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

FORM 40-F

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

or

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

For fiscal year ended: March 31, 2020 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
1095 West Pender Street Suite 1070 Vancouver, British Columbia V6E 2M6, Canada
(604) 630-5199

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

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

Securities registered or to be registered pursuant to Section 12(g) of the Act: **none**

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

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

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

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: **173,816,834**

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

Yes [X] No [ ]

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

Yes [X] No [ ]

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

Emerging growth company [ ]

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

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. [X]

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, 2020;

(b) Management's Discussion and Analysis for the fiscal year ended March 31, 2020; and

(c) Audited Consolidated Financial Statements for the fiscal year ended March 31, 2020 and notes thereto, together with the report of Independent Registered Public Accounting Firm 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, 2020, 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, 2020, filed as Exhibit 99.2 to this Annual Report on Form 40-F.

(d) Attestation Report of the Independent Registered Public Accounting Firm. The Company's independent registered public accounting firm, Deloitte LLP, which audited the consolidated financial statements included in this Annual Report on Form 40-F, has issued an attestation report on management's assessment of the Company's internal control over financial reporting, entitled "Report of Independent Registered Public Accounting Firm," that accompanies the Company's Consolidated Financial Statements for the fiscal year ended March 31, 2020, 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, 2020.

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, 2020, except that on February 5, 2020, the Code was amended to, among other changes, update the Company's policy on inside information and securities trading and clarify that whistleblower complaints may be made through the Company's whistleblower phone lines. In addition, on June 18, 2020 the Code was further amended and restated following a general review. The changes to the Code included, without limitation:

- Expanding the scope of persons subject to the Code to include consultants;
- Expanding the description of the adverse consequences that an individual may face for violation of the Code;
- Updates to our anti-corruption policies;
- Clarifying that the Code is subject to applicable whistleblower laws; and
- Other clarifications and typographical corrections.

Each of the above amendments is attached as an exhibit to this Form 40-F. The Code is also 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, 2020, filed as Exhibit 99.1 to this Annual Report on Form 40-F.

AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

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

OFF-BALANCE SHEET ARRANGEMENTS

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

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following table presents information regarding the Company's known contractual obligations by maturity as of March 31, 2020:

Contractual Obligations	Payment due by period (in thousands of dollars)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Accounts payable and accrued liabilities	$23,129	$23,129	$-	$-	$-
Lease obligation	$2,069	$567	$1,043	$421	$38
Total	$25,198	$23,696	$1,043	$421	$38

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, 2020.

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 http://silvercorpmetals.com.

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, 2020
99.2	Management's Discussion and Analysis of Financial Condition and Results of Operations for the Year Ended March 31, 2020
99.3	Consolidated Financial Statements comprised of Consolidated Statements of Financial Position as at March 31, 2020 and 2019, Consolidated Statements of Income, Comprehensive Income (Loss), Cash Flows, and Changes in Equity for the years ended March 31, 2020 and 2019, and Notes to Consolidated Financial Statements
99.4	Certificate of Chief Executive Officer Pursuant to Rule 13a-14(a) of the Exchange Act
99.5	Certificate of Chief Financial Officer Pursuant to Rule 13a-14(a) of the Exchange Act
99.6	Certificate of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7	Certificate of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8	Consent of Deloitte LLP, Independent Registered Public Accounting Firm
99.9	Consent of Alan Riles
99.10	Consent of AMC Mining Consultants (Canada) Ltd
99.11	Consent of Herbert Smith
99.12	Consent of Patrick Stephenson
99.13	Consent of Adrienne Ross
99.14	Consent of Dinara Nussipakynova
99.15	Consent of Guoliang Ma
99.16	Code of Business Conduct and Ethics (as currently in effect)
99.17	Code of Business Conduct and Ethics (February 5, 2020 amendment, now superseded)
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

SIGNATURES

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

Date: June 23, 2020

SILVERCORP METALS INC.

By: /s/ Rui Feng

Name: Dr. Rui Feng
Title: Chief Executive Officer

Exhibit 99.1



ANNUAL INFORMATION FORM

FOR THE YEAR ENDED MARCH 31, 2020

DATED AS AT JUNE 23, 2020

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

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ITEM 1 GENERAL

1.1 Date of Information

All information in this Annual Information Form ("**AIF**") is as of March 31, 2020, unless otherwise indicated.

1.2 Forward Looking Statements

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

Forward-looking statements or information are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks relating to the matters described in this AIF under Item 4.3 *Risk Factors* under the following headlines: social and economic impacts of COVID-19; fluctuating commodity prices; estimation of mineral resources, reserves and mineralization and precious and base metal recovery; interpretations and assumptions of mineral resource and mineral reserve estimates; exploration and development programs; permits and licences; title to properties; joint venture partners; acquisition of commercially mineable mineral rights; financing; recent market events and conditions; economic factors affecting the Company; timing, estimated amount, capital and operating expenditures and economic returns of future production; integration of future acquisitions into the Company's existing operations; competition; operations and political conditions; regulatory environment in China; environmental risks; foreign exchange rate fluctuations; insurance; risks and hazards of mining operations; dependence on management and key personnel; conflicts of interest; internal control over financial reporting as per the requirements of the *Sarbanes-Oxley Act*; bringing actions and enforcing judgments under U.S. securities laws; cyber-security risks; and, the Company's investments in New Pacific Metals Corp.

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

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

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

This AIF has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of the United States Securities and Exchange Commission's (the "SEC") Industry Guide 7 ("Guide 7") under the Securities Act of 1933, as amended. Unless otherwise indicated, all mineral resource and mineral reserve estimates included in this AIF have been prepared in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and the Canadian Institute of Mining Metallurgy and Petroleum (" **CIM**") "*Definition Standards on Mineral Resources and Mineral Reserves* " (the "**CIM Standards**"). NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the requirements of the Guide 7 standards, and Mineral Resource and Mineral Reserve information contained herein may not be comparable to similar information disclosed by United States companies. In particular, and without limiting the generality of the foregoing, the term "resource" does not equate to the term "reserve". Under Guide 7 standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The Guide 7 standards normally do not permit the inclusion of information concerning "Measured Mineral Resources", "Indicated Mineral Resources" or "Inferred Mineral Resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute reserves by Guide 7 standards in documents filed with the SEC. United States investors should also understand that "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an "Inferred Mineral Resource" will ever be upgraded to a higher category. Under Canadian rules, estimated "Inferred Mineral Resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Investors are cautioned not to assume that all or any part of an "Inferred Mineral Resource" exists or is economically or legally mineable.

Disclosure of "contained metal" in a resource is permitted disclosure in certain circumstances under Canadian regulations; however, the Guide 7 normally only permits issuers to report mineralization that does not constitute "reserves" by Guide 7 standards as in-place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of Guide 7, and reserves reported by the Company in compliance with NI 43-101 may not qualify as "reserves" under Guide 7 standards. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with Guide 7 standards.

1.3 Currency

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

	Year Ended March 31,		
	2020	**2019**	**2018**
High	0.7710	0.7967	0.8245
Low	0.6898	0.7330	0.7276
Average	0.7514	0.7625	0.7798
Period End	0.7049	0.7483	0.7756

The exchange rate for one Canadian dollar expressed in U.S. dollar based upon the daily average exchange rate on June 22, 2020 provided by the Bank of Canada was $0.7383.

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

	Year Ended March 31,		
	2020	**2019**	**2018**
High	5.4142	5.3648	5.4142
Low	4.8591	4.8662	4.8379
Average	5.2330	5.1149	5.1648
Period End	4.9950	5.0226	4.8780

The exchange rate for one Canadian dollar expressed in RMB based upon the daily average exchange rate on June 22, 2020 provided by the Bank of Canada was RMB 5.2192.

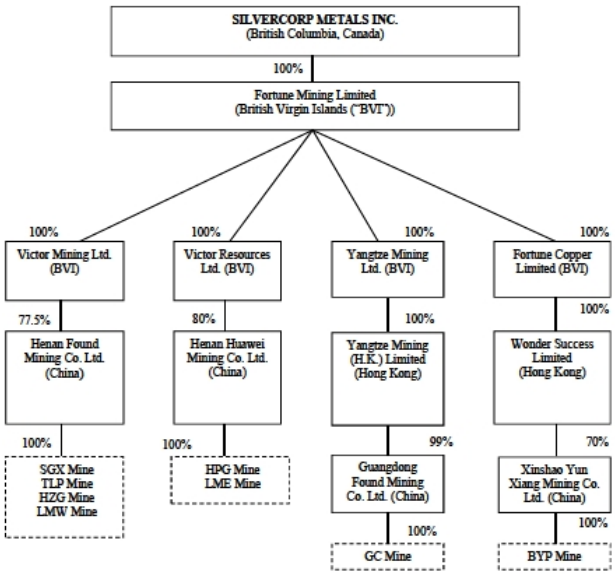
ITEM 2 CORPORATE STRUCTURE

2.1 Names, Address and Incorporation

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

2.1 Inter-corporate Relationships

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



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

(a) Victor Mining Ltd. ("**Victor Mining**") was incorporated on October 23, 2003 under the laws of the British Virgin Islands (the " **BVI**") and continued into Barbados on August 27, 2009 and back to the BVI on March 18, 2016. Victor Mining is a party to a cooperative agreement under which it has earned a 77.5% interest in Henan Found Mining Co. Ltd. ("**Henan Found**"), the Chinese company holding, among other assets: (i) the Ying silver, lead and zinc project (" **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 Haopinggou ("**HPG Mine**"); (v) the project in Longmen West ("**LMW Mine**"); and (vi) the project in Longmen East (" **LME Mine**"), each in Henan Province..

(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 HPG Mine and 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**") in Guangdong Province. In October 2018, the Company acquired additional 4% interest in Guangdong Found and now owns 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'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 profitable Canadian mining company producing silver, lead and zinc metals in concentrates from mines in China through the operation of the silver-lead-zinc mines in the Ying Mining District in Henan Province and the GC Mine in Guangdong Province. The Ying Mining District consists of several mines, including the SGX Mine, HZG Mine, TLP Mine, HPG Mine, LMW Mine, and LME Mine. The Company's goal is to continuously create healthy returns to shareholders through efficient management, organic growth and the acquisition of profitable projects. Silvercorp balances profitability, social and environmental relations, employees' wellbeing, and sustainable development.

3.2 The Company's Strategic Vision

Silvercorp has a distinct long-term strategy characterized by three key steps: (i) to acquire a project and conduct selective exploration to further delineate its potential; (ii) to develop mine operations and generate profits before the project's potential is fully drilled off; and (iii) to use the cash flows generated from operations to fund further exploration, resource expansion and production ramp up.

This strategy produces three key benefits to: (i) local employment - mine development creates jobs for neighbouring communities, boosting the local economy and creating an immediate sense of community involvement in the project; (ii) tax revenue for local government - boost in local support and the taxes collected from profits ensures the support of the local government for the continuation and success of the project; and (iii) shareholders through minimum equity dilution - immediate profits and returns means immediate value appreciation for Silvercorp's shareholders and minimum dilution of shareholders' equity.

3.3 Three Year History

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

Silvercorp's operations in China are usually suspended for two weeks for the Chinese New Year holiday. During the 2020 holiday season, the operations in China were shut down for an extra month due to the COVID-19 situation in China at that time, as the Company reported in the news released on January 29, February 18, and March 12, 2020. The operations were ramped up to full capacity in March 2020 with no employee infection and are in full 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 the fiscal year ended March 31, 2020 ("Fiscal 2020").

For 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.

On April 27, 2020, the Company announced that it entered into a definitive agreement (the "Arrangement Agreement") whereby the Company would acquire all of the issued and outstanding shares of Guyana Goldfields Inc. ("Guyana Goldfields") by way of a court approved plan of arrangement under the Canada Business Corporations Act (the "Transaction"). Under the terms of the Transaction, each holder of Guyana Goldfields shares would have the option to receive, for each Guyana Goldfields share held, CAD$0.60 in cash or 0.1195 of a Silvercorp common share, subject to a maximum cash consideration of approximately $23.4 million (CAD$33.2 million). Concurrently with entering into the Arrangement Agreement, the Company and Guyana Goldfields also entered into a loan agreement, whereby the Company would lend Guyana Goldfields up to US$15 million at an interest rate of 12% per annum (or, on the occurrence of certain triggering events, 14% per annum) to fund Guyana Goldfields' expected liquidity shortfall between the signing of the Arrangement Agreement and the closing of the Transaction.

On May 18, 2020, the Company announced that it entered into an amending agreement (the "Amending Agreement") to the Arrangement Agreement. Pursuant to the terms of the Amending Agreement, each holder of Guyana Goldfields shares would receive, for each Guyana Goldfields share held, C$0.25 in cash and 0.1849 of a Silvercorp common share, for total consideration of C$1.30 per share. The terms of the Amending Agreement were agreed to following receipt by Guyana Goldfields of an unsolicited all-cash proposal from a third party to acquire Guyana Goldfields. Commensurate with the increase in consideration, the Amending Agreement provided for an increase in the termination fee to C$9.0 million, which was to be paid by Guyana Goldfields to Silvercorp if the Arrangement Agreement was terminated in the event Guyana Goldfields' board accepted a superior proposal.

On June 3, 2020, Guyana Goldfields announced that it had received a binding proposal from a foreign-based multinational mining company ("New Offeror") for the acquisition by way of a plan of arrangement of all of the issued and outstanding common shares of Guyana Goldfields not already owned by the New Offeror (the "Common Shares") at all cash consideration of $1.85 for each Guyana Goldfields share (the "New Offer"). Guyana Goldfields board unanimously determined, after consultation with its financial and legal advisors, that the New Offer constituted a "Superior Proposal" in accordance with the terms of the Silvercorp Arrangement Agreement. Guyana Goldfields notified Silvercorp that it considered the New Offer to be a Superior Proposal under the Silvercorp Arrangement Agreement. The five business day matching period, during which Silvercorp had the right to propose to amend the terms of the Silvercorp Arrangement Agreement in order for the New Offer to cease to be a Superior Proposal expired at 4:30 pm (ET) on June 10, 2020.

On June 10, 2020, Silvercorp announced that it elected not to exercise its "right to match" and would not increase the consideration payable to Guyana Goldfields shareholders under its Arrangement Agreement. Guyana Goldfields subsequently terminated the Arrangement Agreement and paid the Company a termination fee of C$9.0 million on June 11, 2020. On June 12, 2020, Guyana Goldfields announced a binding arrangement agreement with the New Offeror revealed to be Zijin Mining Group Co., Ltd.

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

As reported in the Company's news releases dated April 16, 2018 and May 1, 2018, the Company reported a spillage incident at the Ying Mining District of a small amount of tailings that leaked from the No. 2 tailings facility into Chong-Yang Creek at approximately 9:30 p.m. on April 12, 2018. Silvercorp's subsidiary, Henan Found, took immediate actions and the leakage was fully controlled and stopped as of 12:00 p.m. on April 13, 2018. No personal injuries occurred and the results of ongoing water tests from Chong-Yang Creek were within the acceptable national water quality standards. Due to the incident, milling operations at the Ying Mining District were temporarily suspended. On

April 28, 2018, one flotation line of 1,000 tonnes per day at the No. 2 mill, using the No. 1 tailings storage facility resumed operation, and full mill operations resumed on May 23, 2018. As the milling capacity of Henan Found is approximately 25% greater than the mining capacity, the temporary suspension of the milling operations had minimal impact on overall annual production.

For the year ended March 31, 2018 ("Fiscal 2018"), on a consolidated basis, the Company had sales of $170.0 million, a gross profit margin of 52%, cash flow from operations of $67.9 million, and net income attributable to equity holders of the Company of $47.0 million, or $0.28 per share.

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

	Years Ended March 31		
	2020	**2019**	**2018**
Silver ('000s ounces)	6,257	6,390	6,040
Gold ('000s ounces)	3.3	3.5	3.1
Lead ('000s pounds)	65,344	64,788	61,934
Zinc ('000s pounds)	25,401	22,716	19,569

Production

Ying Mining District

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

In Fiscal 2020, total ore mined at the Ying Mining District was 598,197 tonnes, a decrease of 4% or 24,379 tonnes, compared to 622,576 tonnes in Fiscal 2019. Correspondingly, ore milled in Fiscal 2020 decreased to 601,605 tonnes from 619,851 tonnes in the prior year. Head grades were 309 g/t for silver, 4.6% for lead, and 0.9% for zinc, compared to 311 g/t for silver, 4.4% for lead and 0.9% for zinc in the prior year. The Company continues to achieve improvements in dilution control using its "Enterprise Blog" to assist in managing daily operations.

In Fiscal 2020, the Ying Mining District sold approximately 5.6 million ounces of silver, 3,300 ounces of gold, 54.5 million pounds of lead, and 7.3 million pounds of zinc, compared to 5.8 million ounces of silver, 3,500 ounces of gold, 56.1 million pounds of lead, and 6.6 million pounds of zinc in the prior year.

Total and cash mining costs [1] at the Ying Mining District were $90.61 and $63.00 per tonne, respectively, in Fiscal 2020, compared to $88.19 and $63.39 per tonne, respectively, in Fiscal 2019.

Total and cash milling costs [1] at the Ying Mining District in Fiscal 2020 were $12.03 and $10.16 per tonne, down 4% and 3%, respectively, compared to $12.58 and $10.43 per tonne in Fiscal 2019.

Correspondingly, the cash production cost [1] per tonne of ore processed in Fiscal 2020 at the Ying Mining District was $77.08, down 1% compared to $78.04 in the prior year.

The cash cost[1] per ounce of silver, net of by-product credits, in Fiscal 2020 at the Ying Mining District, was negative $1.18, compared to negative $3.35 in the prior year. The increase was mainly due to a decrease of $13.0 million in byproduct credits.

All-in sustaining cost[1] per ounce of silver, net of by-product credits, in Fiscal 2020 at the Ying Mining District was $5.49 compared to $2.60 in the prior year. The increase was mainly due to the increase in cash cost per ounce of silver as discussed above and an increase of $2.9 million in sustaining capital expenditures.

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

GC Mine

In Fiscal 2020, the total ore mined at the GC Mine was 287,633 tonnes, an increase of 3,415 tonnes or 1%, compared to 284,218 tonnes in Fiscal 2019, while ore milled increased by 1% to 290,610 tonnes from 288,995 tonnes in the prior year.

Head grades were 97 g/t for silver, 1.9% for lead, and 3.3% for zinc in Fiscal 2020, compared to 86 g/t for silver, 1.5% for lead, and 3.0% for zinc in the prior year.

In Fiscal 2020, the GC Mine sold 699,000 ounces of silver, 10.9 million pounds of lead, and 18.1 million pounds of zinc, compared to 626,000 ounces of silver, 8.7 million pounds of lead, and 16.1 million pounds of zinc in Fiscal 2019.

Total and cash mining costs[1] at the GC Mine in Fiscal 2020 were $46.40 and $38.06 per tonne, respectively, compared to $46.04 and $37.73 per tonne in Fiscal 2019.

Total and cash milling costs[1] at the GC Mine in Fiscal 2020 were $15.52 and $13.85 per tonne, respectively, compared to $17.01 and $14.39 per tonne, respectively, in Fiscal 2019.

Correspondingly, the cash production costs[1] per tonne of ore processed in Fiscal 2020 at the GC Mine decreased slightly to $51.91 from $52.12 in the prior year.

The cash cost[1] per ounce of silver, net of by-product credits, at the GC Mine, was negative $7.65 in Fiscal 2020 compared to negative $12.97 in the prior year. The increase was mainly due to a decrease of $2.9 million in by-product credits resulting from a decrease of 18% and 33%, respectively, in the net realized selling prices for lead and zinc, offset by an increase of 26% and 13%, respectively, in lead and zinc sold at the GC Mine.

All-in sustaining cost[1] per ounce of silver, net of by-product credits, in Fiscal 2020 at the GC Mine was $0.77 compared to negative $6.28 in the prior year. The increase was mainly due to i) the increase in cash cost per ounce of silver as discussed above, ii) an increase of $0.8 million in general and administrative expenses, and iii) an increase of $1.3 million in sustaining capital expenditures.

BYP Mine

The BYP Mine was placed on care and maintenance in August 2014 due to the required capital upgrades to sustain ongoing production and the market environment. 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. An updated National Instrument 43-101 Technical Report on the BYP Mine, with an effective date of April 30, 2019, was completed by RPM Global Asia Limited and filed under the Company's SEDAR profile at www.sedar.com.

XHP project

Activities at the XHP project, a development-stage project, were suspended in Fiscal 2014. In April 2019, Henan Found, the Company's 77.5% owned subsidiary, entered into a share transfer agreement (the "Agreement") with an arm's length private Chinese company to dispose of the XHP project. Pursuant to the Agreement, Henan Found sold its 100% equity interest in SX Gold, the holding company of the XHP project, for $7.3 million (RMB ¥50 million) and forgave the amount of $1.1 million (RMB ¥7.5 million) SX Gold owes to Henan Found. The transaction completed and a gain of $1.5 million was recognized in the three months ended June 30, 2019. As of the date of this AIF, Henan Found received partial payments of $6.1 million (RMB ¥42.5 million) for the sale.

Capitalized Exploration and Development Expenditures

Ying Mining District

In Fiscal 2020, approximately 85,643 m or $2.5 million worth of underground diamond drilling (Fiscal 2019 - 75,955 m or $1.8 million) and 19,088 m or $5.7 million worth of preparation tunnelling (Fiscal 2019 - 18,656 m or $5.4 million) were completed and expensed as mining preparation costs at the Ying Mining District. In addition, approximately 70,240 m or $23.9 million worth of horizontal tunnels, raises and declines (Fiscal 2019 - 65,653 m or $23.2 million) were completed and capitalized.

GC Mine

In Fiscal 2020, approximately 22,513 m or $1.0 million worth of underground diamond drilling (Fiscal 2019 - 24,727 m or $1.3 million) and 19,315 m or $4.6 million worth of tunnelling (Fiscal 2019 - 19,844 m or $5.2 million) were completed and expensed as mining preparation costs at the GC Mine. In addition, approximately 3,327 m or $2.4 million worth of horizontal tunnels, raises and declines (Fiscal 2019 - 1,374 m or $1.0 million) were completed and capitalized.

3.4 Other Matters

Normal Course Issuer Bids

On March 17, 2020, the Company announced that the TSX had approved a Normal Course Issuer Bid (" **2020 NCIB**") which permitted the Company to acquire (from March 19, 2020 to March 18, 2021) up to 8,670,104 of its common shares, representing approximately 5% of the Company's 173,402,084 common shares issued and outstanding as of March 16, 2020.

On February 20, 2019, the Company announced that the TSX had approved a Normal Course Issuer Bid (" **2019 NCIB**") which permitted the Company to acquire (from February 25, 2019 to February 24, 2020) up to 8,484,682 of its common shares, representing approximately 5% of the Company's 169,693,640 common shares issued and outstanding as of February 5, 2019. The Company acquired 1,717,100 common shares at an average price of CAD$3.09 per share under the 2019 NCIB, and all such shares were cancelled.

On November 23, 2017, the Company announced that the TSX had approved a Normal Course Issuer Bid (**"2018 NCIB**") which permitted the Company to acquire (from November 27, 2017 to November 26, 2018) up to 8,409,712 of its common shares, representing approximately 5% the Company's 168,194,254 common shares issued and outstanding as of November 16, 2017. The Company acquired 1,717,100 common shares at a weighted average price of CAD$3.32 per share under the 2018 NCIB, and all such shares were cancelled.

ITEM 4 DESCRIPTION OF THE BUSINESS

4.1 Normal Course Issuer Bids

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$	2020	2019
Silver (Ag)	84,872	80,654
Lead (Pb)	51,966	64,111
Zinc (Zn)	15,780	20,654

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 2020, silver and zinc production at the Ying Mining District surpassed its annual guidance by 2% and 16%, respectively, while lead production was in line with its annual guidance. The higher silver production was mainly due to the increase in head grades, offset by lower ore production achieved and the higher zinc production was mainly due to the improvement in recovery rates. Silver and lead head grades increased to 309 g/t for silver and 4.6% for lead from the guidance of 290 g/t and 4.3%, respectively. The cash production cost per tonne of ore processed was 1% below its annual guidance while the all-in sustaining production cost was 2% over its annual guidance.

In Fiscal 2019, silver and zinc production at the Ying Mining District surpassed its annual guidance by 7% and 4%, respectively, while lead production was in line with its annual guidance. The higher silver production was mainly due to the increase of head grades offset by lower ore production achieved and the higher zinc production was mainly due to the improvement in recovery rates. Silver and lead head grades increased to 311 g/t for silver and 4.4% for lead from the guidance of 285 g/t and 4.3%, respectively. The cash production costs per tonne were 3.5% higher than its annual guidance mainly due to inflation resulting in higher raw material and utility costs and adjustments to mining contractor's costs.

In Fiscal 2020, silver, lead and zinc production at the GC Mine surpassed its annual guidance by 16%, 23% and 18%, respectively, mainly due to an increase of 8% in ore production and an improvement in head grades. Per tonne cash production cost and all-in sustaining production cost were 8% and 10% lower than its annual guidance.

In Fiscal 2019, silver, lead and zinc production at the GC Mine surpassed its annual guidance by 5%, 17% and 19%, respectively, mainly due to a 16% increase in ore production offset by lower head grades for silver and lead. The cash production costs per tonne and all-in sustaining costs per tonne were 9% and 16% lower than its annual guidance.

As at March 31, 2020, the Company had 898 employees at Henan Found, 254 at Guangdong Found, 4 at Hunan Yunxiang, 22 at the Beijing representative office, and 18 in the Vancouver corporate office.

Fiscal 2021 Outlook

Production

For the year ended March 31, 2021 ("**Fiscal 2021**"), the Company expects to produce approximately 930,000 to 970,000 tonnes of ore, which is anticipated to yield approximately 6.2 to 6.5 million ounces of silver, 66.1 to 68.5 million pounds of lead, and 24.5 to 26.7 million pounds of zinc. Fiscal 2021 production guidance represents an increase of approximately 2% to 7% in silver production, 2% to 5% in lead production, and 12% to 22% in zinc production compared to the Fiscal 2020 annual guidance.

In Fiscal 2021, at the Ying Mining District, production is expected to be 640,000 to 660,000 tonnes of ore with grades of 292 g/t silver, 4.3% lead and 0.9% zinc, with expected metal production of 5.6 to 5.8 million ounces of silver, 56.6 to 58.0 million pounds of lead and 7.0 to 8.0 million pounds of zinc. The cash production cost is expected to be $74.7 to $82.5 per tonne of ore. The all-in sustaining cost is forecast to be $133.5 to $140.5 per tonne of ore.

In Fiscal 2021, the GC Mine plans to mine and process 290,000 to 310,000 tonnes of ore averaging 96 g/t silver, 1.7% lead and 3.3% zinc with expected metal production of 0.6 to 0.7 million ounces of silver, 9.5 to 10.5 million pounds of lead and 17.5 to 18.7 million pounds of zinc. The cash production cost is expected to be $52.2 to $57.5 per tonne of ore. The all-in sustaining cost at GC Mine is expected to be $78.5 to 82.9 per tonne of ore.

Capital Expenditures Budget

Capital expenditures at the Ying Mining District in Fiscal 2021 are budgeted at $37.0 million, including $5.5 million for ramp development tunnelling, $26.9 million for mine exploration and other development tunnelling and $4.6 million for equipment and infrastructure. Capital expenditures at the GC Mine in Fiscal 2021 are budgeted at $5.4 million, including $1.4 million for ramp development tunnelling, $3.2 million for mine exploration and other development tunnelling, and $0.8 million for equipment and infrastructure.

Growth by Exploration and Acquisition

The Company continues to pursue future growth opportunities by carrying out exploration programs within existing permit areas at its projects. For example, on May 28, 2020, the Company announced a drill program targeting gold

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

4.2 Corporate Governance, Safety, Environment and Social Responsibility

Corporate Governance

The Company adheres to high standards of corporate governance and closely follows the requirements established by both the Canadian Securities Administrators and the SEC. Silvercorp believes that our current corporate governance systems meet or exceed these requirements. The board of directors of the Company (the "**Board**") oversees the direction and strategy of the business and the affairs of the Company. The Board is comprised of five directors, and as at March 31, 2020 and the date of this AIF, four of them are independent, and one is female. The Board's wealth of experience allows it to effectively oversee the development of corporate strategies and the key risks of the business, provide management with long-term direction, consider and approve major decisions, oversee the business generally and evaluate corporate performance. The Corporate Governance and Nominating Committee, appointed by the Board, oversee the effective functioning of the Board and the implementation of governance best practices.

Corporate Philosophy on Sustainability

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

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

Environmental and Social Responsibility

The Company has remained focused on sustainable development since its inception and is dedicated to fulfilling its environmental goals and responsibilities. We are committed to ensuring all our activities comply with all relevant industry standards, legislation and environmental regulations applicable in the various regions in which we operate. Our operations were all subject to inspections by government agencies in Fiscal 2020 and, to the best of management's knowledge, all were, and continue to be, in compliance in all material respects with applicable regulations.

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

In Fiscal 2020, the Company reforested more than 9.1 hectares through land reclamation and environmental restoration projects. In Fiscal 2019, our expenditures for concurrent reclamation included $0.2 million to re-forest more than 4.8 hectares through land reclamation and environmental restoration projects. The Company also made a $0.6 million investment to improve the tailings management facilities at the Ying Mining District. We currently estimate the aggregate present value of expenditures required for future closure and decommissioning costs to be approximately $8.7 million as of March 31, 2020. We are not aware of any material environmental matters requiring significant capital or operating outlays in the immediate future. We caution readers that actual closure and reclamation costs may vary, perhaps materially, from estimates.

The Company is committed to creating sustainable value in the communities where our people work and live. As part of our objective to minimize the impact our operations have on the environment, Silvercorp strives to reduce its energy and water consumption. Guided by research conducted by our local offices, the Company participates in, and contributes to, numerous community programs that typically center on education and health, nutrition, environmental awareness, local infrastructure and fostering additional economic activity. In addition to the approximately $24.5 million in taxes and fees paid to various levels of government in China, in Fiscal 2020, the Company:

- promoted community health and alleviating poverty in the local community with an emphasis on children and seniors, through periodic visits and subsidies; and
- donated $0.2 million to institutions in scholarship or education assistance programs to support children's education at the local and national level.

Health and Safety

The Company is dedicated to minimizing the potential health and safety risks faced by employees and contractors. Training for new workers and ongoing training programs are a priority and Silvercorp continuously reviews and refines all standard procedures at our mines and milling facilities to identify any potential risks associated with each step of the operations.

Moreover, 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 the three months ended March 31, 2020. In Fiscal 2020, the Company:

- donated $0.2 million to the local government in China as part of the Company's effort to help address the impact from COVID-19; and
- donated personal protective equipment, worth approximately $0.1 million, consisting of 17,000 3M N95 respirator masks, 100,000 pairs of medial gloves, 1,000 protective bodysuits, and 540 goggles, to Vancouver General Hospital and Vancouver Coastal Health as part of the Company's effort to reduce the significant risks faced by front-line healthcare workers in Vancouver-area hospitals as they combat COVID-19.

4.3 Chinese Mining Law

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

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

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

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 equally as domestic enterprises in many important respects, including the reduction of previous 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, all FIEs shall be governed by *PRC Company Law*.

The highest authority is transferred from the Board of Directors to the shareholders. The decision-making authority specified in the original Articles of Association has changed. Decisions on significant matters are made by the shareholders. The shareholders have the right to elect and dismiss directors, and have broad decision-making power over the company's management. Resolutions on major matters require more than 2/3 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, 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 the 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 issues such as change of 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 T 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	2/3 or more of all directors or members of the Joint Management Committee	Free to be agreed 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 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.

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 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 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.

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.

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

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

Estimation of Mineral Resources, Mineral Reserves, mineralization, and metal recovery

There is a degree of uncertainty attributable to the estimation of Mineral Resources, 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; Mineral Reserve, Mineral Resource or other mineralization figures will be accurate; or the mineralization could be mined or processed profitably. The interpretation of drill results, the geology, grade and continuity of the Company's mineral deposits contains inherent uncertainty. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on its results of operations or financial condition.

Exploration and development programs

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

Economic factors affecting the Company

Many industries, including the mining industry, are impacted by market conditions. Some of the key impacts of the recent financial market turmoil include emerging risks relating to the spread of 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 and zinc prices may impact the Company's revenues, profits, losses and cash flow; volatile energy prices, commodity and consumable prices and currency exchange rates would impact the Company's production costs; and the devaluation and volatility of global stock markets may impact the valuation of the Company's equity and other securities. These factors could have a material adverse effect on the Company's financial condition and results of operations.

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

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

Integration of future acquisitions into existing operations

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

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

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

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

Permits and licenses for mining and exploration

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

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

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

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

Title to properties

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

Joint venture partners

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

Acquisition of commercially mineable mineral rights

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

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

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

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

Financing

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

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

such agreements, on favourable terms or at all. The failure to obtain financing could have a material adverse effect on the Company's growth strategy and results of operations and financial condition.

Competition

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

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

Operations and political conditions

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

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

The Company's interests in its mineral properties are held through joint venture companies established under and governed by the laws of China. The Company's joint venture partners in China include state-sector entities and, like other state-sector entities, their actions and priorities may be dictated by government policies instead of purely commercial considerations. Additionally, companies with a foreign ownership component operating in China may be required to work within a framework which is different from that imposed on domestic Chinese companies. The Chinese government currently allows foreign investment in certain mining projects under central government guidelines. There can be no assurance that these guidelines will not change in the future.

Regulatory environment in China

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

Failure to comply with applicable laws and regulations may result in enforcement actions and may also include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties

engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws and regulations.

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

Environmental risks

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

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

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

Dependence on management and key personnel

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

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

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

Foreign exchange rate fluctuations

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

exchange rate between the reporting currency and its functional currencies may materially and adversely affect the Company's financial position.

Insurance

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

Risks and hazards of mining operations

Mining is inherently dangerous and the Company's operations are subject to a number of risks and hazards including, without limitation: environmental hazards; discharge of pollutants or hazardous chemicals; industrial accidents; failure of processing and mining equipment; labour disputes; supply problems and delays; encountering unusual or unexpected geologic formations or other geological or grade problems; encountering unanticipated ground or water conditions; cave-ins, pit wall failures, flooding, rock bursts and fire; periodic interruptions due to inclement or hazardous weather conditions; equipment breakdown; other unanticipated difficulties or interruptions in development, construction or production; 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, including internal controls over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of, the Chief Executive Officer and the Chief Financial Officer and effected by the Board of Directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards. Management assesses the effectiveness of our internal control over financial reporting based on the criteria set forth in the Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The Company may fail to achieve and maintain the adequacy of our internal control over financial reporting as such standards are modified, supplemented, or amended from time to time, and the Company may not be able to ensure that the Company can conclude on an ongoing basis that the Company have effective internal control over financial reporting. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future

periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. No evaluation can provide complete assurance that our internal control over financial reporting will prevent or detect misstatements on a timely basis, or detect or uncover all failures of persons employed by the Company to disclose material information otherwise required to be reported. The effectiveness of the Company's control and procedures could also be limited by simple errors or faulty judgments. In addition, as the Company continues to expand, the challenges involved in implementing appropriate internal control over financial reporting will increase and will require that the Company continues to improve our internal control over financial reporting.

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

Outcome of current or future litigation or regulatory actions

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

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

Litigation and regulatory proceedings also require significant resources to be expended by the directors, officers and employees of the Company and as a result, the diversion of such resources could materially affect the ability of the Company to conduct its operations in the normal course of business. Significant fees and expenses may be incurred by the Company in connection with the investigation and defense of litigation and regulatory proceedings. The Company may also be obligated to indemnify certain directors, officers, employees and experts for additional legal and other expenses pursuant to such proceedings, which additional costs may be substantial and could have a negative effect on the Company's future operating results. The Company may be able to recover certain costs and expenses incurred in connection with such matters from its insurer. However, there can be no assurance regarding when or if the insurer will reimburse the Company for such costs and expenses.

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

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

The Company's investment in New Pacific Metals Corp.

The Company is a strategic investor in New Pacific Metals Corp. (" **New Pacific**"), a Canadian public company listed on the TSX Venture Exchange and the OTCQX Best Markets. As of the date of this AIF, the Company beneficially owns, directly and indirectly, and controls 43,917,216 or 28.9% of the outstanding common shares of New Pacific. New Pacific is a junior exploration company currently in the business of acquiring and exploring mineral properties.

