

Silvercorp Metals Inc.

Third Quarter Fiscal 2026 Financial Results Conference Call

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CORPORATE PARTICIPANTS

Lon Shaver

Silvercorp Metals Inc. — President

CONFERENCE CALL PARTICIPANTS

Joseph Reagor

ROTH Capital Partners — Analyst

PRESENTATION

Operator

Thank you for standing by. Good afternoon. My name is Constantine and I will be your conference operator today. At this time, I would like to welcome everyone to Silvercorp's Third Quarter Fiscal 2026 Financial Results Conference Call. All lines have been placed on mute to prevent any background noise. After the speakers' remarks, there will be a question-and-answer session. If you would like to ask a question during this time, simply press star then the number one on your telephone keypad. If you would like to withdraw your question, please press star then the number two. Thank you.

I would now like to turn the conference over to Lon Shaver, President of Silvercorp. Please go ahead, sir.

Lon Shaver — President, Silvercorp Metals Inc.

Thank you, Constantine. On behalf of Silvercorp, I'd like to welcome everyone to this call to discuss our third quarter fiscal 2026 financial results, which were released yesterday. A copy of our news release, the MD&A, and the financial statements are available on our website and SEDAR+.

Before we start, please note that certain statements on today's call will contain forward-looking information within the meaning of securities laws. Additionally, please review the cautionary statements in our news release as well as the risk factors described in our most recent regulatory filings.

So, we'll kick off with our financial results. We delivered record-breaking performance in this Q3, highlighted by revenue of \$126 million, which was up 51% from last year. Cash flow from operating

activities and free cash flow reached \$133 million and \$90 million, respectively. Those were up 196% and 336% from last year. This performance was mainly driven by an 80% increase in the realized selling price of silver, which was just under \$49 an ounce after smelter deductions. Silver accounted for 72% of our revenue in the third quarter. These results reinforce why Silvercorp remains a compelling investment in the silver sector. We are a profitable and growing producer that provides leverage to higher metals prices.

We reported a net income of negative \$15.8 million for the quarter, or negative \$0.07 per share, which reflected a significant \$60 million non-cash charge on the fair value of derivative liabilities; however, removing these non-cash and one-time items, our adjusted net income for the quarter was \$47.9 million, or \$0.22 per share, compared to \$22 million, or \$0.10 a share, in the comparative quarter. As I mentioned, revenue was up 51%, so with adjusted net income up 118% that shows our ongoing efforts to control costs and drop these improvements to the bottom line.

I also mentioned the record cash flow from operating activities earlier. This figure included an initial \$44 million draw on our \$175.5 million streaming facility from Wheaton Precious Metals for the El Domo construction as well as a positive \$9.4 million change in non-cash working capital during the quarter. Even after adjusting for these items, our Q3 operating cash flow was still the highest quarter ever at \$79.6 million, up 129% compared to last year.

During the quarter we invested nearly \$26 million at our operations in China and \$18 million at the El Domo project in Ecuador, and despite that, we added cash to the balance sheet, ending the quarter with a strong cash balance of \$463 million, an increase of over \$80 million from September 30th.

The cash position does not include our investments in associates and other companies, which had a total market value of \$233 million on December 31st and was more recently pegged at just under \$260 million. After quarter end, we announced a transaction to acquire gold projects in Kyrgyzstan for \$162 million in cash, of which \$92 million was paid at closing on January 27th.

Now to quickly recap our operating results, as we reported last month, in Q3 we produced approximately 1.9 million ounces of silver, just over 2,000 ounces of gold, 16 million pounds of lead, and 7 million pounds of zinc. Production at Ying benefitted from increased use of shrinkage mining relative to cut-and-fill resuing, which drove record productivity with tonnes mined and milled up 23% and 18%, respectively, compared with Q3 2025. Head grades were lower due to the XRT sorter undergoing maintenance in October as well as higher dilution associated with the shift to more shrinkage mining. We stockpiled over 61,000 tonnes of ore to be processed during the Chinese New Year holiday later this month. Year to date we have produced 5.3 million ounces of silver, 6,231 ounces of gold, 46 million pounds of lead, and 18 million pounds of zinc, representing increases relative to last year of 1%, 42%, and 1%, respectively, in silver, gold, and lead production, and a 6% decrease in zinc production.

On the cost side, Q3 production costs averaged \$76 per tonne at Ying, down 11% from last year. The improvement reflects ongoing mine mechanization and greater use of cost-efficient shrinkage mining, boosting mine and mill productivity. Year-to-date production costs also averaged \$80 per tonne, below our annual guidance for Ying of between \$87 and \$88 per tonne. Ying's cash cost per ounce of silver net of by-product credits was negative \$1.22 in Q3 compared to a negative \$0.30 in the prior year quarter. The decrease was driven by a \$3.5 million increase in by-product credits. Q3 all-in sustaining cost per ounce net of by-products was \$11.32 at Ying, supporting robust margins amid higher silver

prices. Consolidated mining income came at \$77.1 million in Q3, with Ying contributing \$71.6 million, or 93% of the total.

Turning to our growth projects at Ying, we invested \$9 million in Q3, primarily on ramp and tunnel development to enhance underground access and improve material handling. This work goes hand in hand with our efforts to expand mining capacity across the four licenses at Ying. Recall that we increased the permit at the SGX mine with a renewal for another 11 years and a capacity increase from 198,000 tonnes to 500,000 tonnes per year. The HPG permit was also renewed and expanded from 50,000 to 120,000 tonnes and the DCG permit increased from 30,000 to 100,000 tonnes. We're now in the process of applying to increase the TLP-LM permit from 230,000 tonnes to 600,000 tonnes per year with approval expected later this quarter. Once all approvals are in place, Ying's total permitted annual mining capacity will rise to 1.32 million tonnes.

