

Tailings Facility Management 1.2

Tailings facility management is one of the most long-term and high-impact issues in mining environmental management. The Company adopts a full lifecycle approach to managing tailings storage facilities (TSFs), continuously strengthening engineering controls, risk classification, online monitoring, independent assessments, and emergency preparedness to enhance facility stability and environmental risk control. Through tailings reuse, underground backfilling, and resource utilization, it reduces surface storage pressure and enhances long-term mine safety and environmental resilience.

1.2.1 Tailings Management Commitment

The Company strictly follows the Global Industry Standard on Tailings Management (GISTM), the ICMM Mining Principles, and applicable regulatory requirements in each operating region. It actively benchmarks against global best practices and has established a full lifecycle tailings management system. The Company has developed and implemented the Tailings Facility Management Policy, which defines management principles across the full lifecycle of TSFs, including site selection, design, construction, operation, closure, and post-closure care. For new and expanded tailings storage facilities, the Company conducts comprehensive assessments covering geology, hydrology, seismicity, extreme rainfall events, environmental baseline, and community sensitivity, and prioritizes lower-risk tailings management options where feasible. Through risk assessment, engineering controls, independent reviews, online monitoring, emergency drills, and transparent disclosure, it continuously improves tailings facility management.

The Board Sustainability Committee holds ultimate oversight responsibility for the full lifecycle safety and environmental compliance of TSFs. It regularly reviews and approves tailings management policies, oversees the effectiveness of major risk mitigation measures, and reviews provisions for closure and rehabilitation funds. Each operating region establishes dedicated management positions based on facility type, risk level, and local regulatory requirements, strictly implementing a "designated responsible person" system and assigning dedicated technical personnel and workers. The Company maintains a tailings facility safety management engineer position, filled by a professional with more than ten years of relevant experience. The role performs responsibilities equivalent to those of the Responsible Tailings Facility Engineer (RTFE) under GISTM, overseeing tailings facility integrity, lifecycle risk prevention, operational monitoring, change management and on-site supervision.

Policy Disclosure

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Tailings Facility Management Policy



Silvercorp's Tailings Management Commitments

- Follow international standards:** Reference GISTM, ICMM principles, and applicable local regulations, and align with leading international best practices to establish a full lifecycle management system for TSFs.
- Define management scope:** Cover TSFs owned, operated, or controlled by the Company, and extend to relevant business partners.
- Strengthen source control:** Conduct risk assessments during site selection, design, and construction to minimize potential environmental, social, and water resource impacts.
- Avoid high-risk disposal methods:** New projects will not adopt riverine or submarine tailings disposal.
- Enhance transparency:** Disclose tailings facility management policies, practices, and key performance indicators through the annual sustainability report and corporate website.



1.2.2 Full Lifecycle Management

The Company benchmarks against global best practices and adheres to the principle of "prevention first, dynamic monitoring, multi-layer defense." It has established and continuously refined a full lifecycle tailings facility management system covering site selection, design, construction, operation, monitoring, comprehensive utilization, decommissioning and closure, and post-closure care, thereby building a comprehensive tailings safety defense line.

As of the end of Fiscal 2026, the Company had 4 tailings storage facilities included in its operational statistics, all located at operating mines in China. The El Domo Project TSF is currently in the design/construction phase and is not included in performance indicators. It will be disclosed separately once construction progresses and data becomes available. The facility is designed using the downstream construction method, in compliance with GISTM and local regulatory requirements.

In Fiscal 2026, the Company developed a closure plan for the Zhuangtou tailings facility based on processing plant production schedules. The Shiwaogou and Shimengou TSFs and the GC Mine dry-stack tailings facility have all accrued land reclamation and closure maintenance funds as required by natural resources authorities. These funds are managed through dedicated accounts to ensure their designated use for rehabilitation and closure obligations. For the El Domo Project, closure and remediation plans have been integrated into the Environmental Management Plan, including a sub-plan for tailings dam closure, covering topsoil cover, native species planting, erosion control, cover layer and vegetation maintenance, geotechnical monitoring, tailings dam safety inspections, and post-closure monitoring of water bodies, wildlife, and vegetation recovery. Post-closure monitoring will continue over the long term, with detailed assessments conducted every 5 years for up to 15 years. In addition, the bank guarantee became effective in Fiscal 2026, providing financial assurance for the fulfillment of related environmental obligations.