Investments in junior mining companies involve volatile share prices, liquidity risk, and may result in possible loss of principal. New Pacific has no revenue from operations and no ongoing mining operations of any kind.

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

Substantial expenditures are required to establish ore reserves through drilling, metallurgical, and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore, and construct, renovate, or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realized or that any identified mineral deposit, even if it is established to contain an estimated resource, will ever qualify as a commercial mineable ore body, which can be legally and economically exploited.

In addition to the high degree of risk associated with investing in junior exploration mining companies, the Company's investment in New Pacific entails an additional risk by virtue of the fact that its only material property, the Silver Sand project, is located in Bolivia. Bolivia's history since the mid-1960s has been one of political and economic instability under various governments. Since 2006, the government has frequently intervened in the national economy and social structure, including periodically imposing various controls, the effects of which have been to restrict the ability of both domestic and foreign companies to operate freely. Although Silvercorp believes that the current conditions in Bolivia are relatively stable and conducive to conducting business, New Pacific's current and future mineral exploration and mining activities in Bolivia are exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, political and labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange and repatriation, changing political conditions, currency controls, and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Given the political instability and social unrest in Bolivia following the general elections held on October 20, 2019, 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 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's business.

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.

ITEM 5 MINERAL PROPERTIES

The Company has interests in mineral properties located in China. As at March 31, 2020, these properties were carried on the Company's consolidated statements of financial position as assets with a book value of approximately $224.6 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, 2020: (a) the Ying Mining District, Henan Province, China (the "**Ying Property**"); and (b) the GC Mine located in Guangdong Province, China.

5.1 Ying Mining District, Henan Province, China

Current Technical Report

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

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

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

Project Description, Location and Access

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

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

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

The Ying Property is now covered by four major contiguous mining licenses. The total area of the four mining licenses is 68.74 sq km. Table 1 lists their names, license numbers, areas and expiry dates. 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	19.83	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	22.916	26 Feb 2021 **
Dongcaogou Gold-silver Mine	none	C4100002015064210138848	19.772	15 June 2025
Total			**68.74**	

Notes:

* Ying Report states 29 April 2019. Mining license for HPG extended since Ying Report date.

** Ying Report states 7 June 2018. Mining license for TLP, LME and LMW extended since Ying Report date.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

History

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

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

Geological Setting, Mineralization and Deposit Types

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

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

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

The dominant structures in the Qinling orogenic belt are west-northwest trending folds and faults generated during the collision of the two major tectonic plates in Paleozoic time. The faults consist of numerous thrusts having a component of oblique movement with sets of conjugate shear structures trending either northwest or northeast. These conjugate shear zones, which display features of brittle fracturing such as fault gouge, brecciation and well-defined slickensides, are associated with all the important mineralization recognized along the 300 km-long orogenic belt

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

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

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

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

Exploration

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

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

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

Drilling

Prior to Silvercorp obtaining the rights to the SGX mine in 2004, there was little drilling work completed on the Ying Property. Drilling programs conducted by previous operators include a 10,736 m surface drilling program in the TLP-

LM area by the No. 6 Nonferrous Geological Exploration Team from 1991 to 1994 and a test drilling program of two holes in the SGX area by the Henan Nonferrous Geological Exploration Bureau in 2003.

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

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

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

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

Table 2 Brief summary of the 2013-2016 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	371	182	532	1.23	768 - (-71)
HZG	52	13	550	0.68	899 - 361
HPG	148	103	364	0.83	826 - (-56)
TLP	134	115	367	0.96	956 - (-82)
LME	82	68	499	0.91	958 - 276
LMW	109	79	413	1.02	951 - 433

Sampling and Analysis, and Data Verification

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

Core Samples

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

Chip / Channel Samples

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

Sampling, Analysis and Data Verification

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

- The Analytical Laboratory of Henan Nonferrous Exploration Institute (Zhengzhou Nonferrous Laboratory) in Zhengzhou, Henan Province, [1]
- The Chengde Huakan 514 Geology and Mineral Testing and Research Institute (Chengde Laboratory) in Chengde, Hebei Province,
- The Analytical Laboratory of the Inner Mongolia Geological Exploration Bureau (Inner Mongolia Laboratory) in Hohhot, Inner Mongolia.

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

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

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

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

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

Mineral Processing and Metallurgical Testing

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

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

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

[1] Name change from the Ying Report.

Mineral Resource and Mineral Reserve Estimates

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

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

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

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

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

The total estimated Mineral Resources for the SGX, HZG, HPG, TLP, and LME and LMW mines, respectively, reported by category, are summarized in the following Table 3.

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

Table 3 Mineral Resources of the Ying Property as of June 30, 2016

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

Notes:
Measured and Indicated Mineral Resources are inclusive of Mineral Resources from which Mineral Reserves are estimated Metal prices: gold US$1250/troy oz, silver US$19/troy oz, lead US$0.90/lb, zinc US$1.00/lb Exchange rate: RMB 6.50 : US$1.00 Veins factored to minimum extraction width of 0.3 m
Cut-off grades: SGX 140 g/t AgEq; HZG 125 g/t AgEq; HPG 125 g/t AgEq; LME 125 g/t AgEq; LMW 130 g/t AgEq TLP 120 g/t AgEq Silver equivalent formulas by mine:

SGX=33.1895*Pb%+23.4590*Zn%+Ag g/t;
HZG=31.8736*Pb%+Ag g/t;
HPG=33.9925*Pb%+18.3181*Zn%+55.4773*Au g/t+Ag g/t;
LME=34.0436*Pb%+Ag g/t;
TLP=34.1401*Pb%+Ag g/t;
LMW=34.6856*Pb%+Ag g/t;

Exclusive of mine production to 30 June 2016
Rounding of some figures may lead to minor discrepancies in totals

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

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

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

Mineral Reserve Estimate

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

Cut-off Grades

Mineral Reserves have been estimated using breakeven cut-off values for shrinkage and resuing at each site as appropriate. The cut-off grade basis is summarized below and in Table 4.

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

Table 4 Mineral Reserve Cut-off Grades and Key Estimation Parameters

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

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

Lower cut-off grade values have been used for vein development operations where, effectively, the cost of this development is sunk and the value of the material mined has only to bear the cost of hauling, milling, G&A, selling and tax. These values are shown in Table 5.

Table 5 Vein development cut-off grades

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

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

Dilution

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

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

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

Table 6 summarizes average dilution from the Mineral Reserve calculations for each of the Ying mines. There is a significant reduction in estimated dilution for Mineral Reserves compared to the most recent Technical Report. AMC considers that the current dilution estimation is reasonable considering the enhanced focus on mining process control and the recently observed results from those efforts.

Table 6 Average dilution by mine and method

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

Mining Recovery Factors

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

Mineral Reserve Estimate

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

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

Table 7 summarizes the Mineral Reserve estimates for each Ying mine and for the Ying operation as a whole. 38% of the Mineral Reserve tonnage is categorized as Proven and 62% is categorized as Probable.

Table 7 Ying Mines Mineral Reserve Estimates at June 30, 2016

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

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

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

Table 8 below summarizes the total tonnage mined and total metals produced from the Ying Projects as a whole between June 30, 2016 the date of the latest Mineral Reserve report and March 31, 2020:

Table 8 Tonnage mined and metal produced since Ying Report date

	Production, year ended March 31, 2020	Production, year ended March 31, 2019	Production, year ended March 31, 2018	Production, nine months ended March 31, 2017	Total Production since latest Mineral Reserve report (June 30, 2016)
Ore Mined (Mt)	0.60	0.62	0.61	0.46	2.29
Silver Produced (Moz)	5.59	5.75	5.44	4.44	21.22
Gold Produced (oz)	3,314	3,535	3,069	2,387	12,305
Lead Produced (t)	25,598	25,324	25,029	22,025	97,976
Zinc Produced (t)	3,328	2,927	2,783	1,828	10,866

Note: Table 8 and the immediately preceding text that references it are subsequent to and do not form part of the Ying Report.

Mineral Reserves Sensitivity to Cut-off Grade

AMC has tested the sensitivity of the Ying Mineral Reserves to variation in cut-off grade by applying a 20% increase in COG to Mineral Reserves at each of the Ying mines. The approximate percentage differences in contained AgEq ounces for each of the Ying mines and for the property as a whole are shown in Table 9:

Table 9 Estimated Reduction in Contained AgEq Oz in Mineral Reserves for COG increase of 20%

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

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

Conversion of Mineral Resources to Reserves

Table 10 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 10 Resources and Reserves Comparison

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

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

*Numbers may not compute exactly due to rounding.

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

Reconciliation

Table 11 shows Ying Mineral Reserves as of mid-2013 (previous Technical Report) and as of mid-2016 (this Technical Report). The 2016 data is exclusive of ore mined since mid-2013.

Table 11 Mineral Reserves mid-2013 and mid-2016

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

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

Some significant aspects of the comparison are:

- 3% decrease in total Ying Mineral Reserve tonnage.

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

Mining Operations

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

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

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

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

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

Processing and Recovery Operations

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

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

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

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

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

Infrastructure, Permitting and Compliance Activities

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

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

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

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

Capital and Operating Costs

Summary of Capital Costs

The principal capital requirement in the Ying district is for mine development. Capital provision is also made for exploration drilling and for sustaining surface facilities and equipment in general. Specific processing plant capital requirements going forward are projected to be minimal as plant capacity has already been expanded to meet the forecast mine production. Projected LOM mining capital costs are summarized by mine in Table 12.

Table 12 Total projected LOM capital cost - Ying Property

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

Summary of Operating Costs

Operating costs are summarized by mine in Table 13. AMC considers these costs to be reasonable for the methods and technology used and the scale of the operations

Table 13 Operating Cost Summary (2016 US$)

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

Note: 1 US$ = 6.9 RMB

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

Smelter Contracts

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

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

The key elements of the smelter contracts are subject to change based on market conditions when the contracts are renewed each month. Table 14 shows terms most commonly applied.

Table 14 Key Elements of Smelter Contracts

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

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

Economic analysis

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

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

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

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

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

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

Annual Production Schedule

The LOM ore production schedule by mine is shown in Table 15.

Table 15 Ying Property LOM Production Schedule

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

Exploration and Development

AMC recommends that Silvercorp continue exploration 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:

SGX

Exploration Tunnelling:

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

Diamond Drilling:

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

HZG

Exploration Tunnelling:

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

Exploration Drilling:

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

HPG

Exploration Tunnelling:

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

Underground Drilling:

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

LMW

Exploration Tunnelling:

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

Diamond Drilling:

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

LME

Exploration Tunnelling:

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

Diamond Drilling:

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

TLP

Exploration Tunnelling:

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

Diamond Drilling:

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

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

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

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

This section uses the terms "Measured Resources" and "Indicated Resources". We advise U.S. investors that these terms are not recognized by the SEC's Guide 7. 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 - Information Concerning Preparation of Mineral Resource and Mineral Reserve Estimates".

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

This section uses the terms "Inferred Resources". We advise U.S. investors that this term is not recognized by the SEC's Guide 7. The estimation of Inferred Resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources. U.S. investors are cautioned not to assume that estimates of Inferred Mineral Resources exist, are economically minable, or will be upgraded into Measured Resources or Indicated Mineral Resources. See "Cautionary Note to U.S. Investors - Information Concerning Preparation of Mineral Resource and Mineral Reserve Estimates".

5.2 GC Mine

Current Technical Report

Except as otherwise stated, the information in this section is based on the technical report titled " *NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*" (the "**GC Report**") effective June 30, 2019 prepared by AMC Mining Consultants (Canada) Ltd. with authors Dinara Nussipakynova, P.Geo., Herbert A. Smith, P.Eng., Alan Riles, MAIG, and Patrick R. Stephenson, P.Geo. Two of the authors, Ms Nussipakynova and Mr Smith, visited the GC property in January 2018. All authors of the GC Report qualify as Independent Qualified Persons.

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

Project Description, Location and Access

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 almost 14 million residents, as of December 2016. 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 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, GC Mine is subject to Mineral Resources taxes, levied at 3% of sales. This tax together with other government fees totals around 5% of net revenue. AMC is not aware of any additional royalties, back-in rights, payments, agreements, environmental liabilities, or encumbrances particular to the property other than those stated above.

History

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 2019 Technical Report.

Prior to this current report, four resource estimates for the GC project have been reported since 2008:

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

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

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

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

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

Alteration minerals associated 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.

More than 52 km of underground tunnelling and sampling at the Property was carried out between 2012 and 2018. These programs comprised 33,297 m of drifting along mineralized structures, 10,147 m of crosscutting across mineralized structures, and 8,833 m of raises. Drifts and crosscuts were developed at 40 m intervals vertically to increase geological confidence in the Mineral Resource.

A total of 6,314 channel / chip samples were collected from the mine areas during 2018, with samples being assayed for Ag, Pb, and Zn. Prior to 2018, 44,166 channel / chip samples had been collected.

Drilling

Silvercorp completed its first phase of diamond drilling on the GC property in 2008. Systematic drilling commenced on the property in 2011 and continued through into 2018. 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 41.67% and 99.96% averaging 96.85%. AMC 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 Guangdong Found 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 1.5 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 Gaocheng site to an ALS Laboratory in Guangzhou between 2008 and 2014 and for part of 2018. Commencing in 2012 Silvercorp shipped samples to the Gaocheng onsite laboratory in addition to ALS. Gaocheng was the primary laboratory from 2014 to 2017. In 2018, ALS was the primary laboratory at the beginning of the year, but Silvercorp reverted to the Gaocheng lab later in the year. The Gaocheng onsite laboratory is owned and operated by Silvercorp. It is not certified by any standards association.

All data for the Gaocheng Project is stored within a central Microsoft Access Database, which is managed by two designated database administrators. Drillhole data is collected in Microsoft Excel and imported into the Access database. Underground mapping is recorded on grid paper and in Excel and then imported into Access or Micromine 3D software.

Silvercorp has routinely inserted Certified Reference Materials (CRMs) since 2011. Blank (uncrushed) samples and coarse duplicates have been inserted since 2012 (drilling) and 2014 (underground sampling). Umpire samples (pulp duplicates) have been sent to a different laboratory since 2011.

The CRM insertion rate for drillhole sample batches has been in the range of 3 - 4% in the last five years, and for underground chip sample batches has been in the range of 2 - 4%. AMC understands that CRM performance at Gaocheng has not, to date, been monitored on a batch by batch basis, and Silvercorp was unable to provide AMC with control charts compiled at the time of assaying. Subject to certain caveats, CRM results have generally confirmed the reasonable analytical accuracy of the laboratories used.

Data verification was carried out by the QP with 8% of the samples being verified in the database. Of the 14,023 samples contained within the vein domains, 1,151 samples were verified, 12 errors were found, and 18 assay certificates not located. The six errors noted out of 557 samples checked in 2018 represent error rate of 1%.

The QP has highlighted some issues for improvement in the Quality Assurance/Quality Control process and has provided a series of recommendations in that regard. The QP does not consider these issues to have a material impact on Mineral Resource estimates and considers the assay database to be acceptable for Mineral Resource estimation.

Mineral Processing and Metallurgical Testing

Since the 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.

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

Since completion of commissioning, the plant has processed approximately the same amount of ore each year (approximately 260 ktpa).

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

Mineral Resource and Mineral Reserve Estimates

Mineral Resource Estimates

The Mineral Resources for the GC deposit have been prepared by Mr. 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, is satisfied that they comply with reasonable industry practice. Ms. Nussipakynova takes responsibility for these estimates.

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

The data used in the Mineral Resource estimation includes results of all drilling carried out on the Property to 31 December 2018. The estimation was carried out in Micromine" software. Interpolation was carried out using inverse distance cubed (ID3) for all the veins.

Table 16 Summary of Mineral Resources as of 31 December 2018

Resource classification	Tonnes (kt)	Ag (g/t)	Pb (%)	Zn (%)		Contained metal	
					Ag (koz)	**Pb (Mlbs)**	**Zn (Mlbs)**
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

Notes:

- CIM Definition standards (2014) were used for reporting the Mineral Resources
- Mineral Resources are reported at a cut-off grade of 100 g/t AgEq

- The 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.
- 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 110 veins, each of which has a separate block model. Approximately 22,660 m of channel samples and 34,160 m of core samples from 1,311 drillholes form the basis of the estimate. Capping is employed on the raw data and the composite length equals the vein thickness.

The parent block size for all veins was 2 m by 2 m by 2 m (x, y, z) with sub-cells employed. The sub-celling resulted in minimum cell dimensions of 0.4 m by 0.4 m by 0.4 m (x, y, z). AMC imported all 110 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 inverse distanced cubed (ID ^{3}) method. Mining depletion and write-offs based on survey information to 31 December 2018 were coded into the block models by Silvercorp.

Mineral Resources are classified as Measured, Indicated, and Inferred. AMC reviewed the classification of each vein and requested changes when the classification needed to be modified to form potentially mineable shapes.

The block models were validated by AMC 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 2018 Mineral Resource estimate and the 2019 Mineral Resource estimate:

- Measured and Indicated tonnes have increased by 42%. The Inferred resource decreased by 3%.
- In the Measured category silver grade decreased by 5% and lead and zinc grades increased by 3% and 4% respectively.
- In the Indicated category silver grades decreased by 16%, lead and zinc grades decreased by 16% and 6% respectively.
- In the Inferred category the grades decreased for silver, lead, and zinc by 15%, 13%, and 6% respectively.
- The net result in the Measured category has been a significant increase in contained metals: silver by 17% and lead and zinc by approximately 28% and 26% respectively.
- The net result in the Indicated category has been an increase in contained silver metal of 31%, with lead and zinc contained metals increased by 29% and 46% respectively.
- The net result in the Inferred category has been a decrease in contained silver of 18%, a lead metal decrease of 15% and a zinc metal decrease of 9%.

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

- Updated interpretation of the veins.
- Discovery of new veins.
- Conversion of Inferred resources to a higher classification.

- Depletion through mining.

Mineral Reserve Estimates

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

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

The Mineral Reserve estimation is based on the assumption that 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 dilution of 0.20 m total for shrinkage and 0.10 m for resuing cut and fill stopes are assumed. Full breakeven cut-off grades used are 200 g/t AgEq for shrinkage and 245 g/t AgEq for resuing.

Table 17 summarizes the Mineral Reserves estimate for the Gaocheng mine. 49% of the Mineral Reserve tonnage is categorized as Proven and 51% is categorized as Probable.

Table 17 Gaocheng mine Mineral Reserves estimate at 31 December 2018

Reserve classification	Tonnes (kt)	Ag (g/t)	Pb (%)	Zn (%)	Contained metal		
					Ag (koz)	Pb (Mlbs)	Zn (Mlbs)
Proven	1,865	94	1.6	3.5	5,611	65	142
Probable	1,955	96	1.4	3.0	6,064	60	129
Proven and Probable	3,820	95	1.5	3.2	11,675	125	271

Notes to Mineral Reserve Statement:

- Full breakeven cut-off grades: Shrinkage = 200 g/t AgEq: Resuing = 245 g/t AgEq.
- Marginal material cut-off grade: Shrinkage = 160 g/t AgEq; Resuing = 205 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 95% for resuing and 92% for shrinkage.
- Metal prices: Silver US$18/troy oz, lead US$1.00/lb, zinc US$1.25/lb, with respective payables of 85%, 90%, and 70%.
- Processing recovery factors: Ag - 77%, Pb - 88%, Zn - 84%.
- Effective date 31 December 2018.
- Exchange rate assumed is RMB6.50:US$1.00.
- Rounding of some figures may lead to minor discrepancies in totals.

Since the start of mining operations through to the end of 2018, a total of 1,251,000 tonnes has been milled from pre-and post-commercial production mined at Gaocheng, with average head grades of 96 g/t silver, 1.5% lead, and 2.7% zinc. The comparison of the head grades to date with the current Mineral Reserve estimates shows a reduction in silver grade of 1%, a reduction in lead grade of 1%, and an increase in zinc grade of 18% in the Mineral Reserves.

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

Relative to the Mineral Reserve estimates in the previous Technical Report (2018 Technical Report), there is a 10% increase in Proven Mineral Reserve tonnes and a 4% increase in Probable Mineral Reserve tonnes, with an increase in Mineral Reserve total tonnes of 7% (256,000 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

Mine operations are conducted 365 days of the year but mine production is currently scheduled on the basis of 330 days per year at around 800 tons per day (tpd) for approximately 264 ktpa. An increase to a steady state rate from 2023 to 2030 averaging around 330 ktpa is planned. The remaining production life for current reserves is estimated to be 12 years.

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

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

Mining Methods

Shrinkage stoping and resue stoping are the methods employed.

To support AMC's understanding of the Silvercorp application of stoping methods and also their suitability for the GC Mine environment, AMC previously observed the application of these stoping methods at Silvercorp's Ying mine operation during May 2016. AMC 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. AMC considers the methods employed to be appropriate for the GC Mine environment.

Mine Development

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

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

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

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

The Main Ramp (portal elevation +176 mRL, bottom elevation reached -80 mRL) is used for transportation of ore, waste rock, equipment and materials, personnel, and for intake airflow for -500 mRL and above levels.

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

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

Market Studies and Contracts

AMC understands that the Gaocheng concentrates are marketed to existing smelter customers in Henan province in China and appropriate terms have been negotiated for 2019.

AMC 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. AMC also notes the Silvercorp concentrate selling arrangements whereby:

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

Smelter and Concentrate Sales Contracts

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

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

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

The key elements of the contracts are summarized in Table 18.

Table 18 Key elements of 2019 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	2,100	>3000	91	>=45	6,500	6,500 + (price - 15,000)*20%	>=300	RMB1.0
	45 - 50	2,250	2500 - 3000	90	40 - 45	6,500+50 per % lower than 45%	6,500 + (price - 15,000)*20% _+ 50 per % lower than 45%	150-300	RMB0.8
	40 - 45	2,400	2000 - 2500	89	35 - 40	4,300+100 per % lower than 40%	4,300 + (price - 15,000)*20% + 100 per % lower than 40%		
	35 - 45	2900	1500 - 2000	88					
			1000 - 1500	87					

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

At the time of the 2012 Technical Report, silver was seen as the likely major contributor to ore value at Gaocheng. Silver prices have remained at reasonable levels but improved zinc prices in recent years have elevated the importance of that metal to the Gaocheng operation. At potential long-term metal prices of $1.25/lb for zinc, $18/oz for silver and $1/lb for lead, approximately 46% of estimated net total revenue is attributed to zinc, 31% to silver, and 23% 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 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 (with approximately 1.2 Mm^3 or 2.3 million tons (Mt) void capacity) but this is not in the current mine plan.

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

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 2017, a total volume of 468,630 m^3 of underground water was treated, including 268,844 m^3 discharged and 199,786 m^3 recycled.

There is a comprehensive repair workshop on surface for the maintenance of large-scale production equipment, vehicle repair, processing and repair of partial components, and the processing of emergency parts. It has the following services: tyre processing, maintenance, and servicing, welding, electrical, hydraulic, tools, parts, and materials warehouse. In addition, the mining contractor has its own mobile equipment surface workshop for repairs and servicing located adjacent to the Ramp portal.

There are also underground equipment workshop facilities that are composed of mining equipment maintenance workshop, equipment and spare parts store, dump oil depot, reserve electric locomotives, and tramcars maintenance workshop and stockpile yard.

The explosives warehouse was constructed 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

FY2020 budget is based on mining 271,500 tonnes of ore (milling 272,000), of which 78% would be by shrinkage and 22% by resuing. Other major operational requirements budgeted are waste development at 5,348 m, exploration tunnelling at 12,129 m, and drilling at 20,000 m. Sustaining development of 715 m is also budgeted.

All major infrastructure for operation of the Gaocheng mine is in place, including that for the potential production rate increase to 1,600 tons per day (tpd). FY2020 non-sustaining capital for further main ramp development and a backfill plant is budgeted at $3,538,000. FY2020 sustaining capital is budgeted at $1,662,000, which equates to $6.12 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 budgeted operating costs are for milling, general and administrative items, and government fee, Mineral Resources tax, and other taxes. The operating cost breakdown for the FY2020 budget is as follows: mining - $40.94/tonne, milling - $15.33/tonne, G&A - $6.76/tonne, Mineral Resources tax, etc. - $5.13/tonne, for a total budget operating cost of $68.17/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 five years. From FY2020 onwards, a 12-year LOM is envisaged for the resource as currently understood at an average annual production rate of 300,000 tonnes. Average silver equivalent grades are projected to be of the order of 334 g/t for the first six years and then 271 g/t for the remainder of the mine life.

A base case NPV at 8% discount rate of $107M (pre-tax), $80M (post-tax) is projected for the 12-year LOM.

Exploration and Development

As per recommendations made in the GC Report, the Company plans to continue exploration tunneling and diamond drilling at Gaocheng. 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 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 are not recognized by the SEC's Guide 7. 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 - Information Concerning Preparation of Mineral Resource and Mineral Reserve Estimates".

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

This section uses the terms "Inferred Resources". We advise U.S. investors that this term is not recognized by the SEC's Guide 7. The estimation of inferred resources involves far greater uncertainty as to their existence and economic viability than the estimation of other categories of resources. U.S. investors are cautioned not to assume that estimates of Inferred Mineral Resources exist, are economically minable, or will be upgraded into Measured Resources or Indicated Mineral Resources. See "Cautionary Note to U.S. Investors - Information Concerning Preparation of Mineral Resource and Mineral Reserve Estimates".

ITEM 6 DIVIDENDS AND DISTRIBUTIONS

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

Fiscal Year ended March 31,	Dividends Declared per share	Total Dividends Paid per share
2008	CAD$0.05	CAD$0.05
2009	CAD $0.08	CAD$0.08
2010	CAD $0.08	CAD$0.08
2011	CAD $0.08	CAD $0.08
2012	CAD $0.10	CAD $0.10
2013	CAD $0.10	CAD $0.10
2014	CAD $0.02	CAD $0.02
2015	CAD $0.02	CAD $0.02
2016	N/A	N/A
2017	$0.01	$0.01
2018	$0.02	$0.02
2019	$0.025	$0.025
2020	$0.025	$0.025

On May 28, 2018, the Board announced an increase in dividend payments, declaring 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 (the " **Common Shares**"), of which 174,285,715 Common Shares were issued and outstanding as of June 22, 2020. A further 2,584,500 Common Shares have been reserved for issuance upon the due and proper exercise of certain incentive options ("**Options**") and 1,371,251 restricted share units (" **RSUs**") outstanding as of June 22, 2020.

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 66 2/3% 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 22, 2020, the Company has: stock options outstanding to purchase 2,584,500 Common Shares at exercise prices ranging from CAD$2.60 to CAD$5.46 per share and with terms of between three and five years, with the last options expiring on May 26, 2025; and 1,371,251 RSUs outstanding.

ITEM 8 MARKET FOR SECURITIES

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

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

Date	High	Low	Close	Volume
March 2020	6.53	2.12	4.61	32,897,043
February 2020	6.94	4.1	4.27	16,034,730
January 2020	7.50	6.6	6.89	11,339,986
December 2019	7.69	6.61	7.33	14,256,858
November 2019	6.80	5.21	6.74	10,231,150
October 2019	5.56	4.86	5.49	10,699,767
September 2019	6.14	5.07	5.14	21,700,022
August 2019	6.15	3.89	5.69	15,238,971
July 2019	4.33	3.08	4.06	9,753,954
June 2019	3.46	2.86	3.24	5,402,257
May 2019	3.04	2.71	2.96	4,667,228
April 2019	3.45	2.91	3.01	3,701,225

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

Date	High	Low	Close	Volume
March 2020	4.64	1.50	3.35	2,688,600
February 2020	5.26	2.95	3.25	1,817,789
January 2020	5.85	5.00	5.20	1,330,314
December 2019	5.93	4.96	5.67	2,533,648
November 2019	5.12	3.94	5.12	1,092,195
October 2019	4.26	3.68	4.17	980,287
September 2019	4.64	3.82	3.89	1,745,875
August 2019	4.66	2.89	4.29	1,571,636
July 2019	3.30	2.35	3.07	636,059
June 2019	2.63	2.13	2.46	352,310
May 2019	2.27	2.00	2.18	224,359
April 2019	2.59	2.16	2.24	284,976

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 22, 2020.

Name and Municipality of Residence[1]	Current Positions and Offices Held	Principal Occupations During the Last Five Years[1]	Date of Appointment as a Director or Officer	Common Shares Beneficially Owned[4]
Rui Feng Beijing, China	Chairman, Chief Executive Officer, and Director	Chairman of Silvercorp from September 2003 to present. CEO of New Pacific Metals Corp. from May 2010 to April 2020 and Director of New Pacific Metals Corp. since May 2004.	September 4, 2003	5,608,000
David Kong[2][3] Vancouver, BC, Canada	Director	Partner at Ernst & Young LLP from 2005 to 2010. Director of New Pacific Metals Corp., Uranium Energy Corp., and Gold Mining Inc.	November 24, 2011	117,500
S. Paul Simpson[2][3] Vancouver, BC, Canada	Director	Solicitor at Armstrong Simpson, Barristers & Solicitors.	June 24, 2003	927,384
Yikang Liu[3] Beijing, China	Director	Past Deputy Secretary General of China Mining Association.	July 24, 2006	88,000
Marina Katusa[2] Vancouver, BC Canada	Director	President/CEO of Canita Consulting Corporation 2010 to present. Member of the Board of Directors of Family Services of Greater Vancouver from 2016 to present. Director Corporate Development and Strategy, GCT Global Container Terminals Inc. from 2013 to 2017. Vice President Corporate Development, Exeter Resource Corporation from 2012 to 2013.	September 29, 2017	17,500
Derek Liu Burnaby , BC Canada	Chief Financial Officer	Chief Financial Officer at Silver Elephant Mining Corp. (formerly, Prophecy Development Corp.) and Canickel Mining Ltd.	February 6, 2015	35,000
Yong-Jae Kim Vancouver, BC, Canada	General Counsel and Corporate Secretary	Lawyer at Gowling WLG (Canada) LLP from 2010 to 2018	October 1, 2018	6,563
Lon Shaver Surrey, BC Canada	Vice President	Senior Vice President (from 2011 to 2016) and Vice President (from 2005 to 2011), Investment Banking, Equity Capital Markets at Raymond James	October 1, 2018	12,875
Total				**6,812,822**

Notes:

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

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

All of the directors and officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control over 6,812,822 Common Shares representing approximately 3.9% of Common Shares issued and outstanding as of June 22, 2020.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

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

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

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

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

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

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

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

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

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

Conflicts of Interest

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

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

ITEM 11 AUDIT COMMITTEE

Audit Committee Charter

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

Composition of the Audit Committee

The current members of the Audit Committee are David Kong, Marina Katusa, and Paul Simpson, all of whom are considered independent and financially literate, pursuant to National Instrument 52-110 *Audit Committees* ("**NI 52-110**"). The Audit Committee will be re-constituted after the 2020 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 ten years of business experience in areas including mineral exploration, research analysis, strategic planning, and corporate development. She earned a Masters of Business Administration (MBA) degree and a Bachelor of Science (BSc) degree in Geology/Earth & Ocean Science from the University of British Columbia.

Paul Simpson, Director

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

Reliance on Certain Exemptions

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

Audit Committee Oversight

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

Pre-Approval Policies and Procedures

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

External Auditor Services Fees

The Company's independent registered public accounting firm for the years ended March 31, 2020 and 2019 was Deloitte LLP. The Audit Committee has reviewed the nature and amount of the services provided by the principal accountants to ensure auditor independence of independent registered public accounting firm. Fees (stated in Canadian dollars) paid or billed for audit and other services provided by Deloitte LLP in the last two fiscal years are outlined below:

Nature of Services	Year Ended March 31, 2020	Year Ended March 31, 2019
Audit Fees (1)	$920,000	$900,000
Audit-Related Fees (2)	Nil	Nil
Tax Fees (3)	Nil	$37,450
All Other Fees (4)	Nil	Nil
Total	$920,000	$937,450

Notes:

1. "Audit Fees" include the aggregate fees billed for each of the last two fiscal years for professional services of the principal accountant for the audit of the Company's annual financial statements and the audit of the Company's internal control over financial reporting for Fiscal 2020 and Fiscal 2019, 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, 2020 and 2019, fees of $130,000 and $125,000, 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 in each of the last two fiscal years for assurance and related services by the principal accountant that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under above note (1).
3. "Tax Fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the principal accountant for tax compliance, tax advice, and tax planning.
4. "All Other Fees" include the aggregate fees billed in each of the last two fiscal years for services provided by the principal accountant, other than the services reported in the above items.

ITEM 12 PROMOTERS

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

ITEM 13 LEGAL PROCEEDINGS AND REGULATORY ACTIONS

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 2020.

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, 2020, or before the most recently completed financial year but are still in effect as of the date of this AIF.

ITEM 17 INTERESTS OF EXPERTS

Names of Experts

Ying Report

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

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

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

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

Note: Mr. Muller no longer works for AMC. Accordingly, the Company is no longer relying upon the work of Mr. Muller. AMC should now be regarded as the expert with respect to the portions of the Ying Report previously attributed to Mr. Muller.

GC Report

AMC Mining Consultants (Canada) Ltd. ("AMC") was commissioned by Silvercorp Metals Inc. (Silvercorp) to prepare an independent technical report titled " *NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*" (the "**GC Report**") effective June 30, 2019 on the Gaocheng (GC) property, located in Gaocun Township, Yun'an County, Guangdong Province, China. Persons who prepared, or contributed to, the GC Report are set out as follows:

Qualified Persons responsible for the preparation of this Technical Report						
Qualified Person	**Position**	**Employer**	**Independent of Silvercorp?**	**Date of last site visit**	**Professional designation**	**Sections of Report**
Ms D. Nussipakynova	Principal Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	January 2018	P.Geo.	12, 14, Part of 1, 25, and 26
Mr H. Smith	Senior Principal Mining Engineer	AMC Mining Consultants (Canada) Ltd.	Yes	January 2018	B.Sc., M.Sc., P.Eng.	2 to 6, 15, 16, 18 to 22, 24, 27, Part of 1, 25, and 26
Mr A. Riles	Associate Principal Metallurgical Consultant	AMC Mining Consultants (Canada) Ltd.	Yes	May 2011	B.Met. (Hons) Grad Dipl Business Management, M. Econ. Geol, MAIG (QP)	13, 17, Part of 1, 25, and 26
Mr P. Stephenson	Associate Principal Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	No visit	P.Geo., B.Sc., FAusIMM (CP), MAIG, MCIM	7 to 11, 23, Part of 1, 25, and 26
Other persons who assisted the Qualified Persons in the preparation of this report						
Expert	**Position**	**Employer**	**Independent of Silvercorp**	**Visited site**		**Sections of Report**
Dr A. Ross	Geology Manager / Principal Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	No visit		7 to 12, 14 and 23
Mr S. Robinson	Senior Geologist	AMC Mining Consultants (Canada) Ltd.	Yes	No visit		7 to 11, 23
Mr Leon Ma	Senior Resources Geologist	Silvercorp Metals Inc.	No	January 2018		1 to 11
Mr Derek Liu	Chief Financial Officer	Silvercorp Metals Inc.	No	2015		15, 21
Mr V. Zang	Senior Mining Engineer	Silvercorp Metals Inc.	No	April 2019		16, 18

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.



SILVERCORP METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended March 31, 2020
(Expressed in thousands of US dollars, except per share figures or otherwise stated)

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This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the significant factors that have affected Silvercorp Metals Inc. and its subsidiaries' ("Silvercorp" or the "Company") performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2020 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 of the audited consolidated financial statements for the year ended March 31, 2020. This MD&A refers to various alternative performance (non-IFRS) measures, such as total and cash cost per ounce of silver, net of by-product credits, all-in & all-in sustaining cost per ounce of silver, net of by-product credits, cash flow from operations per share, production cost per tonne, all-in sustaining production costs per tonne, adjusted net income and adjusted earnings per share. 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 13, "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 20, 2020 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 profitable Canadian mining company currently producing silver, gold, lead, and zinc metals in concentrates from mines in China. The Company's goal is to continuously create healthy returns to shareholders through efficient management, organic growth and the acquisition of profitable projects. Silvercorp balances profitability, social and environmental relationships, employees' wellbeing, and sustainable development. 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.

