



SILVERCORP METALS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three and six months ended September 30, 2019 and 2018
(Expressed in thousands of US dollars, unless otherwise stated)
(Unaudited)

SILVERCORP METALS INC.

Condensed Consolidated Interim Statements of Financial Position

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

	Notes	As at September 30,		As at March 31,	
		2019		2019	
ASSETS					
Current Assets					
Cash and cash equivalents	19	\$	56,092	\$	67,441
Short-term investments			79,103		47,836
Trade and other receivables			1,917		467
Current portion of lease receivable	8		198		-
Inventories			9,580		10,836
Due from related parties	12		2,941		3,022
Income tax receivable			3,778		1,301
Prepays and deposits			5,148		3,958
			158,757		134,861
Non-current Assets					
Long-term prepaids and deposits			520		769
Long-term portion lease receivable	8		468		-
Reclamation deposits			8,969		7,953
Investment in an associate	3		43,413		38,703
Other investments	4		10,785		9,253
Plant and equipment	5		67,044		68,617
Mineral rights and properties	6		221,792		238,920
TOTAL ASSETS		\$	511,748	\$	499,076
LIABILITIES AND EQUITY					
Current Liabilities					
Accounts payable and accrued liabilities		\$	29,009	\$	29,856
Current portion of lease obligation	8		599		-
Bank loan	7		-		4,475
Deposits received			1,252		3,040
Income tax payable			2,895		502
			33,755		37,873
Non-current Liabilities					
Long-term portion of lease obligation	8		1,887		-
Deferred income tax liabilities			34,121		34,334
Environmental rehabilitation			12,713		13,688
Total Liabilities			82,476		85,895
Equity					
Share capital			238,251		231,269
Share option reserve			16,146		15,898
Reserves			25,409		25,409
Accumulated other comprehensive loss	10		(56,066)		(41,864)
Retained earnings			138,614		116,734
Total equity attributable to the equity holders of the Company			362,354		347,446
Non-controlling interests	11		66,918		65,735
Total Equity			429,272		413,181
TOTAL LIABILITIES AND EQUITY		\$	511,748	\$	499,076

Approved on behalf of the Board:

(Signed) David Kong

Director

(Signed) Rui Feng

Director

See accompanying notes to the condensed consolidated interim financial statements

SILVERCORP METALS INC.

Condensed Consolidated Interim Statements of Income

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

	Notes	Three Months Ended September 30,		Six Months Ended September 30,	
		2019	2018	2019	2018
Sales	18(b)(c)	\$ 49,886	\$ 48,091	\$ 95,462	\$ 93,216
Cost of sales					
Production costs		17,290	18,238	35,290	32,515
Mineral resource taxes		1,408	1,392	2,659	2,641
Depreciation and amortization		5,814	5,761	11,683	10,509
		24,512	25,391	49,632	45,665
Gross profit		25,374	22,700	45,830	47,551
General and administrative	13	4,901	4,605	9,449	9,077
Government fees and other taxes	14	496	767	1,090	1,569
Foreign exchange (gain) loss		(797)	708	57	(80)
Loss on disposal of plant and equipment	5	121	124	263	134
Gain on disposal of mineral rights and properties	6	-	-	(1,477)	-
Share of loss in associate	3	244	105	525	384
Dilution gain on investment in associate	3	-	-	(723)	-
Reclassification of other comprehensive income upon ownership dilution of investment in associate	3	-	-	(21)	-
Other expense		291	213	490	276
Income from operations		20,118	16,178	36,177	36,191
Finance income	15	818	825	1,747	1,621
Finance costs	15	(136)	(163)	(311)	(297)
Income before income taxes		20,800	16,840	37,613	37,515
Income tax expense	16	5,139	5,763	4,651	12,261
Net income		\$ 15,661	\$ 11,077	\$ 32,962	\$ 25,254
Attributable to:					
Equity holders of the Company		\$ 12,221	\$ 8,037	\$ 24,828	\$ 18,958
Non-controlling interests	11	3,440	3,040	8,134	6,296
		\$ 15,661	\$ 11,077	\$ 32,962	\$ 25,254
Earnings per share attributable to the equity holders of the Company					
Basic earnings per share		\$ 0.07	\$ 0.05	\$ 0.15	\$ 0.11
Diluted earnings per share		\$ 0.07	\$ 0.05	\$ 0.14	\$ 0.11
Weighted Average Number of Shares Outstanding - Basic		170,842,478	168,105,986	170,419,199	167,687,266
Weighted Average Number of Shares Outstanding - Diluted		171,904,531	170,312,229	171,261,945	169,773,955

See accompanying notes to the condensed consolidated interim financial statements

SILVERCORP METALS INC.

