NI 43-101 TECHNICAL REPORT and Pre- Feasibility Study

November 2008

FOR

Silvercorp Metals Inc.

TLP–LM Silver-Lead Project

Henan Province,
People's Republic of China

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November 20, 2008

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1.0 SUMMARY

The TLP–LM Project is a development-stage silver-lead project in the western part of Henan Province, China. The project consists of two adjacent historical producing properties: (1) the TLP Mine, consisting of a 3.3-square-kilometer mining permit plus an equal-sized overlapping exploration permit; and (2) the LM Mine, consisting of a 3.07-square-kilometer mining permit. The project is close to infrastructure, processing facilities and a ready supply of labor.

Silvercorp Metals Inc. ("Silvercorp") is exploring and developing the TLP property through its 77.5%-owned joint venture company, Henan Found Mining Ltd., which acquired 100% ownership of the property in November, 2007, at an approximate cost of $20 million. Silvercorp is exploring and developing the adjacent LM property through its 70%-owned joint venture company, Henan Huawei Mining Co. Ltd., which acquired 100% ownership of the property at an approximate cost of $3.25 million.

Silver-lead veins in the TLP–LM area were exploited for several centuries by artisanal miners but the area was not systematically explored or developed until the Chinese government initiated activities in 1956. Since then, the area has been mapped, sampled and surveyed in considerable detail. Intense surface and underground exploration from 1985 to 1995 defined significant historical silver and lead resources and serious organized mining began in 1998. Mining operations in the area were closed in 2006 for safety and environmental reasons.

Mineralization in the TLP–LM area consists of high-grade silver-lead-zinc veins that fill steeply dipping fault and fissure zones in gneisses and greenstones of Precambrian age. The rocks are strongly folded and locally intruded by granitic stocks and mafic dikes, many of which fill the mineralized fault-fissure zones. The mineralization is classified as "mesothermal" silver-lead-zinc veins and is markedly similar to that occurring in a number of the world's major silver-lead-zinc mining camps, the Coeur d'Alene District (Idaho, USA) being one of the more notable examples. The TLP–LM vein systems are structurally and mineralogically similar to Silvercorp's adjacent and currently producing Ying project. Proximity of the TLP-LM project to the Ying operation offers great advantages in terms of infrastructure, including Silvercorp's recently completed mill located 15 km away by paved road. The mill is currently operating at a rate of 800 tonnes per day. Power, water and labor are all abundantly available in the local area.

The TLP–LM project area is crossed by numerous mineralized structures. To date, at least 25 major vein structures having been mapped in detail and an equal number of smaller vein structures have been identified but not yet examined in detail. The structures extend for hundreds to a thousand meters or more along strike and may be filled with veins up to one meter or more in width. Mineralization in the veins consists of silver-bearing galena and freibergite accompanied by some sphalerite, chalcopyrite and small amounts of pyrite. Much of the galena occurs as massive lenses of sheared granular steely material, up to one meter thick and 100 m or more in vertical and horizontal dimensions. The gangue consists mostly of fine-grained silica with ankerite. The mineralization in the TLP–LM project, as in the Coeur d'Alene District (Idaho, USA), shows evidence of changes both laterally and to depth in character and contained metal ratios, probably a result of district-scale zonation.

Silvercorp's detailed exploration and development activities in the TLP–LM area started in December 2007. This work has largely consisted of underground tunneling and drilling programs with surface exploration restricted to periods of favorable weather. The topography of the area favors accessing the veins by horizontal tunneling. Based on experience at Silvercorp's adjacent

Ying project, underground drifting and drilling has proven to be the most effective and efficient way to explore the area's vein systems.

Since Silvercorp's acquisition of the TLP-LM project until August 31, 2008, Silvercorp has completed a total of 21,307 m of tunnels, tunnel enlarging, drifts, declines, raises or shafts, and 25,744 m of underground and surface drilling on the properties. Channel sampling, exposures in underground tunnels and underground drilling have defined sulfide-bearing veins containing silver-lead-zinc mineral resources that are quantified in this current technical report. The mineralization identified to date at TLP occurs in 11 discrete tabular quartz-ankerite veins consisting of massive sulfide zones averaging 1.56 m in width. At LM, the mineralization occurs in 14 quartz-veins with massive sulfide zones averaging approximately 0.71 m in width.

To estimate the mineral resources contained in these veins, resource block models were constructed with polygonal methods on longitudinal vein sections using the same parameters (cut-off grade, cut-off thickness, area of influence, etc.) as used in the last Ying resource estimation completed one year ago (Broili et al, 2007). BK Associates recommended that a Mineral Resource and Scoping Study compliant with reporting standards of Canadian National Instrument 43-101 be prepared for the TLP and LM projects. This resource estimation together with a five-year mining plan were completed on August 31, 2008, and subsequently reviewed in detail by Ronald Moran (P.Eng. Ontario). The current estimated mineral resources (at 50 g/t Ag-equivalent cut-off and at 150g/t Ag-equivalent cut-off) of the 25 veins defined by Silvercorp's extensive work at the TLP and LM Mines are as follows (Table 1 and Table 2):

Table 1: Summary of Mineral Resource Estimates at TLP and LM Mines using 50 g/t Ag Equivalent Cutoff

				Average Grade				Contained Metal		
Mine	Resource Category	Width (m)	Tonnes	Ag g/t	Ag oz/t	Pb %	Ag equiv. g/t	Ag ounces	Pb tonnes	Silver equiv. ounces
TLP	Measured	1.54	910,811	119	3.82	2.86	239	3,483,248	26,009	7,226,666
	Indicated	1.56	3,247,978	145	4.66	2.17	236	15,132,435	70,334	25,207,201
	Meas+Ind	1.56	4,158,789	139	4.48	2.32	237	18,615,683	96,343	32,433,867
	Inferred	1.49	2,708,161	143	4.59	2.40	244	12,417,352	64,910	21,693,963
LM	Measured	0.64	118,397	254	8.17	2.17	346	967,327	2,567	1,354,959
	Indicated	0.75	244,077	256	8.23	2.08	344	2,009,885	5,075	2,797,058
	Meas+Ind	0.71	362,474	255	8.21	2.11	344	2,977,213	7,642	4,152,018
	Inferred	0.57	106,531	238	7.67	2.93	362	816,572	3,122	1,274,891

*Ag Equivalent is calculated using US$6.50/oz Ag, US$0.40/lb Pb and US$0.45/lb Zn. Calculations reflect gross metal content and have not been adjusted for metallurgical recoveries.

Table 2: Summary of Mineral Resource Estimates at TLP and LM Mines using 150 g/t Ag Equivalent Cutoff

Mine	Resource Category	Width (m)	Tonnes	Average Grade: Ag g/t	Ag oz/t	Pb %	Ag equiv. g/t	Contained Metal: Ag ounces	Pb tonnes	Silver equiv. ounces
TLP	Measured	1.45	634,877	181	3.82	2.86	345	3,697,357	24,722	7,050,944
	Indicated	1.57	1,703,018	236	4.66	2.17	360	12,924,674	49,945	19,687,480
	Meas+Ind	1.54	2,337,895	221	4.48	2.32	356	16,622,030	74,667	26,738,424
	Inferred	1.45	2,515,832	145	4.59	2.40	245	11,702,938	59,689	19,801,062
LM	Measured	0.49	79,874	374	12.03	2.60	484	964,528	2,080	1,242,994
	Indicated	0.73	154,006	402	8.17	2.17	516	1,993,358	4,162	2,556,680
	Meas+Ind	0.63	233,881	393	8.23	2.08	505	2,957,885	6,242	3,799,675
	Inferred	0.84	133,781	248	8.21	2.11	328	932,377	3,095	1,412,447

*Ag Equivalent is calculated using US$6.50/oz Ag, US$0.40/lb Pb, and US$0.45/lb Zn. Calculations reflect gross metal content and have not been adjusted for metallurgical recoveries.

Historical information on metallurgy and actual metal recoveries from ores mined and processed from the TLP and LM mines indicate recoveries of 90-92% for silver and 92-94% for lead.

Based on Henan Found's 2009-2013 mine plans, the TLP mine is expected to produce a total of 1,596,000 tonnes with an average grade of 212 g/t Ag and 2.67% Pb. The LM mine is expected to produce 268,160 tonnes with an average grade of 316 g/t Ag and 2.14% Pb.

Table 3: Five-year Production Summary for the TLP and LM Mines

Year	TLP Mine: Tonnes	TLP Mine: Ag (g/t)	TLP Mine: Pb (%)	LM Mine: Tonnes	LM Mine: Ag (g/t)	LM Mine: Pb (%)
2009	252,000	163	2.71	44,520	338	1.68
2010	336,000	202	2.64	52,080	385	1.78
2011	336,000	216	2.78	51,149	323	2.23
2012	336,000	242	2.58	57,660	261	3.05
2013	336,000	225	2.64	62,571	289	1.85
Total	**1,596,000**	**212**	**2.67**	**268,160**	**316**	**2.14**

After capital expenditures of US$2,105,447 with 6,600 m mine development, the TLP and LM mines are expected to ramp up and sustain production of 1,000 t/d and 150 t/d, respectively. Net cash flow generated from production is expected to be US$25,489,735 for the TLP mine and US$7,656,020 for the LM mine. Average unit silver production cost is US$7.51/oz for the TLP mine and US$4.98/oz for the LM mine. Average unit silver production cost adjusted for lead by-product credit is US$3.42/oz for the TLP mine and US$2.63/oz for the LM mine. The payback period for the TLP mine is 1.5 years and for the LM mine is less than 1.5 years.

We consider TLP-LM to be an advanced development stage project of merit, and we recommend an ongoing exploration program totaling US$6.73 million to define additional resources in order to sustain long-term production for the project.

2.0 INTRODUCTION

During December 2007, Silvercorp Metals Inc. ("Silvercorp") commissioned Mel Klohn and Chris Broili, together working as BK Exploration Associates, to provide an independent review and NI43-101 Technical Report on the TLP–LM project in the western region of Henan Province, China. Subsequently, Dave Boleneus with InfoMine USA Inc. was contracted to assist Mr. Broili in the site visit and write three chapters in this report. In late September and early October, Mr. Ronald Moran was hired to carry out mineral resource estimates and a pre-feasibility study for the TLP-LM project. Mr. Klohn, Mr. Broili, Mr. Boleneus and Mr. Ronald Moran are all Independent Qualified Persons as defined in Canadian National Instrument 43-101 and are not associates or affiliates of Silvercorp or any associated company. The fees for this Technical Report are abstemious industry fees for work of this nature and are not dependent in whole or in part on any prior or future engagement or understanding resulting from the conclusions of this report.

This Technical Report is prepared in compliance with Form 43-101F and is based on information known as of April 18, 2008, and subsequently updated as of August 31, 2008. The authors understand that Silvercorp, a publicly traded resource company (TSX:SVM) engaged in the production, exploration and development of base and precious metal projects in Henan Province of central China and exploration in other parts of China, will use this Technical Report for purposes of public reporting in compliance with NI43-101 requirements.

The information reviewed for this Technical Report consists mostly of published data collected by the No. 6 team of Henan Bureau of Non-ferrous Metals Geology and Mineral Resources and unpublished data compiled by the previous mine operator of the project, together with a few published geological papers. Key documents used in the technical descriptions and summaries are cited at appropriate places throughout the report and listed in detail in the References chapter at the end of this report. Additionally, the primary authors of this report (Mr. Klohn and Mr. Broili) have considerable experience in Henan, China, and have incorporated information from their own personal notes and experiences into the descriptions offered regarding regional history, general geology and deposit types. Mr. Ronald Moran (P.Eng., Ontario), an independent professional mining engineer, was contracted to verify the resources and scoping study reported in detail in this report.

Mr. Broili and Mr. Boleneus visited the project and carried out data investigations from January 8 to 15, 2008, guided and assisted by Mr. Michael Hibbitts, Silvercorp's Vice President of Operations. The visit occurred during the winter so access to many areas except the underground was limited. Nevertheless, Mr. Broili and Mr. Boleneus were able to examine and sample key underground areas as well review all available project data and information.

Mr. Ronald Moran, P.Eng. (Ontario), visited the property from September 29 to October 8, 2008. During his visit, Mr. Moran verified the mineral resource estimates for compliance with CIM reporting standards as required by NI 43-101. Mr. Moran subsequently served as author of the chapters in this report regarding mineral resources and a scoping study based on the mineral resources estimates as of August 31, 2008. Mr. Moran is an experienced mining engineer familiar with narrow vein mining and mineral resource calculations.

All measurements used and reported in this report are in metric units.

Monetary units are expressed in U.S. dollars (US$) unless stated otherwise. The currency used in China is the Yuan (CNY) with the exchange rate as of November 14, 2008, being approximately US$1.00 equal to CNY6.82.

3.0 RELIANCE ON OTHER EXPERTS

The authors of this report are qualified persons for those areas identified in the Certificates of Qualified Person attached to this report. In preparing this report the authors relied heavily on various geological maps, reports and other technical information, mostly the unpublished proprietary information of a previous owner, which was provided to the authors by Silvercorp. The key and relevant information used in this report is listed in the References chapter at the end of this report.

Much of the original information is in Chinese. Translations of key and relevant technical documents into English, provided by Silvercorp, were largely done by Dr. Frank Feng, Dr. Qunzhou Yang and Dr. Zhonghua Pan, bilingual employees of Silvercorp. Legends and other text on many of the maps were translated by Bei Sun, a bilingual draftsperson for Silvercorp. The authors believe the translations to be credible and generally reliable but cannot attest to their absolute accuracy.

Overall, the technical information reviewed by the authors is adequately documented, comprehensive and of good technical quality. It was gathered, prepared and compiled by apparently competent technical persons, but we caution that these technical persons were not necessarily Qualified Persons as currently defined by NI 43-101.

We are not experts in land, legal, environmental and related matters and therefore we have relied (and believe there is a reasonable basis for this reliance) in this report on various other individuals who contributed the information regarding legal, land tenure, corporate structure, permitting, land tenure and environmental issues.

Specifically, the information in Chapter 4 of this report regarding legal status of the land (Section 4.1), the proposed acquisition agreement (Section 4.2), and Chinese land tenure and mineral rights (Section 4.3) was contributed by Silvercorp’s assistant corporate secretary Flora Lo, of Vancouver, British Columbia, and Henry Shi based in Beijing, China.

Mr. Broili and Mr. Boleneus did not review the environmental status of the property during their visit in April 2008, but Mr. Moran subsequently reviewed the mining and environmental permit for the property, which is part of the current Mining Permit for the TLP and LM mines.

4.0 PROPERTY DESCRIPTION AND LOCATION

The TLP–LM project is located in central China in Henan Province near the town of Luoning (Figure 1). The project includes two mining permits and one overlapping exploration permit (Figure 3) covering an area of 6.37 square kilometers. The approximate boundaries of this project area are as follows (with UTM coordinates using datum WGS 84):

	Lat-Lon	UTM
North boundary	34°09' N	3,782,000 m N
South boundary	34°08' N	3,778,700 m N
West boundary	111°21' E	19,532,400 m E
East boundary	111°23' E	19,535,400 m E

4.1 Mineral Properties

The TLP and LM projects consist of two mining concessions and an overlapping exploration permit, as listed in Table 4 below and shown in Figure 3:

Table 4: Properties of the TLP-LM Project

Permit number	Location	Status	Area (km^2)
4100009810419	TLP	Mining permit expires May 2009	3.30
4100000410209	TLP	Exploration permit expired April 2007, currently being renewed	3.30
4100000730440	LM	Mining permit expires October 2009	3.07
		Mining Total	**6.37**
		Exploration Total	**3.30**

The TLP mine operates under a mining permit that covers an area of 3.3 square kilometers from the surface at 1,140 m elevation to a depth of 700 m elevation, and an overlapping exploration permit that covers the same area below 700 m elevation. The LM mining permit is 3.07 square kilometers in size and ranges from the surface at 1,250 m elevation to 850 m elevation.

4.2 Acquisition Agreement

A co-operative joint venture contract was consummated in April 2004 between Victor Mining Ltd. ("Victor"), which is a wholly owned British Virgin Islands subsidiary of Silvercorp Metals Inc. ("Silvercorp"), and Henan Non-Ferrous Geological & Mineral Resources Co. Ltd. ("HNGMR"). This joint venture contract established a Chinese cooperative joint venture company, Henan Found Mining Ltd. ("Henan Found"), in which Victor owns 77.5% interest.

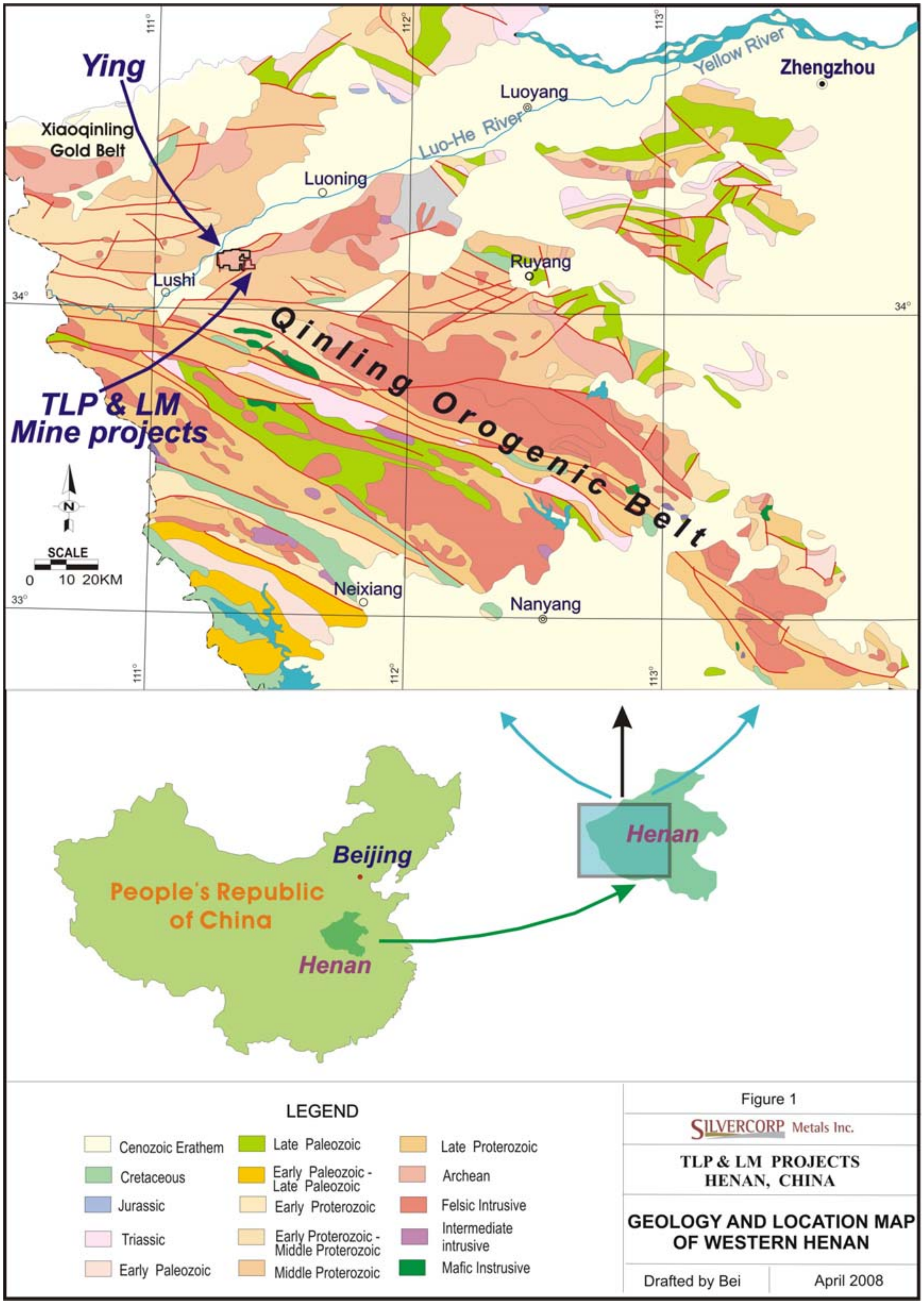


Figure 1: Geology and Location Map of Western Henan

During November 2007, Henan Found successfully concluded a contract to acquire 100% of the TLP Silver-Lead Mine ("TLP Mine") by paying $11 million plus assuming debts, obligations and winding down of certain leasing agreements for approximately an additional $9 million. The acquisition was funded by Henan Found's cash on hand.

A second Chinese cooperative joint venture company in which Victor owns 70% is Henan Huawei Mining Co. Ltd. ("Huawei"), which acquired 100% of the LM Mine at an approximate cost of $3.25 million.

4.3 Exploration and Mining Rights

China is one of the 10 largest economies and the most populous country in the world (more than 1.3 billion people, about 1/5 of the world's total). It has a strong national policy encouraging foreign investment and ranks as one of the world's leading jurisdictions for mining investment owing to advanced infrastructure, a large pool of skilled technical and professional personnel and — most importantly — having an established Mining Code which clearly defines the mining rights guaranteed by the government of China.

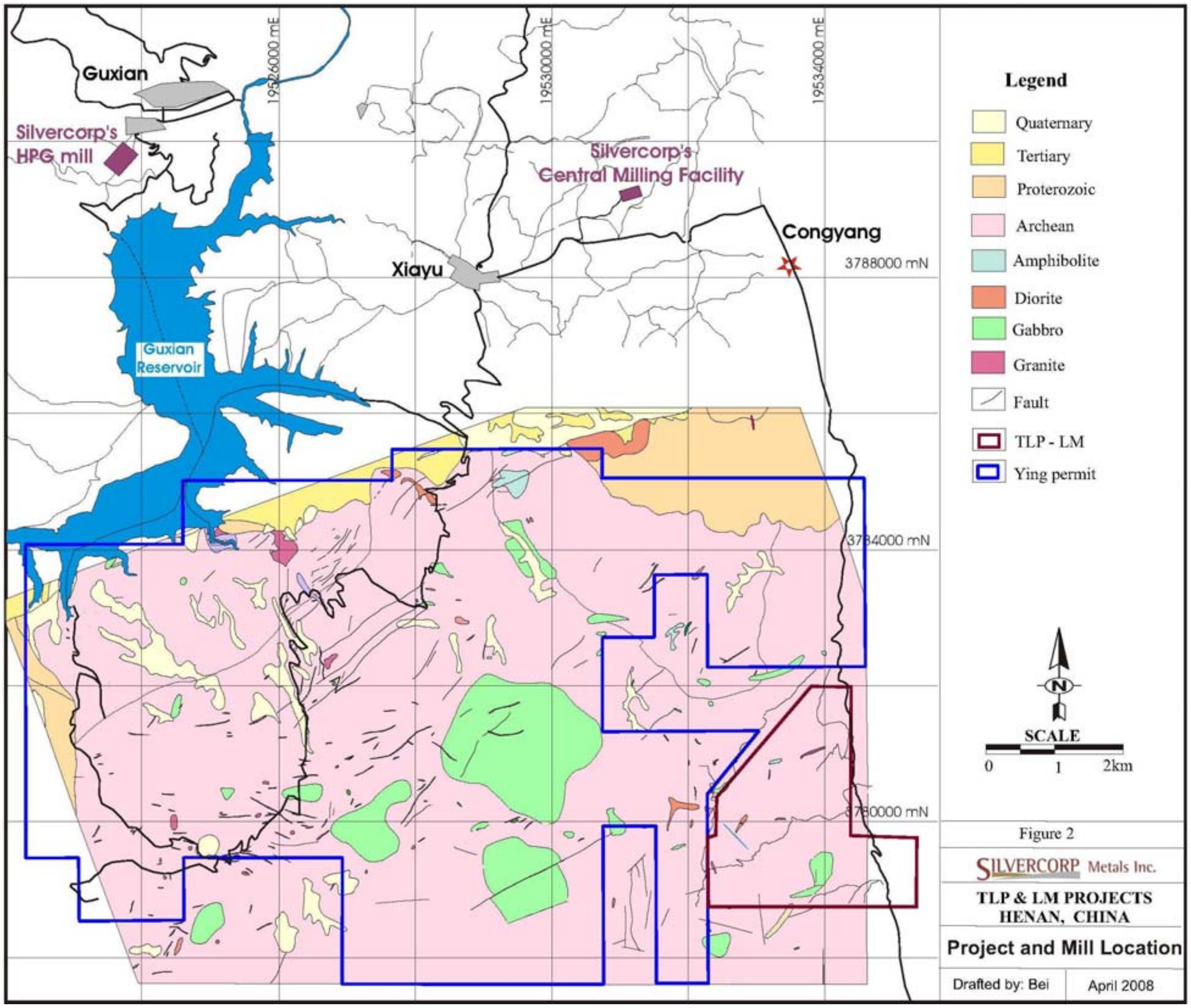


Figure 2: Project and Mill Locations

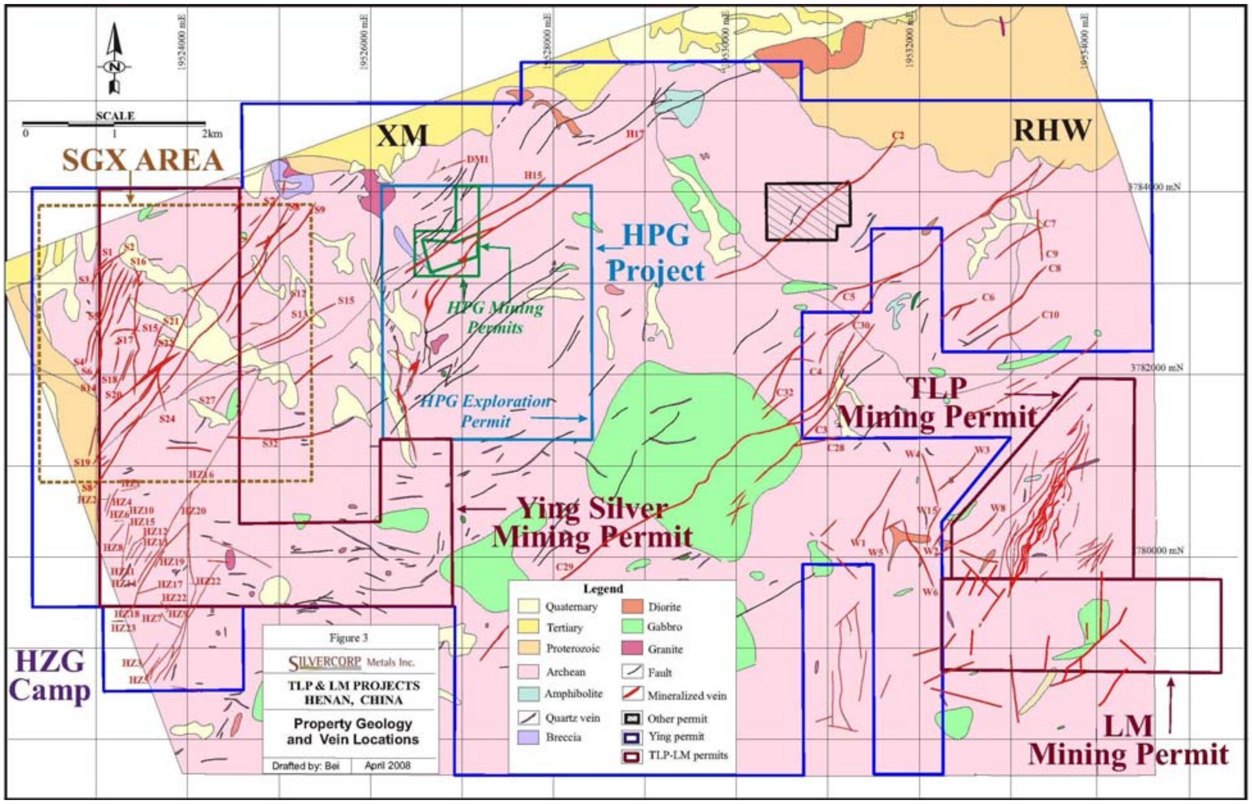


Figure 3: Property Geology and Vein Locations

5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The TLP–LM project is in Henan Province in east-central China, approximately 240 km by road west-southwest of Zhengzhou (pop. 7.0 million), the provincial capital, and 80 km west of Luoyang (pop. 1.4 million), the nearest major city (Figure 1). Zhengzhou is the region's largest industrial city, offering full service facilities and daily commercial air flights to the major Chinese cities of Beijing, Hong Kong and Shanghai. Access to the project from Luoning (pop. 80,000+), the nearest small city, is by 35 km of paved road and 7 km of all-weather gravel road. The nearest town is Xiayu (population 3,000) about 13 km from the project (Figure 2).

The project is within the Funiu Mountain Range, a deeply dissected, rugged mountainous terrain, which divides the Yellow and Yangtze River basins. Elevations range from 300 to 1,200 m above sea level, with steep hill slopes commonly exceeding 25^{o} slope. Rock exposures on these steep hillsides are fair to good.

The area has a continental sub-tropical climate with four distinct seasons. Temperature changes are dependent on elevation, with an annual range of -10°C to 38°C and an annual average of 15°C. The annual precipitation averages 900 mm, mostly occurring in the July to September rainy season and supplemented by snow and frost occurring from November to March.

The area is well vegetated, consisting mostly of bushes, shrubs, ferns and trees. The local economy is based on agriculture (wheat, corn, tobacco, medicinal herbs) and mining. Agriculture is confined to the bottoms of the larger stream valleys and to the many terraced hillsides.

There are major power grids adjacent to the property and a power line extends to the project area. Adjacent to the TLP–LM property is a hydropower generating station at the dam that forms the Guxian Reservoir (Fig. 2). This reservoir is on the Luo–He River, a tributary to the Yellow River. Sufficient manpower is available to serve most exploration or mining operations.

6.0 HISTORY

Silver-lead mineralization has been known and mined in the TLP–LM area for several hundred years but documentation is available only for activities carried out since 1956. These activities include:

1956 to 1957: Regional 1:200,000 scale geological survey carried out by the Qinling Regional Geology Survey Team.

1960: Several magnetic anomalies were identified from airborne magnetic surveys at 1:100,000 and 1:200,000 scales carried out by the 902 and 905 Team of the Chinese Ministry of Geology.

1969 to 1973: The TLP–LM area was identified as being favorable for potentially large silver-lead deposits from a mineral exploration program in the Xionger Mountain region carried out by the No. 3 Team of Henan Geology and Mineral Resources Bureau.

1979 to 1980: The presence of silver-lead deposits in the TLP–LM area was confirmed by regional 1:50,000 scale geological mapping and systematic surface sampling carried out by the No. 1 Team of Henan Geology and Mineral Resources Bureau.

1983: Geochemical anomalies were identified from a 1:50,000 scale stream sediment geochemical survey carried out by the No. 5 Team of the Henan Bureau of Non-ferrous Metals Geology and Mineral Resources (HBMG&MR).

1985 to 1995: The TLP–LM area was claimed by the No. 6 Team of HBMG&MR which carried out a comprehensive mineral exploration program including topographical surveys, hydrogeology and geotechnical investigations, soil geochemical surveys, IP geophysical surveys, diamond drilling, tunneling, trenching, pitting, mineralogy study, specific gravity study and metallurgical testing.

In 1995, HBMG&MR completed a "Comprehensive Mineral Exploration and Geology Report" containing mineral resource estimates prepared using the Chinese National Resources and Reserves Standards as set by the Chinese Federal Government. The historical resource estimate was made using polygonal blocks constructed in long section, typical of methods used for thin tabular bodies of variable thickness and grade such as vein-type deposits.

The geologic model consists of steeply dipping veins that pinch and swell along fault structures, with swells ("shoots") controlled by fault curvatures and differential movement and the directions of movement along sets of conjugate faults. The resource model was built using surface trench data, drill hole data and underground tunnel data plotted on a series of close-spaced cross sections and projected longitudinal sections.

The parameters used in the HBMG&MR historical resource estimation include the following:

1. Minimum cut-off grade – 50 g/t for Ag and 0.7% for Pb.
2. Minimum thickness cut-off – 0.8 m.
3. Maximum internal waste thickness – 2 m.
4. Ore density (specific gravity) – 2.91 g/cm^3.

The average grade of the polygonal blocks was calculated by averaging all sample locations on the vein peripheral to the block. Tunnels and trenches were each treated as one sample. Any interpolations were based upon vein thickness and grade.

The HBMG&MR historical resource estimations, reviewed and approved by the Henan Mineral Resources and Reserve Committee in 1995, are listed in Tables 5 and 6 as follows:

Table 5: Historical Silver Resources, 1995

	Category	Tonnes	Average Thickness (m)	Ag (g/t)	Pb (%)	Ag contained tonnes	Pb contained tonnes
High Grade	C	1,802,592	4.34	287	3.59	517.32	64,693
	D	1,885,751	2.73	298	3.02	562.11	57,020
	C+D	**3,688,343**	**3.91**	**293**	**3.3**	**1,079.43**	**121,713**
Low Grade	C	367,971		65	1.04	23.95	3,813
	D	546,716		64	0.82	35.03	4,459
	C+D	**914,687**		**64**	**0.9**	**58.98**	**8,272**

Table 6: Historical Lead Resources, 1995

	Category	Tonnes	Pb (%)	Ag (g/t)	Pb Contained Tonnes	Ag Contained Tonnes
High Grade	C	222,516	2.05	26	4,559	5.79
	D	941,124	2.38	22	22,403	20.48
	C+D	**1,163,640**	**2.32**	**23**	**26,962**	**26.27**
Low Grade	C	489,365	1.02	22	4,986	10.76
	D	2,583,327	0.96	16	24,839	41.81
	C+D	**3,072,692**	**0.97**	**17**	**29,825**	**52.57**

The lettered resource categories "C" and "D" in the preceding tables are old style resource categories that were assigned only to areas defined as between "cut-off" surface sampling and "cut-off" underground sampling (above and below). These two categories appear to conform to the current Chinese government resource category known as "333" which, in turn, appears to conform generally to the term "indicated" as used in CIM Definition Standards (2004) required by Canadian National Instrument 43-101 (see Broili, 2004, for further explanation).

Cautionary statement: *Despite the category analogies discussed above, it should not be assumed that the resources listed above meet the CIM standards. The resources listed above are not current and are reported here for historical reasons only.*

1998 to 1999: The No. 6 Team of HBMG&MR and Luoning Xinghua Industry Co. Ltd signed an agreement to jointly explore the LM area. They completed "Mineral Resources Report for the Longmen Silver Mine area in Luoning, Henan" with a mineral resource estimate of 300,000 tonnes of D+E category material containing 57.25 tonnes of silver (18.46 tonnes of this would correspond to the indicated category).

1998 to 2006: A mining permit was issued to Tieluping Silver and Lead Mine of Luoning County to mine ore in the TLP area. The mine produced 450 tonnes/day of ore using shrinkage stoping methods. Ore was shipped to five 100-150 tonne/day conventional flotation mills producing lead concentrates. The mine was closed in December 2006 by the government due to health, safety and environment concerns. The mine is thought to have produced a total of 1.55 million tonnes during its operation, but no records were kept of the actual production or grades.

In 2002, a mining permit was issued to Luoning Xinda Mineral Products Trade Co. Ltd., which allowed Xinda to mine 30,000 tonnes of silver and lead ore. The mine used shrinkage stoping methods to extract ore mainly from the 990 m to 838 m levels. The ores were shipped to a local custom mill for processing using conventional flotation. The reported production for this operation is 120,206 tonnes of ore at grades averaging 257.06 g/t Ag and 7.04 % Pb.

7.0 GEOLOGICAL SETTING

7.1 Regional Geology

The TLP–LM project is within the Qinling orogenic belt, a 300-kilometer-long west-northwest trending ancient mountain belt (Figure 1). The Qinling orogenic belt was formed at the conjunction of two major crustal tectonic plates that collided during Paleozoic time. The tectonic plate to the north, the North China Precambrian plate, covers all of Henan Province; the tectonic plate to the south, the Yangtze plate, covers the southern half of Hubei Province which is the southern neighbor of Henan Province. Rocks along the Qinling orogenic belt are severely folded and broken by many faults, offering optimal structural conditions for forming mineral deposits. Several operating silver-lead-zinc mines, including the TLP–LM project, occur along this belt.

The basement beneath the Qinling orogenic belt consists of highly metamorphosed Archean-age rock units of the North China Precambrian tectonic plate, predominantly felsic to mafic gneisses with minor amphibolites, intrusive gabbros and diabases. The Qinling belt itself consists largely of Proterozoic- to Paleozoic-age sequences of mafic to felsic volcanic rocks interbedded with variable amounts of clastic and carbonate sedimentary rocks. These sequences have been weakly metamorphosed to lower greenschist facies, with local areas more strongly metamorphosed to lower amphibolite facies. The Qinling belt sequences and underlying basement rocks are intruded by mafic to felsic dikes and stocks of Proterozoic to Mesozoic ages and are overlain by non-metamorphosed Mesozoic- to Cenozoic-age sedimentary rock sequences, primarily marls and carbonaceous argillites locally capped by sandstone-conglomerate sequences.

Structures in the Qinling orogenic belt are dominated by west-northwest trending folds and faults generated when the two major tectonic plates collided in Paleozoic time. The faults consist of numerous thrusts having a component of oblique movement together with sets of conjugate shear zones that trend either northwest or northeast. These conjugate shear zones, which display features of brittle fracturing such as fault gouge, brecciation and well-defined slickensides, are associated with all the important mineralization recognized along the 300-kilometer Qinling orogenic belt. At least three important north-northeast trending mineralized fault sets are recognized in the TLP–LM project area: 1) the Heigou-Luan-Weimosi, deeply seated fault zone; 2) the Waxuezi-Qiaoduan fault zone; and 3) the Zhuyangguan-Xiaguan fault zone.

7.2 Local Geology

The TLP–LM project is along the eastern margin of a geologic sequence underlain by highly metamorphosed Archean-age basement rocks, mainly mafic to felsic gneisses derived from mafic to felsic volcanic and sedimentary rock units (Fig. 2, 3 and Appendix II). The lowest part of the basement gneiss sequence is about 1 km thick and consists of mafic gneiss with local gabbroic dikes and sills that trend north-northeast and dip 30° to 60° southeast. This sequence is overlain by a much thicker sequence of thin-bedded quartz-feldspar gneiss, which abuts Proterozoic-age andesitic greenstones on the north and west along a very high-angle (>70°) “detachment” fault-shear zone. The greenstones have been folded and dip steeply toward the northeast and southwest.

The basement rocks are locally intruded by small granite porphyry stocks of Proterozoic to Paleozoic age and are extensively cut by northeast-trending, high-angle, mostly west-dipping conjugate faults. The faults are occasionally filled with younger andesitic to basaltic diabase dikes, resulting in dike swarms. Continued movement on these faults has provided openings that are sites for all of the important silver-lead-zinc mineralization in the project area.

8.0 DEPOSIT TYPES

The targeted deposit types in the TLP–LM project are "mesothermal silver-lead-zinc veins" as described by Waldemar Lindgren (1933), more recently termed "Cordilleran vein type deposits" by Guilbert and Park (1986), "silver-lead-zinc veins in clastic meta-sedimentary terranes" by Beaudoin and Sangster (1992), or "polymetallic Ag-Pb-Zn±Au veins" by Lefebure and Church (1996). Mesothermal vein systems are formed at considerable depth (from 600 to 4,000 m or more) by hydrothermal processes in a temperature range of 200° to 300° C.

Classic deposits of this type include the Coeur d'Alene silver district in northern Idaho, U.S.A., one of the largest silver-lead-zinc districts in the world (Park & MacDiarmid, 1970). Other examples include the Kokanee Range and Keno Hill, Canada; the Harz Mountains and Freiberg, Germany; and Príbram, Czechoslovakia (Beaudoin and Sangster, 1992).

Common characteristics of these Ag-Pb-Zn vein systems are as follows:

1. Occur in almost any type of host rock, but typically in thick sequences of metamorphosed clastic sedimentary rocks or intermediate to felsic volcanic rocks (Lefebure and Church, 1996).

2. Usually occur in areas of strong structural deformation in brittle and brecciated rock units with mineralization in altered country rock parallel to anticlinal axes and faults (Park & MacDiarmid, 1970; Sorenson, 1951; McKinstry and Svendsen, 1942).

3. Often spatially or genetically proximal to igneous rocks, but not to intrusions related to porphyry-copper mineralization (Beaudoin and Sangster, 1992). Many veins are associated with dikes that follow the same structures (Lefebure and Church, 1996).

4. Exhibit strong structural control, generally occurring as steeply-dipping, narrow, tabular or splayed fissure veins, commonly as sets of parallel and offset veins. Individual veins range in width from centimeters up to more than 3 m, and are generally continuous for a few hundred meters to more than 1,000 m along strike and to depth. Widths can be up to 10 m or more in stockwork zones (Lefebure and Church, 1996).

5. Veins often display crustiform textures (mineral banding) (Bateman, 1951), locally with open space drusy quartz, cockade and/or colloform textures. Sulfides are confined to the veins and occur as granular masses, coarse-grained patches and/or disseminations.

6. Wall rock alteration is typically limited in extent – usually only a few to several meters – and consists of sericite, quartz, siderite, ankerite, pyrite and K-feldspar within or proximate to the veins, and chlorite, clay and calcite more distal to the veins.

7. Common ore minerals are galena (PbS), sphalerite (ZnS) and tetrahedrite $(Cu,Fe)_{12}Sb_4S_{13}$ with lesser amounts of chalcopyrite ($CuFeS_2$), pyrargyrite (Ag_3SbS_3) or other sulfosalts. Small amounts of acanthite (AgS_2) and native silver may occur but most silver in the veins is contained as inclusions in galena or tetrahedrite (silver-bearing tetrahedrite is also known as freibergite). Copper and gold may increase at depth. Common gangue minerals are quartz,

pyrite (FeS_2) and carbonate – usually siderite ($FeCO_3$) or ankerite (Ca (Fe, Mg, Mn) $(CO_3)_2$) with distal calcite (Park & MacDiarmid, 1970; Lefebure and Church, 1996).

8. In some cases, mineral zones are formed by multiple hydrothermal events or a telescoped single event rather than zoning about a single point (Beaudoin and Sangster, 1992).

9. Individual vein systems range from several hundred to several million tonnes grading from 5 to 1,500 g/t Ag, 0.5 to 20% Pb and 0.5 to 8% Zn, with exceptional veins being even richer. The larger vein systems are attractive targets because of their high grades and relatively easy metallurgical recovery (Lefebure and Church, 1996).

9.0 MINERALIZATION AND ALTERATION

The 6.37-square-kilometer TLP–LM project is crossed by numerous mesothermal silver-lead-zinc rich quartz-carbonate veins in steeply-dipping fault-fissure zones that cut Precambrian gneiss and greenstone (Fig. 3). At least 15 major mineralized vein structures have been identified and mapped in the TLP–LM area to date, while an equal number of smaller mineralized veins have been identified but have not yet been explored or developed (Fig. 4).

9.1 Vein Structure

The TLP–LM vein systems are structurally similar to those of the adjacent Ying project, occurring as steeply dipping fault-fissure zones that commonly trend northeast-southwest, less commonly north-south, and rarely east-west (Fig. 4). The veins at TLP all dip westward (Fig. 5) while the veins at LM dip steeply both east and west (Fig. 9). Prior mining and stoping at TLP indicate the mineralization along Vein II and I have a fairly shallow plunge toward the north. These structural zones extend for hundreds of meters to a thousand meters or more along strike. Altered andesite or diabase dikes together with fine-grained silica or quartz-carbonate veining occasionally fill these structures, or they may be expressed as discrete zones of altered bedrock (mainly gneiss) with local selvages of quartz-carbonate veinlets. From one-third to one-half of the structures exposed at the surface are conspicuously mineralized as well as altered.

9.2 Character Of Veins

The TLP–LM veins are mineralogically similar to the veins of the Ying project, with any mineral differences between the areas likely due to district-wide mineral zonation at different levels of exposure, analogous perhaps to the broad-scale zonation patterns observed in other mesothermal silver-lead-zinc districts such as the Coeur d'Alene district, U.S.A.

The 24 veins identified to date in the TLP–LM mines are all mineralized (Fig. 4). Underground sampling at various levels in the exploration and development workings along or across these veins indicates that a significant amount of the filling material in the vein is strongly mineralized and contains an average of approximately 30% galena, 1% chalcopyrite and 1% sphalerite over widths of 0.2 m to 1 m or more. Other metallic minerals present in much smaller amounts include pyrite and hematite together with very sparse amounts of the silver sulfide mineral, acanthite.

The metallic minerals are confined to the veins, occurring either as massive accumulations or disseminations. Much of the galena in the TLP–LM veins occurs in massive tabular lenses consisting of coarse crystalline aggregates to fine granular "steel galena" (see representative photos attached as Appendix III). These bodies can be up to 1 m thick and 100 m or more in vertical and horizontal dimensions.

Most of the silver in the TLP–LM veins is present as microscopic inclusions in the galena. It appears that silver-to-lead ratios are distinctly different between veins of the northern TLP area ("North Zone") and the southern TLP and LM area ("South Zone"). Based upon the 15 verification samples (Appendix I) for this Technical Report, the "South Zone" veins appear to have much higher silver-to-lead ratios (90 - 130 grams silver for each percent lead) than veins from the "North Zone" (5 - 15 grams silver for each percent lead), and proportionally less gold. We suggest this apparent difference could well be a result of zonation or level of exposure, however this observation is based upon a statistically very small number of samples and at least several hundred samples will be needed to confirm this zonation.

The gangue in the TLP–LM vein systems consists mostly of fine-grained silica with zones of quartz-carbonate minerals and occasional inclusions of altered wall-rock. The carbonate is dominantly ankerite, in contrast to siderite, which is the most common carbonate gangue mineral in many mesothermal silver-lead-zinc districts. In the Coeur d'Alene district, for example, siderite is closely associated with the sulfide ore minerals, whereas ankerite occurs farther away from the ore, and calcite is present as a distal carbonate mineral.

Wall rock alteration commonly consists of a myriad of quartz veinlets accompanied by sericite, chlorite, silicification and ankerite on fractures. The vein systems appear to persist or even strengthen at depth with many veins exposed in the underground workings often significantly richer in silver-lead-zinc than the same veins exposed at the surface. This suggests that the mineralization is either leached from the surface outcroppings or, more likely, is zoned and becomes richer at depth (Broili, et. al., 2006).

The veins occur in relatively permeable fault-fissure zones and are extensively oxidized from the surface to depths of about 80 m. Within this zone, the veins show many open spaces with conspicuous boxwork lattice textures resulting from the leaching and oxidation of sulfide minerals. Secondary minerals present in varying amounts in this zone include cerussite, malachite and limonite. Beneath this oxide zone, sulfide minerals are mixed with secondary oxide minerals in the vein, with sulfides becoming increasingly abundant downward to about 150 m depth, beyond which fresh sulfides are present with little or no oxidation.

The TLP system also contains some epithermal veins and veinlets. These veins contain abundant large vugs lined with carbonate and they either crosscut or follow some of the mesothermal filled structures.

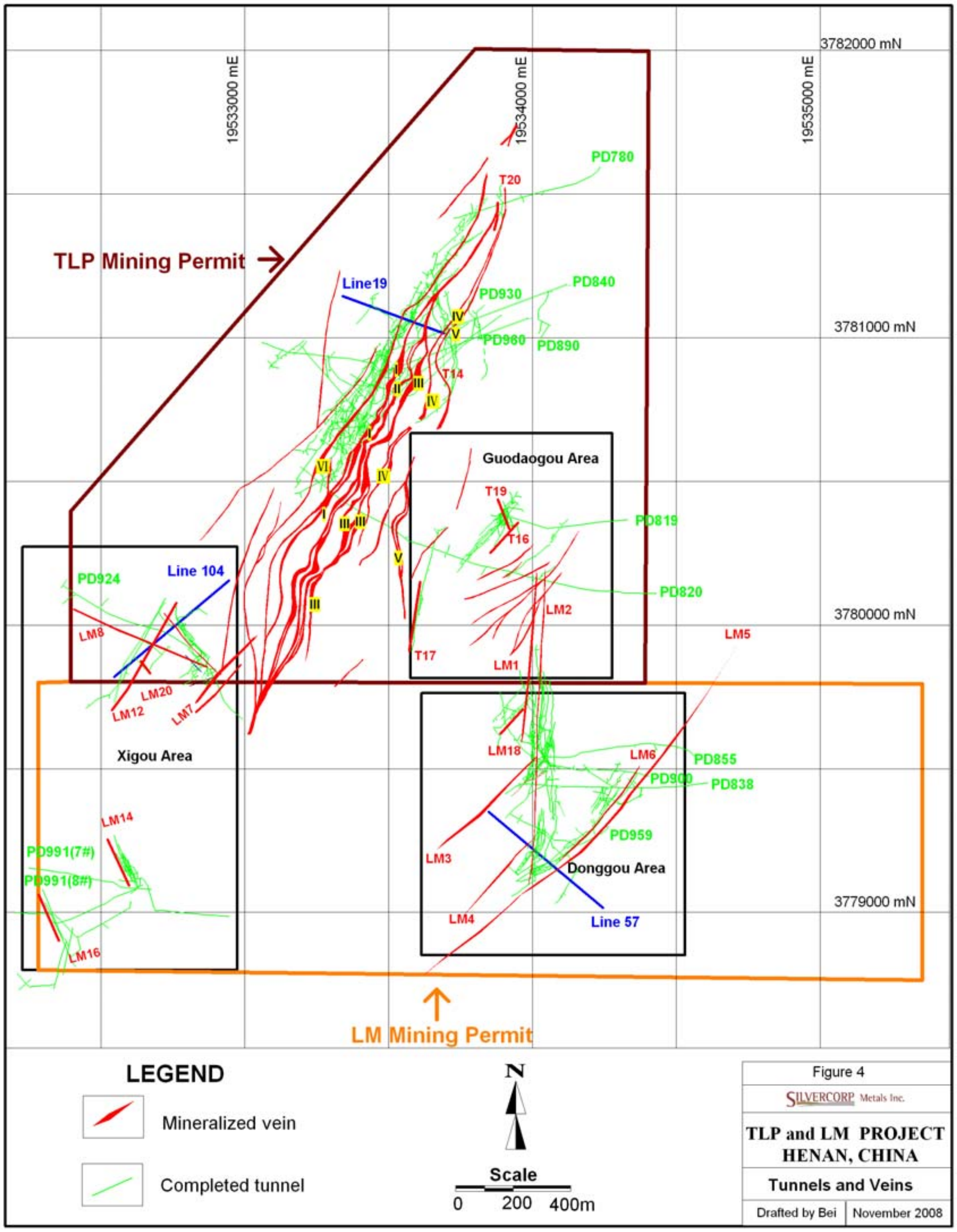


Figure 4: Tunnels and Veins

9.3 Detailed Mineralogy

During 1995, the Henan government's Brigade 6 team of the Henan Bureau of Geological Exploration on Non-Ferrous Metals conducted some mineralogical research on the TLP deposit. This research identified 55 minerals by the analysis of polished sections, thin sections, heavy placer minerals and X-ray diffraction. The minerals include 19 species of silver-lead minerals, 16 types of other metallic minerals and 10 varieties of non-metallic gangue minerals. The silver-lead minerals include native silver, argentite, polybasite, freibergite, canfieldite, proustite, cerargyrite, acanthite, bromchlorargyrite, cuprargyrite, pyrargyrite, silver-bearing tetrahedrite (freibergite), galena, boulangerite, cerussite, mimetite, bindheimite, anglesite, and lead-bearing manganite. Other metallic minerals include sphalerite, covellite, pyrite, chalcopyrite, chalcocite, tetrahedrite, malachite, chalcophanite, siderite, magnetite, goethite, hematite, jarosite, pyrolusite and psilomelane. The gangue minerals are quartz, sericite, dolomite, calcite, hornblende, chlorite, biotite, plagioclase, potash feldspars, muscovite, illite, fluorite and kaolinite with accessory minerals of rutile, zircon, barite, anatase, apatite and others.

Following is a table of the average mineralogy of the mined and blended ore:

Table 7: Average Mineralogy of the mined and blended ore

Mineral	（%）
Galena	2.1
Cerussite	0.5
Anglesite	0.2
Sphalerite	0.2
Chalcopyrite	0.1
Covellite	0.1
Pyrite	0.3
Hematite + Limonite	6.0
Carbonate Minerals	42.5
Quartz	30.0
Sericite	2.5
Biotite	4.5
Chlorite	4.0
Hornblende	2.0
Psilomelane	1.5
Clay Minerals	1.4
Feldspars	2.0
Organic Carbon	0.1

The most abundant ore mineral is galena, which ranges in size from coarse grained (1 - 1.5cm) to fine grained (0.1 - 1.5mm). Galena is the principal lead mineral and it contains some by-product silver. Electron-microscopy indicates that the silver in galena occurs as inclusions of silver minerals, primarily canfieldite with minor amounts of acanthite (originally argentite) and native silver. The second most important ore mineral is freibergite (silver-bearing tetrahedrite). Electron-probe analysis indicates the freibergite contains from 2.5% to 20.3% silver.

10.0 EXPLORATION

10.1 Historical Exploration

Historical activities occurring in the TLP-LM area prior to 1950 are undocumented and largely unknown. Starting in the 1950s, the new Chinese government encouraged the provincial governments to evaluate their provinces for mineral resources. It is estimated that from 1956 to 1999 approximately US$1.2 million was spent by various government agencies in exploring and developing the TLP-LM area and adjacent areas. This work consisted of the following:

1956-1980: Geological mapping at 1:200,000 scale by Henan Bureau of Geology and Mineral Resource

1967: Airborne magnetic survey of southwestern Henan by the Ministry of the Geology of China.

1968-1970: The Henan Bureau of Non-ferrous Metals Geology and Mineral Resources (HBMG&MR) checked mineral occurrences in the area, conducted 1:10,000 geophysical IP survey, conducted field surface engineering, and discovered mineralization of Ag, Au and other metals.

1984: The Henan Geological Exploration Corp. of Metallurgy compiled and published four mineralization maps of the district.

1991-1999: HBMG&MR completed:

- 1:50,000 scale stream sediment geochemical survey covering 9,680 km^2 in southwestern Henan province;
- 1:50,000 scale map of mineral occurrences focusing on Ag, Au and other metals;
- Geological exploration, starting in 1996, together with Geological Institute of Henan Bureau of Geology and Mineral Resources, discovered more mineral occurrences; and
- Systematic trenching and a few tunnels during 1992 to 1999.

10.2 Current Exploration

Silvercorp began detailed exploration/development activities in the TLP-LM area in December 2007, focusing on three separate target areas: north TLP, south TLP and LM. The work completed to March 2008 has largely been confined to tunneling and drilling programs, as described in detail in Chapter 11 of this report. This work has delineated the mined and stoped areas of the mine and outlined areas of the veins with remaining mineral resources. Underground exploration and development activities include expanding the workings on many veins.

Work updated to August 31, 2008, is summarized in Table 8 below:

Table 8: Current Exploration to August 31, 2008

TLP Mine		
Tunnel enlarging	2,332.2	m
Undercut drifting		
- Exploration drifting	4,646.0	m
- Production drifting	4,853.8	m
Raise	194.0	m
Underground drilling	5,343.6	m
Surface drilling	7,445.6	m
LM Mine		
Tunnel enlarging	none	
Undercut drifting		
- Exploration drifting	6,374.0	m
- Production drifting	2,619.0	m
Raise	287.8	m
Underground drilling	10,474.3	m
Surface drilling	2,480.9	m

11.0 TUNNELING AND DRILLING

11.1 Historical Tunneling and Drilling

Most of the historical exploration on the TLP–LM project was carried out by the No. 6 Team of HNGMB. Surface exploration drilling was difficult and expensive because of the area's high topographic relief, necessitating very long drill holes, and because of the lack of available drill rigs. Consequently, the projects were explored primarily by underground workings — tunnels, drifts, crosscuts and declines, typically about 2 x 2 m in size. These workings were used to follow the veins along strike, to intersect the veins at different depth levels and to provide stations for underground diamond core drilling designed to define down-dip extensions of the veins. Due to the pocket-like character of the high-grade mineralization and to inexpensive labor costs, this work proved to be the most effective and efficient exploration method to define geometry of the veins. The total amount of underground workings completed during this period — including adits, drifts, crosscuts, raises, inclines, declines and winzes — is unknown.

11.2 Current Tunneling and Drilling – TLP Area

Silvercorp's work at TLP has consisted of underground tunneling and sampling, tunnel expansion, and both surface and underground drilling. During the past eight months they have extended the underground workings by 9,694 m and drilling by 12,789 m. This work has defined 11 noteworthy veins compared to the six noted in April.

