



SILVERCORP METALS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended June 30, 2023 and 2022

(Tabular amounts are in thousands of US dollars, unless otherwise stated)

(Unaudited)

SILVERCORP METALS INC.

Condensed Consolidated Interim Statements of Income

(Unaudited) (Expressed in thousands of U.S. dollars, except per share amount and number of shares)

| | Notes | Three Months Ended June 30, | |
|---|---------|-----------------------------|--------------------|
| | | 2023 | 2022 |
| Revenue | 3(a)(c) | \$ 60,006 | \$ 63,592 |
| Cost of mine operations | | | |
| Production costs | | 24,298 | 26,144 |
| Depreciation and amortization | | 7,663 | 7,558 |
| Mineral resource taxes | | 1,366 | 1,540 |
| Government fees and other taxes | 4 | 657 | 784 |
| General and administrative | 5 | 2,721 | 2,664 |
| | | 36,705 | 38,690 |
| Income from mine operations | | 23,301 | 24,902 |
| Corporate general and administrative | 5 | 3,650 | 3,557 |
| Property evaluation and business development | | 109 | 132 |
| Foreign exchange loss (gain) | | 2,227 | (1,656) |
| (Gain) loss on investments | 9 | (1,086) | 2,671 |
| Share of loss in associates | 10 | 640 | 728 |
| (Gain) loss on disposal of plant and equipment | 12 | (5) | 269 |
| Other income | | (234) | (170) |
| Income from operations | | 18,000 | 19,371 |
| Finance income | 6 | 1,494 | 1,322 |
| Finance costs | 6 | (60) | (522) |
| | | 19,434 | 20,171 |
| Income tax expense | 7 | 6,221 | 6,087 |
| Net income | | \$ 13,213 | \$ 14,084 |
| Attributable to: | | | |
| Equity holders of the Company | | \$ 9,217 | \$ 10,169 |
| Non-controlling interests | 18 | 3,996 | 3,915 |
| | | \$ 13,213 | \$ 14,084 |
| Earnings per share attributable to the equity holders of the Company | | | |
| Basic earnings per share | | \$ 0.05 | \$ 0.06 |
| Diluted earnings per share | | \$ 0.05 | \$ 0.06 |
| Weighted Average Number of Shares Outstanding - Basic | | 176,927,547 | 177,245,037 |
| Weighted Average Number of Shares Outstanding - Diluted | | 179,847,745 | 179,583,285 |

Approved on behalf of the Board:

(Signed) David Kong

Director

(Signed) Rui Feng

Director

SILVERCORP METALS INC.

Condensed Consolidated Interim Statements of Comprehensive loss

(Unaudited)(Expressed in thousands of U.S. dollars)

| | Notes | Three Months Ended June 30, | |
|--|-------|-----------------------------|-------------|
| | | 2023 | 2022 |
| Net income | | \$ 13,213 | \$ 14,084 |
| Other comprehensive (loss) income, net of taxes: | | | |
| Items that may subsequently be reclassified to net income or loss: | | | |
| Currency translation adjustment, net of tax of \$nil | | (18,417) | (28,846) |
| Share of other comprehensive income (loss) in associate | 10 | 55 | (398) |
| 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 | 9 | (114) | (951) |
| Other comprehensive loss, net of taxes | | \$ (18,476) | \$ (30,195) |
| Attributable to: | | | |
| Equity holders of the Company | | \$ (14,500) | \$ (25,459) |
| Non-controlling interests | 18 | (3,976) | (4,736) |
| | | \$ (18,476) | \$ (30,195) |
| Total comprehensive loss | | \$ (5,263) | \$ (16,111) |
| Attributable to: | | | |
| Equity holders of the Company | | \$ (5,283) | \$ (15,290) |
| Non-controlling interests | | 20 | (821) |
| | | \$ (5,263) | \$ (16,111) |

See accompanying notes to the condensed consolidated interim financial statements

SILVERCORP METALS INC.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited) (Expressed in thousands of U.S. dollars)

| | Notes | As at June 30, | | As at March 31, | |
|---|-------|----------------|----------------|-----------------|----------------|
| | | 2023 | | 2023 | |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and cash equivalents | 21 | \$ | 143,278 | \$ | 145,692 |
| Short-term investments | 8 | | 57,322 | | 57,631 |
| Trade and other receivables | | | 1,606 | | 1,806 |
| Inventories | | | 6,819 | | 8,343 |
| Due from related parties | 19 | | 64 | | 88 |
| Income tax receivable | | | 25 | | 582 |
| Prepays and deposits | | | 5,390 | | 4,906 |
| | | | 214,504 | | 219,048 |
| Non-current Assets | | | | | |
| Long-term prepaids and deposits | | | 886 | | 871 |
| Reclamation deposits | | | 6,594 | | 6,981 |
| Other investments | 9 | | 20,470 | | 15,540 |
| Investment in associates | 10 | | 51,225 | | 50,695 |
| Investment properties | 11 | | 470 | | - |
| Plant and equipment | 12 | | 76,904 | | 80,059 |
| Mineral rights and properties | 13 | | 293,766 | | 303,426 |
| Deferred income tax assets | | | 200 | | 179 |
| TOTAL ASSETS | | \$ | 665,019 | \$ | 676,799 |
| LIABILITIES AND EQUITY | | | | | |
| Current Liabilities | | | | | |
| Accounts payable and accrued liabilities | | \$ | 38,836 | \$ | 36,737 |
| Current portion of lease obligation | 14 | | 277 | | 269 |
| Deposits received | | | 5,486 | | 4,090 |
| Income tax payable | | | 374 | | 144 |
| | | | 44,973 | | 41,240 |
| Non-current Liabilities | | | | | |
| Long-term portion of lease obligation | 14 | | 254 | | 314 |
| Deferred income tax liabilities | | | 46,417 | | 48,096 |
| Environmental rehabilitation | 15 | | 6,898 | | 7,318 |
| Total Liabilities | | | 98,542 | | 96,968 |
| Equity | | | | | |
| Share capital | | | 256,675 | | 255,684 |
| Equity reserves | | | (10,636) | | 3,484 |
| Retained earnings | | | 236,888 | | 229,885 |
| Total equity attributable to the equity holders of the Company | | | 482,927 | | 489,053 |
| Non-controlling interests | 18 | | 83,550 | | 90,778 |
| Total Equity | | | 566,477 | | 579,831 |
| TOTAL LIABILITIES AND EQUITY | | \$ | 665,019 | \$ | 676,799 |

See accompanying notes to the condensed consolidated interim financial statements

SILVERCORP METALS INC.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited) (Expressed in thousands of U.S. dollars)