Condensed Consolidated Interim Statements of Comprehensive Income

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

	Notes	Three Months Ended September 30,		Six Months Ended September 30,	
		2019	2018	2019	2018
Net income		\$ 15,661	\$ 11,077	\$ 32,962	\$ 25,254
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		(13,541)	(10,154)	(18,654)	(27,268)
Share of other comprehensive income (loss) in associate	3	135	358	(222)	617
Reclassification to net income upon ownership dilution of investment in associate		-	-	(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	4	(409)	1,585	836	1,677
Other comprehensive loss, net of taxes		\$ (13,815)	\$ (8,211)	\$ (18,061)	\$ (24,974)
Attributable to:					
Equity holders of the Company		\$ (11,524)	\$ (6,071)	\$ (14,369)	\$ (19,696)
Non-controlling interests	11	(2,291)	(2,140)	(3,692)	(5,278)
Total comprehensive income		\$ 1,846	\$ 2,866	\$ 14,901	\$ 280
Attributable to:					
Equity holders of the Company		\$ 697	\$ 1,966	\$ 10,459	\$ (738)
Non-controlling interests		1,149	900	4,442	1,018
		\$ 1,846	\$ 2,866	\$ 14,901	\$ 280

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 September 30,		Six Months Ended September 30,	
		2019	2018	2019	2018
Cash provided by					
Operating activities					
Net income		\$ 15,661	\$ 11,077	\$ 32,962	\$ 25,254
Add (deduct) items not affecting cash:					
Finance costs	15	136	163	311	297
Depreciation, amortization and depletion		6,203	6,048	12,423	11,101
Share of loss in associate	3	244	105	525	384
Dilution gain on investment in associate	3	-	-	(723)	-
Reclassification of other comprehensive loss upon ownership dilution of investment in associate	3	-	-	(21)	-
Income tax expense	16	5,139	5,763	4,651	12,261
Finance income	15	(818)	(825)	(1,747)	(1,621)
Loss on disposal of plant and equipment	5	121	124	263	134
Gain on disposal of mineral rights and properties	6	-	-	(1,477)	-
Share-based compensation		701	456	1,026	912
Reclamation expenditures		(63)	(21)	(74)	(21)
Income taxes paid		(1,011)	(5,388)	(2,930)	(8,476)
Interest received		818	825	1,747	1,621
Interest paid		(32)	(48)	(105)	(48)
Changes in non-cash operating working capital	19	(870)	2,808	(715)	441
Net cash provided by operating activities		26,229	21,087	46,116	42,239
Investing activities					
Mineral rights and properties					
Capital expenditures		(7,239)	(6,064)	(14,009)	(11,793)
Proceeds on disposals	6	1,455	-	6,146	-
Plant and equipment					
Additions		(2,158)	(422)	(4,329)	(1,643)
Proceeds on disposals	5	2	2	3	29
Reclamation deposits					
Paid		(1,543)	(41)	(1,549)	(45)
Other investments					
Acquisition		(1,726)	-	(1,726)	-
Proceeds on disposals		1,266	-	1,266	-
Investment in associate	3	(187)	-	(3,210)	-
Net purchases of short-term investments		(9,543)	(30,481)	(33,618)	(17,219)
Principal received on lease receivable	8	9	-	36	-
Net cash used in investing activities		(19,664)	(37,006)	(50,990)	(30,671)
Financing activities					
Bank loan					
Proceeds	7	-	-	-	4,527
Repayment	7	-	-	(4,369)	-
Principal payments on lease obligation	8	(187)	-	(288)	-
Non-controlling interests					
Distribution	11	(3,259)	(3,305)	(3,259)	(6,634)
Cash dividends distributed	9(c)	-	-	(2,125)	(2,095)
Proceeds from issuance of common shares		4,857	518	5,077	1,020
Net cash provided by (used in) financing activities		1,411	(2,787)	(4,964)	(3,182)
Effect of exchange rate changes on cash and cash equivalents		(1,207)	(641)	(1,511)	(4,063)
Increase (decrease) in cash and cash equivalents		6,769	(19,347)	(11,349)	4,323
Cash and cash equivalents, beginning of the period		49,323	72,869	67,441	49,199
Cash and cash equivalents, end of the period		\$ 56,092	\$ 53,522	\$ 56,092	\$ 53,522

