)
- Standard for Pollution Control on the Storage and Disposal Site for General Industrial Solid Wastes (GB18599-2001)
- Air Pollutant Emission Limit (DB44/27-2001)
- Hygienic Standards for the Design of Industrial Enterprises (GBZ2-2002)
- Prevention and Control on Tailings Environmental Pollution Prevention and Control (State Environmental Protection Administration in Oct. 1992)
- Evaluating Indicator System for Lead and Zinc Industry Cleaner Production (Trial) (2007).
- Air Pollutant Emission Limit of Guangdong Province (DB44/27-2001)
- Environment Protection Design Regulations of Construction Project (No.002) by Environment Protection Committee of State Council of PRC (1987)
- Regulations on the Administration of Construction Project Environmental Protection (1998)

- Regulations for Environmental Monitoring (1983)
- Regulations on Nature Reserves (1994)
- Regulations on Administration of Chemicals Subject to Supervision & Control (1995)
- Regulations on Management of Chemicals Subject to Supervision & Control (1995)
- Environment Protection Design Regulations of Metallurgical Industry (YB9066-55)
- Comprehensive Emission Standard of Wastewater (GB8978-1996)
- Ambient Air Quality Standard (GB3095-1996)
- Comprehensive Emission Standard of Atmospheric Pollutants (GB16297-1996)
- Environmental Quality Standard for Soils (GB15618-1995)
- Standard of Boundary Noise of Industrial Enterprise (GB12348-90)
- Emissions Standard for Pollution from Heavy Industry; Non-Ferrous Metals (GB4913-1985)
- Control Standard on Cyanide for Waste Slugs (GB12502-1990)
- Standard for Pollution Control on Hazardous Waste Storage (GB18597-2001)
- Identification Standard for Hazardous Wastes-Identification for Extraction Procedure-Toxicity (GB5085.3-1996)
- Standard of Landfill and Pollution Control of Hazardous Waste (GB 18598-2001)

20.3 Waste and tailings disposal management

Main sources of waste for the GC mine are waste rocks produced during mining and development, and the mine tailings produced during processing. There is also minor sanitation waste produced.

Waste rock produced during mining is mainly composed of silicon dioxide and calcium oxide. Currently all the waste rock from underground mining development is taken away by local companies to use as construction material or is used for construction by Silvercorp on an as-needed basis. There has been no waste rock left in the waste dump since 2012. In the case of local companies no longer wishing to take excess waste rock in the future, it will be dumped, then covered by soil and vegetated after the dump is full; this is also noted as a closure commitment. Retaining wall spats will be built downstream of the waste rock site for stabilization. An interception ditch will be constructed upstream to prevent the slope surface from washing away as well as to avoid water and soil loss.

Processing tailings are dewatered and stacked into a purpose-built tailings management facility that has an effective design capacity of 3.57 Mm^3. Mine tailings are discussed in Section 18.1. After the completion of the TMF, the facility will be soil covered and a vegetation program will be conducted progressively; this is to ensure that all water flowing into the TMF does not directly contact the tailings and can be discharged to the downstream water system through the drainage ditch at the dam abutment.

20.4 Site monitoring

20.4.1 Monitoring plan

A monitoring plan was negotiated between the company and the local environmental protection department to meet the environmental management requirements of the project. A key component of the monitoring plan is water pollution monitoring; further components are environmental air and noise monitoring. The monitoring work is carried out by qualified persons and / or a third-party contractor and is undertaken on a regular basis.

An environmental protection department is responsible for the project. The full-time environment management personnel are mainly responsible for the environment management and rehabilitation

management work in the mining area. They also visit various GC workplaces regularly to check the equipment for environmental protection and coordinate the environmental protection work.

The monitoring plans include air quality, dust emissions, noise, and wastewater monitoring. The monitoring work is contracted to a licensed organization: Guangzhou Najia Testing Lab Co. Ltd. (GNTL). For water environment monitoring, an intensive program has been developed and implemented, including twice-a-year testing of sanitary wastewater and surface water by GNTL. Detailed monitoring plans are shown in Table 20.1.

The QP understands that monitoring results from 2013 to 2021 indicated that the surface water results are in compliance with Class II and III limits of Surface Water Environmental Quality Standards (GB3838-2002), sanitary and process plant wastewater results are in compliance with Class I limits of Integrated Wastewater Discharge Standard (GB8978-1996), and mining water results are in compliance with Class I limits of Integrated Wastewater Discharge Standard (GB8978-1996). These standards match the requirements in the EIA approvals. In addition, the QP understands that the project-stage completion inspection results were all compliant for wastewater discharge, air emission, noise, and solid waste disposal.

Table 20.1 Water environmental monitoring plan for the Gaocheng mining area

Items	Monitoring points (section)	Monitoring parameters	Frequency	Monitored by
Surface water	Hashui Creek	pH, Cr6+, NH3-N, Cd Pb, Ag, CODcr, and Cu	Twice / year	Guangzhou Najia Testing Lab Co. Ltd.
Process wastewater	Discharge point after sedimentation treatment of dry stacking recycling water tank	pH	Twice / year	Guangzhou Najia Testing Lab Co. Ltd
		Pb, CODcr, NH3-N and SS	Twice / year	
		Cd, As, Zn, Hg, Cr, Mn, Fe, F, Cu, and CN	Twice / year	
Mining water	Discharge point after sedimentation tank	pH, SS, CODcr, NH3-N, Cr, As, Cu, Zn, Pb, Cd, Hg, Mn, and TPH	Four times / year	Guangzhou Najia Testing Lab Co. Ltd

20.4.2 Water management

The Hashui Creek is shallow and is affected by the mining process, which has a minor impact on the local village area. A water retaining dam was built on the creek and irrigation wastewater from the farmland is discharged into the creek. During site investigation by the GETC, large-size fish were not observed in the Hashui Creek; fish fry were found moving among the submerged plants. As part of mine site preparations, the Hashui Creek was closed and diverted through a water diversion tunnel approximately 510 m in length.

Drainage construction in the Project water catchment area has been completed. Overflow water from the mill process wastewater that is segregated by the thickener, and water generated from the tailings by the pressure filter, is returned to the milling process to ensure that wastewater (including tailings water) is not discharged. Water from underground mining is reused for mining operations and the remaining water is treated according to the Surface Water Quality Standards (GB3838-2002) to meet the requirement of Class III water quality. The treated water is then stored in nearby reservoirs to be used as irrigation water for nearby woodland and farmland. The water needing to be discharged is directed to the Hashui Creek and treated to remove heavy metals such as mercury, cadmium, chromium, etc. Sewage effluent treated by the GC sewage treatment facility is reused in mine forestation and irrigation prior to excess being discharged into the environment. Any construction is best conducted during the dry season to reduce soil erosion.

20.4.3 Groundwater

Groundwater guidelines are contained in the Groundwater Environmental Quality Standards (GB/T14848-93). The groundwater quality meets the Class III standard with the exceptions of iron and manganese. The iron and manganese values are related to high background levels at the site.

Table 20.2 and Table 20.3 show examples of groundwater testing results at Gaocheng village.

Table 20.2 Groundwater testing results at Gaocheng village (1) [1]

Sample location	Test item		
	PH	COD (mg/L)	Ammonia nitrogen (mg/L)
Underground Monitor Well 1	6.7	8	0.176
Underground Monitor Well 2	7.4	10	0.432
Upper limit set [2]	**6.5 ≤ pH ≤ 8.5**	/	**≤ 0.5**

Notes:
[1] Analyzed by Guangdong Yueqiu Testing Technology Co., Ltd. Report date: 6 August 2020.
[2] Upper limits set by groundwater guideline Groundwater Environmental Quality Standards (GB/T14848-93).

