

Scheme Booklet registered by ASIC

OreCorp Limited (**OreCorp** or the **Company**) (ASX: ORR) refers to its previous announcement dated 2 November 2023 in relation to:

- the proposed transaction whereby Silvercorp Metals Inc. (**Silvercorp**) (TSX/NYSE American: SVM) will acquire all fully paid ordinary shares of OreCorp not held by Silvercorp or its associates pursuant to an Australian scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (Cth) (**Scheme**), subject to the satisfaction and/or waiver of various conditions; and
- the orders of the Federal Court of Australia (**Court**) that OreCorp convene a meeting of OreCorp shareholders (other than Silvercorp and its associates) to consider and vote on the Scheme (**Scheme Meeting**) and approve despatch of an explanatory statement providing information about the Scheme together with notice of the Scheme Meeting (together, the **Scheme Booklet**) to OreCorp shareholders (other than Silvercorp and its associates).

OreCorp is pleased to confirm that the Australian Securities and Investments Commission (**ASIC**) has today registered the Scheme Booklet. A copy of the Scheme Booklet containing information about the Scheme, the Independent Expert's Report and the notice of Scheme Meeting accompanies this announcement.

The Scheme Booklet is also available electronically for viewing and downloading at:

- OreCorp website: <https://orecorp.com.au/>
- ASX website ("ORR"): <https://www.asx.com.au/>

Despatch of Scheme Booklet

OreCorp shareholders who have elected to receive electronic communications will receive an email containing instructions about how to view or download a copy of the Scheme Booklet, as well as instructions on how to lodge their Proxy Form for the Scheme Meeting, as well as their CDI Election Form should they elect to receive, subject to ASX Quotation (defined below) occurring, Silvercorp CDIs rather than new Silvercorp shares (further detail below in relation to Silvercorp CDIs).

OreCorp shareholders who have elected to receive all communications via post will receive a letter and a printed copy of the Scheme Booklet, together with a personalised Proxy Form and personalised CDI Election Form.

All other OreCorp shareholders will receive a letter via post, together with a personalised Proxy Form and personalised CDI Election Form, with instructions about how to view or download a copy of the Scheme Booklet.

OreCorp shareholders can also request a free hard copy of the Scheme Booklet by calling the OreCorp Shareholder Information Line on 1300 441 602 (for callers within Australia) or +61 2 9934 0529 (for callers outside of Australia) between 9.00am and 5.00pm Monday to Friday (excluding public holidays).

Independent Expert's Report

The Scheme Booklet includes an Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd (**Independent Expert**). The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interest of OreCorp shareholders, in the absence of a Superior Proposal (as defined in the Scheme Implementation Deed). The Independent Expert's conclusion should be read in context with the full Independent Expert's Report and the Scheme Booklet.

Directors' recommendation and voting intention

The directors of OreCorp (**OreCorp Directors**) unanimously recommend that OreCorp shareholders vote in favour of the Scheme at the Scheme Meeting in the absence of a Superior Proposal (as defined in the Scheme Implementation Deed) and subject to the Independent Expert continuing to conclude that the Scheme is in the best interest of OreCorp shareholders.¹

Subject to those same qualifications, each of the OreCorp Directors intends to vote, or procure the voting of, all OreCorp shares in which they have a relevant interest in favour of the Scheme at the Scheme Meeting.

Scrip Consideration and CDI Election

Under the terms of the Scheme, OreCorp shareholders (other than Ineligible Shareholders² and other than Silvercorp and its associates) will be entitled to receive, for each OreCorp share held on the record date for the Scheme (**Record Date**):

- a cash payment of A\$0.15; and
- 0.0967 of a new Silvercorp share (being a fully paid common share in Silvercorp) or 0.0967 of a new Silvercorp CDI (subject to the ASX Quotation occurring, as defined below and the return of a valid CDI Election Form) (**Scrip Consideration**).

As noted above, if the Scheme becomes effective, and subject to ASX admitting Silvercorp to the official list of ASX and approving the new Silvercorp CDIs for official quotation (**ASX Quotation**), each such OreCorp shareholder may elect to receive the

¹ In respect of the recommendations of the OreCorp Directors, OreCorp Shareholders should have regard to the fact that, if the Scheme is implemented, certain OreCorp Directors will receive personal benefits as further detailed on page 3 of the Scheme Booklet in the paragraph titled "Important information regarding OreCorp Directors' recommendations of the Scheme"

² An Ineligible Shareholder includes an Ineligible Foreign Shareholder and an Unmarketable Parcel Shareholder. An Ineligible Foreign Shareholder is an OreCorp shareholder whose address, as shown on the OreCorp share register on the Record Date is a place outside Australia and its external territories, New Zealand, the United Kingdom, the United States of America and Canada unless Silvercorp (in consultation with OreCorp) determines that it is lawful and not unduly onerous or impracticable to issue that shareholder with new Silvercorp shares or new Silvercorp CDIs (as applicable) on implementation of the Scheme. An Unmarketable Parcel Shareholder is an OreCorp shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of OreCorp shares on the Record Date would, on implementation of the Scheme, be entitled to receive less than a marketable parcel (as that term is defined in the ASX Listing Rules) of new Silvercorp shares or new Silvercorp CDIs (assessed by reference to the price of Silvercorp shares on the TSX at the close of trading on the trading day prior to the Record Date) as Scrip Consideration.

Scrip Consideration in the form of new Silvercorp CDIs (tradeable on ASX) instead of new Silvercorp shares (tradeable on TSX and NYSE).

Ineligible Shareholders will not be issued with new Silvercorp shares under the Scheme but will receive a cash payment instead (see section 10.4 of the Scheme Booklet for further details).

OreCorp shareholders who are eligible to make an election to receive new Silvercorp CDIs can make such an election by returning a valid CDI Election Form in accordance with the directions in the Scheme Booklet and on the Form by 7.00pm (AWST) on 13 December 2023. An election can only be made in relation to all and not part of an entitlement to receive the Scrip Consideration. An election will apply to a shareholder's entire registered holding of OreCorp shares at 7.00pm (AWST) on the Record Date, regardless of whether this holding is greater or less than the number held at the time of making the election to receive new Silvercorp CDIs.

OreCorp shareholders should note that even if an election to receive new Silvercorp CDIs is validly made, this will be void and of no effect if ASX Quotation has not occurred by 5.00pm (AWST) on the business day before the second Court hearing (conditional only on implementation of the Scheme, the issue of the Scrip Consideration and customary pre-quotation disclosure). In these circumstances, such OreCorp shareholders will receive their Scrip Consideration in the form of new Silvercorp shares instead.

An OreCorp shareholder who is eligible to make an election to receive new Silvercorp CDIs but does not make a valid such election will receive new Silvercorp shares as Scrip Consideration.

Indicative Timetable

The key events and expected timing in relation to the approval and implementation of the Scheme are set out in the table below:

Time and date by which Proxy Forms must be received	10.00am (AWST) on Wednesday 6 December 2023
Time and date for determining eligibility of OreCorp shareholders to vote at the Scheme Meeting	7.00pm (AEDT) on Wednesday 6 December 2023
Scheme Meeting	10.00am (AWST) on Friday 8 December 2023
Court hearing for approval of the Scheme (Second Court Date)	Tuesday 12 December 2023
Date on which the Scheme comes into effect and is binding on OreCorp shareholders (Effective Date)	Wednesday 13 December 2023
Last day of trading on ASX of OreCorp shares	Wednesday 13 December 2023

Time and date by which CDI Election Forms must be received	7.00pm (AWST) on Wednesday 13 December 2023
Record Date	7.00pm (AWST) on Friday 15 December 2023
Date on which OreCorp shareholders ³ will be provided with the Scheme consideration to which they are entitled (Implementation Date)	Friday 22 December 2023
New Silvercorp shares begin trading on TSX and NYSE American	Friday 22 December 2023
Despatch of direct registration statements for new Silvercorp shares	Wednesday 3 January 2024

If ASX Quotation occurs:

New Silvercorp CDIs begin trading on ASX on a deferred settlement basis	Thursday 14 December 2023
Despatch of holding statements for new Silvercorp CDIs	Wednesday 27 December 2023
New Silvercorp CDIs begin trading on ASX on normal settlement basis	Wednesday 27 December 2023

Note: This timetable is indicative only. The actual timetable will depend upon the time at which the conditions precedent to the Scheme, including conditions relating to receipt of regulatory approvals, are satisfied or, if applicable, waived. Those conditions are summarised in section 9.1(a) of the Scheme Booklet. OreCorp has the right to vary the timetable set out above subject to the approval of such variation by the Court and ASX where required. Any variation to the timetable set out above will be announced to ASX (www.asx.com.au) and published on OreCorp's website (www.orecorp.com.au).

Extension of time to hold AGM

In view of the pending Scheme, ASIC has formally granted OreCorp an extension of the period of time by which OreCorp must hold its annual general meeting for the financial year ended 30 June 2023 from 30 November 2023 to 29 February 2024. This follows ASIC's earlier in principle decision that it would grant this extension, as noted in the Scheme Booklet. OreCorp shareholders will be provided an opportunity at the Scheme Meeting to ask any questions or make any comments on the management of the Company, and the annual financial report, annual directors' report and auditor's report for the financial year ended 30 June 2023.

³ Ineligible Shareholders will have their new Silvercorp Shares issued instead to a sale agent. These shares will then be sold by the sale agent and the net proceeds of the sale will be paid to the Ineligible Shareholders. Refer to section 10.4 of the Scheme Booklet for further details.

Further Information

OreCorp shareholders should carefully read the Scheme Booklet in its entirety, including the materials accompanying it, before deciding whether to vote in favour of the Scheme. If after reading the Scheme Booklet you have any questions about the Scheme or the Scheme Booklet, please contact the OreCorp Shareholder Information Line on 1300 441 602 (within Australia) or +61 2 9934 0529 (outside Australia) Monday to Friday between 9:00 am and 5:00pm. If you are in any doubt as to how to deal with the Scheme Booklet, please consult your independent financial, legal, taxation or other professional advisor immediately.

Authorised for release on behalf of the Company by the CEO & Managing Director

For further information please contact

Henk Diederichs
CEO & Managing Director
+61 9381 9997

Nathan Ryan
Investor Relations
nathan.ryan@nwrcommunications.com.au
+61 (0) 420 582 887

For more information

 Follow us on [LinkedIn](#)  Follow us on [Twitter](#)

 Visit our investor websites: www.orecorp.com.au

 Subscribe to our [mailing list](#) to receive business updates and investor information

ABOUT ORECORP LIMITED

OreCorp Limited is a Western Australian based mining development company listed on the Australian Securities Exchange (ASX) under the code 'ORR'. OreCorp's key project is the Nyanzaga Gold Project in northwest Tanzania. In August 2023, OreCorp signed a binding Scheme Implementation Deed with Silvercorp Metals Inc. whereby, subject to satisfaction of various conditions, including OreCorp shareholder approval, Silvercorp will acquire all fully paid ordinary shares of OreCorp pursuant to an Australian scheme of arrangement under the *Corporations Act 2001* (Cth).

DISCLAIMER / FORWARD-LOOKING STATEMENTS

This announcement may contain certain forward-looking statements, guidance, forecasts, estimates, prospects and projections in relation to future matters that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events, which as at the date of this announcement are considered reasonable, that may or may not eventuate (**Forward-Looking Statements**). Forward-Looking Statements can generally be identified by the use of forward-looking words such as, 'anticipates', 'estimates' 'will', 'should', 'could', 'may', 'expects', 'plans', 'forecast', 'target' or similar expressions and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production and expected costs. Indications of, and guidance on future earnings, cash flows, costs, financial position and performance are also Forward-Looking Statements.

Persons reading this announcement are cautioned that such statements are only predictions, and that actual future results or performance may be materially different. Forward-Looking Statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change, without notice, as are statements about market and industry trends, which are based on interpretation of current market conditions. Forward-Looking Statements are provided as a general guide only and should not be relied on as a guarantee of future performance.

No representation or warranty, express or implied, is made by OreCorp that any Forward-Looking Statement will be achieved or proved to be correct. Further, OreCorp disclaims any intent or obligations to update or revise any Forward-Looking Statements whether as a result of new information, estimates or options, future events or results or otherwise, unless required to do so by law.

Scheme Booklet

for the acquisition by scheme of arrangement of all of the issued shares in OreCorp Limited ACN 147 917 299 (other than the Excluded Shares) by Silvercorp Metals Inc.



Your Directors unanimously recommend that you

vote in favour

of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OreCorp Shareholders

This is an important document and requires your immediate attention. You should read this document in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in any doubt as to how to deal with this document, you should consult your financial, legal or other professional adviser immediately.

ALLEN & OVERY

Legal Adviser



Financial Adviser

IMPORTANT NOTICES

Date of this Scheme Booklet

This Scheme Booklet is dated 2 November 2023.

Defined terms

Capitalised terms and certain abbreviations used in this Scheme Booklet (other than in the Independent Expert's Report contained in Annex 5 and the Independent Limited Assurance Report in Annex 6) have the defined meanings set out in the Glossary in section 13. The Independent Expert's Report contained in Annex 5 and the Independent Limited Assurance Report in Annex 6 each contain their own defined terms which are sometimes different from those set out in the Glossary in section 13.

References to OreCorp Shareholders

References in this Scheme Booklet to OreCorp Shareholders in the context of the Scheme including, the OreCorp's Directors recommendation of the Scheme, voting on the Scheme at the Scheme Meeting and the implications of the Scheme for OreCorp Shareholders should be read as excluding the Excluded Shareholders.

Purpose of this Scheme Booklet

The purpose of this Scheme Booklet is to explain the terms of the Scheme and the manner in which the Scheme will be implemented, if approved. This Scheme Booklet provides all information required to be given to OreCorp Shareholders or that is otherwise material to the decision of OreCorp Shareholders whether or not to vote in favour of the Scheme at the Scheme Meeting.

General

You should read this Scheme Booklet in its entirety before making a decision as to how to vote on the resolution to be considered at the Scheme Meeting. If you have any questions, you may contact the OreCorp Shareholder information line on 1300 441 602 from within Australia or +61 2 9934 0529 from outside Australia between 9.00am and 5.00pm, Monday to Friday. If you are in any doubt as to what to do, you should consult your financial, legal or other professional adviser immediately.

Responsibility statement

OreCorp has provided, and is responsible for, the OreCorp Information in this Scheme Booklet, and none of Silvercorp and its directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of the OreCorp Information.

Silvercorp has provided, and is responsible for, the Silvercorp Information in this Scheme Booklet and none of OreCorp and its directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of the Silvercorp Information.

PricewaterhouseCoopers has prepared and is responsible for the information contained in section 11 ('Taxation implications') of this Scheme Booklet and none of Silvercorp, OreCorp and their respective directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of the information contained in section 11 of this Scheme Booklet.

BDO has prepared and is responsible for the Independent Expert's Report and none of Silvercorp, OreCorp and their respective directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of the information in the Independent Expert's Report except, in the case of Silvercorp and OreCorp, in relation to information given by them respectively to the Independent Expert.

SRK Consulting (Australasia) Pty Ltd has prepared and is responsible for the Independent Technical Specialist's Report contained in Appendix 5 to the Independent Expert's Report. None of Silvercorp, OreCorp and their respective directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of the information in the Independent Technical Specialist's Report except, in the case of Silvercorp and OreCorp, in relation to information given by them respectively to the Independent Technical Specialist.

Deloitte has prepared and is responsible for the Independent Limited Assurance Report and none of Silvercorp, OreCorp and their respective directors, officers, employees and advisers assumes any responsibility for the accuracy or completeness of the information in the Independent Limited Assurance Report except, in the case of Silvercorp and OreCorp, in relation to information given by them respectively to the Investigating Accountant.

Role of ASIC

This Scheme Booklet contains the explanatory statement for the Scheme for the purposes of section 412(1) of the Corporations Act. A copy of this Scheme Booklet has been registered by ASIC for the purposes of section 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with section 411(2)(b) of the Corporations Act. Neither ASIC nor any of its officers takes any responsibility for the contents of this Scheme Booklet.

ASIC has been requested to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Scheme. If ASIC provides that statement, it will be produced to the Court at the time of the Court hearing to approve the Scheme.

Court order under section 411(1) of the Corporations Act

The fact that under section 411(1) of the Corporations Act the Court has ordered that the Scheme Meeting be convened and has approved the explanatory statement required to accompany the notice of the Scheme Meeting does not mean that the Court has formed any view as to the merits of the proposed Scheme or as to how OreCorp Shareholders should vote (OreCorp Shareholders must reach their own decision on this matter) or has prepared, or is responsible for the content of, this Scheme Booklet or the explanatory statement contained within it.

Important information regarding OreCorp Directors' recommendation of the Scheme

You should note when considering the OreCorp Directors' recommendation of the Scheme set out in this Scheme Booklet that Mr Yates (Executive Chairman), Mr Diederichs (CEO and Managing Director), Mr Morrison (Non-Executive Director) and Mr Klessens (Non-Executive Director) will each be receiving a benefit if the Scheme proceeds (see sections 4.6 and 12). As at the Last Practicable Date, Mr Yates holds 1,060,208 OreCorp Performance Rights and Mr Diederichs holds 804,274 OreCorp Performance Rights that will, as a result of the Scheme, vest before the Record Date, resulting in the issue of 1,060,208 OreCorp Shares (with an implied value of A\$530,104) to Mr Yates and 804,274 OreCorp Shares (with an implied value of A\$402,137) to Mr Diederichs (see sections 4.6, 12.1(b), 12.5 and 12.7(c)). Despite these interests in the outcome of the Scheme, Mr Yates and Mr Diederichs consider that, given the importance of the Scheme and their respective roles as Executive Chairman and

CEO and Managing Director of OreCorp, it is important and appropriate for them to provide a recommendation to OreCorp Shareholders in relation to voting on the Scheme. Additionally, the OreCorp Board (excluding Mr Yates and Mr Diederichs) also considers that it is appropriate for each of Mr Yates and Mr Diederichs to make a recommendation on the Scheme given their respective roles in the management and operations of OreCorp. As at the Last Practicable Date, Mr Yates holds 1,059,603 OreCorp Options, Mr Morrison holds 250,000 OreCorp Options and Mr Klessens holds 250,000 OreCorp Options. OreCorp has entered into Option Cancellation Deeds with each of Mr Yates, Mr Morrison and Mr Klessens, under which the relevant holder has agreed to the cancellation of those OreCorp Options in return for a cash payment, subject to the Court approving the Scheme (see sections 4.6, 12.1(b), 12.5 and 12.7(d)). Despite these interests in the outcome of the Scheme, Mr Yates, Mr Morrison and Mr Klessens consider that, given the importance of the Scheme and their respective roles, it is important and appropriate for them to provide a recommendation to OreCorp Shareholders in relation to voting on the Scheme. Additionally, the OreCorp Board (excluding Mr Yates, Mr Morrison and Mr Klessens) also considers that it is appropriate for each of Mr Yates, Mr Morrison and Mr Klessens to make a recommendation on the Scheme given their respective roles within OreCorp.

Forward looking statements

Certain statements in this Scheme Booklet relate to the future. The forward looking statements in this Scheme Booklet are not based on historical facts, but rather reflect the current views and expectations of OreCorp or, in relation to the Silvercorp Information, Silvercorp concerning future events and circumstances. These statements may generally be identified by the use of forward looking verbs such as “aim”, “anticipate”, “believe”, “estimate”, “expect”, “foresee”, “intend” or “plan”, qualifiers such as “may”, “should”, “likely” or “potential” or derived or similar words. Similarly, statements that describe the expectations, goals, objectives, plans or targets of Silvercorp or OreCorp are or may be forward looking statements.

These forward looking statements are based on certain assumptions regarding the operations of OreCorp, Silvercorp and the economic and regulatory environment in which OreCorp and Silvercorp will operate in the future. They are subject to known and unknown risks and uncertainties that could cause the actual outcomes, and the actual performance or results of OreCorp and Silvercorp to be materially different from the outcomes, or the performance or results of OreCorp and Silvercorp expressed or implied by such statements, including, among other things, general economic conditions, changes in law, regulation or government policy and certain other operational and financial risks and uncertainties associated with carrying on business in the mining industry. All forward looking statements should be read in light of such risks and uncertainties.

The forward looking statements in this Scheme Booklet reflect views and expectations held only at the Last Practicable Date. OreCorp believes that all forward looking statements included in the OreCorp Information have been made on a reasonable basis and Silvercorp believes that all forward looking statements included in the Silvercorp Information have been made on a reasonable basis. However, none of OreCorp, Silvercorp and their respective directors nor any other person gives any representation, assurance or guarantee that any outcome, performance or results expressed or implied by any forward looking statements in this Scheme Booklet will actually occur. Shareholders should therefore treat all forward looking statements with caution and not place undue reliance on them.

Subject to any continuing obligations under law or the ASX Listing Rules, OreCorp, Silvercorp and their respective directors disclaim any obligation to revise or update after the Last Practicable Date any forward looking statements to reflect any change in the views, expectations or assumptions on which those statements are based.

Notice to persons outside Australia

This Scheme Booklet has been prepared having regard to Australian disclosure requirements and Australian accounting standards. These disclosure requirements and accounting standards may be different from those in other countries.

This Scheme Booklet and the Scheme do not, either individually or in combination, constitute an offer of securities in any jurisdiction where it would be illegal. OreCorp Shareholders who are Ineligible Foreign Shareholders (which, as at the Last Practicable Date, includes those with registered addresses in jurisdictions outside Australia and its external territories, New Zealand, the United Kingdom, the United States of America and Canada) will not be issued with New Silvercorp Securities but will receive a cash payment instead. See section 4.2(b) for further details.

No action has been taken to register or qualify the New Silvercorp Securities or otherwise permit a public offer of such securities in any jurisdiction outside Australia.

Based on the information available, OreCorp Shareholders whose addresses are shown in the OreCorp Share Register as being in the following jurisdictions will be entitled to receive the Scheme Booklet and assuming they remain on the OreCorp Share Register on the Record Date, have New Silvercorp Securities issued to them under the Scheme subject to any qualifications set out below in respect of that jurisdiction:

1. Australia;
2. New Zealand;
3. Canada;
4. the United States of America;
5. the United Kingdom; and
6. any other jurisdiction in respect of which Silvercorp (in consultation with OreCorp) determines that it is lawful and not unduly onerous or impracticable to issue New Silvercorp Securities to an OreCorp Shareholder with a registered address in such jurisdiction.

Nominees and custodians who hold OreCorp Shares on behalf of a beneficial owner resident outside Australia, New Zealand, Canada, the United States of America and the United Kingdom may not forward this Scheme Booklet (or any accompanying document) to anyone outside these countries without the consent of OreCorp.

It is recommended that OreCorp Shareholders who are not Australian resident taxpayers or who are liable for tax outside Australia seek specific tax advice in relation to the Australian and overseas tax consequences of the Scheme.

Notice to OreCorp Shareholders in New Zealand

This Scheme Booklet is not a New Zealand disclosure document and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Financial Markets Conduct Act 2013 or any other New Zealand law. The offer of New Silvercorp Securities under the Scheme is being made to existing OreCorp Shareholders in reliance upon the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and, accordingly, this Scheme Booklet may not contain all the information that a disclosure document is required to contain under New Zealand law.

Notice to OreCorp Shareholders in the United Kingdom

Neither this Scheme Booklet nor any other document relating to the Scheme has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Silvercorp Securities.

This Scheme Booklet does not constitute an offer of transferable securities to the public within the meaning of the UK Prospectus Regulation or the FSMA. Accordingly, this Scheme Booklet does not constitute a prospectus for the purposes of the UK Prospectus Regulation or the FSMA.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Silvercorp Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to OreCorp or Silvercorp.

In the United Kingdom, this Scheme Booklet is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this Scheme Booklet relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Scheme Booklet.

Notice to OreCorp Shareholders in Canada

The New Silvercorp Securities to be issued to any OreCorp Shareholders in Canada are being issued in reliance upon exemptions from the prospectus and registration requirements of applicable Canadian securities laws in each province and territory of Canada. As a result, a shareholder in Canada may not receive information that would otherwise be required to be provided under applicable Canadian securities laws, and some rights, remedies and protections otherwise available under Canadian securities laws will not be available to the shareholder.

This Scheme Booklet has not been filed with any securities commission or securities regulatory authority in any province or territory of Canada. Additionally, no securities commission or securities regulatory authority in Canada has reviewed or in any way passed upon the Scheme Booklet or the merits of the Scheme or any securities of Silvercorp and any representation to the contrary is an offence.

OreCorp Shareholders in Canada should note that the Scheme will be conducted in accordance with the laws of Australia and ASX Listing Rules which may differ from comparable processes conducted under Canadian law.

In Canada, this Scheme Booklet is distributed only to OreCorp Shareholders and is not being made available to the public in Canada, and is not intended to be, made generally available in Canada other than to such OreCorp Shareholders. The Scheme Booklet should not be relied upon in Canada other than by OreCorp Shareholders.

This Scheme Booklet does not constitute or form part of, and should not be construed as, an offer or invitation to sell or any solicitation of any offer to purchase or subscribe for any securities of Silvercorp in Canada.

Notice to OreCorp Shareholders that (i) are in the United States of America, or (ii) are or will be “affiliates” of Silvercorp as defined under the US Securities Act

US shareholders of OreCorp should note that the Scheme is made for the securities of an Australian company in accordance with the laws of Australia and the ASX Listing Rules. The solicitation of proxies made pursuant to this Scheme Booklet is not subject to the requirements of section 14(a) of the US Exchange Act of 1934, as amended. The Scheme is subject to disclosure requirements of Australia that are different from those of the US.

Without limiting the foregoing, the financial information included or incorporated by reference in this Scheme Booklet has not been prepared in accordance with US general accepted accounting principles and thus may not be comparable to financial statements of US companies. Further, estimates of resources and reserves and other scientific and technical information included or incorporated by reference in this Scheme Booklet have not been prepared in accordance with subpart 1300 of Regulation S-K adopted by the US Securities and Exchange Commission and thus may not be comparable to similar information disclosed by US companies.

It may be difficult for you to enforce your rights and any claim you may have arising under US federal securities laws or "blue sky" laws of any state within the US since OreCorp and Silvercorp are located outside the US and some of their officers and directors and the experts named in this Scheme Booklet reside outside the US and all or a substantial portion of the assets of OreCorp and Silvercorp are, and of such other persons may be, located outside the US. You may not be able to sue OreCorp, Silvercorp or such other persons in Australia or Canada for violations of the US securities laws or enforce a US judgment against them in such jurisdictions. It may be difficult to compel OreCorp, Silvercorp and their affiliates to subject themselves to a US court's judgment.

The Scheme Booklet has not been filed with or reviewed by the US Securities and Exchange Commission or any state securities authority and none of them have passed upon or endorsed the merits of the Scheme or the accuracy, adequacy or completeness of the Scheme Booklet.

The New Silvercorp Shares and (subject to ASX Quotation and CDI Election) New Silvercorp CDIs to be issued pursuant to the Scheme have not been, and will not be, registered under the US Securities Act or the securities laws of any US state or other jurisdiction. The New Silvercorp CDIs and New Silvercorp Shares will be issued in reliance upon the exemption from registration provided by section 3(a)(10) of the US Securities Act. Section 3(a)(10) of the US Securities Act exempts from registration a security that is issued in exchange for outstanding securities where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue or distribute securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorised by law to grant such approval. The Court's approval will, if granted, constitute a basis for the exemption from the registration requirements under the US Securities Act contained in section 3(a)(10) thereof with respect to the New Silvercorp CDIs and New Silvercorp Shares to be issued in connection with the Scheme.

The New Silvercorp CDIs and New Silvercorp Shares issued pursuant to the Scheme will not be "restricted securities" as such term is defined in Rule 144 under the US Securities Act, and generally will not be subject to restrictions on resale under the U.S. Securities Act unless the holder of such New Silvercorp CDIs or New Silvercorp Shares is an "affiliate" of Silvercorp after the Effective Date of the Scheme or has been such an "affiliate" within 90 days prior to the Effective Date.

New Silvercorp CDIs and New Silvercorp Shares received by a holder who will be an "affiliate" of Silvercorp after the Effective Date or has been such an "affiliate" within 90 days prior to the Effective

Date will be subject to certain restrictions on resale under the U.S. Securities Act. As defined in Rule 144 under the US Securities Act, an “affiliate” of an issuer is a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the issuer. The determination of whether a person is an “affiliate” is dependent upon all relevant facts and circumstances. Persons who are executive officers, directors or significant shareholders of an issuer or who are otherwise able to exert influence over an issuer should consult with their own legal counsel regarding whether they would be considered to be “affiliates” and whether resales of the New Silvercorp CDIs and New Silvercorp Shares they received pursuant to the Scheme will be subject to restrictions imposed by the US Securities Act.

Persons who are not affiliates of Silvercorp after the Effective Date, have not been affiliates of Silvercorp within 90 days prior to the Effective Date and are not otherwise “underwriters” or “dealers” within the meaning of the US Securities Act may resell the New Silvercorp CDIs and New Silvercorp Shares that they receive in connection with the Scheme in the United States without restriction under the US Securities Act. Persons who are affiliates of Silvercorp after the Effective Date or who have been affiliates within 90 days of the Effective Date may not sell the New Silvercorp CDIs and New Silvercorp Shares that they receive in connection with the Scheme under the U.S. Securities Act, in the absence of registration under the US Securities Act, unless an exemption from such registration requirements is available, such as the exemptions provided by Rule 144 under the US Securities Act.

OreCorp shareholders who are resident in, or citizens of, the US, or otherwise subject to US federal income tax, are advised to consult their own tax advisers to determine the particular US tax consequences to them of the Scheme in light of their particular situation, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local or other taxing jurisdiction.

Privacy and personal information

OreCorp and Silvercorp and their respective share registries may collect personal information in the process of implementing the Scheme. The personal information may include the names, contact details and bank account details of OreCorp Shareholders and details of their holdings of OreCorp Shares, and the names of individuals appointed by OreCorp Shareholders as corporate representatives, proxies or attorneys at the Scheme Meeting. Individuals in respect of whom personal information is collected have certain rights to access the personal information collected in relation to them. Such individuals should in the first instance contact the OreCorp Registry on 1300 441 602 or hello@automicgroup.com.au if they wish to request access to that personal information.

The personal information referred to above is collected for the primary purpose of assisting OreCorp and Silvercorp to implement the Scheme and conduct the Scheme Meeting and may also be used for the purposes of calling OreCorp Shareholders in relation to their holdings of OreCorp Shares or the Scheme. The personal information referred to above may be disclosed to the share registries of OreCorp and Silvercorp, to securities brokers, to third party service providers, including professional advisers and print and mail service providers, to Related Bodies Corporate of OreCorp and Silvercorp and each of their agents and contractors, and to ASX and other regulatory authorities. It may also be disclosed where required or permitted by law or where the individual OreCorp Shareholder has consented to such disclosure. OreCorp Shareholders who appoint an individual as their corporate representative, proxy or attorney to vote at the Scheme Meeting should inform that individual of the matters referred to above.

Investment decisions

This Scheme Booklet does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation, tax position or other circumstances of any particular OreCorp Shareholder or any other person. This Scheme Booklet should not be relied upon

as the sole basis for any investment decision in relation to OreCorp Shares, New Silvercorp Securities or any other securities, and you should seek independent financial, legal, tax or other professional advice before making any such investment decision.

Mineral Resources and Ore Reserves/Mineral Reserves

OreCorp's disclosure of Mineral Resources and Ore Reserves is based on the reporting requirements of the JORC Code. Silvercorp's disclosure of CIM Mineral Resources and CIM Mineral Reserves is governed by NI 43-101, which adopts the CIM Standards. With the exception of slight differences in terminology, there are no material differences between the statements of Mineral Resources and Ore Reserves prepared in accordance with the JORC Code and statements of CIM Mineral Resources and CIM Mineral Reserves prepared in accordance with the CIM Standards applicable under NI 43-101. Refer to section 12.16 for an explanation of these terms under the JORC Code and NI 43-101.

Effect of rounding

Certain amounts or figures in this Scheme Booklet, including those in respect of the consideration due under the Scheme, are subject to the effect of rounding. Accordingly, the actual calculation of these amounts or figures may differ from the amounts or figures set out in this Scheme Booklet. In particular, all entitlements to New Silvercorp Securities will be rounded up or down to the nearest whole number of New Silvercorp Securities (with any fractional entitlement of 0.5 or more being rounded up) in order to avoid fractions of New Silvercorp Securities.¹

References to currency

All references to:

- \$, A\$, AUD, dollars or cents in this Scheme Booklet are to Australian currency, unless otherwise specified;
- US\$, USD or US dollars in this Scheme Booklet are to the currency of the United States of America; and
- C\$, CAD or Canadian dollars in this Scheme Booklet are to the currency of Canada.

References to time

All references to time in this Scheme Booklet are to the time in Perth, Western Australia, unless otherwise specified.

Charts and diagrams

Unless stated otherwise, all data included in diagrams, charts, graphs and tables is based on information available as at the Last Practicable Date.

¹ See section 10.5 for further details as to fractional entitlements.

CONTENTS

Section	Page
Important Notices.....	2
Contents.....	10
Key dates	11
Letter from OreCorp Chairman.....	12
Letter from Silvercorp Chairman and Chief Executive Officer	15
This Scheme Booklet.....	17
1. Voting at the Scheme Meeting.....	18
2. Key considerations relevant to your vote.....	19
3. Key questions.....	32
4. Summary of the Scheme.....	42
5. Information about OreCorp.....	48
6. Information about Silvercorp	61
7. Information about the Merged Group.....	122
8. Key Risks.....	141
9. Implementation of the Scheme.....	172
10. Scheme Consideration	178
11. Taxation implications	184
12. Additional information	191
13. Glossary	210

Annex

1. Key Terms of the Scheme Implementation Deed
2. Scheme Implementation Deed
3. Scheme
4. Deed Poll
5. Independent Expert's Report
6. Independent Limited Assurance Report
7. Notice of Scheme Meeting for OreCorp Limited ACN 147 917 299
8. Comparison of relevant Australian and Canadian laws

Corporate Directory

KEY DATES²

Event	Date
Date of this Scheme Booklet	Thursday 2 November 2023
Time and date by which Proxy Forms must be received	10.00am on Wednesday 6 December 2023
Time and date for determining eligibility of OreCorp Shareholders to vote at Scheme Meeting	7.00pm (AEDT) on Wednesday 6 December 2023
Scheme Meeting	10.00am on Friday 8 December 2023
<i>If OreCorp Shareholders approve the Scheme at the Scheme Meeting:</i>	
Court hearing for approval of the Scheme (Second Court Date)	Tuesday 12 December 2023
Date on which the Scheme comes into effect and is binding on OreCorp Shareholders (Effective Date)	Wednesday 13 December 2023
Last day of trading on ASX of OreCorp Shares	Wednesday 13 December 2023
Time and date by which Election Forms must be received by the OreCorp Registry from Eligible Scheme Shareholders who wish to receive Silvercorp CDIs, rather than Silvercorp Shares by default, as Scheme Consideration	7.00pm on Wednesday 13 December 2023
Time and date for determining entitlements to Scheme Consideration (Record Date)	7.00pm on Friday 15 December 2023
Date on which Scheme Shareholders ³ will be provided with the Scheme Consideration to which they are entitled (Implementation Date)	Friday 22 December 2023
New Silvercorp Shares begin trading on TSX and NYSE American	Friday 22 December 2023
Despatch of direct registration statements for New Silvercorp Shares	Wednesday 3 January 2024
<i>If ASX Quotation occurs:</i>	
New Silvercorp CDIs begin trading on ASX on a deferred settlement basis	Thursday 14 December 2023
Despatch of holding statements for New Silvercorp CDIs	Wednesday 27 December 2023
New Silvercorp CDIs begin trading on ASX on normal settlement basis	Wednesday 27 December 2023

² This timetable is indicative only. The actual timetable will depend upon the time at which the conditions precedent to the Scheme, including conditions relating to receipt of regulatory approvals, are satisfied or, if applicable, waived. Those conditions are summarised in section 9.1(a) of this Scheme Booklet. OreCorp has the right to vary the timetable set out above subject to the approval of such variation by the Court and ASX where required. Any variation to the timetable set out above will be announced to ASX (www.asx.com.au) and published on OreCorp's website (www.orecorp.com.au).

³ Ineligible Shareholders will have their New Silvercorp Shares issued instead to a Sale Agent. These shares will then be sold by the Sale Agent and the net proceeds of the sale will be paid to the Ineligible Shareholders. Refer to section 10.4 for more details on this process.

LETTER FROM ORECORP CHAIRMAN

Dear Shareholders,

It's been a long journey since myself, Alastair Morrison and George Bennett founded OreCorp in mid-2010. The simple aim and objective of the company we founded was to deliver a company-making asset and to build a mid-tier miner.

We have seen OreCorp grow over the last 13 years from a private company, through to ASX listing and its initial projects in Ethiopia and Mauritania, to the acquisition, and now development of the Nyanzaga Gold Project in northern Tanzania. OreCorp also built a significant and strategic land holding in the Eastern Goldfields of WA, with these assets being returned to shareholders via the demerger and in-specie distribution of shares in Solstice Minerals Limited, which commenced trading on the ASX in May last year.

The Nyanzaga story has evolved significantly in the past twelve months with the conclusion of the Definitive Feasibility Study (**DFS**), significant advancement in the Project financing workstream, the Resettlement Action Plan (**RAP**) and advancement in the engineering and design for Nyanzaga.

Exploration too has played its part with significant and exciting results from potential depth extensions to Nyanzaga and the shallow high grade hits on the Wingi Igneous Complex.

The DFS has demonstrated the global significance of Nyanzaga, with the potential to be the first new large-scale gold mine in Tanzania in over a decade. Whilst OreCorp is confident that it can raise the required project financing to fund Nyanzaga, we see the ability to deliver substantial benefits to all of our stakeholders in the merger with Silvercorp via the Scheme.

The Scheme Consideration comprises A\$0.15 cash and 0.0967 of a New Silvercorp Share or 0.0967 of a New Silvercorp CDI (subject to ASX Quotation occurring and a CDI Election being made). Scheme Shareholders should note that even if an election to receive New Silvercorp CDIs is validly made, this will be void and of no effect if ASX has not formally approved the ASX Quotation by 5.00pm on the Business Day before the Second Court Date. In these circumstances, such Scheme Shareholders (other than Ineligible Shareholders) will receive their Scrip Consideration in the form of New Silvercorp Shares (for further information refer to sections 8.2(f) and 10.3(c)).

The Independent Expert has determined a value range of the Scheme Consideration between A\$0.448 and A\$0.621 per OreCorp Share. Further, the Independent Expert has determined that the value of an OreCorp Share prior to the Scheme (on a controlling interest basis) was between A\$0.360 and A\$0.533. Having considered the terms of the Scheme, the Independent Expert concluded that, in the absence of a Superior Proposal, the Scheme is fair and reasonable and in the best interests of Shareholders.

The Scheme Consideration offered by Silvercorp provides a premium of 31.5% to the 4 August 2023 closing price of OreCorp shares trading on the ASX and a 41.7% premium to the volume weighted average price (**VWAP**) of OreCorp shares over the 20 ASX trading days prior to announcement of the Scheme. The transaction will provide enhanced trading liquidity, re-rating potential and the opportunity to participate in further upside from Nyanzaga and Silvercorp's existing portfolio. Silvercorp is well-positioned to fund and advance Nyanzaga into commercial production.

Silvercorp is a Canadian precious metals mining company listed on the TSX and the NYSE American with its current business established in 2003. Since production began in 2006, Silvercorp has grown steadily by expanding existing projects through extensive drilling and consolidation, as well as through equity positions in promising precious metal exploration and development companies. Silvercorp has highly experienced management and technical teams with a proven history of exploration and development success, significant mine building and operational experience to build Nyanzaga.

Silvercorp has a very strong financial position, with the financial capacity to fund the construction of Nyanzaga.

OreCorp's Board has unanimously recommended that OreCorp Shareholders vote in favour of the Scheme, subject to no Superior Proposal emerging for OreCorp and the Independent Expert continuing to conclude that the Scheme is in the best interests of OreCorp Shareholders.⁴

While the OreCorp Board unanimously recommends that OreCorp Shareholders vote in favour of the Scheme, there are some possible disadvantages and risks relating to the Scheme, specifically:

- you may hold different views to the OreCorp Directors and the Independent Expert;
- the value of the Scheme Consideration is not fixed and will depend on the price at which New Silvercorp Shares trade on the TSX and the NYSE American and, if ASX Quotation occurs and a CDI Election is made, New Silvercorp CDIs trade on ASX following the Implementation Date;
- you may wish to maintain your direct investment in OreCorp (as an ASX-listed company) and your current risk profile, and you may prefer for OreCorp to continue to operate as a standalone entity;
- you may consider that there is a possibility that a Superior Proposal could emerge in the foreseeable future;
- the Merged Group and its shareholders will be subject to different corporate and securities law than OreCorp currently is; and
- the tax consequences of the Scheme may not suit your particular financial circumstances.

The OreCorp Board encourages you to read this Scheme Booklet carefully and in its entirety as it will assist you in making an informed decision on how to vote.

In conjunction with entering into the Scheme Implementation Deed, Silvercorp injected much needed funding into OreCorp by way of a \$28.2 million private placement, which facilitated significant compensation payments for the RAP and allowed the Project to continue down its development timeline, utilising Silvercorp's strong balance sheet and cash flow from its operating mines. Assuming OreCorp Shareholders vote in favour of the Scheme and other relevant conditions are satisfied (or, if applicable, waived), the transaction is anticipated to conclude in December 2023.

We are pleased that the Tanzanian Government has expressed its support of the proposed acquisition of OreCorp by Silvercorp and views this transaction as a means to develop Nyanzaga together, as a robust project delivering benefits to the people of Tanzania and all other stakeholders.

⁴ In respect of the recommendation of the OreCorp Directors, OreCorp Shareholders should have regard to the fact that, if the Scheme is implemented, certain OreCorp Directors will receive personal benefits as further detailed on page 3 of this Scheme Booklet in the paragraph titled "Important information regarding OreCorp Directors' recommendation of the Scheme".

As the OreCorp Chairman, I am genuinely excited about this transaction and the future potential of the Nyanzaga Project. This is an opportunity for OreCorp Shareholders to participate in a low-cost precious metals company with an established asset base, greater access to capital, higher trading liquidity, and enhanced capital markets relevance.

On behalf of the OreCorp Board, I encourage you to vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OreCorp Shareholders. I wish all the very best for the new Silvercorp, its people and shareholders and will eagerly watch the ascent of a new mid-tier precious metals company and look forward to our shared future with you as a shareholder.

Yours Sincerely,

A handwritten signature in blue ink, appearing to read 'Matthew Yates', is positioned above the printed name.

Matthew Yates
Executive Chairman
OreCorp Limited

LETTER FROM SILVERCORP CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Dear OreCorp Shareholders,

On behalf of the Silvercorp Board and management, I am pleased to write to you concerning the exciting opportunity presented by our proposed acquisition of OreCorp.

The Scheme Consideration offered by Silvercorp provides a premium of 31.5% to the 4 August 2023 closing price of OreCorp shares trading on the ASX and a 41.7% premium to the VWAP of OreCorp shares over the 20 ASX trading days prior to the announcement of the Scheme. The transaction will provide enhanced trading liquidity, re-rating potential and the opportunity to participate in further upside from the Nyanzaga Project and Silvercorp's existing portfolio. Silvercorp is well-positioned to fund and advance the Nyanzaga Project into commercial production.

With its current business established in 2003, Silvercorp is a Canadian precious metals mining company listed on the TSX and the NYSE American. Since production began in 2006, Silvercorp has grown steadily by expanding existing projects through extensive drilling and consolidation, as well as through equity positions in promising precious metal exploration and development companies. We have highly experienced management and technical teams with a proven history of exploration and development success, significant mine building and operational experience to advance the Nyanzaga Project into production and to pursue opportunities for optimization and expansion.

Silvercorp has a very strong financial position and liquidity, with financial capacity to fund the construction and aggressive exploration of Nyanzaga, as well as pursue regional M&A opportunities. As at 30 June 2023, Silvercorp had cash and cash equivalents and short-term investments of US\$200.6 million and an equity investment portfolio in associates and other companies with a total market value of US\$121.5 million. Silvercorp's projected life of mine cash flows from its operations is strong, driven by low cost production, providing us with consistent free cash flow to grow Silvercorp. Our ongoing strategy is to continue to maximise profitable production from our mines and evaluate new exploration, development, and production opportunities.

Details of the Scheme, including Silvercorp's intentions for the Merged Group, to facilitate your continued investment in our growth and development strategy, are contained in this Scheme Booklet. The Scheme Booklet also sets out some potential disadvantages of the Scheme. I encourage you to read the Scheme Booklet in full.

The Scheme is unanimously supported by the OreCorp Board, who intend to vote all their OreCorp Shares in favour of the Scheme at the Scheme Meeting, subject to no Superior Proposal emerging for OreCorp and the Independent Expert continuing to conclude that the Scheme is in the best interests of OreCorp Shareholders.

We are pleased that the Tanzanian Government has expressed it is supportive of the proposed acquisition of OreCorp by Silvercorp and that it looks at this transaction as a means to develop Nyanzaga together, as a robust project delivering benefits to the people of Tanzania and all other stakeholders.

As the Chairman and Chief Executive Officer of Silvercorp, I am excited about this transaction and the future potential of the Nyanzaga Project. This is an opportunity for OreCorp Shareholders to participate

in a low-cost intermediate precious metals company with established assets, greater access to capital, higher trading liquidity, and enhanced capital markets relevance. On behalf of the Silvercorp Board, I encourage you to vote in favour of the Scheme and look forward to our shared future with you as a shareholder.

Yours Sincerely,



Dr. Rui Feng
Chairman, Chief Executive Officer
Silvercorp Metals Inc.

THIS SCHEME BOOKLET

What is this Scheme Booklet for?

On 6 August 2023, OreCorp and Silvercorp announced the proposed acquisition of OreCorp by Silvercorp and the entry into the Scheme Implementation Deed. Under the proposed Scheme, subject to satisfaction or waiver (as applicable) of certain conditions, Silvercorp will acquire all of the Scheme Shares in exchange for the Scheme Consideration.

You are entitled to vote on the Scheme. This Scheme Booklet contains information to assist you to decide how to vote. In particular, section 2 provides a summary of why OreCorp Shareholders might vote for or against the Scheme.

What you will receive if the Scheme is implemented

If the Scheme is implemented, Scheme Shareholders (other than Ineligible Shareholders) will receive:

- a cash payment of A\$0.15; and
- 0.0967 of a New Silvercorp Share or 0.0967 of a New Silvercorp CDI (subject to ASX Quotation occurring and CDI Election),

per Scheme Share held on the Record Date (expected to be Friday 15 December 2023).

Ineligible Shareholders will not be issued with New Silvercorp Securities under the Scheme but will receive a cash payment instead (see section 4.2(b) for further details).

1. Voting at the Scheme Meeting

1.1 How to vote

The Scheme Meeting will be held at 10.00am on Friday 8 December 2023 at Level 12, 2 The Esplanade, Perth.

Except as mentioned below, OreCorp Shareholders who are registered on the OreCorp Share Register at 7.00pm AEDT on Wednesday 6 December 2023 may vote at the Scheme Meeting in person, by joining the online webcast, by corporate representative (in the case of corporate shareholders), by proxy or by attorney.

An OreCorp Shareholder who holds any Excluded Shares will not be entitled to vote the Excluded Shares at the Scheme Meeting.

Your OreCorp Directors believe the Scheme is a matter of critical importance for all OreCorp Shareholders and therefore urge you to vote on the Scheme if you are entitled to do so.

Before voting, you should read this Scheme Booklet carefully, including the Notice of Scheme Meeting set out in Annex 7 and the accompanying notes. If you have any questions, please consult your financial, legal or other professional adviser or call the OreCorp Shareholder information line on 1300 441 602 from within Australia only or +61 2 9934 0529 from outside Australia between 9.00am and 5.00pm, Monday to Friday.

1.2 Shareholders wishing to vote in person or online

OreCorp Shareholders who are entitled to vote and wish to do so in person should attend the Scheme Meeting to be held at 10.00am on Friday 8 December 2023 at Level 12, 2 The Esplanade, Perth.

Alternatively, OreCorp Shareholders may attend and participate in the Scheme Meeting through an online meeting platform powered by OreCorp's Registry, where Shareholders will be able to watch, listen, and vote online. To access the Scheme Meeting online, go to investor.automic.com.au and login with your username and password or click "register" if you haven't already created an account. After logging in, a banner will be displayed at the top once the Scheme Meeting is open for registration.

1.3 Shareholders wishing to vote by proxy

OreCorp Shareholders who are entitled to vote and wish to do so by proxy should read the detailed notes relating to the appointment of proxies accompanying the Notice of Scheme Meeting set out in Annex 7. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting.

To be valid, your completed and signed Proxy Form (and any power of attorney under which it is signed) must be received at one of the addresses given below no later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid.

By online voting: investor.automic.com.au/#/home

By email: meetings@automicgroup.com.au

By fax: +61 2 8583 3040

By post: Automic
GPO Box 5193
Sydney NSW 2001

2. Key considerations relevant to your vote

The Scheme has a number of advantages and disadvantages which may affect OreCorp Shareholders in different ways depending on their individual circumstances. OreCorp Shareholders should seek professional advice on their particular circumstances, as appropriate.

Section 2.1 provides a summary of the reasons why OreCorp Shareholders might vote for or against the Scheme. Section 2.2 sets out in more detail the reasons why OreCorp Shareholders may wish to vote for the Scheme, but should be read in conjunction with section 2.3 which sets out in more detail the reasons why OreCorp Shareholders may wish to vote against the Scheme.

You should read this Scheme Booklet in full, including the Independent Expert's Report and the Independent Limited Assurance Report before deciding how to vote at the Scheme Meeting. While the OreCorp Directors acknowledge the reasons to vote against the Scheme, they believe the advantages of the Scheme outweigh the disadvantages. Accordingly, as noted below, they unanimously recommend that you vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OreCorp Shareholders.

2.1 Summary of reasons why you might vote for or against the Scheme

Reasons to vote in favour of the Scheme:

- ✓ The OreCorp Directors unanimously recommend that you vote in favour of the Scheme subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OreCorp shareholders and there being no Superior Proposal.⁵
- ✓ The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of OreCorp Shareholders.
- ✓ The implied value of the Scheme Consideration represents an attractive premium to the trading prices of OreCorp Shares on ASX prior to the Announcement Date.
- ✓ The Scrip Consideration provides attractive liquidity to OreCorp Shareholders.
- ✓ The Scheme mitigates certain risks and uncertainties which OreCorp Shareholders face (specifically the dilution associated with raising additional equity to fund construction of the Nyanzaga Project and project delivery risk).
- ✓ Scheme Shareholders (other than Ineligible Shareholders) will have an opportunity to participate in any additional value created in the Merged Group through the Scrip Consideration.
- ✓ Since the announcement of the Scheme, no Superior Proposal has emerged.
- ✓ The price of OreCorp Shares may fall if the Scheme is not implemented.
- ✓ Scheme Shareholders (other than Ineligible Shareholders) may be able to receive the Scrip Consideration in the form of New Silvercorp CDIs listed on ASX (if ASX Quotation occurs and a CDI Election is made).

⁵ In respect of the recommendation of the OreCorp Directors, OreCorp Shareholders should have regard to the fact that, if the Scheme is implemented, certain OreCorp Directors will receive personal benefits as further detailed on page 3 of this Scheme Booklet in the paragraph titled "Important information regarding OreCorp Directors' recommendation of the Scheme".

- ✓ Scheme Shareholders may be able to obtain rollover relief on capital gains made on disposal of their Scheme Shares.

Reasons to vote against the Scheme:

- ✗ You may hold different views to the OreCorp Directors and the Independent Expert.
- ✗ The value of the Scheme Consideration is not fixed and will depend on the price at which New Silvercorp Shares trade on the TSX and the NYSE American and, if ASX Quotation occurs and a CDI Election is made, New Silvercorp CDIs trade on ASX following the Implementation Date.
- ✗ You may wish to maintain your direct investment in OreCorp, as an ASX-listed company, and prefer for OreCorp to continue to operate as a standalone entity.
- ✗ You may consider that there is a possibility that a Superior Proposal could emerge in the foreseeable future.
- ✗ The Merged Group and its shareholders will be subject to different corporate and securities law than OreCorp currently is.
- ✗ The tax consequences of the Scheme may not suit your particular financial circumstances.
- ✗ You will be exposed to foreign exchange rates.
- ✗ You may prefer to maintain your current investment and risk profile.

2.2 Reasons to vote in favour of the Scheme

- (a) **The OreCorp Directors unanimously recommend that you vote in favour of the Scheme subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OreCorp Shareholders and there being no Superior Proposal.⁶**

The OreCorp Directors unanimously believe the Scheme is in the best interests of OreCorp Shareholders and unanimously recommend that you vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OreCorp Shareholders.

Subject to those same qualifications, each OreCorp Director intends to vote, or procure the voting of, all OreCorp Shares in which they have a Relevant Interest in favour of the Scheme at the Scheme Meeting. As at the Last Practicable Date, this represents in total approximately 18.5 million OreCorp Shares or 3.9% of the total number of OreCorp Shares on issue.

Whilst the OreCorp Directors acknowledge that there may be reasons to vote against the Scheme, they believe that the advantages of the Scheme outweigh the potential disadvantages (set out in section 2.3).

⁶ In respect of the recommendation of the OreCorp Directors, OreCorp Shareholders should have regard to the fact that, if the Scheme is implemented, certain OreCorp Directors will receive personal benefits as further detailed on page 3 of this Scheme Booklet in the paragraph titled "Important information regarding OreCorp Directors' recommendation of the Scheme".

(b) **The Independent Expert has concluded that the Scheme is fair and reasonable and in the best interests of OreCorp Shareholders.**

OreCorp commissioned the Independent Expert, BDO, to prepare a report on the Scheme to determine whether it is fair and reasonable and in the best interests of OreCorp Shareholders.

The Independent Expert has concluded that, in its opinion, the Scheme is fair and reasonable and in the best interests of OreCorp Shareholders in the absence of a Superior Proposal.

The reasons why the Independent Expert reached these conclusions are set out in the Independent Expert's Report, a copy of which is included in Annex 5. OreCorp Shareholders are encouraged to read the Independent Expert's Report in its entirety.

(c) **The implied value of the Scheme Consideration represents an attractive premium to the trading prices of OreCorp Shares on ASX prior to the Announcement Date.**

If the Scheme is approved and implemented, Scheme Shareholders will receive the Scheme Consideration for each OreCorp Share they hold on the Record Date.⁷ The Scheme Consideration comprises the Cash Consideration of A\$0.15 for each Scheme Share held and the Scrip Consideration of 0.0967 New Silvercorp Shares or (if ASX Quotation occurs and a CDI Election is made) 0.0967 New Silvercorp CDIs for each Scheme Share held.

As at the Last Practicable Date, the implied value of the Scheme Consideration is A\$0.50 per OreCorp Share (being A\$0.15 in cash and 0.0967 of a Silvercorp common share valued at A\$0.35),⁸ which represents a:

- 15.0% premium⁹ to the closing price of OreCorp Shares of A\$0.435 on ASX on 4 August 2023 (being the last trading day prior to the Announcement Date); and
- 18.7% premium¹⁰ to the 20-day VWAP of OreCorp Shares of A\$0.421 on ASX for the period ending 4 August 2023.

OreCorp Shareholders should be aware that the implied value of the Scheme Consideration may move upwards and downwards with fluctuations in the market price of Silvercorp Shares on the TSX and the NYSE American as well as the applicable foreign exchange rate. The Scheme Consideration being offered by Silvercorp of 0.0967 New Silvercorp Shares plus A\$0.15 cash for each OreCorp Share had an implied value of A\$0.60 per OreCorp Share prior to the Announcement Date¹¹ and has an implied value of A\$0.50 per OreCorp Share as at the Last Practicable Date.¹² The implied value of the Scheme Consideration is higher than the closing price of OreCorp Shares in the 12 months prior to the Announcement Date. The premia

⁷ Ineligible Shareholders will have their New Silvercorp Shares issued instead to a Sale Agent. These shares will then be sold by the Sale Agent and the net proceeds of the sale will be paid to the Ineligible Shareholders. Refer to section 10.4 for more details on this process.

⁸ Based on the Silvercorp Share price of US\$2.30 and the AUD:USD exchange rate of 1.574 as at the close of trading on NYSE American on the Last Practicable Date.

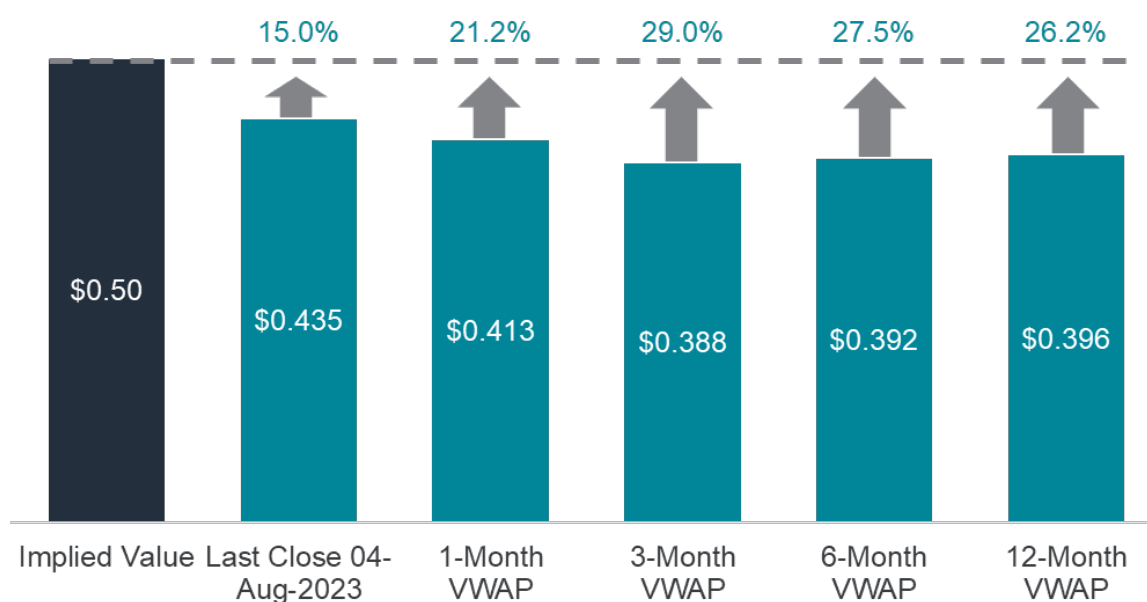
⁹ Based on unrounded implied value of the Scheme Consideration as at the Last Practicable Date, being A\$0.5002.

¹⁰ Based on unrounded implied value of the Scheme Consideration as at the Last Practicable Date, being A\$0.5002.

¹¹ Based on the 20-day VWAP of Silvercorp's Shares on the NYSE American for the period ending 3 August 2023 converted to Australian dollars using an AUD:USD exchange rate of 1.526.

¹² Based on the Silvercorp Share price of US\$2.30 and the AUD:USD exchange rate of 1.574 as at the close of trading on NYSE American on the Last Practicable Date.

represented by the Scheme Consideration¹³ relative to a range of OreCorp Share VWAPs for the periods ending 4 August 2023 is depicted in the chart below:



Whilst there is a risk that the implied value of the Scheme Consideration could decrease if the price of a Silvercorp Share decreases, the 12 month low closing share price of Silvercorp Shares on the NYSE American (converted into Australian dollars at the then-prevailing US dollar to Australian dollar foreign exchange rate) of A\$3.45 on 5 October 2023 implied a Scheme Consideration value of \$0.48 per OreCorp Share, representing an 11.2% premium¹⁴ to the last closing price of OreCorp Shares prior to the Announcement Date. Conversely, the 12 month high closing price of Silvercorp Shares on the NYSE American (converted into Australian dollars at the then-prevailing US dollar to Australian dollar foreign exchange rate) of A\$6.13 on 13 April 2023 implied a Scheme Consideration value of A\$0.74 per OreCorp Share, representing a 70.8% premium¹⁵ to the last closing price of OreCorp Shares prior to the Announcement Date.

