



SILVERCORP METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Months Ended June 30, 2024

(Expressed in thousands of US dollars, except per share figures or otherwise stated)

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Management's Discussion and Analysis

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This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the significant factors that have affected Silvercorp Metals Inc. and its subsidiaries' ("Silvercorp" or the "Company") performance and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months ended June 30, 2024 and the related notes contained therein. In addition, this MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended March 31, 2024 and the related notes contained therein, the related MD&A, the Annual Information Form (available on SEDAR+ at www.sedarplus.ca), and the annual report on Form 40-F (available on EDGAR at www.sec.gov). The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Silvercorp's material accounting policy information is set out in Note 2 of the unaudited condensed consolidated interim financial statements for the three months ended June 30, 2024, as well as Note 2 to the audited consolidated financial statements for the year ended March 31, 2024. This MD&A refers to various alternative performance (non-IFRS) measures, such as adjusted earnings and adjusted earnings per share, working capital, silver equivalent, cash cost per ounce of silver, net of by-product credits, all-in & all-in sustaining cost per ounce of silver, net of by-product credits, production cost per tonne, and all-in sustaining production cost per tonne. Non-IFRS measures do not have standardized meanings under IFRS. Accordingly, non-IFRS measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. To facilitate a better understanding of these measures as calculated by the Company, additional information has been provided in this MD&A. Please refer to section 12, "Alternative Performance (Non-IFRS) Measures" of this MD&A for detailed descriptions and reconciliations. Figures may not add due to rounding.

This MD&A is prepared as of August 12, 2024 and expressed in thousands of U.S. dollars, except share, per share, unit cost, and production data, or otherwise stated.

1. Core Business and Strategy

Silvercorp is a Canadian mining company producing silver, gold, lead, zinc, and other metals with a long history of profitability and growth potential. The Company's strategy is to create shareholder value by focusing on generating free cash flow from long life mines; organic growth through extensive drilling for discovery; ongoing merger and acquisition efforts to unlock value; and long-term commitment to responsible mining and sound Environmental, Social and Governance ("ESG") practices. Silvercorp operates several silver-lead-zinc mines at the Ying Mining District in Henan Province, China and the GC silver-lead-zinc mine in Guangdong Province, China. The Company's common shares are traded on the Toronto Stock Exchange ("TSX") and NYSE American under the symbol "SVM".

2. First Quarter of Fiscal Year 2025 Highlights

- Mined 343,847 tonnes of ore, milled 307,696 tonnes of ore, and produced approximately 1,146 ounces of gold, 1.7 million ounces of silver, or approximately 1.8 million ounces of silver equivalent¹, plus 15.6 million pounds of lead and 6.4 million pounds of zinc;
- Sold approximately 998 ounces of gold, 1.7 million ounces of silver, 15.7 million pounds of lead, and 6.5 million pounds of zinc, for revenue of \$72.2 million;
- Reported net income attributable to equity shareholders of \$21.9 million, or \$0.12 per share;
- Realized adjusted basic earnings attributable to equity shareholders¹ of \$20.6 million, or \$0.12 per share;
- Generated cash flow from operating activities of \$40.0 million;
- Cash cost per ounce of silver, net of by-product credits¹, of negative \$1.67;
- All-in sustaining cost per ounce of silver, net of by-product credits¹, of \$9.82;

¹ Non-IFRS measures, please refer to section 12 for reconciliation.

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- Spent and capitalized \$1.0 million on exploration drilling, \$13.9 million on underground exploration and development, and \$4.6 million on equipment and facilities, including \$2.8 million on construction of the new tailing storage facility;
- Strong balance sheet with \$215.7 million in cash and cash equivalents and short-term investments. This was net of \$18.8 million private placement into Adventus Mining Corporation ("Adventus") in May 2024 to fund its operations as part of the Company's acquisition of Adventus via a plan of arrangement. The Company holds a further equity investment portfolio in associates and other companies with a total market value of \$108.2 million as at June 30, 2024;
- Inventory stockpile ore amounted to 59,293 tonnes not yet processed due to mill capacity constraints, with additional ore to be added to the stockpile in the coming quarter. If the stockpile had been processed, the Company's metal production would have aligned with its Fiscal 2025 annual guidance, and is anticipated to be processed when the 1,500 tonne per day new mill is in operation by November 2024; and
- Announced the completion of the acquisition of Adventus on July 31, 2024 to create geographically diversified mining company by adding the advanced El Domo Project and the Condor Project, both located in Ecuador.

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3. Operating Performance

(a) Consolidated operating performance

The following table summarizes consolidated operational information for the three months ended June 30, 2024 and 2023:

Consolidated	Three months ended June 30,		
	2024	2023	Changes
Production Data			
Ore Mined (tonne)	343,847	303,220	13%
Ore Milled (tonne)			
Gold Ore	8,476	10,893	-22%
Silver Ore	299,220	284,202	5%
	307,696	295,095	4%
Average Head Grades			
Silver (grams/tonne)	187	203	-8%
Lead (%)	2.5	3.0	-17%
Zinc (%)	1.2	1.3	-8%
Average Recovery Rates			
Silver (%)	94.0	93.7	—%
Lead (%)	94.0	94.8	-1%
Zinc (%)	81.1	82.6	-2%
Metal Production			
Gold (ounces)	1,146	1,552	-26%
Silver (in thousands of ounces)	1,717	1,780	-4%
Silver equivalent (in thousands of ounces)*	1,802	1,912	-6%
Lead (in thousands of pounds)	15,619	17,816	-12%
Zinc (in thousands of pounds)	6,434	6,821	-6%
Cost Data*			
Mining cost (\$/tonne)	66.06	63.74	4%
Shipping cost (\$/tonne)	2.37	2.33	2%
Milling cost (\$/tonne)	11.94	12.56	-5%
Production cost (\$/tonne)	80.37	78.63	2%
All-in sustaining production cost (\$/tonne)	139.96	134.08	4%
Cash cost per ounce of silver, net of by-product credits (\$)	(1.67)	(0.31)	439%
All-in sustaining cost per ounce of silver, net of by-product credits (\$)	9.82	9.46	4%

*Alternative performance (non-IFRS) measure. Please refer to section 12 for reconciliation.

(i) Mine and Mill Production

For the three months ended June 30, 2024 ("Q1 Fiscal 2025"), on a consolidated basis, the Company mined 343,847 tonnes of ore, up 13% compared to 303,220 tonnes in the three months ended June 30, 2023 ("Q1 Fiscal 2024"). Ore

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milled was 307,696 tonnes, up 4% compared to 295,095 tonnes in Q1 Fiscal 2024. A total of 8,476 tonnes of gold ore were processed in Q1 Fiscal 2025, down 22% compared to 10,893 tonnes in Q1 Fiscal 2024.

(ii) Metal Production

In Q1 Fiscal 2025, the Company produced approximately 1,146 ounces of gold, 1.7 million ounces of silver, or approximately 1.8 million ounces of silver equivalent, plus 15.6 million pounds of lead and 6.4 million pounds of zinc, representing decreases of 26%, 4%, 6%, 12%, and 6%, respectively, in gold, silver, silver equivalent, lead, and zinc production over Q1 Fiscal 2024. The decrease is mainly due to i) lower head grades realized as per the current mine plan and ii) a total of 59,293 tonnes of stockpile ore not yet processed. The Company expects that the stockpiled ore will be processed in the third and fourth quarter, once the No. 2 mill capacity expansion of 1,500 tonnes per day at the Ying Mining District is achieved in the third quarter of Fiscal 2025.

(iii) Per Tonne Cost¹¹

In Q1 Fiscal 2025, the consolidated mining cost was \$66.06 per tonne, up 4% compared to \$63.74 per tonne in Q1 Fiscal 2024. The increase was mainly due to more mining preparation tunnels and grade control drilling completed and expensed as part of the mining cost in the current quarter. The consolidated milling cost was \$11.94 per tonne, down 5% compared to \$12.56 per tonne in Q1 Fiscal 2024. Correspondingly, the consolidated production cost per tonne of ore processed was \$80.37 per tonne, up 2% compared to \$78.63 per tonne in Q1 Fiscal 2024. While all-in sustaining production cost per tonne ore processed was \$139.96 per tonne, up 4% compared to \$134.08 per tonne in Q1 Fiscal 2024. The increase was mainly due to i) an increase of \$1.3 million in sustaining capital expenditures; ii) an increase of \$0.8 million in corporate general administrative and business development expenditures related to the Company's ongoing merger and acquisition ("M&A") activities; and iii) the increase in per tonne production cost as discussed above.

(iv) Cost per Ounce of Silver, Net of By-Product Credits¹

In Q1 Fiscal 2025, the consolidated cash cost per ounce of silver, net of by-product credits, was negative \$1.67, compared to negative \$0.31 in Q1 Fiscal 2024. The decrease was mainly due to an increase of \$1.5 million in by-product credits. The consolidated all-in sustaining cost per ounce of silver, net of by-product credits, was \$9.82, up 4% compared to \$9.46 in Q1 Fiscal 2024. The increase was mainly due to the increase in per tonne sustaining production cost partially offset by the decrease in cash cost per ounce of silver as discussed above.

¹ Non-IFRS measures, please refer to section 12 for reconciliation.

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(v) Exploration and Development

The following table summarizes the development work and capital expenditures in Q1 Fiscal 2025.

	Capitalized Development and Expenditures								Expensed	
	Ramp and Development Tunnels		Exploration Tunnels		Drilling and other		Equipment & Mill and TSF	Total	Mining Preparation Tunnels	Drilling
	(Metres)	(\$ Thousand)	(Metres)	(\$ Thousand)	(Metres)	(\$ Thousand)	(\$ Thousand)	(\$ Thousand)	(Metres)	(Metres)
Q1 Fiscal 2025										
Ying Mining District	15,065	\$ 7,681	15,090	\$ 4,328	21,036	\$ 663	\$ 4,570	\$ 17,242	11,830	44,823
GC Mine	1,781	697	3,106	1,247	15,921	345	41	2,330	2,465	5,533
Corporate and other	—	—	—	—	—	76	8	84	—	—
Consolidated	16,846	\$ 8,378	18,196	\$ 5,575	36,957	\$ 1,084	\$ 4,619	\$ 19,656	14,295	50,356
Q1 Fiscal 2024										
Ying Mining District	5,017	\$ 3,016	17,439	\$ 6,447	32,839	\$ 1,151	\$ 3,430	\$ 14,044	8,443	25,937
GC Mine	896	494	2,917	800	7,926	518	—	1,812	3,055	17,897
Corporate and other	—	—	—	—	—	51	9	60	—	—
Consolidated	5,913	\$ 3,510	20,356	\$ 7,247	40,765	\$ 1,720	\$ 3,439	\$ 15,916	11,498	43,834
Changes (%)										
Ying Mining District	200%	155%	-13%	-33%	-36%	-42%	33%	23%	40%	73%
GC Mine	99%	41%	6%	56%	101%	-33%	—%	29%	-19%	-69%
Corporate and other	—%	—%	—%	—%	—%	49%	-11%	40%	—%	—%
Consolidated	185%	139%	-11%	-23%	-9%	-37%	34%	23%	24%	15%

Total capital expenditures in Q1 Fiscal 2025 were \$19.7 million, up 23% compared to \$15.9 million in Q1 Fiscal 2024. The increase was mainly due to more ramp and tunnel development as well as the construction of the new tailing storage facility ("TSF"). Total capital expenditures incurred to construct the TSF were approximately \$2.8 million in Q1 Fiscal 2025 and \$13.6 million since inception.

In Q1 Fiscal 2025, on a consolidated basis, a total of 87,313 metres or \$2.3 million worth of diamond drilling were completed (Q1 Fiscal 2024 – 84,599 metres or \$2.7 million), of which approximately 50,356 metres or \$1.2 million worth of diamond drilling were expensed as part of mining costs (Q1 Fiscal 2024 – 43,834 metres or \$1.0 million) and approximately 36,957 metres or \$1.0 million worth of diamond drilling were capitalized (Q1 Fiscal 2024 – 40,765 metres or \$1.7 million). In addition, approximately 14,295 metres or \$5.9 million worth of preparation tunneling were completed and expensed as part of mining costs (Q1 Fiscal 2024 – 11,498 metres or \$4.0 million), and approximately 35,042 metres or \$14.0 million worth of tunnels, raises, ramps and declines were completed and capitalized (Q1 Fiscal 2024 – 26,269 metres or \$10.8 million).

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(b) Individual Mine Performance

(i) Ying Mining District

The following table summarizes the operational information at the Ying Mining District for the three months ended June 30, 2024 and 2023. The Ying Mining District is the Company's primary source of production and revenue, and consists of four mining licenses, including the SGX, HPG, TLP-LME-LMW, and DCG mines.

Ying Mining District	Three months ended June 30,		
	2024	2023	Changes
Production Data			
Ore Mined (tonnes)	256,079	213,748	20 %
Ore Milled (tonnes)			
Gold Ore	8,476	10,893	-22 %
Silver Ore	212,766	197,916	8 %
	221,242	208,809	6 %
Average Head Grades			
Silver (grams/tonne)	235	254	-7 %
Lead (%)	3.1	3.6	-14 %
Zinc (%)	0.7	0.7	— %
Average Recovery Rates			
Gold (%)**	93.5	92.4	1 %
Silver (%)	95.0	95.1	— %
Lead (%)	94.4	95.5	-1 %
Zinc (%)	72.3	69.6	4 %
Metal Production			
Gold (ounces)	1,146	1,552	-26 %
Silver (in thousands of ounces)	1,572	1,597	-2 %
Silver equivalent (in thousands of ounces)*	1,657	1,729	-4 %
Lead (in thousands of pounds)	14,080	15,382	-8 %
Zinc (in thousands of pounds)	2,468	2,113	17 %
Cost Data*			
Mining cost (\$/tonne)	76.92	71.17	8 %
Shipping cost (\$/tonne)	3.22	3.28	-2 %
Milling cost (\$/tonne)	10.32	11.13	-7 %
Production cost (\$/tonne)	90.46	85.58	6 %
All-in sustaining production cost (\$/tonne)	140.25	133.94	5 %
Cash cost per ounce of silver, net of by-product credits (\$)	(0.68)	0.26	-362 %
All-in sustaining cost per ounce of silver, net of by-product credits (\$)	7.14	7.14	— %

*Alternative performance (non-IFRS) measure. Please refer to section 12 for reconciliation.

** Gold recovery only refers to the recovery rate for gold ore processed.

In Q1 Fiscal 2025, a total of 256,079 tonnes of ore were mined at the Ying Mining District, up 20% compared to 213,748 tonnes in Q1 Fiscal 2024, and 221,242 tonnes of ore were milled, up 6% compared to 208,809 tonnes in Q1 Fiscal 2024. A

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total of 8,476 tonnes of gold ore were processed in Q1 Fiscal 2025, down 22% compared to 10,893 tonnes in Q1 Fiscal 2024.

Average head grades of ore processed were 235 g/t for silver, 3.1% for lead, and 0.7% for zinc compared to 254 g/t for silver, 3.6% for lead, and 0.7% for zinc in Q1 Fiscal 2024. The head grades achieved are in line with the Company's mine plan and annual guidance.

Metals produced at the Ying Mining District were approximately 1,146 ounces of gold, 1.6 million ounces of silver, or approximately 1.7 million ounces of silver equivalent, plus 14.1 million pounds of lead, and 2.5 million pounds of zinc were produced, representing an increase of 17% in zinc, and decreases of 26%, 2%, 4% and 8%, in gold, silver, silver equivalent and lead, respectively, compared to 1,552 ounces of gold, 1.6 million ounces of silver, or approximately 1.7 million silver equivalent, plus 15.4 million pounds of lead, and 2.1 million pounds of zinc in Q1 Fiscal 2024. The decrease is mainly due to i) lower head grades realized as per the current mine plan and ii) a total of 59,293 tonnes of stockpile ore not yet processed. The Company expects the stockpile ore to be processed in the third and fourth quarter after the No. 2 mill capacity expansion of 1,500 tonnes per day at the Ying Mining District is achieved in the third quarter of Fiscal 2025.

In Q1 Fiscal 2025, the mining cost at the Ying Mining District was \$76.92 per tonne, up 8% compared to \$71.17 per tonne in Q1 Fiscal 2024, while the milling cost was \$10.32 per tonne, down 7% compared to \$11.13 per tonne in Q1 Fiscal 2024. The increase in per tonne mining cost is mainly due to more mining preparation tunnels and grade control drilling completed and expensed as part of the mining costs and the decrease in per tonne milling cost is mainly due to more ore processed resulting in lower fixed costs allocation. Correspondingly, the production cost per tonne of ore processed was \$90.46, up 6% compared to \$85.58 in Q1 Fiscal 2024. The all-in sustaining cost per tonne of ore processed was \$140.25, up 5% compared to \$133.94 in Q1 Fiscal 2024. The increase was mainly due to the increase in per tonne production cost as discussed above as well as an increase of \$0.9 million in sustaining expenditures.