Table 20.3 Groundwater testing results at Gaocheng village (2)

Sample location	Test item								
	Pb (mg/L)	Cd (mg/L)	Cu (mg/L)	As (mg/L)	Hg (mg/L)	Fe (mg/L)	Zn (mg/L)	Cr (mg/L)	Mn (mg/L)
Underground Monitor Well 1	0.004	0.0012	0.05	0.0009	0.00004	0.07	0.31	0.001	0.44
Underground Monitor Well 2	0.0025	0.001	0.05	0.0006	0.00006	0.76	0.05	0.001	0.01
Upper limit set	**≤ 0.01**	**≤ 0.005**	**≤ 1.0**	**≤ 0.01**	**≤ 0.001**	**≤ 0.3**	**≤ 1.0**	/	**≤ 0.1**

20.4.4 Wastewater

There are three sources of wastewater identified at the GC Mine: mining activities, mineral processing, and domestic sewage. Mine water is pumped from the underground sumps to the wastewater treatment station. Treatment is primarily de-sedimentation and lime addition. Once the water reaches the required standard it is used for forestry and agriculture irrigation or discharged into Hashui Creek. Process water is maintained in a closed circuit and is not discharged into the environment. After the treatment of the sewage water at the sewage treatment station and testing indicates it has reached the required standard, it is released into the environment.

Table 20.4 shows an example of the monthly underground monitoring results.

Table 20.4 Wastewater monitoring results – Guangzhou Najia Testing Lab Co. Ltd. Report No. GZNJ20200827

Sample type	Wastewater		**Date analyzed**	9 December 2020
Sampled date	3 December 2020		**Sample collectors**	Wang Wenlin, Li Jiapeng, Huang Ruixian, Yang Xu
Sample status	Colorless, odorless, no floating oil			
Sample location	Underground water discharge			
Monitoring item	**Value**	**Unit**	**Remarks**	
As	0.0004	mg/L		

Pb	0.001	mg/L	
Zn	0.05	mg/L	
Hg	$4x10^{-5}$	mg/L	
Ag			Not analyzed
Cd	$1x10^{-4}$	mg/L	
Cr	0.03	mg/L	
Cu	0.05	mg/L	
pH	8.91		
Floating particles	5	mg/L	
Ammonia nitrogen	0.17	mg/L	
COD	10	mg/L	

The GC TMF under-drainage and return water collection system comprises a pond from which water is directly pumped back to the mill for recycling or to the water treatment system. This TMF decant and filtration system provides a mechanism for reusing recycled water. The collection pond is designed to overflow into a second containment / seepage dam. The collected tailings water from the TMF in this dam is pumped back through a pipe to the processing plant for reuse. No tailings water is discharged to the public water body.

Table 20.5 shows an example of tailings water monitoring results.

Table 20.5 Tailings water monitoring results – Guangzhou Najia Testing Lab Co. Ltd. Report No. GZNJ20200828

Sample type	Tailings water	**Date analyzed**	3 – 9 December 2020
Sampled date	3 December 2020	**Sample collectors**	Ma Zicong, Zhong Guangyue, Zhou Kanxiong, Liang Jiahao
Sample status	Colorless, with obvious odor and smell		
Sample location	Tailings water reuse pond		
Monitoring item	**Value**	**Unit**	**Remarks**
As	$5.1x10^{-3}$	mg/L	
Pb	$3x10^{-3}$	mg/L	
Zn	0.05	mg/L	
Hg	$4x10^{-5}$	µg/L	
Cd	$1x10^{-4}$	mg/L	
Cr	0.03	mg/L	
Cu	0.05	mg/L	
Cyanide	0.006	mg/L	
Floating particles	17	mg/L	
PH	6.46		
COD	318	mg/L	

20.4.5 Gas emission monitoring

Gas and floating air particles are monitored regularly by the contractor, Guangzhou Najia Testing Lab Co. Ltd. Table 20.6 and Table 20.7 show examples of exhaust gas monitoring results at the Mill Screening Workshop and Crushing Workshop, respectively.

Table 20.6 Exhaust gas monitoring results – Screening Workshop – Guangzhou Najia Testing Lab Co. Ltd. Report No. 20200827

Sample type	Exhaust gas		**Sample collectors**		Wang Wenlin, Li Jiapeng, Huang Ruixian, Yang Xu	
Sampling date	3 December 2020		**Analyzed date**		8 December 2020	
Facility	Dedust Bag		**Monitoring environment**		Fine. Temperature 20.6°C. Barometer: 101.0 kPa	
Sample point	FQ – fed01. Screening workshop exhaust gas discharge.					
Monitoring item	**Content (mg/m^3)**				**Average**	**Discharge rate (kg/h)**
	1	**2**	**3**	**4**		
Particle	9.4	10	8.7	-	9.4	0.282
Parameter	**Chimney height (m)**	**Diameter (m)**	**Gas temperature (°C)**	**Gas velocity (m/s)**	**Gas quantity, Qsnd (m^3/h)**	
	15	0.7	22	24.3	29,947	

Table 20.7 Exhaust gas monitoring results – Crushing Workshop – Guangzhou Najia Testing Lab Co. Ltd. Report No. GZNJ20200827

Sample type	Exhaust gas		**Sample collectors**		Wang Wenlin, Li Jiapeng, Huang Ruixian, Yang Xu	
Sampling date	3 December 2020		**Analyzed date**		8 December 2020	
Facility	Dedust Bag		**Monitoring environment**		Fine. Temperature 20.1°C. Barometer: 101.7 kPa	
Sample point	FQ – fed02. Crashing workshop exhaust gas discharge.					
Monitoring item	**Content (mg/m^3)**				**Average**	**Discharge rate (kg/h)**
	1	**2**	**3**	**4**		
Particle	1.7	1.4	1.5	-	1.5	0.029
Parameter	**Chimney height (m)**	**Diameter (m)**	**Gas temperature (°C)**	**Gas velocity (m/s)**	**Gas quantity, Qsnd (m^3/h)**	
	15	0.7	25	12.7	15,442	

The above results show gas emissions measured comply with the Comprehensive Emission Standard of Atmospheric Pollutants (GB16297-1996).

20.4.6 Noise monitoring

Noise is regularly measured at the east, south, west, and north boundaries. Table 20.8 shows example noise monitoring results. All the noise levels are below the Standard limits.

Table 20.8 Noise monitoring results – Guangzhou Najia Testing Lab Co. Ltd. Report No. GZNJ20200827

Monitoring condition: Fine. Wind velocity: 2.1 m/s (no rain, no storm, wind velocity <5 m/s)					
Point No	**Monitoring point**	**Period**	**Result [unit: LeqdB(A)]**		**Standard limit, LeqdB(A)**
			8 December 2020	**-**	
N1	East boundary	Day	58	-	65
		Night	48	-	55
N2	South boundary	Day	57	-	65
		Night	47	-	55
N3	West boundary	Day	57	-	65
		Night	48	-	55
N4	North boundary	Day	56	-	65
		Night	47	-	55

20.4.7 Soil testing

Soil samples from nearby villages and the TMF were collected and tested on 15 December 2020. Table 20.9 shows the testing results.