| | Notes | Three Months Ended June 30, | |
|---|-------|-----------------------------|-------------------|
| | | 2023 | 2022 |
| Cash provided by | | | |
| Operating activities | | | |
| Net income | | \$ 13,213 | \$ 14,084 |
| Add (deduct) items not affecting cash: | | | |
| Finance costs | 6 | 60 | 522 |
| Income tax expense | 7 | 6,221 | 6,087 |
| Depreciation, amortization and depletion | | 8,088 | 8,025 |
| (Gain) loss on investments | 9 | (1,086) | 2,671 |
| Share of loss in associates | 10 | 640 | 728 |
| Loss on disposal of plant and equipment | | (5) | 269 |
| Share-based compensation | 16(b) | 1,371 | 1,172 |
| Reclamation expenditures | | (47) | (8) |
| Income taxes paid | | (4,533) | (2,297) |
| Interest paid | 6 | (7) | (14) |
| Changes in non-cash operating working capital | 21 | 4,966 | 8,937 |
| Net cash provided by operating activities | | 28,881 | 40,176 |
| Investing activities | | | |
| Plant and equipment | | | |
| Additions | | (3,214) | (2,167) |
| Proceeds on disposals | 12 | 124 | - |
| Mineral rights and properties | | | |
| Capital expenditures | | (11,885) | (15,918) |
| Reclamation deposits | | | |
| Paid | | (15) | (16) |
| Other investments | | | |
| Acquisition | 9 | (3,594) | (1,770) |
| Proceeds on disposals | 9 | 70 | 504 |
| Investment in associates | 10 | - | (570) |
| Short-term investment | | | |
| Purchase | | (8,552) | (62,007) |
| Redemption | | 5,950 | 90,944 |
| Principal received on lease receivable | 14 | - | 55 |
| Net cash used in investing activities | | (21,116) | 9,055 |
| Financing activities | | | |
| Principal payments on lease obligation | 14 | (64) | (168) |
| Cash dividends distributed | 16(e) | (2,214) | (2,216) |
| Non-controlling interests | | | |
| Distribution | 18 | (7,248) | (3,627) |
| Common shares repurchased as part of normal course issuer bid | | - | (881) |
| Net cash used in financing activities | | (9,526) | (6,892) |
| Effect of exchange rate changes on cash and cash equivalents | | (653) | (5,380) |
| Increase (decrease) in cash and cash equivalents | | (2,414) | 36,959 |
| Cash and cash equivalents, beginning of the period | | 145,692 | 113,302 |
| Cash and cash equivalents, end of the period | | \$ 143,278 | \$ 150,261 |
| Supplementary cash flow information | 21 | | |

See accompanying notes to the condensed consolidated interim financial statements

SILVERCORP METALS INC.

Condensed Consolidated Interim Statements of Changes in Equity

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

| Notes | Share capital | | Equity reserves | | | Total equity attributable to the equity holders of the Company | | Non-controlling interests | Total equity |
|---|--------------------|-------------------|----------------------|------------------|--------------------------------------|--|-------------------|---------------------------|-------------------|
| | Number of shares | Amount | Share option reserve | Reserves | Accumulated other comprehensive loss | Retained earnings | | | |
| Balance, April 1, 2022 | 177,105,799 | \$ 255,444 | \$ 19,369 | \$ 25,834 | \$ (1,953) | \$ 213,702 | \$ 512,396 | \$ 107,718 | \$ 620,114 |
| Restricted share units vested | 214,375 | 1,094 | (1,094) | - | - | - | - | - | - |
| Share-based compensation | - | - | 1,172 | - | - | - | 1,172 | - | 1,172 |
| Dividends declared | - | - | - | - | - | (2,216) | (2,216) | - | (2,216) |
| Common shares repurchased as part of normal course issuer bid | (334,990) | (881) | - | - | - | - | (881) | - | (881) |
| Distribution to non-controlling interests | - | - | - | - | - | - | - | (3,627) | (3,627) |
| Comprehensive income | - | - | - | - | (25,459) | 10,169 | (15,290) | (821) | (16,111) |
| Balance, June 30, 2022 | 176,985,184 | \$ 255,657 | \$ 19,447 | \$ 25,834 | \$ (27,412) | \$ 221,655 | \$ 495,181 | \$ 103,270 | \$ 598,451 |
| Restricted share units vested | 289,328 | 1,224 | (1,224) | - | - | - | - | - | - |
| Share-based compensation | - | - | 2,670 | - | - | - | 2,670 | - | 2,670 |
| Dividends declared | - | - | - | - | - | (2,209) | (2,209) | - | (2,209) |
| Common shares repurchased as part of normal course issuer bid | (503,247) | (1,197) | - | - | - | - | (1,197) | - | (1,197) |
| Distribution to non-controlling interests | - | - | - | - | - | - | - | (7,253) | (7,253) |
| Comprehensive income | - | - | - | - | (15,831) | 10,439 | (5,392) | (5,239) | (10,631) |
| Balance, March 31, 2023 | 176,771,265 | \$ 255,684 | \$ 20,893 | \$ 25,834 | \$ (43,243) | \$ 229,885 | \$ 489,053 | \$ 90,778 | \$ 579,831 |
| Restricted share units vested | 241,777 | 991 | (991) | - | - | - | - | - | - |
| Share-based compensation | 16(b) | - | 1,371 | - | - | - | 1,371 | - | 1,371 |
| Dividends declared | 16(e) | - | - | - | - | (2,214) | (2,214) | - | (2,214) |
| Distribution to non-controlling interests | 18 | - | - | - | - | - | - | (7,248) | (7,248) |
| Comprehensive income (loss) | - | - | - | - | (14,500) | 9,217 | (5,283) | 20 | (5,263) |
| Balance, June 30, 2023 | 177,013,042 | \$ 256,675 | \$ 21,273 | \$ 25,834 | \$ (57,743) | \$ 236,888 | \$ 482,927 | \$ 83,550 | \$ 566,477 |

See accompanying notes to the condensed consolidated interim financial statements

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

1. CORPORATE INFORMATION

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

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. MATERIAL ACCOUNTING POLICIES

(a) Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting (“IAS 34”)* of the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and have been condensed with certain disclosures from the Company’s audited consolidated financial statements for the year ended March 31, 2023. Accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended March 31, 2023. These unaudited condensed consolidated interim financial statements follow the same accounting policies set out in note 2 to the audited consolidated financial statements for the year ended March 31, 2023 with the exception of the mandatory adoption of certain amendments noted below.

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

The amendments to IAS 12 clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

The adoption of this amendment did not have a material impact on the Company’s condensed interim consolidated financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting policies

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the IASB has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2. This amendment did not have a material impact on the Company’s condensed interim consolidated financial statements.

These unaudited condensed consolidated interim financial statements were authorized for issue in accordance with a resolution of the Board of Directors dated August 9, 2023.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

(b) New Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. Management is still evaluating and does not expect any such pronouncements to have a material impact on the Company's consolidated financial statements upon adoption.

(c) Basis of Consolidation

These condensed consolidated interim 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 balance sheets. 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.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

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

| Name of subsidiaries | Principal activity | Country of incorporation | Proportion of ownership interest held | | Mineral properties |
|---|--------------------|--------------------------|---------------------------------------|----------------|----------------------|
| | | | June 30, 2023 | March 31, 2023 | |
| Silvercorp Metals China Inc. | Holding company | Canada | 100% | 100% | |
| Silvercorp Metals (China) Inc. | Holding company | China | 100% | 100% | |
| 0875786 B.C. LTD. | Holding company | Canada | 100% | 100% | |
| Fortune Mining Limited | Holding company | BVI (i) | 100% | 100% | |
| Fortune Copper Limited | Holding company | BVI | 100% | 100% | |
| Fortune Gold Mining Limited | Holding company | BVI | 100% | 100% | |
| Victor Resources Ltd. | Holding company | BVI | 100% | 100% | |
| Yangtze Mining Ltd. | Holding company | BVI | 100% | 100% | |
| Victor Mining Ltd. | Holding company | BVI | 100% | 100% | |
| Yangtze Mining (H.K.) Ltd. | Holding company | Hong Kong | 100% | 100% | |
| Fortune Gold Mining (H.K.) Limited | Holding company | Hong Kong | 100% | 100% | |
| Wonder Success Limited | Holding company | Hong Kong | 100% | 100% | |
| New Infini Silver Inc. ("New Infini") | Holding company | Canada | 46.1% | 46.1% | |
| Infini Metals Inc. | Holding company | BVI | 46.1% | 46.1% | |
| Infini Resources (Asia) Co. Ltd. | Holding company | Hong Kong | 46.1% | 46.1% | |
| Golden Land (Asia) Ltd. | Holding company | Hong Kong | 46.1% | 46.1% | |
| Henan Huawei Mining Co. Ltd. ("Henan Huawei") | Mining | China | 80% | 80% | Ying Mining District |
| Henan Found Mining Co. Ltd. ("Henan Found") | Mining | China | 77.5% | 77.5% | |
| Xinshao Yunxiang Mining Co., Ltd. ("Yunxiang") | Mining | China | 70% | 70% | BYP |
| Guangdong Found Mining Co. Ltd. ("Guangdong Found") | Mining | China | 99% | 99% | GC |
| Infini Resources S.A. de C.V. | Mining | Mexico | 46.1% | 46.1% | La Yesca |
| Shanxi Xinbaoyuan Mining Co., Ltd. ("Xinbaoyuan") | Mining | China | 77.5% | 77.5% | Kuanping |

(i) British Virgin Islands ("BVI")

(d) Critical Accounting Judgments and Estimates

These condensed consolidated interim financial statements follow the same significant accounting judgments and estimates set out in note 2 to the audited consolidated financial statements for the year ended March 31, 2023.