In Q1 Fiscal 2025, the cash cost per ounce of silver, net of by-product credits, at the Ying Mining District was negative \$0.68, compared to \$0.26 in Q1 Fiscal 2024. The decrease is mainly due to an increase of \$1.8 million in by-product credits. The all-in sustaining cost per ounce of silver, net of by-product credits, was \$7.14, effectively the same compared to \$7.14 in Q1 Fiscal 2024.

In Q1 Fiscal 2025, a total of 65,859 metres or \$1.7 million worth of diamond drilling were completed (Q1 Fiscal 2024 – 58,776 metres or \$1.8 million), of which approximately 44,823 metres or \$1.1 million worth of diamond drilling were expensed as part of mining costs (Q1 Fiscal 2024 – 25,937 metres or \$0.7 million) and approximately 21,036 metres or \$0.7 million worth of drilling were capitalized (Q1 Fiscal 2024 – 32,839 metres or \$1.2 million). In addition, approximately 11,830 metres or \$4.9 million worth of preparation tunneling were completed and expensed as part of mining costs (Q1 Fiscal 2024 – 8,443 metres or \$3.2 million), and approximately 30,155 metres or \$12.0 million worth of horizontal tunnels, raises, ramps, and declines were completed and capitalized (Q1 Fiscal 2024 – 22,456 metres or \$9.5 million).

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(ii) GC Mine

The following table summarizes the operational information at the GC Mine for the three months ended June 30, 2024 and 2023:

GC Mine	Three months ended June 30,		
	2024	2023	Changes
Production Data			
Ore Mined (tonnes)	87,768	89,472	-2%
Ore Milled (tonnes)	86,454	86,286	—%
Average Head Grades			
Silver (grams/tonne)	64	80	-20%
Lead (%)	0.9	1.4	-36%
Zinc (%)	2.4	2.7	-11%
Average Recovery Rates			
Silver (%) **	84.1	82.7	2%
Lead (%)	90.2	90.7	-1%
Zinc (%)	90.4	90.4	—%
Metal Production			
Silver (in thousands of ounces)	145	183	-21%
Lead (in thousands of pounds)	1,539	2,434	-37%
Zinc (in thousands of pounds)	3,966	4,708	-16%
Cost Data*			
Mining cost (\$/tonne)	34.40	45.99	-25%
Milling cost (\$/tonne)	16.09	16.03	—%
Production cost (\$/tonne)	50.49	62.02	-19%
All-in sustaining production cost (\$/tonne)	83.42	90.94	-8%
Cash cost per ounce of silver, net of by-product credits (\$)	(12.19)	(5.30)	-130%
All-in sustaining cost per ounce of silver, net of by-product credits (\$)	8.45	9.51	-11%

*Alternative performance (non-IFRS) measure. Please refer to section 12 for reconciliation.

** Silver recovery includes silver recovered in lead concentrate and silver recovered in zinc concentrate.

In Q1 Fiscal 2025, a total of 87,768 tonnes of ore were mined at the GC Mine, down 2% compared to 89,472 tonnes in Q1 Fiscal 2024, while 86,454 tonnes were milled, effectively the same compared 86,286 tonnes in Q1 Fiscal 2024.

In Q1 Fiscal 2025, a total of 10,620 tonnes of waste was removed through the XRT Ore Sorting System.

Average head grades of ore milled were 64 g/t for silver, 0.9% for lead, and 2.4% for zinc compared to 80 g/t for silver, 1.4% for lead, and 2.7% for zinc in Q1 Fiscal 2024.

Metals produced at the GC Mine were approximately 145 thousand ounces of silver, 1.6 million pounds of lead, and 4.0 million pounds of zinc, representing decreases of 21%, 37%, and 16%, respectively, in silver, lead and zinc production,

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respectively, compared to 183 thousand ounces of silver, 2.4 million pounds of lead, and 4.7 million pounds of zinc in Q1 Fiscal 2024. The decrease was mainly due to lower head grades achieved.

The mining cost at the GC Mine was \$34.40 per tonne, down 25% compared to \$45.99 per tonne in Q1 Fiscal 2024. The decrease was mainly due to less mining preparation tunnels and grade control drilling completed and expensed at the GC Mine in the current quarter. The milling cost was \$16.09 per tonne, effectively the same compared to \$16.03 per tonne in Q1 Fiscal 2024. The production cost per tonne of ore processed was \$50.49, down 19% compared to \$62.02 in Q1 Fiscal 2024. The all-in sustaining production cost per tonne of ore processed was \$83.42, down 8%, compared to \$90.94 in Q1 Fiscal 2024. The decrease was primarily due to the decrease in per tonne mining cost as discussed above offset by an increase of \$0.4 million in sustaining expenditures.

The cash cost per ounce of silver, net of by-product credits, at the GC Mine, in Q1 Fiscal 2025, was negative \$12.19, compared to negative \$5.30 in Q1 Fiscal 2024. The all-in sustaining cost per ounce of silver, net of by-product credits, was \$8.45, compared to \$9.51 in Q1 Fiscal 2024. The decrease was mainly due to the decrease in per tonne production cost and all-in sustaining production cost as discussed above.

In Q1 Fiscal 2025, approximately 21,454 metres or \$0.5 million worth of diamond drilling were completed (Q1 Fiscal 2024 – 25,823 metres or \$0.9 million), of which approximately 5,533 metres or \$0.1 million worth of underground diamond drilling were expensed as part of mining costs (Q1 Fiscal 2024 – 17,897 metres or \$0.4 million) and approximately 15,921 metres or \$0.3 million of diamond drilling were capitalized (Q1 Fiscal 2024 – 7,926 metres or \$0.5 million). In addition, approximately 2,465 metres or \$1.0 million of tunneling were completed and expensed as part of mining costs (Q1 Fiscal 2024 – 3,055 metres or \$0.8 million), and approximately 4,887 metres or \$1.9 million of horizontal tunnels, raises, and declines were completed and capitalized (Q1 Fiscal 2024 – 3,813 metres or \$1.3 million).

(iii) Kuanping Project

Activities at the Kuanping Project have been focused on completing studies and reports as required to construct the mine. The environmental impact assessment report was approved in July 2024, and the remaining mine safety facilities design report is pending approval by the provincial authorities. Total capital expenditures at the Kuanping Project in Q1 Fiscal 2025 was \$0.1 million, compared to \$0.1 million in Q1 Fiscal 2024.

(iv) BYP Mine

The BYP Mine was placed on care and maintenance since August 2014 due to required capital upgrades to sustain its ongoing production and the market environment. The Company is conducting activities to apply for a new mining license, but the process has taken longer than expected. There is no guarantee that the new mining license for the BYP Mine will be issued, or if it is issued, that it will be issued under reasonable operational and/or financial terms, or in a timely manner, or that the Company will be in a position to comply with all conditions that are imposed thereon.

(c) Annual Operating Outlook

Unless otherwise stated, all reference to Fiscal 2025 Guidance in the MD&A refer to the "Fiscal 2025 Operating Outlook" section in the Company's Fiscal 2024 Annual MD&A dated May 22, 2024 ("Fiscal 2025 Guidance") filed under the Company's SEDAR+ profile at www.sedarplus.ca.

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(i) Production and Production Costs

The following table summarizes the production and production cost achieved in Q1 Fiscal 2025 compared to the respective Fiscal 2025 Guidance:

	Ore processed (tonnes)	Head grades				Metal production				Production cost	
		Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	Gold (oz)	Silver (Koz)	Lead (Klbs)	Zinc (Klbs)	Cash cost (\$/t)	AISC (\$/t)
Q1 Fiscal 2025											
Ying Mining District	221,242	0.32	235	3.1	0.7	1,146	1,572	14,080	2,468	90.46	140.25
GC Mine	86,454	—	64	0.9	2.4	—	145	1,539	3,966	50.49	83.42
Consolidated	307,696	0.23	866	12.8	5.5	1,146	1,717	15,619	6,434	80.37	139.96
Fiscal 2025 Guidance											
Ying Mining District	860,000-955,000	0.30	235	3.1	0.8	7,900-9,000	6,210-6,680	57,160-61,890	8,877-10,986	83.7-88.1	142.4-153.2
GC Mine	291,000-301,000	—	68	1.1	3.0	0-0	540-550	7,070-7,450	18,240-19,110	54.4-55.5	99.3-99.7
Consolidated	1,151,000-1,256,000					7,900-9,000	6,750-7,230	64,230-69,340	27,938-31,013	77.0-79.6	143.6-152.3

As at June 30, 2024, inventory stockpile ore yet to be processed amounted to 59,293 tonnes due to mill capacity constraints. The Company expects additional ore to be added to stockpile in the coming quarter. If the stockpile had been processed, the Company's metal production would have aligned with its Fiscal 2025 annual guidance. The stockpile is anticipated to be processed when the 1,500 tonne per day expansion at the No.2 mill is in operation by November 2024.

The consolidated all-in sustaining production cost per tonne was within the guidance while the per production cost was slightly over the annual guidance, which was mainly due to more tunneling and drilling expensed as part of mining costs.

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(ii) Development and Capital Expenditures

The following table summarizes the development work and capitalized expenditures in Q1 Fiscal 2025 compared to the respective Fiscal 2025 Guidance.

	Capitalized Development and Expenditures								Expensed		
	Ramp and Development Tunnels		Exploration Tunnels		Drilling		Equipment & Mill and TSF	Total	Mining Preparation Tunnels	Drilling	
	(Metres)	(\$ Thousand)	(Metres)	(\$ Thousand)	(Metres)	(\$ Thousand)	(\$ Thousand)	(\$ Thousand)	(Metres)	(Metres)	
Q1 Fiscal 2025											
Ying Mining District	15,065	\$ 7,681	15,090	\$ 4,328	21,036	\$ 663	\$ 4,570	\$ 17,242	11,830	44,823	
GC Mine	1,781	697	3,106	1,247	15,921	345	41	2,330	2,465	5,533	
Corporate and other	—	—	—	—	—	76	8	84	—	—	
Consolidated	16,846	\$ 8,378	18,196	\$ 5,575	36,957	\$ 1,084	\$ 4,619	\$ 19,656	14,295	50,356	
Fiscal 2025 Guidance											
Ying Mining District	45,100	\$ 27,300	45,800	\$ 17,400	137,700	\$ 3,400	\$ 30,600	\$ 78,700	37,800	117,300	
GC Mine	8,000	4,500	9,700	5,000	51,500	1,300	300	11,100	7,100	18,700	
Corporate and other	—	—	—	—	—	—	1,000	1,000	—	—	
Consolidated	53,100	\$ 31,800	55,500	\$ 22,400	189,200	\$ 4,700	\$ 31,900	\$ 90,800	44,900	136,000	
Percentage of Fiscal 2025 Guidance											
Ying Mining District	33%	28%	33%	25%	15%	20%	15%	22%	31%	38%	
GC Mine	22%	15%	32%	25%	31%	27%	14%	21%	35%	30%	
Corporate and other	—%	—%	—%	—%	—%	—%	1%	8%	—%	—%	
Consolidated	32%	26%	33%	25%	20%	23%	14%	22%	32%	37%	

4. Acquisition of Adventus

On April 26, 2024, the Company and Adventus Mining Corporation (“Adventus”) (TSX: ADZN) (OTCQX: ADVZF) announced the signing of a definitive arrangement agreement (the “Arrangement Agreement”) pursuant to which the Company has agreed to acquire all of the issued and outstanding common shares of Adventus (the “Transaction”) by way of a plan of arrangement (the “Arrangement”). Under the terms of the Arrangement Agreement, each holder of the common shares of Adventus (each, an “Adventus Share”) will receive 0.1015 of one Silvercorp common share (each, a “Silvercorp Share”) in exchange for each Adventus Share (the “Exchange Ratio”) at the effective time of the Transaction.

Concurrent with entering into the Arrangement Agreement, the Company and Adventus entered into an investment agreement pursuant to which the Company subscribed for 67,441,217 Adventus Shares for \$18.8 million or C\$25.6 million at an issue price of C\$0.38 per share, which was completed on May 1, 2024.

On July 5, 2024, the Company announced that it considered the litigation referred to in the Adventus news release of June 17, 2024, which sought to void the environmental license of the Curipamba-El Domo project (the “Project”), a Material Adverse Effect, as defined in the Arrangement Agreement, in respect of Adventus. The litigation was brought by a group of plaintiffs concerning the environmental consultation process for the Project.

A positive development occurred with respect to this litigation. Adventus announced on July 25, 2024, the local court in Las Naves Canton, Bolívar Province, Ecuador rejected the litigation on July 24, 2024. The Court ruled that the Ecuadorean government correctly discharged its environmental consultation obligations prior to issuing an environmental licence for the Project. The Court has not yet released written reasons for its judgement, and the plaintiffs have given notice of their intention to appeal (the “Appeal”) to the relevant provincial court.

With this local court ruling in favour of Adventus, the Company believed that all conditions to closing were met. On July 31, 2024, the Company completed the Transaction to acquire all of the outstanding common shares of Adventus, not already owned by Silvercorp, by issuing a total of 38,818,841 Silvercorp Shares to the original shareholders of Adventus.

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The Company also issued a total of 1,766,721 Silvercorp stock options to replace Adventus' outstanding options, and 2,787,020 Silvercorp warrants to replace Adventus' outstanding warrants. All Adventus restricted share units outstanding immediately before closing were settled in cash, funded by the Company through Adventus.

5. Investment in Associates

(a) Investment in New Pacific Metals Corp.

New Pacific Metals Corp. ("NUAG") is a Canadian public company listed on the Toronto Stock Exchange (symbol: NUAG) and NYSE American (symbol: NEWP). The Company accounts for its investment in NUAG using the equity method as it is able to exercise significant influence over the financial and operating policies of NUAG.

As at June 30, 2024, the Company owned 46,907,606 common shares of NUAG (March 31, 2024 – 46,904,706), representing an ownership interest of 27.4% (March 31, 2024 – 27.4%).

The summary of the investment in NUAG common shares and its market value as at the respective reporting dates are as follows:

	Number of shares	Amount	Value of NUAG's common shares per quoted market price
Balance, April 1, 2023	44,351,616	\$ 43,253	\$ 119,621
Participation in bought deal financing	2,541,890	4,982	
Purchase from open market	11,200	15	
Dilution gain		733	
Share of net loss		(1,784)	
Share of other comprehensive loss		(28)	
Foreign exchange impact		(91)	
Balance as March 31, 2024	46,904,706	\$ 47,080	\$ 63,693
Purchase from open market	2,900	4	
Share of net loss		(326)	
Share of other comprehensive loss		(147)	
Foreign exchange impact		(472)	
Balance, June 30, 2024	46,907,606	\$ 46,139	\$ 70,600

(b) Investment in Tincorp Metals Inc.

Tincorp Metals Inc. ("TIN"), formerly Whitehorse Gold Corp., is a Canadian public company listed on the TSX Venture Exchange (symbol: TIN). The Company accounts for its investment in TIN using the equity method as it is able to exercise significant influence over the financial and operating policies of TIN.

In January 2024, the Company and TIN entered into an interest-free unsecured credit facility agreement with no conversion features (the "Facility") to allow TIN to advance up to \$1.0 million from the Company. Upon signing the Facility, the Company advanced \$0.5 million to TIN and received 350,000 common shares of TIN as the Bonus Shares for granting the Facility. In April 2024, the Company provided the remaining \$0.5 million to TIN. The Facility has a maturity date of January 31, 2025.

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As at June 30, 2024, the Company owned 19,864,285 common shares of TIN (March 31, 2024 – 19,864,285), representing an ownership interest of 29.7% (March 31, 2024 – 29.7%).

The summary of the investment in TIN common shares and its market value as at the respective reporting dates are as follows:

	Number of shares	Amount	Value of TIN's common shares per quoted market price
Balance, April 1, 2023	19,514,285	\$ 7,442	\$ 6,777
Tincorp shares received under credit facility agreement	350,000	78	
Share of net loss		(908)	
Share of other comprehensive loss		(8)	
Impairment charges		(4,251)	
Foreign exchange impact		(7)	
Balance, March 31, 2023	19,864,285	\$ 2,346	\$ 2,346
Share of net loss		(86)	
Share of other comprehensive income		2	
Foreign exchange impact		(22)	
Balance, June 30, 2024	19,864,285	\$ 2,240	\$ 4,064

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6. Overview of Financial Results

(a) Selected Annual and Quarterly Information

The following tables set out selected quarterly results for the past twelve quarters as well as selected annual results for the past three years. The dominant factors affecting results presented below are the volatility of the realized selling metal prices and the timing of sales. The results for the quarters ended March 31 are normally affected by the extended Chinese New Year holiday.