(d) The Scrip Consideration provides attractive liquidity to OreCorp Shareholders.

The Scheme Consideration provides OreCorp Shareholders with superior liquidity, compared to holding OreCorp Shares, and therefore the opportunity to more readily crystallise all or part of their investment, if they so choose.

Silvercorp has a current market capitalisation of approximately US\$416.5million.¹⁶ The average daily trading volume of Silvercorp Shares across both the TSX and the NYSE American in the 12 month period prior to the Announcement Date was A\$7.2 million,¹⁷ which is equivalent to approximately 4.1% of OreCorp's A\$175.3m fully diluted market capitalisation as at 4 August 2023, being the last trading day prior to the Announcement Date. In comparison,

¹³ Being the implied value of A\$0.50 as at the Last Practicable Date, calculated on the basis explained above.

¹⁴ Based on unrounded implied value of the Scheme Consideration as at 5 October 2023 of A\$0.484.

¹⁵ Based on unrounded implied value of the Scheme Consideration as at 13 April 2023 of A\$0.743.

¹⁶ Based on the 181,108,070 Silvercorp fully diluted Shares outstanding and the closing price of Silvercorp Shares on the NYSE American of US\$2.30 per Silvercorp Share on the Last Practicable Date.

¹⁷ Based on the daily VWAP and total number of shares traded per day, converted into Australian dollars using the prevailing Canadian dollar to Australian dollar exchange rate for trading on the TSX, and US dollar to Australian dollar exchange rate for trading on the NYSE American).

the average daily trading volume of OreCorp Shares on ASX in the 12 month period prior to the Announcement Date was A\$0.2 million, which is equivalent to only 0.1% of OreCorp's A\$175.3m million fully diluted market capitalisation as at 4 August 2023.

The liquidity of Silvercorp Shares in comparison to the trading of OreCorp Shares represents a significant advantage to OreCorp Shareholders, especially in volatile markets. Given OreCorp's relatively low liquidity, if the Scheme is not implemented and a major OreCorp Shareholder chose to sell down their OreCorp Shares, this could result in a material adverse impact on the price of OreCorp Shares. The greater trading liquidity of Silvercorp across its TSX and NYSE American listings, together with the proposed listing of Silvercorp CDIs on the ASX (subject to ASX Quotation), means it is relatively less sensitive to issues of this nature.

(e) **The Scheme mitigates certain risks and uncertainties which OreCorp Shareholders face (specifically, the dilution associated with raising additional equity to fund construction of the Nyanzaga Project and project delivery risk).**

If implemented, the Scheme is expected to mitigate selected risks associated with investment in OreCorp as a standalone entity. In considering the merits of the Scheme, the OreCorp Directors gave careful consideration to the risks facing OreCorp, and OreCorp Shareholders, if the Scheme is not implemented, including the items listed below:

- OreCorp's cash position prior to the Announcement Date and the need to fund near-term commitments of the Nyanzaga Project, in particular the completion of the Resettlement Action Plan, as well as corporate overheads and working capital, implied an immediate requirement to raise equity capital. The approximately A\$28 million Placement agreed with Silvercorp concurrent with the announcement of the Scheme provided OreCorp with certainty of funding for the near-term needs of the Nyanzaga Project and OreCorp.
- As at 30 June 2023, Silvercorp had cash and cash equivalents and short-term investments of US\$200.6 million and an equity investment portfolio in associates and other companies with a total market value of US\$121.5 million. Silvercorp's balance sheet, together with its track record of cash generation from its existing asset base, provide significantly greater certainty of funding the development and commissioning of the Nyanzaga Project.
- While OreCorp had made significant progress toward securing debt funding for a component of the capital required to construct the Nyanzaga Project, together with advancing a potential streaming funding transaction, the remaining capital expenditure required to construct the Nyanzaga Project, together with funding required to meet corporate overheads and working capital, implied a need to raise significant equity capital, which the OreCorp Directors expected to occur at a discount to the prevailing price of an OreCorp Share of A\$0.435 prior to the Announcement Date, which would consequently have resulted in significant dilution for OreCorp Shareholders.

With regard to the potential challenges and risks described above, specifically the funding challenges and associated dilution to OreCorp Shareholders, the Scheme provides OreCorp Shareholders (other than Ineligible Shareholders) with an opportunity to realise their investment in OreCorp, or retain exposure to the Nyanzaga Project through their New Silvercorp Shares or (if ASX quotation occurs and a CDI Election is made) New Silvercorp CDIs, and thereby mitigate these risks.

While the Scheme is expected to mitigate certain specific risks if implemented, other risks relating to the business and operations of OreCorp, Silvercorp and the Merged Group will remain (refer to sections 8.3, 8.4 and 8.5 respectively).

- (f) **Scheme Shareholders (other than Ineligible Shareholders) will have an opportunity to participate in any additional value created in the Merged Group through the Scrip Consideration.**

If the Scheme is implemented, OreCorp Shareholders (other than Ineligible Shareholders) will hold shares in the Merged Group representing 17.8% of the total Silvercorp Shares on a fully diluted in-the-money basis as at the Last Practicable Date. Silvercorp has stated that:

“The Merged Group’s strategy will be to continue creating shareholder value by focusing on generating free cashflow from long life mines; bringing development projects into commercial production; organic growth through optimisation, expansion, and extensive drilling for discovery at existing mines and projects; an ongoing merger and acquisition strategy to enhance diversification and grow accretively; and a long-term commitment to responsible mining and sound ESG practices.”

- (g) **Since the announcement of the Scheme, no Superior Proposal has emerged.**

Between the Announcement Date and the Last Practicable Date, no Superior Proposal has emerged and OreCorp is not aware, as at the Last Practicable Date, of any Superior Proposal that is likely to emerge.

- (h) **The price of OreCorp Shares may fall if the Scheme is not implemented.**

If the Scheme is not implemented, OreCorp Shareholders will retain their shares in OreCorp, which will continue to be quoted on ASX. In this event, the OreCorp Directors anticipate that OreCorp Shares will trade at levels below those at which they have traded since the Scheme was announced, in the absence of an alternative proposal on similar or superior terms to the Scheme.

- (i) **Scheme Shareholders (other than Ineligible Shareholders) may be able to receive the Scrip Consideration in the form of New Silvercorp CDIs listed on ASX (if ASX Quotation occurs and a CDI Election is made).**

If the Scheme becomes Effective, and subject to ASX approving the admission of Silvercorp to the official list of ASX (conditional only on implementation of the Scheme, the issue of the Scrip Consideration and customary pre-quotation disclosure) by no later than 5.00pm on the Business Day prior to the Second Court Date, each Scheme Shareholder (other than an Ineligible Shareholder) may (by making a CDI Election) elect to receive the Scrip Consideration in the form of New Silvercorp CDIs (tradeable on ASX) instead of New Silvercorp Shares (tradeable on the TSX and the NYSE American).

Under the Scheme Implementation Deed, Silvercorp is required to use all reasonable endeavours to apply for admission of Silvercorp to the official list of the ASX and the New Silvercorp CDIs being approved for official quotation on the ASX. Silvercorp has been consulting with ASX in relation to its application to ASX and is in the process of preparing its formal application. OreCorp will issue an ASX announcement if between the Last Practicable Date and the Second Court Date there is any material information in relation to ASX Quotation.

The holder of a New Silvercorp CDI has an indirect, beneficial interest in the New Silvercorp Share underlying their New Silvercorp CDI instead of directly owning that New Silvercorp

Share. This means that the holder of the New Silvercorp CDI is not the holder of the underlying New Silvercorp Share and, accordingly, cannot directly trade the underlying New Silvercorp Share. The New Silvercorp Shares to which the New Silvercorp CDIs relate will be held by the CDI Nominee, a wholly-owned subsidiary of ASX, on behalf of the holders of the New Silvercorp CDIs.

Except for certain differences noted in section 7.9(b), the rights attaching to the New Silvercorp CDIs are economically equivalent to the rights attaching to New Silvercorp Shares. Silvercorp will generally be required to treat holders of New Silvercorp CDIs as if they were the holders of the New Silvercorp Shares that are represented by those New Silvercorp CDIs.

New Silvercorp CDIs will be tradeable on ASX only. The New Silvercorp CDIs can be traded during Australian business hours using Australian brokers in prices quoted in Australian dollars.

(j) Scheme Shareholders may be able to obtain rollover relief on capital gains made on disposal of their Scheme Shares.

Australian OreCorp Shareholders (other than Ineligible Shareholders) who make a capital gain as a result of the CGT event happening on the disposal of their Scheme Shares pursuant to the Scheme may be eligible to choose to obtain a roll-over in respect of part of that capital gain pursuant to Subdivision 124-M of the Tax Act (**roll-over**), to the extent the capital proceeds received are New Silvercorp Securities, subject to the specific criteria for the roll-over being satisfied.

If an Australian OreCorp Shareholder is eligible and chooses to apply the partial roll-over to the CGT event happening on the disposal of their Scheme Shares, any capital gain arising from that CGT event would be disregarded for Australian income tax purposes to the extent that the capital proceeds received are New Silvercorp Securities, and accordingly such capital gain would not be included in calculating the net capital gain for inclusion in the assessable income of the Australian OreCorp Shareholder.

Further details of the Australian tax implications of implementation of the Scheme are set out in section 11.

2.3 Reasons why you may consider voting against the Scheme

(a) You may hold different views to the OreCorp Directors and the Independent Expert.

Notwithstanding the unanimous recommendation of the OreCorp Board as set out in section 2.2 and the conclusion by the Independent Expert that the Scheme is fair and reasonable and in the best interests of OreCorp Shareholders, you may hold a different view and believe that the Scheme is not in your individual best interests nor the best interests of other OreCorp Shareholders.

(b) The value of the Scheme Consideration is not fixed and will depend on the price at which New Silvercorp Shares trade on the TSX and the NYSE American and, if ASX Quotation occurs, New Silvercorp CDIs trade on ASX following the Implementation Date.

As at the close of trading on NYSE American on the Last Practicable Date, the implied value of the Scheme Consideration was A\$0.50 per OreCorp Share.¹⁸ The implied value of the Scrip

¹⁸ Based on the Silvercorp Share price of US\$2.30 and AUD:USD exchange rate of 1.574 as at the close of trading on the NYSE American on the Last Practicable Date.

Consideration will vary over time depending on the prevailing Silvercorp Share and Silvercorp CDI prices and the AUD:USD exchange rate. Accordingly, the implied value of the Scrip Consideration is likely to change, including between the Last Practicable Date, the date of the Scheme Meeting and the Implementation Date (being the date on which the Scrip Consideration is issued). There is no guarantee that Scheme Shareholders will actually receive the implied value of the Scrip Consideration referred to in this Scheme Booklet.

Scrip Consideration Sensitivity

AUD:USD exchange rate	Silvercorp share price (USD)			
	USD2.20	USD2.30	USD2.40	USD2.50
	Implied value per OreCorp share (AUD)			
1.524	A\$0.47	A\$0.49	A\$0.50	A\$0.52
1.574	A\$0.48	A\$0.50	A\$0.52	A\$0.53
1.624	A\$0.50	A\$0.51	A\$0.53	A\$0.54
1.674	A\$0.51	A\$0.52	A\$0.54	A\$0.55

As at the close of trading on the NYSE American on the Last Practicable Date, the Silvercorp share price was US\$2.30 and the AUD:USD exchange rate was 1.574.

The Scrip Consideration that you will receive under the Scheme is fixed at 0.0967 New Silvercorp Shares or (if ASX Quotation occurs and a CDI Election is made) 0.0967 New Silvercorp CDIs for each Scheme Share that you hold (other than Ineligible Shareholders, who receive 0.0967 New Silvercorp Shares for each Scheme Share held and those New Silvercorp Shares will be dealt with in accordance with section 10.4). This ratio will not change, even if the value of Silvercorp Shares decreases or the value of OreCorp Shares increases, or vice versa, before the Implementation Date.

The value of New Silvercorp Shares and New Silvercorp CDIs (if any) issued on the Implementation Date will vary over time. In particular, Silvercorp's share price may be affected by the risks set out in sections 8.4 and 8.5. These risks include general economic conditions, changes in law, regulation or government policy, the impact of competition, certain other operational and financial risks and uncertainties associated with carrying on business in the mining industry, investor sentiment and general movements in securities markets. OreCorp Shareholders are already exposed to a considerable number of these risks through their investment in OreCorp. However, if the Scheme is implemented, the extent to which a particular risk may affect the price of Silvercorp Shares may be greater than the extent to which that risk currently affects OreCorp. These risks also include the matters summarised in section 2.4 below, which OreCorp Shareholders are not currently exposed to.

In addition, if the Scheme is implemented, Silvercorp will issue up to 38,971,035 New Silvercorp Shares under the Scheme, representing approximately 17.8% of the total Silvercorp Shares on issue at the Last Practicable Date on a fully diluted in-the-money basis. If a significant number of New Silvercorp Shares are sold on or around the Implementation Date, there may be additional volatility in the price of Silvercorp Shares in the short term.

(c) You may wish to maintain your direct investment in OreCorp, as an ASX-listed company, and prefer for OreCorp to continue to operate as a standalone entity.

If the Scheme is implemented and you receive the Scheme Consideration, you will no longer hold OreCorp Shares and you will relinquish any benefits that may result from being an OreCorp Shareholder. Additionally, and notwithstanding the risk factors relevant to OreCorp and its operations and business detailed in section 8.3, you may wish to maintain your investment in an ASX-listed company with the specific attributes of OreCorp and, more broadly, your current investment profile.

You may prefer that OreCorp continues to execute its strategy and operate as a standalone entity. An investment in the Merged Group is not the same as an investment in OreCorp and will have different attributes (including with respect to your rights as a shareholder and the risks, returns and liquidity profiles) to your current investment in OreCorp.

As a result of the Scheme, your ownership percentage and voting power in the Merged Group will be diluted, as compared with your current ownership percentage and voting power in OreCorp. Additionally, any future development and exploration upside in respect of the Nyanzaga Project will be shared with the existing Silvercorp Shareholders. Upon implementation of the Scheme, the Scheme Shareholders (other than Ineligible Shareholders) will hold approximately 18.1% of the Silvercorp Shares (on an undiluted basis) or 17.8% of the Silvercorp Shares (on a fully diluted in-the-money basis).¹⁹

(d) You may consider that there is a possibility that a Superior Proposal could emerge in the foreseeable future.

It remains possible that a third party may make a Superior Proposal, notwithstanding that there is currently no evidence to suggest that this will be the case. The OreCorp Board believes that the possibility of a Superior Proposal emerging is low for the following reasons:

- there has been a significant period of time since the announcement of the Scheme (6 August 2023) and since that date, no Superior Proposal has been received; and
- the growth prospects of the Merged Group are compelling. The OreCorp Board believes it is unlikely that another party would have the ability to make an offer constituting a Competing Proposal that has the potential to deliver similar or greater value for OreCorp Shareholders.

If a Competing Proposal is received prior to the Scheme Meeting, this will be considered by the OreCorp Board in accordance with the provisions in the Scheme Implementation Deed and their directors' duties. Depending on the circumstances, where OreCorp terminates the Scheme Implementation Deed because it determines that the Competing Proposal constitutes a Superior Proposal and should be accepted, and this Competing Proposal completes, OreCorp may be required to pay the Break Fee to Silvercorp. Further details in relation to the payment of the Break Fee are set out in section 6 of Annex 1.

(e) The Merged Group and its shareholders will be subject to different corporate and securities law than OreCorp currently is.

OreCorp is incorporated in Australia and OreCorp Shareholders' rights are governed by the laws of Australia, the ASX Listing Rules and the constitution of OreCorp. Silvercorp is incorporated under the laws of the Province of British Columbia, Canada and subject to the

¹⁹ Based on Silvercorp's total issued capital as at the Last Practicable Date

laws of Canada, the Silvercorp Articles and the rules applicable to entities listed on the TSX and the NYSE American.

If the Scheme is Effective, Scheme Shareholders (other than Ineligible Shareholders) will receive New Silvercorp Shares or (subject to ASX Quotation occurring and a CDI Election being made) New Silvercorp CDIs. The rights of holders of New Silvercorp Shares and New Silvercorp CDIs will be governed by the laws of the Province of British Columbia, Canada, the Silvercorp Articles and the rules applicable to entities listed on the TSX and the NYSE American (and, subject to ASX Quotation occurring, the ASX Listing Rules).

Whilst some of the material differences between applicable laws, as they relate to each of OreCorp and Silvercorp, may be seen as advantageous to Scheme Shareholders, others may be seen as having a disadvantage.

Refer to Annex 8 for further details of the differences between the applicable laws of Australia and Canada.

(f) The tax consequences of the Scheme may not suit your particular financial circumstances.

Implementation of the Scheme may have tax or other financial consequences for Scheme Shareholders, some of which may not be favourable. In particular, you may realise a capital gain on which you may be taxed. A general guide to the taxation implications of the Scheme is set out in section 11. This guide is expressed in general terms and individual Scheme Shareholders should seek professional advice regarding the tax consequences applicable to their own circumstances.

(g) You will be exposed to foreign exchange rates.

Silvercorp Shares are denominated in CAD on the TSX and USD on the NYSE American. Accordingly, Scheme Shareholders who receive New Silvercorp Shares (or New Silvercorp CDIs, which are subsequently converted into Silvercorp Shares), will be exposed to movements in foreign exchange rates between AUD:USD and AUD:CAD, the impact of which cannot be predicted reliably. Accordingly, the Australian dollar value that you receive for any sale of New Silvercorp Shares in the future may be adversely affected by foreign exchange rate movements.

(h) You may prefer to maintain your current investment and risk profile.

You may prefer to keep your OreCorp Shares to maintain your investment in an Australian public company with the specific characteristics of OreCorp. While OreCorp and Silvercorp are both resources companies with a focus on precious metals assets, the operational profile, geographic exposure and capital structure of the Merged Group will differ from that of OreCorp on a standalone basis. The Merged Group will have market exposure to the prices of silver, lead and zinc, commodities that OreCorp is not currently exposed to, as well as project specific risks related to the mines owned and operated by Silvercorp. A summary of the key risks of the Merged Group is set out in section 2.4. Full details of the risks associated with the Scheme, OreCorp, Silvercorp and the Merged Group are set out in section 8.

2.4 Key risks relating to the business and operations of the Merged Group

Scheme Shareholders who receive New Silvercorp Securities will be exposed to risks relating to the business and operations of the Merged Group. Some of these risks are distinct from the risks applicable to OreCorp as a standalone business. These include, in particular:

- **Jurisdictional risk:** Silvercorp has operating mines in China, and interests in mineral projects located in Bolivia, Mexico and Canada. As such, the Merged Group's operations and financial performance will be susceptible to regulatory risks, local market conditions, environmental and geopolitical risks affecting these jurisdictions. In particular, Silvercorp's activities in China (where its primary mining operations are located) are subject to a range of political, economic and other uncertainties which are not present in other jurisdictions, which have the potential to result in disruption to projects, deprivation of contractual rights, taking of property without compensation and restrictions on repatriating earnings (including payment of dividends offshore). In addition, whilst the Chinese government currently allows foreign investment in certain mining projects (which supports Silvercorp's current activities in China), it is possible that its stance on this issue will change in the future, which would adversely affect the Merged Group. Additional jurisdictional risk will arise in respect of the Merged Group, given Silvercorp has not previously conducted operations in Tanzania. These risks are addressed in further detail in sections 8.4 and 8.5.
- **Operational Mining Risks:** Silvercorp is a company with operating mines and publicly stated production, cash costs and capital expenditures guidance. Operational issues and market developments may result in lower than anticipated production and higher than anticipated costs which could have a negative impact on the price of Silvercorp Shares. Unlike an exploration and development company, Silvercorp's investors are exposed to a variety of operational risks which are more fully set out in section 8.4.
- **Exposure to a wider range of commodity price fluctuations:** Silvercorp's revenues are expected to be derived in large part from the mining and sale of silver, lead, zinc and gold. The prices of these commodities have fluctuated widely in recent years and are affected by a range of matters such as international and regional economic and political conditions and demand for jewellery and industrial products, inflation expectations, currency exchange fluctuations, and increased supply from new developments and improved mining and production technologies. It is difficult to predict the future price volatility, and adverse price movements may have a significant impact on the value and viability of Silvercorp's projects and the price of its shares.
- **Business integration risks:** as set out in section 7.4, Silvercorp's strategy for the Merged Group involves (among other things) continuing to generate cash flow from Silvercorp's existing projects whilst bringing the Nyanzaga Project into commercial production, such that the Merged Group will become a diversified, profitable and sustainable precious and base metals producer across Asia and Africa. There are, however, a number of risks and challenges associated with the integration of OreCorp's and Silvercorp's businesses (addressed further in section 8.5), which may delay or prevent the successful integration of the businesses, or increase the costs of integration. This, in turn, may adversely affect the growth and profitability of the Merged Group and prevent the anticipated benefits of the Scheme from being realised.
- **Exposure to a broader range of projects and the inherent risks they involve:** the Merged Group's operations and interests will be broader than OreCorp's interests (in

terms of their nature and geographic scope). For each project in which Silvercorp has an interest, there is a risk that it may not prove to be profitable or that the economic returns will differ from what has been anticipated (for example, due to costs being higher than expected, or mineral resource and reserve estimates proving to be inaccurate). There is also a risk that the underlying permits and licences will not be renewed when required, be revoked, or have conditions attached which could adversely affect the Merged Group's operations and profitability. Each of these factors may adversely affect the price of the Silvercorp Shares.

- **Risks associated with future acquisitions:** as explained in section 8.4, Silvercorp may make select acquisitions of other businesses in the future (including to enhance diversification). If Silvercorp does this, there is a risk that significant costs could be incurred, the businesses will not successfully integrate into the Merged Group, and that managerial time could be distracted from the day-to-day operations of the Merged Group. This may have a negative effect on the group's profitability and the value of Silvercorp Shares.

Further details in respect of the risks associated with a shareholding in the Merged Group are set out in section 8.

2.5 Other relevant considerations

(a) Key shareholder support

Rollason Pty Ltd (**Rollason**), which controls 49,136,589 OreCorp Shares (representing approximately 12.3% of all OreCorp Shares on issue on the Announcement Date) has provided a signed voting intention statement to OreCorp (**Voting Intention Statement**) indicating that Rollason intends to vote, or cause to be voted, all OreCorp Shares held or controlled by it or its associates at the time of the Scheme Meeting in favour of the Scheme. As at the Last Practicable Date, Rollason's shareholding had not changed since the Voting Intention Statement was given, although, following completion of the Placement to Silvercorp, Rollason's holding was diluted from 12.3% to 10.47% of all OreCorp Shares on issue.

Rollason's Voting Intention Statement is subject to no Superior Proposal emerging and the Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of OreCorp Shareholders. Rollason has consented to OreCorp publicly announcing its voting intention.

(b) You may sell your OreCorp Shares on ASX before the Effective Date

If you do not wish to hold your OreCorp Shares and participate in the Scheme, you may offer to sell your OreCorp Shares on ASX at any time up until the close of trading on the Effective Date, which is expected to be Wednesday 13 December 2023.

If you sell your OreCorp Shares on ASX, you may incur brokerage charges on the sale and you may not receive consideration equivalent to the implied value of the Scheme Consideration. You should seek your own independent professional advice to determine if your individual financial or taxation circumstances make it preferable for you to do so.

(c) No brokerage or stamp duty will be payable on the transfer of your OreCorp Shares

Scheme Shareholders will not be required to pay brokerage, stamp duty or similar charges imposed by any Government Agency on the disposal of their OreCorp Shares in connection with the Scheme. If you are an Ineligible Shareholder, any applicable brokerage fees will be

deducted from the gross proceeds of sale of your New Silvercorp Shares by the Sale Agent (see section 10.4(b) for further information).

(d) The Scheme may be implemented even if you do not vote or vote against it

You should be aware that even if you do not vote, or if you vote against the Scheme, the Scheme will still be implemented if it is approved by the required majorities of OreCorp Shareholders (other than the Excluded Shareholders) and the Court and all the conditions precedent to the Scheme are satisfied (or, if applicable, waived). If this occurs, your OreCorp Shares will be transferred to Silvercorp and you will receive the Scheme Consideration for your OreCorp Shares, even though you did not vote on, or voted against, the Scheme.

(e) Implications if the Scheme is not approved

If the Scheme is not approved by the requisite majorities of OreCorp Shareholders at the Scheme Meeting, or by the Court at the Second Court Hearing, or any of the other conditions precedent are not satisfied (or, if applicable, waived):

- you will not receive your Scheme Consideration;
- your OreCorp Shares will not be transferred to Silvercorp (they will be retained by you);
- OreCorp will continue to operate as a standalone entity;
- you will continue to be exposed to the risks of holding OreCorp Shares that are set out in section 8.3;
- the price of OreCorp Shares may fall; and
- OreCorp will have incurred significant transaction costs (including legal and accounting fees and those paid to the Independent Expert, Independent Technical Specialist and Investigating Accountant) and utilised significant management time and resources, for no outcome.

3. Key questions

This section provides summary answers to some key questions that you may have in relation to the Scheme. It does not provide all relevant information for OreCorp Shareholders and should be read together with the rest of this Scheme Booklet.

Question	Summary answer	Further information
Questions about the Scheme		
What is the Scheme?	The Scheme is a scheme of arrangement between OreCorp and its shareholders under which all of the issued shares in OreCorp (other than the Excluded Shares, which are effectively the OreCorp Shares held by Silvercorp) will be transferred to Silvercorp in consideration for the Scheme Consideration.	Sections 4 and 9
What will I receive if the Scheme proceeds?	If the Scheme is approved and implemented, Scheme Shareholders (other than Ineligible Shareholders) will receive the Scheme Consideration, being: - the Cash Consideration of A\$0.15 for each Scheme Share held; and - the Scrip Consideration of 0.0967 New Silvercorp Shares or (subject to ASX Quotation occurring and CDI Election) 0.0967 New Silvercorp CDIs for each Scheme Share held. See 'Questions about the Scheme Consideration' below for details of entitlements of Ineligible Shareholders if the Scheme proceeds.	Sections 4.2 and 10
What do the OreCorp Directors recommend?	The OreCorp Directors unanimously recommend that you vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OreCorp Shareholders. ²⁰	Sections 2.2 and 4.9
What is the Independent Expert's opinion on the Scheme?	The Independent Expert, BDO, has concluded that the Scheme is fair and reasonable and in the best interests of OreCorp Shareholders.	Section 4.3 and Annex 5
How will I know if there is a Superior Proposal?	As at the Last Practicable Date, no other proposal for OreCorp or its business has emerged. If an alternative proposal is received the OreCorp Board will review that proposal and determine if	Section 2.2(g)

²⁰

In respect of the recommendations of the OreCorp Directors, OreCorp Shareholders should have regard to the fact that, if the Scheme is implemented, certain OreCorp Directors will receive personal benefits as further detailed on page 3 of this Scheme Booklet in the paragraph titled "Important information regarding OreCorp Directors' recommendation of the Scheme".

Question	Summary answer	Further information
	it represents a Superior Proposal and if so, advise you on their recommendation.	
What needs to happen for the Scheme to proceed?	The Scheme must be approved by the required shareholder majorities and the Court, and all conditions precedent to the Scheme be satisfied (or, if applicable, waived).	Section 9
What vote is required to approve the Scheme?	For the Scheme to proceed, the resolution must be passed by: • a majority (greater than 50%) in number of OreCorp Shareholders voting at the Scheme Meeting; and • at least 75% of the votes cast on the resolution. The Court has the discretion to waive the first of these two requirements.	Section 9.3
What happens if the Scheme does not proceed?	If the Scheme does not proceed: • you will not receive your Scheme Consideration; • your OreCorp Shares will not be transferred to Silvercorp (they will be retained by you); • OreCorp will continue to operate as a standalone entity; • you will continue to be exposed to the risks of holding OreCorp Shares that are set out in section 8.3; • the price of OreCorp Shares may fall; and • OreCorp will have incurred significant transaction costs (including legal and accounting fees and those paid to the Independent Expert, Independent Technical Specialist and Investigating Accountant) and utilised significant management time and resources, for no outcome.	Section 2.5
What happens if I do not vote or vote against the Scheme?	Even if you do not vote, or if you vote against the Scheme, the Scheme will still be implemented if it is approved by the required majorities of OreCorp Shareholders and the Court and all other conditions precedent to the Scheme are satisfied (or, if applicable, waived).	Section 2.5(e)
What are the tax consequences of the Scheme?	If the Scheme is successfully implemented, there may be tax consequences for Scheme Shareholders, which will vary depending on a number of factors, including their place of residence for tax purposes and their individual tax circumstances. Section 11 sets out a summary of the general Australian income tax, stamp duty and GST	Section 11

Question	Summary answer	Further information
	consequences for Scheme Shareholders (other than Ineligible Shareholders) participating in the Scheme. You should consult with your own tax adviser regarding the consequences of the Scheme in light of current tax laws and your particular circumstances.	
What is the break fee and when would it be payable?	OreCorp has agreed to pay Silvercorp a break fee of \$2,840,976 if any of certain specified events occurs during the Exclusivity Period. These events are summarised in paragraph 6 of Annex 1 and included in the Scheme Implementation Deed in Annex 2.	Annex 1 and Annex 2
Questions about the Scheme Consideration		
What is the Scheme Consideration?	If the Scheme is approved and implemented, Scheme Shareholders (other than Ineligible Shareholders) will receive the Scheme Consideration, being: - the Cash Consideration of A\$0.15 for each Scheme Share held; and - the Scrip Consideration of 0.0967 New Silvercorp Shares or (subject to ASX Quotation occurring and CDI Election) 0.0967 New Silvercorp CDIs for each Scheme Share held. Scheme Shareholders should note that even if an election to receive New Silvercorp CDIs is validly made, this will be void and of no effect if ASX has not formally approved the ASX Quotation by 5.00pm on the Business Day before the Second Court Date. In these circumstances, such Scheme Shareholders (other than Ineligible Shareholders) will receive their Scrip Consideration in the form of New Silvercorp Shares (for further information refer to sections 8.2(f) and 10.3(c)).	Sections 4.2 and 10
Who are Ineligible Shareholders and what Scheme Consideration will they receive?	If the Scheme is approved, Ineligible Shareholders (comprising Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders) will receive as consideration for their OreCorp Shares: - the Cash Consideration of A\$0.15 for each Scheme Share held; and - the net cash proceeds of sale of the number of New Silvercorp Shares that they would otherwise have been entitled to receive (that is, following deduction of any applicable	Sections 4.2(b) and 10.4

Question	Summary answer	Further information
	taxes and charges incurred in connection with their sale, including brokerage fees). An Ineligible Foreign Shareholder, as at the Last Practicable Date, is any Scheme Shareholder whose address on the OreCorp Share Register on the Record Date is a place outside of Australia and its external territories, New Zealand, the United Kingdom, the United States of America and Canada. An Unmarketable Parcel Shareholder is any Scheme Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of OreCorp Shares on the Record Date, would be entitled to receive less than a marketable parcel (as that term is defined in the ASX Listing Rules) on implementation of the Scheme.	
When will I receive the Scheme Consideration?	The Cash Consideration will be paid and the Scrip Consideration will be issued to Scheme Shareholders (other than Ineligible Shareholders) on the Implementation Date, which is currently expected to be Friday 22 December 2023. Ineligible Shareholders will be paid the Cash Consideration on the Implementation Date, and the net proceeds of the sale of the Scrip Consideration that they would have otherwise received will be paid in accordance with section 10.4.	Sections 4.2, 10.2 and 10.4
How will the Cash Consideration be paid?	The Cash Consideration will be paid to Scheme Shareholders by way of electronic transfer to a bank account nominated by a Scheme Shareholder by an appropriate authority received from a Scheme Shareholder or where no such nomination has been made, by cheque sent by prepaid post to the address of the Scheme Shareholder recorded in the OreCorp Share Register on the Record Date. To ensure efficient receipt of the Cash Consideration, OreCorp encourages all Scheme Shareholders who have not already done so to contact the OreCorp Registry to nominate a bank account to facilitate receipt of funds electronically.	Section 10.2(a)
What is a CDI?	A “CDI” is a CHESS Depositary Interest, being a financial product quoted on ASX which represents an interest in the underlying securities of a foreign company. CDIs allow investors to	Section 7.9

Question	Summary answer	Further information
	trade interests in foreign securities by trading the relevant CDIs on ASX.	
What is the difference between a New Silvercorp CDI and a New Silvercorp Share?	The main difference between holding a New Silvercorp CDI and holding a New Silvercorp Share is that the holder of a New Silvercorp CDI has an indirect, beneficial interest in the New Silvercorp Share underlying their New Silvercorp CDI instead of directly owning that New Silvercorp Share. This means that the holder of the New Silvercorp CDI is not the holder of the underlying New Silvercorp Share and, accordingly, cannot directly trade the underlying New Silvercorp Share. If ASX Quotation occurs, New Silvercorp CDIs will be tradeable on ASX (during Australian business hours using Australian brokers in prices quoted in Australian dollars). As holders of New Silvercorp CDIs are not registered shareholders of Silvercorp, the rights attaching to the New Silvercorp Shares which underlie the New Silvercorp CDIs must be exercised by the Depositary. A holder of New Silvercorp CDIs may instruct the Depositary to exercise these rights on their behalf.	Section 7.9
How do I choose whether to receive New Silvercorp CDIs or New Silvercorp Shares?	If you are eligible to but don't make a CDI Election, you will receive your Scrip Consideration in the form of New Silvercorp Shares (tradeable on the TSX and the NYSE American). If the Scheme becomes Effective, and subject to ASX Quotation occurring, each Scheme Shareholder (other than an Ineligible Shareholder) may elect to receive the Scrip Consideration in the form of New Silvercorp CDIs (tradeable on ASX). OreCorp Shareholders should consider their individual circumstances and obtain their own financial, legal and professional advice before making a decision whether or not to receive the Scrip Consideration in the form of New Silvercorp Shares or New Silvercorp CDIs (if ASX Quotation occurs). If you wish to make an election to receive the Scrip Consideration in the form of New Silvercorp CDIs, you should submit your election online via the Automatic Investor Portal or by completing and returning the CDI Election Form (a copy of which is enclosed with this Scheme Booklet). If you require a replacement CDI Election Form, please contact the OreCorp	Section 10.3

Question	Summary answer	Further information
	Registry on 1300 441 602 or hello@automicgroup.com.au. CDI Election Forms must be completed in accordance with the instructions on the form and returned so that it is received by 7.00pm on Wednesday 13 December 2023.	
Can I choose to receive cash instead of New Silvercorp CDIs or New Silvercorp Shares?	No. There is no option for Scheme Shareholders to elect to receive cash instead of the Scrip Consideration. However, once you have been issued New Silvercorp Shares (or subject to ASX Quotation and CDI Election, New Silvercorp CDIs), you may sell some or all of your New Silvercorp Shares on the TSX or the NYSE American (or subject to ASX Quotation, you may sell some or all of your New Silvercorp CDIs on ASX). Alternatively, you may offer to sell your OreCorp Shares on ASX at any time up until the close of trading on the Effective Date, which is expected to be Wednesday 13 December 2023.	Section 7.9
What happens if the market price of Silvercorp Shares increases or decreases?	The implied value of the Scrip Consideration may increase or decrease prior to the Implementation Date based on movements in the Silvercorp share price on the TSX and /or the NYSE American.	Section 2.3(b)
When can I start trading my New Silvercorp Shares and New Silvercorp CDIs?	Trading on the TSX and the NYSE American of New Silvercorp Shares is expected to start on the TSX and the NYSE American (respectively) on the Implementation Date. Holders of New Silvercorp Shares are urged to consult with their legal and financial advisors to ensure that the resale of their securities complies with applicable securities legislation. If ASX Quotation occurs, New Silvercorp CDIs can be traded on ASX following quotation of New Silvercorp CDIs on ASX. Trading of New Silvercorp CDIs on ASX is expected to start on a deferred settlement basis from the start of trading on the first trading day after the Effective Date. Normal trading of New Silvercorp CDIs on ASX is expected to start on the first trading day after the Implementation Date.	Section 4.2(a)
What are the risks associated with implementation of the transaction and the creation of the Merged Group?	The key risks associated with the implementation of the transaction include that the Scheme is subject to a number of conditions and approval of the Court, the possibility of termination of the Scheme Implementation Deed, potential changes in the risk and investment profile, that Silvercorp	Sections 2.4 and 8

Question	Summary answer	Further information
	may not obtain or maintain listing on ASX, and potential taxation consequences. The key risks associated with the Merged Group include jurisdictional risks, operational mining risks, exposure to a wider range of commodity price fluctuations, business integration risks, and risks associated with future acquisitions by the Merged Group.	
Questions about the Merged Group		
Who is Silvercorp?	Silvercorp is a Canadian mining company producing silver, gold, lead, zinc and other metals with a long history of profitability and growth. Silvercorp's strategy is to create shareholder value by focusing on generating free cashflow 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 practices.	Section 6.1
How will the Merged Group differ from OreCorp?	Following implementation of the Scheme, OreCorp will become a wholly-owned subsidiary of Silvercorp and will be removed from the official list of ASX. The holding company of the Merged Group will be Silvercorp, which will remain listed on the TSX and the NYSE American. If ASX Quotation is achieved, Silvercorp will also be admitted to the official list of ASX.	Section 7.1
Who will own the Merged Group?	The shares of the Merged Group will be widely held. Existing OreCorp Shareholders will own approximately 17.8% of Silvercorp's Shares outstanding on a fully diluted in-the-money basis following implementation of the Scheme. ²¹ Based on the information available to Silvercorp as at the Last Practicable Date, it is not expected that there will be any shareholder of Silvercorp with a voting power of 5% or more immediately following implementation of the Scheme.	Section 7.6
Who will be the Directors of the Merged Group?	The Directors of the Merged Group will be Rui Feng (Chairman), Paul Simpson, Yikang Liu, Marina Katusa and Ken Robertson.	Section 6.6 and 7.2
What is the Merged Group?	Information on the Merged Group is contained in section 7. If the Scheme is implemented, OreCorp will become a wholly-owned subsidiary of	Section 7

²¹

Based on Silvercorp's total issued capital as at the Last Practicable Date

Question	Summary answer	Further information
	Silvercorp. The Merged Group will continue to maximise profitable production from its existing operating mines, further advance the development of the Nyanzaga Project, advance its other exploration projects and evaluate and invest into new exploration, development and production opportunities.	
What are Silvercorp's intentions regarding Silvercorp and the Merged Group?	Silvercorp's intentions in relation to the Merged Group are set out in section 7.4. With effect on and from the close of trading on the trading day immediately following, or shortly after, the Implementation Date, OreCorp will apply to ASX for termination of the quotation of OreCorp shares and to remove OreCorp from the official list of ASX. Following implementation of the Scheme, Silvercorp will undertake a review of the operating structure of the OreCorp Group which may result in Silvercorp implementing changes to the operating structure of either or both of the OreCorp Group and the Silvercorp Group. Silvercorp intends to conduct a comprehensive review of all current OreCorp employees to determine their suitability for permanent roles in the Merged Group. Employees that are not offered employment within the Merged Group will receive their full contractual and statutory entitlements, which would be paid from Silvercorp's cash reserves.	Section 7.4
What is Silvercorp's dividend policy?	Silvercorp's dividend policy is set out in section 6.15.	Section 6.15.
What voting rights will OreCorp Shareholders have in the Merged Group?	The Scheme Consideration includes New Silvercorp Securities. Accordingly, OreCorp Shareholders on the Record Date (with the exception of Silvercorp and the Ineligible Shareholders) will receive New Silvercorp Securities and will have voting rights alongside existing Silvercorp Shareholders.	See Annex 8
Questions about the Scheme Meeting		
When and where will the Scheme Meeting be held?	The Scheme Meeting will be held at 10.00am on Friday 8 December 2023 at Level 12, 2 The Esplanade, Perth.	Voting at the Scheme Meeting and Annex 7.
Who can vote at the Scheme Meeting?	OreCorp Shareholders who are registered on the OreCorp Share Register at 7.00pm AEDT on Wednesday 6 December 2023 may vote at the Scheme Meeting. However, a shareholder who	Voting at the Scheme Meeting and Annex 7.

Question	Summary answer	Further information
	holds any Excluded Shares (effectively any member of the Silvercorp Group) will not be entitled to vote the Excluded Shares at the Scheme Meeting.	
How do I vote?	OreCorp Shareholders can vote at the Scheme Meeting by: • attending the meeting and voting in person, by corporate representative (in the case of corporate shareholders) or by attorney; • attending the meeting and voting through the online webcast; or • appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying the Notice of Scheme Meeting set out in Annex 7.	Voting at the Scheme Meeting and Annex 7.
Do I have to vote?	No, you do not have to vote. However, your vote may be important in determining whether the Scheme will proceed. The OreCorp Directors believe the Scheme is a matter of critical importance for all OreCorp Shareholders and therefore urge you to vote on the Scheme if you are entitled to do so.	Section 1.1
When will I know the result of the vote?	The results of the Scheme Meeting will be available shortly after the conclusion of the meeting and will be announced to ASX and published on OreCorp's website.	Section 9.3
What happens after the Scheme Meeting?	Even if the resolution approving the Scheme is passed at the Scheme Meeting, the Scheme remains subject to approval of the Court and to satisfaction (or, if applicable, waiver) of any other conditions that remain outstanding on the date of the Scheme Meeting.	Section 9.4
Other questions		
Can I sell my OreCorp Shares now?	If you do not wish to hold your OreCorp Shares and participate in the Scheme, you may offer to sell your OreCorp Shares on ASX at any time up until the close of trading on the Effective Date, which is expected to be Wednesday 13 December 2023. If you sell your OreCorp Shares on ASX, you may incur brokerage charges on the sale and you may not receive consideration equivalent to the implied value of the Scheme Consideration. You should seek your own independent professional advice to determine if your individual financial or taxation circumstances make it preferable for you to do so.	Section 2.5(b)

Question	Summary answer	Further information
How can I get further help or information?	If you have any questions, you may contact the OreCorp Shareholder information line on 1300 441 602 from within Australia or +61 2 9934 0529 from outside Australia between 9.00am and 5.00pm, Monday to Friday. If you are in any doubt as to what to do, you should consult your financial, legal or other professional adviser immediately.	N/A

4. Summary of the Scheme

4.1 Overview

On 6 August 2023, OreCorp and Silvercorp announced the proposed acquisition of OreCorp by Silvercorp and the entry into the Scheme Implementation Deed.

The acquisition of OreCorp is proposed to be implemented by way of a scheme of arrangement, which is an arrangement between a company and its shareholders and which is voted on by those shareholders. If the required majorities of shareholders vote in favour of the scheme and if it is then approved by the Court, the scheme is binding on the company and all of its shareholders.

Accordingly, if the Scheme is approved by OreCorp Shareholders and the Court, and all other conditions to the Scheme have been satisfied (or, if applicable, waived), then:

- all of the issued shares in OreCorp (other than the Excluded Shares) will be transferred to Silvercorp and OreCorp will become a wholly-owned subsidiary within the Silvercorp Group and will be delisted from ASX; and
- Scheme Shareholders will receive the consideration set out in section 4.2.

If the Scheme is not approved by the required majorities of shareholders, is not approved by the Court or if any other condition to the Scheme is not satisfied (or, if applicable, waived), the Scheme will not proceed, OreCorp Shareholders will continue to hold their OreCorp Shares and OreCorp will continue to operate as a separate company listed on ASX.

4.2 What you will receive if the Scheme is approved

(a) Scheme Shareholders (other than Ineligible Shareholders)

If the Scheme is approved, Scheme Shareholders (other than Ineligible Shareholders, who are dealt with in section 4.2(b)) will be entitled to receive the Scheme Consideration, being:

- the Cash Consideration of A\$0.15 for each Scheme Share held; and
- the Scrip Consideration of 0.0967 New Silvercorp Shares or (subject to ASX Quotation occurring and a CDI Election being made) 0.0967 New Silvercorp CDIs for each Scheme Share held.

Subject to ASX admitting Silvercorp to the official list of ASX and approving the New Silvercorp CDIs for official quotation (conditional only on implementation of the Scheme, the issue of the Scrip Consideration and customary pre-quotation disclosure) by no later than 5.00pm of the Business Day prior to the Second Court Date, each Scheme Shareholder (other than an Ineligible Shareholder) may, by making a CDI Election, elect to receive the Scrip Consideration in the form of New Silvercorp CDIs (tradeable on ASX) instead of New Silvercorp Shares (tradeable on the TSX and the NYSE American).

The Cash Consideration will be paid and the Scrip Consideration will be issued to Scheme Shareholders (other than Ineligible Shareholders) on the Implementation Date, which is currently expected to be Friday 22 December 2023.

In respect of the Scrip Consideration payable in the form of New Silvercorp Shares, direct registration statements for New Silvercorp Shares will be sent to:

- relevant Scheme Shareholders who have not made a CDI Election to receive the Scrip Consideration in the form of New Silvercorp CDIs; or
- all Scheme Shareholders (other than Ineligible Shareholders) if ASX Quotation does not occur,

as soon as practicable after the Implementation Date.

If ASX Quotation occurs, Scheme Shareholders who have elected to receive the Scrip Consideration in the form of New Silvercorp CDIs will be despatched a CDI holding statement one Business Day after the Implementation Date.

The New Silvercorp CDIs issued as Scheme Consideration are expected to begin trading on ASX on a deferred settlement basis from the start of trading on the first trading day after the Effective Date. Normal trading of New Silvercorp CDIs on ASX is expected to start on the first trading day after the Implementation Date.

Trading on the TSX and the NYSE American of New Silvercorp Shares is expected to start on the Implementation Date.

It is the responsibility of each person who is issued New Silvercorp Shares or New Silvercorp CDIs under the Scheme to confirm their holding before trading in these to avoid the risk of selling securities that they do not own. Any person who sells New Silvercorp Shares or New Silvercorp CDIs before they receive their direct registration statements or CDI holding statements, or confirm their uncertificated holdings, does so at their own risk. To the maximum extent permitted by law each of OreCorp and Silvercorp disclaims all liability to persons who trade New Silvercorp Shares or New Silvercorp CDIs before receiving their direct registration statements or CDI holding statements.

(b) Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders

If the Scheme is approved, Ineligible Shareholders will receive as consideration for their OreCorp Shares:

- the Cash Consideration of A\$0.15 for each Scheme Share held; and
- the net cash proceeds of sale of the number of New Silvercorp Shares that they would otherwise have been entitled to receive.

At the Last Practicable Date, an Ineligible Foreign Shareholder is any Scheme Shareholder whose address on the OreCorp Share Register on the Record Date is a place outside of Australia and its external territories, New Zealand, the United Kingdom, the United States of America and Canada.

An Unmarketable Parcel Shareholder is any Scheme Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of OreCorp Shares on the Record Date, would be entitled to receive less than a marketable parcel (as that term is defined in the ASX Listing Rules) on implementation of the Scheme.

Ineligible Shareholders will not be issued with New Silvercorp Shares or New Silvercorp CDIs under the Scheme. Instead, the New Silvercorp Shares that would otherwise have been issued

to them under the Scheme will be issued to the Sale Agent on the Implementation Date. Silvercorp must procure that as soon as reasonably practicable after the Implementation Date (and in any event within 20 days on which the Silvercorp Shares are capable of being traded on the TSX), the Sale Agent sells those New Silvercorp Shares at such price and on such other terms as the Sale Agent determines in good faith. Promptly, after all of the proceeds of sale (after deducting any applicable taxes and charges incurred) have been remitted to Silvercorp, Silvercorp will pay each Ineligible Shareholder an amount in Australian dollars equal to the proportion of their entitlement.

OreCorp, Silvercorp and the Sale Agent give no assurances as to the price that will be achieved for the sale of New Silvercorp Shares as described above and the sale of New Silvercorp Shares will be at the risk of the Ineligible Shareholder. The net sale proceeds that Ineligible Shareholders receive may be more or less than the market value of the number of New Silvercorp Shares that would otherwise have been issued to them under the Scheme.

(c) Fractional entitlements

If a Scheme Shareholder would be entitled to a fraction of a New Silvercorp Share or a New Silvercorp CDI, any such fractional entitlement:

- of less than 0.5 will be rounded down to the nearest whole number; and
- of 0.5 or more will be rounded up to the nearest whole number.

If OreCorp and Silvercorp are of the opinion (acting reasonably) that two or more Scheme Shareholders have, before the Record Date, been party to shareholding splitting or division in an attempt to obtain an advantage by reference to such rounding, Silvercorp may direct OreCorp to give notice to those Scheme Shareholders:

- setting out the names and registered addresses as set out in the OreCorp Share Register;
- stating that opinion; and
- attributing to one of them specifically identified in the notice the OreCorp Shares held by them.

After such notice has been given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of the Scheme, be taken to hold those OreCorp Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of the Scheme be taken to hold no OreCorp Shares.

4.3 Independent Expert's opinion

OreCorp commissioned the Independent Expert, BDO, to prepare a report on the Scheme to determine whether it is in the best interests of OreCorp Shareholders. The Independent Expert, BDO, has concluded that, in its opinion, the Scheme is in the best interests of OreCorp Shareholders in the absence of a Superior Proposal. The Independent Expert's Report is set out in full in Annex 5.

4.4 Scheme Implementation Deed

The arrangements agreed between OreCorp and Silvercorp in relation to the Scheme in the Scheme Implementation Deed include those set out below.

The key terms of the Scheme Implementation Deed are summarised in Annex 1 and a full copy of the Scheme Implementation Deed is set out in Annex 2.

(a) **Conditions precedent**

The Scheme is subject to a number of conditions precedent which must be satisfied (or, if applicable, waived) before the Scheme can come into effect. Each condition precedent and its current status is summarised in section 9.1(a).

The conditions precedent, and the rights of OreCorp and Silvercorp to waive them are summarised in Annex 1 and set out in full in clause 3 of the Scheme Implementation Deed set out in Annex 2.

(b) **Exclusivity and break fee provisions**

The Scheme Implementation Deed contains customary deal protection mechanisms, including no talk and no due diligence provisions (subject to a fiduciary out exception) and no shop, as well as notification and matching rights for Silvercorp in the event of a Competing Proposal. A break fee of \$2,840,976 is payable by OreCorp to Silvercorp if the Scheme Implementation Deed is terminated as a result of certain specified circumstances.

These provisions are summarised in Annex 1 and set out in full in clauses 12 and 13 of the Scheme Implementation Deed set out in Annex 2.

(c) **Termination**

OreCorp and Silvercorp each have the right to terminate the Scheme Implementation Deed in certain circumstances, which are summarised in Annex 1 and set out in full in clause 14 of the Scheme Implementation Deed set out in Annex 2. If the Scheme Implementation Deed is terminated, the Scheme will not proceed.

4.5 Subscription agreement

Concurrent with entering into the Scheme Implementation Deed, Silvercorp and OreCorp entered into a subscription agreement, under which OreCorp issued 70,411,334 new OreCorp Shares to Silvercorp at a price of A\$0.40 per OreCorp Share for aggregate proceeds of approximately A\$28 million (**Placement**). The Placement occurred in two tranches: the first tranche (for aggregate proceeds of A\$18 million) completed on 9 August 2023 and the second tranche (for aggregate proceeds of approximately A\$10 million) completed on 16 August 2023.

Following completion of the Placement, Silvercorp now holds a Relevant Interest in 70,411,334 OreCorp Shares, representing 15% of the total OreCorp Shares on issue. Silvercorp will not be able to vote at the Scheme Meeting in respect of its shareholding. Accordingly, the Scheme relates to Silvercorp acquiring the shares in OreCorp that it does not own (currently representing 85% of all of the OreCorp Shares on issue). Silvercorp will not receive any consideration for its shareholding in OreCorp as it will not be acquired under the Scheme.

Proceeds from the Placement are being used on the resettlement activities in Tanzania as contemplated in the Resettlement Action Plan, facilitating the prompt development of the Nyanzaga Project.

Under the terms of the subscription agreement, any time that Silvercorp holds a Relevant Interest in at least 10% of all OreCorp Shares on issue, OreCorp agrees not to make any additional issue of OreCorp Shares or other equity securities without first giving Silvercorp

reasonable notice of the proposed issue and the opportunity to participate at least pro-rata in that issue on the same terms as available to other participating parties. Further, if the Scheme Implementation Deed is terminated in accordance with its terms, then for so long as Silvercorp holds a Relevant Interest in at least 15% of the total OreCorp Shares on issue, Silvercorp may nominate one person to be appointed as an OreCorp Director.

4.6 Arrangements with respect to OreCorp Options and OreCorp Performance Rights

Under the Scheme Implementation Deed, OreCorp agreed to take all steps reasonably necessary to ensure that, by no later than the Effective Date, there are no outstanding OreCorp Options. To comply with this obligation, OreCorp has:

- entered into Option Cancellation Deeds with each OreCorp Optionholder under which that holder has agreed to the cancellation of those OreCorp Options in return for payment of a cash amount, determined based on the Black-Scholes option valuation methodology, being A\$0.02 per OreCorp \$0.9906 Option and A\$0.03 per OreCorp \$0.9066 Option. The cancellation of the OreCorp Options is conditional on the Court approving the Scheme; and
- obtained a waiver from ASX in respect of ASX Listing Rule 6.23.2 to allow for the OreCorp Options to be cancelled in the manner contemplated by the Option Cancellation Deeds without seeking approval of OreCorp Shareholders.

Under the Scheme Implementation Deed, OreCorp must also ensure that, by no later than the Effective Date, there are no outstanding OreCorp Performance Rights. In accordance with the terms upon which the Performance Rights were granted, the Scheme will constitute a change of control event, as a result of which all of the OreCorp Performance Rights will vest and may be exercised by the holder. OreCorp has obtained from each holder of OreCorp Performance Rights an irrevocable notice of the exercise of all of their OreCorp Performance Rights with effect immediately prior to the Effective Date, conditional only on the Court approving the Scheme.

4.7 Tax implications

If the Scheme is implemented, there will be tax implications for Scheme Shareholders, which may include tax being payable on any gain on disposal of Scheme Shares. A summary of Australian tax consequences of the Scheme for both Australian and non-Australian tax resident OreCorp Shareholders (other than Ineligible Shareholders) is set out in section 11. The summary is expressed in general terms and is not intended to provide tax advice in respect of the circumstances of any particular shareholder.

4.8 Scheme Meeting

The Court has ordered that the Scheme Meeting be held on Friday 8 December 2023 at Level 12, 2 The Esplanade, Perth.

The purpose of the Scheme Meeting is for OreCorp Shareholders to consider whether or not to approve the Scheme. Except as mentioned below, shareholders who are registered on the OreCorp Share Register at 7.00pm AEDT on Wednesday 6 December 2023 are entitled to vote at the Scheme Meeting. Please refer to the section headed “How to vote” on page 18 and the Notice of Scheme Meeting contained in Annex 7 for more details on how to vote.

A shareholder who holds any Excluded Shares will not be entitled to vote the Excluded Shares at the Scheme Meeting.

4.9 OreCorp Directors' recommendation

The OreCorp Directors unanimously recommend that you vote in favour of the Scheme at the Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Scheme is in the best interests of OreCorp Shareholders.²² In making this recommendation, the OreCorp Directors compared the reasons for OreCorp Shareholders to vote in favour of the Scheme set out in section 2.2 against the possible reasons to vote against the Scheme set out in section 2.3, taking into account the other relevant considerations set out in section 2.5.

Each of the OreCorp Directors who holds OreCorp Shares, or on whose behalf OreCorp Shares are held at the time of the Scheme Meeting, intends to vote those OreCorp Shares in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme is in the best interests of OreCorp Shareholders. The interests of OreCorp Directors in OreCorp Shares, OreCorp Options and OreCorp Performance Rights are set out in section 12.5 of this Scheme Booklet.

²²

In respect of the recommendation of the OreCorp Directors, OreCorp Shareholders should have regard to the fact that, if the Scheme is implemented, certain OreCorp Directors will receive personal benefits as further detailed on page 3 of this Scheme Booklet in the paragraph titled "Important information regarding OreCorp Directors' recommendation of the Scheme".

5. Information about OreCorp

5.1 Overview

OreCorp is a West Australian based mineral development company which has been listed on the ASX under the code “ORR” since 2013.

OreCorp’s key project is the multi-million ounce Nyanzaga Project in northwest Tanzania. A definitive feasibility study (**DFS** or **Study**) has been completed outlining a high margin, low cost gold producer with a production profile of 242,000 ounces per annum over 10 years.²³

The Special Mining Licence (**SML**) for the Project was granted on 13 December 2021 to SMCL. SMCL is a joint venture company in which OreCorp holds an 84% interest through its wholly-owned subsidiary, NMCL and the Treasury Registrar of the Tanzanian Government holds a 16% free carried interest in accordance with the Tanzanian Mining Act.

Further information on OreCorp can be obtained from OreCorp’s website at www.orecorp.com.au.

5.2 Key business operations

Nyanzaga Project Overview

The Nyanzaga Project is located in prime real estate within the Archean Greenstones of the Lake Victoria Goldfields, northwest Tanzanian (refer below). The Project comprises SML 653/2021 (23.4km²) and other surrounding prospecting licences and applications covering an additional 164km² (refer below).

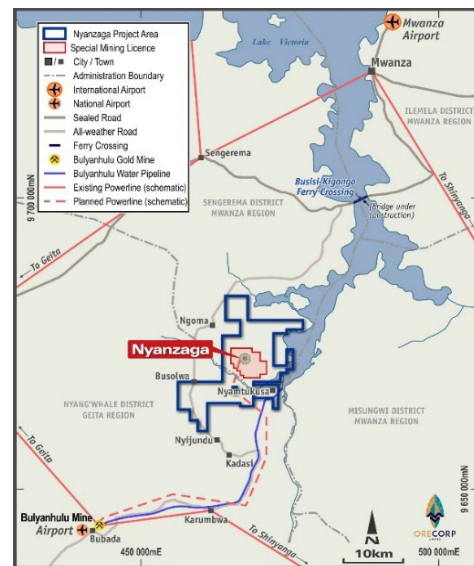
Nyanzaga is within the Sengerema District of the Mwanza Region and is accessed from Mwanza (Tanzania’s second largest city) via the sealed Mwanza-Geita Highway, crossing Smith Sound by ferry at Busisi, then turning southwest to Ngoma Village, refer below. A bridge crossing Smith Sound is currently under construction and due for completion in 2024 which will significantly improve access to the Project.

²³ **Cautionary Statement - The production target referred to in the DFS and this Scheme Booklet comprises 92% Probable Ore Reserves and 8% Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources, and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.**

Lake Victoria Goldfields, Tanzania



Nyanzaga Project Licences



As announced in August 2022, the DFS expects the Project to deliver an average gold production of 234 koz pa over a 10.7 year Life of Mine (LOM), with >242 koz pa (average) for the first 10 years peaking at 295 koz pa in Year 6 delivering a total of approximately 2.5 Moz of gold produced over the LOM.²⁴

The DFS evaluated the technical and economic viability of various open pit and underground development scenarios and was optimised considering mining, processing and economic factors. The Study delivered an optimal development scenario of 4 Mtpa with concurrent development of both the open pit and underground operations.

Highlights of the DFS are as follows:

- Maiden Probable Ore Reserve (stated at US\$1,500/oz) of 40.08Mt @ 2.02g/t gold for 2.60 Moz gold.