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		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
		Number of shares	Amount							
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		1,394,806	1,400	(380)	-	-	-	1,020	-	1,020
Share-based compensation		-	-	912	-	-	-	912	-	912
Dividends declared		-	-	-	-	-	(2,095)	(2,095)	-	(2,095)
Distribution to non-controlling interests		-	-	-	-	-	-	-	(6,634)	(6,634)
Disposition of non-controlling interests upon wound-up of a subsidiary		-	-	-	-	-	-	-	(1,002)	(1,002)
Comprehensive (loss) income		-	-	-	-	(19,696)	18,958	(738)	1,018	280
Balance, September 30, 2018		168,424,362	\$ 230,129	\$ 15,222	\$ 25,409	\$ (45,571)	\$ 103,146	\$ 328,335	\$ 62,325	\$ 390,660
Options exercised		1,417,690	1,140	(308)	-	-	-	832	-	832
Share-based compensation		-	-	984	-	-	-	984	-	984
Dividends declared		-	-	-	-	-	(2,113)	(2,113)	-	(2,113)
Distribution to non-controlling interests		-	-	-	-	-	-	-	(6,625)	(6,625)
Acquisition of non-controlling interest		-	-	-	-	-	(5,065)	(5,065)	1,794	(3,271)
Comprehensive income		-	-	-	-	3,707	20,766	24,473	8,241	32,714
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(a)	-	-	-	-	167	(823)	(656)	-	(656)
Options exercised		2,443,406	6,982	(1,905)	-	-	-	5,077	-	5,077
Share-based compensation		-	-	1,026	-	-	-	1,026	-	1,026
Dividends declared	9(c)	-	-	-	-	-	(2,125)	(2,125)	-	(2,125)
Distribution to non-controlling interests	11	-	-	-	-	-	-	-	(3,259)	(3,259)
Disposal of common shares held by associate	3	-	1,127	-	-	-	-	1,127	-	1,127
Comprehensive (loss) income		-	-	-	-	(14,369)	24,828	10,459	4,442	14,901
Balance, September 30, 2019		172,285,458	\$ 239,378	\$ 15,019	\$ 25,409	\$ (56,066)	\$ 138,614	\$ 362,354	\$ 66,918	\$ 429,272

See accompanying notes to the condensed consolidated interim financial statements

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at September 30, 2019 and for three and six months ended September 30, 2019 and 2018

(Unaudited)(Expressed 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 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.

Operating results for the three and six months ended September 30, 2019, are not necessarily indicative of the results that may be expected for the year ending March 31, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These 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”). These condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended March 31, 2019. These condensed consolidated interim financial statements follow the same significant accounting policies set out in note 2 to the audited consolidated financial statements for the year ended March 31, 2019 except for the following:

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 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

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at September 30, 2019 and for three and six months ended September 30, 2019 and 2018

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

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 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 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

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at September 30, 2019 and for three and six months ended September 30, 2019 and 2018

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

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, 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 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.

These condensed consolidated interim financial statements were authorized for issue in accordance with a resolution of the Board of Directors dated on November 6, 2019.

(b) 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.

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Notes to Condensed Consolidated Interim Financial Statements as at September 30, 2019 and for three and six months ended September 30, 2019 and 2018

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

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:

Name of subsidiaries	Principal activity	Place of incorporation	Proportion of ownership interest held		Mineral properties
			September 30, 2019	March 31, 2019	
Silvercorp Metals China Inc.	Holding company	Canada	100%	100%	
Silvercorp Metals (China) Inc.	Holding company	China	100%	100%	
0875786 B.C. LTD.	Holding company	Canada	100%	100%	
Fortune Mining Limited	Holding company	BVI (i)	100%	100%	RZY
Fortune Copper Limited	Holding company	BVI	100%	100%	
Fortune Gold Mining Limited	Holding company	BVI	100%	100%	
Victor Resources Ltd.	Holding company	BVI	100%	100%	
Yangtze Mining Ltd.	Holding company	BVI	100%	100%	
Victor Mining Ltd.	Holding company	BVI	100%	100%	
Yangtze Mining (H.K.) Ltd.	Holding company	Hong Kong	100%	100%	
Fortune Gold Mining (H.K.) Limited	Holding company	Hong Kong	100%	100%	
Wonder Success Limited	Holding company	Hong Kong	100%	100%	
Henan Huawei Mining Co. Ltd. ("Henan Huawei")	Mining	China	80%	80%	Ying Mining District
Henan Found Mining Co. Ltd. ("Henan Found")	Mining	China	77.5%	77.5%	
Songxian Gold Mining Co., Ltd. ("SX Gold")	Mining	China	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")

SX Gold was disposed in April 2019 and all assets and liabilities were derecognized upon disposal.

3. INVESTMENT IN AN ASSOCIATE

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

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 of gain of \$21 from other comprehensive income to net income.

For the three and six months ended September 30, 2019, the Company also acquired additional 100,000 and 502,600 common shares of NUAG, respectively from the public market (three and six months ended September 30, 2018 – nil and nil, respectively) for a total cost of \$187 and \$861, respectively (three and six months ended September 30, 2018 - \$nil and \$nil, respectively)

Subsequent to September 30, 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 \$3,817.

