# Water Resource Management 1.3

Water resource management is critical to mine operational continuity, watershed ecological security, and the protection of shared community resources. The Company focuses on compliant water withdrawal, water recycling, water quality protection, and water risk assessment, continuously reducing reliance on water resources, improving reuse efficiency, and preventing adverse impacts of operations on surrounding water bodies and community water use.

## 1.3.1 Water Stewardship Policy

We strictly comply with applicable water resource management, water withdrawal permitting, discharge permitting, and water environment protection requirements in each operating jurisdiction, and reference international mining industry good practices to continuously improve our water resource management system covering water withdrawal, use, treatment, reuse, discharge, monitoring, and risk assessment. The Company has developed and implemented the Water Stewardship Policy, which standardizes requirements for water withdrawal, treatment, recycling, water quality monitoring, and risk management across all operating regions. The policy applies to both operating mines and development-stage projects.

The Board Sustainability Committee oversees the Company's water resource strategy, targets, and key performance indicators. The ESG Management Center is responsible for developing annual water resource management plans and coordinating implementation across operating regions, including water withdrawal permitting compliance, water recycling, water quality monitoring, data collection, and risk response. Each operating region develops site-specific water management plans based on local hydrological conditions, climate, regulatory requirements, and operational characteristics.

Policy Disclosure

Please click the link or scan the QR code to access the document

**Water Stewardship Policy**

The Company monitors progress against the following water resource targets:

| Target Area | Management Target | Progress for Fiscal 2026 |
|---|---|---|
| **Compliant Water Withdrawal** | Obtain water withdrawal permits or authorizations as required by operating jurisdictions and ensure water withdraw and use are conducted in compliance with applicable laws and regulations | Major operating and project development areas manage water withdrawal activities in accordance with permit or authorization requirements |
| **Water Recycling and Reuse** | Treated mine water and domestic wastewater are prioritized for reuse; mineral processing wastewater is fully recycled with zero discharge | 100% of mineral processing wastewater is reused in mineral processing; mine water and domestic wastewater are reused where applicable[9] |
| **Freshwater Withdrawal Reduction** | Reduce freshwater withdrawal intensity by 10% by 2030 compared to the 2020 baseline | Decreased by 45.58% compared to the 2020 baseline |
| **Water Recycling Efficiency** | Increase water recycling and utilization rate by 8% by 2030 compared to the 2020 baseline | Increased by 2.33% compared to the 2020 baseline |
| **Water Quality Protection** | Strictly control effluent quality and prevent risks associated with acid rock drainage and metal leaching | No ARD overflow incidents occurred |

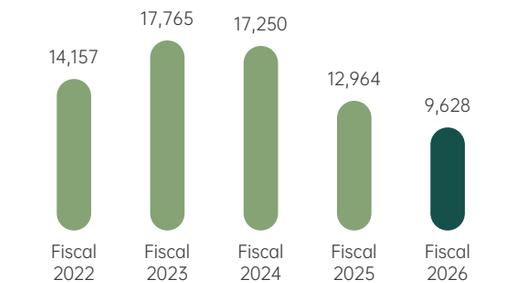
[9] A small amount of water evaporates during the transfer of processing plant wastewater to the tailings storage facility, but the volume is negligible.

## 1.3.2 Water Withdrawal

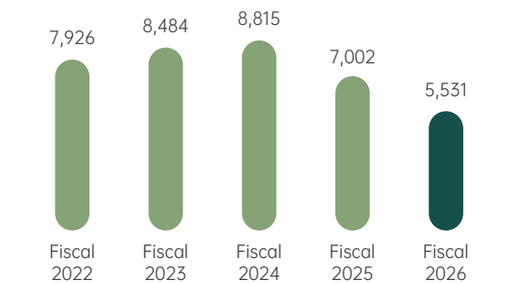
The Company's main water withdrawal sources include mine water inflow, river water, lake water, and other freshwater resources. We strictly regulate water withdrawal permits and compliance obligations across all operating regions. As of the end of Fiscal 2026, each operating region has conducted water resource assessments, obtained water withdrawal permits or water use authorizations as required by local regulatory requirements, and implemented water withdrawal metering and water quality management. Ecuadorian projects strictly comply with applicable legal and regulatory requirements. Any additional water withdrawal, changes in water sources, increased abstraction volumes, or modifications to water infrastructure are subject to prior administrative approval. In Fiscal 2026, none of the Company's operating sites experienced major production interruptions due to water supply shortages, and no non-compliance incidents related to water withdrawal permits, standards, or regulations occurred.