Nyanzaga Gold Project Probable Ore Reserve As of 22 August 2022			
Area	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (Moz)
Nyanzaga Open Pit	25.63	1.35	1.11
Kilimani Open Pit	2.04	1.05	0.07
Nyanzaga Underground	12.42	3.57	1.42
Total	40.08	2.02	2.60

- Combined open pit and underground production target of 42.51 Mt @ 2.07 g/t gold for 2.83 Moz contained gold comprising the Probable Ore Reserve plus Inferred Mineral Resources of 2.42 Mt at 2.95 g/t for 0.23 Moz contained gold.²⁵
- Peak gold production of 295 koz pa; averaging 250 koz pa for the first eight years; 242 koz pa for the first ten years.

²⁴ **Cautionary Statement - The production target referred to in the DFS and this Scheme Booklet comprises 92% Probable Ore Reserves and 8% Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources, and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.**

²⁵ Based on a gold price of US\$1,750/oz. Refer OreCorp ASX announcement dated 22 August 2022 ("Nyanzaga DFS Delivers Robust Results").

- LOM average gold production of 234 koz pa over 10.7 years.
- Concurrent open pit and underground mine schedule delivers the optimal economic outcome for the Project.
- Pre-production capital cost of US\$474 million includes underground development, open pit pre-strip, plant and associated project infrastructure and US\$36 million contingency.
- High margin project with low all-in sustaining cost (AISC) of US\$954/oz.
- Pre-tax NPV5% of US\$926 million and IRR of 31%; post-tax NPV5% of US\$618 million and IRR of 25% based on a US\$1,750/oz gold price.
- Short payback period of 3.7 years (post-tax).
- Detailed DFS metallurgical test work confirmed average LOM gold recovery of 88% through a conventional 4 Mtpa Carbon in Leach (CIL) processing plant.

Geology and Mineral Resource Estimate

The Nyanzaga and Kilimani Mineral Resource Estimates (**MRE**) were reported by OreCorp in September 2017²⁶ and May 2022²⁷, respectively and included drilling undertaken by OreCorp, as well as historical drilling since the early 1990's. The entire Project drilling database includes 3,492 drillholes, totalling 325,242m. The two MREs form the basis for the DFS and are supported by extensive interpretive geological and geostatistical work completed by or on behalf of OreCorp.

The MRE for the Nyanzaga deposit is reported at a cut-off grade of 1.5 g/t gold and is classified in accordance with the JORC Code, as reported in the table below.

OreCorp Limited – Nyanzaga Deposit, Nyanzaga Project Mineral Resource Estimate as of 12 September 2017			
Classification	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (Moz)
Measured	4.63	4.96	0.738
Indicated	16.17	3.80	1.977
Sub-Total M & I	20.80	4.06	2.715
Inferred	2.90	3.84	0.358
Total	23.70	4.03	3.072
Reported at a 1.5g/t gold cut-off grade. MRE defined by 3D wireframe interpretation with sub cell block modelling. Gold grade for lower grade sedimentary cycle hosted resources estimated using Uniform Conditioning using a 2.5m x 2.5m x 2.5m SMU. Totals may not add up due to appropriate rounding of the MRE. Assuming gold price of US\$1,250.			

²⁶ OreCorp ASX announcement dated 12 September 2017 (“MRE Update for the Nyanzaga Project Increasing Category and Grade”)

²⁷ OreCorp ASX announcement dated 5 May 2022 (“DFS Completion and Kilimani Mineral Resources Estimate Update”)

The MRE for Kilimani is reported at a cut-off grade of 0.4 g/t Au and is classified in accordance with the JORC Code, as shown in the table below.

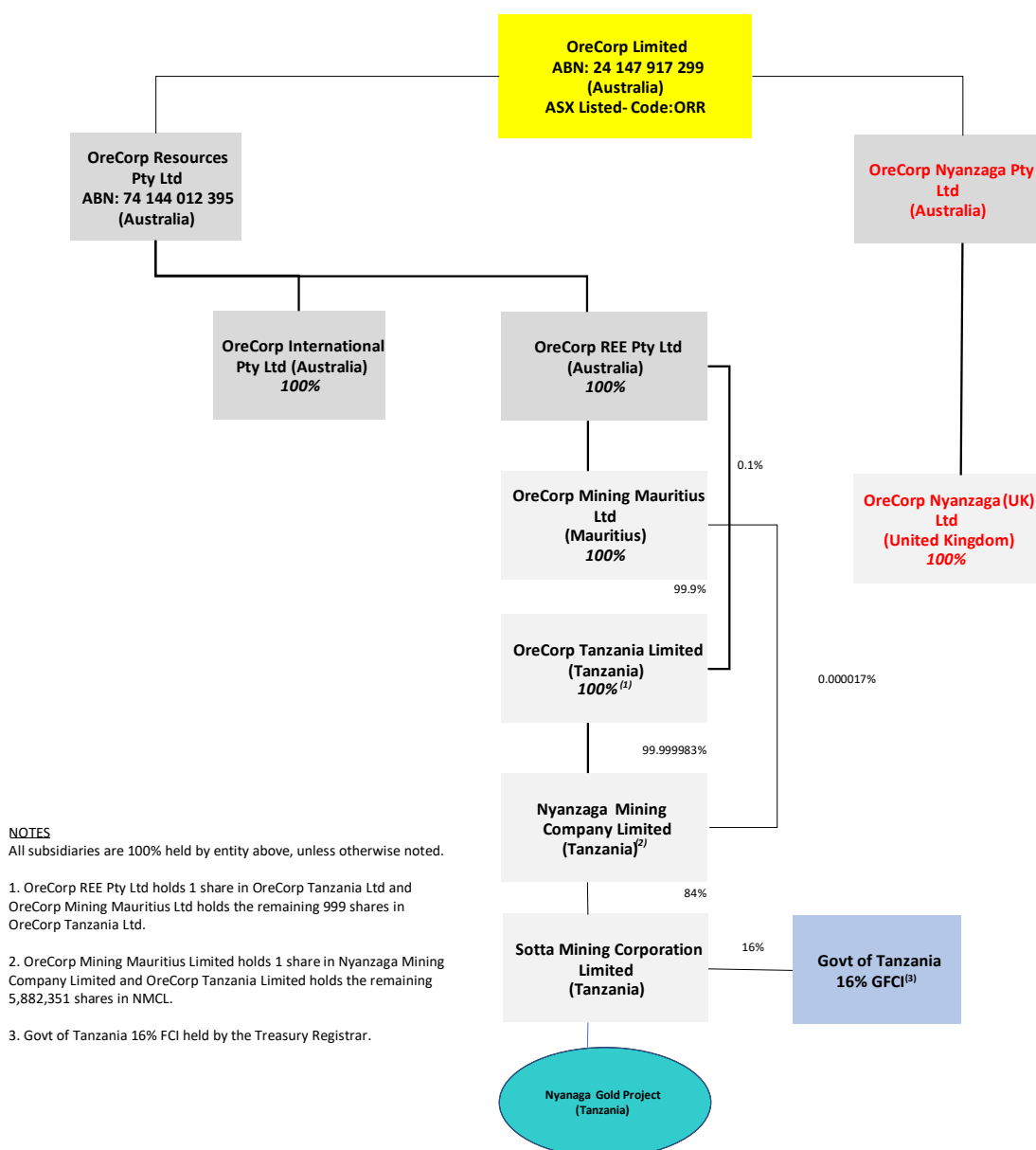
Kilimani Gold Deposit, Nyanzaga Project Mineral Resource Estimate as of 2 May 2022			
Classification	Tonnes (Mt)	Gold Grade (g/t)	Gold Metal (koz)
Indicated	3.4	1.09	119
Inferred	2.9	1.02	94
Total	6.3	1.06	213
Reported at a cut-off grade of 0.40 g/t Au and classified in accordance with the JORC Code MRE defined by 3D wireframe interpretation with sub-cell block modelling to honour volumes. Gold grade estimated using Ordinary Kriging using a 5 m x 5 m x 2 m parent cell. Totals may not add up due to appropriate rounding of the MRE (nearest 5,000 t and 1,000 oz Au). Reasonable prospects for eventual economic extraction supported by a conceptual pit optimisation generated using a gold price of US\$1,500.			

Project Development

Over the past 12 months, OreCorp has been progressing with key activities for the development of the Nyanzaga Project, including but not limited to:

- Award of Early Contract Involvement (**ECI**) contracts, awarded in parallel to Ausenco Services Pty Ltd and DRA Global Limited, to deliver a detailed costs estimate, execution schedule, design deliverables and execution plans. The ECI process has been completed and includes a comprehensive optimisation review of the process design, equipment specification and site layout. The ECI process indicated cost savings of 4% to 6% of the pre-production capital cost estimate set out in the DFS, as well as an improvement of the DFS execution schedule by approximately 14 weeks.
- Resettlement of communities currently within the SML boundary in accordance with the Resettlement Action Plan. Compensation agreements with affected households have been executed and OreCorp has commenced making compensation payments in accordance with those agreements. The tender process for the construction of resettlement housing tender process is well progressed.
- Preparation of open pit mining contract tenders.
- Site access road, including the Ngoma town bypass, design completed by in-country engineering company Nimeta Consult (T) Ltd, in preparation for submission to Tanzanian Rural and Urban Roads Agency.
- Preliminary engagement with Tanzanian and international contractors for major works packages, including civil works, SMP works and electrical works.
- Signing a non-binding Memorandum of Understanding with Tanzania Electric Supply Company Limited (**TANESCO**) to extend grid power to Nyanzaga which will bring competitively priced power, with a significant portion from sustainable sources, that include hydro power to the Project.

5.3 Corporate structure



5.4 Capital structure

(a) OreCorp Shares

As at the Last Practicable Date, there are 469,408,892 OreCorp Shares on issue (of which Silvercorp holds 70,411,334).

(b) OreCorp Options

As at the Last Practicable Date, OreCorp has 3,725,257 OreCorp Options on issue, comprising 2,575,257 OreCorp \$0.9906 Options and 1,150,000 OreCorp \$0.9066 Options. All of the OreCorp Options have an expiry date of 25 November 2024.

As noted in section 4.6, each holder of OreCorp Options has entered into an Option Cancellation Deed pursuant to which the holder has agreed to the cancellation of the OreCorp Options in return for payment of a cash amount.

(c) **OreCorp Performance Rights**

As at the Last Practicable Date, OreCorp has 4,012,106 OreCorp Performance Rights on issue, comprising 1,562,106 OreCorp Performance Rights with an expiry date of 22 November 2026 and 2,450,000 OreCorp Performance Rights with an expiry date of 26 August 2027.

As noted in section 4.6, in accordance with the terms on which the OreCorp Performance Rights were granted, the Scheme will constitute a change of control event, as a result of which all of the OreCorp Performance Rights will vest and be exercisable by the holder. Each holder of OreCorp Performance Rights has provided an irrevocable notice of the exercise of all of their OreCorp Performance Rights, with effect immediately prior to the Effective Date, conditional only on the Court approving the Scheme.

5.5 Board and senior management

(a) **Members of the OreCorp Board**

The members of the OreCorp Board are as follows:

Matthew Yates

Executive Chairman

B.Sc. (Hons), MAIG

Mr Yates is a geologist with over 30 years' industry experience, covering most facets of exploration from generative work to project development. Prior to founding OreCorp, he was the Managing Director of OmegaCorp Limited and then Joint Managing Director of Mantra Resources Limited and was instrumental in the acquisition of a number of uranium projects, including Mkuju River (Tanzania), Kariba (Zambia) and Mavuzi (Mozambique). He has worked in Australia and southern, east and west Africa, Central Asia and the Gulf Region. He managed exploration teams in Western Australia and Tanzania respectively. Mr Yates has an applied technical background and has held senior positions for over 25 years, including resident Exploration Manager in Tanzania for Tanganyika Gold Limited.

Mr Yates joined the OreCorp Board as a Director on 27 February 2013. He was in the role of CEO & Managing Director until 16 November 2022 when he moved into the role of Executive Chairman.

Henk Diederichs

CEO & Managing Director

B.Eng (Mech), MAusIMM

Mr Diederichs is an engineer with over 20 years of experience in the mining industry with extensive expertise in project development and operations. He was formerly the Senior Vice President Operations for West African producer Allied Gold Corp, which operates the Bonikro, Agbaou and Sadiola gold mines. Mr Diederichs formed an integral part in the successful development and operation of Equinox Minerals' Lumwana Copper Mine in Zambia. During this time Lumwana was developed into one of Africa's largest open cut copper mines at a capital cost exceeding US\$800m. He initially joined OreCorp as Vice President Project Development in late 2016 and was instrumental in leading the Nyanzaga Project through the Scoping and Pre-Feasibility Study phases.

Mr Diederichs was appointed Chief Operating Officer in October 2021 and then moved into the role of CEO & Managing Director on 16 November 2022.

Alastair Morrison

Non-Executive Director

M.Sc (Hons), Grad Dip App Fin & Inv, MAIG, GAICD

Mr Morrison is a geologist with more than 30 years' experience in mineral exploration and investment. He initially worked for more than six years in Australia as an exploration geologist in Western Australia, then for North Flinders Mines in the Northern Territory during the development of the +5 million ounce Callie gold deposit. From 1996 to 2003 he worked in Tanzania for East African Gold Mines Limited at the North Mara Gold Project. He was responsible for the management of exploration, overseeing the delineation of more than 5 million ounces of resources, including the discovery of the high-grade Gokona gold deposit. In later years, he had additional responsibilities for all in-country development activities, through feasibility and permitting until the commencement of construction. East African Gold Mines was acquired by Placer Dome Inc. in mid-2003 for US\$252 million. Since 2004, he has worked as a portfolio manager for a family office investment fund.

Mr Morrison joined the OreCorp Board as a Director on 27 February 2013.

Michael Klessens

Non-Executive Director

B.Bus., CPA

Mr Klessens is a CPA with over 30 years' practical financial and management experience, particularly within the resources industry. This experience has involved all areas of corporate and treasury management, project financing, capital raisings, mergers and acquisitions, dual listings, feasibility studies and establishment of systems and procedures for new mining operations. From 2002 – 2011, Mr Klessens was Vice President – Finance and Chief Financial Officer of Equinox Minerals Limited where he was responsible for finance, debt and equity financings, treasury and all financial functions of the company and its operations. Prior to Equinox, Mr Klessens held senior positions in mid-tier Australian resource companies primarily focused on gold.

Mr Klessens joined the OreCorp Board as a Director on 27 February 2013.

Michael Davis

Non-Executive Director

B.Eng (Chemicals and Materials), FAusIMM

Mr Davis is an engineer with 33 years' experience in the design and operation of mineral processing projects. He has had extensive experience with the full project life cycle from discovery, definition, design, commissioning and operation through to closure. Mr Davis has global mining experience on studies, projects and operations in Australia, Africa, Asia, and the Americas as both an in-house consultant and senior management with several engineering consulting companies. He has been involved in the development or operation of more than 35 gold and copper/gold projects in Africa including 6 projects in Tanzania and is currently a Director and Principal Consultant at MineScope Services Pty Ltd.

Mr Davis joined the OreCorp Board as a Director on 12 October 2022.

(b) **Senior management**

Together with the executive Directors referred to above, the following persons make up the senior management team of OreCorp:

Jessica O'Hara

Company Secretary and Senior Legal Counsel
LLB, Bcom

Ms O'Hara is a corporate lawyer with extensive experience advising clients on general corporate law and regulatory/compliance issues. She has previously held senior positions at both Clayton Utz and Allen & Overy and more recently, had experience acting as in-house legal counsel. Ms O'Hara has advised a significant number of ASX-listed clients with operations in Australia and overseas, with specific experience within the mining and resources sectors.

Ms O'Hara joined OreCorp as legal counsel in August 2021 and was appointed joint company secretary on 6 December 2021 (and subsequently became sole company secretary as from 31 January 2022).

Greg Hoskins

Chief Financial Officer
Bcom, CA

Mr Hoskins is a chartered accountant with more than 20 years' experience across a range of sectors including resources, education and financial services. After commencing his career with international accounting firm Ernst & Young, Mr Hoskins has gained extensive financial and corporate experience in both Australia and internationally, within the areas of corporate and treasury management, acquisitions, mine development and establishment of systems and procedures for new mining operations. More recently Mr Hoskins was the Group Finance Manager at Base Resources Limited and was integral in establishing the finance function at the Kwale operation in Kenya, which has since achieved consistently strong results.

Mr Hoskins joined OreCorp as Chief Financial Officer on 27 February 2023.

Brad Walker

Project Director
B.Eng (Hons) (Mech), Macc

Mr Walker is a mechanical engineer with over 20 years of mining and minerals processing experience in Australia and Africa. He commenced his career in precious and base metals with a number of roles including Western Mining Corporation and BHP Group Limited. His career includes several in-house roles across Africa and Australia in both mine development and operations. Mr Walker spent a number of years working in West Africa, in particular Ghana and Mali.

Mr Walker joined OreCorp as Project Director in June 2022.

5.6 Historical financial information

(a) **Overview and basis of preparation**

This section provides a summary of the financial information in relation to OreCorp for the purpose of this Scheme Booklet. The information has been extracted from OreCorp's audited financial statements for the years ended 30 June 2023, 30 June 2022 and 30 June 2021.

The financial information contained in this section is presented in abbreviated form and does not contain all the disclosures, presentation, statements or comparatives that are usually provided in the annual report prepared in accordance with the Corporations Act. The financial information has not been subject to further review by an independent accountant. This financial information should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the note to those financial statements.

Further details on OreCorp's financial performance and financial statements for the year ended 30 June 2023 are set out in the 2023 Annual Report announced to the ASX on 25 September 2023.

(b) **Historical consolidated statements of profit or loss**

Below is a summary of OreCorp's consolidated statements of profit or loss for the years ended 30 June 2021, 30 June 2022 and 30 June 2023.

	OreCorp consolidated		
	2021	2022	2023
	A\$	A\$	A\$
Interest income	30,932	151,700	474,984
Foreign exchange (loss) / gain	(1,073,560)	465,469	(104,797)
Corporate and administration costs	(2,575,994)	(5,857,403)	(7,012,265)
Exploration and evaluation costs	(4,648,001)	(16,483,246)	(13,358,671)
Business development costs	(309,575)	(120,868)	-
Other income	230,978	-	-
Loss before tax from continuing operations	(8,345,220)	(21,844,348)	(20,000,749)
Income tax expense	-	-	-
Loss after tax from continuing operations	(8,345,220)	(21,844,348)	(20,000,749)
Loss from discontinued operations	(890,088)	(5,008,469)	-
Loss for the year	(9,235,308)	(26,852,817)	(20,000,749)
Loss attributable to:			
- Members of the parent	(9,235,308)	(26,852,822)	(19,348,279)
- Non-controlling interest	-	5	(652,470)
	(9,235,308)	(26,852,817)	(20,000,749)

(c) **Historical consolidated statements of financial position**

Below is a summary of OreCorp's consolidated statements of financial position for the years ended 30 June 2021, 30 June 2022 and 30 June 2023.

	OreCorp consolidated		
	2021	2022	2023
	A\$	A\$	A\$
Current assets			
Cash and cash equivalents	66,302,250	31,853,665	13,462,027
Other current assets	413,624	266,078	633,659
Total current assets	66,715,874	32,119,743	14,095,686
Non-current assets			
Plant and equipment	267,468	602,906	631,885
Right of use assets	242,325	140,153	40,021
Exploration and evaluation assets	19,582,047	18,138,900	18,968,070
Total non-current assets	20,091,840	18,881,959	19,639,976
Total assets	86,807,714	51,001,702	33,735,662
Current liabilities			
Trade and other payables	12,165,810	1,757,573	2,850,777
Lease liabilities	105,752	115,629	43,159
Provisions	321,638	358,658	478,756
Total current liabilities	12,593,200	2,231,860	3,372,692
Non-current liabilities			
Lease liabilities	147,042	35,182	-
Provisions	17,106	32,429	59,410
Total non-current liabilities	164,148	67,611	59,410
Total liabilities	12,757,348	2,299,471	3,432,102
Net assets	74,050,366	48,702,231	30,303,560
Equity			
Issued capital	132,813,942	136,727,471	137,193,571
Reserves	(8,391)	1,692,013	2,485,485
Accumulated losses	(58,755,185)	(89,717,258)	(108,717,731)
Equity attributable to equity holders of the Company	74,050,366	48,702,226	30,961,325
Non-controlling interest	-	5	(657,765)
Total equity	74,050,366	48,702,231	30,303,560

(d) **Historical consolidated statements of cash flows**

Below is a summary of OreCorp's consolidated statements of cashflows for the years ended 30 June 2021, 30 June 2022 and 30 June 2023.

	OreCorp consolidated		
	2021	2022	2023
	A\$	A\$	A\$
Cashflows from operating activities			
Interest received	30,932	151,700	467,652
Receipt of government grants and other tax refunds	230,978	-	-
Interest and other costs of finance paid	-	(13,278)	(530,547)
Payments to suppliers and employees	(7,251,744)	(23,251,572)	(17,836,526)
Net cash outflow from operating activities	(6,989,834)	(23,113,150)	(17,899,421)
Cashflows from investing activities			
Purchase of property, plant and equipment	(216,008)	(746,298)	(311,080)
Purchase of WA exploration and evaluation assets	-	(118,311)	-
Final payment for the acquisition of Nyanzaga	-	(11,047,218)	-
Net cash outflow from the demerger of Solstice	-	(5,000,000)	-
Net cash outflow from investing activities	(216,008)	(16,911,827)	(311,080)
Cashflows from financing activities			
Proceeds from issue of shares	52,460,000	3,600,000	-
Proceeds from exercise of options	99,000	1,815,000	-
Payments for share issue transaction costs	(2,689,202)	(213,275)	-
Payment of principal portion of lease liabilities	(88,549)	(106,323)	(107,652)
Net cash inflow / (outflow) from financing activities	49,781,249	5,095,402	(107,652)
Net increase / (decrease) in cash and cash equivalents	42,575,407	(34,929,575)	(18,318,153)
Foreign exchange movement on cash and cash equivalents	(1,073,560)	480,990	(73,485)
Cash and cash equivalents at beginning of financial year	24,800,403	66,302,250	31,853,665
Cash and cash equivalents at end of financial year	66,302,250	31,853,665	13,462,027

5.7 Current trading and outlook

The current price of OreCorp Shares on ASX can be obtained from the ASX website (www.asx.com.au).

5.8 Recent OreCorp share price performance

OreCorp Shares are listed on ASX under the trading symbol “ORR”.

The entry into the Scheme Implementation Deed was announced to the market on 6 August 2023. The last recorded closing price for OreCorp Shares on the ASX before that announcement was A\$0.435 (on 4 August 2023). The closing price of OreCorp Shares on the Last Practicable Date was A\$0.470.

As at 4 August 2023, being the last trading day prior to the Announcement Date:

- the highest recorded closing price of OreCorp Shares in the previous 3 months was A\$0.46 per OreCorp Share on 31 July 2023; and
- the lowest recorded closing price of OreCorp Shares in the previous 3 months was A\$0.35 per OreCorp Share on 31 May 2023.

5.9 Litigation

OreCorp currently has several threatened litigation matters and two pending litigation matters in which it and certain of its Tanzanian subsidiaries have been named as defendant(s). These matters relate to the resettlement activities being undertaken in Tanzania, including claims for compensation based on unspecified pieces of land, alleged value of certain trees and plants and compensation for the elevated landforms (being the hills). During the resettlement process, OreCorp has complied with all Government of Tanzania directives, including in relation to compensation not being payable for elevated landforms. Some landowners have given notice that they intend to take action against the Government of Tanzania, claiming compensation for the elevated landforms, and have indicated their intention to join SMCL as a defendant to the proceeding. The matter is at an early stage and OreCorp intends to work with the Government of Tanzania to the extent necessary to defend any claim which eventuates. If a claim were to eventuate and not be resolved in favour of the Government of Tanzania, OreCorp may be required to pay compensation in relation to the elevated landforms. However, it is anticipated that any such additional compensation which may become payable by OreCorp would fall within the contingency contemplated in the DFS for the aggregate resettlement costs.

5.10 Publicly available information about OreCorp

OreCorp is a disclosing entity for the purposes of the Corporations Act and is subject to periodic reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require OreCorp to notify ASX of information about specified matters and events as they arise for the purpose of ASX making that information available to participants in the market.

Once OreCorp becomes aware of any information concerning it which a reasonable person would expect to have a material effect on the price or value of an OreCorp Share, OreCorp must (subject to limited exceptions) immediately notify the ASX of that information. Additionally, ASIC maintains a record of documents OreCorp has lodged with it, which may be obtained or inspected at any office of ASIC.

Publicly disclosed information about all ASX-listed entities, including OreCorp, is available on the ASX website at <https://www.asx.com.au>. OreCorp’s annual and interim reports and public announcements are also available on the OreCorp website at <https://www.orecorp.com.au/investor-centre>.

5.11 Additional material information

Certain additional material information in relation to OreCorp and OreCorp Shares is set out in section 12 of this Scheme Booklet.

6. Information about Silvercorp

6.1 Overview

Silvercorp is a Canadian mining company producing silver, gold, lead, zinc and other metals with a long history of profitability and growth. Silvercorp's strategy is to create shareholder value by focusing on generating free cashflow 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. Further details of Silvercorp's approach to environmental, social and governance management can be found in its Sustainability Report which is available on the Silvercorp's website at <https://silvercorpmetals.com/reporting/>.

Silvercorp was formed in British Columbia, Canada as Spokane Resources Ltd pursuant to an amalgamation of Julia Resources Corporation and MacNeill International Industries Inc. on October 31, 1991. The name of the company was changed to "Silvercorp Metals Inc." on 2 May 2005. Silvercorp was admitted to TSX on 24 October 2005 and the NYSE American on or around 15 May 2017 (both under the symbol "SVM").

Silvercorp has interests in mineral properties located in China, Bolivia and Mexico, with its main assets being several silver-lead-zinc mines at the Ying Mining District in Henan Province, China (**Ying Mining District**) and the Gaocheng silver-lead-zinc mine in Guangdong Province, China (**GC Mine**).

Silvercorp has been acquiring, exploring, developing, and operating mineral properties in China since 2003. Production at the SGX Mine at the Ying Mining District commenced on 1 April 2006 and the SGX Mine achieved profitability during the first year commercial mining operation in fiscal year 2007. Since that time, several of Silvercorp's other mining properties at the Ying Mining District have commenced production. The GC Mine commenced production in July 2014.

Silvercorp's principal products and its sources of sales are silver-bearing lead and zinc concentrates. At present, Silvercorp sells all its products to local smelters or companies in the mineral products trading business.

6.2 Key business operations

Silvercorp's material properties consist of two producing mines, at the Ying Mining District in Henan Province, China and the GC Mine located in Guangdong Province, China.

The information contained in this section 6.2 was prepared in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (**NI 43-101**) and the Canadian Institute of Mining, Metallurgy and Petroleum (**CIM**) – CIM Definition Standards for Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended (**CIM Standards**). Accordingly, the mineral resources and mineral reserves estimates for Silvercorp were prepared using the CIM Standards and do not purport to be reported in accordance with or otherwise compliant with the JORC Code. Because the estimates have not been prepared in accordance with the JORC Code, they are classified as "foreign estimates" under the ASX Listing Rules. However, Silvercorp notes the similarity of the CIM Standards and the JORC Code. For further information about relevant terms applicable to, and the similarities between, the JORC Code and NI 43-101, see section 12.16.

In relation to the reliability of the foreign estimates of CIM Mineral Resources and CIM Mineral Reserves (of Silvercorp) contained in this Scheme Booklet, it should be noted that:

- the foreign estimates are not reported in accordance with the JORC Code;
- a Competent Person has not done sufficient work to classify the foreign estimates as Mineral Resources or Ore Reserves in accordance with the JORC Code;
- it is currently uncertain whether, following evaluation and/or further exploration work, these foreign estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code; and
- these foreign estimates have not been published with all the supporting data and such foreign estimates have not been verified by independent third parties.

See the disclosures required by ASX Listing Rule 5.12 in section 6.2(c). For further information about the reporting standards applicable to Silvercorp, see section 12.16.

(a) **Ying Mining District**

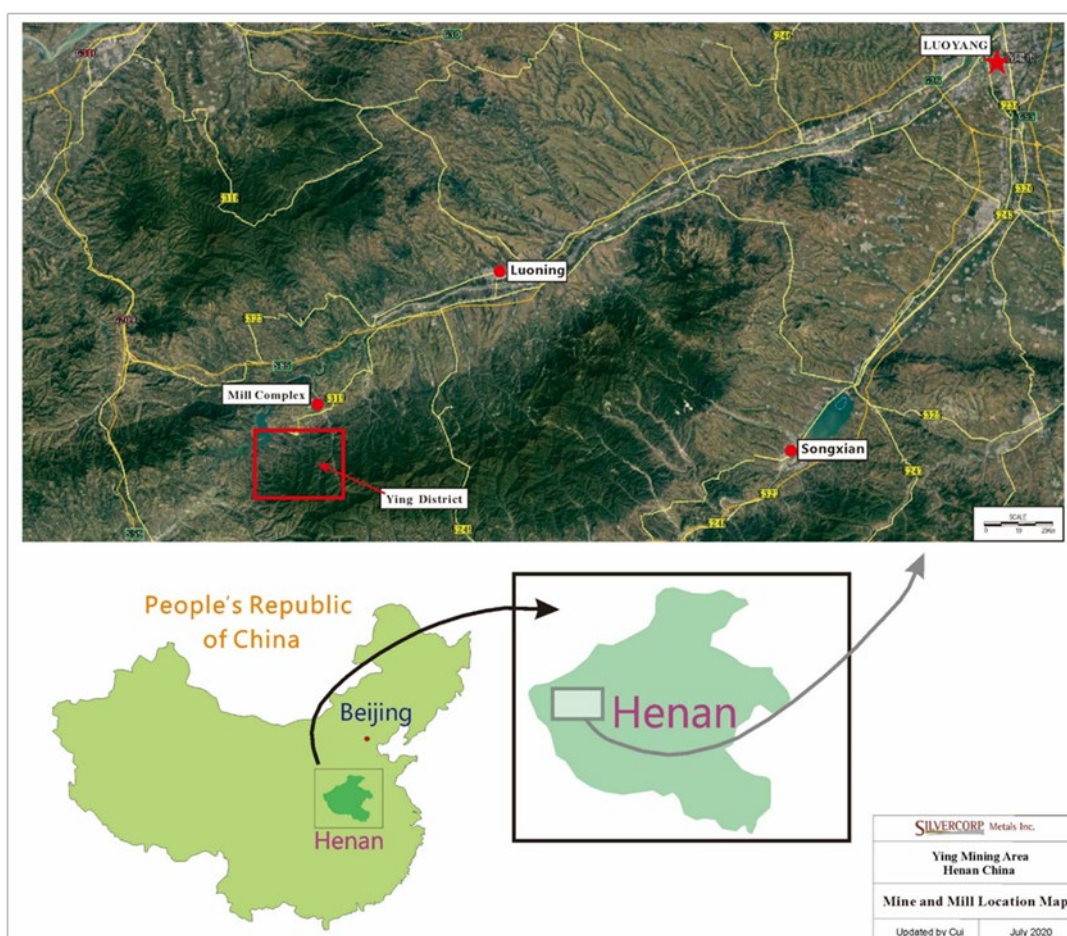
Except as otherwise stated, technical information in relation to the Ying Mining District in this Scheme Booklet is based on the latest Technical Report titled “*NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People’s Republic of China*” (the **Ying 2022 Technical Report**), effective date 20 September 2022, and prepared by AMC Mining Consultants (Canada) Ltd. (AMC) with report date 3 November 2022 (and released on SEDAR+ on 4 November 2022), and was restated in Silvercorp’s Annual Information Form dated 1 June 2023 for the Fiscal Year ended 31 March 2023.

Portions of the following information are based on the assumptions, qualifications and procedures described in the Ying 2022 Technical Report, which are not fully described in this Scheme Booklet. The full text of the Ying 2022 Technical Report is available for review on SEDAR+ at www.sedarplus.ca.

Location and history

The Ying Mining District is about 240 km west-southwest of Zhengzhou, the capital city of Henan Province, China, and 145 km south-west of Luoyang, which is the nearest major city. The nearest small city to the Ying Mining District area is Luoning, about 56 km by paved roads from the Ying Mining District mill site, which is located to the north of the mining licence areas.

Location of the Ying Mining District



Silver-lead-zinc mineralisation in the Ying Mining District has been known and intermittently mined for several hundred years. The first systematic geological prospecting and exploration was initiated in 1956 by the Chinese government.

Silvercorp acquired an interest in the SGX Mine in 2004. Subsequently, Silvercorp acquired the HZG Mine, HPG Mine, TLP Mine, LME Mine, LMW Mine, and DCG Mine, all of which were previously held and operated by private Chinese companies.

Mining licences and ownership

The Ying Mining District consists of seven mines:

- a flagship silver-lead-zinc project (the **SGX Mine**) and a satellite silver-lead mine (the **HZG Mine**) located approximately 5km south of the SGX Mine;
- a silver-lead mine in Tieluping (the **TLP Mine**) approximately 11km southeast of the SGX Mine;
- a silver-gold-lead-zinc mine in Haopinggou (the **HPG Mine**) northeast of the SGX Mine;
- a silver-lead-zinc mine in Longmen East (the **LME Mine**) approximately 12 km to southeast of the SGX Mine;

- a silver-lead-zinc mine in Longmen West (the **LMW Mine**) approximately 2.4 km to the west of the LME Mine; and
- a development project in Dong Cao Gou (the **DCG Mine**).

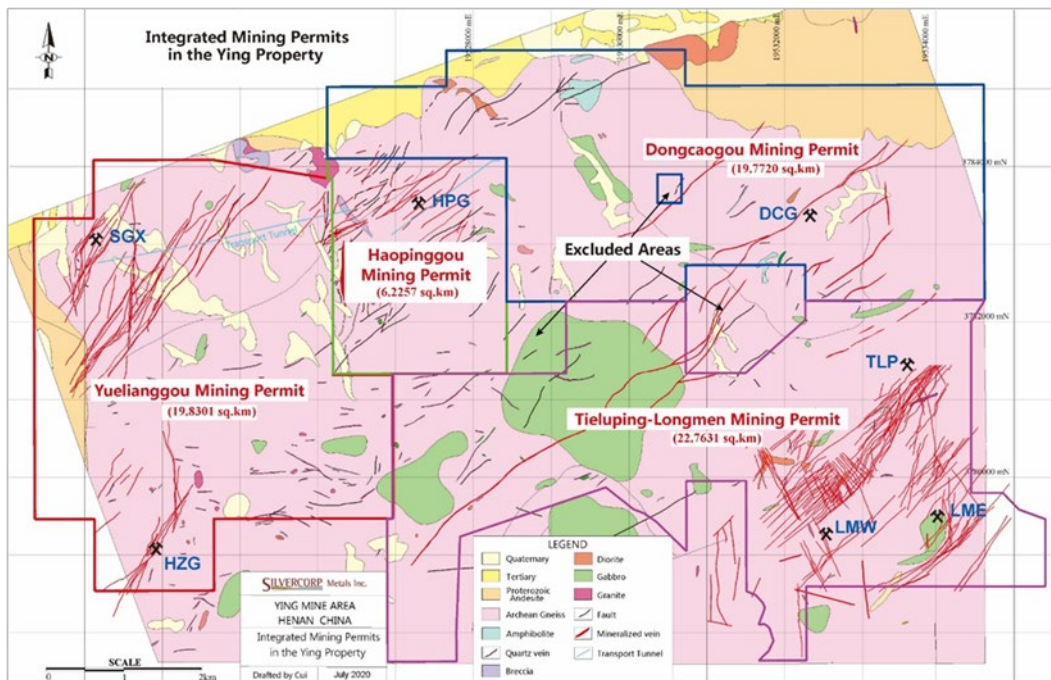
The Ying Mining District consists of four continuous mining licences, totalling an area of 68.6km²:

- Yuelianggou Mining License: SGX & HZG Mines (19.8 km²);
- Haopinggou Mining License: HPG Mine (6.2 km²);
- Tieluping-Longmen Mining License: TLP, LME, and LMW Mines (22.8km²); and
- Dongcaogou Mining License: DCG Mine (19.8km²).

All four mining licences are held by Henan Found Mining Co., Ltd. (**Henan Found**), a Sino-Foreign Cooperative Joint Venture Enterprise registered under Chinese law. Silvercorp holds (through its wholly-owned subsidiary Victor Mining Ltd) a 77.5% interest in Henan Found with the remaining 22.5% interest held by Henan Non-Ferrous Geology Minerals Ltd and its related entity Henan Xinxiangrong Mining Ltd. Henan Huawei Mining Co. Ltd. (**Henan Huawei**), another Sino-Foreign Cooperative Joint Venture Enterprise registered under Chinese law and controlled by Silvercorp, is the 100% beneficial owner of the HPG Mine and the LME Mine, through an ore purchase agreement between Henan Huawei and Henan Found. Silvercorp holds (through its wholly-owned subsidiary Victor Resources Ltd) an 80% interest in Henan Huawei. See section 6.3 for further information on Silvercorp's corporate structure.

Ying Mining District Mining Licences

Area and licence name	Mine	Mining licence number	Sq km	Expiry date	Registered licence holder
Yuelianggou lead-zinc-silver mine	SGX Mine and HZG Mine	C4100002009093210038549	19.8301	September 2024	Henan Found
Haopinggou lead-zinc-silver-gold mine	HPG Mine	C4100002016043210141863	6.2257	29 April 2028	Henan Found
Tieluping-Longmen silver-lead mine	TLP Mine, LME Mine and LMW Mine	C4100002016064210142239	22.7631	26 February 2041	Henan Found
Dongcaogou gold-silver mine	DCG Mine	C4100002015064210138848	19.772	15 June 2025	Henan Found



In addition, mining is only permitted between prescribed elevations as follows:

- Yuelianggou mining licence – 1,060m and 0m elevations;
- Haopinggou mining licence – 955m and the 365m elevations;
- Tieluping-Longmen mining licence – 1,250m and the 700m elevations; and
- Doncaogou mining licence – 1,087m and the 605m elevations.

Henan Found has engaged an accredited geological team to prepare the reports needed to apply for extensions of the four mining permits to mine the ores below the current permits' lower limits.

Mining licences are subject to mining-right usage fees, and applicable taxes. The renewal of mining licences and extending of mining depth and boundaries occur in the ordinary course of business as long as mineral resources exist, are defined, the required documentation is submitted, and the applicable government resources taxes and fees are paid. The mining licences give the right to carry out full mining and mineral processing operations in conjunction with safety and environmental certificates. Safety certificates for Silvercorp's mining activities have been issued by the Department of Safety, Production and Inspection of Henan Province. Environmental certificates have been issued by the Department of Environmental Protection of Henan Province.

Surface rights for mining purposes are not included in the licences, but Silvercorp has acquired or leased surface rights for mining and milling activities by effecting payment of a fee based on the appraised value of the land or negotiation. Subject to negotiation, some land use compensation fees may also be due to the local farmers if their agricultural land is disturbed by exploratory work.

Production

The Ying Mining District is Silvercorp's primary source of production.

In fiscal year ending 31 March 2023 (**Fiscal 2023**):

- metals produced at the Ying Mining District were approximately 6.0 million ounces of silver, 4,400 ounces of gold, 60.3 million pounds of lead, and 7.2 million pounds of zinc, up 9%, 29%, 10%, and 6%, respectively, compared to 5.5 million ounces of silver, 3,400 ounces of gold, 54.9 million pounds of lead, and 6.8 million pounds of zinc in the fiscal year ending 31 March 2022 (**Fiscal 2022**); and
- average head grades of ore processed were 261 g/t for silver, 3.8% for lead, and 0.7% for zinc compared to 272 g/t for silver, 3.9% for lead, and 0.8% for zinc in Fiscal 2022.

In Fiscal 2023, the mining costs at the Ying Mining District were US\$78.63 per tonne, while the milling costs were US\$11.76 per tonne. The production costs per tonne of ore processed were US\$94.07, while the all-in sustaining costs per tonne of ore processed was US\$146.59. The cash costs per ounce of silver, net of by-product credits, at the Ying Mining District were US\$0.88. The all-in sustaining cost to produce an ounce of silver, net of by-product credits was US\$8.29.

CIM Mineral Resources

CIM Mineral Resources by mine for the Ying Mining District as of 31 December 2021 are presented in the table below. These estimates incorporate silver and lead in all deposits, zinc in select deposits and gold within select veins at select deposits. CIM Mineral Resources are reported above a cut-off grade (**COG**) based on in-situ values in AgEq terms in g/t. COGs incorporate mining, processing, and general and administrative costs which were provided by Silvercorp for each mine and reviewed by the QP for CIM Mineral Reserves. The AgEq formula and COG applied to each mine are noted in the footnotes of the table below.

Ying Mining District CIM Mineral Resources as of 31 December 2021

Mine	Resource category	Tonnes (Mt)	Au grade (g/t)	Ag grade (g/t)	Pb grade (%)	Zn grade (%)	Au metal (koz)	Ag metal (Moz)	Pb metal (kt)	Zn metal (kt)
SGX	Measured	3.51	0.05	290	5.56	2.75	5.48	32.81	195.38	96.62
	Indicated	3.13	0.01	247	4.67	2.17	0.57	24.86	146.14	68.04
	<i>Meas + Ind</i>	6.64	0.03	270	5.14	2.48	6.05	57.66	341.52	164.66
	Inferred	3.98	0.01	232	4.63	1.93	0.70	29.75	184.30	76.79
HZG	Measured	0.51	-	372	1.20	-	-	6.15	6.18	-
	Indicated	0.51	-	358	0.91	-	-	5.91	4.68	-
	<i>Meas + Ind</i>	1.03	-	365	1.06	-	-	12.06	10.86	-
	Inferred	0.55	-	326	0.83	-	-	5.75	4.55	-
HPG	Measured	0.77	1.37	94	3.87	1.40	33.91	2.31	29.73	10.72
	Indicated	0.92	1.60	68	3.17	1.22	47.36	2.01	29.22	11.26
	<i>Meas + Ind</i>	1.69	1.50	80	3.49	1.30	81.27	4.32	58.95	21.98
	Inferred	1.45	2.61	91	3.43	1.20	121.87	4.26	49.78	17.43
TLP	Measured	2.45	-	221	3.43	-	-	17.41	83.93	-
	Indicated	2.01	-	189	3.08	-	-	12.16	61.84	-
	<i>Meas + Ind</i>	4.46	-	206	3.27	-	-	29.58	145.77	-
	Inferred	3.76	-	180	2.86	-	-	21.78	107.46	-
LME	Measured	0.45	0.10	357	1.73	0.35	1.45	5.11	7.71	1.54
	Indicated	1.02	0.22	315	1.67	0.42	7.17	10.35	17.06	4.30
	<i>Meas + Ind</i>	1.47	0.18	327	1.69	0.40	8.62	15.46	24.77	5.85
	Inferred	1.49	0.65	221	1.45	0.41	30.86	10.55	21.58	6.03
LMW	Measured	0.94	0.21	325	2.63	-	6.45	9.78	24.65	-
	Indicated	2.16	0.36	232	2.04	-	24.84	16.12	43.91	-
	<i>Meas + Ind</i>	3.09	0.31	260	2.22	-	31.28	25.90	68.56	-
	Inferred	1.51	0.07	235	2.36	-	3.63	11.39	35.52	-
DCG	Measured	0.15	2.57	75	1.19	0.30	12.67	0.37	1.82	0.46
	Indicated	0.20	3.33	101	2.26	0.20	21.50	0.65	4.54	0.39
	<i>Meas + Ind</i>	0.35	3.00	90	1.80	0.24	34.17	1.02	6.36	0.85
	Inferred	0.32	1.44	98	2.70	0.21	14.77	1.00	8.58	0.67
All	Measured	8.78	0.21	262	3.98	1.25	59.96	73.94	349.40	109.34
	Indicated	9.95	0.32	225	3.09	0.84	101.44	72.06	307.39	83.99
	<i>Meas + Ind</i>	18.73	0.27	242	3.51	1.03	161.40	146.01	656.79	193.34
	Inferred	13.05	0.41	201	3.15	0.77	171.83	84.46	411.77	100.92

Notes:

- *Measured and Indicated CIM Mineral Resources are inclusive of CIM Mineral Reserves.*
- *Metal prices: gold US\$1,450/troy oz, silver US\$18.60/troy oz, lead US\$0.95/lb, zinc US\$1.10/lb.*
- *Exchange rate: RMB 6.50: US\$1.00.*
- *CIM Mineral Resource reported 5 m below surface.*
- *Veins factored to minimum extraction width of 0.4 m after estimation.*
- *Cut-off grades: SGX 170 g/t AgEq; HZG 170 g/t AgEq; HPG 180 g/t AgEq; TLP 155 g/t AgEq; LME 180 g/t AgEq; LMW 160 g/t AgEq; DCG 155 g/t AgEq.*
- *AgEq equivalent formulas by mine:*
 - $SGX = Ag\ g/t + 37.79 * Pb\% + 20.76 * Zn\%$
 - $HZG = Ag\ g/t + 36.31 * Pb\%$
 - $HPG = Ag\ g/t + 69.41 * Au\ g/t + 36.84 * Pb\% + 24.73 * Zn\%$
 - $TLP = Ag\ g/t + 36.65 * Pb\%$
 - $LME = Ag\ g/t + 35.84 * Pb\% + 10.44 * Zn\%$
 - $LMW = Ag\ g/t + 36.88 * Pb\%$
 - $DCG = Ag\ g/t + 36.84 * Pb\% + 24.73 * Zn\%$
- *AgEq formulas used for significant gold bearing veins:*
 - $SGX\ (Veins\ S16W\_Au,\ S18E\ and\ S74) = Ag\ g/t + 66.25 * Au\ g/t + 37.79 * Pb\% + 20.76 * Zn\%$
 - $LME\ (Vein\ LM4E2) = Ag\ g/t + 66.70 * Au\ g/t + 35.84 * Pb\% + 10.44 * Zn\%$

- $LMW \text{ (Veins LM22, LM26, LM50 and LM51)} = Ag \text{ g/t} + 65.78 * Au \text{ g/t} + 36.88 * Pb\%$.
- $DCG \text{ (Veins C9, C76)} = Ag \text{ g/t} + 69.41 * Au \text{ g/t} + 36.84 * Pb\% + 24.73 * Zn\%$.
- *Exclusive of mine production to 31 December 2021.*
- *Numbers may not compute exactly due to rounding.*

CIM Mineral Reserves

Summaries of CIM Mineral Reserve estimates for the Ying Mining District are set out in the table below. 46.9% of the CIM Mineral Reserve tonnage is categorized as Proven and 53.1% is categorized as Probable.

Ying Mining District CIM Mineral Reserve estimates for 31 December 2021

Mine	Category	Mt	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Metal contained in Mineral Reserves			
							Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
SGX	Proven	2.62	0.05	267	5.12	2.46	4.0	22.53	134.1	64.5
	Probable	2.61	0.00	230	4.41	1.90	0.3	19.33	115.2	49.7
Total Proven & Probable		5.23	0.03	249	4.76	2.18	4.2	41.86	249.3	114.2
HZG	Proven	0.37	-	350	1.08	-	-	4.17	4.0	-
	Probable	0.36	-	347	0.77	-	-	4.06	2.8	-
Total Proven & Probable		0.73	-	348	0.93	-	-	8.23	6.8	-
HPG	Proven	0.35	1.41	89	3.38	1.39	15.8	1.00	11.7	4.8
	Probable	0.44	1.80	59	2.76	1.04	25.7	0.85	12.2	4.6
Total Proven & Probable		0.79	1.63	73	3.03	1.19	41.5	1.85	24.0	9.4
TLP	Proven	1.55	-	219	3.15	-	-	10.94	49.0	-
	Probable	1.02	-	204	2.91	-	-	6.70	29.7	-
Total Proven & Probable		2.58	-	213	3.05	-	-	17.64	78.7	-
LME	Proven	0.23	0.16	349	1.59	0.32	1.2	2.62	3.7	0.7
	Probable	0.68	0.30	316	1.62	0.40	6.6	6.91	11.0	2.7
Total Proven & Probable		0.91	0.27	325	1.61	0.38	7.9	9.53	14.7	3.4
LMW	Proven	0.57	0.33	321	2.27	-	6.0	5.86	12.9	-
	Probable	1.29	0.55	242	1.87	-	23.0	10.06	24.1	-
Total Proven & Probable		1.86	0.48	266	1.99	-	28.9	15.92	37.0	-
DCG	Proven	0.09	2.41	73	1.38	0.28	6.8	0.20	1.2	0.2
	Probable	0.13	3.84	104	1.87	0.15	15.4	0.42	2.3	0.2
Total Proven & Probable		0.21	3.25	91	1.67	0.20	22.2	0.62	3.5	0.4
Ying Mines	Proven	5.78	0.18	255	3.75	1.22	33.8	47.32	216.6	70.3
	Probable	6.54	0.34	230	3.02	0.87	70.9	48.32	197.5	57.2
Total Proven & Probable		12.32	0.26	241	3.36	1.03	104.7	95.65	414.1	127.5

Mine	Category	Mt	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Metal contained in Mineral Reserves			
							Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
SGX	Proven	2.62	0.05	267	5.12	2.46	4.0	22.53	134.1	64.5
	Probable	2.61	0.00	230	4.41	1.90	0.3	19.33	115.2	49.7
Total Proven & Probable		5.23	0.03	249	4.76	2.18	4.2	41.86	249.3	114.2
HZG	Proven	0.37	-	350	1.08	-	-	4.17	4.0	-
	Probable	0.36	-	347	0.77	-	-	4.06	2.8	-
Total Proven & Probable		0.73	-	348	0.93	-	-	8.23	6.8	-
HPG	Proven	0.35	1.41	89	3.38	1.39	15.8	1.00	11.7	4.8
	Probable	0.44	1.80	59	2.76	1.04	25.7	0.85	12.2	4.6
Total Proven & Probable		0.79	1.63	73	3.03	1.19	41.5	1.85	24.0	9.4
TLP	Proven	1.55	-	219	3.15	-	-	10.94	49.0	-
	Probable	1.02	-	204	2.91	-	-	6.70	29.7	-
Total Proven & Probable		2.58	-	213	3.05	-	-	17.64	78.7	-
LME	Proven	0.23	0.16	349	1.59	0.32	1.2	2.62	3.7	0.7
	Probable	0.68	0.30	316	1.62	0.40	6.6	6.91	11.0	2.7
Total Proven & Probable		0.91	0.27	325	1.61	0.38	7.9	9.53	14.7	3.4
LMW	Proven	0.57	0.33	321	2.27	-	6.0	5.86	12.9	-
	Probable	1.29	0.55	242	1.87	-	23.0	10.06	24.1	-
Total Proven & Probable		1.86	0.48	266	1.99	-	28.9	15.92	37.0	-
DCG	Proven	0.09	2.41	73	1.38	0.28	6.8	0.20	1.2	0.2
	Probable	0.13	3.84	104	1.87	0.15	15.4	0.42	2.3	0.2
Total Proven & Probable		0.21	3.25	91	1.67	0.20	22.2	0.62	3.5	0.4
Ying Mines	Proven	5.78	0.18	255	3.75	1.22	33.8	47.32	216.6	70.3
	Probable	6.54	0.34	230	3.02	0.87	70.9	48.32	197.5	57.2
Total Proven & Probable		12.32	0.26	241	3.36	1.03	104.7	95.65	414.1	127.5

Notes:

- Cut off grades (AgEq g/t): SGX – 235 Resuing, 195 Shrinkage; HZG – 245 Resuing, 195 Shrinkage; HPG – 260 Resuing, 200 Shrinkage; TLP – 225 Resuing, 190 Shrinkage; LME – 265 Resuing, 225 Shrinkage; LMW – 245 Resuing, 200 Shrinkage; DCG-225 Resuing, 190 Shrinkage.
- Stope Marginal cut off grades (AgEq g/t): SGX – 210 Resuing, 170 Shrinkage; HZG – 210 Resuing, 160 Shrinkage; HPG – 235 Resuing, 175 Shrinkage; TLP – 205 Resuing, 170 Shrinkage; LME – 210 Resuing, 170 Shrinkage; LMW – 205 Resuing, 160 Shrinkage; DCG – 205 Resuing, 170 Shrinkage.
- Development Ore cut off grades (AgEq g/t): SGX – 130; HZG – 125; HPG – 150; TLP – 125; LME – 125; LMW – 125; DCG – 125.
- Unplanned dilution (zero grade) assumed as 0.05m on each wall of a resuing stope and 0.10m on each wall of a shrinkage stope.
- Mining recovery factors assumed as 95% for resuing and 92% for shrinkage.
- Metal prices: gold US\$1,450/troy oz, silver US\$18.60/troy oz, lead US\$0.95/lb, zinc US\$1.10/lb.
- Processing recovery factors: SGX 91.5% Au, 95.9% Ag, 97.6% Pb, 60.0% Zn; HZG 96.8% Ag, 94.7% Pb; HPG 91.5% Au, 91.5% Ag, 90.8% Pb, 68.3% Zn; TLP 92.9% Ag, 91.7% Pb; LME 91.5% Au, 95.2% Ag, 92.0% Pb, 30.0% Zn; LMW 91.5% Au, 96.5% Ag, 95.9% Pb; DCG 91.5% Au, 91.5% Ag, 90.8% Pb, 68.3% Zn.
- Payables: Au 81%; Ag 91.0%; Pb 96.4%; Zn 74.4%.
- Exclusive of mine production to 31 December 2021.
- Exchange rate assumed is RMB 6.50: US\$1.00.
- Numbers may not compute exactly due to rounding.

The CIM Mineral Reserve estimation assumes that current predominant stoping practices will continue to be employed at the Ying Mining District, namely cut and fill resuing and shrinkage stoping for most veins, using hand-held drills (jacklegs) and hand-mucking within stopes, and loading to mine cars by rocker-shovel or by hand. The largely sub-vertical veins, generally competent ground, reasonably regular vein width, and hand-mining techniques using short rounds, allows a significant degree of selectivity and control in the stoping process. Minimum mining widths of 0.5 m for resuing and 1.0 m for shrinkage are assumed.

Total Ying Mining District CIM Mineral Reserve tonnes are approximately 66% of CIM Mineral Resource (Measured plus Indicated) tonnes. Gold, silver, lead, and zinc CIM Mineral Reserve grades are 99%, 100%, 96%, and 100% respectively of the corresponding Measured plus Indicated CIM Mineral Resource grades. Metal conversion percentages for gold, silver, lead, and zinc are 65%, 66%, 63%, and 66% respectively.

Reconciliation

The table below summarises the Silvercorp reconciliation between CIM Mineral Reserve estimates in areas mined and production as mill feed for the Ying Mining District from 1 January 2020 to 31 December 2021.

CIM Mineral Reserve to production reconciliation: January 2020 – December 2021

	Mine	Ore (kt)	Grade			Metal		
			Ag (g/t)	Pb (%)	Zn (%)	Ag (koz)	Pb (kt)	Zn (kt)
Reserve (Proven + Probable)	SGX	424	306	5.37	2.50	4,173	23	11
	HZG	96	349	1.06	0.43	1,070	1	0
	HPG	83	91	4.65	1.31	243	4	1
	LME	120	507	1.94	0.50	1,996	2	1
	LMW	110	335	2.68	0.38	1,171	3	0
	TLP	225	234	2.98	0.33	1,688	7	1
	Total	1,059	304	3.74	1.31	10,341	40	14
Reconciled Mine Production	SGX	483	338	6.35	1.75	5,251	31	8
	HZG	96	373	1.67	-	1,150	2	-
	HPG	120	111	3.24	1.15	428	4	1
	LME	84	323	1.73	0.34	874	1	0
	LMW	129	317	2.86	0.02	1,315	4	0
	TLP	358	223	3.31	-	2,568	12	-
	Total	1,270	283	4.19	0.8	11,584	53	10
Mine Production as % of Reserves	SGX	114%	110%	118%	70%	126%	133%	77%
	HZG	100%	107%	158%	0%	107%	160%	-
	HPG	144%	122%	70%	88%	176%	97%	138%
	LME	70%	64%	89%	68%	44%	73%	29%
	LMW	117%	95%	107%	5%	112%	123%	-
	TLP	159%	95%	111%	0%	152%	169%	0%
	Total	120%	93%	112%	61%	112%	133%	72%

Notes:

- Assumes 2.5% moisture in wet ore.
- Numbers may not compute exactly due to rounding.

Life-of-Mine Plan

The table below is a summary of the projected LOM production for each of the Ying Mining District mines and for the entire operation based on the 31 December 2021 CIM Mineral Reserve estimates.

Ying Mining District mines LOM production plan

	2022Q4	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	Total
SGX																	
Ore (kt)	50	273	279	279	356	364	381	374	378	370	381	377	378	380	379	231	5,229
Au (g/t)	0.00	0.00	0.01	0.03	0.01	0.03	0.03	0.05	0.03	0.02	0.00	0.00	0.07	0.03	0.04	0.01	0.03
Ag (g/t)	340	331	328	309	295	280	282	256	238	226	234	226	200	189	185	179	249
Pb (%)	6.62	6.14	5.61	5.57	4.90	4.41	4.70	4.82	4.92	4.80	4.38	4.45	4.24	4.16	4.03	4.93	4.76
Zn (%)	2.09	2.35	2.23	2.47	2.40	2.12	2.29	2.17	2.40	2.02	1.86	2.11	1.97	2.26	2.06	2.23	2.18
AgEq (g/t)	633	612	587	573	531	492	510	486	475	450	439	438	406	395	382	412	476
HZG																	
Ore (kt)	15	57	66	70	70	70	69	70	70	68	40	-	-	-	-	-	735
Au (g/t)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
Ag (g/t)	347	344	345	347	354	349	360	355	351	355	339	320	-	-	-	-	348
Pb (%)	0.82	1.17	1.19	1.13	0.91	1.06	0.76	0.87	0.95	0.73	0.74	0.62	-	-	-	-	0.93
Zn (%)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AgEq (g/t)	376	386	388	389	387	387	387	386	385	382	366	342	-	-	-	-	382
HPG																	
Ore (kt)	10	66	72	77	78	78	77	77	70	66	63	58	-	-	-	-	791
Au (g/t)	1.09	1.31	2.72	2.94	1.71	1.54	1.68	1.01	1.03	0.94	1.58	1.31	-	-	-	-	1.63
Ag (g/t)	154	124	74	74	87	84	74	40	75	59	36	54	-	-	-	-	73
Pb (%)	3.18	3.34	2.26	2.15	3.23	3.83	2.99	4.95	3.23	2.85	1.92	2.04	-	-	-	-	3.03
Zn (%)	1.92	1.53	1.04	0.59	1.37	1.14	1.35	0.69	0.91	1.87	1.53	1.14	-	-	-	-	1.19
AgEq (g/t)	394	376	371	372	359	360	334	309	288	276	254	248	-	-	-	-	326
TLP																	
Ore (kt)	79	215	205	220	220	231	210	207	207	211	214	210	147	-	-	-	2,575
Au (g/t)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.00
Ag (g/t)	214	222	208	217	240	237	235	222	217	208	189	171	177	-	-	-	213
Pb (%)	2.80	3.07	2.98	3.11	2.87	2.95	3.02	2.89	2.94	2.83	3.07	3.82	3.26	-	-	-	3.05
Zn (%)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AgEq (g/t)	317	334	317	331	346	345	345	328	325	312	301	311	297	-	-	-	325
LM East																	
Ore (kt)	12	51	52	52	64	73	81	80	82	75	78	73	77	63	-	-	913
Au (g/t)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.05	0.19	0.20	0.20	0.12	0.96	1.77	-	-	0.27
Ag (g/t)	325	321	331	327	365	414	351	360	311	341	348	325	236	175	-	-	325
Pb (%)	1.41	1.34	2.39	1.56	1.56	1.38	1.54	1.89	2.08	1.56	1.44	1.91	1.44	0.91	-	-	1.61
Zn (%)	0.34	0.30	0.27	0.23	0.34	0.37	0.37	0.42	0.46	0.37	0.35	0.50	0.51	0.28	-	-	0.38
AgEq (g/t)	379	371	420	386	425	467	410	435	403	414	416	407	357	329	-	-	404
LM West																	
Ore (kt)	11	100	103	110	128	127	136	128	135	132	133	127	129	130	119	112	1,861
Au (g/t)	0.13	0.48	0.57	0.69	0.40	0.16	0.24	0.16	0.55	0.60	0.70	0.24	0.25	0.61	1.03	0.66	0.48
Ag (g/t)	313	316	313	319	285	300	280	270	283	252	254	245	249	242	192	201	266
Pb (%)	2.25	2.02	2.25	1.90	2.20	1.84	1.94	2.20	1.55	2.28	2.04	2.39	1.81	1.73	1.72	2.08	1.99
Zn (%)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AgEq (g/t)	403	420	431	434	391	376	365	360	375	369	364	343	331	340	323	311	368
DCG																	
Ore (kt)	2	22	24	24	23	23	21	22	17	17	18	-	-	-	-	-	213
Au (g/t)	1.12	3.58	2.89	3.20	4.34	4.17	3.27	2.57	2.41	3.04	2.92	-	-	-	-	-	3.25
Ag (g/t)	153	114	137	87	105	95	115	73	51	47	46	-	-	-	-	-	91
Pb (%)	1.78	1.17	2.51	3.50	1.25	0.82	1.33	2.18	2.16	0.58	0.64	-	-	-	-	-	1.67
Zn (%)	0.35	0.20	0.20	0.19	0.11	0.11	0.35	0.17	0.16	0.23	0.32	-	-	-	-	-	0.20
AgEq (g/t)	304	409	433	443	454	416	398	335	299	285	280	-	-	-	-	-	381
Ying Mine																	
Ore (kt)	178	785	801	832	938	965	976	957	959	941	954	886	731	573	499	343	12,317
Au (g/t)	0.08	0.27	0.41	0.46	0.31	0.25	0.25	0.19	0.22	0.23	0.27	0.13	0.18	0.35	0.28	0.22	0.26
Ag (g/t)	270	276	268	262	268	267	263	245	239	230	227	217	208	199	186	186	241
Pb (%)	3.58	3.72	3.54	3.44	3.30	3.12	3.20	3.47	3.31	3.23	3.03	3.46	3.32	3.25	3.48	4.00	3.36
Zn (%)	0.72	0.97	0.89	0.90	1.05	0.92	1.04	0.94	1.05	0.96	0.88	1.01	1.07	1.53	1.57	1.50	1.03
AgEq (g/t)	424	454	447	441	434	420	421	406	399	385	375	375	365	375	368	379	406

Notes:

- Numbers may not compute exactly due to rounding.
- Zinc not included in AgEq calculation for HZG, TLP and LMW mines.