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

As at September 30, 2019, the Company owned 41,348,900 common shares of NUAG (March 31, 2019 – 39,346,300), representing an ownership interest of 28.9% (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	
Share of net loss		(525)	
Share of other comprehensive loss		(222)	
Dilution gain		723	
Disposal of common shares held by associate		1,127	
Foreign exchange impact		397	
Balance September 30, 2019	41,348,900	\$ 43,413	\$ 134,572

4. OTHER INVESTMENTS

	September 30, 2019	March 31, 2019
Equity investments designated as FVTOCI		
Publicly-traded companies	\$ 10,785	\$ 9,253

Investments in publicly-traded companies with no significant influence

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

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at September 30, 2019 and for three and six months ended September 30, 2019 and 2018

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

The continuity of such investments is as follows:

	Fair value	Accumulated fair value change included in OCI
April 1, 2018	\$ 6,132	\$ (5,855)
Change in fair value on equity investments designated as FVTOCI	2,380	2,380
Acquisition of equity investments	1,018	-
Impact of foreign currency translation	(277)	-
March 31, 2019	\$ 9,253	\$ (3,475)
Change in fair value on equity investments designated as FVTOCI	836	836
Acquisition of equity investments	1,726	-
Proceeds on disposal	(1,266)	-
Impact of foreign currency translation	236	-
September 30, 2019	\$ 10,785	\$ (2,639)

5. 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	1,493	635	898	257	2,429	5,712
Disposals	(6,770)	(308)	(3,169)	(253)	(53)	(10,553)
Reclassification of asset groups ⁽¹⁾	2,290	-	-	-	(2,290)	-
Impact of foreign currency translation	(6,147)	(396)	(1,735)	(410)	(355)	(9,043)
Ending balance as at September 30, 2019	\$ 91,254	\$ 7,666	\$ 25,446	\$ 6,316	\$ 5,521	\$ 136,203

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	6,765	224	3,014	231	53	10,287
Depreciation and amortization	(1,697)	(248)	(806)	(192)	-	(2,943)
Impact of foreign currency translation	2,842	255	1,204	305	1	4,607
Ending balance as at September 30, 2019	\$ (42,019)	\$ (5,178)	\$ (17,289)	\$ (4,673)	\$ -	\$ (69,159)

Carrying amounts

Balance as at March 31, 2018	\$ 50,099	\$ 2,326	\$ 8,751	\$ 1,705	\$ 5,736	\$ 68,617
Ending balance as at September 30, 2019	\$ 49,235	\$ 2,488	\$ 8,157	\$ 1,643	\$ 5,521	\$ 67,044

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

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Carrying amounts as at September 30, 2019	Ying Mining District	BYP	GC	Other	Total
Land use rights and building	\$ 33,156	\$ 1,916	\$ 11,874	\$ 2,289	\$ 49,235
Office equipment	1,996	29	212	251	2,488
Machinery	6,107	212	1,838	-	8,157
Motor vehicles	1,431	23	189	-	1,643
Construction in progress	2,870	1,815	836	-	5,521
Total	\$ 45,560	\$ 3,995	\$ 14,949	\$ 2,540	\$ 67,044

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

Upon adoption of IFRS 16 on April 1, 2019, the Company recognized an ROU asset of \$360 under land use rights and building related to a few office lease and sublease agreements. During the three and six months ended September 30, 2019, an additional ROU asset of \$nil and \$1,241, respectively, was recognized related to a new office lease and ROU asset of \$85 and \$85, respectively, was disposed of based on a new sub-lease arrangement.

During the three and six months ended September 30, 2019, certain plant and equipment were disposed for proceeds of \$2 and \$3, respectively (three and six months ended September 30, 2018 - \$2 and \$29, respectively) and loss of \$121 and \$263, respectively (three and six months ended September 30, 2018 - loss of \$124 and \$134, respectively).

6. 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	XHP	RZY	
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 fee	3,839	-	-	-	-	3,839
Environmental rehabilitation	1,091	35	(12)	8	-	1,122
Foreign currency 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	13,788	6	676	-	-	14,470
Disposition	-	-	-	(19,739)	-	(19,739)
Foreign currency translation impact	(17,932)	(889)	(6,438)	(1,170)	2	(26,427)
Ending balance as at September 30, 2019	\$ 284,309	\$ 63,422	\$ 101,399	\$ -	\$ 176	\$ 449,306
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 currency 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	(8,485)	-	(1,215)	-	-	(9,700)
Disposition	-	-	-	12,769	-	12,769
Foreign currency translation impact	5,812	455	4,848	386	(2)	11,499
Ending balance as at September 30, 2019	\$ (93,852)	\$ (56,628)	\$ (76,858)	\$ -	\$ (176)	\$ (227,514)
Carrying amounts						
Balance as at March 31, 2019	\$ 197,274	\$ 7,222	\$ 26,670	\$ 7,754	\$ -	\$ 238,920
Ending balance as at September 30, 2019	\$ 190,457	\$ 6,794	\$ 24,541	\$ -	\$ -	\$ 221,792

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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 remaining consideration of \$1,049 (RMB¥7.5 million) was included in trade and other receivables as at September 30, 2019. The assets and liabilities disposed of are as follows:

		XHP
Total consideration per share transfer agreement (RMB ¥50)	\$	7,330
Less: amounts owed to Henan Found		(1,112)
Net consideration	\$	6,218
Prepays 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 was completed.