Regarding water use, the Company conducts assessments based on local hydrological conditions and production processes in each operating region, and develops site-specific water management plans. We prioritize the reuse of mine water inflow, process water, stormwater, and treated domestic sewage in production and auxiliary systems to reduce water withdrawal. During operations, we continuously improve water recycling efficiency by increasing the reuse rate of mine water inflow, optimizing processing return water systems, and reusing treated water for road dust suppression and landscaping irrigation. Key water system components, such as water intake points, tailings storage facilities, return water ponds, and wastewater treatment facilities, are subject to routine water quality monitoring to ensure early identification of water quality variations and timely corrective actions. The Company also integrates water conservation requirements into daily operations through water-saving equipment, process optimization, and employee training, continuously reducing water consumption intensity per unit of production.

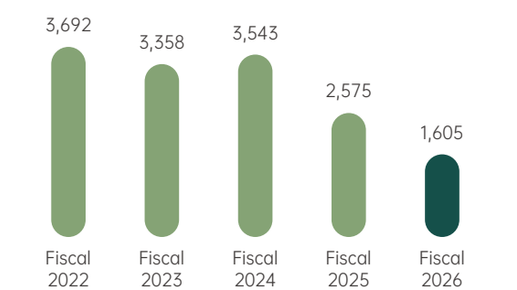
**Freshwater withdrawal intensity[10]** (Unit: m³/ million USD revenue)



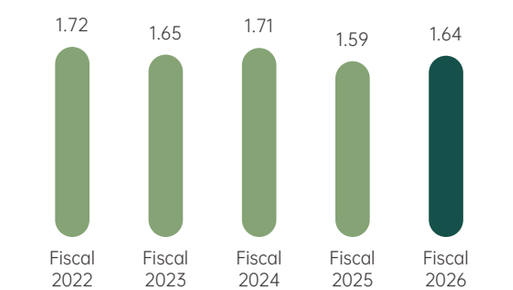

**Freshwater consumption intensity** (Unit: m³/ million USD revenue)




**Surface freshwater withdrawal intensity** (Unit: m³/ million USD revenue)




**Freshwater consumption per tonne of ore processed** (Unit: m³ / tonne of ore processed)

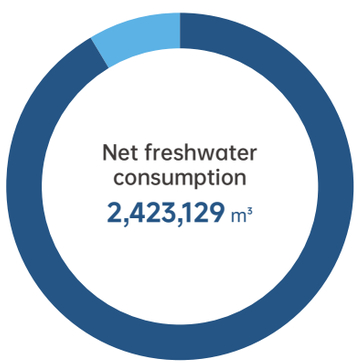



[10] To improve the comparability of historical data, the Company has restated its FY2025 freshwater withdrawal intensity, freshwater consumption intensity, and surface freshwater withdrawal intensity. These indicators were previously calculated using "economic value generated" as the denominator; in this report, "revenue" is used consistently as the denominator. The originally reported FY2025 values were 12,121 m³/million USD revenue for freshwater withdrawal intensity, 6,546 m³/million USD revenue for freshwater consumption intensity, and 2,408 m³/million USD revenue for surface freshwater withdrawal intensity.

## 1.3.3 Water Recycling and Reuse

We treat water recycling and reuse as a core measure to reduce water withdrawal and minimize water-related environmental impacts. A tiered management approach is applied based on water source and use scenario, prioritizing the integration of reusable water into production systems to reduce once-through water use and discharge. In mining operations, mine water inflow is collected, treated, and reused in underground operations, processing operations, road dust suppression, and mine site landscaping. Any mine water that cannot be fully reused is discharged in compliance with permit requirements following water quality testing, ensuring no adverse impact on surrounding water bodies. In mineral processing, a closed-loop water circulation model is adopted. Mineral processing wastewater is collected in thickeners, return water ponds, and related return water facilities, then fully returned to the processing circuit with no direct discharge. In domestic and auxiliary water uses, domestic sewage is treated through sedimentation and biochemical processes, then used for site landscaping with no discharge. Non-potable uses such as road washing, landscaping irrigation, and dust suppression prioritize treated mine water or recycled water, reducing reliance on freshwater sources such as rivers and lakes.