Processing and tailing dams

Silvercorp runs two processing plants, Plants 1 and 2, at the Ying Mining District, with a total current design capacity of about 2,800 tonnes per day (**tpd**). The two plants are situated within 2km of each other. Both were designed based on the lab tests completed by HNMRI in 2005. Plant 1 (Xiayu Plant – originally 600 tpd, upgraded to 800 tpd) has been in operation since March 2007. Plant 2 (Zhuangtou Plant) has been in production since December 2009, with an expansion from 1,000 tpd to 2,000 tpd completed in October 2011. Although current design processing capacity is about 2,800 tpd, it is understood that the actual capacity could reach 3,000 – 3,200 tpd. Current LOM planning requires that the plants operate up to 2,000 tpd.

There are two current tailing management facilities (**TMF**) at the Ying Mining District. TMF 1 served both Mill Plant 1 and Mill Plant 2 during the period of 2007 – 2012. Since TMF 2 was put into operation in April 2013, the two TMFs serve their respective mill plants: TMF 1 serves Mill Plant 1, TMF 2 serves Mill Plant 2.

The TMFs were designed based on then current CIM Mineral Resource / CIM Mineral Reserve estimations and LOM production projections. Subsequent resource expansion and increased production projections indicate that the current tailings capacity will not be adequate for the full Ying Mining District LOM. A third TMF, Shimengou TMF, is being built in the Shimengou valley, which serves as a branch of the Chongyanggou river, within the territory of Xiayu Township, Luoning County.

Environmental, permitting, social / community impact

Silvercorp has all the required permits for its operations on the Ying Mining District. The existing mining permits cover all the active mining areas and, in conjunction with safety and environmental certificates, give Silvercorp the right to carry out full mining and mineral processing operations. Safety certificates have been issued by the Department of Safety Production and Inspection of Henan Province, covering the SGX Mine, HZG Mine, Zhuangtuo TMF, Shiwagou TMF, HPG Mine, TLP Mine (west and east section), LMW Mine, LME Mine, and DCG Mine. Environmental certificates have been issued by the Department of Environmental Protection of Henan Province, covering the Yuelianggou project (SGX Mine and 1,000 tpd mill plant), HPG Mine, TLP Mine, LMW Mine, LME Mine, DCG Mine, and the 2,000 tpd mill plant built in 2009. For each of these certificates, there are related mine development / utilisation and soil / water conservation programs, and rehabilitation plan reports. Silvercorp has also obtained approvals and certificates for wastewater discharge locations at the SGX Mine, the HPG Mine, and the two TMFs. All certificates must be renewed periodically.

There are no cultural minority groups within the area surrounding the general project. The culture of the broader Luoning County is predominantly Han Chinese. No records of cultural heritage sites exist within or near the SGX Mine, HZG Mine, HPG Mine, TLP Mine, LME Mine, LMW Mine, and DCG Mine areas. The surrounding land near the mines is used predominantly for agriculture. The mining area does not cover any natural conservation, ecological forests, or strict land control zones. The current vegetation within the project area is mainly secondary, including farm plantings. Larger wild mammals have not been found in the region. Small birds nesting and moving in the woodland are observed occasionally. The surrounding villagers raise domestic animals, such as chickens, ducks, pigs, sheep, goats, and cows etc.

Silvercorp has made a range of cash donations and contributions to local capital projects and community support programs, sponsoring university students, and undertaking projects such as road construction and school repairs, upgrading, and construction. Silvercorp has also made economic contributions in the form of direct hiring and retention of local contractors, suppliers, and service providers.

(b) GC Mine

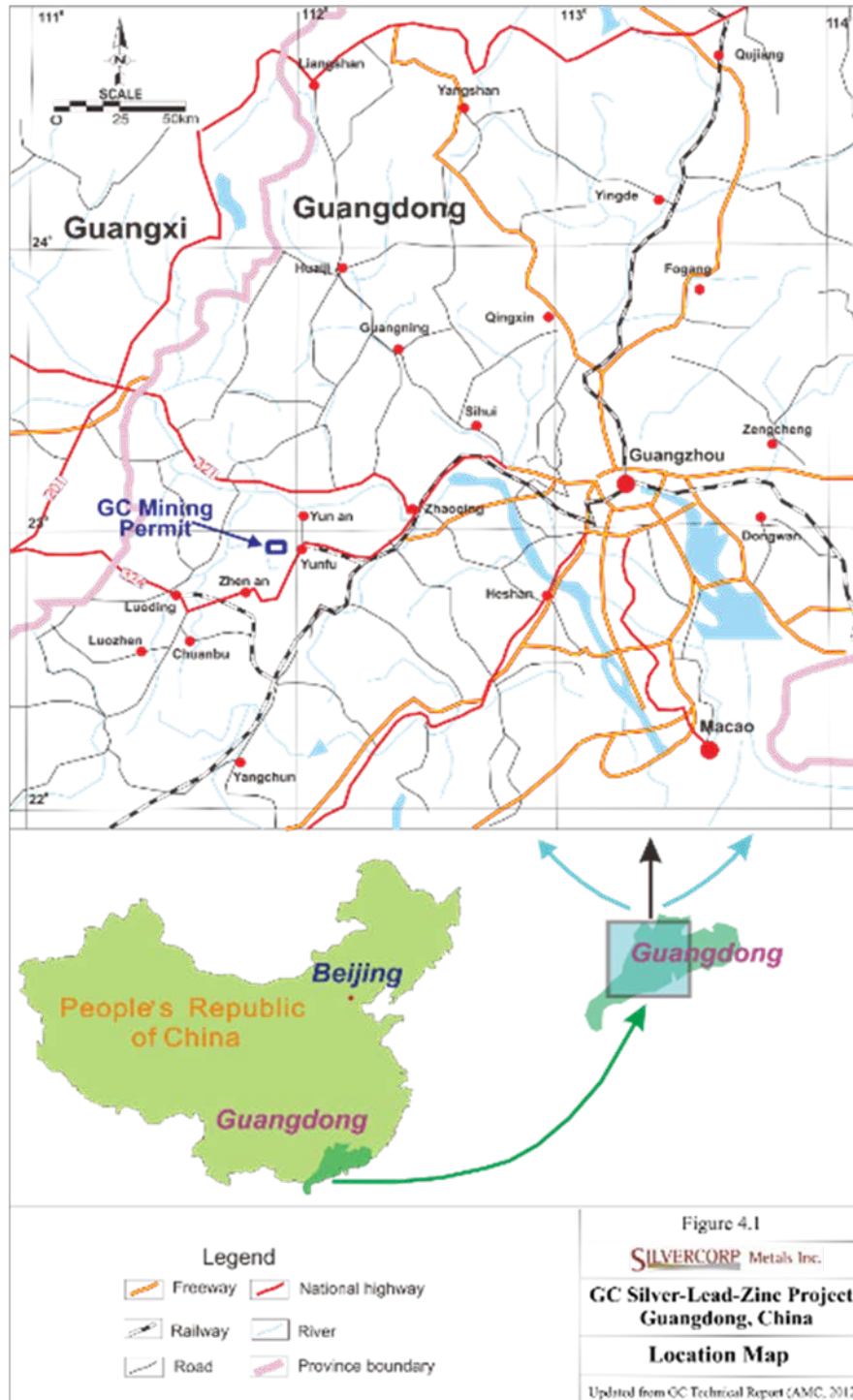
Except as otherwise stated, technical information in relation to the GC Mine in this Scheme Booklet is based on the latest Technical Report titled “*NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People’s Republic of China*” (the **GC 2021 Technical Report**), effective date 31 March 2021, and prepared by AMC with report date 6 October 2021 (and released on SEDAR+ on 7 October 2021), and was restated in Silvercorp’s Annual Information Form dated 1 June 2023 for the Fiscal Year ended 31 March 2023.

Portions of the following information are based on the assumptions, qualifications and procedures described in the GC 2021 Technical Report, which are not fully described in this Scheme Booklet. The full text of the GC 2021 Technical Report is available for review on SEDAR+ at www.sedarplus.ca.

Location and History

The GC Mine is located in the vicinity of Gaocheng village, Gaocun Township, Yun'an District, Yunfu City, Guangdong Province, People's Republic of China. The GC Mine is located west of the metropolitan city of Guangzhou, the capital of Guangdong Province. Guangzhou is located about 120 kilometres (km) north-west of Hong Kong and has a total population of about 14 million people. Access to the GC project from Guangzhou is via 178 km of four-lane express highway to Yunfu, then 48 km of paved road to the project site.

Location of the GC Mine



Various state-sponsored Chinese Geological Brigades and companies have conducted geological and exploration work in the project area with systematic regional geological surveys commencing in 1959. Historical drilling commenced in 2001. Silvercorp acquired an interest in the GC Mine in 2005 and commercial production commenced in 2014.

Mining licences ownership

The GC Mine is covered by one mining licence, held by Guangdong Found Mining Co., Ltd (**Guangdong Found**), a Sino-Foreign Cooperative Joint Venture Enterprise registered under Chinese law. Silvercorp holds (through two of its wholly-owned subsidiaries Yangtze Mining (H.K.) Ltd and Silvercorp Metals (China) Inc.) a 99% interest in Guangdong Found, with the remaining 1% interest held by GRT Mining Investment (Beijing) Co., Ltd. See section 6.3 for further information on Silvercorp's corporate structure.

Mine	Mining licence number	Sq km	Expiry date	Registered licence holder
GC Mine	C1000002010113210083333	5.5238	24 November 2040	Guangdong Found

Production

In Fiscal 2023, a total of 299,959 tonnes of ore were mined and 299,597 tonnes were milled at the GC Mine. Average head grades of ore milled were 75 g/t for silver, 1.3% for lead, and 2.8% for zinc. Metals produced at the GC Mine were approximately 593 thousand ounces of silver, 7.8 million pounds of lead, and 16.3 million pounds of zinc.

The mining costs at the GC Mine were US\$41.36 per tonne in Fiscal 2023, and the milling costs were US\$16.93 per tonne. Correspondingly, the production costs per tonne of ore processed were US\$58.29 and the all-in sustaining production costs per tonne of ore processed were US\$83.33. The cash costs per ounce of silver, net of by-product credits, at the GC Mine, were negative US\$13.7, and the all-in sustaining costs per ounce of silver, net of by product credits, were US\$0.50.

CIM Mineral Resources

The CIM Mineral Resources for the GC Mine as of 31 December 2020 are presented in the table below.

Summary of CIM Mineral Resources as of 31 December 2020

Classification	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Contained metal		
					Ag (koz)	Pb (M lbs)	Zn (M lbs)
Measured	5.286	88	1.3	3.1	14,906	154	360
Indicated	4.747	75	1.1	2.5	11,457	111	259
Measured and Indicated	10.033	82	1.2	2.8	26,363	265	619
Inferred	8.441	87	1.0	2.4	23,562	195	442

Notes:

- CIM Definition Standards (2014) were used for reporting the CIM Mineral Resources.
- CIM Mineral Resource are reported at an AgEq cut-off grade of 105 g/t AgEq.

- The equivalency formula is $\text{Ag g/t} + 50.46 * \text{Pb\%} + 43.53 * \text{Zn\%}$ using prices of US\$18.20/oz Ag, US\$0.94/lb Pb, and US\$1.08/lb Zn and estimated recoveries of 82.6% Ag, 89.5% Pb, and 87.3% Zn.
- Sample results up to 31 December 2020.
- CIM Mineral Resources have been depleted to account for mining to 31 December 2020.
- Veins factored to a minimum extraction width of 0.4 m.
- CIM Mineral Resources are inclusive of CIM Mineral Reserves.
- CIM Mineral Resources that are not CIM Mineral Reserves do not have demonstrated economic viability. An Inferred CIM Mineral Resource is that part of a CIM Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling and must not be converted to a CIM Mineral Reserve. It is reasonably expected that the majority of Inferred CIM Mineral Resources could be upgraded to Indicated CIM Mineral Resources with continued exploration.
- The numbers may not compute exactly due to rounding.

CIM Mineral Reserves

The table below summarises the CIM Mineral Reserves estimate for the GC Mine. 63% of the CIM Mineral Reserve tonnage is categorised as Proven and 37% is categorized as Probable.

The CIM Mineral Reserve estimation is based on the assumption that current stoping practices will continue at the GC Mine, namely predominantly shrinkage stoping but also with some cut and fill resuing. Minimum mining widths of 1.0 m for shrinkage and 0.5 m for resuing, and minimum dilution of 0.20 m total for shrinkage and 0.10 m for resuing cut and fill stopes are assumed. Full breakeven COGs used are 215 g/t AgEq for shrinkage and 275 g/t AgEq for resuing.

GC Mine CIM Mineral Reserves estimate at 31 December 2020

Classification	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Contained metal		
					Ag (koz)	Pb (Mlbs)	Zn (Mlbs)
Proven	2.587	93	1.5	3.3	7,743	84	189
Probable	1.544	95	1.5	3.0	4,740	51	103
Proven and Probable	4.131	94	1.5	3.2	12,483	135	293

Notes:

- *Canadian Institute of Mining, Metallurgy and Petroleum Standards (2014) were used for reporting the CIM Mineral Reserves.*
- *Full breakeven cut-off grades: Shrinkage = 215 g/t AgEq; Resuing = 275 g/t AgEq.*
- *Marginal material cut-off grade: Shrinkage = 185 g/t AgEq; Resuing = 250 g/t AgEq.*
- *Dilution (zero grade) assumed as a minimum of 0.1 m on each wall of a shrinkage stope and 0.05 m on each wall of a resuing stope.*
- *Mining recovery factors assumed as 92% for shrinkage and 95% for resuing.*
- *Metal prices: Silver US\$18.20/troy oz, lead US\$0.94/lb, zinc US\$1.08/lb, with respective payables of 65.5%, 86.2%, and 66.3%.*
- *Processing recovery factors: Ag – 82.6%, Pb – 89.5%, Zn – 87.3%.*
- *Effective date 31 December 2020.*
- *Exchange rate assumed is RMB6.80: US\$1.00.*
- *Rounding of some figures may lead to minor discrepancies in totals.*

Life-of-Mine

The table below shows the projected LOM mill feed and metal production profile at the GC Mine. The LOM production data is based on the 31 December 2020 CIM Mineral Reserve estimates.

GC Mine Projected LOM mill feed and metal production

Item	Unit	2021 Q4	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total
Mill Feed - Ore tonnes	t	77,496	311,271	317,885	310,407	313,288	313,644	311,336	315,013	311,802	311,762	310,516	312,573	313,563	300,482	4,131,039
Head grade, Ag	g/t	88	86	92	96	96	94	96	93	95	94	94	94	98	97	94
Head grade, Pb	%	1.51	1.46	1.55	1.47	1.47	1.35	1.51	1.58	1.49	1.26	1.40	1.60	1.43	1.69	1.48
Head grade, Zn	%	3.72	3.64	3.52	3.42	3.20	3.29	3.08	2.95	3.08	3.28	3.21	2.99	3.06	2.95	3.22
Planned metal - Ag mined	t	6.79	26.75	29.21	29.78	30.02	29.36	29.85	29.39	29.56	29.35	29.30	29.26	30.64	29.01	388.27
Planned metal - Pb mined	t	1,173	4,544	4,940	4,565	4,592	4,224	4,706	4,965	4,651	3,929	4,354	5,007	4,492	5,084	61,225
Planned metal - Zn mined	t	2,883	11,317	11,175	10,607	10,011	10,304	9,591	9,308	9,604	10,238	9,974	9,361	9,581	8,863	132,818
Planned metal - Ag recovered	t	5.61	22.10	24.13	24.60	24.79	24.25	24.65	24.28	24.42	24.24	24.20	24.17	25.31	23.96	320.71
Planned metal - Pb recovered	t	1,050	4,067	4,422	4,086	4,109	3,780	4,212	4,444	4,162	3,516	3,897	4,482	4,020	4,550	54,797
Planned metal - Zn recovered	t	2,517	9,880	9,756	9,260	8,740	8,995	8,373	8,125	8,384	8,938	8,708	8,173	8,364	7,738	115,950

Processing and tailing

Since the start of trial operations in 2013 and commercial production in 2014, lead and zinc concentrates have been produced in commercial quantities at the Gaocheng mill. The overall process consists of crushing, grinding, sequential flotation of lead, zinc, and pyrite concentrates, and concentrate dewatering by disc filtration.

In 2019, the lead-zinc-sulphur priority flotation process was optimised by changing from zinc-sulphur process priority flotation to zinc-sulphur mixed flotation and then zinc-sulphur separation flotation process. The quantity of ore processed has increased to around 300 ktpa.

The filtered tailings are conveyed to the TMF area via conveyor and then spread by bulldozer on a bench-by-bench basis. The tailings deposition method is dry stacking and filling (from bottom to top and stacking by bench to form the embankment), with concurrent rolling and compaction to the desired dry density standards.

The construction of a cemented tailings backfill plant was completed in December 2019. The design capacity is 60 – 80 m³ /hr, or around 450 m³ /day assuming seven hours operation. After surface and underground full-process backfilling tests and adjustment, the system began operating in July 2020.

Environmental, permitting and compliance activities

Silvercorp has all the required permits for its operations on the GC Mine and, in conjunction with safety and environmental certificates, these give Silvercorp the right to carry out full mining and mineral processing operations.

An Environmental Impact Assessment report on the GC Mine was prepared by the Guangdong Environmental Technology Centre initially, and then reassessment is done periodically as required by regulations. An Environmental Permit was issued by the Department of Environmental Protection of Guangdong Province in June 2010.

There are no cultural minority groups within the general area surrounding the GC Mine. No records of cultural heritage sites exist within or near the GC Mine areas. The surrounding land is used predominantly for agriculture. The mining area does not cover any natural conservation, ecological forests, or strict land control zones.

Silvercorp has made a range of cash donations and contributions to local capital projects and community support programs, sponsoring university students and undertaking projects such as village road construction, and school upgrading and construction. Silvercorp has also made

economic contributions to the local economy in the form of direct hiring and retention of local contractors, suppliers, and service providers.

A monitoring plan has been negotiated between Silvercorp and the local environmental protection department to meet the environmental management requirements of the project. Key components of the monitoring plan are water pollution monitoring, together with environmental air and noise monitoring. The monitoring work is carried out by qualified persons and / or a third-party contractor and is undertaken on a regular basis.

(c) **Silvercorp's disclosures in satisfaction of Listing Rule 5.12**

Listing Rule	ASX Explanation	Commentary
5.12.1	The source and date of the historical estimates or foreign estimates.	The foreign estimates in respect of Silvercorp's operations and properties were prepared by Silvercorp. The mineral resources and mineral reserves are prepared in accordance with the Canadian NI 43-101 Standards. The source of the Silvercorp foreign estimates in relation to the Ying Mining District is the Technical Report titled "<i>NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China</i>" (the Ying 2022 Technical Report), effective date 20 September 2022, and prepared by AMC Mining Consultants (Canada) Ltd. (AMC) with report date 3 November 2022 (and released on SEDAR+ on 4 November 2022). The source of the Silvercorp foreign estimates in relation to the GC Mine is the Technical Report titled "<i>NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China</i>" (the GC 2021 Technical Report), effective date 31 March 2021, and prepared by AMC with report date 6 October 2021 (and released on SEDAR+ on 7 October 2021). The full text of the Ying 2022 Technical Report and the GC 2021 Technical Report is available for review on SEDAR+ at www.sedarplus.ca. The foreign estimates were restated by Silvercorp in its Annual Information Form dated 1 June 2023 for the Fiscal Year ended 31 March 2023. The foreign estimates in the Ying 2022 Technical Report and the GC 2021 Technical Report are the most recent, available mineral resources and mineral reserves estimates for the Silvercorp's operations.
5.12.2	Whether the historical estimates or foreign estimates use categories of	The Silvercorp foreign estimates of mineral resources and mineral reserves have been

Listing Rule	ASX Explanation	Commentary
	mineralisation other than those defined in Appendix 5A (JORC Code) and if so, an explanation of the differences.	prepared using the Canadian NI 43-101 reporting guidelines. The mineral resource estimates contain categories of NI 43-101 'Measured', 'Indicated' and 'Inferred' that are consistent with the terminology of the 'Measured', 'Indicated' and 'Inferred' categories under the JORC Code. NI 43-101 mineral reserves estimates are reported as proven and probable in the foreign estimates. These classifications are consistent with definitions of Proved and Probable Ore Reserves in the JORC Code.
5.12.3	The relevance and materiality of the historical estimates or foreign estimates to the entity.	The Silvercorp foreign estimates are material to the Merged Group as they form a significant portion of the overall mineral reserve and mineral resource inventory.
5.12.4	The reliability of historical estimates or foreign estimates to the entity.	The foreign estimates are considered reliable by Silvercorp for the following reasons: - the foreign estimates have been prepared in accordance with NI 43-101; and - the methodologies for preparing the mineral resources and mineral reserves have not changed significantly in comparison to previous reporting.
5.12.5	To the extent known, a summary of work programs on which the historical estimates or foreign estimates are based and a summary of the key assumptions, mining and processing parameters and methods used to prepare the historical or foreign estimates.	Key assumptions used in the estimation of mineral resources and mineral reserves are based on extensive operating experience and historical performance. A summary of the key assumptions, including metal prices, cut-off grades, exchange rate is set forth in the notes to the tables included in sections 6.2(a) and 6.2(b). Assumptions, qualifications and procedures are not fully described in this Scheme Booklet. The full text of the Ying 2022 Technical Report and the GC 2021 Technical Report is available for review on SEDAR+ at www.sedarplus.ca.
5.12.6	Any more recent estimates or data relevant to the reported mineralisation available to the entity.	No more recent estimates have been completed since the mineral reserves and mineral resources disclosed in the Ying 2022 Technical Report and the GC 2021 Technical Report.
5.12.7	The evaluation and/or exploration work that needs to be completed to verify the historical estimates or foreign estimates as mineral resources or ore reserves in	Silvercorp currently does not have intention to verify the mineral resources or ore reserves in accordance with JORC Code. If Silvercorp is admitted to the official list of ASX, it will comply with the reporting

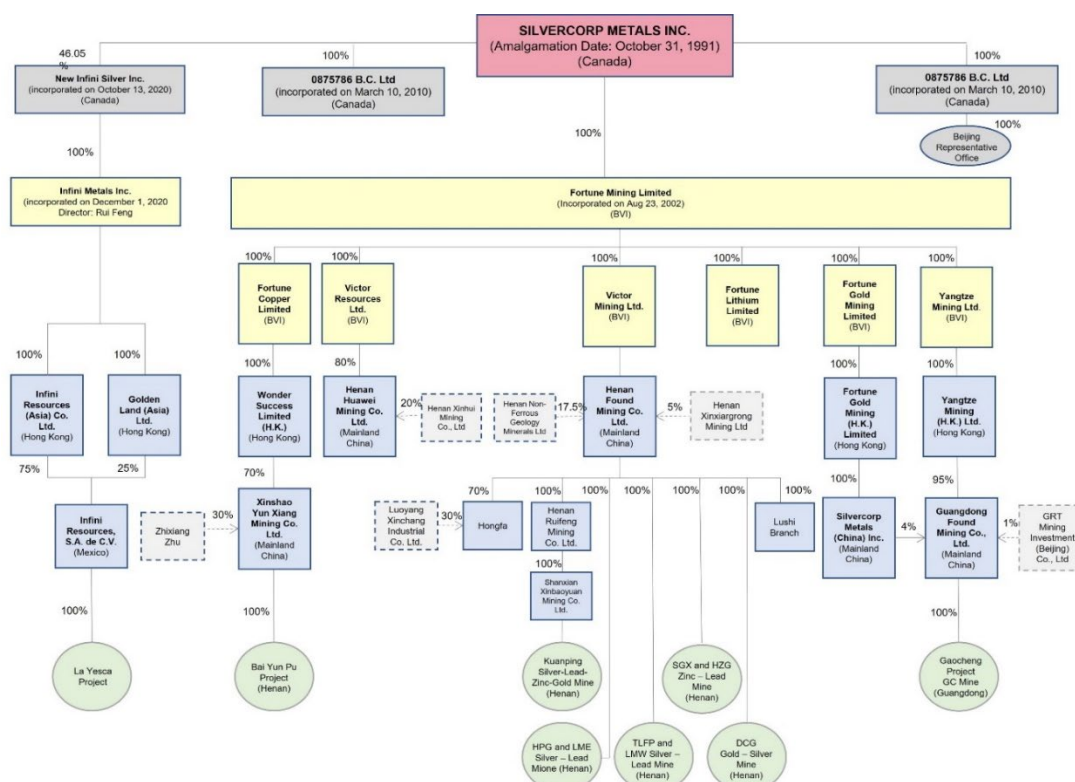
Listing Rule	ASX Explanation	Commentary
	accordance with ASX Listing Rules Appendix 5A (JORC Code).	obligations under ASX Listing Rule 5 in relation to its mining activities.
5.12.8	The proposed timing of any evaluation and/or exploration work that the entity intends to undertake and a comment on how the entity intends to fund that work.	Evaluation work has been ongoing and Silvercorp intends to update the mineral resources and reserves at its mines in the first half of 2024, based on results up to and including 31 December 2023. Silvercorp has been funding its evaluation and exploration work from its working capital. There is currently no intention to verify Silvercorp's reserves and resources estimates in accordance with the JORC Code. If Silvercorp is admitted to the official list of ASX, it will comply with the reporting obligations under ASX Listing Rule 5 in relation to its mining activities.
5.12.9	A cautionary statement proximate to, and with equal prominence as, the reported historical estimates or foreign estimates stating that: • The estimates are historical estimates or foreign estimates and are not reported in accordance with the JORC Code; • A competent person has not done sufficient work to classify the historical estimates or foreign estimates as mineral resources or ore reserves in accordance with the JORC Code; and • It is uncertain that following evaluation and/or further exploration work that the historical estimates or foreign estimates will be able to be reported as mineral resource or ore reserves in accordance with the JORC Code.	Silvercorp cautions that mineral resources and mineral reserves for Silvercorp are not reported in accordance with the JORC Code. A Competent Person has not yet completed sufficient work to classify the foreign estimates of mineral resources or mineral reserves as Mineral Resources or Ore Reserves in accordance with the JORC Code. It is currently uncertain whether, following evaluation and/or further exploration work, these foreign estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code.
5.12.10	A statement by a named competent person or persons that the information in the market announcement provided under rules 5.12.2 to 5.12.7 is an accurate representation of the available data and studies for the material mining project. The statement must include the information referred to in rule 5.22(b) and (c).	Refer to section 12.17

6.3 Corporate structure and other investment interests

Silvercorp is incorporated under the Business Corporations Act. Its head and registered office is 1750-1066 West Hastings Street, Vancouver, British Columbia, Canada V6E 3X1. Silvercorp is listed on the TSX under the symbol “SVM” and trades in the United States on the NYSE American under the symbol “SVM”.

Silvercorp was formed as Spokane Resources Ltd. By special resolution dated 5 October 2000, Spokane Resources Ltd changed its name to SKN Resources Ltd. At the annual and special general meeting held on 20 October 2004 Silvercorp changed its name to its current name.

The corporate structure of the Silvercorp Group including its subsidiaries, their respective jurisdictions of incorporation, the percentage of voting power held and their respective interest in Silvercorp’s material mining properties is set out in the chart below.



Note:

1. Not including investment interest in entities that is not controlled by Silvercorp.
2. Entities in grey with dotted shape lines are not Silvercorp entities.
3. The HPG and the LME Silver-Lead Mines are registered under Henan Found, but are beneficially held by Henan Huawei due to an Ore Sale Agreement between Henan Found and Henan Huawei. Both Henan Found and Henan Huawei are subsidiaries of Silvercorp.

Silvercorp is the sole shareholder of Fortune Mining Limited (**Fortune Mining**) which was incorporated under the laws of BVI on 23 August 2002. Fortune Mining is the holding company of several other subsidiaries which are parties to agreements relating to mineral properties in China.

Fortune Mining owns 100% of the following material subsidiaries:

Victor Mining

Victor Mining Ltd (**Victor Mining**) was incorporated on 23 October 2003 under the laws of BVI and continued into Barbados on 27 August 2009 and back to the BVI on 18 March 2016. Victor Mining holds a 77.5% interest in Henan Found Mining Co., Ltd (**Henan Found**), a Chinese company holding, among other assets:

- the Ying Mining District's flagship silver-lead-zinc project (the **SGX Mine**) and a satellite silver-lead mine (the **HZG Mine**) located approximately 5 km south of the SGX Mine;
- a silver-lead mine in Tieluping (the **TLP Mine**) approximately 11 km southeast of the SGX Mine;
- a silver-gold-lead-zinc mine in Haopinggou (the **HPG Mine**) northeast of the SGX Mine;
- a silver-lead-zinc mine in Longmen East (the **LME Mine**) approximately 12 km to southeast of the SGX Mine;
- a silver-lead-zinc mine in Longmen West (the **LMW Mine**) approximately 2.4 km to the west of the LME Mine; and
- a development project in Dong Cao Gou (the **DCG Mine**),

each in Henan Province.

Henan Found and Henan Huawei are parties to an Ore Sale Agreement under which Henan Found sells all ores produced from the HPG Mine and the LME Mine to **Henan Huawei** on a cost-plus basis, and the HPG Mine and the LME Mine are beneficially held by Henan Huawei for Silvercorp's reporting purposes.

Henan Found holds a 100% interest in Henan Ruifeng Mining Co Ltd which holds a 100% interest in Shanxian Xinbaoyuan Mining Co., Ltd. Shanxian Xinbaoyuan Mining Co., Ltd holds a 100% interest in the Kuanping silver-lead-zinc-gold project (the **Kuanping Project**).

Victor Resources

Victor Resources Ltd (**Victor Resources**) was incorporated on 30 May 2003 under the laws of the BVI and holds an 80% interest in Henan Huawei, a Chinese company. As noted above, Henan Huawei is beneficially holding a 100% interest in the HPG Mine and the LME Mine through an Ore Sale Agreement with Henan Found (with Henan Found being the registered owner of those mines).

Yangtze Mining

Yangtze Mining Ltd was incorporated on 11 February 2002 under the laws of the BVI. It holds a 100% interest in Yangtze Mining (H.K.) Ltd (**Yangtze Mining HK**), a company registered in Hong Kong. Yangtze Mining HK holds a 95% interest in Guangdong Found Mining Co., Ltd (**Guangdong Found**), a company incorporated on 26 October 2008 under the laws of China, which holds a 100% interest in the GC Mine. In October 2018, Silvercorp Metals (China) Inc., a wholly-owned subsidiary of Silvercorp, acquired an additional 4% interest in Guangdong Found, and as a result, Silvercorp now holds an aggregated 99% interest in Guangdong Found.

Fortune Copper

Fortune Copper Limited (**Fortune Copper**) was incorporated on 23 August 2002 under the laws of the BVI. It holds a 100% interest in Wonder Success Limited, a Hong Kong company which has a 70% interest in Xinshao Yunxiang Mining Co., Ltd., which owns the BYP gold,

lead, and zinc mine in Hunan Province (the **BYP Mine**). The BYP Mine is currently under care and maintenance.

Other interests

Silvercorp also holds the following interests:

- a 27.5% interest in New Pacific Metals Corp., a Canadian public company listed on the Toronto Stock Exchange (symbol: NUAG) and the NYSE American (symbol: NEWP) that is developing several precious metals projects in Bolivia;
- a 29.3% interest in Tincorp Metals Inc., formerly Whitehorse Gold Corp., a Canadian public company listed on the TSX Venture Exchange that is advancing two tin projects in Bolivia and owns a gold-silver project in Yukon, Canada; and
- a 46.15% interest in New Infini, which was incorporated on 13 October 2020, under the laws of the Province of British Columbia. New Infini holds a 100% interest in the La Yesca silver project (**La Yesca Project**).

6.4 Capital structure

Silvercorp has an authorised capital of an unlimited number of Silvercorp Shares without par value, of which 176,819,989 Silvercorp Shares were issued and outstanding as of the Last Practicable Date. A further 1,405,001 Silvercorp Shares have been reserved for issuance upon the due and proper exercise of certain incentive options (**Silvercorp Options**) and 2,883,080 restricted share units (**Silvercorp RSUs**) outstanding as of the Last Practicable Date.

Security	Number
Silvercorp Shares issued and outstanding	176,819,989
Shares issuable upon exercise of Silvercorp Options	1,405,001
Shares issuable upon vesting of Silvercorp RSUs	2,883,080
Silvercorp fully diluted outstanding shares	181,108,070

As at the Last Practicable Date, as far as Silvercorp is aware, there is no substantial holder of Silvercorp that holds 5% or more Silvercorp Shares.

On 15 September 2023, Silvercorp announced a normal course issuer bid to acquire up to 8,487,191 common shares of Silvercorp (representing approximately 4.8% of the Silvercorp Shares on issue as at the Last Practicable Date) (**Silvercorp Share Repurchase Program**). The repurchase program runs from 19 September 2023 to 18 September 2024. Purchases under the Silvercorp Share Repurchase Program will be made at the discretion of the Silvercorp Directors at prevailing market prices, through the facilities of the TSX, the NYSE American, and alternative trading systems in Canada and the United States, in compliance with regulatory requirements. Silvercorp intends to cancel all Silvercorp Shares acquired under the Silvercorp Share Repurchase Program. The price Silvercorp will pay for the common shares repurchased will be the market price at the time of purchase.

6.5 Silvercorp incentive and equity plan

Silvercorp has an Omnibus Plan (**Omnibus Plan**) which has been established to attract and retain directors, officers, employees and consultants to Silvercorp, and to provide incentives for

them to advance the interests of Silvercorp by affording them with the opportunity to acquire an equity interest in Silvercorp.

The Omnibus Plan is administered by the Silvercorp Board and Silvercorp's Compensation Committee. The following is a description of the key terms of the Omnibus Plan, which is qualified in its entirety by reference to the full text of the Omnibus Plan.

Awards

- *Type of Awards* – Silvercorp Options, Silvercorp RSUs and performance share units (**Silvercorp PSUs**) may be granted under the plan (**Awards**). As at the Last Practicable Date, Silvercorp does not have any Silvercorp PSUs on issue.
- *Maximum number of shares issuable* – The maximum number of Silvercorp Shares issuable under the Omnibus Plan, together with the number of Silvercorp Shares issuable under any other security-based compensation arrangements of Silvercorp, shall not in the aggregate exceed 10% of the issued and outstanding shares of Silvercorp, from time to time (the **Outstanding Issue**).
- *Plan Limits* – When combined with all of Silvercorp's other security-based compensation arrangements, the Omnibus Plan shall not result in:
 - the number of Silvercorp Shares issuable to any one person at any time exceeding 5% of the Outstanding Issue;
 - the number of Silvercorp Shares (i) issued to Insiders (as defined in the Omnibus Plan) within a one-year period, and (ii) issuable to Insiders at any time, exceeding 10% of the Outstanding Issue;
 - the issuance to any one Insider and such Insider's associates, within any one-year period, exceeding 5% of the Outstanding Issue;
 - the issuance to consultants of Silvercorp of a number of Silvercorp Shares exceeding 2% of the Outstanding Issue; or
 - a number of Silvercorp Shares issuable to any one non-executive directors within a one-year period exceeding an award value of \$150,000 per such non-executive director, of which no more than \$100,000 may comprise Silvercorp Options based on a generally accepted valuation method acceptable to the Silvercorp Board.

Silvercorp Options

- *Terms and Exercise Price* – The number of Silvercorp Shares subject to each Silvercorp Option grant, the exercise price, vesting, expiry date and other terms and conditions thereof will be determined by the Silvercorp Board. The exercise price of each Option shall in no event be lower than the closing price of the Silvercorp Shares on the TSX (the **Market Price**) on the grant date.
- *Term* – Unless otherwise specified at the time of grant, Silvercorp Options shall expire 10 years from the date of grant, unless terminated earlier in accordance with the Omnibus Plan.

- *Vesting Schedule* – Unless otherwise specified at the time of grant, Silvercorp Options vest and become exercisable in 25% increments on each of the 6 month, 12 month, 18 month, and 24 month anniversaries from the grant date.
- *Exercise of Silvercorp Options* – A person with Awards granted pursuant to the Omnibus Plan (**Participant**) may exercise vested Silvercorp Options by (i) payment of the exercise price per Share subject to each Option, or (ii) if permitted by the Silvercorp Board, by undertaking a cashless exercise with the assistance of a broker (which may include authorising the broker to sell Silvercorp Shares on the open market by means of a short sale and forward the proceeds of such short sale to Silvercorp to satisfy the exercise price and any applicable tax withholdings), or (iii) if permitted by the Silvercorp Board, on a cashless basis by receiving that number of Silvercorp Shares equal to the current market price of Silvercorp Shares less the exercise price multiplied by the number of Silvercorp Options exercised as the numerator, divided by the current market price of Silvercorp Shares, as the denominator.
- *Termination of employment* – If a Participant ceases to be a director, officer, employee or consultant of Silvercorp for any reason other than death, such director, officer, consultant or employee of Silvercorp shall have such rights to exercise any vested Silvercorp Options not exercised prior to such termination within the lesser of a period of 90 calendar days after the date of termination, or the expiry date of the Silvercorp Option, or such shorter period as may be set out in the Participant's Option Award Agreement.
- *Death* – If a Participant dies prior to the expiry of his Silvercorp Option, his legal representatives may, within the lesser of one year from the date of the Participant's death or the expiry date of the Silvercorp Option, exercise that portion of all vested Silvercorp Options granted to the director, officer, employee or consultant of Silvercorp under the Omnibus Plan which remains outstanding.

Restricted Share Units and Performance Share Units

- *Terms* – Silvercorp RSUs and Silvercorp PSUs are notional securities that entitle the recipient to receive cash or Silvercorp Shares at the end of a vesting period. The terms applicable to Silvercorp RSUs and Silvercorp PSUs under the Omnibus Plan (including the vesting schedule, performance cycle, performance criteria for vesting and whether dividend equivalents will be credited to a Participant's account) are determined by the Silvercorp Board at the time of the grant.
- *Vesting* – Unless otherwise provided, Silvercorp RSUs typically vest on the second anniversary of the date the Silvercorp RSU was granted and shall be settled in accordance with the settlement provisions described below. Unless otherwise noted, Silvercorp PSUs shall vest as at the date that is the end of their specified performance cycle, subject to any performance criteria having been satisfied and shall be settled in accordance with the settlement provisions described below. Vesting of Silvercorp PSUs is contingent upon achieving certain performance criteria.
- *Settlement* – On settlement, Silvercorp shall, for each vested Silvercorp RSU or Silvercorp PSU being settled, deliver to a Participant either (a) one Silvercorp Share, (b) a cash payment equal to the market price of one Silvercorp Share as of the vesting date, or (c) any combination of cash and Silvercorp Shares equal to the market price of one Silvercorp Share as of the vesting date, at the discretion of the Silvercorp Board.

- *Dividend Equivalents* – As dividends are declared, additional Silvercorp RSUs and Silvercorp PSUs may be credited to a Participant in an amount equal to the greatest whole number which may be obtained by dividing (i) the value of such dividend or distribution on the payment date therefore by (ii) the market price of one Silvercorp Share on such date.
- *Termination of Employment* – If a director, officer, consultant or employee of Silvercorp ceases to be so engaged by Silvercorp for any reason other than death, all outstanding Silvercorp RSUs and Silvercorp PSUs that were vested on or before the date of the termination of employment or services of such Participant shall be settled in accordance with the applicable settlement provisions of the Omnibus Plan as of the date of termination, after which time the Silvercorp RSUs and Silvercorp PSUs shall in all respects terminate.
- *Death* – If a Participant dies, all outstanding Silvercorp RSUs and Silvercorp PSUs that were vested on or before the date of the date of death such Participant shall be settled in accordance with the applicable settlement provisions of the Omnibus Plan as of the date of death. Outstanding Silvercorp RSUs that were not vested on or before the date of death shall vest and be settled in accordance applicable settlement provisions of the Omnibus Plan as of the date of death, prorated to reflect the actual period between the grant date of the Silvercorp RSU and the date of death. Outstanding Silvercorp PSUs that were not vested on or before the date of death shall vest and be settled in accordance with the applicable settlement provisions of the Omnibus Plan as of the date of death, prorated to reflect the actual period between the commencement of the performance cycle and the date of death, based on the performance criteria for the applicable performance period(s) up to the date of death. Subject to the foregoing, any remaining Silvercorp RSUs and Silvercorp PSUs shall in all respects terminate as of the date of death.

General

- *Assignment* – Except as may otherwise be specifically determined by the Silvercorp Board with respect to a particular Award, Awards granted under the Omnibus Plan are non-assignable and non-transferable other than by will or by the laws of descent and distribution.
- *Change of Control* – In the event of a Change of Control (as defined in the Omnibus Plan), all unvested Awards then outstanding will, as applicable, be substituted by or replaced with awards of the surviving corporation (or any affiliate thereof) or the potential successor (or any affiliate thereto) (the “continuing entity”) on the same terms and conditions as the original Awards, subject to appropriate adjustments that do not diminish the value of the original Awards. If, upon a Change of Control, the continuing entity fails to comply with this requirement, the vesting of all then outstanding Awards (and, if applicable, the time during which such Awards may be exercised) will be accelerated in full. Additionally, in the event of a potential Change of Control, the Silvercorp Board will have the power, in its sole discretion, to modify the terms of the Omnibus Plan and/or the Awards to assist the Participants in tendering to a take-over bid or other transaction leading to a Change of Control (including to accelerate the vesting of Awards and to permit Participants to conditionally exercise their Awards).
- *Amendments Not Requiring Shareholder Approval* – The Silvercorp Board may amend the Omnibus Plan or Awards at any time, provided, however, that no such amendment may adversely affect any Award previously granted to a Participant without the consent

of the Participant, except to the extent required by applicable law (including TSX requirements). Any such amendment will be subject to all necessary regulatory approvals.

- *Amendments Requiring Shareholder Approval* – Shareholder approval (or disinterested shareholder approval, if required by the policies of the TSX) will be required for the following types of amendments:
 - an increase in the number of Shares issuable under Awards granted pursuant to the Omnibus Plan;
 - a reduction in the exercise price of a Silvercorp Option, or a cancellation and reissuance of a Silvercorp Option;
 - an extension of (i) the term of a Silvercorp Option beyond its original expiry date, or (ii) the date on which a Silvercorp PSU or Silvercorp RSU will be forfeited or terminated in accordance with its terms, other than in accordance with the Omnibus Plan;
 - a revision to the assignment provisions to permit Awards granted under the Plan to be transferable or assignable other than for estate settlement purposes;
 - a revision to the insider participation limits or the non-executive director limits;
 - a revision to the amending provisions; or
 - any amendment required to be approved by shareholders of Silvercorp under applicable law (including without limitation, pursuant to the policies of the TSX).
- *Black Out Periods* – If the expiry date or vesting date of an Award falls (other than a Silvercorp PSU or Silvercorp RSU awarded to a Canadian resident) is (i) during a self-imposed blackout period imposed under any insider trading policy or similar policy of Silvercorp (a **Blackout Period**), or (ii) within two business days following the end of a Blackout Period, the expiry date or vesting date, as applicable, will be automatically extended for a period of ten business day after the earlier of the end of such Blackout Period, or, provided the Blackout Period has ended, the expiry date or vesting date of such Award. In the case of a Silvercorp RSU or Silvercorp PSU awarded to a Canadian resident, any settlement that is effected during a Blackout Period shall be settled in cash, notwithstanding any other provision of the Omnibus Plan.

6.6 Corporate governance

The Corporate Governance Committee of the Silvercorp Board reviews Silvercorp's policies on an annual basis, including Anti Corruption Policy, Code of Ethical Conduct, Claw back Policy, Corporate Disclosure Policy, and Whistleblower Policy, which are then approved by the Silvercorp Board. All of Silvercorp's directors and officers were re-certified with all the policies, confirming they are familiar with and acknowledge the contents of Silvercorp's policies, and committing to fulfil them and to report any violation. Silvercorp also regularly trains its critical employees in anti-corruption practices.

In Fiscal 2023, the Sustainability Committee of the Silvercorp Board adopted a Community Relations Policy, a Human Rights Protection Policy, an Environmental Protection Policy, and an Occupational Health and Safety Policy, which were then approved by the Silvercorp Board.

Silvercorp's corporate governance practices have been and continue to be in compliance with applicable Canadian requirements. Silvercorp continues to monitor developments in Canada with a view to further revising its governance policies and practices, as appropriate.

Section 110 of the NYSE American company guide permits the NYSE American to consider the laws, customs and practices of foreign issuers in relaxing certain the NYSE American listing criteria, and to grant exemptions from the NYSE American listing criteria based on these considerations. A description of the significant ways in which Silvercorp's governance practices differ from those followed by domestic companies pursuant to the NYSE American standards is provided on Silvercorp's website at www.silvercorpmetals.com/corporate-governance/.

The following is a description of Silvercorp's corporate governance practices which has been prepared by the Corporate Governance Committee of the Silvercorp Board and has been approved by the Silvercorp Board.

For more information on Silvercorp's Corporate Governance practices, please review Silvercorp's Annual Information Form and Management Information Circular available on the company's website at www.silvercorp.ca.

(a) **Silvercorp Board**

In compliance with the requirements of the Business Corporations Act, the directors are elected by Silvercorp Shareholders to manage, or supervise the management team responsible for the business and affairs of Silvercorp. In exercising their powers and discharging their duties, the directors are required to act honestly and in good faith with a view to the best interests of Silvercorp, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Four out of five current members of the Silvercorp Board are independent within the meaning of NI 52-110. To facilitate the ability of the Silvercorp Board to function independently of management, there is only one member of management on the Silvercorp Board, Rui Feng, the CEO and Chairman of Silvercorp. During each Silvercorp Board meeting, the independent directors meet without Rui Feng present. Paul Simpson is the independent lead director of the Silvercorp Board. The role of the independent lead director is to act as the Chair for all meetings of the independent directors referred to above.

The Silvercorp Board has adopted a description of how it delineates its roles and stewardship responsibilities in the Board of Directors Charter, detailed below. This description incorporates the guidelines and principles outlined in NI 52-110, NI 58-101 and NP 58-201. The Silvercorp Board believes that good corporate governance is important to the effective performance of Silvercorp and plays a significant role in protecting Silvercorp Shareholders' interests and maximising value for the Silvercorp Shareholders. The disclosure regarding Silvercorp's corporate governance practices that is required by NI 58-101 is detailed below.

(b) **Silvercorp Board Charter**

The Board is responsible for the stewardship of Silvercorp and for the oversight of its management and affairs. Directors shall exercise their best business judgment in a manner

consistent with their fiduciary duties. The Silvercorp Board's primary responsibilities, which are discharged directly and through delegation to its committees, include the following:

- The primary goal of the Silvercorp Board is to act in the best interests of Silvercorp to enhance long-term shareholder value while considering the interests of Silvercorp's various stakeholders, including shareholders, employees, the communities and others.
- To act honestly and in good faith with a view to the best interests of Silvercorp.
- To exercise due care, diligence and skill that reasonably prudent persons would exercise in comparable circumstances.
- Consistent with its responsibilities to Silvercorp, to further the interests of the shareholders.
- To consider business opportunities and risks, and to adopt business strategies and/or strategic plans.
- To evaluate the principal risks of Silvercorp's business in consultation with management, and to implement an appropriate system to manage these risks.
- To develop and oversee an investor relations and shareholder communications policy (**Corporate Disclosure Policy**) for Silvercorp.
- To develop and oversee a policy (**Whistleblower Policy**) to establish procedures for the confidential, anonymous submission by employees and consultants and any other person of concerns regarding Silvercorp and otherwise facilitate measures for receiving feedback from stakeholders.
- To oversee management's adoption of effective internal control and management information systems.
- To review and approve annual and quarterly financial statements and the publication thereof by management.
- To review and approve operating plans and any capital budget plans.
- To oversee succession planning and to select and approve all key executive appointments, and to monitor executive training and development.
- To develop and update, as required, Silvercorp's approach to corporate governance, including establishing a set of corporate governance principles and guidelines that are specifically applicable to Silvercorp.
- To adopt a code of conduct to govern employees and management in their activities for and on behalf of Silvercorp.
- To promote diversity throughout Silvercorp, commensurate with Silvercorp's needs.
- To satisfy itself as to the integrity of the management of Silvercorp and ensure that such officers promote a culture of integrity throughout Silvercorp consistent with the adopted code of conduct.

- To take action on issues that by law or practice require the independent action of a Board or one of its Committees.
- To oversee management in its implementation of effective programs to provide a safe work environment, to employ sound environmental practices, and to operate in accordance with applicable laws, regulations and permits.
- To oversee management in its implementation of an effective communications policy with regard to investors, employees, the communities in which it operates and the governments of those communities.

The Board of Directors Charter was reviewed by the Corporate Governance Committee and last approved by the Silvercorp Board on 9 August 2023.

(c) Corporate Governance Committee

The Corporate Governance Committee is responsible for assisting the Silvercorp Board in establishing and maintaining a sound system of corporate governance through a process of continuing assessment and enhancement. The Corporate Governance Committee works to ensure that:

- the Silvercorp Board functions independently of management;
- management is clearly accountable to the Silvercorp Board; and
- procedures are in place to monitor the effectiveness of the performance of the Silvercorp Board, the committees of the Silvercorp Board and individual directors.

The Corporate Governance Committee is comprised of Paul Simpson, Marina Katusa and Ken Robertson, all of whom are independent directors pursuant to NI 52-110. The Corporate Governance Committee Charter is detailed below.

(d) Corporate Governance Committee Charter

Silvercorp has established a Corporate Governance Committee of the Silvercorp which consists of three or more directors, all of whom shall be independent. The Corporate Governance Committee meets at least annually, or more frequently as required. The Corporate Governance Committee's mandate is to assist the Silvercorp Board in establishing and maintaining a sound system of corporate governance through a process of continuing assessment and enhancement.

The Corporate Governance Committee's duties and responsibilities are:

- to advise the Chairman of the Silvercorp Board and the Silvercorp Board on matters of corporate governance, including adherence to any governance guidelines or rules established by applicable regulatory authorities;
- to advise the Silvercorp Board on issues of conflict of interest for individual directors;
- to examine the effectiveness of Silvercorp's corporate governance practices at least annually and to propose such procedures and policies as the Corporate Governance Committee believes are appropriate to ensure that the Silvercorp Board functions independently of management, management is accountable to the Silvercorp Board and procedures are in place to monitor the effectiveness of performance of the Silvercorp Board, committees of the Silvercorp Board and individual directors;

- to develop and review, together with the Chairman, CEO and the President of the Silvercorp Board, annual Silvercorp Board goals or improvement priorities;
- to identify and to recommend to the Silvercorp Board suitable candidates for nomination as new directors, and to review the credentials of directors standing for re-election. In making its recommendations, the Corporate Governance Committee should consider:
 - the competencies and skills that the Silvercorp Board considers to be necessary for the Silvercorp Board, as a whole, to possess;
 - the competencies and skills that the Silvercorp Board considers each existing director to possess; and
 - the competencies and skills each new nominee will bring to the boardroom.

The Corporate Governance Committee should also consider whether or not each new nominee can devote sufficient time and resources to his or her duties as a Silvercorp Board member:

- with assistance of management, to organise and provide an orientation program for new directors where appropriate;
- to periodically review the mandates of the Silvercorp Board and committees of the Silvercorp Board and determine what additional committees of the Silvercorp Board, if any, are required or appropriate;
- to develop such codes of conduct and other policies as are appropriate to deal with the confidentiality of Silvercorp's information, insider trading and Silvercorp's timely disclosure and other public company obligations;
- to take such other steps as the Corporate Governance Committee decides are appropriate, in consultation with the Silvercorp Board, to ensure that proper corporate governance practices are in place for Silvercorp, with reference to the TSX guidelines or recommendations and other regulatory requirements on corporate governance; and
- to review its charter and assess annually the adequacy of this mandate, the effectiveness of its performance and, when necessary, and to recommend changes to the Silvercorp for its approval.

This charter was reviewed by the Corporate Governance Committee and last approved by the Silvercorp Board on 9 August 2023.

(e) **Corporate governance disclosures of Silvercorp under NI 58-101**

Below is Silvercorp's corporate governance disclosure under NI 58-101. This is not a corporate governance statement for the purposes of the ASX Listing Rules.

#	Governance Disclosure Guidelines under NI 58-101	Corporate Governance Practices of Silvercorp
1.	Board of directors	
(a)	Disclose the identity of directors who are independent.	The following members of the Silvercorp Board are considered to be “independent” within the meaning of NI 58-101: Paul Simpson, Marina Katusa, Yikang Liu and Ken Robertson.
(b)	Disclose the identity of directors who are not independent, and describe the basis for that determination.	The following director is not independent for the reasons stated: Rui Feng is currently the CEO of Silvercorp.
(c)	Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Silvercorp Board does to facilitate its exercise of independent judgment in carrying out its responsibilities.	A majority of Silvercorp’s current directors are independent.
(d)	If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in the same jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	• Rui Feng is a director of New Pacific Metals and Tincorp Metals Inc.; • Marina Katusa is a director of Osisko Development Corp; and • Ken Robertson is a director of Mountain Province Diamonds Inc., and Gold Royalty Corporation.
(e)	Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the issuer’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the Silvercorp Board does to facilitate open and candid discussion among its independent directors.	The independent directors hold meetings at which non-independent directors and members of management are not in attendance at the end of every regularly scheduled Silvercorp Board meeting.
(f)	Disclose whether or not the chair of the Silvercorp Board is an independent director. If the Silvercorp Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Silvercorp Board has neither a chair that is	• Rui Feng, Chairman of the Silvercorp Board, is not an independent director. Paul Simpson is the independent lead director of the Silvercorp Board. The role of the independent lead director is to act as the Chair for all meetings referred to in section (e) above in this table. • The Silvercorp Board adopted a formal written mandate which defines its

#	Governance Disclosure Guidelines under NI 58-101	Corporate Governance Practices of Silvercorp

independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.

stewardship responsibilities to which all Silvercorp Board members strictly adhere.

- (g) Disclose the attendance record of each director for all Silvercorp Board meetings held since the beginning of the issuer's most recently completed financial year.

Name of directors	Board meeting	Audit committee meeting	Governance committee meeting	Compensation committee meeting	Sustainability committee meeting
Rui Feng	5 of 5	NA	NA	NA	1 of 1
Paul Simpson	5 of 5	NA	1 of 1	1 of 1	NA
David Kong	5 of 5	4 of 4	NA	1 of 1	NA
Marina A. Katusa	5 of 5	4 of 4	1 of 1	NA	1 of 1
Yikang Liu	5 of 5	NA	NA	1 of 1	1 of 1
Ken Robertson	5 of 5	4 of 4	1 of 1	NA	NA

2. Board mandate

- (a) Governance Disclosure Guidelines under NI 58-101
- (b) Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.

Corporate Governance Practices of Silvercorp

The Silvercorp Board is responsible for the stewardship of Silvercorp and for the oversight of its management and affairs. Directors shall exercise their best business judgment in a manner consistent with their fiduciary duties.

The Silvercorp Board's primary responsibilities, which are discharged directly and through delegation to its committees, include the following:

- To act honestly and in good faith with a view to the best interests of the company.
- To exercise due care, diligence and skill that reasonably prudent persons would exercise in comparable circumstances.
- Consistent with its responsibilities to the company, to further the interests of the shareholders.
- To consider business opportunities and risks, and to adopt business strategies and/or strategic plans from time to time.
- To identify the principal risks of the company's business in consultation with management, and to implement an appropriate system to manage these risks.
- To develop and oversee an investor relations and shareholder communications policy (**Corporate Disclosure Policy**) for the company.
- To oversee management's adoption of effective internal control and management information systems.

#	Governance Disclosure Guidelines under NI 58-101	Corporate Governance Practices of Silvercorp
		• To review and approve annual and quarterly financial statements and the publication thereof by management. • To review and approve operating plans and any capital budget plans. • To select and approve all key executive appointments, and to monitor executive development. • To develop and update, as required, the company's approach to corporate governance, including establishing a set of corporate governance principles and guidelines that are specifically applicable to the company. • To adopt a code of conduct to govern employees and management in their activities for and on behalf of the company. • To promote diversity throughout the company, commensurate with the company's needs. • To promote a culture of integrity throughout the company consistent with the adopted code of conduct. • To take action on issues that by law or practice require the independent action of the Silvercorp Board or one of its committees. • To oversee management in its implementation of effective programs to provide a safe work environment, to employ sound environmental practices, and to operate in accordance with applicable laws, regulations and permits. • To oversee management in its implementation of an effective communications policy with regard to investors, employees, the communities in which it operates and the governments of those communities.

