1.2 Standardized Tailings Facilities Management

Effective and responsible management of tailings is critical for safeguarding both the natural environment and public health. Silvercorp is committed to continuously enhancing its tailings management capabilities and risk response measures. By strengthening the tailings management facilities (TMFs) throughout their entire lifecycle, the Company prioritizes preventive measures and constantly improves its management practices to ensure the safe operation of tailings facilities and to effectively address the environmental challenges associated with their disposal.

Policy Disclosure
Please click the link or scan the QR code to access the document
Tailings Facilities Management Policy

1.2.1 Tailings Facilities Management Strategy

Silvercorp follows the Global Industry Standards on Tailings Management and the Safety Regulations for Tailings Ponds (GB 39496-2020), as well as complies with all applicable national laws and regulations. The Company benchmarks against global best practices and has established a comprehensive lifecycle management system for its TMFs. It has also developed several policies, such as the Safety Management Policy for TMF Earthquake Prevention and Preparedness, TMF Safety Accident Investigation and Rectification Policy and the Safety Management Policy for Tailings Conveyance, Dam Construction, and Discharge of TMFs. In addition, Silvercorp has set up a dedicated office responsible for TMF safety management and appointed lead engineers in charge of TMFs safety hazard prevention. These efforts aim to comprehensively enhance the risk and safety management throughout the entire lifecycle of tailings facilities, including their site selection, design, construction, operation, and closure. In Fiscal 2025, Silvercorp released its Tailings Facilities Management Policy, strengthening management requirements related to the siting, operation, closure, and reclamation of tailings facilities, and further enhancing the Company's overall TMF management practices.

Silvercorp strictly manages the potential environmental impact of tailings disposal. Tailings discharge and dam construction are conducted in full compliance with design specifications, operational plans, and technical standards to ensure effective management of water levels, flood risks, and seepage. Both the Henan Found and Guangdong Found operations are equipped with advanced safety monitoring systems to track key technical data for TMFs in real time. The Company regularly conducts specialized hazard identification and remediation initiatives and has formulated a robust emergency management system to ensure the steady and safe operation of these facilities. In Fiscal 2025, The Ying Mining District initiated the construction of the Shimengou TMFs and obtained the Environmental Impact Report for the Shimengou Tailings Facilities Construction Project in compliance with relevant regulations. This tailings pond is lined entirely with a high-density polyethylene (HDPE) geomembrane, which effectively prevents the leakage of industrial wastewater and enhances the recycling rate of beneficiation wastewater. The Shimengou TMFs were constructed in strict accordance with the design specifications, incorporating a double drainage system and rainwater-sewage separation facilities to enhance the safety of TMFs. After the project's completion, a qualified third-party evaluation agency was commissioned to conduct a safety assessment, and the safe production license was obtained in compliance with the laws and regulations. During the reporting period, no violations or non-compliance related to tailings facility management were reported in Silvercorp.

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 angle, and dam stability to ensure overall structural integrity.
- 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.

Henan Found newly constructed fully impermeable Shimengou Tailings Facilities

SASB: EM-MM-540a.1,2

1.2.2 TMFs Risk Management

Silvercorp places high importance on TMF risk management. Comprehensive risk assessments are conducted for all TMFs under management, considering factors such as location, safety, and environmental concerns. The Company identifies potential risks and impacts throughout the entire lifecycle of TMFs, and formulates targeted management measures and implements a risk classification system to continuously mitigate these risks. Additionally, the Company collaborates actively with government and regulatory bodies to monitor TMFs risks and identify hazards, with real-time monitoring implemented at the Ying Mining District and GC Mine to closely track the condition of the tailings facilities and minimize associated risks. As of the end of the reporting period, the Company operates 4 active tailings facilities, with 0 idle or closed facilities, and none were classified as "extremely high risk" or "very high risk."