Table 20.9 Soil testing results – Guangzhou Najia Testing Lab Co. Ltd. Report No. GZNJ20200829

Sample location	**Test item**						
	PH	**Hg mg/Kg**	**As mg/Kg**	**Pb mg/Kg**	**Cd mg/Kg**	**Cr mg/Kg**	**Zn mg/Kg**
Hashui farm	5.17	0.327	10.2	42	0.11	51	65
Datianzuo farm	5.67	0.242	6.26	37	0.11	43	68
Upstream of TMF	4.82	0.175	28.8	62	0.06	27	62
Downstream of TMF	4.87	0.183	7.48	39	0.03	21	82

20.5 Permitting requirements

Silvercorp completed the following permitting and contracting requirements to receive approval to extract ore from the GC Mine:

- Silvercorp obtained a Notice of Approval to start the process of the Application for Mining Permit from the Ministry of Land and Resources (MOLAR) in Beijing on a designated mining area. Silvercorp received the Notice of Approval from MOLAR in 2008.
- The Resource Utilization Plan (RUP) Report on the GC Project prepared by the Guangdong Institute of Metallurgical Industry was reviewed by a MOLAR design review organization, the China Non-Ferrous Metal Association, in 2008.
- The Health and Safety section of the RUP Report was reviewed by the Guangdong Provincial Safety Production Bureau in 2008. Both reviews indicated that the report satisfied the requirement for the mining permit application.
- An Environmental Assessment Report was completed in March 2009 and passed a review by an expert panel appointed by the Environmental Protection Bureau of Guangdong Province and by the local community.
- A Geological Hazards Assessment Report and Soil Conservation Plan Report, prepared by a qualified geo-engineering firm, was reviewed and filed with the Ministry of Land and Resources.
- A Geological Environment Protection and Rehabilitation and Reclamation Measure Report, prepared by a qualified geo-engineering firm, was reviewed and filed with the Ministry of Land and Resources.
- A Land Reclamation Measure Report, prepared by a qualified engineering firm, was reviewed and filed with the Ministry of Land and Resources.
- An Environmental Permit for the GC Silver-Lead-Zinc Project was issued by the Department of Environmental Protection of Guangdong Province in June 2010.
- A mining permit application for the GC Silver-Lead-Zinc Project was submitted to MOLAR in August 2010.
- A mining permit for the GC Mine was issued by the Ministry of Land and Resources of China. The GC mining permit has a term of 30 years and covers the entire 5.5237 square kilometre area of the GC Project. The permit was issued on the terms applied for and allows for the operation of an underground mine to produce silver, lead, and zinc ores.
- A qualified Chinese engineering firm finalized the mine design of a 1,600 tonne per day mechanized underground mine, a flotation mill, and a dry stack tailings facility, which plan was reviewed and approved by the relevant government agents.
- Land usage and acquisition of land for the GC Mine and milling sites was completed.
- A qualified mining development contractor was hired to build the mine.
- The same contractor who built Silvercorp's two mills (3,000 t/d) at the Ying Mining District was hired to construct a 1,600 t/d capacity flotation mill capable of producing silver-lead, zinc, pyrite flotation concentrates, and a tin gravity concentrate.
- An explosive permit was issued, and an explosives magazine was built following the requirement of the Bureau of Public Security.
- Completion of a review of the health and safety production measures in the mine design by the Guangdong Provincial Safety Production Bureau, after which review documentation was filed with the Guangdong Provincial Safety Production Bureau.
- A 'Safety Production Permit' was issued in 2015 by the Guangdong Provincial Safety Production Bureau to satisfy that the construction of the mine, mill, and tailings facility for the Stage I of mine construction (Commercial Production) was done appropriately. The Stage II expansion was completed in late 2017 and the 'Safety Production Permit' was renewed subsequently. On

4 September 2020, the 'Safety Production Permit' for mining and the 'Safety Production Permit' for dry stack tailings facility were renewed again and are valid for three years until 3 September 2023.

- The Guangdong Environmental Bureau conducted an inspection of the tailings facility, flotation mill, and other environmental engineering works upon completion of the Stage II expansion. An environmental permit to operate was issued. On 31 August 2020, a Receipt of Discharge Registration of fixed pollution sources was issued; it is valid for five years to 31 August 2025.

20.6 Social and community interaction

The nearest significant community to the GC Mine is the Gaocun Township, which is approximately 5 km from the mining area. Both Yunfu City and Yunan County are about 30 km from the GC Mine. Residents in the mine area hold a positive attitude to the mine development and operation. Public participation methods for the mine include information disclosure, inquiry form-sending, and promotion and improvement of reclamation consciousness.

Utilized at the site are low-noise machinery and equipment, measures to minimize vibration, noise-proofing, and noise reduction on the crusher and ball mills to ensure that the noise level of the mining area and the plant boundary meet the requirements of the Class III function area limitation of emission standard for industrial enterprises boundary noise (GB 12348-2008). The noise levels inside the mine area and nearby inhabitant areas are intended to meet the requirements of Class II function area standard.

Silvercorp also employs several local contractors to carry out construction and maintenance work.

Between 2013 and 2016, Silvercorp sponsored several sections of local roads. In January 2020, Guangdong Found Mining Co., Ltd. donated 500,000 RMB to the Yun'an District Charity Association to actively support the prevention and control of pneumonia caused by the new coronavirus infection (COVID-19) and to help the local government and the medical staff fight the COVID-19 pandemic.

The QP understands that there are no records of public complaints in relation to Silvercorp's Gaocheng Property operations.

20.6.1 Cultural minorities and heritages

There are no cultural minority groups within the general Project area. The cultural make-up of the broader Yunan County is predominantly Han Chinese. The QP understands that there are no records of cultural heritage sites located within or near the Gaocheng Property.

20.6.2 Relationships with local government

Silvercorp has indicated that it has close relationships with the local Yunan County and Yunfu City.

20.6.3 Labour practices

Silvercorp's production activities are in compliance with Chinese labour regulations. Formal contracts are signed for all the full-time employees with what the QP understands are wages well above minimum. The company provides annual medical surveillance, and checks are conducted for its employees before, during and after their employment with the Company. The Company does not use child or under-aged labour.

20.7 Remediation and reclamation

Remediation and reclamation items have been referenced above. The QP understands that Silvercorp has spent $3.0 million acquiring land for the Project and has also posted $200,000 to the Yunan County Government as bond for reclamation.

Table 20.10 shows RMB '000 spending on remediation and reclamation projects from FY2012 to FY2021.

Table 20.10 Expenditures on reclamation and remediation from FY2012 to FY2021 ('000 RMB)

Year / Item	2012	2013	2014	2015	2016	2017	2018	2019	2020	Subtotal
Environmental protection		285.26	51.67	89.33	61.87	129.69	319.30	990.75	598.54	2,526.41
EIA										
Soil & water conservation				452.32	51.89		8.10	7.26	16.59	536.16
Environmental equipment		166.05		96.79	10.00	164.15	10	195.00	80.00	721.99
Tailing dam		6,168.32	68.70				533.73	402.84	52.36	7,225.95
Compensation for land acquisition		34,240.81				322.54		25.23	85.18	34,673.76
Totals		**40,860.44**	**120.37**	**638.44**	**123.76**	**616.38**	**871.13**	**1,621.08**	**832.67**	**45,684.27**

20.8 Site closure plan

Mine closure will comply with Chinese National requirements. These comprise Article 21 (Closure Requirements) of the Mineral Resources Law (1996), and Articles 33 and 34 of the Rules of Implementation Procedures of the Mineral Resources Law of the People's Republic of China (2006).

The site closure planning process will include the following components:

- Identify all site closure stakeholders (e.g., government, employees, community, etc.).
- Undertake stakeholder consultation to develop agreed site closure criteria and post operational land use.
- Maintain records of stakeholder consultation.
- Establish a site rehabilitation objective in line with the agreed post operational land use.
- Describe / define the site closure liabilities (i.e., determined against agreed closure criteria).
- Establish site closure management strategies and cost estimates (i.e., to address / reduce site closure liabilities).
- Establish a financial accrual process for site closure.
- Describe the post site closure monitoring activities / program (i.e., to demonstrate compliance with the rehabilitation objective / closure criteria).

Based on Chinese National requirements, a site decommissioning plan will be produced at least one year before mine closure. Site rehabilitation and closure cost estimates will be made in the site closure plan.

21 Capital and operating costs

21.1 Key cost items

Silvercorp utilizes contract labour for mining at Gaocheng on a rate per tonne or a rate per metre basis. The contract includes all labour, all fixed and mobile equipment, materials, and consumables, including fuel and explosives, which are purchased through the company. Power and ground support consumables such as timber are the responsibility of the company.