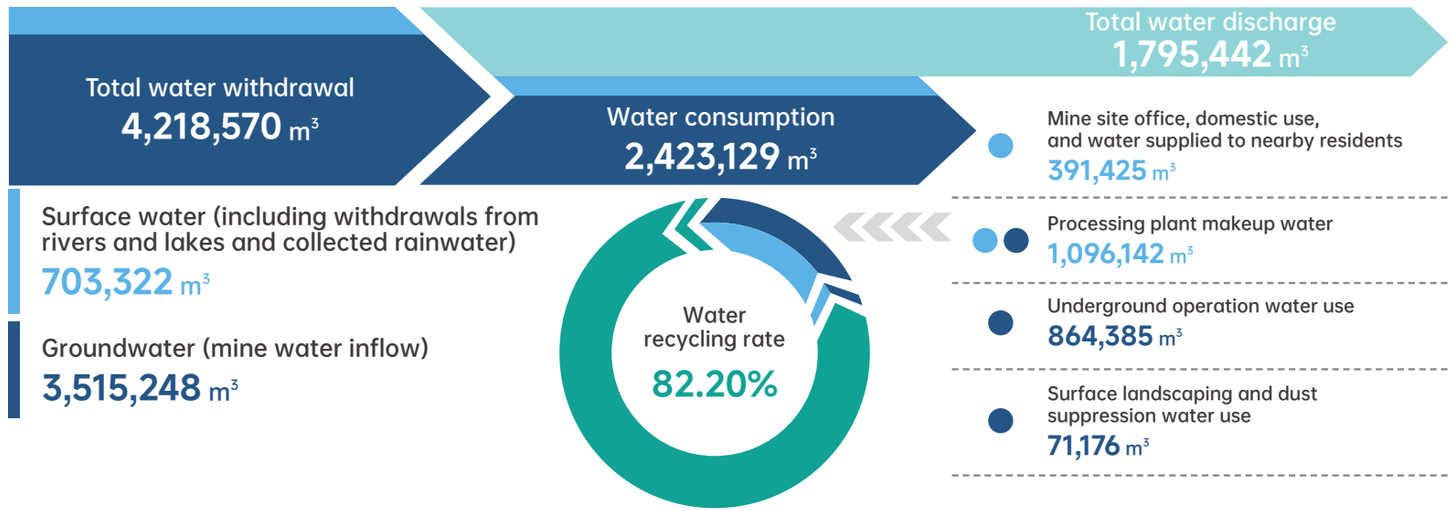
Fiscal 2026




Of which:
Net freshwater consumption in water-stressed areas[11]

**2,200,805 m³**

Water Resource Use in Operating Mines for Fiscal 2026[12]




### Definitions for Water Balance Graphic

**Water balance relationship:** This graphic presents Silvercorp's water use based on the flow of water through its mining operations: withdrawal, use, recycling, consumption and discharge. The water balance is as follows: Total water withdrawal = Surface water + Groundwater (mine inflow) = Water consumption + Total water discharge.

**Total water withdrawal:** Water withdrawn from natural sources and introduced into the operational water system, including surface water and groundwater. Surface water includes water withdrawn from rivers, lakes and other surface water bodies, as well as collected rainwater used for production. Groundwater mainly refers to mine inflow collected during underground mining activities.