3. SEGMENTED INFORMATION

The Company's reportable operating segments are components of the Company where separate financial information is available that is evaluated regularly by the Company's Chief Executive Officer who is the Chief Operating Decision Maker ("CODM"). The 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 Huawei | Ying Mining District |
| Guangdong | Guandong Found | GC |
| Other | Yunxiang, Xinbaoyuan, and Infini Resources S.A de C.V | BYP, Kuanping, Las Yesca |
| Administrative | | |
| Vancouver | Silvercorp Metals Inc and holding companies | |
| Beijing | Silvercorp Metals (China) Inc. | |

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

(a) Segmented information for operating results is as follows:

| Statement of income: | Three months ended June 30, 2023 | | | | | | Total |
|---|----------------------------------|-----------|----------|----------------|------------|-----------|-------|
| | Mining | | | Administrative | | | |
| | Henan Luoning | Guangdong | Other | Beijing | Vancouver | | |
| Revenue | \$ 50,576 | \$ 9,430 | \$ - | \$ - | \$ - | \$ 60,006 | |
| Costs of mine operations | (28,861) | (7,757) | (87) | - | - | (36,705) | |
| Income from mine operations | 21,715 | 1,673 | (87) | - | - | 23,301 | |
| Operating expenses | 146 | 76 | (105) | (499) | (4,919) | (5,301) | |
| Impairment of mineral rights and properties | - | - | - | - | - | - | |
| Finance items, net | 581 | 134 | (7) | 40 | 686 | 1,434 | |
| Income tax expenses | (3,758) | 32 | - | - | (2,495) | (6,221) | |
| Net income (loss) | \$ 18,684 | \$ 1,915 | \$ (199) | \$ (459) | \$ (6,728) | \$ 13,213 | |
| Attributable to: | | | | | | | |
| Equity holders of the Company | 14,638 | 1,896 | (130) | (459) | (6,728) | 9,217 | |
| Non-controlling interests | 4,046 | 19 | (69) | - | - | 3,996 | |
| Net income (loss) | \$ 18,684 | \$ 1,915 | \$ (199) | \$ (459) | \$ (6,728) | \$ 13,213 | |
| Statement of income: | Three months ended June 30, 2022 | | | | | | Total |
| | Mining | | | Administrative | | | |
| | Henan Luoning | Guangdong | Other | Beijing | Vancouver | | |
| Revenue | \$ 52,962 | \$ 10,630 | \$ - | \$ - | \$ - | \$ 63,592 | |
| Costs of mine operations | (31,548) | (7,012) | (130) | - | - | (38,690) | |
| Income from mine operations | 21,414 | 3,618 | (130) | - | - | 24,902 | |
| Operating expenses | 40 | (160) | (99) | (421) | (4,891) | (5,531) | |
| Finance items, net | 947 | 131 | (7) | 85 | (356) | 800 | |
| Income tax expenses | (4,218) | (453) | (109) | - | (1,307) | (6,087) | |
| Net income (loss) | \$ 18,183 | \$ 3,136 | \$ (345) | \$ (336) | \$ (6,554) | \$ 14,084 | |
| Attributable to: | | | | | | | |
| Equity holders of the Company | 14,180 | 3,105 | (233) | (336) | (6,547) | 10,169 | |
| Non-controlling interests | 4,003 | 31 | (112) | - | (7) | 3,915 | |
| Net income (loss) | \$ 18,183 | \$ 3,136 | \$ (345) | \$ (336) | \$ (6,554) | \$ 14,084 | |

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

(b) Segmented information for assets and liabilities is as follows:

| Statement of financial position items: | June 30, 2023 | | | | | | Total |
|--|-------------------|------------------|------------------|-----------------|-------------------|-------------------|-------|
| | Mining | | | Administrative | | | |
| | Henan Luoning | Guangdong | Other | Beijing | Vancouver | | |
| Current assets | \$ 92,470 | \$ 21,513 | \$ 1,090 | \$ 7,314 | \$ 92,117 | \$ 214,504 | |
| Plant and equipment | 58,243 | 14,124 | 3,089 | 580 | 868 | 76,904 | |
| Mineral rights and properties | 243,163 | 31,413 | 19,190 | - | - | 293,766 | |
| Investment in associates | - | - | - | - | 51,225 | 51,225 | |
| Other investments | 62 | - | - | - | 20,408 | 20,470 | |
| Reclamation deposits | 3,402 | 3,184 | - | - | 8 | 6,594 | |
| Long-term prepaids and deposits | 705 | 90 | 91 | - | - | 886 | |
| Investment properties | 470 | - | - | - | - | 470 | |
| Deferred income tax assets | - | 200 | - | - | - | 200 | |
| Total assets | \$ 398,515 | \$ 70,524 | \$ 23,460 | \$ 7,894 | \$ 164,626 | \$ 665,019 | |
| Current liabilities | \$ 36,181 | \$ 6,157 | \$ 387 | \$ 217 | \$ 2,031 | \$ 44,973 | |
| Long-term portion of lease obligation | - | - | - | - | 254 | 254 | |
| Deferred income tax liabilities | 45,440 | - | 977 | - | - | 46,417 | |
| Environmental rehabilitation | 4,613 | 1,372 | 913 | - | - | 6,898 | |
| Total liabilities | \$ 86,234 | \$ 7,529 | \$ 2,277 | \$ 217 | \$ 2,285 | \$ 98,542 | |
| | March 31, 2023 | | | | | | |
| Statement of financial position items: | Mining | | | Administrative | | Total | |
| | Henan Luoning | Guangdong | Other | Beijing | Vancouver | | |
| Current assets | \$ 112,936 | \$ 20,605 | \$ 1,149 | \$ 7,608 | \$ 76,750 | \$ 219,048 | |
| Plant and equipment | 59,854 | 15,289 | 3,314 | 644 | 958 | 80,059 | |
| Mineral rights and properties | 251,150 | 32,070 | 20,206 | - | - | 303,426 | |
| Investment in associates | - | - | - | - | 50,695 | 50,695 | |
| Other investments | 65 | - | - | - | 15,475 | 15,540 | |
| Reclamation deposits | 3,626 | 3,348 | - | - | 7 | 6,981 | |
| Long-term prepaids and deposits | 686 | 89 | 96 | - | - | 871 | |
| Deferred income tax assets | - | 179 | - | - | - | 179 | |
| Total assets | \$ 428,317 | \$ 71,580 | \$ 24,765 | \$ 8,252 | \$ 143,885 | \$ 676,799 | |
| Current liabilities | \$ 33,102 | \$ 5,509 | \$ 433 | \$ 226 | \$ 1,970 | \$ 41,240 | |
| Long-term portion of lease obligation | - | - | - | - | 314 | 314 | |
| Deferred income tax liabilities | 47,065 | - | 1,031 | - | - | 48,096 | |
| Environmental rehabilitation | 4,883 | 1,477 | 958 | - | - | 7,318 | |
| Total liabilities | \$ 85,050 | \$ 6,986 | \$ 2,422 | \$ 226 | \$ 2,284 | \$ 96,968 | |

