1.3 Water Resource Management

Mining activities typically involve substantial water consumption, making the responsible utilization and management of water resources essential to the sustainable development of the industry. Accordingly, Silvercorp continuously improves its water resource management system by identifying and assessing water-related risks, enhancing water use efficiency, and minimizing water wastage—actively contributing to green and sustainable development.

Policy Disclosure
Please click the link or scan the QR code to access the document
Water Stewardship Policy

1.3.1 Water Resource Utilization

Silvercorp strictly complies with the Environmental Protection Law of the People's Republic of China, the Water Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China, the Yellow River Protection Law of the People's Republic of China, as well as with applicable laws and regulations in Ecuador and other jurisdictions where it operates. The Company has established a comprehensive water resource management system and formulated the Water Stewardship Policy to regulate water usage and withdrawal, water pollution control, and management practices, continually improving water utilization efficiency. The Sustainability Committee of the Board is responsible for developing the Company's water resource management strategy and monitoring key performance indicators. The Committee Chair oversees and guides the ESG Management Center in developing the annual water resource management plan, ensuring the continuous improvement of water utilization efficiency and the protection of water resources while meeting the production and living needs of the mining operations.

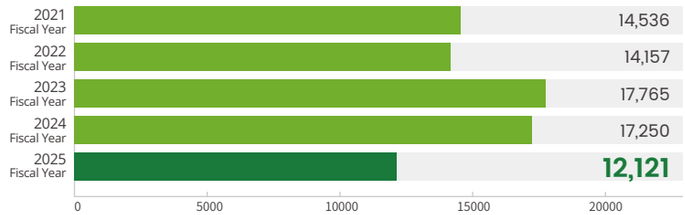
Silvercorp's primary sources of water withdrawal are freshwater from rivers and lakes, and mine water inflow. All operational sites have conducted water resource assessments and obtained water withdrawal permits in compliance with legal requirements, and water resource taxes are paid accordingly. Currently, all mining sites have adequate water resources, and the water quality fully meets operational and domestic needs. At Henan Found, where the nearby Guxian Dam serves as a key water resource, the Company has strengthened protection with signage posted at the source to prevent contamination. The water quality meets the standards outlined in GB5749-85 Standards for Drinking Water Quality. In Ecuador, water use is planned and managed according to local regulations, with permits obtained for current project phases and additional authorizations in progress to meet future needs. Water intakes are strategically located near project areas, with treated water reservoirs ensuring safe human consumption. Rigorous monitoring systems are in place to prevent non-compliance. In Fiscal 2025, no non-compliance incidents related to water withdrawal permits, standards, or regulations occurred at any of the Company's sites.

Silvercorp's Water Resource Management Targets	Progress for Fiscal 2025
Treat domestic sewage and mine water inflow to meet charge standards for reuse and discharge	Ongoing
Reuse treated mine water inflow in mining operations as needed	Ongoing
No direct wastewater discharge from processing plants. Improve water recycling and utilization rate by **8%** by 2030 over the 2020 baseline	No direct wastewater discharge from processing plants. Water recycling and utilization rate increased by **4.37%** compared to Fiscal 2020 ❶
Reduce freshwater withdrawal intensity by **10%** by 2030 over the 2020 baseline	Decreased by **31.50%** compared to Fiscal 2020 ❷

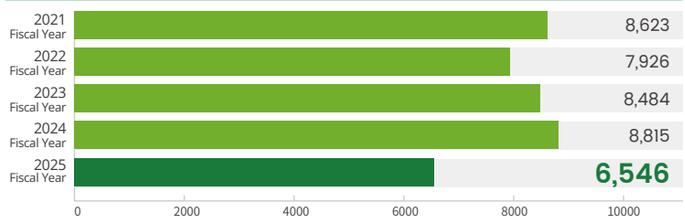
❶ In Fiscal 2020, Silvercorp's water recycling rate reached 80.33%.

❷ In Fiscal 2020, freshwater withdrawal intensity stood at 17,694 m^3 /million dollar revenue.