Most of these veins trend northeast and dip steeply to the west. A review of past production and current exploration indicates there is a shallow northward plunge of mineralization along T-2. A couple of veins strike nearly north-south including two recently discovered veins, T-14 and T-20, which represent a previously unrecognized new orientation.

T-1 Vein — This vein is one of the three main veins mined by the previous operator. It extends 35° northeast along strike for at least 1.5 km and up to 270 m at depth with a dip of 60° to 65° west. Mineralization occurs principally as silver-bearing galena. The highest grade drill hole intersecting the T-1 vein is ZK 1610 on section 16, with two samples hitting 479 g/t Ag and 0.63% Pb over an average width of 1.38 m. Underground channel samples hit grades up to 208 g/t Ag and 4.87 %Pb over 0.60 m widths on the 930m level.

T-2 Vein — This vein is exposed on all working levels and historically is one of the two most extensively mined veins (the other being T-3). It extends 35° northeast along strike for 1.6 km, dips 65° to 75° west, and averages 3.15 m in width. Mineralization occurs principally as silver-bearing galena with red hematite occurring at shallower depths. The vein is characterized by pinch-and-swell (boudinage) structure with local "swells" up to 19.21 m in width containing 353 g/t Ag and 5.34% Pb. The highest-grade drill hole, ZK1208, intersected 1,240 g/t Ag and 0.41% Pb over 1.02 m width. Underground channel samples hit grades up to 3,954 g/t Ag and 8.15% Pb with 6.275 g/t Au over 0.4 m width on the 800 m level, and recent tunneling on the same level has intersected 1,118 g/t Ag, 24.33% Pb, 0.27% Zn and 2.10 g/t Au over a width of 2.2 m.

T-3 Vein — This vein strikes 35° northeast, dips 65° to 75° west, and exhibits a pinch-and-swell structure identical to T-2. Mineralization occurs principally as silver-bearing galena with red hematite occurring at shallower depths. The highest grade drill hole on T-3 is ZK0008 on section 0 at the 900 m level, containing 2,630 g/t Ag and 27.1% Pb over a true width of 1.29 m. Underground channel samples on the 840 m level hit grades up to 643 g/t Ag and 8.44% Pb over a width of 0.4 m, and recent tunneling on the 725 m level has intersected 1,142 g/t Ag, 4.09% Pb, 0.38% Zn and 0.76 g/t Au over a width of 0.7 m.

T-4 Vein — This vein strikes 35° northeast, dips 60° to 70° west, and exhibits a pinch-and-swell structure identical to T-2 and T-3. It is 1.4 km long, extends down dip to 300 m depth, and averages 1.27 m in width. Mineralization occurs principally as silver-bearing galena. The best drill hole intercept, ZK1110, is 119 g/t Ag and 1.83% Pb over 5.03 m at 805 m elevation. Underground channel samples contain up to 1,366 g/t Ag and 3.84% Pb over 0.20 m on the 1,070 m sublevel, and recent tunneling on the 800 m level intersected 1,570 g/t Ag, 4.75% Pb, 0.18% Zn and 0.92 g/t Au over a width of 0.4 m.

T-5 Vein — This vein extends 35° northeast along strike for 1.5 km and 220 m to 320 m at depth, dipping 70° west. Mineralization occurs principally as silver-bearing galena. The vein is defined by trenching and underground channel sampling but has not been intersected as yet by drilling. The best trench sample contains 685 g/t Ag with 4.19% Pb over a width of 3.73 m, with underground channel samples hitting up to 460 g/t Ag and 24.61% Pb over a width of 0.52 m. Recent tunneling on the 725 m level intersected 342 g/t Ag, 17.21% Pb and 0.21% Zn over a width of 0.78 m.

T-6 Vein — This vein extends 35° northeast for 2 km along strike, dips 60° west, and averages 1.22 m in width. Drilling intersected the vein near 1,105 m elevation on section 3 hitting 250 g/t Ag and 1.8 % Pb over a width of 1.55 m. No channel samples have been taken.

T-14 Vein — This is a recently discovered vein that to date has been followed underground for only 210 m along strike on the 890 m level. The vein is a branch of the T-2 vein, strikes 350°

northward, dips 80° east and is open for exploration both along strike and dip. The vein ranges from 0.2 to 1.0 m in width with silver-bearing massive to semi-massive galena identified for at least 100 m along strike. Channel samples across the vein contain up to 1,235 g/t Ag and 9.03% Pb over a width of 0.60 m. The vein has not yet been intersected by any diamond drill hole.

T-16 Vein — Exploration has just started on this vein, another newly discovered vein located 300 m east of the main TLP vein set (Veins T-1 through T-6 and T-14) in the Guodaogou anomaly area. Lead and zinc mineralization have been identified in adits in the adjacent valley, with a recent channel sample containing 4,106 g/t Ag, 45.5%Pb and 2.21% Zn over a width of 0.5 m. The vein strikes 48° northeast, dips 76° northwest and apparently has been mined for a length of 250 m above the 820 m level and below to the 730 m level. Galena is the principal ore mineral.

T-17 Vein — This is another newly discovered vein in the Guodaogou anomaly area, 300 m east of main TLP vein set. It strikes 195° southward and dips 85° west. The best channel sample intersected 433 g/t Ag and 8.45% Pb over a width of 0.6 m on the 820 m level, with two other channel samples from the same level intersecting 252 g/t Ag and 2.89% Pb over a width of 1.1 m. Grab samples from a 0.5-meter wide zone on this level contain up to 923 g/t Ag and 4.87% Pb. Recent tunneling on the 820 m level has intersected 905 g/t Ag, 11.80% Pb, 1.28% Zn and 0.13% Cu over a width of 0.55 m.

T-19 Vein — Another newly discovered vein in the Guodaogou anomaly area, this vein strikes 158° southeast and dips 68° northeast. Two channel samples from the 189 m level intersected good mineralization, one sample returning 181 g/t Ag and 4.95% Pb over a width of 0.6 m, the other returning 552 g/t Ag and 0.84% Pb over a width of 0.3 m. Recent tunneling on the 819 m level intersected 181 g/t Ag and 41.95% Pb over a width of 0.60 m.

T-20 Vein — This newly discovered vein is in the northern area of the TLP mining permit. It strikes 351° northward, dips 84° east, and ranges from 0.10 to 0.75 m in width. Mineralization has been traced along strike for 120 m and consists of silver-rich galena and sphalerite. This vein contains notably more sphalerite (zinc) than other veins at TLP mine and averages 1.46% Zn along 90 m of strike length. Underground channel samples from the 780 m level intersected up to 1,764 g/t Ag, 18.64% Pb, 3.03% Zn and 0.163% Cu across a width of 0.30 m.

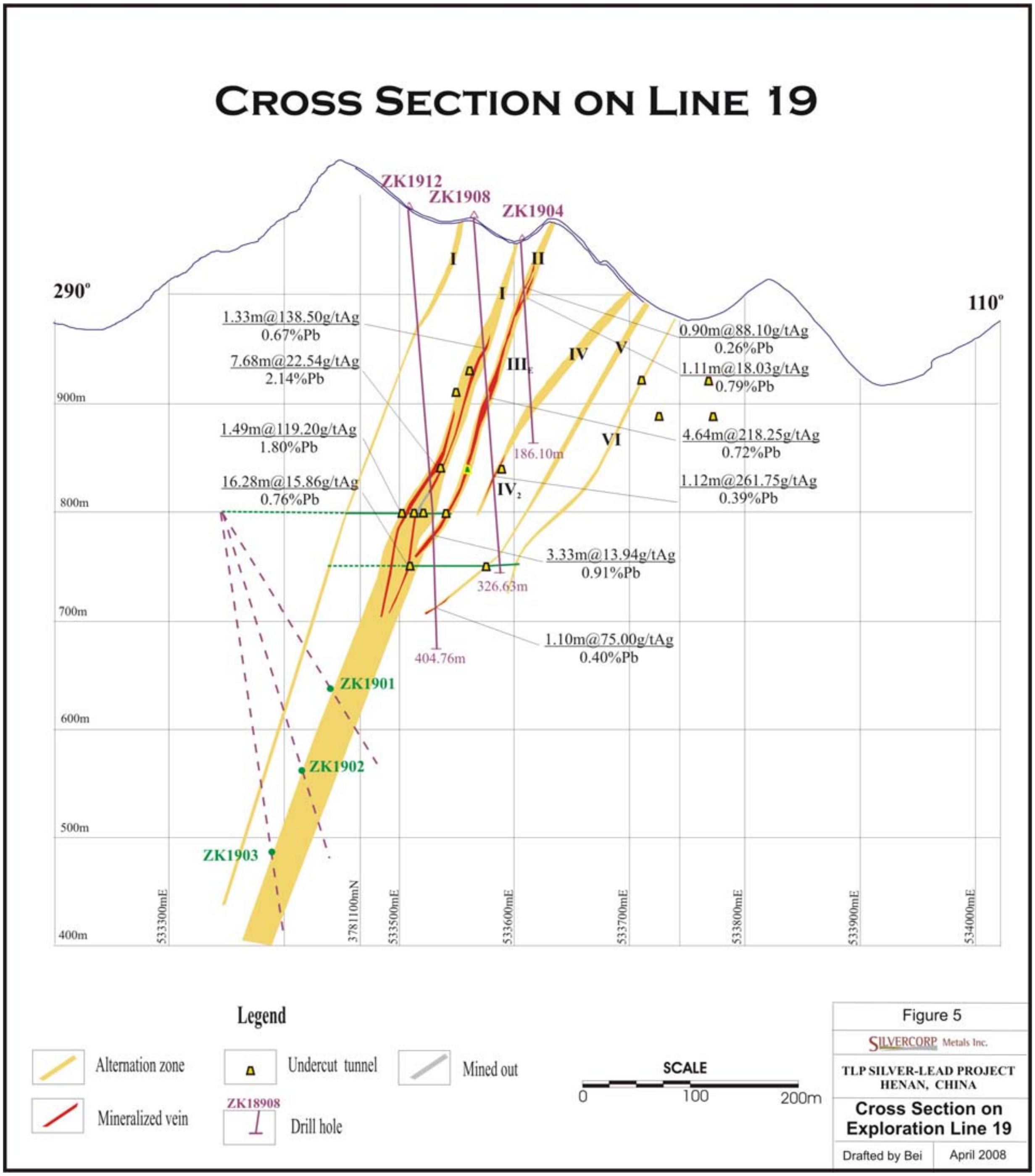


Figure 5: Cross Section on Exploration Line 19

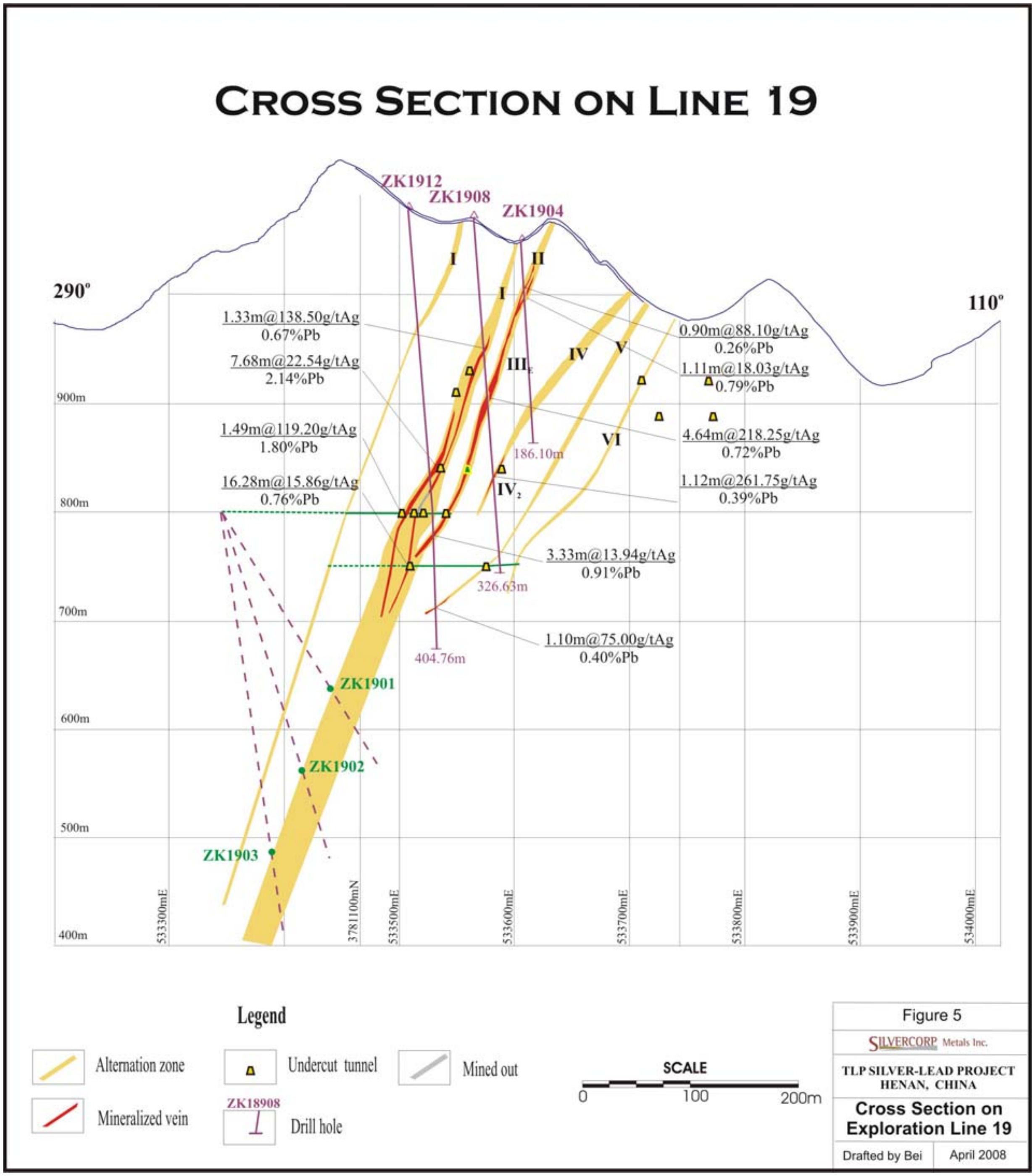


Figure 6: Cross Section on Exploration Line 19

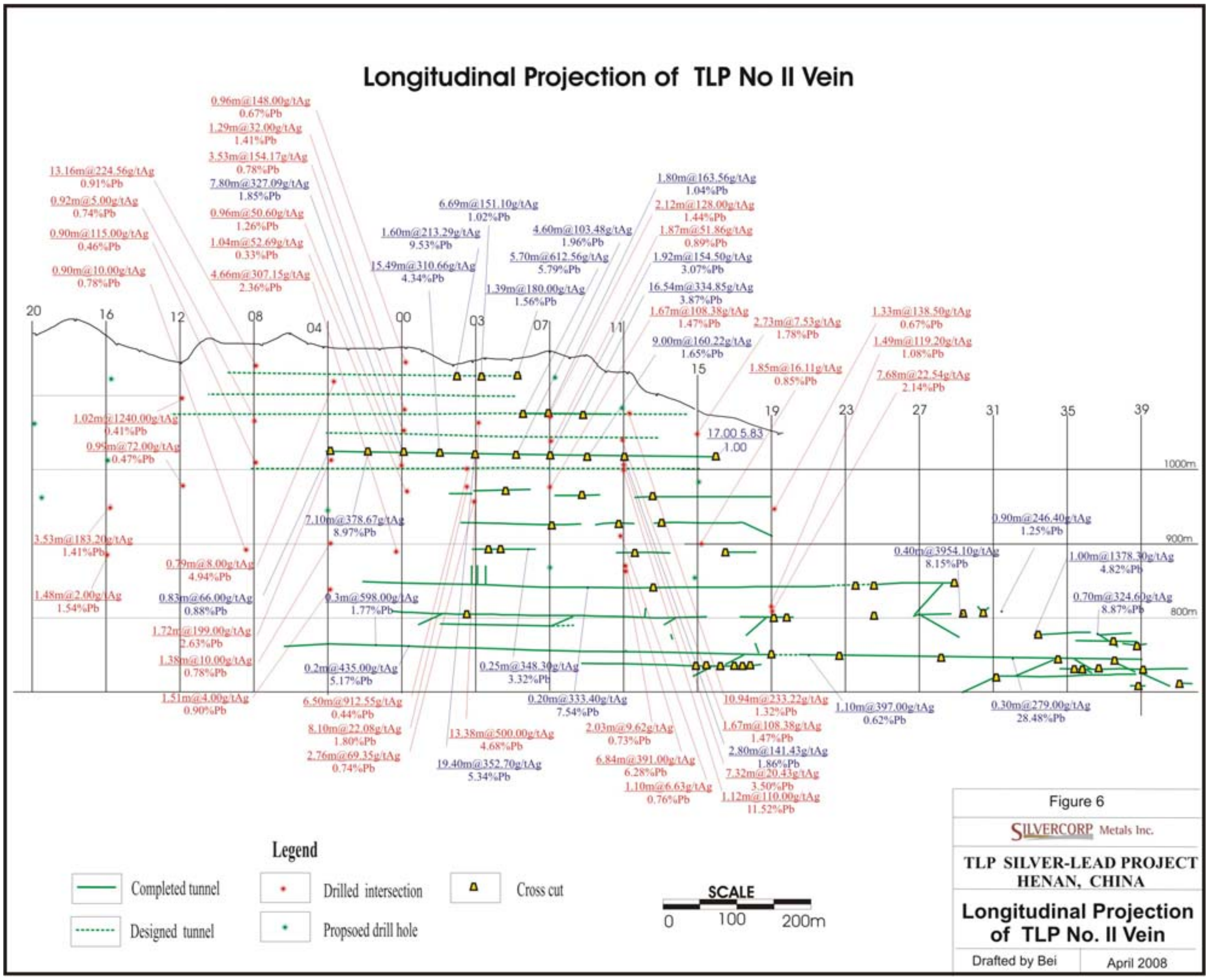


Figure 7: Longitudinal Projection of TLP No. II Vein

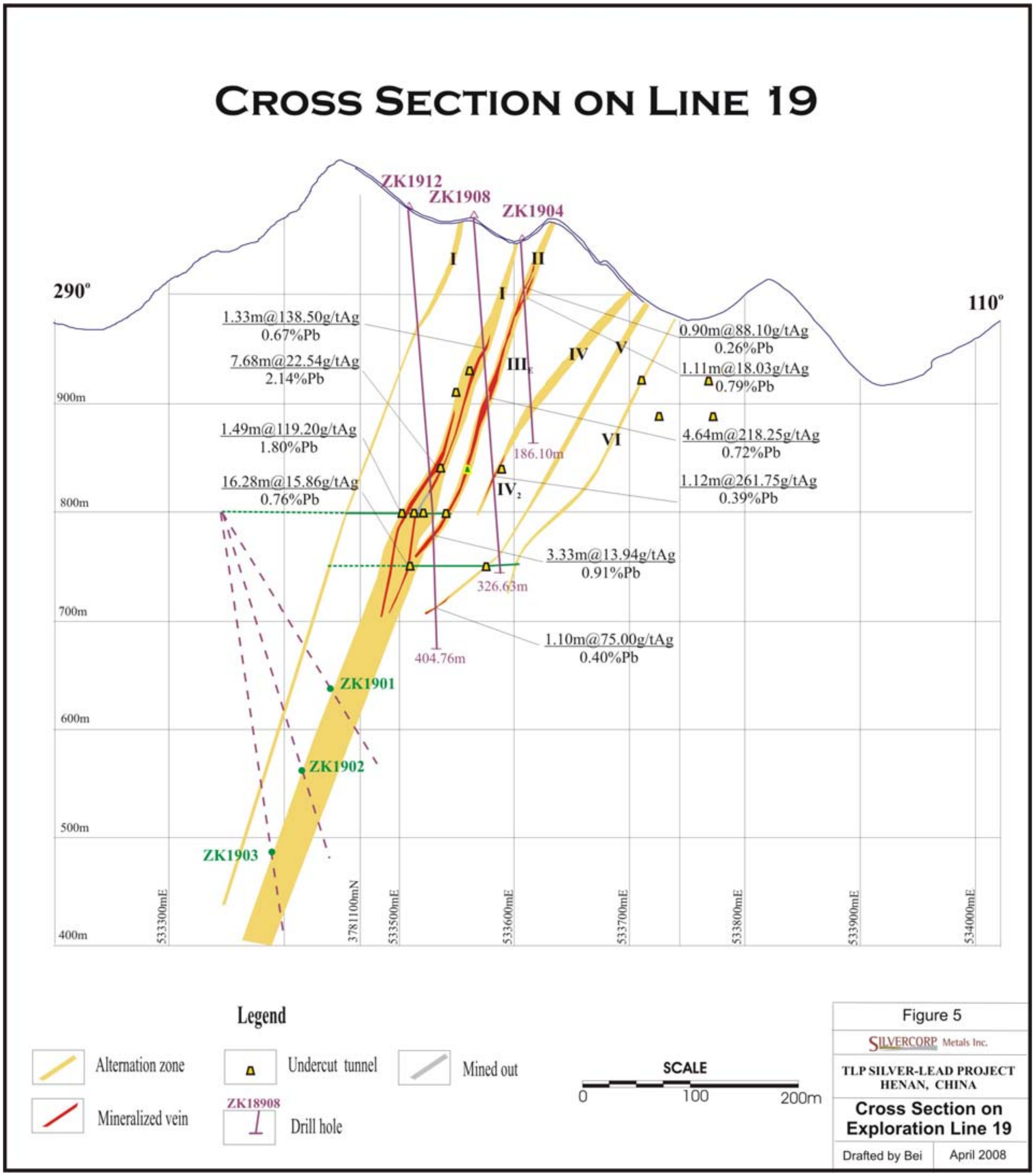


Figure 8: Cross Section on Exploration Line 19

11.3 Current Tunneling and Drilling – LM Area

Silvercorp's work at LM has consisted of underground tunneling and sampling, tunnel expansion, and both surface and underground drilling. During the past eight months, Silvercorp has extended the underground workings by 9,281 m and increased drilling by 12,955 m. This work has defined 13 noteworthy veins compared to the 12 noted in April. Results of much of this work are shown in figures 7, 8 and 10. The following is a vein-by-vein description of recent results:

LM-1 Vein — This vein extends for 250 m in a north-south strike direction, dips 70-80º west, and ranges from 0.2 to 0.8 m in width. The vein was discovered with tunneling at the 915 m, 875 m, and 855 m levels. Drifts through access tunnel PD855 at the 855 m level exposed a high-grade pocket containing 199 to 747 g/t Ag and 0.32 to 12.58% Pb over a width of 0.35 m. On the 838 m level, the vein ranges from 0.10 to 0.4 m in width and contains from 233 to 1,720g/t Ag and 0.81 to 9.72% Pb. Recent tunneling on the 915 m level intersected 2,434.90 g/t Ag, 5.56% Pb and 0.75% Zn over 0.20 m width in a portion of the vein.

LM-2 Vein — This is one of the largest veins yet discovered on the property. It extends for more than 1,100 m along strike in a north-south direction, dips 45° to 80º east and ranges from 0.1 to 1.7 m in width. The vein crops out above the 1,100 m elevation at surface and extends downward to the 764 m elevation level where it has been intersected by drill hole ZK402. It has been explored with 741 m of drifting along the vein on the 838 m, 830 m, 915 m and 968 m levels accessed through the PD838 and PD900 tunnels, with 137 m of crosscuts, and with four drill holes. Three high-grade pockets have been defined, ranging from 50 to 70 m in length, 0.10 to 1.05 m in width, and extending down dip to depth for at least 160 m. Tunneling on the 900 m level intersected 1,285g/t Ag and 11.78% Pb over a width of 0.50 m. Higher grades have been intersected on three other levels, including 2,400g/t Ag, 2.26% Pb over 0.40 m width on the 838 m level; 1,136g/t Ag and 3.82% Pb over 0.5 m width on the 915m level; and 1,646g/t Ag and 2.63% Pb over 0.55 m width on the 959 m level.

LM-3 Vein — This vein extends northeast for 500 m on strike, dips steeply northwest and ranges from 0.2 to 0.7 m in width. It is exposed on the surface above the 1,150 m elevation and was first intersected by a drill hole at 748 m elevation. Silvercorp has since intersected the vein with four additional drill holes, three of which intersected from 92 to 559 g/t Ag. Tunneling by the previous operator includes 773 m of drifting along the vein at the 830 m, 842 m, 862 m, 780 m, 900 m, and 914 m levels through main access tunnels PD838, PD855 and PD900. Recent tunneling on the 838 m level intersected 1,169 g/t Ag and 13.87% Pb over a width of 0.50 m. The vein is also exposed in an inclined shaft drifting on the 830 m level where it contains 1,450 to 2,100.25g/t Ag and 6.17 to 34.28% Pb over widths of 0.6 to 1.8 m.

LM-4 Vein — This vein is parallel to LM-3 and extends for almost 400 m along strike, dips 65 º to 75º northwest, and is from 0.2 to 0.4 m wide. One high-grade pocket more than 20 m long contained 128 to 2,231 g/t Ag and 0.43 to 11.28% Pb. A 136 m long drift on the 915 m level was extended along the vein by the previous operator through main access tunnel PD900. Tunneling on the 915 m level intersected 2,231 g/t Ag, 4.40% Pb and 2.09% Zn over a width of 0.2 m.

LM-5 Vein — This vein is 1,500 m long, strikes northeast and dips 60º to 75º northwest. Exploration has been focused on the 838 m level, including 114 m of drifting and 147 m of crosscuts through main access tunnel PD900. The vein is 0.15 to 1.0 m wide and contains 23 to 3,310 g/t Ag and 0.91% to 14.48% Pb. Tunneling on the 838 m level intersected 3,310 g/t Ag and 4.70% Pb over a width of 0.20 m, and drill hole ZK51A02 intersected 1021.8 g/t Ag and 1.15% Pb over a width of 1.41 m.

LM-6 Vei*n* — This vein is 30 m west and parallel to LM-5. It is about 550 m long and dips steeply northwest. Tunneling on the 838 m level has intersected 50 to 1,217 g/t Ag, 1.03 to 10.43% Pb and 0.28 to 2.49% Zn over widths of 0.2 to 0.55 m.

LM-7 Vein — This is a silver-rich vein containing very little lead. It is 500 m long, strikes northeast, dips 45° to 50° northwest and is up to 10 m wide. The vein has been explored by tunneling, including 25 m of drift on the 924 m level and 8 m of drift at the 870 m level through main access tunnel PD924. Tunneling on the 870 m level encountered 485 g/t Ag and 3.94% Pb over widths of 1.60 m.

LM-8 Vei*n* — This is one of main veins in Xigou area (west section of LM). It contains high-grade silver, a moderate amount of lead and minor zinc. The vein is more than 500 m long, dips steeply southwest, is from 0.1 to 1.7 m wide, and is cut off by the LM-7 vein at its southeast end. It is exposed for more than 200 m along strike and more than 180 m down dip on the 924 m, 900 m, and 860 m levels. Tunneling on the 900 m level intersected 2,288 g/t Ag and 0.40% Pb over a width of 0.70 m. Diamond drill hole ZK10201 on section 102 intersected 1,595 g/t Ag and 2.98% Pb over a width of 0.50 m at the 780 m elevation. More than 49 m of drift and three drill holes have been completed along the vein. One hole (ZK10202) LM-8-3 intersected 903 g/t Ag and 2.05% Pb over a width of 0.31 m at the 763 m level. The second and third holes hit only vein structures.

LM-8, LM-8-1 and LM-8-2 Veins — These are three high-grade silver veins which have been intersected by drill hole ZK 10201. LM-8, which is 8 m east of the main LM-8 vein, is 0.31 m wide and contains 1,595 g/t Ag and 2.98% Pb. LM-8-1, 22 m east of LM-8, is 1.12 m wide and contains 374 g/t Ag and 1.48% Pb. LM-8-2, 36 m west of LM-8, is 0.68 m wide and contains 454 g/t Ag and 0.43% Pb. These three veins are not exposed on the surface and their dimensions have yet to be determined. Additional tunneling and extra drill holes will be necessary to define their strike and dip dimensions.

LM-12 Vein — This vein is revealed only by tunneling on the 924 m level through main access tunnel PD924. It trends northeasterly and dips 65º northwest. A 457 m long drift developed along the strike of the vein intersected three high-grade pockets totaling 112 m in length with an average width of 0.37 m. The vein contains high-grade silver with moderate amounts of lead and zinc. The best sample on the 924 m level contains 1,896 g/t Ag, 4.19% Pb and 0.88% Zn over a width of 0.60 m.

LM-14 Vein — This vein extends for 320 m on the surface with a northwest strike and dips 70º northeast. A total of 171 m of drifting follows the vein on the 975 m, 960 m, and 916 m levels through access tunnel PD7 and PD8. Tunneling defines a high-grade silver-lead pocket extending 70 m along the 970 m level and 30 m along the 916 m level. The vein varies from 0.25 to 0.70 m in width. Tunneling has intersected 1,568 g/t Ag, 3.36% Pb and 1.93% Zn over a width of 0.60 m on the 916 m level and 816 g/t Ag, 28.10% Pb and 0.40% Zn over a width of 0.55 m on the 972 m level.

LM-16 Vein — This vein, which is not exposed on the surface, has been followed underground on the 916 m level for 44 m along strike. It trends northwest, dips 65° to 70° northeast, and averages 0.50 m in width. Tunneling on the 916 m level intersected 1,289 g/t Ag, 1.88% Pb and 0.10% Zn over a width of 0.70 m.

LM-18 Vein — Discovered by tunneling on the 968 m and 915 m levels through access tunnels PD968 and PD900, respectively, this vein trends northeast, parallel to the LM-3 vein, and dips 60 to 75º northwest. It has been explored by recent tunneling, including 83 m of drifting on the 968 m level and 238 m of crosscutting on the 915 m level. Significant silver-lead mineralization was intersected on the 968 m level with grades ranging from 173 to 849 g/t Ag and 0.91 to 7.77% Pb over widths of 0.2 to 0.4 m.

LM-20 Vein — This is a new vein discovered by drill hole ZK10202 at the 860 m level. The hole intersected 1,509 g/t Ag and 5.93% Pb over a width of 0.47 m.

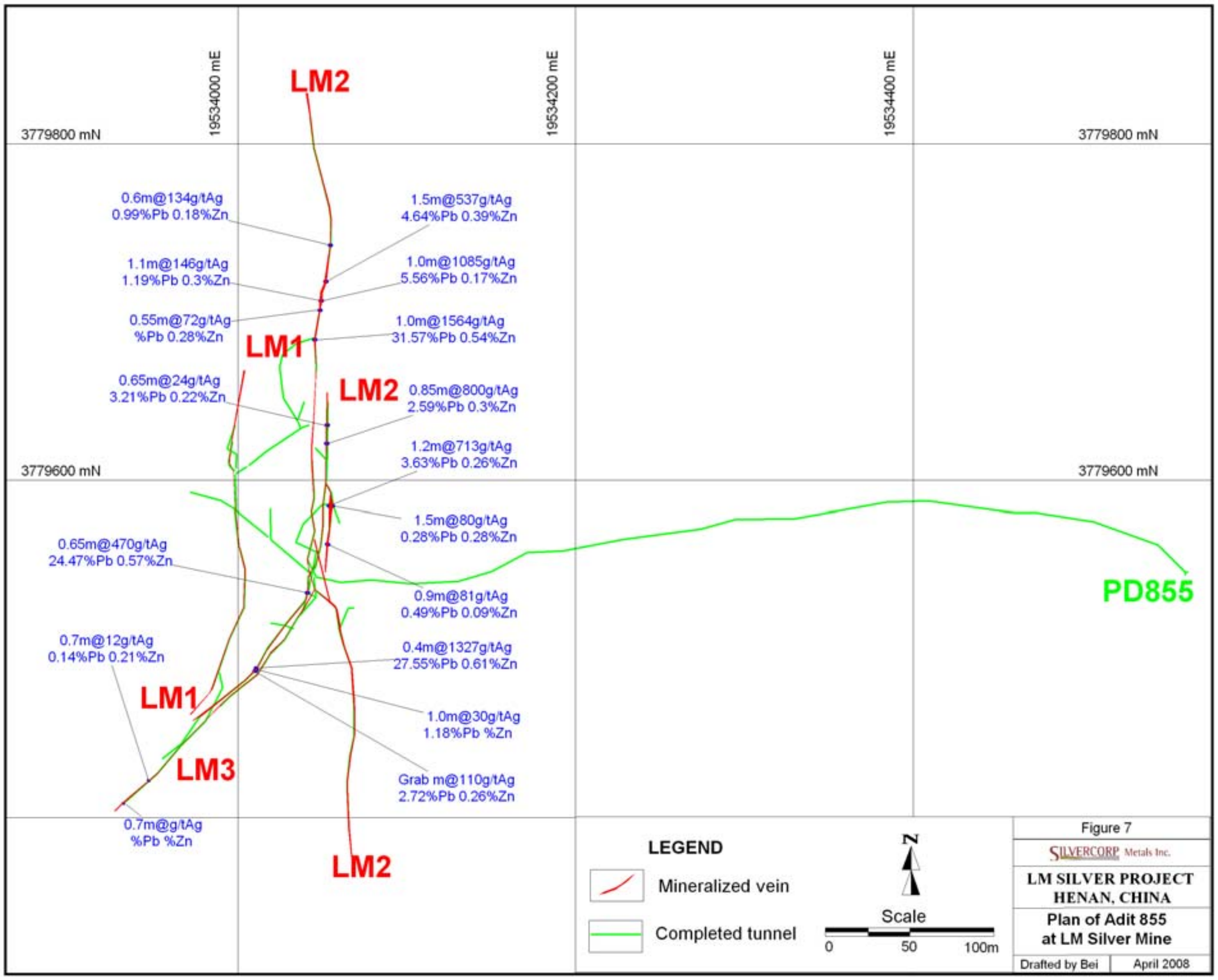


Figure 9: Plan of Adit 855 at LM Silver Mine

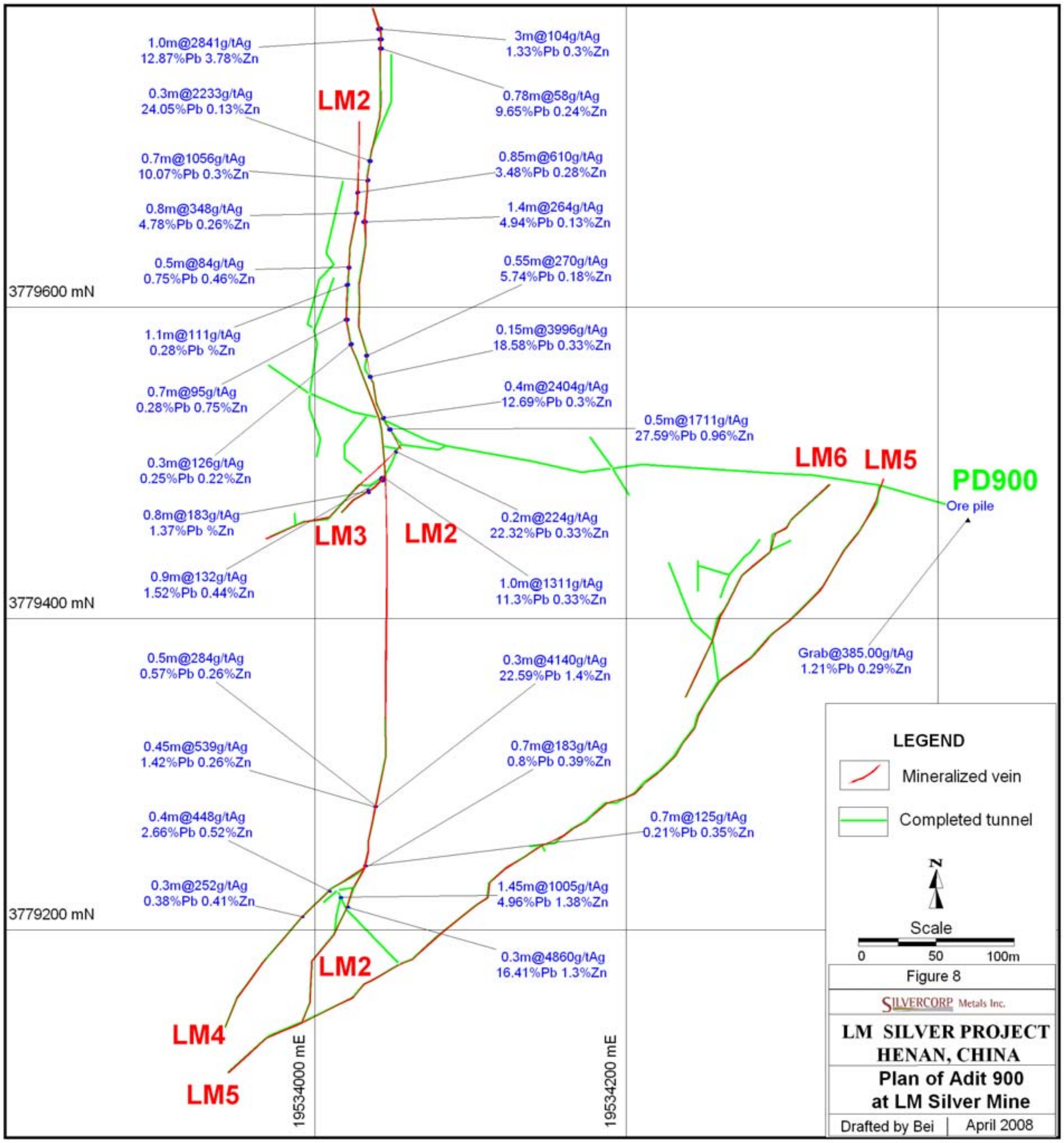


Figure 10: Plan of Adit 900 at LM Silver Mine

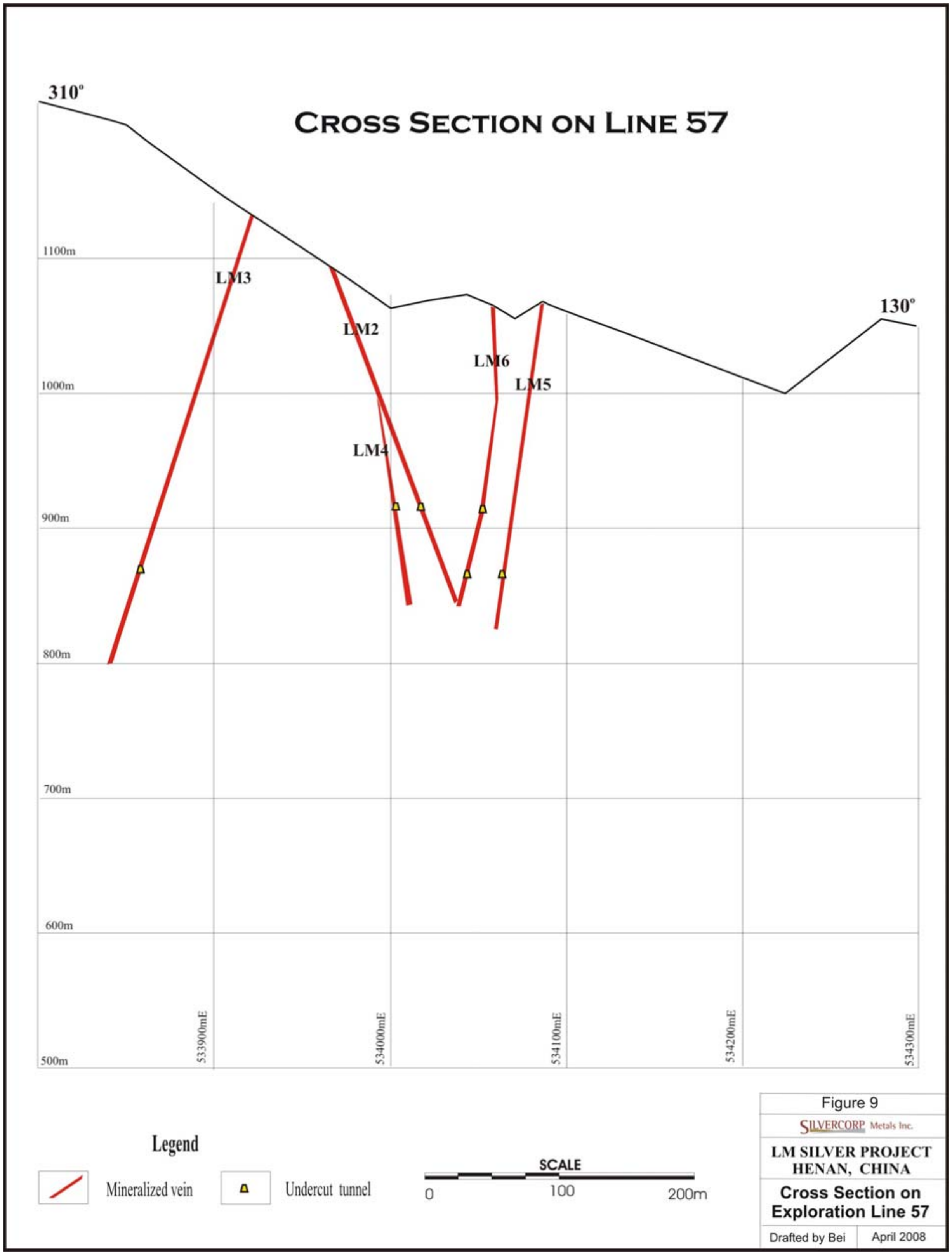


Figure 11: Cross Section on Exploration Line 57

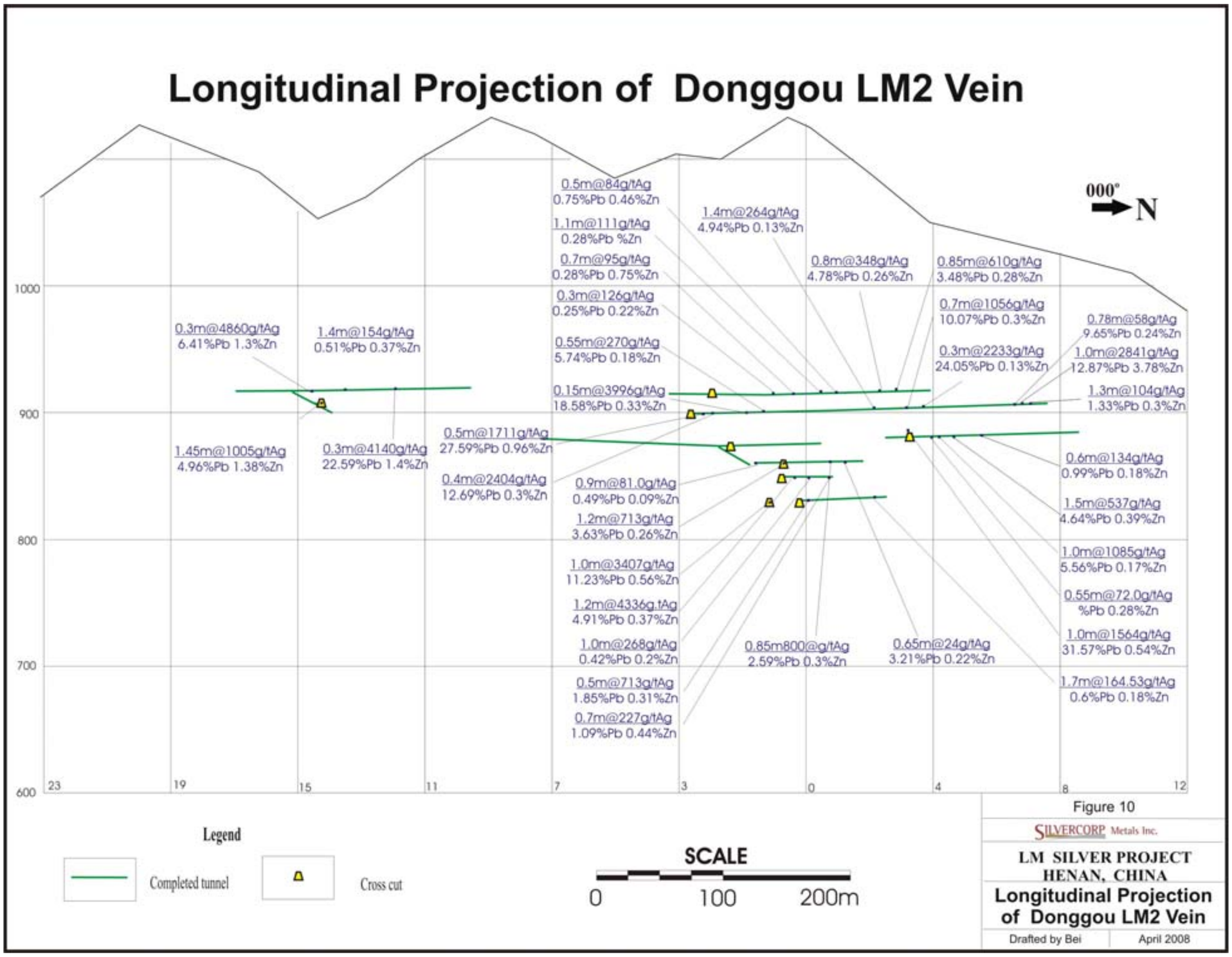


Figure 12: Longitudinal Projection of Donggou LM2 Vein

12.0 SAMPLING METHOD AND APPROACH

12.1 Historical and Company Sampling

Silvercorp prepared underground plan (or level) maps and transverse and longitudinal sections of the TLP and LM mines for this examination by incorporating current and historic sampling and assaying results. The locations and widths of mineralized veins in underground mine workings are posted on the maps and sections. Some of the maps also provide Ag-Pb-Zn assay results along the veins. These maps were made available and inspected during our January site visit and subsequent data reviews.

Historical and current work consists of sampling and assaying of rock outcrops and tunnels from the underground mines on the property. Several Chinese government geological teams carried out the historical exploration in a highly professional manner under guidelines established by the Chinese government. Channel samples were collected in surface trenches, bedrock outcrops, and underground tunnels and adits. Samples were cut across the true width of the vein in channels 10 cm wide and 5 cm deep, yielding approximately 3 to 15 kg of material for each 0.3 to 1.2 m interval, depending on width of the mineralized vein. Drill cores from mineralized zones in the TLP–LM area were split by sawing one piece of core at a time with one half placed in the core box for archival purposes and the other half bagged for shipment to a laboratory for assay.

The myriad of fault-fissure structures that cut the gneissic bedrock of the TLP–LM area are not everywhere mineralized. Veins occur only intermittently along these structures, appearing and disappearing along strike and dip. Silvercorp's exploration consists of horizontal tunneling along the veins with raises or inclines driven to access the veins at other elevations, and by core drilling to intersect the veins at other strategic locations. Such methods are typical of those commonly used elsewhere in the world to explore for similar type vein deposits. Our examination of Silvercorp's exploration program at TLP–LM indicates this work is being competently done.

The following is a statistical summary of Silvercorp's development and sampling efforts, current as of August 31, 2008:

Table 9: Development and Sampling Efforts

	TLP	LM
Diamond core holes	36	53
Meters of drill core	12,789	12,955
Meters of new UG development drifting	9,499	8,993
Total meters new & historical tunneling	52,951	28,469
Number of core samples	1,284	1,656
Number of channel samples	6,081	2,991
Total samples	7,365	4,647

This statistical summary was not available for the TLP mine at the time of our January 2008 site visit but these updated statistics appear quite reasonable based on our visit and the information subsequently supplied to us.

We have little firsthand knowledge of the sampling activities or the sampling methods previously mentioned, but our on-site inspection indicated that previous workers had indeed collected samples at approximately 5 m intervals for assay along veins and outcrops within the TLP–LM area as indicated on the existing maps and sections. We observed core drilling underway at the surface and in the underground workings during our January 2008 site visit; however, we did not examine any drill data or drill core data from these properties.

We have no personal knowledge of the conduct, supervision, controls, sample preparation, analysis or security of samples collected by the company or personal knowledge of any possible sampling biases, core drilling, core recovery, storage and shipment of core, trench or tunnel sampling, control, supervision, or nature of developments made by others and have relied on the company-prepared descriptions provided above.

Drill core recoveries at TLP–LM are influenced by rock lithology. The rock appears to be quite competent, as the mine requires no artificial support for underground adits, drifts, inclines, stopes or raises, even over several large expanses. An exception is wider fault zones where wood supports are sometimes necessary to support the broken ground. The considerable rock strength allows a rapid rate of progress in driving the underground workings and contributes to a more efficient extraction of ore. This in turn likely reduces the cost of extracting the ore. Based upon these factors, drill core recoveries are usually quite good.

Mr. Moran, P.Eng., and one of the co-authors of this report have provided a statistical update of core recovery up to August 31, 2008, for drilling completed up to that time.

12.2 Verification Sampling

One of the authors, C. Broili, and a former author, D. Boleneus, conducted verification sampling during their visit to the TLP–LM project in January 9-13, 2008. Mr. Broili and Mr. Boleneus are both qualified independent persons as currently defined by NI 43-101. During the site visit we collected a total of 15 verification samples from selected points across the veins accessed from the adit level entries identified as PD 730, PD 800 and PD 924 of the TLP mine and across the veins accessed from the adit level entries identified as PD 838 and PD 915 of the LM mine.

These vein verification samples were collected to verify and compare with the assay grades and widths posted on Silvercorp’s level maps. Our sampling consisted of continuous chip samples across the true width of the veins except for a few discontinuous chip samples collected across the veins as noted in our sample description sheet attached to this report in Appendix II. The sampling consisted of 1 to 4 cm sized chips of rock collected continuously or discontinuously along a line perpendicular to the strike of the vein. The sampled veins ranged from 0.1 to 2.5 m in width, with each sample weighing 1 to 5 kg for each 0.1 to 1 m interval. The veins consisted of quartz and carbonate minerals mixed with various sulfide minerals. The sulfide minerals are either massive or disseminated, have a bright metallic luster and are readily distinguished from non-mineralized wall rock. There is no reason to suspect sampling bias using these methods. Each sampled location was photographed.

Silvercorp's level maps all use geologic symbols to show location and thickness of various sample sites, but only some have thickness and tenor of vein intercepts posted on the maps whereas others do not, as listed in the following Table 10:

Table 10: Some Level Maps and BK Sample Numbers

The following maps provided by Silvercorp Metals:	Level map	BK sample numbers
(1) Showed vein intercepts and assay values posted on these maps:	TLP level map 924 (also shows levels 900 and 860)	BK-08, -09, -10, -11
	LM level map PD900	BK-13, -14
	LM level map PD838	BK-5, -16)
(2) Did not show vein intercepts and assay values posted on these maps:	TLP level map PD730	BK-01, -02, -06, -07
	TLP level map PD710	BK-03
	TLP level map PD720	BK-04, -05
	TLP level map PD800	BK-12)

The results of our verification sampling closely approximate the assay values on the maps for which values were posted, i.e. the samples in group (1) of the above table. The other verification samples, group (2) above, verified only the presence of the vein as represented by geologic symbols on the level maps.

Mine entry locations were documented by Garmin GPS unit, which has an accuracy of plus or minus 10 m. The GPS receiver records the northing and easting coordinates in meters based on a UTM (Universal Transverse Mercator) grid position format and a map datum of WGS 1984.

12.2.1 Verification of Resource Data & Calculations by VMPL Personnel

Mr. Moran of Vetrin Mine Planners visited the TLP and LM project site between October 5 - 11 of 2008. Tours were made to several levels of the LM mine site and to the 730 m level of the TLP mine. A review of the methodology and accuracy of the resource calculation for the TLP and LM projects was preformed in order to validate volumes, sample locations and grades.

A random selection of 16 blocks within veins II and III of the TLP resource and 1 block of the #17 vein contained within the LM resource were selected for evaluation with the results summarized in the following Table 11.

Four sample locations, two from each of veins II and III, were located underground to visually confirm their locations relative to their placement on the resource maps and to confirm the published vein widths. Photos of the results are contained in Photo III-1 to Photo III-3 in Appendix III.

The indicated Block 84 of vein II contained diamond drill hole #ZKT 5701 as the one source of data used to compile the block volume and grade. The diamond drill core for this hole was located and photos of the core are contained in Photo III-4 in Appendix III. The assays published for this diamond drill hole indicated the presence of copper (0.03%). Chalcopyrite was observed within the sawn half of the core to confirm the presence of copper.

A request was made to provide assay certificates from a certified assay lab. Five random resource blocks were selected and the Silvercorp compiled sample number was broken down to the individual assay numbers. The assay certificates for these individual samples were requested to confirm both the source of the lab and that the transfer of the assay results was accurate.

Table 11 summarizes the discoveries made during this validation process. Mr. Moran found the resource volumes and sample locations of the randomly selected resource blocks to be accurately represented in the resource tables and maps provided by the Silvercorp staff. The percentage of assay certificates provided range from 20% to 45% of the total assays used to compile the five designated resource blocks.

Table 11: Data Verification

#17 Vein - LM Deposit

Resource Block	Resource Type	Area	Thickness	SG	Tonnes	# Samples	Ag	Pb.	Zn	Comments
							gms	%	%	
Block #1	Indicated	5,309	0.64	2.95	10,023	820 - K76	15.0	0.31	0	Tonnage calc. verified,
						820 - K56	45.0	1.20	0.18	
						820 - K36	63.0	2.49	0	

#3 Vein - TLP Deposit

Resource Block	Resource Type	Area	Thickness	SG	Tonnes	# Samples	Ag	Pb.	Zn	Comments
Block #44	Indicated	4,292	3.95	2.88	48,826	3 chips	124.85	1.7	0	Tonnage calc. verified,
Block #66	Indicated	13,000	1.76	2.95	67,496	9 chips	138.66	2.28	0.16	Tonnage calc. verified, 5 out of 19 assay certificates provided - G0539878 thru to G0539881
Block #46	Indicated	13,600	1.5	2.95	46,138	9 chips	215.72	2.27	0.05	Tonnage calc. verified,
Block #15	Measured	2,720	2.56	2.95	20,541	10 chips	87.18	3.82	0.15	Tonnage calc. verified, 14 of 31 assay certificates provided G896436 to -441, 456 to459, 462 to 465
Block #71	Indicated	2,070	0.92	2.95	5,618	3 chips	40.64	0.65	0.1	Tonnage calc. verified,
Block #22	Measured	1,116	1.24	2.95	4,082	5 chips	42.01	2.8	0.17	Tonnage calc. verified,
Block #59	Indicated	1,250	2.05	2.95	7,559	1 chip	113.97	1.57	0.02	# ZK 1904 - this hole was from the previous operator and
						1 drill hole				the data could not be verified
Block #29	Measured		1.03	2.95	15,775		66.37	0.69	0.13	Sample Locations for G0538439 ,G0538440, G0536524 & G0538450 verified

#2 Vein - TLP Deposit

Resource Block	Resource Type	Area	Thickness	SG	Tonnes	# Samples	Ag	Pb.	Zn	Comments
Block #71	Indicated	3,912	1.22	2.95	14,079	6 chips	50.11	5.33	0.46	Tonnage calc. verified,
Block #84	Indicated	3,306	0.69	2.95	6,729	1 Drill Hole	153.09	1.5	1.8	Tonnage calc. verified,
						#ZT 5701				
Block #8	Measured	5,040	1.41	2.95	20,964	18 chips	96.04	2.36	0.23	Tonnage calc. verified,
Block #18	Measured	1,244	0.59	2.95	2,165	14 chips	49.23	2.62	0.14	Tonnage calc. verified,
Block #26	Measured	6,985	1.75	2.95	36,060	15 chips	213.22	4.47	0.15	Tonnage calc. verified, 15 of 40 assay certificates provided G896428 to 432, 434-435, 451 to 455,
										456 to 458
Block #32	Measured	2,160	2.39	2.95	15,229	5 chips	90.4	1.69	0.29	Tonnage calc. verified,
Block #22	Measured	2,860	0.42	2.95	3,555	6 chips	84.25	4.77	0.08	Tonnage calc. verified, Sample Locations G0536633 and G0536634 verified
Block #63	Indicated	3,100	1.8	2.95	16,461	3 chips	20.81	1.13	0.8	Tonnage calc. verified,

13.0 SAMPLE PREPARATION, ANALYSIS AND SECURITY

13.1 Historical and Company Sampling

Sample preparation and analysis of the historical and current samples were completed either by the Langfang Laboratory of Hebei Province near Beijing, an ISO 9001-accredited facility, or by the Number 6 Lab of the Non-Ferrous Metals Geology Prospect Bureau of the Chinese government, located in Luoyang, Henan Province. Both labs are accredited and certified by the Chinese government and are well known and respected for their analytical work in China. Their sample preparation procedure consists of drying, crushing, splitting and weighing of a 200-gram sample, followed by pulverizing the sample to 200-mesh size. The 200-mesh sample is split again and 100 grams is used for final assay.

