

## 2.6 TAILINGS FACILITIES MANAGEMENT

### Management Strategy of Tailings Facilities



#### 2.6.1

Silvercorp acknowledges the profound impact that accidents at tailing management facilities (TMFs) can have on the environment, local communities, and our operations. We are committed to continuously improving our management capabilities and preparedness for TMFs risks, managing them with a full life cycle approach, and striving to minimize their impact on the environment and local communities.

The Company strictly follows the *Global Industry Standard on Tailings Management*, the *Safety Regulation for Tailings Pond (GB39496-2020)*, as well as other laws, regulations and international standards related to TMFs management. We have formulated our TMFs management system by benchmarking with global best practices of the full lifecycle management of TMFs, including site selection, design, construction, operation, and closure of tailings facilities. We are also pioneering innovative models by incorporating tailings backfilling technology, significantly reducing tailings production. Our commitment to continuous innovation and targeted research supports our goal of achieving 'zero tailing' mines with 100% comprehensive utilization of tailings by the end of 2026.



Tailings Management Facility Emergency drill

### Silvercorp's Commitments on TMFs Management

- Strictly comply with national and local laws and regulations related to TMFs management, and actively assume the role as the primary responsible party regarding TMFs management to safeguard the safety and stable operation of TMFs.
- Establish a robust TMFs design standard system in accordance with national and local standards and ensure full lifecycle compliance with TMFs regulatory requirements at site selection, design, construction, operation, and closure.
- Strictly control the design parameters of TMFs such as the maximum stacking height, slope, and dam stability to ensure structural stability.
- Strengthen monitoring and early warning of TMFs and establish a robust TMFs safety management system to ensure timely identification and handling of safety hazards.
- Proactively implement environmental protection initiatives, dispose of tailings in compliance with regulations, forbid using rivers or seabed to dump tailings, and reduce the environmental impact of TMFs.
- Actively fulfill corporate social responsibility, strengthen communication and cooperation with local government authorities and communities, and collaborate with value chain partners to explore scientific and standardized management of TMFs.