Planning and Design



- Conduct geological, hydrological, seismic, extreme rainfall, environmental baseline, and community sensitivity analyses during facility site selection and design
- Prioritize lower-risk disposal options for new or expanded TSFs, and explicitly avoid riverine or submarine tailings disposal
- The El Domo Project adopts the downstream construction method and incorporates extreme hydrological and seismic scenarios into the design to enhance long-term facility stability

Operations Management



- Strictly follow design documents, operation plans, and technical standards for tailings discharge, dam construction, flood discharge, return water management, and inspections
- Equip dry-stack TSFs with multi-layer high-density geomembrane liners at the bottom and leachate collection and drainage systems
- Collect all leachate into return water collection ponds before pumping it back to the processing system for reuse, with zero discharge to the environment
- Assign dedicated personnel to monitor return water pond levels onsite, regularly inspect liner integrity, and promptly identify and address any potential liner damage

Closure and Post-Closure Management



- During the operational phase, develop closure implementation plans and post-closure monitoring and maintenance plans, supported by a comprehensive financial provisioning mechanism
- During closure, ensure the long-term safety of TSFs through stability assessments, environmental impact analysis, and engineering design
- After closure, conduct long-term monitoring of dam stability, groundwater, and surface ecology, and implement vegetation restoration, geological hazard prevention and control, and regular inspection and maintenance to ensure the ecological stability and long-term safety of the closed site

1.2.3 Tailings Facility Risk Management

The Company implements tiered management and engineering controls for tailings storage facilities, addressing risks associated with extreme rainfall and flooding, seismic events, seepage, fugitive dust, infrastructure aging, and closure obligations. It regularly conducts safety status assessments, hazard identification and inspection, and flood routing analyses, and performs third-party stability reviews at key dam height milestones. During operations, the Company tracks water levels, phreatic lines, settlement and displacement, and flood discharge capacity through online monitoring and manual inspections, promptly identifying operational changes. The Company continuously conducts acid rock drainage and metal leaching (ARD/ML) risk identification and monitoring for tailings, waste rock, and related geological materials at operating mines and development projects. For operating sites and projects with identified potential risks, mitigation measures, such as material classification, engineered seepage control, leachate collection, closed-loop recycling, and water quality monitoring, have been implemented (see the Water Resource Management section for details). During Fiscal 2026, the Company experienced no environmental incidents related to ARD/ML, including seepage, migration, or exceedances of receiving water quality standards.

As of the end of Fiscal 2026, none of the Company's four operating tailings storage facilities were assigned an "Extreme" or "Very High" consequence classification.⁸ During the reporting period, no major operational failures, such as leakage, overflow, dam instability, or major tailings-related safety or environmental incidents occurred.

⁸ The consequence classification of tailings facilities is assessed in accordance with the GISTM or an equivalent methodology. The classification reflects the potential consequences of a facility failure and does not indicate the likelihood of failure or the facility's actual risk level.

Silvercorp's Global Tailings Facility Risk and Mitigation Matrix

Major Risk Category	Risk Description	Mitigation Measures
Acute Physical Risks 	Extreme rainfall or severe flooding causes rapid water level rise within the facility, leading to overtopping, piping, localized dam sliding, or even dam failure.	- Strictly control parameters such as maximum stacking height, slope, and phreatic line stability - Operate drainage facilities at full capacity, implement water level controls and flood prevention measures - Construct dual-layer emergency dam structures downstream of operating TSFs, establishing a downstream physical defense line - New assets fully adopt advanced dual drainage systems and rainwater-sewage separation facilities - Deploy automated online safety monitoring systems to collect real-time data on water levels and catchment area, connected to government platforms for real-time oversight
Geological and Seismic Risks 	Earthquakes or facility instability cause dam stress deformation, collapse and cracking, insufficient foundation bearing capacity, or landslides.	- Regularly commission third parties to conduct comprehensive surveys of hidden hazards and flood routing calculations for tailings storage facilities - Strictly enforce the dam height milestone verification mechanism, i.e., when the dam reaches specific sensitive nodes such as 1/3 to 2/3 of the final design total dam height, mandatorily introduce third-party structural stability verification - Conduct manual precision inspections of phreatic lines and settlement displacement once a month during the operation period - Avoid riverine and submarine discharge in the siting of new assets, and adopt the engineering dam construction method with the highest seismic performance
Ecological and Environmental Risks 	Heavy metals or residual reagents in tailings migrate and diffuse with leachate, severely contaminating surrounding soil and groundwater; dry-stack operations generate extensive fugitive dust.	- Install multi-layer high-density geomembrane liners at TSFs, fully collect leachate - Construct backfill station systems to backfill a high proportion of tailings into mined-out areas, significantly reducing surface storage pressure - Implement precision dust suppression spraying and install automated air treatment facilities at operation sites - Regularly inspect and patrol liner integrity, promptly eliminate damage hazards, and establish routine water quality and groundwater dynamic monitoring mechanisms
Lifecycle Transition Risks 	Aging of drainage systems as infrastructure ages over time; reputational and legal litigation risks due to failure to set aside closure and reclamation funds in advance.	- Establish a multi-level safety review and closed-loop hazard reporting mechanism - Strictly implement third-party comprehensive safety status assessments every three years - Develop dynamic closure plans and timelines, open dedicated separate accounts to fully accrue land reclamation funds, ensuring funds are used exclusively for designated purposes and included in annual arrangements - We are committed to transparently disclosing our TSFs management for public supervision in our annual sustainability report, corporate website, and press releases