In its news release dated 4 February 2021 and in its annual MD&A for FY2021 (year-end 31 March 2021), Silvercorp indicated the following with respect to its FY2022 capital and operating expectations:

- Anticipated completion of 10,300 m of exploration and development tunnelling at estimated capital expenditures of US$3.0 million.
- US$1.0 million anticipated capital expenditure on equipment and facilities.
- Total GC FY2022 capital expenditures budgeted at US$4.4 million.
- Cash production costs expected to be US$55.7 to $59.6 per tonne of ore and all-in sustaining costs estimated at US$81.3 to $85.6 per tonne of ore processed.

The individual and summary cost projections made for the 2021 Technical Report and indicated below are considered by the QP to be representative of anticipated expenditures for FY2022 and within the ranges referenced by Silvercorp in its 2021 public reporting to date. The cost estimates are in US$ and assume an exchange rate of RMB6.5 to US$1.

The estimates are based on mining 311,271 tonnes of ore and milling the same amount. Other major operational items assumed are waste development tunnelling at 10,200 m, exploration and development tunnelling at 10,300 m, and drilling at 58,500 m. Sustaining development tunnelling of 500 m is also assumed.

21.2 Capital cost estimates

21.2.1 Non-sustaining capital

All necessary infrastructure for operation of the Gaocheng mine is in place. Table 21.1 summarizes the FY2022 non-sustaining capital assumptions.

Table 21.1 Gaocheng non-sustaining capital assumptions FY2022

Non-sustaining capital	US$
Ramp development	427,000
Total non-sustaining capital	**427,000**

21.2.2 Sustaining capital

Gaocheng sustaining capital costs are projected for mine development and exploration tunnelling and for property, plant, and equipment. Table 21.2 summarizes FY2022 assumptions.

Table 21.2 Gaocheng sustaining capital assumptions FY2022

Sustaining capital*	US$
Mine development and exploration tunnelling cost	3,000,000
Cost per metre	254
PPE investment / replacement	1,000,000
Cost per tonne of ore mined & milled	3.21
Total sustaining capital	**4,000,000**
Cost per tonne of ore mined	12.85

* Totals may not compute exactly due to rounding.

21.3 Operating cost estimates

Operating cost assumptions for FY2022 are summarized below in Table 21.3. The QP has also reviewed operating cost summaries for the financial years since the start of commercial operations and considers that the FY2022 cost assumptions are reasonable.

Mining operating costs are categorized by direct mining (shrinkage or resuing), waste development, exploration tunnelling, drilling, and common costs.

Other budgeted operation costs are for milling, general and administrative items, and government fee, Mineral Resources tax, and other taxes.

Table 21.3 Gaocheng operating cost assumption 2022

Gaocheng operating costs[1,2]	US$ or US$/t
Direct mining costs	
Resuing cost	
Contractor cost	2,580,000
Mining materials	177,000
Utility	142,000
Subtotal	**2,899,000**
Per tonne cost over resuing ore	**31.93**
Shrinkage cost	
Contractor cost	2,025,000
Mining materials	242,000
Utility	108,000
Others	70,000
Subtotal	**2,445,000**
Per tonne costs over shrinkage ore	**11.64**
Waste development costs	
Tunnelling cost	3,105,000
Cost per metre	305
Cost per tonne of ore mined	**9.98**
Exploration tunnelling costs	
Exploration tunnelling costs	2,418,000
Cost per tonne of ore mined	**7.80**
Drilling cost	1,544,000
Cost per metre	26.40
Cost per tonne of ore mined	**4.98**

Gaocheng operating costs[1,2]	US$ or US$/t
Common costs	
Equipment maintenance	622,000
Mine administration	42,000
Labour Cost	1,037,000
Subtotal	**1,701,000**
Cost per tonne of ore mined	**5.49**
Total mining cost	**14,112,000**
Cost per tonne of ore mined	**45.34**
Milling costs	
Milling cost	4,429,000
Cost per tonne of ore mined	**14.23**

G&A	
G&A	2,533,000
Cost per tonne of ore mined	**8.17**
Gov. fee, mineral resources tax, & other taxes	
Government fee and other taxes	1,528,000
Cost per tonne of ore mined	**4.93**
Total operating costs	**22,602,000**
Total operating cost/t ore mined	**72.61**

Notes:
[1] The LOM production plan (see Section 16) projects total FY2022 ore production of 311,271 tonnes.
[2] Totals may not compute exactly due to rounding.

Contractor costs are the major component of the mining cost. The principal components of the milling costs are utilities (power and water), consumables (grinding steel and reagents), and labour.

G&A costs include allowances for tailings management and environmental costs.

The government fee and taxes category includes Mineral Resources tax and is projected to be approximately 5% of revenue for FY2022.

The QP considers the operating cost estimates to be reasonable relative to the methods and technology used and to the scale of the Gaocheng operation. The QP notes that the 2021 Technical Report estimate for combined total operating and sustaining capital cost for FY2022 on a unit basis is $85.46/t of ore mined and milled.

22 Economic analysis

As Silvercorp is a producing issuer, an economic analysis for the Gaocheng mine is not required.

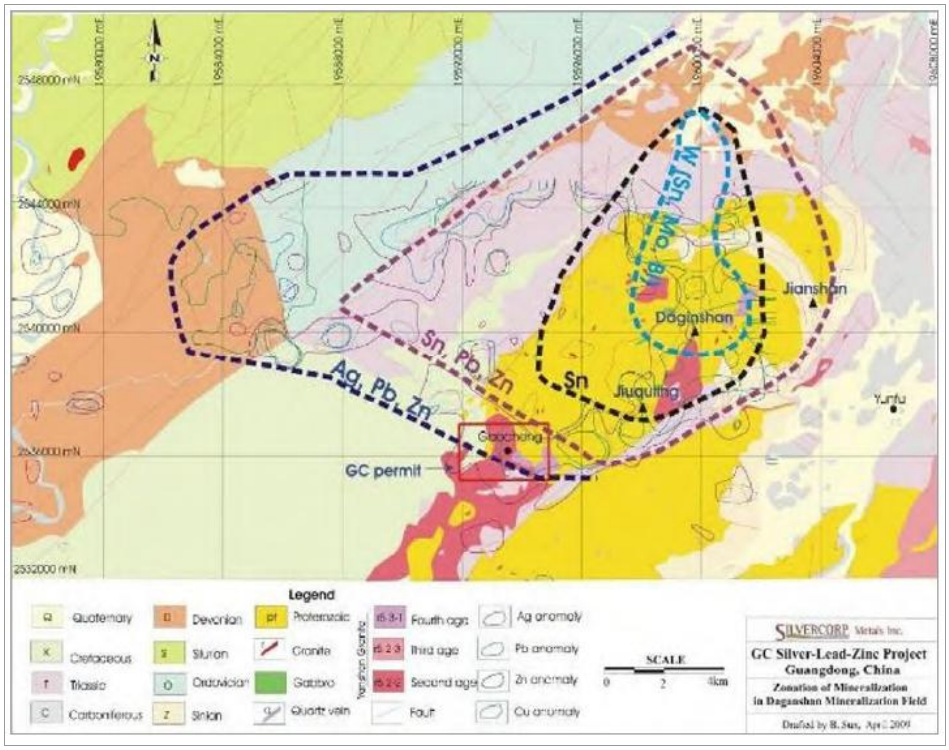
23 Adjacent properties

The GC Project is located within the Daganshan mineralization field featuring tungsten (W), tin (Sn), gold (Au), silver (Ag), lead (Pb), and zinc (Zn) mineralization - see Figure 23.1. The field is characterized by five "nested" zonations. From the centre outward, the mineralization zones are W (+Sn, Mo, and Bi), Sn, Sn-Pb-Zn, Ag-Pb-Zn, and Au (the gold zone is not shown in Figure 23.1). The following are a list of deposits that have been discovered and mined within the field:

- *Dajinshan Tungsten Deposit.* The deposit is located in the centre of the Daganshan field.
- *Jiuquling Tin Deposit.* The deposit is a quartz vein type and surrounds the tungsten mineralization zone. It is reported that the Jiuquling deposit has been developed and is in production, however detailed information such as grade, deposit size, tonnage, metal recovery, etc. are not available at this time.
- *Jianshan Tin-Lead-Zinc-Silver Deposit.* The deposit is located in the tin-lead-zinc mineralization zone. It is a sedimentary type of deposit.
- *Yunfu Pyrite Deposit.* The Yunfu pyrite mine is an open pit mine located 4.5 km north-west of the city of Yunfu. Mine production began in 1988.