3. Position descriptions

- (a) Disclose whether or not the Silvercorp Board has developed written position descriptions for the Chair and the Chair of each Silvercorp Board committee. If the Silvercorp Board has not developed
- The Board has developed written position descriptions for the CEO, the Chair of each Silvercorp Board Committee and the Directors which are posted on Silvercorp's website at:

#	Governance Disclosure Guidelines under NI 58-101	Corporate Governance Practices of Silvercorp
	written position descriptions for the Chair and/or the Chair of each Silvercorp Board committee, briefly describe how the Silvercorp Board delineates the role and responsibilities of each such position.	https://silvercorpmetals.com/corporate-governance/ .
	(b) Disclose whether or not the Silvercorp Board and CEO have developed a written position description for the CEO. If the Silvercorp Board and CEO have not developed such a position description, briefly describe how the Silvercorp Board delineates the role and responsibilities of the CEO.	The Silvercorp Board and CEO have adopted a written position description for the CEO which are posted on Silvercorp's website at https://silvercorpmetals.com/corporate-governance/ .
	4. Orientation and continuing education	
	(a) Briefly describe what measures the Silvercorp Board takes to orient new directors regarding (i) the role of the Silvercorp Board, its committees and its directors, and (ii) the nature and operation of the issuer's business.	Each new director, on joining the Silvercorp Board, is given an outline of the nature of Silvercorp's business, its corporate strategy, current issues within Silvercorp, the expectations of Silvercorp concerning input from directors and the general responsibilities of Silvercorp's directors. Silvercorp provides new directors with an orientation program upon joining Silvercorp that includes copies of relevant financial, technical, geological and other information regarding its properties, as well as meetings with management.
		Board members are encouraged to communicate with management and auditors, to keep themselves current with industry trends and developments, and to attend related industry seminars. Silvercorp may also request that Silvercorp Board members be advised by counsel to Silvercorp of their legal obligations as directors of Silvercorp. Directors have been and will continue to be given tours of Silvercorp's mines and development sites to give such directors additional insight into Silvercorp's business.
	(b) Briefly describe what measures, if any, the Silvercorp Board takes to provide continuing education for its directors. If the Silvercorp Board does not provide continuing education, describe how the Silvercorp Board ensures that its	Directors have been and will continue to inspect Silvercorp's sites of mining operations, mine development, and exploration sites to give the directors an updated view of Silvercorp's business. In addition, from time to time, Silvercorp instructs its General Counsel and its

#	Governance Disclosure Guidelines under NI 58-101	Corporate Governance Practices of Silvercorp
	directors maintain the skill and knowledge necessary to meet their obligations as directors.	Corporate Secretary to circulate to the Silvercorp Board members a memorandum summarising new and evolving precedents applicable to directors of public companies with respect to their conduct, duties and responsibilities. Individual directors, and the General Counsel and Corporate Secretary, from time to time, attend continuing education courses to stay abreast of latest developments in corporate governance and regulatory compliance issues. Silvercorp also circulates feedback and commentary when received from proxy advisory firms to the directors.
5.	Ethical business conduct	
	(a) Disclose whether or not the Silvercorp Board has adopted a written code for the directors, officers and employees. If the Silvercorp Board has adopted a written code: (i) disclose how a person or company may obtain a copy of the code; (ii) describe how the Silvercorp Board monitors compliance with its code, or if the Silvercorp Board does not monitor compliance, explain whether and how the Silvercorp Board satisfies itself regarding compliance with its code; and (iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	As part of its stewardship responsibilities, the Silvercorp Board approved a formal "Code of Business Conduct and Ethics" (the Code) that is designed to deter wrong-doing and to promote honest and ethical conduct and full, accurate and timely disclosure. A copy of the Code is available on Silvercorp's website www.silvercorpmetals.com and may be obtained by contacting Silvercorp. The Corporate Governance Committee is responsible for setting the standards of business conduct contained in the Code and overseeing and monitoring compliance with the Code. The Code also sets out mechanisms for the reporting of unethical conduct. The Code is applicable to all employees, consultants, officers and directors, regardless of their position with Silvercorp, at all times and everywhere Silvercorp does business. The Code provides that Silvercorp's employees, consultants, officers and directors will uphold its commitment to a culture of honesty, integrity and accountability. The Silvercorp Board has not granted any waiver of the Code in favour of a director or executive officer, and no material change report has been required or filed in connection with the Code. When proposed transactions or agreements in which directors or officers may have an interest, material or not, are presented to the Silvercorp Board, the directors are required to disclose any such interest and the persons who have such an interest are excluded from all

#	Governance Disclosure Guidelines under NI 58-101	Corporate Governance Practices of Silvercorp
		discussion on the matter and are not permitted to vote on the proposal. All such interests in transactions or agreements involving senior management are dealt with by the Silvercorp Board, regardless of apparent immateriality. The Silvercorp Board also adopted a formal “Code of Ethical Conduct for Financial Managers” that is applicable to all financial managers of Silvercorp, being Silvercorp’s CEO, CFO, principal accounting officer, controller and persons performing similar functions. Further, the Silvercorp Board approved and implemented a “Whistle Blower” process available to all directors, officers, employees, and any other party. The Chair of the Audit Committee monitors and reports any alleged wrongdoing to the Audit Committee. The Silvercorp Board approved and implemented a Corporate Disclosure Policy to ensure that communications to the investing public about Silvercorp and its subsidiaries are timely, factual and accurate; and broadly disseminated in accordance with all applicable legal and regulatory requirements. Further, Silvercorp has adopted a Human Rights Statement which is stated below and included on Silvercorp’s website: Silvercorp is committed to supporting the human rights of our employees, local community members and all other stakeholders affected by our operations. We do not tolerate human rights abuses throughout any of our business activities, including child labour or forced labour of any kind. We strive to comply with all applicable regulations and laws and endeavour to act in accordance with the International Bill of Human Rights, the Universal Declaration on Human Rights, and the UN Voluntary Principles on Security and Human Rights. All Silvercorp employees are expected to uphold and respect the human rights of others, including but not limited to complying with Silvercorp’s Code of Business Conduct & Ethics, Anti-Corruption Policy and other Silvercorp policies and procedures.
	(b) Describe any steps the Silvercorp Board takes to ensure directors	Directors must disclose to Silvercorp’s General Counsel any instances in which they

#	Governance Disclosure Guidelines under NI 58-101	Corporate Governance Practices of Silvercorp
	exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	perceive they have a material interest in any matter being considered by the Silvercorp Board. If it is determined there is a conflict of interest, or that a material interest is held, the conflict must be disclosed to the Silvercorp Board. In addition, the interested Silvercorp Board member must refrain from voting and exit the meeting while the transaction at issue is being considered by the Silvercorp Board. Silvercorp has also adopted a Diversity and Inclusion Statement, which is set out in item 11 below.
	(c) Describe any other steps the Silvercorp Board takes to encourage and promote a culture of ethical business conduct.	The Corporate Governance Committee is responsible for setting the standards of business conduct contained in the Code and for overseeing and monitoring compliance with the Code. The Silvercorp Board sets the tone for ethical conduct throughout Silvercorp by considering and discussing ethical considerations when reviewing the corporate transactions of Silvercorp.
6.	Nomination of directors	
	(a) Describe the process by which the Silvercorp Board identifies new candidates for Silvercorp Board nomination.	The Silvercorp Board is responsible for recommending candidates for nomination to the Silvercorp Board and its committees. The Corporate Governance Committee, which is composed entirely of independent directors, assists the Silvercorp Board by identifying and recommending to the Silvercorp Board suitable candidates for nomination as new directors. The Silvercorp Board has adopted a majority voting policy as advocated by the Canadian Coalition for Good Governance. Each director nominee has agreed to tender their resignation from the board if they obtain less than a majority of votes in favour of their election in uncontested elections.
	(b) Disclose whether or not the Silvercorp Board has a nominating committee composed entirely of independent directors. If the Silvercorp Board does not have a nominating committee composed entirely of independent directors, describe what steps the Silvercorp	The Corporate Governance Committee is composed entirely of independent directors. Generally, new nominees must have one or more of the following attributes: a track record in general business management, particularly with public companies; special expertise in an area of strategic interest to Silvercorp; and financial literacy. Nominees must also have the ability to devote the

#	Governance Disclosure Guidelines under NI 58-101	Corporate Governance Practices of Silvercorp
	Board takes to encourage an objective nomination process.	required time to Silvercorp, show support for Silvercorp's mission and objectives, and have a willingness to serve Silvercorp and Silvercorp Shareholders.
(c)	If the Silvercorp Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	The Silvercorp Board is composed of individuals who will best serve the interest of Silvercorp and assist management in achieving Silvercorp's goals. Members of the Silvercorp Board and representatives of the mining industry are often consulted for potential candidates.
7. Compensation		
(a)	Describe the process by which the Silvercorp Board determines the compensation for the issuer's directors and officers.	Silvercorp's Chairman and Compensation Committee review overall compensation policies and make recommendations to the Silvercorp Board on the compensation of the CEO and directors. The Compensation Committee has delegated to the CEO authority to set compensation for other officers, however, the Compensation Committee and the Silvercorp Board review such compensation.
(b)	Disclose whether or not the Silvercorp Board has a Compensation Committee composed entirely of independent directors. If the Silvercorp Board does not have a Compensation Committee composed entirely of independent directors, describe what steps the Silvercorp Board takes to ensure an objective process for determining such compensation.	The Compensation Committee is comprised of three directors who are all independent.
(c)	If the Silvercorp Board has a Compensation Committee, describe the responsibilities, powers and operation of the Compensation Committee.	The Compensation Committee of the Silvercorp Board consists of at least three directors, a majority of whom shall be independent. The Committee meets at least annually, or more frequently as required. The purpose of the Compensation Committee is to assist the Silvercorp Board in discharging its duties relating to compensation of the executive officers of the company, the goals are to enable the company to attract, retain and motivate the most qualified talent who will contribute to the long term success of the company by aligning compensation with the company's business objectives and performance, and aligning incentives with the

#	Governance Disclosure Guidelines under NI 58-101	Corporate Governance Practices of Silvercorp

interests of shareholders to maximise shareholders' value. The Compensation Committee's duties and responsibilities are:

- To make recommendations to the Board with respect to the compensation of senior management and executive officers of the company.
- To review the compensation and benefits of the directors in their capacity as directors of the company to ensure that such compensation reflects the responsibilities and risks involved in being a director.
- To review and make recommendations to the Board as to the general compensation and benefits policies and practices of the company, including incentive stock options for all employees, consultants, directors and officers.
- To review the disclosure to be made of director and executive remuneration in the Management Information Circular prepared for its annual meeting of shareholders.
- To ensure there are appropriate training, development and benefit programs in place for management and staff.
- To review and make recommendations to the Board for its approval on any special compensation and benefit arrangements.
- To review its compensation practices by comparing them to surveys of relevant competitors and to set objective compensation based on this review.
- To perform such other functions as the Board may from time to time assign to the Committee.
- To review its charter and assess annually the adequacy of this mandate, the effectiveness of its performance, and to recommend changes to the Board for its approval.

8. Other Silvercorp Board Committees

If the Silvercorp Board has standing committees other than the audit, compensation and nominating committees,

The Sustainability Committee is comprised of three directors who are all independent. The Silvercorp Board has no other committees other than as noted above. From time to time,

#	Governance Disclosure Guidelines under NI 58-101	Corporate Governance Practices of Silvercorp
	identify the committees and describe their function.	the Silvercorp Board will establish special independent committees as required for good corporate governance.
9.	Assessments	
	Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.	The Silvercorp Board and its committees, namely, the Corporate Governance Committee, the Compensation Committee, the Audit Committee and Sustainability Committee, annually, and at such other times as they deem fit, monitor the adequacy of information given to directors, communications between the Board and management and the strategic direction and processes of the Silvercorp Board and its committees. As part of the assessments, the Silvercorp Board and/or the committees review their respective charters and conduct reviews of applicable corporate policies.
10.	Director term limits	
	(a) Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.	Silvercorp has not adopted term limits. The Corporate Governance Committee, however, considers the issue of board renewal on an annual basis when considering the slate of director nominees.
11.	Policies regarding the representation of women on the board	
	(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.	Currently 20% of the Silvercorp Board members are female. Even though the Board has not adopted a written policy relating to the identification and nomination of female directors or a formal diversity policy, the Silvercorp Board, through its direction to management, continues to promote diversity in the workplace. Silvercorp has adopted a Diversity and Inclusion Statement, as stated below and posted on Silvercorp's website: <i>At Silvercorp, we strive to integrate diversity and inclusion into all aspects of Silvercorp and are committed to building a safe and inclusive space for all. Our core values of, Respect, Equality, and Responsibility, guide our efforts and are at the forefront of our decision making across all levels. We value</i>

#	Governance Disclosure Guidelines under NI 58-101	Corporate Governance Practices of Silvercorp
		<i>diversity and are dedicated to the equitable treatment of all persons regardless of gender, race, ethnicity, nationality, religion, disability, age, culture, or sexual orientation. We recognize that building an inclusive workplace means providing equal opportunities and safe working environments, as well as cultivating and maintaining a Company culture based on fairness and respect. We are committed to implementing such values and opportunities Company wide and aspire to eliminate the barriers that interfere with such opportunities. Ultimately, we believe our people are our greatest asset, and our commitment to integrating diversity and inclusion will not only make us a better Company but will also help us retain and attract the best workforce possible.</i>
	12. Consideration of the representation of women in the director identification and selection process	
	(a) Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.	The Silvercorp Board is committed to fostering a diverse workplace environment where: (i) individual differences and opinions are heard and respected; (ii) employment opportunities are based on the qualifications required for a particular position at a particular time, including training, experience, performance, skill and merit; and (iii) inappropriate attitudes, behaviours, actions and stereotypes are not tolerated and will be addressed and eliminated. While the Silvercorp Board informally monitors Silvercorp's adherence to these principles, it continues to work towards formalising its policy on diversity and establishing a formal process for the evaluation of compliance with the policy. While directors will be recruited and promoted based upon their qualifications, abilities and contributions, the Corporate Governance Committee has decided that it will take into account the benefits of gender diversity when making suggestions to the Silvercorp Board for nominations of new directors. It will also add gender diversity as

#	Governance Disclosure Guidelines under NI 58-101	Corporate Governance Practices of Silvercorp

criteria on which to annually assess its effectiveness.

13. Consideration given to the representation of women in executive officer appointments

(a) Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.	Though Silvercorp does not have any female executive officers at this time, Silvercorp has benefited from the distinguished service of a number of women in senior executive positions. From 2006 to 2015, Silvercorp's CFOs were female. While executive officers will continue to be recruited and promoted based upon their qualifications, abilities and contributions, gender diversity is included in the list of contributions to be considered when selecting candidates.

14. Silvercorp's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

(a) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.	Silvercorp has not adopted any targets for the number of women on the Silvercorp Board. Silvercorp will consider it in the future. Also see responses to responses to items 11, 12, and 13 above.
(b) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.	Silvercorp has not adopted any targets for the number of women in executive officer positions. Silvercorp will consider it in the future. Also see responses to items 11, 12, and 13 above.

15. Number of women on the Silvercorp Board and in executive officer positions

(a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.	There is currently one female director on the Silvercorp Board representing 20% of the Silvercorp Board. There are currently no women in executive officer positions.

6.7 Health, safety, environment and social responsibility

Silvercorp prioritises environmental protection, as well as ensuring a safe workplace for all employees and contractors at all of our sites. In an effort to further illustrate Silvercorp's commitment to strengthening its management team, both the Ying Mining District and GC Mine have successfully passed the annual review for the Environmental Management System (ISO 14001) certification in Fiscal 2023.

Safety is a priority at Silvercorp. In Fiscal 2023, Silvercorp arranged more than 1,700 safety training sessions, which covered 100% of workers at the Ying Mining District and the GC Mine. Both the Ying Mining District and GC Mine have successfully passed the annual review for the Occupational Health and Safety Management System (ISO 45001) certification in Fiscal 2023.

In addition to the “Green Mine” certification at the “SGX-HZG Mine” (being the certification relating to the SGX Mine and the HZG Mine), “TLP-LME Mine” (being the certification relating to the TLP Mine, the LME Mine and the HPG Mine) at the Ying Mining District and the GC Mine, the DCG mine at the Ying Mining District is also in the process of applying for the “Green Mine” certification. In Fiscal 2023, Silvercorp processed approximately 480,000 tonnes of waste rock from the Ying Mining District. Silvercorp also developed an automated chemical precipitation system to treat water from underground mines, and then through an automated control system to supply the treated water to the mill for ore processing and to local farmers for irrigation.

The “Green Mine” certification is awarded to mines based on criteria set by the Chinese Ministry of Natural Resources. Assessments evaluate a broad range of topics, including compliance with relevant mining licenses and regulations, environmental impacts, safety record, efficiency of operations and energy use, stakeholder relationships, and environmental impact and managerial structure. To qualify as a “Green Mine”, mines need to pass an independent, on-site inspection and assessment and are subject to ongoing supervision and random site audits by the provincial Departments of Natural Resources.

In Fiscal 2023, Silvercorp spent approximately US\$2.0 million in the efforts to reduce its energy and water consumption, to minimize the negative impact of greenhouse gas emissions and water quality, and to comply with the requirements of the “Green Mine” certification.

Silvercorp is committed to creating sustainable value in the communities where our people work and live. Guided by research conducted by our local offices, Silvercorp participates in, and contributes to numerous community programs that typically centre on education and health, nutrition, environmental awareness, local infrastructure and fostering additional economic activity. In addition to the taxes and fees paid to various levels of government in China, in Fiscal 2023, Silvercorp also contributed approximately US\$3.3 million to social programs, including:

- US\$2.8 million contributions to the local county to help improve local infrastructure, environmental protection and help the local community with a clean water access project;
- US\$0.2 million donation to the charity association and local communities to promote community health and poverty reduction in the local communities, with an emphasis on children and seniors, with periodic visits and subsidies; and,
- US\$0.3 million donations to institutions in scholarship or education assistance programs to support children’s education at the local and national levels.

Further details of Silvercorp’s approach to environmental, social and governance management can be found in its Sustainability Report which is available on the Silvercorp’s website at <https://silvercorpmetals.com/reporting/>.

6.8 Board and senior management

(a) Board

As at the Last Practicable Date, the members of the Silvercorp Board are as follows:

Name and position	Profile
Dr Rui Feng Chairman, Chief Executive Officer, and Director	Dr Rui Feng has been a director of Silvercorp since 2003. Dr Rui Feng has over 28 years of global mining industry experience. He was integral in discovering China Gold International Resources, formerly Jinshan Gold's CSH Gold Mine in China in 2002, and New Pacific Metals' Silver Sand project in Bolivia in 2017. Dr Feng started the now business of Silvercorp in 2003 by acquiring early-stage mining projects in China. Through discovery and development, Silvercorp has become one of the most profitable Canadian mining companies, with multiple mines in China. Dr Feng obtained his B.Sc. and M.Sc. degrees in Geology in China, his Ph.D. in Geological Sciences from the University of Saskatchewan in Canada in 1992, and received a Post-Doctoral fellowship from the National Sciences and Engineering Council of Canada in 1992. Dr Feng supports many community and social causes through contributions made personally and through the actions of the companies he leads. Dr Feng is also the founder and a director of New Pacific Metals Corp. (TSE:NUAG and the NYSE American: NEWP) and a director of Tincorp Metals Inc. (TSX-V:TIN and OTCQX:TINFF).
Paul Simpson Independent Non-Executive Director	Mr Paul Simpson is a Vancouver based corporate securities lawyer with the firm Armstrong Simpson. Mr. Simpson holds a Certificate in Mining Law from Osgoode Hall Law School. Mr Simpson has over 25 years of experience, predominately advising public companies with international natural resource property holdings. Mr Simpson is independent within the meaning of NI 52-110. Notwithstanding that Mr Simpson has been a director of Silvercorp since 2003, Silvercorp considers that Mr Simpson is independent for the purposes of the ASX Listing Rules because in Silvercorp's view the long period of engagement does not compromise his independence and will not interfere with his capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of Silvercorp as a whole. Mr Simpson is the lead independent director of Silvercorp, a member of the Audit Committee, a member of the Corporate Governance Committee and a member of the Compensation Committee. Mr Simpson is also a director of New Pacific Metals Corp. (TSE:NUAG and the NYSE American:NEWP).
Yikang Liu Independent Non-Executive Director	Mr. Yikang Liu is the Past Deputy General Secretary of the China Mining Association and the 35th & 36th Vice-Chairman of the Geological Society of China. Before he retired in 2001, Mr. Liu was the Chief Geologist for the former Ministry of Metallurgical Industry of China. While there, he made significant contributions to the amendment of the last China Mineral Resources Law. Mr. Liu, representing Chinese interests, is the person responsible for the establishment of the first Sino-foreign joint venture for mineral exploration in China. Mr. Liu has over 40 years of geological experience in managing, evaluating and exploring mineral projects for the Chinese

Name and position	Profile
	government in China and in many countries around the world including Bolivia, Ethiopia, Greenland, Iran, Madagascar, Peru, the Philippines and Zambia. In a mentoring capacity, Mr. Liu was an Adjunct Professor of Geology at the Changchun College of Technology, Northeast University and the China University of Geoscience. Mr Liu is independent within the meaning of NI 52-110. Notwithstanding that Mr Liu has been a director of Silvercorp since 2006, Silvercorp considers that Mr Liu is independent for the purposes of the ASX Listing Rules because in Silvercorp's view the long period of engagement does not compromise his independence and will not interfere with his capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of Silvercorp as a whole. Mr Liu is a member of the Compensation Committee and a member of the Sustainability Committee.
Marina Katusa Independent Non-Executive Director	Ms. Katusa has over 15 years of business experience in areas including mineral exploration, research analysis, strategic planning, and corporate development. Ms. Katusa earned a Master of Business Administration (MBA) degree, and a Bachelor of Science (BSc) degree in Geology/Earth & Ocean Science from the University of British Columbia. She has been the President and CEO of Canita Consulting Corporation since 2010. She was a member of the Board of Directors of Family Services of Greater Vancouver from 2016 to 2020, Director of Corporate Development and Strategy at GCT Global Container Terminals Inc from 2013 to 2017, and the Vice President of Exeter Resource Corporation from 2012 to 2013. Ms Katusa is also a director of Osisko Development Corp. (TSX-V:ODV and the NYSE:ODV) and was previously on the Board of Family Services of Greater Vancouver. Ms Katusa is independent within the meaning of NI 52-110 and for the purposes of the ASX Listing Rules. Ms Katusa has been a director of Silvercorp since 2017. Ms Katusa is a member of the Audit Committee, a member of the Corporate Governance Committee and a member of the Sustainability Committee.
Ken Robertson Independent Non-Executive Director	Mr. Robertson is a Chartered Professional Accountant with over 35 years of public accounting experiences in Canada and England. He was a partner, and Global Mining & Metals Group Leader with Ernst & Young LLP. During his career at EY in Canada and the United Kingdom, Mr. Robertson developed extensive experience in initial public offerings, financings, governance and securities regulatory compliance. Mr. Robertson holds a Bachelor of Commerce degree from McMaster University and the ICD.D designation from the Institute of Corporate Directors.

Name and position	Profile
	Mr Robertson is also a director of Mountain Province Diamonds Inc. (TSX:MPVD), and Gold Royalty Corporation. (the NYSE American:GROY). Mr Robertson is independent within the meaning of NI 52-110 and for the purposes of the ASX Listing Rules. Mr Robertson has been a director of Silvercorp since 2022. Mr Robertson is a member of the Audit Committee, a member of the Corporate Governance Committee and a member of the Compensation Committee.

(b) **Senior Management**

As at the Last Practicable Date, the senior management of Silvercorp comprises the following:

Name and position	Profile
Dr Rui Feng Chairman, Chief Executive Officer, and Director	See section 6.8(a).
Derek Liu Chief Financial Officer	Derek Liu is a member of Chartered Professional Accountants of British Columbia. He has held senior accounting positions, such as corporate controller and chief financial officer, at a number of public Canadian mining companies for the past several years including the role of financial controller of Silvercorp from 2006 to 2010. He has an MBA from Laurentian University and is a Canadian citizen. Mr Liu is also a director of Volcanic Gold Mines Inc. (TSX-V:VG and Frankfurt:CKC1).
Lon Shaver President	Lon Shaver has over 30 years of capital markets and corporate finance experience, mainly focused on the mining sector. He held investment banking roles with Raymond James and Merrill Lynch, assisting corporate issuers with numerous financing and M&A transactions. He began his career in equity research with an institutional sell-side firm and his previous corporate experience includes CFO roles with a publicly-listed mining company and a private technology company. Most recently, he acted as a consultant and advisor, providing corporate development and capital markets support to a number of companies in the resource sector. He has a B.Comm. degree, with a major in finance, and is a CFA charterholder. Mr Shaver is also a director and Chair of the Audit Committee of Omai Gold Mines Corp. (TSX-V:OMG and OTC:OMGGF), Precipitate Gold Corp. (TSX-V: PRG) and Storm Exploration Inc. (TSX-V:STRM).

(c) **Interests of Silvercorp Directors and senior management**

Interests in Silvercorp Shares

As at the Last Practicable Date, the Silvercorp Directors and senior management have the following beneficial ownership interest in Silvercorp Shares

Name	Silvercorp Shares beneficially owned (Percentage of outstanding Silvercorp Shares)	Options	RSUs	Beneficial Ownership Total on a fully diluted basis
Rui Feng ²⁸	5,863,000 (3.32%)	370,000	1,483,000	7,716,000 (4.26%)
Paul Simpson ²⁹	1,135,151 (0.64%)	48,000	58,333	1,241,484 (0.69%)
Yikang Liu ³⁰	103,500 (0.06%)	48,000	53,833	205,333 (0.11%)
Marina Katusa ³¹	140,833 (0.08%)	48,000	57,167	246,000 (0.16%)
Ken Robertson	Nil (0%)	10,000	40,000	50,000 (0.03%)
Derek Liu ³²	155,844 (0.09%)	110,000	156,656	422,500 (0.23%)
Lon Shaver ³³	141,083 (0.08%)	70,000	137,917	349,000 (0.19%)

Fees or benefits given or agreed to be given in connection with the Scheme

No fees or benefits have been given or agreed to be given to any Silvercorp Director or senior manager in connection with the Scheme.

Material contracts with directors and executive officers

There are no material contracts between Silvercorp and its directors or senior executive officers other than their relevant appointment agreement or employment agreement.

Other director compensation

Non-Executive Directors of Silvercorp are compensated for acting as directors, and may be granted Silvercorp RSUs pursuant to the policies of the TSX and Silvercorp's Omnibus Plan. The Non-Executive Directors may also be awarded non-equity incentive. The Silvercorp Board as a whole determines the Silvercorp RSUs and non-equity incentive for each director, after considering recommendation by the Compensation Committee.

²⁸ Rui Feng is a director of New Infini and holds 3,672,020 New Infini Shares, representing 8.07% of the issued and outstanding New Infini Shares.

²⁹ Paul Simpson is director of New Infini and holds 154,002 New Infini Shares, representing 0.34% of the issued and outstanding New Infini Shares.

³⁰ Yikang Liu holds 88,001 New Infini Shares, representing 0.19% of the issued and outstanding New Infini Shares.

³¹ Marina Katusa holds 118,802 New Infini Shares, representing 0.26% of the issued and outstanding New Infini Shares.

³² Derek Liu holds 132,002 New Infini Shares, representing 0.29% of the issued and outstanding New Infini Shares.

³³ Lon Shaver holds 118,801 New Infini Shares, representing 0.26% of the issued and outstanding New Infini Shares. Mr. Shaver resigned as a director of New Infini on 31 December 2020.

The following table shows a breakdown of the fees payable to independent directors in Fiscal 2023.

Nature of Board duty	Amount (CAD\$)
Annual retainer fee for each Non-Executive Director	\$60,000
Additional annual retainer fee for Mr Simpson as the lead independent director	\$10,000
Additional annual retainer fee for Chair of the Audit Committee	\$18,000
Additional annual retainer fee for Chair of the Compensation Committee	\$15,000
Additional annual retainer fee for Chair of the Corporate Governance and Nominating Committee	\$12,000
Additional annual retainer fee for Chair of the Sustainability Committee	\$5,000

6.9 Arrangements with employees

(a) Employment agreements with CEO, CFO and President

Below is a summary of the employment agreements with Silvercorp's CEO, CFO and President.

Dr. Rui Feng, CEO, Chairman and Director

Dr. Rui Feng entered into an agreement to provide senior executive services to Silvercorp, at a base annual salary or consulting fee, which will be reviewed and adjusted by the Silvercorp Board from time to time. Under the agreement, either party may terminate the agreement for any reason upon thirty (30) days written notice. In the event that Silvercorp provides notice to terminate this agreement, it shall pay Dr Rui Feng a termination fee equal to the full amount of the annual consulting fee, plus an additional 1/6th of the annual consulting fee for each year of service provided which commenced in September 2003.

Derek Liu, CFO

On June 26, 2019, Silvercorp entered into an agreement to engage Derek Liu to provide services as Chief Financial Officer of Silvercorp at a base annual salary, which is reviewed and adjusted from time to time by Silvercorp. Derek Liu agreed to a "Non-Competition Period" of twelve months after the termination of his employment agreement.

Lon Shaver, President

On July 16, 2018, Silvercorp entered into an employment agreement to engage Lon Shaver as Vice President of Silvercorp, at a base salary, which is reviewed and adjusted from time to time by Silvercorp. In September 2023, Lon Shaver was promoted to the President of Silvercorp. Lon Shaver agreed to a "Non-Competition Period" of twelve months after the termination of his employment agreement.

Change of Control Agreements

Silvercorp has in effect change of control agreements with each of Dr Rui Feng and Derek Liu. The terms of the change of control agreements provide that if an executive officer's employment agreement or consulting agreement, as applicable, is terminated, other than for

cause, within 18 months after a “Change of Control”, the executive officer shall be entitled to: (i) a lump sum payment equal to 18 months base compensation plus any other amounts owed for compensation in arrears, (ii) bonus, if awarded, (iii) continuation of benefits for 18 months, (iv) immediate vesting of all outstanding Options, registered share units and other rights and entitlements, (v) payment of recruitment services to assist in securing alternative employment. Silvercorp is responsible for the payment of the Change of Control payments and there are no requirements to receiving a Change of Control payment (such as execution of a non-competition agreement, non-solicitation agreement or confidentiality agreement).

(b) **Employee incentive schemes**

Short Term Incentive Plan

Silvercorp does not maintain any short-term incentive plans for its employees but does award annual performance bonuses, as discussed below.

Performance Bonuses

Employees are paid performance bonuses commensurate with those offered by other companies in the same industry as Silvercorp, with consideration also given to Silvercorp’s performance, individual performance and internal relativity. Considerations for employees’ performance bonus are based primarily on two elements: (1) employees’ personal performance; and (2) Silvercorp’s performance.

The Bonus Plan provides a variable component of total cash compensation that is directly related to the operating and financial performance of Silvercorp. A total bonus pool is calculated using measurable parameters that align executive team interests with that of the Silvercorp Shareholders. A bonus pool equal to 2.5% of cash flows from operations (excluding changes in non-cash working capital) may be available to executives, other corporate headquarter employees, and certain high-ranking managers at the mine operations. From this available pool, a percentage of base salary will be awarded to an employee when Silvercorp’s performance and personal performance achieve target performance for the year. The actual bonus percentage will be determined based on a weighting for achieving Silvercorp’s performance, including metal production, cost, and environmental and safety performance, and personal performance according to the level of position, as shown in the following table:

Positions	Target Bonus as % of Base Salary ⁽¹⁾	Company Performance ⁽²⁾	Personal Performance ⁽³⁾
CEO/Executive Chairman	100%	70%	30%
CFO	50%	60%	40%
Senior managers	30%	50%	50%
Other head office employees	20%	20%	80%

Notes:

- (1) For each individual, the bonus payable may be 30% of their target bonus to maximum of 200% of base salary.
- (2) Silvercorp’s Performance component is based on the achievement of metal production (silver ounce equivalent), all-in sustaining production costs per tonne, and safety & environment goals. Achieving metal production targets will account for 45%, all-in sustaining production costs per tonne targets will account for 40%, and safety & environment targets 15%. If a safety & environment accident occurs and causes regulatory, legal or social damage to Silvercorp, the result of safety & environment component will be set as zero.
- (3) The Personal Performance component is based on contribution to Silvercorp’s core business achievement, satisfaction to Silvercorp’s requirement or core job requirements, personal skill, self-development and initiatives, attendance, familiarity with business, work planning and performance, provide leadership and guidance to other employees or follow Silvercorp’s work instructions and leadership, human resource team building, shareholder communications, and

Information Technology building. On an annual basis, employees and their supervisors set performance expectations and review progress toward the accomplishment of these goals.

Payment of any bonus is discretionary, is subject to final approval by Silvercorp Board and revision by the Compensation Committee as deemed necessary.

Share-Based Awards

Please see section 6.5 for information in relation to Silvercorp's incentive equity plan.

6.10 Historical financial information

(a) Overview and basis of preparation

The historical financial information in this section relates to Silvercorp on a standalone basis and, accordingly, does not reflect the impact of the Scheme.

The historical information in this section has been extracted from Silvercorp's consolidated financial statements for Fiscal 2021 to Fiscal 2023. Silvercorp's fiscal year starts on 1 April and ends on 31 March.

The full financial accounts for Fiscal 2021 to Fiscal 2023 (inclusive of all notes) of Silvercorp are published in Silvercorp's audited consolidated financial statements for those fiscal years, audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) (**PCAOB**). The historical financial information set out in this section 6.10 is intended to provide an overview of Silvercorp's historical financial performance, position and cash flows, and is not intended to provide the level of detail or understanding which is available from a review of Silvercorp's published financial reports (which include full financial accounts and the notes to those accounts) which are available on SEDAR+, EDGAR and Silvercorp's website at <https://silvercorpmetals.com/>.

(b) **Historical income statements**

SILVERCORP METALS INC.
CONSOLIDATED STATEMENTS OF INCOME

(Expressed in US Dollars except per share figures)

	Three Months Ended June 30, 2023	Year Ended March 31,		
		2023	2022	2021
Revenue	\$ 60,006	\$ 208,129	\$ 217,923	\$ 192,105
Cost of mine operations				
Production costs	24,298	91,769	88,537	69,544
Depreciation and amortization	7,663	27,607	25,082	21,434
Mineral resource taxes	1,366	5,095	5,952	5,004
Government fees and other taxes	657	2,388	2,643	2,374
General and administrative	2,721	10,487	11,408	9,587
	36,705	137,346	133,622	107,943
Income from mine operations	23,301	70,783	84,301	84,162
Corporate general and administrative	3,650	13,249	14,181	12,365
Property evaluation and business development	109	438	921	(3,237)
Foreign exchange (gain) loss	2,227	(4,842)	(267)	7,746
Loss (gain) on equity investments designed as FVTPL	(1,086)	2,318	3,485	(7,732)
Share of loss in associates	640	2,901	2,188	1,846
Dilution loss on investment in associate	-	107	-	-
Loss (gain) on disposal of plant and equipment	(5)	444	210	293
Impairment of mineral rights and properties	-	20,211	-	-
Other expenses (income)	(234)	2,210	1,018	1,157
Income from operations	18,000	33,747	62,565	71,724
Finance income	1,494	4,654	5,217	3,767
Finance costs	(60)	(3,258)	(10,710)	(1,988)
Income before income taxes	19,434	35,143	57,072	73,503
Income tax expense	6,221	14,043	13,788	12,994
Net income	\$ 13,213	\$ 21,100	\$ 43,284	\$ 60,509
Attributable to:				
Equity holder of the Company	\$ 9,217	\$ 20,608	\$ 30,634	\$ 46,376
Non-controlling interests	3,996	492	12,650	14,133
	\$ 13,213	\$ 21,100	\$ 43,284	\$ 60,509
Earnings per share attributable to the equity holders of the Company				
Basic earnings per share	\$ 0.05	\$ 0.12	\$ 0.17	\$ 0.27
Diluted earnings per share	\$ 0.05	\$ 0.12	\$ 0.17	\$ 0.26
Weighted Average Number of Shares Outstanding – Basic	176,927,547	176,862,877	176,534,501	174,868,256
Weighted Average Number of shares Outstanding – Diluted	179,847,745	178,989,549	178,323,968	177,074,004

SILVERCORP METALS INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Expressed in thousands of U.S. dollars)

	Three Months Ended June 30, 2023	Year Ended March 31,		
		2023	2022	2021
Net income	\$13,213	\$21,100	\$43,284	\$60,509

SILVERCORP METALS INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Expressed in thousands of U.S. dollars)

	Three Months Ended June 30,		Year Ended March 31,	
	2023	2023	2022	2021
Other comprehensive (loss) income, net of taxes:				
Items that may subsequently be reclassified to net income or loss:				
Currency translation adjustment, net of tax of \$nil	(18,417)	(45,644)	13,649	44,032
Share of other comprehensive (loss) income in associate	55	(886)	95	(2,324)
Items that will not subsequently be reclassified to net income or loss:	-			
Change in fair value on equity investments designated as FVTOCI, net of tax of \$nil	(114)	(1,312)	(1,526)	12,551
Income tax effect	-	-	389	-
Other comprehensive (loss) income, net of taxes	\$(18,476)	\$(47,842)	\$12,607	\$54,259
Attributable to:				
Equity holders of the Company	\$(14,500)	\$(41,290)	\$10,597	\$49,039
Non-controlling interests	(3,976)	(6,552)	2,010	5,220
	\$(18,476)	\$(47,842)	\$12,607	\$54,259
Total comprehensive (loss) income	\$(5,263)	\$(26,742)	\$55,891	\$114,768
Attributable to:				
Equity holders of the Company	\$(5,283)	\$(20,682)	\$41,231	\$95,415
Non-controlling interests	20	(6,060)	14,660	19,353
	\$(5,263)	\$(26,742)	\$55,891	\$114,768

(c) **Historical statements of financial position**

SILVERCORP METALS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in thousands of U.S. dollars)

	As at June 30,		As at March 31,	
	2023	2023	2022	2021
ASSETS				
Current Assets				
Cash and cash equivalents	\$143,278	\$ 145,692	\$ 113,302	\$ 118,735
Short-term investments	57,322	57,631	99,623	80,357
Trade and other receivables	1,606	1,806	3,615	1,485
Current portion of lease receivable	-	-	182	213
Inventories	6,819	8,343	9,124	9,768
Due from related parties	64	88	66	847
Income tax receivable	25	582	928	4,978
Prepays and deposits	5,390	4,906	5,468	4,806
	214,504	219,048	232,308	221,189
Non-current Assets				
Long-term prepaids and deposits	886	871	974	409
Long-term portion lease receivable	470	-	-	183
Reclamation deposits	6,594	6,981	8,876	8,513
Other investments	20,470	15,540	17,768	15,733
Investment in associates	51,225	50,695	56,841	53,457
Plant and equipment	76,904	80,059	79,418	75,729
Mineral rights and properties	293,766	303,426	326,448	277,429
Deferred income tax assets	200	179	905	-
TOTAL ASSETS	\$665,019	\$ 676,799	\$ 723,538	\$ 652,642
LIABILITIES AND EQUITY				

SILVERCORP METALS INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in thousands of U.S. dollars)

	As at June 30, 2023		As at March 31, 2022	
	2023	2022	2022	2021
Current Liabilities				
Accounts payable and accrued liabilities	\$38,836	\$ 36,737	\$ 39,667	\$ 30,298
Current portion of lease obligation	277	269	649	657
Deposits received	5,486	4,090	5,445	4,857
Income tax payable	374	144	277	1,363
	44,973	41,240	46,038	37,175
Non-current Liabilities				
Long-term portion of lease obligation	254	314	614	1,084
Deferred income tax liabilities	46,417	48,096	48,033	40,792
Environmental rehabilitation	6,898	7,318	8,739	7,863
Total Liabilities	98,542	96,968	103,424	86,914
Equity				
Share capital	256,675	255,684	255,444	250,199
Equity reserves	(10,636)	3,484	43,250	29,469
Retained earnings	236,888	229,885	213,702	187,906
Total equity attributable to the equity holders of the Company	482,927	489,053	512,396	467,574
Non-controlling interests	83,550	90,778	107,718	98,154
Total Equity	566,477	579,831	620,114	565,728
TOTAL LIABILITIES AND EQUITY	\$665,019	\$ 676,799	\$ 723,538	\$ 652,642

(d) **Historical statements of cash flows**

SILVERCORP METALS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. dollars)

	Three Months Ended June 30, 2023		Year Ended March 31, 2022	
	2023	2022	2022	2021
Cash provided by Operating activities				
Net Income	\$ 13,213	\$21,100	\$43,284	\$60,509
Add (deduct) items not affecting cash:				
Finance costs	60	3,258	10,710	1,988
Income tax expense	6,221	14,043	13,788	12,994
Depreciation, amortisation and depletion	8,088	29,370	27,028	23,224
Loss (gain) on equity investments designed as FVTPL	(1,086)	2,318	3,485	(7,732)
Share of loss in associates	640	2,901	2,188	1,846
Dilution loss on investment in associate	-	107	-	-
Impairment of mineral rights and properties	-	20,211	-	-
Loss on disposal of plant and equipment	(5)	444	210	293
Share-based compensation	1,371	3,842	6,096	4,307
Reclamation expenditures	(47)	(361)	(251)	(150)
Income taxes paid	(4,533)	(9,537)	(5,512)	(14,347)
Interest paid	(7)	(43)	(72)	(95)
Changes in non-cash operating working capital	4,966	(2,010)	6,424	3,075
Net cash provided by operating activities	28,881	85,643	107,378	85,912
Investing activities				
Plant and equipment Additions	(3,214)	(13,293)	(10,729)	(8,972)
Proceeds on disposals	124	215	74	51
Mineral rights and properties				

SILVERCORP METALS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of U.S. dollars)

	Three Months Ended June 30,		Year Ended March 31,	
	2023	2023	2022	2021
Capital expenditures	(11,885)	(41,664)	(43,341)	(35,661)
Acquisition	-	-	(13,135)	(7,566)
Proceeds on disposal	-	-	-	295
Reclamation deposits				
Paid	(15)	(317)	(293)	(460)
Refund	-	1,152	-	1,855
Other investments				
Acquisition	(3,594)	(3,702)	(8,235)	(12,708)
Proceeds on disposals	70	1,035	1,362	19,301
Investment in associates	-	(2,055)	(5,313)	(7,131)
Short-term investment				
Purchase	(8,552)	(182,299)	(171,215)	-
Redemption	5,950	214,232	143,982	9,826
Principal received on lease receivable	-	172	217	196
Net cash used in investing activities	(21,116)	(26,524)	(106,626)	(40,974)
Financing activities				
Principal payments on lease obligation	(64)	(597)	(637)	(563)
Cash dividends distributed	(2,214)	(4,425)	(4,413)	(4,368)
Non-controlling interests				
Contribution	-	-	-	2,500
Distribution	(7,248)	(10,880)	(5,096)	(3,239)
Related parties	-	-	-	-
Payments made	-	-	-	(744)
Repayments received	-	-	812	1,423
Proceeds from issuance of common shares	-	-	1,908	3,538
Common shares repurchased as part of normal course issuer bid	-	(2,078)	-	-
Net cash used in financing activities	(9,526)	(17,980)	(7,426)	(1,453)
Effect of exchange rate changes on cash and cash equivalents	(653)	(8,749)	1,241	9,473
Increase (decrease) in cash and cash equivalents	(2,414)	32,390	(5,433)	52,958
Cash and cash equivalents, beginning of the period	145,692	113,302	118,735	65,777
Cash and cash equivalents, end of the period	\$143,278	\$145,692	\$113,302	\$118,735

(e) **Management commentary on historical financials**

Full commentary on Silvercorp financial and operational results for the years ended 31 March 2021, 31 March 2022 and 31 March 2023 can be found in Silvercorp's published MD&As, which are available on SEDAR+, EDGAR and Silvercorp's website at <https://silvercorpmetals.com/>. Past performance is no guarantee of future results.

(f) **Material changes in financial position (since 31 March 2023)**

The most recent published financial statements of Silvercorp, are provided in its audited annual consolidated financial statements for the fiscal year ended 31 March 2023.

Silvercorp has also published its unaudited interim consolidated financial results the three months ended 30 June 2023 on 10 August 2023, which are available on SEDAR+, EDGAR and Silvercorp's website at <https://silvercorpmetals.com/>.

To the knowledge of the Silvercorp Directors, there has not been any material change in the financial position or performance of Silvercorp since 31 March 2023, except for the

subscription of OreCorp Shares for aggregate proceeds of approximately A\$28 million under the Placement in August 2023 and a subscription of shares in New Pacific Metals for US\$5 million on 29 September 2023.

6.11 Financing arrangements

The Scheme Consideration is comprised of Scrip Consideration and Cash Consideration components.

If the Scheme becomes Effective, each Scheme Shareholder will become entitled to A\$0.15 in cash for each OreCorp Share held on the Record Date. The Cash Consideration will be funded from existing cash reserves of Silvercorp. As at 30 June 2023, Silvercorp had cash and cash equivalents of US\$143,278,000, exceeding the maximum aggregated cash consideration payable by Silvercorp under the Scheme.

The Scheme is not subject to any financing conditions.

6.12 Current trading and outlook

(a) Production and production costs

As noted in section 6.2, Silvercorp prepares its CIM Mineral Reserves and CIM Mineral Resources estimates in accordance with NI 43-101, which is different to the reporting standard ordinarily applicable to ASX listed companies, the JORC Code. Because the estimates have not been prepared in accordance with the JORC Code, they are classified as “foreign estimates” under the ASX Listing Rules. See section 12.16 for an overview of the differences between NI 43-101 and JORC.

In relation to the reliability of the foreign estimates of CIM Mineral Resources and CIM Mineral Reserves (of Silvercorp) contained in this section 6.12, it should be noted that:

- the foreign estimates are not reported in accordance with the JORC Code;
- a Competent Person has not done sufficient work to classify the foreign estimates as Mineral Resources or Ore Reserves in accordance with the JORC Code;
- it is currently uncertain whether, following evaluation and/or further exploration work, these foreign estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code; and
- these foreign estimates have not been published with all the supporting data and such foreign estimates have not been verified by independent third parties.

The following general assumptions have been applied in the preparation of the production and production costs outlook in this section 6.12(a):

- ore and metal production guidance at the Ying Mining District and the GC Mine is based on internal mine plans for each mine developed by Silvercorp’s in-house personnel, site geologists and mining engineers, who review on an ongoing basis existing reserves and resources, mine depletion, and areas that can be accessed through existing and/or future mine development;
- projected recoveries are based on the prior year’s operating experience;

- cash cost and all in sustaining production cost (**AISC**) are non-IFRS measures;
- cash cost per tonne of ore processed is the total of mining costs per tonne, shipping costs per tonne, and milling costs per tonne. All-in sustaining production cost per tonne is based on Silvercorp's cash cost, and further includes general and administrative expenses, government fees and other taxes, reclamation cost accretion, lease liability payments, and sustaining capital expenditures;
- projected costs are based on the prior year's operating experience and new contracts entered into. US Dollar amounts assume foreign exchange rates at RMB6.65/CAD\$1.30 in Fiscal 2024; and
- the production guidance and cost guidance assume Silvercorp continues its operations according to plan and there are no material disruptions to the continuity of operations at the Ying Mining District or the GC Mine. Please see section 8.4 for a number of risks relating to Silvercorp and its business.

In the fiscal year ending 31 March 2024 (**Fiscal 2024**), Silvercorp expects to mine and process 1,100,000 to 1,170,000 tonnes of ore, yielding approximately 6.8 to 7.2 million ounces of silver, 4,400 to 5,500 ounces of gold, 70.5 to 73.8 million pounds of lead, and 27.7 to 29.7 million pounds of zinc. Fiscal 2024 production guidance represents production increases of approximately 3% to 8% in ores, 0% to 25% in gold, 4% to 8% in lead, and 18% to 26% in zinc compared to the production results in Fiscal 2023.

	Ore processed (tonnes)	Head grades				Metal production				Production costs	
		Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	Gold (koz)	Silver (Koz)	Lead (Klbs)	Zinc (Klbs)	Cash cost (\$/t)	AISC (\$/t)
Fiscal 2024 Guidance											
Gold ore	30,000-40,000	3.6	43	0.8	0.5	3.2-4.2	40-50	450-600	90-120	-	-
Silver ore	740,000-770,000	0.1	279	4.1	0.9	1.2-1.3	6,140-6,450	62,500-65,030	9,030-9,400	-	-
Ying Mining District	770,000-810,000	0.2	267	3.9	0.8	4.4-5.5	6,180-6,500	62,950-65,630	9,120-9,520	90.4-92.6	143.8-148.8
GC Mine	330,000-360,000	-	75	1.2	2.9	0-0	620-670	7,530-8,180	18,530-20,140	50.3-52.3	79.6-84.2
Consolidated	1,100,000-1,170,000	0.1	208	3.1	1.4	4.4-5.5	6,800-7,170	70,480-73,810	27,650-29,660	78.2-80.5	136.4-142.4

In Fiscal 2024, Silvercorp plans to mine and process 770,000 to 810,000 tonnes of ore at the Ying Mining District, including 30,000 – 40,000 tonnes of gold ore with an expected head grade of 3.6 g/t gold, to produce approximately 4,400 to 5,500 ounces of gold, 6.2 to 6.5 million ounces of silver, 62.9 to 65.6 million pounds of lead, and 9.1 to 9.5 million pounds of zinc. Fiscal 2024 production guidance at the Ying Mining District represents production increases of approximately 0% to 5% in ore, 0% to 25% in gold, 3% to 8% in silver, 4% to 9% in lead, and 28% to 33% in zinc compared to the production results in Fiscal 2023. The cash production cost is expected to be US\$90.4 to US\$92.6 per tonne of ore, and the all-in sustaining production cost is estimated at US\$143.8 to US\$148.8 per tonne of ore processed, representing a 2% to 4% decrease in cash production cost and a range of a 2% decrease to a 2% increase in all-in sustaining production cost compared to the results in Fiscal 2023.

In Fiscal 2024, Silvercorp plans to mine and process 330,000 to 360,000 tonnes of ore at the GC Mine to produce 620 to 670 thousand ounces of silver, 7.5 to 8.2 million pounds of lead, and 18.5 to 20.1 million pounds of zinc. Fiscal 2024 production guidance at the GC Mine represents production increases of approximately 10% to 20% in ore, 5% to 13% in silver, -4% to 5% in lead, and 14% to 23% in zinc production compared to the production results in Fiscal 2023. The cash production cost is expected to be US\$50.3 to US\$52.3 per tonne of ore, and the all in sustaining production cost is estimated at US\$79.6 to US\$84.2 per tonne of ore processed, representing a 11% to 14% decrease in cash production cost and a range of a 4% decrease to an 1% increase in all-in sustaining production cost compared to the results in Fiscal 2023.

(b) **Development and capital expenditures**

The table below summarises the work plan and estimated capital expenditures in Fiscal 2024.

	Capitalized Development Work and Expenditures								Expensed	
	Ramp Development		Exploration and Development Tunnels		Diamond Drilling		Equipment, Mill and TSF	Total	Mining Preparation Tunnels	Diamond Drilling
	(Metres)	(\$ Million)	(Metres)	(\$ Million)	(Metres)	(\$ Million)	(\$ Million)	(\$ Million)	(Metres)	(Metres)
Fiscal 2024 Capitalized Work Plan and Capital Expenditure Estimates										
Ying Mining District	8,800	6.3	57,200	23.9	146,400	4.2	21.8	56.2	25,800	71,400
GC Mine	-	-	14,700	6.4	30,200	0.8	0.7	7.9	5,300	24,800
Corporate and others	-	-	-	-	-	-	0.6	0.6	-	-
Consolidated	8,800	6.3	71,900	30.3	176,600	5.0	23.1	64.7	31,100	96,200

For Fiscal 2024, on a consolidation basis, Silvercorp plans to: i) complete 8,800 metres of tunnels as major access and transportation ramps at estimated capitalised expenditures of US\$6.3 million, representing a 27% increase in meterage and a 21% increase in cost compared to the results in Fiscal 2023; ii) complete 71,900 metres of exploration and mining development tunnels at estimated capitalised expenditures of US\$30.3 million, representing a decrease of 4% in meterage and an increase of 5% in cost compared to the results in Fiscal 2023; iii) complete and capitalise 176,600 metres of diamond drilling to upgrade and explore mineral resources for future production at an estimated cost of US\$5.0 million, representing an increase of 14% in meterage and a decrease of 40% in cost compared to the results in Fiscal 2023; and iv) spend US\$23.1 million on equipment, the XRT Ore Sorting System, a paste backfill plant, the mill and a tailing storage facility. In addition to the capitalised tunnelling and drilling work, Silvercorp also plans to complete and expense 31,100 metres of mining preparation tunnels and 96,200 metres of diamond drilling.

The Ying Mining District plans to: i) complete 8,800 metres of tunnels as major access and transportation ramps at estimated capitalised expenditures of US\$6.3 million, representing an increase of 27% in meterage and an increase of 21% in cost compared to the results in Fiscal 2023; ii) complete 57,200 metres of exploration and mining development tunnels at estimated capitalised expenditures of US\$23.9 million, representing a decrease of 8% in meterage and a decrease of 4% in cost compared to the results in Fiscal 2023; iii) complete and capitalise 146,400 metres of diamond drilling to upgrade and explore mineral resources for future production at an estimated cost of US\$4.2 million, representing an increase of 18% in meterage and a decrease of 26% in cost compared to the results in Fiscal 2023; and iv) spend US\$21.8 million on equipment and facilities, including US\$12.9 million on the construction of the TSF, US\$3.0 million to build a paste backfill plant and a XRT Ore tailing storage facility system to optimise the mine plan and improve ore processing head grades, and US\$1.2 million to improve certain power facilities and to replace some electrical cables. Silvercorp still plans to complete the tailing storage facility in 2024 and is currently delaying the construction of the new 3,000 TPD mill by one year. In addition to the capitalised tunnelling and drilling work, Silvercorp also plans to complete and expense 25,800 metres of mining preparation tunnels and 71,400 metres of diamond drilling at the Ying Mining District, representing decreases of 22% and 43%, respectively, compared to the results in Fiscal 2023.

The GC Mine plans to: i) complete and capitalise 14,700 metres of exploration and development tunnels at estimated capital expenditures of US\$6.4 million, an increase of 16% in meterage and an increase of 60% in cost mainly due to increased tunnel dimension to allow small scale mechanized equipment access, compared to the expected results in Fiscal 2023; ii) complete and capitalise 30,200 metres of diamond drilling to upgrade and explore mineral resources for future production at an estimated cost of US\$0.8 million, representing a 37% increase in meterage and a relatively the same cost compared to the results in Fiscal 2023; and iii) spend US\$0.7 million on equipment and facilities. The total capital expenditures at the GC Mine are budgeted at US\$7.9 million in Fiscal 2024, down 38% compared to US\$12.7 million in Fiscal

2023. In addition to the capitalised tunnelling and drilling work, Silvercorp also plans to complete and expense 5,300 metres of tunnels and 24,800 metres of underground drilling at the GC Mine, representing decreases of 25% and 43%, respectively, compared to the expected results in Fiscal 2023.

(c) **Kuanping Project**

Silvercorp plans to carry out studies to complete the environmental assessment report, water and soil protection assessment report, and preliminary safety facilities and mine design report as required for the Kuanping Project in Fiscal 2024.

6.13 Recent Silvercorp share price performance

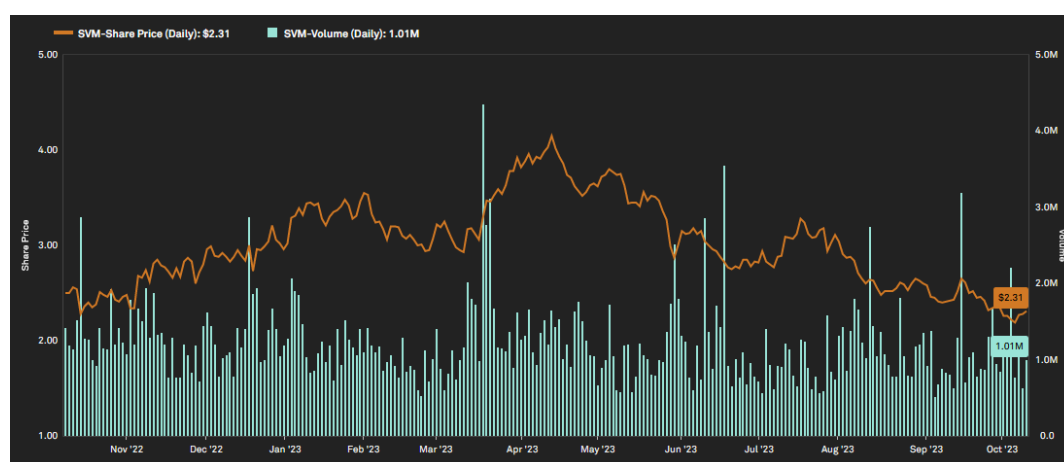
Silvercorp Shares are quoted on the TSX and the NYSE American under the code ‘SVM’.

The closing price of Silvercorp Shares on the TSX/NYSE American on 4 August 2023 (being the last trading day prior to the Announcement Date) was C\$3.86 / US\$2.88.

The closing price of Silvercorp Shares on the NYSE American on the Last Practicable Date was US\$2.30.

The highest closing price of Silvercorp Shares on the NYSE American in the 3 months prior to Last Practicable Date was US\$3.11. The lowest closing price of Silvercorp Shares on the NYSE American in the 3 months prior to Last Practicable Date was US\$2.19.

The highest closing price of Silvercorp Shares on the NYSE American in the 12 months prior to Last Practicable Date was US\$4.15. The lowest closing price of Silvercorp Shares on the NYSE American in the 12 months prior to Last Practicable Date was US\$2.19.



The current price of Silvercorp Shares on the TSX/ NYSE American can be obtained at:

- <https://www.tsx.com/>; and
- <https://www.nasdaq.com/>.

6.14 Litigation

No member of the Silvercorp Group is currently involved in any material litigation.

6.15 Dividend history and policy

Silvercorp declared its first annual dividend of CAD\$0.05 per share in calendar year 2007 (fiscal year 2008) and has declared and paid dividends as set out in the table below.

Fiscal Year ended 31 March	Dividends declared per Silvercorp Share
2018	US\$0.020
2019	US\$0.025
2020	US\$0.025
2021	US\$0.025
2022	US\$0.025
2023	US\$0.025

Since fiscal year ended 31 March 2019, Silvercorp has been paying semi-annual dividends of US\$0.0125 per share (US\$0.025 per share on an annual basis).

The declaration and payment of future dividends, if any, is at the discretion of the Silvercorp Board and will be based on a number of relevant factors including commodity prices, market conditions, financial results, cash flows from operations, and expected cash requirements.

6.16 Transactions with related parties

Silvercorp is a party to services and administrative costs reallocation agreements with New Pacific Metals and Tincorp, in each of which Silvercorp holds a material interest (27.5% and 29.3% respectively).

Silvercorp recovers costs for services rendered to New Pacific Metals and expenses incurred on behalf of New Pacific Metals pursuant to a services and administrative costs reallocation agreement. During the fiscal year ended 31 March 2023, Silvercorp recovered US\$1.0 million (fiscal year ended 31 March 2022 - US\$0.7 million) from New Pacific Metals for services rendered and expenses incurred on behalf of New Pacific Metals. During the three months ended 30 June 2023, Silvercorp recovered US\$0.3 million (three months ended 30 June 2022 - US\$0.2 million) from New Pacific Metals for services rendered and expenses incurred on behalf of New Pacific Metals.

Silvercorp recovers costs for services rendered to Tincorp and expenses incurred on behalf of Tincorp pursuant to a services and administrative costs reallocation agreement. During the fiscal year ended 31 March 2023, Silvercorp recovered US\$0.2 million (fiscal year ended 31 March 2022 - US\$0.2 million) from Tincorp for services rendered and expenses incurred on behalf of Tincorp. Silvercorp recovered US\$0.08 million and US\$0.1 million (three months ended 30 June 2022 - US\$0.04 million) from Tincorp for services rendered and expenses incurred on behalf of Tincorp.