7. 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, September 30, 2019	\$	-

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 three and six months ended September 30, 2019, interests of \$nil and \$45, respectively (three and six months ended September 30, 2018 - \$48 and \$58, respectively) were recorded and expensed through finance costs.

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8. 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
Adjustment upon adoption of IFRS 16, April 1, 2019	\$ 447	\$ 1,463
Addition	238	1,241
Interest accrual	12	55
Interest received or paid	(12)	(55)
Principal repayment	(24)	(234)
Foreign exchange impact	5	16
Balance, September 30, 2019	\$ 666	\$ 2,486
Less: current portion	(198)	(599)
Non-current portion	\$ 468	\$ 1,887

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	\$ 219	\$ 657
Between 2 to 5 years	504	1,950
Over 5 years	-	164
Total undiscounted amount	723	2,771
Less future interest	(57)	(284)
Total discounted amount	\$ 666	\$ 2,486
Less: current portion	(198)	(599)
Non-current portion	\$ 468	\$ 1,887

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

9. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value. All shares issued as at September 30, 2019 were fully paid.

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(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 and six months ended September 30, 2019, a total of \$701 and \$1,026, respectively (three and six months ended September 30, 2018 - \$456 and \$912, respectively) in share-based compensation expense was recognized and included in the general and administrative expenses on the condensed consolidated interim 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, March 31, 2018	8,146,799	\$ 2.15
Option granted	1,815,000	3.10
Options exercised	(2,812,496)	0.87
Options forfeited	(164,075)	3.34
Options expired	(504,312)	3.27
Balance, March 31, 2019	6,480,916	\$ 2.86
Options exercised	(2,443,406)	1.75
Options forfeited	(52,500)	3.33
Options expired	(100,000)	1.75
Balance, September 30, 2019	3,885,010	\$ 2.95

The following table summarizes information about stock options outstanding at September 30, 2019:

Exercise price in CAD\$	Number of options outstanding at September 30, 2019	Weighted average remaining contractual life (Years)	Weighted average exercise price in CAD\$	Number of options exercisable at September 30, 2019	Weighted average exercise price in CAD\$
\$ 1.43	626,260	0.67	\$ 1.43	626,260	1.43
\$ 2.60	632,500	2.13	\$ 2.60	126,250	2.60
\$ 3.23	755,000	1.45	\$ 3.23	516,875	3.23
\$ 3.36	666,250	1.01	\$ 3.36	431,250	3.36
\$ 3.40	895,000	1.90	\$ 3.40	352,500	3.40
\$ 3.63	280,000	0.30	\$ 3.63	280,000	3.63
\$ 5.58	30,000	0.40	\$ 5.58	30,000	5.58
\$ 1.43 - 5.58	3,885,010	1.37	\$ 2.91	2,363,135	\$ 2.85

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Subsequent to September 30, 2019, a total of 114,000 options with exercise prices ranging from CAD\$3.23 to CAD\$3.63 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
Balance, September 30, 2019	850,500	\$ 4.94

During the six months ended September 30, 2019, a total of 850,500 RSUs were granted to directors, officers, and employees 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.

(c) Cash dividends declared

During the three and six months ended September 30, 2019, dividends of \$nil and \$2,125, respectively (three and six months ended September 30, 2018 - \$nil and \$2,095, respectively) were declared and paid.

10. ACCUMULATED OTHER COMPREHENSIVE LOSS

	September 30, 2019	March 31, 2019
Change in fair value on equity investments designated as FVTOCI	\$ 34,292	\$ 35,128
Share of other comprehensive income in associate	(436)	(679)
Currency translation adjustment	22,210	7,415
Balance, end of the period	\$ 56,066	\$ 41,864

The unrealized loss 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.

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11. 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)	7,605	594	(95)	30	8,134
Share of other comprehensive loss	(3,192)	(256)	(177)	(67)	(3,692)
Distributions	(2,603)	(656)	-	-	(3,259)
Balance, September 30, 2019	\$ 60,072	\$ 4,585	\$ 2,745	\$ (484)	\$ 66,918

As at September 30, 2019, non-controlling interests in Henan Found, Henan Huawei, Yunxiang, and Guangdong Found were 22.5%, 20%, 30%, and 1%, respectively (March 31, 2019 – 22.5%, 20%, 30% and 1%, respectively).

12. 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 condensed consolidated interim financial statements are as follows:

Due from related parties	September 30, 2019	March 31, 2019
NUAG (a)	\$ 73	\$ 33
Henan Non-ferrous (b)	2,868	2,989
	\$ 2,941	\$ 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 three and six months ended September 30, 2019, the Company recovered \$146 and \$214, respectively (three and six months ended September 30, 2018 - \$50 and \$99, respectively) 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¥20.0 million) to Henan Non-ferrous. The loan bears an interest rate of 4.35% per annum.

The balances with related parties are unsecured.

