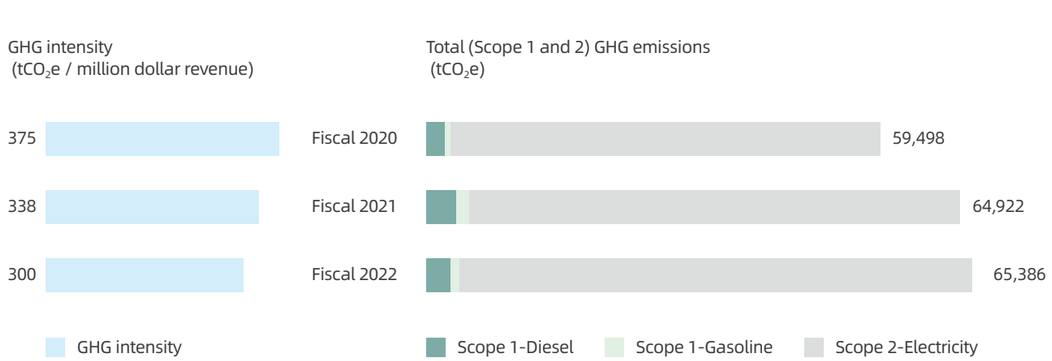


Tailings Facilities Management

Tailings are waste produced by mining and mineral processing. Tailings management facilities (TMF) are a major source of safety and environmental hazards for mining enterprises. In accordance with the 15 principles of the *Global Industry Standard on Tailings Management* set by the International Council on Mining and Metals (ICMM), the Company takes responsibility at all stages of the life cycle of its tailings management facilities, making the safety of tailings management facilities a top priority. As of the end of Fiscal 2022, Henan Found and Guangdong Found operated three TMFs, two wet TMFs located at the Ying Mining District in Henan Province, and one dry stack TMF at the GC Mine in Guangdong Province. Henan Found plans to build a new 3,000 t/d processing plant along with a relevant supporting TMF, which is expected to be put into operation in 2025. In Fiscal 2022, the Company had zero significant safety accidents at its TMFs.

Design

1
- Feasibility study
- Strictly follow relevant standards for TMFs survey and design
- Design safety facilities alongside the design of TMFs

Construction

2
- Quality control and assurance
- Build safety facilities alongside the construction of TMFs
- Strictly follow relevant laws and regulations on construction

Operation

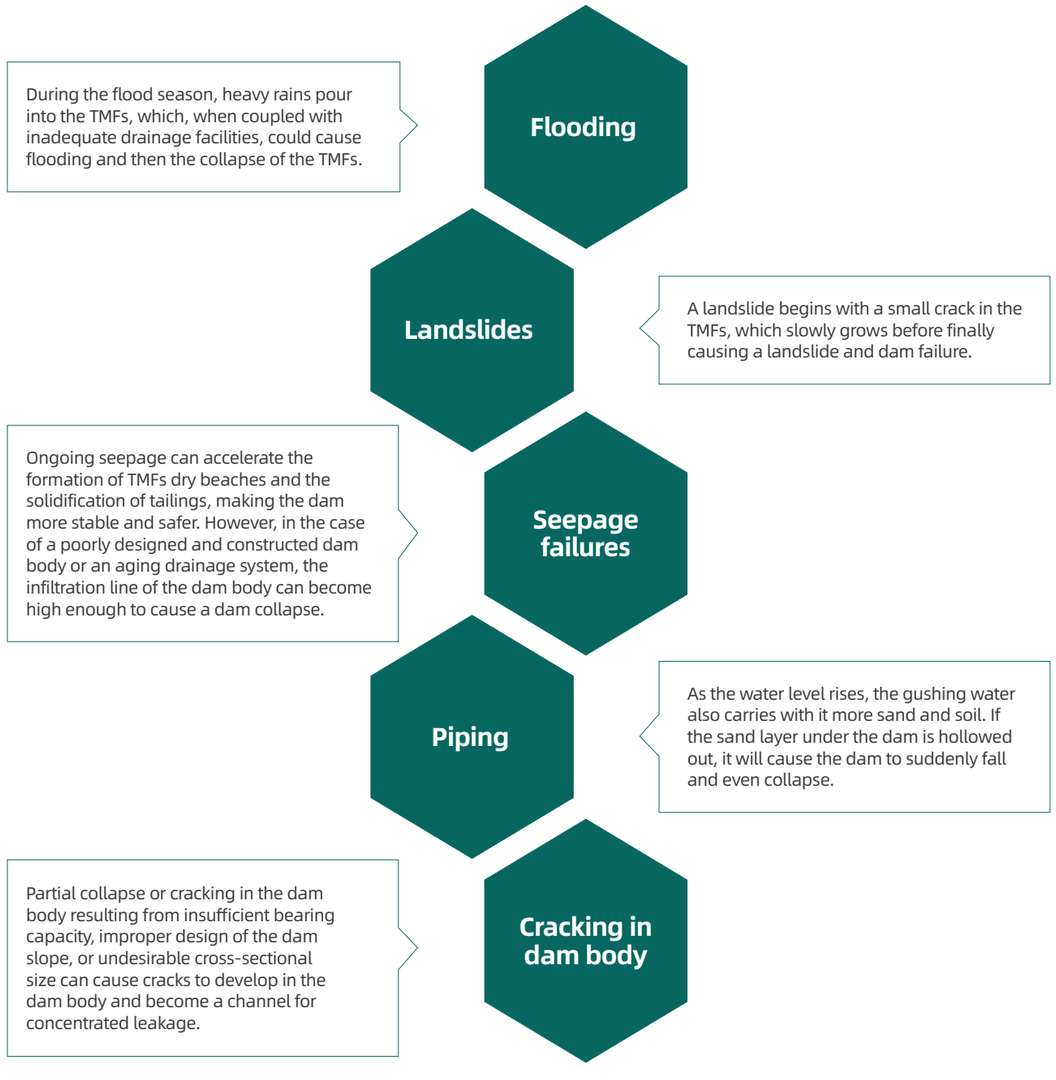
3
- Set up sound management system, accountability mechanism, and TMFs safety responsibility system
- Regular emergency drills
- Conduct safety evaluation at least every three years