Figure 23.1 illustrates the general geological understanding of properties adjacent to the GC Mine. The QP is not aware of any immediate adjacent properties that would directly affect the interpretation or evaluation of the mineralization and anomalies found on the GC Project property.

Figure 23.1 Zonation of mineralization in the Daganshan mineralization field



24 Other relevant data and information

The QP considers that there is no additional information or explanation required to make the Technical Report understandable and not misleading.

25 Interpretation and conclusions

Polymetallic mineralization at the Gaocheng project comprises over 150 distinct veins, ranging in thickness from a few centimetres to several metres, with a general east-west orientation and dipping generally south at 55° to subvertical. The Mineral Resource estimates described in the report were prepared by Silvercorp using Micromine software and reviewed, classified, and signed off by Ms D. Nussipakynova, P.Geo. of AMC, who is a QP for the purposes of the Technical Report.

Using a 105 g/t AgEq COG, Measured and Indicated Resources (inclusive of Mineral Reserves) are estimated at 10.03 Mt grading 82 g/t Ag, 1.2% Pb, and 2.8% Zn; and Inferred Mineral Resources are estimated at 8.44 Mt grading 87 g/t Ag, 1.0% Pb, and 2.4% Zn.

Compared to the previous estimate of Mineral Resources (Technical Report effective date 30 June 2019 – the '2019 Technical Report') Measured Resource tonnes increased by 57% and Indicated Resource tonnes have decreased by 11%. This is mainly due to conversion of the Indicated material into the Measured category, new resource delineation and an updated geological interpretation. Inferred Mineral Resource tonnes have increased by 17%. The QP notes that at the time of the 2019 Technical Report there were 110 veins identified at GC and now there are 156 veins. In the Measured category the silver grade has decreased by 9% and lead and zinc grades have both decreased by 6%. In the Indicated category silver grades have decreased by 3%. Lead grades have increased by 6% and zinc grades have decreased by 1%. In the Inferred category, grades have decreased for silver and zinc by 5% and 1% respectively. Lead grades have increased by 5%.

The results of the underground drilling program at GC show that vein structures are still open at depth.

Silvercorp has established QA/QC procedures that cover sample collection and processing at the GC Property. These QA/QC protocols have been progressively refined since 2011. Certified Reference Materials (CRMs) and coarse crushed blanks have been included with drilling samples since 2011, and with underground samples since 2014. Field duplicates have been included with drilling samples since 2012 and with underground samples since 2014. Check (umpire) samples (pulp duplicates) have been sent to a separate 'umpire' laboratory since 2012.

In 2018, Silvercorp further improved its QA/QC protocols to include regular and more frequent submission of CRMs, coarse blanks, and field duplicates with drilling and underground samples. Coarse reject duplicates and pulp duplicates were also incorporated into drill sampling programs. The proportion of check samples sent to a different laboratory was also increased. In 2019, Silvercorp initiated real-time monitoring of QA/QC protocols.

The QP has reviewed QA/QC data collected to date. While some issues have been noted with data collected prior to 2014, all data collected thereafter shows reasonable analytical accuracy and precision. The QP does not consider issues noted with pre-2014 data to be a material concern and considers the Gaocheng sample database acceptable for Mineral Resource estimation.

A series of recommendations have been provided for the improvement of QA/QC processes (see Section 26 Recommendations).

Mineral Reserves have been estimated using a full breakeven COG of 215 g/t AgEq for shrinkage stoping and 275 g/t AgEq for resuing, based on a mine design and plan prepared by Silvercorp engineers and reviewed by Mr H. Smith, P.Eng. of AMC, who is a QP for the purposes of the Technical Report. Total Proven and Probable Reserves are 4.13 Mt grading 94 g/t silver, 1.5% lead, and 3.2% zinc, containing 12.5 million ounces silver, 135 million pounds lead, and 293 million pounds zinc.

Metal prices used in determining COGs for both Mineral Resources and Mineral Reserves are: silver - $18.20/troy ounce; lead - $0.94/lb; zinc - $1.08/lb. An exchange rate of RMB6.8 to US$1 and mining costs of $49/t for shrinkage and $68/t for resuing have been assumed. Average metallurgical recovery assumptions are: silver – 82.6%; lead – 89.5%, zinc – 87.3%. Average payable assumptions are: silver – 65.5%, lead – 86.2%, zinc – 66.3%.

In comparison with the Mineral Reserve estimate in the 2019 Technical Report, there is a 39% increase in Proven Mineral Reserve tonnes and a 21% decrease in Probable Mineral Reserve tonnes, resulting in an increase in total Mineral Reserve tonnes of 8% (311,000 tonnes). Silvercorp received a mining permit in December 2010. From the start of commercial operations at Gaocheng in 2014 through to 31 December 2020, 1,853,662 tonnes have been mined at average head grades of 94 g/t silver, 1.6% lead, and 2.9% zinc.

The predominant shrinkage mining method uses the blasted ore as the working platform for each stope lift. The ore is removed on completion of stope mining leaving an empty void. There is potential to opportunistically dispose of development waste into these voids, but this is not envisaged in current mine plans. The resue method uses blasted waste from the footwall as the working platform for each stope lift. The waste remains in the stope at completion of stope mining. Some hand sorting of ore from waste is conducted.

The rock mass conditions are categorized as Fair to Good. Previous AMC assessment had anticipated that the vein and host rocks in the mine area would generally be competent and require minimal ground support. This has largely been confirmed in operations, with most areas deemed to require little or no support. Where Poor ground conditions have been encountered, ground support is provided, with a range of strategies available depending on the local situation.

Based on Proven and Probable Reserves only, the GC mine is a viable operation with a projected life-of-mine (LOM) of 13 years through to 2034, with an average annual production rate of approximately 310,000 tonnes, and with average silver equivalent grades of 309 g/t. GC also has the potential to extend the LOM beyond 2034, via conversion of existing Mineral Resources to Mineral Reserves and further exploration and development.

Since the start of trial operations in 2013 and commercial production in 2014 (FY2015), lead and zinc concentrates have been produced in commercial quantities at the GC processing plant. Small amounts of tin concentrate and sulphur have also been produced but these quantities have not been significant enough to be material to mine economics. In all sections of the plant, space / capacity has been allocated for an expansion to 1,600 tpd, but such expansion is not contemplated at this time.

Sales contracts are in place for the lead concentrates with Shandong Humon Smelting Co. Ltd., and for the zinc concentrates with Chenzhou Qiantai Industrial Co. Ltd. and Chenzhou Jieyin Minerals 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. All contracts have freight and related expenses to be paid by the customers.

The QP understands that an acceptable arsenic level in base metal concentrates, without penalty, for the Chinese smelters with which Silvercorp has contracts, is of the order of 1.0%, and notes that the GC lead and zinc concentrates are acceptable to those smelters.

All pertinent facilities are in place at the GC site, inclusive of security, accommodation, catering, engineering and administration building, mine dry, mine ventilation, main power sub-station, mine

rescue, water supply, compressed air, underground dewatering, sewage treatment, explosives magazines, water treatment plant, maintenance / repair facilities, storage, laboratory, communications, fuel farm, fire prevention, waste rock dump, and TMF.