Silvercorp's TMFs Risks

Risks	Risk Description
Natural Disasters	■ Heavy rainfall and floods could cause rapid increases in water levels in the TMFs, resulting in overflow, flooding, pipe surges, or even dam body collapse of the TMFs ■ Earthquakes may damage tailings facilities and lead to the landsliding, cave-ins, or subsidence of the surrounding dam structures of TMFs, potentially resulting in a dam collapse
Design Flaws and Aging Equipment	■ Lagged design and construction of drainage systems, aging seepage control systems, and failure of monitoring systems may lead to equipment failure to effectively respond to emergencies ■ Improper design of dam slopes and cross-sectional dimensions may lead to insufficient bearing capacity of the dam foundation, causing localized collapses or cracks in the dam, affecting structural integrity, and increasing the risk of concentrated seepage ■ Improper dam design and construction could lead to an elevated phreatic line, increasing the risk of dam failure
Pollutant Leakage	■ TMFs often contain heavy metals, organic substances, and may even include radioactive materials. If leakage occurs, pollutants may flow into rivers and soil, resulting in significant damage to surrounding ecosystems
Improper Operation	■ Unauthorized activities such as excavation and blasting could destabilize the TMFs, while improper handling of tailings may also affect their stability

TMFs	Zhuangtou TMFs [1]	Shiwagou TMFs	GC Mine dry-stack tailings (DST) System	Shimengou TMFs
Location	Southeast of Zhuangtou Village, Xiayu Town, Luoning County	East of Zhuangtou Village, Xiayu Town, Luoning County	GC Mine, Datian Village, Gaocun Township, Yunfu City	Northwest of Zhuangtou Village, Xiayu Town, Luoning County
Status	In the process of closure	In use	In use	Newly Built
Maximum storage capacity	$282.77\times10^4\ m^3$	$405.95\times10^4\ m^3$	$298.93\times10^4\ m^3$	$1729.25\times10^4\ m^3$
Total weight of tailings currently stored	424.16×10^4 t	514.12×10^4 t	215.97×10^4 t	0 t
Frequency of safety assessment in operation	Once every three years	Once every three years	Once every three years	Once every three years
Date of most recent assessment	March 2024	November 2022	August 2023	June 2025
Date of next scheduled assessment	–	November 2025	August 2026	June 2028

[1] Zhuangtou TMFs has reached its designed storage capacity. Since February 2025, the discharge of tailings into it has been suspended, and the design work for its closure is currently underway.

Backfilling Station and Dry Stack Tailings Facility at the GC Mine in Guangdong Province

Silvercorp's Tailings Facilities Risk Management Measures

Robust Policy Framework	■ 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 Seepage Control and 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
Clear Accountability and Management	■ 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
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, Silvercorp will connect its online monitoring systems with the national monitoring platform if required by regulatory authorities
Inspections and Evaluations	■ Silvercorp has established a multi-level TMF safety evaluation mechanism. Every three years, the Company conducts 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) ■ Silvercorp performs flood routing and dam stability assessments annually before the rainy season or other extreme weather events to produce a TMF onsite inspection report. The Company also closely monitors drainage and flood control facilities to ensure their integrity and effectiveness in extreme weather events to protect the safety of TMF
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 regreening, 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
Incident 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

1.2.3 TMF Emergency Management

Silvercorp is committed to prioritizing prevention and strictly complies with all applicable laws, regulations, and management guidelines governing TMFs. The Company has established a comprehensive TMF emergency management system and formulated systematic and robust emergency response plans to effectively address various risks associated with TMF operations. The plans cover risk analysis, emergency command office and responsibilities, response procedures, and mitigation measures. They include a comprehensive emergency plan for dry-stack tailings system safety accidents, targeted emergency plans for environmental incidents, on-site response protocols, as well as plans for TMF overflow, seepage and leakage, piping failures, and drainage well clogging or damage accidents. Accordingly, appropriate emergency supplies and response equipment are maintained, and regular specialized drills are conducted to ensure preparedness and the safe, stable operation of all TMFs.

In Fiscal 2025, Silvercorp adopted the TMF Environmental Risk Identification and Rectification Policy and launched a dedicated initiative to investigate and eliminate hidden environmental hazards at TMFs. Comprehensive inspections and rectifications are carried out at all mining sites prior to the annual flood season, with quarterly environmental risk assessments. Routine safety inspections during TMF operations have been further reinforced to ensure timely identification and remediation of potential hazards. Additionally, a qualified third-party institution is engaged every three years to conduct a TMF Safety Status Assessment, ensuring that emergency response plans remain applicable, effective, and continuously improved. In Fiscal 2025, Henan Found constructed emergency dams downstream of the 2 operational Zhuangtou and Shiwagou TMFs in use. The Company also conducted emergency drills, including 1 simulating drainage well cover failure, 1 on-site slope failure response, and 1 flood overflow rescue exercise.