Closing

4
- Strictly implement the TMFs closing inspection of the safety facilities
- Regular inspection and monitoring

Risks and Challenges of TMFs

TMFs are usually man-made sources of mudslides with high potential energy, and the collapse or breach of a TMF can be catastrophic for nearby populations, infrastructure, and the environment. Silvercorp places a heightened focus on the safety and environmental risks of its tailings ponds and puts the safety of people above everything else. The Company actively works with the government and regulators to monitor and check for hazards at the tailings ponds to ensure top-tier safety management.



Response Measures

Silvercorp strictly follows the *Global Industry Standard on Tailings Management* and the *Tailings Pond Safety Regulations (GB39496-2020)*, and in doing so ensures that tailings discharge and dam construction are carried out in accordance with relevant design requirements, operation plans, and technical specifications, ensuring effective water level control, flood control, and seepage control. In addition, we have a monitoring system in place to monitor the main technical data of the TMFs in real time and carry out regular inspections for safety hazards. We have also developed a sound emergency management system to ensure the safe and stable operation of our TMFs.

Systems and regulations	We continuously optimize our TMFs management system. In Fiscal 2022, we revised and optimized the following systems and regulations: • The Safety Management System for Control and Seepage Drainage Facilities • The Safety Management System for Flood Control Measures and Flood Drainage Facilities • The Safety Management System for Tailings Transportation, Dam Building and Discharge
Emergency planning	We have developed emergency plans to enhance the response and preparedness for emergencies and disasters at the TMFs, including the *Comprehensive Emergency Plan for Production Safety Accidents in Dry Stack TMF*, the *Special Emergency Plan for Production Safety Accidents in Dry Stack TMF*, the *On-site Rescue Plan for Dry Stack TMF*, and the *Emergency Rescue Plan for Production Safety Accidents*.
Online Monitoring	An online monitoring system has been set up in the two major mining areas, informing scientific decision-making by supporting real-time monitoring of the safety status at the TMFs and enabling predictions and early warning. **GC Mine**: Obtains critical real-time data from the online monitoring system in the dry stack tailings area, such as the infiltration line, the internal displacement, the surface displacement, and the precipitation. The data are synchronized to the Sky Eye and Earth Eye safety risk early warning and prediction system for non-coal mine TMFs of the Department of Emergency Management of Guangdong Province, subject to government supervision. **Ying Mining District**: The online TMF monitoring system and the key operational data are integrated into the Emergency Management System of Luoyang City, Henan Province and will be connected to the national monitoring platform as required in the future.
Responsibility management	We have designated personnel for production safety, with each subsidiary appointing a safety engineer with more than ten years of experience responsible for identifying, preventing, and managing TMF risks.
Periodic evaluation	We have established a multi-level TMF safety evaluation mechanism to ensure the stability of the TMF dams. Conducting a TMF safety status evaluation every three years and a dam stability analysis when the tailings dam reaches a specified height (which is 1/2 to 2/3 of the final design height for Grade III TMF (or lower) and 1/3 to 1/2 of the final design height for Grade I and Grade II TMFs). Reviewing our emergency response plans every three years. Performing flood routing and a dam stability assessment every year before the occurrence of extreme weather events such as heavy rains during the flood season.
Accident report	Utilizing a system that provides an open and transparent channel for reporting production safety accidents while keeping the information of the reporters strictly confidential. We use the Eblog App to facilitate information-based monitoring and problem solving regarding TMFs.
Public disclosure	Silvercorp is committed to transparency through disclosure of TMFs management in its annual sustainability reports, on its website, and via the media.