With respect to waste rock, all such material brought to surface is either used by Silvercorp for construction / maintenance activities or is removed from the site, free of charge, by local persons, again as construction material. The environmental assessment has indicated that waste rock at the GC mine has no significant acid-generating potential.

The TMF utilizes dry stacking and filling (from bottom to top and stacking by bench to form the embankment) with concurrent rolling and compaction. The most recent TMF risk assessment (report dated 30 July 2020) was done by Guangdong Huasheng Safety Occupation Evaluation Co., Ltd. After the issuing of the report, a new TMF Safety Production Certificate was granted on 3 September 2020, following a satisfactory on-site assessment organized by the local government. The certificate is valid until 3 September 2023.

Silvercorp has also entrusted Sinochem Mingda (Fujian) Geological Survey Co., Ltd., a survey company with China Grade A qualification, to conduct an engineering survey of the dry tailings area. Silvercorp has further entrusted the designer of the dry tailings area, Guangdong Metallurgical Architectural Design and Research Institute Co. Ltd., to assess the current flood control safety and dam stability of the dry tailings facility. This Project is expected to be completed by the end of 2021.

That notwithstanding, the QP recommends that Silvercorp continues 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 the QP's understanding that such activity has not specifically been undertaken.

Silvercorp utilizes contract labour for mining at GC on a rate per tonne or a rate per metre basis. The contract includes all labour, all fixed and mobile equipment, materials, and consumables, including fuel and explosives, which are purchased through the company. Ground support consumables such as timber and power are the responsibility of the company.

The 2021 Technical Report cost estimates for FY2022 include assumptions of mining 311,271 tonnes of ore and milling the same amount. Other major operational items assumed are waste development tunnelling at 10,200 m, exploration and development tunnelling at 10,300 m, and drilling at 58,500 m. Sustaining development tunnelling of 500 m is also assumed. Cost estimates are in US$ and assume an exchange rate of 6.5RMB to US$1.

FY2022 non-sustaining capital for further main ramp development is assumed at $0.4 million.

FY2022 sustaining capital is assumed at $4.0 million, which equates to $12.85 per tonne of ore projected to be mined.

The QP considers the 2021 Technical Report total operating cost estimate for FY2022 of $72.61/t of ore mined and milled to be reasonable relative to the methods and technology used and to the scale of the Gaocheng operation. The QP notes that the estimate of combined total operating and sustaining capital cost on a unit basis is $85.46/t of ore mined and milled.

26 Recommendations

The QP recommendations for the GC mine are indicated below. The QPs consider that the associated costs can be accommodated within existing operating budgets.

- All database records (drillhole and channel samples) to be assigned a consistent year between the collar and assay files.
- Each density sample to be geologically logged, with particular attention to the degree of oxidation and the presence or absence of vughs or porosity.
- The minimum size of the density samples to be 1 kg. The part of the sample that is selected for assaying should be as representative as possible of the mineralization in the part used for density measurement. Assaying of the density sample itself is preferable, but only if the wax does not lead to problems with assay sample preparation.
- Iron and / or sulphur to be added to the regular assay suite for samples used for resource estimation.
- Undertake additional bulk density measurements on representative samples with varying base metal and pyrite content.
- Take bulk density measurements on samples from the bounding waste material to allow more accurate estimation of the density of diluted Mineral Resources.
- Estimate the density of oxidized and fresh ores separately.
- Consider procurement of an additional CRM to monitor low grades and the anticipated COGs.
- Consider purchasing one or more 'pigeon pair' CRMs with similar, but not identical, expected values to CRMs currently in use. This will provide an additional check on laboratory accuracy.
- Revise protocols so that CRMs are inserted using a systematic approach at a rate of 1 CRM in every 20 samples (5%) for both drilling and underground samples. Consider implementation of practises such as assigning CRM samples in the sample tag books prior to actual sampling, so that CRM samples occur regularly and within each batch of samples.
- Continue monitoring CRM results on a 'real-time' basis and ensure that sample batches where consecutive CRMs return results outside of two standard deviations, or one CRM outside of three standard deviations, are investigated and reanalyzed.
- Revise protocols so that blanks are inserted using a systematic approach at a rate of at least one blank in every 25 samples (4%) for both drilling and underground samples.
- Insert blanks immediately after expected high grade mineralization to assess contamination occurring during sample preparation.
- Implement the use of both coarse and fine (pulp) blank material to enable sample preparation and analytical processes to be monitored for contamination.
- Revise and further reduce failure rates for Pb and Zn from current level of 0.1% Pb and 0.1% Zn.
- Implement the monitoring of blanks results on a 'real-time' basis and ensure that sample batches where blanks exceed failure limits are investigated and reanalyzed.
- Implement procedures to collect and submit coarse reject and pulp duplicates into the underground sample stream.
- Duplicate insertion rates to be increased to match that of drilling samples (approximately 5 – 6%).
- Investigate the cause of poor field duplicate performance in both core and underground samples. This could include a test phase which incorporates the following:
  - ¾ Completing polished section petrology to understand the particle size and nature of mineralization.

  - ¾ Submitting the second half of the core, instead of quarter core, as the field duplicates (if required, a thin slice (fillet) of core could be sliced off and retained for archival storage before cutting the core into halves).
  - ¾ Consider increasing the size of underground samples.
- Submit at least 5% of drilling and underground samples to a third-party umpire laboratory for check analysis on a regular basis
- Maintain a 'table of fails' that documents the remedial action completed on any failed batches.
- Implement a system whereby the original assays of failed batches are retained in the sample database and are available for audit.
- Continue to submit all QA/QC samples (with no identification), so that the results are not known by the laboratory.

- Insert QA/QC samples randomly within sample batches as opposed to the present practise of consistently inserting consecutive CRMs, blanks, and duplicates.
- Continue communication between the geology department and laboratory to ensure that any sample biases noted are investigated and addressed in a timely fashion.
- Sample on a minimum sample length of 0.4 m.
- Validate the master sample database and ensure that all fields are fully populated. Date fields should be reviewed and made consistent between collar, assay, and QA/QC datasets to enable consistent year-to-year reporting of results. Laboratory and laboratory report IDs should also be fully populated in the assay and QA/QC databases.
- Modify the central database so that assay data is recorded without rounding to accurately reflect the original assay certificates.
- Internally validate the existing sample database to ensure that any other sample prefix issues are addressed.
- Review database and sample procedures to ensure that sample prefix issues do not reoccur.
- 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 workforce to rock fall hazard.
- Ensure scaling of the development headings 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.
- As part of overall mine design, consider possible destabilizing effects associated with major structures such as faults or shear zones. These should be considered on a case-by-case basis. 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 and pillar requirements to ensure serviceability of the excavation for the LOM.
- 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, continuously review geotechnical aspects and ground support in a formal, recordable manner, bearing in mind previous recommendations, local and mine-wide operating experience in all rock types encountered, data collection protocols, and also looking to future mining development.

- Collect additional detailed geotechnical logging data, from drill core and mapping of underground workings, to incorporate collection of structural orientation data. Data collection to allow rock mass classification using an internationally recognized system, such as the Q-System (after Barton et al. 1974) or RMR (after Bieniawski 1989).
- Develop a three-dimensional geotechnical model with interpretations of primary lithologies and structures (such as faults and shear zones).
- As the mine moves deeper, undertake further investigation of in situ stresses to confirm assumptions made in the mine design and stability assessments.
- Consider the advisability of any further hydrogeological assessments.
- 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 the QP's understanding that such activity has not specifically been undertaken.
- Continue with a focus on safety improvement, including implementation of a policy whereby the more stringent of either Chinese or Canadian safety standards is 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.

27 References

Hunan Research Institute of Non-Ferrous Metals 2009, "Development and Research of the Comprehensive Recovery Test of Lead Zinc Silver Tin Sulphur for the Lead Zinc Ore Dressing in GC Mine Area", May 2009.