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

(c) Revenue by metal

Revenue generated for the three months ended June 30, 2023 and 2022 were all earned in China and were comprised of:

| | Three months ended June 30, 2023 | | |
|-------------|----------------------------------|-----------|-----------|
| | Henan Luoning | Guangdong | Total |
| Silver (Ag) | \$ 32,361 | \$ 2,791 | \$ 35,152 |
| Gold (Au) | 2,515 | - | 2,515 |
| Lead (Pb) | 12,646 | 1,949 | 14,595 |
| Zinc (Zn) | 1,791 | 3,868 | 5,659 |
| Other | 1,263 | 822 | 2,085 |
| | \$ 50,576 | \$ 9,430 | \$ 60,006 |

| | Three months ended June 30, 2022 | | |
|-------------|----------------------------------|-----------|-----------|
| | Henan Luoning | Guangdong | Total |
| Silver (Ag) | 32,326 | \$ 2,123 | \$ 34,449 |
| Gold (Au) | 1,753 | - | 1,753 |
| Lead (Pb) | 15,035 | 2,080 | 17,115 |
| Zinc (Zn) | 2,539 | 5,963 | 8,502 |
| Other | 1,309 | 464 | 1,773 |
| | \$52,962 | \$10,630 | \$63,592 |

(d) Major customers

Revenue from major customers is summarized as follows:

| Customers | Three months ended June 30, 2023 | | | Percentage of total revenue |
|------------|----------------------------------|-----------|--------|-----------------------------|
| | Henan Luoning | Guangdong | Total | |
| Customer A | 11,586 | 1,644 | 13,230 | 22% |
| Customer B | 12,361 | 330 | 12,691 | 21% |
| Customer C | 9,909 | 1,172 | 11,081 | 18% |
| Customer D | 10,251 | - | 10,251 | 17% |
| Customer E | 4,465 | 1,496 | 5,961 | 10% |
| | 48,572 | 4,642 | 53,214 | 88% |

| Customers | Three months ended June 30, 2022 | | | Percentage of total revenue |
|------------|----------------------------------|-----------|--------|-----------------------------|
| | Henan Luoning | Guangdong | Total | |
| Customer A | 5,681 | - | 5,681 | 9% |
| Customer B | 6,921 | - | 6,921 | 11% |
| Customer C | 15,249 | 19 | 15,268 | 24% |
| Customer D | 12,431 | - | 12,431 | 20% |
| Customer E | 8,220 | 494 | 8,714 | 14% |
| | 48,502 | 513 | 49,015 | 78% |

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

4. GOVERNMENT FEES AND OTHER TAXES

Government fees and other taxes consist of:

| | Three months ended June 30, | |
|-----------------|-----------------------------|---------------|
| | 2023 | 2022 |
| Government fees | \$ 16 | \$ 11 |
| Other taxes | 641 | 773 |
| | \$ 657 | \$ 784 |

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

5. GENERAL AND ADMINISTRATIVE

General and administrative expenses consist of:

| | Three months ended June 30, 2023 | | | Three months ended June 30, 2022 | | |
|------------------------------------|----------------------------------|-----------------|-----------------|----------------------------------|-----------------|-----------------|
| | Corporate | Mines | Total | Corporate | Mines | Total |
| Amortization and depreciation | \$ 148 | \$ 277 | \$ 425 | \$ 149 | \$ 317 | \$ 466 |
| Office and administrative expenses | 541 | 708 | 1,249 | 355 | 619 | 974 |
| Professional fees | 175 | 103 | 278 | 308 | 122 | 430 |
| Salaries and benefits | 1,415 | 1,633 | 3,048 | 1,573 | 1,606 | 3,179 |
| Share-based compensation | 1,371 | - | 1,371 | 1,172 | - | 1,172 |
| | \$ 3,650 | \$ 2,721 | \$ 6,371 | \$ 3,557 | \$ 2,664 | \$ 6,221 |

6. FINANCE ITEMS

Finance items consist of:

| | Three months ended June 30, | |
|-----------------------|-----------------------------|----------|
| | 2023 | 2022 |
| Finance income | | |
| Interest income | \$ 1,494 | \$ 1,322 |

| | Three months ended June 30, | |
|---|-----------------------------|---------------|
| | 2023 | 2022 |
| Finance costs | | |
| Interest on lease obligation | \$ 7 | \$ 14 |
| Impairment charges for expected credit loss against bond investments (Note 8) | - | 445 |
| Unwinding of discount of environmental rehabilitation provision (Note 15) | 53 | 63 |
| | \$ 60 | \$ 522 |

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

7. INCOME TAX

The significant components of income tax expense are as follows:

| Income tax expense | Three months ended June 30, | |
|--------------------|-----------------------------|----------|
| | 2023 | 2022 |
| Current | \$ 4,883 | \$ 3,989 |
| Deferred | 1,338 | 2,098 |
| | \$ 6,221 | \$ 6,087 |

8. SHORT-TERM INVESTMENTS

As at June 30, 2023, short-term investments consist of the following:

| | Amount | Interest rates | Maturity |
|--------------------------|-----------|----------------|---------------------------------|
| Bonds | \$ 2,769 | 5.50% - 13.00% | June 9, 2024 - January 16, 2025 |
| Money market instruments | 54,553 | | |
| | \$ 57,322 | | |

As at June 30, 2023, the carrying value and face value of the bond investments that were impaired was \$2.3 million and \$15.2 million, respectively.

As at March 31, 2023, short-term investments consist of the following:

| | Amount | Interest rates | Maturity |
|--------------------------|-----------|----------------|-------------------------------------|
| Bonds | \$ 3,802 | 5.50% - 13.00% | January 25, 2023 - January 16, 2025 |
| Money market instruments | 53,829 | | |
| | \$ 57,631 | | |

As at March 31, 2023, the carrying value and face value of the bond investments that were impaired was \$2.3 million and \$15.2 million, respectively.

9. OTHER INVESTMENTS

| | June 30, 2023 | March 31, 2023 |
|--|---------------|----------------|
| Equity investments designated as FVTOCI | | |
| Public companies | \$ 823 | \$ 918 |
| Private companies | 62 | 65 |
| | 885 | 983 |
| Equity investments designated as FVTPL | | |
| Public companies | 16,354 | 11,396 |
| Private companies | 3,231 | 3,161 |
| | 19,585 | 14,557 |
| Total | \$ 20,470 | \$ 15,540 |

Investments in publicly traded companies represent equity interests of other publicly-trading mining companies that the Company has acquired through the open market or through private placements.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

Investment in equity instruments that are held for trading are classified as FVTPL. For other investment in equity instruments, the Company can make an irrevocable election, on an instrument-by-instrument basis, to designate them as FVTOCI.

The continuity of such investments is as follows:

| | | Fair Value | Accumulated fair value change included in OCI | Accumulated fair value change included in P&L |
|---|-----------|---------------|---|---|
| April 1, 2022 | \$ | 17,768 | \$ (24,336) | \$ 3,703 |
| Loss on equity investments designated as FVTOCI | | (1,312) | (1,312) | - |
| Loss equity investments designated as FVTPL | | (2,318) | - | (2,318) |
| Acquisition | | 3,702 | - | - |
| Disposal | | (1,035) | - | - |
| Impact of foreign currency translation | | (1,265) | - | - |
| March 31, 2023 | \$ | 15,540 | \$ (25,648) | \$ 1,385 |
| Loss on equity investments designated as FVTOCI | | (114) | (114) | - |
| Gain on equity investments designated as FVTPL | | 1,086 | - | 1,086 |
| Acquisition | | 3,594 | - | - |
| Disposal | | (70) | - | - |
| Impact of foreign currency translation | | 434 | - | - |
| June 30, 2023 | \$ | 20,470 | \$ (25,762) | \$ 2,471 |

10. INVESTMENT IN ASSOCIATES

(a) Investment in New Pacific Metals Corp.