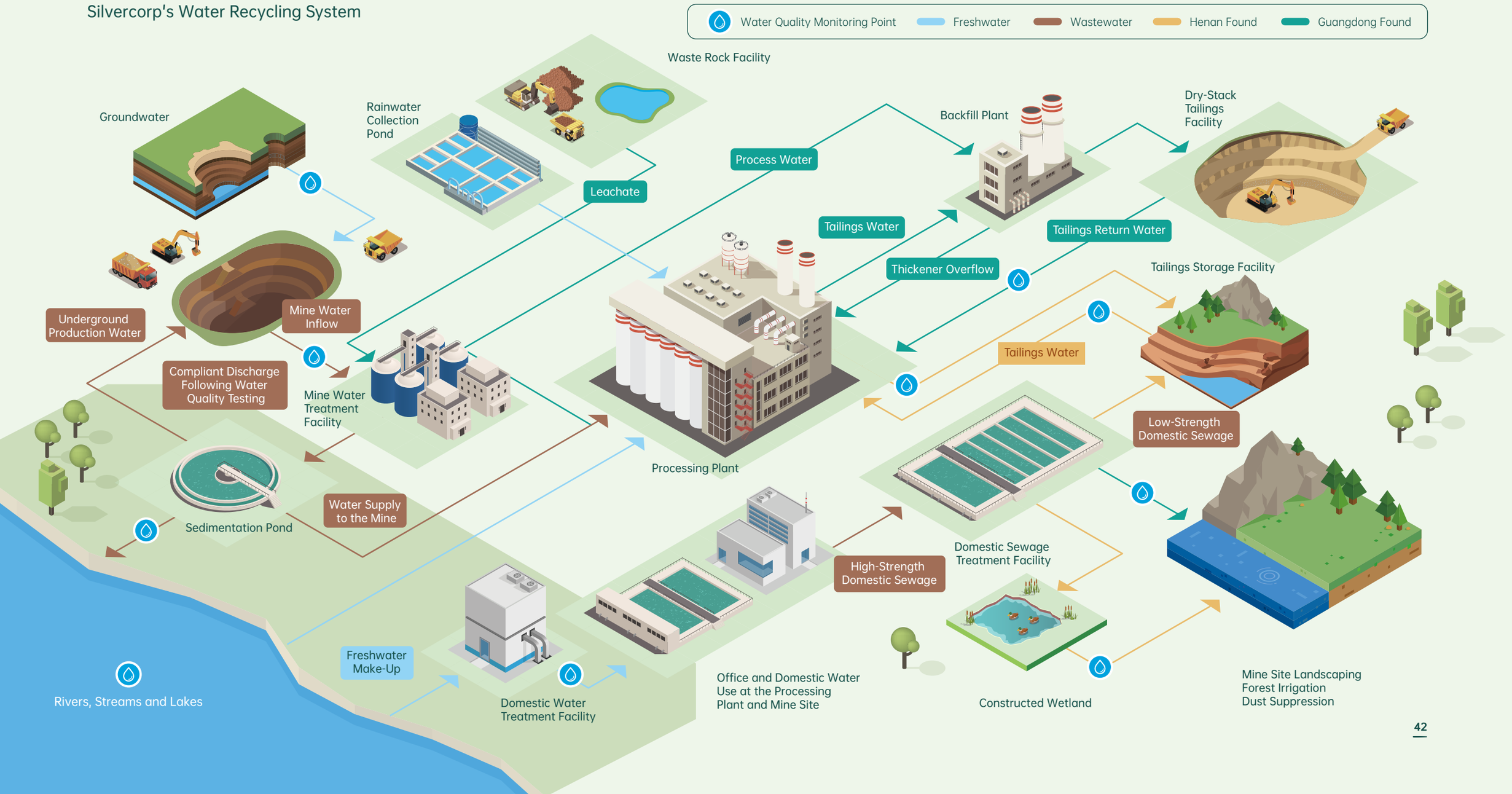
**Water consumption:** Water withdrawn but not discharged back to the external water environment, including make-up water for mineral processing, underground working water, water for surface greening and dust suppression, and water for mine offices, domestic use and nearby residents. Water recycling rate: The proportion of water that is collected, treated and reused in production or operational activities. Recycled water is not counted as new withdrawal and helps reduce reliance on external water sources.

**Total water discharge:** Water that is collected and treated during mining operations and discharged to the external water environment after meeting applicable discharge requirements.