The Number 6 Laboratory utilizes a two-acid digestion and atomic absorption (AAS finish) spectrometry as an assay method on a 0.5 gram analysis of this sample for silver, lead and zinc. A modified process for higher-grade materials utilizes titration. The Langfang Laboratory utilizes the inductively coupled plasma (ICP-AES) spectrometric process for its lead, zinc and silver assaying.

The authors of the current Technical Report have no personal knowledge of the conduct, supervision, controls, sample preparation, analysis or security of samples from historical or company work conducted previously, or knowledge of developments made previously by others but rely on the company-prepared description given above.

13.2 Verification Samples

The verification samples collected during our January site visit were sent to ALS Chemex Laboratory in Guangzhou, China. This laboratory prepared the sample pulps, which were then shipped to the ALS Chemex laboratory in Vancouver, BC, Canada, for analysis. The ALS Chemex laboratories in Guangzhou and Vancouver both hold ISO 9001:2000 registrations and ISO/IEC 17025:2005 accreditations. One author, Mr. Broili, has inspected the preparation and analytical facilities of the ALS Chemex laboratories in Vancouver and in Belo Horizonte, Brazil, but not in Guangzhou. ALS Chemex is noted for maintaining a rigorous routine that can track any possible problems occurring in the sample preparation stage or analytical stage. They are adamant about standardized sample processing and all the processing machinery at their various labs are manufactured in Australia. Statements and policies about ALS Chemex laboratory registrations and certifications, sample preparation procedures, fire assay procedures and other analytical procedures, routine quality control, proficiency testing, assessment procedures, evaluation of routine quality control, quality control reports, round robin testing, sample preparation quality control, and confidentiality of data and data security are outlined in documents on ALS Chemex's website.

Laboratory procedures: The laboratory procedures for sample preparation consist of weighing, drying and crushing of the entire sample to minus-2 mm followed by reducing the entire sample in a riffle splitter to a 250 g subset. The 250 g subset is then pulverized to 75 um (microns) using a flying puck in a ring-disk-type grinding mill (Prep-31). The 250 g subset provides adequate weight of homogenized sample for each of the gold (Au), silver (Ag), lead (Pb), zinc (Zn) and copper (Cu) analysis.

Assay for gold uses a 30 g subset, which is subjected to fusion by fire assay followed by AAS finish (Au-AA23). Assay for silver also uses fusion by fire assay upon a 30 g subset of the sample with a gravimetric finish (Ag-GRA21).

Assay for copper, lead and zinc uses a 50 g subset digested for three hours in concentrated aqua regia acid solution. From this analysis, lead and zinc are assayed by AAS (atomic absorption spectrometry) (Pb-Zn-AA46) method and copper is assayed by ICP-AES (inductively-coupled plasma atomic emission spectrometry) (Cu-OG46) method.

Our verification sampling included no duplicate samples or blanks; however, duplicates and blanks are used at the ALS Chemex laboratory as a normal course of their work to ensure their quality control standards are met. One sample was ordered to be re-assayed after receipt of original results, due to the high silver value. This high value was confirmed by the second analysis.

Chain of custody: Our verification samples were in our possession at all times and securely stored in a locked room until we personally packed the samples and shipped them via Chinese mail carrier to the ALS Chemex laboratory located in Guangzhou, China. A chain of custody can be assured for samples collected from time of collection at the project site to time of shipment to laboratory. ALS Chemex then shipped the prepared pulps from Guangzhou, China, to the analytical laboratory in Vancouver, BC, Canada.

The authors believe the sample preparation, security and analytical procedures are adequate for purpose of this verification process.

14.0 DATA VERIFICATION

14.1 Site Examination

As part of this examination, the authors spent seven days (January 9 to 15, 2008) meeting with company representatives, visiting underground mine sites and reviewing a vast array of technical and other historical information on the TLP–LM project in Silvercorp's offices near the Ying mill site in western Henan Province, China. The TLP–LM project is accessed by 10 to 14 km of paved and unimproved roads along drainages leading south from the Ying mill site. Company personnel are housed at the mill site and near the adit sites. The Ying mill site is approximately 150 km west of the city of Luoyang and 300 km west of the city of Zhengzhou, also in Henan Province. The TLP mine was examined from three different adit entries and the LM mine from two adit entries. We were given unrestricted access to information consisting of various reports, maps, surveying data, and geological and geochemical technical data collected by drilling, trenching, tunneling and vein sampling, much of which was carried out intermittently over the past year. Much of the information was in Chinese and required translation. Inconsistencies in the information were reconciled to our satisfaction.

The Ying mill site processes the ore from the mine sites at a feed rate of up to 1,000 tons per day. The mill uses crushing, grinding and spiral separators to liberate minerals containing lead, zinc, copper, gold and silver values. Final recovery of the valuable mineral product is by their concentration in the mill's zinc and lead froth flotation circuits. The froth flotation concentrate is then dried using disk filters followed by shipment to a smelter in Zhengzhou where the metals are recovered.

The following TLP and LM mine sites were examined (numbers indicate elevation of the entry in meters above sea level):

TLP adit entries: PD 730, PD 800 and PD 924
LM adit entries: PD 838, PD 915

The on-site examination conducted for the purpose of verification and assurance of quality control of data consisted of the following:

1. *Mine sites:* As part of this examination, Mr. Broili and Mr. Boleneus located the adit entries by use of maps and GPS receiver and traversed all of the tunnels on foot using tunnel (level or plan) maps to visually locate, document, verify and confirm various veins against data posted on the company level map. Randomly selected underground features and mineralized veins were also inspected during this tour. Some diamond drill cores were examined but not sampled. Faults and mineralized veins were examined and the general tenor upon visual inspection seemed to compare favorably with metal values posted on level maps.

2. *Historical data:* Historical data collected during the 1990s were reviewed along with company data that were posted together on maps and sections. The historical data consists of topographic surveys, stream sediment geochemistry surveys, induced polarization surveys, engineering mapping, geological mapping, drilling and logging, trenching, and analytical work.

3. *Geology:* We visually inspected the local geology and occurrence of veins, both in the underground mines and on the surface.

4. *Confirmation of metal values and veins:* We collected verification samples from selected higher grade parts of the mineralized veins to confirm the company's assay values posted on level maps. These samples were sent to ALS Chemex laboratories for assaying. The verification samples confirm the tenor of the ore as portrayed on the company maps. Additionally, the bearings of the veins were verified by handheld compass readings. Finally, the lengths of the tunnels where they intersected veins were verified against level maps. These comparisons showed that the values posted on company maps compared closely with visual estimated with the locations, tenor and widths of veins located in underground mine workings. Samples appear to have no sampling or recovery difficulties that would affect the reliability of the results.

It is our opinion that these samples adequately document the presence of lead, zinc, copper, silver and other metals and supports the veracity of the historical and company data within reliable tolerance levels.

Since the purpose of this examination was to verify that Silvercorp Metals' operation is progressing exploration and development efforts prior to initiating a mining operation, it is our opinion that the historical and technical information presented by the company and documented here has been effectively verified for purposes of this report.

15.0 ADJACENT PROPERTIES

The TLP-LM project is immediately east of the Ying silver-lead-zinc project and the HPG gold-silver-lead project, both of which are controlled and operated by Silvercorp. The Ying and HPG properties, which consist of 50.5 km^2 of exploration licenses and three mining permits covering 10.49 km^2, were described in detail in a recent 43-101 Technical Report prepared for Silvercorp (Broili and Klohn, 2007).

The Ying property consists of many mineralized veins generally similar to the mesothermal veins of the well-known Coeur d'Alene District in Idaho, USA. The mineralization occurs as a multitude of quartz-ankerite veins in north- to northeast-trending fault-fissure zones that cut Precambrian-age mafic and felsic gneisses. Individual veins are often a kilometer or more long and typically a meter or less wide. The controlling structures are sometimes filled by altered andesite or diabase dikes, or are identified only as alteration selvages up to 2 m or more wide which cut the gneiss. Underground exploration and development workings have discovered many veins or vein splays that are not exposed at the surface.

Silvercorp began its exploration at Ying in August, 2004, and has since completed about 70,000 m of underground workings and more than 80,000 m of underground and surface drilling. The underground work and drilling have focused primarily on 18 of 28 known veins in the SGX Area, on eight of more than 20 known veins in the HPG Area, and on four currently known veins at HZG. The 18 veins at SGX are discrete tabular quartz-ankerite veins with massive sulfide zones that average 0.39 m wide. The eight veins at HPG are quartz-sericite-carbonate veins with massive sulfide zones with an average width of 0.96 m. The four veins at HZG are quartz-ankerite-fuchsite veins with sulfide filled fracture zones with an average width of 0.78 m.

Silvercorp's work has defined silver-lead-zinc mineral resources at SGX, silver-lead-zinc-gold at HPG and silver-lead-copper-gold at HZG. Recent resource calculations, including both high and low-grade material, total 2,251,731 tonnes of measured and indicated resources containing 50.89 million ounces of silver, 256,483 tonnes of lead, 111,389 tonnes of zinc, 2,942 tonnes of copper and 15,393 ounces of gold. The inferred resource is 3,492,114 tonnes containing 72.08 million ounces of silver, 450,737 tonnes of lead and 155,386 tonnes of zinc.

An 800 tonne per day capacity mill has been recently completed 17 km from the Ying property and 12 km from the TLP–LM project. With production underway in two operating mines at Ying and HPG, Silvercorp has now expanded exploration into the TLP-LM project and other parts of the district.

16.0 MINERAL PROCESSING AND METALLURGICAL TESTING

16.1 Mineralogy of TLP and LM Mines

The following polymetallic sulphide minerals have been identified: galena, sphalerite, pyrite and chalcopyrite. Silver minerals include native silver, argentite-acanthite, freibergite, polybasite, cerargyrite-bromchlorargyrite and canfieldite. The main gangue minerals are quartz, sericite, chlorite, hornblende, feldspars and others. The composition of the minerals in the blended ore sample is listed below in Table 12. Detailed phase distribution of silver is listed in Table 13. The findings are based on reports by the No. 6 Brigade.

Table 12: Mineral Composition of the TLP-LM Ore

Sulfides and other Metal Minerals	**%**	**Gangue Minerals**	**%**
Galena	2.1	Carbonate Minerals	42.50
Cerusite	0.5	Quartz	30.0
Anglesite	0.2	Biotite	4.5
Sphalerite	0.2	Chlorite	4.5
Chalcopyrite	0.1	Sericite	2.5
Covellite	0.1	Hornblende	2.0
Pyrite	0.1	Isiganeite	1.5
Hematite + Limonite	6.0	Feldspars	1.4
		Clay Minerals and others	2.1

Galena is fine to coarse-grained (0.1mm-1.5cm).

Table 13: Phase Distribution of Silver*

Occurrence	**g/t**	**%**	**Comments**
Native Silver	18.7	13.61	Free silver
Silver Sulfides	42.9	31.22	in freibergite, argentite-acanthite, and polybasite
Silver in Sulfides	15.9	11.6\57	in galena
Silver absorbed by oxides of Fe and Mn	15.5	11.28	
Silver in Halides	42.4	30.86	in bromchlorargyrite
Silver enclosed in gangue minerals	2.0	1..46	
Total	137.4	100	

* Average of 5 samples. Data from #6 Brigade report.

16.2 Historical Metallurgy

The Changsha Designing and Research Institute of Non-Ferrous Metal Metallurgy did some metallurgical work for silver and lead materials on the TLP project in 1994. Two representative bulk samples consisting of 110 kg of high-grade ore, 111 kg of wall rocks and 304.5 kg of medium grade ore — a total of 525.5 kilograms — were collected from several crosscut and undercut drifts for metallurgical testing. The samples consisted of mainly transition ore but also include a small amount of oxide and sulfide materials.

One sample (Sample #1) contained more carbonate rock than the other sample (Sample #2), which had higher silicate content. Under a closed condition and using an 80% -200 mesh feed the lab performed conventional flotation tests and reported the following results (Table 14).

Table 14: Metallurgical Tests on Sample #1 and #2

	Products	Ag (g/t)	Pb (%)	Ag Recovery (%)	Pb Recovery (%)
Sample #1	Head	187.1	2.37	100	100
	Conc.	5274	66.94	94.71	94.96
	Tail	10.25	0.124	5.29	5.04
Sample #2	Head	204.89	2.66	100	100
	Conc.	5432	61.65	94,12	82.24
	Tail	12.5	0.49	5.88	17.76

The test work demonstrates that silver and lead can be easily extracted from the mineralized vein material using a conventional flotation process.

Specific gravities were determined for 186 drill core, tunnel and trench samples from the TLP mine by the No. 1 Team of HBMG&MR in 1995. The overall average specific gravity determined by wax emersion method for individual hand-size samples was 2.92 for ore grade material and 2.74 for waste.

Specific gravities were determined for six hand samples of ore from the LM mine as reported in a 2006 report by the Luoyang Mining Industry Development. The methods employed are unknown. The reported specific gravities for the ore grade material ranged from 2.96 to 3.15 and averaged 3.01.

16.3 Historical Mineral Processing

Custom mills processed past produced ore from the TLP and LM mining operations. Historical recoveries are reported to have been 92.12% for lead and 92.09% for silver.

Silver-lead-zinc ore from the adjacent and identical Ying project were also processed at custom mills for the first year of production. The metal recoveries for the Ying ores averaged 94.3% for lead, 90.0% for silver and 79.5% for zinc.

In March 2007, Silvercorp completed construction of the Ying mill to process the more abundant lower-grade ores. The mill, about 15 km by paved road from the TLP–LM project, is supplied with power from the Henan Province power grid. The mill is currently operating at a rate of 800 tonnes ore per day using processes typical for polymetallic Pb-Zn ores. There are two stages of ore crushing, from 400 mm to 15 mm, followed by ball milling such that 70% of the material passes 200 mesh (74 microns). The minerals are then separated by a series of flotation circuits, producing a lead concentrate (carrying the silver) averaging 69% lead, and a zinc concentrate averaging 52% zinc.

16.4 TLP/LM Mineral Processing

Ore from the TLP mine have been processed at Henan Found's central mill (Xiayu Mill) which has been in operation since 2007. A total of 21,367 tonnes of ore from TLP has been milled to August 31, 2008. The TLP ores contain very little zinc and only a lead concentrate is made using the lead circuit at the Xiayu mill. Because of the low-grade nature of the zinc, only a lead concentrate is produced from the TLP and LM deposit.

The following is a description of the Xiayu milling process with the attached modified flow sheet which does not produce a zinc concentrate:

Milling Process

The crushing circuit in the Xiayu mill is a closed circuit, consisting of two jaw crushers with an oscillating screen. The primary jaw crusher (Model: PEF 500x750) has a closed side setting of 80 mm. Discharge from the primary jaw crusher is conveyed to the oscillating screen with an opening of 15 mm. Ore with a size of larger than 15 mm is conveyed to the secondary jaw crusher (Model: PYH-2X cone crusher) which has a close side setting of 15 mm. Discharge from the secondary crusher is conveyed to the screen. Discharge from the screen feeds the ore bins with a live capacity of 100 tonnes.

Dust from crushing and screening processes are collected by vacuums with a number of cloth bags and then transferred to a process tank. Water is added to the process tank to make slurry that will be pumped into a pre-flotation tank later together with overflow from a ball mill circuit as described below.

Ore from the bins is conveyed to a closed circuit consisting of a ball mill (Model: TMQG 2100 x 600) and classifier (Model: TG-200). The ball charge is made of Mn-steel, with diameters ranging from 60 mm to 120 mm. The target grind size is 70% passing 200 meshes and the overflow density is maintained at 40% solids by weight when introduced to the flotation cells.

The lead flotation bank consists of one stage of roughing, two stages of scavenging and three stages of cleaning. The zinc flotation bank consists of one stage of roughing, two stages of scavenging and three stages of cleaning. Zinc sulfate, sodium sulfite, dithiophosphate collector and SN-9 were added to the lead rougher flotation. Additional zinc sulfate and sodium sulfite were added to the lead cleaners. Additional dithiophosphate collector and SN-9 were added to the lead scavengers. Tailings for the second lead scavenger flow to the zinc rougher flotation container with an agitator to provide positive flow and mixing. Lime, copper sulfate, butyl xanthate and #2 oil were added to the zinc rougher flotation. Additional lime was added to the zinc cleaners to depress pyrite. Additional butyl xanthate and #2 oil were added to the zinc scavengers to float and collect the activated sphalerite.

Both lead and zinc concentrates were diluted to 15% solids by weight by adding water for natural settling. The diluted slurries flow to their respective settling containment concrete structure for settling. The settled slurries at the bottom (with approximately 80% solids by weight) were pulped into a ceramic filter setup under the settling structure for dewatering. The moisture content of dewatered lead and zinc concentrates are 5% and 7%, respectively.

Tailings from the zinc flotation circuit are then pumped into the tailings dam which is located at the northern creek. The total tailing storage facility of this dam is 310 m^3, with an effective capacity of 281 m^3 or 4,215,000 tonnes of tailings. The current elevation of the tailings dam is 611 m, and can be reached as high as 650 m. A crew of 11 people monitors the tailings dam.

Reclaimed process water from the tailings pond is pumped for reuse in the mill process.

Typically, a set of five samples are taken every shift and there are three eight-hour shifts a day. The shift samples include flotation feed from the classifier overflow, lead and zinc concentrates from the 3rd cleaners, and lead and zinc tailings from the last scavengers, respectively. For TLP-

LM ore, only three shift samples are taken since the grade of zinc of the feed ore is usually lower than 0.5% and there is no flotation operation for zinc.

Lead, zinc and silver assays are determined by EDTA titration following acid digestion. This method is normally used for high concentration of lead and zinc and moderate silver samples while an AA finish is used for the lower grade samples. Gold and high-grade silver assays are determined by fire. Levels of detection for these methods were not noted.

Assays of the TLP-LM lead concentrates and recoveries are presented in Table 15 below and are corrected based on actual concentrate sales and adjustments.

Table 15: Silvercorp's Xiayu Mill TLP Ore January- August 2008

Sample	Tonnes		Average Grades				Contained Metal Resources				Average Recovery (%)			
			Pb (%)		Ag (g/t)		Pb（t）		Ag（kg）		Pb		Ag	
	AUG	YTD	AUG	YTD	AUG	YTD	AUG	YTD	AUG	YTD	AUG	YTD	AUG	YTD
Feed	4601.444	21367.734	2.15	2.76	149	175	98.798	588.916	683.516	3743.894	100.00	100.00	100.00	100.00
Con	188.817	1179.887	39.92	40.35	3153	2784	75.374	476.095	595.390	3284.283	76.29	80.84	87.11	87.72
Tails	4412.627	20187.847	0.53	0.56	20	23	23.425	112.821	88.126	459.611	23.71	19.16	12.89	12.28

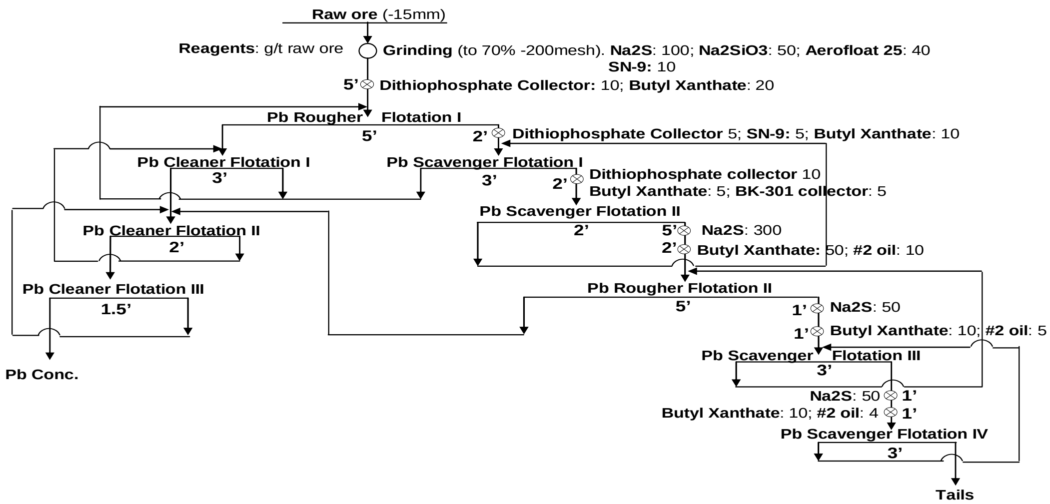
Concentrate grade is 40.35% Pb YTD and caries 2,784 g/t silver with recoveries of 80.84% for lead and 87.72% for silver.

A smaller test size for the LM mine utilizing the Xiayu mill realized a concentrate grade of 42.81% Pb, containing 5,071 g/t Ag from a feed grade of 1,884 tonnes of LM ore grading 2.83% Pb and 348 g/t Ag. A recovery of 93.88% for lead and 90.55 % for silver was achieved (Table 16).

The remainder of LM was milled along with HPG ore at the Guxian Mill.

Table 16: Silvercorp Xiayu Mill LM Ore January- August 2008

	TONNES		Pb (%)		Ag (g/t)		Pb（t）		Ag（kg）		Pb		Ag	
	AUG	YTD	AUG	YTD	AUG	YTD	AUG	YTD	AUG	YTD	AUG	YTD	AUG	YTD
Feed		1884.821		2.83		348		53.423		656.048		100.00		100.00
Con		117.151		42.81		5071		50.153		594.032		93.88		90.55
Tails		1767.670		0.19		35		3.270		62.016		6.12		9.45



Locked Cycle Flotation Sheet for TLP-LM Ore

Figure 13: Henan Found/Silvercorp Xiayu Mill Modified Flowsheet for Lead-Silver Concentrate

Future Mill expansion

A US$12 million capital project for the building of a new 2,000 t/d mill within 2 km of the Xiayu mill is expected to be complete by December 2008 and will add the capacity of up to 2,000 metric tonnes per day. The milling process will follow a similar flow sheet as the original Xiayu mill described above.

16.5 Specific Gravity

A total of 186 samples were analysed for determination of specific gravity from core, tunneling production, and trenching for ore and waste at the TLP Mine.

The results indicate an overall average specific gravity for ore grade material of 2.92 g/cm^3 and 2.74 g/cm^3 for waste determined by wax emersion method for individual hand size samples.

Mineralization at the TLP mine has been classified into two zones. The oxide zone is for materials mined above the 980 m level. The specific gravity from the oxide zone is 2.88 g/cm^3. Levels below 980 m are referred to as the primary ore zone with a specific gravity of 2.95 g/cm^3.

At the LM mine, a specific gravity of 2.92 g/cm3 has been used for the calculation of resources.

Appendix VI contains the results ordered by vein number for ore and ore type and waste for specific gravity at the TLP mine.

17.0 MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

The definitions below are descriptions from the CIM definitions and guidelines (November 22, 2005) which comply with 43-101 standards.

A Mineral Resource is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

The term Mineral Resource covers mineralization and natural material of intrinsic economic interest which has been identified and estimated through exploration and sampling and within which Mineral Reserves may subsequently be defined by the consideration and application of technical, economic, legal, environmental, socio-economic and governmental factors. The phrase 'reasonable prospects for economic extraction' implies a judgement by the Qualified Person in respect of the technical and economic factors likely to influence the prospect of economic extraction. A Mineral Resource is an inventory of mineralization that under realistically assumed and justifiable technical and economic conditions might become economically extractable. These assumptions must be presented explicitly in both public and technical reports.

Inferred Mineral Resource

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration. Confidence in the estimate is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Inferred Mineral Resources must be excluded from estimates forming the basis of feasibility or other economic studies.

Indicated Mineral Resource

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Mineralization may be classified as an Indicated Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such as to allow confident interpretation of the geological framework and to reasonably assume the continuity of mineralization. The Qualified Person must recognize the importance of the Indicated Mineral Resource category to the advancement of the feasibility of the project. An Indicated Mineral Resource estimate is of sufficient quality to support a Preliminary Feasibility Study which can serve as the basis for major development decisions.

Measured Mineral Resource

A 'Measured Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

Mineralization or other natural material of economic interest may be classified as a Measured Mineral Resource by the Qualified Person when the nature, quality, quantity and distribution of data are such that the tonnage and grade of the mineralization can be estimated to within close limits and that variation from the estimate would not significantly affect potential economic viability. This category requires a high level of confidence in, and understanding of, the geology and controls of the mineral deposit.

Mineralization at both the TLP and LM mines consists of narrow veins which occur as discrete veins of variable grade and thickness. Deposits of this type are amenable to polygonal methods (polygon area) utilizing longitudinal sections. Resources reported herein were prepared using such methods.

The polygonal resource estimates were prepared by Mr. Wang Yongzheng, Chief Geologist for Henan Found Mining, under the supervision of Michael W. Hibbitts P. Geo. (British Columbia) who is a qualified person as defined by 43-101. Mr. Hibbitts is the Vice President of Operations for Silvercorp. The resources prepared by Mr. Wang were independently audited by Mr. Ronald Moran P. Eng (Ontario) (Mining Engineer) who visited the property from October 5 to 11th, 2008.

In accordance with NI 43-101, assays, maps, level plans and longitudinal sections were verified along with sample procedures, underground sample locations (tunnels) as well as cores from diamond drilling. Comments from the inspections are listed below:

1. The Polygon method of resource estimation is acceptable and applicable to the geometry and mineralization of the TLP and LM veins.
2. Local topography is controlled by government topographic mapping.
3. The minimum thickness calculated is 0.1 m.
4. The resources have been calculated using a 50 g/t Ag equivalent using the formula listed below:
   Ag (Equiv.) = g/t Ag + (22.0462 (%Pb X Pb Price/Ag Price))

Silver is grams per tonne (g/t)

Price Schedule: Ag is US$6.50 per troy ounce
Pb is US$0.40 per pound

5. The following parameters must be met to calculate a 50 g/t Ag (Equivalent)
   Grade of Ag must be greater than 20 g/t Ag
   The minimum grade of Pb must be at greater than 0.3% Pb

   Conversions: 1 OZ Troy is 31.1035 grams
   1 tonne = 2204 .62 pounds

   The resource calculated refers to in situ tonnes and grade and includes no dilution.

6. "Measured" resource blocks are defined by continuous channel samples and chip samples taken from tunnels and drifts and are projected 20 m above and below a tunnel and 20 m projected along strike.

7. "Indicated'' resource blocks are defined above and below a "measured" resource block and are projected no further than 40 m. For indicated blocks projected from drill holes the distances are not greater than 80 m. Block boundaries are defined as mid-points between drill holes.

8. Resource blocks categorized as "inferred" used a mineralization ratio to estimate the portion of the block above the cut-off values. This ratio is based upon the length of the adjacent tunnel or drift along the vein having values above the equivalent silver cut-off grade divided by the total length of the tunnel or drift. The mineralization ratio (MR) is used as a factor to calculate the inferred tonnage resource. Block projections are limited to 160 m where veins have been intercepted by deep holes; blocks not intercepted by drill holes were projected by 80 m.

9. The estimated grade and thickness used for this estimation is derived by from the average of all measured and indicated blocks on the vein. The table below is the estimated MS (mineralized section) or portion of an inferred block expressed as the mineralization ratio.

10. The average MR for inferred resources at the TLP Mine is 39.19% and the average MR for the LM mine is 18.05% for Xigou veins and 30.66% for Dongou veins. For a list of the detailed ratios by vein, please see Table XII-1 to XII-4 in Appendix XII. Only measured and indicated resources are used for planning purposes in this report.

17.1 Resource Data and Statistics

The database for drill hole and continuous chip samples are maintained in an Excel spreadsheet. The continuous chip sample database contains sampling dates, locations, sample number, elevation, width and assay results. The drill hole database includes collar data, down hole survey data, sample intervals and assay results.

A total of 3,936 samples of veined ores are stored in the database. These samples consist of 1,361 continuous chip samples and 43 drill hole samples from LM and 2,399 continuous chip samples and 138 drill hole samples from TLP (Table 17). See Appendix I for Statistical Treatment of

Assays used in the resource estimates at a 50 g/t silver equivalent in the TLP-LM Mines (Tables I-2, I-3, I-4)

Table 17: Total Assay Samples at TLP and LM

TLP-LM

Mineralized Veins	Continuous Chip Samples	Drill Core Samples	Total
I	119	20	139
II	885	40	925
III	759	55	814
IV	78	15	93
V	123	3	126
VI	13	0	13
T14	305	0	305
T14-1	16	0	16
T17	76	0	76
T19	10	0	10
T20	15	0	15

LM

Mineralized Veins	Continuous Chip Samples	Drill Core Samples	Total
LM1	122	1	123
LM2	417	7	424
LM3	105	6	111
LM4	50	0	50
LM5	213	17	230
LM6	32	2	34
LM18	17	0	17
LM7	67	0	67
LM8	99	4	103
LM12	80	2	82
LM14	117	4	121
LM16	42	0	42

17.2 Resource Geology

Both the TLP and LM deposits continue to show mineralization along strike and dip and exhibit well developed "boudinage" pinch and swell structures. The 50 g/t equivalent silver cut-off depicts a known mineralized structure at the TLP mine which strikes over 2 km and extends up to 600 m down dip. The deposit has a plunge of approximately 15 degrees to the northwest and dips at an average of 75 degrees to the west. The resource geology is defined by channel samples as well as diamond drill hole intersections.

17.3 Resource Estimates

Mineralization at TLP and LM is polymetallic and mineral resources are reported in terms of a silver-equivalent grade, as well as separate individual metal grades. The mineral resource estimates were calculated at 50 g/t silver equivalent and at 150 g/t silver equivalent cut-off, respectively, updated August 31, 2008 (Table 18 and Table 19).

Table 18: Summary of Mineral Resource Estimates at TLP and LM Mines at 50 g/t cut-off (August 2008)

Mine	Resources Type	Thickness (m)	Tonnage (t)	Average Grade					Contained metal			
				Ag g/t	Ag oz/t	Pb %	Zn %	Ag Equivalent	Ag(oz)	Pb(t)	Zn(t)	Ag Equiv* (oz)
TLP	MEASURED	1.54	910810.53	118.95	3.82	2.86	0.15	239.45	3483247.97	26009.07	1407.32	7226666.29
	INDICATED	1.56	3247978.40	144.91	4.66	2.17	0.11	236.29	15132435.21	70333.56	3490.12	25207201.20
	MEASURED+INDICATED	1.56	4158788.93	139.23	4.48	2.32	0.12	236.98	18615683.18	96342.63	4897.44	32433867.49
	INFERRED	1.49	2708160.84	142.61	4.59	2.40	0.11	243.76	12417351.96	64910.07	3081.57	21693962.87
LM	MEASURED	0.64	118396.79	254.12	8.17	2.17	0.22	345.60	967327.44	2566.76	258.16	1354959.21
	INDICATED	0.75	244077.38	256.13	8.23	2.08	0.26	343.87	2009885.09	5075.04	646.33	2797058.30
	MEASURED+INDICATED	0.71	362474.17	255.47	8.21	2.11	0.25	344.43	2977212.52	7641.80	904.49	4152017.52
	INFERRED	0.57	106530.52	238.41	7.67	2.93	0.21	362.07	816571.55	3121.91	227.82	1274890.60

A detailed description of resources calculated at 50 grams per metric tonne, by vein and mine, may be found in Table XII-5 in Appendix XII.

The average thickness of veins in the measured mineral resource category at TLP mine is 1.54 m. Veins in the indicated category average 1.56 m thick and combined measured plus indicated thickness is 1.56 m. Veins in the inferred resource category average 1.49 m in thickness.

The average thickness of veins in the measured mineral resource at the LM mine is 0.64 m, veins in the indicated category average 0.75 m thick and combined measured plus indicated thickness is 0.71 m. Veins in the inferred resource category average 0.57m in thickness.

The average thickness of veins in the measured mineral resource at a 150 g/t Ag equiv. cut-off at the TLP mine is 1.45m. Veins in the indicated category average 1.57 m thick and combined measured plus indicated thickness is 1.54 m. Veins in the inferred resource category average 1.45 m in thickness.

The average thickness of veins in the measured mineral resource at a 150 g/t Ag equiv. cut-off at the LM mine is 0.49 m, veins in the indicated category average 0.73 m thick and combined measured plus indicated thickness is 0.63 m. Veins in the inferred resource category average 0.84 m in thickness.

Table 19: Summary of Mineral Resource Estimates at TLP and LM Mines at 150 g/t cut-off (August 2008)

Location	Ore Type	Resource Category	Thickness (m)	Tonnes	Ag(g/t)	Ag (oz/t)	Pb(%)	Zn(%)	Ag Equiv*(g/t)	Ag Equiv* (oz/t)	Contained Metal Resource			
											Ag(t)	Pb(t)	Zn(t)	Ag Equiv.* (oz)
TLP	Oxidized ore	Measured	2.73	172,765	245	7.87	3.46	0.00	390.61	12.56	42	5,971	7	2,169,663
		Indicated	2.01	609,434	291	9.36	2.07	0.01	378.51	12.17	177	12,621	46	7,416,492
		Measured & Indicated	2.13	782,198	281	9.03	2.38	0.01	381.19	12.26	220	18,592	54	9,586,156
	Primary ore	Measured	1.23	462,112	157	5.06	4.06	0.15	328.55	10.56	73	18,751	710	4,881,281
		Indicated	1.40	1,093,585	205	6.59	3.41	0.11	349.01	11.22	224	37,324	1,251	12,270,988
		Measured & Indicated	1.34	1,555,697	191	6.14	3.60	0.13	342.93	11.03	297	56,075	1,961	17,152,269
	Oxidized & Primary Ore	Measured	1.45	634,877	181	5.82	3.89	0.11	345.44	11.11	115	24,722	717	7,050,944
		Indicated	1.57	1,703,018	236	7.58	2.93	0.08	359.57	11.56	402	49,945	1,297	19,687,480
		Measured & Indicated	1.54	2,337,895	221	7.10	3.19	0.09	355.73	11.44	517	74,667	2,014	26,738,424
		Inferred	1.45	2,515,832	145	4.65	2.37	0.07	244.80	7.87	364	59,689	1,639	19,801,062
LM		Measured	0.49	79,874	374	12.03	2.60	0.30	484.03	15.56	30	2,080	242	1,242,994
		Indicated	0.73	154,006	402	12.93	2.70	0.34	516.35	16.60	62	4,162	516	2,556,680
		Measured & Indicated	0.63	233,881	393	12.63	2.67	0.32	505.31	16.25	92	6,242	758	3,799,675
		Inferred	0.84	133,781	248	7.97	1.91	0.27	328.39	10.56	29	3,095	376	1,412,447

* Ag Equivalent is calculated using US$6.50/oz Ag, US$0.40/1b Pb, and US$0.45/1b Zn. These calculations reflect gross metal content and have not been adjusted for metallurgical recoveries.

18.0 MINING DEVELOPMENT AND PRODUCTION ANALYSIS

18.1 Mine Site Access

The TLP and LM mines are located 15 km to the southeast of Silvercorp's central milling complex and is serviced by 20 km of paved roads. Ore from the mines are shipped to the mill using Chinese-built 30-tonne haulage trucks. Silvercorp recently constructed a total of 1.6 km of bypass roads which eliminated haulage though the small town of Chongyang. It takes approx. 50 minutes for a 30-tonne truck to make a trip from ore stock piles at the TLP and LM mines to the mill.

18.2 Mine Permit

The mine permit has been extended to May 2009. It is anticipated that documentation for the permit transfer to Silvercorp will be received before the end of extension. The issue of the mine permit includes an accompanying environmental permit to operate.

Table 20: Mine Permits for TLP and LM Mines

Permit number	Location	Status	Area (km^2)
4100009810419	TLP	Mining permit expires May 2009	3.30
4100000730440	LM	Mining permit expires October 2009	3.07
		Mining Total	6.37

18.3 Mine Design

The TLP and LM mines are both located in the narrow Tieluping valley where access to the mineralized veins is by small adits driven from the 730 m to the 1,140 m elevations at approximately 40 m intervals. The size of the drifts varies but seldom exceeds 2 m x 2 m. Historically, haulage of ore and waste was done by small hand-operated push carts. A significant amount of historical development has allowed Silvercorp to resume mining when the company took over the projects in late 2007. Since January 2008, the company has either carried out or will carry out the following development work for the resumption of mining:

a) A water diversion tunnel was developed to reduce the chance of flooding from the Chongyang river during the rainy season.

b) The 730 m level drift was slashed and straightened to provide mechanised haulage of ore from a central ore pass which would connect the upper levels to the level on the valley bottom. Mechanized scoop trams were utilized to speed up the development of the main haulage drift.

c) A central shaft/ventilation raise will be developed to connect the 800 m levels to the 610 m level.

d) Construction of a decline system which would provide initial access to the lower levels utilizing rail cars and large tuggers to provide initial development of the lower levels below the 730 m level. The shaft system would access the levels at a later date.

e) Diesel tricycle haulage carts unique to China will replace hand push carts where possible.

f) Silvercorp has installed a new compressor and transformer as well a switch gear on the 730 m level with capacity to provide compressed air and electricity in order to develop the lower levels. Local power distribution lines and transformers have been inspected and maintained to each of the portals.

g) Mining at the LM mine will utilize adits which have already been driven and will employ the same mining methods that are described in the upcoming chapters.

h) Surface and underground exploration drilling as well as underground exploration drifting would be carried on concurrently with mining.

Table 21 lists the adit-decline system already developed including the relevant portals and connected levels at TLP and LM mines.

Resumption of test mining has been in effect since January 2008 and has increased to almost 300 tonnes per day from the TLP and LM sites (August 2008).

Table 21: Levels, Inter-Access Systems, Portals level access

Access system	Portal(s) at	Inter-level Access	Levels
PD730	730m 800m 840m 924m	Decline- I-1 to 610m of T1,T2 and T3 veins Decline- I-2 610m to 510m of T1,T2 and T3 veins Access to No.1 Shaft Decline- II-1 to 660m of T1,T2 and T3 veins Decline- II-2 660m to 510m of T1,T2 and T3 veins Access to No.1 Shaft Level 770 m to LM-PD924 Raise, 810m to 840m to 870m of LM8, LM12, LM7, and LM19 veins	660m 610m 560m 510m
PD780	780m	Decline to 770m of T1,T2,and T3 veins	770m
PD800	800m	Decline to 780m of T2 and T3 veins Decline to 790m of T2, and T3 veins Main/ventilation Shafts to 610m Level	800m
PD840	840m	Connected to PD820 at 840m	840m
PD890	890m	Raises to 930m of PD930	890m
PD930	930m	Decline to 910m of T2 and T3 veins	930m
PD960	960m	Raises to 960m of PD990	960m
PD990	990m	Decline to 960m of PD960	990m
PD1020	1020m	Raises to 1070m of PD1070	1020m
PD1070	1070m		1070m
PD820	820m	Decline to 805m of T16 vein Decline 805m to 765m of T16 vein Decline 765m to 730m of T16 vein Connected to PD819 at 800m Connected to PD840 at 847m	836m 805m 765m 730m
PD924	924m	Decline to 900m of LM8,LM12 and LM7 veins Decline 900m to 870m of LM8,LM12 and LM7 veins Tunneling Decline 870m to 840m Shaft to 870m of LM8,LM12 and LM7 veins	900m 870m 840m
PD838	838m	Decline to 830m of LM2,and LM3 veins Decline 830m to 805m of LM2 , LM3 and LM4 veins Decline to 812m of LM5 and LM6 veins Raises to 855m of PD855	830m 805m

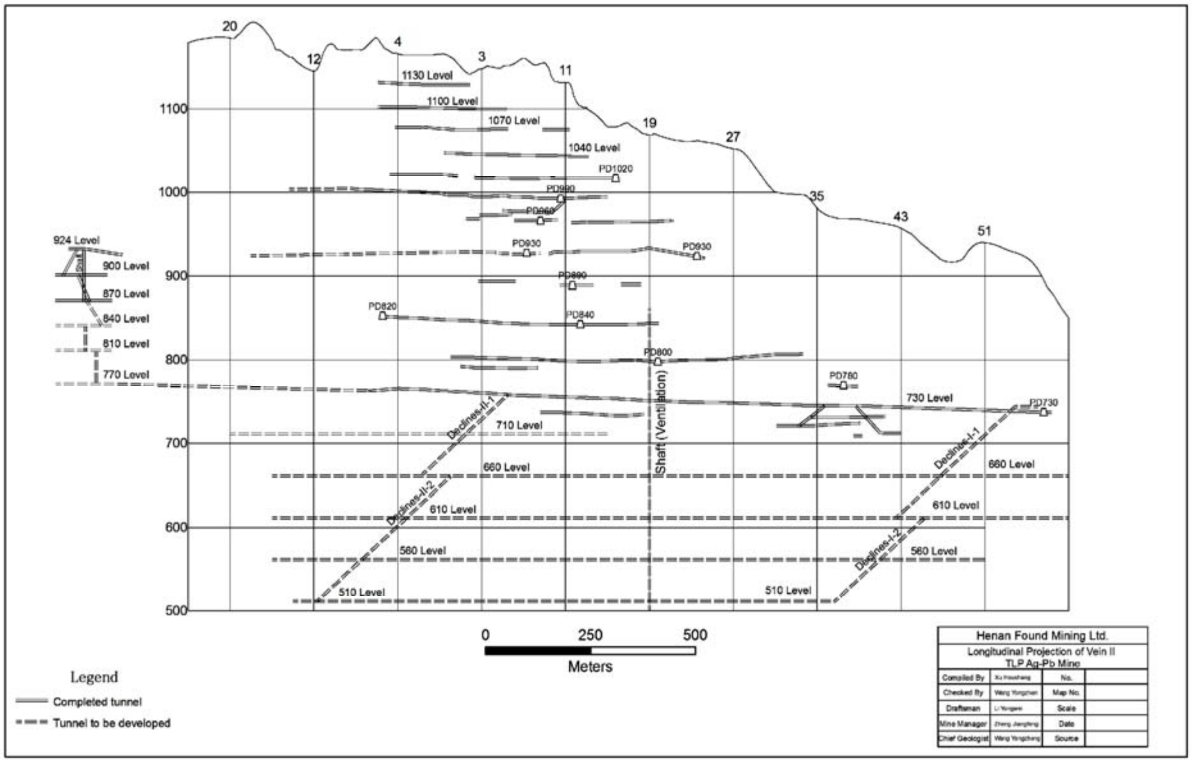


Figure 14: Longitudinal Projection of Mine Development System

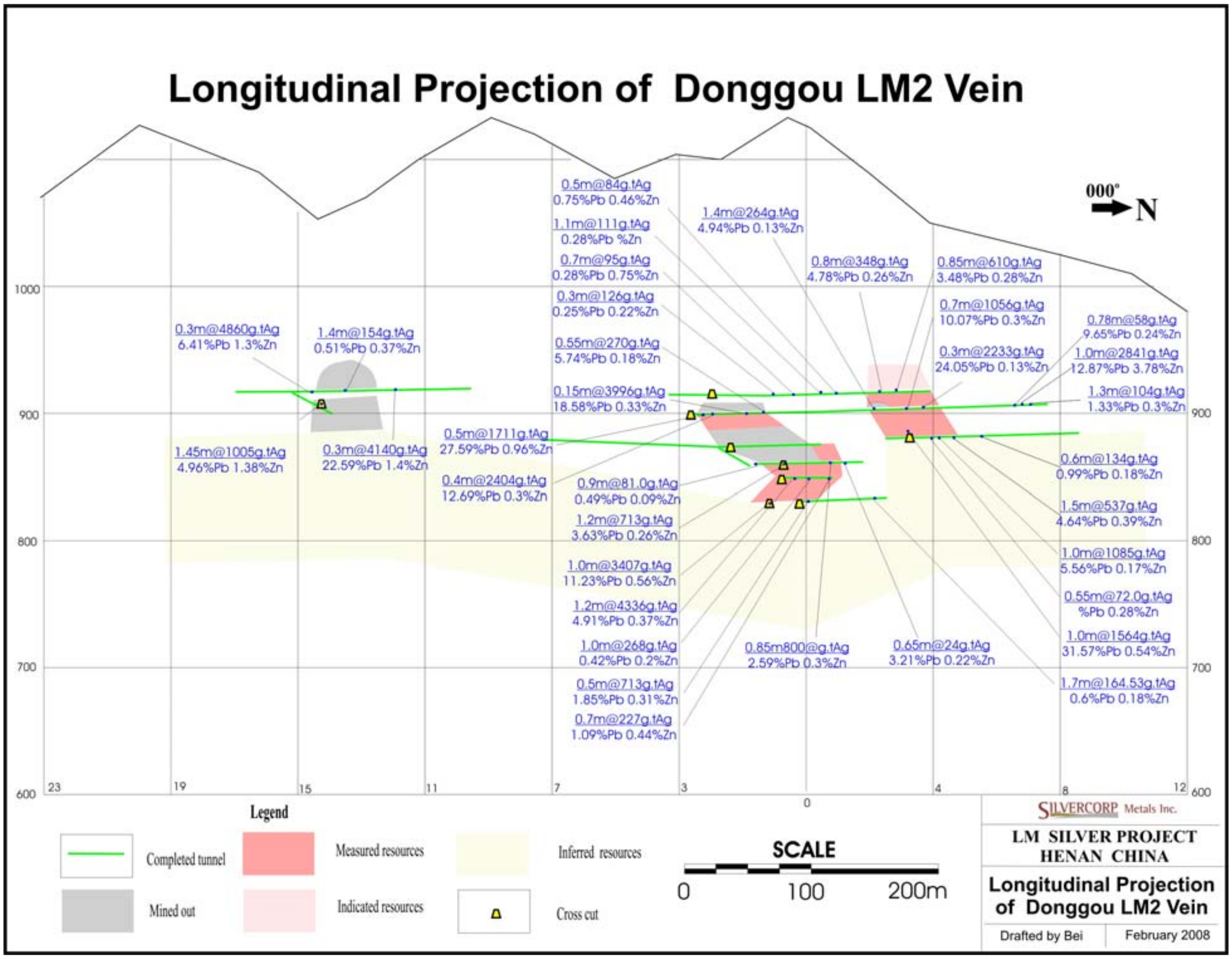


Figure 15: Longitudinal Projection of Donggou LM2 Vein

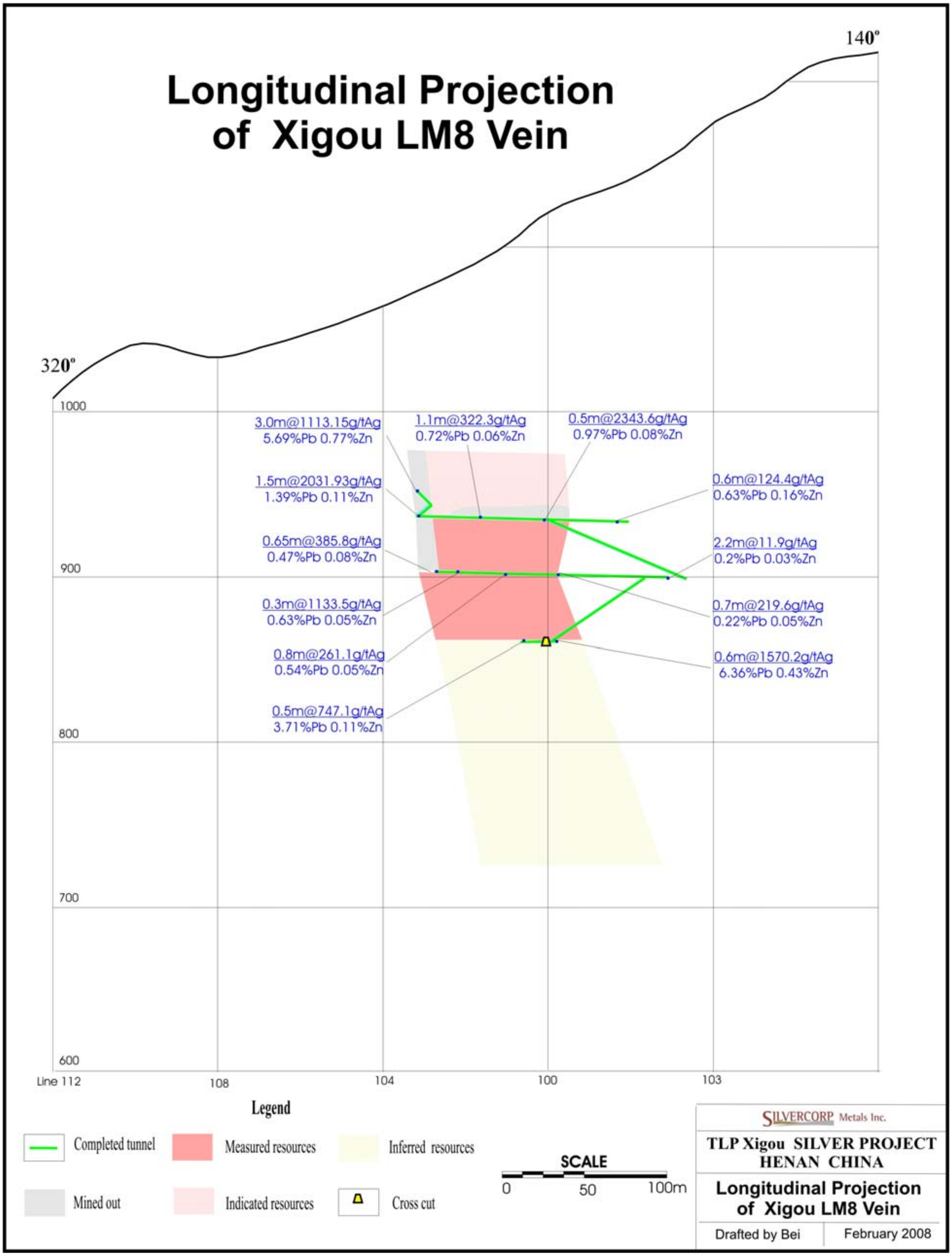


Figure 16: Longitudinal Projection of Xigou LM8 Vein

18.4 Mining Method

Two mining methods which have been successfully applied at the company's Ying mine will be adopted at the TLP and LM Mines.

1) Short-Hole Shrinkage Stoping:

This has been employed worldwide as one of the most successful mining methods for narrow veins. The system begins with undercut drifting exposing the vein in the back of the drift. A bypass drift is then driven from where crosscuts at approximately 8 m spacing is driven. The crosscuts which intersect the vein act as draw points for the loading out of ore. Two raises are driven at each end of the stoping block.

The typical size of a stope is 50 m along strike of the vein and approximately 40 m in height. Two access raises approximately 1.8 m by 1.8 m are driven providing access to the stope and services air, water and ventilation. The average width of all veins in the TLP mine is 1.57 m and where 0.8 m is the minimal width that can be mined using short-hole shrinkage with very little dilution. Veins which are less than 0.8 m must be diluted to 0.8 m with the assumption that the waste contains no grade. It is expected that 80-85% mining recovery of in situ resources is possible.

Figure 15 below is typical of expected dilution of veins less than 0.8 metres where both ore and waste must be mined to open a minimal mining width.

The mining crew normally consists of two Jack Leg miners. A 1.8 m round is blasted filling the void below as the mining proceeds upwards. While the crew is mining upwards only approximately 30% of the ore may be extracted from the stope until the entire stope is mined at which point all ore may be extracted. During the initial phase of mining, expected production is 50-75 tons per day per stope. The mine plan is a combination of completed and developing stopes. The crew drills and charges the holes with cartridge explosives and ignite the blast with tape fuse. A second crew will return to the stope after the smoke has cleared from the previous round. Ventilation air and water are carried up the raises to the stopping level. Loading of the ore from the draw points is by hand to diesel tricycle carts or hand carts.

Shrinkage stoping is calculated to a minimum mining width of 0.8 m. The mining recovery is 80~85%. Calculation and adjustment of dilution factors with shrinkage stoping are summarized in Table 20. Summary and vein-by-vein of mineral resource estimates at 150 g/t silver equivalent cut-off at the TLP mine and LM mine are listed in Table 18 and Table 19.

The minable measured and indicated resources are calculated using dilution factors, ranging from 20% to 70%, and mining recoveries ranging from 80% to 85%. The calculation formula of dilution factor is as follows.

DF=(0.8-V) x SGwaste / (VSGore + (0.8-V) x SGwaste) x 100
V: width of vein (m); SGwaste: special gravity of waste; SGore: special gravity of veined ore
Assuming that the waste contains no grade

2) Re-suing

The re-suing methods involve first blasting narrow ore veins between 0.l and 0.40 m in width. After the ore is blasted and loaded from steel mill holes which are constructed as the stope is mined upwards, the waste on the footwall and hanging wall is blasted to maintain a minimum mining width of 0.8 m. The stope will contain no ore when mining is complete in contrast to the method above. The stope is left filled with waste from the slashing of the footwall and hanging wall waste necessary to maintain a minimum mining thickness.

For the re-suing method, the dilution factor is 15% and mining recovery is 90%.

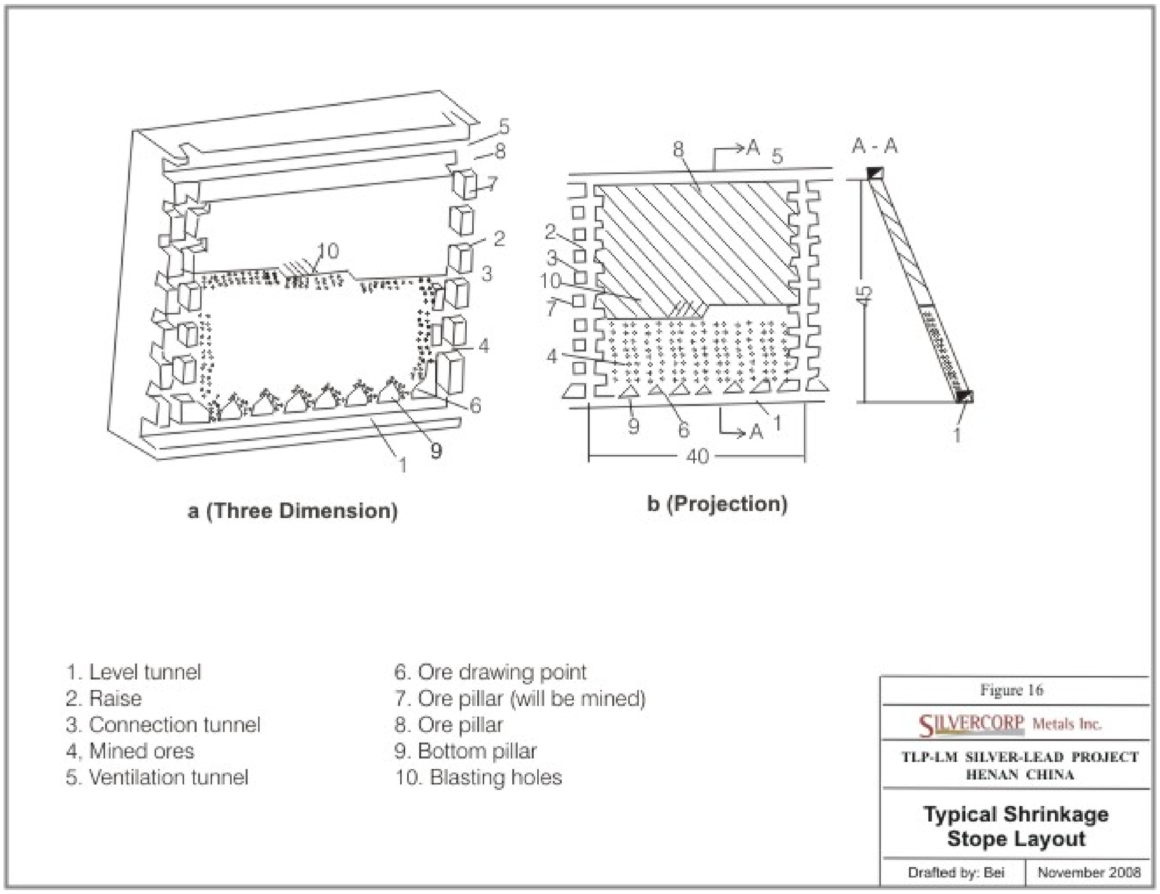


Figure 17: Typical Shrinkage Stope Layout

18.5 Geotechnical and Ground Support

The host rock for both the TLP and LM mines is a hornblende feldspar gneiss to compositionally changed feldspar hornblende gneiss and exhibits high RQD of 70% and higher. With the excellent ground conditions and the minimal sized openings, the need for ground support is minimized. Where local conditions warrant, timbering is utilized as well as steel. As expected, collar portals are most often fortified. Rock bolts, shot crete and screen are utilized where necessary.