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

During the three months ended June 30, 2023, the Company acquired nil common shares of NUAG from the public market (three month ended June 30, 2022– 181,900) for a total cost of \$nil (three months ended June 30, 2022 – \$0.6 million).

As at June 30, 2023, the Company owned 44,351,616 common shares of NUAG (March 31, 2023 – 44,351,616), representing an ownership interest of 28.1% (March 31, 2023 – 28.2%).

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

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

| | Number of shares | | Amount | Value of NUAG's common shares per quoted market price |
|-----------------------------------|---------------------|-----------|---------------|---|
| Balance, April 1, 2022 | 44,042,216 | \$ | 49,437 | \$ 140,275 |
| Purchase from open market | 309,400 | | 874 | |
| Share of net loss | | | (2,411) | |
| Share of other comprehensive loss | | | (894) | |
| Foreign exchange impact | | | (3,753) | |
| Balance, March 31, 2023 | 44,351,616 | \$ | 43,253 | \$ 119,621 |
| Share of net loss | | | (524) | |
| Share of other comprehensive loss | | | 71 | |
| Foreign exchange impact | | | 952 | |
| Balance, June 30, 2023 | 44,351,616 | \$ | 43,752 | \$ 96,140 |

(b) Investment in Tincorp Metals Inc.

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

On December 15, 2022, the Company participated in a non-brokered private placement of TIN and purchased 4,000,000 units at a cost of \$1.2 million. Each unit was comprised of one TIN common share and one-half common share purchase warrant at exercise price of CAD\$0.65 per share. The common share purchase warrant expires on December 15, 2024.

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

As at June 30, 2023, the Company owned 19,514,285 common shares of TIN (March 31, 2023 – 19,514,285), representing an ownership interest of 29.3% (March 31, 2023 – 29.3%).

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

The table below summarize the investment in TIN common shares and its market value as at the respective reporting dates. The market value deficiency is considered to be short term and is not identified as an impairment indicator.

| | Number of shares | Amount | Value of TIN's common shares per quoted market price |
|-------------------------------------|-------------------|-----------------|--|
| Balance, April 1, 2022 | 15,514,285 | \$ 7,404 | \$ 6,208 |
| Participation in private placement | 4,000,000 | 1,181 | |
| Dilution loss | | (107) | |
| Share of net loss | | (490) | |
| Share of other comprehensive income | | 8 | |
| Foreign exchange impact | | (554) | |
| Balance, March 31, 2023 | 19,514,285 | \$ 7,442 | \$ 6,777 |
| Share of net loss | | (116) | |
| Share of other comprehensive income | | (16) | |
| Foreign exchange impact | | 163 | |
| Balance, June 30, 2023 | 19,514,285 | \$ 7,473 | \$ 4,864 |

11. INVESTMENT PROPERTIES

Investment properties consist of:

| Cost | Total |
|--|-----------------|
| Balance as at March 31, 2023 | \$ - |
| Additions | 270 |
| Transfer from property, plant, and equipment | 855 |
| Impact of foreign currency translation | (36) |
| Ending balance as at June 30, 2023 | \$ 1,089 |
| Accumulated depreciation and amortization | |
| Balance as at March 31, 2023 | \$ - |
| Depreciation and amortization | (8) |
| Transfer from property, plant, and equipment | (632) |
| Impact of foreign currency translation | 21 |
| Ending balance as at June 30, 2023 | \$ (619) |
| Carrying amounts | |
| Balance as at March 31, 2023 | \$ - |
| Ending balance as at June 30, 2023 | \$ 470 |

Investment properties include real estate properties that are rented out to earn rental income. The investment properties were initially recorded at cost, and subsequently measured at cost less accumulated depreciation. Depreciation is computed on a straight-line basis based on the nature and an estimated 20 years' useful life of the asset. The Company did not engage an independent valuer to value the properties, and the fair value of the properties estimated based on the quoted market price for the similar real estate properties in the near neighborhoods was approximately \$2.7 million as at June 30, 2023.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

During the three months ended June 30, 2023, the Company recorded rental income of \$0.03 million, which was included in other income on the unaudited condensed consolidated interim statements of income.

12. 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, 2022 | \$ 117,247 | \$ 11,009 | \$ 34,379 | \$ 8,313 | \$ 2,603 | \$ 173,551 |
| Additions | 499 | 1,169 | 3,097 | 879 | 9,925 | 15,569 |
| Disposals | (985) | (511) | (1,085) | (494) | - | (3,075) |
| Reclassification of asset groups | 4,400 | 33 | 655 | - | (5,088) | - |
| Impact of foreign currency translation | (9,040) | (821) | (2,672) | (636) | (212) | (13,381) |
| Balance as at March 31, 2023 | \$ 112,121 | \$ 10,879 | \$ 34,374 | \$ 8,062 | \$ 7,228 | \$ 172,664 |
| Additions | 19 | 95 | 154 | 127 | 3,044 | 3,439 |
| Disposals | (920) | (46) | (121) | (105) | - | (1,192) |
| Reclassification of asset groups | 663 | 18 | 313 | - | (994) | - |
| Impact of foreign currency translation | (5,796) | (506) | (1,847) | (425) | (450) | (9,024) |
| Ending balance as at June 30, 2023 | \$ 106,087 | \$ 10,440 | \$ 32,873 | \$ 7,659 | \$ 8,828 | \$ 165,887 |

Impairment, accumulated depreciation and amortization

| | | | | | | |
|---|--------------------|-------------------|--------------------|-------------------|-------------|--------------------|
| Balance as at April 1, 2022 | \$ (57,584) | \$ (7,232) | \$ (23,665) | \$ (5,652) | \$ - | \$ (94,133) |
| Disposals | 733 | 500 | 767 | 407 | - | 2,407 |
| Depreciation and amortization | (4,373) | (940) | (2,162) | (660) | - | (8,135) |
| Impact of foreign currency translation | 4,443 | 530 | 1,847 | 436 | - | 7,256 |
| Balance as at March 31, 2023 | \$ (56,781) | \$ (7,142) | \$ (23,213) | \$ (5,469) | \$ - | \$ (92,605) |
| Disposals | 682 | 44 | 52 | 87 | - | 865 |
| Depreciation and amortization | (1,101) | (224) | (567) | (162) | - | (2,054) |
| Impact of foreign currency translation | 2,933 | 323 | 1,263 | 292 | - | 4,811 |
| Ending balance as at June 30, 2023 | \$ (54,267) | \$ (6,999) | \$ (22,465) | \$ (5,252) | \$ - | \$ (88,983) |

Carrying amounts

| | | | | | | |
|---|------------------|-----------------|------------------|-----------------|-----------------|------------------|
| Balance as at March 31, 2023 | \$ 55,340 | \$ 3,737 | \$ 11,161 | \$ 2,593 | \$ 7,228 | \$ 80,059 |
| Ending balance as at June 30, 2023 | \$ 51,820 | \$ 3,441 | \$ 10,408 | \$ 2,407 | \$ 8,828 | \$ 76,904 |

| Carrying amounts as at June 30, 2023 | Ying Mining District | BYP | GC | Other | Total |
|--------------------------------------|----------------------|-----------------|------------------|-----------------|------------------|
| Land use rights and building | \$ 38,312 | \$ 2,312 | \$ 10,028 | \$ 1,168 | \$ 51,820 |
| Office equipment | 2,750 | 33 | 407 | 251 | 3,441 |
| Machinery | 6,964 | 89 | 3,299 | 56 | 10,408 |
| Motor vehicles | 1,935 | 17 | 326 | 129 | 2,407 |
| Construction in progress | 8,282 | 482 | 64 | - | 8,828 |
| Total | \$ 58,243 | \$ 2,933 | \$ 14,124 | \$ 1,604 | \$ 76,904 |

| Carrying amounts as at March 31, 2023 | Ying Mining District | BYP | GC | Other | Total |
|---------------------------------------|----------------------|-----------------|------------------|-----------------|------------------|
| Land use rights and building | \$ 41,155 | \$ 2,491 | \$ 10,403 | \$ 1,291 | \$ 55,340 |
| Office equipment | 2,991 | 37 | 440 | 269 | 3,737 |
| Machinery | 7,433 | 104 | 3,568 | 56 | 11,161 |
| Motor vehicles | 2,067 | 18 | 367 | 141 | 2,593 |
| Construction in progress | 6,208 | 509 | 511 | - | 7,228 |
| Total | \$ 59,854 | \$ 3,159 | \$ 15,289 | \$ 1,757 | \$ 80,059 |