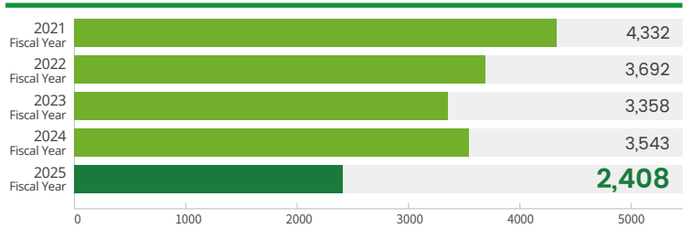
Fresh Water Withdrawal Intensity (Unit: m^3 / million dollar revenue)



Fresh Water Consumption Intensity (Unit: m^3 / million dollar revenue)



New Water Withdrawal Intensity (Unit: m^3 / million dollar revenue)



Unit Fresh Water Consumption for Ore Processing (Unit: m^3/ tonne of ore processed)

Silvercorp's Water Resource Management Measures

Sound Planning	■ Based on local characteristics, the Company evaluates the difference in water use patterns of its operational sites, and develops and implements targeted water management plans accordingly ■ Continuously optimize the water consumption structure by using mine water inflow, recycling wastewater from the processing plants, and reusing rainwater instead of new water withdrawal, thereby enhancing the water resource recycling and utilization rate
Comprehensive Monitoring	■ To ensure water resource security, the Company has established a comprehensive water monitoring system to closely monitor the water quality at key water recycling control points, including groundwater withdrawal, tailings management facilities, backwater pools, and domestic sewage treatment facilities, etc. This ensures timely responses to any changes in water quality, securing the safety of water resources both internally and externally the operations
Water Recycling	■ Construct a water recycling system to achieve zero discharge of mineral processing wastewater and full internal recycling ■ Treated mine water inflow and leachate from processing plants are partially recycled for underground mining operations, processing plants, and backfilling stations ■ Surface water from natural water bodies, such as rivers and lakes, is used as freshwater for processing plants and for domestic and office uses. Wastewater from the processing plants is collected by the concentrator and tailing backwater pool and then treated and returned to the processing plant for reuse. Domestic sewage is treated in sewage treatment facilities and then reused for mining area greening and forest irrigation
Water Saving	■ The Company adopts and promotes water-saving equipment, reducing water consumption through technological innovations and process optimizations ■ Silvercorp actively cultivate and strengthen water-saving awareness among employees with thematic training and awareness-raising campaigns, such as the World Water Day event and "A Drop from Me" water-saving campaign

Case Study

River Protection Initiative to Raise Public Awareness

On November 26, 2024, Guangdong Found, in collaboration with the Yunfu City Water Authority, Yunfu City Medical Security Bureau, Yun'an District Water Authority, and the Gaocun Township River Office, organized a public welfare event at the Gaocun Town section of the Shenbu River to raise awareness of river protection. The event successfully improved the local environmental appearance and enhanced public awareness of water resources and environmental protection, inspiring proactive engagement and a stronger sense of responsibility in environmental protection.

1.3.2 Water Risk Management

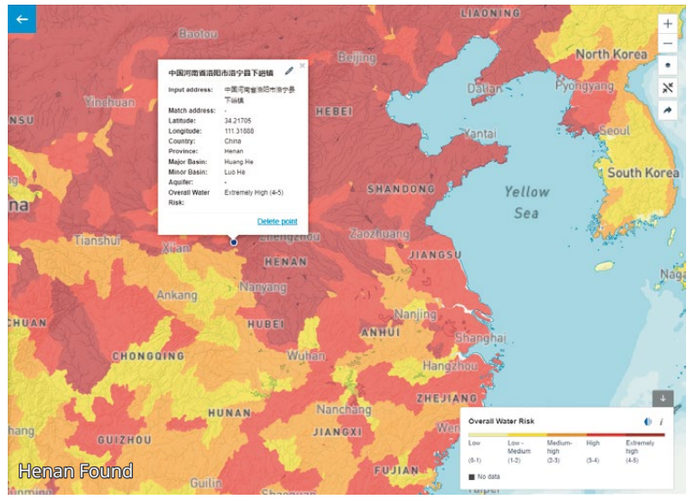
In Fiscal 2025, Silvercorp conducted another round of water risk analysis for Henan Found and Guangdong Found using the Aqueduct Water Risk Atlas tool developed by the World Resources Institute (WRI). This analysis included physical quantity risks (such as baseline water stress, annual variability, seasonal changes, drought risks, and flood risks), physical quality risks (such as water quality impacts) and regulatory and reputational risks (e.g., drinking water concerns and sanitation issues). The objective of the analysis was to manage both current and potential future water-related risks. Based on the analysis results from the previous fiscal year, the Company updated its water risk assessments and formulated response plans to address both current and future risks. It remains committed to continually enhancing water recycling efficiency and reducing freshwater withdrawal intensity.