Fiscal 2025 (In thousands of USD, other than per share amounts)	Quarter Ended		Year to date ended
	Jun 30, 2024		Jun 30, 2024
Revenue	\$	72,165	\$ 72,165
Cost of mine operations		35,651	35,651
Income from mine operations		36,514	36,514
Corporate general and administrative expenses		4,287	4,287
Foreign exchange gain		(1,749)	(1,749)
Share of loss in associates		412	412
Dilution gain on investment in associate		—	—
Impairment of investment in associate		—	—
Gain on investments		(2,216)	(2,216)
Impairment charges against mineral rights and properties		—	—
Other items		1,919	1,919
Income from operations		33,861	33,861
Finance items		(1,615)	(1,615)
Income tax expenses		7,347	7,347
Net income		28,129	28,129
Net income attributable to equity holders of the Company		21,938	21,938
Basic earnings per share		0.12	0.12
Diluted earnings per share		0.12	0.12
Cash dividend declared		2,221	2,221
Cash dividend declared per share		0.0125	0.0125
Other financial information			
Total assets			736,247
Total liabilities			120,131
Total equity attributable to equity holders of the Company			524,282

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Fiscal 2024 (In thousands of USD, other than per share amounts)	Quarter Ended				Year Ended
	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Mar 31, 2024
Revenue	\$ 60,006	\$ 53,992	\$ 58,508	\$ 42,681	\$ 215,187
Cost of mine operations	36,705	33,049	35,201	29,643	134,598
Income from mine operations	23,301	20,943	23,307	13,038	80,589
Corporate general and administrative expenses	3,650	3,810	3,228	3,407	14,095
Foreign exchange loss (gain)	2,227	(1,314)	701	(1,277)	337
Share of loss in associates	640	705	5,680	(4,333)	2,692
Dilution gain on investment in associate	—	(733)	—	—	(733)
Impairment of investment in associate	—	—	—	4,251	4,251
Loss (gain) on investments	(1,086)	603	(6,204)	(990)	(7,677)
Other items	(130)	912	2,219	702	3,703
Income from operations	18,000	16,960	17,683	11,278	63,921
Finance items	(1,434)	(1,688)	(1,510)	(1,402)	(6,034)
Income tax expenses	6,221	3,878	5,123	5,055	20,277
Net income	13,213	14,770	14,070	7,625	49,678
Net income attributable to equity holders of the Company	9,217	11,050	10,510	5,529	36,306
Basic earnings per share	0.05	0.06	0.06	0.03	0.21
Diluted earnings per share	0.05	0.06	0.06	0.03	0.20
Cash dividend declared	2,214	—	2,214	—	4,428
Cash dividend declared per share	0.0125	—	0.0125	—	0.0250
Other financial information					
Total assets					702,815
Total liabilities					105,806
Total equity attributable to equity holders of the Company					507,255

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Fiscal 2023 (In thousands of USD, other than per share amounts)	Quarter Ended				Year Ended
	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023	Mar 31, 2023
Revenue	\$ 63,592	\$ 51,739	\$ 58,651	\$ 34,147	\$ 208,129
Cost of mine operations	38,690	37,378	36,907	24,371	137,346
Income from mine operations	24,902	14,361	21,744	9,776	70,783
Corporate general and administrative expenses	3,557	3,476	3,171	3,045	13,249
Foreign exchange loss (gain)	(1,656)	(4,340)	850	304	(4,842)
Share of loss in associates	728	771	677	725	2,901
Dilution loss on investment in associate	—	—	—	107	107
Loss (gain) on equity investments	2,671	1,596	(3,010)	1,061	2,318
Impairment charges against mineral rights and properties	—	20,211	—	—	20,211
Other items	231	61	2,791	9	3,092
Income from operations	19,371	(7,414)	17,265	4,525	33,747
Finance items	(800)	(1,023)	69	358	(1,396)
Income tax expenses	6,087	3,811	2,259	1,886	14,043
Net income	14,084	(10,202)	14,937	2,281	21,100
Net income (loss) attributable to equity holders of the Company	10,169	(1,712)	11,916	235	20,608
Basic earnings (loss) per share	0.06	(0.01)	0.07	—	0.12
Diluted earnings (loss) per share	0.06	(0.01)	0.07	—	0.12
Cash dividend declared	2,216	—	2,209	—	4,425
Cash dividend declared per share	0.0125	—	0.0125	—	0.025
Other financial information					
Total assets					676,799
Total liabilities					96,968
Total attributable shareholders' equity					489,053

(b) Overview of Q1 Fiscal 2025 Financial Results

Net income attributable to equity shareholders of the Company in Q1 Fiscal 2025 was \$21.9 million or \$0.12 per share, compared to net income of \$9.2 million or \$0.05 per share in Q1 Fiscal 2024.

Compared to Q1 Fiscal 2024, the Company's consolidated financial results were mainly impacted by i) increases of 18% 36%, 18% and 23%, respectively, in the realized selling prices for gold, silver, lead and zinc; ii) an increase of \$1.1 million in gain on investment, and iii) an increase of \$4.0 million in the positive impact from foreign exchange, offset by iv) decreases of 33%, 4%, 10%, and 6%, respectively, in gold, silver, lead and zinc sold; and v) an increase of \$2.0 million in corporate administrative and business development expenditures.

Excluding certain non-cash, non-recurring, and non-routine items, the adjusted basic earnings to equity shareholders¹ were \$20.6 million or \$0.12 per share compared to \$12.4 million or \$0.07 per share in the prior year quarter.

¹ Non-IFRS measures, please refer to section 12 for reconciliation.

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Revenue in Q1 Fiscal 2025 was \$72.2 million, up 20% compared to \$60.0 million in Q1 Fiscal 2024. The increase is mainly due to an increase of \$17.3 million arising from the increase in the realized selling prices offset by a decrease of \$5.1 million as a result of less metals sold.

The net realized selling price is calculated using the Shanghai Metal Exchange ("SME") price, less smelter charges, recovery, and value added tax ("VAT"). The metal prices quoted on the SME, excluding gold, include VAT. The following table is a comparison among the Company's average net realized selling prices, prices quoted on the SME, and prices quoted on the London Metal Exchange ("LME") in Q1 Fiscal 2025 and Q1 Fiscal 2024:

	Silver (in US\$/ounce)		Gold (in US\$/ounce)		Lead (in US\$/pound)		Zinc (in US\$/pound)	
	Q1 F2025	Q1 F2024	Q1 F2025	Q1 F2024	Q1 F2025	Q1 F2024	Q1 F2025	Q1 F2024
Net realized selling prices	\$ 26.34	\$ 19.37	\$ 1,990	\$ 1,682	\$ 0.99	\$ 0.84	\$ 1.01	\$ 0.82
SME	\$ 32.31	\$ 24.42	\$ 2,371	\$ 1,983	\$ 1.11	\$ 0.98	\$ 1.46	\$ 1.35
LME	\$ 28.85	\$ 24.15	\$ 2,338	\$ 1,975	\$ 1.00	\$ 0.95	\$ 1.31	\$ 1.15

Compared to Q1 Fiscal 2024, the average realized selling prices for silver and gold in Q1 Fiscal 2025 increased by 36% and 18%, respectively, while the average silver and gold prices quoted on the SME increased by 32% and 20%, and the average silver and gold prices quoted on the LME increased by 19% and 18%, respectively.

The following table summarizes the metals sold, net realized selling price and revenue achieved for each metal.

	Three months ended June 30, 2024			Three months ended June 30, 2023		
	Ying Mining District	GC	Consolidated	Ying Mining District	GC	Consolidated
Metal Sales						
Gold (ounces)	998	—	998	1,495	—	1,495
Silver (in thousands of ounces)	1,590	149	1,739	1,631	184	1,815
Lead (in thousands of pounds)	14,119	1,544	15,663	15,002	2,328	17,330
Zinc (in thousands of pounds)	2,493	3,991	6,484	2,132	4,788	6,920
Revenue						
Gold (in thousands of \$)	1,986	—	1,986	2,515	—	2,515
Silver (in thousands of \$)	42,786	3,012	45,798	32,361	2,791	35,152
Lead (in thousands of \$)	14,070	1,513	15,583	12,646	1,949	14,595
Zinc (in thousands of \$)	2,570	4,011	6,581	1,791	3,868	5,659
Other (in thousands of \$)	1,371	846	2,217	1,263	822	2,085
	62,783	9,382	72,165	50,576	9,430	60,006
Average Selling Price, Net of Value Added Tax and Smelter Charges						
Gold (\$ per ounce)	1,990	—	1,990	1,682	—	1,682
Silver (\$ per ounce)	26.91	20.21	26.34	19.84	15.17	19.37
Lead (\$ per pound)	1.00	0.98	0.99	0.84	0.84	0.84
Zinc (\$ per pound)	1.03	1.01	1.01	0.84	0.81	0.82

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Costs of mine operations in Q1 Fiscal 2025 were \$35.7 million, down 3% compared to \$36.7 million in Q1 Fiscal 2024. Items included in costs of mine operations are as follows:

	Q1 Fiscal 2025	Q1 Fiscal 2024	Change
Production cost	\$ 23,468	\$ 24,298	-3%
Depreciation and amortization	7,280	7,663	-5%
Mineral resource taxes	1,648	1,366	21%
Government fees and other taxes	635	657	-3%
General and administrative	2,620	2,721	-4%
	\$ 35,651	\$ 36,705	-3%

Production cost expensed in Q1 Fiscal 2025 were \$23.5 million, down 3% compared to \$24.3 million in Q1 Fiscal 2024. The decrease was mainly due to less metals sold. The production cost expensed represents approximately 294,000 tonnes of ore processed expensed at \$80.37 per tonne, compared to approximately 309,000 tonnes of ore processed expensed at \$78.63 per tonne in Q1 Fiscal 2024.

The increase in the mineral resource taxes was mainly due to higher revenue achieved in Q1 Fiscal 2025. Government fees and other taxes are comprised of environmental protection fees, surtaxes on VAT, land usage levies, stamp duties and other miscellaneous levies, duties and taxes imposed by the state and local Chinese governments.

Mine general and administrative expenses for the mine operations in Q1 Fiscal 2025 were \$2.6 million, down 4% compared to \$2.7 million in Q1 Fiscal 2024. Items included in general and administrative expenses for the mine operations are as follows:

	Q1 Fiscal 2025	Q1 Fiscal 2024	Change
Amortization and depreciation	\$ 278	\$ 277	—%
Office and administrative expenses	688	708	-3%
Professional fees	90	103	-13%
Salaries and benefits	1,564	1,633	-4%
	\$ 2,620	\$ 2,721	-4%

Income from mine operations in Q1 Fiscal 2025 was \$36.5 million, up 57% compared to \$23.3 million in Q1 Fiscal 2024. The increase was mainly due to the increase in revenue arising from the increases in the net realized metal selling prices. Income from mine operations at the Ying Mining District was \$33.6 million, compared to \$21.7 million in Q1 Fiscal 2024. Income from mine operations at the GC Mine was \$3.0 million, compared to \$1.7 million in Q1 Fiscal 2024.

Corporate general and administrative expenses in Q1 Fiscal 2025 were \$4.3 million, up 17% or \$0.6 million, compared to \$3.7 million in Fiscal 2024. The increase was mainly due to more manpower employed to support the Company's business development activities and a non-routine effort to explore opportunities to list the Company's common shares on another stock exchange. Items included in corporate general and administrative expenses are as follows:

	Q1 Fiscal 2025	Q1 Fiscal 2024	Change
Amortization and depreciation	\$ 178	\$ 148	20%
Office and administrative expenses	665	541	23%
Professional Fees	313	175	79%
Salaries and benefits	1,930	1,415	36%
Share-based compensation	1,201	1,371	-12%
	\$ 4,287	\$ 3,650	17%

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Property evaluation and business development expense in Q1 Fiscal 2025 was \$1.4 million compared to \$0.1 million in Q1 Fiscal 2024. The increase was mainly due to the increase of the Company's activities to evaluate mineral projects as well as a non-routine effort to explore opportunities to list the Company's common shares on another stock exchange, which incurred a total of \$1.0 million expenses in Q1 Fiscal 2025.

Foreign exchange gain in Q1 Fiscal 2025 was \$1.7 million compared to a loss of \$2.2 million in Q1 Fiscal 2024. The foreign exchange gain is mainly driven by the exchange rates of the US dollar and the Australian dollar against the Canadian dollar.

Gain on investments in Q1 Fiscal 2025 was \$2.2 million, an increase of \$1.1 million compared to \$1.1 million in Q1 Fiscal 2024. The gain was mainly due to the fair value changes of mark-to-market investments.

Share of loss in associates in Q1 Fiscal 2025 was \$0.4 million, compared to \$0.6 million in Q1 Fiscal 2024. Share of loss in an associate represents the Company's equity pickup in NUAG and TIN.

Finance income in Q1 Fiscal 2025 was \$1.7 million compared to \$1.5 million in Q1 Fiscal 2024. The Company invests in short-term investments which include term deposits, money market instruments, and bonds.

Income tax expenses in Q1 Fiscal 2025 were \$7.3 million, up 18% compared to \$6.2 million in Q1 Fiscal 2024. The increase is mainly due to the increase in taxable income from mine operations and deferred income tax. The income tax expense recorded in Q1 Fiscal 2025 included a current income tax expense of \$4.4 million (Q1 Fiscal 2024 - \$4.9 million) and a deferred income tax expense of \$2.9 million (Q1 Fiscal 2024 - \$1.3 million). The current income tax expenses in Q1 Fiscal 2025 included withholding tax expenses of \$nil million (Q1 Fiscal 2024- \$2.5 million), which were paid at a rate of 10% on dividends distributed out of China.

7. Liquidity, Capital Resources, and Contractual Obligations

Liquidity

The following tables summarize the Company's cash and cash equivalents, short-term investments, and working capital position.

As at	June 30, 2024	March 31, 2024	Changes
Cash and cash equivalents	\$ 144,414	\$ 152,942	\$ (8,528)
Short-term investments	71,325	31,949	39,376
	\$ 215,739	\$ 184,891	\$ 30,848
Working capital	\$ 178,893	\$ 154,744	\$ 25,441

Cash, cash equivalents and short-term investments as at June 30, 2024 were \$215.7 million, up 17% or \$30.8 million compared to \$184.9 million as at March 31, 2024.

Working capital¹ as at June 30, 2024 was \$178.9 million, up 16% compared to \$154.7 million as at March 31, 2024.

The increase is mainly due to the increase in cash generated from operating activities compared to the prior year period.

¹ Non-IFRS measures, please refer to section 12 for reconciliation.

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The following table summarizes the Company's cash flow for the three months ended June 30, 2024 and 2023.

	Three months ended June 30,		
	2024	2023	Changes
Cash flow			
Cash provided by operating activities	\$ 39,955	\$ 28,881	\$ 11,074
Cash used in investing activities	(40,709)	(21,116)	(19,593)
Cash provided by (used in) financing activities	(5,868)	(9,526)	3,658
Decrease in cash and cash equivalents	(6,622)	(1,761)	(4,861)
Effect of exchange rate changes on cash and cash equivalents	(1,906)	(653)	(1,253)
Cash and cash equivalents, beginning of the period	152,942	145,692	7,250
Cash and cash equivalents, end of the period	\$ 144,414	\$ 143,278	\$ 1,136

Cash flow provided by operating activities in Q1 Fiscal 2025 was \$40.0 million, up \$11.1 million, compared to \$28.9 million in Q1 Fiscal 2024. The increase was due to:

- \$39.4 million cash flow from operating activities before changes in non-cash operating working capital, up \$15.5 million, compared to \$23.9 million in Q1 Fiscal 2024, and the increase was mainly due to the increase in operation earnings; and
- \$0.5 million cash provided by the changes in non-cash working capital, compared to \$5.0 million used in Q1 Fiscal 2024.

Cash flow used in investing activities in Q1 Fiscal 2025 was \$40.7 million, compared to \$21.1 million in Q1 Fiscal 2024, and comprised mostly of:

- \$72.9 million spent on investment in short-term investments (Q1 Fiscal 2024 - \$8.6 million);
- \$12.6 million spent on mineral exploration and development expenditures (Q1 Fiscal 2024 - \$11.9 million);
- \$18.8 million spent on investment in other investments (Q1 Fiscal 2024 - \$3.6 million);
- \$3.8 million spent to acquire plant and equipment (Q1 Fiscal 2024 - \$3.2 million); offset by
- \$33.3 million proceeds from the redemptions of short-term investments (Q1 Fiscal 2024 - \$6.0 million); and
- \$34.1 million proceeds from disposal of other investments (Q1 Fiscal 2024 - \$0.1 million).