At Kuanping, our satellite project north of Ying, mine construction continued with over three kilometres of ramp development and 693 metres of exploration tunneling completed in Q3. Kuanping is expected to begin delivering some minor development ore starting in June of this year. Kuanping has a mining permit to produce up to 200,000 tonnes per year which, at a full contribution, would bring our total mining capacity at Ying to 1.52 million tonnes per year. As we previously mentioned, we will publish an updated technical report for the Ying District to include the Kuanping contribution by midyear of this year.

Switching gears to Ecuador, at El Domo, mine construction continued in Q3 with around 1.1 million cubic metres of material moved. Cumulative earthmoving volumes have now reached 46% of the

total design volume for Construction Package #1 with activities focused on haul road development process plant site preparation, and the TSF starter dam. We also commissioned the 600-bed construction camp, allowing us to accommodate the new mining contractor, CRCC 19, with whom we are in the process of finalizing a contract to carry out mine construction. CRCC 19 has mobilized personnel and will bring equipment on site later this month. We spent approximately \$45 million on construction through December 2025, which represents about 16% of our updated budget of \$284 million.

And at the Condor Gold project in Ecuador, we completed and announced a PEA in December for an underground gold operation centered around the Camp and Los Cuyes deposits. The study demonstrates a long-life, low-cost gold project with strong economics at a base case gold price that was used of \$2,600 an ounce. This represents a first step as the Company continues to de-risk the project through further technical work. Our plan is to drive two exploration tunnels into these deposits in order to complete underground drilling to facilitate advanced exploration and resource definition.

To proceed on this basis, we require an environmental license and water permits. The water permits have been approved by the relevant government authorities. Technical reports for the environmental license were also completed and submitted to the related government authorities for review. The environmental impact study for the Condor project has been approved by the Ministry of Environment, Water, and Ecological Transition. We're now actively engaged in the formal consultation with the directly impacted communities surrounding the project. This represents the final stage in obtaining the environmental license for exploitation. Once this license is secured, we will commence in the development of underground tunnels into the Camp and Los Cuyes deposits, access that we believe

could be used if and when we transition to a mining operation once we have received appropriate permits for this and the necessary surface infrastructure.

Turning to Kyrgyzstan, we have recently acquired a 70% interest in the Tulkubash and Kyzyltash gold projects. This represents another important step in our strategy to build a globally diversified producer with added exposure to gold's strong fundamentals. These projects give us the opportunity to apply our mine building expertise and financial strength to unlock value for all stakeholders through a phased development approach, starting with a fully permitted Tulkubash project and followed by Kyzyltash. The Kyrgyz government retains a 30% free-carried interest, so we feel interests are aligned as we advance the projects toward production in a modern and responsible manner that benefits our shareholders and the country as a whole. We look forward to updating the market on our development plans over the coming months.

And with that, operator, I'd like to open the call for questions.

Q & A

Operator

Thank you. Ladies and gentlemen, we will now begin the question-and-answer session. If you would like to ask a question, please press star then the number one on your telephone keypad. If you would like to withdraw your question, please press star then the number two. If you are using a speakerphone, please lift the handset before pressing any keys. One moment please while we queue up your questions.

Your first question comes from the line of Joseph Reagor from ROTH Capital Partners. Please go ahead.

Joseph Reagor — Analyst, ROTH Capital Partners

Hey, Lon. Thanks for taking the questions. I guess first thing on the guidance. You guys didn't make any changes to guidance, but it seems like you're probably tracking towards a higher than the high end on throughput at Ying but obviously lower grades than expected. Is it fair for us to make assumptions like that?

Lon Shaver — President, Silvercorp Metals Inc.

Yeah. I mean I think it's pretty obvious, given the challenges that we had in Q2, that it was going to be tough to catch that up. Certainly, going into Q4, with some extra tonnes to mill during Chinese New Year, will certainly help smooth over and not make it as low of a Q4 as we typically would have because of Chinese New Year. But yeah, I think right now, if we're going to be looking at guidance, it would be at the lower end, and that might be still challenging at this point.

Joseph Reagor — Analyst, ROTH Capital Partners

Okay. Fair enough. And then on the quarter, the \$60-plus million derivative liability, was that solely related to the convertible notes or was there something else in that?

Lon Shaver — President, Silvercorp Metals Inc.

Yeah, no, that's related to the convertible.

Joseph Reagor — Analyst, ROTH Capital Partners

Okay. All right. Thanks. I'll turn it over.

Lon Shaver — President, Silvercorp Metals Inc.

Okay. Thanks, Joe.

Operator

Ladies and gentlemen, as a reminder, if you would like to ask a question, please press star then the number one on your telephone keypad. If you are using a speakerphone, please make sure to lift your handset before pressing any keys.

There are no further questions at this time. This concludes our question-and-answer session. I would now like to turn the conference back over to the management team for any closing remarks.

Lon Shaver — President, Silvercorp Metals Inc.

Thank you. Thanks, operator, and thanks, everyone, for joining us today. If anyone does have any further questions, we're always happy to take calls or emails. We look forward to catching up with all of you next time when we discuss our fiscal 2026 year-end results. Have a great day, everyone.

Operator

This concludes today's conference call. You may disconnect your lines. Thank you for your participation and have a wonderful day.