6.17 Silvercorp's interest in OreCorp Shares

(a) Silvercorp's interest in OreCorp Shares

As disclosed on 16 August 2023, Silvercorp holds 70,411,334 OreCorp Shares as at the Last Practicable Date.

(b) Acquisition of OreCorp Shares by Silvercorp or its Associates

Other than pursuant to the subscription agreement entered into on 5 August 2023 and announced on ASX on 6 August 2023 (and which was annexed to the Form 603 lodged 10 August 2023), neither Silvercorp, or any of its Associates, have provided, or agreed to provide consideration for OreCorp Shares under during the four months ending on the day immediately before the Last Practicable Date.

(c) **Highest prices paid for OreCorp Shares by Silvercorp or its Associates**

The highest price paid for OreCorp Shares by Silvercorp or its Associates was \$0.40 per OreCorp Share pursuant to the subscription agreement entered into on 5 August 2023 and announced on ASX on 6 August 2023 (and which was annexed to the Form 603 lodged 10 August 2023).

(d) **Pre-Scheme benefits**

During the period of four months before the Last Practicable Date, neither Silvercorp nor any of its Associates gave, or offered to give, or agreed to give, a benefit to another person which was likely to induce the other person or and Associate of the other person to:

- vote in favour of the Scheme; or
- dispose of OreCorp Shares,

and which is not offered to all OreCorp Shareholders.

6.18 Publicly available information about Silvercorp

Additional information on Silvercorp can be found on Silvercorp's website www.silvercorpmetals.com or on SEDAR+ website www.sedarplus.ca. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of Silvercorp's securities and securities authorised for issuance under equity compensation plans, if applicable, is contained in Silvercorp's information circular for its most recent annual meeting of shareholders that involved the election of directors. Additional information is provided in Silvercorp's most recent financial statements and the management's discussion and analysis for its most recently completed financial year.

Silvercorp is subject to the continuous disclosure requirements of TSX and the NYSE American, the various securities commissions and regulatory authorities in the provinces and territories of Canada and the United States Securities Exchange Commission. Silvercorp's continuous disclosure filings are reflected on the following websites:

Name of Website	Information Field
www.sedarplus.ca	Includes but is not limited to interim and annual financial statements and corresponding management discussions and analysis; annual information forms; notices of meeting and record dates; management proxy materials including management information circulars; change of auditor filings; material change reports and other material documents; news releases; certifications of filings; technical reports; business acquisition reports; and codes of conduct

Name of Website	Information Field
www.sec.gov/edgar.shtml	Annual reports and current reports
www.sedi.ca	Insider reports

6.19 No other material information

Other than as disclosed in this Scheme Booklet, there is no information regarding Silvercorp, or its intentions regarding OreCorp, that is material to the making of a decision by an OreCorp Shareholder on whether or not to vote in favour of the Scheme that is within the knowledge of any director of Silvercorp as at the Last Practicable Date that has not been previously disclosed to OreCorp Shareholders.

7. Information about the Merged Group

This section of the Scheme Booklet contains information in relation to the Merged Group that will be created if the Scheme is implemented.

7.1 Overview of the Merged Group

(a) Overview

If the Scheme is implemented, OreCorp will become a wholly-owned subsidiary of Silvercorp, and as a result Silvercorp will expand its asset portfolio by acquiring OreCorp's Nyanzaga Gold Project in northwest Tanzania. For further details regarding the Merged Group assets see sections 5.2 and 6.2 in respect of assets held by OreCorp and Silvercorp, respectively.

This Scheme is aligned with Silvercorp's strategy to enhance metals and jurisdictional diversification by adding exploration and development opportunities outside the regions where it currently operates. Following implementation of the Scheme, Silvercorp will continue to maximise profitable production from the Ying Mining District and the GC Mine operations, and grow as a profitable and sustainable precious and base metals producer in Asia and Africa.

(b) Rationale for the Scheme

The Scheme aims to create a diversified, highly profitable precious metals producer with a robust growth pipeline. The Merged Group will have the ability to leverage the best-in-class technical expertise and a strong balance sheet of Silvercorp's to unlock value for its shareholders.

The Scheme, if implemented, will provide immediate geographic and metal diversification that meaningfully enlarges Silvercorp's mineral reserves and resources profile, and Silvercorp will gain access to the Nyanzaga Gold Project as well as exposure to Tanzania, a highly prospective emerging mining jurisdiction.

If Silvercorp is listed on the ASX following implementation of the Scheme, the listing would enhance the Merged Group's capital markets profile, with access to a broader investor base and additional capital in Australia to support the Merged Group's long-term growth.

7.2 Board and senior management of the Merged Group

(a) Members of the Merged Group Board

It is expected that each of the existing five Silvercorp Directors will continue as directors following the implementation of the Scheme. Profiles for each of the existing Silvercorp Directors are set out in section 6.8.

(b) Senior management of the Merged Group

It is expected that each of the existing Silvercorp senior management will continue as the senior management of the Merged Group following the implementation of the Scheme. Profiles for each of the existing Silvercorp senior management are set out in section 6.8.

7.3 Corporate governance of the Merged Group

It is expected that Silvercorp's corporate governance framework and policies will apply to the Merged Group. Further information in relation to Silvercorp's corporate governance is set out in section 6.6.

If Silvercorp is admitted to the official list of ASX, Silvercorp will also comply with the ASX Listing Rules.

7.4 Silvercorp's intentions in respect of the Merged Group

(a) Corporate matters in relation to OreCorp

Corporate structure

Silvercorp will be the parent company of the Merged Group upon implementation of the Scheme and OreCorp will be a wholly-owned Australian subsidiary of Silvercorp following implementation of the Scheme.

Operating structure

Following implementation of the Scheme, Silvercorp will undertake a review of the operating structure of the OreCorp Group which may result in Silvercorp implementing changes to the operating structure of either or both of the OreCorp Group and the Silvercorp Group.

While it is currently expected that the operating structure of the Merged Group will largely follow the Silvercorp Group's operating structure, as described in section 6, until Silvercorp undertakes its review of the OreCorp Group's operating structure, Silvercorp is unable to provide any detailed information regarding any potential changes to the OreCorp Group's operating structure, other than that described below.

(b) Principal activities and assets of the Merged Group

Projects and operations

Following implementation of the Scheme, Silvercorp will continue to maximise profitable production from its operating mines, including the Ying Mining District and the GC Mine, further advance the development of the Nyanzaga Gold Project and advance its exploration projects.

The Merged Group will have the following key operations:

- the Ying Mining District and the GC Mine – Silvercorp's existing mines are expected to remain unchanged following implementation of the Scheme. A summary of Silvercorp's Ying Mining District and the GC Mine is set out in section 6.2; and
- the Nyanzaga Gold Project – following implementation of the Scheme, Silvercorp intends to advance the development of the Nyanzaga Gold Project, aiming to commence commercial gold production in the second half of 2025. A summary of the Nyanzaga Gold Project is set out in section 5.2.

Reserves

Details of OreCorp's resources and reserves are set out in section 5.2.

Details of Silvercorp's resources and reserves are set out in section 6.2.

(c) Strategic direction

The Merged Group's strategy will be to continue creating shareholder value by focusing on generating free cashflow from long life mine, bringing development projects into commercial production, organic growth through optimisation, expansion, and extensive drilling for discovery at existing mines and projects, an ongoing merger and acquisition strategy to enhance diversification and grow accretively, and a long-term commitment to responsible mining and sound ESG practices.

In light of the above, the Merged Group will direct its efforts towards the following specific strategic initiatives:

- continue to deliver profitable production at its portfolio of high margin, long mine life assets in China, as well as streamline these mine operations to optimise capital expenditure, boost productivity and reduce costs;
- leverage the Merged Group's best-in-class technical team to seamlessly transition into the project execution phase at the Nyanzaga Project, build the mine, and pursue opportunities for optimisation;
- identify and pursue strategic merger and acquisition opportunities which support the growth of the Merged Group's production, cash flows and return profile for shareholders;
- target a diversified basket of executable, high quality, high margin, long life projects and mines that have reasonable cost profiles and development timelines in mining-friendly jurisdictions;
- through a combination of near-mine and regional exploration drilling programs, replace reserves as they are depleted and grow resources across the Merged Group's global asset base;
- opportunistically invest in and incubate world-class mineral opportunities as potential avenues for future growth; and
- preserve the Merged Group's robust balance sheet and liquidity profile.

(d) Dividend policy

It is expected that Silvercorp's current dividend policy, as outlined in section 6.15, will be the dividend policy of the Merged Group following implementation of the Scheme.

(e) OreCorp employees

Silvercorp intends to conduct a comprehensive review of all current OreCorp employees to determine their suitability for permanent roles in the Merged Group. Employees that are not offered employment within the Merged Group will receive their full contractual and statutory entitlements, which would be paid from Silvercorp's cash reserves.

(f) **Delisting of OreCorp from ASX**

With effect on and from the close of trading on the trading day immediately following, or shortly after, the Implementation Date, OreCorp will apply to ASX for termination of the quotation of OreCorp Shares and to remove OreCorp from the official list of ASX.

(g) **Headquarters**

As at the Last Practicable Date, no decision has been made with respect to OreCorp's current headquarters.

7.5 ASX Listing

Under the Scheme Implementation Deed, Silvercorp is required to use all reasonable endeavours to apply for admission of Silvercorp to the official list of the ASX and the New Silvercorp CDIs being approved for official quotation on the ASX. Silvercorp has been consulting with ASX in relation to its application to ASX and is in the process of preparing its formal application as at the Last Practicable Date.

Silvercorp's admission to the official list of ASX will be conditional on the Scheme being implemented. Once listed on ASX, Silvercorp (as the parent company of the Merged Group) must comply with the ASX Listing Rules, other than the ASX Listing Rules from which Silvercorp has been granted a waiver.

OreCorp Shareholders should be aware that there is no guarantee that Silvercorp's application for admission to the official list of ASX will be approved, or that ASX Quotation will occur before the Scheme is implemented.

Further details on Silvercorp's corporate governance are set out in section 6.6, and a comparison of relevant Australian and Canadian laws is set out in Annex 8.

7.6 Ownership

The shares of the Merged Group will be widely held. Existing OreCorp Shareholders will own approximately 17.8% of Silvercorp's common shares outstanding on a fully diluted in-the-money basis following implementation of the Scheme. Based on the information available to Silvercorp as at the Last Practicable Date, it is not expected that there will be any shareholder of Silvercorp with a voting power of 5% or more immediately following implementation of the Scheme.

7.7 Merged Group unaudited pro forma historical financial information

(a) **Merged Group financial information**

This section contains the following proforma historical financial information in respect of the Merged Group:

- unaudited proforma historical income statements for the year ended 31 March 2023 and the quarter ended 30 June 2023 of the Merged Group (Merged Group Unaudited Proforma Historical Income Statements);
- unaudited proforma historical statement of financial position as at 30 June 2023 of the Merged Group (Merged Group Unaudited Proforma Historical Statement of Financial Position); and

- unaudited proforma historical statements of cashflows for the year ended 31 March 2023 and the quarter ended 30 June 2023 of the Merged Group (Merged Group Unaudited Proforma Historical Statements of Cashflows),

(together, the **Merged Group Unaudited Proforma Historical Financial Information**).

Deloitte has been appointed as the Investigating Accountant to prepare the Independent Limited Assurance Report in respect to the Merged Group Unaudited Proforma Historical Financial Information, a copy of which is included in Annex 6.

(b) **Basis of preparation**

The Merged Group Unaudited Proforma Historical Financial Information has been derived from the historical financial information provided by Silvercorp and OreCorp respectively, and prepared in accordance with the recognition and measurement principles prescribed in the International Financial Reporting Standards (**IFRS**), other than it is presented on a proforma basis as if implementation of the Scheme had already occurred and taking into account certain proforma adjustments set out in sections 7.7(e), 7.7(f) and 7.7(g) below.

The Merged Group Unaudited Proforma Historical Financial Information is presented in abbreviated form and consequently does not contain all presentation and disclosures that are usually provided in an annual report prepared in accordance with the Corporations Act.

The Merged Group Unaudited Proforma Historical Financial Information has been prepared for illustrative purposes to provide OreCorp Shareholders with an indication of the financial performance, financial position and cashflows of the Merged Group as if the Scheme had been implemented prior to the commencement of the relevant financial year (or quarter, as applicable).

The Merged Group Unaudited Proforma Historical Financial Information does not reflect the actual performance, financial position or cashflows of the Merged Group at the time of implementation of the Scheme. It has been prepared for illustrative purposes only for this Scheme Booklet.

The Merged Group Unaudited Proforma Historical Financial Information presented contains:

- the Merged Group Unaudited Proforma Historical Income Statements and Merged Group Unaudited Proforma Historical Statements of Cashflows for the year ended 31 March 2023 and the quarter ended 30 June 2023, which are derived from Silvercorp's and OreCorp's historical financial information, as presented in section 6.10 and 5.6 respectively, and adjusted for proforma adjustments in sections 7.7(e) and 7.7(g) below, respectively; and
- the Merged Group Unaudited Proforma Historical Statement of Financial Position as at 30 June 2023, which is derived from Silvercorp's and OreCorp's historical financial information, as presented in section 6.10 and 5.6 respectively, and adjusted for proforma adjustments set out in section 7.7(f) below.

The Merged Group Unaudited Proforma Historical Financial Information is presented in US\$000s in line with Silvercorp's functional and presentation currency, with OreCorp's historical statement of financial position translated at the spot rate as at 30 June 2023 and OreCorp's historical income statements and statements of cashflows translated at the average rate over the relevant period.

The Merged Group Unaudited Proforma Historical Financial Information is presented using a financial year ended 31 March 2023, in line with Silvercorp's financial year. OreCorp's historical financial information has been converted into the financial year ended 31 March by using the audited financial statements for the year-ended 30 June 2023, adjusted by removing the final quarter financials (Quarter to 30 June 2023) and adding the final quarter in the previous financial year (Quarter to 30 June 2022).

(c) Basis of proforma

From an accounting perspective, Silvercorp will gain control over OreCorp. An assessment has been made under IFRS 3 Business Combinations (**IFRS 3**), determining that Silvercorp's acquisition of OreCorp would meet the definition of an asset acquisition, as opposed to a business combination. Accordingly, the fair value of the purchase consideration, applicable transaction costs are allocated to the identifiable assets acquired and liabilities assumed on a fair value basis.

The value of the consideration for the acquisition of the OreCorp Shares not already owned by Silvercorp under the Scheme will be measured based upon the value of the Silvercorp Shares at close of trading on the Implementation Date. A combination of cash and scrip (in the form of New Silvercorp Shares or New Silvercorp CDIs) will form the total consideration. For the purposes of the Merged Group Unaudited Proforma Historical Financial Information, a value of A\$0.51 (US\$0.32) for each OreCorp Share (on a fully diluted basis) has been assumed, being cash of A\$0.15 (US\$0.10), plus the merger ratio of 0.0967 of the VWAP of Silvercorp Shares over the 5 trading days up to and including the Last Practicable Date, resulting in a total consideration of US\$129.3 million (A\$203.9 million).

Consequently, the value of the purchase consideration for accounting purposes may differ from the amount assumed in the Merged Group Unaudited Proforma Historical Financial Information due to changes in the market price of Silvercorp Shares up to the Implementation Date.

(d) Items not reflected in the Merged Group Unaudited Proforma Historical Financial Information

As detailed above, the Merged Group Unaudited Proforma Historical Financial Information is provided for illustrative purposes only.

The Merged Group Unaudited Proforma Historical Financial Information presented does not purport to reflect the likely actual or prospective reported financial performance, financial position or cashflows of the Merged Group.

It is likely that the actual financial performance, financial position and cashflows of the Merged Group in future periods will differ from the Merged Group Unaudited Proforma Historical Financial Information presented. The factors which may impact the actual financial performance, financial position or cashflows of the Merged Group include, but are not limited to:

- trading of Silvercorp and OreCorp after 30 June 2023, which is not reflected in the Merged Group Unaudited Proforma Historical Financial Information;
- the risk factors set out in section 8.5;
- the ultimate timing of implementation of the Scheme;

- finalisation of the acquisition accounting; and
- current and future changes to accounting standards (if any).

In August 2023, OreCorp issued 70,411,344 OreCorp Shares to Silvercorp at A\$0.40 (US\$0.27) per Share, resulting in aggregate proceeds of A\$28.2 million (US\$18.5 million) being received by OreCorp. Upon completion of the Placement, Silvercorp owned 15% of the total outstanding shares of OreCorp.

As noted in the Scheme Implementation Deed, Silvercorp will acquire all OreCorp Shares except those held by (or on behalf of) any member of the Silvercorp Group) and, as such, shares issued under the Placement are not eligible to receive Scheme Consideration. The net impact of this transaction in the Merged Group Unaudited Proforma Historical Financial Information includes a gain for the fair value of the Silvercorp 15% ownership in OreCorp.

(e) **Merged Group Unaudited Proforma Historical Income Statements**

	Silvercorp	OreCorp	Proforma Adjustments	Merged Group
Year ended 31 March 2023	US\$000s	US\$000s	US\$000s	US\$000s
Revenue	208,129	-	-	208,129
Cost of mine operations	(137,346)	-	-	(137,346)
Net income from mine operations	70,783	-	-	70,783
Corporate, general & admin	(13,249)	(4,370)	-	(17,619)
Property evaluation & business development	(438)	(6,999)	6,999	(438)
Foreign exchange gain	4,842	12	-	4,854
Loss on equity investments	(2,318)	-	-	(2,318)
Share of loss in associates	(2,901)	-	-	(2,901)
Dilution loss on investment in associate	(107)	-	-	(107)
Loss on disposal of plant & equipment	(444)	-	-	(444)
Impairment of mineral rights & properties	(20,211)	-	-	(20,211)
Other expenses	(2,210)	-	-	(2,210)
Net profit / (loss) before financing and income tax	33,747	(11,357)	6,999	29,389
Finance income	4,654	257	-	4,911
Finance costs	(3,258)	-	-	(3,258)
Net profit / (loss) before tax from continuing operations	35,143	(11,099)	6,999	31,042
Income tax expense	(14,043)	-	-	(14,043)
Net profit / (loss) after tax from continuing operations	21,100	(11,099)	6,999	16,999
Loss from discontinued operations	-	(3,378)	-	(3,378)
Net profit / (loss) for the year	21,100	(14,478)	6,999	13,621
Non-controlling interest	(492)	227	-	(265)
Net profit / (loss) for the year attributable to members	20,608	(14,251)	6,999	13,356

	Silvercorp	OreCorp	Proforma Adjustments	Merged Group
Quarter ended 30 June 2023	US\$000s	US\$000s	US\$000s	US\$000s
Revenue	60,006	-	-	60,006
Cost of mine operations	(36,705)	-	-	(36,705)
Net income from mine operations	23,301	-	-	23,301
Corporate, general & admin	(3,650)	(1,508)	-	(5,158)
Property evaluation & business development	(109)	(2,512)	2,512	(109)
Foreign exchange loss	(2,227)	(33)	-	(2,260)
Gain on equity investments designated as FVTPL	1,086	-	4,330	5,416
Share of loss in associates	(640)	-	-	(640)
Gain on disposal of plant & equipment	5	-	-	5
Other income / (expenses)	234	-	(2,864)	(2,630)
Net profit / (loss) before financing and income tax	18,000	(4,052)	3,978	17,926
Finance income	1,494	85	-	1,579
Finance costs	(60)	-	-	(60)
Net profit / (loss) before tax	19,434	(3,967)	3,978	19,445
Income tax expense	(6,221)	-	(1,169)	(7,390)
Net profit / (loss) for the year	13,213	(3,967)	2,809	12,055

	Silvercorp	OreCorp	Proforma Adjustments	Merged Group
Quarter ended 30 June 2023	US\$000s	US\$000s	US\$000s	US\$000s
Non-controlling interest	(3,996)	211	-	(3,785)
Net profit / (loss) for the year attributable to members	9,217	(3,756)	2,809	8,270

(i) *Proforma adjustments – Merged Group Unaudited Proforma Historical Income Statements*

- Exploration costs of US\$7.0 million for the year ended 31 March 2023 and US\$2.5 million for the quarter ended 30 June 2023 that were expensed as incurred under the OreCorp accounting policy have been capitalised to the Mineral rights & properties to align with Silvercorp's accounting policy.
- Estimated transaction costs of US\$2.9 million to be incurred by OreCorp with respect to the Scheme.
- Estimated gain of US\$4.3 million before tax for the fair value of the Silvercorp 15% ownership in OreCorp since initial placement of shares.

(ii) *Items not reflected in the Merged Group Unaudited Proforma Historical Income Statements*

- Trading of Silvercorp and OreCorp after 30 June 2023.

(f) **Merged Group Unaudited Proforma Historical Statement of Financial Position as at 30 June 2023**

	Silvercorp	OreCorp	Transaction costs	Acquisition of OreCorp	Provision for tax on change of control	Merged Group
	US\$000s	US\$000s	US\$000s	US\$000s	US\$000s	US\$000s
Current assets						
Cash and cash equivalents	143,278	8,987	(5,393)	(40,189)	-	106,683
Short term investments	57,322	-	-	-	-	57,322
Trade and other receivables	1,606	240	-	-	-	1,846
Inventories	6,819	-	-	-	-	6,819
Other current assets	5,479	131	-	-	-	5,610
Total current assets	214,504	9,358	(5,393)	(40,189)	-	178,280
Non-current assets						
Plant & equipment	76,904	446	-	-	-	77,350
Investment properties	470	-	-	-	-	470
Long term & prepaid deposits	886	-	-	-	-	886
Reclamation deposits	6,594	-	-	-	-	6,594
Mineral rights & properties	293,766	12,592	2,529	114,769	14,050	437,706
Investment in associates	51,225	-	-	-	-	51,225
Other investments	20,470	-	-	-	-	20,470
Deferred tax assets	200	-	-	-	-	200
Total non-current assets	450,515	13,038	2,529	114,769	14,050	594,901
Total assets	665,019	22,396	(2,864)	74,580	14,050	773,181
Current liabilities						
Trade and other payables	38,836	1,893	-	-	-	40,729
Provisions	-	318	-	-	-	318
Lease liabilities	277	29	-	-	-	306
Deposits received	5,486	-	-	-	-	5,486
Tax payable	374	-	-	-	14,050	14,424
Total current liabilities	44,973	2,240	-	-	14,050	61,263
Non-current liabilities						
Provisions	-	39	-	-	-	39
Lease liabilities	254	-	-	-	-	254
Environmental rehabilitation provision	6,898	-	-	-	-	6,898
Deferred income tax liabilities	46,417	-	-	-	-	46,417
Total non-current liabilities	53,569	39	-	-	-	53,608
Total liabilities	98,542	2,279	-	-	14,050	114,871
Net assets	566,477	20,117	(2,864)	74,580	-	658,310
Equity						
Issued capital	256,675	91,634	-	(2,525)	-	345,784
Reserves	(10,636)	1,650	-	(1,650)	-	(10,636)
Retained earnings	236,888	(72,730)	(2,864)	78,755	-	240,049
Equity attributable to equity holders of the Company	482,927	20,554	(2,864)	74,580	-	575,197
Non-controlling interest	83,550	(437)	-	-	-	83,113
Total equity	566,477	20,117	(2,864)	74,580	-	658,310

(i) **Proforma adjustments – Merged Group Unaudited Proforma Historical Statement of Financial Position**

- Estimated transaction costs of US\$5.4 million to be incurred by the Merged Group with respect to the Scheme. US\$2.5 million relating to Silvercorp is capitalised to Mineral Rights & Properties and US\$2.9 million relating to OreCorp is included in the Merged Group Unaudited Pro forma Income Statement.

- Acquisition of OreCorp, at an assumed equity purchase price of A\$0.51 per OreCorp Share. Total OreCorp Shares on issue are currently 469,408,892 plus 4,012,106 unlisted performance rights that will automatically vest upon a change of control. Excluding 70,411,334 Shares owned by Silvercorp, which will not be subject to acquisition through the Scheme, there are 403,009,664 Shares that will be acquired, giving an implied value of US\$129.3 million recognised as US\$111.6 million increase to Mineral Rights & Properties. The equity purchase price will be funded US\$40.2 million in cash, with the remaining settled via the issuance of New Silvercorp Securities.
- Included within the acquisition of OreCorp is an estimated gain of US\$3.2 million after tax for the fair value of the Silvercorp 15% ownership in OreCorp since initial placement of shares recognised in Mineral Rights & Properties.
- Included within the acquisition of OreCorp is the cancellation of 3,725,257 OreCorp Options outstanding, for compensation totalling US\$57,000.
- Included within the acquisition of OreCorp is the exercise of US\$0.6 million performance rights, the cancellation of US\$0.7 million options and US\$0.4 million write off in the reserve totalling US\$1.7 million.
- Upon completion of the Scheme, the transaction may incur a capital gains tax payable under Tanzanian legislation. Although the application of this tax is uncertain, an estimate of US\$14.1 million has been made.

Capital gains tax is payable in Tanzania, in accordance with section 56 of the Income Tax Act 2004, where the ultimate share ownership of a Tanzanian entity changes by more than 50%. The tax is levied on the notional capital gain arising from the difference between the risk adjusted expected cost base and the market value of the consideration at the 30% Tanzanian corporate income tax rate.

The application of capital gains tax will only be known upon completion of the transaction. An estimate of the tax payable has been made by reference to the market value of the consideration, based on the assumed equity purchase price above, and the risk-adjusted, expected cost base for the calculation of the capital gain, based on expenditures incurred on the Nyanzaga Project, to date, in Tanzania.

Silvercorp is acquiring all of the outstanding shares of OreCorp, which will extend to 100% ownership of OreCorp's Tanzanian subsidiaries, OreCorp Tanzania and NMCL and an 84% effective ownership of SMCL. As noted above in section 5.1, the remaining 16% of SMCL is owned by the Government of Tanzania. This meets the change of control test, where ultimate share ownership of these entities will change by more than 50%.

(ii) *Items not reflected in the Merged Group Unaudited Proforma Historical Statement of Financial Position*

- Trading of Silvercorp and OreCorp after 30 June 2023.
- Proforma adjustments do not include potentially unrecognised deferred tax assets.

(g) **Merged Group Unaudited Proforma Historical Statements of Cashflows**

	Silvercorp	OreCorp	Proforma Adjustments	Merged Group
Year ended 31 March 2023	US\$000s	US\$000s	US\$000s	US\$000s
Cashflows from operating activities				
Receipts from customers	209,065	-	-	209,065
Payments to suppliers and employees	(113,842)	(12,894)	7,488	(119,248)
Interest and other costs of finance paid	(43)	(112)	-	(155)
Income taxes paid	(9,537)	-	-	(9,537)
Interest received	-	249	-	249
Net cash inflow / (outflow) from operating activities	85,643	(12,757)	7,488	80,374
Cashflows from investing activities				
Purchase of property, plant & equipment	(13,293)	(178)	-	(13,471)
Proceeds from disposal of property, plant & equipment	215	-	-	215
Mineral rights & properties expenditures	(41,664)	(3,372)	(7,488)	(52,524)
Acquisition of investments	(3,702)	-	-	(3,702)
Proceeds from disposal of investments	1,035	-	-	1,035
Investment in associates	(2,055)	-	-	(2,055)
Net proceeds from reclamation deposits	835	-	-	835
Proceeds from leasing	172	-	-	172
Purchase of short term investments	(182,299)	-	-	(182,299)
Redemption of short term investments	214,232	-	-	214,232
Net cash outflow from investing activities	(26,524)	(3,550)	(7,488)	(37,562)
Cashflows from financing activities				
Payment of principal portion of lease liabilities	(597)	(43)	-	(640)
Payments for share issue transaction costs	-	(2)	-	(2)
Distributions to non-controlling interests	(10,880)	-	-	(10,880)
Repurchase of common shares	(2,078)	-	-	(2,078)
Dividends paid	(4,425)	-	-	(4,425)
Net cash outflow from financing activities	(17,980)	(45)	-	(18,025)
Net increase / (decrease) in cash and cash equivalents	41,139	(16,352)	-	24,787
Foreign exchange movement on cash and cash equivalents	(8,749)	(702)	-	(9,451)
Cash and cash equivalents at beginning of financial year	113,302	28,891	-	142,193
Cash and cash equivalents at end of financial year	145,692	11,837	-	157,529

	OreCorp	Silvercorp	Proforma Adjustments	Merged Group
Quarter ended 30 June 2023	US\$000s	US\$000s	US\$000s	US\$000s
Cashflows from operating activities				
Receipts from customers	-	60,118	-	60,118
Payments to suppliers and employees	(2,497)	(26,697)	(1,435)	(30,629)
Interest and other costs of finance paid	(246)	(7)	-	(253)
Income taxes paid	-	(4,533)	-	(4,533)
Interest received	88	-	-	88
Net cash inflow / (outflow) from operating activities	(2,655)	28,881	(1,435)	24,791
Cashflows from investing activities				
Purchase of property, plant & equipment	(97)	(3,214)	-	(3,311)
Proceeds from disposal of property, plant & equipment	-	124	-	124
Mineral rights & properties expenditures	-	(11,885)	(1,428)	(13,313)
Acquisition of investments	-	(3,594)	-	(3,594)
Proceeds from disposal of investments	-	70	-	70
Net costs from reclamation deposits	-	(15)	-	(15)
Purchase of short term investments	-	(8,552)	-	(8,552)
Redemption of short term investments	-	5,950	-	5,950
Acquisition of OreCorp	-	-	(42,718)	(42,718)
Net cash outflow from investing activities	(97)	(21,116)	(44,146)	(65,359)
Cashflows from financing activities				
Payment of principal portion of lease liabilities	(27)	(64)	-	(91)
Distributions to non-controlling interests	-	(7,248)	-	(7,248)
Dividends paid	-	(2,214)	-	(2,214)
Net cash outflow from financing activities	(27)	(9,526)	-	(9,553)
Net decrease in cash and cash equivalents	(2,779)	(1,761)	(45,581)	(50,121)
Foreign exchange movement on cash and cash equivalents	(72)	(653)	-	(725)
Cash and cash equivalents at beginning of financial year	11,837	145,692	-	157,529
Cash and cash equivalents at end of financial year	8,986	143,278	(45,581)	106,683

(i) *Proforma adjustments – Merged Group Unaudited Proforma Historical Statement of Cashflows*

- Payments to suppliers & employees that were attributable to exploration & evaluation activities, and expensed as incurred under the OreCorp accounting policy of US\$7.5 million for the year ended 31 March 2023 and US\$1.4 million for the quarter ended 30 June 2023, have been transferred to Mineral rights & properties expenditures to align with Silvercorp's accounting policy.
- US\$40.1 million has been incurred in investing activities for the payment of the cash component of the estimated consideration for OreCorp.
- Estimated transaction costs to be incurred by the Merged Group with respect to the Scheme have been included in Payments to suppliers & employees, to the extent they

are incurred by OreCorp (US\$2.9 million) and investing activities, to the extent they are incurred by Silvercorp (US\$2.6 million).

(ii) *Items not reflected in the Merged Group Unaudited Proforma Historical Statement of Financial Position*

- Operating cashflows of Silvercorp and OreCorp after 30 June 2023

7.8 Capital structure of the Merged Group

The table below summarises the number of Silvercorp Shares that will be on issue on the Implementation Date:

Timing	Number
On issue as at the date of this Scheme Booklet	176,819,989
To be issued under the Scheme	38,971,035
Pro forma	215,791,024

Notes:

- 1 Based on 398,997,558 OreCorp Shares on issue that are not held by Silvercorp as at the Last Practicable Date, and assuming all OreCorp Performance Rights are vested and exercised immediately prior to the Effective Date.
- 2 The number of Silvercorp Shares to be issued under the Scheme in the table above does not contemplate rounding.
- 3 Assuming no Silvercorp Options or Silvercorp RSUs are exercised between the Last Practicable Date and the Implementation Date.
- 4 Assuming Silvercorp has not cancelled any Silvercorp Shares that have been repurchased by Silvercorp under the Silvercorp Share Repurchase Program.

It is anticipated that upon implementation of the Scheme, the OreCorp Shareholders will beneficially own approximately 17.8% of Silvercorp's common shares outstanding on a fully diluted in-the-money basis.

As part of the transfer of OreCorp Shares to Silvercorp, OreCorp Shareholders on the Record Date will have the right to receive, for each OreCorp Share they hold, either of the following:

- 0.0967 New Silvercorp Shares for each Scheme Share held; or
- if ASX has formally approved ASX Quotation (conditional only on implementation of the Scheme) by no later than 5.00pm on the Business Day prior to the Second Court Date and a Scheme Shareholder is a CDI Elected Shareholder, 0.0967 New Silvercorp CDIs for each Scheme Share.

7.9 Silvercorp Shares and Silvercorp CDIs

(a) Silvercorp Shares

Registered holders of Silvercorp Shares are entitled to receive notice of and attend all shareholder meetings of Silvercorp Shareholders and to one vote for each Silvercorp Share held. In addition, holders of Silvercorp Shares are entitled to receive on a pro rata basis dividends if, as and when declared by the Silvercorp Board and, upon liquidation, dissolution or winding-up, are entitled to receive on a pro rata basis Silvercorp's net assets after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and

conditions attaching to any other series or class of securities ranking in priority to, or equal with, the holders of the Silvercorp Shares. Any alteration of the rights attached to Silvercorp Shares must be approved by at least two-thirds of the Silvercorp Shares voted at a meeting of Silvercorp Shareholders.

For additional information about certain rights of shareholders under the Business Corporations Act see Annex 8.

New Silvercorp Shares will be fully paid common shares in Silvercorp, being the equivalent of an ‘ordinary’ share in Australia. New Silvercorp Shares will be listed and traded on the TSX in C\$ and on the NYSE American in US\$. They will not be quoted or tradeable on ASX.

New Silvercorp Shares must be traded on the TSX and the NYSE American through a broker that is entitled to trade on the TSX or the NYSE American (as applicable). Not all Australian stockbrokers are able to trade securities on the TSX or the NYSE American. It is the responsibility of Scheme Shareholders to ensure that appropriate arrangements are in place if they wish to hold and trade New Silvercorp Shares.

Scheme Shareholders who are issued Scrip Consideration in the form of New Silvercorp Shares will be issued with direct registration statements to evidence legal title.

(b) Silvercorp CDIs

CDIs are used to enable trading on ASX of financial products issued by entities domiciled in countries whose laws may not recognise uncertificated holders or electronic transfer of title through CHESS. CDIs represent an interest in the underlying security of a foreign company. This allows investors to trade interests in foreign securities by trading the relevant CDIs on ASX.

In the case of the New Silvercorp CDIs provided as Scheme Consideration, each New Silvercorp CDI will represent a beneficial interest in one New Silvercorp Share and will have rights that are economically equivalent to the rights attaching to a Silvercorp Share, except for certain differences noted below (see “Principal differences between New Silvercorp Shares and New Silvercorp CDIs”).

The Silvercorp Shares to which the New Silvercorp CDIs relate will be provided by Silvercorp to a depositary nominee which will hold legal title to those shares on behalf of the holders of the New Silvercorp CDIs. It is Silvercorp’s current intention to appoint CDI Nominee, a wholly-owned subsidiary of ASX, as depositary nominee. New Silvercorp CDIs will be quoted and traded on ASX in Australian dollars under a symbol to be advised before implementation of the Scheme. New Silvercorp CDIs will not be quoted or traded on the TSX or the NYSE American.

The key features of New Silvercorp CDIs are summarised below.

General

Except for certain differences noted below (see “Principal differences between New Silvercorp Shares and New Silvercorp CDIs”), the rights attaching to New Silvercorp CDIs are economically equivalent to the rights attaching to Silvercorp Shares, and Silvercorp will generally be required to treat holders of New Silvercorp CDIs as if they were the holders of the Silvercorp Shares represented by those New Silvercorp CDIs.

Ratio

Each New Silvercorp CDI will represent one Silvercorp Share.

Voting

Holders of New Silvercorp CDIs will be sent notices of meetings of Silvercorp Shareholders at the same time as they are sent to Silvercorp Shareholders. As holders of Silvercorp CDIs are not the registered holders of the Silvercorp Shares represented by Silvercorp CDIs, they will not be automatically entitled to vote at a meeting of Silvercorp Shareholders.

However, the holder of a New Silvercorp CDI can direct the CDI Nominee to cast votes in a particular manner on their behalf as proxy to exercise the votes attaching to the Silvercorp Shares represented by the holder's New Silvercorp CDIs.

If a holder of a New Silvercorp CDI wishes to vote at a meeting of Silvercorp Shareholders, the holder must first convert their New Silvercorp CDIs into the underlying Silvercorp Shares in sufficient time before the record date for the meeting.

Takeovers

The CDI Nominee must not accept a takeover offer in respect of any Silvercorp CDIs representing Silvercorp Shares unless otherwise authorised by holders of Silvercorp CDIs to accept the offer. It is the CDI Nominee's responsibility to ensure that the bidder processes those acceptances.

Communications with Silvercorp

Silvercorp will communicate directly with holders of New Silvercorp CDIs with respect to corporate actions and will send notices and other documents (e.g. notices of meetings) to holders of New Silvercorp CDIs at the same time, to the extent practicable, as they are sent to Silvercorp Shareholders.

Trading

Following the listing of the New Silvercorp CDIs on ASX, New Silvercorp CDIs can be traded on ASX. New Silvercorp CDIs will not be tradeable on the TSX or the NYSE American. If a holder of New Silvercorp CDIs wishes to trade on the TSX or the NYSE American, they must convert the New Silvercorp CDIs into Silvercorp Shares (see "Converting Silvercorp CDIs to Silvercorp Shares").

Dividends

In accordance with the ASX Settlement Operating Rules, Silvercorp will distribute any dividend declared on Silvercorp Shares to holders of Silvercorp CDIs.

Dividend record and payment dates will be the same for New Silvercorp Shares and New Silvercorp CDIs. See section 7.4 for further details on Silvercorp's intentions in relation to dividends.

Evidence of ownership

If New Silvercorp CDIs are issued to you under the Scheme, you will receive a holding statement or confirmation advice in respect of your Silvercorp CDIs rather than a holding statement for the underlying Silvercorp Shares. Revised holding statements will be provided on a periodic basis if there is a change in the number of Silvercorp CDIs held by you. New

Silvercorp CDIs may be held on an issuer sponsored subregister or on a CHESSE subregister. New Silvercorp CDIs will be received:

- on the Silvercorp CDI issuer sponsored subregister, to the extent they are issued for OreCorp Shares held on the OreCorp issuer sponsored subregister as at the Record Date; and
- on the Silvercorp CDI CHESSE subregister, to the extent they are issued for Silvercorp Shares held on the OreCorp CHESSE subregister as at the Record Date.

Converting Silvercorp CDIs to Silvercorp Shares

Holders of New Silvercorp CDIs may at any time (following the Implementation Date) request to convert their New Silvercorp CDIs into Silvercorp Shares listed on the TSX or the NYSE American by contacting:

- the Silvercorp CDI registry, if their New Silvercorp CDIs are held directly on the Silvercorp CDI issuer sponsored subregister. Silvercorp CDI holders will be provided with a CDI cancellation request form for completion and return to the Silvercorp CDI registry; or
- their sponsoring participant (usually their broker), if their New Silvercorp CDIs are held on the Silvercorp CDI CHESSE subregister. In this case, your sponsoring broker will arrange for completion of the relevant form and its return to the Silvercorp CDI registry.

Silvercorp's Canadian securities registry will then arrange for the transfer of Silvercorp Shares from the CDI Nominee to the former Silvercorp CDI holder and, depending on the request made, issue the Silvercorp Shares to the former Silvercorp CDI holder via a share certificate, in book entry form in the direct registration system or to a participant in the Canadian central security depository. Trading on ASX will no longer be possible.

It is expected that requests for conversion will ordinarily be processed by the next business day, provided that the Silvercorp CDI registry is in receipt of a duly completed and valid CDI cancellation request form. However, no guarantee can be given about the time for this conversion to take place. The Silvercorp CDI registry will not charge an individual security holder a fee for converting Silvercorp CDIs into Silvercorp Shares (although a cross-border transaction fee may be charged by any intermediaries).

No trading of the underlying Silvercorp Shares can take place on the TSX or the NYSE American until the conversion process has been completed. The decision whether to convert New Silvercorp CDIs to Silvercorp Shares will depend on your individual circumstances. You should seek advice from your own independent and appropriately licenced financial, legal and taxation advisers before deciding whether to convert New Silvercorp CDIs to Silvercorp Shares.

Converting Silvercorp Shares to Silvercorp CDIs

OreCorp Shareholders that receive New Silvercorp Shares instead of New Silvercorp CDIs, and existing Silvercorp Shareholders, may at any time (following the Implementation Date) convert them into Silvercorp CDIs by contacting Silvercorp's Canadian securities registry. Silvercorp's Canadian securities registry will not charge an individual securityholder a fee for converting New Silvercorp Shares to Silvercorp CDIs (although a cross-border transaction fee may be charged by any intermediaries).

In this instance, underlying Silvercorp Shares will be transferred to the CDI Nominee and a holding statement for the CDIs will be issued to the relevant security holder. No trading in Silvercorp CDIs on ASX can take place until this conversion process is complete.

The decision whether to convert New Silvercorp Shares to Silvercorp CDIs will depend on your individual circumstances. You should seek advice from your own independent and appropriately licenced financial, legal and taxation adviser before deciding whether to convert New Silvercorp Shares to Silvercorp CDIs.

Principal differences between New Silvercorp Shares and New Silvercorp CDIs

The principal difference between holding a New Silvercorp CDI and holding a New Silvercorp Share is that the holder of a New Silvercorp CDI has an indirect, beneficial interest in the New Silvercorp Share underlying their New Silvercorp CDI instead of directly owning the New Silvercorp Share. This means that the holder of the New Silvercorp CDI is not the holder of the underlying New Silvercorp Share and therefore:

- cannot directly trade the underlying New Silvercorp Share; and
- is a beneficial holder (rather than a registered legal holder) of the underlying New Silvercorp Share.

Other differences

(A) Exercise of shareholder rights

As holders of New Silvercorp CDIs are not registered shareholders of Silvercorp, the rights attaching to New Silvercorp Shares which underlie their New Silvercorp CDIs must be exercised by the CDI Nominee. A holder of New Silvercorp CDIs may instruct the CDI Silvercorp to exercise those rights on their behalf. In contrast, a registered holder of New Silvercorp Shares can directly exercise the rights attaching to their New Silvercorp Shares in such manner as they choose. For example, as described above, a holder of a New Silvercorp CDI cannot vote at a Silvercorp meeting as a Silvercorp shareholder but can direct the CDI Nominee how to vote, or appoint the holder as proxy, at that Silvercorp Shareholder meeting.

(B) New Silvercorp CDIs will be quoted and trade on ASX and New Silvercorp Shares will be quoted and trade on the TSX and the NYSE American.

New Silvercorp Shares will be tradeable on the TSX and the NYSE American only. They will not be quoted or tradeable on ASX. Accordingly, investors who wish to trade New Silvercorp Shares on the open market must do so on the TSX or the NYSE American. Such trades must be undertaken through a broker entitled to trade on the TSX or the NYSE American. It is the responsibility of OreCorp Shareholders to ensure that appropriate arrangements are in place if they wish to hold and trade New Silvercorp Shares on the TSX or the NYSE American.

New Silvercorp CDIs will be tradeable on ASX only. This may be attractive to OreCorp Shareholders, as it allows New Silvercorp CDIs to be traded during Australian business hours using Australian brokers in prices quoted in AUD. See section 8.5(i) for further discussion of the liquidity of the market for New Silvercorp CDIs and the potential risks that they may trade at a discount to New Silvercorp Shares in the TSX and the NYSE American.

(c) Commencement of trading of New Silvercorp Shares and New Silvercorp CDIs

Under the Scheme Implementation Deed, Silvercorp is required to use all reasonable endeavours to apply for admission of Silvercorp to the official list of the ASX and the New Silvercorp CDIs being approved for official quotation on the ASX. If ASX Quotation occurs, it is expected that the New Silvercorp CDIs issued as part of the Scheme Consideration will be quoted on ASX and trade on ASX on a deferred settlement basis from the start of trading on the first trading day after the Effective Date.

Normal trading of New Silvercorp CDIs is expected to start on the first trading day on ASX after the Implementation Date.

Trading on the TSX and the NYSE American of New Silvercorp Shares is expected to start on the TSX and the NYSE American (respectively) on the Implementation Date.

It is the responsibility of each person who is issued New Silvercorp Shares or New Silvercorp CDIs under the Scheme to confirm their holding before trading in these to avoid the risk of selling shares that they do not own. Any person who sells New Silvercorp Shares or New Silvercorp CDIs before they receive their direct registration statements or CDI holding statements, or confirm their uncertificated holdings, does so at their own risk. To the maximum extent permitted by law, each of OreCorp and Silvercorp disclaims all liability to persons who trade New Silvercorp Shares or New Silvercorp CDIs before receiving their direct registration statements or CDI holding statements.

8. Key Risks

8.1 Overview

When considering the Scheme, you should be aware that there are a number of general and specific risk factors that are relevant to the Scheme. This section addresses a number of key risks that are associated with:

- the implementation of the Scheme (section 8.2);
- the business and operations of OreCorp, including your current investment in OreCorp Shares (section 8.3);
- the business and operations of Silvercorp (section 8.4); and
- the Merged Group (section 8.5).

Scheme Shareholders are already, or will be, exposed to a considerable number of these risk factors. However, as the nature of the Merged Group's business will differ from that of OreCorp (as an individual and unrelated business), Scheme Shareholders will potentially be exposed to additional risks in respect of the business and operations of the Merged Group.

The risk factors discussed in this section do not comprise an exhaustive list of all risks and risk factors that are relevant to the Scheme, OreCorp or the Merged Group nor to which Scheme Shareholders may be exposed. Further, the information set out in this section is a summary only and should be considered in conjunction with the other information set out in this Scheme Booklet.

There may be additional risks and uncertainties of which OreCorp and Silvercorp are not currently aware, or which may be considered immaterial, and which may also become significant risks that can have an adverse impact on the business of the Merged Group.

It is also important to note that this section has been prepared without reference to the specific investment objective, financial and taxation circumstances or the specific needs of any Scheme Shareholder or any other person. It is recommended that each Scheme Shareholder seek independent and professional advice from their legal, financial or other professional adviser.

8.2 Risks relating to the implementation of the Scheme

(a) Implementation of the Scheme is subject to a number of conditions

The Scheme is subject to a number of conditions precedent which must be satisfied (or, if applicable, waived) before the Scheme can come into effect. The conditions precedent are summarised in section 9.1(a). There is no certainty or guarantee, nor can OreCorp or Silvercorp provide any assurance, that these conditions will be satisfied (or, if applicable, waived) or as to the timing of their satisfaction or waiver. Additionally, several of the conditions precedent are outside of the control of OreCorp and Silvercorp, such as the requisite approvals from relevant Government Agencies, including the FCC, as well as the listing of the New Silvercorp Shares on the TSX and the NYSE American.

Any failure or delay in the satisfaction of the conditions precedent could prevent or delay the completion of the Scheme. If completion is delayed, this may impact upon the benefits that OreCorp and Silvercorp expect to obtain from the Scheme, increase the costs associated with

the implementation of the Scheme, hinder the successful integration of OreCorp and Silvercorp's businesses and adversely affect the market price of the New Silvercorp Shares or New Silvercorp CDIs. If the Scheme does not complete, this may also have an adverse impact on the market price of OreCorp Shares, the costs OreCorp has incurred in connection with the Scheme will not be recoverable and OreCorp Shareholders will continue to be subject to the risks outlined in section 8.3.

(b) Approval of the Court

There is a risk that the Court may not approve the Scheme or that such approval is delayed. For example, if a material change in circumstances occurs between the date of the Scheme Meeting and the Second Court Date, the Court will have regard to such change in deciding how it should proceed, and may not approve the Scheme if it deems the changes are so significant that they materially alter the Scheme. If the Court does not approve the Scheme, or Court's approval is delayed, this gives rise to the same implications outlined at paragraph (a) above.

(c) Termination of the Scheme Implementation Deed

OreCorp and Silvercorp each have the right to terminate the Scheme Implementation Deed in certain circumstances. Paragraph 8 of Annex 1 and section 14 of the Scheme Implementation Deed in Annex 2 provide further information in relation to the termination of the Scheme Implementation Deed. Accordingly, it is possible that the Scheme Implementation Deed will be terminated by either OreCorp or Silvercorp prior to the implementation of the Scheme, and if so the Scheme will not proceed.

Where the Scheme Implementation Deed is terminated, there can be no assurance or guarantee that OreCorp will be able to identify and engage another party that is willing to pay an equivalent or greater price for OreCorp Shares than the price that is to be paid pursuant to the terms of the Scheme Implementation Deed and the Scheme. In this scenario, the costs OreCorp has incurred to date in connection with the Scheme would not be recoverable, OreCorp will continue to operate on a stand-alone basis and OreCorp Shareholders will continue to be exposed to the risks outlined in section 8.3.

(d) Market value of the Scheme Consideration

As explained above, the Scrip Consideration is calculated using a fixed ratio which will not be adjusted in the event of changes in the value of New Silvercorp Securities or OreCorp Shares over time. Accordingly, the implied value of the Scrip Consideration will vary over time depending on the prevailing Silvercorp Share price and the AUD:CAD or AUD:USD exchange rates. One implication of this is that at the Scheme Meeting (when Scheme Shareholders will be asked to approve the Scheme) Scheme Shareholders will not know the precise value of the Scrip Consideration they will receive on the Implementation Date.

Further, following implementation of the Scheme, the price of any New Silvercorp Shares or New Silvercorp CDIs will continue to rise and fall based on market conditions and the Merged Group's financial and operating performance. If a significant number of Scheme Shareholders seek to sell their New Silvercorp Shares or New Silvercorp CDIs, this may adversely impact the price of New Silvercorp Shares or New Silvercorp CDIs. Recently, the securities markets have experienced a high level of price and volume volatility, and the market price of the securities of many mining companies have experienced broad fluctuations (which are not necessarily related to the operating performance or the underlying asset value of such companies). Accordingly, it is not possible to predict the value or performance of the New Silvercorp Shares or New Silvercorp CDIs.

(e) **Change in risk and investment profile**

Following implementation of the Scheme, Scheme Shareholders (other than Ineligible Shareholders) will be exposed to certain additional risks relating to Silvercorp, the Merged Group and the integration of the two businesses (which are set out in sections 8.4 and 8.5). While Silvercorp and OreCorp broadly operate in the same sector (mining) the operational profile, capital structure, size and geographical scope of the Merged Group will be different from that of OreCorp on a standalone basis. As such, in certain cases, such risks are different from or additional to the risks related to OreCorp, and the investment profile of the business of the Merged Group will differ from the business of OreCorp as a standalone entity. These factors are more fully set out in sections 8.4 and 8.5.

(f) **Silvercorp may not obtain or maintain its listing on the ASX**

Under the Scheme Implementation Deed, Silvercorp is required to use all reasonable endeavours to apply for admission of Silvercorp to the official list of the ASX and the New Silvercorp CDIs being approved for official quotation on the ASX. If ASX has provided Silvercorp with conditional approval (conditional only on implementation of the Scheme, the issue of the Scrip Consideration and customary pre-quotation disclosures) for admission to the official list of ASX by 5.00pm on the Business Day before the Second Court Date, Scheme Shareholders (other than Ineligible Shareholders) may elect to receive the Scrip Consideration in the form of New Silvercorp CDIs (which may be traded on ASX) or New Silvercorp Shares.

In the event that ASX does not provide conditional approval by 5.00pm on the Business Day before the Second Court Date, all Scheme Shareholders (other than Ineligible Shareholders) will receive New Silvercorp Shares as Scrip Consideration.

There is no guarantee that Silvercorp will be admitted to the official list of the ASX or the approval will be obtained by 5.00pm on the Business Day before the Second Court Date.

If Silvercorp is admitted to the official list of the ASX and the New Silvercorp CDIs are quoted on the ASX, there can be no assurance or guarantee that Silvercorp will maintain its listing in the future. If Silvercorp were to de-list from the ASX, holders of New Silvercorp CDIs would need to convert them into Silvercorp Shares tradable on the TSX and the NYSE American and seek to trade through a broker authorised to trade on the TSX and the NYSE American.

(g) **Taxation consequences for Scheme Shareholders**

If the Scheme is successfully implemented, there may be tax consequences for Scheme Shareholders, which will vary depending on a number of factors, including their place of residence for tax purposes and their individual tax circumstances.

Section 11 sets out a summary of the general Australian income tax, stamp duty and GST consequences for Scheme Shareholders participating in the Scheme.

8.3 Risks relating to the business and operations of OreCorp

If the Scheme does not proceed and no other acceptable proposal is received, OreCorp will continue to operate on a stand-alone basis, OreCorp will remain listed on the ASX and OreCorp Shareholders will retain their OreCorp Shares. This section outlines the risk factors in respect of the business and operations of OreCorp that Scheme Shareholders will remain exposed to if the Scheme does not proceed. Given that Silvercorp and OreCorp broadly operate in the same sector, a number of the risk factors outlined in sections 8.4 and 8.5 also apply to OreCorp as a standalone entity. Accordingly, this section focusses on the risks that are specific to OreCorp

(including to the extent they represent specific examples of risks that are also covered in sections 8.4 or 8.5).

The below list of risk factors ought not to be taken as exhaustive of the risks faced by OreCorp or by OreCorp Shareholders. The below factors, and others not specifically referred to below, may in the future materially affect the financial performance of OreCorp and the value of the OreCorp Shares. Therefore, there is no guarantee with respect to the payment of dividends, returns of capital or the market value of OreCorp Shares.

(a) Transaction costs will not be recoverable

Where the Scheme is not implemented, the costs that OreCorp has incurred in respect of the Scheme and the transaction more broadly (approximately A\$1,116,000), will not be recoverable and will be borne by OreCorp alone.

(b) Future capital requirements

OreCorp has no operating revenue and is unlikely to generate any operating revenue unless and until production commences at the Nyanzaga Project. The future capital requirements of OreCorp will depend on many factors including its business development activities.

In order to successfully develop the Nyanzaga Project and for production to commence, OreCorp will require further financing in the future, in addition to amounts raised pursuant to the Placement. Additional funding may be raised via issues of equity, debt or a combination of debt and equity or asset sales. Any additional equity financing may be dilutive to OreCorp Shareholders, may be undertaken at lower prices than the market price at that time, or may involve restrictive covenants which limit OreCorp's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities, including the grant of security over the assets of the OreCorp Group or imposition of a range of restrictive covenants. Although the OreCorp Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to OreCorp or at all. If OreCorp is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities, and this could have a material adverse effect on OreCorp's activities including resulting in the permits being subject to forfeiture and could affect OreCorp's ability to continue as a going concern.

OreCorp may undertake additional offerings of securities in the future. The increase in the number of OreCorp Shares issued and outstanding and the possibility of sales of such OreCorp Shares may have a depressive effect on the price of OreCorp Shares. In addition, as a result of such additional OreCorp Shares, the voting power of existing OreCorp Shareholders will be diluted.

(c) New projects and acquisitions

Although OreCorp's focus will remain on the Nyanzaga Project, as with most mining entities, it will pursue and assess new business opportunities in the resource sector over time that complement its business. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation. The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence.

There can be no guarantee that any proposed acquisition will be completed or be successful. If a proposed acquisition is not completed, monies advanced may not be recoverable, which may

have a material adverse effect on OreCorp. If an acquisition is completed, the OreCorp Directors will need to reassess at that time the funding allocated to the Nyanzaga Project and new projects, which may result in OreCorp reallocating funds from the Nyanzaga Project and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project and business activities will remain.

Further, OreCorp may not be able to make attractive acquisitions or investments, successfully form joint ventures or integrate acquired businesses or assets and any inability to do so may disrupt OreCorp's business and cause its operations to incur additional costs.

(d) Risks relating to the development of the Nyanzaga Project

OreCorp's operations are currently in early development stages and its future prospects for success are dependent upon its ability to develop the Nyanzaga Project by beginning and maintaining production at the site and capitalising on any additional opportunities that may eventuate. There are various risks associated with the development of the Nyanzaga Project, and, accordingly, there is no guarantee that it will meet its anticipated outcomes or that sustainable revenue will be achieved.

There are multiple factors that may contribute to delays, increased costs, or potential non-completion of the development of the Nyanzaga Project. These are not limited to, but include: (i) regulatory changes; (ii) third party contractors failing to meet their obligations; (iii) not being able to attract, train and retain the requisite number of employees; (iv) changes in environmental compliance requirements; (v) inclement or severe weather conditions, including fires, storms or explosions, noting that Tanzania is a geographical area that can be subject to severe climatic conditions, including flooding from torrential rain and extreme summer temperatures; (vi) insufficient funds meaning planned development is delayed or prevented, occurring from an unforeseen increase in predicted development costs, construction delays, or currency fluctuations; (vii) extraction costs increasing, including energy, material and labour costs; (viii) availability shortages concerning mining equipment and any associated exploration services (particularly in light of the high levels of activity in the resources industry at present); (ix) interruption or impairment of equipment or processes; (x) lower than expected efficiency or output from the plant and its supporting operations; (xi) taxes and imposed royalties, (xii) labour unrest, strikes or sabotage; and (xiii) pandemics, disease and other health-related events. Some of these factors are exacerbated in developing countries such as Tanzania as compared with more developed jurisdictions. For example, operational risks are likely to be higher due to more limited access to services, skilled employees and infrastructure.

Any of these factors could result in OreCorp having to delay or cease the development of the Nyanzaga Project, which could have a material adverse effect on OreCorp's business and financial condition.

(e) Title, grant and approvals risk

The success of OreCorp will depend (among other things) on its ability to maintain title to the Nyanzaga Project and secure the various governmental approvals required to develop the Project. Interests in all permits in Tanzania are governed by state legislation and are evidenced by the granting of licences. Each licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. As such, OreCorp could be exposed to additional costs, have its ability to explore or mine the permits reduced, or lose title to or its interest in the permits if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. In particular, if the SML is not renewed or granted, OreCorp may suffer significant damage through the loss of opportunity

to develop and discover mineral resources on the SML. There is also a risk that permits will not be renewed when required, or that future mineral licence applications may not be approved. A similar risk applies in relation to the other governmental approvals OreCorp requires to carry out its business.

(f) **Resource estimation risk**

The calculation and interpretation of mineral resource estimates are, by their nature, expressions of judgment based on knowledge, experience and industry practice. Such estimates are imprecise and may prove to be inaccurate. As such, estimates relating to the Nyanzaga Project or future projects OreCorp may be involved, in which were valid when originally calculated, may alter significantly through additional fieldwork or when new information or techniques become available. This may result in alterations to development and mining plans, which may in turn adversely affect OreCorp's operations.

(g) **Reporting in accordance with the JORC Code**

The mineral resource estimates in this Scheme Booklet and the ASX announcements made by OreCorp have been prepared in compliance with the JORC Code. Such estimates may not comply with the relevant reporting guidelines in other countries. Information describing OreCorp's mineral deposits may not be comparable to similar information made public by companies subject to the reporting and disclosure requirements of other countries.

Accordingly, it should not be assumed that quantities reported as "resources" by OreCorp will be converted to reserves under the JORC Code or any other reporting regime or that OreCorp will be able to legally and economically extract them.

(h) **Mineral and currency price volatility**

Any future revenue derived through any future sales of gold exposes the potential income of OreCorp to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors, as outlined in paragraph 8.4(a) below, which are beyond the control of OreCorp.

