Water Resource Management

Water resource shortage is increasingly becoming a pressing global issue. It is imperative for enterprises to realize effective management of water resources. Effective water resources management not only helps us reduce the cost of water resources in our operations and the potential risk of stricter water resources policies, but also helps protect local communities.

Silvercorp actively abides by the relevant laws and regulations where its operates, including the *Water Law of the People's Republic of China*, the *Water Pollution Prevention Law of the People's Republic of China*, the *Environmental Protection Law of the People's Republic of China*, the *Yellow River Protection Law of the People's Republic of China*, and the relevant regulations of Henan Province and Guangdong Province on water resource management. The Company also continuously optimizes its water resource management system internally. The Sustainability Committee of the Board oversees the formulation of the Company's water resources management strategy and the relevant key performance results. The Chairman of the Company, Dr. Rui Feng, is responsible for supervising and guiding the ESG Management Center to formulate the annual water resources management work plan. Mr. Lichang Peng, President of Silvercorp China, chairs the ESG Management Center oversees the formulation of specific water resource management work plans for the subsidiaries and supervise their implementation with the support the Environmental Protection Department of Processing Operations of the Beijing head office. Water resource management at the subsidiary level follows the tiered governance structure of "General Manager – Ecological Environmental Protection Committee – Environmental Protection Department". In Fiscal 2023, there were no non-compliance incident related to water quality permits, standards, and regulations at any of our operations.

In Fiscal 2023, Henan Found launched the application for water-saving enterprise title and passed the expert review organized by the Luoning County water conservation authority. Guangdong Found removed silt from the backwater pool of the tailings dry yard to effectively reduce the water level of the backwater, mitigate environmental risks and reduce the energy consumption of the backwater pump.

Carry out water sample testing

Improving Water Efficiency

Silvercorp's water sources are fresh water, including the reuse of mine water inflow and the withdrawal of new water. In Fiscal 2023, the Company used a total of 3,696,861 cubic meters of water, of which new water withdrawal stood at 698,805 cubic meters, and reused mine water inflow stood at 2,998,056 cubic meters, fresh water withdrawal intensity was 17,859 m^3/million dollar revenue. The Company strives to optimize its water consumption structure by replacing new water withdrawal with mine water inflow and recycled wastewater from processing plants to effectively improve water efficiency. Water recycling and utilization rate increased from 83.52% in Fiscal 2022 to 84.85%, an increase of 5.63% compared with 2020.

» Silvercorp's Water Resource Management Targets

Treat domestic sewage and mine water inflow to meet reuse standards, with the remaining discharged.	Reuse treated mine water inflow in mining production according to actual production conditions.
No ore processing wastewater discharge to the outside. We are targeting an 8% increase in water recycling and utilization rate from the 2020 baseline by 2030.	Reduce fresh water withdrawal intensity. We are targeting a 10% reduction in fresh water withdrawal intensity from the 2020 baseline by 2030.