TSFs	Zhuangtou TSFs	Shiwagou TSFs	GC Mine dry-stack tailings (DST) System	Shimengou TSFs
Location	Southeast of Zhuangtou Village, Xiayu Town, Luoning County	East of Zhuangtou Village, Xiayu Town, Luoning County	GC Mine, Datian Village, Gaocun Township, Yun'an District, Yunfu City	Northwest of Zhuangtou Village, Xiayu Town, Luoning County
Status	Closure scheduled as planned	In use	In use	In use
Maximum storage capacity	282.77×10 ⁴ m ³	405.95×10 ⁴ m ³	298.93×10 ⁴ m ³	1,729.25×10 ⁴ m ³
Total weight of tailings currently stored	424.16×10 ⁴ t	523.26×10 ⁴ t	227.64×10 ⁴ t	102.10×10 ⁴ t
Frequency of safety assessment in operation	Once every three years	Once every three years	Once every three years	Once every three years
Date of most recent assessment	October 2025	November 2025	August 2023	June 2025
Date of next scheduled assessment	October 2028	November 2028	August 2026	June 2028

Note: One tailings facility under construction (El Domo Project).

1.2.4 Tailings Facility Emergency Management

We adopt a prevention-first approach and have established an emergency management system covering major tailings facility risk scenarios, including floods, overtopping, dam instability, leakage, and structural damage, with clear management processes from early warning to response and recovery. Each operating region develops emergency response plans based on facility type and on-site risks, maintains adequate emergency response equipment and supplies, and tests plan effectiveness through drills. At the same time, we have established a routine hazard identification and management mechanism, conducting quarterly hazard inspections and comprehensive pre-flood season special inspections and rectifications. We have also improved hazard reporting, closed-loop rectification, and record management processes, using digital systems to trace tailings facility issues, track corrective actions, and assign responsibilities, continuously strengthening the safety foundation of operations.

During the reporting period, the Ying Mining District continued to conduct emergency drills covering scenarios such as drainage well anomalies, slope failures, and flood overtopping. The GC Mine conducted 2 tailings facility emergency drills. The El Domo Project, currently in the construction phase, has established a four-tier alert system (green, yellow, orange, red), and operational-phase drills will be conducted in line with project development and occupational health and safety requirements.



Tailings Facility Comprehensive Emergency Drill at Henan Found

Silvercorp's Emergency Management Measures for Key Tailings Facility Risks

Dam Failure Prevention	In the event of a hazard, immediately suspend tailings discharge, enhance drainage capacity; seal breaches with sandbags, reinforce the dam with crushed stone, and coordinate with local authorities to support downstream evacuation.
Flood Prevention	During floods, suspend tailings discharge and enhance flood discharge capacity; where necessary, deploy pumping to reduce water levels and reinforce dam stability. Strengthen energy dissipation facilities and repair cracks and voids in the dam. If the situation escalates, prepare for evacuation and cooperate with government emergency evacuation plans.
Overtopping Prevention	When water levels continue to rise despite full-capacity operation of drainage systems, urgently construct emergency sub-dams to increase water freeboard (use sandbags for auxiliary dams if the dam crest is narrow or soil quality is poor); in emergency situations, take special measures to lower water levels.
Landslide Treatment	Immediately implement control measures upon signs of slope instability; following a landslide, carry out slope reinforcement and stability restoration to ensure safe remediation works.
Seepage Treatment	Apply the principle of "upstream interception and downstream drainage", block seepage inlets upstream, and take drainage and filtration measures downstream to maintain seepage control stability.
Crack Treatment	Immediately protect upon detecting cracks; treat sliding cracks in conjunction with dam slope stability; for non-sliding cracks, take excavation and backfilling or grouting based on crack depth.
Drainage Facility	When clogged, clear debris from inlets and assign dedicated personnel to monitoring; in the event of drainage well collapse, first restore inlet flow capacity before undertaking repairs; in case of tunnel collapse, initiate repairs when conditions permit or organize evacuation based on upstream flow conditions.

1.2.5 Comprehensive Utilization of Tailings Resources

We firmly pursue a circular economy model and continuously improve the comprehensive utilization of tailings through underground backfilling, filter-press dewatering and dry stacking, return water reuse, technology development, and market engagement. These efforts reduce surface tailings storage demand and advance the Company's long-term vision of a "zero-tailings" mining operation.

The Company also emphasizes the reuse of waste rock. Some is used for backfilling in mining areas while the rest is processed into aggregates for building materials. The Company also continues to advance research on tailings resource utilization, with current focuses including the recovery of valuable metals from tailings and technologies for producing construction aggregates from tailings.

During the reporting period, the GC Mine achieved backfilling of approximately 50% of its processing tailings into underground mined-out areas. The remaining tailings are dewatered through filter pressing and sent to the dry-stack facility, with moisture content below 15%. This effectively reduces tailings water content and surface storage requirements while improving stability of mined-out areas. At the same time, the Company continues to apply the XRT intelligent pre-sorting system, improving ore-waste separation efficiency and reducing the amount of waste rock entering the processing circuit, thereby reducing tailings generation at source. The system has generated economic benefits while reducing tailings storage requirements and extending the operational life of tailings storage facilities.