2. Fiscal Year 2020 Highlights

Silvercorp's operations in China are usually suspended for two weeks for the Chinese New Year holiday. During the 2020 holiday season , the operations in China were shut down for an extra month due to the COVID-19 situation in China at that time, as the Company reported in the news released on January 29, February 18, and March 12, 2020. The operations were ramped up to full capacity in March 2020 with no employee infection and are in full 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 achieve its full year production surpassing its guidance for the fiscal year ended March 31, 2020 ("Fiscal 2020"). The operational results of Fiscal 2020 are highlighted below:

- Silver, lead and zinc production surpassed annual guidance by 3%, 3% and 17%;
- Ore mined down 2% to 885,830 tonnes compared to the prior year;
- Sold approximately 6.3 million ounces of silver, 3,300 ounces of gold, 65.3 million pounds of lead, and 25.4 million pounds of zinc, representing a decrease of 2% and 6% in silver and gold sold and an increase of 1% and 12% in lead and zinc sold compared to the prior year;
- Revenue of $158.8 million, down 7% compared to $170.5 million in the prior year;
- Net income attributable to equity shareholders of $34.3 million, or $0.20 per share compared to $39.7 million, or $0.23 per share in the prior year. Excluding the impairment reversal of $9.2 million recorded in Fiscal 2019, the net income to equity shareholders in Fiscal 2020 was up 6%

compared to the adjusted net income to equity shareholders [1] of $32.2 million, or $0.19 per share, in the prior year. In Fiscal 2020, the Company's consolidated financial results were impacted by, among others, operations in China being suspended for an extra month in Q4 Fiscal 2020 due to COVID-19;

- Cash cost per ounce of silver [1], net of by-product credits, of negative $1.91 compared to negative $4.29 in the prior year;
- All-in sustaining cost per ounce of silver [1], net of by-product credits, of $6.86, compared to $3.52 in the prior year;
- Cash flow from operations of $77.2 million, up 10% compared to $70.4 million in the prior year;
- Paid $4.3 million of dividends to the Company's shareholders, compared to $4.2 million in the prior year;
- Invested $7.0 million in New Pacific Metals Corp. ("NUAG") to maintain the Company's ownership interest at 28.8%; and
- Strong balance sheet with 142.5 million in cash and cash equivalents and short-term investments, an increase of $27.2 million or 24% compared to $115.3 million as at March 31, 2019.

3. Fourth Quarter of Fiscal Year 2020 Highlights

- Ore mined down 34% to 106,595 tonnes compared to the prior year quarter;
- Sold approximately 0.8 million ounces of silver, 500 ounces of gold, 9.7 million pounds of lead, and 3.1 million pounds of zinc, down 39%, 29%, 24%, and 58% respectively, compared to approximately 1.3 million ounces of silver, 700 ounces of gold, 12.7 million pounds of lead, and 7.3 million pounds of zinc in the prior year quarter.
- Revenue of $18.9 million, down 46% compared to $35.0 million in the prior year quarter;
- Net income attributable to equity shareholders of $3.2 million, or $0.02 per share, compared to the adjusted net income attributable to equity shareholders of $4.6 million or $0.03 per share, in the prior year quarter. In Q4 Fiscal 2020, the Company's consolidated financial results were impacted mainly by the decrease in metal prices and operations in China being suspended for an extra month due to COVID-19.
- Cash cost per ounce of silver, net of by-product credits, of negative $0.85 compared to negative $3.97 in the prior year quarter;
- All-in sustaining cost per ounce of silver, net of by-product credits, of $15.17, compared to $4.49 in the prior year quarter; and
- Cash flow from operations of $6.3 million, compared to $8.3 million in the prior year quarter.

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

4. Operating Performance

(a) Consolidated operating performance

The following table summarizes consolidated operational information for the three months and the year ended March 31, 2020 and 2019:

Consolidated	Three months ended March 31,			Year ended March 31,		
	2020	2019	Changes	2020	2019	Changes
Production Data						
Mine Data						
Ore Mined (tonne)	**106,595**	161,400	**-34%**	**885,830**	906,794	**-2%**
Ore Milled (tonne)	**102,431**	159,904	**-36%**	**892,215**	908,846	**-2%**
Head Grades						
Silver (gram/tonne)	**231**	250	**-8%**	**240**	240	**0%**
Lead (%)	**3.7**	3.6	**3%**	**3.7**	3.5	**6%**
Zinc (%)	**1.8**	1.7	**7%**	**1.7**	1.6	**5%**
Recovery Rates						
Silver (%)	**93.4**	93.6	**0%**	**93.5**	93.8	**0%**
Lead (%)	**94.8**	95.3	**0%**	**94.8**	94.9	**0%**
Zinc (%)	**80.3**	77.7	**3%**	**77.8**	72.8	**7%**
Cost Data						
+ Mining cost per tonne of ore mined ($)	**75.91**	80.22	**-5%**	**76.25**	74.98	**2%**
Cash mining cost per tonne of ore mined ($)	**53.26**	57.55	**-7%**	**54.90**	55.35	**-1%**
Depreciation and amortization charges per tonne of ore mined ($)	**22.65**	22.67	**0%**	**21.35**	19.63	**9%**
+ Unit shipping costs ($)	**2.57**	2.72	**-6%**	**2.65**	2.88	**-8%**
+ Milling costs per tonne of ore milled ($)	**15.67**	17.58	**-11%**	**13.17**	13.99	**-6%**
Cash milling costs per tonne of ore milled ($)	**13.10**	14.53	**-10%**	**11.36**	11.69	**-3%**
Depreciation and amortization charges per tonne of ore milled ($)	**2.57**	3.05	**-16%**	**1.81**	2.30	**-21%**
+ Cash production cost per tonne of ore processed ($)	**68.93**	74.80	**-8%**	**68.91**	69.92	**-1%**
+ All-in sustaining cost per tonne of ore processed ($)	**188.57**	138.01	**37%**	**125.29**	119.48	**5%**
+ Cash cost per ounce of Silver, net of by-product credits ($)	**(0.85)**	(3.97)	**79%**	**(1.91)**	(4.29)	**55%**
+ All-in sustaining cost per ounce of silver, net of by-product credits ($)	**15.17**	4.49	**238%**	**6.86**	3.52	**95%**
Concentrate inventory						
Lead concentrate (tonne)	**2,520**	3,248	**-22%**	**2,520**	3,248	**-22%**
Zinc concentrate (tonne)	**370**	368	**1%**	**370**	368	**1%**
Sales Data						
Metal Sales						
Silver (in thousands of ounces)	**800**	1,314	**-39%**	**6,257**	6,390	**-2%**
Gold (in thousands of ounces)	**0.5**	0.7	**-29%**	**3.3**	3.5	**-6%**
Lead (in thousands of pounds)	**9,654**	12,670	**-24%**	**65,344**	64,788	**1%**
Zinc (in thousands of pounds)	**3,059**	7,338	**-58%**	**25,401**	22,716	**12%**
Revenue						
Silver (in thousands of $)	**9,834**	16,732	**-41%**	**84,872**	80,654	**5%**
Gold (in thousands of $)	**625**	759	**-18%**	**3,911**	3,642	**7%**
Lead (in thousands of $)	**6,454**	11,420	**-43%**	**51,966**	64,111	**-19%**
Zinc (in thousands of $)	**1,546**	5,529	**-72%**	**15,780**	20,654	**-24%**
Other (in thousands of $)	**401**	512	**-22%**	**2,300**	1,458	**58%**
	18,860	34,952	**-46%**	**158,829**	170,519	**-7%**
Average Selling Price, Net of Value Added Tax and Smelter Charges						
Silver ($ per ounce)	**12.29**	12.73	**-3%**	**13.56**	12.62	**7%**
Gold ($ per ounce)	**1,250**	1,084	**15%**	**1,185**	1,041	**14%**
Lead ($ per pound)	**0.67**	0.90	**-26%**	**0.80**	0.99	**-19%**
Zinc ($ per pound)	**0.51**	0.75	**-32%**	**0.62**	0.91	**-32%**

+ Alternative performance (Non-IFRS) measures, see section 13 for reconciliation.

(i) Mine and Mill Production

In 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 Fiscal 2019. Ore milled in Fiscal 2020 was 892,215 tonnes, a decrease of 2% or 16,631 tonnes compared to 908,846 tonnes in Fiscal 2019.

In Q4 Fiscal 2020, the Company mined 106,595 tonnes of ore, a decrease of 34%, compared to 161,400 tonnes in the three months ended March 31, 2019 ("Q4 Fiscal 2019"). Ore milled in Q4 Fiscal 2020 was 102,431 tonnes, a decrease of 36% compared to 159,904 tonnes in Q4 Fiscal 2019.

The decrease in production was mainly due to an extra month's operational shutdown due to COVID-19 in Q4 Fiscal 2020 as discussed earlier. The operations were ramped up to full capacity in March 2020, and total ore mined in March 2020 was 75,199 tonnes, representing approximately 95% of full production in normal operations.

(ii) Metal Sales

In Fiscal 2020, the Company sold approximately 6.3 million ounces of silver, 3,300 ounces of gold, 65.3 million pounds of lead, and 25.4 million pounds of zinc, representing a decrease of 2% and 6% in silver and gold sold and an increase of 1% and 12% in lead and zinc sold, respectively, compared to 6.4 million ounces of silver, 3,500 ounces of gold, 64.8 million pounds of lead, and 22.7 million pounds of zinc in Fiscal 2019.

In Q4 Fiscal 2020, the Company sold approximately 0.8 million ounces of silver, 500 ounces of gold, 9.7 million pounds of lead, and 3.1 million pounds of zinc, down 39%, 29%, 24%, and 58%, respectively, compared to approximately 1.3 million ounces of silver, 700 ounces of gold, 12.7 million pounds of lead, and 7.3 million pounds of zinc in Q4 Fiscal 2019.

(iii) Per Tonne Production Costs[1]

In Fiscal 2020, the consolidated total mining cost and cash mining cost were $76.25 and $54.90 per tonne, up 2% and down 1%, respectively, compared to $74.98 and $55.35 per tonne, respectively, in Fiscal 2019. The decrease in the cash mining cost was mainly due to a decrease of 5% in mining preparation costs, offset by an increase of 3% in direct mining contractors' cost.

The consolidated total milling cost and cash milling cost were $13.17 and $11.36 per tonne, down 6% and 3%, respectively, compared to $13.99 and $11.69 per tonne, respectively, in Fiscal 2019. The improvement in the cash milling cost was mainly due to a decrease of 4% in utility costs and 6% in raw material costs.

The consolidated cash production cost per tonne of ore processed in Fiscal 2020 was $68.91, a decrease of 1% compared to $69.92 in Fiscal 2019 and 4% below the Company's annual guidance. The consolidated all-in sustaining production cost per tonne of ore processed was $125.29, an increase of 5% compared to $119.48 in Fiscal 2019, but in line with the Company's annual guidance.

In Q4 Fiscal 2020, the consolidated total mining cost and cash mining cost were $75.91 and $53.26 per tonne, down 5% and 7%, respectively, compared to $80.22 and $57.55 per tonne in Q4 Fiscal 2019. The consolidated total milling cost and cash milling cost in Q4 Fiscal 2020 were $15.67 and $13.10 per tonne, down 11% and 10%, respectively, compared to $17.58 and $14.53 per tonne in Q4 Fiscal 2019. The consolidated all-in sustaining production cost per tonne was $188.57, up 37%, compared to $138.01 in Q4 Fiscal 2019.The increase was mainly due to lower production resulting in higher per tonne fixed cost allocation. The all-in sustaining production cost in Q4 Fiscal 2020 was $19.6 million, a decrease of $2.6 million, compared to $22.2 million in Q4 Fiscal 2019.

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

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

In Fiscal 2020, the consolidated cash cost per ounce of silver, net of by-product credits, was negative $1.91, compared to negative $4.29 in the prior year. The increase was mainly due to a decrease of $15.9 million in by-product credits. The decrease in by-product credits was mainly due to a decrease of 19% and 32%, respectively, in net realized selling prices for lead and zinc, partially offset by an increase of 1% and 12% in lead and zinc sold. Sales from lead and zinc in Fiscal 2020 amounted to $67.7 million, a decrease of $17.1 million, compared to $84.8 million in Fiscal 2019.

In Q4 Fiscal 2020, the consolidated cash cost per ounce of silver, net of by-product credits, was negative $0.85, compared to negative $3.97 in Q4 Fiscal 2019. The increase was mainly due to a decrease of $9.2 million in by-product credits.

In Fiscal 2020, the consolidated all-in sustaining cost per ounce of silver, net of by-product credits, was $6.86, compared to $3.52 in Fiscal 2019. The increase was mainly due to the increase in the cash cost per ounce of silver as discussed above and an increase of $4.7 million in sustaining capital expenditures.

In Q4 Fiscal 2020, the consolidated all-in sustaining cost per ounce of silver, net of by-product credits, was $15.17, compared to $4.49 in Q4 Fiscal 2019. The increase was mainly due to i) a decrease of $9.2 million in by-product credits; ii) less silver sold resulting in a higher per ounce cost, and partially offset by iii) a decrease of $2.2 million in all-in sustaining production cost.

(v) Exploration and Development

In Fiscal 2020, on a consolidated basis, approximately 108,156 metres or $3.5 million worth of diamond drilling (Fiscal 2019 - 100,682 metres or $3.1 million) and 38,403 metres or $10.3 million worth of preparation tunnelling (Fiscal 2019 - 38,500 metres or $10.6 million) were completed and expensed as mining preparation costs. In addition, approximately 73,567 metres or $26.3 million worth of horizontal tunnels, raises, ramps and declines (Fiscal 2019 - 67,027 metres or $24.2 million) were completed and capitalized.

In Q4 Fiscal 2020, on a consolidated basis, approximately 14,612 metres or $0.5 million worth of diamond drilling (Q4 Fiscal 2019 - 8,947 metres or $0.6 million) and 2,163 metres or $0.7 million worth of preparation tunnelling (Q4 Fiscal 2019 - 6,427 metres or $1.9 million) were completed and expensed as mining preparation costs. In addition, approximately 9,830 metres or $4.3 million worth of horizontal tunnels, raises, ramps and declines (Q4 Fiscal 2019 - 10,992 metres or $4.2 million) were completed and capitalized.

(b) Individual Mine Performance

(i) ***Ying Mining District***

The following table summarize the operational information at the Ying Mining District for the three months and the year ended March 31, 2020 and 2019. The Ying Mining District is the Company's primary source of production, and consists of several mines, including the SGX, HPG, TLP, LME, LMW, and HZG mines.

Ying Mining District	Three months ended March 31,			Year ended March 31,		
	2020	2019	Changes	2020	2019	Changes
Production Data						
Mine Data						
Ore Mined (tonne)	**69,379**	111,032	**-38%**	**598,197**	622,576	**-4%**
Ore Milled (tonne)	**69,188**	107,039	**-35%**	**601,605**	619,851	**-3%**
Head Grades						
Silver (gram/tonne)	**297**	324	**-8%**	**309**	311	**-1%**
Lead (%)	**4.6**	4.5	**3%**	**4.6**	4.4	**4%**
Zinc (%)	**1.0**	0.9	**10%**	**0.9**	0.9	**0%**
Recovery Rates						
Silver (%)	**95.3**	95.5	**0%**	**96.0**	95.8	**0%**
Lead (%)	**95.7**	96.1	**0%**	**95.9**	95.7	**0%**
Zinc (%)	**67.7**	63.7	**6%**	**63.2**	54.1	**17%**
Cost Data						
+ Mining cost per tonne of ore mined ($)	**97.79**	93.86	**4%**	**90.61**	88.19	**3%**
Cash mining cost per tonne of ore mined ($)	**68.10**	65.24	**4%**	**63.00**	63.39	**-1%**
Depreciation and amortization charges per tonne of ore mined ($)	**29.69**	28.62	**4%**	**27.61**	24.80	**11%**
+ Unit shipping costs ($)	**3.96**	3.97	**0%**	**3.92**	4.22	**-7%**
+ Milling costs per tonne of ore milled ($)	**14.31**	15.55	**-8%**	**12.03**	12.58	**-4%**
Cash milling cost per tonne of ore milled ($)	**11.53**	12.57	**-8%**	**10.16**	10.43	**-3%**
Depreciation and amortization charges per tonne of ore milled ($)	**2.78**	2.98	**-7%**	**1.87**	2.15	**-13%**
+ Cash production cost per tonne of ore processed ($)	**83.59**	81.78	**2%**	**77.08**	78.04	**-1%**
+ All-in sustaining cost per tonne of ore processed ($)	**195.78**	141.63	**38%**	**132.52**	126.93	**4%**
+ Cash cost per ounce of Silver, net of by-product credits ($)	**0.30**	(3.02)	**110%**	**(1.18)**	(3.35)	**65%**
+ All-in sustaining cost per ounce of Silver, net of by-product credits ($)	**11.86**	3.28	**262%**	**5.49**	2.60	**111%**
Concentrate inventory						
Lead concentrate (tonne)	**2,475**	3,150	**-21%**	**2,475**	3,150	**-21%**
Zinc concentrate (tonne)	**280**	250	**12%**	**280**	250	**12%**
Sales Data						
Metal Sales						
Silver (in thousands of ounces)	**711**	1,141	**-38%**	**5,558**	5,764	**-4%**
Gold (in thousands of ounces)	**0.5**	0.7	**-29%**	**3.3**	3.5	**-6%**
Lead (in thousands of pounds)	**8,322**	10,310	**-19%**	**54,459**	56,138	**-3%**
Zinc (in thousands of pounds)	**865**	2,464	**-65%**	**7,264**	6,626	**10%**
Revenue						
Silver (in thousands of $)	**8,968**	15,137	**-41%**	**77,617**	74,702	**4%**
Gold (in thousands of $)	**625**	759	**-18%**	**3,911**	3,642	**7%**
Lead (in thousands of $)	**5,562**	9,318	**-40%**	**43,312**	55,739	**-22%**
Zinc (in thousands of $)	**452**	2,028	**-78%**	**4,911**	6,305	**-22%**
Other (in thousands of $)	**74**	344	**-78%**	**1,683**	1,095	**54%**
	15,681	27,586	**-43%**	**131,434**	141,483	**-7%**
Average Selling Price, Net of Value Added Tax and Smelter Charges						
Silver ($ per ounce)	**12.61**	13.27	**-5%**	**13.96**	12.96	**8%**
Gold ($ per ounce)	**1,250**	1,084	**15%**	**1,185**	1,041	**14%**
Lead ($ per pound)	**0.67**	0.90	**-26%**	**0.80**	0.99	**-19%**
Zinc ($ per pound)	**0.52**	0.82	**-37%**	**0.68**	0.95	**-28%**

+ Alternative Performance (Non-IFRS) measures, see section 13 for reconciliation

Fiscal 2020 vs. Fiscal 2019

In Fiscal 2020, the total ore mined at the Ying Mining District was 598,197 tonnes, a decrease of 4% or 24,379 tonnes, compared to 622,576 tonnes mined in Fiscal 2019. Ore milled was 601,605 tonnes, a decrease of 3% or 18,246 tonnes, compared to 619,851 tonnes in Fiscal 2019.

Head grades of ore milled at the Ying Mining District in Fiscal 2020 were 309 grams per tonne ("g/t") for silver, 4.6% for lead, and 0.9% for zinc, compared to 311 g/t for silver, 4.4% for lead, and 0.9% for zinc in Fiscal 2019.

In Fiscal 2020, the Ying Mining District sold approximately 5.6 million ounces of silver, 3,300 ounces of gold, and 54.5 million pounds of lead, down 4%, 6%, and 3%, respectively, compared to 5.8 million ounces of silver, 3,500 ounces of gold, and 56.1 million pounds of lead in Fiscal 2019 while zinc sold was 7.3 million pounds in Fiscal 2020, up 10% compared to 6.6 million pounds in Fiscal 2019.

Total mining cost and cash mining cost per tonne at the Ying Mining District in Fiscal 2020 were $90.61 and $63.00 per tonne, respectively, compared to $88.19 and $63.39 per tonne, respectively, in Fiscal 2019. Total milling cost and cash milling cost per tonne at the Ying Mining District in Fiscal 2020 were $12.03 and $10.16, down by 4% and 3%, respectively, compared to $12.58 and $10.43, respectively, in Fiscal 2019.

Correspondingly, the cash production cost per tonne of ore processed at the Ying Mining District in Fiscal 2020 was $77.08, down 1% compared to $78.04 in Fiscal 2019. The all-in sustaining cost per tonne of ore processed was $132.52, up 4%, compared to 126.93 in Fiscal 2019. The increase was mainly due to an increase of $2.9 million in sustaining capital expenditures.

Cash cost per ounce of silver, net of by-product credits, at the Ying Mining District in Fiscal 2020, was negative $1.18 compared to negative $3.35 in Fiscal 2019. The increase was mainly due to a decrease of $13.0 million in by-product credits.

All-in sustaining cost per ounce of silver, net of by-product credits, at the Ying Mining District in Fiscal 2020, was $5.49 compared to $2.60 in the prior year. The increase was mainly due to the increase in cash cost per ounce of silver as discussed above and an increase of $2.9 million in sustaining capital expenditures.

In Fiscal 2020, approximately 85,643 metres or $2.5 million worth of underground diamond drilling (Fiscal 2019 - 75,955 metres or $1.8 million) and 19,088 metres or $5.7 million worth of preparation tunnelling (Fiscal 2019 - 18,656 metres or $5.4 million) were completed and expensed as mining preparation costs at the Ying Mining District. In addition, approximately 70,240 metres or $23.9 million worth of horizontal tunnels, raises, ramps and declines (Fiscal 2019 - 65,653 metres or $23.2 million) were completed and capitalized.

Q4 Fiscal 2020 vs. Q4 Fiscal 2019

In Q4 Fiscal 2020, a total of 69,379 tonnes of ore were mined at the Ying Mining District, a decrease of 38% or 41,653 tonnes, compared to 111,032 tonnes in Q4 Fiscal 2019. Ore milled was 69,188 tonnes, a decrease of 35% or 37,851 tonnes, compared to 107,039 tonnes in Q4 Fiscal 2019.

Average head grades of ore processed were 297 g/t for silver, 4.6% for lead, and 1.0% for zinc compared to 324 g/t for silver, 4.5% for lead, and 0.9% for zinc in Q4 Fiscal 2019.

Metals sold were approximately 0.7 million ounces of silver, 500 ounces of gold, 8.3 million pounds of lead, and 0.9 million pounds of zinc, compared to 1.1 million ounces of silver, 700 ounces of gold, 10.3 million pounds of lead, and 2.5 million pounds of zinc in Q4 Fiscal 2019.

In Q4 Fiscal 2020, the cash mining cost at the Ying Mining District was $68.1 per tonne, up 4% compared to $65.24 in Q4 Fiscal 2019. The cash milling cost was $11.53 per tonne, down 8% compared to $12.57 in Q4 Fiscal 2019.

Correspondingly, the cash production cost per tonne of ore processed at the Ying Mining District in Q4 Fiscal 2020 was $83.59, up 2% compared to $81.78 in Q4 Fiscal 2019. The all-in sustaining cost per tonne of ore processed was $195.78, up 38%, compared to 141.63 in Q4 Fiscal 2019. The increase was mainly due to lower production output resulting in a higher per tonne fixed cost allocation. The all-in sustaining production cost at the Ying Mining District was $13.6 million, a decrease of $1.9 million, compared to $15.4 million in Q4 Fiscal 2019.

In Q4 Fiscal 2020, 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 $0.30 and $11.86, respectively, compared to negative $3.02 and $3.28 in Q4 Fiscal 2019.

In Q4 Fiscal 2020, approximately 12,412 metres or $0.4 million worth of underground diamond drilling (Q4 Fiscal 2019 - 6,083 metres or $0.3 million) and 1,810 metres or $0.6 million worth of preparation tunnelling (Q4 Fiscal 2019 - 3,061 metres or $1.0 million) were completed and expensed as mining preparation costs at the Ying Mining District. In addition, approximately 7,979 metres or $2.9 million worth of horizontal tunnels, raises, ramps, and declines (Q4 Fiscal 2019 - 10,730 metres or $4.0 million) were completed and capitalized.

(ii) ***GC Mine***

The following table summarizes the operational information at the GC Mine for the three months and the year ended March 31, 2020 and 2019:

GC Mine	Three months ended March 31,			Year ended March 31,		
	2020	2019	Changes	2020	2019	Changes
Production Data						
Mine Data						
Ore Mined (tonne)	**37,216**	50,368	**-26%**	**287,633**	284,218	**1%**
Ore Milled (tonne)	**33,243**	52,865	**-37%**	**290,610**	288,995	**1%**
Head Grades						
Silver (gram/tonne)	**94**	101	**-7%**	**97**	86	**12%**
Lead (%)	**1.8**	1.8	**1%**	**1.9**	1.5	**27%**
Zinc (%)	**3.5**	3.3	**7%**	**3.3**	3.0	**10%**
Recovery Rates						
Silver (%) *	**80.7**	81.3	**-1%**	**77.4**	78.4	**-1%**
Lead (%)	**90.4**	91.5	**-1%**	**89.3**	90.4	**-1%**
Zinc (%)	**87.7**	85.7	**2%**	**86.0**	84.9	**1%**
Cost Data						
+ Mining cost per tonne of ore mined ($)	**35.09**	50.13	**-30%**	**46.40**	46.04	**1%**
Cash mining cost per tonne of ore mined ($)	**25.58**	40.58	**-37%**	**38.06**	37.73	**1%**
Depreciation and amortization charges per tonne of ore mined ($)	**9.51**	9.55	**0%**	**8.34**	8.31	**0%**
+ Milling cost per tonne of ore milled ($)	**18.50**	21.70	**-15%**	**15.52**	17.01	**-9%**
Cash milling cost per tonne of ore milled ($)	**16.36**	18.52	**-12%**	**13.85**	14.39	**-4%**
Depreciation and amortization charges per tonne of ore milled ($)	**2.14**	3.18	**-33%**	**1.67**	2.62	**-36%**
+ Cash production cost per tonne of ore processed ($)	**41.94**	59.10	**-29%**	**51.91**	52.12	**0%**
+ All-in sustaining cost per tonne of ore processed ($)	**88.18**	72.11	**22%**	**69.33**	63.59	**9%**
+ Cash cost per ounce of Silver, net of by-product credits ($)	**(10.03)**	(10.23)	**2%**	**(7.65)**	(12.97)	**41%**
+ All-in sustaining cost per ounce of Silver, net of by-product credits ($)	**8.31**	(4.97)	**267%**	**0.77**	(6.28)	**112%**
Concentrate inventory						
Lead concentrate (tonne)	**45**	98	**-54%**	**45**	98	**-54%**
Zinc concentrate (tonne)	**90**	118	**-24%**	**90**	118	**-24%**
Sales Data						
Metal Sales						
Silver (in thousands of ounces)	**89**	173	**-49%**	**699**	626	**12%**
Lead (in thousands of pounds)	**1,332**	2,360	**-44%**	**10,885**	8,650	**26%**
Zinc (in thousands of pounds)	**2,194**	4,874	**-55%**	**18,137**	16,090	**13%**
Revenue						
Silver (in thousands of $)	**866**	1,595	**-46%**	**7,255**	5,952	**22%**
Lead (in thousands of $)	**892**	2,102	**-58%**	**8,654**	8,372	**3%**
Zinc (in thousands of $)	**1,094**	3,501	**-69%**	**10,869**	14,349	**-24%**
Other (in thousands of $)	**327**	168	**95%**	**617**	363	**70%**
	3,179	7,366	**-57%**	**27,395**	29,036	**-6%**
Average Selling Price, Net of Value Added Tax and Smelter Charges						
Silver ($ per ounce) **	**9.73**	9.22	**6%**	**10.38**	9.51	**9%**
Lead ($ per pound)	**0.67**	0.89	**-25%**	**0.80**	0.97	**-18%**
Zinc ($ per pound)	**0.50**	0.72	**-31%**	**0.60**	0.89	**-33%**

* 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 13 for reconciliation

Fiscal 2020 vs. Fiscal 2019

In Fiscal 2020, the total ore mined at the GC Mine was 287,633 tonnes, an increase of 1% or 3,415 tonnes, compared to 284,218 tonnes in Fiscal 2019, while ore milled was 290,610 tonnes, an increase of 1% or 1,615 tonnes, compared to 288,995 tonnes in Fiscal 2019.

Average head grades of ore processed at the GC Mine were 97 g/t for silver, 1.9% for lead, and 3.3% for zinc compared to 86 g/t for silver, 1.5% for lead, and 3.0% for zinc in the prior year. Recovery rates for ore processed at the GC Mine were 77.4% for silver, 89.3% for lead, and 86.0% for zinc, compared to 78.4% for silver, 90.4% for lead, and 84.9% for zinc in Fiscal 2019.

In Fiscal 2020, the GC Mine sold 699,000 ounces of silver, 10.9 million pounds of lead, and 18.1 million pounds of zinc, up 12%, 26%, and 13%, respectively, compared to 626,000 ounces of silver, 8.7 million pounds of lead, and 16.1 million pounds of zinc in Fiscal 2019.

Total mining cost and cash mining cost at the GC Mine in Fiscal 2020 were $46.40 and $38.06 per tonne, respectively, a slight increase of 1% compared to $46.04 and $37.73 per tonne, respectively, in Fiscal 2019. Total milling cost and cash milling cost per tonne at the GC Mine were $15.52 and $13.85, respectively, down 9% and 4%, compared to $17.01 and $14.39, respectively, in Fiscal 2019.

Correspondingly, the cash production cost per tonne of ore processed at the GC Mine in Fiscal 2020 was $51.91, a slight decrease compared to $52.12 in Fiscal 2019. All-in sustaining production cost per tonne of ore processed was $69.33, up 9%, compared to $63.59 in Fiscal 2019.The increase was mainly due to an increase of $1.3 million in sustaining capital expenditures.

Cash cost per ounce of silver, net of by-product credits, at the GC Mine, was negative $7.65 compared to negative $12.97 in the prior year. The increase was mainly due to a decrease of $2.9 million in byproduct credits resulting from a decrease of 18% and 33%, respectively, in the net realized selling prices for lead and zinc, offset by an increase of 26% and 13%, respectively, in lead and zinc sold.

All-in sustaining cost per ounce of silver, net of by-product credits, at the GC Mine in Fiscal 2020 was $0.77 compared to negative $6.28 in the prior year. The increase was mainly due to i) the increase in cash cost per ounce of silver as discussed above, ii) an increase of $0.8 million in general and administrative expenses, and iii) an increase of $1.3 million in sustaining capital expenditures.

In Fiscal 2020, approximately 22,513 metres or $1.0 million worth of underground diamond drilling (Fiscal 2019 - 24,727 metres or $1.3 million) and 19,315 metres or $4.6 million worth of tunnelling (Fiscal 2019 - 19,844 metres or $5.2 million) were completed and expensed as mining preparation costs at the GC Mine. In addition, approximately 3,327 metres or $2.4 million of horizontal tunnels, raises, ramps, and declines (Fiscal 2019 - 1,374 metres or $1.0 million) were completed and capitalized.

Q4 Fiscal 2020 vs. Q4 Fiscal 2019

In Q4 Fiscal 2020, a total of 37,216 tonnes of ore were mined and 33,243 tonnes were milled at the GC Mine, down 26% and 37%, respectively, compared to 50,368 tonnes mined and 52,865 tonnes milled in Q4 Fiscal 2019.

Average head grades of ore milled were 94 g/t for silver, 1.8% for lead, and 3.5% for zinc compared to 101 g/t for silver, 1.8% for lead, and 3.3% for zinc in Q4 Fiscal 2019.

Metals sold were approximately 89,000 ounces of silver, 1.3 million pounds of lead, and 2.2 million pounds of zinc, down 49%, 44%, and 55%, respectively, compared to 173,000 ounces of silver, 2.4 million pounds of lead, and 4.9 million pounds of zinc in Q4 Fiscal 2019.

The cash mining cost at the GC Mine was $25.58 per tonne, down 37% compared to $40.58 per tonne in Q4 Fiscal 2019. The decrease was mainly due to the decrease in tunneling expensed as mining preparation costs. The cash milling cost was $16.36 per tonne, down 12% compared to $18.52 in Q4 Fiscal 2019. Correspondingly, the cash production cost per tonne decreased by 29% to $41.94 from

$59.10 in Q4 Fiscal 2019, while the all-in sustaining production cost per tonne of ore processed increased by 22% to $88.18 from $72.11 in Q4 Fiscal 2019. The increase in all-in sustaining production cost was mainly due to less production output resulting in a higher per tonne fixed cost allocation.

Cash cost per ounce of silver and all-in sustaining cost per ounce of silver, net of by-product credits, at the GC Mine, in Q4 Fiscal 2020, were negative $10.03 and $8.31, respectively, compared to negative $10.23 and negative $4.97 in Q4 Fiscal 2019. The increase was mainly due to i) a decrease of $3.5 million in by-product credits, ii) an increase of $0.5 million in general and administrative expenses, and iii) an increase of $0.6 million in sustaining capital expenditures.

In Q4 Fiscal 2020, approximately 2,200 metres or $0.1 million worth of underground diamond drilling (Q4 Fiscal 2019 - 2,864 metres or $0.3 million) and 353 metres or $0.1 million of tunnelling (Q4 Fiscal 2019 - 3,366 metres or $0.9 million) were completed and expensed as mining preparation costs at the GC Mine. In addition, approximately 1,851 metres or $1.4 million of horizontal tunnels, raise, and declines (Q4 Fiscal 2019 - 262 metres or $0.2 million) were completed and capitalized.

(iii) ***BYP Mine***

The BYP Mine was placed on care and maintenance in August 2014 due to required capital upgrades to sustain ongoing production and the market environment. 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. An updated National Instrument 43-101 Technical Report on the BYP Mine, with an effective date of April 30, 2019, was completed by RPM Global Asia Limited and filed under the Company's SEDAR profile at www.sedar.com.

(iv) ***XHP Project***

Activities at the XHP project, a development stage project, were suspended in Fiscal 2014. In April 2019, Henan Found, the Company's 77.5% owned subsidiary, entered into a share transfer agreement (the "Agreement") with an arm's length private Chinese company to dispose of the XHP project. Pursuant to the Agreement, Henan Found sold its 100% equity interest in SX Gold, the holding company of the XHP project, for $7.3 million (RMB ¥50 million), and forgave the amount of $1.1 million (RMB ¥7.5 million) SX Gold owes to Henan Found. The transaction completed and a gain of $1.5 million was recognized in Q1 Fiscal 2020. As of the date of this MD&A, Henan Found has received partial payments of $6.1 million (RMB ¥42.5 million) for the sale.

(c) Comparison of Fiscal 2020 Results with Fiscal 2020 Guidance

The following table provides a comparison of Fiscal 2020 results to the Fiscal 2020 production guidance provided in February 2019:

	Ying Mining District		GC Mine		Consolidated	
	Actual	Guidance	**Actual**	Guidance	**Actual**	Guidance
Ore milled (tonne)	**601,605**	630,000	**290,610**	270,000	**892,215**	900,000
Head Grades						
Silver (gram/tonne)	**309**	290	**97**	96		
Lead (%)	**4.6**	4.3	**1.9**	1.7		
Zinc (%)	**0.9**	0.9	**3.3**	3.1		
Metal Production*						
Silver ('000 Oz)	**5,592**	5,500	**699**	600	**6,291**	6,100
Lead (million pounds)	**56.4**	56.2	**10.9**	8.9	**67.4**	65.1
Zinc (million pounds)	**7.3**	6.3	**18.2**	15.5	**25.6**	21.8
Costs						
Cash production cost ($/tonne of ore)	**77.08**	78.20	**51.91**	56.70	**68.91**	72.00
All-in sustaining production cost ($/tonne of ore)	**132.52**	130.20	**69.33**	77.40	**125.29**	125.50

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

On consolidated basis, ore production was slightly below the annual guidance due to the interruption

arising from COVID-19 in Q4 Fiscal 2020. However, silver, lead, and zinc production surpassed the annual guidance by 3%, 3%, and 17% respectively. The cash production cost per tonne of ore processed was 4% below the annual guidance while the all-in sustaining production cost per tonne was in line with the annual guidance.

At the Ying Mining District, silver and zinc production surpassed the annual guidance by 2% and 16%, respectively, while lead production was in line with the annual guidance. The higher silver production was mainly due to the increase in head grades offset by lower ore production achieved, and higher zinc production was mainly due to an improvement in recovery rates. The cash production cost per tonne of ore processed was 1% below the annual guidance, while the all-in sustaining production cost was 2% over the annual guidance.