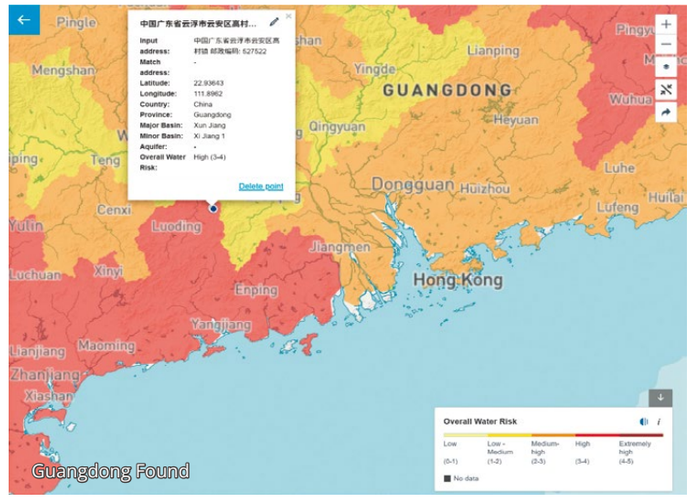
Silvercorp analyzed the current status of water resource development and utilization in the basins or regions where its operational sites are located, including Ying Mining District and GC Mine. It identified that Henan Found (which accounts for 82.96% of the Company's operating income) is located in an area characterized by high water quality risk and water resource stress. Silvercorp has actively carried out risk identification and monitoring for acid rock drainage in accordance with the Global Acid Rock Drainage Guidelines. The GC Mine, which accounts for 12.19% of the Company's operating income, has been identified as having such risks. However, since all wastewater from the GC Mine is reused in the processing plant, where it is 100% recycled for production, these acid rock drainage risks currently cause no actual impact. Moving forward, Silvercorp will continuously monitor and research acid rock drainage risks and develop appropriate mitigation plans.

By evaluating the impact of water withdrawals on local water bodies and surrounding stakeholders, Silvercorp implements appropriate measures and continuously assesses their feasibility and effectiveness. The Company also actively conducts groundwater and soil testing to ensure compliance with relevant environmental standards. In Fiscal 2025, environmental impact assessments were conducted for the expansion projects of SGX-HZG Lead-zinc-silver Mine and HPG Gold-silver-lead Mine in the Ying Mining District. These assessments included a thorough analysis of the projects' impacts on nearby water bodies, habitats, and protected areas, ensuring the projects' compliance with regulatory requirements.

Risk Indicators	Ying Mining District	GC Mine
Overall Water Stress	Very high (4-5)	High (3-4)
Water Quality Physical Risk	Very high (4-5)	Medium to high (2-3)
Water Resource Stress	Very high (>80%)	Low to medium (10-20%)
Regulatory and Reputational Risk	Medium to high (2-3)	High (3-4)
Future Available Water Volume [1]	10-30cm/year	30-100cm/year
Future Water Resource Stress	Very high (>80%)	Low to medium (10-20%)

Silvercorp Water Risk Map [2]





[1] Future available water volume refers to a forecast volume of the throughput of available renewable freshwater within the basin. The evaluation uses the SSP1 RCP2.6 future scenario, projecting a global surface temperature rise of 1.3°C to 2.4°C by 2100, with 2030 set as the future scenario time. This scenario provides a forecast of water-related risk assessment for the period from 2015 to 2045.

[2] Source: Aqueduct Water Risk Atlas developed by the World Resources Institute (WRI).