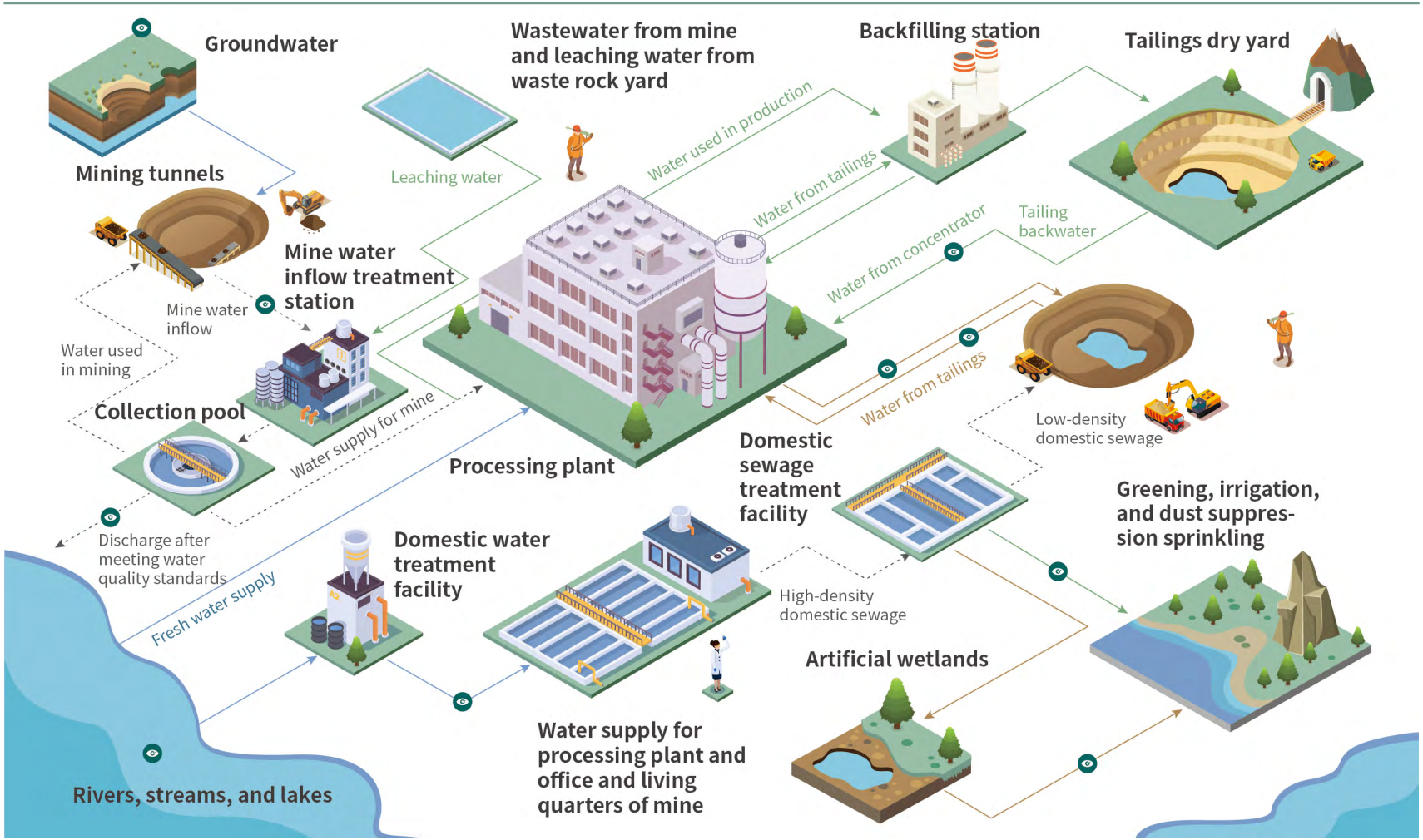
GRI:3-3
SASB:EM-MM-140a.2

Water Recycle System

The diagram below illustrates Silvercorp's water resource recycling. Mine water inflow is treated at the collection pool before being reused in mining operations, processing plants, TMFs, or for domestic purposes. The unused amount will be treated to meet discharge standards and then discharged into local rivers, streams, lakes, or artificial wetlands, where they can still be reused for greening, irrigation, and dust suppression sprinkling purposes.

In addition, the Company has setup up water quality monitoring points at all water recycle points, including groundwater withdrawal, mine water inflow treatment and discharge, local rivers and lakes, TMFs and TMF backwater pools, domestic sewage treatment and discharge, and artificial wetlands. Water quality is monitored over the entire water recycling process to minimize environmental risks.

Water Recycle Diagram



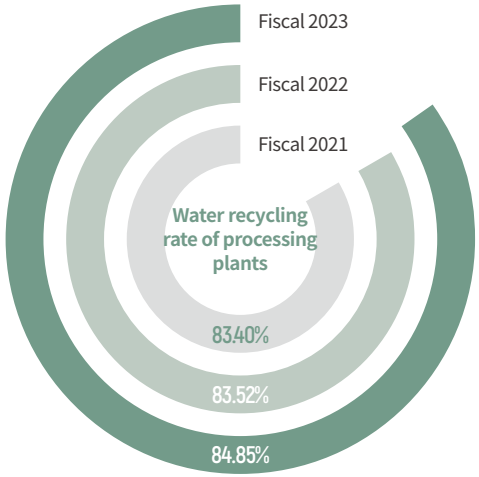
GRI:3-3,303-1,303-2

Fresh water intensity (m^3/million dollar revenue)