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

13. MINERAL RIGHTS AND PROPERTIES

Mineral rights and properties consist of:

| Cost | Producing and development properties | | | Exploration and evaluation properties | | | Total |
|---|--------------------------------------|--------------------|--------------------|---------------------------------------|------------------|--------------------|---------------------|
| | Ying Mining District | BYP | GC | RZY | Kuanping | La Yesca | |
| Balance as at April 1, 2022 | \$ 397,335 | \$ 65,092 | \$ 124,906 | \$ - | \$ 13,380 | \$ 19,335 | \$ 620,048 |
| Capitalized expenditures | 35,632 | - | 4,839 | - | 907 | 876 | 42,254 |
| Environmental rehabilitation | (224) | (36) | 12 | - | - | - | (248) |
| Foreign currency translation impact | (30,731) | (1,192) | (9,639) | - | (1,034) | - | (42,596) |
| Balance as at March 31, 2023 | \$ 402,012 | \$ 63,864 | \$ 120,118 | \$ - | \$ 13,253 | \$ 20,211 | \$ 619,458 |
| Capitalized expenditures | 10,614 | - | 1,812 | - | 51 | - | 12,477 |
| Foreign currency translation impact | (21,596) | (749) | (6,321) | - | (705) | - | (29,371) |
| Balance as at June 30, 2023 | \$ 391,030 | \$ 63,115 | \$ 115,609 | \$ - | \$ 12,599 | \$ 20,211 | \$ 602,564 |
| Impairment and accumulated depletion | | | | | | | |
| Balance as at April 1, 2022 | \$ (143,264) | \$ (57,521) | \$ (92,815) | \$ - | \$ - | \$ - | \$ (293,600) |
| Impairment | - | - | - | - | - | (20,211) | (20,211) |
| Depletion | (18,689) | - | (2,398) | - | - | - | (21,087) |
| Foreign currency translation impact | 11,091 | 610 | 7,165 | - | - | - | 18,866 |
| Balance as at March 31, 2023 | \$ (150,862) | \$ (56,911) | \$ (88,048) | \$ - | \$ - | \$ (20,211) | \$ (316,032) |
| Depletion | (5,149) | - | (745) | - | - | - | (5,894) |
| Foreign currency translation impact | 8,143 | 388 | 4,597 | - | - | - | 13,128 |
| Balance as at June 30, 2023 | \$ (147,868) | \$ (56,523) | \$ (84,196) | \$ - | \$ - | \$ (20,211) | \$ (308,798) |
| Carrying amounts | | | | | | | |
| Balance as at March 31, 2023 | \$ 251,150 | \$ 6,953 | \$ 32,070 | \$ - | \$ 13,253 | \$ - | \$ 303,426 |
| Balance as at June 30, 2023 | \$ 243,162 | \$ 6,592 | \$ 31,413 | \$ - | \$ 12,599 | \$ - | \$ 293,766 |

14. LEASES

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

| | Lease Receivable | Lease Obligation |
|-------------------------------|------------------|------------------|
| Balance, April 1, 2022 | \$ 182 | \$ 1,263 |
| Interest accrual | 4 | 43 |
| Interest received or paid | (4) | (43) |
| Principal repayment | (172) | (597) |
| Foreign exchange impact | (10) | (83) |
| Balance, April 1, 2023 | \$ - | \$ 583 |
| Interest accrual | - | 7 |
| Interest received or paid | - | (7) |
| Principal repayment | - | (64) |
| Foreign exchange impact | - | 12 |
| Balance, June 30, 2023 | \$ - | \$ 531 |
| Less: current portion | - | \$ (277) |
| Non-current portion | \$ - | \$ 254 |

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

The following table presents a reconciliation of the Company's undiscounted cash flows to their present value for its lease obligation as at June 30, 2023:

| | Lease Obligation |
|----------------------------------|-------------------------|
| Within 1 year | \$ 290 |
| Between 2 to 5 years | 266 |
| Total undiscounted amount | 556 |
| Less future interest | (25) |
| Total discounted amount | \$ 531 |
| Less: current portion | (277) |
| Non-current portion | \$ 254 |

The lease obligation were discounted using an estimated incremental borrowing rate of 5%.

15. ENVIRONMENTAL REHABILITATION OBLIGATION

The following table presents the reconciliation of the beginning and ending obligations associated with the retirement of the properties:

| | Total |
|---|-----------------|
| Balance, April 1, 2022 | \$ 8,739 |
| Reclamation expenditures | (740) |
| Unwinding of discount of environmental rehabilitation | 239 |
| Revision of provision | (248) |
| Foreign exchange impact | (672) |
| Balance, March 31, 2023 | \$ 7,318 |
| Reclamation expenditures | (85) |
| Unwinding of discount of environmental rehabilitation | 53 |
| Foreign exchange impact | (388) |
| Balance, June 30, 2023 | \$ 6,898 |

16. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value. All shares issued as at June 30, 2023 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 three months ended June 30, 2023, a total of \$1.4 million (three months ended June 30, 2022 - \$1.2 million) in share-based compensation expense was recognized and included in the corporate general and

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

administrative expenses and property evaluation and business development expenses on the condensed consolidated interim statements of income.

(c) Stock options

The following is a summary of option transactions:

| | Number of shares | Weighted average exercise price per share CAD\$ |
|-------------------------------|------------------|---|
| Balance, March 31, 2022 | 995,335 | \$ 7.28 |
| Option granted | 595,000 | 3.95 |
| Options cancelled/forfeited | (158,667) | 6.29 |
| Balance, March 31, 2023 | 1,431,668 | \$ 6.01 |
| Options cancelled/forfeited | (1,667) | 9.45 |
| Balance, June 30, 2023 | 1,430,001 | 6.00 |

The following table summarizes information about stock options outstanding as at June 30, 2023:

| Exercise price in CAD\$ | Number of options outstanding at June 30, 2023 | Weighted average remaining contractual life (Years) | Weighted average exercise price in CAD\$ | Number of options exercisable at June 30, 2023 | Weighted average exercise price in CAD\$ |
|-------------------------|--|---|--|--|--|
| \$ 3.93 | 478,000 | 3.82 | \$ 3.93 | 159,334 | \$ 3.93 |
| \$ 4.08 | 60,000 | 4.65 | \$ 4.08 | - | \$ - |
| \$ 5.46 | 493,668 | 1.91 | \$ 5.46 | 493,668 | \$ 5.46 |
| \$ 9.45 | 398,333 | 2.37 | \$ 9.45 | 334,165 | \$ 9.45 |
| \$3.93 to \$9.45 | 1,430,001 | 2.79 | \$ 6.00 | 987,167 | \$ 6.56 |

The options were granted to directors, officers, and employees with a life of five years subject to a vesting schedule over a three-year term with 1/6 of the options vesting every six months from the date of grant until fully vested.