Cash flow used in financing activities in Q1 Fiscal 2025 was \$5.9 million, compared to \$9.5 million in Q1 Fiscal 2024, and comprised mostly of:

- \$3.7 million in distributions to non-controlling shareholders (Q1 Fiscal 2024 - \$7.2 million); and
- \$2.2 million cash dividends paid to equity holders of the Company (Q1 Fiscal 2024 - \$2.2 million).

Capital Resources

The Company's objective when managing capital is to maintain financial flexibility to continue as a going concern while optimizing growth and maximizing returns of investments for shareholders. The Company's strategy to achieve these objectives is to invest its excess cash balance in a portfolio of primarily fixed income instruments.

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The Company monitors its capital structure based on changes in operations and economic conditions, and may adjust the structure by repurchasing shares, issuing new shares, or issuing debt. If additional funds are raised through the issuance of equity securities, the percentage ownership of current shareholders will be reduced, and such equity securities may have rights, preferences or privileges senior to those of the holders of the Company's common shares.

As at June 30, 2024, the Company has cash, cash equivalents, and short-term investments of \$215.7 million and working capital of \$178.9 million. The Company's financial position at June 30, 2024 and the operating cash flows that are expected over the next 12 months lead the Company to believe that the Company's liquid assets are sufficient to satisfy the Company's Fiscal 2025 working capital requirements, fund currently planned capital expenditures, and to discharge liabilities as they come due. The Company remains well positioned to take advantage of strategic opportunities as they become available. Liquidity risks are discussed further in the "Risks and Uncertainties" section of this MD&A. The Company is not subject to any externally imposed capital requirements.

Contractual Obligation and Commitments

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following table summarizes the remaining contractual maturities of the Company's financial and non-financial liabilities, shown in contractual undiscounted cash flow as at June 30, 2024.

	Within a year	2-5 years	Over 5 years	Total
Accounts payable and accrued liabilities	\$ 52,533	\$ —	\$ —	\$ 52,533
Deposit received	4,178	—	—	4,178
Income tax payable	2,042	—	—	2,042
Lease obligation	279	1,086	264	1,629
	\$ 59,032	\$ 1,086	\$ 264	\$ 60,382

The Company's customers are required to make full amount of payment as deposits prior to the shipment of its concentrate inventories, and the customers also have rights to demand repayment of any unused deposits paid.

8. Environmental Rehabilitation Provision

The estimated future environmental rehabilitation costs are based principally on the requirements of relevant authorities and the Company's environmental policies. The provision is measured using management's assumptions and estimates for future cash outflows. In view of uncertainties concerning environmental rehabilitation obligations, the ultimate costs could be materially different from the amounts estimated. The Company accrues these costs, which are determined by discounting costs using rates specific to the underlying obligation. Upon recognition of a liability for the environmental rehabilitation costs, the Company capitalizes these costs to the related mine and amortizes such amounts over the life of each mine on a unit-of-production basis. The accretion of the discount due to the passage of time is recognized as an increase in the liability and a finance expense.

As at June 30, 2024, the total inflated and undiscounted amount of estimated cash flows required to settle the Company's environmental rehabilitation provision was \$8.5 million (March 31, 2024 - \$8.6 million) over the next twenty years, which has been discounted using an average discount rate of 2.26% (March 31, 2024 - 2.26%).

The accretion of the discounted charge in Q1 Fiscal 2025 was \$0.04 million (Q1 Fiscal 2024 - \$0.05 million), and reclamation expenditures incurred in Q1 Fiscal 2025 was \$0.2 million (Q1 Fiscal 2024 - \$0.1 million).

9. Risks and Uncertainties

The Company is exposed to a number of risks in conducting its business, including but not limited to: metal price risk as the Company derives its revenue from the sale of silver, lead, zinc, and gold; credit risk in the normal course of dealing with other companies and financial institutions; foreign exchange risk as the Company reports its financial statements in the US dollar whereas the Company operates in jurisdictions that utilize other currencies; equity price risk and interest rate risk as the Company has investments in marketable securities that are traded in the open market or earn interest at

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market rates that are fixed to maturity or at variable interest rates; inherent risk of uncertainties in estimating mineral reserves and mineral resources; political risks; economic and social risks related to conducting business in foreign jurisdictions such as China, Mexico and Ecuador; environmental risks; risks related to its relations with employees and local communities where the Company operates, and emerging risks relating to the widespread outbreak of epidemics, pandemics, or other health crises, which has to date resulted in profound health and economic impacts globally and which presents future risks and uncertainties that are largely unknown at this time.

Management and the Board continuously assess risks that the Company is exposed to and attempt to mitigate these risks where practical through a range of risk management strategies.

These and other risks are described in the Company's Annual Information Form, NI 43-101 technical reports, Form 40-F, and annual Audited Consolidated Financial Statements, which are available on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov. Readers are encouraged to refer to these documents for a more detailed description of the risks and uncertainties inherent to Silvercorp's business.

(a) Financial Instruments Risk Exposure

The Company is exposed to financial risks, including metal price risk, credit risk, interest rate risk, foreign currency exchange rate risk, and liquidity risk. The Company's exposures and management of each of those risks is described in the condensed consolidated interim financial statements for the three months ended June 30, 2024 under Note 22 "Financial Instruments", along with the financial statement classification, the significant assumptions made in determining the fair value, and amounts of income, expenses, gains and losses associated with financial instruments. Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. The following provides a description of the risks related to financial instruments and how management manages these risks:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they arise. The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. Cash flow forecasting is performed regularly to ensure that there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and our holdings of cash and cash equivalents, and short-term investments.

Foreign exchange risk

The Company reports its financial statements in US dollars. The functional currency of the head office, Canadian subsidiaries and all intermediate holding companies is CAD and the functional currency of all Chinese subsidiaries is RMB. The functional currency of New Infini and its subsidiaries is USD. The Company is exposed to foreign exchange risk when the Company undertakes transactions and holds assets and liabilities in currencies other than its functional currencies.

The Company currently does not engage in foreign exchange currency hedging. The sensitivity of the Company's net income due to the exchange rates of the Canadian dollar against the U.S. dollar and the Australian dollar as at June 30, 2024 is summarized as follows:

	Cash and cash equivalents	Short-term investments	Other investments	Accounts payable and accrued liabilities	Net financial assets exposure	Effect of +/- 10% change in currency
US dollar	\$ 96,781	\$ 1,331	\$ 2,569	\$ (1,043)	\$ 99,638	\$ 9,964
Australian dollar	308	—	2,983	—	3,291	329
	\$ 97,089	\$ 1,331	\$ 5,552	\$ (1,043)	\$ 102,929	\$ 10,293

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Interest rate risk

The Company is exposed to interest rate risk on its cash equivalents and short-term investments. As at June 30, 2024, all of its interest-bearing cash equivalents and short-term investments earn interest at market rates that are fixed to maturity or at variable interest rates. The Company monitors its exposure to changes in interest rates on cash equivalents and short-term investments. Due to the short-term nature of these financial instruments, fluctuations in interest rates would not have a significant impact on the Company's net income.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk primarily associated with accounts receivable, due from related parties, cash and cash equivalents, and short-term investments. The carrying amount of assets included on the statements of financial position represents the maximum credit exposure.

The Company undertakes credit evaluations on counterparties as necessary, requests deposits from customers prior to delivery, and has monitoring processes intended to mitigate credit risks. There were no material amounts in trade or other receivables which were past due on June 30, 2024 (March 31, 2024 - \$nil).

Equity price risk

The Company holds certain marketable securities that will fluctuate in value as a result of trading on Canadian financial markets. As the Company's marketable securities holdings are mainly in mining companies, the value will also fluctuate based on commodity prices. Based upon the Company's portfolio as at June 30, 2024, a 10% increase (decrease) in the market price of the securities held, ignoring any foreign currency effects, would have resulted in an increase (decrease) to the net income and other comprehensive income of \$3.2 million and \$0.1 million, respectively.

(b) Metal price risk

The Company's sales price for silver is fixed against the Shanghai White Platinum & Silver Exchange as quoted at www.ex-silver.com; lead and zinc are fixed against the Shanghai Metals Exchange as quoted at www.shmet.com; and gold is fixed against the Shanghai Gold Exchange as quoted at www.sge.com.cn.

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of silver, lead, zinc, and gold contained in metal concentrates. The prices of those commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international and regional economic and political conditions; expectations of inflation; currency exchange fluctuations; interest rates; global or regional supply and demand for jewelry and industrial products containing silver and other metals; sale of silver and other metals by central banks and other holders, forward selling activities, speculators and producers of silver and other metals; availability and costs of metal substitutes; and increased production due to new mine developments and improved mining and production methods. The effects of these factors on the price of base and precious metals, and therefore the viability of the Company's exploration projects and mining operations, cannot be accurately predicted and thus the price of base and precious metals may have a significant influence on the market price of the Company's shares and the value of its projects.

If silver and other metal prices were to decline significantly for an extended period of time, the Company may be unable to continue operations, develop its projects, or fulfil obligations under agreements with the Company's joint venture partners or under its permits or licenses.

(c) Mineral Reserves and Mineral Resources estimates may not reflect the amount of minerals that may ultimately be extracted as uncertainties involved in the estimation of Mineral Resources and Mineral Reserves

The Mineral Resources and Mineral Reserves estimates of mineral assets as disclosed to investors/shareholders are based on a number of assumptions made by the relevant Qualified Persons in accordance with National Instrument 43-101

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("NI43-101") of Canada. Any report of Mineral Resources and Mineral Reserves estimates of our mineral assets not reviewed and checked by a Qualified Person is not NI43-101 compliance and cannot be relied on.

While operating in China, to apply or renew mining permit, one must follow China regulations. According to Chinese Mining Law, to apply or renew a mining permit in China, a report of Mineral Resources and Mineral Reserves estimates completed by certified (qualified) Chinese institute shall be reviewed by a panel organized by Industry Association such as provincial mining association. Then the report needs to be filed with the Department of Natural Resources or Ministry of Natural Resources (dependent on the size). Once mining permit has been granted, the report of Mineral Resources and Mineral Reserves estimates does not have to be updated until when to renew the mining permit. As the Chinese report generally use different standard, cut-off grade and cut-off time data or effective date, it may have different results from NI 43-101 Mineral Resources and Mineral Reserves estimates.

Each year, mines in China are required to file a "Dynamic Reconnaissance Report" on Mineral resources reports tonnage and grades mined and remaining at the year-end during the valid period of the mining permit from the zones in which the resources were reported in the first report of Mineral Resources and Mineral Reserves estimates which has been filed with Department of Natural Resources before applying the mining permit.

As the Chinese government doesn't require an updated report of Mineral Resources and Mineral Reserves estimates every year, any new discovery after mining permit issued and production may not be reflected in the annual "Dynamic Reconnaissance Report". Accordingly, this "Dynamic Reconnaissance Report" may have different results from a NI 43-101 report which may have been completed for that year as it will include any new discovery.

There is a degree of uncertainty attributable to the estimation of Mineral Resources, Mineral Reserves, mineralization and corresponding grades being mined or dedicated to future production. Until Mineral Resources, Mineral Reserves or mineralization are actually mined and processed, the quantity of metals and grades must be considered as estimates only. Our estimates of economically recoverable reserves are primarily based upon interpretations of geological models, which make various assumptions, such as assumptions with respect to prices, costs, regulations, and environmental and geological factors. These assumptions have a significant effect on the amounts recognized in our technical reports and our financial statements, and any material difference between these assumptions and actual events may affect the economic viability of our properties or any project undertaken by us.

There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Short-term operating factors relating to the Mineral Reserves, such as the need for orderly development of the ore bodies or the processing of new or different ore grades, may cause the mining operation to be unprofitable in any particular accounting period. Valid estimates made at a given time may significantly change when new information becomes available. Any material change in quantity of Mineral Resources, Mineral Reserves, mineralization, or grade may affect the economic viability of the Company's projects. In addition, there can be no assurance that precious or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests or during production, or that the existing known and experienced recoveries will continue.

(d) Mineral Reserve and Mineral Resource estimates may change adversely, and such changes may negatively impact our results of operations or financial conditions.

The Mineral Resources and Mineral Reserves estimates of our mineral properties are based on a number of assumptions, any adverse changes to which could require us to lower our Mineral Resources and Mineral Reserve estimates and no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that Mineral Reserves could be mined or processed profitably. These estimates are imprecise and depend upon geologic interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. The Mineral Resource and Mineral Reserve estimates have been determined based on assumed future prices, cut-off grades, operating costs and other estimates that may prove to be inaccurate. There can be no assurance that these estimates will be accurate, that Mineral Reserve, Mineral Resource or other mineralization figures will be accurate, or that the mineralization could be mined or processed profitably. The interpretation of drill results, the geology, grade, and continuity of our mineral deposits contains inherent uncertainty. Any material reductions in estimates of mineralization,

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or of our ability to extract this mineralization, could have a material adverse effect on our results of operations or financial condition.

The market price of silver, lead, zinc, gold, and other metals is subject to fluctuations, which can affect the economic viability of developing our Mineral Reserves for a specific project or lead to a reduction in reserves. There is no guarantee that Mineral Resource estimates will be reclassified as Proven or Probable Reserves or that the mineralization can be mined or processed profitably. Inferred Mineral Resources are highly uncertain in terms of their existence and economic and legal feasibility. Additionally, Mineral Resource estimates may be revised based on actual production experience. The evaluation of reserves and resources is influenced by economic and technological factors that may change over time. If our Mineral Reserve or Mineral Resource figures are decreased in the future, it could have a negative impact on our cash flows, earnings, operational results, and financial condition.

(e) Mineral exploration activities have a high risk of failure and may never result in finding ore bodies sufficient to develop a producing mine.

The long-term operation of our business and profitability is dependent, in part, on the cost and success of our exploration and development programs. Mineral exploration and development involve a high degree of risk and few properties that are explored are ultimately developed into producing mines. There can be no assurance that our mineral exploration and development programs will result in any discoveries of bodies of commercial mineralization. There can also be no assurance that even if commercial quantities of mineralization are discovered that a mineral property will be brought into commercial production. Development of our mineral properties will follow only upon obtaining satisfactory exploration results.

Discovery of mineral deposits is dependent upon a number of factors, including the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), metals prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond our control. As a result, there can be no assurance that our exploration and development programs will yield reserves to replace or expand current resources. Unsuccessful exploration or development programs could have a material adverse effect on our operations and profitability.

(f) Mineral project has a finite life and eventual closure of the mineral projects will entail costs and risks regarding on-going, rehabilitation, and compliance with environmental standards.

All mining operations have a finite life and will eventually close. The key costs and risks for mine closures are (i) long-term management of permanent engineered structures; (ii) achievement of environmental remediation rehabilitation and closure standards (including the assessment, funding and implementation of post-closure polluted and extraneous water pumping treatment); (iii) orderly retrenchment of employees; and (iv) relinquishment of the site with associated permanent structures and community development infrastructure and programs to new owners. The successful completion of these tasks is dependent on our ability to successfully implement negotiated agreements with the relevant government authorities, communities, and employees. The consequences of a difficult closure range from increased closure costs and handover delays to on-going environmental rehabilitation costs and damage to our reputation if a desired outcome cannot be achieved, all of which could materially and adversely affect our business and results of operations.

(g) Our activities and business could be adversely affected by the effects of public health crises in regions where we conduct our business operations

Global financial conditions and the global economy in general have at various times in the past and may in the future, experience extreme volatility in response to economic shocks or other events. Many industries including the mining industry, are impacted by volatile conditions in response to the widespread outbreak of epidemics, pandemics, or other health crises. Such public health crises and the responses of governments and private actors can result in disruptions and volatility in economies, financial markets, and global supply chain as well as declining trade and market sentiment and

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reduced mobility of people, all of which could impact commodity prices, interest rates, credit ratings, credit risk and inflation.

There is no guarantee that we will not experience disruptions to some of the active mining operations due to any health epidemics in the future. Any spread of public health crises could materially and adversely impact our business, including without limitation, employee health, workforce availability and productivity, limitations on travel, supply chain disruptions, increased insurance premiums, increased costs and reduced efficiencies, the availability of industry experts and personnel, restrictions on our exploration and drilling programs and/or the timing to process drill and other metallurgical testing and the slowdown or temporary suspension of operations at some or all of our properties, resulting in reduced production volumes. Although we have the capacity to continue certain administrative functions remotely, many other functions, including mining operations, cannot be conducted remotely. Any such disruptions could have an adverse effect on our production, revenue, net income and business.