AMC Mining Consultants (Canada) Ltd. 2009, 'NI 43-101 Technical Report Update on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 18 June 2009.

AMC Mining Consultants (Canada) Ltd. 2011, 'NI 43-101 Technical Report on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 31 December 2011.

AMC Mining Consultants (Canada) Ltd., 2012, 'NI 43-101 Technical Report on the GC AG-ZN-PB Project in Guangdong Province People's Republic of China', effective date 23 January 2012.

AMC Mining Consultants (Canada) Ltd. 2018, 'NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 30 June 2018.

AMC Mining Consultants (Canada) Ltd. 2019, 'NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', effective date 30 June 2019.

Barton, N., Lien, and R., Lunde, J., 1974, 'Analysis of Rock Mass Quality and Support Practice in Tunnelling and a Guide to Estimating Support Requirements', Geotech Inst. Report. No 54206.

Bieniawski, Z.T. 1989. 'Engineering rock mass classifications', New York: Wiley.

Grimstad, E. and Barton, N. 1993. Updating the Q-System for NMT. Proc. int. symp. on sprayed concrete. Fagernes. 46-66. Oslo: Norwegian Concrete Assn.

Guangdong Huasheng Safety Occupation Evaluation Co., Ltd., 30 July 2020, TMF risk assessment report.

Guangdong Metallurgical & Architectural Design Institute 2011, 'Mining and Dressing Project of Gaocheng Lead-Zinc Ore in Yun'an County, Guangdong Province, Preliminary Design (GD1371CS) Volume 1', Instruction by GMADI, China, January 2011.

Hutchinson, D.J., and Diederichs, M.S., 1996, 'Cablebolting in Underground Mines', BiTech Publishers Ltd., British Columbia, Canada.

Jia, Shouyi and Songqing, Ye, 2003, 'Mineral Resource Exploration', Geological Publishing.

Liu, Jinhui, Niu, Lanliang, Xu, Anson, and Wang, Zhaojun (SRK Consulting China Ltd.), 2008, 'Technical Report on Gaocheng Ag-Zn-Pb Project and Shimentou Au-Ag-Zn-Pb Project, Guangdong Province, People's Republic of China', April 2008.

Long, S.D., Parker, H.M., and Françis-Bongarçon, D. 1997, 'Assay quality assurance quality control programme for drilling projects at the prefeasibility to feasibility report level', prepared by Mineral Resources Development Inc. (MRDI), August 1997.

Méndez, A.S. 2011, 'A Discussion on Current Quality-Control Practices in Mineral Exploration, Applications and Experiences of Quality Control, Ognyan Ivanov', IntechOpen, DOI: 10.5772/14492. https://www.intechopen.com/books/applications-and-experiences-ofquality control/a-discussion-on-current-quality-control-practices-in-mineral-exploration.

Mine Engineering Contract, (GF-2011-0225), Guangdong Found Mining Co., Ltd. Mining Engineering Construction Contract of Gaocheng Lead-zinc Mine Project, 19 March 2011.

Rossi, M.E. and Deutsch, C.V. 2014, 'Mineral Resource Estimation', Springer: London, pp. 77-82.

Silvercorp Metals Inc., 2021 news release. http://silvercorpmetals.com/news_and_media/news, 4 Feb 2021.

Silvercorp Metals Inc., 2021, Management Discussion and Analysis ("MD&A"). Annual Report. http://www.silvercorpmetals.com/investors/financial_statements, MD&A, 31 Mar 2021.

28 QP Certificates

CERTIFICATE OF AUTHOR

I, Dinara Nussipakynova, P.Geo., of Vancouver, British Columbia, do hereby certify that:

1 I am currently employed as Principal Geologist with AMC Mining Consultants (Canada) Ltd., with an office at Suite 202, 200 Granville Street, Vancouver, British Columbia V6C 1S4.

2 This certificate applies to the technical report titled 'NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', with an effective date of 31 March 2021, (the "Technical Report") prepared for Silvercorp Metals Inc. ("the Issuer").

3 I am a graduate of Kazakh National Polytechnic University (B.Sc. and M.Sc. in Geology, 1987). I am a member in good standing of the Engineers and Geoscientists of British Columbia (License #37412) and the Association of Professional Geoscientists of Ontario (License #1298). I have practiced my profession continuously since 1987 and have been involved in mineral exploration and mine geology for a total of 34 years since my graduation from university. My experience is principally in Mineral Resource estimation, database management, and geological interpretation.

I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

4 I visited the Gaocheng Property from 23 - 25 January 2018 for three days.

5 I am responsible for Sections 12 and 14, and parts of 1, 25, and 26 of the Technical Report.

6 I am independent of the Issuer and related companies applying all of the tests in Section 1.5 of NI 43-101.

7 I have had prior involvement with the property that is the subject of the Technical Report in that I was a qualified person for previous AMC Technical Reports on the GC property in 2018 (posted 27 July 2018, effective date 30 June 2018) and in 2019 (posted 18 September 2019, effective date 30 June 2019).

8 I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.

9 As of the effective date of the Technical Report and the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: 31 March 2021
Signing Date: 6 October 2021

Original signed by

Dinara Nussipakynova, P.Geo.
Principal Geologist
AMC Mining Consultants (Canada) Ltd.

CERTIFICATE OF AUTHOR

I, Herbert A. Smith, P.Eng. of Vancouver, British Columbia, do hereby certify that:

1 I am currently employed as Senior Principal Mining Engineer with AMC Mining Consultants (Canada) Ltd., with an office at Suite 202, 200 Granville Street, Vancouver, British Columbia V6C 1S4.

2 This certificate applies to the technical report titled 'NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', with an effective date of 31 March 2021, (the "Technical Report") prepared for Silvercorp Metals Inc. ("the Issuer").

3 I graduated with a degree of B.Sc. in Mining Engineering in 1972 and a degree of M.Sc. in Rock Mechanics and Excavation Engineering in 1983, both from the University of Newcastle upon Tyne, England. I have worked as a Mining Engineer for a total of 43 years since my graduation and have relevant experience in underground mining, feasibility studies, and technical report preparation for mining projects.

I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

4 I visited the Gaocheng Property from 24 - 26 January 2018 for three days.

5 I am responsible for Sections 2 - 6, 15, 16, 19, 21 - 24, and 27, and parts of 1, 18, 25, and 26 of the Technical Report.

6 I am independent of the Issuer and related companies applying all of the tests in Section 1.5 of NI 43-101.

7 I have had prior involvement with the property that is the subject of the Technical Report in that I was a qualified person for previous AMC Technical Reports on the GC property in 2018 (posted 27 July 2018, effective date 30 June 2018) and in 2019 (posted 18 September 2019, effective date 30 June 2019).

8 I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.

9 As of the effective date of the Technical Report and the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: 31 March 2021
Signing Date: 6 October 2021

Original signed by

Herbert A. Smith, P.Eng.
Senior Principal Mining Engineer
AMC Mining Consultants (Canada) Ltd.

CERTIFICATE OF AUTHOR

I, Alan Riles, MAIG of Gorokan, New South Wales do hereby certify that:

1 I am the Director and Principal Consultant of Riles Integrated Resource Management Pty Ltd. with an office at 8 Winbourne Street, Gorokan, NSW 2263, Australia.

2 This certificate applies to the technical report titled 'NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', with an effective date of 31 March 2021, (the "Technical Report") prepared for Silvercorp Metals Inc. ("the Issuer").

3 I graduated with a Bachelor of Metallurgy (Hons Class 1) from Sheffield University, UK in 1974. I am a registered member of the Australian Institute of Geoscientists. I have practiced my profession continuously since 1974, with particular experience in study management, and both operational and project experience in precious and base metal deposits.