Zhuangtou TMFs



## Evaluating TMFs Risks

### 2.6.2

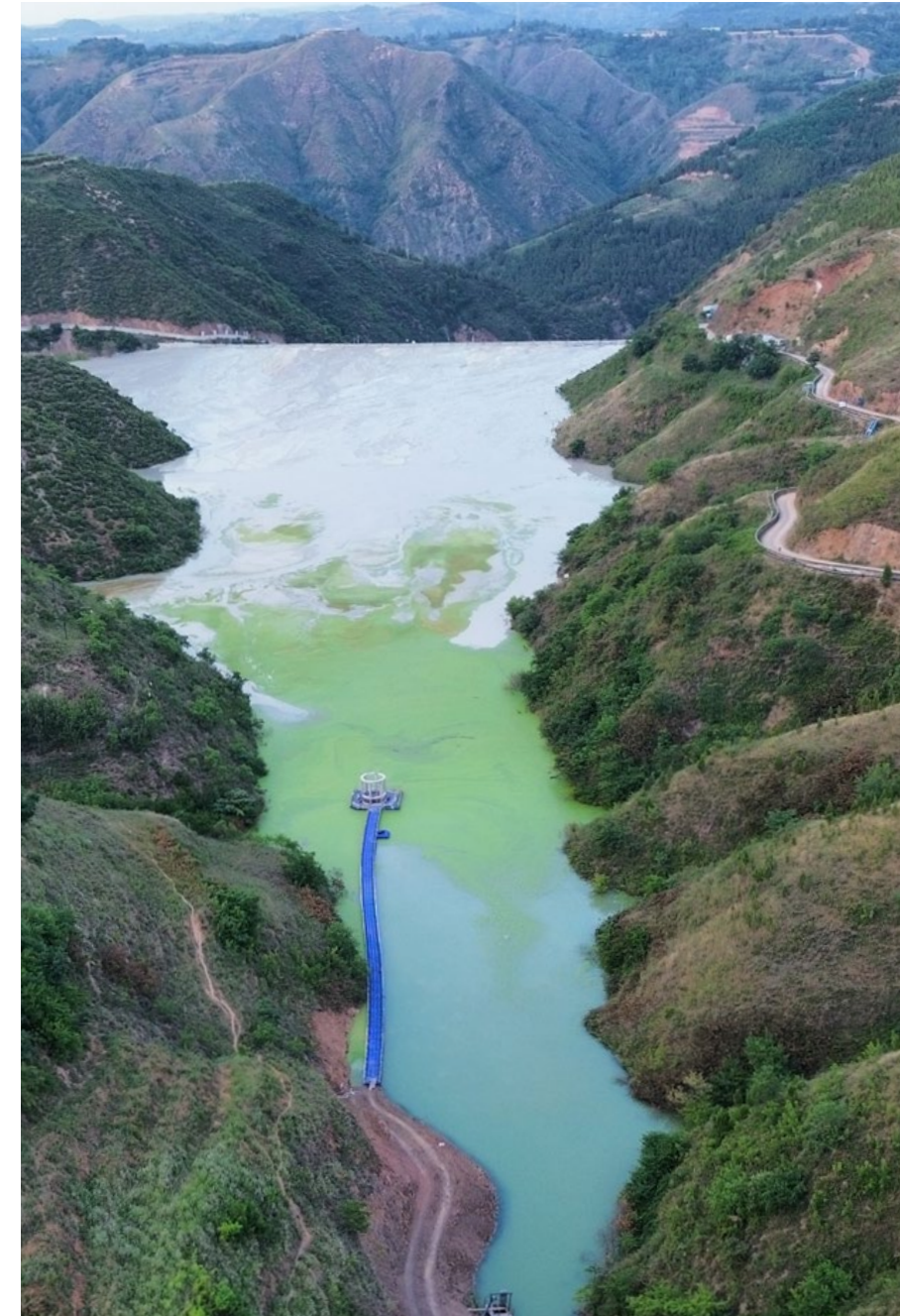


Silvercorp actively conducts risk assessments on all TMFs to screen for potential risks throughout the lifecycle of TMFs. We also actively cooperate with government and regulatory authorities to conduct joint TMFs risk monitoring and safety hazard inspections to minimize potential risks.

The Company has established online TMFs monitoring systems in both the Ying Mining District and the GM Mine, allowing us to monitor the safety conditions of TMFs in real time. We also continuously carry out TMFs lifecycle risk assessment to develop targeted response measures regarding identified safety hazards to further control TMFs risks.



TMFs Risks	Risk Description
<b>Flooding</b>	During the flood season, heavy rainfall entering TMFs may, if coupled with flawed drainage design or construction, cause flooding and even the collapse of the dam body of the TMFs.
<b>Landslides</b>	Tiny cracks in the dam body of the TMFs may gradually expand and eventually result in landslides and dam collapse.
<b>Seepage Failures</b>	Well-designed seepage systems help accelerate the formation of dry beaches and the solidification of tailings, which enhance the stability and safety of the dam body. However, poorly designed or constructed dam bodies or aging of the seepage system may raise the infiltration line in the dam body and lead to possible dam collapse.
<b>Piping</b>	As the water level rises, the amount of sand and mud carried by seepage water will also increase. If the sand layer under the dam base is gradually hollowed out, the dam may suddenly sink or even collapse.
<b>Cracking in Dam Body</b>	Factors such as insufficient bearing capacity of the dam base, partial collapse and cracking of the dam body, and improper design of dam slope and section dimensions may cause cracks in the dam body. These cracks not only affect the structural integrity of the dam body but may also become channels for concentrated seepage in the dam body.



## TMFs Risk Response Measures

### 2.6.3

Good management practices can help prevent TMFs accidents and mitigate relevant safety risks. Silvercorp is committed to continuously optimizing TMFs management, ensuring TMFs safety with sound management policies and well-defined management responsibilities.