(h) Market conditions may adversely affect our results of operations and financial condition

Many industries, including the mining industry, are impacted by market conditions. Some of the key impacts of the recent financial market turmoil include risks relating to public health crises, contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metals markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates, and tax rates may adversely affect our growth and profitability. Specifically: (i) the volatility prices for silver, lead, zinc, gold and other metals we sold may impact our revenue, profits, losses, and cash flow; (ii) volatile energy prices, commodity and consumable prices and currency exchange rates would impact our production costs; and (iii) the devaluation and volatility of global stock markets may impact the valuation of our equity and other securities. These factors could have a material adverse effect on our financial condition and results of operations.

(i) Actual capital costs, operating costs, production and economic returns may differ significantly from those we have anticipated, and future development activities may not result in profitable mining operations

There is no assurance if and when a particular mineral property of ours can enter into production. The amount of future production is based on the estimates prepared by or for us. The capital and operating costs to take our projects into production or maintain or increase production levels may be significantly higher than anticipated. Capital and operating costs of production and economic returns are based on estimates prepared by or for us and may differ significantly from their actual values. There can be no assurance that our actual capital and operating costs will not be higher than currently anticipated. In addition, the construction and development of mines and infrastructure are complex. Resources invested in construction and development may yield outcomes that may differ significantly from those anticipated by us.

(j) We may fail to successfully acquire and integrate future acquisitions into existing operations

If we plan to acquire mineral assets in other overseas jurisdictions, the successful completion of such acquisitions are subject to risks and uncertainties relating to the relevant countries or regions, including but not limited to, (i) exposure to international, regional and local economic and conditions and regulatory policies; (ii) exposure to different legal standards and ability to enforce contracts in some jurisdictions; (iii) changes in legal development and enforcement; (iv) restrictions or requirements relating to foreign investments, in particular, on mineral resources; and (v) compliance with the requirements of applicable sanctions, anti-bribery and related laws and regulations.

If we make other acquisitions, any positive effects will depend on a variety of factors, including but not limited to: integration of the acquired business or property in a timely and efficient manner; maintaining our financial and strategic focus while integrating the acquired business or property; implementing uniform standards, controls, procedures and policies at the acquired business, as appropriate; and to the extent that we make an acquisition outside of the markets in which we have previously operated, conducting and managing operations in a new operating environment.

Acquiring additional businesses or properties could place pressure on our cash reserves if such acquisitions involve cash consideration or if such acquisitions involve share consideration, existing shareholders may experience dilution. The

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integration of our existing operations with any acquired business may require significant expenditures of time, attention, and funds. Achievement of the benefits expected from consolidation may require us to incur significant costs in connection with, among other things, implementing financial and planning systems. We may not be able to integrate the operations of a recently acquired business or restructure our previously existing business operations without encountering difficulties and delays. In addition, this integration may require significant attention from our management team, which may detract attention from our day-to-day operations.

Over the short-term, difficulties associated with integration could have a material adverse effect on our business, operating results, financial condition and the price of our Common Shares. In addition, the acquisition of mineral properties may subject us to unforeseen liabilities, including environmental liabilities, which could have a material adverse effect on us. There can be no assurance that any future acquisitions will be successfully integrated into our existing operations.

(k) The permits and licenses required for our mining and explorations may not be granted or renewed

All mineral resources and mineral reserves of the Company's subsidiaries are owned by their respective governments. Mineral exploration and mining activities in China may only be conducted by entities that have obtained or renewed exploration or mining permits and licenses in accordance with the relevant mining laws and regulations. Under the Chinese laws and regulations, if there are residual reserves in a property when the mining permit in respect of such property expires, the holder of the expiring mining permit will be entitled to apply for an extension for an additional term. The Company believes that there will be no material substantive obstacle in renewing such permits. Nevertheless, there can be no assurance as to whether the current relevant Chinese laws and regulations, as well as the current mining industry policy, will remain unchanged at the time of the extension application of such permits, nor can there be any assurance that the competent authorities will not use their discretion to deny or delay the renewal or the extension of relevant mining permits due to factors outside the Company's control. Therefore, there can be no assurance that the Company will successfully renew its mining permits on favourable terms, or at all, once such permits expire.

Any failure to obtain or any delay in obtaining or retaining any required governmental approvals, permits or licenses could subject the Company to a variety of administrative penalties or other government actions and adversely impact the Company's business operations. The relevant state and provincial authorities in China do not allow exploration permit renewal applications to be submitted earlier than 30 days before the permit expiration date and a delay of 2 to 3 months for permit application processing times is not uncommon. The relevant state and provincial authorities in China do not issue formal documentation to guarantee permit renewal while processing renewal applications. If any administrative penalties and other government actions are imposed on or taken against the Company due to the Company's failure to obtain, or delay in obtaining or retaining, any required governmental approvals, permits or licenses, the Company's business, financial condition and results of operations could be materially and adversely affected.

No guarantee can be given that the necessary exploration and mining permits and licenses will be issued to the Company or, if they are issued, that they will be renewed, or if renewed under reasonable operational and/or financial terms, or in a timely manner, or that the Company will be in a position to comply with all conditions that are imposed.

(l) The title to our mineral projects may be uncertain or defective, which put our investment in such properties at risk

The validity of mining or exploration titles or claims or rights, which constitute most of our property holdings, can be uncertain and may be contested. Our properties may be subject to prior unregistered liens, agreements or transfers, indigenous land claims, or undetected title defects. In some cases, we do not own or hold rights to the mineral concessions we mine. We have not conducted surveys of all the claims in which we hold direct or indirect interests and therefore, the precise area and location of such claims may be in doubt. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining titles or claims, or that such exploration and mining titles or claims will not be challenged or impugned by third parties.

We may be unable to operate our properties as expected, or to enforce our rights to our properties. Any defects in title to our properties, or the revocation of our rights to mine, could have a material adverse effect on our operations and financial condition.

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We operate in countries with developing mining laws, and changes in such laws could materially impact our rights or interests to our properties. We are also subject to expropriation risk, including the risk of expropriation or extinguishment of property rights based on a perceived lack of development or advancement. Expropriation, extinguishment of rights and any other such similar governmental actions would likely have a material adverse effect on our operations and profitability.

In the jurisdictions in which we operate, legal rights applicable to mining concessions are different and separate from legal rights applicable to surface lands. Accordingly, title holders of mining concessions in many jurisdictions must agree with surface landowners on compensation in respect of mining activities conducted on such land. We do not hold title to all of the surface lands at many of our operations and rely on contracts or other similar rights to conduct surface activities.

Title insurance is generally not available for mineral properties in China and the Company's ability to ensure that it has obtained secure claims to individual mineral properties or mining concessions may be severely constrained. Accordingly, the Company may have little or no recourse as a result of any successful challenge to title to any of its properties. The Company's properties may be subject to prior unregistered liens, agreements or transfers, land claims or undetected title defects which may have a material adverse effect on the Company's ability to develop or exploit the properties.

(m) Our non-controlling interest shareholders could materially affect our results of operations and financial conditions

Our interests in various projects may, in certain circumstances, become subject to the risks normally associated with the conduct of non-controlling interest shareholders. The existence or occurrence of one or more of the following events could have a material adverse impact on our profitability or the viability of our interests held with non-controlling interest shareholders, which could have a material adverse impact on our business prospects, results of operations and financial conditions: (i) disagreements with non-controlling interest shareholders on how to conduct exploration; (ii) inability of non-controlling interest shareholders to meet their obligations to the applicable entity or third parties; and (iii) disputes or litigation between shareholders regarding budgets, development activities, reporting requirements and other matters.

(n) We may not successfully acquire additional commercially mineable mineral rights

Most exploration projects do not result in the discovery of commercially mineable ore deposits and no assurance can be given that any particular level of recovery of Mineral Reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited.

Our future growth and productivity will depend, in part, on our ability to identify and acquire additional mineral rights, and on the costs and results of continued exploration and development programs. Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to: (i) establish Mineral Reserves through drilling and metallurgical and other testing techniques; (ii) determine metal content and metallurgical recovery processes to extract metal from the ore; and (iii) construct, renovate or expand mining and processing facilities.

In addition, if we discover a mineral deposit, it will likely take at least several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production may change.

Our success at completing any acquisitions will depend on a number of factors, including, but not limited to identifying acquisitions that fit our business strategy; negotiating acceptable terms with the seller of the business or property to be acquired; and obtaining approval from regulatory authorities in the jurisdictions of the business or property to be acquired. As a result of these uncertainties, there can be no assurance that we will successfully acquire additional mineral rights.

(o) Our business requires significant and continuous capital investment and we may experience difficulty obtaining financing

Our operations and future growth require a high level of capital expenditure. We have invested significant amount in the past and will continue to invest in maintaining and expanding our mining operations. The amount of our capital expenditure depends on a number of factors, such as the projected production mine plan over the life of mine,

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refurbishing infrastructure, replacement of equipment due to wear and tear and availability of funding for our exploration projects.

In addition, if more of our exploration programs are successful in establishing ore of commercial tonnage and grade, additional funds will be required for the development of the ore body and to place it in commercial production. Therefore, our ability to continue exploration and development activities, if any, will depend in part on our ability to obtain suitable financing.

We intend to fund our capital expenditures, future acquisitions, and plan of operations from working capital, proceeds of production, external financing, strategic alliances, sale of property interests and other financing alternatives. The sources of external financing that we may use for these purposes include project or bank financing, or public or private offerings of equity or debt. Our ability to obtain external financing in the future at a reasonable cost is subject to a variety of uncertainties, including, among others: (i) our future financial condition, results of operations and cash flows; (ii) the condition of the global and domestic financial markets; and (iv) changes in the monetary policy of the relevant jurisdictions with respect to bank interest rates and lending practices. There is no assurance that those sources of external financing will continue to be available as required or on suitable terms, or at all. If we require additional funds and cannot obtain them on acceptable terms when required or at a reasonable financing cost or at all, we may be unable to fulfill our working capital needs, upgrade our existing facilities or expand our business. These or other factors may also prevent us from entering into transactions that would otherwise benefit our business or implementing our future strategies. Any of these factors may have a material adverse effect on our business, financial condition and results of operations.

In addition, another source of future funds presently available to us is through the sale of equity capital. There is no assurance this source of financing will continue to be available as required or on suitable terms, or at all. If it is available, future equity financings may result in substantial dilution to shareholders. Another alternative for the financing of further exploration would be the offering by us of an interest in the properties to be earned by another party or parties carrying out further exploration or development thereof. There can be no assurance we will be able to conclude any such agreements, on favorable terms or at all. The failure to obtain financing could have a material adverse effect on our growth strategy and results of operations and financial condition.

(p) We operate in a highly competitive industry

The mining industry in general is intensely competitive and there is no assurance that a ready market will exist for the sale of metal concentrate, by us. Marketability of natural resources which may be discovered by us will be affected by numerous factors beyond our control, such as market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations including regulations relating to prices, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of such factors cannot be predicted but they may result in us not receiving an adequate return on our capital.

We may be at a competitive disadvantage in acquiring additional mining properties because we must compete with other individuals and companies, many of which have greater financial resources, operational experience, and technical capabilities than us. We may also encounter increasing competition from other mining companies in our efforts to hire experienced mining professionals. Competition for exploration resources at all levels is currently very intense, particularly affecting the availability of manpower. Increased competition could adversely affect our ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

(q) A continue or worsened slowdown in the financial markets or other economic conditions could have material adverse effect on our business, financial condition and results of operations

General economic conditions may adversely affect our growth, profitability, and ability to obtain financing. Events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the silver and gold mining industry, have been and continue to be impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market confidence and liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, consumer spending, employment rates, business conditions, inflation, fuel and

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energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth, profitability and ability to obtain financing. A number of issues related to economic conditions could have a material adverse effect on our business, financial condition and results of operations, including:

- contraction in credit markets could impact the cost and availability of financing and our overall liquidity;
- the volatility of silver, lead, zinc, gold and other metal prices would impact our revenues, profits, losses and cash flow;
- recessionary pressures could adversely impact demand for our production;
- volatile energy, commodity and consumables prices and currency exchange rates could impact our production costs;
- the devaluation and volatility of global stock markets could impact the valuation of our equity and other securities; and
- significant disruption to the global economic conditions caused by public health crises.

(r) We rely on third-party contracts to conduct specific drilling, mining and tunneling and ore transportation work

It is common for mining companies like us to engage third-party contractors to carry out the specific exploring and mining work. We designed, planned and monitored our exploring activities and we have retained full control of the crucial functions of our mining operations, including the decision of mining method and formulation of production safety programs. We primarily outsourced our (i) drilling; (ii) mining and tunneling; and (iii) ore transportation within our mines and ore processing plants to third-party contractors according to our design and plan and the relevant applicable production safety requirements.

As a result, our operations will be affected by the performance of these third-party contractors. Although we monitor the works of those third-party contractors to ensure that they are carried out on time, on budget and in accordance with our mine plans and specifications, we may not be able to control the quality, safety and environmental standards of the works conducted by those third-party contractors to the same extent as the works conducted by our own employees. In such event, we may become engaged in disputes with them, which could lead to additional expenses, distractions and potentially loss of production time and additional costs, any of which could materially and adversely affect our business, financial condition and results of operations.

(s) The production, processing and product delivery capabilities of our mining assets rely on their infrastructure being adequate and remaining available

Our operations depend on adequate infrastructure of our mining assets. Roads, power sources, transport infrastructure and water supplies are essential for the conduct of these operations and the availability and cost of these utilities and infrastructure affect capital and operating costs and, therefore, our ability to maintain expected levels of production and results of operations. Unusual weather or other natural phenomena, sabotage or other interference in the maintenance or provision of such infrastructure could impact the development of a project, reduce production volumes, increase extraction or exploration costs, or delay the transportation of raw materials to the mines and projects and commodities to end customers. Any such issues arising in respect of the infrastructure supporting or on our sites could have a material adverse effect on our business, results of operations, financial condition and prospects.

(t) We may not be able to maintain the provision of adequate and uninterrupted supplies of utilities at commercially acceptable prices, or at all

Electricity and water are the main utilities used in our operations. Our mining and ore processing processes require adequate and stable supply of electricity. No assurance can be given that we would not be subject to any power outages in the future. If we are to be subject to power outages or there is prolonged power shortage in the future or there are any possible changes in the power consumption policies adopted by the PRC government and any other

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overseas government where our mineral assets are located, our production will be inevitably disrupted. Our business, financial conditions and results of operation will therefore be adversely and materially affected.

In addition, there can be no assurance that supplies of utilities will not be interrupted or that their prices will not increase in the future. In the event that our existing suppliers cease to supply us with utilities at commercially acceptable prices or at all, our operations will be interrupted, and our financial condition and results of operations will be materially and adversely affected.

(u) Our reputation in the communities in which we operate could deteriorate

The continued success of our existing operations and its future projects are in part dependent upon broad support of and a healthy relationship with the respective local communities, in addition to conducting operations in a manner that is not detrimental to the environment. If it is perceived that we are not respecting or advancing the economic and social progress and safety of the communities in which we operate, our reputation and shareholder value could be damaged, which could have a negative impact on our "social license to operate", our ability to secure new resources and its financial performance.

The consequences of negative community reaction could therefore have a material adverse impact on the cost, profitability, ability to finance or even the viability of an operation. Such events could lead to disputes with national or local governments or with local communities or any other stakeholders and give rise to material reputational damage. If our operations are delayed or shut down as a result of political and community instability, its earnings may be constrained, and the long-term value of its business could be adversely impacted. Even in cases where no action adverse to us is actually taken, the uncertainty associated with such political or community instability could negatively impact the perceived value of our assets and mining investments and, consequently, have a material adverse effect on our financial condition. Failure to comply with the social and labor plan could adversely impact upon our social license to operate and may result in the suspension and/or cancellation of our mining rights.

(v) We are subject to environmental, health and safety laws, regulation, permits that may subject us to material costs, liabilities and obligations

The Company's activities are subject to extensive laws and regulations governing environmental protection and employee health and safety, including environmental laws and regulations in China and other jurisdictions where our mineral assets may be located. These laws address emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species, and reclamation of lands disturbed by mining operations. The Company's Chinese subsidiaries are required to have been issued environmental permits and safety production permits with various expiration dates. These permits are also subject to periodic inspection by government authorities. Failure to pass the inspections may result in penalties. No guarantee can be given that the necessary permits will be issued to the Company or, if they are issued, that they will be renewed, or if renewed under reasonable operational and/or financial terms, or in a timely manner, or that the Company will be in a position to comply with all conditions that are imposed. Failure to comply with the relevant Chinese and other relevant jurisdiction's environmental laws and regulations could materially and adversely affect our business and results of operations.