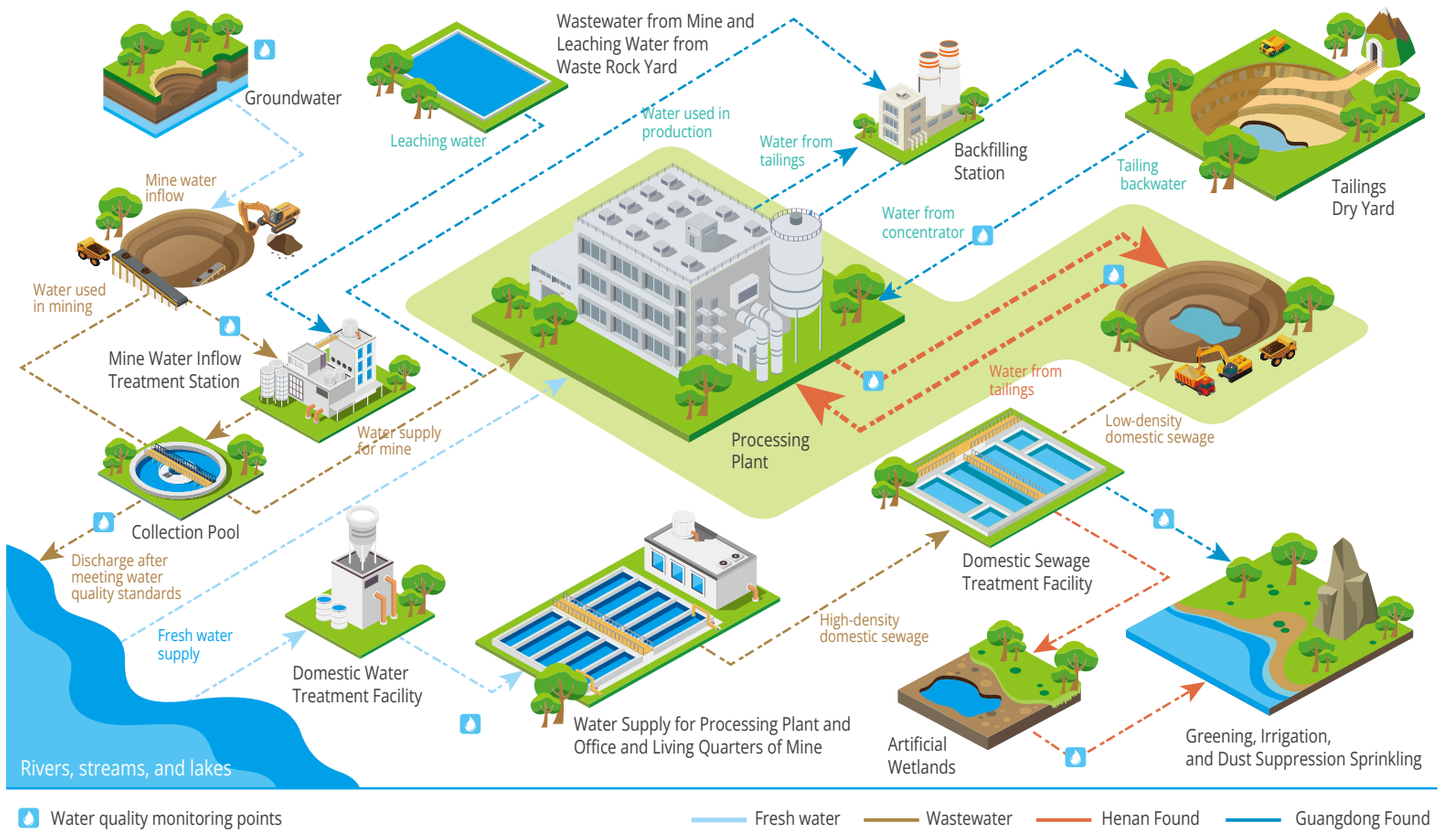
Silvercorp's Water Resource Risk Response Plan

Risks	Risk Description	Response Measures
Water Scarcity	Water supply shortages may affect the industrial use of water, leading to production interruption and other issues	■ Regularly assess key indicators such as water quality, quantity, and levels in mining areas and surrounding areas, and adjust water resource plans accordingly based on water quality and reserve data ■ Adopt water recycling technologies to reduce dependence on natural water sources ■ Conduct scenario analysis for future changes in water resources and develop response plans on potential water-related physical and regulatory risks
Water Quality Safety	Improper treatment of wastewater could result in negative changes to water bodies, compromising their functions and value	■ Conduct regular water quality monitoring and assessments, including real-time monitoring at discharge outlets ■ Strictly monitor and adhere to wastewater discharge standards, treatment processes, and operational protocols to ensure standardized and regular management of wastewater discharge ■ Promote internal wastewater treatment and reuse and comprehensively improve the recycling rates of wastewater to minimize discharge
Water Ecosystem Damage	Improper development and utilization of water resources may lead to water ecological imbalance, such as declining groundwater levels and land subsidence due to excessive groundwater extraction	■ Strengthen water management systems, with clearly defined goals, principles, and responsibilities to minimize negative impacts on surrounding water ecosystems ■ Develop and apply water-saving technologies and equipment to reduce water consumption in production ■ Optimize production processes to enhance water recycling rates, continuously reducing water withdrawal intensity
Water-related Community Conflicts	Due to limited availability of water resources, production activities may affect the regular water use of local communities	■ Conduct impact assessments on local water resources and analyze changes in community water consumption and demand to identify community water issues ■ Actively engage with relevant stakeholders, such as local government and community representatives, to gain a comprehensive understanding of community needs and concerns ■ Support local drinking water infrastructure projects to improve local water supplies
Water Infrastructure Vulnerability	Local water infrastructure may be affected by extreme weather, which could further influence production and operations	■ Assess the adaptability of water infrastructure and enhance disaster resilience through the construction or optimization of additional protective facilities ■ Develop risk contingency plans to ensure a prompt and effective response to natural disasters or other emergencies
Regulatory Risks	Regulations on water resource management may become increasingly stringent.	■ Closely monitor trends and changes in national and local water resource management regulations and policies to ensure compliance ■ Establish a regulatory compliance mechanism with regular self-inspections and rectifications to prevent regulatory risks ■ Establish a water resources risk warning system to timely identify potential risks by monitoring and analyzing water resource data