Table 22: Rock Mechanic Characteristics of Vein-Hosting Rocks TLP Mine

Rock Types	Absorption Rate (%)	Saturation Rate (%)	SG (g/cm^3)	RQD (%)	Resistance (10^2kPa)	Shear Resistance	
						C(MPa)	Shear Resistance
Hornblende feldspar gneiss	2.83	2.95	2.52	71.0	601	0.042	35.11
Feldspar hornblende gneiss	2.68	2.82	2.62	68.7	632	0.02	33.02
Alteration rock	0.80	0.89	2.77	59.7	697	0.033	31.67
Structural breccia	2.09	2.15	2.65	40.7	353	0.03	32.74
Diorite porphyrite	0.20	0.23	2.80	68.4	878		
Allgovite	0.20	0.26	2.76	65.6	649	0.033	38.83

18.6 Hydrology

Water is distributed throughout the mine. There is no return of water at this time to the environment. Both mines were considered dry mines historically and had no difficulties with treatment as water did not resurface at the portal. Silvercorp will monitor this situation and design a water treatment facility if necessary.

18.7 Haulage

Historically, all haulage was carried out by hand carts which move approximately 800 kg of ore per cart load. Increasingly, hand carts will be replaced by diesel tricycles which are capable of moving approximately 1.5 to 1.8 tonnes of material. The possibility of using mechanized scoop trams for track haulage will be explored on the lower levels. Currently hand carts and diesel tricycle haulage are utilized.

18.8 Ventilation

Both mines currently rely on natural ventilation augmented by small fans and plastic vent tubing where necessary. There is inter-level connection from the top levels of the mines (1080 level) to the bottom level (730 level) and ventilation is controlled by fans and plastic vent tubing where sublevels are designed below main adits levels. Ventilation is monitored by a safety engineer for quantity and quality.

18.9 Ore Sorting

Ore sorting is currently accomplished by raking down each freshly dumped tricycle or hand car on to stock piles. Ore that is visibly mineralized with greater than 25% combined galena are hand sorted, separated, weighed and transported for direct smelting.

18.10 Compressed Air

Currently there are 10 small piston compressors each producing 10 m^3/min of air for jack leg drilling. A larger screw feed compressor has been installed at the 730 m level portal capable of supplying 40 cm^3/min.

PD730：2×20m^3/min
PD840：2×20m^3/min
PD930：1×12m^3/min
PD960：1×12m^3/min
PD990：2×10m^3/min
PD924：3×10m^3/min
PD991（7，8）：2×10m^3/min
PD838：2×10m^3/min，1×20m^3/min
PD900：1×20m^3/min

18.11 Mine Water Supply and Treatment

The two mines require water in small quantities to maintain the jack leg drills and any underground drills that may be operating. Water is distributed throughout the mine. There is no return of water at this time to the environment. Both mines were considered dry mines historically and had no difficulties with treatment as water did not resurface at the portal. Silvercorp will monitor this situation and design a water treatment facility if necessary.

18.12 Power Supply

A 10 kV power line services the mines with local distribution to step down transformers of 380 volts.

The main use of power presently is by compressors, small vent fans and electrical underground drills. Future requirements will include a hoist, electric tuggers/winches and possibly electric slushers.

18.13 Manpower

The mines are expected to employ close to 800 contract employees for mining to produce 1,000 tonnes of ore per day.

The company will have upwards of 110 mine employees at the peak of the current ramp up. Production is expected to be approximately 1,000 tonnes per day by Summer 2009. Mine employees are mostly geologists, engineers, surveyors, safety engineers, mine technicians, and electricians responsible for the design and safety of the mining operations.

During August 2008, the two mines were operated by six mining contractors having a combined workforce of 379 and produced approximately 300 metric tonnes per day as exploration work continued and production was being ramped up to the designed capacity of 1,000 metric tonnes per day.

1. Henan Sanyi Mine Engineering Construction Ltd. Liability Co.: 72 employees for production of PD730, PD990 and PD1020, among them are five safety personnel and 12 special operators.
2. Luoning Daqian Mine Shaft Engineering Ltd. Co.: 106 employees are in charge of PD780, PD800, PD840, PD890, PD930, PD960 of TLP and PD991, PD1025 and PD1083 of LM, among them are nine safety personnel and 18 special operators.
3. Luanchuan Xinmao Mine Engineering Ltd. Liability Co.: 34 employees are in charge of the PD820, PD819, PD846 of TLP and PD959 of LM; among them are four safety personnel and three special operators.
4. Lushi Jinxin Shaft Engineering Co.: 35 employees work at PD924 and PD969, among them are three safety personnel and four special operators.
5. Shanxi Second Shaft Engineering Co.: 46 employees for PD838, PD870 and PD968, among them are three safety personnel and nine special operators.
6. Sanmenxia Chuanyu Mining Ltd. Co.: 32 employees for PD900, among them are three safety personnel and eight special operators.
7. The TLP-LM mine contracts out surface and underground drilling to two underground and two surface drill contractors.

18.14 Contract Arrangements and Schedule of Rates

The TLP and LM mines have three types of contracts pertaining to the major activities of mining, diamond drilling, and sales of concentrate.

18.14.1 Mining Contracts

The company utilizes contract labour for mining on a rate per tonne or a rate per meter basis. The contract includes all labour, all fixed and mobile equipment materials, and consumables including fuel and explosives which are purchased through the company. Ground support consumables such as timber and power to the portal areas are the responsibility of the company.

Table 23: Average Cost Schedule for Mining at the TLP and LM Mines

Tunneling Rates With Rail Car Hauling

Size (m)	RMB/m	US$/m*	Notes
2.2x2.0	823	121.03	Major drifting
2.0x2.0	773	113.68	Drifting along veins
2.0x1.8	723	106.32	Drifting along veins
1.8x1.8	693	101.91	Drifting along veins
1.8x1.6	673	98.97	Drifting along veins
2.2x2.0	923	135.74	Sump drifting
1.8x1.6	773	113.68	Raise
2.4x 2.5	1350	198.53	Decline
3.2x3.5	1160	113.68	Slashing

Tunneling Rates Without Rail Car Hauling

Size (m)	RMB/m	US$/m	
2.2x2.0	823	121.03	The basic rates are increased by 7 RMB/m for every 100m
2.0x2.0	773	113.68	Incremental from 300m to 700m. Extra 1.00 RMB/m is added.

2.0x1.8	723	106.32	For every 100 incremental from 700m to 1,700m.
1.8x1.8	693	101.91	The basic rates are increased by 18 RMB/m for every 100m
1.8x1.6	673	98.97	Incremental from 1,700m on.
2.2x2.0	923	135.74	
1.8x1.6	773	113.68	
1.8x1.6	773	113.68	

*1 US$=6.80 RMB

Table 24: Basic Rates for Mining Methods

Methods	Basic Rates	
	RMB/t	**US$/t**
Short-hole shrinkage stope	63	9.26
Resuing stope	169	24.85

Ore hauling without rail car: for every 100 m incremental (>300 m in transportation distance), 0.85 RMB/t (US$0.13/t) is added to the basic rate. For every 1 m raise or decline, 0.21RMB/t (US$0.03/t) is added to the basic rate. Ore hauling with rail car: for every 1 m drop, 0.27RMB/t (US$0.04/t) is added to the basic rate.

Table 25: Ground Support Rates

Types	Rates		Remark
	RMB	**US$**	
Timber Support	45.00/frame	6.62/frame	Material is not included
Shot Crete	250.00/m	36.76/m	Material is included , ≥ 2cm in thickness
Concrete	600.00/m3	88.24/m3	Material is included
Concrete Pillar	370.00/m3	54.41/m3	Material is included
Rock Bolt	10.00/each	1.47/each	Material is not included

18.14.2 Diamond Drilling Contracts

Silvercorp uses the following rates for diamond drilling:

Table 26: Diamond Drilling Rate

Type of Drill	**Basic Rates**							
Surface Drill:	**RMB/m**				**US$/m**			
	PQ	HQ	NQ	BQ	PQ	HQ	NQ	BQ
<200m	640	550	500		94.12	80.88	73.53	
200m-400m	750	610	560		110.29	89.71	82.35	
400m-600m		680	630			100	92.65	
600m-800m		750	700	630		110.29	102.94	**92.65**

Underground drill-short hole (1 to 300m)	200	29.41
Underground drill-deep hole (>=300m)	260	38.24

18.14.3 Ore shipping Contracts

Ore shipping from the TLP-LM mine sites to the Xiayu Mill is carried out using trucks owned by locals from nearby villages. The all-inclusive trucking cost is 20RMB per tonne (US$3 per tonne).

18.14.4 Concentrate Sales Contracts

As a general practice, Silvercorp sells its lead concentrates produced in the TLP and LM mines directly to local smelters instead of paying treatment charges and selling metals on the markets. Concentrate sales prices are shown in Table 27 and Silvercorp is responsible only for packaging and uploading of concentrates.

Table 27: Sale Prices of Lead Concentrates

(g/t)	(%)	(g/t)	(%)	(g/t)	(%)
≥60	82	≥500	78	≥1.0	50
55-59.99	81	≥1000	79	≥3.0	60
50-54.99	80	≥1500	79.5	≥4.0	70
45-49.99	78	≥2000	80	≥5.0	80
40-44.99	76	≥2500	80.5	≥8.0	85
35-39.99	72	≥3000	81	≥10.0	88
30-34.99	67	≥4000	81.5		
25-29.99	60	<500			

Notes:

(1) Pb price in lead concentrate and massive galena ore:
Ppbconc. = Psh x Fp (A value-added tax rate of 13% is included)
Ppbconc.: Price of lead metal (RMB/tonne Pb metal) in Pb concentrate and massive ore
Psh: Weighted average price (RMB/tonne Pb metal) of lead bullion published on www.shmet.com (Shanghai metal information website) in the month when the Pb concentrate or massive ore was sold
Fpb: Factors based on various Pb grades in Pb concentrates and massive ore
* For Pb concentrate and massive ore with Pb grade of 15-19.99%, the price is 8,800RMB/t metal
* For Pb concentrate and massive ore with Pb grade less than 15%, the price is negotiable

(2) Ag price in lead concentrate and massive galena ore:
(A tax rate of 13% is included)
Psilver = Pex.silver x Fsilver
Psilver: Price of silver metal (RMB/g Ag metal) in Pb concentrate and massive ore
Pex.silver: Weighted average price (RMB/g Ag metal) of #2 Silver published on www.ex-silver.com (China silver metal information website) when the Pb concentrate or massive ore was sold

Fsilver: Factors based on various Ag grades in Pb concentrates and massive ore

(3) Au price in Pb conc. and massive ore:
Pgold = Psge x Fgold
Pgold: Price of gold metal (RMB/g Au metal) in Pb concentrate and massive ore
Psge: Weighted average price (RMB/g Au metal) of gold (99.95#) published in www.sge.sh (Shanghai Gold Exchange) in the month when the Pb concentrate or massive ore was sold
Fgold: Factors based on various Au grades in Pb concentrates and massive ore

18.16 Environmental

A current environmental permit exists for both the TLP and LM mines granting the right to mine at the TLP and LM mines. The mining permit and environmental permit are viewed as one document by the Chinese authorities which grants the right to mine. A compliant mining permit is composed of a "Resource Utilization Plan" (RUP), an "Environmental Impact Study" and a "Geological Hazards Assessment Report".

Both TLP and LM projects currently hold mining permits**.**

18.15 Occupational Health and Safety

The safety department at the TLP-LM mines consists of over eight inspectors and technicians. The safety department is headed by a safety superintendent.

The mines have established comprehensive health and safety policies and procedures which include the following:

1. Personal responsibilities of safe production for all management, staff and contractors;
2. Policies for daily, monthly and quarterly safety inspections;
3. Safety training policy;
4. Accident reporting policy;
5. High-risk source monitoring policy;
6. Correction policy for breach of rules;
7. Safety management policies for inspection and the operation of equipment;
8. Safety incentive bonus and punitive action policy;
9. Standard system of record keeping related to heath and safety; and
10. Safety fund collecting policy.

The mandate of the safety department is to provide safety training, inspection and enforcement of rules and to recommend and communicate safety procedures to the management, staff and contract workforce.

Contractors also employ safety officers who liaise with the company's safety department. The mines maintain a safety committee comprised of management, the safety superintendent, safety officers and representatives from the contractors and technical staff.

The safety department must possess and maintain a valid mine safety certificate issued by the Provincial Bureau of Safe production and Inspection.

Mine contractors supply personal protective equipment to the employees.

18.16 Operating Costs Estimate

The direct operating cost for mining and milling, shipping, general and administration are based on the current contracts for mining and actual costs for milling.

Table 28: Direct Operating Cost Estimate of the TLP/LM Mines (in US Dollars)

Items	Cost	
	TLP	LM
Mining TLP	$29.00/t	$29.00/t
Sustaining capital	$5.00/t	$5.00/t
Milling*	$8.27 /t	$8.27
Shipping (mines to mill)	$3.00/t	$3.00/t
Admin and General	$0.83/t	$0.83/t
Total	$46.10	$46.10/t

*A resource tax equivalent to $2 per tonne is applicable to each tonne of ore milled.

18.17 Taxes

China has a 13% Value Added Tax (VAT) on sales of concentrates and a 17% VAT on articles such as materials and supplies. The 17% VAT paid on materials purchased for mining is returned to the company as an incentive to mine in China. There is no VAT on labour or services. A 2% resources tax is payable by companies as a royalty to the government.

For foreign invested companies such as Silvercorp, income tax is zero for the first two years, then 12.5% for years three to five, and 25% thereafter. Starting in 2009, Henan Found entered its fourth year of operation, and as such enjoys a 12.5% income tax rate until 2010, while Henan Huawei, operator of the LM mine, is in its third year of operation and will retain a 12.5% income tax until 2011.

According to China's mining law, mining companies are required to pay 2% resource tax or government royalty. Other taxes such as Business, City Construction, school taxies are exempted for foreign invested companies.

18.18 Capital Cost Estimates

The following table lists the capital costs estimate for mine development that will sustain 1,000 t/d mine production for the TLP mine and 150 t/d mine production for the LM mine. Estimates are based on the use of new equipment and the current mine contract rates and expressed as US dollars with no provision for inflation.

Capital costs for mine development including shaft sinking and installation, main access tunneling/slashing, power cables, and compressed air lines, totalling US$ 1,608,497 for the TLP mine and US$ 496,950 for the LM mine are broken down in the following table.

Table 29: Mine Development Capital Costs at TLP and LM Mines

TLP Mine Development Cost	US $
PD730 Ventilation shaft (Installed)	529,412
PD730（Line 5）Decline	176,471
PD730 730-Level development tunnel	79,412
PD730 710-Level development tunnel	66,176
PD730 660-Level development tunnel	86,029
PD730 610-Level development tunnel	125,735
PD730 560-Level development tunnel	112,500
PD730 510-Level development tunnel	59,559
Pumps	14,706
Cables	220,776
Compress air lines	20,074
Hoists	117,647
Total	**1,608,497**
LM Mine Development Cost	
PD924 shaft (Installed)	176,471
PD924 Level 870 Decline	58,824
PD924 Level 840 development tunnel	26,471
PD924 Level 810 development tunnel	22,059
PD924 Level 770 development tunnel	28,676
PD924 Level 840-810 raise	41,912
PD924 Level 810-770 raise	37,500
PD924 Level 840-810 raise	19,853
Pumps	4,902
Power Cables	73,592
Compress airlines (PVC hoses)	6,691
Total	**496,950**

18.19 Operating Costs

The following table summarizes the operational costs for the TLP and LM mines based on trial production from July to September 2008.

Table 30: TPL-LM Operating Cost

Items	Cost (US$/t)
Mining	29.00
Ongoing sustaining cost	5.00
Milling	8.27
Shipping	3.00
Admin and General	0.83
Total	46.10

18.20 Economic Analysis and Pre-feasibility Study

18.20.1 Five-year Mine Production Plan

The following table lists the tonnes and grades of the five-year mine production for the TLP-LM project. The production is projected based on Measured and Indicated mineral resources using the 150 g/t Ag equivalent cut-off with 80 to 85% mining recovery rates and 20 to 70% dilution factors. After 6,600 m mine development at a cost of US$2,105,447, the TLP and LM mines can ramp-up and sustain production of over 1,000 t/d and 150 t/d, respectively.

Based on Henan Found's 2009-2013 mine plan, the TLP mine will produce a total 1,596,000 tonnes with an average grade of 212 g/t Ag and 2.67% Pb. The LM mine will produce 268,160 tonnes with an average grade of 316g/t Ag and 2.14% Pb.

Table 31: Five-year Production Summary for the TLP and LM Mines

Year	**TLP Mine**			**LM Mine**		
2009	252,000	163	2.71	44,520	338	1.68
2010	336,000	202	2.64	52,080	385	1.78
2011	336,000	216	2.78	51,149	323	2.23
2012	336,000	242	2.58	57,660	261	3.05
2013	336,000	225	2.64	62,571	289	1.85
Total	**1,596,000**	**212**	**2.67**	**268,160**	**316**	**2.14**

18.20.2 Financial Summary of Five Year Mine Plan

The cash flow analysis for the five-year mine plan is listed in Table 32 for the TLP mine and Table 33 for the LM mine.

Based on metal prices of US$9.50/oz Ag and US$ 0.60/lb Pb, net profits generated from the planned five-year mine production for the TLP and LM mines are as follows:

TLP Mine: assuming total production cost of US$46.10 per tonne and using metal recoveries of 85% for Pb and 90% for Ag, Silvercorp's share (77.5%) of projected net cash flow is anticipated to be US$0.58 million for the first year, US$4.49 million for the second year, US$5.49 million for the third year, US$5.38 million for the fourth year and US$ 4.74 million for the fifth year.

LM Mine: assuming total production cost of US$46.10 per tonne and using metal recovery rates of 92% for Pb and 91% for Ag, Silvercorp's share (70%) of projected net cash flow is anticipated to be US$0.63 million for the first year, US$1.56 million for the second year, US$1.23 million for the third year, US$1.01 million for the fourth year and US$ 0.94 million for the fifth year.

If revenue from lead is used to cover production cost, then averaging unit silver production cost adjusted for lead credit is projected to be US$3.41/oz for the TLP mine and US$2.62/oz for the LM mine. If lead is treated as free credits and only silver revenue is used to cover the production cost, then the average unit silver production costs for the TLP and LM mines are projected to be US$7.51/oz and US$4.98/oz, respectively.

18.20.3 Payback

The mine development capital and ongoing exploration programs at the TLP and LM mines are budgeted at US$6,319,497 and US$2,515,950, respectively. The payback period for the TLP mine is one and a half years and for the LM mine is less than one and a half years.

Table 32: Cash Flow Analysis for Five-Year Mine Plan at the TLP Mine

		Year	Year	Year	Year	Year	
		2009	**2010**	**2011**	**2012**	**2013**	**Total**
Ore Mined and milled (tonne)		**252,000**	**336,000**	**336,000**	**336,000**	**336,000**	**1,596,000**
Grade							
Silver (oz/t)		5.24	6.49	6.94	7.79	7.23	6.82
Lead (%)		2.71%	2.64%	2.78%	2.58%	2.64%	2.67%
Milling Recovery Rate							
Silver		90.00%	90.00%	90.00%	90.00%	90.00%	90.00%
Lead		85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
Metal Products							
Silver Produced from milled ore (oz)		1,188,432	1,962,576	2,098,656	2,355,696	2,186,352	9,791,712
Lead Produced from milled ore (lb)		12,797,306	16,622,331	17,503,819	16,244,551	16,622,331	79,768,623
Total Metal Products							
Total Silver produced (oz)		1,188,432	1,962,576	2,098,656	2,355,696	2,186,352	9,791,712
Total Lead produced (lb)		12,797,306	16,622,331	17,503,819	16,244,551	16,622,331	79,768,623
Metal Prices (US$)(net of smelter charges and value added tax)							
Silver (US$/oz) ($9.5/oz x 82%)		7.79	7.79	7.79	7.79	7.79	7.79
Lead (US$/lb) ($0.60/lb x 84%)		0.5	0.5	0.5	0.5	0.5	0.5
Revenue (US$)							
Silver (US$)		9,257,885	15,288,467	16,348,530	18,350,872	17,031,682	76,277,436
Lead (US$)		6,449,842	8,377,655	8,821,925	8,187,254	8,377,655	40,214,330
Total Revenue (US$)		15,707,728	23,666,122	25,170,455	26,538,126	25,409,337	116,491,767
Mining Cost (US$29.00/t)	29	7,308,000	9,744,000	9,744,000	9,744,000	9,744,000	46,284,000
Sustaining capital cost (US$5/t)	5	1,260,000	1,680,000	1,680,000	1,680,000	1,680,000	7,980,000
Milling cost using own mill (US$8.27/t)	8.27	2,084,040	2,778,720	2,778,720	2,778,720	2,778,720	13,198,920
Shipping cost (US$3.00/t)	3	756,000	1,008,000	1,008,000	1,008,000	1,008,000	4,788,000
Admin + General (US$0.83/t)	0.83	209,160	278,880	278,880	278,880	278,880	1,324,680

Total Production cost (US$)	46.1	11,617,200	15,489,600	15,489,600	15,489,600	15,489,600	73,575,600
Resource Tax (US$)	2.00%	314,155	473,322	503,409	530,763	508,187	2,329,835
Pre-Income tax net profit (US$)		3,776,373	7,703,200	9,177,446	10,517,763	9,411,550	40,586,332
Income tax rate		12.50%	12.50%	25.00%	25.00%	25.00%	20.00%
Income tax payable (US$)		472,047	962,900	1,147,181	2,629,441	2,352,888	7,564,456
Net Profit after income tax (US$)		3,304,326	6,740,300	8,030,265	7,888,322	7,058,663	33,021,876
Less: Capital Expenditure for Mine Development (US$)		1,608,497					1,608,497
Less: Ongoing Program(US$)		942,200	942,200	942,200	942,200	942,200	4,711,000
Net Cash Flow for 100% TLP		753,629	5,798,100	7,088,065	6,946,122	6,116,463	26,702,379
Silvercorp's share of cash flow (77.5%) (US$)		584,063	4,493,527	5,493,250	5,383,245	4,740,259	20,694,344
Unit Silver production cost	US$/oz	9.78	7.89	7.38	6.58	7.08	7.51
Unit Silver production cost adjusted for by-product credit	US$/oz	4.35	3.62	3.18	3.10	3.25	3.41

Table 33: Cash Flow Analysis for Five-Year Mine Plan at the LM Mine

		Year 2009	**Year 2010**	**Year 2011**	**Year 2012**	**Year 2013**	**Total**
Ore Mined and milled (tonne)		44,520	52,080	51,149	57,660	62,751	268,160
Grade							
Silver (oz/t)		10.87	12.37	10.38	8.39	9.29	10.16
Lead (%)		1.68%	1.78%	2.23%	3.05%	1.85%	2.14%
Milling Recovery Rate							
Silver		91.00%	91.00%	91.00%	91.00%	91.00%	91.00%
Lead		92.00%	92.00%	92.00%	92.00%	92.00%	92.00%
Metal Products							
Silver Produced from milled ore (oz)		440,378	586,249	483,143	440,228	530,491	2,480,490
Lead Produced from milled ore (lb)		1,516,988	1,880,220	2,313,447	3,566,910	2,354,561	11,607,855
Total Metal Products							
Total Silver produced (oz)		440,378	586,249	483,143	440,228	530,491	2,480,490
Total Lead produced (lb)		1,516,988	1,880,220	2,313,447	3,566,910	2,354,561	11,607,855
Metal Prices (US$)(net of smelter charges and value added tax)							
Silver (US$/oz) ($9.5/oz x 82%)		7.79	7.79	7.79	7.79	7.79	7.79

Lead (US$/lb) ($0.60/lb x 84%)		0.50	0.50	0.50	0.50	0.50	0.50
Revenue (US$)							
Silver (US$)		3,430,548	4,566,879	3,763,686	3,429,379	4,132,522	19,323,014
Lead (US$)		764,562	947,631	1,165,978	1,797,722	1,186,699	5,862,591
Total Revenue (US$)		4,195,110	5,514,510	4,929,663	5,227,101	5,319,221	25,185,606
Mining Cost (US$29.00/t)	29.00	1,291,080	1,510,320	1,483,321	1,672,140	1,819,779	7,776,640
Sustaining capital cost (US$5/t)	5.00	222,600	260,400	255,745	288,300	313,755	1,340,800
Milling cost using own mill (US$8.27/t)	8.27	368,180	430,702	423,002	476,848	518,951	2,217,683
Shipping cost (US$3.00/t)	3.00	133,560	156,240	153,447	172,980	188,253	804,480
Admin + General (US$0.83/t)	0.83	36,952	43,226	42,454	47,858	52,083	222,573
Total Production cost (US$)	46.10	2,052,372	2,400,888	2,357,969	2,658,126	2,892,821	12,362,176
Resource Tax (US$)	2.00%	83,902	110,290	98,593	104,542	106,384	503,712
Pre-Income tax net profit (US$)		2,058,836	3,003,332	2,473,101	2,464,433	2,320,016	12,319,718
Income tax rate		12.50%	12.50%	25%	25.00%	25.00%	17.35%
Income tax payable (US$)		257,355	375,416	309,138	616,108	580,004	2,138,021
Net Profit after income tax (US$)		1,801,482	2,627,915	2,163,963	1,848,325	1,740,012	10,181,697
Less: Capital Expenditure for Mine Development (US$)		496,950					496,950
Less: Ongoing Exploration Program(US$)		403,800	403,800	403,800	403,800	403,800	2,019,000
Net Cash Flow for 100% LM		900,732	2,224,115	1,760,163	1,444,525	1,336,212	7,665,747
Silvercorp's share of cash flow (70%) (US$)		630,512	1,556,881	1,232,114	1,011,167	935,348	5,366,023
Unit Silver production cost	US$/oz	4.66	4.10	4.88	6.04	5.45	4.98
Unit Silver production cost adjusted for by-product credit	US$/oz	2.92	2.48	2.47	1.95	3.22	2.62

19.0 OTHER RELEVANT DATA AND INFORMATION

Other information of relevance includes knowledge and data pertaining to various operational issues such as mine site access, mine permitting, mining methods, mine design, mine ventilation, hydrology, ore sorting, ore haulage, ore milling, direct shipping ore, power supplies, manpower, metal markets, environmental permitting and similar issues, health and safety, capital costs, and operating costs.

Some of the more positive relevant features in the TLP–LM operation are:

1. Locally available power supply for the mine and mill facilities;
2. Abundant low-cost labor supply offers a major economic advantage over similar deposits in other parts of the world;
3. Proximity to a number of existing custom mills and smelters, as well as to Silvercorp's fully operational 1,000 tpd mill;
4. Topography that favors access to the veins by driving horizontal tunnels from the sides of the narrow valleys;
5. Ground conditions which allow the use of shrinkage stopes, providing 85% ore recoveries with minimum dilution;
6. Several horizontal portals created for exploration are used to provide fast and effective access for moving ore from underground workings;
7. Prices for silver, lead and zinc quoted on the Shanghai Metal Exchange are about 13% above world prices due to a 13% Value Added Tax on metal imports levied by the Chinese government; and
8. Silvercorp's safety program exceeds Chinese standards and has to date recorded no serious injuries or death.

The only relevant data of minor concern is the unlikely event of a natural catastrophe such as a major flood or earthquake that could impact safety or the environment.

Some new relevant information received after the previous Technical Report is hydrological data provided by Zhengzhou Geological Engineering Exploitation Institute of Henan Province in a detailed hydrogeology report in May 2006. This report concludes that:

1. Seepages in veins (mine workings) are derived from wall rock fractures;
2. The source of groundwater is rainfall; and
3. Wall rock adjacent to mineralized veins is competent and blocky Archean gneiss that acts as an aquiclude. Saturation rate in the mining area is low.

Other new information collected as a follow-up to the hydrologic study is a TEM geophysical survey recently conducted by the Henan Non-ferrous Geology Institute on the adjacent Ying project. Although this TEM survey was not conducted on the TLP–LM Project, it showed excellent correlation between low resistivity anomalies and known mineralized veins.

The operating costs for mining, custom milling, shipping, and G&A are average actual figures based upon costs for the start up period from January 2008 to August 31, 2008. The mining cost for the start-up period includes some extraordinary items. Full production at both the TLP and LM mines is expected by the first quarter of 2009. Costs are projected to be slightly reduced based upon firm contract prices for mining. Milling costs are expected to reduce slightly as circuits are modified to produce only a lead concentrate from TLP and LM ores.

20.0 INTERPRETATION AND CONCLUSIONS

The TLP-LM Project, located in one of China's most densely populated provinces and a minor mining province, is a development stage project consisting of a former producing mine with identified silver-lead-zinc resources and several outlying intermediate-stage exploration targets. The mine area and outlying occurrences are deposit types typical of the world's prolific Archean-Proterozoic sequences, which host a significant number of the world's mesothermal silver-lead-zinc deposits.

The previous underground operation on the TLP-LM project relied on two mining permits with a significant existing mining infrastructure. The information presented in the resource chapter of this Technical Report indicates the two mines together contain significant remaining silver-lead-zinc resources, much of which is adjacent to existing underground mine workings. Silvercorp's successful efforts at the adjacent Ying and HPG projects, both of which are quite similar to TLP–LM, suggest that the TLP-LM project could be quickly brought into full production. Additionally, the existing data suggests that the many silver-lead-zinc veins that cross the TLP-LM project area have potential to host additional silver-lead-zinc deposits similar in size and quality to the already defined deposits. We believe an intensive in-fill and step-out tunneling and underground drilling campaign stands a very good chance of significantly extending and expanding the silver-lead-zinc mineralization in the TLP-LM Project.

Based on a survey of the mined out areas up to August 31, 2008, as shown in a series of longitudinal sections, the resources categorized in this Technical Report as measured and indicated are assumed to be reasonably recoverable. It appears from presently available data there are no significant technical issues to preclude successful mining and processing of the silver-lead-zinc mineralization. Combined with an excellent existing infrastructure and favorable metal prices, the TLP-LM operation could well be re-opened and developed as a "fast-track" operation.

The silver-lead-zinc targets that occur on the additional veins require further exploration. Several of these targets are especially interesting: (1) the numerous veins in the southeast corner of the TLP mining permit (at the northern extension of the LM1 and LM2 veins); (2) southwest extensions of the LM5, LM4 and LM3 veins present targets of style and size similar to the LM deposit that was previously mined; and (3) the southwestern extensions of the 1, 2 and 3 veins at TLP onto the LM mining permit offer a third potentially important target. All of these targets have had a moderate amount of previous work done but none have been fully explored.

Resource calculations of the TLP mine presented in this report consist of measured plus indicated resources of 4,158,789 tonnes with an average grade of 139 g/t silver and 2.32% lead in veins averaging 1.56 m wide. The contained metals for the measured plus indicated resources are 18.61 million ounces of Ag and 96,343 tonnes of Pb. The inferred resource is 2,708,161 tonnes with a grade of 142 g/t Ag and 2.40% Pb in veins averaging 1.49 m wide.

At the LM mine, the measured and indicated resources are 362,474 tonnes grading 255 g/t Ag and 2.11% Pb, containing 3 million ounces of Ag and 7,642 tonnes of Pb over 0.71 m in vein width. The inferred resource is 106,531 tonnes with a grade of 238 g/t Ag and 2.93% Pb.

Based on Found's 2009-2013 mine plans, the TLP mine is expected to produce a total 1,596,000 tonnes with an average grade of 212 g/t Ag and 2.67% Pb. The LM mine is expected to produce 268,160 tonnes with an average grade of 316 g/t Ag and 2.14% Pb. After 6,600 m of mine development costing US$2,105,447, the TLP and LM mines are expected to ramp up and sustain production of 1,000 t/d and 150 t/d, respectively. Net cash flow generated from the mine production is expected to be US$26,702,379 for the TLP mine and US$7,665,747 for the LM mine. Average unit silver production cost is expected to be US$7.51/oz for the TLP mine and US$4.98/oz for the LM mine. Averaged unit silver production cost adjusted for lead by-product credit is expected to be US$3.41/oz for the TLP mine and US$2.62/oz for the LM mine. The payback period for the TLP is expected to be 1.5 years and less than 1.5 years for the LM mine.

We consider TLP-LM to be a development stage project of merit.

21.0 RECOMMENDATIONS

Silvercorp followed the recommendations offered by BK Associates to define NI 43-101 compliant resources based on the January 2008 site visit and data review. New recommendations offered in light of exploration completed since that visit and the information presented in this Technical Report are as follows:

1. The positive cash flows indicated by Silvercorp's independent economic study suggest that the company should continue to move towards full production from the TLP and LM mines.

2. Investigate other simple mining practices such as the development of an ore pass system to reduce costs and optimize production at the TLP mine.

3. Instigate a five-year exploration program of diamond core drilling and underground drifting in an effort to replace mined ore.

4. Continue to explore the recently discovered TLP veins having orientations different from the principal T-1 to T-6 vein sets with diamond drilling, drifting and possibly geophysics.

5. The program of data compilation integrated with the Surpac 3D model should receive high priority.

6. Investigate using a central database utilizing Microsoft Access or similar relational database to store, sort and access the increasingly large sample database.

7. Initiate a program to reconcile grades of ores mined at both the TLP and LM mines with mill recoveries.

8. Expand exploration on land adjacent to the TLP and LM concessions to identify new opportunities.

9. Implement an accounting system to track true mining and transportation costs.

To accomplish these goals, it will be necessary to expand and diversify management of the operation. Silvercorp has already started on this task.

To initiate the tasks discussed above, we recommend a program costing approximately **$6.73 million.** A detailed breakdown of this program is as follows:

Table 34: TLP-LM Project Five Year Plan – Ongoing Program & Budget

	TLP		LM		Total US$
Drilling & Exploration Equipment Replacement	**Meters (m)**	**Cost (US$)**	**Meters (m)**	**Cost (US$)**	
Drilling (US$44.12/m)	40,000	1,764,800	17,000	750,040	2,514,840
Drifting ((US$132.35/m)	15,200	2,011,720	6,600	873,510	2,885,230
Environmental & Permitting					
On-going environmental monitoring program & remediation where necessary		245,000		105,000	350,000
Contingency					
Extra drilling, permitting, preliminary mining infrastructure		686,000		294,000	980,000
Total	55,200	4,707,520	23,600	2,022,550	**$6,730,070**

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23.0 DATE AND SIGNATURE PAGE

Centralia, Washington, U.S.A. November 20th, 2008	Chris Broili, C.P. Geo. & L.P. Geo. Exploration Geologist BK Exploration Associates
Spokane Valley, Washington, U.S.A. November 20th, 2008	Mel Klohn,, L.P. Geo. Senior Consultant BK Exploration Associates
Wawa, Ontario, Canada November 20th, 2008	Ronald Moran P.Eng. Professional Mining Engineer Vetrin Mine Planners Ltd..

CERTIFICATE OF QUALIFIED PERSON-1

1. I, Chris Broili, of 2104 Graf Road, Centralia, Washington, U.S.A., am currently an Exploration Geologist with BK Exploration Associates, a technical advisor to the board of directors of Carina Energy, Inc., and technical advisor to the board of directors of Nevoro, Inc.

2. I am the primary author responsible for the preparation of the technical report titled "TLP–LM Silver-Lead Projects, Henan Province, China, for Silvercorp Metals Inc." and dated November 20, 2008 (the "Technical Report").

3. I graduated with a Bachelor's degree in Geology from Oregon State University (B.Sc.) and a Master's degree in Economic Geology from the University of Idaho, College of Mines (M.Sc.). I am a licensed Professional Geologist in the State of Washington (#547), a Certified Professional Geologist in the United States (#7937) with the American Institute of Professional Geologists, a Fellow of the Society of Economic Geologists, and a member of the American Institute of Mining and Metallurgy. My relevant experience for purposes of this Technical Report include Senior Minerals Geologist with Union Carbide Corp. and Atlas Precious Metals Inc., Vice President of Exploration for Yamana Resources Inc., Vice President of Exploration for Mines Management Inc. and Senior Geological Consultant for numerous junior and senior mining companies. I have been directly involved in mining exploration for the past 35 years. I worked several times since 2004 in Henan Province and am familiar with the geology of this region. I have read the definition of "qualified person" set out in NI 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

4. I visited the properties and reviewed data on January 8th through 15th, 2008, (eight days) with the technical staff of Silvercorp Metals and Henan Found Mining Ltd.

5. I am responsible for Chapters 2 through 4, 7 through 14, and 19 of this report.

6. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101.

7. I have had previous involvement with the TLP–LM Project. I have no interest, nor do I expect to receive any interest, either directly or indirectly, in the TLP–LM Project, nor in the securities of Silvercorp Metals Inc.

8. I have read NI 43-101 and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument and form.

9. I am not aware of any material fact or material change with respect to the subject matter of the Technical Report that is not reflected in the Technical Report, the omission to disclose which makes the Technical Report misleading.

Dated this 20th day of November, 2008
Centralia, Washington, U.S.A.

Chris Broili, C.P. Geo. & L.P. Geo.

CERTIFICATE OF QUALIFIED PERSON-2

1. I, Mel Klohn, of 11309 E. 48th Ave., Spokane Valley, Washington, U.S.A., am currently a Senior Consulting Exploration Geologist for BK Exploration Associates, a director of Red Hill Energy, Inc., a director of International Enexco, Inc., and a director of Nevoro, Inc.

2. I am a co-author responsible for the preparation of the Technical Report titled "TLP–LM Silver-Lead Projects, Henan Province, China, for Silvercorp Metals Inc." and dated November 20, 2008.

3. I graduated with B.Sc. and M.Sc. degrees in Geology from the University of Oregon. I am a licensed Professional Geologist (#830) with the State of Washington, a member of the Society of Economic Geologists, the Canadian Institute for Mining and Metallurgy, and the Society for Mining Metallurgy and Exploration. I have been directly involved in resource exploration for the 40 years since my graduation, serving 25 years as a Professional Geologist and Senior Research Geoscientist for Exxon Corporation, and subsequently as Vice President of Exploration for Yamana Resources Inc., Yamana Gold Inc., Samba Gold Inc., and most recently Aura Gold Inc. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association as defined in NI 43-101, and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

4. I also reviewed property data, and reviewed further data received via mail and electronically from Silvercorp intermittently from January 8 to April 15, 2008.

5. I am responsible for Chapters 1, 5, 6, 15, 20 and 21 of this report.

6. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101.

7. I have had no previous involvement with the TLP–LM Project, and I have no interest, nor do I expect to receive any interest, either directly or indirectly, in the TLP–LM Project, nor in the securities of Silvercorp Metals Inc.

8. I have read National Instrument 43-101 and Form 43-101F, and the Technical Report has been prepared in compliance with that instrument and form.

9. I certify that, as of the date of this Certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 20th day of November, 2008,
Spokane Valley, Washington, U.S.A.

Mel Klohn, L.P.Geol

CERTIFICATE OF QUALIFIED PERSON-3

1. I, Ron Moran, of 35 Birch Street, Wawa, Ontario, Canada, am currently an independent mining consultant and the principal of Vetrin Mine Planners Ltd.

2. I am a co-author responsible for the preparation of the Technical Report titled "TLP–LM Silver-Lead Projects, Henan Province, China, for Silvercorp Metals Inc." and dated November 20, 2008.

3. I graduated from the Haileybury School of Mines in 1970 and completed a B.Sc. Degree in Mine Engineering from Michigan Technology University in 1980. I am a licensed Professional Engineer (#90243288) in the Province of Ontario. I have held senior mine operations and engineering positions with Noranda Inc, Placer Dome, River Gold Mines, Dumas Contracting and Sangold Corporation. I have read the definition of "qualified person" set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association as defined in NI 43-101, and past relevant work experience, I fulfill the requirements to be a "qualified person" for the purposes of NI 43-101.

4. I personally inspected the Xiayu mill, and toured the surface and underground facilities of the TLP and LM properties between October 5th and the 11th, 2008. I have reviewed the on site property data and subsequent electronic data received from Silvercorp personnel from October 2008 to the present.

5. I am responsible for Chapters 16, 17, and 18 of this report.

6. I am independent of the issuer applying all of the tests in section 1.5 of NI 43-101.

7. I have had no previous involvement with the TLP–LM Project, and I have no interest, nor do I expect to receive any interest, either directly or indirectly, in the TLP–LM Project, nor in the securities of Silvercorp Metals Inc.

8. I have read National Instrument 43-101 and Form 43-101F, and the Technical Report has been prepared in compliance with that instrument and form.

9**.** I certify that, as of the date of this Certificate, to the best of my knowledge, information and belief, this Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Dated this 20th day of November 2008,
Wawa, Ontario, Canada

Ron Moran, P. Eng.

CONSENT OF AUTHORS

TO: Toronto Stock Exchange
Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
New Brunswick Securities Commission
Nova Scotia Securities Commission

We, **Chris Broili**, C.P. Geo. & L.P. Geo., of 2104 Graf Road, Centralia, Washington, U.S.A., **Mel Klohn**, L.P. Geo., of 11309 E. 48th Ave., Spokane Valley, Washington, U.S.A., and **Ronald Moran**, P. Eng., of 35 Birch St., Wawa, Ontario, Canada, do hereby consent to the filing, with the regulatory authorities referred to above, of the technical report titled "Technical Report – TLP – LM Silver-Lead Projects, Henan Province, China, for Silvercorp Metals Inc." prepared for Silvercorp Metals Inc. and dated Nov. 20th, 2008, (the "Technical Report") and to the written disclosure of the Technical Report and of extracts from or a summary of the Technical Report in the written disclosure in the Annual Information Form of Silvercorp Metals Inc. being filed.

Dated this 20th day of November, 2008

Chris Broili, C.P. Geo. & L.P. Geo.

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APPENDIX I: VERIFICATION SAMPLE DESCRIPTIONS AND ANALYTICAL RESULTS

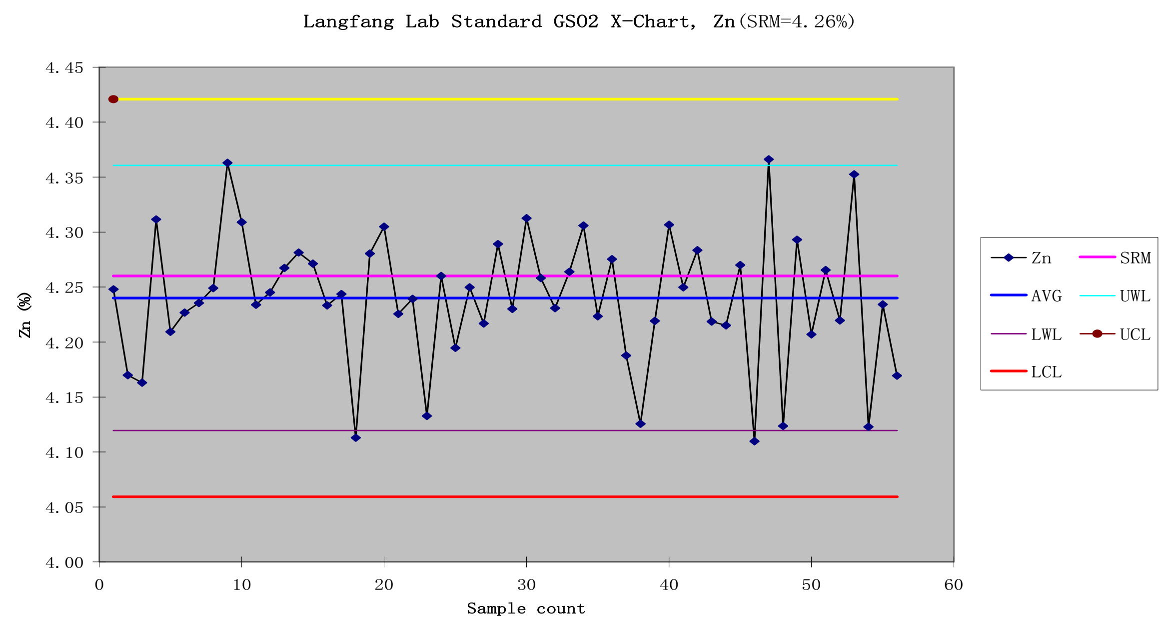

Figure I- 1: Langfang Lab Standard GSO2 X-Chart, Zn (SRM=4.26%)

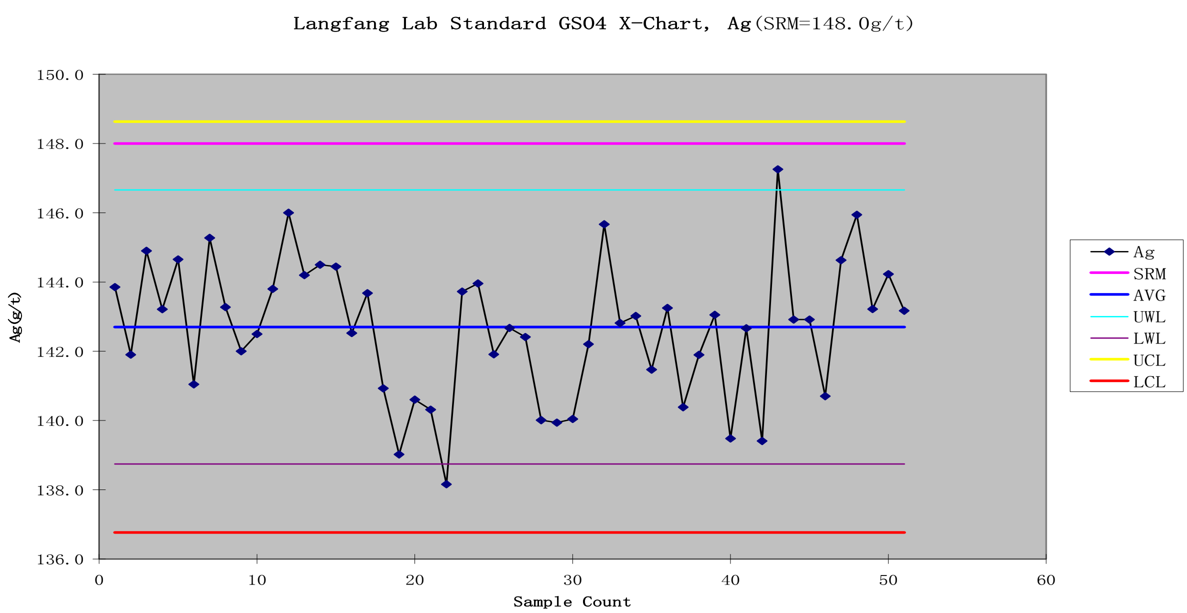

Figure I- 2: Langfang Lab Standard GSO4 X-Chart, Ag (SRM=148.0g/t)

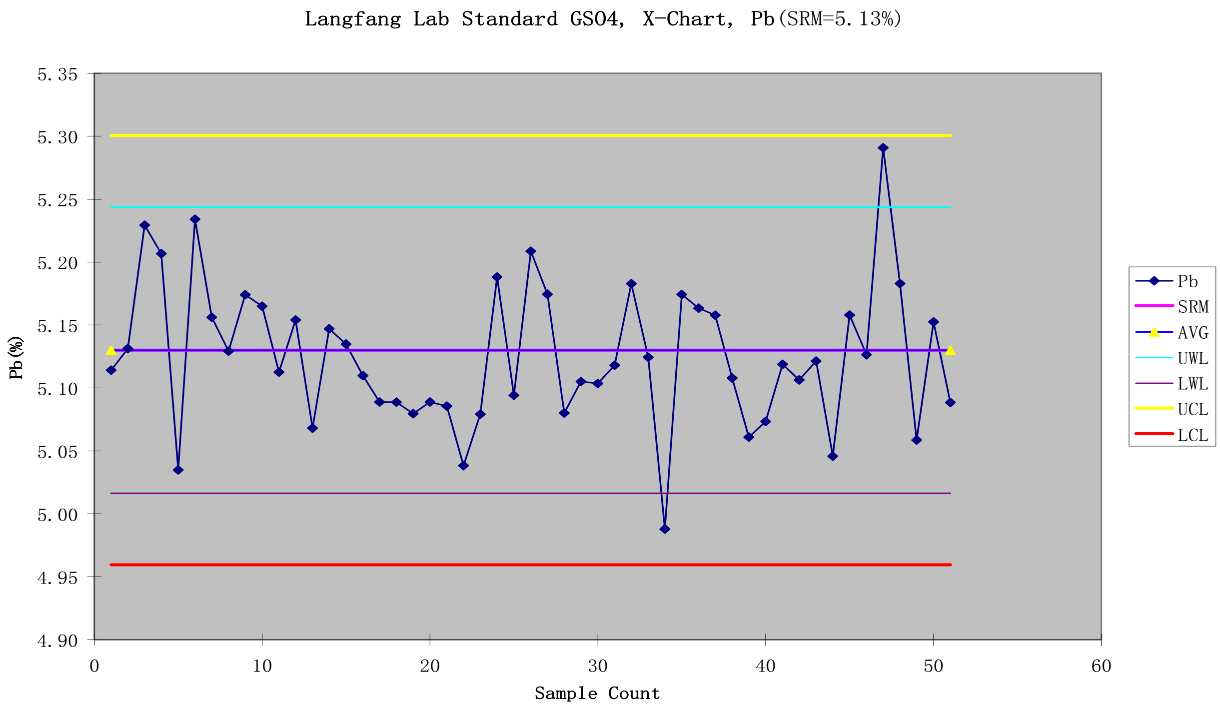

Figure I- 3: Langfang Lab Standard GSO4 X-Chart, Pb (SRM=5.13%)

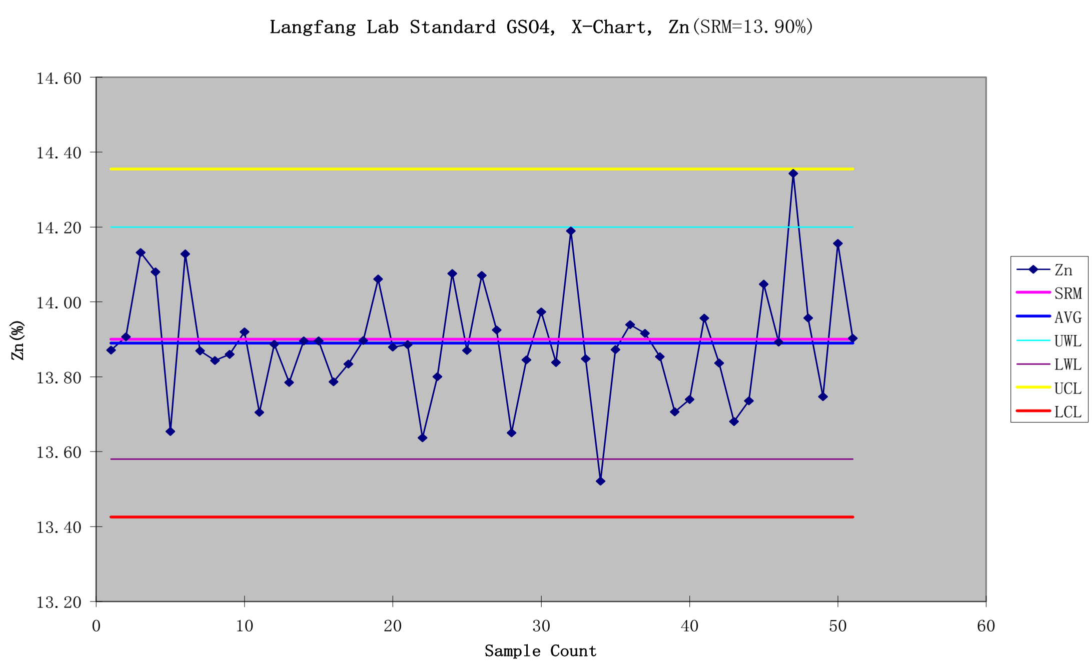

Figure I- 4: Langfang Lab Standard GSO4 X-Chart, Zn (SRM=13.90%)

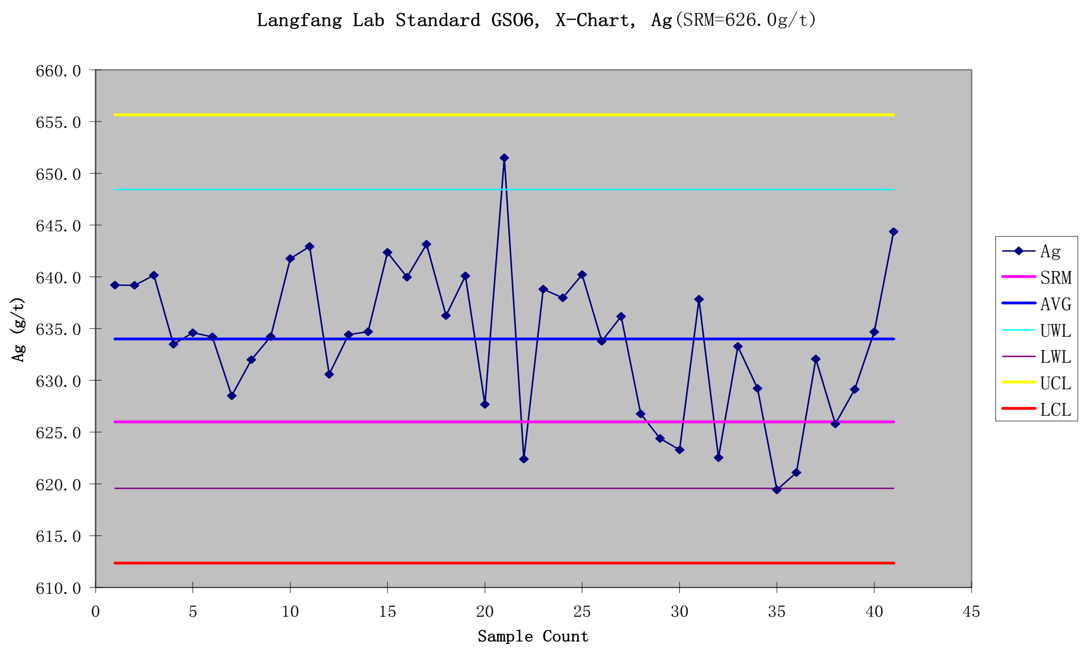

Figure I- 5: Langfang Lab Standard GSO6 X-Chart, Ag (SRM=626.0g/t)

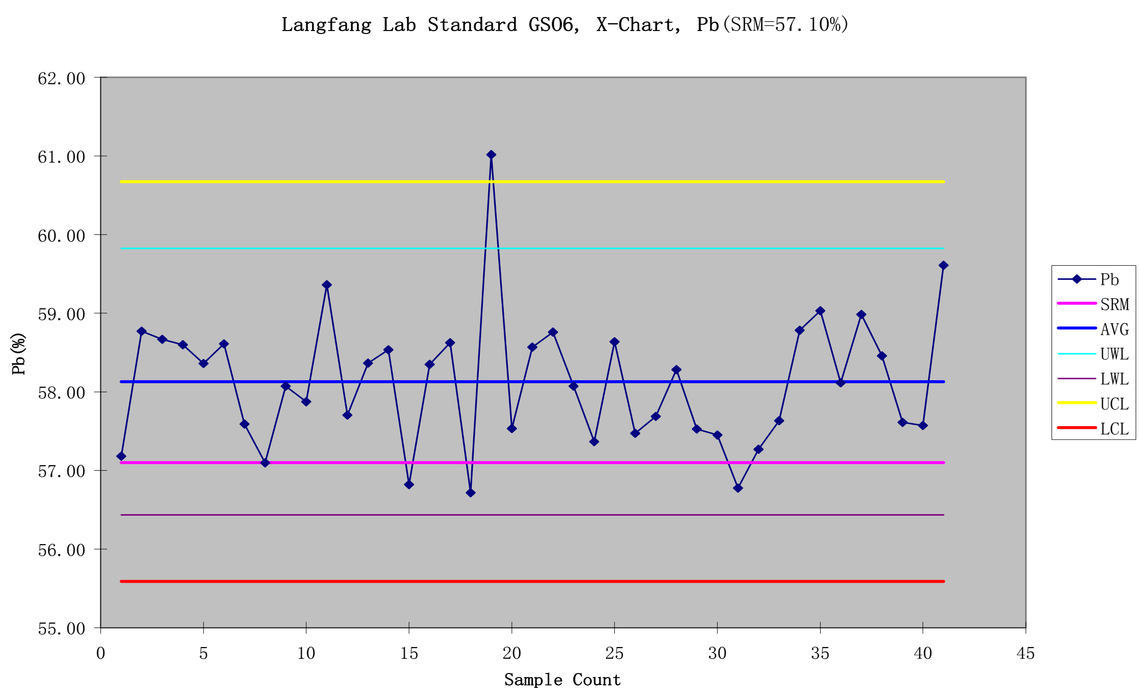

Figure I- 6: Langfang Lab Standard GSO6 X-Chart, Pb (SRM=57.10%)