At the GC Mine, silver, lead and zinc production surpassed the annual guidance by 16%, 23% and 18%, respectively, due to an increase of 8% in ore production and an improvement in head grades. Per tonne cash production cost and all-in sustaining production cost were 8% and 10% lower than the annual guidance.

5. Outlook

(a) Fiscal 2021 Production and Cash Cost Guidance

The Company reiterates its Fiscal 2021 production guidance previously announced in the Company's news release dated February 6, 2020. The Company continues to expect production of approximately 930,000 - 970,000 tonnes of ore, yielding 6.2 million to 6.5 million ounces of silver, 66.1 million to 68.5 million pounds of lead, and 24.5 million to 26.7 million pounds of zinc. Fiscal 2021 production guidance represents an increase of approximately 2% to 7% in silver production, 2% to 5% in lead production, and 12% to 22% in zinc production compared to the prior year's guidance (Fiscal 2020 Guidance). However, the Company may reduce or defer certain discretionary capital expenditures as a cost-saving measure.

The following summarizes the Company's production and cash cost guidance in Fiscal 2021.

	Ore processed (tonnes)	Silver (g/t)	Lead (%)	Zinc (%)
Ying Mining District	640,000 - 660,000	292	4.3	0.9
GC Mine	290,000 - 310,000	96	1.7	3.3
Consolidated	**930,000 - 970,000**			

	Silver (Moz)	Lead (Mlbs)	Zinc (Mlbs)	Cash cost* ($/t)	AISC* ($/t)
Ying Mining District	5.6 - 5.8	56.6 - 58.0	7.0 - 8.0	74.7 - 82.5	133.5 - 140.5
GC Mine	0.6 - 0.7	9.5 - 10.5	17.5 - 18.7	52.2 - 57.5	78.5 - 82.9
Consolidated	**6.2 - 6.5**	**66.1 - 68.5**	**24.5 - 26.7**	**66.6-73.6**	**122.6 - 135.5**

**Both AISC and cash cost are alternative performance (non-IFRS) measures. AISC refers to all-in sustaining cost per tonne of ore processed. Cash cost refers to cash production cost per tonne of ore processed. Foreign exchange rates assumptions used are: US$1 = CAD$1.30, US$1 = RMB¥6.90.*

(b) Exploration

The Company intends to carry out 105,000 metres (Ying: 79,300 m and GC: 25700 m) of diamond drilling for in-fill drilling to upgrade resource category and drill along strike, down-dip, up-dip and sideway to expand resource base. There are signs of gold mineralization potential along some of the sub-horizontal structures that were overprinted by the silver veins currently being mined at the Ying Mining District and the Company plans to carry out additional drilling to test these sub-horizontal structures. .

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

New Pacific Metals Corp. ("NUAG") is a Canadian public company listed on the TSX Venture Exchange (symbol: NUAG). NUAG is a related party of the Company by way of two common directors and one officer, 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.

On May 22, 2019, the Company exercised its warrants to acquire 1,500,000 common shares of NUAG for a total cost of $2.3 million. Pan American Silver Corp. also exercised its warrants to acquire 8,000,000 common shares of NUAG on the same day. As a result of the exercise of these warrants, the Company's ownership in NUAG was diluted from 29.8% to 28.9% and a dilution gain of $0.7 million was recorded along with the reclassification of gain of $21 from other comprehensive income to net income.

On October 25, 2019, the Company participated in an offering of common shares of NUAG underwritten by BMO Capital Markets and acquired an additional 1,247,606 common shares of NUAG for a cost of $3.8 million.

During the year ended March 31, 2020, the Company also acquired additional 502,600 common shares of NUAG from the public market (year ended March 31, 2019 - 65,400) for a total cost of $0.9 million (year ended March 31, 2019 - $0.1 million).

As at March 31, 2020, the Company owned 42,596,506 common shares of NUAG (March 31, 2019 -39,346,300), representing an ownership interest of 28.8% (March 31, 2019 - 29.6%). The summary of the investment in NUAG common shares and its market value as at the respective balance sheet dates are as follows:

	Number of shares		Amount		Value of NUAG's common shares per quoted market price
Balance April 1, 2018	39,280,900	$	38,001	$	50,266
Purchase from open market	65,400		107		
Share of net loss			(330)		
Share of other comprehensive income			398		
Impairment recovery			1,899		
Foreign exchange impact			(1,372)		
Balance March 31, 2019	**39,346,300**	**$**	**38,703**	**$**	**69,783**
Purchase from open market	502,600		861		
Exercise of warrants	1,500,000		2,349		
Participation in public offering	1,247,606		3,820		
Share of net loss			(1,276)		
Share of other comprehensive income			1,077		
Dilution gain			723		
Disposal of common shares held by the associate			1,127		
Foreign exchange impact			(2,829)		
Balance March 31, 2020	**42,596,506**	**$**	**44,555**	**$**	**148,624**

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

	Years ended March 31,	
	2020[1]	2019[1]
Income from investments	**$ 494**	$ 576
General and administrative expense	**(3,824)**	(2,286)
Foreign exchange gain	**669**	542
Impairment charge	**(586)**	-
Other income	**-**	7
Net loss of associate	**$ (3,247)**	$ (1,161)
Adjustments to net loss of associate	**(1,170)**	23
Net loss of associate qualified for pick-up	**$ (4,417)**	$ (1,138)
Company's share of net loss	**$ (1,276)**	$ (330)
	March 31, 2020[1]	March 31, 2019[1]
Current assets	**$ 29,012**	$ 17,233
Non-current assets	**74,989**	62,568
Total assets	**$ 104,001**	$ 79,801
Current liabilities	**1,409**	675
Long-term liabilities	**-**	197
Total liabilities	**1,409**	872
Net assets	**$ 102,592**	$ 78,929
Company's share of net assets of associate	**$ 29,575**	$ 23,371

[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.

7. Fiscal Year 2020 Financial Results

(a) Selected Annual Information

	Fiscal 2020	Fiscal 2019	Fiscal 2018
Sales	$ 158,829	$ 170,519	$ 170,039
Income from mine operations	59,374	70,932	75,077
Expenses and foreign exchange	(9,412)	(10,037)	(9,508)
Impairment reversal	-	9,178	4,714
Dilution gain on investment in associate	723	-	822
Gain on disposal of mineral rights and properties	1,477	-	4,320
Finance item	1,950	2,845	2,390
Net income	45,203	52,047	58,896
Net income attributable to the equity holders of the Company	34,274	39,724	46,994
Basic earnings (loss) per share	0.20	0.24	0.28
Diluted earnings (loss) per share	0.20	0.23	0.27
Cash dividend declared	4,287	4,208	3,362
Cash dividend declared per share	0.050	0.050	0.020
Total Assets	512,760	499,076	476,894
Total liabilities	73,788	85,895	78,717

Financial results including sales, gross profit, net income, basic earnings per share, and diluted earnings per share are heavily influenced by changes in commodity prices, particularly, silver and lead prices. Prior years' financial information was reclassified to conform with the current year's presentation. The reclassification has no impact on the Company's financial position and financial performance.

(b) Financial Results - Fiscal 2020 compared to Fiscal 2019

Net income attributable to equity shareholders of the Company in Fiscal 2020 was $34.3 million or $0.20 per share, compared to $39.7 million or $0.23 per share in Fiscal 2019. Excluding the impairment reversal of $9.2 million recorded in Fiscal 2019, the net income attributable to equity shareholders in Fiscal 2020 was up 6% compared to the adjusted net income attributable to equity shareholders of $32.2 million, or $0.19 per share, in Fiscal 2019.

In Fiscal 2020, the Company's consolidated financial results were mainly impacted by i) operations in China being suspended for an extra month in Q4 Fiscal 2020 due to COVID-19; ii) an increase of 1% and 12% in lead and zinc sold, offset by a 2% decrease in silver sold, respectively; iii) an increase of 7% in the realized selling price for silver, offset by a decrease of 19% and 32% in the realized selling prices for lead and zinc, respectively; and iv) an increase of $2.7 million in foreign exchange gain arising from the appreciation of the US dollar against the Canadian dollar.

Revenue in Fiscal 2020 was $158.8 million, down $11.7 million compared to $170.5 million in Fiscal 2019. The decrease was mainly due to the decrease in the realized selling prices for lead and zinc. Revenue from silver and gold was $84.9 million and $3.9 million, up 5% and 7%, respectively, compared to $80.7 million and $3.6 million in Fiscal 2019, while revenue from lead and zinc was $52.0 million and $15.8 million, down 19% and 24%, compared to $64.1 and 20.7 million in Fiscal 2019.

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 the SME, excluding gold, include VAT. Effective April 1, 2019, the rate of VAT on purchase and sales of goods applicable to the Company was lowered to 13% from 16%. The following table is a comparison among the Company's net realized 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)	
	F2020	F2019	F2020	F2019	F2020	F2019	F2020	F2019
Net realized selling prices	**$ 13.56**	$ 12.62	**$ 1,185**	$ 1,041	**$ 0.80**	$ 0.99	**$ 0.62**	$ 0.91
SME	**$ 17.64**	$ 16.57	**$ 1,472**	$ 1,269	**$ 1.04**	$ 1.27	**$ 1.23**	$ 1.52
LME	**$ 16.53**	$ 15.80	**$ 1,468**	$ 1,262	**$ 0.88**	$ 0.96	**$ 1.09**	$ 1.24

Production costs expensed in Fiscal 2020 were $62.0 million, a slight decrease compared to $62.5 million in Fiscal 2019. The decrease was mainly due to less metals sold and a slight improvement in per tonne production costs. The production costs expensed represent approximately 900,000 tonnes of ore processed and expensed at a cost of $68.91 per tonne, compared to approximately 893,000 tonnes at $69.92 per tonne in Fiscal 2019.

Mineral resource taxes in Fiscal 2020 were $4.5 million, compared to $4.9 million in Fiscal 2019, and the decrease was mainly due to lower revenue achieved.

Government fees and other taxes in Fiscal 2020 were $2.1 million, compared to $2.7 million in Fiscal 2019. 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.

Income from mine operations in Fiscal 2020 was $59.4 million, or 37% of revenue, compared to $70.9 million or 42% of revenue in Fiscal 2019. The decrease was mainly due to the decrease in the realized selling prices for lead and zinc. Income from mine operations at the Ying Mining District was $54.1 million or 41% of revenue, compared to $65.2 million or 46% of revenue in Fiscal 2019. Income from mine operations at the GC Mine was $5.7 million or 21% of revenue, compared to $7.5 million or 26% of revenue in Fiscal 2019.

General and administrative expenses in Fiscal 2020 were $20.2 million, an increase of $1.1 million or 6% compared to $19.0 million in Fiscal 2019. The increase was mainly due to an increase of $0.7 million

in share-based compensation expenses and an increase of $0.7 million in amortization and depreciation expenses. General and administrative expenses include corporate administrative expenses of $10.1 million (Fiscal 2019 - $9.5 million) and mine administrative expenses of $10.1 million (Fiscal 2019 - $9.6 million). Items included in general and administrative expenses are as follows:

	Year ended March 31, 2020			Year ended March 31, 2019		
	Corporate	**Mines**	**Total**	Corporate	Mines	Total
Amortization and depreciation	**$ 447**	**$ 1,511**	**$ 1,958**	$ 162	$ 1,091	$ 1,253
Office and administrative expenses	**2,304**	**2,881**	**5,185**	2,741	3,160	5,901
Professional Fees	**562**	**481**	**1,043**	440	426	866
Salaries and benefits	**4,245**	**5,183**	**9,428**	4,319	4,889	9,208
Share-based compensation	**2,536**	**-**	**2,536**	1,813	-	1,813
	$ 10,094	**$ 10,056**	**$ 20,150**	$ 9,475	$ 9,566	$ 19,041

Property evaluation and business development expenses in Fiscal 2020 were $0.7 million, compared to $0.4 million in Fiscal 2019. Property evaluation and business development expenses were previously included as a part of general and administrative expenses, but was reclassified and presented separately to track the expenditures the Company incurred in project evaluation and business development activities.

Foreign exchange gain in Fiscal 2020 was $4.1 million compared to $1.4 million in Fiscal 2019. The foreign exchange gain is mainly driven by the appreciation of the US dollar against the Canadian dollar.

Loss on disposal of plant and equipment in Fiscal 2020 was $0.5 million compared to $0.4 million in Fiscal 2019. The loss was related to the disposal of obsolete equipment.

Share of loss in an associate in Fiscal 2020 was $1.3 million, compared to $0.3 million in Fiscal 2019. Share of loss in an associate represents the Company's equity pickup in NUAG.

Dilution gain on investment in an associate in Fiscal 2020 was $0.7 million (Fiscal 2019 - $nil). In Fiscal 2020, the Company's equity interest in NUAG was diluted to 28.8% from 29.8%.

Impairment reversal of investment in associate in Fiscal 2020 was $nil, compared to $1.9 million in Fiscal 2019, which related to the Company's investment in NUAG.

Impairment reversal of mineral rights and properties in Fiscal 2020 was $nil compared to $7.3 million in Fiscal 2019. Non-current assets are tested for impairment, or reversal of previous impairment charges, when events or changes in circumstance indicate that the carrying amount may not be recoverable, or previous impairment charges against assets are recoverable. Based on the Company's assessment with respect to possible indicators, neither impairment nor reversal of previous impairment to its mineral rights and properties was required as of March 31, 2020. In Fiscal 2019, the carrying amount of the XHP project was remeasured to its recoverable amount, being its fair value less costs of disposal ("FVLCD"). XHP project was disposed to a third party in Fiscal 2020, and a gain of $1.5 million was recorded.

Finance income in Fiscal 2020 was $4.0 million compared to $3.5 million in Fiscal 2019. The Company invests in short-term investments which include term deposits, money market instrument, and bonds.

Finance costs in Fiscal 2020 were $2.1 million compared to $0.6 million in Fiscal 2019. Items included in finance costs are summarized below:

	Year ended March 31,	
	2020	2019
Interest on bank loan	**$ 45**	$ 152
Interest on lease obligation	**112**	-
Loss on disposal of bonds	**1,494**	-
Unwinding of discount of envionmental rehabilitation provision	**422**	479
	$ 2,073	$ 631

Income tax expenses in Fiscal 2020 were $8.9 million, compared to $20.9 million in Fiscal 2019. The income tax expense recorded in Fiscal 2020 included a current income tax expense of $5.6 million (Fiscal 2019 - $17.8 million) and a deferred income tax expense of $3.3 million (Fiscal 2019 - $3.1 million). The current income tax included $2.8 million of withholding tax (Fiscal 2019 - $5.2 million), which was paid at a rate of 10% on dividends and interest distributed out of China. The decrease in income tax expenses was mainly due to the tax benefit realized arising from the disposal of the XHP project and less income from mine operations.

8. Fourth Quarter Fiscal 2020 Financial Results

(a) Summary of Quarterly Results

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

	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019
Sales	$ 18,859	$ 44,508	$ 49,886	$ 45,576
Income from mine operations	3,204	15,769	22,668	17,732
Expenses and foreign exchange	1,338	(4,326)	(2,550)	(3,873)
Dilution gain on investment in associate	-	-	-	723
Gain on disposal of mineral rights and properties	-	-	-	1,477
Finance items	(474)	988	682	754
Net income	3,525	8,716	15,661	17,301
Net income attributable to equity holders of the Company	3,163	6,283	12,221	12,607
Basic earnings per share	0.02	0.04	0.07	0.07
Diluted earnings per share	0.02	0.04	0.07	0.07
Cash dividend declared	-	2,162		2,125
Cash dividend declared per share	-	0.0125		0.0125

	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018
Sales	$ 34,952	$ 42,351	$ 48,091	$ 45,125
Income from mine operations	13,562	15,967	19,485	21,919
Expenses and foreign exchange	(4,029)	(796)	(3,308)	(1,905)
Impairment reversal	9,178	-	-	-
Dilution gain on investment in associate	-	-	-	-
Finance items	706	815	663	661
Net income	15,941	10,853	11,077	14,176
Net income attributable to equity holders of the Company	12,107	8,660	8,037	10,920
Basic earnings per share	0.07	0.05	0.05	0.07
Diluted earnings per share	0.07	0.05	0.05	0.06
Cash dividend declared	-	2,112	-	2,096
Cash dividend declared per share	-	0.0125	-	0.0125

Financial results including sales, income from mine operations, net income, basic earnings per share, and diluted earnings per share are heavily influenced by changes in commodity prices, particularly, the silver price. Prior quarters' financial information was reclassified to conform with the current quarter's presentation. The reclassification has no impact on the Company's financial position and financial performance.

(b) Financial Results - Q4 Fiscal 2020 compared to Q4 Fiscal 2019

Net income attributable to equity shareholders of the Company in Q4 Fiscal 2020 was $3.2 million, or $0.02 per share, compared to $12.1 million, or $0.07 per share in Q4 Fiscal 2019. Excluding the impairment reversal of $9.2 million recorded in Q4 Fiscal 2019, the adjusted net income attributable to equity shareholders was $4.6 million or $0.03 per share in Q4 Fiscal 2019.

Compared to the prior year quarter, the Company's consolidated financial results in Q4 Fiscal 2020 were mainly impacted by the following: i) operations in China being suspended for an extra month due to COVID-19; ii) a decrease of 3%, 26%, and 32% in the net realized selling price of silver, lead and zinc; and iii) a foreign exchange gain of $5.4 million recorded arising from the appreciation of the US dollar against the Canadian dollar.

Revenue in Q4 Fiscal 2020 was $18.9 million, down 46%, compared to $35.0 million in Q4 Fiscal 2019. The decrease was mainly due to lower production and the decrease in net realized selling prices. Revenue from silver and gold was $9.8 million and $0.6 million, respectively, compared to $16.7 million and $0.8 million in Q4 Fiscal 2019, while revenue from base metals was $8.4 million, compared to $17.5 million in Q4 Fiscal 2019.

Production costs expensed in Q4 Fiscal 2020 were $8.3 million, compared to $13.0 million in Q4 Fiscal 2019. The decrease was mainly due to less metal sold in the current quarter. The production costs expensed in Q4 Fiscal 2019 represent approximately 121,000 tonnes of ore processed and expensed at a cost of $68.93 per tonne, compared to 174,000 tonnes at a cost of $74.80 per tonne in Q4 Fiscal 2019.

Income from mine operations in Q4 Fiscal 2020 was $3.2 million or 17% of revenue, compared to $13.6 million or 39% of revenue in Q4 Fiscal 2019. The decrease was mainly due to the decrease in metal sold and the realized selling prices. Income from mine operations at the Ying Mining District was $3.1 million or 20% of revenue, compared to $12.2 million or 44% of revenue in Q4 Fiscal 2019. Income from mine operations at the GC Mine was $0.2 million or 7% of revenue, compared to $1.7 million or 24% of revenue in Q4 Fiscal 2019.

General and administrative expenses in Q4 Fiscal were $6.0 million, an increase of $1.0 million or 22%, compared to $4.9 million in Q4 Fiscal 2019. The increase was mainly due to an increase of $1.1 million in mines' general and administrative expenses as mining and milling labour and administrative costs during the suspension period in February 2020 were not charged to production costs. General and administrative expenses include corporate administrative expenses of $2.6 million (Q4 Fiscal 2019 -$2.6 million) and mines' administrative expense of $3.4 million (Q4 Fiscal 2019 - $2.3 million). Items included in general and administrative expenses are as follows:

	Three months ended March 31, 2020			Three months ended March 31, 2019		
	Corporate	**Mines**	**Total**	Corporate	Mines	Total
Amortization and depreciation	**$ 122**	**$ 713**	**$ 835**	$ 43	$ 297	$ 340
Office and administrative expenses	**517**	**816**	**1,333**	663	645	1,308
Professional Fees	**229**	**69**	**298**	294	65	359
Salaries and benefits	**1,011**	**1,770**	**2,781**	1,180	1,270	2,450
Share-based compensation	**711**	**-**	**711**	443	-	443
	$ 2,590	**$ 3,368**	**$ 5,958**	$ 2,623	$ 2,277	$ 4,900

Property evaluation and business development expenses in Q4 Fiscal 2020 were $0.3 million, compared to $0.1 million in Q4 Fiscal 2019.

Foreign exchange gain in Q4 Fiscal 2020 was $5.4 million, compared to a loss of $1.0 million in Q4 Fiscal 2019. The foreign exchange gain or loss is mainly driven by the fluctuation of the RMB and US dollar against the functional currency of the entities.

Share of loss in an associate in Q4 Fiscal 2020 was $0.4 million (Q4 Fiscal 2019 - $0.1 million), representing the Company's equity pickup in NUAG.

Impairment reversal of investment in associate in Q4 Fiscal 2020 was $nil, compared to $1.9 million in Q4 Fiscal 2019, which related to the Company's investment in NUAG.

Impairment reversal of mineral rights and properties in Q4 Fiscal 2020 was $nil, compared to $7.3 million in Q4 Fiscal 2019. In Q4 Fiscal 2019, the carrying amount of the XHP project was remeasured to its recoverable amount, being its fair value less costs of disposal ("FVLCD"). In Fiscal 2020, XHP project was disposed to a third party and a gain of $1.5 million was recorded.

Finance income in Q4 Fiscal 2020 was $1.2 million compared to $0.9 million in Q4 Fiscal 2019.

Finance costs in Q4 Fiscal 2020 were $1.6 million compared to $0.2 million in Q4 Fiscal 2019. Items included in finance costs are summarized below:

	Three months ended March 31,	
Finance costs	**2020**	2019
Interest on bank loan	**$ -**	$ 48
Interest on lease obligation	**28**	-
Loss on disposal of bonds	**1,494**	-
Unwinding of discount of environmental rehabilitation provision	**106**	120
	$ 1,628	$ 168

Income tax expenses in Q4 Fiscal 2020 were $0.5 million, compared to $3.5 million in Q4 Fiscal 2019.The decrease was mainly due to less income from mine operations. The income tax expenses recorded in Q4 Fiscal 2020 included a current income tax expense of $0.1 million (Q4 Fiscal 2019 - $2.4 million) and a deferred income tax expense of $0.4 million (Q4 Fiscal 2019 - $1.1 million).

9. Liquidity and Capital Resources

As at	March 31, 2020	March 31, 2019	Changes
Cash and cash equivalents	**$ 65,777**	$ 67,441	$ (1,664)
Short-term investment	**76,742**	47,836	28,906
	$ 142,519	$ 115,277	$ 27,242
Working capital	**$ 130,351**	$ 96,988	$ 33,363

	Three months ended March 31,			Year ended March 31,		
	2020	2019	Changes	2020	2019	Changes
Cash flow						
Cash provided by operating activities	**$ 6,278**	$ 8,344	$ (2,066)	**$ 77,246**	$ 70,351	$ $ 6,895
Cash provided (used) in investing activities	**2,936**	(3,456)	6,392	**(70,790)**	(32,033)	(38,757)
Cash provided (used) in financing activities	**(563)**	(6,113)	5,550	**(2,931)**	(15,198)	12,267
Increase (decrease) in cash and cash equivalents	**8,651**	(1,225)	9,876	**3,525**	23,120	(19,595)
Effect of exchange rate changes on cash and cash equivalents	**(4,768)**	528	(5,296)	**(5,189)**	(4,878)	(311)
Cash and cash equivalents, beginning of the period	**61,894**	68,138	(6,244)	**67,441**	49,199	18,242
Cash and cash equivalents, end of the period	**$ 65,777**	$ 67,441	$ (1,664)	**$ 65,777**	$ 67,441	$ $ (1,664)

Cash and cash equivalents and short-term investments as at March 31, 2020 were $142.5 million, an increase of $27.2 million or 24%, compared to $115.3 million as at March 31, 2019. The increase was mainly due to the increase in cash flow from operations.

Working capital as at March 31, 2020 was $130.4 million, an increase of $33.4 million or 34%, compared to $97.0 million as at March 31, 2019.

Cash flow provided by operating activities in Fiscal 2020 was $77.2 million, up $6.9 million or 10% compared to $70.4 million in Fiscal 2019. The increase was due to

- $75.4 million cash flow from operating activities before changes in non-cash operating working capital movement, up $6.0 million or 8%, compared to $69.7 million in Fiscal 2019; and offset by
- $1.8 million cash flow from changes of non-cash working capital movement, compared to $0.7 million in Fiscal 2019.

In Q4 Fiscal 2020, cash flow provided by operating activities was $6.3 million compared to $8.3 million in Q4 Fiscal 2019. The decrease was mainly due to less operating earnings in Q4 Fiscal 2020. Before changes in non-cash operating working capital, cash flows provided by operating activities in the current quarter were $9.2 million, a decrease of $0.8 million, compared to $10.0 million in the prior year quarter.

Cash flow used in investing activities in Fiscal 2020 was $70.8 million, compared to $32.0 million in

Fiscal 2019, and comprised primarily of:

- $27.1 million payment for capitalized mineral exploration and development expenditures (Fiscal 2019 - $24.2 million);
- $0.8 million payment for a mineral right fee (Fiscal 2019 - $3.8 million);
- $7.4 million payment for the acquisition of plant and equipment (Fiscal 2019 - $6.3 million);
- $7.0 million investment in associate (Fiscal 2019 - $0.1 million);
- $1.7 million payment for reclamation deposits (Fiscal 2019 - $2.6 million);
- $7.9 million for the acquisition of other investments (Fiscal 2019 - $1.0 million); and
- $33.6 million payment for net purchase of short-term investments; offset by
- $6.1 million cash received from the disposal of XHP project (Fiscal 2019 - $nil); and
- $8.5 million proceeds from disposal of other investments (Fiscal 2019 - $nil).

In Q4 Fiscal 2020, cash flow from investing activities was $2.9 million, compared to $3.5 million cash flows used in investing activities in Q4 Fiscal 2019, and comprised primarily of:

- $6.0 million payment for capitalized mineral exploration and development expenditure (Q4 Fiscal 2019 - $4.8 million);
- $nil payment for a mineral right fee (Q4 Fiscal 2019 - $3.8 million),
- $1.2 million for the acquisition of plant and equipment (Q4 Fiscal 2019 - $1.9 million),
- $0.2 million payment for reclamation deposits (Q4 Fiscal 2019 - $2.3 million), and
- $4.0 million for the acquisition of other investments (Q4 Fiscal 2019 - $1.0 million), offset by
- $2.3 million proceeds from disposal of other investments (Q4 Fiscal 2019 - $nil); and
- $11.9 million proceeds from the net redemption of short-term investments (Fiscal 2019 - $10.6 million).

Cash flow used in financing activities in Fiscal 2020 was $2.9 million, compared to $15.2 million in Fiscal 2019, and comprised mostly of:

- $4.4 million repayment to a bank loan (Fiscal 2019 - $4.5 million proceeds received);
- $0.5 million lease payment (Fiscal 2019 - $nil);
- $3.3 million in distributions to non-controlling shareholders (Fiscal 2019 - $13.3 million);
- $4.3 million of dividends distributed to equity shareholders of the Company (Fiscal 2019 - $4.2 million);
- $nil for the acquisition of non-controlling interests (Fiscal 2019 - $1.1 million); offset by
- $1.5 million net repayment received from the non-controlling shareholder of Henan Found (Fiscal 2019 - $3.0 million loaned to the non-controlling shareholder); and
- $8.0 million proceeds from the issuance of common shares of the Company arising from stock options exercised (Fiscal 2019 - $1.9 million).

Cash flow used in financing activities in Q4 Fiscal 2020 was $0.6 million, compared to $6.1 million in Q4 Fiscal 2019, and comprised primarily of:

- $1.4 million advance to the non-controlling shareholder of Henan Found (Q4 Fiscal 2019 - $3.0 million);

- $0.1 million lease payment (Q4 Fiscal 2019 - $nil); offset by
- $1.0 million proceeds from the issuance of common shares of the Company arising from stock options exercised (Q4 Fiscal 2019 - $0.2 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.

10. Financial Instruments and Related Risks

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

(a) *Fair value*

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

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

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

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

The following tables set forth the Company's financial assets and liabilities that are measured at fair value level on a recurring basis within the fair value hierarchy as at March 31, 2020 and March 31, 2019 that are not otherwise disclosed. 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, 2020			
Recurring measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Cash and cash equivalents	**$ 65,777**	**$ -**	**$ -**	**$ 65,777**
Short-term investments - money market instruments	**53,430**	**-**	**-**	**53,430**
Investments in public companies	**6,633**	**-**	**-**	**6,633**
Investments in private company	**-**	**-**	**2,117**	**2,117**

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

Fair value of the other financial instruments excluded from the table above approximates their carrying amount as at March 31, 2020 and March 31, 2019, due to the short-term nature of these instruments.

There were no transfers into or out of Level 3 during the years ended March 31, 2020 and 2019.

(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, 2020				March 31, 2019
	Within a year	**2-5 years**	**Over 5 years**	**Total**	Total
Bank loan	**$ -**	**$ -**	**$ -**	**$ -**	$ 4,475
Accounts payable and accrued liabilities	**23,129**	**-**	**-**	**23,129**	29,856
Lease obligation	**567**	**1,464**	**38**	**2,069**	-
	$ 23,696	**$ 1,464**	**$ 38**	**$ 25,198**	$ 34,331

(c) *Foreign exchange risk*

The Company reports its financial statements in US dollars. The functional currency of the head office, Canadian subsidiaries and all intermediate holding companies is CAD and the functional currency of all Chinese subsidiaries is RMB. The Company is exposed to foreign exchange risk when the Company undertakes transactions and holds assets and liabilities in currencies other than its functional currencies. The Company currently does not engage in foreign exchange currency hedging. The Company's exposure to currency risk affect net income is summarized as follows:

	March 31, 2020	March 31, 2019
Financial assets denominated in U.S. Dollars	**$ 60,534**	$ 45,912

As at March 31, 2020, with other variables unchanged, a 10% strengthening (weakening) of the CAD against the USD would have decreased (increased) net income by approximately $6.1 million.

(d) *Interest rate risk*

The Company is exposed to interest rate risk on its cash equivalents, short term investments, and loan to a related party. As at March 31, 2020, 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 loan to the related party bears an interest rate of 4.35% per annum, which approximates the prevailing commercial lending rates in China as of March 31, 2020. The Company monitors its exposure to changes in interest rates on cash equivalents, short term investments, and loans to the related party. 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 balance sheet represents the maximum credit exposure.

The Company undertakes credit evaluations on counterparties as necessary, requests deposits from customers prior to delivery, and has monitoring processes intended to mitigate credit risks. There were no amounts in trade or other receivables which were past due on March 31, 2020 (at March 31, 2019 -$nil) for which no provision is recognized.

(f) *Equity price risk*

The Company holds certain marketable securities that will fluctuate in value as a result of trading on Canadian financial markets. As the Company's marketable securities holdings are mainly in mining companies, the value will also fluctuate based on commodity prices. Based upon the Company's portfolio as at March 31, 2020, a 10% increase (decrease) in the market price of the securities held, ignoring any foreign currency effects, would have resulted in an increase (decrease) to comprehensive income of approximately $663.

11. Off-Balance Sheet Arrangements

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

12. Transactions with Related Parties

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

Due from related parties		**March 31, 2020**		March 31, 2019
NUAG (a)	**$**	**94**	$	33
Henan Non-ferrous (b)		**1,425**		2,989
	$	**1,519**	$	3,022

(a) 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, 2020, the Company recovered $530 (year ended March 31, 2019 - $225), from NUAG for services rendered and expenses incurred on behalf of NUAG. The costs recovered from

NUAG were recorded as a direct reduction of general and administrative expenses on the consolidated statements of income.

(b) In March 2019, Henan Found advanced a loan of $2,989 (RMB¥20 million) to Henan Non-ferrous. The loan bears an interest rate of 4.35% per annum. In December 2019, the loan, including accumulated interest, of $2,922 (RMB¥20.7 million) was repaid.

In January 2020, Henan Found advanced a loan of $1,426 (RMB¥10 million) to Henan Non-ferrous. The loan has a term of four months and bears an interest rate of 4.35% per annum.

(ii) *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, 2020 and 2019 were as follows:

	Years Ended March 31,	
	2020	2019
Directors' fees and bonus	**$ 293**	$ 256
Salaries and bonus for key management personnel	**2,519**	2,498
Share-based compensation	**1,487**	725
	$ 4,299	$ 3,479

Share-based compensation was measured at grant date fair value.

13. Alternative Performance (Non-IFRS) Measures

The following alternative performance measures are used by the Company to manage and evaluate operating performance of the Company's mines and are widely reported in the silver mining industry as benchmarks for performance, but do not have standardized meaning. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. To facilitate a better understanding of these measures, the following tables provide the reconciliation of these measures to the financial statements for the years ended March 31, 2020 and 2019.

(a) Adjusted Net Income and Adjusted Earnings per Share

Adjusted net income and adjusted earnings per share are non-IFRS measures that the Company considers to better reflect normalized earnings as it eliminates items that may be volatile from period to period, relate to positions that will settle in future periods. Certain items that become applicable in a period may be adjusted for, with the Company retroactively presenting comparable periods with an adjustment for such items and, conversely, items no longer applicable may be removed from the calculation. The Company adjusts certain items in the periods that they occurred but does not reverse or otherwise unwind the effect of such items in future periods. Neither adjusted net income nor adjusted earnings per share have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measure presented by other companies. The following table shows a reconciliation of adjusted net income and loss for three and twelve months ended March 31, 2020 and 2019 to the net income for each period.