1.3.3 Water Recycling and Reuse

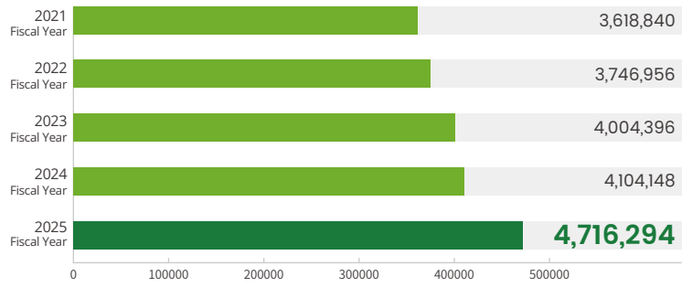
Silvercorp actively implements advanced water resource management technologies and has established a comprehensive water recycling management system to improve water efficiency and reuse rates, thereby reducing reliance on and consumption of water resources. As illustrated in the diagram below, mine water inflow and leaching water from processing plants are treated and directed to collection tanks. Treated water is reused in mining operations, ore processing at the processing plants, and as a water source for backfilling stations. Any water not reused is discharged into rivers, lakes, or streams only after meeting applicable discharge standards in full compliance with regulatory requirements.

As a core initiative of Silvercorp's water resource management, water recycling plays a pivotal role in reducing water withdrawal at the source, conserving freshwater resources, and alleviating pressure on local water systems. Domestic sewage is treated through sedimentation, biological and chemical processes and reused for landscaping within plant areas. Wastewater from processing plants is 100% recycled back into production. A portion of mine water inflow is reused in ore processing as a supplementary source of freshwater, while the remainder is used for irrigation and road cleaning.



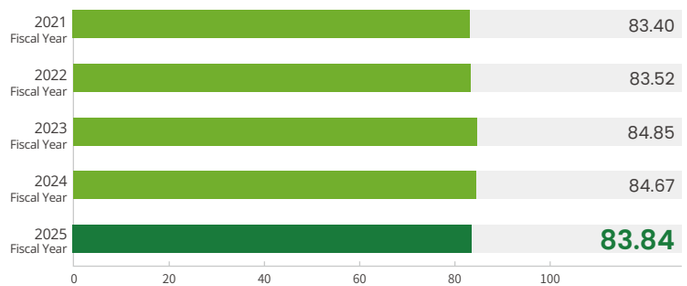
Amount of Water Recycled in Processing Plants

(Unit: m^3)



Water Recycling Rate of Processing Plants

(Unit: %)



Case Study

Expanding Reuse Pipelines to Improve Mine Water Inflow Recycling Rates

In Fiscal 2025, Henan Found completed the expansion of the mine water inflow reuse pipeline at the processing plant in Shagou Mine, significantly increasing the recycling rate of mine water inflow and reducing the withdrawal of fresh surface water. Throughout Fiscal 2025, the mine water inflow in Shagou Mine contributed 336,472 tonnes of water to the processing plant, representing an increase of 50,037 tonnes compared to the previous fiscal year. This volume accounted for 62.36% of the processing plant's total supplemental water, representing a 4.13% increase year-on-year. The reuse rate of mine water inflow reached 32.86%, marking an improvement of 9.51% compared with the prior fiscal year.