[11] Water-stressed areas are identified based on the WRI Aqueduct "baseline water stress" indicator. During the reporting period, the Ying Mining District is located in an area with extremely high baseline water stress (>80%). For this indicator, only the net freshwater consumption of the Ying Mining District is included, which accounts for 90.82% of the Company's total net freshwater consumption.

[12] Groundwater volume is estimated based on pump capacity and operating hours. Domestic water consumption is estimated at 0.12 m³ per person per day multiplied by the number of employees and working days. Rainwater collection is estimated based on rainfall, catchment area, and precipitation duration. Underground operational water use is estimated as a percentage of groundwater volume. Discharge volume is calculated as total water withdrawal minus consumption. Processing plant water use is estimated based on ore throughput and unit water consumption coefficients.

## Silvercorp's Water Recycling System



# 1.3.4 Water Resource Risk Management

We continuously apply the World Resources Institute (WRI) Aqueduct Water Risk Atlas to conduct regular water risk assessments across all operating regions. The assessment covers physical risk quantity (including baseline water stress, inter-annual variability, seasonal variability, drought risk, and flood risk), physical risk quality (water quality impacts), as well as regulatory and reputational risks (such as access to drinking water and sanitation).

Based on the WRI Aqueduct Water Risk Atlas, the Company's major mining areas and project locations are exposed to varying levels of watershed water risk. The Ying Mining District — representing 91.12% of the Company's Fiscal 2026 revenue — is located in a region with relatively high water quality risk and water stress, and has therefore been designated as a key water risk management area. The GC Mine in Guangdong is located in a high overall water risk area (Level 3-4). The El Domo Project, located in the Babahoyo River Basin, is exposed to medium-high overall water risk (Level 2-3). The Condor Project, located in the Zamora River Basin, is exposed to low-medium overall water risk (Level 1-2). The Company continues to dynamically assess key water risk drivers, including water stress, water quality impacts, and regulatory and reputational risks, considering site-specific hydrological conditions, water withdrawal permits, community water needs, project development stages, and operational characteristics. Based on these assessments, we continuously strengthen water intake and discharge management, water efficiency and recycling practices, and stakeholder engagement mechanisms across all operating and development sites.

## How to read this chart

**Indicators**

- Overall water risk
- Physical risks quality
- Regulatory and reputational risk

**Risk level (1-5 scale)**

| Extremely high (4-5) | High (3-4) | Medium-high (2-3) | Low-medium (1-2) | Low (0-1) |
|---|---|---|---|---|
| 5 | 4 | 3 | 2 | 1 |