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13. GENERAL AND ADMINISTRATIVE

General and administrative expenses consist of:

General and administrative	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Office and administrative expenses	\$ 1,323	\$ 1,633	\$ 2,497	\$ 3,091
Amortization and depreciation	389	287	740	592
Salaries and benefits	2,287	2,050	4,613	4,192
Share-based compensation	701	456	1,026	912
Professional fees	201	179	573	290
	\$ 4,901	\$ 4,605	\$ 9,449	\$ 9,077

14. GOVERNMENT FEES AND OTHER TAXES

Government fees and other taxes consist of:

	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Government fees	\$ 18	\$ -	\$ 106	\$ 105
Other taxes	478	767	984	1,464
	\$ 496	\$ 767	\$ 1,090	\$ 1,569

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.

15. FINANCE ITEMS

Finance items consist of:

Finance income	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Interest income	\$ 818	\$ 825	\$ 1,747	\$ 1,621

Finance costs	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Interest on bank loan	\$ -	\$ 45	\$ 45	\$ 55
Interest on lease obligation	32	-	55	-
Unwinding of discount of environmental rehabilitation provision	104	118	211	242
	\$ 136	\$ 163	\$ 311	\$ 297

16. INCOME TAX

The significant components of income tax expense are as follows:

Income tax expense	Three months ended September 30,		Six months ended September 30,	
	2019	2018	2019	2018
Current	\$ 960	\$ 5,072	\$ 2,712	\$ 11,021
Deferred	4,179	691	1,939	1,240
	\$ 5,139	\$ 5,763	\$ 4,651	\$ 12,261

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The disposal of the XHP project (also see Note 6) resulted in approximately \$29.9 million deductible loss for income tax purpose. The relevant income tax recovery amount for the three and six months ended September 30, 2019 of approximately nil and \$7.5 million, respectively were recognized under current and deferred income tax expenses.

17. 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 September 30, 2019 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.

Recurring measurements	Fair value as at September 30, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	\$ 56,092	\$ -	\$ -	\$ 56,092
Short-term investments - money market instruments	56,651	-	-	56,651
Investments in publicly traded companies	10,785	-	-	10,785

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

Fair value of the other financial instruments excluded from the table above approximates their carrying amount as at September 30, 2019 and March 31, 2019, due to the short-term nature of these instruments.

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There were no transfers into or out of Level 3 during the six months ended September 30, 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.

	September 30, 2019				March 31, 2019	
	Within a year	2-5 years	Over 5 years	Total	Total	Total
Bank loan	\$ -	\$ -	\$ -	\$ -	\$ -	4,475
Accounts payable and accrued liabilities	29,009	-	-	29,009	-	29,856
Lease obligation	599	1,833	54	2,486	-	-
	\$ 29,608	\$ 1,833	\$ 54	\$ 31,495	\$ -	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 follow:

	September 30, 2019	March 31, 2019
Financial assets denominated in U.S. Dollars	\$ 62,891	\$ 45,912

As at September 30, 2019, with other variables unchanged, a 10% strengthening (weakening) of the CAD against the USD would have decreased (increased) net income by approximately \$6.3 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 September 30, 2019, all of its interest-bearing cash equivalents and short term investments earn interest at market rates that are fixed to maturity or at variable interest rate with terms of less than one year. The 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 September 30, 2019. 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.

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(e) Credit risk

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

The Company undertakes credit evaluations on counterparties as necessary, requests deposits from customers prior to delivery, and has monitoring processes intended to mitigate credit risks. The Company has trade receivables of \$450 from customers as at September 30, 2019 (at March 31, 2019 - \$nil). There were no amounts in trade or other receivables which were past due on September 30, 2019 (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 September 30, 2019, a 10% increase (decrease) in the market price of the securities held, ignoring any foreign currency effects, would have resulted in an increase (decrease) to comprehensive income of approximately \$1.1 million.

18. SEGMENTED INFORMATION

The Company's reportable operating segments are components of the Company where separate financial information is available that is evaluated regularly by the Company's Chief Executive Officer who is the Chief Operating Decision Maker ("CODM"). The operational segments are determined based on the Company's management and internal reporting structure. Operating segments are summarized as follows:

Operational Segments	Subsidiaries Included in the Segment	Properties Included in the Segment
Mining		
Henan Luoning	Henan Found and Henan Huawei	Ying Mining District
Hunan	Yunxiang	BYP
Guangdong	Guangdong Found	GC
Other	SX Gold and 0875786 B.C. Ltd.	XHP
Administrative		
Vancouver	Silvercorp Metals Inc. and BVI's holding companies	RZY
Beijing	Silvercorp Metals (China) Inc.	