Nearly all mining projects require government approval and permits relating to environmental, social, land and water usage, community matters, and other matters. There are also laws and regulations prescribing reclamation activities on some mining properties. Environmental legislation in many countries, including China, is evolving and the trend has been toward stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of us and may cause material changes or delays in our intended activities.

There can be no assurance that we have been or will be at all times in complete compliance with current and future environmental, and health and safety laws, and the status of permits will not materially adversely affect our business, results of operations or financial condition. Amendments to current PRC and other relevant jurisdiction's laws and regulations governing operations and activities of mining companies or more stringent implementation thereof could have a material adverse impact on us and cause increases in capital expenditure, production costs or reductions in levels

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of production at producing properties or require abandonment or delays in the development of new mining properties. It is possible that future changes in these laws or regulations could have a significant adverse impact on some portion of our business, causing us to re-evaluate those activities at that time. Our compliance with environmental laws and regulations entails uncertain costs.

(w) Our operation involves significant risks and hazards inherent to the mining industry

Mining is inherently dangerous and the Company's operations are subject to a number of risks and hazards including, without limitation: environmental hazards; discharge of pollutants or hazardous chemicals; industrial accidents; failure of processing and mining equipment; labour disputes; supply problems and delays; encountering unusual or unexpected geologic formations or other geological or grade problems; encountering unanticipated ground or water conditions; cave-ins, pit wall failures, flooding, rock bursts and fire; periodic interruptions due to inclement or hazardous weather conditions; equipment breakdown; other unanticipated difficulties or interruptions in development, construction or production; other acts of God or unfavourable operating conditions; and health and safety risks associated with spread of pandemics, and any future emergence and spread of similar pathogens.

Such risks could result in damage to, or destruction of, mineral properties or processing facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, monetary losses and possible legal liability. Satisfying such liabilities may be very costly and could have a material adverse effect on the Company's future cash flow, results of operations and financial condition.

(x) Our operations and financial results could be adversely affected by climate change

There is significant evidence of the effects of climate change on our planet and an intensifying focus on addressing these issues. The Company recognizes that climate change is a global challenge that may have both favorable and adverse effects on our business in a range of possible ways. Mining and processing operations are energy intensive and result in a carbon footprint either directly or through the purchase of fossil-fuel based electricity. As such, the Company is impacted by current and emerging policy and regulation relating to greenhouse gas emission levels, energy efficiency, and reporting of climate-change related risks. While some of the costs associated with reducing emissions may be offset by increased energy efficiency, technological innovation, or the increased demand for our metals as part of technological innovations, the current regulatory trend may result in additional transition costs at some of our operations. Governments are introducing climate change legislation and treaties at the international, national, and local levels, and regulations relating to emission levels and energy efficiency are evolving and becoming more rigorous. Current laws and regulatory requirements are not consistent across the jurisdictions in which we operate, and regulatory uncertainty is likely to result in additional complexity and cost in our compliance efforts. Public perception of mining is, in some respects, negative and there is increasing pressure to curtail mining in many jurisdictions as a result, in part, of perceived adverse effects of mining on the environment.

Concerns around climate change may also affect the market price of our shares as institutional investors and others may divest interests in industries that are thought to have more environmental impacts. While we are committed to operating responsibly and reducing the negative effects of our operations on the environment, our ability to reduce emissions, energy and water usage by increasing efficiency and by adopting new innovation is constrained by technological advancement, operational factors and economics. Adoption of new technologies, the use of renewable energy, and infrastructure and operational changes necessary to reduce water usage may also increase our costs significantly. Concerns over climate change, and our ability to respond to regulatory requirements and societal pressures, may have significant impacts on our operations and on our reputation, and may even result in reduced demand for our products.

The physical risks of climate change could also adversely impact our operations. These risks include, among other things, extreme weather events, resource shortages, changes in rainfall and in storm patterns and intensities, water shortages, changing sea levels and extreme temperatures. Climate-related events such as mudslides, floods, droughts and fires can have significant impacts, directly and indirectly, on our operations and could result in damage to our facilities, disruptions in accessing our sites with labour and essential materials or in shipping products from our mines, risks to the safety and security of our personnel and to communities, shortages of required supplies such as fuel and chemicals, inability to source enough water to supply our operations, and the temporary or permanent cessation of one or more of our operations. There is no assurance that we will be able to anticipate, respond to, or manage the risks associated with

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physical climate change events and impacts, and this may result in material adverse consequences to our business and to our financial results.

(y) We may be subject to regulatory investigations, claims and legal proceeding that could materially and adversely impact our business, financial condition, or results of operations

Due to the nature of our business, we may be subject to numerous regulatory investigations, claims, lawsuits, and other proceedings in the ordinary course of our business. The results of these legal proceedings cannot be predicted with certainty due to the uncertainty inherent in litigation, including the discovery of evidence process, the difficulty of predicting decisions of judges and juries and the possibility that decisions may be reversed on appeal. There can be no assurance that these matters will not have a material adverse effect on our business.

No assurance can be given with respect to the ultimate outcome of current or future litigation or regulatory proceedings, and the amount of any damages awarded, or penalties assessed in such a proceeding could be substantial. In addition to monetary damages and penalties, the allegations made in connection with the proceedings may have a material adverse effect on the reputation of us and may impact our ability to conduct operations in the normal course.

Litigation and regulatory proceedings also require significant resources to be expended by the Directors, officers and employees of ours and as a result, the diversion of such resources could materially affect the ability of us to conduct our operations in the normal course of business. Significant fees and expenses may be incurred by us in connection with the investigation and defense of litigation and regulatory proceedings. We may also be obligated to indemnify certain directors, officers, employees, and experts for additional legal and other expenses pursuant to such proceedings, which additional costs may be substantial and could have a negative effect on our future operating results. We may be able to recover certain costs and expenses incurred in connection with such matters from our insurer. However, there can be no assurance regarding when or if the insurer will reimburse us for such costs and expenses.

The Company is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of business activities. Each of these matters is subject to various uncertainties and it is possible that some of these other matters may be resolved in a manner that is unfavourable to the Company which may result in a material adverse impact on the Company's financial performance, cash flow or results of operations. The Company carries liability insurance coverage and establishes provisions for matters that are probable and can be reasonably estimated, however there can be no guarantee that the amount of such coverage is sufficient to protect against all potential liabilities. In addition, the Company may in the future be subjected to regulatory investigations or other proceedings and may be involved in disputes with other parties in the future which may result in a significant impact on our financial condition, cash flow and results of operations.

With respect our recent acquisition of Adventus, there was a litigation brought by a group of plaintiffs against a government agency of Ecuador concerning the environmental consultation process of the Company's Curipamba-El Domo Project and sought to void the environmental license of the project. The local court in Las Naves Canton, Boliva Province, Ecuador rejected the litigation and ruled the Ecuadorean government correctly discharged its environmental consultation obligation prior to issuing an environmental license for the project on July 24, 2024. However, the plaintiffs have given notice of their intention to appeal to the relevant provincial court. The appeal has not yet been heard and the ultimate result of the appeal is uncertain. In the event that the ruling of the appeal is against the Ecuadorean government, the Ecuadorean government could cancel the licenses and restart the consultation process, which could significantly delay the construction of the project.

(z) Our information technology system may be vulnerable to disruption, which could place our systems at risk for data loss, operation failure, or compromise of confidential information

We are subject to cybersecurity risks including unauthorized access to privileged information, destroy data or disable, degrade or sabotage our systems, including through the introduction of computer viruses. Although we take steps to secure our configurations and manage our information system, including our computer systems, internet sites, emails and other telecommunications, and financial/geological data, there can be no assurance that measures we take to ensure the integrity of our systems will provide adequate protection, especially because cyberattack techniques used change frequently or are not recognized until successful. We have not experienced any material cybersecurity incident in the past,

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but there can be no assurance that we would not experience in the future. If our systems are compromised, do not operate properly or are disabled, we could suffer financial loss, disruption of business, loss of geology data which could affect our ability to conduct effective mine planning and accurate mineral resources estimates, loss of financial data which could affect our ability to provide accurate and timely financial reporting.

(aa) We are dependent on management and key personnel

Our management team all have extensive experience in the mineral resources industry, and our non-executive directors also have extensive experience in mining and/or exploration, corporate laws, accounting or investments. Our success depends to a significant extent upon our ability to retain, attract and train key management personnel, in Canada, China and other jurisdictions where the Company conduct business operations.

We depend on the services of several key personnel, including the Chief Executive Officer, President, Chief Financial Officer, and the operational management team. The loss of any one of whom could have an adverse effect on our operations. Our ability to manage growth effectively will require us to continue to implement and improve management systems and to recruit and train new employees. We cannot be assured that we will be successful in attracting and retaining skilled and experienced personnel.

(bb) Our directors and officers may have conflicts of interest as a result of their relationship with other mining companies that are not affiliate with us

Conflicts of interest may arise as a result of our directors and officers also holding positions as directors and/or officers of other companies. Some of those persons who are our directors and officers have and will continue to be engaged in the identification and evaluation of assets and business opportunities and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers may be in direct competition with us. Conflicts, if any, will be subject to the procedures and remedies under the Business Corporations Act (British Columbia).

(cc) Changes in economic, political or social conditions or government policies in China could have a material adverse effect on our business and results of operations

As at date of this report, all the Company's material mining operations are in China. Accordingly, our business, results of operations and financial conditions are, to a material extent, subject to economic, political, social conditions and legal and regulatory development in China. The market conditions and levels of consumer spending in China are influenced by many factors beyond our control, including consumer perception of current and future economic conditions, levels of employment, inflation or deflation, household income, interest rates, taxation and currency exchange rates.

It may be difficult for us to predict all the risks and uncertainties that we may face from the current and future economic, political, social, legal and regulatory development in China. Any severe or prolonged negative impacts on the economic, political or social conditions in China may affect our business, results of operations, financial conditions and business prospects.

(dd) We are subject to laws and regulations in other jurisdictions, breaching of which could have a material and adverse impact on our business, results of operations, financial conditions and business prospects

The Company is incorporated in Canada with corporate office in Vancouver, Canada. As at the date of this report, the Company i) is conducting mining and exploration operations in China; ii) holds minority interest in NUAG, which held majority interests in three different mineral properties located in Bolivia; (iii) holds minority interest in Tincorp, which held 100% interests in two tin projects in Bolivia and a gold project in Yukon, Canada; and (iv) controls several exploration projects in Ecuador and Ireland through the acquisition of Adventus. In addition, we also controls a subsidiary who incorporated in Mexico and used to hold an exploration permit in Mexico. We are subject to laws and regulations in those jurisdictions. Foreign laws and regulations, particularly, in areas of mining, import and export controls, data protection and privacy may have significant impacts on our operations. Such laws and regulations may require us to obtain licenses, permits and consents from various governmental authorities and indigenous groups. Failure to comply with applicable laws and regulations, including licensing and permitting requirements, may result in civil or criminal fines, penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures, requiring the installation of additional equipment, requiring remedial actions or imposing

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additional local or foreign parties as joint venture partners, any of which could result in significant expenditures or loss of income by us. We may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations, licensing requirements or permitting requirements.

Our income and mining, exploration and development projects, could be adversely affected by amendments to such laws and regulations, by future laws and regulations, by more stringent enforcement of current laws and regulations, by changes in the policies of China, Bolivia, Ecuador, Mexico and other applicable jurisdictions affecting investment, mining and repatriation of financial assets, by shifts in political attitudes in those jurisdictions and by exchange controls and currency fluctuations. The effect, if any, of these factors cannot be accurately predicted. Further, there can be no assurance that we will be able to obtain or maintain all necessary licenses and permits that may be required to carry out exploration, development and mining operations in those jurisdictions.

Compliance with foreign laws and regulations may be onerous and costly. Such laws and regulations are evolving, and they may not be consistent from jurisdiction to jurisdiction, which may further increase our compliance costs. We have implemented appropriate internal control policies and measures to ensure our operations in foreign jurisdictions are in full compliance. However, we cannot guarantee that our efforts in complying with such laws and regulations are sufficient and effective and are updated in a timely manner. In addition, we may further expand our operations into other foreign jurisdictions, which will expose us to further legal risks and incur additional compliance costs to us. If we are found to be in breach of laws and regulations in foreign jurisdictions, we may be subject to penalties, fines and sanctions by relevant regulatory authorities, which in turn may have a material and adverse impact on our business, results of operations, financial conditions and business prospects. As at date of this report, all the Company's material mining operations are in China. Accordingly, our business, results of operations and financial conditions are, to a material extent, subject to economic, political, social conditions and legal and regulatory development in China. The market conditions and levels of consumer spending in China are influenced by many factors beyond our control, including consumer perception of current and future economic conditions, levels of employment, inflation or deflation, household income, interest rates, taxation and currency exchange rates.

It may be difficult for us to predict all the risks and uncertainties that we may face from the current and future economic, political, social, legal and regulatory development in China, Bolivia, Ecuador, and Mexico. Any severe or prolonged negative impacts on the economic, political or social conditions in these countries may affect our business, results of operations, financial conditions and business prospects.

(ee) The M&A Rules and certain other regulations establish complex procedures for certain acquisition of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth opportunities through acquisition in China

On August 8, 2006, six Chinese regulatory authorities, including the Ministry of Commerce ("MOFCOM") and other government authorities jointly issued the Rules on Mergers and Acquisitions of Domestic Enterprise by Foreign Investors which was effective on September 8 2006 and amended on 22 June 2009 (the "M&A Rules"). The M&A Rules and other regulations and rules concerning mergers and acquisitions established procedures and requirements that could make merger and acquisition activities by foreign investors time consuming and complex. For example, the M&A Rules requires MOFCOM be notified in advance of any change-of control transaction in which a foreign investor takes control of a Chinese domestic enterprise, if (i) any important industry is concerned; (ii) such transaction involves factors that have or may have impact on the national economic security; or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or China time-honored brand. Moreover, the Anti-Monopoly Law of China promulgated by the Standing Committee of the National People's Congress ("SCNPC") which became effective in 2008 and recently amended in 2022 requires that transactions which are deemed concentrations and involve parties with specified share of the market must be cleared by the State Administration for Market Supervision ("SAMR") before they can be completed. In addition, the Notice of the General Office of the State Council on the Implementation of Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, effective in March 2011, and Measures for the Security Review of Foreign Investment, effective in January 2021, require acquisitions by foreign investors of Chinese companies engaged in certain industries that are crucial to national security be subject to security review before the consummation of such acquisition.

In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any

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required approval processes, including obtaining approval from the MOFCOM or its local counterparts, may delay or inhibit our ability to complete such transactions. The MOFCOM or other government agencies may publish explanations in the future determining that our business is in an industry subject to the security review, in which case our future acquisitions in China, including those by way of entering contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

(ff) The permit, filing or other requirements of relevant government authorities in relation to our future equity or convertible financing or share listing application to exchanges other than TSX and NYSE American may be required under the laws of China

On July 6, 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the Opinions on Strictly Cracking Down on Illegal Securities Activities, which emphasized the need to strengthen the administration over illegal listing, and the supervision over overseas listing by domestic companies. Stringent measures aimed at establishing a robust regulatory system are expected to be taken to deal with the risks associated with overseas listed companies based in or having significant operations in the PRC, and to tackle any related cybersecurity and data security, cross-border data transmission, and confidential information management, among other matters.

Further, on February 17, 2023, the China Securities Regulatory Commission ("CSRC") released the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Companies and five ancillary interpretive guidelines (collectively, the "Overseas Listing Trial Measures"), which apply to overseas offerings and listing by domestic companies of equity shares, depository receipts, corporate bonds convertible to equity shares, and other equity securities, and came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, overseas offering and listing by domestic companies shall be made in strict compliance with relevant laws, administrative regulations and rules concerning national security in spheres of foreign investment, cybersecurity and data security and duly fulfill their obligations to protect national security, and the domestic companies may be required to rectify, make certain commitment, divest business or assets, or take any other measures as per the competent authorities' requirements, so as to eliminate or avert any impact of national security resulting from such overseas offering and listing. No overseas offering and listing shall be made under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law, among other scenarios. The Overseas Listing Trial Measures provide that if an issuer meets both of the following conditions, the overseas securities offering and listing conducted by such issuer will be determined as an indirect overseas offering and listing subject to the filing procedure set forth under the Overseas Listing Trial Measures: (i) 50% or more of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements over the same period for the most recent accounting year is accounted for by domestic companies; and (ii) the main parts of the issuer's business activities are conducted in China, or its main places of business are located in China, or the senior managers in charge of its business operation and management are mostly Chinese citizens or domiciled in China. For an initial public offering and listing in an overseas market, the issuer shall designate a major domestic operating entity to file with the CSRC within three working days after the relevant application is submitted overseas.