#### Formulating Management Policies

- Silvercorp continuously optimizes its TMF management system with the formulation of a comprehensive set of management policies, such as the *Safety Management Policy for Flood Control Measures and Flood Drainage Facilities*, *Environmental Monitoring Management Policy*, *Safety Management Policy for Control and Seepage Drainage Facilities*, *Safety Management Policy for TMF Water Level Control*, *Safety Management Policy for TMF Earthquake Prevention and Preparedness*, *TMF Safety Accident Investigation and Rectification Policy*, and *Safety Management Policy for Tailings Conveyance, Dam Construction, and Discharge of TMFs*.

#### Defining Management Responsibilities

- The Company has set up a dedicated office responsible for TMF safety management and appoints industry experts with at least ten years of experience as the lead engineers in charge of TMFs safety hazard prevention, responsible for the identification, prevention and supervision of TMFs risks. We also formulated the *Safety Production Assessment and Accountability Mechanism* and the *Processing Plant Personnel Performance Appraisal Mechanism* to clarify management responsibilities and performance assessment methods.

#### Deploying Online Monitoring

- Both the Ying Mining District and the GC Mine have deployed online TMF monitoring systems, feeding real-time TMF indicators to the information systems of local government emergency management authorities to ensure timely regulatory supervision. In the future, we will connect our online monitoring systems with the national monitoring platform if required by regulatory authorities.

#### Conducting Inspections and Evaluations

- We have established a multi-level TMF safety evaluation mechanism. Every three years, we conduct a comprehensive onsite inspection of TMF safety conditions and an effectiveness evaluation of TMF emergency plans.
- A dam stability analysis will be conducted when the tailings dam reaches specified heights (1/2 to 2/3 of the final design height for Grade III or lower TMFs, and 1/3 to 1/2 of the final design height for Grade I and II TMFs).
- We perform flood routing and dam stability assessments annually before the rainy season or other extreme weather events to produce a TMF onsite inspection report. We also closely monitor drainage and flood control facilities to ensure their integrity and effectiveness in extreme weather events to protect the safety of TMFs.

#### Planning Closure Management

- To ensure TMFs are closed in compliance with the requirement, we will formulate the relevant closure plan and schedule upon completing relevant procedures, including rock and soil surveys, dam stability verification, safety and environmental assessments, closure design and construction, safety facility acceptance assessments, closure environmental assessments, and groundwater monitoring, etc.
- After the closure, we will actively implement procedures, such as environmental restoration and greening, geological disaster prevention and control, safety monitoring and evaluation, and regular management and maintenance, to ensure the safety, stability, and environmental sustainability of the closed sites.

#### Accident Reporting

- We have set up an open and transparent reporting and whistleblowing mechanism for safety accidents, which strictly ensures the protection of whistleblowers' confidentiality.
- We also realized digitalized accident reporting management by setting up dedicated reporting and handling procedures for TMF irregularities using the Eblog App.

#### Information Disclosure

- We are committed to transparently disclosing our TMFs management for public supervision in our annual sustainability report, corporate website, and press releases.



In Fiscal 2024, the Ying Mining District upgraded the software of its TMFs online monitoring system and installed barbed wire to keep cattle and sheep away from the dam, thereby preventing possible animal drowning. The GC Mine invested \$0.02 million to upgrade its TMFs, improving safety with new lighting systems and monitoring systems for drainage facilities, etc.