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at September 30, 2019 and for three and six months ended September 30, 2019 and 2018

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

(a) Segmented information for assets and liabilities are as follows:

Statement of financial position items:	September 30, 2019							
	Mining				Administrative		Total	
	Henan Luoning	Hunan	Guangdong	Other	Beijing	Vancouver		
Current assets	\$ 73,882	\$ 1,433	\$ 10,373	\$ -	\$ 4,709	\$ 68,360	\$ 158,757	
Plant and equipment	45,560	3,995	14,949	-	838	1,702	67,044	
Mineral rights and properties	190,457	6,794	24,541	-	-	-	221,792	
Investment in an associate	-	-	-	-	-	43,413	43,413	
Other investments	-	-	-	-	-	10,785	10,785	
Reclamation deposits	5,013	-	3,948	-	-	8	8,969	
Long-term prepaids and deposits	338	98	84	-	-	-	520	
Long-term portion of lease receivable	-	-	-	-	-	468	468	
Total assets	\$ 315,250	\$ 12,320	\$ 53,895	\$ -	\$ 5,547	\$ 124,736	\$ 511,748	
Current liabilities	\$ 21,750	\$ 1,373	\$ 5,443	\$ -	\$ 680	\$ 4,509	\$ 33,755	
Long-term portion of lease obligation	-	-	-	-	-	1,887	1,887	
Deferred income tax liabilities	33,157	964	-	-	-	-	34,121	
Environmental rehabilitation	11,072	952	689	-	-	-	12,713	
Total liabilities	\$ 65,979	\$ 3,289	\$ 6,132	\$ -	\$ 680	\$ 6,396	\$ 82,476	
	March 31, 2019							
	Mining				Administrative		Total	
	Henan Luoning	Hunan	Guangdong	Other	Beijing	Vancouver		
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	

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

(b) Segmented information for operating results are as follows:

Three months ended September 30, 2019								
Statement of operations:	Mining				Administrative		Total	
	Henan Luoning	Hunan ⁽¹⁾	Guangdong	Other	Beijing	Vancouver		
Sales	\$ 42,298	\$ -	\$ 7,588	\$ -	\$ -	\$ -	\$ 49,886	
Cost of sales	(19,753)	-	(4,759)	-	-	-	(24,512)	
Gross profit	22,545	-	2,829	-	-	-	25,374	
Operating expenses	(2,363)	(101)	(569)	-	(377)	(1,846)	(5,256)	
Finance items	231	(36)	26	-	35	426	682	
Income tax expenses	(4,637)	(13)	(471)	-	-	(18)	(5,139)	
Net income (loss)	\$ 15,776	\$ (150)	\$ 1,815	\$ -	\$ (342)	\$ (1,438)	\$ 15,661	
Attributed to:								
Equity holders of the Company	12,309	(105)	1,797	-	(342)	(1,438)	12,221	
Non-controlling interests	3,467	(45)	18	-	-	-	3,440	
Net income (loss)	\$ 15,776	\$ (150)	\$ 1,815	\$ -	\$ (342)	\$ (1,438)	\$ 15,661	

⁽¹⁾ Hunan's BYP project was placed on care and maintenance starting August 2014;

Three months ended September 30, 2018								
Statement of operations:	Mining				Administrative		Total	
	Henan Luoning	Hunan	Guangdong	Other	Beijing	Vancouver		
Sales	\$ 41,746	\$ -	\$ 6,345	\$ -	\$ -	\$ -	\$ 48,091	
Cost of sales	(20,878)	-	(4,513)	-	-	-	(25,391)	
Gross profit	20,868	-	1,832	-	-	-	22,700	
Operating expenses	(2,496)	(174)	(743)	(117)	(386)	(2,606)	(6,522)	
Finance items	291	(31)	17	(2)	16	371	662	
Income tax expenses	(4,625)	(14)	-	-	-	(1,124)	(5,763)	
Net income (loss)	\$ 14,038	\$ (219)	\$ 1,106	\$ (119)	\$ (370)	\$ (3,359)	\$ 11,077	
Attributed to:								
Equity holders of the Company	10,960	(154)	1,052	(92)	(370)	(3,359)	8,037	
Non-controlling interests	3,078	(65)	54	(27)	-	-	3,040	
Net income (loss)	\$ 14,038	\$ (219)	\$ 1,106	\$ (119)	\$ (370)	\$ (3,359)	\$ 11,077	

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at September 30, 2019 and for three and six months ended September 30, 2019 and 2018

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

Six months ended September 30, 2019								
Statement of income:	Mining				Administrative		Total	
	Henan Luoning	Hunan ⁽¹⁾	Guangdong	Other	Beijing	Vancouver		
Sales	\$ 80,072	\$ -	\$ 15,390	\$ -	\$ -	\$ -	\$ 95,462	
Cost of sales	(39,466)	-	(10,166)	-	-	-	(49,632)	
Gross profit	40,606	-	5,224	-	-	-	45,830	
Operating expenses	(2,934)	(218)	(1,321)	(60)	(822)	(4,298)	(9,653)	
Finance items, net	568	(70)	44	-	62	832	1,436	
Income tax expenses	(901)	(29)	(936)	-	-	(2,785)	(4,651)	
Net income (loss)	\$ 37,339	\$ (317)	\$ 3,011	\$ (60)	\$ (760)	\$ (6,251)	\$ 32,962	
Attributable to:								
Equity holders of the Company	29,140	(222)	2,981	(60)	(760)	(6,251)	24,828	
Non-controlling interests	8,199	(95)	30	-	-	-	8,134	
Net income (loss)	\$ 37,339	\$ (317)	\$ 3,011	\$ (60)	\$ (760)	\$ (6,251)	\$ 32,962	