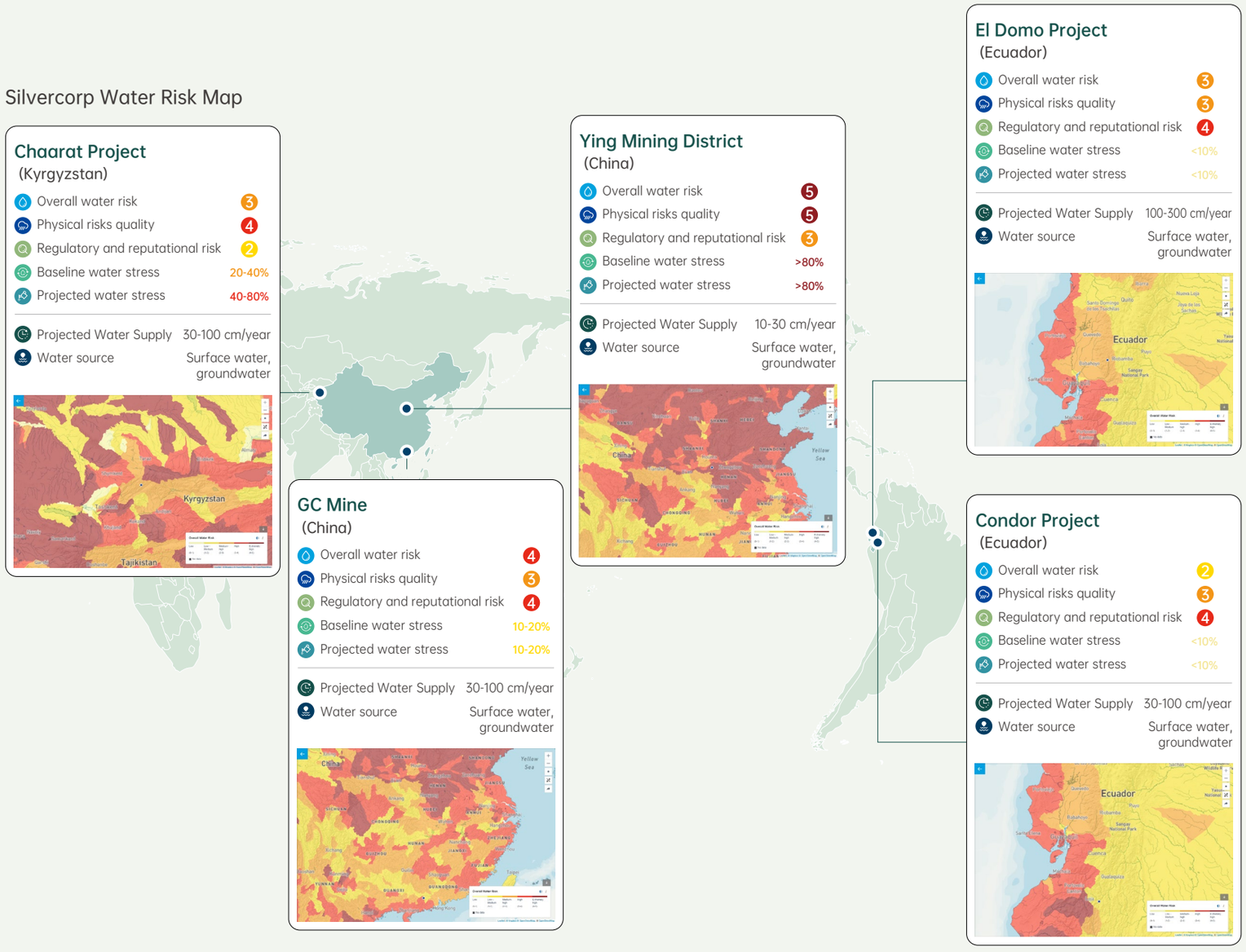
- Baseline water stress
- Projected water stress

**Risk level (percentage)**

| Extremely high (>80%) | High (40-80%) | Medium-high (20-40%) | Low-medium (10-20%) | Low (<10%) |
|---|---|---|---|---|

- Projected water supply[13]: Available blue water-the total amount of renewable freshwater available to a sub-basin with upstream consumption removed-includes surface flow, interflow, and groundwater recharge.
- Water source: Primary water sources used at the site.

## Silvercorp Water Risk Map




[13] Projected Water Supply refers to the projected renewable freshwater supply within the sub-basin based on the 2030 timeframe (2015–2045 assessment period) and the SSP1 RCP2.6 (optimistic) scenario, representing a 1.3° C–2.4° C global temperature increase above pre-industrial levels by 2100.

The Company actively identifies and monitors acid rock drainage (ARD) risks in accordance with the Global Acid Rock Drainage Guide. It has identified ARD risk at Guangdong Found (accounting for 8.88% of the Company's Fiscal 2026 revenue). The site applies mitigation measures including mineralogical characterization of tailings, seepage control engineering, leachate collection and drainage systems, and closed-loop reuse of return water, to manage potential metal leaching and water quality impacts. All related water bodies are included in production reuse or monitoring management, with no actual environmental impact identified. Curimining has integrated ARD/ML risks into its Environmental Impact Assessment and preventive management system during the development phase. Through static and dynamic geochemical testing, materials are classified as acid-forming, non-acid-forming, or uncertain, and managed through segregated stockpiling and isolation disposal to reduce potential impacts on surface water, groundwater, and surrounding ecosystems during future construction and operation phases. In Fiscal 2026, Silvercorp experienced no incidents of ARD overflow, migration, or exceedance of applicable water quality standards.