Pursuant to these regulations, our future capital raising activities such as follow-on equity or debt offerings, listing on other stock exchanges, and going private transactions, may be subject to the filing requirement with the CSRC. Failure to complete such filing procedures as required under the Overseas Listing Trial Measures, or a rescission of any such filings completed by us, would subject us to sanctions by the CSRC or other Chinese regulatory authorities, which could include fines and penalties on our operations in China, and other forms of sanctions that may materially and adversely affect our business, financial conditions, and results of operations.

(gg) The Chinese government's policy on foreign currency conversion may adversely affect our business, the results of operations, and our ability to receive dividends out of China

Conversion and remittance of foreign currencies are subject to the foreign exchange regulations in China. It cannot be guaranteed that under a certain exchange rate, we shall have sufficient foreign exchange to meet our foreign exchange needs. Under the current foreign exchange control system in China, foreign exchange transactions under the current

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account conducted by us, including the payment of dividends, do not require advance approval from the State Administration of Foreign Exchange ("SAFE"), but we are required to present relevant documentary evidence of such transactions and conduct such transactions at designated foreign exchange banks within China that have the licenses to carry out foreign exchange business. Foreign exchange transactions under the capital account, however, normally need to be approved by or registered with the SAFE or its local branch or its designated banks unless otherwise permitted by law. Any restriction on or insufficiency of foreign exchange may restrict our ability to obtain sufficient foreign exchange for dividend payments to shareholders or satisfy any other foreign exchange obligation. If we fail to convert the Chinese Yuan into any foreign exchange for any of the above purposes, any offshore capital expenditure we may have in the future and even our business may be materially and adversely affected.

(hh) Development in the labour market, increase in labor costs or any possible labour unrest may adversely affect our business and results of operations

Competition for skilled labor is intense in the industry, and the labor market is always developing. The development of the labor market may consequently incur increase in labor costs. Such development of market and possible increases in labor costs could result in a material may adversely affect our business, financial condition and results of operations.

No assurance can be given that there is no potential for unrest amongst employees, local communities and/or labor unions. Such unrest could result in a material work slowdown, stoppage or strike and/or negative publicity in respect of us, which may adversely affect our business, financial condition and results of operations.

(ii) The enforcement of the labour contract laws, social insurance law, and other labour related regulations in China and any failure of our contribution to social insurance and housing provident fund may materially affect our business, financial condition, and results of operations

Pursuant to the Labor Contract Law of China, employers are subject to strict requirements in terms of signing labor contracts, minimum wages, paying remuneration, overtime working hours limitations, determining the term of employees' probation and unilaterally terminating labor contracts. In the event that we decide to terminate the employment of some of our employees or otherwise change our employment or labor practices, the Chinese Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations.

According to the Social Insurance Law of China, employees shall participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance and maternity insurance and the employers shall, together with their employees or separately, pay the social insurance premiums for such employees. We as employees are required to make contributions to social insurance funds including these insurances in accordance with applicable Chinese laws and regulations. According to the Regulation on the Administration of Housing Provident Funds, which was promulgated by the State Council and became effective on April 3, 1999 and amended on March 24, 2019, we are required to set up housing provident fund accounts and pay the housing provident fund on time and in full for our employees. According to the Chinese Social Insurance Law, which was promulgated by the Standing Committee of the National People's Congress on October 28, 2010 and became effective on July 1, 2011, and amended on December 29, 2018, a Chinese enterprise is required to obtain social insurance certificates for its employees and to pay the social insurance contributions on time and in full.

In the event of any non-compliance with housing provident fund contribution, the relevant competent authorities may order us to pay the outstanding amount within a certain period of time; failing to comply with which the relevant competent authorities may apply for people's court for enforcement. In the event of any non-compliance with social insurance contribution, the relevant competent authorities may order us to pay the outstanding amount within a certain period of time and impose an overdue fee amounting to 0.05% of the outstanding amount per day, failing to comply with which the relevant competent authorities may further impose a fine amounting to no less than one time but less than three times the outstanding amount.

As the interpretation and implementation of the Chinese Labor Contract Law, the Chinese Social Insurance Law, the Regulation on the Administration of Housing Provident Funds and other labor-related regulations (the "labor-related laws and regulations") are still evolving, no assurance can be given that our employment practice do not and will not violate

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labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor-related laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

(jj) The reduced corporate income tax rate currently enjoyed by our Chinese subsidiaries may be changed or discontinued, which may increase our income tax expenses and materially reduce our net income

Pursuant to Enterprise Income Tax Law and related regulations, the standard income tax rate of our subsidiaries in China is 25%, and the subsidiaries in China approved as high and new technology enterprises ("NHTEs") by the relevant government authorities are subject to a reduced corporate income tax rate of 15%. This tax treatment of HNTes in the PRC is designed to foster innovation and technological advancement. Henan Found and Guangdong Found are currently recognized as HNTes and enjoy a reduced corporate income tax rate of 15%. In order to maintain the statuses as NHTes and enjoy a reduced corporate income tax rate, in the future, NHTes will need to continue to file an application with the designated authorities for their review and determination as high and new technology enterprises prior to the expiration of the applicable high-tech certificate. After passing the review, NHTes are required to comply with all applicable laws and regulations, including maintaining accurate records and documentation to substantiate their eligibility, and annual tax reduction and exemption filing. Regular audits and inspections by the designated tax authorities may be conducted to verify compliance, and non-compliance or fraudulent claims can result in penalties, revocation of NHTe status, and repayment of tax benefits received.

In addition, the tax incentives for NHTes are subject to changes in government policies and regulations. No assurance can be given that Henan Found and Guangdong Found are always in compliance with all laws and regulations, able to pass all audits and inspections, and successful renew the NHTe status every three years to maintain the reduced corporate income tax rate. No assurance can be given that the reduced corporate tax rate treatment for HNTes under PRC laws will not change or be discontinued in the future. The reduction or elimination of the tax incentive may increase our income tax expense and materially reduce our net income.

10. Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

11. Transactions with Related Parties

Related party transactions are made on terms agreed upon by the related parties. The balances with related parties are unsecured, non-interest bearing, and due on demand. Related party transactions not disclosed elsewhere in the consolidated financial statements are as follows:

As at	June 30, 2024	March 31, 2024
NUAG (i)	\$ 50	\$ 28
TIN (ii)	1,083	562
	\$ 1,133	\$ 590

(i) The Company recovers costs for services rendered to NUAG and expenses incurred on behalf of NUAG pursuant to a services and administrative costs reallocation agreement. During the three months ended June 30, 2024, the Company recovered \$0.2 million (three months ended June 30, 2023 - \$0.3 million) from NUAG for services rendered and expenses incurred on behalf of NUAG. The costs recovered from NUAG were recorded as a direct reduction of general and administrative expenses on the condensed consolidated interim statements of income.

(ii) The Company recovers costs for services rendered to TIN and expenses incurred on behalf of TIN pursuant to a services and administrative costs reallocation agreement. During the three months ended June 30, 2024, the Company recovered \$0.03 million (three months ended June 30, 2023 - \$0.08 million) from TIN for services rendered and expenses incurred on behalf of TIN. The costs recovered from TIN were recorded as a direct reduction of general and administrative expenses on the condensed consolidated interim statements of income. In January 2024, the

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Company and TIN entered into an interest-free unsecured credit facility agreement with no conversion features (the "Facility") to allow TIN to advance up to \$1.0 million from the Company. In January 2024, the Company advanced \$0.5 million to TIN and received 350,000 common shares of TIN as the Bonus Shares for granting the Facility. In May 2024, the Company advanced the remaining \$0.5 million to TIN.

12. Alternative Performance (Non-IFRS) Measures

The Company uses the following alternative performance measures to manage and evaluate operating performance of the Company's mines and are widely reported in the silver mining industry as benchmarks for performance but are alternative performance (non-IFRS) measures that do not have standardized meaning prescribed by IFRS and therefore unlikely to be comparable to similar measures presented by other companies. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. To facilitate a better understanding of these measures, the tables in this section provide the reconciliation of these measures to the financial statements for the three months ended June 30, 2024 and 2023:

(a) Adjusted Earnings and Adjusted Earnings per Share

Adjusted earnings and adjusted earnings per share are non-IFRS measures and supplement information to the Company's consolidated financial statements. The Company believes that, in addition to the conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information to evaluate the Company's underlying core operating performance. The presentation of adjusted earnings and adjusted earnings per share is not meant to be a substitute of net income and net income per share presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS measure.

The Company defines the adjusted earnings as net income adjusted to exclude certain non-cash items, and items that in the Company's judgment are subject to volatility as a result of factors which are unrelated to the Company's operation in the period, and/or relate to items that will settle in future period, including impairment adjustments and reversal, foreign exchange gain or loss, dilution gain or loss, share-based compensation, share of gain or loss of associates, gain or loss on investments, and expenses unrelated to the normal operations of the Company and are not expected to continue. Certain items that become applicable in a period may be adjusted for, with the Company retroactively presenting comparable periods with an adjustment for such items and, conversely, items no longer applicable may be removed from the calculation. The following table provides a detailed reconciliation of net income as reported in the Company's consolidated financial statements to adjusted earnings and adjusted earnings per share.

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	Three months ended June 30,	
	2024	2023
Net income as reported for the period	\$ 28,129	\$ 13,213
Adjustments, net of tax		
Share-based compensation included in general and administrative	1,201	1,371
Non routine expenses included in property evaluation and business development	1,032	—
Foreign exchange loss (gain)	(1,749)	2,227
Share of loss (gain) in associates	412	640
Gain on investments	(2,216)	(1,086)
Adjusted earnings for the period	\$ 26,809	\$ 16,365
Non-controlling interest as reported	6,191	3,996
Adjusted earnings attributable to equity holders	\$ 20,618	\$ 12,369
Adjusted earnings per share attributable to the equity shareholders of the Company		
Basic adjusted earnings per share	\$ 0.12	\$ 0.07
Diluted adjusted earnings per share	\$ 0.11	\$ 0.07
Basic weighted average shares outstanding	177,577,667	176,927,547
Diluted weighted average shares outstanding	180,516,823	179,847,745

(b) Working Capital

Working capital is an alternative performance (non-IFRS) measure calculated as current asset less current liabilities. Working capital does not have any standardized meaning prescribed by IFRS and is therefore unlikely to be comparable to similar measures presented by other companies. The Company and certain investors use this information to evaluate whether the Company is able to meet its current obligations using its current assets.

(c) Silver Equivalent

Silver equivalent is an alternative performance (non-IFRS) measure calculated by converting the gold metals quantity to its silver equivalent using the ratio between the realized selling prices of gold and silver and adding the converted amount expressed in silver ounces to the ounces of silver.

The following table provides a reconciliation of the Company's production in silver equivalent:

	Three months ended June 30, 2024			Three months ended June 30, 2023		
	Ying Mining District	GC	Consolidated	Ying Mining District	GC	Consolidated
Gold production (ounces)	1,146	—	1,146	1,552	—	1,552
Realized selling price for gold (\$/ounce)	1,990	—	1,990	1,682	—	1,682
Realized selling price for silver (\$/ounce)	26.91	20.21	26.34	19.84	15.17	19.37
Silver Equivalent Production						
Gold converted into silver (in thousands of ounces)	85	—	85	132	—	132
Silver production (in thousands of ounces)	1,572	145	1,717	1,597	183	1,780
Silver Equivalent (in thousands of ounces)	1,657	145	1,802	1,729	183	1,912

(d) Cost per Ounce of Silver

Cash cost and all-in sustaining cost ("AISC") per ounce of silver, net of by-product credits, are non-IFRS measures. The Company produces by-product metals incidentally to its silver mining activities. The Company has adopted the practice of calculating a performance measure with the net costs of producing an ounce of silver, its primary payable metal, after

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deducting revenues gained from incidental by-product production. This performance measure has been commonly used in the mining industry for many years and was developed as a relatively simple way of comparing the net production costs of the primary metal for a specific period against the prevailing market price of such metal.

Cash cost is calculated by deducting revenue from the sales of all metals other than silver from the production costs reported on statements of income and is calculated per ounce of silver sold.

AISC is an extension of the "cash cost" metric and provides a comprehensive measure of the Company's operating performance and ability to generate cash flows. AISC has been calculated based on World Gold Council ("WGC") guidance released in 2013 and updated in 2018. The WGC is not a regulatory organization and does not have the authority to develop accounting standards for disclosure requirements.

AISC is based on the Company's cash cost, net of by-product sales, and further includes general and administrative expense, mineral resources tax, government fees and other taxes, reclamation cost accretion, lease liability payments, and sustaining capital expenditures. Sustaining capital expenditures are those costs incurred to sustain and maintain existing assets at current productive capacity and constant planned levels of production output. Excluded are non-sustaining capital expenditures, which result in a material increase in the life of assets, materially increase resources or reserves, productive capacity, or future earning potential, or significant improvement in recovery or grade, or which do not relate to the current production activities. The Company believes that this measure represents the total sustainable costs of producing silver from current operations and provides additional information about the Company's operational performance and ability to generate cash flows.

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The following table provides a reconciliation of cash cost and AISC per ounce of silver, net of by-product credits:

		Three months ended June 30, 2024					Three months ended June 30, 2023				
		Ying Mining District	GC	Other	Corporate	Consolidated	Ying Mining District	GC	Other	Corporate	Consolidated
Production costs expensed as reported	A	\$ 18,914	\$ 4,554	\$ —	\$ —	\$ 23,468	\$ 18,635	\$ 5,663	\$ —	\$ —	\$ 24,298
By-product sales											
Gold		(1,986)	—	—	—	(1,986)	(2,515)	—	—	—	(2,515)
Lead		(14,070)	(1,513)	—	—	(15,583)	(12,646)	(1,949)	—	—	(14,595)
Zinc		(2,570)	(4,011)	—	—	(6,581)	(1,791)	(3,868)	—	—	(5,659)
Other		(1,371)	(846)	—	—	(2,217)	(1,263)	(822)	—	—	(2,085)
Total by-product sales	B	(19,997)	(6,370)	—	—	(26,367)	(18,215)	(6,639)	—	—	(24,854)
Total cash cost, net of by-product credits	C=A+B	(1,083)	(1,816)	—	—	(2,899)	420	(976)	—	—	(556)
Add: Mineral resources tax		1,420	228	—	—	1,648	1,136	230	—	—	1,366
General and administrative		1,888	632	100	4,287	6,907	1,920	715	86	3,650	6,371
Amortization included in general and administrative		(145)	(71)	(62)	(178)	(456)	(132)	(86)	(59)	(148)	(425)
Property evaluation and business development*		50	66	7	1,299	1,422	—	—	7	102	109
Non routine expenses included in property evaluation and business development		—	—	—	(1,032)	(1,032)	—	—	—	—	—
Government fees and other taxes		578	56	1	—	635	555	101	1	—	657
Reclamation accretion		22	8	5	—	35	35	11	7	—	53
Lease payment		—	—	—	40	40	—	—	—	64	64
Sustaining capital expenditures		8,622	2,156	—	7	10,785	7,719	1,754	51	9	9,533
All-in sustaining cost, net of by-product credits	F	11,352	1,259	51	4,423	17,085	11,653	1,749	93	3,677	17,172
Add: Non-sustaining capital expenditures		5,150	375	75	—	5,600	5,337	229	—	—	5,566
All-in cost, net of by-product credits	G	16,502	1,634	126	4,423	22,685	16,990	1,978	93	3,677	22,738
Silver ounces sold ('000s)	H	1,590	149	—	—	1,739	1,631	184	—	—	1,815
Cash cost per ounce of silver, net of by-product credits	C/H	\$ (0.68)	\$ (12.19)	\$ —	\$ —	\$ (1.67)	\$ 0.26	\$ (5.30)	\$ —	\$ —	\$ (0.31)
All-in sustaining cost per ounce of silver, net of by-product credits	F/H	\$ 7.14	\$ 8.45	\$ —	\$ —	\$ 9.82	\$ 7.14	\$ 9.51	\$ —	\$ —	\$ 9.46
All-in cost per ounce of silver, net of by-product credits	G/H	\$ 10.38	\$ 10.97	\$ —	\$ —	\$ 13.04	\$ 10.42	\$ 10.75	\$ —	\$ —	\$ 12.53
By-product credits per ounce of silver											
Gold		(1.25)	—	—	—	(1.14)	(1.54)	—	—	—	(1.39)
Lead		(8.85)	(10.15)	—	—	(8.96)	(7.75)	(10.59)	—	—	(8.04)
Zinc		(1.62)	(26.92)	—	—	(3.78)	(1.10)	(21.02)	—	—	(3.12)
Other		(0.86)	(5.68)	—	—	(1.27)	(0.77)	(4.47)	—	—	(1.15)
Total by-product credits per ounce of silver		\$ (12.58)	\$ (42.75)	\$ —	\$ —	\$ (15.15)	\$ (11.16)	\$ (36.08)	\$ —	\$ —	\$ (13.70)

(e) Cost per Tonne of Ore Processed

The Company uses cost per tonne of ore processed to manage and evaluate operating performance at each of its mines. Production cost per tonne of ore processed is calculated based on total production costs on a sales basis, adjusted for changes in inventory, to arrive at total production costs that relate to ore production during the period. These total production costs are then further divided into mining costs, shipping costs, and milling costs. Mining costs includes costs of material and supplies, labour costs, applicable mine overhead costs, and mining contractor costs for mining ore; shipping costs includes freight charges for shipping stockpile ore from mine sites and mill sites, and milling costs include

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costs of materials and supplies, labour costs, and applicable mill overhead costs related to ore processing. Mining costs per tonne is the mining costs divided by the tonnage of ore mined, shipping cost per tonne is the shipping costs divided by the tonnage of ore shipped from mine sites to mill sites; and milling cost per tonne is the milling costs divided by the tonnage of ore processed at the mill. Cost per tonne of ore processed are the total of per tonne mining cost, per tonne shipping cost, and per tonne milling cost.