⁽¹⁾ Hunan's BYP project was placed on care and maintenance in August 2014;

Six months ended September 30, 2018								
Statement of income:	Mining				Administrative		Total	
	Henan Luoning	Hunan	Guangdong	Other	Beijing	Vancouver		
Sales	\$ 78,713	\$ -	\$ 14,503	\$ -	\$ -	\$ -	\$ 93,216	
Cost of sales	(36,214)	-	(9,451)	-	-	-	(45,665)	
Gross profit	42,499	-	5,052	-	-	-	47,551	
Operating expenses	(4,472)	(379)	(1,436)	(229)	(767)	(4,077)	(11,360)	
Finance items, net	457	(60)	37	(5)	70	825	1,324	
Income tax expenses	(9,567)	(99)	-	-	(1)	(2,594)	(12,261)	
Net income (loss)	\$ 28,917	\$ (538)	\$ 3,653	\$ (234)	\$ (698)	\$ (5,846)	\$ 25,254	
Attributable to:								
Equity holders of the Company	22,582	(377)	3,478	(181)	(698)	(5,846)	18,958	
Non-controlling interests	6,335	(161)	175	(53)	-	-	6,296	
Net income (loss)	\$ 28,917	\$ (538)	\$ 3,653	\$ (234)	\$ (698)	\$ (5,846)	\$ 25,254	

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at September 30, 2019 and for three and six months ended September 30, 2019 and 2018

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

(c) Sales by metal

The sales generated for the three and six months ended September 30, 2019 and 2018 were all earned in China and were comprised of:

Three months ended September 30, 2019					
	Henan Luoning		Guangdong		Total
Silver (Ag)	\$	25,481	\$	1,958	\$ 27,439
Gold (Au)		1,314		-	1,314
Lead (Pb)		13,945		2,257	16,202
Zinc (Zn)		960		3,085	4,045
Other		598		288	886
	\$	42,298	\$	7,588	\$ 49,886

Three months ended September 30, 2018					
	Henan Luoning		Guangdong		Total
Silver (Ag)	\$	22,140	\$	1,299	\$ 23,439
Gold (Au)		1,024		-	1,024
Lead (Pb)		16,822		1,967	18,789
Zinc (Zn)		1,464		2,897	4,361
Other		296		182	478
	\$	41,746	\$	6,345	\$ 48,091

Six months ended September 30, 2019					
	Henan Luoning		Guangdong		Total
Silver (Ag)	\$	47,211	\$	3,786	\$ 50,997
Gold (Au)		2,396		-	2,396
Lead (Pb)		26,638		4,742	31,380
Zinc (Zn)		2,624		6,573	9,197
Other		1,203		289	1,492
	\$	80,072	\$	15,390	\$ 95,462

Six months ended September 30, 2018					
	Henan Luoning		Guangdong		Total
Silver (Ag)	\$	40,490	\$	2,772	\$ 43,262
Gold (Au)		1,716		-	1,716
Lead (Pb)		32,097		3,743	35,840
Zinc (Zn)		3,980		7,793	11,773
Other		430		195	625
	\$	78,713	\$	14,503	\$ 93,216

(d) Major customers

For the six months ended September 30, 2019, five major customers (six months ended September 30, 2018 – three major customers) accounted for 10% to 22%, (six months ended September 30, 2018 - 10% to 35%) and collectively 82% (six months ended September 30, 2018 - 62%) of the total sales of the Company.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at September 30, 2019 and for three and six months ended September 30, 2019 and 2018

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

19. SUPPLEMENTARY CASH FLOW INFORMATION

	September 30, 2019	March 31, 2019
Cash on hand and at bank	\$ 55,566	\$ 67,215
Bank term deposits and GICs	526	226
Total cash and cash equivalents	\$ 56,092	\$ 67,441

Changes in non-cash operating working capital:	Three Months Ended September 30,		Six Months Ended September 30,	
	2019	2018	2019	2018
Trade and other receivables	\$ (173)	\$ 12	\$ (438)	\$ 183
Inventories	385	637	637	(1,730)
Prepays and deposits	(2,584)	(59)	(1,769)	(1,099)
Accounts payable and accrued liabilities	3,128	(1,820)	1,699	2,704
Deposits received	(1,589)	4,051	(742)	403
Due from a related party	(37)	(13)	(102)	(20)
	\$ (870)	\$ 2,808	\$ (715)	\$ 441