TMF Emergency Drill

Silvercorp's TMF Emergency Risk Management Measures

Prevention-First Approach

- **Dam Failure Prevention:** In the event of a dam stability hazard, suspend tailings discharge in the TMFs immediately and increase drainage capacity. Seal breaches with sandbags and reinforce weak areas with crushed stone to strengthen dam stability. Follow local authorities, timely notify downstream communities to evacuate
- **Flood Prevention:** During floods, shut off the discharge of tailings in the TMFs while increasing the floodwater discharge. Pumping can be used to lower 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 according to their emergency rescue plans
- **Overflow Prevention:** When all drainage facilities are fully utilized and water levels continue to rise, build dam reinforcement or auxiliary dams to raise the dam height. In cases where dam crests are narrow or composed of weak soil, sandbags may be used for emergency reinforcement. In extreme scenarios, deploy specialized emergency measures to lower water levels

Standardized Emergency Procedures

- **Landslide Treatment:** Actively identify early signs of landslides and take prompt measures to prevent deterioration. If a landslide occurs, implement reliable corrective measures to repair and reinforce the dam slope, enhancing its resistance to future instability. All actions must be carried out under strict construction safety protocols
- **Seepage Treatment:** Follow the principle of "stopping inflow and draining outflow" and block seepage inlets upstream and implement drainage and filtration measures downstream accelerating water outflow discharge to maintain seepage stability
- **Cracking Treatment:** Timely repair identified cracks. Treat sliding cracks by stabilizing the dam slope. Conduct backfilling or grouting to treat non-sliding cracks based on their depth
- **Treatment of Clogged or Damaged Drainage Facilities:** For clogged entrances, clear debris and appoint personnel to ensure continuous monitoring. 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

1.2.4 Comprehensive Utilization of Tailings and Waste Rock

Silvercorp continues to pioneer advanced models for TMFs management. Through technological breakthroughs, innovation, and other initiatives, the Company is enhancing the comprehensive utilization rate of tailings. By leveraging tailings backfilling technology and XRT intelligent pre-concentration technology to increase backfilling volumes, it aims to significantly reduce tailings production and advance toward the vision of a "zero-tailings" mine.

The Company also emphasizes the reuse of waste rock. Some of the waste rock is used for backfilling in mining areas while the rest is processed into building aggregate materials. In the Ying Mining District, waste rock not backfilled goes to its subsidiary, Luoyang Hongfa Building Materials and Aggregates Co., Ltd. for processing. At the GC Mine, waste rock that is not used for backfilling is handed over to a contracted third-party company under formal Waste Rock Transportation and Disposal Agreements for crushing and repurposing as building material. In Fiscal 2025, Silvercorp achieved a comprehensive utilization rate of waste rock of 38.81%.

Case Study

Enhance Resource Efficiency through Technological Innovation

To reduce energy consumption, enhance clean production, and improve resource utilization, Guangdong Found has introduced advanced technologies and equipment while actively promoting in-house research and development. The application of the XRT intelligent sorting system significantly improved waste-rock separation efficiency, reducing the volume of waste entering the processing stage. This technology has also helped decrease reagent and energy consumption, reduce tailings generation, and extend the operational life of dry-stack tailings storage facilities. Since its commissioning in April 2023, the system has generated over $277 thousand in economic benefits and saved approximately 37,000 m^3 of tailings storage space, thereby extending the TMF's service life by four months. Additionally, ongoing technological upgrades in the processing circuit enabled zinc and silver recovery rates to reach record highs of 90.10% and 60.81% respectively, while the recovery rate of tin improved by more than 3%, further increasing overall resource efficiency.

Achieve 100% comprehensive utilization of tailings by the end of 2026, fulfilling the goal of

"zero-tailing" mines

Guangdong Found Emergency Drill