All-in sustaining production cost per tonne is an extension of the production cost per tonne and provides a comprehensive measure of the Company's operating performance and ability to generate cash flows. All-in sustaining production cost per tonne is based on the Company's production cost, and further includes general and administrative expenses, government fees and other taxes, reclamation cost accretion, lease liability payments, and sustaining capital expenditures. The Company believes that this measure represents the total sustainable cost of processing ore from current operations and provides additional information about the Company's operational performance and ability to generate cash flows.

The following table provides a reconciliation of production cost and all-in sustaining production cost per tonne of ore processed:

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	Three months ended June 30, 2024					Three months ended June 30, 2023				
	Ying Mining District	GC	Other	Corporate	Consolidated	Ying Mining District	GC	Other	Corporate	Consolidated
Production costs expensed as reported	\$ 18,914	\$ 4,554	\$ —	\$ —	\$ 23,468	\$ 18,635	\$ 5,663	\$ —	\$ —	\$ 24,298
Adjustment for aggregate plant operations*	(380)	—	—	—	(380)	(160)	—	—	—	(160)
Changes in stockpile and concentrate inventory										
Less: stockpile and concentrate inventory - Beginning	(3,346)	(384)	—	—	(3,730)	(3,657)	(246)	(32)	—	(3,935)
Add: stockpile and concentrate inventory - Ending	8,117	207	—	—	8,324	3,171	41	31	—	3,243
Net change of depreciation and amortization charged to inventory	645	(31)	—	—	614	(87)	(34)	—	—	(121)
Adjustment for foreign exchange movement	(1,180)	64	—	—	(1,116)	356	74	1	—	431
	4,236	(144)	—	—	4,092	(217)	(165)	—	—	(382)
Adjusted production cost	\$ 22,770	\$ 4,410	\$ —	\$ —	\$ 27,180	\$ 18,258	\$ 5,498	\$ —	\$ —	\$ 23,756
Mining cost	19,697	3,019	—	—	22,716	15,213	4,115	—	—	19,328
Shipping cost	789	—	—	—	789	721	—	—	—	721
Milling Cost	2,284	1,391	—	—	3,675	2,324	1,383	—	—	3,707
Total production cost	\$ 22,770	\$ 4,410	\$ —	\$ —	\$ 27,180	\$ 18,258	\$ 5,498	\$ —	\$ —	\$ 23,756
General and administrative	1,888	632	100	4,287	6,907	1,920	715	86	3,650	6,371
Amortization included in general and administrative	(145)	(71)	(62)	(178)	(456)	(132)	(86)	(59)	(148)	(425)
Property evaluation and business development	50	66	7	1,299	1,422	—	—	7	102	109
Non routine expenses included in property evaluation and business development	—	—	—	(1,032)	(1,032)	—	—	—	—	—
Government fees and other taxes	578	56	1	—	635	555	101	1	—	657
Reclamation accretion	22	8	5	—	35	35	11	7	—	53
Lease payment	—	—	—	40	40	—	—	—	64	64
Sustaining capital expenditures	8,622	2,156	—	7	10,785	7,719	1,754	51	9	9,533
All-in sustaining production cost	\$ 33,785	\$ 7,257	\$ 51	\$ 4,423	\$ 45,516	\$ 28,355	\$ 7,993	\$ 93	\$ 3,677	\$ 40,118
Non-sustaining capital expenditures	5,150	375	75	—	5,600	5,337	229	—	—	5,566
All in production cost	\$ 38,935	\$ 7,632	\$ 126	\$ 4,423	\$ 51,116	\$ 33,692	\$ 8,222	\$ 93	\$ 3,677	\$ 45,684
Ore mined ('000s)	256.079	87.768	—	—	343.847	213.748	89.472	—	—	303.220
Ore shipped ('000s)	245.311	87.768	—	—	333.079	219.981	89.472	—	—	309.453
Ore milled ('000s)	221.242	86.454	—	—	307.696	208.809	86.286	—	—	295.095
Per tonne Production cost										
Mining cost (\$/tonne)	76.92	34.40	—	—	66.06	71.17	45.99	—	—	63.74
Shipping cost (\$/tonne)	3.22	—	—	—	2.37	3.28	—	—	—	2.33
Milling cost (\$/tonne)	10.32	16.09	—	—	11.94	11.13	16.03	—	—	12.56
Cash production cost (\$/tonne)	\$ 90.46	\$ 50.49	\$ —	\$ —	\$ 80.37	\$ 85.58	\$ 62.02	\$ —	\$ —	\$ 78.63
All-in sustaining production cost (\$/tonne)	\$ 140.25	\$ 83.42	\$ —	\$ —	\$ 139.96	\$ 133.94	\$ 90.94	\$ —	\$ —	\$ 134.08
All in cost (\$/tonne)	\$ 163.52	\$ 87.76	\$ —	\$ —	\$ 158.16	\$ 159.49	\$ 93.59	\$ —	\$ —	\$ 152.94

*The operation of the aggregate plant is considered an integrated part of the operations at the Ying Mining District, and its revenue is treated as credits to offset its production costs.

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13. Accounting Policies, Judgement and Estimates

(a) Material Accounting Policies

The accounting policies applied in the preparation of those unaudited condensed consolidated interim financial statements are consistent with those applied and disclosed in the audited financial statements for the year ended March 31, 2024 with the exception of the mandatory adoption of certain noted below. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements,

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments to IAS 1, clarifies the presentation of liabilities. The classification of liabilities as current or noncurrent is based on contractual rights that are in existence at the end of the reporting period and is affected by expectations about whether an entity will exercise its right to defer settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendment also introduces a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendment issued in October 2022 also clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendments were applied effective April 1, 2024 and did not have a material impact on the Company's condensed consolidated financial statements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application. The amendments were applied effective April 1, 2024 and did not have a material impact on the Company's condensed consolidated interim financial statements.

Supplier Financing Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments require disclosure requirements regarding the effects of supplier finance arrangement on their liabilities, cash flows and exposure to liquidity risk. Entities are required to disclose the followings:

- The terms and conditions;
- The amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities are reflected in the balance sheet;
- Ranges of payment due dates; and
- Liquidity risk information.

The amendments were applied effective April 1, 2024 and did not have a material impact on the Company's condensed consolidated financial statements.

(b) Critical Judgement and Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses on the consolidated financial statements. Estimates and underlying assumptions are reviewed at each period

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end. Revision to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

For further information on our significant judgement and accounting estimates, refer to note 2 of the Company's unaudited condensed consolidated interim financial statements for the three months ended June 30, 2024 and the audited financial statements for the year ended March 31, 2024. There have been no subsequent material changes to these significant accounting judgments and estimates.

(c) Future Changes in Accounting Policies Not Yet Effective as at June 30, 2024

At the date of the authorization of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not effective. Management does not expect that the adoption of the Standards listed below will have a material impact on the financial statements of the Company in future periods, except if indicated.

Presentation and Disclosure in Financial Statements (IFRS 18 replaces IAS 1)

In April 2024, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1. IFRS 18 introduces new requirements to: i) present specified categories and defined subtotals in the statement of earnings, ii) provide disclosures on management-defined performance measures ("MPMs") in the notes to the financial statements, iii) improve aggregation and disaggregation. Some of the requirements in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. The IASB also made minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share in connection with the new standard. IFRS 18 requires retrospective application with specific transition provisions.

The amendments are effective for annual reporting periods beginning on or after January 1, 2027, with early adoption permitted. The Company is currently evaluating the impact of IFRS 18 on its financial statements.

Lack of Exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after January 1, 2025. The Company is currently evaluating the impact of this amendment.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The amendments contain guidance to derecognition of a financial liability settled through electronic transfer, as well as classification of financial assets for:

- Contractual terms that are consistent with a basic lending arrangement;
- Assets with non-recourse features;
- Contractually linked instruments.

also, additional disclosures relating to investments in equity instruments designated at fair value through other comprehensive income ("FVOCI") and added these disclosure requirements for financial instruments with contingent features. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company is currently evaluating the impact of these amendments.

14. Other MD&A Requirements

Additional information relating to the Company:

(a) may be found on SEDAR+ at www.sedarplus.ca;

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(b) may be found on EDGAR at www.sec.gov

(c) may be found at the Company's website www.silvercorpmetals.com;

(d) may be found in the Company's Annual Information Form and Form 40-F; and

(e) is also provided in the Company's annual audited consolidated financial statements as of March 31, 2024.

15. Outstanding Share Data

As at the date of this MD&A, the following securities were outstanding:

(a) Share Capital

Authorized - unlimited number of common shares without par value

Issued and outstanding – 216,500,533 common shares with a recorded value of \$406.1 million

Shares subject to escrow or pooling agreements - \$nil.

(b) Options

As at the date of this MD&A, the outstanding options comprise the following:

Number of Options	Exercise Price (CAD\$)	Expiry Date
483,1370	\$2.67	January 26, 2029
10,150	\$3.06	October 26, 2025
105,560	\$3.16	March 28, 2029
50,014	\$3.65	November 24, 2027
10,150	\$3.75	September 28, 2027
408,000	\$3.93	April 26, 2027
60,000	\$4.08	February 23, 2028
330,000	\$4.41	April 1, 2029
5,075	\$4.93	December 28, 2027
437,783	\$5.13	January 20, 2028
444,001	\$5.46	May 26, 2025
15,225	\$6.21	May 31, 2027
49,096	\$7.49	November 25, 2026
126,875	\$7.99	February 15, 2027
50,750	\$8.48	February 4, 2025
224,989	\$9.07	February 2, 2027
39,236	\$9.27	October 16, 2024
375,000	\$9.45	November 11, 2025
81,200	\$9.56	October 23, 2024
41,956	\$9.96	November 26, 2025
35,525	\$12.52	December 1, 2025
3,383,722		

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(c) Warrants

As at the date of this MD&A, the outstanding options comprise the following:

Number of Options	Exercise Price (CAD\$)	Expiry Date
1,370,249	\$4.41	August 3, 2026
1,416,771	\$6.47	February 16, 2025
<u>2,787,020</u>		

(d) Restricted Share Units (RSUs)

Outstanding – 2,880,004 RSUs.

16. Disclosure Controls and Procedures

Disclosure controls and procedures (a) under Canadian law, are designed to provide reasonable assurance that material information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate to allow for timely decision about public disclosure, and (b) under U.S. law, are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act") is recorded, processed, summarized and reported, within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms, and include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the U.S. Exchange Act is accumulated and communicated to the Company's management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Management of the Company, including the CEO and CFO, is responsible for establishing and maintaining adequate disclosure controls and procedures. Under the supervision and with the participation of the CEO and CFO, management has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures in accordance with requirements of National Instrument 52-109 of the Canadian Securities Commission ("NI 52-109") and U.S. Exchange Act.

As of June 30, 2024, based on the evaluation, management concluded that the disclosure controls and procedures are effective in providing reasonable assurance that the information required to be disclosed in annual filings, interim filings, and other reports the Company filed or submitted under United States and Canadian securities legislation were recorded, processed, summarized and reported within the time periods specified in those rules.

17. Management's Report on Internal Control over Financial Reporting

Management of the Company is responsible for establishing and maintaining an adequate system of internal control, including internal controls over financial reporting. Internal control over financial reporting is a process designed by and/or under the supervision of the CEO and CFO and effected by the Board, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as issued by IASB. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to maintaining records, that in reasonable detail, accurately and fairly reflect our transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary for preparation of our consolidated financial statements in accordance with generally accepted accounting principles;
- provide reasonable assurance that receipts and expenditures are made in accordance with authorizations of management and the directors of the Company; and

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- provide reasonable assurance that unauthorized acquisition, use or disposition of company assets that could have a material effect on the Company's consolidated financial statements would be prevented or detected on a timely basis.

The Company's management, including its Chief Executive Officer and Chief Financial Officer, believes that due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. In addition, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management evaluates the effectiveness of the Company's internal control over financial reporting based upon the criteria set forth in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organization of the Treadway Commission. Based on the evaluation, management concluded that the Company's internal control over financial reporting as of June 30, 2024 was effective and provides a reasonable assurance of the reliability of the Company's financial reporting and preparation of the financial statements.

18. Changes in Internal Control over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the three months ended June 30, 2024 that has materially affected or is reasonably likely to materially affect, its internal control over financial reporting.

19. Directors and Officers

As at the date of this MD&A, the Company's directors and officers are as follows:

Directors

Dr. Rui Feng, Director, Chairman
Paul Simpson, Independent Director
Yikang Liu, Independent Director
Marina A. Katusa, Independent Director
Ken Robertson, Independent Director
Helen Cai, Independent Director

Officers

Rui Feng, Chief Executive Officer
Lon Shaver, President
Derek Liu, Chief Financial Officer
Jonathon Hoyles, General Counsel

Technical Information

Scientific and technical information contained in this MD&A has been reviewed and approved by Mr. Guoliang Ma, P.Geo., Manager of Exploration and Resources of the Company and a Qualified Person as such term is defined in NI 43-101.

Forward Looking Statements

Certain of the statements and information in this MD&A constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian provincial securities laws. Any statements or information that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategies", "targets", "goals", "forecasts", "objectives", "budgets", "schedules", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements or information. Forward-looking statements or information relate to, among other things:

- the price of silver and other metals;

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- *estimates of the Company's revenues and capital expenditures;*
- *estimated ore production and grades from the Company's mines in the Ying Mining District and the GC Mine;*
- *projected cash operating costs and all-in sustaining costs, and budgets, on a consolidated and mine-by-mine basis;*
- *statements regarding anticipated exploration, drilling, development, construction, and other activities or achievements of the Company;*
- *statements regarding the proposed transactions between the Company and Adventus;*
- *plans, projections and estimates included in the Fiscal 2025 Guidance;*
- *timing of receipt of permits, licenses, and regulatory approvals.*

Forward-looking statements or information are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks relating to,

- *public health crises;*
- *fluctuating commodity prices;*
- *fluctuating currency exchange rates;*
- *increasing labour cost;*
- *exploration and development programs;*
- *feasibility and engineering reports;*
- *permits and licenses;*
- *title to our properties;*
- *operations and political conditions;*
- *regulatory environment in China, Ecuador, Mexico and Canada;*
- *environmental risks;*
- *mining operations;*
- *cybersecurity;*
- *climate changes;*
- *the completion and timing of the proposed transactions between the Company and OreCorp;*
- *general economic conditions; and*
- *matters referred to in this MD&A under the heading "Risks and Uncertainties" and other public filings of the Company.*

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This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements or information. Forward-looking statements or information are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those expressed or implied in the forward-looking statements or information. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information.

The Company's forward-looking statements and information are necessarily based on a number of estimates, assumptions, beliefs, expectations and opinions of management as of the date of this MD&A that, while considered reasonable by management of the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates, assumptions, beliefs, expectations and options include, but are not limited to, those related to the Company's ability to carry on current and future operations, including: the duration and effects of epidemics, pandemics, or other health crises on our operations and workforce; development and exploration activities; the timing, extent, duration and economic viability of such operations; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the Company's ability to meet or achieve estimates, projections and forecasts; the availability and cost of inputs; the price and market for outputs; foreign exchange rates; taxation levels; the timely receipt of necessary approvals, licenses or permits; the ability to meet current and future obligations; the ability to obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions; and other assumptions and factors generally associated with the mining industry.

Other than as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements and information if circumstances or management's assumptions, beliefs, expectations or opinions should change, or changes in any other events affecting such statements or information. For the reasons set forth above, investors should not place undue reliance on forward-looking statements and information.