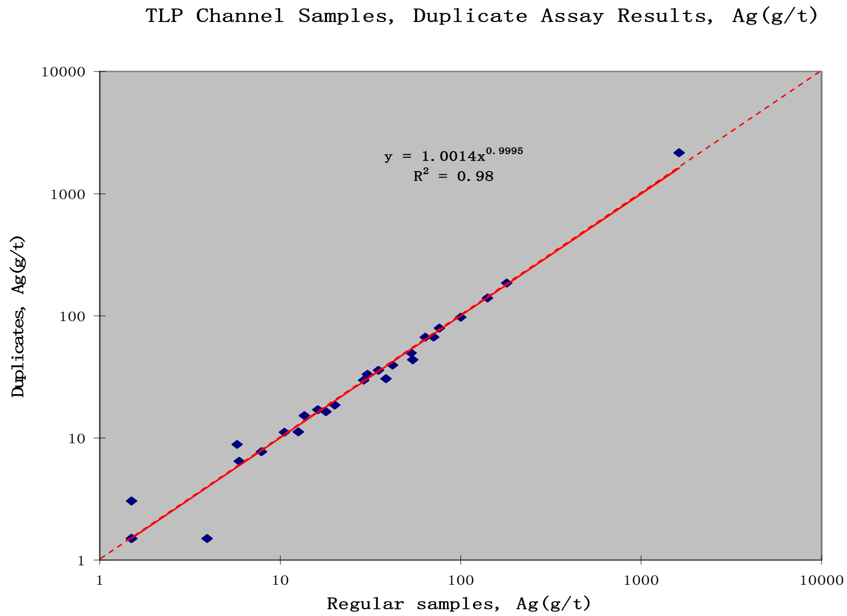

Figure I- 7: TLP Channel Samples, Duplicate Assay Results, Ag (g/t)

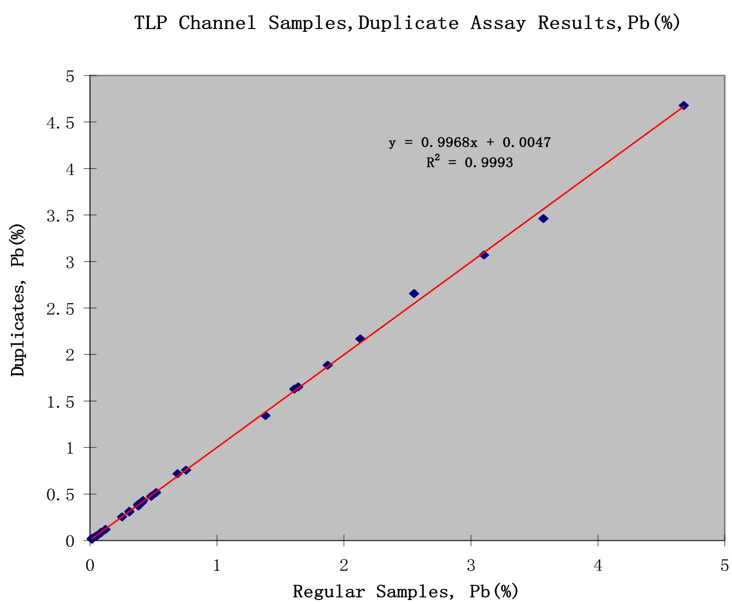

Figure I- 8: TLP Channel Samples, Duplicate Assay Results, Pb(%)

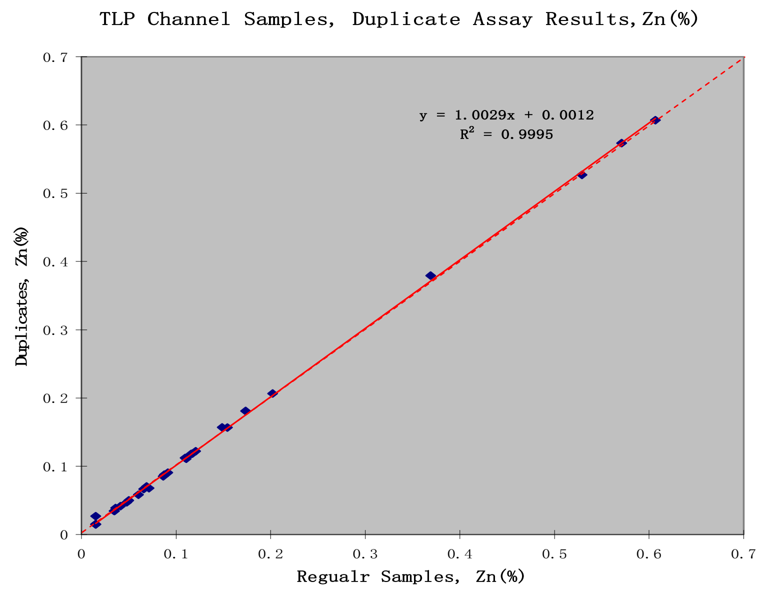

Figure I- 9: TLP Channel Samples, Duplicate Assay Results, Zn(%)

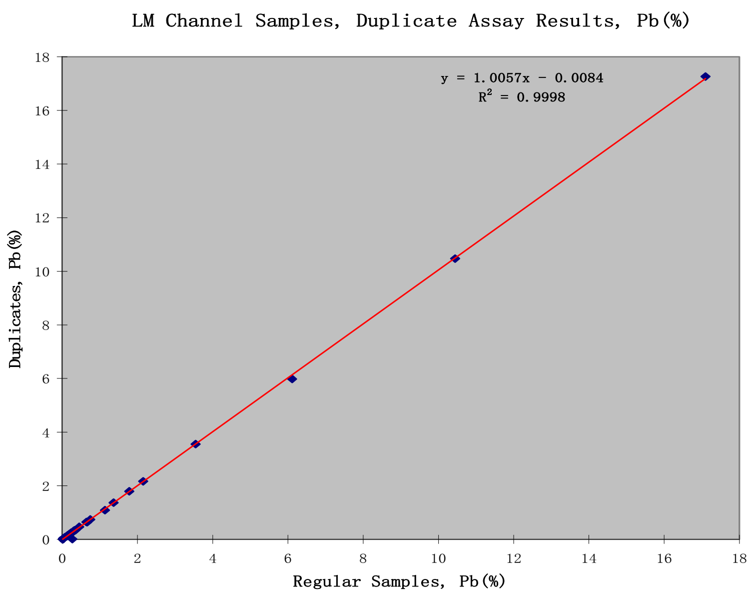

Figure I- 10: LM Channel Samples, Duplicate Assay Results, Pb(%)

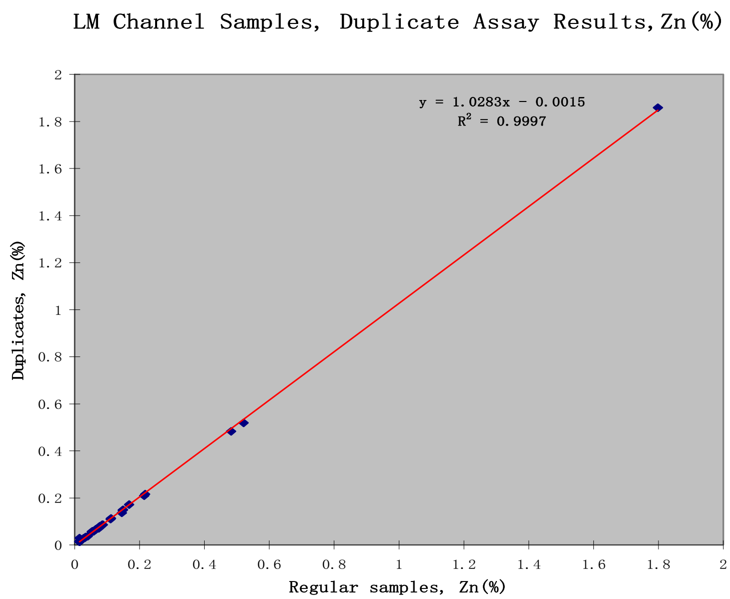

Figure I- 11: LM Channel Samples, Duplicate Assay Results, Zn(%)

Data Validation (QA/QC)

In September 2005, Mineral Resource Confirmation Report of TLP Ag-Pb Mine, Luoning County, Henan Province was performed by the Second Geological Institute of Henan Bureau of Geology and Mineral Resource Development, which is recognized and approved by the Henan Mineral Resource Assessment and Approval Centre in October 2005, indicating that the data is qualified for current mineral resource calculation.

All newly generated assays are conducted by the Langfang Institute of Geochemical and Geophysical Exploration and No. 6 Team Laboratory of Henan Bureau of Nonferrous Metal Exploration; both are ISO 9001 certified laboratories.

A total of 157 duplicate samples were ordered, selected out and re-pulverized to 200 meshes which were then re-labelled and re-assayed, among which 86 duplicated samples were sent to the Langfang Lab, and 71 to the Team No. 6 Lab. The detailed results appear in the following table:

Table I- 1: Assay Results of Recheck Samples

Lab No.	Ag(g/t)	Pb%	Zn%	Au(g/t)	Cu%	Re-labelled	Ag(g/t)	Pb%	Zn%	Au(g/t)	Cu%
G0539028	187	30.16	0.80	0.0608	0.617	TN08062	184.5	30.09	0.75	0.0582	0.614
G0539036	7.3	1.83	0.16	0.0289	0.012	TN08063	8.5	1.88	0.17	0.0251	0.010
G0539059	159.7	0.68	0.24	0.2904	1.460	TN08064	151.4	0.65	0.25	0.2934	1.423
G0539062	96.7	0.55	0.19	0.1509	0.051	TN08065	92.1	0.58	0.19	0.1681	0.046
G0539069	15.7	1.49	0.10	0.0162	0.075	TN08066	18.2	1.52	0.11	0.0171	0.079
G0539108	7.9	3.07	0.04	0.0088	0.003	TN08067	9.1	3.05	0.04	0.0116	0.002
G0539141	24.9	3.10	0.17	0.0337	0.016	TN08068	28.2	2.97	0.16	0.0390	0.013
G0539202	104.3	12.39	0.30	0.2132	0.339	TN08069	104.8	12.09	0.30	0.2079	0.368
G0539203	5.7	1.18	0.10	0.0084	0.022	TN08070	6.1	1.17	0.10	0.0105	0.021

G0539220	42.0	0.18	0.04	0.0319	0.048	TN08071	47.7	0.24	0.04	0.0327	0.044
G0539223	19.9	0.96	0.19	0.2300	0.173	TN08072	22.6	0.99	0.19	0.1855	0.177
G0539224	106.80	0.37	0.09	0.0424	0.029	TN08073	103.1	0.41	0.09	0.0546	0.027
G0539228	1378.3	4.82	0.14	1.5393	0.139	TN08074	1507.6	4.90	0.14	1.3143	0.137
G0539230	151.3	12.08	3.03	0.6258	0.149	TN08075	161.7	11.87	3.10	0.4673	0.150
G0539231	324.60	8.87	0.31	0.7676	0.579	TN08076	305.5	8.78	0.32	0.4935	0.583
G0539302	38.9	1.50	0.07	0.0181	0.032	TN08077	32.2	1.59	0.08	0.0246	0.033
G0539305	47.30	8.94	0.10	0.6048	0.185	TN08078	51.9	8.81	0.10	0.3360	0.183
G0539306	249.6	9.71	0.25	0.3959	0.710	TN08079	262.6	9.31	0.24	0.4838	0.719
G0539704	40.5	3.82	0.16	0.0389	0.165	TN08080	42.0	3.92	0.16	0.0486	0.162
G0539715	56.40	4.80	1.18	0.0774	0.058	TN08081	58.9	4.54	1.13	0.1082	0.052
G0539738	244.9	0.67	0.12	0.0480	0.104	TN08082	254.4	0.72	0.13	0.0615	0.103
G0539947	191.4	0.72	0.07	0.0154	0.021	TN08083	189.8	0.77	0.08	0.0207	0.019
G0539999	36.90	4.04	0.10	0.0427	0.041	TN08084	39.0	4.15	0.08	0.0481	0.041
G0539018	38.3	14.63	0.09	0.1228	0.245	TN08085	39.1	14.88	0.09	0.0516	0.239
G0539085	79.7	0.25	0.06	0.0896	0.118	TN08086	83.8	0.30	0.06	0.0454	0.113
G0539158	28.2	4.01	0.81	0.0212	0.045	TN08087	30.1	4.06	0.80	0.0209	0.042
G0539162	169.50	0.48	0.64	0.0124	0.022	TN08088	196.1	0.56	0.67	0.0155	0.020
G0539163	491.9	4.24	0.99	0.0330	0.087	TN08089	487.9	4.23	0.99	0.0434	0.082
G0539281	53.6	25.44	0.10	0.0124	0.008	TN08090	59.9	25.64	0.11	0.0114	0.005
G0539321	1377.0	3.62	0.23	0.1659	0.063	TN08091	1498.3	3.98	0.26	0.1758	0.061
G0539323	9.80	5.85	0.11	0.1262	0.010	TN08092	11.1	6.24	0.12	0.1622	0.007
G0539326	273.6	39.30	0.07	0.1733	0.306	TN08093	287.3	41.40	0.08	0.1195	0.306
G0539897	291.5	0.52	0.21	0.1733	0.061	TN08094	333.0	0.59	0.21	0.1731	0.057
G896403	22.6	1.52	1.67	0.0095	0.008	TN08095	21.9	1.57	1.72	0.0083	0.006
G896404	109.90	31.89	0.06	0.1462	0.130	TN08096	109.3	32.79	0.06	0.1428	0.113
G896407	454.4	1.70	0.07	0.7329	0.118	TN08097	459.9	1.78	0.07	0.7616	0.113
G896413	13.1	3.45	0.09	0.0200	0.185	TN08098	14.3	3.47	0.09	0.0225	0.182
G896425	63.2	0.69	0.11	0.0913	0.061	TN08099	62.7	0.70	0.11	0.0687	0.058
G896439	130.50	22.92	0.27	0.1890	0.927	TN08100	121.1	21.47	0.26	0.2176	0.888
G896445	4.5	1.04	0.03	0.0065	0.048	TN08101	4.8	1.03	0.03	0.0099	0.047
G896455	410.1	14.75	0.03	0.2490	0.761	TN08102	390.1	14.74	0.05	0.1749	0.750
G896457	218.20	0.92	0.22	0.1006	0.344	TN08103	173.2	0.97	0.23	0.0878	0.336
G0539461	2.0	1.17	0.05	0.0026	<0.002	TN08104	3.1	1.20	0.05	0.0029	<0.002
G0539173	24.20	0.22	0.05	0.0067	0.003	TN08105	26.0	0.26	0.05	0.0078	0.002
G0539178	3.72	1.07	0.03	0.0076	<0.002	TN08106	4.3	1.12	0.03	0.0049	<0.002
G0539185	14.86	5.36	0.07	0.0077	0.013	TN08107	17.0	5.43	0.07	0.0087	0.011
G0539198	12.28	1.52	0.07	0.0042	0.005	TN08108	12.5	1.58	0.08	0.0035	0.004
G0539200	10.27	2.01	0.14	0.0050	0.004	TN08109	10.1	2.02	0.12	0.0088	0.004
G0539295	6.96	3.88	0.04	0.0103	0.002	TN08110	8.6	3.84	0.04	0.0082	<0.002
G0539342	31.53	1.70	0.06	0.0077	0.015	TN08111	36.1	1.75	0.08	0.0084	0.015
G0539365	98.84	1.14	0.20	0.0107	0.014	TN08112	105.5	1.25	0.22	0.0139	0.013
G0539385	51.08	2.71	0.17	0.0048	0.013	TN08113	46.2	2.82	0.18	0.0057	0.012
G0539386	58.60	10.59	0.18	0.0066	0.008	TN08114	59.7	11.27	0.20	0.0081	0.008
G0539405	113.30	8.98	0.14	0.0219	0.041	TN08115	111.4	8.99	0.15	0.0207	0.040

G0539412	13.49	2.22	0.04	0.0039	0.007	TN08116	16.3	2.30	0.04	0.0064	0.006
G0539423	292.05	6.59	0.22	0.215	0.060	TN08117	326.3	6.72	0.23	0.1496	0.058
G0539446	44.43	0.13	0.08	0.0025	0.002	TN08118	42.9	0.18	0.10	0.0024	0.002
G0539453	83.2	0.61	0.18	0.0049	0.007	TN08119	87.0	0.68	0.19	0.0048	0.005
G0539457	<3	0.35	0.04	0.0009	0.002	TN08120	4.1	0.43	0.04	0.0019	<0.002
G0539462	4.6	1.37	0.05	0.0008	<0.002	TN08121	5.1	1.42	0.05	0.0015	<0.002
G0539496	154.4	3.27	0.24	0.0113	0.021	TN08122	160.2	3.24	0.24	0.0128	0.021
G896040	74.79	0.59	0.18	0.0028	0.049	TN08123	74.7	0.62	0.17	0.0036	0.047
G896051	6.5	1.62	0.05	0.0030	0.002	TN08124	6.3	1.58	0.05	0.0033	0.002
G896055	405.4	4.45	0.13	0.1296	0.041	TN08125	415.9	4.28	0.13	0.1046	0.041
G896066	125.20	0.12	0.05	0.0011	0.061	TN08126	121.9	0.18	0.06	0.0024	0.060
G896161	300.60	28.90	2.29	0.2138	2.211	TN08127	272.4	28.17	2.26	0.1794	2.121
G896475	365.6	7.56	0.12	0.5970	0.175	TN08128	352.5	7.65	0.13	0.7014	0.175
G896485	<3	0.45	0.03	0.0061	0.004	TN08129	6.9	0.50	0.03	0.0061	0.002
G896489	15.5	3.22	0.16	0.0093	0.007	TN08130	16.7	3.18	0.16	0.0090	0.008
G896501	19.6	4.17	0.05	0.0286	0.008	TN08131	22.6	4.08	0.05	0.0245	0.007
G896502	8.5	1.72	0.04	0.0181	0.017	TN08132	8.0	1.70	0.05	0.0222	0.014
G896566	841.5	0.86	1.15	0.0821	0.047	TN08133	817.4	0.95	1.23	0.1234	0.047
G896570	327.0	8.47	0.10	0.1078	0.257	TN08134	320.2	8.20	0.10	0.1077	0.250
G896571	201.5	4.29	0.08	0.0483	0.051	TN08135	206.7	4.18	0.06	0.0503	0.050
G896586	<3	1.01	0.04	0.0015	0.004	TN08136	4.1	1.05	0.04	0.0028	0.002
G896593	29.1	0.19	0.10	0.0014	0.046	TN08137	30.0	0.22	0.10	0.0027	0.042
G896602	39.7	0.31	0.06	0.0177	0.028	TN08138	38.7	0.34	0.05	0.0130	0.026
G896622	415.7	12.22	0.06	0.0144	0.038	TN08139	411.1	12.28	0.07	0.0180	0.037
G0539389	358	15.61	0.16	0.0555	0.088	TN08140	344.7	15.38	0.17	0.0524	0.088
G896015	24.1	1.57	0.10	0.0082	0.002	TN08141	23.1	1.61	0.11	0.0076	0.002
G896101	669	1.03	0.24	0.0612	0.063	TN08142	591.4	1.09	0.26	0.0546	0.064
G896702	15.65	2.99	0.21	0.0379	0.063	TN08143	17.5	2.89	0.21	0.0263	0.065
G896707	40.31	1.48	0.12	0.0708	0.105	TN08144	40.2	1.51	0.13	0.0715	0.102
G896731	226	3.63	0.12	0.0084	0.136	TN08145	215.3	3.58	0.13	0.0457	0.135
G896738	6.8	1.41	0.12	0.0042	0.009	TN08146	8.4	1.42	0.13	0.0052	0.009
G896746	169	1.47	0.06	0.0365	0.048	TN08147	133.6	1.43	0.06	0.0206	0.046
G0536219	15.6	0.35	0.057	0.05	0.013	TN08001	16.8	0.31	0.061	0.04	0.015
G0536539	7.96	1.63	0.044	0.09	0.004	TN08002	8.41	1.62	0.039	0.07	0.004
G0536549	182	57.43	1.88	0.21	0.034	TN08003	178	56.85	1.75	0.18	0.036
G0536550	18.1	4.37	0.093	0.11	0.016	TN08004	20.5	4.97	0.099	0.12	0.016
G0536555	397	0.62	0.092	0.29	0.079	TN08005	395	0.59	0.089	0.21	0.072
G0536585	2.68	0.80	0.058	0.05	0.019	TN08006	3.15	0.71	0.051	0.04	0.019
G0536595	0.89	1.55	0.068	0.08	0.002	TN08007	1.03	1.62	0.063	0.07	0.002
G0536596	26.4	1.97	0.086	0.11	0.007	TN08008	23.0	1.97	0.077	0.10	0.007
G0536638	76.1	3.60	0.086	0.21	0.069	TN08009	75.8	3.63	0.085	0.19	0.075
G0536663	56.5	0.46	0.055	0.26	0.41	TN08010	63.3	0.47	0.052	0.21	0.44
G0536680	23.5	1.13	0.22	0.08	0.022	TN08011	24.2	1.15	0.23	0.06	0.019
G0536689	183	2.27	0.17	0.63	0.030	TN08012	202	2.29	0.160	0.72	0.032
G0536693	467	5.38	0.078	1.07	0.022	TN08013	472	5.52	0.082	0.98	0.021

G0538396	49.8	0.58	0.16	0.16	0.17	TN08014	50.8	0.59	0.130	0.13	0.16
G0538399	89.5	0.93	0.18	0.22	0.60	TN08015	91.2	0.95	0.17	0.18	0.58
G0538400	1318	10.69	2.97	3.14	1.28	TN08016	1400	11.13	3.02	3.31	1.26
G0538401	301	7.51	0.92	1.62	1.28	TN08017	296	7.68	0.94	1.57	1.29
G0538425	59.5	1.44	0.28	0.25	0.33	TN08018	69.3	1.58	0.16	0.21	0.320
G0538437	17.6	2.16	0.086	0.08	0.043	TN08019	15.8	2.05	0.091	0.06	0.041
G0538472	12.8	1.29	0.31	0.16	0.022	TN08020	14.5	1.25	0.29	0.12	0.023
G0538488	19.6	1.02	0.068	0.08	0.008	TN08021	22.4	0.99	0.062	0.06	0.007
G0539503	207	7.50	1.10	0.62	2.97	TN08022	203	7.61	1.12	0.58	2.95
G0539506	167	0.14	0.44	0.47	2.55	TN08023	165	0.15	0.47	0.43	2.63
G0539520	6.51	0.75	0.070	0.05	0.025	TN08024	7.17	0.64	0.074	0.06	0.025
G0539531	14.1	7.02	0.083	0.07	0.014	TN08025	12.5	7.14	0.092	0.06	0.015
G0539541	62.5	6.67	1.84	0.24	0.34	TN08026	69.2	6.57	1.79	0.21	0.32
G0539552	364	12.23	0.42	0.63	0.12	TN08027	300	8.77	0.26	0.45	0.11
G0539557	228	23.32	1.15	1.09	0.15	TN08028	231	23.37	1.11	0.97	0.13
G0539558	106	23.34	1.61	0.87	0.24	TN08029	116	22.83	1.18	0.79	0.23
G0539559	27.3	2.38	0.46	0.11	0.097	TN08030	30.7	2.51	0.44	0.12	0.090
G0539561	16.5	2.10	0.064	0.15	0.032	TN08031	14.3	2.03	0.072	0.13	0.035
G0539570	128	33.95	2.85	0.51	0.88	TN08032	132	35.67	1.85	0.48	0.86
G0539577	24.9	1.08	0.071	0.11	0.038	TN08033	23.1	1.05	0.068	0.09	0.036
G0539582	4.49	1.09	0.48	0.03	0.023	TN08034	5.19	1.08	0.45	0.05	0.021
G0539623	215	0.76	0.092	0.38	0.75	TN08035	212	0.91	0.10	0.36	0.66
G0539634	96.5	2.36	0.28	0.32	0.13	TN08036	95.0	2.28	0.26	0.31	0.15
G0539645	20.1	1.87	0.091	0.05	0.056	TN08037	23.4	1.81	0.082	0.04	0.056
G0539647	8.71	1.39	0.050	0.05	0.028	TN08038	7.85	1.45	0.047	0.06	0.029
G0539670	13.2	2.73	0.13	0.08	0.010	TN08039	15.3	2.80	0.12	0.07	0.008
G0539675	16.1	1.92	0.056	0.08	0.062	TN08040	13.8	1.95	0.058	0.07	0.060
G0539676	46.4	15.23	0.384	0.85	0.010	TN08041	46.8	15.31	0.41	0.73	0.011
G0539684	31.9	2.33	0.10	0.33	0.016	TN08042	38.5	2.13	0.11	0.20	0.017
G0539686	20.7	4.97	0.10	0.26	0.010	TN08043	18.5	5.05	0.11	0.27	0.009
G0539688	65.1	17.13	0.020	0.53	0.050	TN08044	67.2	17.52	0.022	0.45	0.048
G0539690	42.3	10.68	0.13	0.55	0.063	TN08045	56.1	12.31	0.12	0.46	0.062
G0539755	18.9	1.78	0.051	0.06	0.005	TN08046	20.6	1.61	0.047	0.09	0.006
G0539756	11.6	2.90	0.082	0.04	0.013	TN08047	10.2	2.78	0.085	0.05	0.012
G0539761	5.55	1.17	0.030	0.05	0.008	TN08048	6.16	1.09	0.028	0.03	0.007
G0539766	34.4	2.13	0.059	0.11	0.43	TN08049	34.6	2.32	0.063	0.10	0.45
G0539903	10.5	2.00	0.053	0.06	0.082	TN08050	11.50	1.72	0.032	0.05	0.084
G0539957	9.58	0.77	0.043	0.02	0.049	TN08051	8.79	0.75	0.045	0.02	0.047
G0539959	20.4	1.55	0.049	9.00	0.026	TN08052	22.40	1.54	0.045	9.31	0.024
G0539970	24.6	5.32	0.43	0.13	0.066	TN08053	23.2	5.19	0.41	0.12	0.065
G0539971	44.8	2.17	0.62	0.15	0.29	TN08054	48.0	1.95	0.58	0.17	0.26
G0539978	15.5	4.59	0.22	0.10	0.025	TN08055	13.8	4.71	0.21	0.08	0.026
G0539979	28.6	1.66	0.14	0.08	0.34	TN08056	33.1	1.50	0.14	0.07	0.33
G0539980	22.8	2.59	0.18	0.05	0.072	TN08057	23.6	2.36	0.20	0.06	0.073
G0539986	111	6.53	0.015	0.13	0.24	TN08058	115	6.29	0.017	0.11	0.23

G0539987	52.9	1.87	0.080	0.08	0.051	TN08059	50.3	1.95	0.082	0.06	0.055
G0539990	15.3	18.11	1.42	0.79	1.86	TN08060	13.9	18.25	1.39	0.68	1.88
G0538500	14.6	0.72	0.067	0.11	0.011	TN08061	16.2	0.78	0.064	0.09	0.012
G0538325	39.9	13.05	0.44	0.12	0.009	TN08148	38.6	13.12	0.45	0.13	0.011
G0538333	11.0	1.00	0.034	0.02	0.035	TN08149	10.5	0.98	0.035	0.03	0.034
G0538340	377.33	0.85	0.17	0.87	0.031	TN08150	385	0.81	0.18	0.78	0.032
G0538345	65.1	10.78	0.13	0.15	0.031	TN08151	63.5	10.47	0.14	0.12	0.033
G0538354	134	3.01	0.019	0.24	0.73	TN08152	130	3.05	0.017	0.21	0.72
G0538364	61.0	2.94	0.14	0.26	0.097	TN08153	63.1	3.02	0.13	0.23	0.10
G0538373	21	2.87	0.078	0.06	0.16	TN08154	19.5	2.79	0.082	0.05	0.15
G0538378	22.8	15.31	0.081	0.10	0.075	TN08155	23.5	15.64	0.079	0.08	0.078
G0538463	13.12	1.09	0.12	0.04	0.026	TN08156	12.8	1.04	0.13	0.05	0.028
G0538476	27.7	3.86	0.17	0.16	0.009	TN08157	25.5	4.01	0.16	0.14	0.008

The table indicates that the original assay and the check assay have high correlation as indicated in following figures:

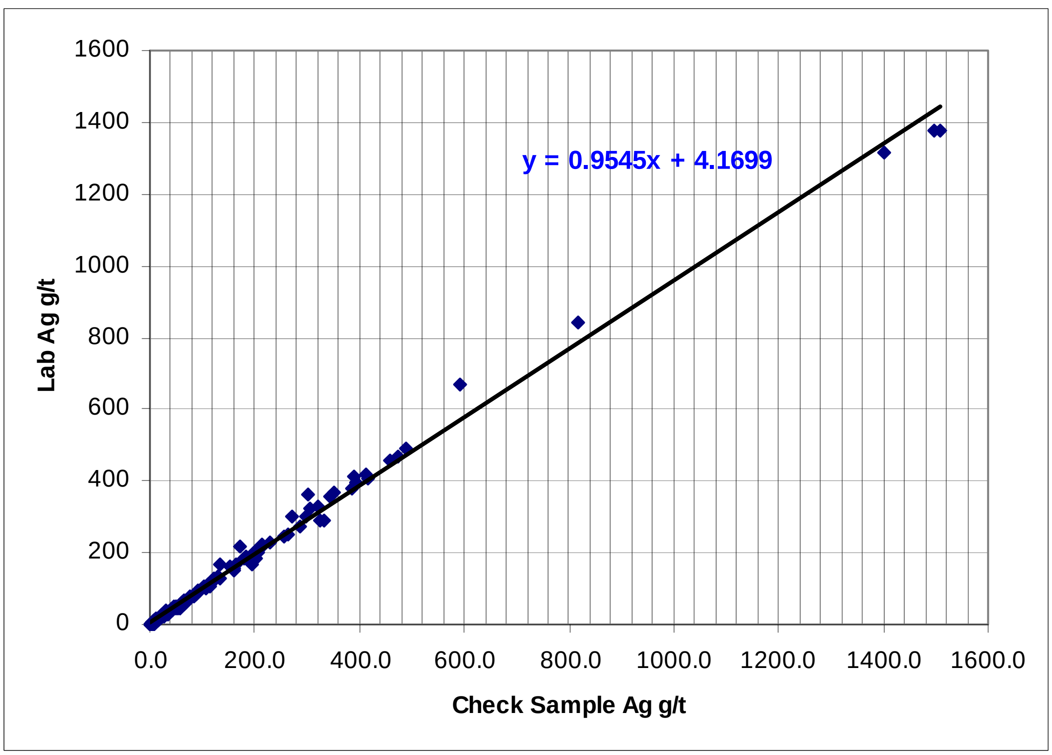

Figure I- 12: Recheck Assay vs. Original Assay, Ag (g/t)

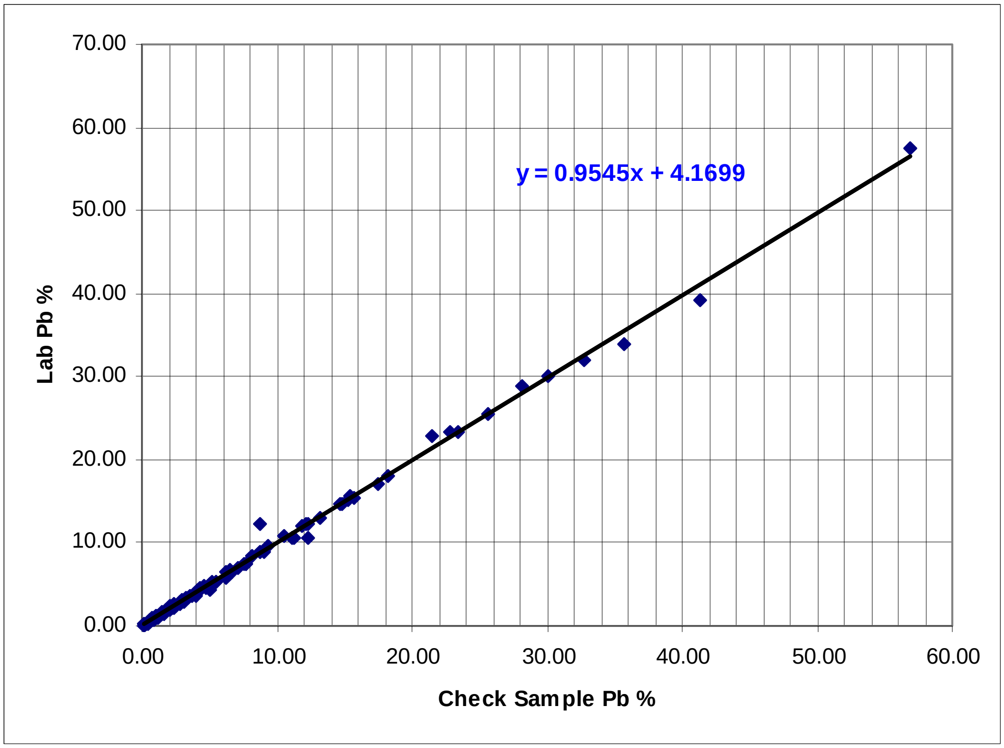

Figure I- 13: Recheck Assay vs. Original Assay, Pb(%)

Table I- 2: Field Sample Sheet

FIELD SAMPLE SHEET

Project *TLP & LM (Longmen)* **Location** *Henan Province, CHINA* **Field Map**

Date *Jan. 9,11,13, 2008* **Sampler** *C. Broili & D. Boleneus* **Comments** *UTM datum = WGS 84*

SAMPLE NO.		Location Easting	Location Northing	Location	SAMPLE TYPE otc. subcr. float, soil	disc. cont. channel	random hi-grade repr.	SAMPLE SIZE	DESCRIPTION Lithology, structure, alteration, mineralization, etc.	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)	Au (g/t)
BK-01	*TLP*	533965	3787683	at PD 730 entrance; Vn #2 taken at cross drift ECM 38	otc.	cont.	repr.	0.7 m ~1 kg	Duplicate of Silvercorp's samp. # 9569; siliceous hard, 60% gal, 1-5% py, 10% cpy, minor stockwork; total vein width ~ 10 m; vn bearing 305° w/ 50° E dip, cross drift fault	96	29.40	2.49	1.11	0.646
BK-02	*TLP*			On PD 730 (as above); Vn #2 taken close to main haulway	otc.	cont.	repr.	0.5 m ~1 kg	Duplicate of Silvercorp's samp. # 9595; siliceous hard ~90% fn grd galena, ~7% qtz, 1% py & 2% calcite; silic. ~0.25 m into footwall & ~2 m into hanging wall; vn bearing ~25° w/ 85° E dip	210	39.47	0.16	0.29	0.760
BK-03	*TLP*			Below 730 on 710 level; Vn #2 taken at end of short drift intersecting cross-cut WCM-38	otc.	cont.	repr.	0.9 m ~10 kg	Near Silvercorp's samp.# 39968; siliceous hard ~60% gal, 1-2% cpy, silicified, w/stkwk, FeOx, & py (massive & dissem. & in vnlts [1mm]; vn bearing 35° w/ 74° W dip.	91	28.10	0.79	0.85	0.295
BK-04	*TLP*			Below 730 on 716 level; Vn #3, north	otc.	cont. (in 2 parts)	repr.	0.8 m ~8 kg	Near Silvercorp's samples # 9975-8876; siliceous, hard, ~60% gal, 1-5% sph; vn bearing 18°w/ 90° dip	282	25.90	0.23	0.23	0.936
BK-05	*TLP*			Below 730 on 716 level; Vn #3, north	otc.	cont.	repr.	0.4 m ~2 kg	Near Silvercorp's samples 39781-39782; siliceous, hard, ~40% gal, ~ 2% cpy; silic. wallrock; vn bearing 40° w/ 80° W dip	16	34.15	0.17	0.33	0.516
BK-06	*TLP*			On PD 730 (as above); Vn #2 taken from south end along main haulway	otc.	cont.	repr.	0.5 m ~2 kg	Duplicate of Silvercorp's samp. # 6636; siliceous hard ~70% fn to med gr gal, 15-20% qtz, 5% cpy; wallrock qtz-chlorite; vn bearing 30° w/ 75° E dip	479	11.00	0.23	0.74	0.164
BK-07	*TLP*			On PD 730 (as above); Vn #3 taken from the central area along the main haulway	otc.	disc.	repr.	1.4 m ~3 kg	Duplicate of Silvercorp's samp. # 400; siliceous hard ~70% qtz, ~20% gal, 1-5% cpy; vn bearing 340° w/ 80° E dip	206	6.39	0.61	0.64	0.448
BK-08	*TLP*	* 532350	* 3780050	at PD 924 entrance; Vn #12 at face 168 m from cross-cut w/ core drill *calculated	otc.	cont. (in 3 parallel zones)	repr.	0.25 m ~1 kg	Massive qtz-carb & qtz strgrs.,ranges up to 25 cm, 30-35% gal, 10-15% cpy in qtz-carb., in sooty groundmass, taken on vein swell, vn bears 38° w/ 90° dip	640	6.00	1.27	2.31	0.012
BK-09	*TLP*			Below 924 on 900 level; Vn # 8 near face, 125 m from x-cut to incline shaft	otc.	cont.	repr.	0.7 m ~1.5 kg	Stkwk qtz-carb., 1% med gr gal, qtz w/ 10-20 % v fn gr blk sulf., 1% py, tr bn., bx w/ qtz. cement & blk stringer vns, carb. vugs, epithermal texture	974	0.71	0.10	0.11	0.033

FIELD SAMPLE SHEET

Project *TLP & LM (Longmen)* **Location** *Henan Province, CHINA* **Field Map**

Date *Jan. 9,11,13, 2008* **Sampler** *C. Broili & D. Boleneus* **Comments** *UTM datum = WGS 84*

SAMPLE NO.		Location Easting	Location Northing	Location	SAMPLE TYPE otc. subcr. float, soil	disc. cont. channel	random hi-grade repr.	SAMPLE SIZE	DESCRIPTION Lithology, structure, alteration, mineralization, etc.	Ag (g/t)	Pb (%)	Zn (%)	Cu (%)	Au (g/t)
BK-10	*TLP*			Below 924 on 860 level; Vn # 8, 10 m from x-cut to incline shaft	otc.	cont.	repr. low-gr.	0.4 m ~1 kg	Massive qtz and silic. stringer qtz vn. w/ abund. v fn gr blk. sulf., vn trd 330°w/ 90° dip; epithermal text.	400	2.35	0.16	0.13	0.225
BK-11	*TLP*			Below 924 on 860 level; Vn # 8, near face & 73 m from x-cut leading to incline shaft; & 63 m from BK-10	otc.	cont.	repr.	0.4 m ~5 kg	Qtz-carb., bx, 20% med gr gal in wide stringers, 1% crs cpy, vn. trds 10° w/ 90° dip	187	7.78	0.07	0.06	0.010
BK-12	*TLP*	534342	3779775	at PD 800 entrance; Vn #2; pillar 20 m up raise into stope	otc.	cont.	repr.	1.3 m ~4 kg	Carb., little qtz. and silic, mostly massive 85% med gr gal, ~1% py, soft, vn. trds 55° w/ 68° W dip, clayey hangingwall	458	48.73	0.12	0.20	1.170
No smpl.	*TLP*			In PD 800 (as above); Vn #2, 10 m up raise into stope, 70-100 m N of BK-12	otc.	--	--	3.0 m	Qtz-carb. vn, 1.8 m, 40% massive diss. gal, massive qtz wallrock w/ thin py & gal stringers; borders on 1.3 m of silic. vn w/ 10% diss fn gr gal, <1% py, trds 43°, w/ 75° W dip, clayey hangingwall					
BK-13	*LM*	534469	3777922	at PD 915 entrance; #2 vein; taken on lower 900 level at 150 m pt.	otc.	cont.	repr.	0.2 m ~2 kg	Silvercorp smpl. #295476 is 5 m away; silicified vn, clayey, FeOx, mod. bx'd., 60% black v fn gr sulfide, argent.(?), <1% gal, <1% py, vn bears 0° w/ 63°W dip	2,060	17.05	0.04	0.20	0.023
BK-14	*LM*			On PD 915; #2 vein taken at 270 m pt.	otc.	cont.	repr.	0.5 m ~3 kg	Duplicate of Silvercorp smpl. #G0538922; gneiss, chloritized, lt. green, chlor. on hangingwall, & footwall, hvy chlor. in vn., <1% argent(?), 50-60% med gr gal, in masses and stringers, vn trds 340° w/ 80° E dip	39	12.00	0.03	<0.01	0.011
BK-15	*LM*	534624	3777973	at PD 838 entrance; Vn #2	otc.	panel	hi-grade	0.4 X 0.2 m ~1 kg	0.1 m thick zone 3 m from Silvercorp smpl. #251334 w/ 4336g/t Ag, 4.9% Pb & 0.37% Zn over 1.2 m; 40% fn gr gal, 20% qtz-carb, sericite bounding vn	12,472	38.21	0.18	1.57	0.005

Table I- 3: Assay Samples used in Resource Estimates at 50 g/t cut-off in TLP and LM Mines

Veins	Continuous Chip Samples	Drill Core Samples	Total	Numbers of Data Points for		
				Ag	Pb	Zn
TLP1	49	10	59	59	59	37
TLP2	397	33	430	430	430	252
TLP3	442	37	479	477	479	410
TLP4	16	7	23	23	23	7
TLP5	31	0	31	31	31	25
TLP6	2	4	6	6	6	0
TLP14	54	0	54	54	54	54
TLP14-1	14	0	14	14	14	12
TLP17	44	0	44	44	44	33
TLP19	2	0	2	2	2	2
TLP20	15	0	15	15	15	15
TLP Subtotal	1066	91	1157	1155	1157	847
LM1	21	0	21	21	21	21
LM2	140	4	144	144	144	144
LM3	26	2	28	28	28	28
LM4	20	0	20	20	20	20
LM5	17	5	22	22	22	22
LM6	14	1	15	15	15	15
LM7	19	0	19	19	19	19
LM8	59	2	61	61	61	61
LM12	25	1	26	26	26	26
LM14	65	2	67	67	67	67
LM16	19	0	19	19	19	19
LM18	9	0	9	9	9	9
LM Subtotal	434	17	451	451	451	451
Total(TLP+LM)	**1500**	**108**	**1608**	**1606**	**1608**	**1298**

Table I-4: Statistics for Silver, Lead and Zinc of Different Veins at TLP-LM Mines*

Veins	Metals	No. of Data Pts	Mean	Std. Dev.	Coef. Of Variation	Mar. Value	Upper Quartile	Median	Lower Quartile	Min. Value
TLP1	Ag	59	106	192	1.81	1,377	111	52	16	0
	Pb	59	3.72	6.53	1.75	39.30	2.85	1.79	0.73	0.05
	Zn	37	0.20	0.22	1.11	1.03	0.33	0.11	0.07	0.02
TLP2	Ag	430	118	275	2.33	3,954	105	44	21	1
	Pb	430	3.22	5.75	1.78	50.32	2.93	1.51	0.84	0.03
	Zn	252	0.22	0.39	1.80	4.15	0.20	0.11	0.06	0.02
TLP3	Ag	477	95	152	1.61	1,760	104	42	23	0
	Pb	479	2.78	4.33	1.56	45.21	2.73	1.44	0.76	0.01
	Zn	410	0.19	0.35	1.83	4.82	0.19	0.10	0.06	0.00
TLP4	Ag	23	211	327	1.55	1,570	212	105	61	8

	Pb	23	3.67	4.85	1.32	20.26	4.63	1.71	0.91	0.13
	Zn	7	0.62	0.75	1.21	2.08	0.89	0.15	0.14	0.10
TLP5	Ag	31	174	281	1.62	1,362	194	53	23	2
	Pb	31	7.09	15.29	2.16	58.23	3.60	1.05	0.78	0.08
	Zn	25	0.20	0.42	2.04	1.67	0.13	0.08	0.04	0.02
TLP6	Ag	6	101	79	0.78	250	112	74	60	31
	Pb	6	1.46	1.21	0.83	3.61	1.76	1.25	0.57	0.36
	Zn	0								
TLP14	Ag	54	276	385	1.39	1,914	382	100	32	4
	Pb	54	6.43	9.07	1.41	50.07	8.21	2.70	1.24	0.23
	Zn	54	0.19	0.22	1.16	1.22	0.23	0.12	0.06	0.02
TLP14-1	Ag	14	272	395	1.45	1,470	314	134	23	2
	Pb	14	2.81	2.86	1.02	10.30	3.77	1.51	1.04	0.05
	Zn	12	0.32	0.31	0.99	0.86	0.53	0.16	0.05	0.02
TLP17	Ag	44	136	199	1.47	905	167	57	21	0
	Pb	44	6.35	13.05	2.06	62.00	4.99	1.16	0.37	0.10
	Zn	33	0.33	0.33	1.01	1.28	0.42	0.20	0.08	0.04
TLP19	Ag	2	366			552				181
	Pb	2	2.90			4.95				0.84
	Zn	2	0.09			0.10				0.08
TLP20	Ag	15	582	584	1.00	1,764	782	412	104	14
	Pb	15	13.84	14.66	1.06	46.96	18.17	11.03	2.11	0.57
	Zn	15	2.06	2.72	1.32	10.72	2.68	1.11	0.48	0.05
Overall Veins in TLP	Ag	1155	127	250	1.97	3,954	114	48	23	0
	Pb	1157	4.56	34.54	7.57	62.00	3.09	1.50	0.80	0.01
	Zn	847	0.24	0.54	2.25	10.72	0.21	0.11	0.05	0.00
LM1	Ag	21	462	633	1.37	2435	627	166	89	5
	Pb	21	1.97	2.65	1.34	9.72	1.43	0.81	0.56	0.09
	Zn	21	0.18	0.16	0.89	0.75	0.20	0.13	0.09	0.04
LM2	Ag	144	225	364	1.62	2,400	202	97	52	0
	Pb	144	1.71	2.94	1.72	24.52	1.86	0.73	0.28	0.03
	Zn	144	0.26	0.49	1.90	4.71	0.24	0.16	0.10	0.01
LM3	Ag	28	233	265	1.14	1169	308	122	78	9
	Pb	28	1.79	2.65	1.48	13.87	1.91	0.85	0.52	0.24
	Zn	28	0.22	0.12	0.54	0.51	0.27	0.21	0.11	0.06
LM4	Ag	20	591	654	1.11	2,231	996	306	92	34
	Pb	20	1.32	2.43	1.84	11.28	1.29	0.58	0.41	0.06
	Zn	20	0.49	0.56	1.13	2.09	0.51	0.32	0.21	0.08
LM5	Ag	22	319	711	2.23	3,310	142	97	58	0
	Pb	22	2.38	4.07	1.72	14.49	2.61	0.58	0.28	0.05
	Zn	22	0.33	0.51	1.53	2.46	0.30	0.19	0.11	0.06
LM6	Ag	15	238	388	1.63	1,217	219	74	40	14
	Pb	15	2.77	3.54	1.28	10.43	3.62	1.03	0.63	0.34
	Zn	15	0.57	0.75	1.32	2.49	0.30	0.27	0.19	0.14
LM7	Ag	19	76	105	1.38	459	87	30	24	2
	Pb	19	1.20	0.71	0.59	2.62	1.77	1.22	0.68	0.02
	Zn	19	0.06	0.03	0.41	0.12	0.07	0.06	0.05	0.02
LM8	Ag	61	443	575	1.30	2,288	511	201	75	0

	Pb	61	1.34	2.10	1.56	14.53	1.44	0.68	0.42	0.05
	Zn	61	0.12	0.16	1.33	0.79	0.12	0.07	0.04	0.00
LM12	Ag	26	418	550	1.32	1,896	669	149	61	0
	Pb	26	2.82	2.62	0.93	8.97	4.25	1.81	0.89	0.04
	Zn	26	0.35	0.67	1.91	2.18	0.30	0.06	0.00	0.00
LM14	Ag	67	289	361	1.25	1,833	372	126	38	5
	Pb	67	3.71	6.25	1.69	35.78	3.55	1.32	0.73	0.00
	Zn	67	0.27	0.39	1.47	1.95	0.24	0.13	0.07	0.01
LM16	Ag	19	214	581	2.72	2569	125	43	8	3
	Pb	19	2.63	7.38	2.81	32.60	1.11	0.42	0.32	0.04
	Zn	19	0.86	3.15	3.67	13.84	0.16	0.08	0.05	0.03
LM18	Ag	9	174	262	1.51	849	174	85	35	18
	Pb	9	1.60	2.52	1.57	7.77	1.43	0.48	0.26	0.18
	Zn	9	0.09	0.03	0.34	0.14	0.11	0.08	0.08	0.05
Overall Veins in LM	Ag	451	300	468	1.56	3,310	314	107	51	0
	Pb	451	2.10	3.81	1.81	35.78	2.02	0.86	0.40	0.00
	Zn	451	0.28	0.77	2.78	13.84	0.24	0.13	0.07	0.00

Table I-5: Correlation Coefficient (r) Between Silver and Lead

Veins	**Ag vs. Pb**	
	r	**No. of Data Pts**
TLP1	0.14	59
TLP2	0.22	430
TLP3	0.36	477
TLP4	0.23	23
TLP5	0.30	31
TLP6	0.14	6
TLP14	0.07	54
TLP14-1	0.27	14
TLP17	-0.07	44
TLP19		
TLP20	0.23	15
Overall Veins in TLP	0.24	1155
LM1	0.49	21
LM2	0.31	144
LM3	0.74	28
LM4	0.49	20
LM5	0.21	22
LM6	0.62	15
LM7	0.28	19
LM8	0.21	61
LM12	0.37	26

LM14	0.37	67
LM16	0.04	19
LM18	0.96	9
Overall Veins in LM	0.26	451

Note: Vein T17 shows a negative correlation coefficient of silver to lead. All other veins show a positive correlation coefficient to silver and lead

APPENDIX II: DETAILED GEOLOGICAL MAP OF TLP AREA

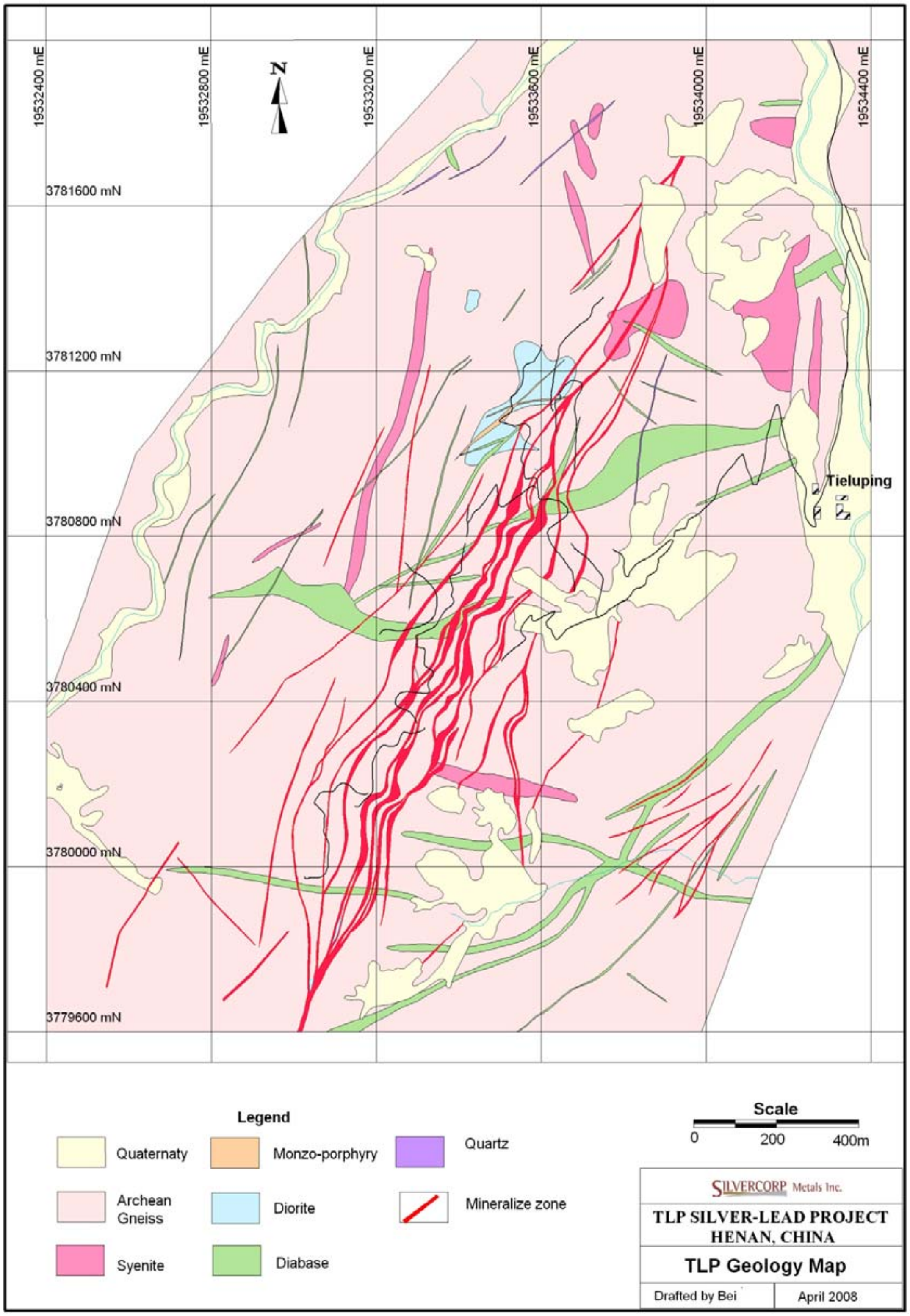

Figure II- 1: Detailed Geological Map of TLP Area

APPENDIX III: PHOTOGRAPHS OF VEINS AND MINERALIZATION

The following figures are three representations of "in the field" observations to validate the location and widths used in the resource calculations.