Emergency Response Plans

Seepage treatment	Clogged or damaged drainage facilities	Crack treatment	Landslide treatment
Seepage treatment is twofold: • Seal leaks upstream of the dam to block further water inflow. • Safely drain seepage downstream of the dam using filtration systems to prevent soil erosion and maintain stability.	For a blocked drain: remove debris and monitor the drain to ensure an unobstructed outflow. For a collapsed drain: remove debris, identify the cause of the collapse, then repair the drain once drainage is restored. For poor drainage as a result of a collapsed drain: if inflow is not strong, shut down the drainage tunnel and repair the collapse; if the collapse is severe, evacuate people downstream as necessary, then take measures to control drainage.	Treat sliding cracks in combination with strengthening the dam slope. For non-sliding cracks, shallow cracks, or cracks in anti-seepage areas: treat with excavation and backfill. For deep surface cracks or cracks in the dam body: treat with grouting. For medium-depth cracks due to high water levels or excavation difficulties: treat with a combination of excavation, backfill, and grouting.	Once a landslide occurs, reliable treatment measures should be taken to restore and reinforce the dam slope and improve its stability. The basic principle of landslide treatment is to cut the slope at the main crack site and to put weight at the foot of the dam. Minimize the reservoir water level and open ditches along the sliding body and the nearby slope to quickly drain seepage. If the sliding crack reaches the foot of the slope, put weight on first. When treating a backwater slope landslide caused by leakage from the earth dam, the water-facing slope shall be treated at the same time by dumping soil on the slope to prevent seepage. Before landslide treatment, the area shall be covered with waterproof materials such as plastic film to prevent rainwater from seeping into cracks. Intercepting ditches shall also be dug above the crack to divert water from the top of the dam.

Anti-overflow measures	Flood prevention measures	Measures to prevent dam collapse
Danger may occur when the drainage facilities have been fully used but the water level continues to rise. Measures should be taken to build sub-dams promptly to increase the water retaining height. If the top of the dam is not wide enough and the soil quality is poor, an ad-hoc sub-dam can be built with earth bags.	In the event of a flood, first stop the discharge of tailings to the TMF and increase the flow of flood discharge, using mechanical pumps or other measures to lower the water level in the TMF as much as possible. Mechanical equipment and vehicles can be stacked on the dam to increase dam stability. Increase the discharge of the energy dissipation pool in front of the dam to prevent the rising water level from affecting dam stability through soaking the foot of the dam slope. Plug, fill and compact cracks and pits to prevent further damage to the dam. If the hazard expands and a dam collapse may occur, promptly notify people to prepare for evacuation and actively cooperate with local government authorities to organize evacuations and shelter following their emergency plan.	When a hazard occurs, first stop the discharge of tailings to the TMF and take measures to maximize the drainage capacity of the reservoir area. Mobilize personnel and vehicles to seal the cracks with sandbags, possibly with the help of mechanical equipment. At the same time, stack gravel on the dam to strengthen dam stability, while the local government immediately evacuates people downstream.

Actions in Fiscal 2022

- Henan Found carried out the dam surface covering and dam surface ditch concreting of the 12th Phase of the Shiwagou TMF, and the dam surface concreting of the Zhuangtou TMF.
- Guangdong Found invested $0.1 million to carry out the strengthening project of its dry stack TMF.
- Guangdong Found digitalized TMF safety management, adding 12 new forms the Eblog App, including 1 production process and position form, 7 equipment inspection forms, and 4 safety management forms.