Subsequent to June 30, 2023, a total of 8,333 options with exercise prices of CAD\$9.45 were cancelled and/or forfeited.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

(d) RSUs

The following is a summary of RSUs transactions:

| | Number of shares | Weighted average grant date closing price per share \$CAD |
|-------------------------------|------------------|---|
| Balance, March 31, 2022 | 1,636,165 | \$ 6.47 |
| Granted | 1,154,000 | 3.96 |
| Forfeited | (159,792) | 5.44 |
| Distributed | (503,703) | 6.04 |
| Balance, March 31, 2023 | 2,126,670 | \$ 5.29 |
| Granted | 1,056,000 | 5.28 |
| Forfeited | (21,084) | 5.15 |
| Distributed | (241,777) | 5.53 |
| Balance, June 30, 2023 | 2,919,809 | \$ 5.26 |

(e) Cash dividends declared

During the three months ended June 30, 2023, dividends of \$2.2 million (three months ended June 30, 2022 - \$2.2 million) were declared and paid.

(f) Normal course issuer bid

On August 25, 2021, the Company announced a normal course issuer bid (the "2021 NCIB") which allowed the Company to repurchase and cancel up to 7,054,000 of its own common shares until August 26, 2022. On August 24, 2022, the Company announced a normal course issuer bid (the "2022 NCIB", together with the 2021 NCIB, the "NCIB Programs") which allows it to repurchase and cancel up to 7,079,407 of its own common shares until August 28, 2023. During the year ended March 31, 2023, the Company repurchased a total of 838,237 common shares at a cost of \$2.1 million under the NCIB Program.

During the three months ended June 30, 2023, the Company repurchased a total of nil (three months ended June 30, 2022 – 334,990) common shares at a cost of \$nil (three months ended June 30, 2022 – \$0.9 million), respectively, under the NCIB Programs.

Subsequent to June 30, 2023, the Company repurchased a total of 196,554 common shares at a cost of \$0.6 million, under the NCIB Programs.

All shares bought were subsequently cancelled.

17. ACCUMULATED OTHER COMPREHENSIVE LOSS

| | June 30, 2023 | March 31, 2023 |
|---|---------------|----------------|
| Change in fair value on equity investments designated as FVTOCI | \$ 24,469 | \$ 24,355 |
| Share of other comprehensive loss in associate | 1,325 | 1,380 |
| Currency translation adjustment | 31,949 | 17,508 |
| Balance, end of the period | \$ 57,743 | \$ 43,243 |

The change in fair value on equity investments designated as FVTOCI, share of other comprehensive loss in associates, and currency translation adjustment are net of tax of \$nil for all periods presented.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

18. NON-CONTROLLING INTERESTS

The continuity of non-controlling interests is summarized as follows:

| | Henan Found | Henan Huawei | Yunxiang | Guangdong Found | New Infini | Total |
|-----------------------------------|------------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Balance, April 1, 2022 | \$ 89,669 | \$ 4,928 | \$ 2,915 | \$ (181) | \$ 10,387 | \$107,718 |
| Share of net income (loss) | 11,584 | (121) | (157) | 78 | (10,892) | 492 |
| Share of other comprehensive loss | (6,037) | (351) | (118) | (46) | - | (6,552) |
| Distributions | (9,934) | (946) | - | - | - | (10,880) |
| Balance, March 31, 2023 | \$ 85,282 | \$ 3,510 | \$ 2,640 | \$ (149) | \$ (505) | \$ 90,778 |
| Share of net income (loss) | 3,832 | 213 | (63) | 19 | (5) | 3,996 |
| Share of other comprehensive loss | (3,695) | (141) | (106) | (34) | - | (3,976) |
| Distributions | (6,615) | (633) | - | - | - | (7,248) |
| Balance, June 30, 2023 | \$ 78,804 | \$ 2,949 | \$ 2,471 | \$ (164) | \$ (510) | \$ 83,550 |

As at June 30, 2023, non-controlling interests in Henan Found, Henan Huawei, Yunxiang, Guangdong Found and New Infini were 22.5%, 20%, 30%, 1%, and 53.9%, respectively (March 31, 2023 – 22.5%, 20%, 30%, 1%, and 53.9%, respectively).

19. RELATED PARTY TRANSACTIONS

Related party transactions are made on terms agreed upon by the related parties. The balances with related parties are unsecured, non-interest bearing, and due on demand. Related party transactions not disclosed elsewhere in the audited condensed consolidated interim financial statements are as follows:

| | June 30, 2023 | March 31, 2023 |
|----------|---------------|----------------|
| NUAG (a) | \$ 45 | \$ 51 |
| TIN (b) | 19 | 37 |
| | \$ 64 | \$ 88 |

- (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 three months ended June 30, 2023, the Company recovered \$0.3 million (three months ended June 30, 2022 - \$0.2 million) from NUAG for services rendered and expenses incurred on behalf of NUAG. The costs recovered from NUAG were recorded as a direct reduction of general and administrative expenses on the unaudited condensed consolidated statements of income.
- (b) The Company recovers costs for services rendered to TIN and expenses incurred on behalf of TIN pursuant to a services and administrative costs reallocation agreement. During the three months ended June 30, 2023, the Company recovered \$0.08 million (three months ended June 30, 2022 - \$0.04 million), from TIN for services rendered and expenses incurred on behalf of TIN. The costs recovered from TIN were recorded as a direct reduction of general and administrative expenses on the unaudited condensed consolidated statements of income.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

20. 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 June 30, 2023 and March 31, 2023 that are not otherwise disclosed. As required by IFRS 13, the assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

| Recurring measurements | Fair value as at June 30, 2023 | | | |
|---|--------------------------------|---------|---------|------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | |
| Cash and cash equivalents | \$ 143,278 | \$ - | \$ - | \$ 143,278 |
| Short-term investments - money market instruments | 54,553 | - | - | 54,553 |
| Investments in public companies | 17,177 | - | - | 17,177 |
| Investments in private companies | - | - | 3,293 | 3,293 |

| Recurring measurements | Fair value as at March 31, 2023 | | | |
|---|---------------------------------|---------|---------|------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | |
| Cash and cash equivalents | \$ 145,692 | \$ - | \$ - | \$ 145,692 |
| Short-term investments - money market instruments | 53,829 | - | - | 53,829 |
| Investments in public companies | 12,314 | - | - | 12,314 |
| Investments in private companies | - | - | 3,226 | 3,226 |

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

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

Fair value of the other financial instruments excluded from the table above approximates their carrying amount as at June 30, 2023 and March 31, 2023, due to the short-term nature of these instruments.

There were no transfers into or out of Level 3 during the three months ended June 30, 2023 and 2022.

(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 and operating commitments on an undiscounted basis.

| | June 30, 2023 | | |
|--|------------------|---------------|------------------|
| | Within a year | 2-5 years | Total |
| Accounts payable and accrued liabilities | \$ 38,836 | \$ - | \$ 38,836 |
| Lease obligation | 290 | 266 | 556 |
| Deposits received | 5,486 | - | 5,486 |
| Total Contractual Obligation | \$ 44,612 | \$ 266 | \$ 44,878 |

(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 the Canadian dollar ("CAD") and the functional currency of all Chinese subsidiaries is the Chinese yuan ("RMB"). The functional currency of New Infini and its subsidiaries is the US dollar ("USD"). The Company is exposed to foreign exchange risk when the Company undertakes transactions and holds assets and liabilities in currencies other than its functional currencies.

The Company currently does not engage in foreign exchange currency hedging. The sensitivity of the Company's net income due to the exchange rates of the Canadian dollar against the U.S. dollar and the Australian dollar as at June 30, 2023 is summarized as follows:

| | Cash and cash equivalents | Short-term investments | Other investments | Accounts payable and accrued liabilities | Net financial assets exposure | Effect of +/- 10% change in currency |
|-------------------|---------------------------|------------------------|-------------------|--|-------------------------------|--------------------------------------|
| US dollar | \$ 86,605 | \$ 2,769 | \$ 2,583 | \$ (74) | \$ 91,883 | \$ 9,188 |
| Australian dollar | 247 | - | 8,816 | - | 9,063 | 906 |
| | \$ 86,852 | \$ 2,769 | \$ 11,399 | \$ (74) | \$ 100,946 | \$ 10,094 |

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

(d) Interest rate risk

The Company is exposed to interest rate risk on its cash equivalents and short-term investments. As at June 30, 2023, all of its interest-bearing cash equivalents and short-term investments earn interest at market rates that are fixed to maturity or at variable interest rates with terms of less than one year. The Company monitors its exposure to changes in interest rates on cash equivalents and short-term investments. Due to the short-term nature of these financial instruments, fluctuations in interest rates would not have a significant impact on the Company's net income.