1.5.2 Wastewater Management

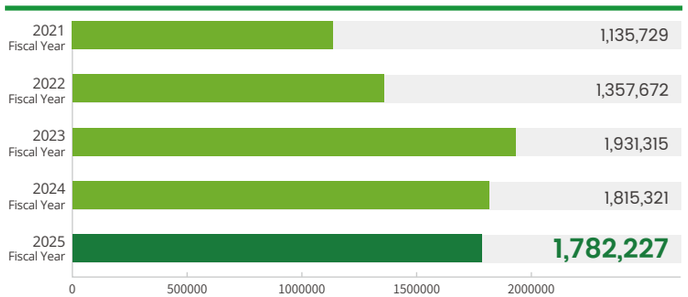
Silvercorp strictly adheres to national laws and regulations of China, including the Water Pollution Prevention and Control Law of the People's Republic of China, to strengthen wastewater management. The Company has established a "zero discharge" environmental management goal for its processing plant wastewater, improved wastewater treatment facilities, and implemented practical water treatment technologies to ensure compliance with discharge standards. Silvercorp's wastewater primarily originates from mine water inflow, processing plants, and domestic sewage. Mine water inflow is treated through chemical precipitation in dedicated mine water inflow pools. After treatment, water quality at the GC Mine in Guangdong Province and TLP Mine in Henan Province meets the Class III standards of the Environmental Quality Standards for Surface Water, while the Shagou Mine achieves the Class II standards. Treated water is partially used for underground mining and processing, with the remaining water being discharged in compliance with the applicable standards. Wastewater from processing plants, including wastewater from wet storage tailings ponds and dry-stack tailings yards and tailing water from the filtration process, is fully collected and 100% reused in ore processing with zero discharge. Domestic sewage undergoes sedimentation and biochemical treatment in dedicated treatment facilities first and then entirely reused for site landscaping, also with zero discharge. During the reporting period, the Company had no violations of laws and regulations related to wastewater discharge.

Silvercorp places a high priority on soil and groundwater management, with a strong focus on the prevention and mitigation of associated risks. It is committed to protecting local surface and groundwater systems by integrating groundwater protection into the life cycle management of its mining operations, working hard to minimize the adverse impacts of operations on water resources. During the construction phase of the mining area, reinforced steel-concrete structures are employed in buildings to prevent wastewater from leaching into the groundwater. During the operational phase, the Company has installed reinforced steel-concrete drainage ditches, diversion channels, and other facilities within the mining area to prevent water sources from contaminating underground soil. The water supply and drainage systems are established and optimized based on the principles of "separating clean water from wastewater, separating rainwater from sewage, and maximizing water recycling" to protect natural water bodies and reduce the burden on wastewater treatment plants. Additionally, the Company has established a long-term groundwater monitoring mechanism to assess the water quality in and around mining areas, ensuring operations do not cause contamination.

Furthermore, the mining area strictly prohibits the discharge or disposal of oils, acids, highly toxic waste liquids, wastewater containing pathogens as well as solid waste, domestic waste, residue, and other waste that contain soluble toxins into the external environment, protecting both soil and groundwater. To mitigate the potential pollution from rainwater runoff dissolving surface pollutants, Silvercorp has installed Rainwater and Sewage Diversion System in the Ying Mining District and GC Mine to collect rainwater and sewage separately, allowing direct discharge of rainwater by using dedicated pipelines, while sewage can be collected and centrally treated for reuse within the processing plant or discharged in accordance with established standards to avoid the risk of polluting local river systems from mixed discharges. In Fiscal 2025, chemical oxygen demand (COD) totaled 17.05 tonnes.

Water Discharge

(Unit: m^3)



Case Study

Upgrading Wastewater Treatment Facilities to Improve Efficiency and Effectiveness

In Fiscal 2025, Henan Found increased investments in several wastewater facility upgrades. Technical improvements were made to the Shagou Mine's mine water inflow treatment system, including installation of a new concentrator, expansion of the sedimentation tank capacity, and extension of mine water inflow retention time. These upgrades, combined with the use of flocculants, have improved discharge quality. Additionally, at the TLP-PD730 Mine, technical modifications were made to the mine water inflow treatment system, including the installation of a new mine inflow treatment system. These improvements aim to enhance mine water inflow treatment efficiency and water quality, while also reducing the maintenance pressure of the sedimentation tank.

Upgraded Wastewater Treatment Facility at Shagou Mine, Henan Province [1]

[1] The mine inflow is treated and discharged only after meeting the established standards.