Verification sample BK-04

TLP Mine, 716m Level Vein #3
Massive "steel" galena
± 1.0 meter wide, vertical dip
25.9% Pb
282 g/t Ag
0.94 g/t Au

Verification sample BK-02

TLP Mine, 730m Level Vein #2
Massive "steel" galena
w/ minor quartz, calcite, pyrite
± 0.5 meter wide, 85° dip
39.5% Pb
210 g/t Ag
0.76 g/t Au

APPENDIX 3.
Representative high-grade veins
TLP Mine

Photo III- 1: Verification Samples BK-02 and BK-04

Photo III-2: 730 Level - #2 Vein - Block 22 - Sample #G0536633

730 Level - #2 Vein - Block 22 - Sample #G0536633 - 0.65 metres of 19.44 gms Ag & 1.38% Pb; 4 metres from Survey Station #269

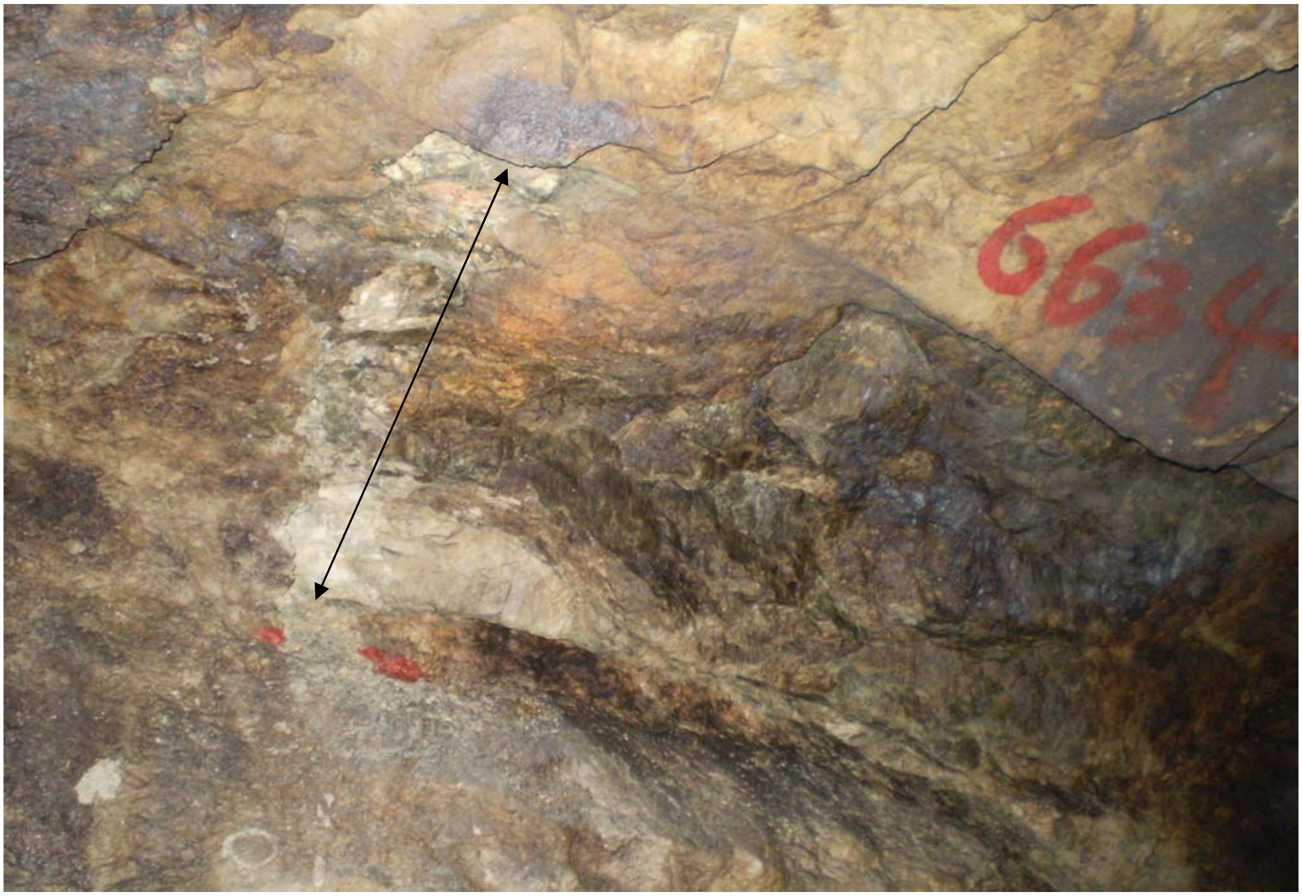

Photo III- 3: 730 Level - #2 Vein - Block 22 - Sample #G0536634

730 Level - #2 Vein - Block 22 - Sample #G0536634 - 0.35 metres of 57.19 gms Ag & 0.29 Pb, 16 metres from Survey Station #269

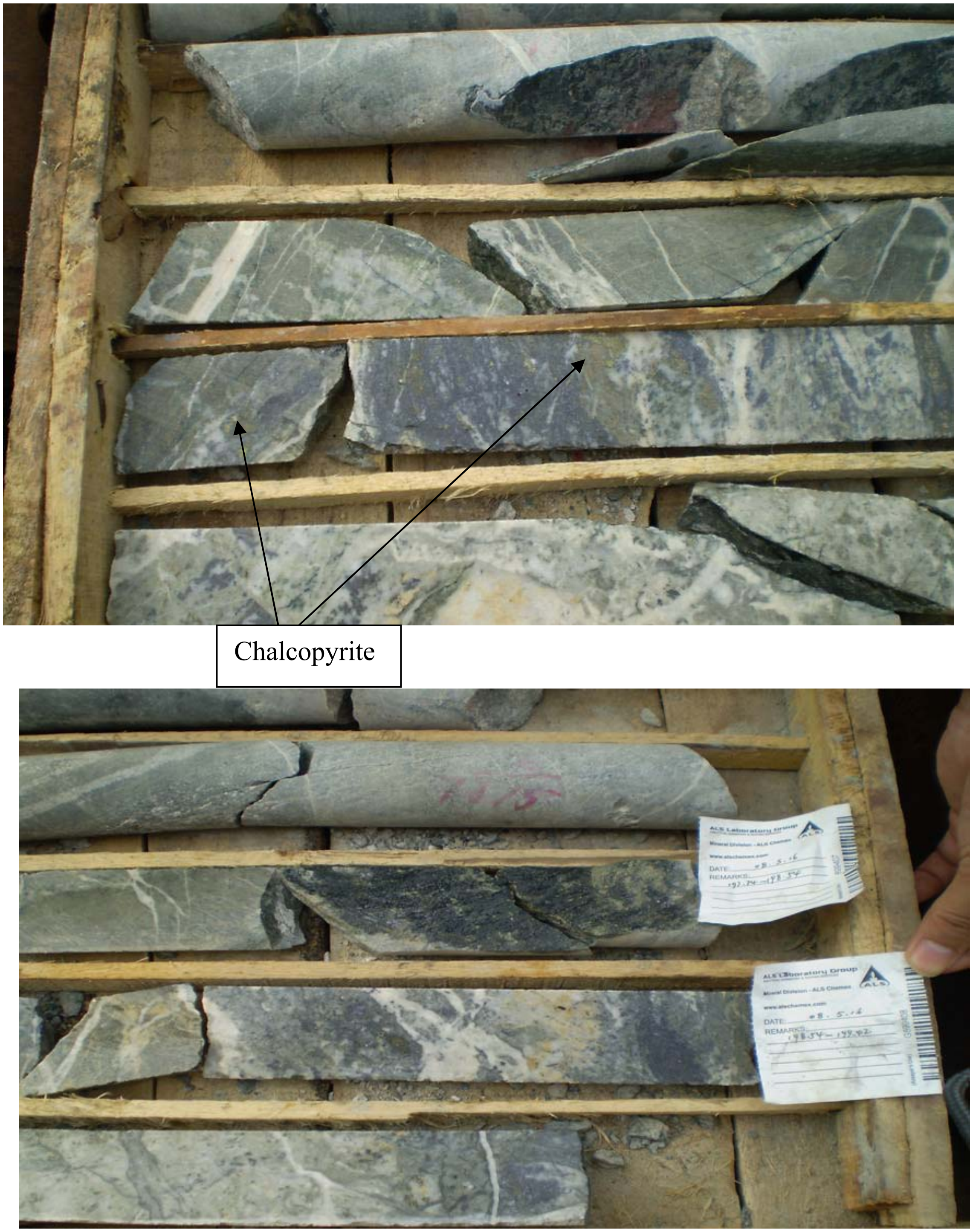

Photo III- 4: Diamond Drill Hole #ZKT 5701

APPENDIX IV: LEVELS AND TRENCHES, ASSAY TOTALS

Updated to August 31, 2008

Table IV- 1: Trenches and Total Samples from TLP and LM Mines

Trench Total			Sample Total Number			
Items	m³	Number	Items	Sample Type	Total No.	Sample Results Total
TLP	13952.5	40				
LM	415	unknown	LM	Drill	90	1656
				Tunnel		2991
			TLP	Drill	57	1284
				Tunnel		6081

Table IV- 2: Level and Tunneling at TLP and LM Mines

Level Tunneling					
Items	Levels	Old tunnel(m)	Silvercorp exploration(m)	Silvercorp production(m)	Total(m)
TLP	PD780	2289.2	17.1	154.1	2460.4
	PD800（0#）	4387.8	869.9	467	5724.7
	PD840（1#）	3926.1	837	709.5	5472.6
	PD890（2#）	3343.261	587.9	156.1	4087.26
	PD930（3#）	3586.9	540.5	354.2	4481.6
	PD990（5#）	2441.8	0	248.1	2689.9
	PD960(4#)	3802.1	869.9	191.1	4863.1
	PD960-990	1458	0	0	1458
	PD1020(6#)	2831	0	87.7	2918.7
	PD1070(9#)	1516.917	0	0	1516.92
	GuodaoGou 820	5283.6	738.65	153.8	6176.05
	GuodaoGou 819	1767.5	111.35	0	1878.85
	XiGou PD730	6816.9	74.3	2332.2	9223.4
	TOTAL	43451.078	4646.6	4853.8	52951.48
LM	DongGou PD838	1649.1	2046.1	294.3	3989.5
	DongGou PD855	1855	240.9	0	2095.9
	DongGou PD900	2390.2	1038.6	692.5	4121.3
	DongGou PD918	1186	651.7	0	1837.7
	DongGou PD959	1051.78	664	103.1	1818.88
	DongGou PD968	1341	69	61	1471
	XiGou PD924(New1#&5#）	3093	1144.8	515.5	4753.3
	XiGou PD991(7#&8#）	2791.8	448.1	425.6	3665.5
	XiGou PD1003(3#)	1259	21	159.8	1439.8
	XiGou PD1083	859	50	367.5	1276.5
	TOTAL	17475.88	6374.2	2619.3	26469.38

APPENDIX V: HISTORICAL ASSAY RESULTS

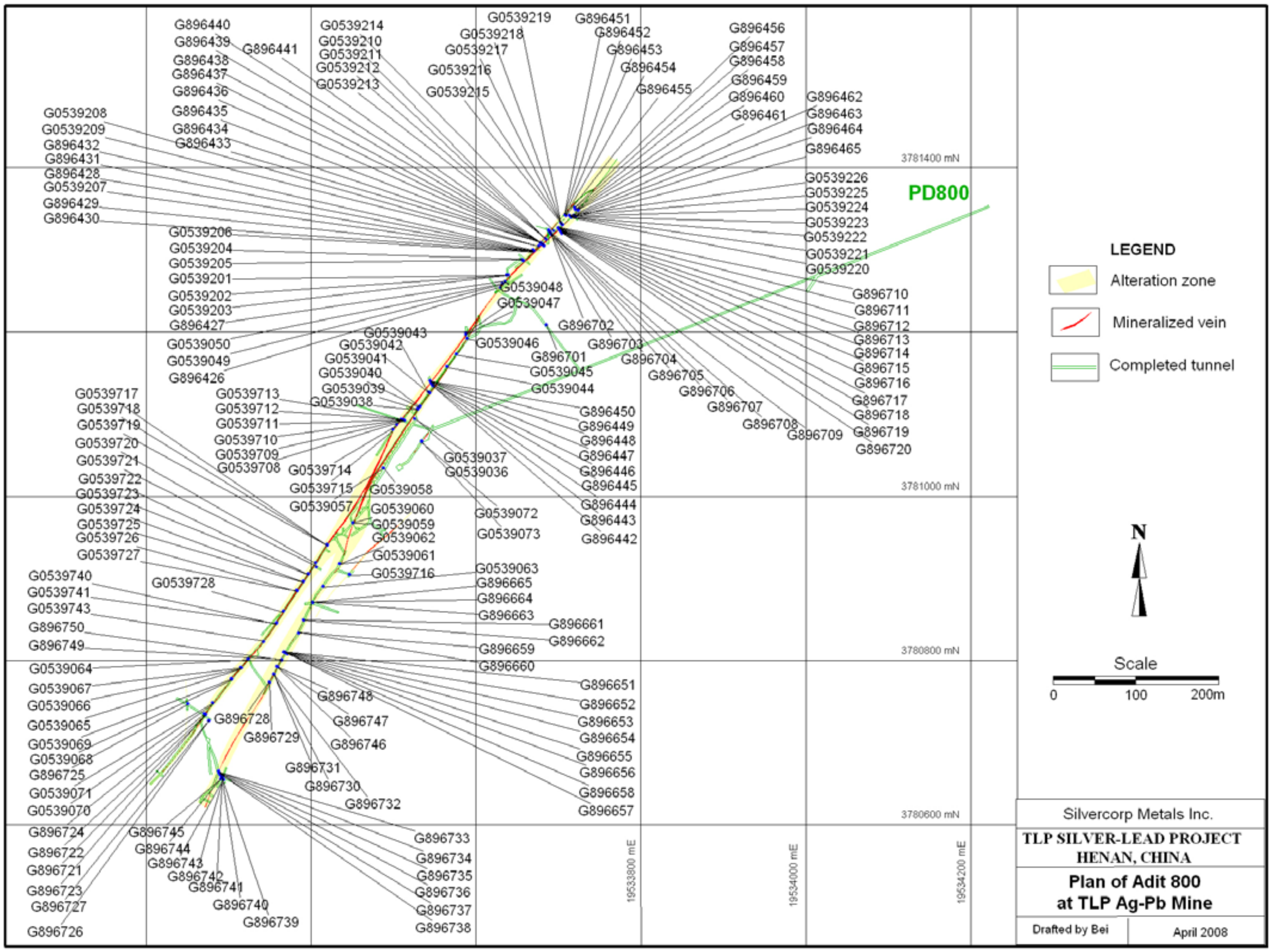

Figure V- 1: Plan of Adit 800 at TLP Silver-Lead Mine

Table V- 1: Assay Results of TLP Adit 800(1)

Assay Results of TLP Adit 800(1)

Sample	lenth(m)	Ag(g/t)	Pb(%)	Zn(%)
G0539216	1.7	36.4	0.32	0.08
G0539217	0.2	399.0	3.24	0.23
G0539218	1.2	54.4	0.33	0.26
G0539219	0.3	7.2	1.21	0.07
G0539220	0.5	42.0	0.18	0.04
G0539221	0.8	7.3	1.54	0.06
G0539222	0.55	151.3	1.15	0.08
G0539223	0.85	19.9	0.96	0.19
G0539224	0.8	106.8	0.37	0.09
G0539225	0.7	846.5	3.47	0.10
G0539226	1.05	672.4	2.54	0.05
G0539708	1	4.1	0.10	0.04
G0539709	1	5.5	0.05	0.05
G0539710	1	18.6	1.79	0.08
G0539711	1	46.6	0.27	0.05
G0539712	1	4.6	0.14	0.04
G0539713	1.3	<3	0.21	0.03
G0539714	0.75	43.6	1.41	0.08
G0539715	0.9	56.4	4.80	1.18
G0539716	0.4	1569.8	4.75	0.18
G0539717	0.4	<3	0.57	0.07
G0539718	0.8	9.5	0.43	0.10
G0539719	0.8	7.7	0.45	0.14
G0539720	0.8	3.7	0.40	0.03
G0539721	1.2	<3	0.31	0.04
G0539722	0.4	14.2	1.12	0.06
G0539723	0.55	7.0	1.01	0.04
G0539724	0.9	<3	0.15	0.04
G0539725	0.95	40.9	0.36	0.05
G0539726	0.9	11.9	0.23	0.05
G0539727	0.85	33.6	0.89	0.20
G0539728	0.65	3.6	0.42	0.05
G0539740	0.3	<3	0.14	<0.03
G0539741	0.3	4.7	0.39	0.06
G0539742	0.4	3.2	0.47	0.04
G896426	1.2	15.7	0.30	0.06
G896427	0.65	118.6	3.02	0.14
G896428	0.4	3954.1	8.15	0.58
G896429	0.6	476.0	32.03	0.20
G896430	0.7	633.3	8.41	0.24
G896431	0.5	299.8	50.32	0.15
G896432	0.8	10.2	1.17	0.10
G896433	0.9	<3	0.29	0.11
G896434	0.7	67.9	3.41	0.25
G896435	0.25	95.2	47.63	0.06
G896436	1	106.0	11.55	0.09
G896437	1	36.3	8.12	0.24
G0539036	0.5	7.3	1.83	0.16
G0539037	0.9	8.3	1.53	0.07
G0539038	1	18.8	0.44	0.13
G0539039	1.2	31.0	0.44	0.07
G0539040	0.6	<3	0.10	0.03
G0539041	1.1	22.2	0.49	0.07
G0539042	1.2	18.8	1.07	0.06
G0539043	0.78	9.5	0.28	0.06
G0539044	1.2	9.5	0.28	0.06
G0539045	1.2	6.5	0.05	0.04
G0539046	1.2	4.7	0.08	0.04
G0539047	1.1	162.8	2.66	0.12
G0539048	1.2	5.1	0.44	0.07
G0539049	0.7	10.6	0.12	0.03
G0539050	0.5	101.7	0.64	0.19
G0539057	0.7	46.9	2.29	0.12
G0539058	1	<3	0.09	0.04
G0539059	0.8	159.7	0.68	0.24
G0539060	1	41.5	0.32	0.10
G0539061	0.9	13.1	0.27	0.08
G0539062	1.3	96.7	0.55	0.19
G0539063	0.4	72.6	0.58	0.04
G0539064	0.7	62.5	0.72	0.04
G0539065	1	39.1	0.46	0.05
G0539066	0.5	32.1	1.41	0.18
G0539067	0.7	12.5	0.89	0.06
G0539068	1.4	15.3	0.87	0.06
G0539069	1.3	15.7	1.49	0.10
G0539070	0.9	14.5	1.52	0.06
G0539071	1	15.0	1.01	0.07
G0539072	0.4	29.4	0.85	0.11
G0539073	0.4	234.5	2.25	0.05
G0539201	0.5	117.1	0.55	0.11
G0539202	0.7	104.3	12.39	0.30
G0539203	1.2	5.7	1.18	0.10
G0539204	1.2	<3	0.35	0.14
G0539205	1.1	93.9	0.71	0.12
G0539206	0.58	3.0	0.74	0.17
G0539207	0.55	<3	0.37	0.04
G0539208	0.6	3.7	0.47	0.13
G0539209	0.4	<3	<0.03	<0.03
G0539210	0.9	103.3	28.56	1.32
G0539211	0.2	<3	0.05	0.03
G0539212	0.4	32.4	1.93	0.03
G0539213	0.45	<3	0.13	<0.03
G0539214	0.6	49.3	3.37	0.74
G0539215	0.45	223.8	0.73	0.03

Table V- 2: Assay Results of TLP Adit 800(2)

Assay Results of TLP Adit 800(2)

Sample	lenth(m)	Ag(g/t)	Pb(%)	Zn(%)
G896438	0.4	31.4	2.49	0.08
G896439	0.7	130.5	22.92	0.27
G896440	1.1	51.2	2.95	0.11
G896441	0.7	11.8	1.40	0.06
G896442	1	<3	0.06	0.04
G896443	1	25.9	1.63	0.15
G896444	0.7	5.1	0.51	0.04
G896445	1	4.5	1.04	0.03
G896446	1	<3	0.51	0.09
G896447	1.3	<3	0.80	0.09
G896448	0.25	7.5	1.10	0.08
G896449	0.55	26.4	6.77	0.49
G896450	1.2	148.5	1.23	0.26
G896451	0.76	108.4	3.17	0.14
G896452	0.9	246.4	1.25	0.10
G896453	0.6	22.0	0.69	0.12
G896454	0.3	15.9	0.89	0.10
G896455	0.56	410.1	14.75	0.03
G896456	1	109.3	0.86	0.29
G896457	0.86	218.2	0.92	0.22
G896458	1	34.9	0.49	0.11
G896459	1	227.9	2.23	0.14
G896460	0.7	62.0	1.66	0.06
G896461	0.65	11.5	0.97	0.04
G896462	0.7	9.4	1.21	0.05
G896463	1.1	17.0	1.56	0.05
G896464	0.9	100.8	2.16	0.06
G896465	1	16.5	1.67	0.05
G896651	0.6	6.2	0.48	0.06
G896652	0.65			
G896653	0.8			
G896654	0.65			
G896655	0.4			
G896656	0.9			
G896657	0.9			
G896658	0.65			
G896659	0.5			
G896660	0.7			
G896661	0.8			
G896662	0.8			
G896663	0.7			
G896664	0.6			
G896665	0.4			
G896701	0.2	285.2	19.83	0.66
G896702	0.85	15.6	2.99	0.21
G896703	0.8	25.1	0.90	0.42
G896704	1	16.1	0.43	0.38

Sample	lenth(m)	Ag(g/t)	Pb(%)	Zn(%)
G896705	1	13.8	0.80	0.10
G896706	0.8	18.4	1.94	0.17
G896707	0.95	40.3	1.48	0.12
G896708	1	207.8	0.90	0.17
G896709	0.9	<3	0.07	0.03
G896710	0.7	473.8	8.00	0.23
G896711	1	4.6	0.18	0.04
G896712	0.6	60.1	0.82	0.06
G896713	0.6	11.1	0.76	0.06
G896714	0.9	28.3	0.84	0.07
G896715	1	10.6	1.01	0.06
G896716	0.9	8.1	1.01	0.05
G896717	0.8	6.5	0.51	0.04
G896718	0.6	10.0	0.62	0.04
G896719	0.6	8.5	0.20	0.07
G896720	1.1	5.9	0.98	0.03
G896721	0.8	7.8	0.74	<0.03
G896722	0.65	5.8	0.82	0.07
G896723	0.8	3.0	0.34	0.04
G896724	0.9	64.0	0.56	0.05
G896725	1.05	4.8	0.62	0.06
G896726	0.4	12.1	0.81	0.12
G896727	0.9	<3	0.12	0.06
G896728	0.65	27.5	1.18	0.06
G896729	0.9	8.3	1.46	0.07
G896730	0.8	71.1	1.66	0.05
G896731	0.4	225.5	3.63	0.12
G896732	0.55	12.9	1.48	0.07
G896733	0.7			
G896734	0.6			
G896735	1.2			
G896736	0.5			
G896737	0.6			
G896738	1.1			
G896739	1			
G896740	1.2			
G896741	0.9			
G896742	1.3			
G896743	0.6			
G896744	1.2			
G896745	0.8			
G896746	0.5	169.5	1.47	0.06
G896747	0.5	5.8	1.02	0.04
G896748	0.8	<3	0.30	0.04
G896749	0.6	16.7	1.24	0.08
G896750	0.2	27.5	0.92	0.05

APPENDIX VI: SPECIFIC GRAVITIES

A total of 186 historic samples were analyzed and used to determine specific gravity for both ore and waste material from drill core, tunneling production and trenching at the TLP Mine.

The results indicate an overall average specific gravity for ore grade material of 2.92 g/cm^3 and 2.74 g/cm^3 for waste determined by the wax emersion method for individual hand-sized samples. The tests were performed by Analytical Lab of No. 6 Team of Henan Non-Ferrous Metals Geological and Mineral Resources in 1995.

The tables below display the test results on hand specimens of ore from different veins based on ore type and waste for specific gravity at the TLP mine.

Table VI- 1: Specific Gravities of Waste at TLP mine

Sample Location	Material	SG (t/m³）
ZK0006	Waste	2.83
ZK0004	Waste	2.79
ZK0314	Waste	2.58
	Waste	2.69
TC03-2	Waste	2.83
Average		2.74

Table VI- 2: Specific Gravities of Ore at TLP mine

Sample Location	Material	SG (t/m³）
ZK0314	Oxide ore	2.88
	Oxide ore	2.74
	Oxide ore	2.83
	Oxide ore	2.81
ZK0412	Oxide ore	2.94
ZK1610	Oxide ore	2.52
	Oxide ore	2.62
ZK0706	Oxide ore	2.87
ZK0410	Oxide ore	2.99
	Oxide ore	2.74
ZK1912	Oxide and Sulphide ore	2.58
ZK0324	Oxide and Sulphide ore	2.93
	Oxide and Sulphide ore	2.92
ZK1908	Oxide and Sulphide ore	2.79
ZK0408	Oxide ore	2.36
	Oxide ore	2.53

	Oxide ore	2.64
ZK1108	Oxide ore	2.66
ZK0410	Oxide and Sulphide ore	3.90
	Oxide and Sulphide ore	3.51
ZK2708	Sulphide ore	2.70
TC13	Oxide ore	3.41
TC11S	Oxide ore	2.95
TC07-2	Oxide ore	2.82
TC05-2	Oxide ore	2.74
	Oxide ore	2.66
TC11	Oxide ore	2.77
TC03-2	Oxide ore	2.97
TC06	Oxide ore	3.00
TC05-2	Oxide ore	2.95
ZK0004	Oxide ore	2.85
ZK0314	Oxide ore	3.2
	Oxide ore	3.15
	Oxide ore	3.26
	Oxide ore	2.96
	Oxide ore	2.91
	Oxide ore	2.83
ZK0804	Oxide ore	2.75
	Oxide ore	3.63
	Oxide ore	2.74
	Oxide ore	3.04
ZK0005	Oxide ore	2.87
ZK0004	Oxide ore	2.78
ZK1208	Oxide ore	2.71
ZK1108	Oxide ore	2.72
ZK0804	Oxide ore	2.88
ZK0314	Oxide ore	2.95
	Oxide ore	2.80
ZK1508	Oxide and Sulphide ore	2.71
ZK3508	Oxide and Sulphide ore	2.76
ZK0006	Oxide and Sulphide ore	3.07
Zk1508	Oxide and Sulphide ore	2.61
ZK1610	Oxide and Sulphide ore	2.75
ZK1506	Oxide and Sulphide ore	3.10
	Oxide and Sulphide ore	2.92
ZK1508	Sulphide ore	2.75
ZK0808	Sulphide ore	2.75

ZK1506	Sulphide ore	2.89
Zk0012	Sulphide ore	3.11
	Sulphide ore	3.12
	Sulphide ore	3.45
ZK0706	Sulphide ore	2.90
ZK1112	Sulphide ore	2.76
	Sulphide ore	2.72
	Sulphide ore	3.13
	Sulphide ore	3.98
ZK1980	Sulphide ore	2.83
	Sulphide ore	2.98
	Sulphide ore	2.82
	Sulphide ore	2.86
	Sulphide ore	2.66
ZK0316	Sulphide ore	2.83
	Sulphide ore	2.80
	Sulphide ore	2.85
	Sulphide ore	2.87
TC03-2	Oxide ore	2.72
	Oxide ore	2.78
TC04S	Oxide ore	2.87
TC14-1	Oxide ore	2.69
TC03-2	Oxide ore	2.69
TC06	Oxide ore	2.95
TC05-2	Oxide ore	2.71
	Oxide ore	2.72
PD6CM03	Oxide and Sulphide ore	2.79
	Oxide and Sulphide ore	2.80
	Oxide and Sulphide ore	2.82
	Oxide and Sulphide ore	2.72
	Oxide and Sulphide ore	2.95
	Oxide and Sulphide ore	2.88
	Oxide and Sulphide ore	2.77
PD6CM05	Oxide and Sulphide ore	3.06
PD6CM09	Oxide and Sulphide ore	2.78
	Oxide and Sulphide ore	2.74
	Oxide and Sulphide ore	2.91
	Oxide and Sulphide ore	2.84
	Oxide and Sulphide ore	2.78
	Oxide and Sulphide ore	2.85
	Oxide and Sulphide ore	2.74

PD6CM11	Oxide and Sulphide ore	2.67
	Oxide and Sulphide ore	2.77
	Oxide and Sulphide ore	2.58
PD6CM06	Oxide and Sulphide ore	2.73
	Oxide and Sulphide ore	3.46
	Oxide and Sulphide ore	2.88
	Oxide and Sulphide ore	2.84
PD6CM00	Oxide and Sulphide ore	3.40
	Oxide and Sulphide ore	2.90
	Oxide and Sulphide ore	3.04
PD6CM01	Oxide and Sulphide ore	3.46
	Oxide and Sulphide ore	2.79
	Oxide and Sulphide ore	2.82
PD6CM07	Oxide and Sulphide ore	3.42
PD6CM02	Oxide and Sulphide ore	2.79
	Oxide and Sulphide ore	2.61
PD6CM03	Oxide and Sulphide ore	3.17
	Oxide and Sulphide ore	3.38
	Oxide and Sulphide ore	3.45
ZK0004	Oxide ore	2.91
	Oxide ore	2.70
	Oxide ore	2.57
	Oxide ore	2.74
	Oxide ore	2.59
	Oxide ore	2.76
	Oxide ore	2.92
	Oxide ore	2.79
	Oxide ore	3.12
	Oxide ore	2.98
	Oxide ore	2.76
ZK0704	Oxide ore	2.75
	Oxide ore	2.72
ZK0302	Oxide ore	3.99
ZK0704	Oxide ore	2.75
ZK0004	Oxide ore	2.90
	Oxide ore	2.73
	Oxide ore	2.79
	Oxide ore	2.96
ZK0302	Oxide ore	2.78
ZK0004	Oxide and Sulphide ore	2.70
ZK0005	Oxide and Sulphide ore	2.76

	Oxide and Sulphide ore	2.83
	Oxide and Sulphide ore	2.81
ZK0314	Oxide and Sulphide ore	2.80
	Oxide and Sulphide ore	2.88
ZK0008	Oxide and Sulphide ore	3.69
ZK0756	Oxide and Sulphide ore	2.77
	Oxide and Sulphide ore	2.89
ZK0316	Oxide and Sulphide ore	2.64
ZK2004	Sulphide ore	2.75
ZK1508	Sulphide ore	2.81
ZK0012	Sulphide ore	3.01
	Sulphide ore	3.00
ZK1204	Sulphide ore	3.38
	Sulphide ore	3.46
ZK0008	Sulphide ore	2.82
	Sulphide ore	3.01
	Sulphide ore	2.94
ZK0316	Sulphide ore	2.70
	Sulphide ore	2.64
ZK1108	Sulphide ore	2.95
TC04	Oxide ore	2.96
	Oxide ore	3.45
	Oxide ore	3.11
	Oxide ore	2.62
PD6CM09	Oxide and Sulphide ore	2.74
	Oxide and Sulphide ore	2.70
PD6CM08	Oxide and Sulphide ore	3.91
	Oxide and Sulphide ore	2.89
	Oxide and Sulphide ore	3.20
	Oxide and Sulphide ore	3.13
PD6CM07	Oxide and Sulphide ore	2.84
PD6CM11	Oxide and Sulphide ore	2.63
	Oxide and Sulphide ore	2.69
	Oxide and Sulphide ore	2.83
	Oxide and Sulphide ore	2.98
	Oxide and Sulphide ore	2.77
PD6CM07	Oxide ore	2.98
PD6CM11	Oxide ore	3.05
PD1CM11	Oxide ore	3.05
PD6CM07	Oxide and Sulphide ore	3.15
PD6CM13E	Oxide and Sulphide ore	3.47

ZK2708	Sulphide ore	2.98
ZK1908	Sulphide ore	3.03
	Sulphide ore	3.61
TC06	Oxide ore	2.80
ZK0416	Oxide ore	3.22
ZK0320	Oxide ore	2.78
Average		2.92

A separate bulk test was conducted by the Changsha Designing and Research Institute of Non-Ferrous Metal Metallurgy when performing metallurgical testing. The test was done using the wax emersion method and results are shown in the following table.

Table VI- 3: Specific Density of Bulk Samples at TLP mine

Sample No.	Sample location	Sample type	Sample category	Weight (t/m^3)
DT-1	PD3-YM2	Bulk	Oxide ore	2.88
DT-2	PD6-CM07	Bulk	Mixed ore	2.91
DT-3	PD6-CM03	Bulk	Sulphide ore	2.94
Average				2.91

ZK= drill core
PD chip sample
TC =trench

SG results from both labs were identical.

As reported by the Luoyang Mining Industry Development Centre in 2006, a total of six samples were analysed for specific gravity using the wax emersion method for the LM ore by Analytical Laboratory of No. 1 Team of Henan Geology and Mineral Resources Bureau. The average specific gravity is 3.01 g/cm^3 for ore grade material.

The table below contains the results for the specific gravities of ore at the LM mine.

Table VI- 4: Specific Gravities of Ore at LM mine

Sample No.	**Sample location**	**Material Type**	**SG (t/m^3)**
XT25	PD1020-YM1-H7	Ag & Pb Ore	3.15
XT-26	PD1020-YM1-H10	Ag & Pb Ore	2.96
XT-27	PD991-YM2-H5	Ag & Pb Ore	3.02
XT-28	PD991-YM2-H9	Ag & Pb Ore	2.97
XT-29	PD891-YM3-H5	Ag & Pb Ore	3.01
XY-30	PD891-YM3-H7	Ag & Pb Ore	2.98
Average			3.01

APPENDIX VII: FINISHED WORK AT TLP AND RESOURCE

Table VII- 1: Finished work at TLP Mine

Finished Work							
Item	Unit	Preliminary Survey (1986-1987)	General Survey (1988-1990)	Detailed Survey (1991-1992)	Exploration (1993-1994)	Total	Organization
1/2k Topography survey	km^2			8		8	No.5 Geological Party
1/25k Stream sediment geochem survey	km^2	120				120	No.5 Geological Party
1/10k Secondary survey	km^2		80			80	No.5 Geological Party
1/10k IP	km^2		101			101	No.5 Geological Party
1/5k Hydrology and engineering mapping	km^2			27		27	No.5 Geological Party
	km^2			8		8	No.5 Geological Party
1/10k IP Profile	km		28.24	27		55.24	No.5 Geological Party
1/2k Geological mapping	km^2			1	2.57	3.57	No.5 Geological Party
1/1k Exploration profile survey	m					7411.25	14 profiles in total
Well Log	m				720	720	No.5 Geological Party
Drilling	m		4067.04	5622.86	5113.33	14803.23	53 holes in total
Aditing by hand machine	m		376			376	No.5 Geological Party
Mechanical aditing	m			906.2	1526	2432.2	PD1，3，4，5，6，7
Trenching	m^3	4324.62	3811.47	1760.58	4055.84	13952.51	40 trenches in total
Well	m		9.3		10	19.3	3 wells
Chemical analysis		480	849	1365	1380	4074	
Bedrock spectrum analysis			79	1080		1159	
Thin section		21	99	77		197	
Small specific gravity samples				59	151	210	
Large specific gravity samples					3	3	Each for oxidized primary and mixed ores

Dressing testing samples			1	1	1	3	
Internal check samples						623	53 holes in total
Exterior check samples						297	
Phase analysis				81	150	231	
Multi-element analysis					10	10	
Mono-mineral samples				10		10	
Sulfur isotope				10		10	
Inclusion temperature samples				33		33	
Fragmentation and loose coefficient					2	2	
Hydrology observation			7	11	17	35	66 % of geological holes
Underground water drilling				2	2	4	
Drill hole affusion testing				2	2	4	
Water quality samples			2	2	3	7	
Physical and mechanical testing samples					21	21	
Load testing samples of rocks				6	56	62	ZK0001，ZK1104，ZK0012，ZK0706
Radiation measure					1090	1090	No.5 Geological Party

Table VII- 2: Historical Reserves of Silver and Associated Lead

Category	**Class**	**Tonnes（t）**	**Average thickness (m)**	**Ag（g/t）**	**Pb（%）**	**Ag（t）**	**Pb（t）**
Measured	C	1802592	4.34	286.99	3.59	517.32	64693
	D	1885751	2.73	298.08	3.02	562.11	57020
	C+D	3688343	3.91	292.66	3.3	1079.43	121713
	C/（C+D）	48.87%				47.93%	
Indicated	C	367971		65.09	1.04	23.95	3813
	D	546716		64.07	0.82	35.03	4459
	C+D	914687		64.48	0.9	58.98	8272

Table VII- 3: Historic Reserves of Lead and Associated Silver

Category	Class	Tonnes（t）	Pb（%）	Ag（g/t）	Pb（t）	Ag（t）

Measured	C	222516	2.05	26.02	4559	5.79
	D	941124	2.38	21.76	22403	20.48
	C+D	1163640	2.32	22.58	26962	26.27
indicated	C	489365	1.02	21.99	4986	10.76
	D	2583327	0.96	16.18	24839	41.81
	C+D	3072692	0.97	17.11	29825	52.57

APPENDIX VIII: DRILL HOLE DATA FOR MINERAL RESOURCE CALCULATION

Table VIII- 1: Drill Hole Collars and Downhole Survey

Drill Hole	Northing (m)	Easting (m)	Elevation (m)	To	Azimuth	Dip	Veins Intercepted
TLP Mine							
ZKG0101	533985.00	3780349.00	825.00	233.79	290°	-54°	T16
ZKT001	532876.60	3780776.60	935.36	600.66	110°	-44°	I, II, III
ZKT002	532876.60	3780776.60	935.36	641.69	110°	-53°	I, II, III, IV, V
ZKT003	532876.60	3780776.80	935.36	461.11	110°	-35°	I, II, III, IV
ZKT0201	532917.25	3780711.07	938.35	519.26	110°	-55.5°	I, II, III
ZKT0202	532917.25	3780711.07	938.35	609.66	110°	-65°	I, II, III
ZKT0203	532916.47	3780711.22	938.53	671.45	110°	-71°	I, II, III，IV
ZKT0601	532968.70	3780650.63	960.59	550.68	116°	-65°	II, IV
ZKT0602	532968.70	3780650.63	960.59	647.48	116°	-78°	I, II, III, IV
ZKT1101	533062.50	3781031.10	909.50	535.31	110°	-46°	II, IV
ZKT1102	533062.50	3781031.10	909.50	581.90	110°	-55°	I, II, III, IV
ZKT1103	533062.50	3781031.10	909.50	478.00	110°	-35°	I, II, III, IV
ZKT1104	533062.50	3781031.10	909.50	616.30	110°	-61°	I, II, III, IV
ZKT1901	533389.58	3781129.20	801.40	339.96	110°	-56°	II, III, IV
ZKT1902	533394.27	3781112.99	801.90	449.60	110°	-74°	I, II, III, IV
ZKT1903	533394.27	3781112.99	801.90	414.90	110°	-84°	I, III
ZKT2010	532692.28	3780301.53	957.14	532.05	110°	-45°	I, II, III, IV
ZKT4501	533839.23	3781713.59	739.00	259.58	142°	-48°	I, II, III, IV
ZKT4502	533839.23	3781713.59	739.00	311.37	154°	-68°	I, II, III, IV
ZKT4503	533839.23	3781713.59	739.00	180.27	257°	-46°	VI
ZKT4701	533837.50	3781714.40	737.90	240.49	110°	-33°	I, II, III, IV, V
ZKT4702	533837.50	3781714.40	737.90	319.77	110°	-60°	I, II, III, IV
ZKT4703	533837.50	3781714.40	737.90	367.05	110°	-76°	I, II, III, IV
ZKT4704	533839.23	3781713.59	739.00	185.03	290°	-38°	I
ZKT4901	533839.23	3781713.59	739.00	276.09	88°	-42°	II, III
ZKT4902	533839.23	3781713.59	739.00	290.02	81°	-62°	II, III
ZKT5501	534042.10	3781901.00	735.80	323.31	156°	-49°	II, III

ZKT5701	534042.10	3781901.00	735.80	265.47	130°	-40°	II, III
ZKT5702	534042.10	3781901.00	735.80	198.30	137°	-57.5°	II, III
ZKT5703	534042.10	3781901.00	735.80	322.35	137°	-60°	II, III
ZKT5704	534042.10	3781901.00	735.80	366.23	137°	-69°	I, II, III, IV, V
ZKT6501	534158.80	3782076.80	742.70	402.74	155°	-49°30′	II, III, IV
ZKT6502	534158.80	3782076.80	742.70	375.10	155°	-70°	II, III, IV
ZKT6901	534219.90	3782182.60	741.10	396.47	137°	-50°	II, III
ZKT6902	534219.87	3782182.57	742.70	454.21	137°	-63°	II, III
ZKT6903	534219.87	3782182.57	742.70	522.57	137°	-74°	II, III
LM Mine							
Drill Hole	Northing (m)	Easting (m)	Elevation (m)	To	Azimuth	Dip	Veins Intercepted
ZK001	534006.44	3779602.02	847.87	350.20	90°	-43°	LM2
ZK301	534006.44	3779602.02	847.87	125.47	133°	-39°	LM2、LM3
ZK302	534006.44	3779602.02	847.87	153.55	133°	-85°	LM3
ZK401	534006.44	3779602.02	847.87	221.51	37°	-32°	LM2
ZK402	534006.44	3779602.02	847.87	350.25	48°	-47°	LM2
ZK701	534209.50	3779317.00	840.80	240.33	318°	-44°	LM2
ZK901	534209.50	3779317.00	840.80	185.67	293°	-37°	LM2
ZK902	534209.50	3779317.00	840.80	259.44	302°	-64°	LM2
ZK1101	534209.50	3779317.00	840.80	182.25	266°	-56°	LM2
ZK1301	534209.50	3779317.00	840.80	185.27	240°	-36°	LM2
ZK1302	534209.50	3779317.00	840.80	262.47	227°	-62°	LM2
ZK50A01	534088.03	3779383.68	843.00	240.07	119°	-50°	LM5、LM6
ZK51A01	534088.03	3779383.68	843.00	195.47	147°	-37°	LM5、LM6
ZK51A02	534088.03	3779383.68	843.00	246.67	154°	-65°	LM5、LM6
ZK52A01	534088.03	3779383.68	843.00	253.07	98°	-31°	LM5、LM6
ZK52A02	534088.03	3779383.68	843.00	281.87	88°	-57°	LM5、LM6
ZK52A03	534088.03	3779383.68	843.00	292.37	74°	-71°	LM5、LM6
ZK54A01	534189.97	3779502.58	840.00	203.14	154°	-52°	LM5、LM6
ZK56A01	534189.97	3779502.58	840.00	185.15	123°	-37°	LM5、LM6
ZK58A01	534189.97	3779502.58	840.00	218.89	95°	-47°	LM5、LM6
ZK3A01	534189.97	3779502.58	840.00	192.01	270°	-59°	LM2
ZK101	534189.97	3779502.58	840.00	186.07	298°	-37°	LM2
ZK102	534189.97	3779502.58	840.00	235.70	308°	-63°	LM2
ZK501	534189.97	3779502.58	840.00	179.73	239°	-39°	LM2
ZK502	534189.97	3779502.58	840.00	231.97	227°	-65°	LM2
ZK50C01	533935.15	3779602.73	848.00	201.87	166°	-55°	LM3
ZK51C01	533935.15	3779602.73	848.00	203.17	180°	-32°	LM3

ZK52C01	533935.15	3779602.73	848.00	166.27	130°	-43°	LM3
ZK52C02	533935.15	3779602.73	848.00	227.47	130°	-71°	LM3
ZK51C02	533935.15	3779602.73	848.00	262.67	191°	-55°	LM3
ZK56B01	533883.18	3779776.88	916.00	142.97	130°	-61°	LM18
ZK56B02	533883.18	3779776.88	916.00	224.35	130°	-85°	LM18
ZKX10201	532631.30	3779836.50	930.00	310.16	40°	-34°	LM8
ZKX10202	532631.30	3779836.50	930.00	331.14	40°	-40°	LM8
ZKX10203	532631.30	3779836.50	930.00	400.26	40°	-50°	LM8
ZKX1201	532632.36	3779834.36	930.00	210.61	265°	-34°	LM12
ZKX1202	532632.36	3779834.36	930.00	284.44	270°	-39°	LM12
ZKX1211	532631.30	3779836.50	930.00	202.35	303°	-40°	LM12
ZKX1212	532631.30	3779836.50	930.00	315.06	303°	-52°	LM12
ZKX1231	532632.26	3779835.86	930.00	238.01	335°	-38°	LM12
ZKX1232	532632.26	3779835.86	930.00	346.51	335°	-52°	LM12
ZKX0701	532635.40	3779834.00	930.00	177.23	109°	-67°	LM7
ZKX0702	532635.40	3779834.00	930.00	220.54	109°	-88°	LM7
ZKX0711	532652.95	3779847.78	930.00	170.18	142°	-58°	LM7
ZKX0721	532652.49	3779847.10	930.00	180.49	171°	-49°	LM7
ZKX0108	532381.40	3779116.95	1033.00	331.02	80°	-50°	LM14
ZKX0110	532381.40	3779116.95	1033.00	390.38	80°	-62°	LM14
ZKX0501	532380.15	3779118.41	1033.00	350.81	45°	-50°	LM14
ZKX1601	532373.69	3779110.44	1033.60	300.54	212°	-66°	LM16
ZKX1602	532373.69	3779110.44	1033.60	231.79	212°	-73°	LM16
ZKX0109	532380.15	3779118.41	1033.00	370.16	27°	-58°	LM14
ZKXB001	532321.83	3780132.24	926.36	330.28	136°	-45°	LM10
ZKXA001	532321.83	3780132.24	926.36	175.87	136°	-64°	LM10

Table VIII- 2: Total Completed Holes and Core Sample Recoveries

No	Category	Name	Veins	Camp	Destination(m)	Recovery (%)	samples
1	Surface	ZKXA001	LM10	LM-Xigou	175.87	93.98	4
2	Surface	ZKXB001	LM10	LM-Xigou	330.28	99.00	9
3	Surface	ZKX0108	LM14	LM-Xigou	331.02	99.53	118
4	Surface	ZKX0109	LM14	LM-Xigou	370.16	99.54	57
5	Surface	ZKX0110	LM14	LM-Xigou	390.38	99.36	116
6	Surface	ZKX0501	LM14	LM-Xigou	350.81	99.69	18
7	Surface	ZKX1601	LM16	LM-Xigou	300.54	99.35	29
8	Surface	ZKX1602	LM16	LM-Xigou	231.79	99.86	25
9	Surface	ZKT0601	II, IV	TLP	550.68	99.97	50
10	Surface	ZKT1101	II, IV	TLP	535.31	100.00	52

11	Surface	ZKT001	I, II, III	TLP	600.66	100.00	33
12	Surface	ZKT0201	I, II, III	TLP	519.26	100.00	21
13	Surface	ZKT0202	I, II, III	TLP	609.66	100.00	55
14	Surface	ZKT003	I, II, III, IV	TLP	461.11	99.49	12
15	Surface	ZKT0602	I, II, III, IV	TLP	647.48	99.28	82
16	Surface	ZKT1102	I, II, III, IV	TLP	581.90	100.00	37
17	Surface	ZKT1103	I, II, III, IV	TLP	478.00	100.00	58
18	Surface	ZKT1104	I, II, III, IV	TLP	616.30	98.00	53
19	Surface	ZKT2010	I, II, III, IV	TLP	532.05	100.00	45
20	Surface	ZKT002	I, II, III, IV, V	TLP	641.69	100.00	45
21	Surface	ZKT0203	I, II, III，IV	TLP	671.45	99.99	39
22	Surface	ZKT6901	II, III	TLP	396.47	99.20	20
23	Surface	ZKT6902	II, III	TLP	454.21	100.00	31
24	Surface	ZKT6903	II, III	TLP	522.57	100.00	46
25	Surface	ZKT6501	II, III, IV	TLP	402.74	99.20	57
26	Surface	ZKT6502	II, III, IV	TLP	375.10	100.00	37
27	Underground	ZK56B01	LM18	LM-Donggou	142.97	96.59	10
28	Underground	ZK56B02	LM18	LM-Donggou	224.35	98.04	17
29	Underground	ZK001	LM2	LM-Donggou	350.20	99.07	12
30	Underground	ZK101	LM2	LM-Donggou	186.07	98.83	8
31	Underground	ZK102	LM2	LM-Donggou	235.70	98.85	9
32	Underground	ZK1101	LM2	LM-Donggou	182.25	98.82	7
33	Underground	ZK1301	LM2	LM-Donggou	185.27	98.38	7
34	Underground	ZK1302	LM2	LM-Donggou	262.47	98.61	15
35	Underground	ZK3A01	LM2	LM-Donggou	192.01	98.64	20
36	Underground	ZK401	LM2	LM-Donggou	221.51	99.01	10
37	Underground	ZK402	LM2	LM-Donggou	350.25	98.18	17
38	Underground	ZK501	LM2	LM-Donggou	179.73	98.70	9
39	Underground	ZK502	LM2	LM-Donggou	231.97	98.76	7
40	Underground	ZK701	LM2	LM-Donggou	240.33	97.85	22
41	Underground	ZK901	LM2	LM-Donggou	185.67	97.83	11
42	Underground	ZK902	LM2	LM-Donggou	259.44	99.07	8
43	Underground	ZK301	LM2、LM3	LM-Donggou	125.47	98.91	3
44	Underground	ZK302	LM3	LM-Donggou	153.55	98.86	6
45	Underground	ZK50C01	LM3	LM-Donggou	201.87	99.79	8
46	Underground	ZK51C01	LM3	LM-Donggou	203.17	99.87	17
47	Underground	ZK51C02	LM3	LM-Donggou	262.67	99.90	9
48	Underground	ZK52C01	LM3	LM-Donggou	166.27	99.84	19
49	Underground	ZK52C02	LM3	LM-Donggou	227.47	99.88	7

50	Underground	ZK50A01	LM5、LM6	LM-Donggou	240.07	97.76	12
51	Underground	ZK51A01	LM5、LM6	LM-Donggou	195.47	97.76	15
52	Underground	ZK51A02	LM5、LM6	LM-Donggou	246.67	98.31	35
53	Underground	ZK52A01	LM5、LM6	LM-Donggou	253.07	97.60	28
54	Underground	ZK52A02	LM5、LM6	LM-Donggou	281.87	97.79	48
55	Underground	ZK52A03	LM5、LM6	LM-Donggou	292.37	99.50	9
56	Underground	ZK54A01	LM5、LM6	LM-Donggou	203.14	99.07	11
57	Underground	ZK56A01	LM5、LM6	LM-Donggou	185.15	98.60	31
58	Underground	ZK58A01	LM5、LM6	LM-Donggou	218.89	98.86	14
59	Underground	ZKX1201	LM12	LM-Xigou	210.61	99.13	79
60	Underground	ZKX1202	LM12	LM-Xigou	284.44	98.89	77
61	Underground	ZKX1211	LM12	LM-Xigou	202.35	99.84	51
62	Underground	ZKX1212	LM12	LM-Xigou	315.06	99.79	104
63	Underground	ZKX1231	LM12	LM-Xigou	238.01	99.91	97
64	Underground	ZKX1232	LM12	LM-Xigou	346.51	99.83	111
65	Underground	ZKX0701	LM7	LM-Xigou	177.23	97.92	63
66	Underground	ZKX0702	LM7	LM-Xigou	220.54	96.55	48
67	Underground	ZKX0711	LM7	LM-Xigou	170.18	99.41	53
68	Underground	ZKX0721	LM7	LM-Xigou	180.49	99.23	26
69	Underground	ZKX10201	LM8	LM-Xigou	310.16	99.85	14
70	Underground	ZKX10202	LM8,20	LM-Xigou	331.14	99.83	24
71	Underground	ZKX10203	LM8	LM-Xigou	400.26	99.48	72
72	Underground	ZKT4704	I	TLP	185.03	99.70	10
73	Underground	ZKT1902	I, II, III, IV	TLP	449.60	99.60	51
74	Underground	ZKT4501	I, II, III, IV	TLP	259.58	99.99	48
75	Underground	ZKT4502	I, II, III, IV	TLP	311.37	99.90	30
76	Underground	ZKT4702	I, II, III, IV	TLP	319.77	98.00	35
77	Underground	ZKT4703	I, II, III, IV	TLP	367.05	99.99	11
78	Underground	ZKT4701	I, II, III, IV, V	TLP	240.49	98.50	44
79	Underground	ZKT5704	I, II, III, IV, V	TLP	366.23	99.99	83
80	Underground	ZKT1903	I, III	TLP	414.90	98.35	41
81	Underground	ZKT4901	II, III	TLP	276.09	99.23	41
82	Underground	ZKT4902	II, III	TLP	290.02	99.67	11
83	Underground	ZKT5501	II, III	TLP	323.31	99.46	16
84	Underground	ZKT5701	II, III	TLP	265.47	98.60	21
85	Underground	ZKT5702	II, III	TLP	198.30	98.20	13
86	Underground	ZKT5703	II, III	TLP	322.35	97.50	16
87	Underground	ZKT1901	II, III, IV	TLP	339.96	99.70	25
88	Underground	ZKG0101	T16	TLP	233.79	99.98	13

89	Underground	ZKT4503	VI	TLP	180.27	99.57	2

APPENDIX IX: DRILL HOLE ASSAY RESULTS

Table IX- 1: TLP-LM Surface Drill Hole Assay Results

Drill hole	Mineralized Veins	Samples	From (m)	To (m)	Core Intervals (m)	Horizontal width (m)	Elevation (m)	Ag (g/t)	Ag (oz/t)	Pb (%)	Zn (%)	Ag Equivalent (g/t)
ZK6 501	TLP3	G 898531 G 898532 G 898533	248.34	249.64	1.30	1.17	553.37	45.12	1.45	4.06	0.04	216.56
ZK6 502	TLP3	G898584 G898585 G898586	346.86	352.86	6.00	3.97	412.91	10.30	0.33	0.16	0.02	0.00
	TLP2	G898564 G898565	236.04	237.19	1.15	0.76	519.66	21.73	0.70	0.21	0.09	21.73
ZK0 01	TLP3	G898720 G898721	477.72	479.37	1.65	1.61	602.02	0.00	0.00	0.00	0.00	0.00
	TLP2	G898709	417.40	418.00	0.60	0.58	644.16	55.60	1.79	1.46	0.03	117.21
ZKT 002	TLP3	G898763 G898764	467.36	523.37	1.00	0.88	534.86	0.00	0.00	0.04	0.00	0.00
	TLP2	G898760	444.56	445.71	1.15	1.01	575.96	21.05	0.68	1.08	2.17	170.01
ZKT 1101	TLP3	G899148 G899149	466.34	468.64	2.30	2.19	568.75	3.58	0.12	0.63	0.04	26.60
	TLP2	G899133	429.67	430.22	0.55	0.52	596.18	19.09	0.61	2.78	0.73	117.33
ZKT 6901	TLP3	G898611	315.05	315.30	0.25	0.23	500.09	5.56	0.18	1.64	0.46	69.40
	TLP2	G898607	214.99	215.97	0.98	0.91	576.63	4.56	0.15	0.03	0.02	0.00
ZK1 102	TLP3	G899180	498.29	498.95	0.66	0.57	500.46	27.54	0.89	4.45	0.03	215.15
	TLP2	G899175	449.47	451.67	2.20	1.91	540.70	7.24	0.23	1.95	0.03	82.24
ZK6 902	TLP3	G997173	354.62	356.62	2.00	1.57	425.85	10.33	0.33	0.98	0.02	41.45
	TLP2	G997169	346.52	348.52	2.00	1.57	433.03	8.11	0.26	1.05	0.07	44.47
ZK0 201	TLP3	G997080	443.69	444.96	1.27	1.10	576.21	3.00	0.10	0.02	0.02	0.00
	TLP2	G997070 G997076	349.84	374.81	3.48	3.01	643.27	5.54	0.18	0.54	0.05	22.85
ZK0 202	TLP3	G898675	495.68	496.63	0.95	0.73	492.92	6.70	0.22	0.52	0.02	21.94
	TLP2	G997098 G997099 G997100 G898651 G898652 G898653	410.55	416.78	3.18	2.43382956	584.35	26.41	0.85	1.49	0.27	89.41
ZK6 903	TLP3	G898640	382.57	384.47	1.90	1.20	373.49	117.5 1	3.78	0.13	0.12	117.51
ZK1 103	TLP3	G899245	442.69	444.76	2.07	2.12	655.46	7.09	0.23	0.48	0.05	20.32
	TLP2	G899227 G899228 G899229	398.60	400.65	1.11	1.14	680.28	76.94	2.47	7.96	0.44	412.90
ZK0 203	TLP3	H329689	520.62	521.60	0.98	0.64	444.21	3.00	0.10	0.10	0.08	0.00
	TLP2	H329681	453.93	455	1.07	0.70	507.64	110.2	3.54	3.78	0.07	269.74

								0				
ZK1 104	TLP3	H329629	518.05	519.48	1.43	1.14	456.39	3.00	0.10	0.26	0.02	0.00
	TLP2	H329623	486.04	487.05	1.01	0.81	484.40	1.50		0.36	0.02	15.11
ZK5 703	TLP2	G899441	156.1	156.69	0.59	0.48	600.61	1.59	0.05	0.14	0.07	0.00
ZK4 703	TLP2	G899386	238.66	238.96	0.30	0.18	506.33	10.23	0.33	0.04	0.01	0.00
ZKX 0108	LM14	G902057 G902058	253.21	254.32	1.11	0.65	845.86	155.1 2	0.68	0.55	0.08	178.33
ZKX1 0202	LM8-3	G903318	250.2	250.58	0.38		763	903	29.03	2.05	0.4	989.51
ZKX1 0202	LM20	G903315	104.01	104.48	0.47		860	1509	48.51	5.93	0.2	1759.23