TMFs Risks	Total	With 'extremely high risk' or 'very high risk'
Number of TMFs in use	3	0
Number of TMFs idled	0	0
Number of TMFs closed	0	0

TMFs	Zhuangtou TMFs	Shiwagou TMFs	GC Mine dry-stack tailings (DST) system
<b>Location</b>	Southeast of Zhuangtou Village, Xiayu Township, Luoning County	East of Zhuangtou Village, Xiayu Township, Luoning County	GC Mine, Datian Village, Gaocun Township, Yunfu City
<b>Ownership</b>	Company operated	Company operated	Company operated
<b>Status</b>	In use	In use	In use
<b>Maximum storage capacity</b>	282.77×10 <sup>4</sup> m <sup>3</sup>	405.95×10 <sup>4</sup> m <sup>3</sup>	298.93×10 <sup>4</sup> m <sup>3</sup>
<b>Total weight of tailings currently stored</b>	412.29×10 <sup>4</sup> tonnes	368.22×10 <sup>4</sup> tonnes	120.68×10 <sup>4</sup> tonnes
<b>Frequency of safety assessment in operation</b>	Once every three years	Once every three years	Once every three years
<b>Date of the most recent assessment</b>	October 2022	November 2022	August 2023
<b>Date of next scheduled assessment</b>	October 2025	November 2025	August 2026



## TMF Emergency Plans

### 2.6.4

Silvercorp has established a thorough TMFs emergency management system that strictly adheres to relevant laws and regulations, ensuring that there are targeted emergency plans for different types of risks, such as the comprehensive emergency plan, targeted emergency plans, and on-site handling plans for dry-stack tailings system safety accidents, as well as the targeted emergency plans for TMF overflow, seepage and leakage, and drainage well clogging or damage accidents. These emergency plans provide comprehensive guidelines on risk analysis, the emergency command office and its responsibilities, response procedures, and specific disposal measures.

We regularly carry out safety hazard inspections and targeted treatment activities to ensure the operational safety of TMFs. Every three years, we conduct a comprehensive on-site inspection of TMF safety conditions and an overall evaluation of TMF emergency plans to ensure their feasibility and effectiveness. Evaluation results are also used as a reference for future optimization of our safety management.

#### CASE

### Conducting TMFs Emergency Drills

In May 2023, Henan Found conducted an emergency drill at its Shiwagou TMF to enhance emergency response capabilities.

In May and July 2023, Guangdong Found also organized a comprehensive emergency drill for dry-stack tailings system emergencies and a special field emergency drill on dealing with a simulated drainage clogging emergency respectively.

#### Overflow Prevention

Build dam reinforcement to raise dam height, thereby preventing overflow when the water level continues to rise. Reinforce narrow and weak soil sections of the dam with sandbags: First clear and prepare the ground, then stack sandbags on the water-facing side, interlocking with each other. Extraordinary measures can be taken to lower water levels in extreme emergencies.

#### Flood Prevention

During floods, shut off the discharge of tailings in the TMFs while increasing the flood discharge. Pumping can be used to lower the water levels if necessary. Reinforce the dam body to enhance stability. Increase the discharge of energy dissipation pools in front of the dam to reduce the water level. Fix damaged dam body. When the situation continues to deteriorate, timely call for an evacuation under the coordination of local government authorities.

#### Dam Reinforcement

Shut off the discharge of tailings in the TMFs while increasing wastewater discharge. Reinforce dam stability using sandbags, mechanical tools, and gravel. Timely notify downstream communities to evacuate.

#### Cracking Treatment

Timely repair identified cracks. Treat sliding cracks by stabilizing the dam slope. Treat non-sliding cracks based on their depth: shallow cracks shall be backfilled, while deeper cracks are treated with backfilling in combination with grouting.

#### Seepage Treatment

Follow the principle of "stopping inflow and draining outflow" and ensure stable seepage by stopping inflow from upstream while accelerating water outflow discharge.

#### Landslide Treatment

Actively identify early signs of landslides and take prompt measures to prevent deterioration. After landslides, repair and reinforce dam slopes, cover the ground with film or other waterproof materials, and dig water diversion ditches to prevent rainwater seepage.

#### Treatment of Clogged or Damaged Drainage Facilities

For clogged entrances, clear debris and post personnel on watch. For collapsed drainage wells, first clear the entrance to restore before repairing the damage. In case of tunnel collapse, either repair for drainage restoration or resort to evacuation if significant upstream flooding is forecasted.



Tailings Management Facility Emergency drill of Henan Found