	Three months ended March 31,		Year ended March 31,	
('000s US$)	**2020**	2019	**2020**	**2019**
Net income as reported for the period	**$ 3,525**	$ 15,940	**$ 45,203**	$ 52,047
Adjustment to impairment recovery of investment in associate	**-**	(1,899)	**-**	(1,899)
Adjustment to impairment recovery of mineral rights and properties	**-**	(7,279)	**-**	(7,279)
Adjusted net income for the year	**$ 3,525**	$ 6,762	**$ 45,203**	$ 42,869
Non-controlling interest as reported	**362**	3,833	**10,929**	12,323
Adjustments to non-controlling interest	**-**	(1,637)		(1,637)
Adjusted non-controlling interest	**362**	2,196	**10,929**	10,686
Adjusted net income attributable to equity holders	**$ 3,163**	$ 4,566	**$ 34,274**	$ 32,183
Adjusted earnings per share attributable to the equity shareholders of the Company				
Basic adjusted earning per share	**$ 0.02**	$ 0.03	**$ 0.20**	$ 0.19
Diluted adjusted earning per share	**$ 0.02**	$ 0.03	**$ 0.20**	$ 0.19
Basic weighted average shares outstanding	**173,326,682**	169,705,269	**171,713,263**	168,483,412
Diluted weighted average shares outstanding	**175,381,704**	170,645,002	**174,079,387**	170,386,993

(b) 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 undated 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 fee 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, 2020					Year ended March 31, 2019				
		Ying Mining District	GC	Other	Corporate	Consolidated	Ying Mining District	GC	Other	Corporate	Consolidated
Production costs expensed as reported	**A**	**$ 47,236**	**$ 14,793**	**$ -**	**$ -**	**$ 62,029**	$ 47,496	$ 14,965	$ -	$ -	$ 62,461
By-product sales											
Gold		**(3,911)**	**-**	**-**	**-**	**(3,911)**	(3,642)	-	-	-	(3,642)
Lead		**(43,312)**	**(8,654)**	**-**	**-**	**(51,966)**	(55,739)	(8,372)	-	-	(64,111)
Zinc		**(4,911)**	**(10,869)**	**-**	**-**	**(15,780)**	(6,305)	(14,349)	-	-	(20,654)
Other		**(1,683)**	**(617)**	**-**	**-**	**(2,300)**	(1,095)	(363)	-	-	(1,458)
Total by-product sales	**B**	**(53,817)**	**(20,140)**	**-**	**-**	**(73,957)**	(66,781)	(23,084)	-	-	(89,865)
Total cash cost, net of by-product credits	**C=A-B**	**(6,581)**	**(5,347)**	**-**	**-**	**(11,928)**	(19,285))	(8,119)	-	-	(27,404)
Add: Mineral resources tax		**3,718**	**822**	**-**	**-**	**4,540**	3,993	871	-	-	4,864
General and administrative		**6,849**	**2,738**	**469**	**10,094**	**20,150**	5,950	1,969	1,647	9,475	19,041
Amortization included in general and administrative		**(753)**	**(469)**	**(289)**	**(447)**	**(1,958)**	(437)	(314)	(339)	(162)	(1,253)
Exploration and business development		**-**	**-**	**-**	**679**	**679**	-	-	-	386	386
Government fees and other taxes		**1,591**	**496**	**2**	**26**	**2,115**	1,980	621	62	36	2,699
Reclamation accretion		**366**	**24**	**32**	**-**	**422**	400	32	47	-	479
Lease payment		**-**	**-**	**-**	**503**	**503**	-	-	-	-	-
Sustaining capital expenditures		**25,302**	**2,274**	**-**	**820**	**28,396**	22,411	1,007	-	275	23,693
All-in sustaining cost, net of by-product credits	**F**	**30,492**	**538**	**214**	**11,675**	**42,919**	15,012	(3,933)	1,417	10,010	22,505
Add: Non-sustaining capital expenditures		**6,008**	**812**	**88**	**-**	**6,908**	9,766	495	609	-	10,870
All-in cost, net of by-product credits	**G**	**36,500**	**1,350**	**302**	**11,675**	**49,827**	24,778	(3,438)	2,026	10,010	33,375
Silver ounces sold ('000s)	**H**	**5,558**	**699**	**-**	**-**	**6,257**	5,764	626	-	-	6,390
Cash cost per ounce of silver, net of by-product credits	**(B+C)/H**	**$ (1.18)**	**$ (7.65)**	**$ -**	**$ -**	**$ (1.91)**	$ (3.35)	$ (12.97)	$ -	$ -	$ (4.29)
All-in sustaining cost per ounce of silver, net of by-product credits	**F/H**	**$ 5.49**	**$ 0.77**	**$ -**	**$ -**	**$ 6.86**	$ 2.60	$ (6.28)	$ -	$ -	$ 3.52
All-in cost per ounce of silver, net of by-product credits	**G/H**	**$ 6.57**	**$ 1.93**	**$ -**	**$ -**	**$ 7.96**	$ 4.30	$ (5.49)	$ -	$ -	$ 5.22
By-product credits per ounce of silver											
Gold		**(0.70)**	**-**	**-**	**-**	**(0.63)**	(0.63)	-	-	-	(0.57)
Lead		**(7.79)**	**(12.38)**	**-**	**-**	**(8.31)**	(9.67)	(13.37)	-	-	(10.03)
Zinc		**(0.88)**	**(15.55)**	**-**	**-**	**(2.52)**	(1.09)	(22.92)	-	-	(3.23)
Other		**(0.30)**	**(0.88)**	**-**	**-**	**(0.37)**	(0.19)	(0.58)	-	-	(0.23)
Total by-product credits per ounce of silver		**$ (9.67)**	**$ (28.81)**	**$ -**	**$ -**	**$ (11.83)**	$ (11.58)	$ (36.87)	$ -	$ -	$ (14.06)

(Expressed in thousands of U.S. dollars, except ounce and per ounce amount)		Three months ended March 31, 2020					Three months ended March 31, 2019				
		Ying Mining District	GC	Other	Corporate	Consolidated	Ying Mining District	GC	Other	Corporate	Consolidated
Production costs expensed as reported	**A**	**$ 6,924**	**$ 1,420**	**$ -**	**$ -**	**$ 8,344**	$ 9,003	4,002	$ -	$ -	$ 13,005
By-product sales											
Gold		**(625)**	**-**	**-**	**-**	**(625)**	(759)	-	-	-	(759)
Lead		**(5,562)**	**(892)**	**-**	**-**	**(6,454)**	(9,318)	(2,102)	-	-	(11,420)
Zinc		**(452)**	**(1,094)**	**-**	**-**	**(1,546)**	(2,028)	(3,501)	-	-	(5,529)
Other		**(74)**	**(327)**	**-**	**-**	**(401)**	(344)	(168)	-	-	(512)
Total by-product sales	**B**	**(6,713)**	**(2,313)**	**-**	**-**	**(9,026)**	(12,449)	(5,771)	-	-	(18,220)
Total cash cost, net of by-product credits	**C=A-B**	**211**	**(893)**	**-**	**-**	**(682)**	(3,446)	(1,769)	-	-	(5,215)
Add: Mineral resources tax		**463**	**96**	**-**	**-**	**559**	782	220	-	-	1,002
General and administrative		**2,306**	**978**	**84**	**2,590**	**5,958**	1,500	466	311	2,623	4,900
Amortization included in general and administrative		**(420)**	**(228)**	**(65)**	**(122)**	**(835)**	(111)	(79)	(107)	(43)	(340)
Exploration and business development		**-**	**-**	**-**	**274**	**274**	-	-	-	111	111
Government fees and other taxes		**216**	**21**	**-**	**1**	**238**	385	91	29	-	505
Reclamation accretion		**91**	**6**	**8**	**-**	**105**	101	8	12	-	121
Lease payment		**-**	**-**	**-**	**134**	**134**	-	-	-	-	-
Sustaining capital expenditures		**5,569**	**760**	**-**	**52**	**6,381**	4,531	202	-	77	4,810
All-in sustaining cost, net of by-product credits	**F**	**8,436**	**740**	**27**	**2,929**	**12,132**	3,742	(860)	245	2,768	5,894
Add: Non-sustaining capital expenditures		**649**	**115**	**1**	**-**	**765**	5,831	90	127	-	6,048
All-in cost, net of by-product credits	**G**	**9,085**	**855**	**28**	**2,929**	**12,897**	9,573	(770)	372	2,768	11,942
Silver ounces sold ('000s)	**H**	**711**	**89**	**-**	**-**	**800**	1,141	173	-	-	1,314
Cash cost per ounce of silver, net of by-product credits	**(B+C)/H**	**$ 0.30**	**$ (10.03)**	**$ -**	**$ -**	**$ (0.85)**	$ (3.02)	$ (10.23)	$ -	$ -	$ (3.97)
All-in sustaining cost per ounce of silver, net of by-product credits	**F/H**	**$ 11.86**	**$ 8.31**	**$ -**	**$ -**	**$ 15.17**	$ 3.28	$ (4.97)	$ -	$ -	$ 4.49
All-in cost per ounce of silver, net of by-product credits	**G/H**	**$ 12.78**	**$ 9.61**	**$ -**	**$ -**	**$ 16.12**	$ 8.39	$ (4.45)	$ -	$ -	$ 9.09
By-product credits per ounce of silver											
Gold		**(0.88)**	**-**	**-**	**-**	**(0.78)**	(0.67)	-	-	-	(0.58)
Lead		**(7.82)**	**(10.02)**	**-**	**-**	**(8.07)**	(8.17)	(12.15)	-	-	(8.69)
Zinc		**(0.64)**	**(12.29)**	**-**	**-**	**(1.93)**	(1.78)	(20.24)	-	-	(4.21)
Other		**(0.10)**	**(3.67)**	**-**	**-**	**(0.50)**	(0.30)	(0.97)	-	-	(0.39)
Total by-product credits per ounce of silver		**$ (9.44)**	$ **(25.98)**	**$ -**	**$ -**	**$ (11.28)**	$ (10.92)	$ (33.36)	$ -	$ -	$ (13.87)

(c) 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 expense, government fee 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.

(Expressed in thousands of U.S. dollars, except ounce and per ounce amount)		Year ended March 31, 2020					Year ended March 31, 2019				
		Ying Mining District	GC	Other	Corporate	Consolidated	Ying Mining District	GC	Other	Corporate	Consolidated
Production costs expensed as reported		$ 47,236	$ 14,793	$ -	$ -	$ 62,029	$ 47,496	$ 14,965	$ -	$ -	$ 62,461
Depreciation and amortization		17,835	2,880	-	-	20,715	16,857	3,140	-	-	19,997
Changes in stockpile and concentrate inventory											
Less: stockpile and concentrate inventory - Beginning		(5,947)	(213)	(834)	-	(6,994)	(5,353)	(340)	(891)	-	(6,584)
Add: stockpile and concentrate inventory - Ending		4,474	241	790	-	5,505	5,947	213	834	-	6,994
Adjustment for foreign exchange movement		191	156	44	-	391	322	20	57	-	399
		(1,282)	184	-	-	(1,098)	916	(107)	-	-	809
Total production cost		$ 63,789	$ 17,857	$ -	$ -	$ 81,646	$ 65,269	$ 17,998	$ -	$ -	$ 83,267
Depreciation and amortization charged to mining costs	**A**	16,517	2,398	-	-	18,915	15,438	2,361	-	-	17,799
Depreciation and amortization charged to milling costs	**B**	1,128	486	-	-	1,614	1,333	756	-	-	2,089
Total non-cash production cost		$ 17,645	$ 2,884	$ -	$ -	$ 20,529	$ 16,771	$ 3,117	$ -	$ -	$ 19,888
Cash mining cost	**C**	37,688	10,947	-	-	48,635	39,468	10,723	-	-	50,191
Shipping cost	**D**	2,346	-	-	-	2,346	2,565	-	-	-	2,565
Cash milling cost	**E**	6,111	4,025	-	-	10,136	6,464	4,158	-	-	10,622
Total cash production cost		$ 46,145	$ 14,972	$ -	$ -	$ 61,117	$ 48,497	$ 14,881	$ -	$ -	$ 63,378
General and administrative		6,849	2,738	469	10,094	20,150	5,950	1,969	1,647	9,475	19,041
Exploration and business development		-	-	-	679	679	-	-	-	386	386
Amortization included in general and administrative		(753)	(469)	(289)	(447)	(1,958)	(437)	(314)	(339)	(162)	(1,253)
Government fees and other taxes		1,591	496	2	26	2,115	1,980	621	62	36	2,699
Reclamation accretion		366	24	32	-	422	400	32	47	-	479
Lease payment		-	-	-	503	503	-	-	-	-	-
Sustaining capital expenditures		25,302	2,274	-	820	28,396	22,411	1,007	-	275	23,693
All-in sustaining production cost	**F**	$ 79,500	$ 20,035	$ 214	$ 11,675	$ 111,424	$ 78,801	$ 18,196	$ 1,417	$ 10,010	$ 108,423
Non-sustaining capital expenditures		6,008	812	88	-	6,908	9,766	495	609	-	$ 10,870
All in production cost	**G**	$ 85,508	$ 20,847	$ 302	$ 11,675	$ 118,332	$ 88,567	$ 18,691	$ 2,026	$ 10,010	$ 119,293
Ore mined ('000s)	**H**	598.197	287.633	-	-	885.830	622.576	284.218	-		906.794
Ore shipped ('000s)	**I**	598.327	287.633	-	-	885.960	607.134	284.218	-		891.352
Ore milled ('000s)	**J**	601.605	290.610	-	-	892.215	619.851	288.995	-		908.846
Per tonne Production cost											
Non-cash mining cost ($/tonne)	**K=A/H**	27.61	8.34	-	-	21.35	24.80	8.31	-	-	19.63
Non-cash milling cost ($/tonne)	**L=B/J**	1.87	1.67	-	-	1.81	2.15	2.62	-	-	2.30
Non-cash production cost ($/tonne)	**M=K+L**	$ 29.48	$ 10.01	$ -	$ -	$ 23.16	$ 26.95	$ 10.93	$ -	$ -	$ 21.93
Cash mining cost ($/tonne)	**N=C/H**	63.00	38.06	-	-	54.90	63.39	37.73	-	-	55.35
Shipping costs ($/tonne)	**O=D/I**	3.92	-	-	-	2.65	4.22	-	-	-	2.88
Cash milling costs ($/tonne)	**P=E/J**	10.16	13.85	-	-	11.36	10.43	14.39	-	-	11.69
Cash production costs ($/tonne)	**Q=N+O+P**	$ 77.08	$ 51.91	$ -	$ -	$ 68.91	$ 78.04	$ 52.12	$ -	$ -	$ 69.92
All-in sustaining production costs ($/tonne)	**P=(F-C-D-E)/J+Q**	$ 132.52	$ 69.33	$ -	$ -	$ 125.29	$ 126.93	$ 63.59	$ -	$ -	$ 119.48
All in costs ($/tonne)	**S=P+(G-F)/J**	$ 142.51	$ 72.13	$ -	$ -	$ 133.04	$ 142.68	$ 65.30	$ -	$ -	$ 131.44

(Expressed in thousands of U.S. dollars, except ounce and per ounce amount)		Three months ended March 31, 2020					Three months ended March 31, 2019				
		Ying Mining District	GC	Other	Corporate	Consolidated	Ying Mining District	GC	Other	Corporate	Consolidated
Production costs expensed as reported		$ 6,924	$ 1,420	$ -	$ -	$ 8,344	$ 9,003	$ 4,002	$ -	$ -	$ 13,005
Depreciation and amortization as reported		2,712	434	-	-	3,146	3,749	852	-	-	4,601
Change in stockpile and concentrate inventory											
Less: stockpile and concentrate inventory - Beginning		(6,158)	(322)	(805)	-	(7,285)	(6,033)	(1,358)	(814)	-	(8,205)
Add: stockpile and concentrate inventory - Ending		4,474	241	790	-	5,505	5,947	213	834	-	6,994
Adjustment for foreign exchange movement		95	148	15	-	258	(145)	(38)	(20)	-	(203)
		(1,589)	67	-	-	(1,522)	(231)	(1,183)	-	-	(1,414)
Total production cost		$ 8,047	$ 1,921	$ -	$ -	$ 8,446	$ 12,521	$ 3,671	$ -	$ -	$ 16,192
Depreciation and amortization charged to mining costs	**A**	2,060	354	-	-	2,414	3,178	481	-	-	3,659
Depreciation and amortization charged to milling costs	**B**	192	71	-	-	263	319	168	-	-	487
Total non-cash production cost		$ 2,252	$ 425	$ -	$ -	$ 2,677	$ 3,497	$ 649	$ -	$ -	$ 4,146
Cash mining cost	**C**	4,725	952	-	-	5,677	7,244	2,044	-	-	9,288
Shipping cost	**D**	272	-	-	-	272	436	-	-	-	436
Cash milling cost	**E**	798	544	-	-	1,342	1,345	979	-	-	2,324
Total cash production cost		$ 5,795	$ 1,496	$ -	$ -	$ 7,291	$ 9,025	$ 3,023	$ -	$ -	$ 12,048
General and administrative		2,306	978	84	2,590	5,958	1,500	466	311	2,623	4,900
Exploration and business development		-	-	-	274	274	-	-	-	111	111
Amortization included in general and administrative		(420)	(228)	(65)	(122)	(835)	(111)	(79)	(107)	(43)	(340)
Government fees and other taxes		216	21	-	1	238	385	91	29	-	505
Reclamation accretion		91	6	8	-	105	101	8	12	-	121
Lease payment		-	-	-	134	134	-	-	-	-	-
Sustaining capital expenditures		5,569	760	-	52	6,381	4,531	202	-	77	4,810
All-in sustaining production cost	**F**	$ 13,557	$ 3,033	$ 27	$ 2,929	$ 19,546	$ 15,431	$ 3,711	$ 245	$ 2,768	$ 22,155
Non-sustaining capital expenditures		649	115	1	-	765	5,831	90	127	-	6,048
All in production cost	**G**	$ 14,206	$ 3,148	$ 28	$ 2,929	$ 20,311	$ 21,262	$ 3,801	$ 372	$ 2,768	$ 28,203
Ore mined ('000s)	**H**	69.379	37.216	-	-	106.595	111.032	50.368	-	-	161.400
Ore shipped ('000s)	**I**	68.737	37.216	-	-	105.953	109.793	50.368	-	-	160.161
Ore milled ('000s)	**J**	69.188	33.243	-	-	102.431	107.039	52.865	-	-	159.904
Per tonne Production cost											
Non-cash mining cost ($/tonne)	**K=A/H**	29.69	9.51	-	-	22.65	28.62	9.55	-	-	22.67
Non-cash milling cost ($/tonne)	**L=B/J**	2.78	2.14	-	-	2.57	2.98	3.18	-	-	3.05
Non-cash production cost ($/tonne)	**M=K+L**	$ 32.47	$ 11.65	$ -	$ -	$ 25.22	$ 31.60	$ 12.73	$ -	$ -	$ 25.72
Cash mining cost ($/tonne)	**N=C/H**	68.10	25.58	-	-	53.26	65.24	40.58	-	-	57.55
Shipping costs ($/tonne)	**O=D/I**	3.96	-	-	-	2.57	3.97	-	-	-	2.72
Cash milling costs ($/tonne)	**P=E/J**	11.53	16.36	-	-	13.10	12.57	18.52	-	-	14.53
Cash production costs ($/tonne)	**Q=N+O+P**	$ 83.59	$ 41.94	$ -	$ -	$ 68.93	$ 81.78	$ 59.10	$ -	$ -	$ 74.80
All-in sustaining production costs ($/tonne)	**P=(F-C-D-E)/J+Q**	$ 195.78	$ 88.18	$ -	$ -	$ 188.57	$ 141.63	$ 72.11	$ -	$ -	$ 138.01
All in costs ($/tonne)	**S=P+(G-F)/J**	$ 205.16	$ 91.63	$ -	$ -	$ 196.04	$ 196.10	$ 73.82	$ -	$ -	$ 175.83

14. Critical Accounting Policies, Judgments, and Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported on the consolidated financial statements. These critical accounting estimates represent management estimates and judgements that are uncertain and any changes in these estimates could materially impact the Company's consolidated financial statements. Management continuously reviews its estimates and assumptions using the most current information available. The Company's critical accounting policies, judgements and estimates are described in Note 2 of the audited consolidated financial statements for the year ended March 31, 2020.

15. New Accounting Standards

(a) Adoption of new accounting standards

IFRS 16 - Lease

IFRS 16 - *Leases* ("IFRS 16") was issued by the IASB and will replace IAS 17 - *Leases* ("IAS 17") and IFRIC 4 - *Determining whether an arrangement contains a lease* ("IFRIC 4"). IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a non-lease component on the basis of whether the customer controls the specific asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset. For those contracts that are or contain a lease, IFRS 16 introduces significant changes to the accounting for such contracts, introducing a single on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting, apart from a specific exception in respect of sublease, remains similar to current accounting practice. The standard is effective for annual periods beginning on or after January 1, 2019.

The Company applied IFRS 16 on April 1, 2019 retrospectively, with the cumulative effect of initially applying the standard as an adjustment to retained earnings and no restatement of comparative information. The Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight basis for short term leases (lease term of 12 months or less) and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short-term lease.

Policy applicable from April 1, 2019

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 as 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 Company's incremental borrowing rate. 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 measured at the present value of the lease payments remaining at the lease commencement date, discounting the interest rate implicated in the lease or the Company's incremental borrowing rate if the lease is a sublease. 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 lease 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 in the Company's consolidated statement of income.

Adjustments upon Adoption

Upon adoption of IFRS 16 on April 1, 2019, the Company recognized lease receivable, ROU asset, and lease obligation of $447, $360, and $1,463, respectively, related to the Company's office lease agreement and sublease agreements. The Company also recognized cumulative adjustments to retained earnings and accumulated other comprehensive income of $(823) and $167, respectively.

(b) Accounting standards not yet effective

New accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current or future reporting periods.

16. Other MD&A Requirements

Additional information relating to the Company:

(a) may be found on SEDAR at www.sedar.com;

(b) may be found at the Company's website www.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, 2020.

17. Outstanding Share Data

As at the date of this MD&A, the following securities were outstanding:

(a) Share Capital

Authorized - unlimited number of common shares without par value

Issued and outstanding - **173,885,709** common shares with a recorded value of **$244.1 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
201,260	$1.43	6/2/2020
565,000	$2.60	11/16/2021
526,250	$3.23	3/12/2021
402,500	$3.36	10/2/2020
667,500	$3.40	8/24/2021
2,362,510		

(c) Restricted Share Units (RSUs)

Outstanding - 669,749 RSUs with grant date closing price of CAD$4.94 per share.

18. Risks and Uncertainties

The Company is exposed to many risks in conducting its business, including but not limited to: metal price risk as the Company derives its revenue from the sale of silver, lead, zinc, and gold; credit risk in the normal course of dealing with other companies and financial institutions; foreign exchange risk as the Company reports its financial statements in USD whereas the Company operates in jurisdictions that utilize other currencies; equity price risk and interest rate risk as the Company has investments in marketable securities that are traded in the open market or earn interest at market rates that are fixed to maturity or at variable interest rates; inherent risk of uncertainties in estimating mineral reserves and mineral resources; political risks; economic and social risks related to conducting business in foreign jurisdictions such as China; 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 of Directors continuously assess risks that the Company is exposed to, and attempt to mitigate these risks where practical through a range of risk management strategies.

These and other risks are described in the Company's Annual Information Form, NI 43-101 technical reports, Form 40-F, and Audited Consolidated Financial Statements, which are available on SEDAR at www.sedar.com and/or 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 and licenses

All mineral resources and mineral reserves of the Company's subsidiaries are owned by their respective governments, and mineral exploration and mining activities may only be conducted by entities that have obtained or renewed exploration or mining permits and licenses in accordance with the relevant mining laws and regulations. No guarantee can be given that the necessary exploration and mining permits and licenses will be issued to the Company or, if they are issued, that they will be renewed, or if renewed under reasonable operational and/or financial terms, or in a timely manner, or that the Company will be in a position to comply with all conditions that are imposed.

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

- Title to properties

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

- Operations and political conditions

All the properties in which the Company has an interest are located in China, which has different regulatory and legal standards than those in North America. Even when the Company's mineral properties are proven to host economic reserves of metals, factors such as political instability, terrorism, opposition and harassment from local miners, or governmental expropriation or regulation may prevent or restrict mining of any such deposits or repatriation of profits.

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

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

The Company's interests in its mineral properties are held through joint venture companies established under and governed by the laws of China. The Company's joint venture partners in China include state-sector entities and, like other state-sector entities, their actions and priorities may be dictated by government policies instead of purely commercial considerations. Additionally, companies with a foreign ownership component operating in China may be required to work within a framework which is

different from that imposed on domestic Chinese companies. The Chinese government currently allows foreign investment in certain mining projects under central government guidelines. There can be no assurance that these guidelines will not change in the future.

- Regulatory environment in China

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

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

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

- Environmental risks

The Company's activities are subject to extensive laws and regulations governing environmental protection and employee health and safety, including environmental laws and regulations in China. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations.

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

- Risks and hazards of mining operations

Mining is inherently dangerous and the Company's operations are subject to a number of risks and hazards including, without limitation:

(i) environmental hazards;

(ii) discharge of pollutants or hazardous chemicals;

(iii) industrial accidents;

(iv) failure of processing and mining equipment;

(v) labour disputes;

(vi) supply problems and delays;

(vii) encountering unusual or unexpected geologic formations or other geological or grade problems;

(viii) encountering unanticipated ground or water conditions;

(ix) cave-ins, pit wall failures, flooding, rock bursts and fire;

(x) periodic interruptions due to inclement or hazardous weather conditions;

(xi) equipment breakdown;

(xii) other unanticipated difficulties or interruptions in development, construction or production;

(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.

19. Corporate Governance, Safety, Environment ad Social Responsibility

(a) **Governance**

Our Board oversees the direction and strategy of the business and the affairs of the Company. The Board is comprised of five directors, and as at March 31, 2020 and the date of this MD&A, four of them are independent, and one is female. The Board's wealth of experience allows it to effectively oversee the development of corporate strategies and the key risks of the business, provide management with long-term direction, consider and approve major decisions, oversee the business generally and evaluate corporate performance. The Corporate Governance and Nominating Committee, appointed by the Board, oversee the effective functioning of the Board and the implementation of governance best practices.

We believe that good corporate governance is essential to the effective performance of the Company and plays a significant role in protecting the interests of all stakeholders while helping to maximize value.

(b) **Health, Safety, and Environment**

The Company highly values ecological and environmental protection, as well as ensuring a safe workplace for all employees and contractors, at all of our sites. These corporate philosophies tie directly into the emphasis on efficient process design and management across all aspects of the operation. Significant, ongoing efforts are made to identify and minimize risks, as well as streamline the collection, monitoring and reporting of data. A social media platform that was developed in-house in 2014, the "Enterprise-Blog", is an instrumental tool used to ensure all mandatory procedures are being performed. In addition, an on-line, real time, monitoring and GPS system was established to further the goal of creating an "intelligent mine".

The Company has remained focused on sustainable development since its inception and is dedicated to fulfilling our environmental goals and responsibilities for the communities where it operates. Silvercorp is committed to building green mines and employing the latest design, construction and management practice to ensure our mining environment undergoes timely rehabilitation. In Fiscal 2020, the Company reforested more than 9.1 hectares through land reclamation and environmental restoration projects.

As part of our objective to minimize the impact our operations have on the environment, Silvercorp strives to reduce its energy and water consumption.

The Company is dedicated to minimizing the potential health and safety risks faced by employees and contractors. Training for new workers and ongoing training programs are a priory and Silvercorp continuously reviews and refines all standard procedures at our mines and milling facilities to identify any potential risks associated with each step of the operations.

Moreover, to response to health risks associated with the spread of COVID-19, the Company has implemented a number of health and safety measures designed to protect employees at its operations since Q4 Fiscal 2020.

(c) **Social Responsibility and Economic Value**

The Company is committed to creating sustainable value in the communities where our people work and live. Guided by research conducted by our local offices, the Company participates in, and

contributes to numerous community programs that typically center on education and health, nutrition, environmental awareness, local infrastructure and fostering additional economic activity. In addition to the taxes and fees paid to various levels of government in China, in Fiscal 2020, the Company:

- promoted community health and alleviating poverty in the local community with an emphasis on children and seniors with periodic visits and subsidies;
- donated $0.2 million to institutions in scholarship or education assistance programs to support children's education at the local and national level;
- donated $0.2 million to the local government in China as part of the Company's effort to help address the impact from COVID-19; and
- donated personal protective equipment, worth approximately $0.1 million, consisting of 17,000 3M N95 respirator masks, 100,000 pairs of medial gloves, 1,000 protective bodysuits, and 540 goggles, to Vancouver General Hospital and Vancouver Coastal Health as part of the Company's effort to reduce the significant risks faced by front-line healthcare workers in Vancouver-area hospitals as they combat COVID-19.

20. Subsequent Event

On April 27, 2020, the Company announced that it entered into a definitive agreement (the "Arrangement Agreement") whereby the Company will acquire all of the issued and outstanding shares of Guyana Goldfields Inc. (TSX: GUY) ("Guyana Goldfields") by way of a court approved plan of arrangement under the Canada Business Corporations Act (the "Transaction").

Under the terms of the Transaction, each holder of Guyana Goldfields shares will have the option to receive, for each Guyana Goldfields share held, CAD$0.60 in cash or 0.1195 of a Silvercorp common share (valued at CAD$0.60 based on the volume weighted average price for Silvercorp common shares for the 20 trading days ended April 24, 2020), subject to a maximum cash consideration of approximately $23.4 million (CAD$33.2 million). If all Guyana Goldfields shareholders elect to receive cash, consideration for each share will consist of CAD$0.20 in cash and 0.0796 of a Silvercorp common share (valued at CAD$0.40 based on the volume weighted average price for Silvercorp common shares for the 20 trading days ended April 24, 2020). Assuming the maximum cash consideration, existing Guyana Goldfields shareholders will own 7.1% of Silvercorp's pro forma basic shares outstanding following the Transaction. The consideration of CAD$0.60 per share represents a 71% premium to the 20-day volume weighted average price of Guyana Goldfields as of the close of trading on April 24, 2020.

Concurrently with entering into the Arrangement Agreement, the Company and Guyana Goldfields have also entered into a loan agreement, whereby the Company will lend Guyana Goldfields up to US$15 million with an interest rate of 12% per annum (or, on the occurrence of certain triggering events, 14% per annum) to fund Guyana Goldfields' expected liquidity shortfall between the signing of the Arrangement Agreement and the closing of the Transaction.

On May 18, 2020, the Company announced that it has entered into an amending agreement (the "Amending Agreement") to the Arrangement Agreement. Pursuant to the terms of the Amending Agreement, each holder of Guyana Goldfields shares will receive, for each Guyana Goldfields share held, C$0.25 in cash and 0.1849 of a Silvercorp common share, for total consideration of C$1.30 per share (based on the volume weighted average price for Silvercorp common shares for the 5 trading days ended May 14, 2020). The terms of the Amending Agreement were agreed to following receipt by Guyana Goldfields of an unsolicited all-cash proposal from a third party to acquire Guyana Goldfields.

After accounting for Silvercorp's current share position in Guyana Goldfields, cash consideration of C$0.25 per Guyana Goldfields share implies a total cash component of approximately $27.8 million (C$39.5 million). Share consideration of C$1.05 per Guyana Goldfields share implies a total share component of 29.2 million shares after accounting for Silvercorp's existing position, resulting in existing

Guyana Goldfields shareholders owning 14.4% of Silvercorp's pro forma basic shares outstanding following the Transaction.

Commensurate with the increase in consideration, valuing Guyana Goldfields at approximately C$227 million, the Amending Agreement provides for an increase in the termination fee to C$9.0 million, which is to be paid by Guyana Goldfields to Silvercorp if the Arrangement Agreement is terminated in the event Guyana Goldfields's board accepts a superior proposal. Other than as described herein, the terms of the Transaction remain unamended, including the terms of the interim loan facility.

The Transaction will be effected by way of a court-approved plan of arrangement under the Canada Business Corporation Act and will be subject to the approval of 66 $^{2/3}$% of votes cast by shareholders of Guyana Goldfields at a special meeting of Guyana Goldfields shareholders scheduled for June 29, 2020. In addition to shareholder and court approvals, the Transaction is subject to applicable regulatory approvals and the satisfaction of certain other closing conditions customary in transactions of this nature.

21. Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate to allow for timely decision about public disclosure.

Management, including the CEO and CFO, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of March 31, 2020, as defined in the rules of the U.S. Securities and Exchange Commission and Canadian Securities Administration. The evaluation included documentation review, enquiries and other procedures considered by management to be appropriate in the circumstances. Based on this evaluation, management concluded that the disclosure controls and procedures (as defined in Rule 13a-15(e) under Securities Exchange Act of 1934) are effective in providing reasonable assurance that the information required to be disclosed in annual filings, interim filings, and other reports the Company filed or submitted under United States and Canadian securities legislation were recorded, processed, summarized and reported within the time periods specified in those rules.

22. Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining an adequate system of internal control over financial reporting, and used the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") to evaluate, 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 to permit 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, 2020 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 effectiveness of the Company's internal control over financial reporting as of March 31, 2020 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 included with our audited consolidated financial statements.

23. 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, 2020 that has materially affected or is reasonably likely to materially affect, its internal control over financial reporting.

24. 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

Mr. Guoliang Ma, P.Geo., Manager of Exploration and Resources of the Company, is a Qualified Person for Silvercorp under NI 43-101 and has reviewed and given consent to the technical information contained in this MD&A.

Forward Looking Statements

Certain of the statements and information in this MD&A constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian provincial securities laws. Any statements or information that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", is "expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategies", "targets", "goals", "forecasts", "objectives", "budgets", "schedules", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements or information. Forward-looking statements or information relate to, among other things:

- *the price of silver and other metals;*
- *estimates of the Company's revenues and capital expenditures;*
- *estimated ore production and grades from the Company's mines in the Ying Mining District and the GC Mine ; and;*
- *timing of receipt of permits and regulatory approvals.*

Forward-looking statements or information are subject to a variety of known and unknown risks, uncertainties and

other factors that could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks relating to,

- *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 and Canada;*
- *environmental risks; and*
- *risks and hazards of mining operations.*

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

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



SILVERCORP METALS INC.

CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2020 and 2019
(Expressed in thousands of US dollars, except per share and share data, unless otherwise stated)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders 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, 2020 and 2019, the related consolidated statements of income, comprehensive income, cash flows, and changes in equity for each of the two years in the period ended March 31, 2020, 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, 2020 and 2019, and the financial performance and its cash flows for each of the two years in the period ended March 31, 2020, 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&8217;s internal control over financial reporting as of March 31, 2020, 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 21, 2020, expressed an unqualified opinion on the Company&8217;s internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company&8217;s management. Our responsibility is to express an opinion on the Company&8217;s financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte LLP

Vancouver, Canada

May 21, 2020

We have served as the Company&8217;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, 2020, 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, 2020, 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, 2020, of the Company and our report dated May 21, 2020, 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

Vancouver, Canada

May 21, 2020

SILVERCORP METALS INC.
Consolidated Statements of Financial Position

(Expressed in thousands of U.S. dollars)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Current Assets			
Cash and cash equivalents	23	**$ 65,777**	$ 67,441
Short-term investments	3	**76,742**	47,836
Trade and other receivables		**1,178**	467
Current portion of lease receivable	10	**186**	-
Inventories	4	**8,430**	10,836
Due from related parties	15	**1,519**	3,022
Income tax receivable		**1,093**	1,301
Prepaids and deposits		**3,254**	3,958
		158,179	134,861
Non-current Assets			
Long-term prepaids and deposits		**390**	769
Long-term portion lease receivable	10	**348**	-
Reclamation deposits		**9,230**	7,953
Investment in an associate	5	**44,555**	38,703
Other investments	6	**8,750**	9,253
Plant and equipment	7	**66,722**	68,617
Mineral rights and properties	8	**224,586**	238,920
TOTAL ASSETS		**$ 512,760**	$ 499,076
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		**$ 23,129**	$ 29,856
Current portion of lease obligation	10	**567**	-
Bank loan	9	**-**	4,475
Deposits received		**3,195**	3,040
Income tax payable		**937**	502
		27,828	37,873
Non-current Liabilities			
Long-term portion of lease obligation	10	**1,502**	-
Deferred income tax liabilities	19	**35,758**	34,334
Environmental rehabilitation	11	**8,700**	13,688
Total Liabilities		**73,788**	85,895
Equity			
Share capital		**243,926**	231,269
Equity reserves		**(21,142)**	(557)
Retained earnings		**145,898**	116,734
Total equity attributable to the equity holders of the Company		**368,682**	347,446
Non-controlling interests	14	**70,290**	65,735
Total Equity		**438,972**	413,181
TOTAL LIABILITIES AND EQUITY		**$ 512,760**	$ 499,076

Approved on behalf of the Board:

(Signed) David Kong
Director

(Signed) Rui Feng
Director

See accompanying notes to the consolidated financial statements

SILVERCORP METALS INC.
Consolidated Statements of Income

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

	Notes	Years Ended March 31, 2020	2019
Sales	22 (b)(c)	**$ 158,829**	$ 170,519
Costs of mine operations			
Production costs		**62,029**	62,461
Depreciation and amortization		**20,715**	19,997
Mineral resource taxes		**4,540**	4,864
Government fees and other taxes	17	**2,115**	2,699
General and administrative	16	**10,056**	9,566
		99,455	99,587
Income from mine operations		**59,374**	70,932
Corporate general and administrative	16	**10,094**	9,475
Property evaluation and business development		**679**	386
Foreign exchange gain		**(4,103)**	(1,361)
Loss on disposal of plant and equipment	7	**461**	401
Gain on disposal of mineral rights and properties	8	**(1,477)**	-
Share of loss in associate	5	**1,276**	330
Dilution gain on investment in associate	5	**(723)**	-
Reclassification of other comprehensive income upon ownership dilution of investment in associate	5	**(21)**	-
Impairment reversal of investment in associate	5	**-**	(1,899)
Impairment reversal of mineral rights and properties	8	**-**	(7,279)
Other expense		**1,026**	806
Income before finance items and income taxes		**52,162**	70,073
Finance income	18	**4,023**	3,476
Finance costs	18	**(2,073)**	(631)
Income before income taxes		**54,112**	72,918
Income tax expense	19	**8,909**	20,871
Net income		**$ 45,203**	$ 52,047
Attributable to:			
Equity holders of the Company		**$ 34,274**	$ 39,724
Non-controlling interests	14	**10,929**	12,323
		$ 45,203	$ 52,047
Earnings per share attributable to the equity holders of the Company			
Basic earnings per share		**$ 0.20**	$ 0.24
Diluted earnings per share		**$ 0.20**	$ 0.23
Weighted Average Number of Shares Outstanding - Basic		**171,713,263**	168,483,412
Weighted Average Number of Shares Outstanding - Diluted		**174,079,387**	170,386,993

See accompanying notes to the consolidated financial statements

SILVERCORP METALS INC.