Fiscal 2023	8,529
Fiscal 2022	7,926
Fiscal 2021	8,623

Unit fresh water consumption of processing (m^3/ tonne)

Fiscal 2023	3.46
Fiscal 2022	3.10
Fiscal 2021	2.89



Total amount of water withdrawn
3,696,861 m^3

Groundwater
2,998,056 m^3

Surface water
698,805 m^3

Water recycling rate
84.85%

Total amount of water recycled
4,004,396 m^3

Total amount of water used in processing plants
4,719,415 m^3

Total wastewater discharge
1,931,315 m^3

Total water consumption[Note 1]
1,765,546 m^3

Note 1: Total water consumption includes water for office and domestic uses in mines, water supplied to local communities, water used in mining operations, water used in greening and dust suppression, and water used for water replenishment in the processing plant.

GRI:3-3,303-3,303-4,303-5
SASB:EM-MM-140a.1

Case: Henan Found Upgraded Mine Water Inflow Management Facilities

In Fiscal 2023, Henan Found completed the automation transformation of the mine water inflow pumping station of the Shagou Mine, resulting in higher reuse of mine water inflow and reduction in new water withdrawal, and the chemical application system of the mine water inflow treatment facility of the mine, realizing more precision chemical application and better treatment results. The discharge outlet was also upgraded and standardized to ensure better wastewater discharge standard compliance rate. In Fiscal 2022, the average comprehensive utilization rate of mine water intake of Shagou Mine reached 33.7%, which is expected to be improved to 60% in the next fiscal year.

Water Pollution Prevention and Control

Silvercorp strictly implements water pollution prevention and control measures, and encourages all subsidiaries to build wastewater treatment facilities with in-depth or moderate treatment capabilities to further, improve its wastewater treatment and reuse performance and ensure all wastewater is properly treated and meet the relevant standards before being discharged.

The wastewater generated by our operations mainly consists of ore processing wastewater, domestic sewage, and mining wastewater. All ore processing wastewater is collected and completely reused in the ore processing system. While domestic sewage is treated centrally and used for greening water in the mining area and the surrounding forestland with no external discharge. Mine water inflow first goes through chemical precipitation treatment to meet the requirements of the *Environmental Quality Standards for Surface Water*, then the treated water is mainly used in underground mining or for ore processing, and the amount discharged is all properly treated to meet compliance requirements. Rainwater is collected and directly discharged into rivers without mixing with process water and causing pollution. In Fiscal 2023, Guangdong Found conducted desilting operations in the backwater pool of the tailings dry yard, which increased the effective capacity and reduced the water level of the backwater pool, effectively reducing the risk of process wastewater discharge.

Evaluating Water Stress

Silvercorp carried out a baseline water stress evaluation using the AqueductTM Water Risk Atlas Tool developed by the World Resources Institute (WRI). Evaluation results show that all of the Company's water withdrawal is fresh water, and 86% of the operating areas (Ying Mining District) are in high water risk areas. The location of the Ying Mining District experiences high/very high-water stress according to Chinese standards and global standards respectively.

In Fiscal 2023, Henan Found specified its targets to address water pressure: to install automatic control equipment at backwater pump stations, and strive to reuse over 60% of mine water inflow and no discharge of ore processing wastewater to the outside, to reduce the new water withdrawal intensity. All of our mines continuously improved water recycling and reuse rate through measures such as process optimization to reduce new water withdrawal intensity. In Fiscal 2023, our new water withdrawal intensity was reduced to 3,376 cubic meters per million dollar revenue.

A Silvercorp technician testing water samples.

	Water Stress by Global Standards	Water Stress by Chinese Standards	Percentage of Fresh Water Withdrawn (%)[1]	Percentage of Fresh Water Consumed (%)[2]
Ying Mining District	Very high (>80%)	High (40-80%)	79.87%	88.93%
GC Mine	Low to Medium (10-20%)	Low to Medium (10-20%)	20.13%	11.07%

Note 1: In our water recycling graph, all water withdrawn is fresh water. The percentage of fresh water withdrawn is calculated from the total fresh water withdrawn from all operations.
Note 2: In our water recycling graph, all water consumed is fresh water. The percentage of fresh water consumed is calculated from the total fresh water consumed from all operations.

GRI:3-3,303-1,303-2