Table IX- 2: TLP-LM Underground Drill Hole Assay Results

Drill hole	Mineralized Veins	Samples	From (m)	To (m)	Core Interval s (m)	Horizontal width(m)	Elevation (m)	Ag (g/t)	Ag (oz/t)	Pb (%)	Zn (%)	Ag Equivalent (g/t)
ZKT5701	TLP3	G899408	198.54	199.42	0.88	0.81	608.18	38.80	1.25	6.12	4.82	526.00
	TLP2	G899404	134.82	135.57	0.75	0.69	649.14	153.09	4.92	1.50	0.18	216.37
ZKt5702	TLP2	G899427	155.16	156.09	0.93	0.73	604.94	1.50		0.59	0.02	24.80
ZKT4701	TLP3	G899325 G899326	151.63	153.50	1.87	1.94	654.81	17.50	0.56	2.45	0.20	103.31
	TLP2	G899315	120.45	121.95	1.50	1.56	672.30	12.05	0.39	1.60	0.10	67.40
ZK4702	TLP3	G899352 G899353 G899354 G899355 G899356	219.04	229.60	6.69	5.41	543.42	2.31	0.07	0.65	0.03	27.46
	TLP2	G899349	186.85	187.78	0.93	0.75	576.03	3.51	0.11	1.07	0.07	45.15
ZK1901	TLP3	G997109	183.6	185.60	2.00	1.74	650.26	30.10	0.97	1.19	0.19	80.32
	TLP2	G997106	116.48	118.52	2.04	1.78	705.24	86.10	2.77	0.10	0.06	86.10
ZK5703	TLP3	G899446 G899447	223.7	225.28	1.02	0.83	541.39	6.20	0.20	0.53	0.14	22.50
ZK4703	TLP3	G899388 G899389	314.54	316.42	1.88	1.10	431.71	6.40	0.21	0.24	0.01	0.00
ZKT4501	TLP3	G857025 G857026 G857031 G857022	182.31	191.37	4.45	3.70	599.97	8.68	0.28	0.62	0.02	26.22
	TLP2	G857009 G857013	143.33	144.73	2.10	1.75	628.17	34.52	1.11	0.70	0.06	64.08
ZK4502	TLP3	H329763 H329772	283.53	300.46	1.89	1.13	467.66	1.66	0.05	0.36	0.02	15.16
	TLP2	H329754 H329756	164.07	233.10	2.35	1.41	554.74	5.03	0.16	0.94	1.38	105.22

ZK5704	TLP3	H331960 H331974 H331975 H331976 H331977 H331978	284.29	300.52	5.13	3.62	462.56	4.04	0.13	0.83	0.03	34.98
	TLP2	H329718 H329719 H329720 H329721	190.01	194.89	4.88	3.37	555.92	10.87	0.35	0.54	0.07	22.95
ZK001	LM3	G0537153	54.21	55.31	1.1	0.99	**810.00**	137.00	4.40	0.33	0.15	150.93
	LM2	G0537162	224.17	224.74	0.57	0.55	784	94.60	3.04	1.92	3.07	321.36
ZK301	LM2	G0537192	117.93	118.03	0.1	0.09	774	632.50	20.34	2.85	4.71	976.36
ZK401	LM2	G0537170	111.18	111.49	0.31	0.28	789	336.80	10.83	5.54	0.18	570.58
ZK402	LM3	G0537176	86.32	86.7	0.38	0.25	784.00	250.30	8.05	0.42	0.18	268.02
	LM2	G0537182	116.4	117.56	1.16	1.03	762	25.30	0.81	0.44	0.09	43.87
ZK701	LM2	G900133	210.18	210.58	0.4	0.29	696	87.80	2.82	0.83	0.15	122.82
ZKX1201	LM12	G0538685 G0538686	89.97	90.41	0.44	0.69	876	13.30	0.43	0.70	0.10	29.54
ZKX1202	LM12	G903968	166.35	166.78	0.43		822	0.00	0.00	0.11	0.03	0.00
ZK1302	LM5	G0537403 G0537404	70.72	71.88	1.16	0.50	778	9.76	0.31	1.64	0.30	69.20
ZK52A01	LM5	G903042 G903043	183.12	184.59	1.47	1.37	748	39.10	1.26	0.37	0.11	54.71
ZK51A02	LM5	G900154 G900155 G500156 G500157 G900158	128.79	136.73	1.41	1.06	723.00	1021.80	32.85	1.15	0.34	1070.33
ZK52A02	LM5	G902574 G902575 G902576	253.02	256.27	3.25	2.19	690	130.83	4.21	2.77	0.18	247.71
	LM6	G902558 G902559	177.65	179.5	1.85	1.25	735	28.97	0.93	0.65	0.19	56.40
ZK52A03	LM5	G899481	197.29	197.64	0.35	0.2	656.00	52.3	1.68	0.24	0.08	52.34
ZKX10201	LM8	G901483 E248397 E248398	262.11	262.91	0.8	0.52	780	1318.24	42.38	1.9	0.1	1398.42