Consolidated Statements of Comprehensive Income

(Expressed in thousands of U.S. dollars)

	Notes	Years Ended March 31, 2020	2019
Net income		**$ 45,203**	$ 52,047
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		**(24,312)**	(21,831)
Share of other comprehensive income in associate	5	**1,077**	398
Reclassification to net income upon ownership dilution of investment in associate	5	**(21)**	-
Items that will not subsequently be reclassified to net income or loss:			
Change in fair value on equity investments designated as FVTOCI, net of tax of $nil	6	**249**	2,380
Other comprehensive loss, net of taxes		**$ (23,007)**	$ (19,053)
Attributable to:			
Equity holders of the Company		**$ (19,892)**	$ (15,989)
Non-controlling interests	14	**(3,115)**	(3,064)
		$ (23,007)	$ (19,053)
Total comprehensive income		**$ 22,196**	$ 32,994
Attributable to:			
Equity holders of the Company		**$ 14,382**	$ 23,735
Non-controlling interests		**7,814**	9,259
		$ 22,196	$ 32,994

See accompanying notes to the consolidated financial statements

SILVERCORP METALS INC.
Consolidated Statements of Cash Flows
(Expressed in thousands of U.S. dollars)

	Notes	Years Ended March 31, 2020	2019
Cash provided by			
Operating activities			
Net income		**$ 45,203**	$ 52,047
Add (deduct) items not affecting cash:			
Finance costs	18	**2,073**	631
Depreciation, amortization and depletion		**22,673**	21,250
Share of loss in associate	5	**1,276**	330
Dilution gain on investment in associate	5	**(723)**	-
Reclassification of other comprehensive loss upon ownership dilution of investment in associate	5	**(21)**	-
Impairment reversal of investment in associate	5	**-**	(1,899)
Impairment reversal of mineral rights and properties	8	**-**	(7,279)
Income tax expense	19	**8,909**	20,871
Finance income	18	**(4,023)**	(3,476)
Loss on disposal of plant and equipment	7	**461**	401
Gain on disposal of mineral rights and properties	8	**(1,477)**	-
Share-based compensation		**2,669**	1,896
Reclamation expenditures		**(385)**	(187)
Income taxes paid		**(5,012)**	(18,225)
Interest received		**4,023**	3,476
Interest paid		**(162)**	(144)
Changes in non-cash operating working capital	23	**1,762**	659
Net cash provided by operating activities		**77,246**	70,351
Investing activities			
Mineral rights and properties			
Capital expenditures		**(27,904)**	(28,049)
Proceeds on disposals	8	**6,146**	-
Plant and equipment			
Additions		**(7,400)**	(6,258)
Proceeds on disposals	7	**10**	31
Reclamation deposits			
Paid		**(1,727)**	(2,601)
Other investments			
Acquisition	6	**(7,851)**	(1,018)
Proceeds on disposals	6	**8,454**	-
Investment in associate	5	**(7,030)**	(107)
Net (purchases) redemptions of short-term investments		**(33,606)**	5,969
Principal received on lease receivable	10	**118**	-
Net cash used in investing activities		**(70,790)**	(32,033)
Financing activities			
Related parties			
Payments made	15	**(1,436)**	(2,989)
Repayments received	15	**2,922**	-
Bank loan			
Proceeds	9	**-**	4,527
Repayment	9	**(4,369)**	-
Principal payments on lease obligation	10	**(503)**	-
Non-controlling interests			
Distribution	14	**(3,259)**	(13,259)
Acquisition	14	**-**	(1,121)
Cash dividends distributed	12 (c)	**(4,287)**	(4,208)
Proceeds from issuance of common shares		**8,001**	1,852
Net cash used in financing activities		**(2,931)**	(15,198)
Effect of exchange rate changes on cash and cash equivalents		**(5,189)**	(4,878)
Increase (decrease) in cash and cash equivalents		**(1,664)**	18,242
Cash and cash equivalents, beginning of the year		**67,441**	49,199
Cash and cash equivalents, end of the year		**$ 65,777**	$ 67,441
Supplementary cash flow information	23		

See accompanying notes to the consolidated financial statements

SILVERCORP METALS INC.

Consolidated Statements of Changes in Equity

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

		Share capital		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, 2018		167,029,556	$ 228,729	$ 14,690	$ 25,409	$ (25,875)	$ 86,283	$ 329,236	$ 68,943	$ 398,179
Options exercised		2,812,496	2,540	(688)	-	-	-	1,852	-	1,852
Share-based compensation		-	-	1,896	-	-	-	1,896	-	1,896
Dividends declared		-	-	-	-	-	(4,208)	(4,208)	-	(4,208)
Distribution to non-controlling interests		-	-	-	-	-	-	-	(13,259)	(13,259)
Disposition of non-controlling interests upon wound-up of a subsidiary		-	-	-	-	-	-	-	(1,002)	(1,002)
Acquisition of non-controlling interest		-	-	-	-	-	(5,065)	(5,065)	1,794	(3,271)
Comprehensive (loss) income		-	-	-	-	(15,989)	39,724	23,735	9,259	32,994
Balance, March 31, 2019		**169,842,052**	**$ 231,269**	**$ 15,898**	**$ 25,409**	**$ (41,864)**	**$ 116,734**	**$ 347,446**	**$ 65,735**	**$ 413,181**
Adjustment upon adoption of IFRS 16	2 (n)	-	-	-	-	167	(823)	(656)	-	(656)
Options exercised		3,833,406	11,003	(3,002)	-	-	-	8,001	-	8,001
Restricted share units vested		141,376	527	(527)						
Share-based compensation		-	-	2,669	-	-	-	2,669	-	2,669
Dividends declared	12 (c)	-	-	-	-	-	(4,287)	(4,287)	-	(4,287)
Distribution to non-controlling interests	14	-	-	-	-	-	-	-	(3,259)	(3,259)
Disposal of common shares held by associate	5	-	1,127	-	-	-	-	1,127	-	1,127
Comprehensive (loss) income		-	-	-	-	(19,892)	34,274	14,382	7,814	22,196
Balance, March 31, 2020		**173,816,834**	**$ 243,926**	**$ 15,038**	**$ 25,409**	**$ (61,589)**	**$ 145,898**	**$ 368,682**	**$ 70,290**	**$ 438,972**

See accompanying notes to the consolidated financial statements

1. CORPORATE INFORMATION

Silvercorp Metals Inc., along with its subsidiary companies (collectively the "Company"), is engaged in the acquisition, exploration, development, and mining of mineral properties. The Company s producing mines and other current exploration and development projects are located in China.

The Company is a publicly listed company incorporated in the Province of British Columbia, Canada, with limited liability under the legislation of the Province of British Columbia. The Company s shares are traded on the Toronto Stock Exchange and 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, 2020.

These consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors dated on May 20, 2020.

(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 statements of financial position. Net income for the period that is attributable to the non-controlling interests is calculated based on the ownership of the non-controlling interest shareholders in the subsidiary. Adjustments to recognize the non-controlling interests share of changes to the subsidiary s equity are made even if this results in the non-controlling interests having a deficit balance. Changes in the Company s ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interests is adjusted to reflect the change in the non-controlling interests relative interests in the subsidiary and the difference between the adjustment to the carrying amount of non-controlling interest and the Company s share of proceeds received and/or consideration paid is recognized directly in equity and attributed to equity holders of the Company.

Balances, transactions, revenues and expenses between the Company and its subsidiaries are eliminated on consolidation.

Details of the Company s significant subsidiaries which are consolidated are as follows:

			Proportion of ownership interest held		
Name of subsidiaries	Principal activity	Country of incorporation	**March 31, 2020**	March 31, 2019	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%	
Henan Huawei Mining Co. Ltd. (“Henan Huawei”)	Mining	China	**80%**	80%	Ying Mining District
Henan Found Mining Co. Ltd. (“Henan Found”)	Mining	China	**77.5%**	77.5%	
Songxian Gold Mining Co., Ltd. (“SX Gold”)	Mining	China	**0.0%**	77.5%	XHP
Xinshao Yunxiang Mining Co., Ltd. (“Yunxiang”)	Mining	China	**70%**	70%	BYP
Guangdong Found Mining Co. Ltd. (Guangdong Found”)	Mining	China	**99%**	99%	GC

(i) British Virgin Islands (“BVI”)

(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 associate are as follows:

			Proportion of ownership interest held	
Name of associate	Principal activity	Country of incorporation	**March 31, 2020**	March 31, 2019
New Pacific Metals Corp. ("NUAG")	Mining	Canada	**28.8%**	29.6%

(d)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. The functional currency of the head office, Canadian subsidiaries and all intermediate holding companies is the Canadian dollar (“CAD”). The functional currency of all Chinese subsidiaries is the Chinese Renminbi (“RMB”).

Foreign currency monetary assets and liabilities are translated into the functional currency using exchange rates prevailing at the balance sheet date. Foreign currency non-monetary assets are translated using exchange rates prevailing at the transaction date. Foreign exchange gains and losses are included in the determination of net income.

The consolidated financial statements are presented in U.S. dollars (“USD”). The financial position and results of the Company s entities are translated from functional currencies to USD as follows:

- assets and liabilities are translated using exchange rates prevailing at the balance sheet date;
- income and expenses are translated using average exchange rates prevailing during the period; and
- all resulting exchange gains and losses are included in other comprehensive income.

The Company treats inter-company loan balances, which are not intended to be repaid in the foreseeable future, as part of its net investment. When a foreign entity is sold, the historical exchange differences plus the foreign exchange impact that arises on the transaction are recognized in the statement of income as part of the gain or loss on sale.

(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.

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.

(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 reversals

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

IFRS 16 - *Leases* (“IFRS 16”) was issued by the IASB and replaced IAS 17 - *Leases* (“IAS 17”) and IFRIC 4 - *Determining whether an arrangement contains a lease* (“IFRIC 4”). IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a non-lease component on the basis of whether the customer controls the specific asset. Control is considered to exist if the customer has the right to obtain substantially all of the economic benefits from the use of an identified asset and the right to direct the use of that asset. For those contracts that are or contain a lease, IFRS 16 introduces significant changes to the accounting for such contracts, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting, apart from a specific exception in respect of sublease, remains similar to current accounting practice. The standard was effective for annual periods beginning on or after January 1, 2019.

The Company applied IFRS 16 on April 1, 2019 retrospectively, with the cumulative effect of initially applying the standard as an adjustment to retained earnings and no restatement of comparative

information. The Company has elected to apply the available exemptions as permitted by IFRS 16 to recognize a lease expense on a straight line basis for short term leases (lease term of 12 months or less) and low value assets. The Company has also elected to apply the practical expedient whereby leases whose term ends within 12 months of the date of initial application would be accounted for in the same way as short-term lease.

Policies applicable from April 1, 2019

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 predetermines 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 lease is a sublease. 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.

Adjustments upon Adoption

Upon adoption of IFRS 16 on April 1, 2019, the Company recognized lease receivable, ROU asset, and lease obligation of $447, $360, and $1,463, respectively, related to the Company s office lease agreement and sublease agreements. The Company also recognized cumulative adjustments to retained earnings and accumulated other comprehensive income of $(823) and $167, respectively.

(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 share units 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.

For cash-settled awards, the fair value is estimated based on the quoted market price of our common shares and are remeasured at each reporting period until the awards are vested. The fair value of these awards recognized as share-based compensation expenses in the consolidated statements of income over the vesting period, with a corresponding increase to accrued liabilities.

At each statement of financial position 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 balance sheet date and includes adjustments to tax payable or recoverable in respect to previous periods.

Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to set off the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized using the balance sheet liability method on temporary differences at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, can be utilized, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax relating to items recognized outside profit or loss is recognized in other comprehensive income or directly in equity.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(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&8217;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.

The current outbreak of COVID-19 has resulted in 20 days production interruption at the Company s mine sites in addition to the Company s normal operation break during the Chinese New Year. As of March 31, 2020 and the date of issuance of the financial statements, the mines are operating as normal. The Company assessed the impact of the production interruption and determined it would not have any long-term impact on the value of associated assets.

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.

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. Material and supplies inventory 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. SHORT-TERM INVESTMENTS

As at March 31, 2020, short-term investments consist of the following:

		Carrying value	Interest rates	Maturity
Bonds	**$**	**23,313**	6.00% - 13%	April 2, 2020 - June 27, 2024
Money market instruments		**53,429**		
	$	**76,742**		

As at March 31, 2019, short-term investments consist of the following:

		Carrying value	Interest rates	Maturity
Bonds	$	24,986	3.88% - 13%	April 28, 2019 - April 29, 2026
Money market instruments		22,850		
	$	47,836		

All bonds were purchased on open markets and are readily tradable.

4. INVENTORIES

Inventories consist of the following:

		March 31, 2020		March 31, 2019
Direct smelting ore and stockpile ore	**$**	**1,138**	$	1,794
Concentrate inventory		**4,368**		5,201
Total stockpile and concentrate		**5,506**		6,995
Material and supplies		**2,924**		3,841
	$	**8,430**	$	10,836

The amount of inventories recognized as expense during the year ended March 31, 2020 was $82,744 (year ended March 31, 2019 - $82,458).

5. INVESTMENT IN AN ASSOCIATE

New Pacific Metals Corp. (“NUAG”) is a Canadian public company listed on the TSX Venture Exchange (symbol: NUAG). NUAG is a related party of the Company by way of two common directors and one officer, 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.

On May 22, 2019, the Company exercised its warrants to acquire 1,500,000 common shares of NUAG for a total cost of $2,349. Pan American Silver Corp. also exercised its warrants to acquire 8,000,000 common shares of NUAG on the same day. As a result of the exercise of these warrants, the Company s ownership in NUAG was diluted from 29.8% to 28.9% and a dilution gain of $723 was recorded along with the reclassification gain of $21 from other comprehensive income to net income.

On October 25, 2019, the Company participated in an offering of common shares of NUAG underwritten by BMO Capital Markets and acquired an additional 1,247,606 common shares of NUAG for a cost of $3,820.

During the year ended March 31, 2020, the Company also acquired additional 502,600 common shares of NUAG from the public market (year ended March 31, 2019 - 65,400) for a total cost of $861 (year ended March 31, 2019 - $107).

As at March 31, 2020, the Company owned 42,596,506 common shares of NUAG (March 31, 2019 -39,346,300), representing an ownership interest of 28.8% (March 31, 2019 - 29.6%). The summary of the investment in NUAG common shares and its market value as at the respective balance sheet dates are as follows:

	Number of shares	Amount	Value of NUAG's common shares per quoted market price
Balance April 1, 2018	39,280,900	$ 38,001	$ 50,266
Purchase from open market	65,400	107	
Share of net loss		(330)	
Share of other comprehensive income		398	
Impairment recovery		1,899	
Foreign exchange impact		(1,372)	
Balance March 31, 2019	**39,346,300**	**$ 38,703**	**$ 69,783**
Purchase from open market	502,600	861	
Exercise of warrants	1,500,000	2,349	
Participation in public offering	1,247,606	3,820	
Share of net loss		(1,276)	
Share of other comprehensive income		1,077	
Dilution gain		723	
Disposal of common shares held by the associate		1,127	
Foreign exchange impact		(2,829)	
Balance March 31, 2020	**42,596,506**	**$ 44,555**	**$ 148,624**

Summarized financial information for the Company&8217;s investment in NUAG on a 100% basis is as follows:

	Years ended March 31,	
	2020 (1)	2019 (1)
Income from investments	**$ 494**	$ 576
General and administrative expense	**(3,824)**	(2,286)
Foreign exchange gain	**669**	542
Impairment charge	**(586)**	-
Other income	**-**	7
Net loss of associate	**$ (3,247)**	$ (1,161)
Adjustments to net loss of associate	**(1,170)**	23
Net loss of associate qualified for pick-up	**$ (4,417)**	$ (1,138)
Company&8217;s share of net loss	**$ (1,276)**	$ (330)

		March 31, 2020[1]		March 31, 2019[1]
Current assets	**$**	**29,012**	$	17,233
Non-current assets		**74,989**		62,568
Total assets	**$**	**104,001**	$	79,801
Current liabilities		**1,409**		675
Long-term liabilities		**-**		197
Total liabilities		**1,409**		872
Net assets	**$**	**102,592**	$	78,929
Company&8217;s share of net assets of associate	**$**	**29,575**	$	23,371

[1]NUAG&8217;s fiscal year-end is on June 30. NUAG&8217;s quarterly financial results were used to compile the financial information that matched with the Company&8217;s year-end on March 31.

6. OTHER INVESTMENTS

		March 31, 2020		March 31, 2019
Equity investments designated as FVTOCI				
Public companies	**$**	**6,633**	$	9,253
Private companies		**2,117**		**-**
Total	**$**	**8,750**	$	9,253

Investments in public companies represent equity interests of other publicly-trading mining companies that the Company has acquired through the open market or through private placements. These equity interests are for long-term investment purposes and consist of common shares and warrants.

The continuity of such investments is as follows:

		Fair value		**Accumulated fair value change included in OCI**
April 1, 2018	$	6,132	$	(37,508)
Change in fair value on equity investments designated as FVTOCI		2,380		2,380
Acquisition of equity investments		1,018		-
Impact of foreign currency translation		(277)		-
March 31, 2019	$	9,253	$	(35,128)
Change in fair value on equity investments designated as FVTOCI		249		249
Acquisition of equity investments		7,851		-
Proceeds on disposal		(8,454)		-
Impact of foreign currency translation		(149)		-
March 31, 2020	**$**	**8,750**	**$**	**(34,879)**

7. PLANT AND EQUIPMENT

Plant and equipment consist of:

Cost	Land use rights and building	Office equipment	Machinery	Motor vehicles	Construction in progress	Total
Balance as at April 1, 2018	$ 105,165	$ 7,755	$ 29,413	$ 6,730	$ 3,602	$ 152,665
Additions	1,586	553	2,266	792	2,750	7,947
Disposals	(316)	(126)	(505)	(376)	-	(1,323)
Reclassification of asset groups[1]	189	-	145	-	(334)	-
Impact of foreign currency translation	(6,596)	(447)	(1,867)	(424)	(228)	(9,562)
Balance as at March 31, 2019	$ 100,028	$ 7,735	$ 29,452	$ 6,722	$ 5,790	$ 149,727
Adjustment upon adoption of IFRS 16	360	-	-	-	-	360
Additions	1,736	1,060	1,082	681	3,618	8,177
Disposals	(6,932)	(368)	(3,265)	(630)	(52)	(11,247)
Reclassification of asset groups[1]	6,908	-	65	-	(6,973)	-
Impact of foreign currency translation	(5,646)	(417)	(1,534)	(357)	(247)	(8,201)
Ending balance as at March 31, 2020	**$ 96,454**	**$ 8,010**	**$ 25,800**	**$ 6,416**	**$ 2,136**	**$ 138,816**
Impairment, accumulated depreciation and amortization						
Balance as at April 1, 2018	$ (50,016)	$ (5,312)	$ (20,723)	$ (5,345)	$ (58)	$ (81,454)
Disposals	128	108	317	338	-	891
Depreciation and amortization	(3,172)	(500)	(1,615)	(347)	-	(5,634)
Impact of foreign currency translation	3,131	295	1,320	337	4	5,087
Balance as at March 31, 2019	$ (49,929)	$ (5,409)	$ (20,701)	$ (5,017)	$ (54)	$ (81,110)
Disposals	6,821	278	3,051	574	52	10,776
Depreciation and amortization	(3,481)	(527)	(1,601)	(384)	-	(5,993)
Impact of foreign currency translation	2,602	283	1,083	263	2	4,233
Ending balance as at March 31, 2020	**$ (43,987)**	**$ (5,375)**	**$ (18,168)**	**$ (4,564)**	**$ -**	**$ (72,094)**
Carrying amounts						
Balance as at March 31, 2019	$ 50,099	$ 2,326	$ 8,751	$ 1,705	$ 5,736	$ 68,617
Ending balance as at March 31, 2020	**$ 52,467**	**$ 2,635**	**$ 7,632**	**$ 1,852**	**$ 2,136**	**$ 66,722**

[1] when an asset is available for use, it is reclassified from construction in progress to one of the appropriate plant and equipment categories.

Carrying amounts as at March 31, 2020	Ying Mining District	BYP	GC	Other	Total
Land use rights and building	$ 35,476	$ 3,094	$ 11,762	$ 2,135	$ 52,467
Office equipment	1,886	26	403	320	2,635
Machinery	5,734	258	1,640	-	7,632
Motor vehicles	1,598	22	232	-	1,852
Construction in progress	419	493	1,224	-	2,136
Total	**$ 45,113**	**$ 3,893**	**$ 15,261**	**$ 2,455**	**$ 66,722**

Carrying amounts as at March 31, 2019	Ying Mining District	BYP	GC	Other	Total
Land use rights and building	$ 34,160	$ 2,158	$ 12,860	$ 921	$ 50,099
Office equipment	1,800	35	214	277	2,326
Machinery	6,294	257	2,071	129	8,751
Motor vehicles	1,521	27	140	17	1,705
Construction in progress	3,825	1,842	69	-	5,736
Total	$ 47,600	$ 4,319	$ 15,354	$ 1,344	$ 68,617

During the year ended March 31, 2020, certain plant and equipment were disposed for proceeds of $10 (year ended March 31, 2019 - $31) and loss of $461 (year ended March 31, 2019 - loss of $401).

8. MINERAL RIGHTS AND PROPERTIES

Mineral rights and properties consist of:

	Producing and development properties			Exploration and evaluation properties		
Cost	**Ying Mining District**	**BYP**	**GC**	**XHP**	**RZY**	**Total**
Balance as at April 1, 2018	$ 277,734	$ 65,054	$ 113,244	$ 22,024	$ 180	$ 478,236
Capitalized expenditures	23,238	189	1,014	261	-	24,702
Mine right fees	3,839	-	-	-	-	3,839
Environmental rehabiliation	1,091	35	(12)	8	-	1,122
Foreign currecy translation impact	(17,449)	(973)	(7,085)	(1,384)	(6)	(26,897)
Balance as at March 31, 2019	$ 288,453	$ 64,305	$ 107,161	$ 20,909	$ 174	$ 481,002
Capitalized expenditures	23,871	6	1,617	-	-	25,494
Mine right fees	797	-	-	-	-	797
Environmental rehabiliation	(4,299)	39	239	-	-	(4,021)
Disposition	-	-	-	(20,485)	-	(20,485)
Foreign currecy translation impact	(15,686)	(778)	(5,706)	(424)	(10)	(22,604)
Ending balance as at March 31, 2020	**$ 293,136**	**$ 63,572**	**$ 103,311**	**$ -**	**$ 164**	**$ 460,183**
Impairment and accumulated depletion						
Balance as at April 1, 2018	$ (83,099)	$ (57,584)	$ (83,495)	$ (21,798)	$ (180)	$ (246,156)
Impairment reversal	-	-	-	7,279	-	7,279
Depletion	(13,312)	-	(2,209)	-	-	(15,521)
Foreign currecy translation impact	5,232	501	5,213	1,364	6	12,316
Balance as at March 31, 2019	$ (91,179)	$ (57,083)	$ (80,491)	$ (13,155)	$ (174)	$ (242,082)
Depletion	(14,282)	-	(2,165)	-	-	(16,447)
Disposition	-	-	-	12,888	-	12,888
Foreign currecy translation impact	5,071	395	4,301	267	10	10,044
Ending balance as at March 31, 2020	**$ (100,390)**	**$ (56,688)**	**$ (78,355)**	**$ -**	**$ (164)**	**$ (235,597)**
Carrying amounts						
Balance as at March 31, 2019	$ 197,274	$ 7,222	$ 26,670	$ 7,754	$ -	$ 238,920
Ending balance as at March 31, 2020	**$ 192,746**	**$ 6,884**	**$ 24,956**	**$ -**	**$ -**	**$ 224,586**

In April 2019, the Company s subsidiary, Henan Found, entered into a purchase agreement (the “Agreement”) with an arm s length private Chinese company to dispose the XHP project. Pursuant to the Agreement, Henan Found sold its 100% equity interest in SX Gold, the holding company of the XHP project, for $7.3 million (RMB¥50 million), and forgave the amount of $1.1 million (RMB¥7.5 million) SX Gold owed to Henan Found.

The transaction closed in July 2019 and the Company received partial payment of $6,146 (RMB¥42.5 million). The assets and liabilities disposed of are as follows:

	XHP
Total consideration per share transfer agreement (RMB ¥50 million)	**$ 7,330**
Less: amounts owed to Henan Found	**(1,112)**
Net consideration	**$ 6,218**
Prepaids and deposits	**124**
Inventories	**198**
Plant and equipment	**247**
Mineral rights and properties	**7,597**
Accounts payable and accrued liabilities	**(2,211)**
Deposits received	**(925)**
Environmental rehabilitation	**(289)**
Total assets and liabilities disposed of	**$ 4,741**
Gain on disposal of mineral rights and properties	**$ 1,477**

A gain of $1,477 was recognized in gain on disposal of mineral rights and properties when the transaction completed.

In November 2019, the Company paid a mine right fee of $796 (RMB¥5.5 million) to the Chinese government for the additional mineral resources of HPG mine (part of the Ying Mining District).

In March 2019, the Company paid a mine right fee of $3,839 (RMB ¥25.7 million) to the Chinese government for the additional mineral resources of TLP and LM mine (part of the Ying Mining District).

9. BANK LOAN

		Total
Balance, April 1, 2018	$	-
Addition		4,527
Interest accrued		152
Interest paid		(144)
Foreign exchange impact		(60)
Balance, March 31, 2019	$	4,475
Interest accrued		45
Interest paid		(50)
Principal repayment		(4,369)
Foreign exchange impact		(101)
Balance, March 31, 2020	$	-

On June 14, 2018, Henan Found borrowed a loan of $4,527 (RMB ¥30 million) bearing an interest rate of 4.35% from the Bank of China. The loan was fully repaid in June 2019. For the year ended March 31, 2020, interest of $45 (year ended March 31, 2019 - $152) was accrued and expensed through finance costs.

10. LEASES

The following table summarizes changes in the Company s lease receivable and lease obligation related to the Company s office lease and associated sublease.

		Lease Receivable		Lease Obligation
Adjustment upon adoption of IFRS 16, April 1, 2019	$	447	$	1,463
Addition		238		1,239
Interest accrual		27		112
Interest received or paid		(27)		(112)
Principal repayment		(118)		(503)
Foreign exchange impact		(33)		(130)
Balance, March 31, 2020	**$**	**534**	**$**	**2,069**
Less: current portion		**(186)**		**(567)**
Non-current portion	**$**	**348**	**$**	**1,502**

The following table presents a reconciliation of the Company s undiscounted cash flows to their present value for its lease receivable and lease obligation:

		Lease Receivable		Lease Obligation
Within 1 year	$	205	$	613
Between 2 to 5 years		368		1,629
Over 5 years		-		38
Total undiscounted amount	**$**	**573**	**$**	**2,280**
Less future interest		(39)		(211)
Total discounted amount	**$**	**534**	**$**	**2,069**
Less: current portion		**(186)**		**(567)**
Non-current portion	**$**	**348**	**$**	**1,502**

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, 2018	$	13,098
Reclamation expenditures		(187)
Unwinding of discount of environmental rehabilitation		479
Revision of provision		1,122
Foreign exchange impact		(824)
Balance, March 31, 2019	$	13,688
Reclamation expenditures		(385)
Unwinding of discount of environmental rehabilitation		422
Revision of provision		(4,021)
Derecognition upon disposal of SX Gold		(289)
Foreign exchange impact		(715)
Balance, March 31, 2020	$	8,700

As at March 31, 2020, the total undiscounted amount of estimated cash flows required to settle the Company s environmental rehabilitation provision was $11,408 (March 31, 2019 - $19,413) over the next twenty-five years, which has been discounted using an average discount rate of 2.75% (March 31, 2019 -3.23%).

During the year ended March 31, 2020, the Company incurred actual reclamation expenditures of $385 (year ended March 31, 2019 - $187) and paid reclamation deposit of $1,727 (year ended March 31, 2019 -$2,601).

12. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value. All shares issued as at March 31, 2020 and 2019 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, 2020, a total of $2,669 (year ended March 31, 2019 - $1,896) in share-based compensation expense was recognized and included in the general and administrative and exploration 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, 2018	8,146,799	$	2.15
Option granted	1,815,000		3.10
Options exercised	(2,812,496)		0.87
Options forfeited	(164,075)		3.34
Options expired	(504,312)		3.27
Balance, March 31, 2019	6,480,916	$	2.86
Options exercised	(3,833,406)		2.78
Options forfeited	(123,750)		3.29
Options expired	(100,000)		1.75
Balance, March 31, 2020	**2,423,760**	**$**	**3.00**

The following table summarizes information about stock options outstanding at March 31, 2020:

	Exercise price in CAD$	Number of options outstanding at March 31, 2020	Weighted average remaining contractual life (Years)		Weighted average exercise price in CAD$	Number of options exercisable at March 31, 2020		Weighted average exercise price in CAD$
$	1.43	201,260	0.17	$	1.43	201,260		1.43
$	2.60	565,000	1.63	$	2.60	237,500		2.60
$	3.23	561,250	0.95	$	3.23	561,250		3.23
$	3.36	402,500	0.51	$	3.36	402,500		3.36
$	3.40	693,750	1.40	$	3.40	441,250		3.40
$	**1.43 - 3.40**	**2,423,760**	**1.10**	**$**	**3.00**	**1,843,760**	**$**	**3.02**

Subsequent to March 31, 2020, a total of 61,250 options with exercise prices ranging from CAD$3.23 to CAD$3.40 were exercised.

(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, 2019	-	$ -
Granted	850,500	4.94
Cancelled	(31,750)	4.94
Distributed	(141,376)	4.94
Balance, March 31, 2020	**677,374**	**$ 4.94**

During the year ended March 31, 2020, a total of 850,500 RSUs were granted to directors, officers, and employees of the Company at grant date closing price of CAD$4.94 per share subject to a vesting schedule over a two-year term with 25% of the RSUs vesting every six months from the date of grant.

Subsequent to March 31, 2020, a total of 7,625 RSUs were distributed.

(c) Cash dividends declared

During the year ended March 31, 2020, dividends of $4,287 (year ended March 31, 2019 - $4,028) were declared and paid.

(d) Normal course issuer bid

On March 17, 2020, the Company announced a normal course issuer bid ("NCIB") which allows it to acquire up to 8,670,104 of its own common shares until March 18, 2021.

(e) Earnings per share (basic and diluted)

	For the years ended March 31,					
	2020			2019		
	Income (Numerator)	**Shares (Denominator)**	**Per-Share Amount**	Income (Numerator)	Shares (Denominator)	Per-Share Amount
Net income attributable to equity holders of the Company	**$ 34,274**			$ 39,724		
Basic earnings per share	**34,274**	**171,713,263**	**$ 0.20**	39,724	168,483,412	$ 0.24
Effect of dilutive securities:						
Stock options		**2,366,124**			1,903,581	
Diluted earnings per share	**$ 34,274**	**174,079,387**	**$ 0.20**	$ 39,724	170,386,993	$ 0.23

Anti-dilutive options that are not included in the diluted EPS calculation were nil for the year ended March 31, 2020 (year ended March 31, 2019 - 3,123,000).

13. ACCUMULATED OTHER COMPREHENSIVE LOSS

	March 31, 2020	March 31, 2019
Change in fair value on equity investments designated as FVTOCI	**$ 34,879**	$ 35,128
Share of other comprehensive income in associate	**(1,735)**	(679)
Currency translation adjustment	**28,445**	7,415
Balance, end of the year	**$ 61,589**	$ 41,864

The change in fair value on equity investments designated as FVTOCI, share of other comprehensive income in associate, 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	Total
Balance, April 1, 2018	$ 62,047	$ 5,909	$ 3,532	$ (2,545)	$ 68,943
Share of net income (loss)	11,444	892	(365)	352	12,323
Share of other comprehensive (loss) income	(3,664)	(204)	(150)	954	(3,064)
Distributions	(11,565)	(1,694)	-	-	(13,259)
Acquisition of non-controlling interest	-	-	-	1,794	1,794
Disposition	-	-	-	(1,002)	(1,002)
Balance, March 31, 2019	$ 58,262	$ 4,903	$ 3,017	$ (447)	$ 65,735
Share of net income (loss)	10,440	664	(221)	46	10,929
Share of other comprehensive loss	(2,768)	(209)	(73)	(65)	(3,115)
Distributions	(2,603)	(656)	-	-	(3,259)
Balance, March 31, 2020	**$ 63,331**	**$ 4,702**	**$ 2,723**	**$ (466)**	**$ 70,290**

As at March 31, 2020, non-controlling interests in Henan Found, Henan Huawei, Yunxiang, and Guangdong Found were 22.5%, 20%, 30%, and 1%, 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, 2020, Henan Found declared and paid dividends of $2,025 (year ended March 31, 2019 - declared and paid dividends of $8,995) 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, 2020, Henan Found declared and paid dividends of $578 (year ended March 31, 2019 - declared and paid dividends of $2,570) 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, 2020, Henan Huawei declared and paid dividends of $656 (year ended March 31, 2019 - $1,694) to Henan Xinhui.

15. RELATED PARTY TRANSACTIONS

Related party transactions not disclosed elsewhere in the consolidated financial statements are as follows:

Due from related parties	**March 31, 2020**	March 31, 2019
NUAG (a)	**$ 94**	$ 33
Henan Non-ferrous (b)	**1,425**	2,989
	$ 1,519	$ 3,022

(a) 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, 2020, the Company recovered $530 (year ended March 31, 2019 - $225), from NUAG for services rendered and expenses incurred on behalf of NUAG. The costs recovered from NUAG were recorded as a direct reduction of general and administrative expenses on the consolidated statements of income.

(b) In March 2019, Henan Found advanced a loan of $2,989 (RMB¥20 million) to Henan Non-ferrous. The loan bears an interest rate of 4.35% per annum. In December 2019, the loan, including accumulated interest, of $2,922 (RMB¥20.7 million) was repaid.

In January 2020, Henan Found advanced a loan of $1,426 (RMB¥10 million) to Henan Non-ferrous. The loan has a term of four months and bears an interest rate of 4.35% per annum.

The balances with related parties are unsecured.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management personnel, who are those having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, for the years ended March 31, 2020 and 2019 were as follows:

	Years Ended March 31,	
	2020	2019
Directors' fees and bonus	**$ 293**	$ 256
Salaries and bonus for key management personnel	**2,519**	2,498
Share-based compensation	**1,487**	725
	$ 4,299	$ 3,479

Share-based compensation was measured at grant date fair value (see note 12(b)).

16. GENERAL AND ADMINISTRATIVE

General and administrative expenses consist of:

	Year ended March 31, 2020			Year ended March 31, 2019		
	Corporate	**Mines**	**Total**	Corporate	Mines	Total
Amortization and depreciation	**$ 447**	**$ 1,511**	**$ 1,958**	$ 162	$ 1,091	$ 1,253
Office and administrative expenses	**2,304**	**2,881**	**5,185**	2,741	3,160	5,901
Professional fees	**562**	**481**	**1,043**	440	426	866
Salaries and benefits	**4,245**	**5,183**	**9,428**	4,319	4,889	9,208
Share-based compensation	**2,536**	**-**	**2,536**	1,813	-	1,813
	$ 10,094	**$ 10,056**	**$ 20,150**	$ 9,475	$ 9,566	$ 19,041

17. GOVERNMENT FEES AND OTHER TAXES

Government fees and other taxes consist of:

	Year ended March 31,	
	2020	2019
Government fees	**$ 210**	$ 162
Other taxes	**1,905**	2,537
	$ 2,115	$ 2,699

Government fees refer to the environmental protection fees paid to the state and local Chinese government. Other taxes were composed of surtax on value-added tax, land usage levy, stamp duty and other miscellaneous levies, duties and taxes imposed by the state and local Chinese government.