I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

4 I have visited the Gaocheng Property in May 2011 for two days.

5 I am responsible for Sections 13 and 17, and parts of 1, 18, 25, and 26 of the Technical Report.

6 I am independent of the Issuer and related companies applying all of the tests in Section 1.5 of NI 43-101.

7 I have had prior involvement with the property that is the subject of the Technical Report in that I was a qualified person for previous AMC Technical Reports on the GC property in 2012 (posted 6 February 2012, effective date 23 January 2012), in 2018 (posted 27 July 2018, effective date 30 June 2018), and in 2019 (posted 18 September 2019, effective date 30 June 2019).

8 I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.

9 As of the effective date of the Technical Report and the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: 31 March 2021
Signing Date: 6 October 2021

Original signed by

Alan Riles, MAIG
Director and Principal Consultant
Riles Integrated Resource Management Pty Ltd.

CERTIFICATE OF AUTHOR

I, Adrienne A. Ross, P.Geo., P.Geol., of Vancouver, British Columbia, do hereby certify that:

1 I am currently employed as a Geology Manager / Principal Geologist with AMC Mining Consultants (Canada) Ltd., with an office at Suite 202, 200 Granville Street, Vancouver British Columbia, V6C 1S4.

2 This certificate applies to the technical report titled 'NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', with an effective date of 31 March 2021, (the "Technical Report") prepared for Silvercorp Metals Inc. ("the Issuer").

3 I am a graduate of the University of Alberta in Edmonton, Canada (Bachelor of Science (Hons) in Geology in 1991). I am a graduate of the University of Western Australia in Perth, Australia (Ph.D. in Geology). I am a registered member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (License #37418) and Alberta (Reg. #52751). I have practiced my profession for a total of 27 years since my graduation and have relevant experience in precious and base metal deposits.

I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

4 I have not visited the Gaocheng Property.

5 I am responsible for Sections 7 – 10 and parts of 1, 25, and 26 of the Technical Report.

6 I am independent of the Issuer and related companies applying all of the tests in Section 1.5 of NI 43-101.

7 I have had prior involvement with the property that is the subject of the Technical Report in that I assisted the qualified persons with respect to previous AMC Technical Reports on the GC property in 2018 (posted 27 July 2018, effective date 30 June 2018) and in 2019 (posted 18 September 2019, effective date 30 June 2019).

8 I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.

9 As of the effective date of the Technical Report and the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: 31 March 2021
Signing Date: 6 October 2021

Original signed by

Adrienne A. Ross, P.Geo., P.Geol.
Geology Manager / Principal Geologist
AMC Mining Consultants (Canada) Ltd.

CERTIFICATE OF AUTHOR

I, Simeon Robinson, P.Geo., of Nanaimo, British Columbia, do hereby certify that:

1 I am currently employed as a Principal Geologist with AMC Mining Consultants (Canada) Ltd., with an office at Suite 202, 200 Granville Street, Vancouver British Columbia, V6C 1S4.

2 This certificate applies to the technical report titled 'NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', with an effective date of 31 March 2021, (the "Technical Report") prepared for Silvercorp Metals Inc. ("the Issuer").

3 I am a graduate of Curtin University of Technology, Kalgoorlie, Western Australia (Bachelor of Science – Mineral Exploration and Mining Geology, 2001). I have completed the Citation Program in Applied Geostatistics (University of Alberta, 2019). I am a registered member in good standing of the Association of Professional Engineers and Geoscientists of British Columbia (License #192869) and the Australian Institute of Geoscientists (#5609). I have practiced my profession for a total of 19 years since my graduation and have relevant experience in precious and base metal deposits and quality assurance and quality control.

I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

4 I have not visited the Gaocheng Property.

5 I am responsible for Section 11 and parts of 1, 25, and 26 of the Technical Report.

6 I am independent of the Issuer and related companies applying all of the tests in Section 1.5 of NI 43-101.

7 I have had prior involvement with the property that is the subject of the Technical Report in that I assisted the qualified persons with respect to previous AMC Technical Reports on the GC property in 2018 (posted 27 July 2018, effective date 30 June 2018) and in 2019 (posted 18 September 2019, effective date 30 June 2019).

8 I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.

9 As of the effective date of the Technical Report and the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: 31 March 2021
Signing Date: 6 October 2021

Original signed by

Simeon Robinson, P.Geo.
Principal Geologist
AMC Mining Consultants (Canada) Ltd.

CERTIFICATE OF AUTHOR

I, Guoliang Ma, P.Geo., of Vancouver, British Columbia, do hereby certify that:

1 I am currently employed as a Manager Exploration and Resource with Silvercorp Metals Inc. with an office at Suite 1750-1066 W. Hastings Street, Vancouver, BC V6E 3X1, Canada.

2 This certificate applies to the technical report titled 'NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China', with an effective date of 31 March 2021, (the "Technical Report") prepared for Silvercorp Metals Inc. ("the Issuer").

3 I am a graduate of Laval University in Quebec City, Canada (Masters of Science in 2001). I am a member in good standing of the Association of Professional Geoscientists Ontario (License #1967), and a member of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM, License #746506). I have practiced my profession for a total of 28 years. I have experience in the preparation of Resource and Reserve statements, due diligence reviews, and mining and exploration property valuations across a broad range of metalliferous mining projects.

I have read the definition of "qualified person" set out in National Instrument 43-101 (NI 43-101) and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

4 I have visited the Gaocheng Property on numerous occasions, with the last two visits from 25 to 30 October 2019 and from 13 to 28 May 2021.

5 I am responsible for Section 20 and parts of 1, 25, and 26 of the Technical Report.

6 I am not independent of the Issuer and related companies applying all of the tests in Section 1.5 of the NI 43-101.

7 I have had prior involvement with the property that is the subject of the Technical Report in that I assisted the Qualified Persons in the preparation of previous AMC Technical Report on the Gaocheng Property in 2018 (effective date 30 June 2018) and in 2019 (effective date 30 June 2019).

8 I have read NI 43-101, and the Technical Report has been prepared in compliance with NI 43-101 and Form 43-101F1.

9 As of the effective date of the Technical Report and the date of this certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: 31 March 2021
Signing Date: 6 October 2021

Original signed by

Guoliang Ma, P.Geo.
Manager Exploration and Resource
Silvercorp Metals Inc.

Our offices

Australia

Adelaide

Level 1, 12 Pirie Street
Adelaide SA 5000 Australia

T +61 8 8201 1800
E adelaide@amcconsultants.com

Brisbane

Level 21, 179 Turbot Street
Brisbane Qld 4000 Australia

T +61 7 3230 9000
E brisbane@amcconsultants.com

Melbourne

Level 29, 140 William Street
Melbourne Vic 3000 Australia

T +61 3 8601 3300
E melbourne@amcconsultants.com

Perth

Level 1, 1100 Hay Street
West Perth WA 6005 Australia

T +61 8 6330 1100
E perth@amcconsultants.com

Canada

Toronto

140 Yonge Street, Suite 200
Toronto, ON M5C 1X6 Canada

T +1 647 953 9730
E toronto@amcconsultants.com

Vancouver

200 Granville Street, Suite 202
Vancouver BC V6C 1S4 Canada

T +1 604 669 0044
E vancouver@amcconsultants.com

Russia

Moscow

5/2, 1 Kazachiy Pereulok, Building 1
Moscow 119017 Russian Federation

T +7 495 134 01 86
E moscow@amcconsultants.com

Singapore

Singapore

65 Chulia Street, Level 46 OCBC Centre
Singapore 049513

T +65 6670 6630
E singapore@amcconsultants.com

United Kingdom

Maidenhead

Registered in England and Wales
Company No. 3688365

Level 7, Nicholsons House
Nicholsons Walk, Maidenhead
Berkshire SL6 1LD United Kingdom

T +44 1628 778 256
E maidenhead@amcconsultants.com

Registered Office: Ground Floor,
Unit 501 Centennial Park
Centennial Avenue
Elstree, Borehamwood
Hertfordshire, WD6 3FG United Kingdom