APPENDIX X: LONGITUDINAL RESOURCE SECTIONS TLP-LM MINES

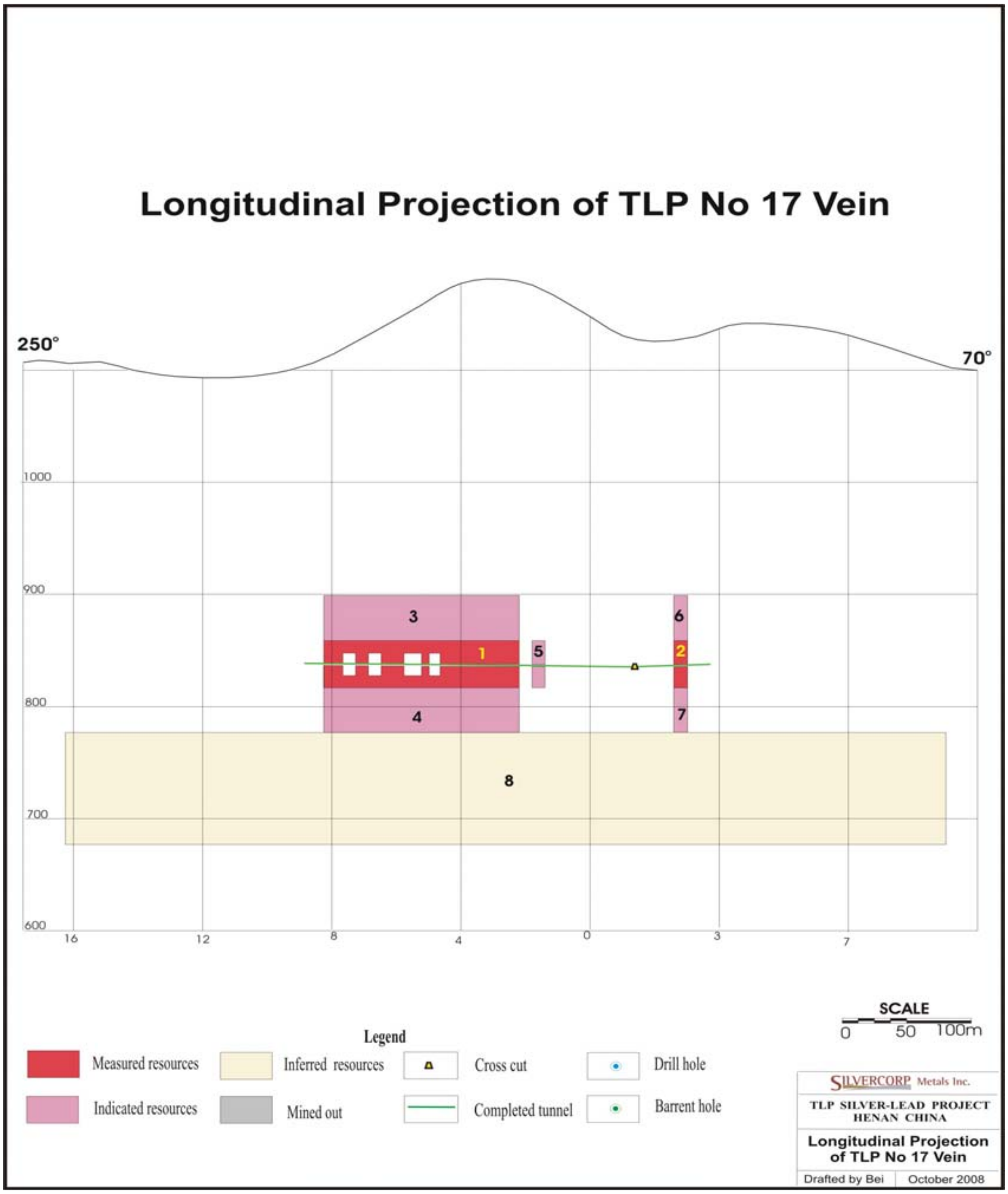

Figure X- 1: Longitudinal Projection of T-17 Vein at TLP mine

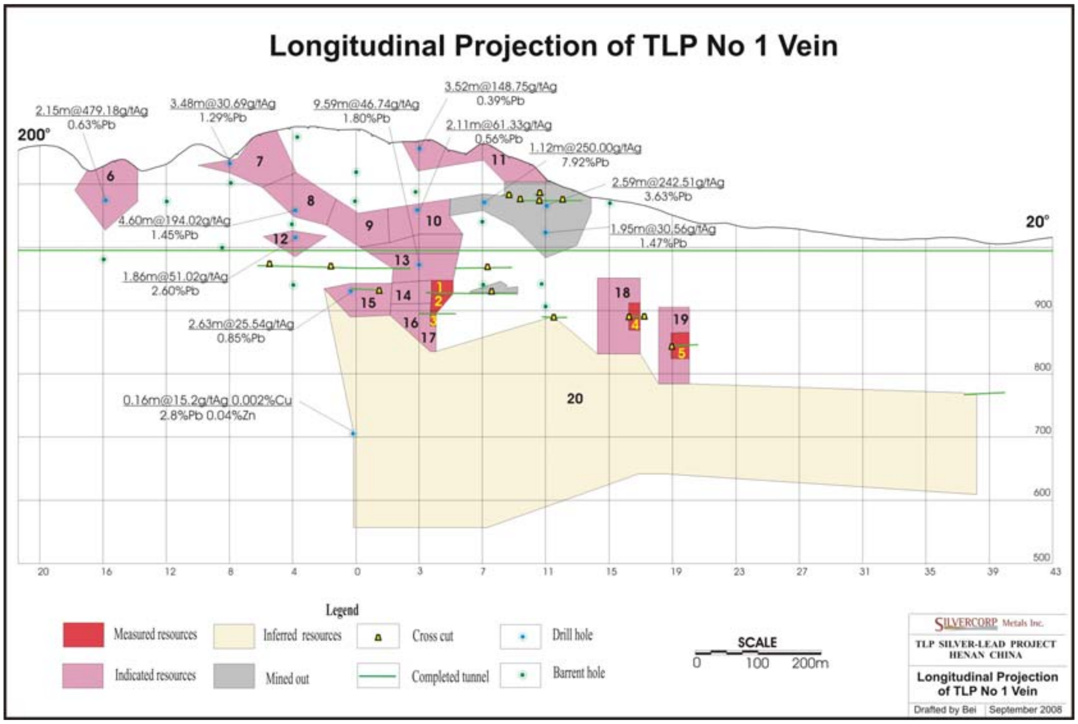

Figure X- 2: Longitudinal Projection of T-1 Vein at TLP mine

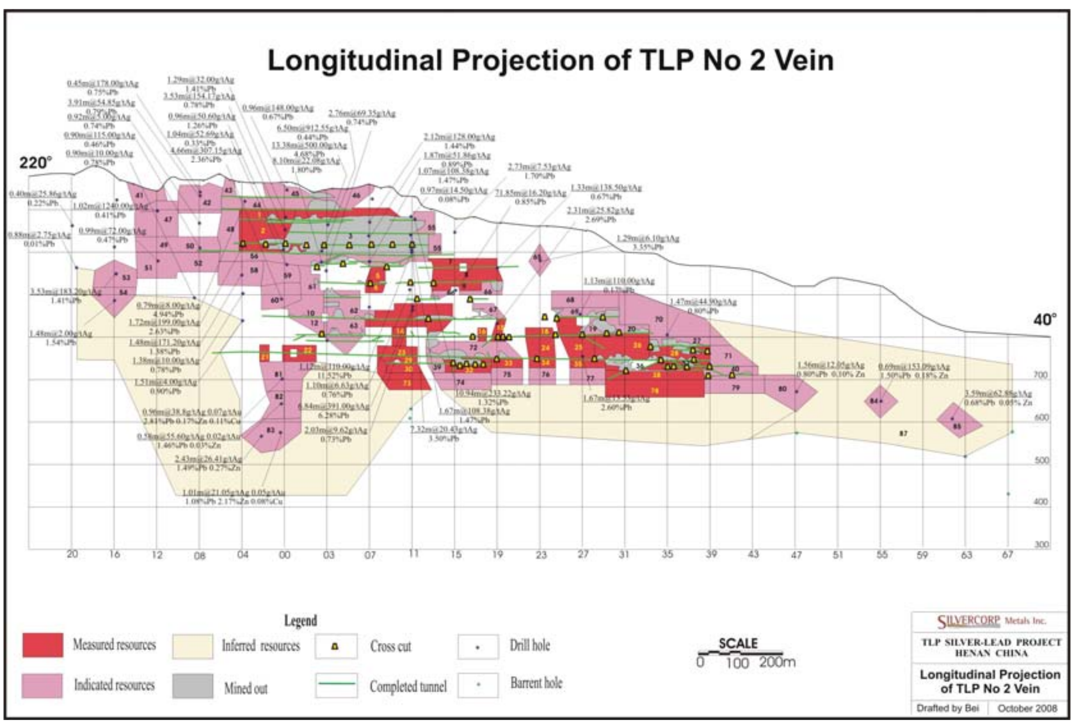

Figure X- 3: Longitudinal Projection of T-2 Vein at TLP mine

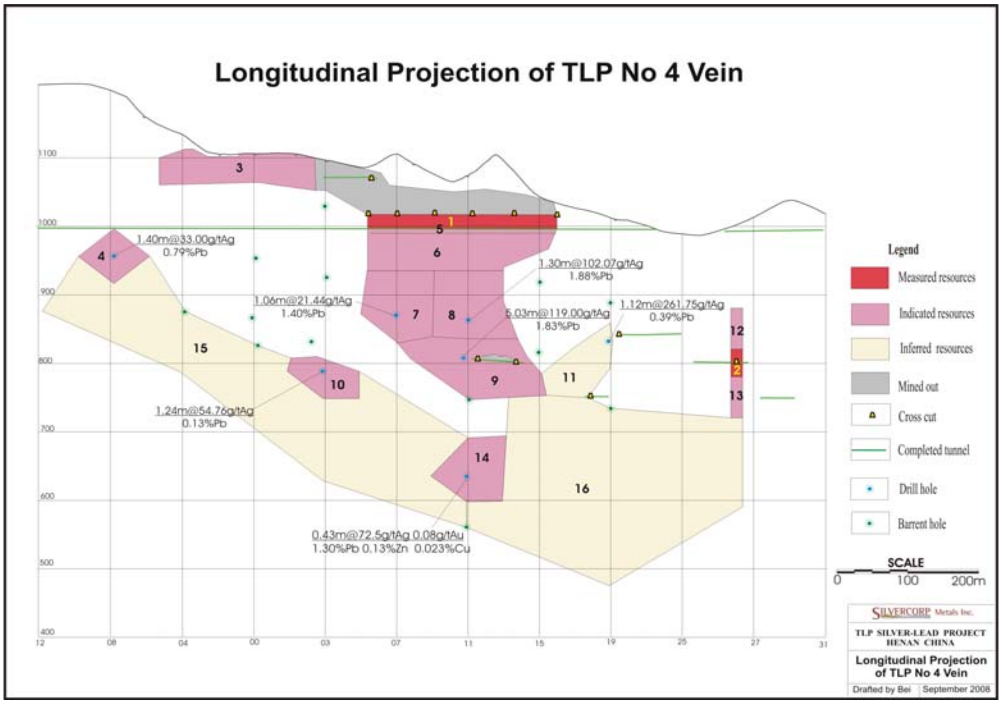

Figure X- 4: Longitudinal Projection of T-4 Vein at TLP mine

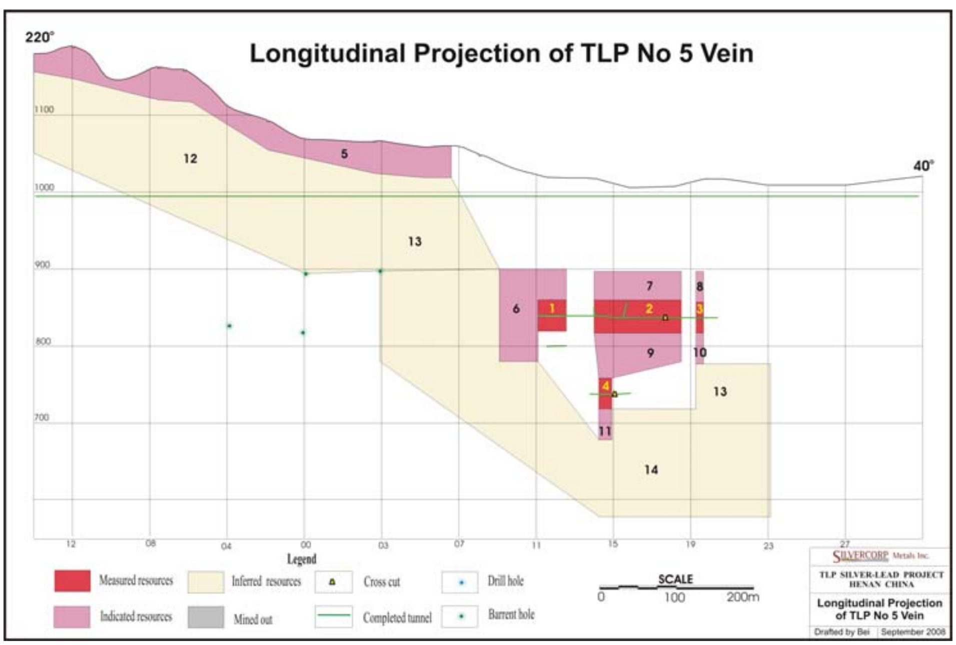

Figure X- 5: Longitudinal Projection of T-5 Vein at TLP mine

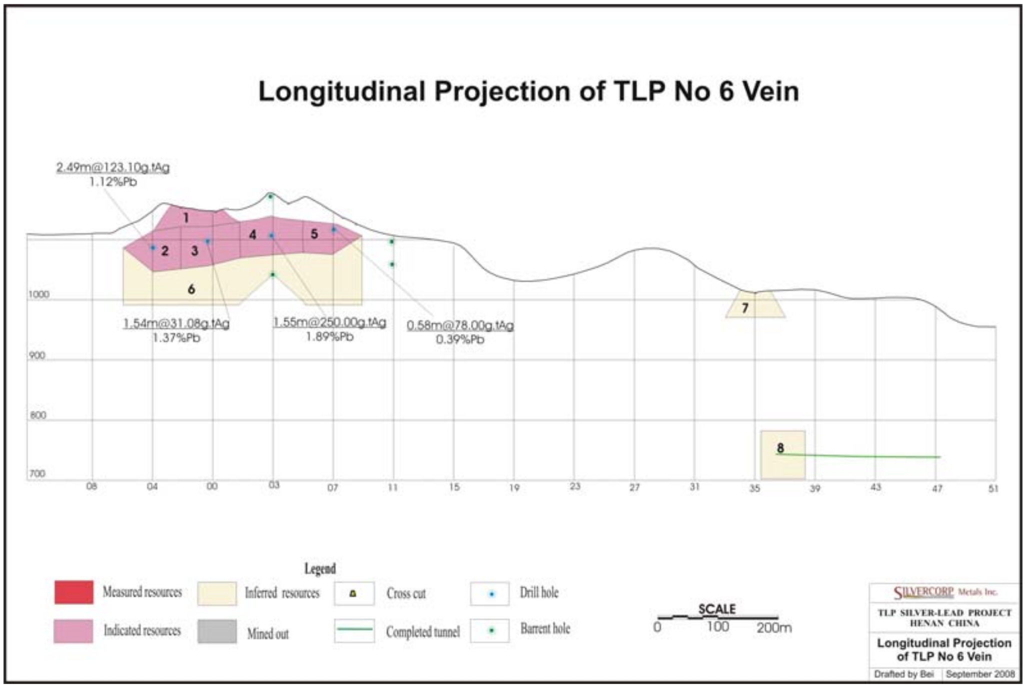

Figure X- 6: Longitudinal Projection of T-6 Vein at TLP mine

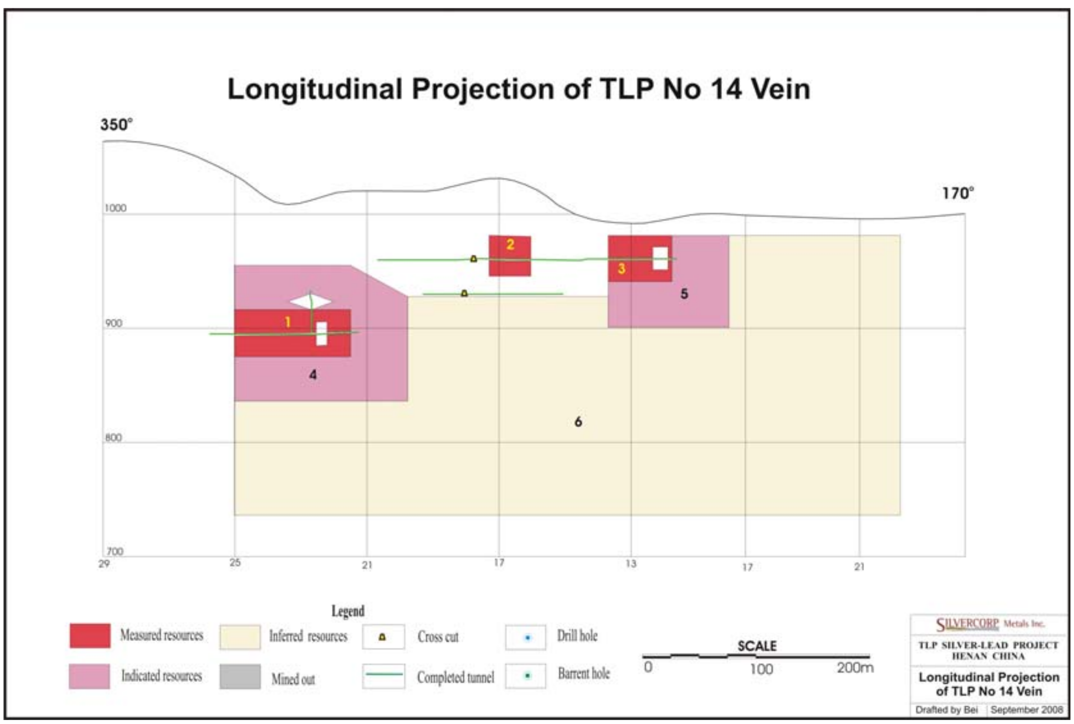

Figure X- 7: Longitudinal Projection of T-14 Vein at TLP mine

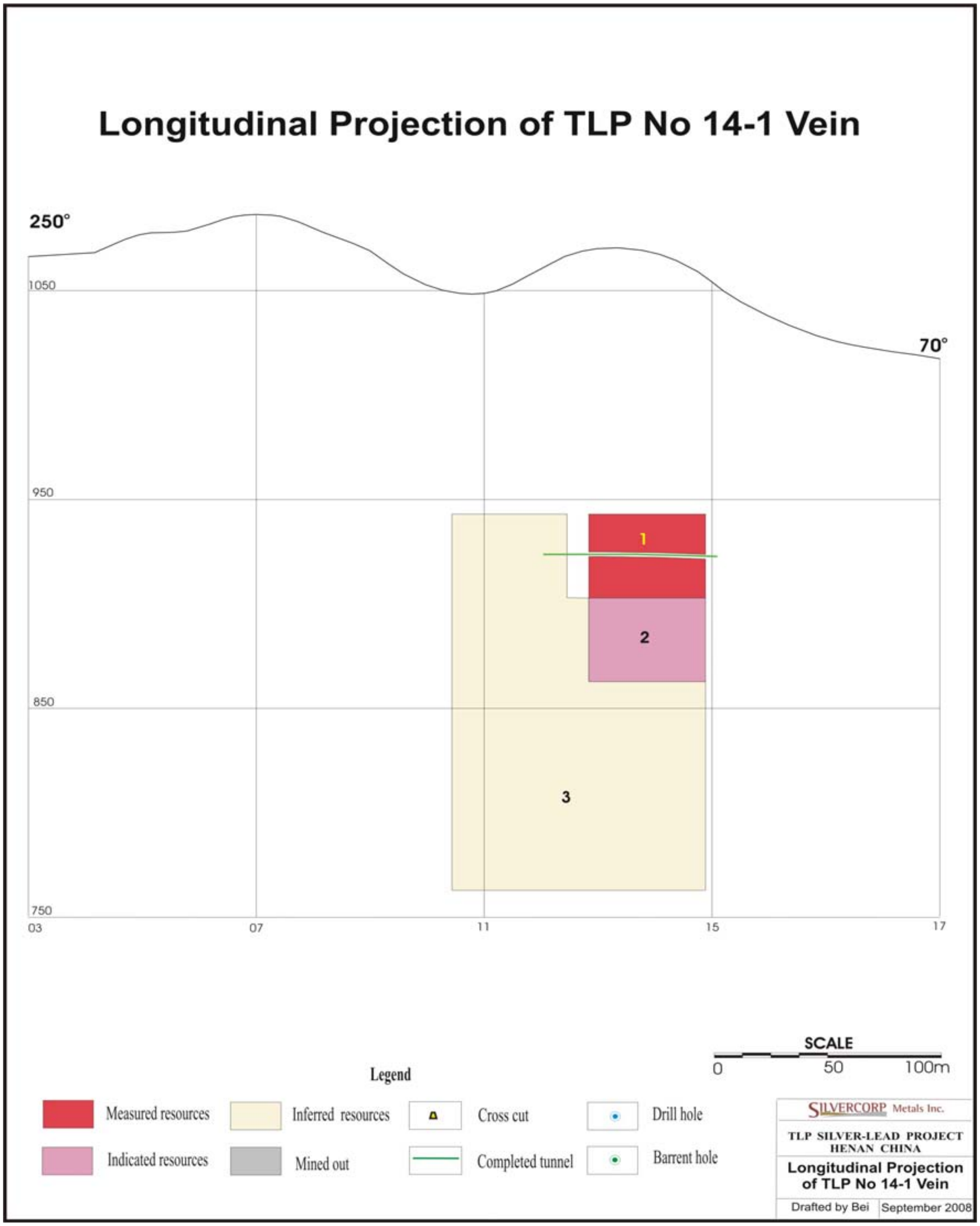

Figure X- 8: Longitudinal Projection of T-14-1 Vein at TLP mine

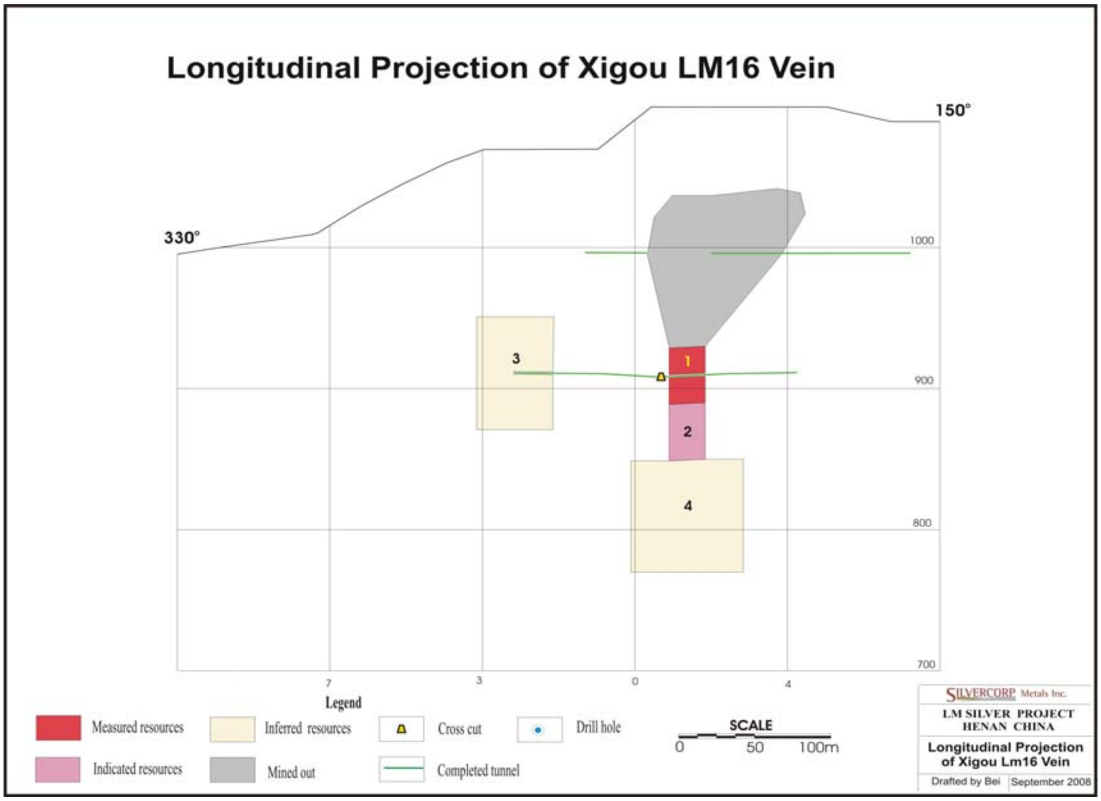

Figure X- 9: Longitudinal Projection of LM16 Vein at LM mine

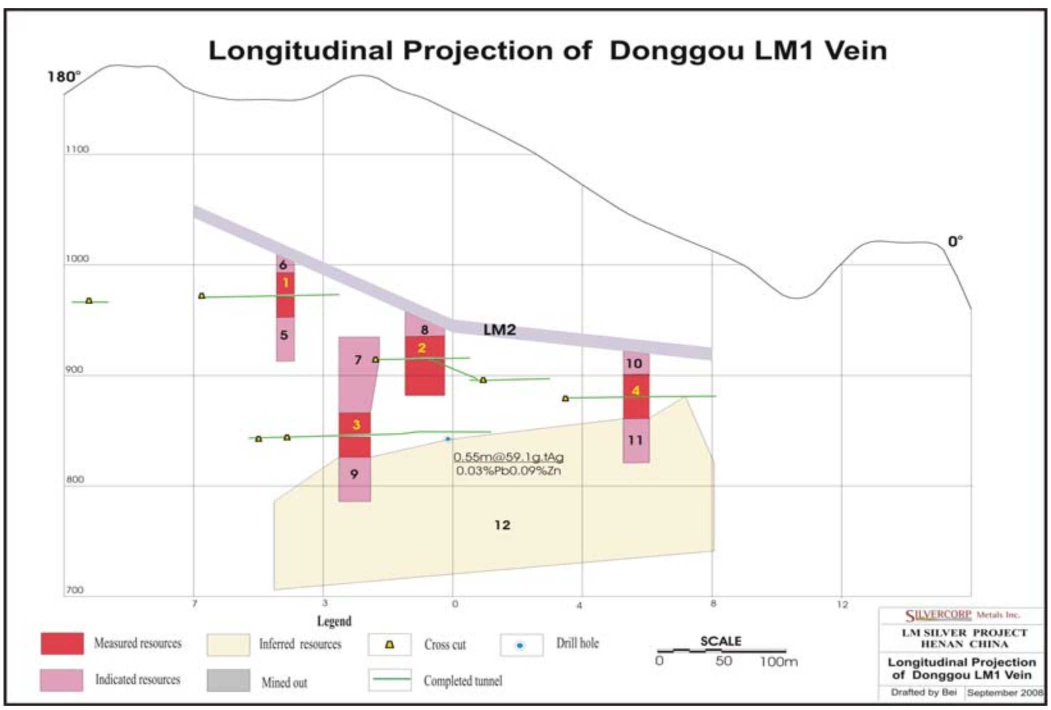

Figure X- 10: Longitudinal Projection of LM1 Vein at LM mine

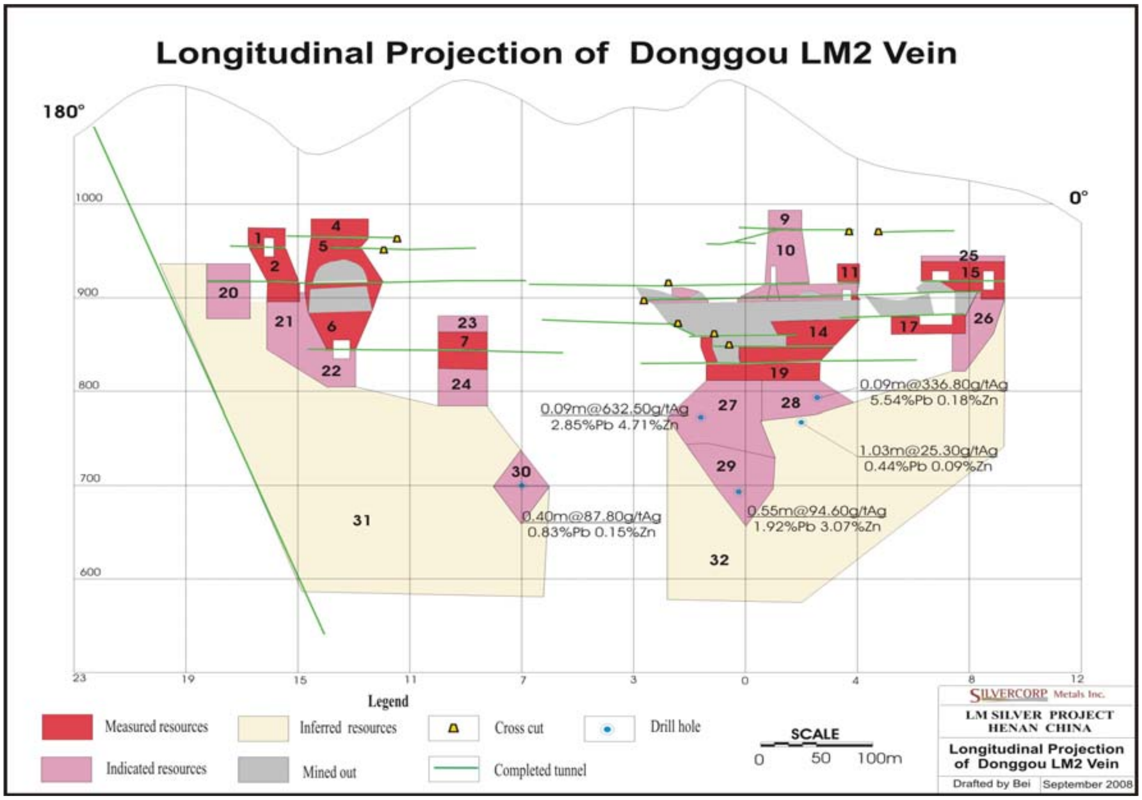

Figure X- 11: Longitudinal Projection of LM2 Vein at LM mine

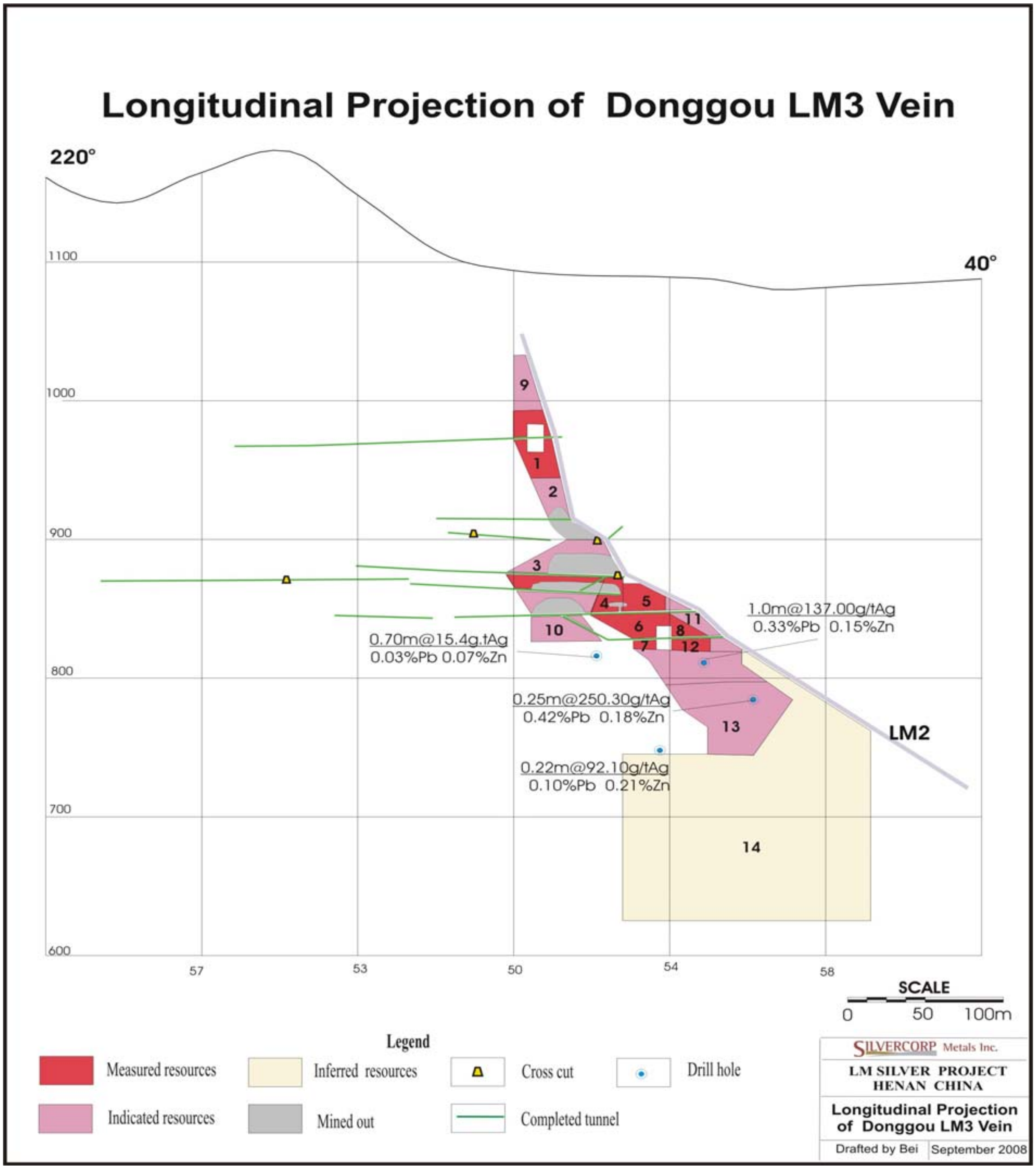

Figure X- 12: Longitudinal Projection of LM3 Vein at LM mine

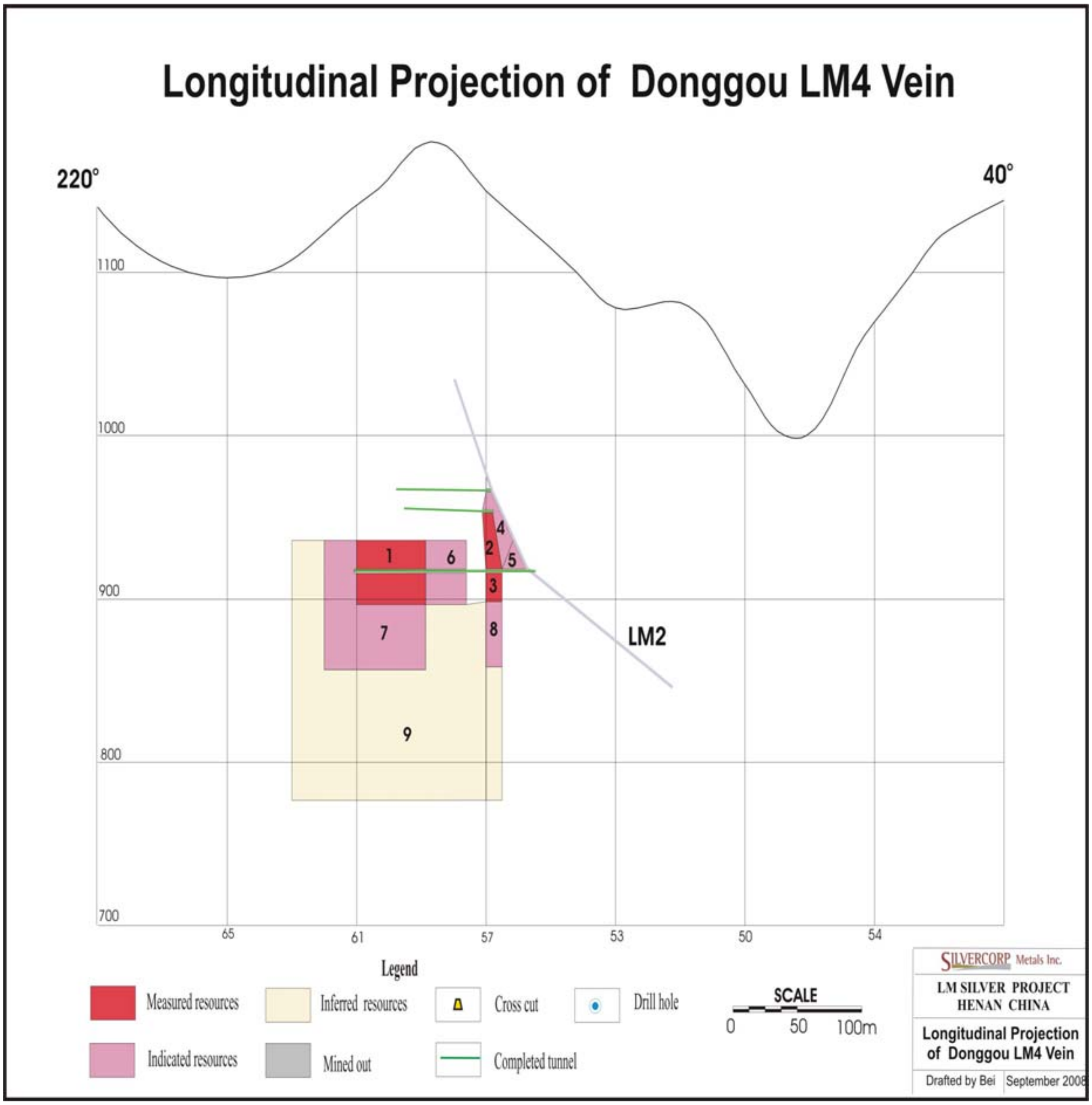

Figure X- 13: Longitudinal Projection of LM4 Vein at LM mine

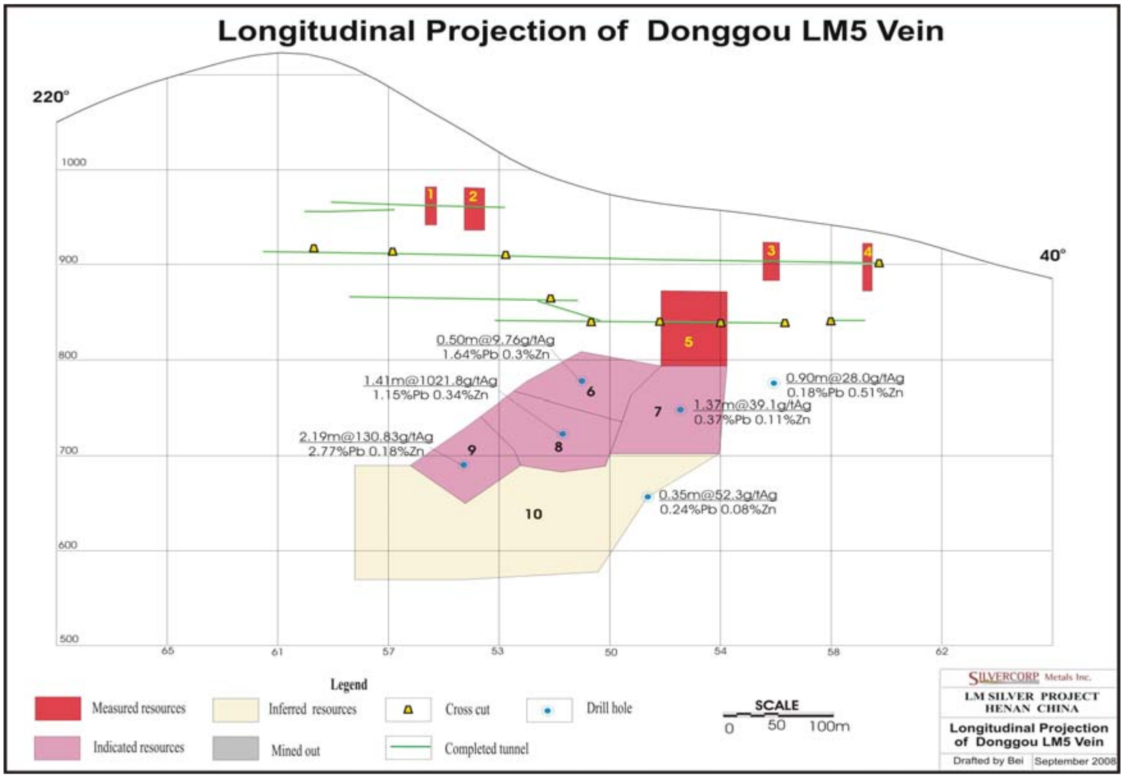

Figure X- 14: Longitudinal Projection of LM5 Vein at LM mine

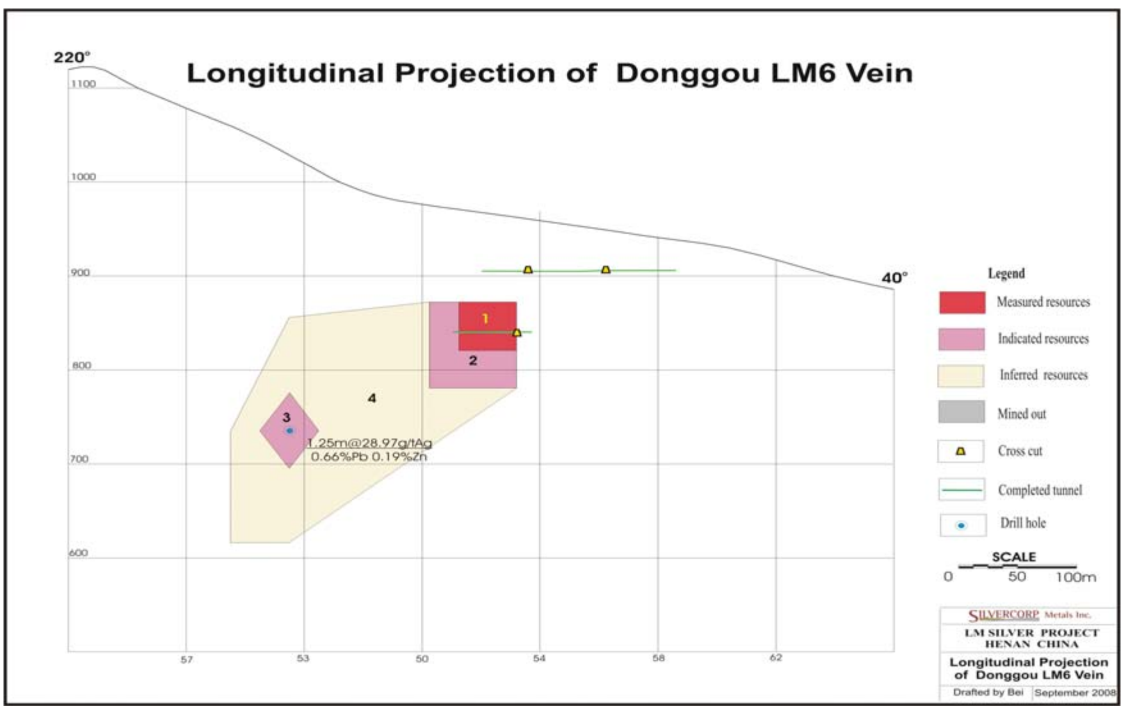

Figure X- 15: Longitudinal Projection of LM6 Vein at LM mine

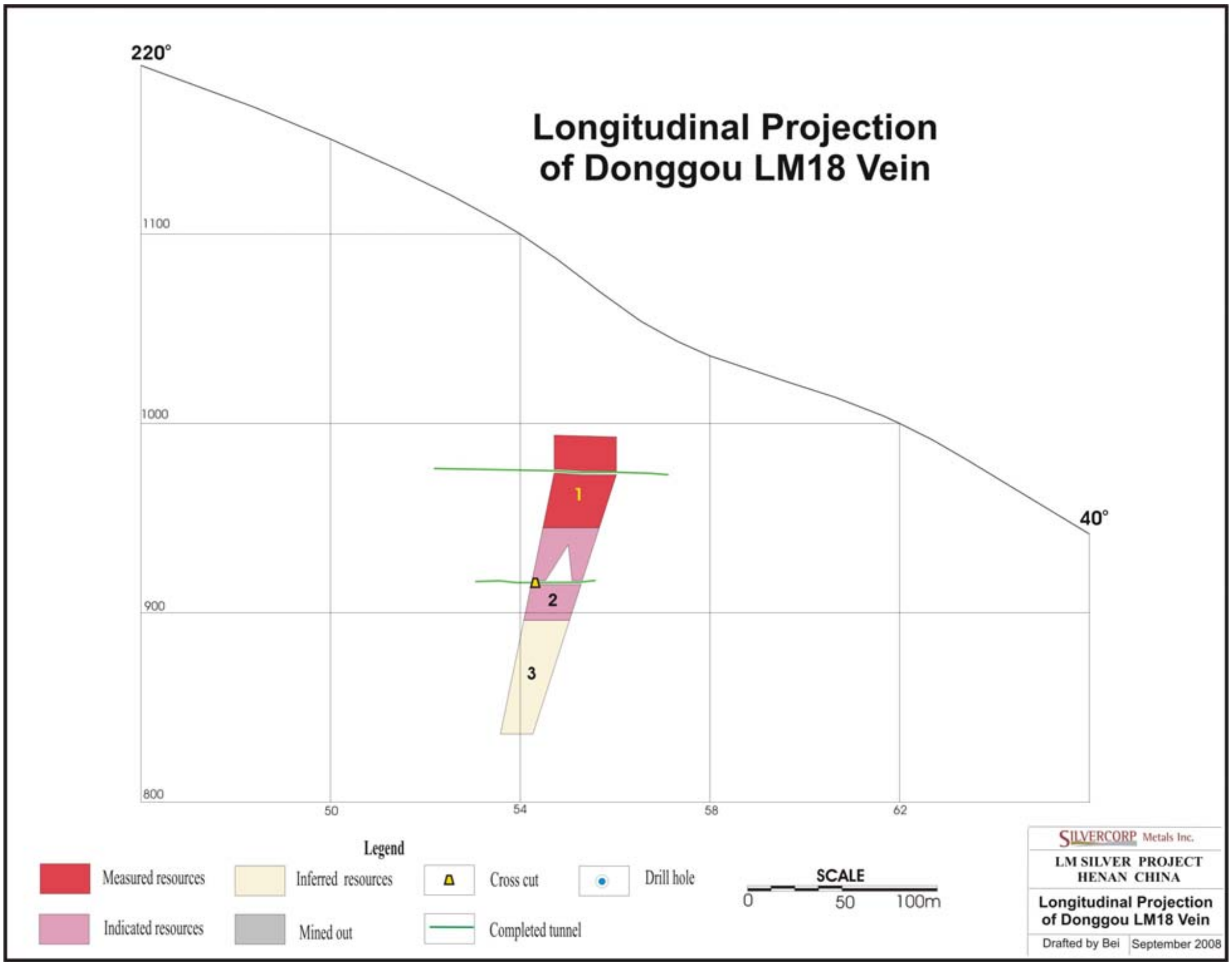

Figure X- 16: Longitudinal Projection of LM18 Vein at LM mine

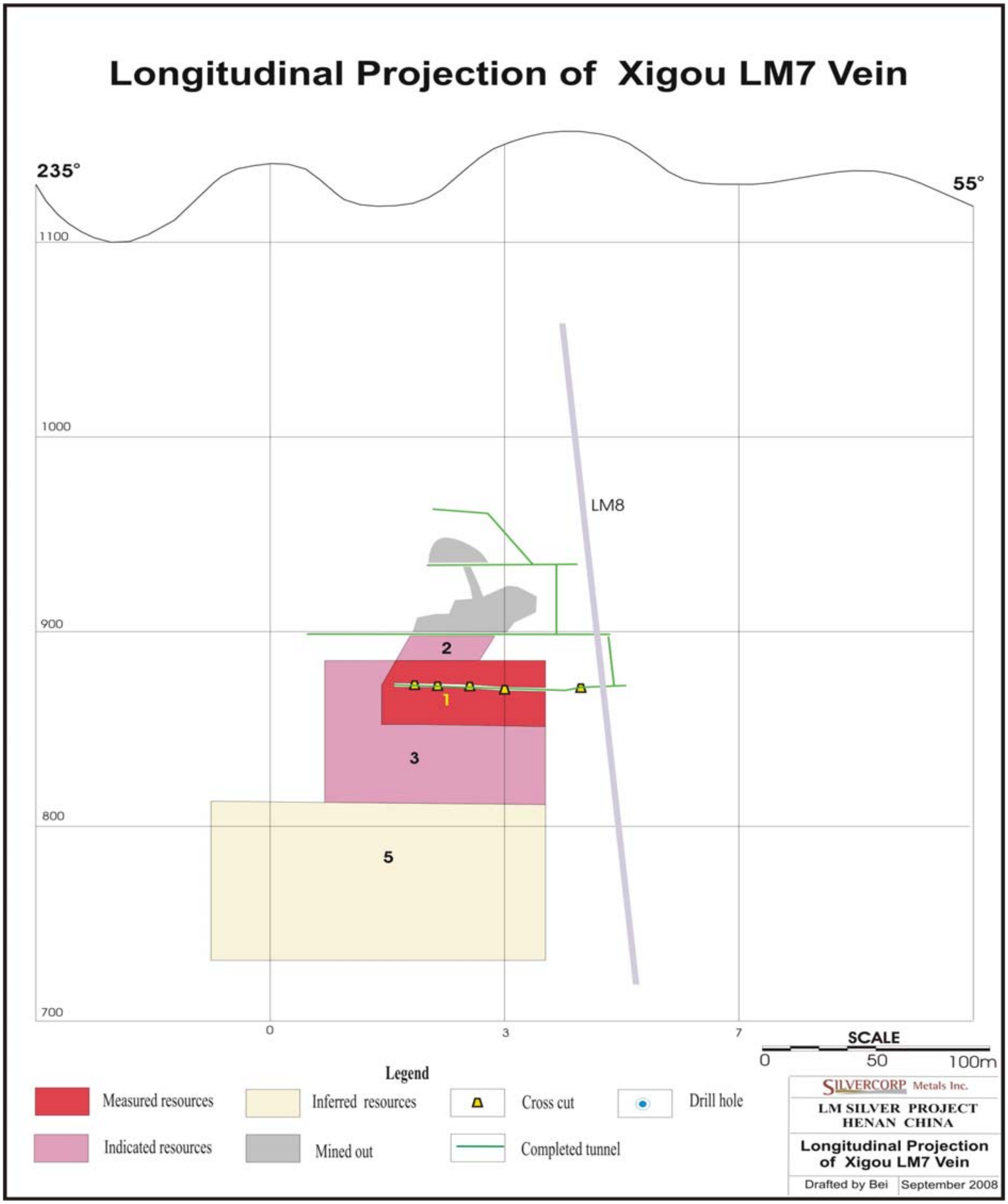

Figure X- 17: Longitudinal Projection of LM7 Vein at LM mine

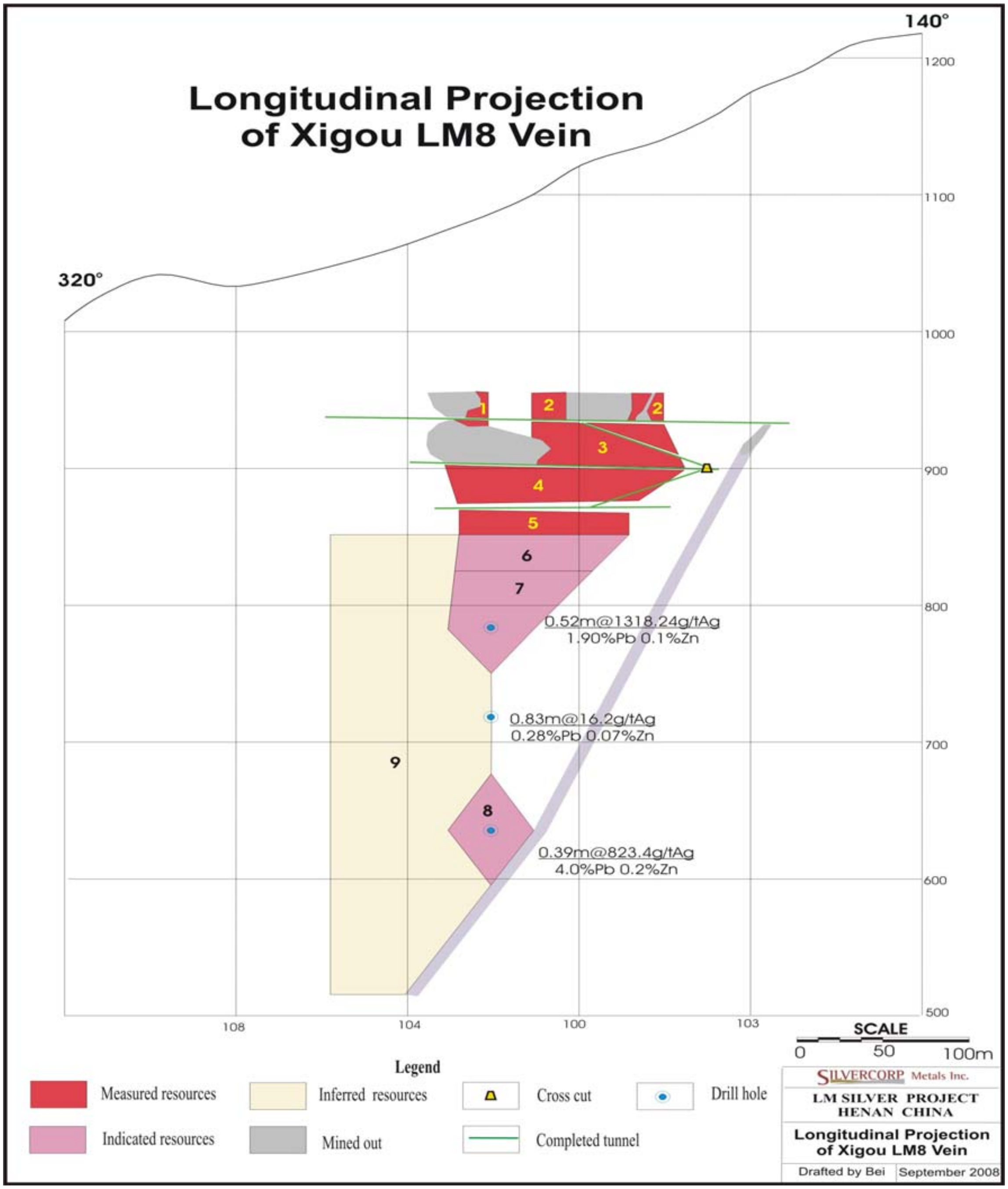

Figure X- 18: Longitudinal Projection of LM8 Vein at LM mine

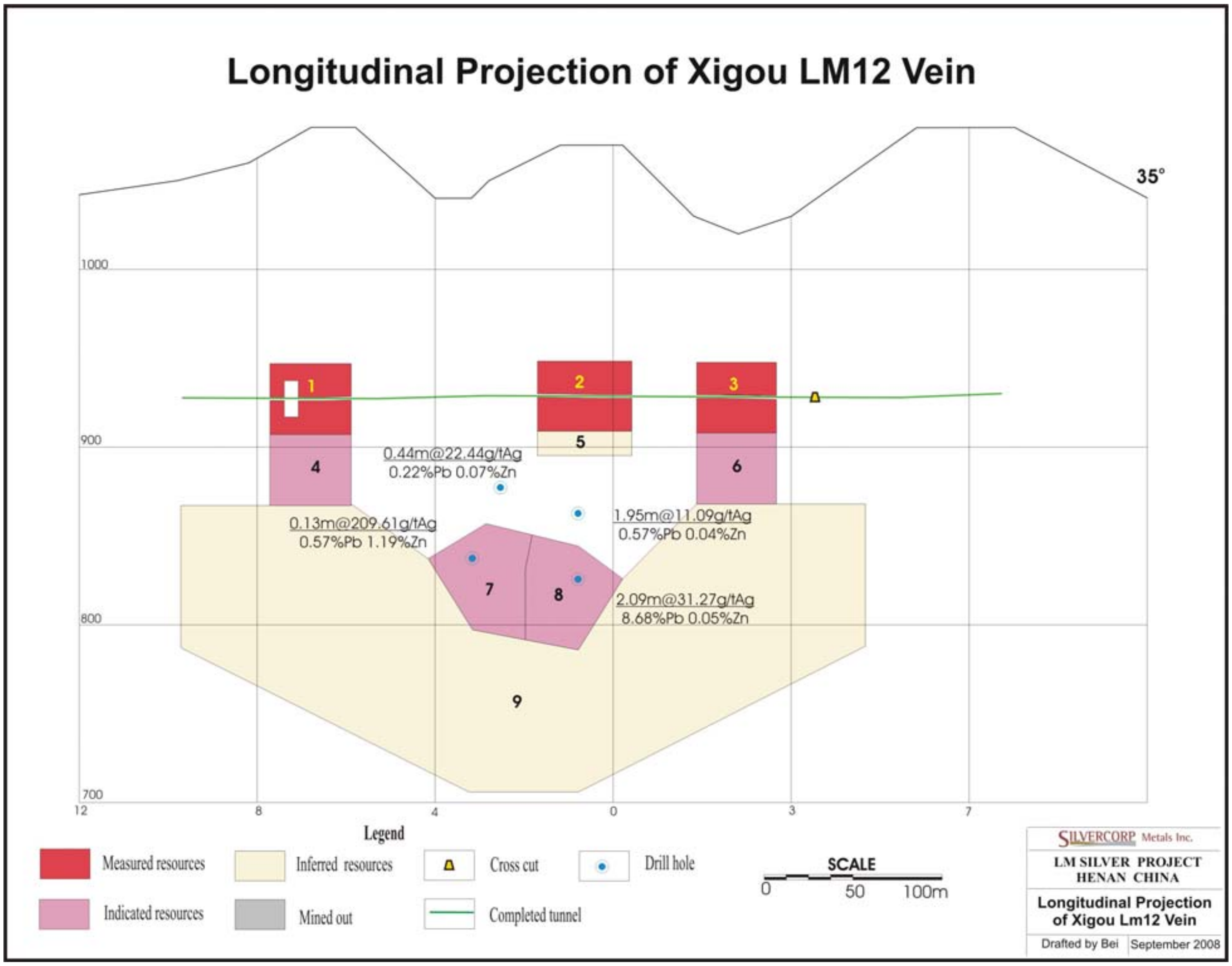

Figure X- 19: Longitudinal Projection of LM12 Vein at LM mine

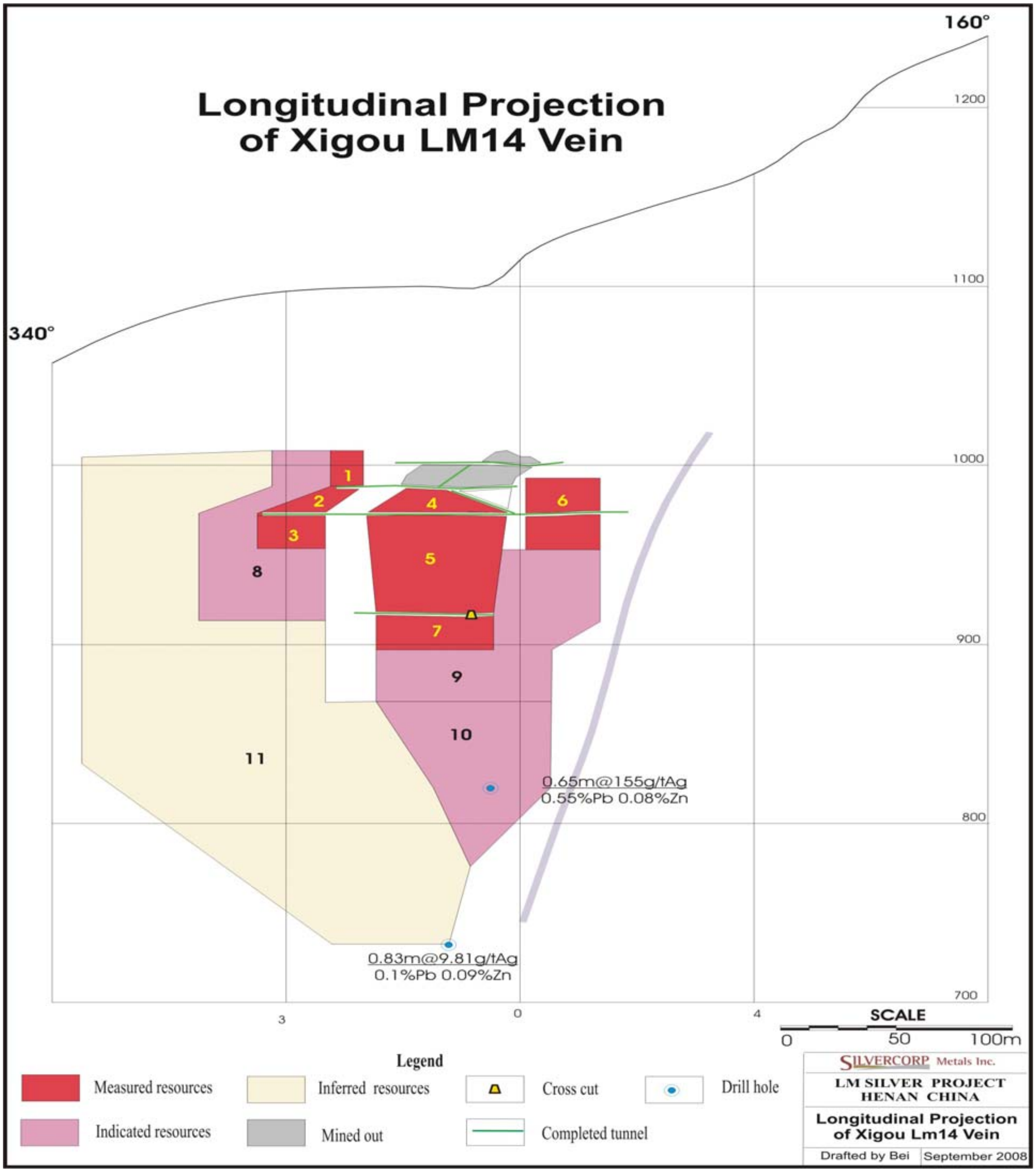

Figure X- 20: Longitudinal Projection of LM14 Vein at LM mine

APPENDIX XI: DETAILED SUMMARY OF FIVE-YEAR PLAN

Table XI- 1: 2009 Vein-by-Vein Mineral Resource Estimates at the TLP and LM Mines, August 31, 2008 (150g/t Ag equiv cut-off)

Vein #	Tonnes	Ag(g/t)	Ag(oz/t)	Pb(%)	Zn(%)	Ag Equiv* (g/t)	Ag Equiv* (oz/t)	Dilution Factors (%)	Loss (%)	Mineral Resources					
										Tonnes	Ag (g/t)	Ag (oz/t)	Pb (%)	Zn (%)	Ag Equiv (g/t)
Measured Mineral Resources															
TLP1	11,666	132.79	4.27	6.02	0.27	387.00	12.44	35.00	20	14,358	86.32	2.78	3.92	0.18	251.55
TLP2	301,146	200.11	6.43	3.82	0.14	361.10	11.61	25.00	20	321,222	150.08	4.83	2.86	0.10	270.82
TLP3	270,949	137.78	4.43	3.19	0.00	272.37	8.76	25.00	20	289,012	103.33	3.32	2.39	0.00	204.28
TLP4	415	269.58	8.67	5.94	0.84	520.23	16.73	67.06	20	1,008	88.80	2.85	1.96	0.28	171.36
TLP5	9,098	203.03	6.53	9.79	0.17	616.16	19.81	25.00	20	9,704	152.27	4.90	7.34	0.13	462.12
TLP14	20,836	288.02	9.26	6.11	0.19	545.98	17.55	25.00	20	22,225	216.01	6.95	4.58	0.15	409.49
TLP17	7,279	204.86	6.59	2.69	0.25	318.20	10.23	35.00	20	8,959	133.16	4.28	1.75	0.16	206.83
TLP19	321	304.37	9.79	3.58	0.09	455.44	14.64	35.00	20	395	197.84	6.36	2.33	0.06	296.03
TLP20	10,053	525.53	16.90	13.86	1.73	1192.52	38.34	69.64	20	26,488	159.57	5.13	4.21	0.53	362.09
TLP-Total	634,877	181.12	5.82	3.89	0.11	345.44	11.11	25.00	20	677,202	135.84	4.37	2.92	0.08	259.08
LM1	4,912	381.97	12.28	1.63	0.18	450.67	14.49	49.47	20	7,777	193.01	6.21	0.82	0.09	227.72
LM2	15,404	344.72	11.08	1.87	0.23	423.66	13.62	35.00	20	18,958	224.07	7.20	1.22	0.15	275.38
LM3	3,934	306.30	9.85	2.17	0.22	397.69	12.79	35.00	20	4,842	199.10	6.40	1.41	0.14	258.50
LM4	2,038	828.04	26.62	1.82	0.58	904.73	29.09	59.85	20	4,061	332.43	10.69	0.73	0.23	363.22
LM5	14,716	317.47	10.21	3.43	0.44	462.35	14.86	35.00	20	18,112	206.35	6.63	2.23	0.28	300.53
LM6	3,437	238.41	7.67	2.61	0.66	348.70	11.21	35.00	20	4,230	154.97	4.98	1.70	0.43	226.66
LM18	1,983	375.74	12.08	3.02	0.25	503.04	16.17	57.03	20	3,692	161.45	5.19	1.30	0.11	216.15
LM8	11,340	496.05	15.95	1.62	0.16	564.51	18.15	35.00	20	13,957	322.44	10.37	1.05	0.11	366.93
LM12	7,189	429.42	13.81	2.47	0.42	533.83	17.16	49.10	20	11,298	218.59	7.03	1.26	0.21	271.74
LM14	13,766	313.70	10.09	3.94	0.26	480.04	15.43	35.00	20	16,942	203.90	6.56	2.56	0.17	312.03
LM16	1,157	465.21	14.96	2.63	0.08	576.19	18.52	35.00	20	1,424	302.39	9.72	1.71	0.05	374.52
LM-Total	79,874	374.13	12.03	2.60	0.30	484.03	15.56	35.00	20	98,307	243.19	7.82	1.69	0.20	314.62
TLP+LM	714,751	202.69	6.52	3.75	0.13	360.92	11.60	25.00	20	762,401	152.02	4.89	2.81	0.10	270.69

Indicated Mineral Resources

TLP1	186,731	191.00	6.14	2.23	0.05	285.15	9.17	25.00	20	199,180	143.25	4.61	1.67	0.04	213.86
TLP2	550,332	248.00	7.97	3.13	0.17	380.28	12.23	25.00	20	587,021	186.00	5.98	2.35	0.13	285.21
TLP3	634,971	191.50	6.16	2.72	0.00	306.46	9.85	25.00	20	677,303	143.62	4.62	2.04	0.00	229.84
TLP4	159,621	473.05	15.21	3.36	0.05	615.04	19.77	25.00	20	170,263	354.79	11.41	2.52	0.04	461.28
TLP5	60,101	158.47	5.09	4.97	0.09	368.13	11.84	25.00	20	64,107	118.85	3.82	3.73	0.07	276.10
TLP6	62,835	179.51	5.77	1.46	0.00	241.21	7.76	25.00	20	67,024	134.63	4.33	1.10	0.00	180.91
TLP14	21,619	299.22	9.62	5.45	0.15	529.34	17.02	25.00	20	23,060	224.42	7.22	4.09	0.11	397.00
TLP14-1	3,156	315.88	10.16	3.16	0.26	449.04	14.44	35.00	20	3,885	205.32	6.60	2.05	0.17	291.87
TLP17	22,484	153.72	4.94	2.28	0.20	249.93	8.04	35.00	20	27,672	99.92	3.21	1.48	0.13	162.46
TLP20	1,167	525.53	16.90	13.86	1.73	1192.52	38.34	69.64	20	3,076	159.57	5.13	4.21	0.53	362.09
TLP-Total	1,703,018	235.81	7.58	2.93	0.08	359.57	11.56	25.00	20	1,816,553	176.86	5.69	2.20	0.06	269.68
LM1	3,836	346.27	11.13	1.65	0.15	415.70	13.37	35.00	20	4,721	225.07	7.24	1.07	0.10	270.21
LM2	33,057	354.70	11.40	1.92	0.66	435.73	14.01	35.00	20	40,686	230.56	7.41	1.25	0.43	283.23
LM3	8,542	219.37	7.05	0.73	0.16	250.26	8.05	35.00	20	10,514	142.59	4.58	0.48	0.10	162.67
LM4	4,950	688.72	22.14	1.67	0.50	759.22	24.41	63.67	20	10,900	250.23	8.05	0.61	0.18	275.85
LM5	48,162	505.27	16.24	2.14	0.28	595.54	19.15	25.00	20	51,372	378.95	12.18	1.60	0.21	446.66
LM6	2,697	338.71	10.89	2.82	1.31	519.67	16.71	54.59	20	4,750	153.82	4.95	1.28	0.59	235.99
LM18	1,248	350.56	11.27	5.02	0.90	562.52	18.09	54.59	20	2,198	159.20	5.12	2.28	0.41	255.45
LM8	9,844	889.40	28.59	2.54	0.17	996.69	32.04	35.00	20	12,116	578.11	18.59	1.65	0.11	647.85
LM12	19,631	120.09	3.86	7.21	0.12	424.40	13.64	25.00	20	20,940	90.07	2.90	5.41	0.09	318.30
LM14	20,821	300.48	9.66	2.17	0.15	392.08	12.61	35.00	20	25,626	195.31	6.28	1.41	0.10	254.85
LM16	1,218	465.21	14.96	2.63	0.08	576.19	18.52	35.00	20	1,499	302.39	9.72	1.71	0.05	374.52
LM-Total	154,006	402.31	12.93	2.70	0.34	516.35	16.60	35.00	20	189,546	261.50	8.41	1.76	0.22	335.63
TLP+LM	1,857,024	249.62	8.03	2.91	0.10	372.57	11.98	25.00	20	1,980,826	187.21	6.02	2.19	0.07	279.43
Measured + Indicated Mineral Resources															
TLP1	198,397	187.58	6.03	2.45	0.06	291.14	9.36	25.00	20	211,624	140.68	4.52	1.84	0.05	218.35
TLP2	851,478	231.06	7.43	3.38	0.16	373.50	12.01	25.00	20	908,243	173.30	5.57	2.53	0.12	280.12
TLP3	905,920	175.43	5.64	2.86	0.00	296.26	9.53	25.00	20	966,315	131.57	4.23	2.15	0.00	222.20
TLP4	160,037	472.53	15.19	3.37	0.05	614.79	19.77	25.00	20	170,706	354.40	11.39	2.53	0.04	461.09
TLP5	69,199	164.33	5.28	5.60	0.10	400.74	12.88	25.00	20	73,812	123.25	3.96	4.20	0.07	300.56
TLP6	62,835	179.51	5.77	1.46	0.00	241.21	7.76	25.00	20	67,024	134.63	4.33	1.10	0.00	180.91
TLP14	42,455	293.72	9.44	5.78	0.17	537.50	17.28	25.00	20	45,285	220.29	7.08	4.33	0.13	403.13
TLP14-1	6,271	320.41	10.30	3.17	0.26	454.08	14.60	35.00	20	7,718	208.26	6.70	2.06	0.17	295.15
TLP17	29,762	166.23	5.34	2.38	0.21	266.63	8.57	35.00	20	36,631	108.05	3.47	1.55	0.14	173.31
TLP19	321	304.37	9.79	3.58	0.09	455.44	14.64	35.00	20	395	197.84	6.36	2.33	0.06	296.03

TLP20	11,221	525.53	16.90	13.86	1.73	1192.52	38.34	69.64	20	29,564	159.57	5.13	4.21	0.53	362.09
TLP-Total	2,337,895	220.96	7.10	3.19	0.09	355.73	11.44	25.00	20	2,493,755	165.72	5.33	2.40	0.06	266.80
LM1	8,748	366.32	11.78	1.64	0.17	435.34	14.00	25.00	20	9,331	274.74	8.83	1.23	0.12	326.50
LM2	48,461	351.53	11.30	1.90	0.52	431.90	13.89	25.00	20	51,692	263.65	8.48	1.43	0.39	323.92
LM3	12,476	246.78	7.93	1.18	0.18	296.75	9.54	35.00	20	15,355	160.41	5.16	0.77	0.12	192.88
LM4	6,988	729.35	23.45	1.71	0.52	801.66	25.77	62.63	20	14,961	272.55	8.76	0.64	0.19	299.56
LM5	62,877	461.31	14.83	2.44	0.32	564.37	18.14	25.00	20	67,069	345.99	11.12	1.83	0.24	423.28
LM6	6,134	282.51	9.08	2.70	0.95	396.62	12.75	49.84	20	9,782	141.72	4.56	1.36	0.47	198.95
LM18	3,230	366.01	11.77	3.79	0.50	526.01	16.91	56.12	20	5,889	160.61	5.16	1.66	0.22	230.82
LM8	21,185	678.84	21.83	2.05	0.17	765.34	24.61	35.00	20	26,073	441.24	14.19	1.33	0.11	497.47
LM12	26,820	203.00	6.53	5.94	0.20	453.73	14.59	35.00	20	33,009	131.95	4.24	3.86	0.13	294.93
LM14	34,587	305.74	9.83	2.88	0.20	427.09	13.73	35.00	20	42,568	198.73	6.39	1.87	0.13	277.61
LM16	2,375	465.21	14.96	2.63	0.08	576.19	18.52	35.00	20	2,923	302.39	9.72	1.71	0.05	374.52
LM-Total	233,881	392.69	12.63	2.67	0.32	505.31	16.25	35.00	20	287,853	255.25	8.21	1.73	0.21	328.45
TLP+LM	2,571,776	236.58	7.61	3.15	0.11	369.33	11.87	25.00	20	2,743,227	177.43	5.70	2.36	0.08	277.00

* Ag Equivalent is calculated using US$6.50/oz Ag, US$0.40/1b Pb and US$0.45/1b Zn. These calculations reflect gross metal contents and have not been adjusted for metallurgical recoveries.

Table XI- 2: 2009 Mining Production at TLP and LM Mines

Portal	Levels	Stopes	Vein	Vein Width (m)	Mining Width (m)	Measured + Indicated Resources				Dilution Rate (%)	Loss Rate (%)	Expected Ore Production			
						Tonnage	Ag (g/t)	Pb (%)	Ag Equiv* (g/t)			Tonnage	Ag (g/t)	Pb (%)	Ag Equiv* (g/t)
PD730	720	35-37,37-39	T2	3.57	3.57	6,435	48	5.64	286	20	15	6,837	39	4.51	229
	720	27-29	T2	1.38	1.38	4,920	271	8.01	609	25	20	5,248	203	6.01	456
	720	39-41,41-43	T2	1.17	1.17	6,300	41	6.24	304	25	20	6,720	31	4.68	228
	710	39-41	T2	1.29	1.29	4,725	34	6.53	310	25	20	5,040	25	4.90	232

	730	31-33,33-35	T3	1.25	1.25	2,587	146	2.18	238	25	20	2,759	110	1.64	179
	730	35-37	T3	1.82	1.82	5,185	121	4.93	329	25	20	5,531	91	3.70	247
	730	37-39,39-41	T3	1.66	1.66	5,539	77	4.06	248	25	20	5,908	58	3.05	186
	730	41-43	T3	1.23	1.23	3,796	53	3.69	208	25	20	4,049	40	2.77	156
	720	33-35	T3	2.11	2.11	2,786	68	3.18	202	20	15	2,960	54	2.54	162
	720	35-37,37-39	T3	1.54	1.54	2,731	107	5.23	328	25	20	2,913	80	3.92	246
	710	33-35	T3	1.87	1.87	4,565	76	3.60	228	25	20	4,869	57	2.70	171
	710	39-41,41-43	T3	1.38	1.38	7,580	48	5.02	260	25	20	8,085	36	3.77	195
	730	25-27	T4	0.25	0.80	435	270	5.94	520	67	20	1,056	89	1.96	171
	Subtotal			1.72	1.72	57,582	87	4.42	273	25	19	61,975	65	3.83	227
PD780	760	35-37,37-39	T20	0.23	0.80	1,275	526	13.86	1,110	70	20	3,360	160	4.21	337
	Subtotal			0.51	0.80	1,275	526	13.86	1,110	70	20	3,360	160	4.21	337
PD800	800	17-19	T2	0.64	0.80	748	140	7.40	452	35	20	921	91	4.81	294
	800	27	T3	2.00	2.00	4,744	128	1.54	193	20	15	5,040	102	1.23	154
	800	3-5,5-7	T3	1.49	1.49	5,437	157	4.03	327	25	20	5,799	118	3.02	245
	800	33-35	T3	0.82	0.82	509	104	2.48	209	25	20	543	78	1.86	157
	800	9-11,11-13,13-15	T4	1.71	1.71	6,646	1,338	4.18	1,514	25	20	7,089	1,004	3.14	1,136
	800	21	T5	0.56	0.80	681	253	15.20	895	35	20	838	165	9.88	582
	Subtotal			1.61	1.63	18,764	569	3.95	736	25	19	20,230	424	2.95	548
	840	1-3,3-5	T1	1.37	1.37	4,588	161	6.78	447	25	20	4,894	121	5.09	336
	840	2-0,0-1	T2	4.66	4.66	12,649	307	2.36	407	20	15	13,440	246	1.89	325
	840	3-5,5-7	T2	0.86	0.86	4,011	148	2.10	237	25	20	4,278	111	1.58	177
	840	31-33	T3	0.47	0.80	1,126	195	5.71	435	35	20	1,386	126	3.71	283
	840	25-27	T3	1.44	1.44	2,050	148	1.49	211	25	20	2,187	111	1.12	158
	840	31-33,33-35	T3	0.47	0.80	1,696	195	5.71	435	35	20	2,087	126	3.71	283
	840	21	T5	0.56	0.80	668	253	15.20	895	35	20	822	165	9.88	582

	840	21-23,23-25	T14	1.00	1.00	7,431	312	5.44	541	25	20	7,926	234	4.08	406
	840	21	T14	0.70	0.80	1,984	288	3.55	438	35	20	2,442	187	2.31	284
PD840	Subtotal			2.27	2.30	36,203	252	4.04	423	25	18	39,462	190	3.00	317
	890	19	T3	4.73	4.73	1,376	123	1.78	198	20	15	1,462	98	1.42	158
	890	31-33	T3	0.47	0.80	1,145	195	5.71	435	35	20	1,409	126	3.71	283
	890	25-27	T3	1.44	1.44	2,455	148	1.49	211	25	20	2,619	111	1.12	158
	890	31-33	T3	0.47	0.80	2,364	195	5.71	435	35	20	2,910	126	3.71	283
PD890	Subtotal			1.59	1.75	7,341	166	3.56	316	29	19	8,400	117	2.50	223
PD930	930	3-5	T1	0.77	0.80	689	81	3.75	239	35	20	848	52	2.44	155
	930	5-7	T1	0.60	0.80	482	93	3.67	247	35	20	593	60	2.39	161
	930	18-16,16-14	T2	3.53	3.53	16,334	183	1.41	243	20	15	17,355	147	1.13	194
	930	6-4,4-2	T2	1.48	1.48	3,902	171	1.38	229	25	20	4,162	128	1.04	172
	930	4-2	T3	0.96	0.96	1,948	125	3.14	257	25	20	2,078	94	2.36	193
	930	2-0,0-1	T3	0.56	0.80	3,198	241	1.82	318	35	20	3,936	157	1.18	207
	930	7-9,9-11,11-13,13-15	T4	0.84	0.84	3,150	247	7.07	546	25	20	3,360	185	5.30	409
	930	13-15	T14-1	0.75	0.80	1,263	405	3.40	549	35	20	1,554	263	2.21	357
PD930	Subtotal			2.31	2.34	30,966	196	2.30	293	24	17	33,886	148	1.72	220
	960	4-2,2-0,0-1	T3	1.03	1.03	6,300	211	0.85	246	25	20	6,720	158	0.64	185
PD960	Subtotal			1.11	1.11	6,300	211	0.85	246	25	20	6,720	158	0.64	185
	990	4-2	T3	3.95	3.95	9,979	125	1.70	197	20	15	10,603	100	1.36	157
	990	11-13,13-15	T4	0.99	0.99	4,725	384	7.95	719	25	20	5,040	288	5.96	539
PD990	Subtotal			3.00	3.00	14,704	208	3.71	365	22	17	15,643	160	2.84	280
	1020	6-4,4-2	T1	4.60	4.60	4,090	194	1.45	255	20	15	4,346	155	1.16	204
	1020	4-2,2-0	T2	1.47	1.47	6,300	265	2.98	391	25	20	6,720	199	2.24	293
	1020	2-0	T3	1.31	1.31	6,300	317	5.33	542	25	20	6,720	238	4.00	407
	1020	11	T3	4.33	4.33	4,744	234	1.87	313	20	15	5,040	187	1.50	250
PD1020	Subtotal			2.65	2.65	21,434	260	3.13	392	23	18	22,826	200	2.39	300

	1040	6-4,4-2,2-0,0-1,1-3	T4	1.83	1.83	7,875	125	1.80	201	25	20	8,400	94	1.35	151
PD1040	Subtotal			1.83	1.83	7,875	125	1.80	201	25	20	8,400	94	1.35	151
PD1070	1070	4-2,2-0	T2	0.39	0.80	1,589	284	3.75	442	50	20	2,538	142	1.88	221
	1070	1-3,3-5,5-7,7-9	T2	5.60	5.60	7,115	418	4.02	587	20	15	7,560	334	3.22	470
	1070	11-13	T2	5.96	5.96	4,744	215	1.22	267	20	15	5,040	172	0.98	214
PD1070	Subtotal			5.11	5.16	13,448	331	3.00	457	25	16	15,138	248	2.25	343
	1100	2-0,0-1	T2	2.01	2.01	2,372	163	1.82	240	20	15	2,520	131	1.46	192
	1100	0-1,1-3,3-5	T3	1.71	1.71	6,300	124	1.82	200	25	20	6,720	93	1.37	150
PD1100	Subtotal			1.79	1.79	8,672	134	1.82	211	24	19	9,240	103	1.39	162
PD820	840	18-16,16-14,14-12, 12-10,10-8	T17	0.63	0.80	2,152	154	2.28	250	35	20	2,648	100	1.48	162
	820	18-16	T17	0.72	0.80	1,388	198	1.78	273	35	20	1,708	129	1.16	178
	820	16-14,14-12	T17	0.47	0.80	1,921	214	3.70	371	35	20	2,364	139	2.41	241
PD820	Subtotal			0.60	0.80	5,460	186	2.65	298	35	20	6,720	121	1.72	194
TLP	Total			2.20	2.22	230,024	219	3.49	366	25	18	252,000	163	2.71	277
PD838	838	3-1	LM1	0.45	0.80	430	517	1.73	590	35.00	20.00	529	336	1.12	383
	830	3-1	LM1	0.45	0.80	605	517	1.73	590	35.00	20.00	745	336	1.12	383
	830	4-6	LM1	0.90	0.90	986	179	1.73	251	25.00	20.00	1,052	134	1.29	189
	830	52-54	LM3	0.55	0.80	661	289	2.85	409	35.00	20.00	813	188	1.85	266
	830	52-54	LM3	0.65	0.80	521	188	1.33	244	35.00	20.00	641	122	0.87	159
	838	52-54	LM5	0.56	0.80	5,119	345	4.61	540	35.00	20.00	6,300	224	3.00	351
	838	51-50	LM5	1.41	1.41	4,725	1022	1.15	1,070	25.00	20.00	5,040	766	0.86	803
	Subtotal			0.89	0.89	13,047	582	2.69	696	30.97	20.00	15,120	402	1.86	480
PD855	855	4-6	LM1	0.90	0.90	465	179	1.73	251	25.00	20.00	496	134	1.29	189
	855	4-6	LM1	0.90	0.90	505	179	1.73	251	25.00	20.00	539	134	1.29	189
	855	15-13	LM2	0.37	0.80	1,620	1023	3.44	1,168	52.49	20.00	2,728	486	1.63	555
	855	15-13	LM2	0.35	0.80	725	1446	1.59	1,513	54.59	20.00	1,277	657	0.72	687

	Subtotal			0.52	0.80	3,315	868	2.53	975	47.38	20.00	5,040	457	1.33	513
PD900	900	17-15	LM2	0.26	0.80	770	503	1.65	572	65.69	20.00	1,795	173	0.56	196
	900	0-2	LM2	0.60	0.80	476	255	2.13	345	35.00	20.00	586	166	1.38	224
	900	2-4	LM2	0.53	0.80	397	112	2.88	234	35.00	20.00	488	73	1.87	152
	900	61-59	LM4	0.31	0.80	349	828	1.82	905	59.85	20.00	695	332	0.73	363
	900	61-59	LM4	0.31	0.80	1,059	828	1.82	905	59.85	20.00	2,110	332	0.73	363
	900	56-58	LM18	0.35	0.80	398	420	2.86	541	54.59	20.00	702	191	1.30	246
	900	52-54	LM18	0.35	0.80	195	220	9.10	604	54.59	20.00	344	100	4.13	274
	Subtotal			0.37	0.80	3,644	529	2.44	632	56.62	20.00	6,720	230	1.06	274
PD959	959	5-3	LM1	0.45	0.80	357	346	1.54	411	35.00	20.00	439	225	1.00	267
	959	17-15	LM2	0.33	0.80	545	846	1.96	929	57.11	20.00	1,016	363	0.84	399
	959	50-52	LM3	0.45	0.80	444	439	2.03	524	35.00	20.00	546	285	1.32	341
	959	57-55	LM5	0.80	0.80	422	215	2.10	304	35.00	20.00	519	140	1.37	198
	Subtotal			0.50	0.80	1,767	492	1.92	574	43.91	20.00	2,520	276	1.08	322
PD924	924	104-102	LM8	0.85	0.85	532	343	0.56	366	25.00	20.00	567	257	0.42	275
	900	100-101	LM8	0.34	0.80	783	764	1.17	814	55.85	20.00	1,418	337	0.52	359
	870	104-102 102-100 100-101	LM8	0.62	0.80	5,212	538	1.64	607	35.00	20.00	6,415	350	1.07	395
	Subtotal			0.61	0.80	6,526	549	1.50	612	37.84	20.00	8,400	341	0.93	381
PD991	970	1-0	LM14	0.93	0.93	1,641	256	4.81	459	25.00	20.00	1,750	192	3.61	344
	916	1-0	LM14	0.91	0.91	4,659	329	4.25	508	25.00	20.00	4,970	247	3.19	381
	Subtotal			0.92	0.92	6,300	310	4.40	495	25.00	20.00	6,720	232	3.30	372
LM	Total			0.73	0.85	34,599	544	2.695	657	37.828	20	44,520	337.96	1.68	409
TLP+LM	Total					264,622						296,520			

APPENDIX XII: MINERALIZATION RATIOS OF TLP AND LM VEINS FOR INFERRED RESOURCES

TLP mineralization ratio statistics are summarized in the following table, indicating that the general Mineralization Ratio at TLP is 39.16%.

Table XII- 1: Mineralization Ratios at TLP Mine

Orebody No.	Location	Accumulated Drift Length (m)	Accumulated Mineralization Length (m)	Mineralization Ratio (%)
I	PD960-I-YM	395.1	58.6	14.83
	PD930-I-YM	79.1	37.5	47.41
	PD890-I-YM	127.4	61.4	48.19
	PD800-I-YM	135.8	52.6	38.73
	Horizontal MR	737.4	210.1	28.49
	Vertical MR			
II	PD1100-II-YM	422.9	265.7	62.83
	PD1070-II-YM	283.8	281.8	99.30
	PD1040-II-YM	459.5	408.8	88.97
	PD1020-II-YM	458.1	444.3	96.99
	PD990-II-YM	686.5	491.5	71.60
	PD960-II-YM	364.1	292	80.20
	PD930-II-YM	401.5	227.6	56.69
	PD890-II-YM	214.2	86.1	40.20
	PD840-II-YM	736.1	671.5	91.22
	PD800-II-YM	839.8	629.7	74.98
	PD760-II-YM	1171.1	782.3	66.80
	Horizontal MR	6037.6	4581.3	75.88
	Vertical MR			
III	PD1076-III-YM	290.97	273.52	94.00
	PD1020-III-YM	485.3	398.3	82.07
	PD990-III-YM	544	398.4	73.24
	PD960-III-YM	449.3	253	56.31
	PD930-III-YM	580.3	279.1	48.10
	PD890-III-YM	762	331.2	43.46
	PD840-III-YM	792.6	530	66.87
	PD800-III-YM	837.7	503.6	60.12
	PD760-III-YM	1206.8	559.8	46.39
	Horizontal MR	5948.97	3526.92	59.29
	Vertical MR			
IV	PD1020-Ⅳ-YM	270.8	265.4	98.01
	PD800-Ⅳ-YM	150.5	86.2	57.28

	Horizontal MR	624.7	442.6	70.85
	Vertical MR			
V	PD840-V-YM	239	52.5	21.97
	Horizontal MR	239	52.5	21.97
	Vertical MR			
14	PD960-14-SYM	263.1	98.6	37.48
	PD890-14-SYM	155.4	134	86.23
	Horizontal MR	418.5	232.6	55.58
	Vertical MR			
14-1	PD930-14-1-SYM	76.2	63.7	83.60
	Horizontal MR	76.2	63.7	83.60
	Vertical MR			
17	PD820-17-SYM	315.4	180.6	57.26
	Horizontal MR	315.4	180.6	57.26
	Vertical MR			
20	PD780-20-SYM	160.5	83.4	51.96
	Horizontal MR	160.5	83.4	51.96
	Vertical MR			
TLP	Horizontal MR	15007.37	9822.82	62.58
	Proposal Vertical MR			62.58
	Total MR			39.16

LM East mineralization ratio statistics appear in the following table, indicating that the general MR at LM East is 18.05%.

Table XII- 2: Mineralization Ratios at LM East

Orebody No.	Location	Accumulated Drift Length (m)	Accumulated Mineralization Length(m)	Mineralization Ratio MR (%)
LM1	PD959-LM1-970-NYM	106.72	20	18.74
	PD900-LM1-915-NYM	74.1	30	40.49
	PD900-LM1-895-NYM	62.3	49.44	79.36
	PD855-LM1-880-NYM	118.14	21	17.78
	PD838-LM1-840-NYM	180.7	24.22	13.40
	Horizontal MR	541.96	144.66	26.69
	Vertical MR			
LM2	PD959-LM2-960-YM	85.77	51.23	59.73
	PD959-LM2-950-	175.43	108.75	61.99

	SYM			
	PD900-LM2-920-NYM	213.42	117.26	54.94
	PD900-LM2-845-NYM	227.08	53.7	23.65
	PD900-LM2-915-NYM	383.99	101.23	26.36
	PD900-LM2-910-NYM	81.25	52.2	64.25
	PD900-LM2-910-SYM	218.87	189.92	86.77
	PD855-LM2-880-NYM	114.81	94	81.87
	PD838-LM2-855-NYM	90.3	74	81.95
	PD830-LM2-NYM	246.09	96.78	39.33
	Vertical MR	1837.01	939.07	51.12
	Horizontal MR			
LM3	PD959-LM3-970-NYM	99.4	8.79	8.84
	PD900-LM3-914-SYM	88.82	18.2	20.49
	PD900-LM3-900-SYM	99.92	23.69	23.71
	PD855-LM3-876-SYM	171.27	48.54	28.34
	PD855-LM3-862-SYM	134.75	57.56	42.72
	PD838-LM3-842-SYM	154.62	101.68	65.76
	PD838-LM3-825-SYM	71.8	67	93.31
	Horizontal MR	820.58	325.46	39.66
	Vertical MR			
LM4	PD900-LM4-915-SYM	140.54	16.27	11.58
	Horizontal MR	140.54	16.27	11.58
	Vertical MR			
LM5	PD959-LM5-960-YM	197.87	43.19	21.83
	PD900-LM5-900-SYM	550.15	10	1.82
	PD838-LM5-838-SYM	265.83	68.06	25.60
	Horizontal MR	1013.85	121.25	11.96
	Vertical MR			
LM6	PD838-L6-835-SYM	51.62	47.58	92.17
	Horizontal MR	51.62	47.58	92.17
	Vertical MR			

LM18	PD968-LM18-970-SYM	136.64	30	21.96
	PD968-LM18-915-SYM	63.92	15	23.47
	Horizontal MR	200.56	45	22.44
	Vertical MR			
LM East	Horizontal MR	4671.62	1704.79	42.49
	Proposal Vertical MR			42.49
	Total MR			18.05

LM West mineralization ratio statistics appear in the following table, indicating that the general MR at LM East is 30.66%.

Table XII- 3: Mineralization Ratios at LM West

Orebody No.	Location	Accumulated drift length (m)	Accumulated length (m)	Mineralization MR Ratio (%)
LM7	PD924-LM7-924-NYM	44.32	25.75	
	PD924-LM7-900-NYM	127.47	40.52	
	PD924-LM7-870-NYM	90.32	49.44	
	Horizontal MR	262.11	115.71	44.15
	Vertical MR			
LM8	PD924-LM8-924-NYM	268.56	81.79	
	PD924-LM8-900-NYM	183.59	138.58	
	PD924-LM8-870-NYM	141.66	106.08	
	Horizontal MR	593.81	326.45	54.98
	Vertical MR			
LM12	PD924-LM12-924-SYM	355.49	144.1	
	Horizontal MR	355.49	144.1	40.54
	Vertical MR			
LM14	PD924-LM14-1001-NYM	69.67	34.83	
	PD924-LM14-972-NYM	153.89	111.22	
	PD924-LM14-916-NYM	59.72	49.93	
	Horizontal MR	283.28	195.98	69.18
	Vertical MR			
LM16	PD924-LM16-916-NYM	95.53	42.23	
	PD924-LM16-916-SYM	88.28	42.71	
	Horizontal MR	183.81	84.94	46.21
	Vertical MR			
LM West	Horizontal MR	1945.71	968.57	55.37
	Proposal Vertical MR			55.37
	General MR			30.66

Table XII- 4: Vein-by-Vein Mineral Resource Estimates at TLP and LM Mines at 50 g/t cut-off (August 2008)

Mine	Resources Type	Orebody no.	thickness (m)	Tonnage(t)	Average Grade					Contained metals			
					Ag (g/t)	Ag(oz/t)	Pb (%)	Zn (%)	Ag Equivalent	Ag(oz)	Pb(t)	Zn(t)	Ag Equiv* (oz)
TLP													
	MEASURED	I	0.76	7697.01	116.35	3.74	3.25	0.03	253.63	28792.11	250.41	15.52	65133.29
	MEASURED	II	1.46	374795.31	129.27	4.16	2.82	0.16	248.26	1557717.94	10567.96	611.03	3084721.66
	MEASURED	III	1.98	465405.42	96.6	3.11	2.43	0.13	199.26	1445414.32	11322.75	621.64	3076438.93
	MEASURED	IV	0.91	15559.41	226.17	7.27	7.83	0.01	556.42	113138.68	1217.74	1.61	278592.93
	MEASURED	V	0.6	12395.46	100.73	3.24	4.77	0.29	302.06	40145.2	591.38	36.3	125916.64
	MEASURED	VI		0					0	0	0	0	0
	MEASURED	T14	0.89	18095.67	288	9.26	7.47	0.24	603.18	167553.25	1351.59	42.8	357454
	MEASURED	T14-1	0.5	2872.8	333.62	10.73	2.99	0.28	459.79	30813.99	85.9	8.04	43695.21
	MEASURED	T17	0.63	10703.64	138.63	4.46	2.11	0.2	227.72	47708.18	225.97	21.78	81689.07
	MEASURED	T19	0.45	499.75	304.37	9.79	1.85	0.08	382.44	4890.42	9.25	0.4	6205.75
	MEASURED	T20	0.3	2786.07	525.53	16.9	13.86	1.73	1192.52	47073.88	386.15	48.2	106818.81

	INDICATED	I	1.66	329300.74	132.12	4.25	1.67	0.03	202.5	1398800.15	5492.31	94.23	2158317.84
	INDICATED	II	1. 83	1205833. 94	133. 94	4.31	1. 82	0. 12	210. 53	5192698.49	21886.66	1420.86	8378900.41
	INDICATED	III	1.68	1161936.41	142.86	4.59	2.08	0.13	230.55	5336747.83	24145.86	1510.29	8843102.48
	INDICATED	IV	1.08	232992.19	140.92	4.53	2.93	0.01	264.67	1055603.61	6832.92	16.94	1985204.69
	INDICATED	V	1.17	124367.2	229.39	7.38	3.38	0.07	372.07	917209.66	4205.03	82.58	1500305.16
	INDICATED	VI	1.48	105639.5	124.59	4.01	1.36	0	181.91	423161.73	1435.01	0	617847.59
	INDICATED	T14	0.88	49404.8	306.66	9.86	8.6	0.24	669.67	487095.19	4250.16	117.8	1081689.89
	INDICATED	T14-1	0.5	3021.97	333.62	10.73	2.99	0.28	459.79	32413.97	90.36	8.46	45964.04
	INDICATED	T17	0.61	24146.79	125.19	4.02	1.76	0.18	199.33	97188.74	424.23	42.87	161286.44
	INDICATED	T19		0		#VALUE!			0	0	0	0	0
	INDICATED	T20	0.3	11334.87	525.53	16.9	13.86	1.73	1192.52	191515.84	1571.01	196.09	434582.66
	MEASURED+INDICATED	I	1.61	336997.75	131.76	4.24	1.7	0.03	203.67	1427592.26	5742.72	109.75	2223451.13
	MEASURED+INDICATED	II	1.73	1580629.25	132.83	4.27	2.05	0.13	219.48	6750416.43	32454.62	2031.89	11463622.08
	MEASURED+INDICATED	III	1.76	1627341.83	129.63	4.17	2.18	0.13	221.6	6782162.15	35468.61	2131.93	11919541.4
	MEASURED+INDICATED	IV	1.07	248551.6	146.26	4.7	3.24	0.01	282.94	1168742.29	8050.66	18.55	2263797.62
	MEASURED+INDICATED	V	1.08	136762.65	217.73	7	3.51	0.09	365.72	957354.86	4796.4	118.88	1626221.8
	MEASURED+INDICATED	VI	1.48	105639.5	124.59	4.01	1.36	0	181.91	423161.73	1435.01	0	617847.59
	MEASURED+INDICATED	T14	0.88	67500.47	301.66	9.7	8.3	0.24	651.85	654648.44	5601.75	160.6	1439143.89
	MEASURED+INDICATED	T14-1	0.5	5894.76	333.62	10.73	2.99	0.28	459.79	63227.97	176.25	16.51	89659.25
	MEASURED+INDICATED	T17	0.62	34850.43	129.32	4.16	1.87	0.19	208.05	144896.92	650.2	64.64	242975.5
	MEASURED+INDICATED	T19	0.45	499.75	304.37	9.79	1.85	0.08	382.44	4890.42	9.25	0.4	6205.75
	MEASURED+INDICATED	T20	0.3	14120.94	525.53	16.9	13.86	1.73	1192.52	238589.73	1957.16	244.29	541401.47
	INFERRED	I	1.61	356406.13	131.76	4.24	1.7	0.03	203.67	1509810.19	6073.45	116.07	2351504.18
	INFERRED	II	1. 73	961876. 2	132. 83	4.27	2. 05	0. 13	219. 48	4107898.75	19749.94	1236.49	6976073.15
	INFERRED	III	1.76	894872.9	129.63	4.17	2.18	0.13	221.6	3729501.08	19504.14	1172.35	6554538.44
	INFERRED	IV	1.07	160968.22	146.26	4.7	3.24	0.01	282.94	756906.69	5213.81	12.01	1466091.87
	INFERRED	V	1.08	86760.24	217.73	7	3.51	0.09	365.72	607332	3042.77	75.41	1031651.46
	INFERRED	VI	1.48	73890.74	124.59	4.01	1.36	0	181.91	295985.24	1003.73	0	432160.46
	INFERRED	T14	0.88	97779.08	301.66	9.7	8.3	0.24	651.85	948303.29	8114.51	232.65	2084698.9
	INFERRED	T14-1	0.5	10737.74	333.62	10.73	2.99	0.28	459.79	115174.37	321.06	30.07	163320.89
	INFERRED	T17	0.62	58361.57	129.32	4.16	1.87	0.19	208.05	242648.71	1088.85	108.26	406894.05
	INFERRED	T19	0.45	867.59	304.37	9.79	1.85	0.08	382.44	8489.98	16.05	0.69	10773.45
	INFERRED	T20	0.3	5640.43	525.53	16.9	13.86	1.73	1192.52	95301.67	781.76	97.58	216256.01

Mine	Resources Type	Orebody	Thickness	Tonnage(t)	Average Grade	Contained metals

		no.	(m)		Ag（g/t）	Ag(oz/t)	Pb（%）	Zn（%）	Ag Equivalent	Ag(oz)	Pb(t)	Zn(t)	Ag Equiv* (oz)
LM	MEASURED	LM1	0.42	4627.68	382.10	12.28	1.58	0.16	448.63	56850.04	72.96	7.39	67876.18
	MEASURED	LM2	0.62	37069.42	197.78	6.36	1.32	0.20	253.59	235717.86	490.25	74.30	313570.58
	MEASURED	LM3	0.63	4811.85	240.39	7.73	1.63	0.18	309.18	37188.99	78.44	8.73	49164.48
	MEASURED	LM4	0.31	2281.94	683.80	21.98	1.53	0.52	748.25	50167.89	34.85	11.90	56713.50
	MEASURED	LM5	0.62	12204.03	263.72	8.48	3.08	0.37	393.56	103474.47	375.52	45.18	161316.22
	MEASURED	LM6	0.45	3175.08	215.31	6.92	2.57	0.51	323.76	21979.11	81.60	16.19	35521.14
	MEASURED	LM18	0.41	1775.48	184.18	5.92	1.73	0.09	257.18	10513.56	30.72	1.60	14924.64
	MEASURED	LM7	2.15	14824.56	109.00	3.50	0.93	0.07	148.24	51951.60	137.87	10.38	72239.90
	MEASURED	LM8	0.60	13771.57	374.16	12.03	1.31	0.12	429.32	165665.30	180.01	16.55	192612.69
	MEASURED	LM12	0.53	8080.71	292.60	9.41	6.22	0.35	554.99	76018.65	502.45	28.65	148558.55
	MEASURED	LM14	0.73	14617.44	298.95	9.61	3.77	0.25	458.20	140494.70	551.65	36.36	220886.47
	MEASURED	LM16	0.44	1157.01	465.21	14.96	2.63	0.08	576.19	17305.27	30.43	0.93	21574.87
	INDICATED	LM1	0.49	7672.91	305.12	9.81	1.40	0.12	364.03	75270.65	107.12	9.35	91229.64
	INDICATED	LM2	0.35	25360.56	308.29	9.91	2.00	1.09	444.45	251370.68	508.06	275.78	362390.15
	INDICATED	LM3	0.50	10964.34	199.13	6.40	0.78	0.16	232.23	70194.77	86.00	17.68	84561.10
	INDICATED	LM4	0.31	5488.97	670.19	21.55	1.44	0.47	731.12	118270.99	79.26	25.66	132940.33
	INDICATED	LM5	1.21	86880.38	271.28	8.72	1.29	0.19	325.90	757762.44	1124.62	165.31	935568.61
	INDICATED	LM6	0.71	12869.99	109.62	3.52	1.49	0.33	172.35	45356.83	191.33	42.28	77766.84
	INDICATED	LM18	0.33	497.11	60.14	1.93	0.34	0.11	74.49	961.19	1.69	0.55	1273.95
	INDICATED	LM7	2.15	32735.29	106.29	3.42	0.93	0.07	145.34	111862.83	302.99	22.62	156422.24
	INDICATED	LM8	0.59	13742.17	780.68	25.10	2.27	0.15	876.52	344921.27	312.09	20.85	390444.96
	INDICATED	LM12	0.93	25238.40	66.74	2.15	7.70	0.13	391.79	54152.35	1944.15	31.64	322742.03
	INDICATED	LM14	0.60	21409.28	234.69	7.55	1.80	0.16	310.72	161543.80	385.71	33.64	219006.55
	INDICATED	LM16	0.44	1217.99	465.21	14.96	2.63	0.08	576.19	18217.28	32.03	0.97	22711.91
	MEASURED+INDICATED	LM1	0.46	12300.59	334.08	10.74	1.46	0.14	395.86	132120.69	180.08	16.73	159105.82
	MEASURED+INDICATED	LM2	0.47	62429.98	242.67	7.80	1.60	0.56	310.15	487088.54	998.31	350.09	675960.72
	MEASURED+INDICATED	LM3	0.53	15776.19	211.71	6.81	1.04	0.17	255.70	107383.76	164.44	26.42	133725.59
	MEASURED+INDICATED	LM4	0.31	7770.92	674.19	21.68	1.47	0.48	736.15	168438.88	114.11	37.57	189653.83
	MEASURED+INDICATED	LM5	1.08	99084.41	270.35	8.69	1.51	0.21	334.24	861236.90	1500.14	210.49	1096884.83
	MEASURED+INDICATED	LM6	0.63	16045.08	130.53	4.20	1.70	0.36	202.31	67335.95	272.93	58.47	113287.98
	MEASURED+INDICATED	LM18	0.39	2272.60	157.05	5.05	1.43	0.09	217.22	11474.75	32.41	2.14	16198.59
	MEASURED+INDICATED	LM7	2.15	47559.84	107.13	3.44	0.93	0.07	146.25	163814.43	440.86	33.00	228662.13
	MEASURED+INDICATED	LM8	0.59	27513.74	577.20	18.56	1.79	0.14	652.68	510586.57	492.10	37.40	583057.65
	MEASURED+INDICATED	LM12	0.78	33319.11	121.52	3.91	7.34	0.18	431.37	130171.00	2446.60	60.29	471300.58
	MEASURED+INDICATED	LM14	0.65	36026.72	260.76	8.38	2.60	0.19	370.56	302038.50	937.36	70.00	439893.02
	MEASURED+INDICATED	LM16	0.44	2375.00	465.21	14.96	2.63	0.08	576.19	35522.55	62.46	1.90	44286.78

	INFERRED	LM1	0.46	6237.40	334.08	10.74	1.46	0.14	395.86	66995.90	91.31	8.49	80679.54
	INFERRED	LM2	0.47	13329.11	242.67	7.80	1.60	0.56	310.15	103995.80	213.14	74.75	144320.94
	INFERRED	LM3	0.53	2696.72	211.71	6.81	1.04	0.17	255.70	18355.78	28.11	4.52	22858.55
	INFERRED	LM4	0.31	1814.47	674.19	21.68	1.47	0.48	736.15	39329.61	26.64	8.77	44283.19
	INFERRED	LM5	1.08	8807.66	270.35	8.69	1.51	0.21	334.24	76555.77	133.35	18.71	97502.63
	INFERRED	LM6	0.63	3974.29	130.53	4.20	1.70	0.36	202.31	16678.80	67.60	14.48	28060.90
	INFERRED	LM18		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	INFERRED	LM7	2.15	19777.12	107.13	3.44	0.93	0.07	146.25	68120.04	183.32	13.72	95086.09
	INFERRED	LM8	0.59	9375.55	577.20	18.56	1.79	0.14	652.68	173986.83	167.69	12.74	198681.98
	INFERRED	LM12	0.78	24373.54	121.52	3.91	7.34	0.18	431.37	95222.48	1789.74	44.10	344765.05
	INFERRED	LM14	0.65	12801.04	260.76	8.38	2.60	0.19	370.56	107320.51	333.06	24.87	156303.06
	INFERRED	LM16	0.44	3343.62	465.21	14.96	2.63	0.08	576.19	50010.04	87.94	2.67	62348.67