18. FINANCE ITEMS

Finance items consist of:

	Year ended March 31,	
Finance income	**2020**	**2019**
Interest income	**$ 4,023**	$ 3,476

	Year ended March 31,	
Finance costs	**2020**	2019
Interest on bank loan	**$ 45**	$ 152
Interest on lease obligation	**112**	-
Loss on disposal of bonds	**1,494**	-
Unwinding of discount of environmental rehabilitation provision	**422**	479
	$ 2,073	$ 631

19. INCOME TAX

(a) Income tax expense

The significant components of income tax expense recognized in the statements of income are as follows:

	Year ended March 31,	
Income tax expense	**2020**	2019
Current	**$ 5,613**	$ 17,750
Deferred	**3,296**	3,121
	$ 8,909	$ 20,871

The reconciliation of the Canadian statutory income tax rates to the effective tax rate is as follows:

	Years ended March, 31	
	2020	2019
Canadian statutory tax rate	**27.00%**	27.00%
Income before income taxes	**$ 54,112**	$ 72,918
Income tax expense computed at Canadian statutory rates	**14,610**	19,688
Foreign tax rates different from statutory rate	**(2,255)**	(1,707)
Permanent items	**760**	(444)
Withholding taxes	**2,782**	5,153
Change in unrecognized deferred tax assets	**(6,988)**	(1,819)
Income tax expense	**$ 8,909**	$ 20,871

(b) Deferred income tax

The continuity of deferred income tax assets (liabilities) is summarized as follows:

	Years ended March, 31	
	2020	2019
Net deferred income tax liabilities, beginning of the year	**$ (34,334)**	$ (33,310)
Deferred income tax expense recognized in net income for the year	**(3,296)**	(3,121)
Foreign exchange impact	**1,872**	2,097
Net deferred income tax liabilities, end of the year	**$ (35,758)**	$ (34,334)

The significant components of the Company s deferred income tax are as follows:

	March 31, 2020	March 31, 2019
Deferred income tax assets		
Plant and equipment	**$ 1,001**	$ 880
Environmental rehabilitation	**1,948**	3,155
Other deductible temporary difference	**519**	454
Total deferred income tax assets	**3,468**	4,489
Deferred income tax liabilities		
Plant and equipment	**(1,258)**	(829)
Mineral rights and properties	**(37,601)**	(37,465)
Unrealized gain on investments	**(65)**	(365)
Other taxable temporary difference	**(302)**	(164)
Total deferred income tax liabilities	**(39,226)**	(38,823)
Net deferred income tax liabilities	**$ (35,758)**	$ (34,334)

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, 2020	March 31, 2019
Non-capital loss carry forward	**$ 63,355**	$ 77,620
Plant and equipment	**14,460**	25,765
Mineral rights and properties	**5,072**	4,378
Other deductible temporary difference	**11,819**	12,225
	$ 94,706	$ 119,988

As at March 31, 2020, the Company has the following net operating losses, expiring in various years to 2041 and available to offset future taxable income in Canada and China, respectively.

	Canada	China	Total
2021	$ -	$ 1,073	$ 1,073
2022	-	1,424	1,424
2023	-	1,031	1,031
2024	-	1,225	1,225
2027	1,171	1,876	3,047
2030	3,506	-	3,506
2031	6,004	-	6,004
2032	8,713	-	8,713
2033	8,967	-	8,967
2034	7,047	-	7,047
2035	6,400	-	6,400
2036	2,880	-	2,880
2037	516	-	516
2038	2,251	-	2,251
2039	2,543	-	2,543
2040	1,898	-	1,898
2041	4,830	-	4,830
	$ 56,726	$ 6,629	$ 63,355

As at March 31, 2020, temporary differences of $173,020 (March 31, 2019 - $184,147) associated with the investments in subsidiaries have not been recognized as the Company is able to control the timing of the reversal of these differences which are not expected to reverse in the foreseeable future.

20. CAPITAL DISCLOSURES

The Company s objectives of capital management are intended to safeguard the entity s ability to support the Company s normal operating requirement on an ongoing basis, continue the development and exploration of its mineral properties, and support any expansionary plans.

The capital of the Company consists of the items included in equity less cash and cash equivalents and short-term investments. Risk and capital management are primarily the responsibility of the Company s corporate finance function and is monitored by the Board of Directors. The Company manages the capital structure and makes adjustments depending on economic conditions. Funds have been primarily secured through profitable operations and issuances of equity capital. The Company invests all capital that is surplus to its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term deposits, all held with major financial institutions. Significant risks are monitored and actions are taken, when necessary, according to the Company s approved policies.

In addition, the current outbreak of COVID-19 has caused significant disruption to the global economic conditions which may adversely impact the Company s results of operations. Moreover, COVID-19 has also negatively impacted on the stock markets, including the trading price of the Company s common shares, which could adversely impact the Company s ability to raise capital.

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, 2020 and March 31, 2019 that are not otherwise disclosed. 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, 2020			
Recurring measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Cash and cash equivalents	**$ 65,777**	**$ -**	**$ -**	**$ 65,777**
Short-term investments - money market instruments	**53,430**	**-**	**-**	**53,430**
Investments in public companies	**6,633**	**-**	**-**	**6,633**
Investments in private company	**-**	**-**	**2,117**	**2,117**

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

Fair value of the other financial instruments excluded from the table above approximates their carrying amount as at March 31, 2020 and March 31, 2019, due to the short-term nature of these instruments.

There were no transfers into or out of Level 3 during the years ended March 31, 2020 and 2019.

(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, 2020				March 31, 2019
	Within a year	**2-5 years**	**Over 5 years**	**Total**	Total
Bank loan	**$ -**	**$ -**	**$ -**	**$ -**	$ 4,475
Accounts payable and accrued liabilities	**23,129**	**-**	**-**	**23,129**	29,856
Lease obligation	**567**	**1,464**	**38**	**2,069**	-
	$ 23,696	**$ 1,464**	**$ 38**	**$ 25,198**	$ 34,331

(c) Foreign exchange risk

The Company reports its financial statements in US dollars. The functional currency of the head office, Canadian subsidiaries and all intermediate holding companies is CAD and the functional currency of all Chinese subsidiaries is RMB. The Company is exposed to foreign exchange risk when the Company undertakes transactions and holds assets and liabilities in currencies other than its functional currencies. The Company currently does not engage in foreign exchange currency hedging. The Company&8217;s exposure to currency risk affect net income is summarized as follows:

	March 31, 2020	March 31, 2019
Financial assets denominated in U.S. Dollars	**$ 60,534**	$ 45,912

As at March 31, 2020, with other variables unchanged, a 10% strengthening (weakening) of the CAD against the USD would have decreased (increased) net income by approximately $6.1 million.

(d)Interest rate risk

The Company is exposed to interest rate risk on its cash equivalents, short term investments, and loan to one of the related parties. As at March 31, 2020, 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 loan to the related party bears an interest rate of 4.35% per annum, which approximates the prevailing commercial lending rates in China as of March 31, 2020. The Company monitors its exposure to changes in interest rates on cash equivalents, short term investments, and loan to the related party. 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 balance sheet represents the maximum credit exposure.

The Company undertakes credit evaluations on counterparties as necessary, requests deposits from customers prior to delivery, and has monitoring processes intended to mitigate credit risks. There were no amounts in trade or other receivables which were past due on March 31, 2020 (at March 31, 2019 - $nil) for which no provision is recognized.

(f) Equity price risk

The Company holds certain marketable securities that will fluctuate in value as a result of trading on Canadian financial markets. As the Company s marketable securities holdings are mainly in mining companies, the value will also fluctuate based on commodity prices. Based upon the Company s portfolio as at March 31, 2020, a 10% increase (decrease) in the market price of the securities held, ignoring any foreign currency effects, would have resulted in an increase (decrease) to comprehensive income of approximately $663.

22. SEGMENTED INFORMATION

The Company&8217;s operating segments are components of the Company where discrete financial information is available that is evaluated regularly by the Company s Chief Executive Officer who is the Chief Operating Decision Maker (“CODM”). The operating segments are determined based on the Company s management and internal reporting structure. Operating segments are summarized as follows:

Operating Segments	Subsidiaries Included in the Segment	Properties Included in the Segment
Mining		
Henan Luoning	Henan Found and Henan Huawei	Ying Mining District
Hunan	Yunxiang	BYP
Guangdong	Guangdong Found	GC
Other	SX Gold	XHP
Administrative		
Vancouver	Silvercorp Metals Inc. and holding companies	
Beijing	Silvercorp Metals (China) Inc.	

(a) Segmented information for assets and liabilities are as follows:

March 31, 2020

	Mining				Administrative		
Statement of financial position items:	**Henan Luoning**	**Hunan**	**Guangdong**	**Other**	**Beijing**	**Vancouver**	**Total**
Current assets	**$ 80,160**	**$ 1,467**	**$ 3,665**	**$ -**	**$ 4,289**	**$ 68,598**	**$ 158,179**
Plant and equipment	**45,113**	**3,893**	**15,261**	**-**	**862**	**1,593**	**66,722**
Mineral rights and properties	**192,746**	**6,884**	**24,956**	**-**	**-**	**-**	**224,586**
Investment in an associate	**-**	**-**	**-**	**-**	**-**	**44,555**	**44,555**
Other investments	**2,117**	**-**	**-**	**-**	**-**	**6,633**	**8,750**
Reclamation deposits	**5,043**	**-**	**4,180**	**-**	**-**	**7**	**9,230**
Long-term prepaids and deposits	**205**	**99**	**86**	**-**	**-**	**-**	**390**
Long-term portion of lease receivable	**-**	**-**	**-**	**-**	**-**	**348**	**348**
Total assets	**$ 325,384**	**$ 12,343**	**$ 48,148**	**$ -**	**$ 5,151**	**$ 121,734**	**$ 512,760**
Current liabilities	**$ 19,495**	**$ 1,322**	**$ 3,154**	**$ -**	**$ 625**	**$ 3,232**	**$ 27,828**
Long-term portion of lease obligation	**-**	**-**	**-**	**-**	**-**	**1,502**	**1,502**
Deferred income tax liabilities	**34,761**	**997**	**-**	**-**	**-**	**-**	**35,758**
Environmental rehabilitation	**6,775**	**1,015**	**910**	**-**	**-**	**-**	**8,700**
Total liabilities	**$ 61,031**	**$ 3,334**	**$ 4,064**	**$ -**	**$ 625**	**$ 4,734**	**$ 73,788**

March 31, 2019

	Mining				Administrative		
Statement of financial position items:	Henan Luoning	Hunan	Guangdong	Other	Beijing	Vancouver	Total
Current assets	$ 66,992	$ 1,540	$ 11,870	$ 529	$ 5,435	$ 48,495	$ 134,861
Plant and equipment	47,600	4,319	15,354	255	932	157	68,617
Mineral rights and properties	197,274	7,222	26,670	7,754	-	-	238,920
Investment in an associate	-	-	-	-	-	38,703	38,703
Other investments	-	-	-	-	-	9,253	9,253
Reclamation deposits	5,330	-	2,616	-	-	7	7,953
Long-term prepaids and deposits	369	104	170	126	-	-	769
Total assets	$ 317,565	$ 13,185	$ 56,680	$ 8,664	$ 6,367	$ 96,615	$ 499,076
Current liabilities	$ 27,000	$ 1,391	$ 4,036	$ 2,548	$ 1,102	$ 1,796	$ 37,873
Deferred income tax liabilities	33,337	997	-	-	-	-	34,334
Environmental rehabilitation	11,623	998	774	293	-	-	13,688
Total liabilities	$ 71,960	$ 3,386	$ 4,810	$ 2,841	$ 1,102	$ 1,796	$ 85,895

(b) Segmented information for operating results are as follows:

Year ended March 31, 2020

	Mining				Administrative		Total
Statement of income:	**Henan Luoning**	**Hunan[1]**	**Guangdong**	**Other**	**Beijing**	**Vancouver**	
Sales	**$ 131,434**	**$ -**	**$ 27,395**	**$ -**	**$ -**	**$ -**	**$ 158,829**
Costs of mine operations	**(77,337)**	**(403)**	**(21,689)**	**-**	**(26)**	**-**	**(99,455)**
Income from mine operations	**54,097**	**(403)**	**5,706**	**-**	**(26)**	**-**	**59,374**
Operating income (expenses)	**333**	**(134)**	**(178)**	**(60)**	**(1,590)**	**(5,583)**	**(7,212)**
Finance items, net	**1,366**	**(147)**	**136**	**-**	**133**	**462**	**1,950**
Income tax expenses	**(5,013)**	**(53)**	**(1,060)**	**-**	**(1)**	**(2,782)**	**(8,909)**
Net income (loss)	**$ 50,783**	**$ (737)**	**$ 4,604**	**$ (60)**	**$ (1,484)**	**$ (7,903)**	**$ 45,203**
Attributable to:							
Equity holders of the Company	**39,679**	**(516)**	**4,558**	**(60)**	**(1,484)**	**(7,903)**	**34,274**
Non-controlling interests	**11,104**	**(221)**	**46**	**-**	**-**	**-**	**10,929**
Net income (loss)	**$ 50,783**	**$ (737)**	**$ 4,604**	**$ (60)**	**$ (1,484)**	**$ (7,903)**	**$ 45,203**

[1]Hunan&8217;s BYP project was placed on care and maintenance in August 2014;

Year ended March 31, 2019

	Mining				Administrative		Total
Statement of income:	Henan Luoning	Hunan	Guangdong	Other	Beijing	Vancouver	
Sales	$ 141,483	$ -	$ 29,036	$ -	$ -	$ -	$ 170,519
Costs of mine operations	(76,276)	(855)	(21,566)	(854)	(36)	-	(99,587)
Income from mine operations	65,207	(855)	7,470	(854)	(36)	-	70,932
Operating (expenses) income	(858)	(106)	(344)	44	(1,555)	(7,218)	(10,037)
Impairment recovery, net	-	-	-	7,279	-	1,899	9,178
Finance items, net	1,131	(127)	51	(11)	145	1,656	2,845
Income tax expenses	(15,588)	(128)	-	-	(2)	(5,153)	(20,871)
Net income (loss)	$ 49,892	$ (1,216)	$ 7,177	$ 6,458	$ (1,448)	$ (8,816)	$ 52,047
Attributable to:							
Equity holders of the Company	39,008	(851)	6,825	5,006	(1,448)	(8,816)	39,724
Non-controlling interests	10,884	(365)	352	1,452	-	-	12,323
Net income (loss)	$ 49,892	$ (1,216)	$ 7,177	$ 6,458	$ (1,448)	$ (8,816)	$ 52,047

(c) Sales by metal

The sales generated for the years ended March 31, 2019 and 2018 were all earned in China and are comprised of:

	Year ended March 31, 2020		
	Henan Luoning	**Guangdong**	**Total**
Silver (Ag)	**$ 77,617**	**$ 7,255**	**$ 84,872**
Gold (Au)	**3,911**	**-**	**3,911**
Lead (Pb)	**43,312**	**8,654**	**51,966**
Zinc (Zn)	**4,911**	**10,869**	**15,780**
Other	**1,683**	**617**	**2,300**
	$ 131,434	**$ 27,395**	**$ 158,829**

	Year ended March 31, 2019		
	Henan Luoning	Guangdong	Total
Silver (Ag)	$ 74,702	$ 5,952	$ 80,654
Gold (Au)	3,642	-	3,642
Lead (Pb)	55,739	8,372	64,111
Zinc (Zn)	6,305	14,349	20,654
Other	1,095	363	1,458
	$ 141,483	$ 29,036	$ 170,519

(d) Major customers

For the year ended March 31, 2020, five major customers (year ended March 31, 2019 - four) accounted for 11%, 12%, 16%, 19%, and 22%, respectively (year ended March 31, 2019 - 12%, 13%, 15%, and 26%, respectively) and collectively 81% (year ended March 31, 2019 - 67%) of the total sales of the Company as reported across the Henan Luoning and Guangdong segments.

23. SUPPLEMENTARY CASH FLOW INFORMATION

	March 31, 2020	March 31, 2019
Cash on hand and at bank	**$ 65,251**	$ 67,215
Bank term deposits and GICs	**526**	226
Total cash and cash equivalents	**$ 65,777**	$ 67,441

Changes in non-cash operating working capital:	**Years Ended March 31,**	
	2020	2019
Trade and other receivables	**$ 330**	$ 169
Inventories	**1,798**	(606)
Prepaids and deposits	**184**	500
Accounts payable and accrued liabilities	**(1,616)**	3,962
Deposits received	**1,236**	(3,343)
Due from a related party	**(170)**	(23)
	$ 1,762	$ 659

24. SUBSEQUENT EVENTS

On April 27, 2020, the Company announced that it entered into a definitive agreement (the "Arrangement Agreement") whereby the Company will acquire all of the issued and outstanding shares of Guyana Goldfields Inc. (TSX: GUY) ("Guyana Goldfields") by way of a court approved plan of arrangement under the Canada Business Corporations Act (the "Transaction").

Under the terms of the Transaction, each holder of Guyana Goldfields shares will have the option to receive, for each Guyana Goldfields share held, CAD$0.60 in cash or 0.1195 of a Silvercorp common share (valued at CAD$0.60 based on the volume weighted average price for Silvercorp common shares for the 20 trading days ended April 24, 2020), subject to a maximum cash consideration of approximately $23.4 million (CAD$33.2 million). If all Guyana Goldfields shareholders elect to receive cash, consideration for each share will consist of CAD$0.20 in cash and 0.0796 of a Silvercorp common share (valued at CAD$0.40 based on the volume weighted average price for Silvercorp common shares for the 20 trading days ended April 24, 2020). Assuming the maximum cash consideration, existing Guyana Goldfields shareholders will own 7.1% of Silvercorp s pro forma basic shares outstanding following the Transaction. The consideration of CAD$0.60 per share represents a 71% premium to the 20-day volume weighted average price of Guyana Goldfields as of the close of trading on April 24, 2020.

Concurrently with entering into the Arrangement Agreement, the Company and Guyana Goldfields have also entered into a loan agreement, whereby the Company will lend Guyana Goldfields up to US$15 million with an interest rate of 12% per annum (or, on the occurrence of certain triggering events, 14% per annum) to fund Guyana Goldfields expected liquidity shortfall between the signing of the Arrangement Agreement and the closing of the Transaction.

On May 18, 2020, the Company announced that it has entered into an amending agreement (the "Amending Agreement") to the Arrangement Agreement. Pursuant to the terms of the Amending Agreement, each holder of Guyana Goldfields shares will receive, for each Guyana Goldfields share held, C$0.25 in cash and 0.1849 of a Silvercorp common share, for total consideration of C$1.30 per share (based on the volume weighted average price for Silvercorp common shares for the 5 trading days ended May 14, 2020). The terms of the Amending Agreement were agreed to following receipt by Guyana Goldfields of an unsolicited all-cash proposal from a third party to acquire Guyana Goldfields After accounting for Silvercorp s current share position in Guyana Goldfields, cash consideration of C$0.25 per Guyana Goldfields share implies a total cash component of approximately $27.8 million (C$39.5 million). Share consideration of C$1.05 per Guyana Goldfields share implies a total share component of 29.2 million shares after accounting for Silvercorp s existing position, resulting in existing Guyana Goldfields shareholders owning 14.4% of Silvercorp s pro forma basic shares outstanding following the Transaction.

Commensurate with the increase in consideration, valuing Guyana Goldfields at approximately C$227 million, the Amending Agreement provides for an increase in the termination fee to C$9.0 million, which is to be paid by Guyana Goldfields to Silvercorp if the Arrangement Agreement is terminated in the event Guyana Goldfields's board accepts a superior proposal. Other than as described herein, the terms of the Transaction remain unamended, including the terms of the interim loan facility.

The Transaction will be effected by way of a court-approved plan of arrangement under the Canada Business Corporation Act and will be subject to the approval of $66^{2/3}$% of votes cast by shareholders of Guyana Goldfields at a special meeting of Guyana Goldfields shareholders scheduled for June 29, 2020. In addition to shareholder and court approvals, the Transaction is subject to applicable regulatory approvals and the satisfaction of certain other closing conditions customary in transactions of this nature.

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 23, 2020

/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 23, 2020

/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, 2020 (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 23, 2020

/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, 2020 (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 23, 2020

/s/ Derek Liu

Name: Derek Liu
Title: Chief Financial Officer

EXHIBIT 99.8

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-162546 on Form S-8 and to the use of our reports dated May 21, 2020 relating to the financial statements of Silvercorp Metals Inc. (the "Company") and the effectiveness of the Company's internal control over financial reporting appearing in this Annual Report on Form 40-F of the Company for the year ended March 31, 2020.

/s/ Deloitte LLP
Chartered Professional Accountants
Vancouver, Canada
June 23, 2020

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, 2020, and any amendments thereto (the "40-F"), to be filed with the United States Securities and Exchange Commission (the "SEC"), and the Annual Information Form (the "AIF") and Management's Discussion and Analysis (the "MD&A") for the year then ended, which are filed as exhibits to and incorporated by reference in the 40-F, and the Registration Statement on Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Form S-8").

I hereby consent to the use of my name and references to, excerpts from, and summaries of, the following report in the 40-F, the AIF, the MD&A and Form S-8:

> Technical Report titled "*NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective June 30, 2019.

/s/ Alan Riles
Alan Riles, B.Met, MAIG
And on behalf of AMC Mining Consultants (Canada) Ltd
June 23, 2020

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, 2020, and any amendments thereto (the "40-F"), to be filed with the United States Securities and Exchange Commission (the "SEC"), and the Annual Information Form (the "AIF") and Management's Discussion and Analysis (the "MD&A") for the year then ended, which are filed as exhibits to and incorporated by reference in the 40-F, and the Registration Statement on Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Form S-8").

We hereby consent to the use of our firm's name and references to, excerpts from, and summaries of, the following report in the 40-F, the AIF, the MD&A and Form S-8:

Technical Report titled " *Ying NI 43-101 Technical Report, Silvercorp Metals Inc., Henan Province, China* " prepared for Silvercorp Metals Inc., dated effective December 31, 2016, and signed on February 15, 2017; and

Technical Report titled "*NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective June 30, 2019.

/s/ AMC Mining Consultants (Canada) Ltd
AMC Mining Consultants (Canada) Ltd
June 23, 2020

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, 2020, and any amendments thereto (the "40-F"), to be filed with the United States Securities and Exchange Commission (the "SEC"), and the Annual Information Form (the "AIF") and Management's Discussion and Analysis (the "MD&A") for the year then ended, which are filed as exhibits to and incorporated by reference in the 40-F, and the Registration Statement on Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Form S-8").

I hereby consent to the use of my name and references to, excerpts from, and summaries of, the following report in the 40-F, the AIF, the MD&A and Form S-8:

Technical Report titled " *Ying NI 43-101 Technical Report, Silvercorp Metals Inc., Henan Province, China* " prepared for Silvercorp Metals Inc., dated effective December 31, 2016, and signed on February 15, 2017; 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 June 30, 2019.

/s/ Herbert Smith
Herbert Smith, P.Eng.
And on behalf of AMC Mining Consultants (Canada) Ltd
June 23, 2020

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, 2020, and any amendments thereto (the "40-F"), to be filed with the United States Securities and Exchange Commission (the "SEC"), and the Annual Information Form (the "AIF") and Management's Discussion and Analysis (the "MD&A") for the year then ended, which are filed as exhibits to and incorporated by reference in the 40-F, and the Registration Statement on Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Form S-8").

I hereby consent to the use of my name and references to, excerpts from, and summaries of, the following reports in the 40-F, the AIF, the MD&A and Form S-8:

Technical Report titled " *Ying NI 43-101 Technical Report, Silvercorp Metals Inc., Henan Province, China* " prepared for Silvercorp Metals Inc., dated effective December 31, 2016, and signed on February 15, 2017; and

Technical Report titled "*NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*" prepared for Silvercorp Metals Inc., dated effective June 30, 2019.

/s/ Patrick Stephenson
Patrick Stephenson, P.Geo.
And on behalf of AMC Mining Consultants (Canada) Ltd
June 23, 2020

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, 2020, and any amendments thereto (the "40-F"), to be filed with the United States Securities and Exchange Commission (the "SEC"), and the Annual Information Form (the "AIF") and Management's Discussion and Analysis (the "MD&A") for the year then ended, which are filed as exhibits to and incorporated by reference in the 40-F, and the Registration Statement on Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Form S-8").

I hereby consent to the use of my name and references to, excerpts from, and summaries of, the following report in the 40-F, the AIF, the MD&A and Form S-8:

> Technical Report titled " *Ying NI 43-101 Technical Report, Silvercorp Metals Inc., Henan Province, China* " prepared for Silvercorp Metals Inc., dated effective December 31, 2016, and signed on February 15, 2017.

/s/ Adrienne Ross
Adrienne Ross, P.Geo.
And on behalf of AMC Mining Consultants (Canada) Ltd
June 23, 2020

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, 2020, and any amendments thereto (the "40-F"), to be filed with the United States Securities and Exchange Commission (the "SEC"), and the Annual Information Form (the "AIF") and Management's Discussion and Analysis (the "MD&A") for the year then ended, which are filed as exhibits to and incorporated by reference in the 40-F, and the Registration Statement on Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Form S-8").

I hereby consent to the use of my name and references to, and the information derived from scientific and technical information contained in the MD&A.

/s/ Guoliang Ma
Guoliang Ma, P.Geo.
June 23, 2020

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, 2020, and any amendments thereto (the "40-F"), to be filed with the United States Securities and Exchange Commission (the "SEC"), and the Annual Information Form (the "AIF") and Management's Discussion and Analysis (the "MD&A") for the year then ended, which are filed as exhibits to and incorporated by reference in the 40-F, and the Registration Statement on Form S-8 (Registration No. 333-162546) of Silvercorp Metals Inc. filed with the SEC (the "Form S-8").

I hereby consent to the use of my name and references to, and the information derived from scientific and technical information contained in the MD&A.

/s/ Guoliang Ma
Guoliang Ma, P.Geo.
June 23, 2020

Exhibit 99.16

SILVERCORP METALS INC.

(the "Corporation")

Code of Business Conduct and Ethics

1. Introduction

We require high standards of professional and ethical conduct from our employees. Our reputation with our shareholders, business partners, prospective investors and other stakeholders for honesty and integrity is key to the success of our business. No employee will be permitted to achieve results through violations of laws or regulations, or through unscrupulous dealings. We intend that the Corporation's business practices will be compatible with the economic and social priorities of each location in which we operate. Although customs vary by country and standards of ethics may vary in different business environments, honesty and integrity must always characterize our business activity. If a law conflicts with a policy in this Code of Business Conduct and Ethics (the "**Code**"), you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation. This Code reflects our commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees are expected to comply.

Please read this Code carefully and sign at the bottom to acknowledge it has been read and that you will undertake to comply with the Code at all times.

In addition to following this Code in all aspects of your business activities, you are expected to seek guidance in any case where there is a question about compliance with both the letter and the spirit of our policies and applicable laws. This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees of the Corporation. This Code does not supersede the specific policies and procedures that are covered in the Corporation's operating manuals or in separate specific policy statements. **References in this Code to the "Corporation" mean Silvercorp Metals Inc. or any of its subsidiaries. Reference to "employees" also includes officers anddirectors**. This Code should also be provided to and followed by consultants, agents and representatives, including advisors, engaged by the Corporation.

Those who violate the standards set forth in this Code will be subject to disciplinary action up to and including dismissal. In addition, violation of any laws, governmental regulations or this Code could result in notification of appropriate governmental authorities and public disclosure of such violation including, without limitation, the names of parties involved. ***If you are in a situation that you believe may violate or lead to a violation of this Code, follow the guidelines described in Section 18 below.***

Your cooperation is necessary to the continued success of our business and the cultivation and maintenance of our reputation as a good corporate citizen.

2. Compliance with Laws, Rules and Regulations

Compliance with the letter and spirit of all laws, rules and regulations (including stock exchange rules) applicable to our business is critical to our reputation and continued success. All

employees must respect and obey such laws, rules and regulations and avoid even the appearance of impropriety.

Not all employees are expected to know the details of these laws, rules and regulations, but it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel. The Corporation may hold information and training sessions to promote compliance with laws, rules and regulations, including insider trading laws.

3. Inside Information and Securities Trading

The Corporation is a public company with its shares listed for trading on the TSX and NYSE American. A central requirement for public companies is that all buyers and sellers of a company's shares have access to the same material information about the company. Material information that has not been disclosed to the public either by press release or regulatory filing is referred to as "Inside" information. Trading in a company's shares based on having Inside information is a serious breach of securities laws which can result in enforcement action being taken by regulators. This also applies to "tipping" others with the Inside information. Examples of Insider information are set out below. If there is unusual market activity immediately before a significant change to a company's share price, Securities regulators will review each trade to determine whether inside trading has occurred. **INSIDER TRADING IS A SERIOUS OFFENCE, which will result in employment termination** in addition to any enforcement regulators may take **.**

In the course of your employment, consulting activities, or as result of your role as a director, you may become aware of nonpublic information regarding the business, operations or securities of the Corporation. Unauthorized disclosure of any nonpublic information or the misuse of material nonpublic information in securities trading is strictly prohibited. It is not possible to define all situations where nonpublic information is "material", however, information should be regarded as material if there is a reasonable likelihood that it would be considered important to an investor in making an investment decision regarding the purchase or sale of the Corporation's securities. If in doubt check with a the General Counsel or Corporate Secretary of the Corporation. Nonpublic information is information that has not been previously disclosed to the general public and is otherwise not available to the general public. While it may be difficult to determine whether particular nonpublic information is material, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material. In addition, material information may be positive or negative. Examples of such information may include:

- Project exploration results, whether positive or negative
- Joint ventures with third parties, including information on the joint venturepartner
- News of a pending or proposed merger or acquisition
- Financial results
- Major contract awards, cancellations or write-offs
- Exploration results or development milestones
- News of the disposition of material assets
- Impending bankruptcy or financial liquidity problems
- Gain or loss of a substantial property
- Stock splits

- New equity or debt offerings
- Significant litigation exposure due to actual or threatened litigation
- Changes in senior management
- Projections of future earnings or losses
- Dividend issuance decisions

Trading on Material Nonpublic Information : With certain limited exceptions, no officer or director of the Corporation, no employee of the Corporation or its subsidiaries and no consultant or contractor to the Corporation or any of its subsidiaries and no members of the immediate family or household of any such person, shall engage in any transaction involving a purchase or sale of the Corporation's securities, including any offer to purchase or offer to sell, during any period commencing with the date that he or she possesses material nonpublic information concerning the Corporation, and ending at the close of business on the date of public disclosure of that information (usually by Press Release), or at such time as such nonpublic information is no longer material. Where a press release is issued immediately after market, no such trading shall be undertaken until after 11:00 a.m. (Vancouver time), of the following day on which the Corporation's shares trade.

Tipping: No insider shall disclose ("**tip**") material nonpublic information to any other person (including family members) where such information may be used by such person to his or her profit by trading in the securities of companies to which such information relates, nor shall such insider or related person make recommendations or express opinions on the basis of material nonpublic information as to trading in the Corporation's securities.

Applicability of Insider Trading Regulations to Securities of Other Companies : The insider trading guidelines described herein also apply to material nonpublic information relating to other companies related to the Corporation in any way, including the Corporation's joint venture partners or other companies the Corporation may have an investment in ("**business partners**"), when that information is obtained in the course of employment with, or other services performed on behalf of the Corporation. All employees and consultants should treat material nonpublic information about the Corporation's business partners with the same care as is required with respect to information relating directly to the Corporation.

4. Conflicts Of Interest

A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with the interests of the Corporation. A conflict situation can arise when an employee takes actions or has interests that may make it difficult to perform his or her work for the Corporation objectively and effectively. Conflicts of interest also arise when an employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Corporation. Loans to, or guarantees of obligations of, such persons may not be legally permissible and are likely to pose conflicts of interest, as are transactions of any kind between the Corporation and any other organization in which you or any member of your family have an interest. Activities that could give rise to conflicts of interest are prohibited unless specifically approved by the **Board of Directors or the Audit Committee** . It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interests should be reported immediately to your supervisor or the Corporation's general legal counsel. Corporate Opportunities

Employees are prohibited from taking for their personal benefit any opportunities that arise through their employment, the use of corporate property, information or position and from using corporate property, information or position for personal gain. Employees are also prohibited from competing with the Corporation directly or indirectly. Employees owe a duty to the Corporation to advance the legitimate interests of the Corporation when the opportunity to do so arises.

5. Confidentiality

Employees must maintain the confidentiality of information entrusted to them by the Corporation or that otherwise comes into their possession in the course of their employment, except when disclosure is authorized or legally mandated. Employees may be required to execute a standard form confidentiality agreement upon starting employment or from time to time during the course of employment. The obligation to preserve confidential information continues even after you leave the Corporation.

Confidential information includes all non-public information that may be of use to competitors, or harmful to the Corporation or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us.

6. Protection and Proper Use of Corporate Assets

All employees should endeavor to protect the Corporation's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Corporation's profitability. Any suspected incidents of fraud or theft should be immediately reported for investigation.

Corporation assets such as monies, products, or computers may only be used for legitimate business purposes or other purposes approved by management. Corporation assets may never be used for illegal purposes.

The obligation to protect Corporation assets includes proprietary information. Proprietary information includes any information that is not generally known to the public or would be helpful to our competitors. Examples of proprietary information include intellectual property, such as new projects the Corporation is considering or in negotiations with, trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data or reports. Unauthorized use or distribution of this information is a violation of Corporation policy. It may also be illegal and may result in civil and criminal penalties. The obligation to preserve proprietary information continues even after you leave the Corporation.

7. Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information obtained without the owner's

consent or inducing the disclosures of proprietary information or trade secrets by past or present employees of other companies is prohibited. Each employee should endeavor to deal fairly with the Corporation's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

8. Discrimination and Harassment

We value the diversity of our employees and are committed to providing equal opportunity in all aspects of employment. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on racial or ethnic characteristics or personal appearance and unwelcome sexual advances. Employees are encouraged to speak out when a co-worker's conduct makes them uncomfortable, and to report harassment when it occurs.

9. Safety and Health

We are all responsible for maintaining a safe and healthy workplace by following safety and health rules and practices. The Corporation is committed to keeping its workplaces free from hazards. Please report any accidents, injuries, unsafe equipment, practices or conditions immediately to a supervisor or other designated person. Threats or acts of violence or physical intimidation are prohibited.

In order to protect the safety of all employees, employees must report to work in condition to perform their duties and free from the influence of any substance that could prevent them from conducting work activities safely and effectively. The use of illegal drugs in the workplace is prohibited.

10. Financial Statements and Recordkeeping

Honest and accurate recording and reporting of information is critical to our financial reporting and our ability to make responsible business decisions. The Corporation's accounting records are relied upon to produce reports for the Corporation's management, shareholders, creditors, governmental agencies and others. Our financial statements and the books and records on which they are based must truthfully and accurately reflect all corporate transactions and conform to all legal and accounting requirements and our system of internal controls. **A separate Code of Ethical Conduct for Financial Managers forms part of this Code as Schedule "A".**

All employees have a responsibility to ensure that the Corporation's records, including accounting records, do not contain any false or intentionally misleading entries. We do not permit intentional misclassification of transactions as to accounts, departments or accounting periods. All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.

All Corporation books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect Corporation transactions and must conform to both applicable legal requirements and the system of internal controls of the Corporation. Unrecorded or "off the books" funds or assets should not be maintained.

Business records and communications may become public through legal or regulatory investigations

or the media. We should avoid exaggeration, derogatory remarks, legal conclusions or inappropriate characterizations of people and companies. This applies to communications of all kinds, including email and informal notes or interoffice memos. Records should be retained and destroyed in accordance with the Corporation's records storage and retention policy.

The Corporation will make full, fair, accurate, timely and understandable disclosure in periodic reports and documents required to be filed by the Corporation under applicable securities laws and in other public communications made by the Corporation, in accordance with the Corporation's Corporate Disclosure Policy.

11. Use of E-Mail and Internet Services

E-Mail systems and Internet services are provided to help us do work. Incidental and occasional personal use is permitted, but never for personal gain or any improper purpose. You may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit material or jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. Also remember that "flooding" our systems with junk mail and trivia hampers the ability of our systems to handle legitimate Corporation business and is prohibited.

Employees should not download copyrighted materials, should not copy material that is not licensed to the Corporation and should follow the terms of a license when using material that is licensed to the Corporation. No changes should be made to licensed materials without the prior consent of the Corporation. In addition, employees are discouraged from downloading games and screensavers, as these are common sources of viruses.

Your messages (including voice mail) and computer information are considered the Corporation's property and you should not have any expectation of privacy. Unless prohibited by law, the Corporation reserves the right to access and disclose this information as necessary for business purposes. Use good judgment, and do not access, send messages or store any information that you would not want to be seen or heard by other individuals.

12. Political Activities and Contributions

We respect and support the right of our employees to participate in political activities. However, these activities should not be conducted on Corporation time or involve the use of any Corporation resources such as telephones, computers or supplies. The Corporation's name must not be used in any political activity unless previously authorized by management. Employees will not be reimbursed for personal politicalcontributions.

We may occasionally express our views on local and national issues that affect our operations. In such cases, Corporation funds and resources may be used, but only when permitted by law and by our strict guidelines. The Corporation may also make limited contributions to political parties or candidates in jurisdictions where it is legal and customary to do so. No employee may make or commit to political contributions on behalf of the Corporation without the approval of senior management.