(e) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk primarily associated to accounts receivable, due from related parties, cash and cash equivalents, and short-term investments. The carrying amount of assets included on the 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 material amounts in trade or other receivables which were past due on June 30, 2023 (at March 31, 2022 - \$nil).

(f) Equity price risk

The Company holds certain marketable securities that will fluctuate in value as a result of trading on financial markets. As the Company's marketable securities holdings are mainly in mining companies, the value will also fluctuate based on commodity prices. Based upon the Company's portfolio as at June 30, 2023, a 10% increase (decrease) in the market price of the securities held, ignoring any foreign currency effects, would have resulted in an increase (decrease) to the net income (loss) and other comprehensive income (loss) of \$1.6 million and \$0.1 million, respectively.

21. SUPPLEMENTARY CASH FLOW INFORMATION

The following tables summarize adjustments for changes in working capital items and significant non-cash items:

| Changes in non-cash operating working capital: | Three Months Ended June 30, | |
|--|-----------------------------|----------|
| | 2023 | 2022 |
| Trade and other receivables | \$ 112 | \$ 202 |
| Inventories | 1,020 | (12) |
| Prepays and deposits | (776) | (897) |
| Accounts payable and accrued liabilities | 2,921 | 11,231 |
| Deposits received | 1,663 | (1,569) |
| Due from a related party | 26 | (18) |
| | \$ 4,966 | \$ 8,937 |

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

The following tables summarize other adjustments for non-cash items related to capital expenditures and acquisition transactions:

| | Three Months Ended June 30, | |
|--|-----------------------------|------------|
| Non-cash capital transactions: | 2023 | 2022 |
| Environmental rehabilitation expenditure paid from reclamation deposit | \$ 6 | \$ 24 |
| Additions of plant and equipment included in accounts payable and accrued liabilities | 225 | 528 |
| Capital expenditures of mineral rights and properties included in accounts payable and accrued liabilities | \$ 592 | \$ (2,972) |

Cash and cash equivalents consist of:

| | June 30, 2023 | March 31, 2023 |
|--|---------------|----------------|
| Cash on hand and at bank | \$ 54,158 | \$ 50,871 |
| Bank term deposits and short-term money market investments | 89,120 | 94,821 |
| Total cash and cash equivalents | \$ 143,278 | \$ 145,692 |

22. SUBSEQUENT EVENT

On August 6, 2023, the Company and OreCorp Limited (ASX: ORR) (“OreCorp”) announce the signing of a binding scheme implementation deed (the “Agreement”) whereby Silvercorp will acquire all fully-paid ordinary shares of OreCorp not held by Silvercorp or its associates (the “OreCorp Shares”), pursuant to an Australian scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (the “Scheme”), subject to the satisfaction of various conditions.

Under the terms of the Agreement, Silvercorp or a wholly owned subsidiary will, subject to the satisfaction of various conditions, acquire the OreCorp Shares by means of a court-sanctioned scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth), whereby each holder of OreCorp Shares will receive, for each OreCorp Share held, A\$0.15 in cash and 0.0967 of a Silvercorp common share valued at A\$0.45 for a total implied consideration of A\$0.60 per OreCorp Share.¹

The implied consideration of A\$0.60 per OreCorp share represents a 41.7% premium to the 20-day VWAP of OreCorp’s shares on the ASX for the period ending August 4, 2023 and values OreCorp at approximately A\$242 million on a fully-diluted-in-the-money basis. Existing OreCorp shareholders will own 17.8% of Silvercorp’s common shares outstanding on a fully-diluted in-the-money basis following implementation of the Scheme.

Concurrent with entering into the Agreement, Silvercorp and OreCorp have also entered into a placement agreement, whereby 70,411,334 new fully-paid ordinary shares of OreCorp will be issued to Silvercorp at a price of A\$0.40 per OreCorp Share for aggregate proceeds of approximately A\$28 million (the “Placement”). The Placement will occur in two tranches, with the first tranche (for aggregate proceeds of A\$18 million) to complete on the third business day after execution of the Agreement and the second tranche (for aggregate proceeds of approximately A\$10 million) to complete 10 business days thereafter. Upon completion of the

¹ Based on the 20-day volume weighted average price of Silvercorp’s common shares on the NYSE American for the period ended August 3, 2023, converted to Australian dollars using a U.S. dollar to Australian dollar foreign exchange rate of 1.526.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2023 and for the three months ended June 30, 2023 and 2022

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

Placement, Silvercorp will hold approximately 15% of the total outstanding ordinary shares of OreCorp. Proceeds from the Placement will be used to immediately commence resettlement activities as contemplated in the Relocation Action Plan, facilitating the prompt development of the Nyanzaga Gold Project, located in the Mwanza region, Tanzania. OreCorp holds an 84% interest in the Nyanzaga Gold Project, in partnership with the Government of Tanzania.

The OreCorp Board has unanimously approved the transaction and recommends that all OreCorp shareholders vote in favour of the Scheme at the meeting of the shareholders of OreCorp (the “**Scheme Meeting**”), in the absence of a Superior Proposal and subject to the independent expert to be appointed by OreCorp (the “**Independent Expert**”) concluding (and continuing to conclude) that the Scheme is in the best interests of OreCorp shareholders. Subject to those same qualifications, each director of OreCorp intends to vote, or cause to be voted, all OreCorp Shares held or controlled by them (representing 4.6% of OreCorp’s issued shares as at the date of this announcement) in favour of the Scheme at the Scheme Meeting.

The Scheme is subject to customary closing conditions for a transaction of this nature, including:

- OreCorp shareholders approving the Scheme at the Scheme Meeting;
- Approval of the Federal Court of Australia;
- Completion of the Placement;
- The Independent Expert issuing an Independent Expert’s Report which concludes (and continues to conclude) that the Scheme is in the best interests of OreCorp shareholders;
- Tanzanian Fair Competition Commission and any other applicable approvals;
- Foreign Investment Review Board approval in Australia, if required;
- OreCorp performance rights and OreCorp options being dealt with such that none will remain in existence on completion of the Scheme;
- No material adverse change and no prescribed occurrence in relation to either Silvercorp or OreCorp;
- Approval for quotation on TSX and NYSE of the Silvercorp common shares to be issued to OreCorp shareholders as the scrip component of the consideration; and
- Other customary conditions.

Under the Agreement, Silvercorp has agreed to use reasonable endeavours to apply for admission of Silvercorp to the official list of Australian Securities Exchange (the “ASX”). If ASX has provided Silvercorp with conditional approval for admission to the official list of ASX by the business day before the date of the second court hearing, OreCorp shareholders (other than ineligible shareholders) may elect to receive the scrip component of the consideration in the form of CHESS Depository Interests (which may be traded on ASX) instead of in the form of Silvercorp common shares. If conditional approval is not provided by ASX by the business day before the date of the second court hearing, all OreCorp shareholders (other than ineligible shareholders) would receive the scrip component of the consideration in the form of Silvercorp shares, tradable on the TSX and NYSE.

The Agreement also contains customary deal protection mechanisms, including no talk and no due diligence provisions, (subject to a fiduciary out exception) and no shop, as well as notification and matching rights for Silvercorp in the event of a competing proposal. The transaction may incur a capital gains tax payable under Tanzanian legislation. A break fee of approximately A\$2.8 million shall be payable by OreCorp to Silvercorp if the Agreement is terminated as a result of certain specified circumstances.