OreCorp reports its financial statements in Australian dollars. The functional currency of its Tanzanian subsidiaries and all intermediate holding companies is the US dollar. OreCorp is exposed to foreign exchange risk when OreCorp undertakes transactions and holds assets and liabilities in currencies other than its functional currencies. The fluctuation of the exchange rate between the reporting currency and its functional currencies may materially and adversely affect OreCorp's financial position.

(i) **Competition risk**

The resources industry is competitive in all phases, as outlined at paragraph 8.4(o) below. Many of OreCorp's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis, and as a result may be in a better position to compete for future business opportunities. Although OreCorp will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Nyanzaga Project.

(j) Tanzanian Government free carried interest

The Government of the United Republic of Tanzania is entitled to a non-dilutable free carried interest of not less than 16% in the capital of a Tanzanian mining company that conducts mining operations under a mining licence or special mining licence. As explained in section 5 above, as at the Last Practicable Date, the Tanzanian Government holds a 16% free carried interest in SMCL, a joint venture company which holds the SML for the Nyanzaga Project. OreCorp holds the remaining 84% interest in SMCL through its wholly-owned subsidiary, NMCL. Accordingly, OreCorp's interest in, and potential economic benefit from, the Nyanzaga Project is proportionately reduced. OreCorp is also required to fund the Tanzanian Government's share of the development and other costs for Nyanzaga in accordance with the terms of its free carried interest.

(k) Environmental matters

The operations and proposed activities of OreCorp are subject to various environmental laws and regulations. If such laws are not complied with OreCorp may be required to suspend its activities or may be subject to significant liability, including fines and other penalties.

As with most mining projects, OreCorp's activities are expected to have an impact on the environment, particularly in respect of mine development. It is OreCorp's intention to conduct its activities to the highest standard and to comply with its legal obligations, including compliance with all environmental laws and relevant authorisations. Although OreCorp believes that it is in compliance in all material respects with all applicable environmental laws and regulations and authorisations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which may expose OreCorp to extensive liability.

OreCorp may require approval from government authorities and officials prior to commencing activities that are likely to have an adverse impact on the environment. Where such authorisations are not obtained, OreCorp will be delayed or prevented from undertaking such activities.

The impact of additional environmental laws and regulations, which may be adopted in the future cannot be predicted or anticipated by OreCorp, including whether any such laws or regulations would materially increase OreCorp's cost of doing business or affect its operations in any area. It is possible that new environmental laws, regulations or stricter enforcement policies, once implemented, will require OreCorp to incur significant expenses and undertake significant investments which could have a material adverse effect on OreCorp's business, financial condition and results of operations.

OreCorp will also face ongoing obligations regarding reclamation and rehabilitation costs. The current prospecting and exploration operations conducted by OreCorp are subject to reclamation costs that will be incurred once mining development and its associated activities are commenced. Any estimates concerning reclamation and rehabilitation costs are subject to change depending on the operations actually incurred. If actual costs are significantly higher than estimated there may be a material adverse effect on OreCorp's financial condition.

(l) Country risk (Tanzania)

Given the location of the Nyanzaga Project, OreCorp is subject to the risks associated with operating in a foreign country (particularly, Tanzania). Any material changes in government policies or legislation that affect ownership, mineral exploration, development or mining activities or other matters such as taxation, labour conditions, exchange control and the ability

to repatriate income – may adversely affect OreCorp’s activities in the future. The Tanzanian Government has previously experienced, and may in future experience, instability and economic and fiscal issues, some or all of which could directly and indirectly affect the Tanzanian economy and, in turn, OreCorp. In addition, Tanzania has enacted substantive changes in its mining laws in recent years, and the full impact of these is yet to be demonstrated in practice.

OreCorp’s ability to realise the value from its assets may also be affected by a number of broader political and social issues, for example divergent political agendas and decision making, environmental and social policy and the impact of bribery and corruption. Additionally, the media, non-government organisations and other activists may play an increasing role at local, national and international levels to influence political policy, the perceptions of society and community actions, which have the ability to negatively impact OreCorp’s reputation.

There are other risks associated with operating in a developing country such as Tanzania which are not necessarily present in a developed country like Australia or Canada including (i) hyperinflation, currency non-convertibility or instability; (ii) government control over natural resources or government regulations that require the employment of local staff or contractors or the provision of other benefits to local residents and (iii) the possibility of assets being nationalised or expropriated.

Tanzania’s legal system is also less developed than more established countries (including with respect to the degree of experience held by the judiciary) which could give rise to difficulties in obtaining effective legal redress against governmental entities or private parties. There may also be a higher degree of discretion held by various government officials or agencies, a lack of political or administrative guidance on implementing applicable law and regulations (particularly in relation to taxation and property rights) and inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions.

Relatedly, there is a risk that local businesses, government officials and the judiciary will not adhere to the legal terms of negotiated agreements and authorisations including those granted in respect of the Nyanzaga Project. Such agreements and authorisations may be open to revision or cancellation and legal redress may be uncertain or delayed, undermining their effectiveness.

There is also a risk that the government and regulatory environment will not remain conducive to foreign investment, which would negatively impact OreCorp’s ability to carry out its activities as currently contemplated.

Additionally, when conducting activities in respect of assets located in foreign countries and within emerging markets such as Tanzania, ASX listed entities may face a number of additional risks that companies with assets and activities located wholly within Australia may not have to address. This includes in relation to the implementation and maintenance of an effective internal control and risk management systems and good corporate governance principles, having regard to the separation of executive management and the OreCorp Board from the location of the Nyanzaga Project and the resulting need to rely on consultants and professional advisers in those jurisdictions.

(m) Reliance on key personnel

OreCorp is reliant on the knowledge, experience and skills of a number of key personnel and consultants, including members of the OreCorp Board. The loss of one or more of these key contributors could have an adverse impact on the business of OreCorp. Further, failure to

recruit and retain key personnel with appropriate experience and expertise may have an adverse effect on the performance of OreCorp and its activities. It may be particularly difficult for OreCorp to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of OreCorp, compared with other industry participants.

(n) Conflicts of interest

Some OreCorp Directors are also directors and officers of other companies engaged in mineral exploration and development and mineral property acquisitions. The OreCorp Directors are aware of their fiduciary duties in respect of situations that may arise in which they would have obligations to, or interests in, OreCorp which may conflict with their obligations to, or interests in, such other companies. Accordingly, mineral exploration opportunities or prospects of which these Directors become aware may not necessarily be made available to OreCorp in the first instance.

In the event that an actual or potential conflict of interest were to arise, any conflicted OreCorp Director will ensure they comply with their duties as a director of OreCorp, including disclosure of any perceived or actual conflict to the OreCorp Board. The OreCorp Board will then follow procedures and protocols appropriate for a transaction involving a conflict of interest.

(o) Market conditions, operational barriers and third party arrangements

Market conditions, operational barriers or availability of adequate processing or transportation arrangements with third parties may adversely impact OreCorp's access to resource markets, delay its development and production at the Nyanzaga Project or increase operating costs.

(p) External risks applicable to the mining industry generally

OreCorp is subject to the risks and hazards outlined in paragraphs 8.4(t) and 8.4(x) below, together with the risks of war and terrorist attacks, which are applicable across the mining industry generally. Such events may result in a decline in global economic conditions or economic conditions in a particular region of the world, which could have an adverse effect on the business, financial condition or performance of OreCorp. OreCorp is also exposed to the risks associated with climate change in a similar manner to Silvercorp, as explained in paragraph 8.4(j).

(q) Bribery and corruption

The mining industry has historically faced higher risks of corrupt or unethical practices, and some jurisdictions are more prone to fraud, bribery and corruption than others. OreCorp has taken steps to mitigate and detect these issues, such as implementing codes of conduct and bribery policies and other safeguards. However, OreCorp has many different employees, agents, sub-contractors and joint venture partners across different jurisdictions, and it may not be able to detect every instance of fraud, bribery and corruption across these locations. Should any incidents occur, OreCorp could face civil and criminal penalties and reputational harm, which could have a material adverse impact on its business, financial condition and results of operations.

(r) Litigation risk

OreCorp is exposed to possible litigation risks, including tenure disputes, land access disputes, environmental claims, occupational health and safety claims and employee claims. Further, OreCorp may be involved in disputes with other parties in the future which may result in

litigation. Any such claim or dispute, if proven, may adversely impact on OreCorp's operations, financial performance and financial position.

(s) **Cyber risk**

OreCorp relies on various computer systems, data repositories and interfaces with networks and other systems to conduct its activities. Failure of, or security breaches in relation to, these systems (including by way of virus and hacking attacks) have the potential to materially impact OreCorp's activities. Additionally, OreCorp has no control over the cyber security plans, systems and processes of third parties with which it may interface or upon whose services it relies.

(t) **Insurance risk**

OreCorp intends to insure its operations in accordance with industry practice. However, in certain circumstances, OreCorp's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of OreCorp. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(u) **Application of and changes in taxation law**

The application of and changes in relevant taxation laws, or the way taxation laws are interpreted, may have an adverse impact on the financial performance of OreCorp or any member of its group, and the returns for OreCorp Shareholders (including the level of dividend franking / conduit foreign income). This may relate to changes in the level or basis of company income tax, or other taxes (for example, income tax, good and services tax and stamp duties (or equivalent)), either in Australia or overseas.

(v) **Inability to pay dividends or make other distributions or potential for dividend not to be franked or attached conduit foreign income.**

There is no guarantee that dividends will be paid on OreCorp Shares in the future, as this is a matter to be determined by the OreCorp Board in its discretion and the OreCorp Board's decision will have regard to, amongst other things, OreCorp's future development and production operations, financial results and condition, contractual restrictions, capital expenditure and working capital requirements.

Moreover, to the extent that OreCorp pays any dividends, OreCorp may not have sufficient franking credits in the future to frank dividends or sufficient conduit foreign income in the future to declare an unfranked dividend (or the unfranked portion of a partially franked dividend) to be conduit foreign income. Alternatively, the franking system and/or the conduit foreign income system may be subject to review or reform. The extent to which a dividend can be franked will depend on OreCorp's franking account balance (which is expected to be nil immediately following completion of the Scheme) and its level of distributable profits.

OreCorp's franking account balance is contingent on OreCorp making Australian taxable profits and will depend on the amount of Australian income tax paid by OreCorp on those Australian taxable profits. OreCorp's Australian taxable profits may fluctuate, making the payment of franked dividends unpredictable. The extent to which an unfranked or partially franked dividend can be declared to be conduit foreign income will depend on OreCorp's conduit foreign income balance (which will be nil immediately following completion of the Scheme) and its level of distributable profits. OreCorp's conduit foreign income balance will depend on its

operations overseas and the level of non-Australian income tax paid by OreCorp on those operations.

It is noted that, based on present activities, future unfranked dividends paid by OreCorp are to be paid out of conduit foreign income. The value or availability of franking credits and conduit foreign income to an OreCorp Shareholder will differ depending on the shareholder's particular tax circumstances. OreCorp Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year will depend on the individual tax position of each OreCorp Shareholder. No assurances can be given by any person, including the OreCorp Directors, about payment of any dividend and the level of franking or conduit foreign income on any such dividend.

8.4 Risks relating to Silvercorp and its business

An investment in Silvercorp Shares involves a significant degree of risk and ought to be considered a highly speculative investment.

The following risk factors, as well as risks not currently known to the Silvercorp, could materially adversely affect Silvercorp's future business, operations and financial condition and could cause them to differ materially from the estimates described in the forward-looking statements and information relating to the Silvercorp.

(a) The prices of silver, lead, zinc and gold fluctuate widely and a substantial or extended decline in prices could materially and adversely affect Silvercorp's results of operations or financial condition

Silvercorp'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 Silvercorp's control including international and regional economic and political conditions; emerging risks relating to the ongoing impact of COVID-19; expectations of inflation; currency exchange fluctuations; interest rates; global or regional supply and demand for jewellery 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 Silvercorp'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 Silvercorp's Shares and the value of its projects.

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

(b) Market conditions may adversely affect Silvercorp's 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 COVID-19, 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 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 Silvercorp's growth and profitability. Specifically: the volatility of silver, lead, zinc and gold prices may impact Silvercorp's revenues, profits, losses and cash flow; volatile energy prices, commodity and consumable prices and currency exchange rates would impact Silvercorp's production costs; and the devaluation and volatility of global stock markets may impact the valuation of Silvercorp's equity and other securities. These factors could have a material adverse effect on Silvercorp's financial condition and results of operations.

(c) **Actual capital costs, operating costs, production and economic returns may differ significantly from those Silvercorp has anticipated and future development activities may not result in profitable mining operations**

There are no assurances if and when a particular mineral property of Silvercorp can enter into production. The amount of future production is based on the estimates prepared by or for Silvercorp. The capital and operating costs to take Silvercorp's 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 Silvercorp and may differ significantly from their actual values. There can be no assurance that Silvercorp's 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 Silvercorp.

(d) **The permits and licences required for Silvercorp's mining and exploration operations in China may not be granted or renewed**

All of Silvercorp's Mineral Resources and Mineral Reserves are owned by their respective joint venture entities in China. Mineral exploration and mining activities in China may only be conducted by entities that have obtained or renewed exploration or mining permits and licences and other certificates in accordance with the relevant mining laws and regulations. Under 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. Silvercorp 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 Silvercorp's control. Therefore, there can be no assurance that Silvercorp 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 licences could subject Silvercorp to a variety of administrative penalties or other government actions and adversely impact Silvercorp'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 Silvercorp due to Silvercorp's failure to obtain, or delay in obtaining or retaining, any required governmental approvals, permits or licences, Silvercorp'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 licences will be issued to Silvercorp 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 Silvercorp will be in a position to comply with all conditions that are imposed.

(e) **The title to some of Silvercorp's mineral projects may be uncertain or defective, which put Silvercorp's investment in such properties at risk**

The validity of mining or exploration titles or claims or rights, which constitute most of Silvercorp's property holdings, can be uncertain and may be contested. Silvercorp's properties may be subject to prior unregistered liens, agreements or transfers, indigenous land claims, or undetected title defects. In some cases, Silvercorp may not own or hold rights to the mineral concessions Silvercorp mines. Silvercorp has not conducted surveys of all the claims in which Silvercorp holds 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.

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

Silvercorp operates in countries with developing mining laws and changes in such laws could materially impact Silvercorp's rights or interests to Silvercorp's properties. Silvercorp is 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 Silvercorp's operations and profitability.

In the jurisdictions in which Silvercorp operates, 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. Silvercorp does not hold title to all of the surface lands at many of Silvercorp's operations and rely on contracts or other similar rights to conduct surface activities.

(f) **Mineral Reserve and Mineral Resource estimates may not reflect the amount of minerals that may ultimately be extracted**

There is a degree of uncertainty attributable to the estimation of Mineral Resources, Mineral Reserves, mineralisation and corresponding grades being mined or dedicated to future production. Until Mineral Resources, Mineral Reserves or mineralisation are actually mined and processed, the quantity of metals and grades must be considered as estimates only. The figures for Mineral Reserves and Mineral Resources contained in this Scheme Booklet are estimates only based on a number of assumptions, any adverse changes to which could require Silvercorp to lower its Mineral Resource 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 realised or that Mineral Reserves could be mined or processed profitably. Silvercorp's 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 recognised in Silvercorp's technical

reports and financial statements and any material difference between these assumptions and actual events may affect the economic viability of Silvercorp's properties or any project undertaken by Silvercorp. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond Silvercorp'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, mineralisation, or grade may affect the economic viability of the Silvercorp'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.

(g) **Mineral Reserve and Mineral Resource estimates may change adversely and such changes may negatively impact Silvercorp's results of operations or financial conditions**

Unless otherwise indicated, Mineral Resource and Mineral Reserve estimates contained in this Scheme Booklet and in Silvercorp's other filings with securities regulatory authorities, press releases and other public statements that may be made from time to time are based upon estimates made by Silvercorp's personnel and independent geologists/mining engineers. 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 contained in this Scheme Booklet 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 mineralisation figures will be accurate, or that the mineralisation could be mined or processed profitably. The interpretation of drill results, the geology, grade and continuity of Silvercorp's mineral deposits contains inherent uncertainty. Any material reductions in estimates of mineralisation, or of Silvercorp's ability to extract this mineralisation, could have a material adverse effect on its results of operations or financial condition.

The market price of silver, gold and other metals is subject to fluctuations, which can affect the economic viability of developing Silvercorp's 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 Reserve or Probable Reserves (as those terms are defined in the CIM Standards) or that the mineralisation 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 Silvercorp's Mineral Reserve or Mineral Resource figures are decreased in the future, it could have a negative impact on Silvercorp's cash flows, earnings, operational results and financial condition.

(h) **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 Silvercorp's business and its profitability is dependent, in part, on the cost and success of its 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 Silvercorp's mineral

exploration and development programs will result in any discoveries of bodies of commercial mineralisation. There can also be no assurance that even if commercial quantities of mineralisation are discovered that a mineral property will be brought into commercial production. Development of Silvercorp's 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 the control of Silvercorp. As a result, there can be no assurance that Silvercorp's 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 Silvercorp's operations and profitability.

(i) Recent market events and conditions of worldwide securities markets may adversely impact Silvercorp's ability to obtain financing

Over the past several years market events and conditions, including disruptions in the Canadian, United States and international credit markets and other financial systems, along with the uncertainty of the Canadian, United States and global economic conditions which have been heightened due to risks relating to the spread of COVID-19 and the prior decline in precious metal prices, could, among other things, impede access to capital or increase the cost of capital, which would have an adverse effect on Silvercorp's ability to fund its working capital and other capital requirements.

Over the past several years, worldwide securities markets, particularly those in the United States and Canada, have experienced a high level of price and volume volatility. Of note, the share prices of natural resource companies have in the past experienced an extraordinary decline in value and in the number of buyers willing to purchase such securities. In addition, significantly higher redemptions by holders of mutual funds have forced many of such funds (including those holding Silvercorp Shares) to sell such securities with little consideration to the price received.

Therefore, there can be no assurance that significant fluctuations in the trading price of Silvercorp Shares will not occur, or that such fluctuations will not materially adversely impact Silvercorp's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

(j) Silvercorp's operations and financial results could be adversely affected by climate change

There is significant evidence of the effects of climate change on the planet and an intensifying focus on addressing these issues. Silvercorp recognises that climate change is a global challenge that may have both favourable and adverse effects on Silvercorp's 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, Silvercorp 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 Silvercorp's metals as part of technological innovations, the current regulatory trend may result in additional transition costs at some of Silvercorp's 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 Silvercorp operates and regulatory uncertainty is likely to result in additional complexity and cost in Silvercorp's 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 Silvercorp Shares as institutional investors and others may divest interests in industries that are thought to have more environmental impacts. While Silvercorp is committed to operating responsibly and reducing the negative effects of Silvercorp's operations on the environment, Silvercorp's 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 Silvercorp's costs significantly. Concerns over climate change and Silvercorp's ability to respond to regulatory requirements and societal pressures, may have significant impacts on Silvercorp's operations and on Silvercorp's reputation and may even result in reduced demand for Silvercorp's products.

The physical risks of climate change could also adversely impact Silvercorp's 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 Silvercorp's operations and could result in damage to Silvercorp's facilities, disruptions in accessing Silvercorp's sites with labour and essential materials or in shipping products from Silvercorp's mines, risks to the safety and security of Silvercorp's personnel and to communities, shortages of required supplies such as fuel and chemicals, inability to source enough water to supply Silvercorp's operations and the temporary or permanent cessation of one or more of Silvercorp's operations. There is no assurance that Silvercorp will be able to anticipate, respond to, or manage the risks associated with physical climate change events and impacts and this may result in material adverse consequences to Silvercorp's business and to Silvercorp's financial results.

(k) Silvercorp may fail to successfully integrate future acquisitions into existing operations

Silvercorp may make select future acquisitions. If Silvercorp does make acquisitions, any positive effect on Silvercorp's results will depend on a variety of factors, including: integrating the operations of an acquired business or property in a timely and efficient manner; maintaining Silvercorp's 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 Silvercorp makes an acquisition outside of markets in which it has previously operated, conducting and managing operations in a new operating environment.

Acquiring additional businesses or properties could place pressure on Silvercorp's cash reserves if such acquisitions involve cash consideration or if such acquisitions involve share consideration existing Silvercorp Shareholders may experience dilution.

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

integration may require significant attention from Silvercorp's management team, which may detract attention from Silvercorp's day-to-day operations.

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

(l) Silvercorp's non-controlling interest shareholders could materially affect Silvercorp's results of operations and financial conditions

Silvercorp's 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 Silvercorp's profitability or the viability of its interests held with non-controlling interest shareholders, which could have a material adverse impact on Silvercorp's 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.

(m) Silvercorp 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 realised or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited.

Silvercorp's future growth and productivity will depend, in part, on its 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: establish Mineral Reserves through drilling and metallurgical and other testing techniques; determine metal content and metallurgical recovery processes to extract metal from the ore; and construct, renovate or expand mining and processing facilities.

In addition, if Silvercorp discovers 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.

Silvercorp's success at completing any acquisitions will depend on a number of factors, including: identifying acquisitions that fit Silvercorp's 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 Silvercorp will successfully acquire additional mineral rights.

(n) Silvercorp may experience difficulty obtaining financing

Silvercorp has limited financial resources. If more of Silvercorp's 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, Silvercorp's ability to continue its exploration and development activities, if any, will depend in part on Silvercorp's ability to obtain suitable financing.

Silvercorp intends to fund its 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 Silvercorp may use for these purposes include project or bank financing, or public or private offerings of equity or debt. One source of future funds presently available to Silvercorp 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 Silvercorp Shareholders. Another alternative for the financing of further exploration would be the offering by Silvercorp 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 Silvercorp will be able to conclude any such agreements, on favourable terms or at all. The failure to obtain financing could have a material adverse effect on Silvercorp's growth strategy and results of operations and financial condition.

(o) Silvercorp operates 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 ore, or concentrate, by Silvercorp. Marketability of natural resources which may be discovered by Silvercorp will be affected by numerous factors beyond the control of Silvercorp, 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 Silvercorp not receiving an adequate return on its capital.

Silvercorp may be at a competitive disadvantage in acquiring additional mining properties because it must compete with other individuals and companies, many of which have greater financial resources, operational experience and technical capabilities than Silvercorp. Silvercorp may also encounter increasing competition from other mining companies in its 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 Silvercorp's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration in the future.

(p) Silvercorp relies on third parties, including contract miners, to operate certain of Silvercorp's mines

Silvercorp contracts with third parties to operate certain of Silvercorp's mines. Under those arrangements, Silvercorp retains certain contractual rights of oversight over these mines, which are operated under Silvercorp's permits or leases, but Silvercorp does not control and Silvercorp's employees do not participate in, the day-to-day operations of these mines. Operational difficulties at these mines, increased competition for contract miners and other factors beyond Silvercorp's control could affect the availability, cost and quality of Silvercorp's operations. If these third parties fail to meet their obligations under those contracts or are otherwise ineffective, it could increase Silvercorp's costs and, therefore, lower Silvercorp's earnings and adversely affect Silvercorp's results of operations.

(q) **Silvercorp's activities in China are subject to additional political, economic and other uncertainties not necessarily present for activities taking place in other jurisdictions**

All Silvercorp's material mining operations are located in China. These operations are subject to the risks normally associated with conducting business in China, which has different regulatory and legal standards than North America. Some of these risks are more prevalent in countries which are less developed or have emerging economies, including uncertain political and economic environments, as well as risks of civil disturbances or other risks which may limit or disrupt a project, restrict the movement of funds or result in the deprivation of contractual rights or the taking of property by nationalisation or expropriation without fair compensation, risk of adverse changes in laws or policies, increases in foreign taxation or royalty obligations, licence fees, permit fees, delays in obtaining or the inability to obtain necessary governmental permits, limitations on ownership and repatriation of earnings and foreign exchange controls and currency devaluations.

In addition, Silvercorp may face import and export regulations, including export restrictions, disadvantages of competing against companies from countries that are not subject to similar laws, restrictions on the ability to pay dividends offshore and risk of loss due to disease and other potential endemic health issues. Although Silvercorp is not currently experiencing any significant or extraordinary problems in China arising from such risks, there can be no assurance that such problems will not arise in the future. Silvercorp currently does not carry political risk insurance coverage.

Silvercorp's interests in its mineral properties are held through joint venture companies established as Sino-Foreign Cooperative Joint Venture Enterprises under Chinese law. Silvercorp's wholly-owned subsidiaries hold direct ownership interests in those joint venture companies in accordance with the terms of the constitution and the relevant cooperation agreements between Silvercorp's relevant subsidiary and its local joint venture partner(s). These are not derivative or economic interests dependent on contractual arrangements with others. Silvercorp's subsidiaries own direct interests in these Chinese companies and these Chinese companies are the registered holders of Silvercorp's assets (including relevant mining licences).

Silvercorp's joint venture partners in China include state sector entities and, like other state-sector entities, their actions and priorities may be dictated by government policies instead of purely commercial considerations. Additionally, companies with a foreign ownership component operating in China may be required to work within a framework which is different from that imposed on domestic Chinese companies. The Chinese government currently allows foreign investment in certain mining projects under central government guidelines. There can be no assurance that these guidelines will not change in the future.

(r) **The regulatory environment in China may materially affect Silvercorp's results of operations and financial results**

Silvercorp's principal operations are located in China and are subject to a range of Chinese laws, regulations, policies, standards and requirements in relation to, among other things, mine exploration, development, production, taxation, labour standards, occupational health and safety, waste treatment and environmental protection and operation management. Any changes to these laws, regulations, policies, standards and requirements or to the interpretation or enforcement thereof may increase Silvercorp's operating costs and thus adversely affect Silvercorp's results of operations.

The laws of China differ significantly from those of Canada or Australia and all such laws are subject to change. Mining is subject to potential risks and liabilities associated with pollution

of the environment and disposal of waste products occurring as a result of mineral exploration and production.

Failure to comply with applicable laws and regulations may result in enforcement actions and may also include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws and regulations. China's legislation is undergoing a relatively fast transformation with some old laws superseded by newly enacted laws. New laws and regulations, amendments to existing laws and regulations, administrative interpretation of existing laws and regulations, or more stringent enforcement of existing laws and regulations could create risks or uncertainty for investors in mineral projects or have a material adverse impact on future cash flow, results of operations and the financial condition of Silvercorp. Although Silvercorp seeks to comply with all new Chinese laws, regulations, policies, standards and requirements applicable to the mining industry or all changes in existing laws, regulations, policies, standards and requirements, Silvercorp may not be able to comply with them economically or at all. Furthermore, any such new Chinese laws, regulations, policies, standards and requirements or any such change in existing laws, regulations, policies, standards and requirements may also constrain Silvercorp's future expansion plans and adversely affect its profitability.

In addition, China has further strengthened its national security review of foreign investment. The Measures for National Security Review of Foreign Investment will continue to create an additional layer of uncertainty with respect to foreign investment. Investment plans, timetables, terms and conditions for closing for investment must take into account the timing and contingency of obtaining approval from the national security review process.

(s) Silvercorp is subject to environmental and health and safety laws, regulations and permits that may subject Silvercorp to material costs, liabilities and obligations

Silvercorp's activities are subject to extensive laws and regulations governing environmental protection and employee health and safety, including environmental laws and regulations in China. 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. Silvercorp'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 annual inspection by government authorities. Failure to pass the annual inspections may result in penalties. No guarantee can be given that the necessary permits will be issued to Silvercorp 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 Silvercorp will be in a position to comply with all conditions that are imposed. Failure to comply with relevant Chinese environmental laws and regulations could materially and adversely affect Silvercorp's 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

Silvercorp and may cause material changes or delays in Silvercorp's intended activities. There can be no assurance that Silvercorp has 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 Silvercorp's business, results of operations or financial condition. Amendments to current Chinese laws and regulations governing operations and activities of mining companies or more stringent implementation thereof could have a material adverse impact on Silvercorp and cause increases in capital expenditure, production costs or reductions in levels 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 Silvercorp's business, causing Silvercorp to re-evaluate those activities at that time. Silvercorp's compliance with environmental laws and regulations entail uncertain costs.

(t) **Silvercorp's activities and business could be adversely affected by the effects of health epidemics, including the COVID-19 pandemic, in regions where Silvercorp conducts its business operations**

Silvercorp's business, operations and financial condition could be materially adversely affected by the outbreak of pandemics or other health crises, such as the outbreak of COVID-19. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in consumer activity. Such public health crises can result in operating, supply chain and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition, the COVID-19 pandemic and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions which may adversely impact Silvercorp's operations and the operations of suppliers, contractors and service providers.

Silvercorp's business could be materially adversely affected by the effects of the COVID-19 pandemic. On 5 May 2023, WHO announced that COVID-19 no longer qualifies as a global emergency and as at the Last Practicable Date, the global spread of COVID-19 appears to have stabilised. Silvercorp has modified its measures to monitor, combat and manage the impact of COVID-19 at its operations. Due to the potential for new variants of COVID-19, future disruptions to business internationally and related financial impact on Silvercorp and the economy in general cannot be estimated with any degree of certainty at this time.

In the fiscal year ended 31 March 2023, Silvercorp modified its preventative control measures. These measures include continuing education and, where appropriate, voluntary vaccination campaigns to avoid illnesses related to COVID-19, COVID-19 variants and the seasonal flu. Monitoring of worker wellness or fitness for duty continues, in accordance with the recommendations by the Canadian and Chinese Governments health agencies, continues.

There is no guarantee that Silvercorp will not experience disruptions to some of its active mining operations due to COVID-19 restrictions in the future. Any resurgence of COVID-19 or the spread of other public health crises could materially and adversely impact Silvercorp's 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 Silvercorp's 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 Silvercorp's properties, resulting in reduced production volumes. Although

Silvercorp has 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 Silvercorp's production, revenue, net income and business.

(u) Silvercorp is dependent on management and key personnel

Silvercorp's CEO and Chairman and Silvercorp's operational management team all have extensive experience in the mineral resources industry in China. Most of the non-executive directors also have extensive experience in mining and/or exploration (or as advisors to companies in the field). Silvercorp's success depends to a significant extent upon its ability to retain, attract and train key management personnel, both in Canada and in China.

Silvercorp depends on the services of several key personnel, including the CEO, CFO and the China operational management team, the loss of any one of whom could have an adverse effect on Silvercorp's operations.

Silvercorp's ability to manage growth effectively will require it to continue to implement and improve management systems and to recruit and train new employees. Silvercorp cannot be assured that it will be successful in attracting and retaining skilled and experienced personnel.

(v) Currency fluctuations may affect Silvercorp's results of operation and financial condition

Silvercorp reports its financial statements in U.S. dollars. The functional currency of the head office, Canadian subsidiaries and all intermediate holding companies is the Canadian dollar while the functional currency of all Chinese subsidiaries is Chinese Renminbi. Silvercorp is exposed to foreign exchange risk when Silvercorp undertakes transactions and holds assets and liabilities in currencies other than its functional currencies. The fluctuation of the exchange rate between the reporting currency and its functional currencies may materially and adversely affect Silvercorp's financial position.

(w) Silvercorp's insurance may not provide adequate coverage in the event of a loss

Silvercorp's mining activities are subject to the risks normally inherent in the industry, including but not limited, to environmental hazards, flooding, fire, periodic or seasonal hazardous climate and weather conditions, unexpected rock formations, industrial accidents and metallurgical and other processing problems. These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties; personal injury; environmental damage; delays in mining; increased production costs; monetary losses; and possible legal liability. Silvercorp may become subject to liability which it cannot insure or may elect not to insure due to high premium costs or other reasons. Where considered practical to do so, Silvercorp maintains insurance against risks in the operation of its business in amounts which Silvercorp believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. Silvercorp cannot provide any assurance that such insurance will continue to be available, be available at economically acceptable premiums or be adequate to cover any resulting liability. In some cases, coverage is not available or considered too expensive relative to the perceived risk.

(x) Silvercorp's operations involve significant risks and hazards inherent to the mining industry

Mining is inherently dangerous and Silvercorp's operations are subject to a number of risks and hazards including: 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 COVID-19 pandemic 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 Silvercorp's future cash flow, results of operations and financial condition.

(y) Silvercorp's directors and officers may have conflicts of interest as a result of their relationships with other mining companies that are not affiliated with Silvercorp

Conflicts of interest may arise as a result of the directors and officers of Silvercorp also holding positions as directors and/or officers of other companies. Some of those persons who are directors and officers of Silvercorp 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 Silvercorp. Conflicts, if any, will be subject to the procedures and remedies under the Business Corporations Act.

(z) If Silvercorp is unable to implement and maintain effective internal controls over financial reporting, investors may lose confidence in the accuracy and completeness of Silvercorp's financial reports

Management and directors of Silvercorp are responsible for establishing and maintaining an adequate system of internal control over financial reporting and used the Internal Control – Integrated Framework (2013) issued by the COSO to evaluate, with the participation of the CEO and CFO, the effectiveness of internal controls. Silvercorp's internal control over financial reporting includes:

- maintaining records, that in reasonable detail, accurately and fairly reflect Silvercorp's transactions and dispositions of the assets of Silvercorp;
- providing reasonable assurance that transactions are recorded as necessary for preparation of Silvercorp's consolidated financial statements in accordance with generally accepted accounting principles;
- providing reasonable assurance that receipts and expenditures are made in accordance with authorisations of management and the directors of Silvercorp; and
- providing reasonable assurance that unauthorised acquisition, use or disposition of company assets that could have a material effect on Silvercorp's consolidated financial statements would be prevented or detected on a timely basis.

Based on this evaluation, Silvercorp believes it has a proper internal control and risk management system in place. Silvercorp concluded that its internal control over financial reporting based on the criteria set forth in Internal Control – Integrated Framework (2013) issued by COSO was effective as of 31 March 2023 and provided a reasonable assurance of the reliability of Silvercorp's financial reporting and preparation of the financial statements.

No matter how well a system of internal control over financial reporting is designed, any system has inherent limitations. Even systems determined to be effective can provide only reasonable assurance of the reliability of financial statement preparation and presentation. Also, controls may become inadequate in the future because of changes in conditions or deterioration in the degree of compliance with Silvercorp's policies and procedures. In addition, as some of the risk management and internal control policies and procedures are relatively new, Silvercorp may need to establish and implement additional policies and procedures to further improve Silvercorp's systems from time to time. Since Silvercorp's risk management and internal controls depend on implementation by Silvercorp employees, there is a risk that such implementation will involve human errors or mistakes. If Silvercorp fails to implement its policies and procedures in a timely manner or fails to identify risks that affect Silvercorp's business, Silvercorp's business, results of operations and financial condition could be materially and adversely affected.

The failure to achieve and maintain the adequacy of Silvercorp's internal control over financial reporting on a timely basis could result in the loss of investor confidence in the reliability of the financial statements, which in turn could harm the business and negatively impact the trading price of shares. In addition, any failure to implement the required new or improved controls, or difficulties encountered in their implementation, could harm the operating results or cause failure in meeting the reporting obligations. There can be no assurance that Silvercorp will be able to remediate material weaknesses, if any, identified in future periods, or maintain all of the controls necessary for continued compliance and there can be no assurance that Silvercorp will be able to retain sufficient skilled finance and accounting personnel, especially in light of the increased demand for such personnel among publicly traded companies. Future acquisitions of companies may provide Silvercorp with challenges in implementing the required processes, procedures and controls in the acquired operations. Acquired companies may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by securities laws currently applicable to Silvercorp.

(aa) **Silvercorp may be subject to regulatory investigations, claims and legal proceedings that could materially and adversely impact Silvercorp's business, financial condition or results of operations**

Due to the nature of its business, Silvercorp may be subject to numerous regulatory investigations, claims, lawsuits and other proceedings in the ordinary course of its 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 assurances that these matters will not have a material adverse effect on Silvercorp's 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 Silvercorp and may impact its 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 Silvercorp and as a result, the diversion of such resources could materially affect the ability of Silvercorp to conduct its operations in the normal course of business. Significant fees and expenses may be incurred by Silvercorp in connection with the investigation and defence of litigation and regulatory proceedings. Silvercorp 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 Silvercorp's future operating results. Silvercorp may be able to recover certain costs and expenses incurred in connection with such matters from its insurer. However, there can be no assurance regarding when or if the insurer will reimburse Silvercorp for such costs and expenses.

(bb) Silvercorp's investment in New Pacific Metals is subject to a number of risks and may prove unprofitable

Silvercorp is a strategic investor in New Pacific Metals. As of 30 September 2023, Silvercorp owned 46,893,506 shares of New Pacific Metals, representing a 27.5% ownership interest. New Pacific Metals is a mining company engaged in exploring and developing mineral properties in Bolivia. Investments in junior mining companies involve volatile share prices, liquidity risk and may result in possible loss of principal. New Pacific Metals has no revenue from operations and no ongoing mining operations of any kind.

Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting both from the failure to discover mineral deposits and from finding mineral deposits which, though present, are insufficient in size and grade at the then prevailing market conditions to return a profit from production. The marketability of natural resources which may be acquired or discovered by New Pacific Metals will be affected by numerous factors beyond the control of New Pacific Metals. These factors include market fluctuations, the proximity and capacity of natural resource markets and government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Silvercorp not receiving an adequate return on invested capital or the possible loss of principal.

Substantial expenditures are required to establish ore reserves through drilling, metallurgical and other testing techniques, determine metal content and metallurgical recovery processes to extract metal from the ore and construct, renovate, or expand mining and processing facilities. No assurance can be given that any level of recovery of ore reserves will be realised or that any identified mineral deposit, even if it is established to contain an estimated resource, will ever qualify as a commercial mineable ore body, which can be legally and economically exploited.

In addition to the high degree of risk associated with investing in exploration and development mining companies, Silvercorp's investment in New Pacific Metals entails an additional risk by virtue of the fact that its projects are located in Bolivia. There has been a significant level of political and social unrest in Bolivia in recent years resulting from a number of factors, including Bolivia's history of political and economic instability under a variety of governments and high rate of unemployment. New Pacific Metals' exploration and development activities may be affected by changes in government, political instability and the nature of various government regulations relating to the mining industry. Bolivia's fiscal regime has historically been favourable to the mining industry, but there is a risk that this could change. New Pacific Metals cannot predict the Bolivian government's positions on foreign investment, mining concessions, land tenure, environmental regulation, or taxation. A change in the Bolivian government positions on these issues could adversely affect New Pacific Metals' business and/or its holdings, assets and operations in Bolivia. Any changes in regulations or shifts in political conditions are beyond the control of New Pacific Metals. Moreover, protestors and cooperatives have previously targeted foreign companies in the mining sector and as a result there is no assurance that future social unrest will not have an adverse impact on Silvercorp's operations. Labour in Bolivia is customarily unionised and there are risks that labour unrest or wage agreements may impact operations. New Pacific Metals' operations in Bolivia may also

be adversely affected by economic uncertainty characteristic of developing countries. In addition, operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and safety factors. There is no assurance that New Pacific Metals will be successful in obtaining ratification and approval by the Pluractional Legislative Assemble of Bolivia on the mining production contract it signed with Corporación Minera de Bolivia (COMIBOL) in a timely manner or at all, or that they will be obtained on reasonable terms. New Pacific Metals cannot predict the Bolivian government's positions on foreign investment, mining concessions, land tenure, environmental regulation, community relations, or taxation. A change in the Bolivian government positions on these issues could adversely affect the ratification of the mining production contract and New Pacific Metals' business.

Exploration and development of and production from, any deposits at New Pacific Metals' mineral projects require permits from various government authorities. There can be no assurance that any required permits will be obtained in a timely manner or at all, or on reasonable terms. Delays or failure to obtain, expiry of, or a failure to comply with the terms of such permits could prohibit development of New Pacific Metals' mineral projects and have a material adverse impact on New Pacific Metals.

While New Pacific Metals believes the contractual relationships and the structures it has in place with private Bolivian companies owned 100% by Bolivian nationals for the Silverstrike Project and the Carangas Project are legally compliant with Bolivian laws related to the Frontier Areas, there is no assurance that the New Pacific Metals Bolivian partner will be successful in obtaining approval of Autoridad Jurisdiccional Administrativa Minera to convert the exploration licences to Administrative Mining Contract (Contrato Administrativo Minero) in the case of Carangas Project, or that even if approved, that such contractual relationship and structure will not be challenged by other Bolivian organizations or communities.

(cc) **Silvercorp's information technology systems may be vulnerable to disruption, which could place Silvercorp's systems at risk for data loss, operational failure or compromise of confidential information**

Silvercorp is subject to cybersecurity risks including unauthorised access to privileged information, destroy data or disable, degrade or sabotage Silvercorp's systems, including through the introduction of computer viruses. Although Silvercorp takes steps to secure Silvercorp's configurations and manage Silvercorp's information system, including Silvercorp's computer systems, internet sites, emails and other telecommunications and financial/geological data, there can be no assurance that measures Silvercorp takes to ensure the integrity of Silvercorp's systems will provide adequate protection, especially because cyberattack techniques used change frequently or are not recognised until successful. Silvercorp has not experienced any material cybersecurity incident in the past, but there can be no assurance that Silvercorp would not experience in the future. If Silvercorp's systems are compromised, do not operate properly or are disable, Silvercorp could suffer financial loss, disruption of business, loss of geology data which could affect Silvercorp's ability to conduct effective mine planning and accurate mineral resources estimates, loss of financial data which could affect Silvercorp's ability to provide accurate and timely financial reporting.

(dd) **A continued or worsened slowdown in the financial markets or other economic conditions could have a material adverse effect on Silvercorp's business, financial condition and results of operations**

General economic conditions may adversely affect Silvercorp's 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. Any 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: 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 Silvercorp's growth, profitability and ability to obtain financing. A number of issues related to economic conditions could have a material adverse effect on Silvercorp's business, financial condition and results of operations, including:

- contraction in credit markets could impact the cost and availability of financing and Silvercorp's overall liquidity;
- the volatility of silver, gold and other metal prices would impact Silvercorp's revenues, profits, losses and cash flow;
- recessionary pressures could adversely impact demand for Silvercorp's production;
- volatile energy, commodity and consumables prices and currency exchange rates could impact Silvercorp's production costs;
- the devaluation and volatility of global stock markets could impact the valuation of Silvercorp's equity and other securities; and
- significant disruption to the global economic conditions caused by COVID-19 as discussed above.

8.5 Risks relating to the Merged Group

(a) **Risks relating to creation of the Merged Group**

If the Scheme is implemented, OreCorp Shareholders will be exposed to risk factors relating to Silvercorp and to certain other risks relating to the Merged Group and the integration of OreCorp and Silvercorp.

These include risks relating to the operation of a broader suite of assets both in nature, geographic scope, environmental risks and human resources, among others.

(b) **Integration risk and the failure to realise expected synergies**

There are risks associated with conducting the business activities and operations previously operated by a different entity. For example, Silvercorp has not previously conducted operations in Tanzania (with its primary operations located in China). The risk also exists that the implementation of the integration of OreCorp and Silvercorp may take longer than expected so that integration is achieved over a longer time period than expected. Each of these factors may impact on the Merged Group's financial performance.

After implementation of the Scheme Silvercorp will continue its corporate strategies and operational objectives. There is the risk that the Merged Group may be unable to realise these strategies, operational objectives and benefits (in whole or in part) or that they will not materialise, or will not materialise to the extent that the Merged Group anticipates (for whatever reason, including matters beyond the control of the Merged Group), or that the realisation of the strategies, operational objectives and benefits are delayed. Any failure to meet these strategies, operational objectives and benefits, or delay in realising these strategies, operational objectives and benefits, could have an adverse impact on the Merged Group's operations, financial performance and financial position, including the potential for any share price re-rating.

(c) Business disruption

Parties with which OreCorp and Silvercorp do business may experience uncertainty associated with the Scheme, including with respect to current or future business relationships with OreCorp, Silvercorp or the Merged Group following the implementation of the Scheme. OreCorp's and Silvercorp's relationships may be subject to disruption as customers and suppliers and other persons with whom OreCorp and Silvercorp have a business relationship may delay or defer certain business decisions or might decide to seek to terminate, change or renegotiate their relationships with OreCorp or Silvercorp, as applicable, or consider entering into business relationships with parties other than OreCorp or Silvercorp. These disruptions could have an adverse effect on the results of operations, cash flows and financial position of OreCorp, Silvercorp or the Merged Group following the implementation of the Scheme, including an adverse effect on Silvercorp's ability to realise the expected synergies and other benefits of the Scheme. The risk, and adverse effect, of any disruption could be exacerbated by a delay in the implementation of the Scheme or the termination of the Scheme Implementation Deed.

(d) Transaction costs

OreCorp and Silvercorp expect to incur significant costs associated with the Scheme and combining their operations. The Merged Group's fees and expenses related to the Scheme include financial adviser fees, filing fees, legal and accounting fees and regulatory fees some of which will be paid regardless of whether the Scheme is implemented. The Merged Group's costs in connection with the integration of OreCorp and Silvercorp are difficult to predict before the integration process begins, and the Merged Group may incur unanticipated costs as a consequence of difficulties arising from its integration efforts.

(e) Due diligence

Before executing the Scheme Implementation Deed, OreCorp and Silvercorp undertook a period of mutual due diligence for the purpose of evaluating the merits and negotiating the terms of the Scheme. Although OreCorp and Silvercorp decided to proceed with the Scheme following that due diligence exercise, there is a risk that the due diligence undertaken was insufficient or failed to identify or appreciate the impact of key issues or identify all liabilities of either OreCorp or Silvercorp. These liabilities, and any additional risks and uncertainties related to the Scheme not currently known to Silvercorp or that Silvercorp may currently deem immaterial or unlikely to occur, could negatively impact the Merged Group's business, financial position and results from operations.

(f) Potential liabilities

The Scheme and the integration of OreCorp and Silvercorp may pose special risks, including write-offs or restructuring charges, unanticipated costs, and the loss of key employees. There

can be no assurance that the integration will be accomplished effectively or in a timely manner. In addition, the Scheme and the integration of OreCorp will subject Silvercorp to liabilities (including potential tax liabilities) that may exist at OreCorp or may arise in connection with the completion of the Scheme, some of which may be unknown or difficult to quantify. For example, refer section 7.7(f) of this Scheme Booklet which details the possibility of a capital gains tax payable under Tanzanian legislation.

Although Silvercorp and its advisers have conducted due diligence on the operations of OreCorp, there can be no guarantee that Silvercorp is aware of all liabilities of OreCorp. These liabilities, and any additional risks and uncertainties related to the Scheme not currently known to Silvercorp or that Silvercorp may currently deem immaterial or unlikely to occur, could negatively impact the Merged Group's business, financial condition and results of operations.

(g) Silvercorp is a foreign company and a foreign issuer

Silvercorp, as the holding company of the Merged Group, is incorporated under the laws of the province of British Columbia and is listed on TSX and NYSE American. Accordingly, Silvercorp is subject to foreign corporations and securities laws (including as to corporate governance requirements), which may differ from the corresponding laws that are applicable to companies in an investor's place of residence (including Australia).

It may be more difficult for shareholders to enforce their legal rights against the Merged Group (which will be organised and managed outside of Australia) than if the Merged Group was organised, managed and resident solely in Australia. Additionally, the common law and statutory rights of shareholders under the laws of Canada and the United States may be more limited or less favourable than corresponding rights available to shareholders under Australian law. Annex 8 provides a summary of the differences between the relevant laws as applicable to OreCorp and Silvercorp.

Silvercorp is a US issuer and is required to prepare and submit its periodic and other filings in accordance with US securities laws. As a result, certain information about Silvercorp that is contained in this Scheme Booklet has been prepared in accordance with US disclosure regulations, rather than the requirements that would apply to issuers in Australia, such as OreCorp. US disclosure requirements are different from Australian requirements, and as such, the information about Silvercorp contained in this Scheme Booklet may not be comparable to similar information available about OreCorp or other Australian issuers.

The rights of Scheme Shareholders who receive New Silvercorp CDIs will be governed by the ASX Settlement Operating Rules and the ASX Listing Rules, but not the Corporations Act (subject to limited exceptions).

Whilst the political climate in Canada and British Columbia has been stable for many years, there can be no assurance that changing social, economic and political conditions will not adversely affect the operations of the Merged Group in the future.

(h) Pro-forma financial information may not be indicative of actual the actual financial condition of the Merged Group

The Pro Forma Historical Financial Information for the Merged Group contained in this Scheme Booklet is presented for illustrative purposes only and may not be indicative of Silvercorp's financial condition or results of operations following the Scheme for a number of reasons. For example, the Pro Forma Historical Financial Information for the Merged Group has been derived from the historical financial statements of Silvercorp and OreCorp and certain adjustments and assumptions have been made regarding Silvercorp following the

implementation of the Scheme. The information that forms the basis of these adjustments and assumptions is preliminary, and these kinds of adjustments and assumptions are difficult to make with complete accuracy.

Further, the Pro Forma Historical Financial Information for the Merged Group does not include all of the costs that are expected to be incurred by Silvercorp in connection with the Scheme. For example, the impact of any incremental costs that are incurred in relation to the integration of Silvercorp and OreCorp is not reflected in the Pro Forma Historical Financial Information for the Merged Group.

Accordingly, the actual financial condition and results of operations of Silvercorp following the implementation of the Scheme may not be consistent with, or evident from, the Pro Forma Historical Financial Information for the Merged Group. Additionally, the purchase price used in preparing the Pro Forma Historical Financial Information for the Merged Group is based on the closing market price of Silvercorp Shares, as well as the AUD:CAD exchange rate, as of the Last Practicable Date, which may be materially different from the closing price of Silvercorp Shares and the AUD:CAD exchange rate on the Implementation Date.

The assumptions used in preparing the Pro Forma Historical Financial Information for the Merged Group may not prove to be accurate, and other factors may affect the financial condition or results of operations of Silvercorp following the implementation of the Scheme. The price of Silvercorp Shares may be adversely affected if Silvercorp's actual financial results fall short of the historical financial results reflected in the Pro Forma Historical Financial Information for the Merged Group that are contained in this Scheme Booklet.

(i) **Trading risks**

If a large number of OreCorp Shareholders do not intend to continue to hold the New Silvercorp Securities received as Scheme Consideration and instead choose to sell, there is a risk that the trading price of New Silvercorp Securities will be adversely impacted by selling.

In addition, the Sale Agent will be issued New Silvercorp Shares attributable to Ineligible Shareholders and will be seeking to sell those securities on the TSX as soon as reasonably practicable, which may also contribute to any potential adverse impact on the trading price of the New Silvercorp Shares.

The market for New Silvercorp CDIs (if any) may be less liquid than the market for Silvercorp Shares. This may have the effect of reducing the volume of New Silvercorp CDIs that can be bought and sold on ASX and the speed with which they can be bought and sold. This reduced liquidity may also result in New Silvercorp CDIs trading at a discount to New Silvercorp Shares on the TSX and the NYSE American.

As set out in section 7.9, holders of New Silvercorp CDIs can convert their New Silvercorp CDIs into Silvercorp Shares. If holders of New Silvercorp CDIs convert their New Silvercorp CDIs into Silvercorp Shares, this may further reduce the liquidity in the market for New Silvercorp CDIs, and increase the likelihood of New Silvercorp CDIs trading at a discount to New Silvercorp Shares.

New Silvercorp CDIs will be quoted and traded on ASX in Australian dollars. The price of New Silvercorp CDIs will therefore reflect movements in both the Silvercorp Share Price and the AUD:USD exchange rate. The combination of movements may cause the New Silvercorp CDIs to be more volatile than the historical volatility of OreCorp Shares.

(j) Stock market fluctuations and economic conditions

The New Silvercorp Securities, which will be issued if the Scheme is implemented, do not carry any guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on the TSX, NYSE American or, if applicable, ASX. The value of the New Silvercorp Shares will be determined by the share market and will be subject to a range of factors beyond the control of OreCorp, Silvercorp and the Merged Group.

These factors include the demand for and availability of Silvercorp Shares, movements in domestic interest rates, exchange rates, fluctuations in Canadian, Australian and international share markets and general domestic and economic activity. Returns from an investment in the New Silvercorp Securities may also depend on general share market conditions, as well as the performance of the Merged Group.

(k) General economic conditions

The performance of the Merged Group will be affected by domestic and global economic conditions. Adverse changes in macroeconomic conditions, including global and country-by-country economic growth, the costs and general availability of credit, the level of inflation, interest rates, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption, consumer spending and sentiment, employment levels, industrial disruption, and other conditions, are outside the control of the Merged Group and may result in material adverse impacts on the Merged Group's business and operating results.

(l) Equity dilution

The Merged Group may undertake offerings of equities in the future. Factors including the increase in the number of fully paid shares issued, the ability of an individual shareholder to participate in the equity offer and the issue price and the possibility of selling such equities, may have an adverse effect on the financial position or voting power of any individual shareholder.

(m) Tax

A change to the current tax regime may affect shareholders in the Merged Group. Personal tax liabilities will be the responsibility of each investor in the Merged Group. The Merged Group will not be responsible for tax or penalties incurred by investors in the Merged Group.

(n) Change in accounting or financial reporting standards

Accounting and financial reporting standards are outside the Merged Group's control. Changes to accounting standards or changes to any other financial reporting standards could materially adversely affect the financial performance and position reported in the Merged Group's financial statements.

9. Implementation of the Scheme

9.1 Implementation documents

(a) Scheme Implementation Deed

The Scheme Implementation Deed sets out each of OreCorp's and Silvercorp's rights and obligations in connection with implementation of the Scheme.

The Scheme is subject to a number of conditions precedent detailed in clause 3.1 of the Scheme Implementation Deed, which must be satisfied (or, if applicable, waived) before the Scheme can come into effect. The following conditions precedent are outstanding as at the Last Practicable Date:

- **(Court approval)** the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
- **(OreCorp Shareholder approval)** OreCorp Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act.
- **(Independent Expert)** the Independent Expert: (i) issues the Independent Expert's Report which concludes that the Scheme is in the best interests of OreCorp Shareholders before the time when the Scheme Booklet is registered by ASIC; and (ii) does not change its conclusion in any written update to the Independent Expert's Report or withdraw the Independent Expert's Report before 8.00am on the Second Court Date.
- **(Tanzanian FCC)** before 8.00am on the Second Court Date, Silvercorp receives (i) an advisory opinion from the Tanzanian Fair Competition Commission (**FCC**) confirming that no approval is required from the FCC or (ii) approval from the FCC in respect of the indirect change of control of each of NMCL, SMCL and OreCorp Tanzania on unconditional terms or on terms acceptable to Silvercorp (acting reasonably and in good faith). To the extent that the approval in subparagraph (ii) is subject to any condition, this condition will only be deemed to have been satisfied if the party adversely affected by such condition, acting reasonably and in good faith, agrees to accept such a condition within 5 Business Days of being notified of such conditional approval.
- **(Other regulatory approvals)** if any other approvals, consents or other actions are required by law or practice of a Government Agency to implement the transactions contemplated by the Scheme Implementation Deed, those approvals, consents or other actions are obtained, in each case unconditionally or on the basis of conditions which are acceptable to Silvercorp (acting reasonably), and those actions are taken before 8.00am on the Second Court Date.
- **(Regulatory intervention)** no court or Government Agency has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Scheme and no such order, decree, ruling, other action or refusal is in effect as at 8.00am on the Second Court Date.

- **(No OreCorp Material Adverse Change)** no OreCorp Material Adverse Change occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.
- **(No Silvercorp Material Adverse Change)** no Silvercorp Material Adverse Change occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.

The definitions of both OreCorp Material Adverse Change and Silvercorp Material Adverse Change contain quantitative monetary thresholds, however both definitions are also referable to what “has or could reasonably be expected to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects” of the OreCorp Group or Silvercorp Group (as the case may be) taken as a whole. Both definitions are therefore subject to subjective thresholds as the definitions do not provide for a specific quantitative threshold that they can be measured against. Accordingly, it is possible that the parties could end up in dispute over the existence of an alleged OreCorp Material Adverse Change and/or Silvercorp Material Adverse Change and the consequences under the Scheme Implementation Deed. This could result in the Scheme not proceeding, the Scheme otherwise being terminated, or a transaction being proposed on different terms in accordance with clause 3.8 of the Scheme Implementation Deed.

- **(No OreCorp Prescribed Occurrence)** no OreCorp Prescribed Occurrence occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.
- **(No Silvercorp Prescribed Occurrence)** no Silvercorp Prescribed Occurrence occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.
- **(TSX and NYSE American approvals)** before 8.00am on the Second Court Date the New Silvercorp Shares have been approved for listing on the TSX and the NYSE American, subject only to customary post closing conditions.

As at the Last Practicable Date, the following conditions precedent have been satisfied (or, if applicable, waived):

- **(Placement)** the Placement completed on 16 August 2023.
- **(FIRB approval)** the FIRB approval condition precedent only applies “if notice and a no objection notification are required under Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA)”. Silvercorp has confirmed that it is not required to make a notification under the FATA of its proposed acquisition of the Scheme Shares.
- **(Other OreCorp securities)** the holders of OreCorp Performance Rights have each agreed to exercise their OreCorp Performance Rights with effect immediately before the Effective Date and the OreCorp Optionholders have each agreed to cancel their OreCorp Options subject only to the Court approving the Scheme in accordance with section 411(4)(b) of the Corporations Act.

The Scheme Implementation Deed also sets out exclusivity arrangements and the circumstances in which the Scheme Implementation Deed may be terminated and the circumstances in which a break fee is payable by OreCorp to Silvercorp. These arrangements and the other key terms

of the Scheme Implementation Deed are summarised in Annex 1 and set out in the copy of the Scheme Implementation Deed in Annex 2.

(b) **Deed Poll**

On 30 October 2023, Silvercorp executed the Deed Poll under which it agreed, subject to the Scheme becoming Effective, to provide each Scheme Shareholder with the Scheme Consideration to which it is entitled under the Scheme. The Deed Poll may be relied upon and enforced by any Scheme Shareholder, despite the fact that the Shareholder is not a party to it, and each Scheme Shareholder appoints OreCorp as its agent to enforce its rights under the Deed Poll against Silvercorp. A copy of the Deed Poll is set out in Annex 4.

9.2 Overview of implementation steps

The key steps to implement the Scheme are as follows:

- OreCorp Shareholders will vote on whether to approve the Scheme at the Scheme Meeting;
- if the required majorities of OreCorp Shareholders approve the Scheme as outlined below and all conditions precedent to the Scheme (other than approval by the Court) have been satisfied (or, if applicable, waived), OreCorp will apply to the Court for approval of the Scheme at the Second Court Hearing;
- if the Court approves the Scheme, OreCorp will lodge with ASIC a copy of the Court orders approving the Scheme. The date on which this occurs will be the Effective Date for the Scheme and will be the last day on which trading in OreCorp Shares on ASX can occur;
- on the Implementation Date, Silvercorp will acquire all Scheme Shares and will provide the Scheme Consideration to the Scheme Shareholders; and
- following the Implementation Date, OreCorp will apply for termination of the official quotation of OreCorp Shares on ASX, and to have itself removed from the official list of ASX.

These steps are described in further detail in sections 9.3 to 9.7. The expected dates for the key steps are set out on page 11 of this Scheme Booklet (but those dates are subject to change).

9.3 Scheme Meeting

In accordance with an order of the Court dated 2 November 2023, OreCorp Shareholders will be asked to approve the Scheme at the Scheme Meeting to be held at Level 12, 2 The Esplanade, Perth on Friday 8 December 2023 starting at 10.00am. The Notice of Scheme Meeting is set out in Annex 7.

At the Scheme Meeting, OreCorp Shareholders will be asked to consider and, if thought fit, to pass a resolution approving the Scheme. For the Scheme to proceed, the Scheme must be approved by:

- unless the Court orders otherwise, a majority in number of OreCorp Shareholders voting at the Scheme Meeting whether in person, by corporate representative (in the case of corporate shareholders), by proxy or by attorney (**Headcount Test**); and

- OreCorp Shareholders who together hold at least 75% of the votes cast on the resolution.

The Court has the power to waive the Headcount Test.