13. Gifts and Entertainment

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include such things as meals and beverages, tickets to sporting or cultural events, discounts not available to the general public, travel, accommodation and other merchandise or services. In some cultures they play an important role in business relationships. However, a problem may arise when such courtesies compromise – or appear to compromise – our ability to make objective and fair business decisions.

Offering, promising, or receiving anything of value with the intention or appearance of improperly influencing a government official, including elected or appointed officials, national or local government employees, anyone working for state or nationally owned or controlled companies, political party officials or candidates for public office, employees of public international organizations or anyone else categorized as a government official under local law ("**Government Official**"), or private person, in order to obtain or convey any improper advantage, or for any other corrupt purpose, is strictly prohibited. It is important to recognize that even when there is no intent to convey a bribe such intent may be inferred from the surrounding circumstances. For the purposes of this Code, the phrase "**anything of value**" includes without limitation cash, travel, meals, gifts, entertainment, favors, services, loans and loan guarantees, investment or business opportunities, the use of property or equipment, job offers, transportation, the payment or reimbursement of debt, and other tangible and intangible payments.

These guidelines apply at all times, and do not change during traditional gift-giving seasons. No gift, entertainment, or anything else of value should ever be offered, given, provided or accepted, whether directly or indirectly, by any director, officer, employee, or Agent (as defined below in section 15) of the Corporation, or by any family member of a director, employee or Agent, unless it (1) is not a cash gift, cash equivalent (which includes, without limitation, gift cards, phone cards, meal vouchers or cards) in the form of stock or other similar consideration, (2) is consistent with customary business practices, (3) is not excessive in value, (4) is not intended and cannot be construed as a bribe or payoff (5) is permitted by applicable local laws and regulations and by the rules of the recipient's employer, and (6) does not violate any applicable laws or regulations, including without limitation, the ***Corruption of Foreign Public Officials Act*** (Canada), and the ***Foreign Corrupt Practices Act*** (USA), no matter where the gift occurs . Further, anything of value must not be given with such frequency that it appears that an effort is being made to avoid restrictions under local law or this Code.

Expenses related to a gift or anything of value from a director, officer, employee, or agent of the Corporation must be supported by receipts and accurately recorded on the Corporation's books and records.

Further, all gifts, meal, travel and entertainment *of any valu*e provided by any director, officer, employee, or agent of the Corporation, or by any family member of any director, officer, employee, or agent of the Corporation, to any government official must (i) receive the prior approval (in writing) of the **Chair of the Audit Committee**, and (ii) be transparently and accurately recorded in the Corporation's books and records.

Please discuss with your supervisor any gifts or proposed gifts if you are uncertain whether they are appropriate.

14. Use of Agents, Consultants, and Other Third Parties

The Corporation, and possibly executives and employees of the Corporation, may be held civilly or criminally liable for bribes paid by an agent, consultant, joint venture partner, business partner or other third party who can act on behalf of the Company (referred to here collectively as "**Agents**"). Actual knowledge of the bribery is not required to incur liability. In light of this fact, thorough due diligence must be conducted before entering into agreements with Agents, all agreements with Agents must contain strong provisions designed to ensure that the Agents will comply with and do not violate this Code or applicable anti-corruption laws, and all employees of the Corporation must be aware of "red flags" or warning signs that could indicate a problem with an Agent.

a. Due Diligence

When a director, officer or employee of the Company initiates any business relationship with an Agent, it is important to make a full risk assessment. **It is the responsibility of General Counsel to ensure that this is done and to ensure that the results of the assessment are appropriately recorded.** This must include a background check, tailored to the risk level and significance of the proposed relationship, to ensure that the Agent possesses both the requisite qualifications and a solid reputation for business integrity. The risk level and significance associated with the Agent should be assessed based on factors such as the nature of the relationship, the size of the contract, the location where the services will be performed, and whether the services will involve interaction with government officials. At a minimum, the due diligence process should include: gathering information from available sources concerning the ownership, management, capabilities and reputation of the Agent; reviewing the proposed structure and terms of the proposed relationship, including compensation provisions; and requiring and checking multiple references.

b. Agreements

Every agreement with an Agent must be in writing and describe the services to be performed, the fee basis, the amounts to be paid, and other material terms and conditions of the representation. The agreement also should contain written provisions (i) requiring that the Agents comply fully with this Section 14 of this Code and all applicable laws, rules and regulations, including anti-corruption laws, (ii) affording the Corporation appropriate monitoring and audit rights, including rights to access to books and records of the Agent, and (iii) allowing the Corporation to terminate the relationship in the event of suspicion of non-compliance with any anti-corruption-related undertaking. Finally, an Agreement should require that, at the time it is executed, and whenever otherwise requested by the Corporation, the Agent will sign a certification confirming its compliance with Section 14 of this Code and the applicable anti- corruption laws.

Payments to Agents should never be made in cash, and should be made to the Agent's bank account in the country where the services are performed or where the Agent's offices are located.

c. "Red Flags" or Other Warning Signs

If, for any reason, any employee of the Corporation has reason to suspect that an Agent is engaging in potentially improper conduct, no further payments should be made until an investigation can be conducted. While not exclusive, the following warnings or "red flags," which may be present before entering into or during the term of an Agreement, are signs that an Agent might be engaged in inappropriate or illegal activity:

- The Agent has a history or reputation for bribes or other unlawfulconduct;

- There is a history or reputation of corruption in the country where the Agent is being hired;
- Unusual or excessive payment requests, such as requests for over-invoicing, up- front payments, ill-defined or last-minute payments, success fees, unusual commissions, or mid-stream compensation payments;
- Requests for payment to a third party, to a numbered account, or in cash or other untraceable funds;
- Use of holding companies or other methods or parties to obscure ownership or participation of the Agent, without adequate businessjustification;
- Any refusal by the Agent to provide records and documents.

d. Facilitating payments

Although some anti-bribery laws permit payments to government officials in limited circumstances for the purpose of facilitating or expediting the administrative performance of routine governmental actions, it is the Corporation's policy that no such payments may be made.

e. Exceptions

Any exception to Section 15 of this Code, including with respect to payments arrangements, must be approved in advance **by the Board of Directors**.

15. Waivers of This Code of Business Conduct and Ethics

Any waiver of this Code with respect to a director or officer of the Corporation may be made only by the **Board of Directors or the Audit Committee**. Any such waiver will be promptly disclosed to the extent required by applicable laws or stock exchange regulations.

16. Reporting of any Illegal or Unethical Behavior, Violations of this Code and Questionable Accounting or Auditing Matters

We have a strong commitment to conduct our business in a lawful and ethical manner. Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation and to report violations of laws, rules, regulations or this Code. **Potential violations of the anti-bribery provisions should be reported directly to a Chair of the Audit Committee.**

We prohibit retaliatory action against any employee who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

17. Compliance Procedures

This Code cannot, and is not intended to, address all of the situations you may encounter. There will be occasions where you are confronted by circumstances not covered by policy or procedure and where you must make a judgment as to the appropriate course of action. Since we cannot anticipate every situation that may arise, it is important for the Corporation to set forth a general way to approach a new question or problem. These are the steps to keep in mind:

• *Make sure you have all of the facts.* In order to reach the right solutions, you must be as fully

informed as possible.

• *Ask yourself what you are specifically being asked to do* . This analysis will enable you to focus on the specific issues that are raised and the available alternatives. Use your judgment and common sense. If something seems unethical or improper, it probably is.

• *Clarify your responsibility and role.* In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and to discuss the problem.

• *Discuss the problem with your supervisor.* This approach is best in most if not all situations. Your supervisor may be more knowledgeable about the issue and will appreciate being brought into the process. It is a supervisor's responsibility to help you to solve problems.

• *Seek help from Corporation resources* . In the rare instance in which it may not be appropriate to discuss an issue with your supervisor, or in which you feel uncomfortable approaching your supervisor you have the option to:

- report the issue using Corporation's the anonymous Whistleblower system
- discuss the problem with the Corporation's general legal counsel; or
- If you prefer to write, address your concerns to the Corporation's general legal counsel or the Chief Executive Officer.

• *You may report ethical violations in confidence and without fear of retaliation pursuant to the Corporation's Whistleblower Policy* . If your situation requires, and you request, that your identity be kept secret, the Corporation will protect your anonymity. The Corporation does not permit retaliation of any kind against employees for good faith reports of ethical violations. An officer or employee who retaliates against someone who has reported an ethical violation in good faith is subject to discipline up to and including termination of employment. These procedures are intended to encourage and enable employees and others to raise serious concerns within the Corporation rather than seeking resolution outside the Corporation.

• *Ask first*. If you are unsure of the proper course of action, seek guidance before you act. If you do not feel comfortable discussing the matter with your supervisor, please call the Corporation's general legal counsel. If you require an interpreter, every reasonable effort will be made to provide you with one. We strive to ensure that all questions or concerns are handled fairly, discreetly and thoroughly.

In all cases, potential violations of the anti-bribery provisions should be reported directly to the Chair of the Audit Committee.

18. Whistleblower Laws

The obligations of confidentiality set forth in this Code and the Code of Ethical Conduct for Financial Managers are subject to applicable whistleblower laws, which protect your right to provide information to governmental and regulatory authorities. You are not required to seek the Corporation's permission or notify the Corporation of any communications made in compliance with applicable whistleblower laws, and the Corporation will not consider such communications to violate this or any other Corporation policy or any agreement between you and the Corporation.

I, _____ , acknowledge having read and understood this Code of Conduct and agree to comply with it at all times.

Signature *Date*

SILVERCORP METALS INC.
CODE OF ETHICAL CONDUCT FOR FINANCIAL MANAGERS

INTRODUCTION

This Code of Ethical Conduct for Financial Managers ("Code") applies to all Financial Managers of Silvercorp Metals Inc. (the "Company"). Financial Managers are the Company's principal executive officer, principal financial officer, principal accounting officer, controller or person performing similar functions.

This Code covers a wide range of financial and non-financial business practices and procedures. This Code does not cover every issue that may arise, but it sets out basic principles to guide all Financial Managers of the Company. If a law or regulation conflicts with a policy in this Code, the Financial Manager must comply with the law or regulation. If a Financial Manager has any questions about this Code or potential conflicts with a law or regulation, they should contact the Company's Board of Directors, Audit Committee or General Counsel.

Each Financial Manager shall recognize that Financial Managers hold an important and elevated role in corporate governance. They are uniquely capable and empowered to ensure that the Company's, its shareholders' and other stakeholders' interests are appropriately balanced, protected and preserved. Accordingly, this Code provides principles to which Financial Managers are expected to adhere and advocate. The Code embodies rules regarding individual and peer responsibilities, as well as responsibilities to the Company, the shareholders, other stakeholders and the public.

FINANCIAL CODE PRINCIPLES AND RESPONSIBILITIES

Financial Managers shall adhere to and advocate to the best of their knowledge and ability the following principles and responsibilities governing their professional and ethical conduct.

1. Act with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. A "conflict of interest" exists when an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Company.

2. When disclosing information to constituents, provide them with information that is accurate, complete, objective, relevant, timely and understandable. Reports and documents that the Company files with securities commissions or releases to the public shall contain full, fair, accurate, timely and understandable information. The principal executive officer and principal financial officer shall review the annual and quarterly reports and certify (to the extent required) and file them with the applicable security commissions.

3. Comply with rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies including stock exchanges.

4. Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing their independent judgment to be subordinated.

5. Protect and respect the confidentiality of information acquired in the course of their work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of their work shall not be used for personal advantage.

6. Achieve responsible use of and control over all assets and resources employed by or entrusted to them.

7. Promptly report Code violations to the Company's Chairman of the Board and Audit Committee Chairman.

WAIVERS OF THE CODE

Any waiver of this Code for Financial Managers may be made only by the Audit Committee of the Board of Directors and will be promptly disclosed as required by law or the private regulatory body. Requests for waivers must be made in writing to the Company's Chairman of the Board and Audit Committee Chairman prior to the occurrence of the violation of the Code.

REPORTING OF VIOLATIONS OF THE CODE, ILLEGAL OR UNETHICAL BEHAVIOR AND QUESTIONABLE ACCOUNTING OR AUDITING MATTERS

Financial Managers should report observed violations of the Code and illegal or unethical behavior to the Company's Chairman of the Board and Audit Committee Chairman. All reports will be treated in a confidential manner and it is the Company's policy to not allow retaliation for reports made in good faith of misconduct by others. The Company's Audit Committee will lead all investigations of alleged violations or misconduct. Financial Managers are expected to cooperate in internal investigations of misconduct and violations of this Code.

Financial Managers may also utilize the procedures for submitting complaints and concerns regarding questionable accounting, internal control or accounting matters set forth in the Code of Business Conduct and Ethics and the Whistleblower Policy.

VIOLATIONS OF THE CODE

Financial Managers who violate the standards of this Code will be subject to disciplinary action, which may include termination of employment, civil action and/or referral to law enforcement agencies for criminal prosecution.

I, _____ , acknowledge having read and understood this Code of Ethical Conduct for Financial Managers and agree to comply with it at alltimes.

_____ _____

Signature *Date*

Exhibit 99.17

SILVERCORP METALS INC.

(the "Corporation")

Code of Business Conduct and Ethics

1. Introduction

We require high standards of professional and ethical conduct from our employees. Our reputation with our shareholders, business partners, prospective investors and other stakeholders for honesty and integrity is key to the success of our business. No employee will be permitted to achieve results through violations of laws or regulations, or through unscrupulous dealings. We intend that the Corporation's business practices will be compatible with the economic and social priorities of each location in which we operate. Although customs vary by country and standards of ethics may vary in different business environments, honesty and integrity must always characterize our business activity. If a law conflicts with a policy in this Code of Business Conduct and Ethics (the "**Code**"), you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation. This Code reflects our commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees are expected to comply.

Please read this Code carefully and sign at the bottom to acknowledge it has been read and that you will undertake to comply with the Code at all times.

In addition to following this Code in all aspects of your business activities, you are expected to seek guidance in any case where there is a question about compliance with both the letter and the spirit of our policies and applicable laws. This Code covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees of the Corporation. This Code does not supersede the specific policies and procedures that are covered in the Corporation's operating manuals or in separate specific policy statements. **References in this Code to the "Corporation" mean Silvercorp Metals Inc. or any of its subsidiaries. Reference to "employees" includes officers and directors**.

Those who violate the standards set forth in this Code will be subject to disciplinary action up to and including dismissal. ***If you are in a situation that you believe may violate or lead to a violation of this Code, follow the guidelines described in Section 18 below.***

Your cooperation is necessary to the continued success of our business and the cultivation and maintenance of our reputation as a good corporate citizen.

2. Compliance with Laws, Rules and Regulations

Compliance with the letter and spirit of all laws, rules and regulations applicable to our business is critical to our reputation and continued success. All employees must respect and obey the laws of the cities, provinces, states and countries in which we operate and avoid even the appearance of impropriety.

Not all employees are expected to know the details of these laws, but it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate

personnel. The Corporation may hold information and training sessions to promote compliance with laws, rules and regulations, including insider trading laws.

3. Inside Information and Securities Trading

The Corporation is a public company with its shares listed for trading on the TSX and NYSE American. A central requirement for public companies is that all buyers and sellers of a company's shares have access to the same material information about the company. Material information that has not been disclosed to the public either by press release or regulatory filing is referred to as "Inside" information. Trading in a company's shares based on having Inside information is a serious breach of Securities laws which can result in enforcement action being taken by regulators. This also applies to "tipping" others with the Inside information. Examples of Insider information are set out below. If there is unusual market activity immediately before a significant change to a company's share price, Securities regulators will review each trade to determine whether inside trading has occurred. **INSIDER TRADING IS A SERIOUS OFFENCE, which will result in employment termination** in addition to any enforcement regulators may take **.**

In the course of your employment, consulting activities, or as result of your role as a director, you may become aware of nonpublic information regarding the business, operations or securities of the Corporation. Unauthorized disclosure of any nonpublic information or the misuse of material nonpublic information in securities trading is strictly prohibited. It is not possible to define all situations where nonpublic information is "material", however, information should be regarded as material if there is a reasonable likelihood that it would be considered important to an investor in making an investment decision regarding the purchase or sale of the Corporation's securities. If in doubt check with a the General Counsel or Corporate Secretary of the Corporation. Nonpublic information is information that has not been previously disclosed to the general public and is otherwise not available to the general public. While it may be difficult to determine whether particular nonpublic information is material, there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material. In addition, material information may be positive or negative. Examples of such information may include:

- Project exploration results, whether positive or negative
- Joint ventures with third parties, including information on the joint venture partner
- News of a pending or proposed merger or acquisition
- Financial results
- Major contract awards, cancellations or write-offs
- Exploration results or development milestones
- News of the disposition of material assets
- Impending bankruptcy or financial liquidity problems
- Gain or loss of a substantial property
- Stock splits
- New equity or debt offerings
- Significant litigation exposure due to actual or threatened litigation
- Changes in senior management

- Projections of future earnings or losses
- Dividend issuance decisions

Trading on Material Nonpublic Information : With certain limited exceptions, no officer or director of the Corporation, no employee of the Corporation or its subsidiaries and no consultant or contractor to the Corporation or any of its subsidiaries and no members of the immediate family or household of any such person, shall engage in any transaction involving a purchase or sale of the Corporation's securities, including any offer to purchase or offer to sell, during any period commencing with the date that he or she possesses material nonpublic information concerning the Corporation, and ending at the close of business on the date of public disclosure of that information (usually by Press Release), or at such time as such nonpublic information is no longer material. Where a press release is issued immediately after market, no such trading shall be undertaken until after 11:00 a.m. (Vancouver time), of the following day on which the Corporation's shares trade.

Tipping: No insider shall disclose ("**tip**") material nonpublic information to any other person (including family members) where such information may be used by such person to his or her profit by trading in the securities of companies to which such information relates, nor shall such insider or related person make recommendations or express opinions on the basis of material nonpublic information as to trading in the Corporation's securities.

Applicability of Insider Trading Regulations to Securities of Other Companies : The insider trading guidelines described herein also apply to material nonpublic information relating to other companies related to the Corporation in any way, including the Corporation's joint venture partners or other companies the Corporation may have an investment in ("**business partners**"), when that information is obtained in the course of employment with, or other services performed on behalf of the Corporation. All employees and consultants should treat material nonpublic information about the Company's business partners with the same care as is required with respect to information relating directly to the Corporation.

4. Conflicts Of Interest

A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, in any way with the interests of the Corporation. A conflict situation can arise when an employee takes actions or has interests that may make it difficult to perform his or her work for the Corporation objectively and effectively. Conflicts of interest also arise when an employee, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Corporation. Loans to, or guarantees of obligations of, such persons are likely to pose conflicts of interest, as are transactions of any kind between the Corporation and any other organization in which you or any member of your family have an interest. Activities that could give rise to conflicts of interest are prohibited unless specifically approved by the **Board of Directors or the Audit Committee**. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interests should be reported immediately to your supervisor or the Corporation's general legal counsel.

5. Corporate Opportunities

Employees are prohibited from taking for their personal benefit any opportunities that arise through their employment, the use of corporate property, information or position and from using corporate property, information or position for personal gain. Employees are also prohibited from competing with the Corporation directly or indirectly. Employees owe a duty to the Corporation to advance the legitimate interests of the Corporation when the opportunity to do so arises.

6. Confidentiality

Employees must maintain the confidentiality of information entrusted to them by the Corporation or that otherwise comes into their possession in the course of their employment, except when disclosure is authorized or legally mandated. Employees may be required to execute a standard form confidentiality agreement upon starting employment or from time to time during the course of employment. The obligation to preserve confidential information continues even after you leave the Corporation.

Confidential information includes all non-public information that may be of use to competitors, or harmful to the Corporation or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us.

7. Protection and Proper Use of Corporate Assets

All employees should endeavor to protect the Corporation's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Corporation's profitability. Any suspected incidents of fraud or theft should be immediately reported for investigation.

Corporation assets such as monies, products, or computers may only be used for legitimate business purposes or other purposes approved by management. Corporation assets may never be used for illegal purposes.

The obligation to protect Corporate assets includes proprietary information. Proprietary information includes any information that is not generally known to the public or would be helpful to our competitors. Examples of proprietary information include intellectual property, such as new projects the Corporation is considering or in negotiations with, trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data or reports. Unauthorized use or distribution of this information is a violation of Corporation policy. It may also be illegal and may result in civil and criminal penalties. The obligation to preserve proprietary information continues even after you leave the Corporation.

8. Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information obtained without the owner's

consent or inducing the disclosures of proprietary information or trade secrets by past or present employees of other companies is prohibited. Each employee should endeavor to deal fairly with the Corporation's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through illegal conduct, manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

9. Discrimination and Harassment

We value the diversity of our employees and are committed to providing equal opportunity in all aspects of employment. Abusive, harassing or offensive conduct is unacceptable, whether verbal, physical or visual. Examples include derogatory comments based on racial or ethnic characteristics or personal appearance and unwelcome sexual advances. Employees are encouraged to speak out when a co-worker's conduct makes them uncomfortable, and to report harassment when it occurs.

10. Safety and Health

We are all responsible for maintaining a safe and healthy workplace by following safety and health rules and practices. The Corporation is committed to keeping its workplaces free from hazards. Please report any accidents, injuries, unsafe equipment, practices or conditions immediately to a supervisor or other designated person. Threats or acts of violence or physical intimidation are prohibited.

In order to protect the safety of all employees, employees must report to work in condition to perform their duties and free from the influence of any substance that could prevent them from conducting work activities safely and effectively. The use of illegal drugs in the workplace is prohibited.

11. Financial Statements and Recordkeeping

Honest and accurate recording and reporting of information is critical to our financial reporting and our ability to make responsible business decisions. The Corporation's accounting records are relied upon to produce reports for the Corporation's management, shareholders, creditors, governmental agencies and others. Our financial statements and the books and records on which they are based must truthfully and accurately reflect all corporate transactions and conform to all legal and accounting requirements and our system of internal controls. **A separate Code of Ethical Conduct for Financial Managers forms part of this Code as Schedule "A".**

All employees have a responsibility to ensure that the Corporation's records, including accounting records, do not contain any false or intentionally misleading entries. We do not permit intentional misclassification of transactions as to accounts, departments or accounting periods. All transactions must be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.

All Corporation books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect Corporation transactions and must conform to

both applicable legal requirements and the system of internal controls of the Corporation. Unrecorded or “off the books” funds or assets should not be maintained unless permitted by applicable laws or regulations.

Business records and communications may become public through legal or regulatory investigations or the media. We should avoid exaggeration, derogatory remarks, legal conclusions or inappropriate characterizations of people and companies. This applies to communications of all kinds, including email and informal notes or interoffice memos. Records should be retained and destroyed in accordance with the Corporation’s records storage and retention policy.

12. Use of E-Mail and Internet Services

E-Mail systems and Internet services are provided to help us do work. Incidental and occasional personal use is permitted, but never for personal gain or any improper purpose. You may not access, send or download any information that could be insulting or offensive to another person, such as sexually explicit material or jokes, unwelcome propositions, ethnic or racial slurs, or any other message that could be viewed as harassment. Also remember that “flooding” our systems with junk mail and trivia hampers the ability of our systems to handle legitimate Corporation business and is prohibited.

Employees should not download copyrighted materials, should not copy material that is not licensed to the Corporation and should follow the terms of a license when using material that is licensed to the Corporation. No changes should be made to licensed materials without the prior consent of the Corporation. In addition, employees are discouraged from downloading games and screensavers, as these are common sources of viruses.

Your messages (including voice mail) and computer information are considered the Corporation’s property and you should not have any expectation of privacy. Unless prohibited by law, the Corporation reserves the right to access and disclose this information as necessary for business purposes. Use good judgment, and do not access, send messages or store any information that you would not want to be seen or heard by other individuals.

13. Political Activities and Contributions

We respect and support the right of our employees to participate in political activities. However, these activities should not be conducted on Corporation time or involve the use of any Corporation resources such as telephones, computers or supplies. The Corporation’s name must not be used in any political activity unless previously authorized by management. Employees will not be reimbursed for personal political contributions.

We may occasionally express our views on local and national issues that affect our operations. In such cases, Corporation funds and resources may be used, but only when permitted by law and by our strict guidelines. The Corporation may also make limited contributions to political parties or candidates in jurisdictions where it is legal and customary to do so. No employee may make or commit to political contributions on behalf of the Corporation without the approval of senior management.

14. Gifts and Entertainment

Business gifts and entertainment are customary courtesies designed to build goodwill among business partners. These courtesies include such things as meals and beverages, tickets to sporting or cultural events, discounts not available to the general public, travel, accommodation and other merchandise or services. In some cultures they play an important role in business relationships. However, a problem may arise when such courtesies compromise – or appear to compromise – our ability to make objective and fair business decisions.

Offering or receiving anything of value with the intention or appearance of improperly influencing a government official or private person, in order to obtain or convey any improper advantage, or for any other corrupt purpose, is strictly prohibited. It is important to recognize that even when there is no intent to convey a bribe such intent may be inferred from the surrounding circumstances. For the purposes of this Code, the phrase "**anything of value**" includes without limitation cash, travel, meals, gifts, entertainment, favors, services, loans and loan guarantees, investment or business opportunities, the use of property or equipment, job offers, transportation, the payment or reimbursement of debt, and other tangible and intangible payments.

These guidelines apply at all times, and do not change during traditional gift-giving seasons. No gift, entertainment nor anything else of value should ever be offered, given, provided or accepted, whether directly or indirectly, by any director, employee or Agent (as defined below in section 15) of the Corporation, or by any family member of a director, employee or Agent, unless it (1) is not a cash gift, cash equivalent (which includes, without limitation, gift cards, phone cards, meal vouchers or cards) in the form of stock or other similar consideration, (2) is consistent with customary business practices, (3) is not excessive in value, (4) is not intended and cannot be construed as a bribe or payoff (5) is permitted by the rules of the recipient's employer, and (6) does not violate any applicable laws or regulations, including without limitation, the ***Corruption of Foreign Public Officials Act*** (Canada), and the ***Foreign Corrupt Practices Act*** (USA), no matter where the gift occurs . Further, it must not be given with such frequency that it appears that an effort is being made to avoid restrictions under local law or this Code.

Expenses related to a gift or anything of value from a director, employee or agent of the Corporation must be supported by receipts and accurately recorded on the Corporation's books and records.

Further, all gifts, meal, travel and entertainment *of any valu*e provided by any director, employee or agent of the Corporation, or by any family member of any director, employee or agent of the Corporation, to any government official must (i) receive the prior approval (in writing) of the **Chair of the Audit Committee**, and (ii) be transparently and accurately recorded in the Corporation's books and records.

Please discuss with your supervisor any gifts or proposed gifts if you are uncertain whether they are appropriate.

15. Use of Agents, Consultants, and Other Third Parties

The Corporation, and possibly executives and employees of the Corporation, may be held criminally liable for bribes paid by an agent, consultant, joint venture partner, business partner or other third party who can act on behalf of the Company (referred to here collectively as "**Agents**"). Actual knowledge of the bribery is not required to incur liability. In light of this fact, thorough due diligence must be conducted before entering into agreements with Agents, all agreements with Agents must contain strong provisions designed to ensure that the Agents do not violate this Code or applicable anti-corruption laws, and all employees of the Corporation must be aware of "red flags" or warning signs that could indicate a problem with an Agent.

a. Due Diligence

When a director or employee of the Company initiates any business relationship with an Agent, it is important to make a full risk assessment. **It is the responsibility of General Counsel to ensure that this is done and to ensure that the results of the assessment are appropriately recorded.** This must include a background check, tailored to the risk level and significance of the proposed relationship, to ensure that the Agent possesses both the requisite qualifications and a solid reputation for business integrity. The risk level and significance associated with the Agent should be assessed based on factors such as the nature of the relationship, the size of the contract, the location where the services will be performed, and whether the services will involve interaction with government officials. At a minimum, the due diligence process should include: gathering information from available sources concerning the ownership, management, capabilities and reputation of the Agent; reviewing the proposed structure and terms of the proposed relationship, including compensation provisions; and requiring and checking multiple references.

b. Agreements

Every agreement with an Agent must be in writing and describe the services to be performed, the fee basis, the amounts to be paid, and other material terms and conditions of the representation. The agreement also should contain written provisions (i) requiring that the Agents comply fully with this Section 14 of this Code and all applicable laws, rules and regulations, including anti-corruption laws, (ii) affording the Corporation appropriate monitoring and audit rights, including rights to access to books and records of the Agent, and (iii) allowing the Corporation to terminate the relationship in the event of non-compliance with any anti-corruption-related undertaking. Finally, an Agreement should require that, at the time it is executed, and whenever otherwise requested by the Corporation, the Agent will sign a certification confirming its compliance with Section 14 of this Code and the applicable anti-corruption laws.

Payments to Agents should never be made in cash, and should be made to the Agent's bank account in the country where the services are performed or where the Agent's offices are located.

c. "Red Flags" or Other Warning Signs

If, for any reason, any employee of the Corporation has reason to suspect that an Agent is engaging in potentially improper conduct, no further payments should be made until an investigation can be conducted. While not exclusive, the following warnings or "red flags,"

which may be present before entering into or during the term of an Agreement, are signs that an Agent might be engaged in inappropriate or illegal activity:

- The Agent has a history or reputation for bribes or other unlawful conduct;
- There is a history or reputation of corruption in the country where the Agent being hired;
- Unusual or excessive payment requests, such as requests for over-invoicing, up- front payments, ill-defined or last-minute payments, success fees, unusual commissions, or mid-stream compensation payments;
- Requests for payment to a third party, to a numbered account, or in cash or other untraceable funds;
- Use of holding companies or other methods or parties to obscure ownership or participation of the Agent, without adequate business justification;
- Any refusal by the Agent to provide records and documents.

d. Facilitating payments

Although some anti-bribery laws permit payments to government officials in limited circumstances for the purpose of facilitating or expediting the administrative performance of routine governmental actions, it is the Corporation's policy that no such payments may be made.

e. Exceptions

Any exception to Section 15 of this Code, including with respect to payments arrangements, must be approved in advance **by the Board of Directors**.

16. Waivers of This Code of Business Conduct and Ethics

Any waiver of this Code with respect to a director or officer of the Corporation may be made only by the **Board of Directors or the Audit Committee**. Any such waiver will be promptly disclosed to the extent required by applicable laws or stock exchange regulations.

17. Reporting of any Illegal or Unethical Behavior

We have a strong commitment to conduct our business in a lawful and ethical manner. Employees are encouraged to talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation and to report violations of laws, rules, regulations or this Code. **Potential violations of the anti-bribery provisions should be reported directly to a Chair of the Audit Committee.**

We prohibit retaliatory action against any employee who, in good faith, reports a possible violation. It is unacceptable to file a report knowing it to be false.

18. Compliance Procedures

This Code cannot, and is not intended to, address all of the situations you may encounter. There will be occasions where you are confronted by circumstances not covered by policy or procedure and where you must make a judgment as to the appropriate course of action. Since

we cannot anticipate every situation that may arise, it is important for the Corporation to set forth a general way to approach a new question or problem. These are the steps to keep in mind:

• *Make sure you have all of the facts.* In order to reach the right solutions, you must be as fully informed as possible.

• *Ask yourself what you are specifically being asked to do* . This analysis will enable you to focus on the specific issues that are raised and the available alternatives. Use your judgment and common sense. If something seems unethical or improper, it probably is.

• *Clarify your responsibility and role.* In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and to discuss the problem.

• *Discuss the problem with your supervisor.* This approach is best in most if not all situations. Your supervisor may be more knowledgeable about the issue and will appreciate being brought into the process. It is a supervisor's responsibility to help you to solve problems.

• *Seek help from Corporation resources* . In the rare instance in which it may not be appropriate to discuss an issue with your supervisor, or in which you feel uncomfortable approaching your supervisor you have the option to:

- report the issue using Corporation's the anonymous Whistleblower system
- discuss the problem with the Corporation's general legal counsel; or
- If you prefer to write, address your concerns to the Corporation's general legal counsel or the Chief Executive Officer.

• *You may report ethical violations in confidence and without fear of retaliation on the Whistleblower phone lines.* If your situation requires that your identity be kept secret, the Corporation will protect your anonymity. The Corporation does not permit retaliation of any kind against employees for good faith reports of ethical violations. An officer or employee who retaliates against someone who has reported an ethical violation in good faith is subject to discipline up to and including termination of employment. These procedures are intended to encourage and enable employees and others to raise serious concerns within the Corporation rather than seeking resolution outside the Corporation.

• *Ask first*. If you are unsure of the proper course of action, seek guidance before you act. If you do not feel comfortable discussing the matter with your supervisor, please call the Corporation's general legal counsel. If you require an interpreter, every reasonable effort will be made to provide you with one. We strive to ensure that all questions or concerns are handled fairly, discreetly and thoroughly.

I, _____ , acknowledge
having read and understood this Code of Conduct
and agree to comply with it at all times .

_____ _____

Signature *Date*

SILVERCORP METALS INC.
CODE OF ETHICAL CONDUCT FOR FINANCIAL MANAGERS

INTRODUCTION

This Code of Ethical Conduct for Financial Managers ("Code") applies to all Financial Managers of Silvercorp Metals Inc. (the "Company"). Financial Managers are the Company's principal executive officer, principal financial officer, principal accounting officer, controller or person performing similar functions.

This Code covers a wide range of financial and non-financial business practices and procedures. This Code does not cover every issue that may arise, but it sets out basic principles to guide all Financial Managers of the Company. If a law or regulation conflicts with a policy in this Code, the Financial Manager must comply with the law or regulation. If a Financial Manager has any questions about this Code or potential conflicts with a law or regulation, they should contact the Company's Board of Directors, Audit Committee or General Counsel.

Each Financial Manager shall recognize that Financial Managers hold an important and elevated role in corporate governance. They are uniquely capable and empowered to ensure that the Company's, its shareholders' and other stakeholders' interests are appropriately balanced, protected and preserved. Accordingly, this Code provides principles to which Financial Managers are expected to adhere and advocate. The Code embodies rules regarding individual and peer responsibilities, as well as responsibilities to the Company, the shareholders, other stakeholders and the public.

FINANCIAL CODE PRINCIPLES AND RESPONSIBILITIES

Financial Managers shall adhere to and advocate to the best of their knowledge and ability the following principles and responsibilities governing their professional and ethical conduct.

1. Act with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. A "conflict of interest" exists when an individual's private interests interfere or conflict in any way (or even appear to interfere or conflict) with the interests of the Company.

2. When disclosing information to constituents, provide them with information that is accurate, complete, objective, relevant, timely and understandable. Reports and documents that the Company files with the Securities Commission or releases to the public shall contain full, fair, accurate, timely and understandable information. The principal executive officer and principal financial officer shall review the annual and quarterly reports and certifying and filing them with the Securities Commission.

3. Comply with rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies.

4. Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing their independent judgment to be subordinated.

5. Protect and respect the confidentiality of information acquired in the course of their work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of their work shall not be used for personal advantage.

6. Achieve responsible use of and control over all assets and resources employed by or entrusted to them.

7. Promptly report Code violations to the Company's Chairman of the Board and Audit Committee Chairman.

WAIVERS OF THE CODE

Any waiver of this Code for Financial Managers may be made only by the Audit Committee of the Board of Directors and will be promptly disclosed as required by law or the private regulatory body. Requests for waivers must be made in writing to the Company's Chairman of the Board and Audit Committee Chairman prior to the occurrence of the violation of the Code.

REPORTING OF VIOLATIONS OF THE CODE, ILLEGAL OR UNETHICAL BEHAVIOR

Financial Managers should report observed violations of the Code and illegal or unethical behavior to the Company's Chairman of the Board and Audit Committee Chairman. All reports will be treated in a confidential manner and it is the Company's policy to not allow retaliation for reports made in good faith of misconduct by others. The Company's Audit Committee will lead all investigations of alleged violations or misconduct. Financial Managers are expected to cooperate in internal investigations of misconduct and violations of this Code.

VIOLATIONS OF THE CODE

Financial Managers who violate the standards of this Code will be subject to disciplinary action, which may include termination of employment, civil action and/or referral to law enforcement agencies for criminal prosecution.

I, _____ , acknowledge having read and understood this Code of Ethical Conduct for Financial Managers and agree to comply with it at all times.

_____ _____

Signature *Date*