The Company also maintains transparent engagement with surrounding communities, regulatory authorities, and other stakeholders, paying attention to concerns related to water withdrawal, discharge, and water quality changes. For development-stage projects, community engagement is integrated into Environmental Impact Assessments and Environmental Management Plans. At Curimining, the community-based monitoring arrangements have been established to support stakeholder participation in monitoring plan development, third-party laboratory testing, and results communication, thereby enhancing transparency in water resource management. The Company continues to improve its communication and grievance mechanisms to ensure timely identification, assessment, and response to water-related concerns.

## Silvercorp Water Resource Risks and Response Measures

| Risk Category | Risk Scenario | Mitigation Measures |
|---|---|---|
| Physical Quantity Risks | **Water scarcity and drought:** High baseline water stress or seasonal reductions in surface water availability within local watersheds may limit water supply for operations, resulting in reduced processing efficiency or temporary production disruptions. | • **Optimize water use:** Reduce freshwater withdrawal through mine water reuse, closed-loop recycling of mineral processing wastewater, and rainwater harvesting.<br>• **Control freshwater withdrawal intensity:** Set refined water conservation targets and manage surface water withdrawal within permitted allocation limits.<br>• **Water balance monitoring:** Conduct routine monitoring of water availability, water levels, and water quality, perform regular water balance assessments, and maintain contingency water storage and allocation arrangements. |
| Physical Quality Risks | **Non-compliant discharge of industrial and environmental wastewater:** Improper management of mineral processing wastewater, mine water or domestic wastewater – including leakage, spills, or unauthorized discharge – may adversely affect receiving water quality through elevated concentrations of metals, reagents or other pollutants. | • Closed-loop recycling system:<br>  - **Mineral processing wastewater:** Collected in thickeners and tailings return water ponds and fully recycled back into the processing circuit, achieving 100% closed-loop recycling with zero discharge.<br>  - **Mine water:** Treated through sedimentation and biochemical processes to meet regulatory standards, and preferentially reused for underground production, mineral processing and tailings backfilling.<br>  - **Domestic sewage:** Directed to treatment facilities and treated through advanced biochemical process to meet regulatory discharge standards, and fully used for site landscaping and forest irrigation, with no discharge to external natural water bodies.<br>• **Water quality monitoring:** Establish a comprehensive water monitoring system, with multi-parameter and routine sampling across key nodes, including groundwater, surface water (rivers and lakes), tailings storage facilities, collection ponds, and wastewater treatment facilities, enabling timely responses to water quality variations. |
| Geochemical Sensitivity Risks | **Acid rock drainage (ARD) and metal leaching (ML):** Sulfide-bearing waste rock and tailings generated during mining and processing, when exposed to air and rainwater over time, undergo oxidation and generate acid rock drainage (ARD), accompanied by metal leaching, which may impact regional watersheds and groundwater systems. | • **Proactive geochemical management:** Strictly follow the Global Acid Rock Drainage Guide to conduct lifecycle ARD risk identification and continuous monitoring across all solid waste streams.<br>• **Engineered seepage control:** All potentially impacted water bodies are included in closed-loop collection of seepage-controlled return water ponds.<br>• **Source reduction through process optimization:** Construct large-scale underground backfill stations, apply advanced XRT intelligent pre-sorting systems for upfront "ore-waste separation," significantly reducing waste rock entering the energy- and water-intensive grinding and processing stages. |
| Community, Reputational, and Regulatory Risks | **Community water use conflicts and local regulatory non-compliance:** Mining development may disturb local groundwater levels or surrounding surface water bodies, leading to stakeholder concerns over drinking water safety. Increasingly stringent environmental regulations in host countries may result in regulatory non-compliance or increased compliance costs. | • **Community engagement and transparency:** Improve water resource management systems and strictly control impacts from withdrawal activities. Proactively assess operational impacts on regional water resources and surrounding stakeholders and maintain routine communication and consultation with local communities, including participation in joint construction of local water supply facilities.<br>• **Digital incident reporting mechanism:** Establish a transparent and strictly confidential reporting mechanism for safety and environmental issues, enabling real-time issue reporting and rapid closed-loop resolution through digital systems.<br>• **Compliance self-assessment and early warning:** Track updates to local regulations and industry standards, improve internal self-assessment closed-loop processes, standardize full-process water use and data management, and maintain compliance assurance. |