The results of the Scheme Meeting will be available shortly after the conclusion of the meeting and will be announced to ASX and published on OreCorp's website (www.orecorp.com.au).

9.4 Second Court Hearing

If the Scheme is approved by the required majorities of OreCorp Shareholders and all other conditions precedent to implementation of the Scheme set out in the Scheme Implementation Deed (other than approval by the Court) have been satisfied (or, if applicable, waived), OreCorp will apply to the Court for orders approving the Scheme.

For the purposes of US securities laws, the Court will have been advised of Silvercorp's intention to rely on the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof based on the Court's approval of the Scheme. The Second Court Hearing is currently scheduled to occur on Tuesday 12 December 2023. Any change to this date will be announced to ASX (www.asx.com.au) and published on OreCorp's website (www.orecorp.com.au).

The Corporations Act and the relevant Court rules provide a procedure for OreCorp Shareholders, and any other interested person with the Court's permission, to oppose the approval by the Court of the Scheme. Any person who wishes to oppose the approval of the Scheme at the Second Court Hearing may do so by filing with the Court and serving on OreCorp a notice of appearance in the prescribed form together with any affidavit on which the person will seek to rely at the Second Court Hearing.

9.5 Effective Date

If the Court approves the Scheme, OreCorp will lodge with ASIC an office copy of the Court order approving the Scheme. It is anticipated that this will occur on the first Business Day after the Court approves the Scheme. The Scheme comes into effect on the date on which the order is lodged with ASIC. This date is referred to in this Scheme Booklet as the Effective Date.

9.6 Record Date and determination of entitlements to Scheme Consideration

(a) Entitlement to Scheme Consideration

Except for Ineligible Shareholders, arrangements for whom are set out in section 10.4, Scheme Shareholders will be entitled to receive the Scheme Consideration if, and only if, they are registered as the holders of Scheme Shares on the Record Date. The Record Date is currently expected to be Friday 15 December 2023.

(b) Dealings in OreCorp Shares

For the purposes of establishing the OreCorp Shareholders entitled to receive the Scheme Consideration (referred to in this Scheme Booklet as Scheme Shareholders) dealings in OreCorp Shares will only be recognised if:

- in the case of dealings of the type to be effected on CHESS, the transferee is registered in the OreCorp Share Register as the holder of the relevant OreCorp Shares on or before the Record Date; or
- in all other cases, registrable transfers or transmission applications in respect of those dealings are received by the OreCorp Registry on or before the Record Date (in which case OreCorp must register such transfers by the Record Date).

OreCorp will not accept for registration, or recognise for the purpose of establishing who are Scheme Shareholders, any transmission application or transfer in respect of OreCorp Shares received after the Record Date.

(c) Maintenance of OreCorp Share Register

For the purpose of determining entitlements to the Scheme Consideration, OreCorp must maintain the OreCorp Share Register in its form as at the Record Date until the Scheme Consideration has been paid to the Scheme Shareholders. The OreCorp Share Register in this form will solely determine entitlements to the Scheme Consideration.

All share certificates and holding statements for the Scheme Shares existing at the Record Date will cease to have effect as documents of title from that date, and each entry on the OreCorp Share Register on the Record Date will cease to have any effect other than as evidence of entitlement to the Scheme Consideration.

9.7 Implementation Date

On the Implementation Date, currently expected to be Friday 22 December 2023, Silvercorp will:

- accept a transfer of the Scheme Shares; and
- provide the Scheme Consideration to each Scheme Shareholder (other than to Ineligible Shareholders). Further details regarding the provision of the Scheme Consideration are set out in section 10.2.

Once the Scheme Consideration has been provided by Silvercorp, all of the Scheme Shares will be transferred to Silvercorp without the need for any further acts by the Scheme Shareholders.

9.8 Deemed warranties

Your attention is drawn to the warranties that Scheme Shareholders will be deemed to have given if the Scheme takes effect, under clause 8(a) of the Scheme. The Scheme is set out in Annex 3.

In summary, clause 8(a) of the Scheme provides that, if the Scheme becomes Effective, each Scheme Shareholder is deemed to have warranted to OreCorp and Silvercorp that:

- all of the Scheme Shares registered in the name of that Scheme Shareholder as at the Record Date (including all rights and entitlements attaching to them as at the Implementation Date) which are transferred to Silvercorp under the Scheme will, at the date of transfer, be fully paid and free from all encumbrances, or interests of third parties of any kind, whether legal or otherwise, and from all other restrictions on transfer; and

- that Scheme Shareholder has full power and capacity to sell and transfer those Scheme Shares (together with all rights and entitlements attaching to them as at the Implementation Date) to Silvercorp under the Scheme.

9.9 Delisting

Once the Scheme comes into effect, OreCorp will notify ASX and will apply for OreCorp Shares to be suspended from official quotation on ASX from close of trading on the Effective Date.

On a date after the Implementation Date to be determined by Silvercorp, OreCorp will apply:

- for termination of the official quotation of OreCorp Shares on the ASX; and
- to have itself removed from the official list of the ASX.

9.10 End Date

If the Scheme has not become Effective by the End Date (being 5 April 2024 or such later date as OreCorp and Silvercorp agree in writing) the Scheme will lapse and be of no further force or effect.

10. Scheme Consideration

10.1 Overview

If the Scheme becomes Effective, Scheme Shareholders will be entitled to receive the Scheme Consideration, being:

- the Cash Consideration of A\$0.15 for each Scheme Share held; and
- the Scrip Consideration of 0.0967 New Silvercorp Shares (subject to ASX Quotation occurring and CDI Election) or 0.0967 New Silvercorp CDIs for each Scheme Share held (other than Ineligible Shareholders, who receive the Cash Consideration and whose entitlement to New Silvercorp Shares will be dealt with in accordance with section 10.4).

10.2 Provision of Scheme Consideration

Subject to the Scheme becoming Effective, in consideration of the transfer to Silvercorp of each Scheme Share held by a Scheme Shareholder, on the Implementation Date Silvercorp will provide the Scheme Consideration to each Scheme Shareholder for each Scheme Share held by it. The process by which the Scheme Consideration will be provided to Scheme Shareholders is set out below.

(a) Cash Consideration

Silvercorp will deposit, or procure the deposit of, the aggregate amount in Australian dollars of the Cash Consideration payable to all Scheme Shareholders in cleared funds to an account established by OreCorp to be held on trust for all Scheme Shareholders under the terms of the Scheme.

On the Implementation Date, the Cash Consideration will be paid to each individual Scheme Shareholder from the trust account referred to above, by way of OreCorp:

- paying, or procuring the payment of, the relevant amount in Australian currency by electronic transfer to a bank account nominated by the Scheme Shareholder, where the Scheme Shareholder has made a valid election prior to the Record Date in accordance with the requirements of the OreCorp Registry to receive payments from OreCorp into that bank account; or
- paying, or procuring the payment of, the relevant amount in Australian currency by electronic transfer to a bank account nominated by the Scheme Shareholder by an appropriate authority received from the Scheme Shareholder to OreCorp; or
- sending, or procuring the despatch, to each Scheme Shareholder by prepaid post to the address of the Scheme Shareholder recorded in the OreCorp Share Register as at the Record Date of a pre-printed cheque for the aggregate amount of Cash Consideration due to that Scheme Shareholder in accordance with the Scheme.

(b) Scrip Consideration (other than to Ineligible Shareholders)

In respect of the Scrip Consideration payable in the form of New Silvercorp Shares (other than to Ineligible Shareholders, who will be dealt with in accordance with section 10.4), on the Implementation Date, Silvercorp must issue such number of New Silvercorp Shares to which

the Scheme Shareholder is entitled as Scrip Consideration and update the Silvercorp Register to reflect the same. As soon as practicable after the Implementation Date, Silvercorp must send a direct registration statement to relevant Scheme Shareholders reflecting the New Silvercorp Shares that are held by them.

In respect of the Scrip Consideration payable in the form of New Silvercorp CDIs (if any, subject to ASX Quotation occurring), on the Implementation Date, Silvercorp must:

- issue to the Depositary to be held on trust the number of New Silvercorp Shares that will enable the Depositary to issue the New Silvercorp CDIs and update the Silvercorp Register to reflect the same;
- issue to each Scheme Shareholder the number of New Silvercorp CDIs to which it is entitled and enter the name of each such Scheme Shareholder in the Silvercorp CDI register maintained by the Silvercorp CDI registry to reflect the same;
- in the case of each Scheme Shareholder who held OreCorp Shares on the CHESS subregister, procure that the New Silvercorp CDIs are held on the CHESS subregister on the Implementation Date and send or procure the sending of an allotment advice that sets out the number of New Silvercorp CDIs issued and procure that ASX Settlement will provide, at the end of the month of allotment, a CDI holding statement confirming the number of New Silvercorp CDIs held on the CHESS subregister by that Scheme Shareholder; and
- in the case of each Scheme Shareholder who held OreCorp Shares on the issuer sponsored subregister, procure that the New Silvercorp CDIs are held on the issuer sponsored subregister on the Implementation Date and send or procure the sending of a CDI holding statement to each Scheme Shareholder which sets out the number of New Silvercorp CDIs held on the issuer sponsored subregister by that Scheme Shareholder.

10.3 Election to receive New Silvercorp CDIs

(a) ASX Quotation

Under the Scheme Implementation Deed, Silvercorp is required to use reasonable endeavours, including making relevant applications, to apply for admission of Silvercorp to the official list of ASX and the New Silvercorp CDIs being approved for official quotation on the ASX (**ASX Quotation**).

As of the Last Practicable Date, Silvercorp has been consulting with ASX in relation to its application to ASX and is in the process of preparing its formal application.

If ASX has not formally approved the ASX Quotation (conditional only on implementation of the Scheme, the issue of the Scrip Consideration and customary pre-quotation disclosures) by 5.00pm on the Business Day before the Second Court Date (i.e. ASX Quotation does not occur):

- any election made by a Scheme Shareholder to receive New Silvercorp CDIs is void and of no effect; and
- such Scheme Shareholder will receive their Scrip Consideration in the form of New Silvercorp Shares.

(b) Entitlement to make an election

Each Scheme Shareholder (other than an Ineligible Shareholder) may elect to receive the Scrip Consideration in the form of New Silvercorp CDIs (tradeable on ASX) instead of New Silvercorp Shares (tradeable on the TSX and the NYSE American), subject to ASX Quotation having occurred.

Scheme Shareholders should consider their individual circumstances and obtain their own financial, legal and professional advice before making a decision whether to receive the Scrip Consideration in the form of New Silvercorp Shares by default or to elect to receive New Silvercorp CDIs.

Ineligible Shareholders are not permitted to make any election and will receive New Silvercorp Shares, which will be dealt with in accordance with section 10.4.

(c) Effect of making an election

Scheme Shareholders who are eligible to make an election to receive New Silvercorp CDIs can only make an election in relation to all and not part of their entitlement to receive the Scrip Consideration. An election will apply to the entire registered holding of Scheme Shares on the Record Date, regardless of whether this holding is greater or less than the number held at the time of making the election to receive New Silvercorp CDIs.

Scheme Shareholders should note that even if an election to receive New Silvercorp CDIs is validly made, this will be void and of no effect if ASX has not formally approved the ASX Quotation by 5.00pm on the Business Day before the Second Court Date. In these circumstances, such Scheme Shareholders (other than Ineligible Shareholders) will receive their Scrip Consideration in the form of New Silvercorp Shares.

(d) Effect of not making an election

A Scheme Shareholder who does not validly elect to receive New Silvercorp CDIs will receive New Silvercorp Shares as Scrip Consideration.

(e) How to make an election

A Scheme Shareholder who wishes to make an election to receive the Scrip Consideration in the form of New Silvercorp CDIs should submit their election online via the Automic Investor Portal or complete and return the CDI Election Form accompanying this Scheme Booklet. If you require a replacement CDI Election Form please contact the OreCorp Registry on 1300 441 602 or hello@automicgroup.com.au.

CDI Election Forms must be completed in accordance with the instructions on the form and returned so that they are received before 7.00pm on the date that is two Business Days before the Record Date. The Record Date is currently expected to be Friday 15 December 2023. On that basis, CDI Election Forms would need to be received by 7.00pm on Wednesday 13 December 2023. Any variation to the current timetable will be announced to ASX (www.asx.com.au) and published on OreCorp's website (www.orecorp.com.au).

(f) Election by a nominee

A Scheme Shareholder who holds one or more parcels of Scheme Shares as trustee or nominee for, or otherwise on account of, another person (**Nominee Parcel Holder**) may make separate elections in relation to each of those parcels of Scheme Shares (each a **Nominee Parcel**).

If it does so, the Nominee will be treated as a separate Scheme Shareholder in respect of each such parcel in respect of which an election is made (and in respect of any balance of its holdings). To make an election on behalf of beneficial holdings, the Nominee should establish a separate holding on the OreCorp Share Register (with a Holder Identification Number (**HIN**)) and lodge their CDI Election in relation to this holding.

The Nominee must provide a separate CDI Election in respect of each underlying holding.

New Silvercorp Shares or New Silvercorp CDIs issued as Scheme Consideration to any Nominee will be issued to that Nominee to hold as bare trustee for the relevant Scheme Shareholder (such that the Scheme Shareholder will be the beneficial holder but not the legal holder of the relevant Scheme Consideration).

(g) Withdrawal of election

A Scheme Shareholder may withdraw an election to receive the Scrip Consideration in the form of New Silvercorp CDIs by contacting the OreCorp Registry. Such request to withdraw the election must be received by the OreCorp Registry before 7.00pm on the date that is two Business Days before the Record Date (i.e. by 7.00pm on Wednesday, 13 December 2023). Requests received after this time will not be actioned and the relevant Scheme Shareholder will be issued New Silvercorp CDIs in accordance with the then-current election, subject to ASX Quotation having occurred.

10.4 Ineligible Shareholders

(a) Who are Ineligible Shareholders?

Ineligible Shareholder means an Ineligible Foreign Shareholder or an Unmarketable Parcel Shareholder.

An Ineligible Foreign Shareholder is a Scheme Shareholder whose address, as shown on the OreCorp Share Register on the Record Date, is a place outside:

- Australia and its external territories;
- New Zealand;
- the United Kingdom;
- Canada;
- the United States of America; and
- such other jurisdiction as agreed by OreCorp and Silvercorp,

unless Silvercorp (in consultation with OreCorp) determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Silvercorp Shares or New Silvercorp CDIs (as applicable) on implementation of the Scheme.

An Unmarketable Parcel Shareholder is a Scheme Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of OreCorp Shares on the Record Date would, on implementation of the Scheme, be entitled to receive less than a marketable parcel (as that term is defined in the ASX Listing Rules) of New Silvercorp Shares or New Silvercorp CDIs

(assessed by reference to the price of Silvercorp Shares on the TSX at the close of trading on the trading day prior to the Record Date) as Scrip Consideration.

(b) Sale process for Scrip Consideration payable to Ineligible Shareholders

Ineligible Shareholders will not be issued with New Silvercorp Shares or New Silvercorp CDIs under the Scheme. Instead, the New Silvercorp Shares that would otherwise have been issued to them under the Scheme will be issued to the Sale Agent on the Implementation Date and Silvercorp must update the Silvercorp Register to reflect the same.

Silvercorp must procure that as soon as reasonably practicable after the Implementation Date (and in any event within 20 days on which the Silvercorp Shares are capable of being traded on the TSX), the Sale Agent sells those New Silvercorp Shares at such price and on such other terms as the Sale Agent determines in good faith. As soon as reasonably practicable after settlement (and in any event within 10 Business Days), the Sale Agent will remit to Silvercorp the gross proceeds of sale of the New Silvercorp Shares, less any applicable taxes and charges incurred in connection with their sale (**Sale Proceeds**).

Promptly after all of the Sale Proceeds have been remitted to Silvercorp by the Sale Agent (following the last sale of such New Silvercorp Shares), Silvercorp will pay each Ineligible Shareholder an amount in Australian dollars equal to the proportion of the Sale Proceeds received by Silvercorp to which that Ineligible Shareholder is entitled to receive in full satisfaction of their entitlement to receive Scrip Consideration.

The Sale Agent will be appointed by Silvercorp, on terms reasonably acceptable to OreCorp, at least 5 Business Days prior to the Scheme Meeting.

OreCorp, Silvercorp and the Sale Agent give no assurances as to the price that will be achieved for the sale of New Silvercorp Shares as described above and the sale of New Silvercorp Shares will be at the risk of the Ineligible Shareholder. The net sale proceeds that Ineligible Shareholders receive may be more or less than the market value of the number of New Silvercorp Shares that would otherwise have been issued to them under the Scheme.

10.5 Fractional entitlements

If a Scheme Shareholder would be entitled to a fraction of a New Silvercorp Share or a New Silvercorp CDI, any such fractional entitlement:

- of less than 0.5 will be rounded down to the nearest whole number; and
- of 0.5 or more will be rounded up to the nearest whole number.

If OreCorp and Silvercorp are of the opinion (acting reasonably) that two or more Scheme Shareholders have, before the Record Date, been party to shareholding splitting or division in an attempt to obtain an advantage by reference to such rounding, Silvercorp may direct OreCorp to give notice to those Scheme Shareholders:

- setting out the names and registered addresses as set out in the OreCorp Share Register;
- stating that opinion; and
- attributing to one of them specifically identified in the notice the OreCorp Shares held by them.

After such notice has been given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of the Scheme, be taken to hold those OreCorp Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of the Scheme be taken to hold no OreCorp Shares.

10.6 Joint holders

Where Scheme Shares are held in joint names, the New Silvercorp Shares or New Silvercorp CDIs to be issued as Scheme Consideration will be issued to and registered in those joint names, any cheque will be payable to the joint holders and any cheque or document required to be sent under the Scheme will be despatched to the registered address recorded in the OreCorp Share Register on the Record Date.

10.7 Binding instructions, notifications, and elections

To the extent not prohibited by law, all instructions, notifications and elections made by a Scheme Shareholder to OreCorp in relation to the Scheme Shares that are binding (or deemed to be binding) between the Scheme Shareholder and OreCorp (including in relation to payments by cheque or by electronic funds transfer to a nominated bank account and instructions relating to communications from OreCorp) as at the Record Date will, except to the extent determined otherwise by Silvercorp in its sole discretion, be deemed to be an instruction, notification or election (as applicable) that is binding on, and accepted by, Silvercorp in respect of the New Silvercorp Shares or New Silvercorp CDIs (as the case may be) until such time as that instruction, notification or election is revoked or amended in writing addressed to Silvercorp and provided that, any such instruction, notification or election accepted by Silvercorp will only apply to the New Silvercorp Shares and New Silvercorp CDIs to the extent that they are:

- not inconsistent with any other provision of the Scheme; and
- recognised under Canadian law or the Silvercorp Articles.

11. Taxation implications

This section sets out a general summary of the key Australian income tax, goods and services tax (GST) and stamp duty consequences of the Scheme for OreCorp Shareholders that will convert to Scheme Shareholders. The purpose of the summary is to assist Scheme Shareholders to understand the potential Australian tax consequences of being a Scheme Shareholder.

The summary is intended as a general guide and is based on the Australian tax laws, regulations and administrative practices in effect as at the Last Practicable Date. Scheme Shareholders should be aware that any changes (with either prospective or retrospective effect) to the Australian tax laws, regulations or administrative practices may affect the taxation treatment of the Scheme Shareholders as described in this summary.

The Australian tax consequences outlined below are relevant to Scheme Shareholders who are individuals, companies, trusts and complying superannuation funds that hold their OreCorp Shares on capital account for Australian income tax purposes. Further, it solely relates to:

- (a) Scheme Shareholders who:
 - (i) are, and have always been a tax resident of, and only of, Australia for Australian income tax purposes;
 - (ii) do not hold, and have never held, their Scheme Shares as part of a permanent establishment outside of Australia for Australian income tax purposes (**Australian Holders**); and
- (b) Scheme Shareholders who:
 - (i) are not, and have never been, a tax resident of Australia for Australian income tax purposes;
 - (ii) do not hold, and have never held, their Scheme Shares as part of a permanent establishment in Australia for Australian income tax purposes (**Non-Australian Holders**).

This summary does not consider the Australian tax implications arising in respect of any Scheme Shareholders who:

- (a) hold their OreCorp Shares as trading stock, as part of a profit-making undertaking or scheme, under an arrangement which qualifies as an employee share or rights plan for Australian tax purposes, or otherwise on revenue account;
- (b) may be subject to special rules, such as banks, insurance companies, tax exempt organisations, certain trusts, superannuation funds (unless otherwise stated) or dealers in securities;
- (c) are partnerships or individuals who are partners of such partnerships;
- (d) are under a legal disability;
- (e) are Ineligible Shareholders;
- (f) are subject to the “taxation of financial arrangements” rules in Division 230 of the Income Tax Assessment Act 1997 (Cth) (**Tax Act**);

- (g) are ‘temporary residents’ as that term is defined in section 995-1(1) of the Tax Act;
- (h) change their tax residence whilst holding OreCorp Shares;
- (i) are subject to the Investment Manager Regime under Subdivision 842-I of the Tax Act in relation to their OreCorp Shares; or
- (j) will become subject to the Controlled Foreign Company rules contained in Part X of the Income Tax Assessment Act 1936 (Cth) in relation to their Silvercorp Shares.

Except where expressly referred to below in “Other Australian tax comments” this overview is confined to Australian income tax issues and is only one of the matters a Scheme Shareholder needs to consider when making a decision about their investments. Any persons who may be subject to tax in any jurisdiction outside Australia should obtain independent professional advice on their particular circumstances.

This overview is based on the current provisions of the income tax laws of Australia and the current published administrative policies of the Australian Taxation Office (**ATO**). OreCorp has not sought a class ruling from the ATO in respect of the tax consequences of the Scheme for OreCorp Shareholders, including the availability of CGT scrip-for-scrip roll-over. The laws are complex and subject to change periodically as is their interpretation by the courts and the ATO. By its nature, the comments in this summary will not necessarily be beyond challenge by the taxation authorities. This summary does not take into account or anticipate any changes in law (unless otherwise expressly stated), whether by legislative, governmental or judicial decision or action, or any changes in the administrative policies of the ATO. Unless otherwise defined or the context otherwise requires, terms used in this overview have the same meaning as the term has under the current income tax laws of Australia.

This overview is of a general nature only and is not intended to be legal or tax advice or representations to any particular Scheme Shareholder. This summary is not exhaustive of all Australian tax considerations applicable to Scheme Shareholders. Accordingly, Scheme Shareholders should consult their own tax advisors for advice with respect to the tax consequences for them, on implementation of the Scheme, and of holding and disposing of New Silvercorp Shares or New Silvercorp CDIs which are acquired as part of the Scheme, having regard to their own particular circumstances.

11.1 Disposal of Scheme Shares by Australian Holders

(a) Capital Gains or Losses

The disposal of Scheme Shares by Australian Holders pursuant to the Scheme will result in a capital gains tax (**CGT**) event (**CGT event**) happening for Australian Holders for Australian income tax purposes. However, Australian Holders may be eligible to choose partial roll-over relief in respect of that CGT event in certain circumstances (see *Potential Partial Roll-Over on Disposal of Scheme Shares* below).

Australian Holders will *prima facie* derive a capital gain for Australian income tax purposes as a result of that CGT event happening to the extent that the capital proceeds received for Australian income tax purposes exceeds the cost base for Australian income tax purposes of their Scheme Shares. Conversely, Australian Holders will make a capital loss as a result of that CGT event happening to the extent that the capital proceeds are less than the reduced cost base (for Australian income tax purposes) of their Scheme Shares.

The cost base of Scheme Shares held by each Australian Holder for Australian income tax purposes will generally include the consideration paid to acquire them plus certain related costs of acquisition, including any incidental costs of acquisition such as brokerage fees and duty. The reduced cost base for Australian income tax purposes is determined similarly, though there are some limitations on including certain related costs. The cost base and reduced cost base of the Scheme Shares may be impacted by previous arrangements under which those assets were acquired, such as any previous roll-over chosen for Australian income tax purposes, and certain corporate transactions, such as any capital reductions.

Each Australian Holder should seek specific tax advice to confirm the cost base or reduced cost base of their Scheme Shares (and therefore whether a capital gain or capital loss arises on the relevant CGT event happening).

To the extent any capital gain that arises to an Australian Holder from the CGT event related to the disposal of their Scheme Shares pursuant to the Scheme is not disregarded by the roll-over discussed below (such as a result of either that Australian Holder not making the choice to apply the roll-over or the roll-over not being otherwise available including in respect of any cash component of the Scheme Consideration) (see *Potential Partial Roll-Over on Disposal of Scheme Shares*), then subject to:

- (i) any eligible recoupment of any current and/or prior year capital losses to offset some or all of that capital gain (and any other capital gains arising to the Australian Holder in the same income year); and
- (ii) the application of any other applicable CGT discount (as discussed below), concession or exemption,

that capital gain will be aggregated with any other capital gains or capital losses that the Scheme Shareholder may have in that income year, and any net capital gain included in calculating the assessable income of the Australian Holder.

An Australian Holder who is an individual, complying superannuation entity or trustee of a trust may be entitled to a CGT discount where the Scheme Shares have been held by that Australian Holder for at least 12 months (excluding the days of acquisition and disposal) at the time of the CGT event. Subject to certain exceptions, the CGT discount for individuals and trusts is 50%, and for complying superannuation entities is 33.33%. There is no CGT discount for Australian Holders who are companies (or treated like companies for Australian income tax purposes).

To the extent that a capital loss arises to an Australian Holder, such capital loss may generally be applied to reduce other capital gains arising in the same income year or, in certain circumstances and subject to satisfaction of the relevant rules, may be carried forward to reduce future capital gains derived by the Australian Holder.

(b) Potential Partial Roll-Over on Disposal of Scheme Shares

Australian Holders who make a capital gain as a result of the CGT event happening on the disposal of their Scheme Shares pursuant to the Scheme may be eligible to choose to obtain a roll-over in respect of part of that capital gain pursuant to Subdivision 124-M of the Tax Act (**roll-over**), to the extent the capital proceeds received are New Silvercorp Shares or New Silvercorp CDIs, subject to the specific criteria for the roll-over being satisfied.

An Australian Holder who makes a capital loss as a result of the CGT event happening on the disposal of their Scheme Shares cannot choose to apply the roll-over (that is, the Australian

Holder cannot choose to disregard any capital loss they incur as a result of the Scheme). Further, the roll-over is not available in respect of any cash component of the Scheme Consideration.

If an Australian Holder is eligible and chooses to apply the partial roll-over to the CGT event happening on the disposal of their Scheme Shares, any capital gain arising from that CGT event would be disregarded for Australian income tax purposes to the extent that the capital proceeds received are Silvercorp Shares, and accordingly such capital gain would not be included in calculating the net capital gain for inclusion in the assessable income of the Australian Holder.

Where an Australian Holder is eligible and chooses the roll-over, the cost base of the New Silvercorp Shares or New Silvercorp CDIs received by an Australian Holder should equal a reasonable attribution of the Australian Holder's cost base of their Scheme Shares for which the roll-over is applied. Any part of the cost base of the Scheme Shares for which the Scheme Consideration is the cash component is not included. This will be relevant for any future disposal of the New Silvercorp Shares or New Silvercorp CDIs acquired pursuant to the Scheme by such Australian Holder. If roll-over is not chosen, then a different calculation of cost base applies.

For these purposes, a reasonable basis for calculating the cost base of the New Silvercorp Shares or New Silvercorp CDIs may be to multiply the cost base of the Scheme Shares by the proportion that is equal to the market value of the New Silvercorp Shares or New Silvercorp CDIs received as part of the Scheme Consideration divided by the sum of the cash component and the market value of the New Silvercorp Shares or New Silvercorp CDIs received as part of the Scheme Consideration. This cost base is allocated on a proportionate basis across the New Silvercorp Shares or New Silvercorp CDIs received as part of the Scheme Consideration.

To choose the roll-over, an Australian Holder must make a choice before lodging their Australian income tax return for the income year in which the CGT event happens (although the ATO may allow a longer time in certain circumstances). The way in which an Australian Holder prepares their Australian income tax return is evidence of making the choice (that is, by not including the disregarded capital gain in calculating their assessable income). There is no need for the Australian Holder to lodge a notice with the ATO evidencing the choice of the roll-over to the extent an Australian Holder is eligible to apply the roll-over.

There can be no assurance that any Australian Holder would be eligible to choose the roll-over in respect of the CGT event related to the disposal of their Scheme Shares pursuant to the Scheme. Each Australian Holder should seek specific tax advice on the availability and any associated benefit of the roll-over in their specific circumstances. No class ruling is being sought from the ATO in this regard.

(c) Foreign resident CGT withholding

Subject to certain exceptions, a foreign resident CGT withholding applies to any transaction involving the acquisition of the legal ownership of an asset that is an "indirect Australian real property interest" from a "relevant foreign resident". The current withholding tax rate is 12.5%.

It is not anticipated that a Scheme Share will comprise an "indirect Australian real property interest" at the time of their disposal under the Scheme (i.e., on the basis that it is not expected that a Scheme Share will pass the "principal asset test" as referred to below at "Disposal of Scheme Shares by Non-Australian Holders"). Accordingly, there should be no requirement to withhold 12.5% of the capital proceeds from any Australian Holder in respect of the Scheme.

11.2 Disposal of Scheme Shares by Non-Australian Holders

(a) Disposal of Scheme Shares by Non-Australian Holders

Scheme Shareholders that are non-tax residents of Australia and who, together with their associates, hold a less than 10% interest in OreCorp should be able to disregard a capital gain or capital loss arising from the disposal of their OreCorp Shares as their OreCorp Shares should not constitute an indirect Australian real property interest.

Broadly, an interest in OreCorp will be an “indirect Australian real property interest” for a Non-Australian Holder if the following criteria are satisfied:

- (i) OreCorp satisfies the “principal asset test”; and
- (ii) the Non-Australian Holder holds a “non-portfolio interest” in OreCorp.

Broadly, OreCorp would satisfy the principal asset test if the market value of OreCorp’s direct and indirect interests in relevant Australian land, including leases and mining rights, is more than the market value of its other assets at the Implementation Date. At the date of the Scheme Booklet, OreCorp management has determined that less than 50% of the aggregate market value of OreCorp’s assets are attributable to direct or indirect interests in relevant Australian land and does not anticipate this to change at the Implementation Date. Accordingly, OreCorp is not expected to satisfy the “principal asset test” at the Implementation Date.

Broadly, a Non-Australian Holder will have a non-portfolio interest in OreCorp if, either at the Implementation Date or throughout a 12 month period in the two years before the Implementation Date, the Non-Australian Holder and its associates directly hold 10% or more of OreCorp (by reference to the paid up share capital, certain voting rights and rights to dividend and capital distributions, including those that the Non-Australian Holder and associates actually hold and those that they are entitled to acquire).

As a result of the position outlined above, Non-Australian Holders are not expected to be subject to Australian CGT on the disposal of their Scheme Shares. Accordingly, as Non-Australian Shareholders are not expected to realise an Australian taxable gain on the disposal of their Scheme Shares, they will not require or be eligible for a partial CGT rollover.

(b) Foreign resident CGT withholding

The same comments above in “Disposal of Scheme Shares by Australian Holders” in relation to foreign resident CGT withholding should also generally apply to Non-Australian Holders.

11.3 Future dividend distributions received in relation to New Silvercorp Shares or New Silvercorp CDIs

The Australian income tax and Australian withholding tax treatment of future dividend distributions on New Silvercorp Shares or New Silvercorp CDIs for Australian Holders and Non-Australian Holders is summarised below.

(a) Australian Holders

Subject to the below, Australian Holders will generally be required to include dividends received on any New Silvercorp Shares or New Silvercorp CDIs in their assessable income, in the income year in which the dividend is received. As Silvercorp is not an Australian tax

resident company, no franking credits will be attached to dividends paid on the New Silvercorp Shares or New Silvercorp CDIs.

In certain circumstances, dividends received by Australian Holders may be non-assessable income and non-exempt income, if (among other things):

- (i) The Australian Holder is a company, corporate limited partnership or public trading trust (as defined under relevant Australian tax laws);
- (ii) The Australian Holder satisfies the direct participation test, which broadly requires an associate inclusive participation interest (direct and indirect) in the New Silvercorp Shares or New Silvercorp CDIs to be at least 10%; and
- (iii) The Australian Holder does not receive the dividend in the capacity of a trustee, unless it is received in the capacity of a trustee of a public trading trust.

Australian Holders should seek independent professional advice on the treatment of future dividends received on New Silvercorp Shares or New Silvercorp CDIs acquired pursuant to the Scheme, having regard to their specific circumstances.

(b) Non-Australian Holders

Dividends received on New Silvercorp Shares or New Silvercorp CDIs should not be included in the assessable income of Non-Australian Holders for Australian income tax purposes. As Silvercorp is not an Australian tax resident company, no Australian withholding tax should apply to dividends paid by Silvercorp.

11.4 Future disposal of New Silvercorp Shares or New Silvercorp CDIs

(a) Australian Holders

Subject to the below, a future disposal of New Silvercorp Shares or New Silvercorp CDIs by an Australian Holder may give rise to a capital gain or loss in the income year in which the earlier of the disposal, or the contract for the disposal, occurs. The calculation of the capital gain or loss should have regard to the same Australian income tax matters as described above in respect of the disposal of Scheme Shares by an Australian Holder, subject to any relevant changes in applicable law.

In certain circumstances, the Australian capital gain or loss from a future disposal of New Silvercorp Shares or New Silvercorp CDIs by Australian Holders may be reduced, if (among other things):

- (i) The Australian Holder is a company; and
- (ii) The Australian Holder held a direct voting percentage of 10% or more in Silvercorp throughout a 12 month period that began no earlier than 24 months before the time of the CGT event; and ended no later than that time.

Australian Holders should seek independent professional advice on the treatment of future disposals of New Silvercorp Shares or New Silvercorp CDIs acquired pursuant to the Scheme, having regard to their specific circumstances.

(b) **Non-Australian Holders**

A future disposal of New Silvercorp Shares or New Silvercorp CDIs by a Non-Australian Holder will require consideration of the same Australian income tax matters as described above in respect of the disposal of Scheme Shares by a Non-Australian Holder, subject to any relevant changes in applicable law. However, it will be necessary for a Non-Australian Holder to determine the satisfaction or otherwise of the principal asset test and the non-portfolio interest requirement as referred to above at the time of any future disposal of the Silvercorp Shares by a Non-Australian Holder.

Depending on the circumstances of any future disposal, a Non-Australian Holder may also need to consider foreign resident CGT withholding matters.

11.5 Other Australian Tax comments

(a) **Australian Stamp Duty**

No Australian stamp duty should be payable by Scheme Shareholders on their disposal of any Scheme Shares or acquisition of any New Silvercorp Shares or New Silvercorp CDIs pursuant to the Scheme.

(b) **Australian Goods and Services Tax (GST)**

No GST should be payable by Scheme Shareholders in respect of the disposal of their Scheme Shares and acquisition of New Silvercorp Shares or New Silvercorp CDIs as part of the Scheme, regardless of whether or not the Scheme Shareholder is registered for GST.

Scheme Shareholders may not be entitled to claim full input tax credits in respect of any GST included in the costs they have incurred in connection with their acquisition or disposal of the Scheme Shares. Separate GST advice should be sought by Scheme Shareholders in respect to their particular circumstances.

12. Additional information

12.1 OreCorp securities

(a) Securities on issue

At the Last Practicable Date, OreCorp has on issue:

- 469,408,892 OreCorp Shares;
- 3,725,257 OreCorp Options, comprising 2,575,257 OreCorp Options each with an exercise price of \$0.9906 (**OreCorp \$0.9906 Options**) and 1,150,000 OreCorp Options each with an exercise price of \$0.9066 (**OreCorp \$0.9066 Options**), all of which have an expiry date of 25 November 2024; and
- 4,012,106 OreCorp Performance Rights, comprising 1,562,106 OreCorp Performance Rights with an expiry date of 22 November 2026 and 2,450,000 OreCorp Performance Rights with an expiry date of 26 August 2027.

(b) Arrangements with respect to OreCorp Options and OreCorp Performance Rights

Under the Scheme Implementation Deed, OreCorp agreed to take all steps reasonably necessary to ensure that, by no later than the Effective Date, there are no outstanding OreCorp Options. Each OreCorp Optionholder has agreed to the cancellation of their OreCorp Options in return for payment of a cash amount, conditional on the Court approving the Scheme. The total amount payable to all OreCorp Optionholders is A\$86,005.

Under the Scheme Implementation Deed, OreCorp must also ensure that, by no later than the Effective Date, there are no outstanding OreCorp Performance Rights. In accordance with the terms upon which they were granted, the Scheme will constitute a change of control event, as a result of which all of the OreCorp Performance Rights will automatically vest and may be exercised by the holder. OreCorp has obtained from each holder of OreCorp Performance Rights an irrevocable notice of the exercise of all of their OreCorp Performance Rights with effect immediately prior to the Effective Date, conditional only on the Court approving the Scheme.

12.2 Substantial shareholders of OreCorp

As at the Last Practicable Date, the following persons had notified OreCorp that they had a relevant interest in 5% or more of OreCorp Shares on issue:

Name	Number of OreCorp Shares	Percentage
Silvercorp Metals Inc	70,411,334	15.00%
Federation Mining Pty Ltd, International Mining & Finance Corporation and Simon Mark Le Messurier (AustralianSuper Pty Ltd as trustee for AustralianSuper)	49,648,202	10.57%
Rollason Pty Ltd (Giorgetta Super Plan)	49,136,589	10.47%
Mutual Investments Pty Ltd	26,248,575	5.59%

Name	Number of OreCorp Shares	Percentage
Timothy R B Goyder	24,325,756	5.18%

12.3 Silvercorp's interests in OreCorp securities

(a) Silvercorp's interests in OreCorp Shares

As at the Last Practicable Date Silvercorp has a Relevant Interest in 70,411,334 OreCorp Shares and has voting power in OreCorp of 15%.

(b) Subscription agreement

Concurrent with entering into the Scheme Implementation Deed, Silvercorp and OreCorp entered into a subscription agreement, under which OreCorp issued 70,411,334 OreCorp Shares to Silvercorp at a price of A\$0.40 per OreCorp Share for aggregate proceeds of approximately A\$28 million (**Placement**). The Placement occurred in two tranches: the first tranche (for aggregate proceeds of A\$18 million) completed on 9 August 2023 and the second tranche (for aggregate proceeds of approximately A\$10 million) completed on 16 August 2023.

Following completion of the Placement, Silvercorp holds a Relevant Interest in 70,411,334 OreCorp Shares, representing 15% of the total OreCorp Shares on issue. These shares are Excluded Shares and Silvercorp will not be able to vote these shares at the Scheme Meeting. Accordingly, the Scheme relates to Silvercorp acquiring the shares in OreCorp that it does not own. Silvercorp will not receive any consideration for its shareholding in OreCorp as it will not be acquired under the Scheme.

Proceeds from the Placement are being used on resettlement activities as contemplated in the Resettlement Action Plan, facilitating the prompt development of the Nyanzaga Project.

Under the subscription agreement, Silvercorp has been granted a participation right, whereby any time that Silvercorp holds a Relevant Interest in at least 10% of all OreCorp Shares on issue, OreCorp agrees not to make any additional issue of OreCorp Shares or other equity securities without first giving Silvercorp reasonable notice of the proposed issue and the opportunity to participate at least pro-rata in that issue on the same terms as available to other participating parties. Further, if the Scheme Implementation Deed is terminated in accordance with its terms, then for so long as Silvercorp holds a Relevant Interest in at least 15% of the total OreCorp Shares on issue, Silvercorp may nominate one person to be appointed as an OreCorp Director.

(c) Acquisitions of OreCorp Shares by Silvercorp or its associates

In the 4 months prior to the Last Practicable Date, Silvercorp provided, pursuant to the Placement, the following consideration relating to the following OreCorp Shares:

Date	Acquirer	Number of shares	Price per share
9 August 2023	Silvercorp	45,000,000	\$0.40
16 August 2023	Silvercorp	25,411,334	\$0.40

12.4 No collateral benefits

In the 4 months prior to the Last Practicable Date, neither Silvercorp nor any of its associates has provided any benefit, or agreed to provide any benefit, to a person to induce them to vote in favour of the Scheme or to dispose of their OreCorp Shares, other than the undertakings given by Silvercorp in the Scheme Implementation Deed and the Deed Poll to pay the Scheme Consideration under the Scheme if it becomes Effective.

12.5 OreCorp securities held by OreCorp Directors

The OreCorp Directors and the number of OreCorp Shares, OreCorp Options and OreCorp Performance Rights held by or on behalf of each of them at the Last Practicable Date are set out below:

Name	OreCorp Shares	OreCorp Options	Consideration payable under Option Cancellation Deed	OreCorp Performance Rights	Implied value of OreCorp Performance Rights ³⁴
Matthew Yates	10,590,998	1,059,603 ³⁵	\$21,192.06	1,060,208	\$530,104
Henk Diederichs	250,000	-	-	804,274	\$402,137
Alastair Morrison	5,137,597	250,000 ³⁶	\$7,500	-	-
Michael Klessens	2,509,365	250,000 ³⁷	\$7,500	-	-
Michael Davis	-	-	-	-	-

12.6 Interests of OreCorp Directors in Silvercorp securities

As at the Last Practicable Date, no OreCorp Director holds any interest in any securities of Silvercorp.

12.7 Payments and other benefits to directors, secretary and executive officers of OreCorp

Except as set out in this section 12.7 and section 12.8, no payment or other benefit is proposed to be made or given to any director, secretary or executive officer of OreCorp (or any of its Related Bodies Corporate), as compensation for loss of, or as consideration for or in connection with his or her retirement from office or position with OreCorp (or any of its Related Bodies Corporate) as a result of the Scheme, other than as a result of them participating in the Scheme as a Scheme Shareholder.

³⁴ Based on the Silvercorp Share price of USD2.31 and the AUD:USD exchange rate of 1.574 as at the close of trading on NYSE American on the Last Practicable Date.

³⁵ OreCorp \$0.9906 Options

³⁶ OreCorp \$0.9066 Options

³⁷ OreCorp \$0.9066 Options

If an OreCorp executive's employment is terminated at any stage (including following the implementation the Scheme), the relevant executive will have such entitlements (including in respect of compensation for loss of office) as are contemplated by their existing employment agreements.

(a) **Retention payments**

OreCorp makes an annual grant of OreCorp performance rights to its employees which forms part of their remuneration. This year, in light of a potential control transaction (as a result of which all granted OreCorp performance rights would vest) the Board did not make a grant of OreCorp performance rights to employees but instead resolved to make a cash payment to certain employees, in lieu of OreCorp performance rights and as a retention payment. OreCorp expects to pay retention payments, in an aggregate amount not exceeding A\$1,400,000 (on the basis of the current Scheme timetable),³⁸ to retain the services of certain employees in the OreCorp Group during the Scheme process and in recognition of the work that they have undertaken and will be required to undertake in connection with the Scheme process (in addition to the normal responsibilities of their roles).

The aggregate payments include the following payments to OreCorp's two executive Directors:

Name	Role	Additional Payment
Matthew Yates	Executive Chairman	A\$303,083
Henk Diederichs	Chief Executive Officer & Managing Director	A\$281,211

(b) **Participation in the Scheme**

No OreCorp Director has agreed to receive, or is entitled to receive, any benefit in connection with, or conditional on, the outcome of the Scheme, other than as set out in this Scheme Booklet.

(c) **Arrangements in respect of OreCorp Performance Rights**

OreCorp operates an incentive plan under which unlisted OreCorp performance rights are offered to employees as an incentive and to reward such persons for performance.

OreCorp executive Directors have previously received, and as at the Last Practicable Date continue to hold, the OreCorp Performance Rights detailed in section 12.5. See section 12.1(b) for details of the impact of the Scheme on the OreCorp Performance Rights.

No OreCorp Performance Rights are held by Alastair Morrison, Michael Klessens or Michael Davis.

(d) **Arrangements in respect of OreCorp Options**

As at the Last Practicable Date, the OreCorp Directors hold the OreCorp Options detailed in section 12.5. In accordance with the process detailed in section 12.1(b), each OreCorp Director listed in section 12.5 who holds OreCorp Options has entered into an Option Cancellation Deed under which the OreCorp Director has agreed to the cancellation of his OreCorp Options in return for payment of a cash amount, determined based on the Black-Scholes option valuation methodology. The cancellation of the OreCorp Options is conditional on the Court approving the Scheme. Each OreCorp Optionholder has agreed to the cancellation of their OreCorp Options.

³⁸ This aggregate amount is calculated by reference to eligible employees' current base salary, the anticipated award of performance rights under OreCorp's existing Long Term Incentive Plan, and the anticipated Implementation Date.

No OreCorp Options are held by Henk Diederichs or Michael Davis.

12.8 Interests of OreCorp Directors in contracts entered into by Silvercorp

Except as set out in this Scheme Booklet, no OreCorp Director has any interest in any contract entered into by Silvercorp.

12.9 Other agreements or arrangements with OreCorp Directors

Except as set out in this Scheme Booklet there are no agreements or arrangements between any OreCorp Director and any other person, including Silvercorp in connection with or conditional upon the outcome of the Scheme.

(a) Agreements or arrangements between OreCorp Directors and OreCorp

Subject to the Scheme becoming Effective, Silvercorp has undertaken in favour of each OreCorp Director that to the extent permitted by law it will:

- (i) for a period of 7 years from the Implementation Date, ensure that the constitution of OreCorp and each other member of the OreCorp Group continue to contain provisions to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the relevant member of the OreCorp Group to any person other than Silvercorp; and
- (ii) ensure that OreCorp maintains directors' and officers' run-off insurance cover for that 7 year period from the Implementation Date.

At or prior to the Implementation Date, in consultation with Silvercorp, OreCorp will purchase a 7-year "run-off" directors' and officers' liability insurance policy on terms and conditions providing coverage retentions, limits and other material terms substantially equivalent to the directors' and officers' liability insurance maintained by members of the OreCorp Group with respect to matters arising at or prior to the Implementation Date, including in connection with the Scheme.

(b) Agreements or arrangements between OreCorp Directors and Silvercorp

Except as set out in this Scheme Booklet, there are no agreements or arrangements between any OreCorp Director and Silvercorp.

12.10 Material change in financial position

As at the Last Practicable Date, to the knowledge of the OreCorp Directors and other than disclosed in this Scheme Booklet or announced on the ASX, there have been no material changes to the financial position of OreCorp since 30 June 2023, being the date of OreCorp's consolidated financial report, other than the issuance of 70,411,334 OreCorp Shares to Silvercorp at an issue price of A\$0.40 per share for aggregate proceeds of A\$28,164,533.60 in accordance with the Placement.

12.11 Intentions of OreCorp Directors concerning the business of OreCorp

If the Scheme is implemented, it is expected that the existing OreCorp Directors will resign from the OreCorp Board. Accordingly, the existing OreCorp Directors are not able to make any statements of intention regarding the continuation of OreCorp's business or how the

business will be conducted after the implementation of the Scheme, any major changes to the business, including any redeployment of the fixed assets or the future employment of present employees. Silvercorp has provided a statement of its intentions for OreCorp's operations which is set out in section 7.4.

12.12 Due diligence process

OreCorp and Silvercorp entered into confidentiality deeds on 2 March 2023 and 18 May 2023 to allow the parties to conduct due diligence (**Confidentiality Deeds**). The due diligence conducted by the parties involved a review of confidential information and documents, as well as site visits to their respective exploration and mining operations in Tanzania and China and discussions with senior management. OreCorp and Silvercorp subsequently entered into the Scheme Implementation Deed on 5 August 2023, under which each party agreed that it continues to be bound by the Confidentiality Deeds after the date of the Scheme Implementation Deed.

12.13 Regulatory matters

(a) ASIC relief

Section 250N of the Corporations Act requires OreCorp to hold its annual general meeting for OreCorp's financial year ended 30 June 2023 by no later than 30 November 2023. In view of the Scheme, OreCorp has applied to ASIC under the Corporations Act to extend the period within which it would otherwise be required to hold the annual general meeting to 29 February 2024. ASIC has advised OreCorp that it has made a decision in principle to grant the extension. Assuming a final decision is confirmed by ASIC and an annual general meeting is not held prior to the Scheme Meeting, OreCorp Shareholders will be provided an opportunity at the Scheme Meeting to ask any questions in relation to OreCorp's financial statements for the year ended 30 June 2023. OreCorp will announce to ASX when the extension is granted.

(b) FIRB approval

The FIRB approval condition precedent only applies "if notice and a no objection notification are required under Foreign Acquisitions and Takeovers Act 1975 (Cth) (**FATA**)". Silvercorp has confirmed that it is not required to make a notification under the FATA of its proposed acquisition of the Scheme Shares.

(c) FCC approval

In accordance with the terms of the Scheme Implementation Deed, Silvercorp submitted its filing to the FCC, requesting approval in respect of the indirect change of control of each of NMCL, SMCL and OreCorp Tanzania as a result of the Scheme. Silvercorp received confirmation from the FCC that the filing was complete, the requisite public notice was published by the FCC on 12 September 2023 and the FCC has confirmed that it is considering the filing in accordance with its usual procedures. OreCorp will announce to ASX any developments in relation to the FCC approval.

(d) ASX waivers and confirmations

ASX has granted OreCorp a waiver of ASX Listing Rule 6.23.2 to the extent necessary to allow cancellation of the OreCorp Options without separate shareholder approval.

In connection with Silvercorp's application to be admitted to the official list of ASX, Silvercorp intends to, as at the Last Practicable Date, apply for waivers from certain ASX Listing Rules should it achieve ASX Quotation, as follows:

- approval to issue an Information Memorandum in lieu of a prospectus to satisfy ASX Listing Rule 1.1 condition 3, and confirmation that the issue of an Information Memorandum comprising the Scheme Booklet together with a brief "wrap" document dealing with the remaining requirements of Appendix 1A will be accepted by ASX as constituting the Information Memorandum contemplated by Appendix 1A;
- a waiver from ASX Listing Rule 1.1 condition 2 to the extent necessary to permit Silvercorp's constituent documents (**Constituent Documents**) not to comply with the ASX Listing Rules to the extent that the Constituent Documents provide that Silvercorp may do the following:
 - impose fees for registration of transfer of securities in a manner inconsistent with ASX Listing Rule 8.14;
 - issue non-voting shares;
 - issue preference shares on terms inconsistent with the ASX Listing Rules; and
 - permit the board to determine the remuneration of Silvercorp Directors and increase directors' fees in a manner inconsistent with ASX Listing Rule 10.17,

on the condition that Silvercorp will not do any of these things while it remains listed on ASX and while they are forbidden by the ASX Listing Rules;

- a waiver from ASX Listing Rule 1.1 condition 6 and ASX Listing Rules 2.4 and 2.8 to the extent necessary to permit Silvercorp to only apply for quotation of those Silvercorp CDIs issued over its fully paid common shares into the Australian market on condition that:
 - Silvercorp applies for quotation of new Silvercorp CDIs issued into the Australian market on a monthly basis, and provides a monthly update of the net changes in the number of Silvercorp CDIs over its common shares; and
 - Silvercorp releases details of the waiver as pre-quotation disclosure;
- a waiver to the extent necessary to permit Silvercorp to not include a statement in the information memorandum that it contains all the information that would be required under s710 of the Corporations Act, if it were a prospectus, on the condition that the information memorandum incorporates the Scheme Booklet and Silvercorp releases all of the documents incorporated into the Scheme Booklet by reference to the market as pre-quotation disclosure;
- a waiver from ASX Listing Rule 1.4.7, bullet point 3 to the extent that Silvercorp is not required to obtain additional experts consents for the inclusion in the information memorandum of reports that were included in the Scheme Booklet on condition that the information memorandum contains a clear statement indicating the report is in respect of the Scheme Booklet only;
- a waiver from ASX Listing Rule 1.4.8, to the extent necessary to permit Silvercorp not to include a statement in the information memorandum that a supplementary

information memorandum will be issued if Silvercorp becomes aware of certain matters occurring between the issue of the information memorandum and the date that Silvercorp's CDIs are quoted, on condition if Silvercorp files any disclosures of the matters set out in ASX Listing Rule 1.4.8 with the TSX and/or the Canadian regulatory authorities, it will at the same time provide a copy of the document to OreCorp for release to ASX and that OreCorp undertakes to release any such documents provided by Silvercorp to the ASX;

- a waiver from ASX Listing Rule 5.1 to the extent necessary to permit Silvercorp to not lodge quarterly reports as required under the ASX Listing Rules, on condition that at the same time Silvercorp files its interim financial statements and interim Management's Discussion and Analysis (**MD&A**) with Canadian securities regulatory authorities, as required under the rules of the TSX and Canadian securities laws, it lodges the same interim financial statements and interim MD&A with ASX;
- a waiver from ASX Listing Rules 4.2A and 4.2B to the extent necessary to permit Silvercorp to not lodge half-yearly reports as required under the ASX Listing Rules on condition that:
 - at the same time Silvercorp lodges its interim half-year financial statements and interim MD&A with the Canadian securities regulatory authorities, as required under the rules of the TSX and Canadian securities laws, it lodges the same interim financial statements and interim MD&A with ASX; and
 - each year Silvercorp provides ASX with certification of continued compliance with the interim reporting requirements under the securities laws;
- a waiver from ASX Listing Rules 4.3A and 4.3B to the extent necessary to permit Silvercorp to not lodge a preliminary final report for each year as required under the ASX Listing Rules, on the condition that at the same time Silvercorp files its annual financial statements and annual MD&A with the Canadian securities regulatory authorities, as required under the rules of the TSX and Canadian securities laws, it lodges the same annual financial statements and annual MD&A with ASX;
- a waiver from ASX Listing Rules 4.10 and 5.21 that the disclosures required to be included in Silvercorp's annual report under Listing Rules 4.10 and 5.21 can be made in Silvercorp's Management Information Circular in connection with its Annual General Meeting (**MIC**) and annual information form (**AIF**) (respectively) on condition that that the MIC and AIF are made available on Silvercorp's website and disclosed on ASX;
- a waiver from ASX Listing Rule 4.10.9 to the extent necessary to exempt Silvercorp from the requirement to include in its annual reports, the names and the number and percentage of securities attributable to each of the 20 largest shareholders in each class of quoted securities;
- a waiver from ASX Listing Rule 6.10.3 to the extent necessary to permit Silvercorp to set the "specified time" for determining shareholder entitlements to vote at a shareholder meeting in accordance with the rules of the TSX and Canadian securities laws;
- a waiver from ASX Listing Rules 6.16, 6.21, 6.22 and 6.23 to the extent necessary to permit Silvercorp Board to, in its sole discretion (but equitable in the circumstances), adjust the number and kind of Silvercorp Shares the relevant Silvercorp Options pertain

and the exercise price for Silvercorp Options, as relevant, in the event of a reorganisation of capital of Silvercorp on condition that:

- detailed terms of the Omnibus Plan are released to the market as pre-quotation disclosure;
- Silvercorp undertakes to obtain ASX approval for the implementation of any future employee or director or employee equity compensation plan pursuant to which shares of Silvercorp will be issued; and
- Silvercorp complies with the rules of the TSX and Canadian securities laws;
- a waiver from ASX Listing Rule 6.19 to the extent necessary to exempt Silvercorp from the requirement to set out the rights of a holder of Silvercorp Options, Silvercorp RSUs or Silvercorp PSUs to participate in a new issue without exercising the Silvercorp Option, Silvercorp RSUs or Silvercorp PSUs (as relevant), or state that there are no such rights;
- a waiver from ASX Listing Rule 7.1 to allow Silvercorp to issue new securities without shareholder approval under ASX Listing Rule 7.1, on condition that:
 - Silvercorp remains subject to, and complies with, the requirements of the TSX in respect to issues of new securities;
 - if Silvercorp becomes aware of any change to the application of the requirements of the TSX with respect to the issue of new shares, or that Silvercorp is no longer in compliance with the requirements of TSX with respect to the issue of new shares, it will advise ASX; and
 - Silvercorp releases details of the waiver as pre-quotation disclosure;
- a waiver from ASX Listing Rules 10.11 and 10.14 to the extent necessary to permit Silvercorp to issue or agree to issue securities to a related party (as defined in Chapter 19 of the ASX Listing Rules) under an employee incentive plan without shareholder approval on condition that:
 - where shareholder approval is sought for the issue of securities to a related party under an employee incentive plan, the votes of the related party not be counted and a voting exclusion statement be included;
 - Silvercorp complies with the rules of the TSX and Canadian securities laws; and
 - if Silvercorp becomes aware of any change to the application of the TSX rules with respect to the issue of securities to related parties, or that the Company is no longer in compliance with the requirements of TSX with respect to this issue.
- a waiver from ASX Listing Rule 10.18 to permit Silvercorp upon a change of control, to pay termination benefits to existing Silvercorp employees pursuant to the terms of their respective employment contracts;
- a waiver from ASX Listing Rule 14.2.1 to the extent necessary to permit Silvercorp not to provide in its proxy form for holders of Silvercorp CDIs to vote against a resolution

to elect a director or to appoint an auditor in accordance with the Canadian securities laws, on the following conditions:

- Silvercorp complies with the Canadian securities laws as to the content of proxy forms applicable to resolutions for the election of directors and the appointment of an auditor;
 - the notice given by Silvercorp to Silvercorp CDI holders under ASX Settlement Rule 13.8.9 makes it clear that holders are only able to vote for the resolutions or abstain from voting, and the reasons why this is the case; and
 - Silvercorp releases details of the waiver to the market as part of the pre-quotation disclosure and the terms of the waiver are set out in the management proxy circular provided to all holders of CDIs;
-
- a waiver to the extent necessary to permit Silvercorp to comply with the requirements of Canadian securities laws and the rules of the TSX for nominations of directors in lieu of ASX Listing Rule 14.3 on condition that Silvercorp releases the terms of the waiver to the market as pre-quotation disclosure, and the terms of the waiver are set out in the management proxy circular provided to all holders of Silvercorp CDIs;
 - a waiver from ASX Listing Rule 15.7 to the extent necessary to permit Silvercorp to give information that is for release to the market simultaneously to both the ASX and TSX; and
 - a waiver from ASX Listing Rule 15.12, to the extent necessary to permit the Constituent Documents not to contain the provisions required by ASX Listing Rules 15.12.1 to 15.12.3 inclusive, on condition that Silvercorp undertakes not to acquire any classified assets in circumstances under which the ASX Listing Rules would require the issue of restricted securities, without the written consent of ASX.

As at the Last Practicable Date, Silvercorp has not submitted its ASX listing application or application for ASX waivers.

12.14 Consents and disclaimers

(a) Consents

Each of the following persons has given and has not before the Last Practicable Date withdrawn its written consent to be named in this Scheme Booklet in the form and context in which it is named:

- Allen & Overy as legal adviser to OreCorp in relation to the Scheme;
- CIBC Capital Markets as financial adviser to OreCorp in relation to the Scheme;
- Automic Pty Ltd as the OreCorp Registry; and
- Rollason Pty Limited.

PricewaterhouseCoopers has given and has not before the Last Practicable Date withdrawn its written consent to be named in this Scheme Booklet and the inclusion in this Scheme Booklet of the information contained in section 11 ('Taxation implications') of this Scheme Booklet

and the references to that section elsewhere in this Scheme Booklet, in each case in the form and context in which they are included.

SRK Consulting (Australasia) Pty Ltd has given and has not before the Last Practicable Date withdrawn its written consent to be named as the Independent Technical Specialist in this Scheme Booklet and to the inclusion in this Scheme Booklet of the Independent Technical Specialist's Report which is included in the Independent Expert's Report set out in Annex 5 and the references to the Independent Technical Specialist's Report elsewhere in this Scheme Booklet, in each case in the form and context in which they are included.

BDO has given and has not before the Last Practicable Date withdrawn its written consent to be named as the Independent Expert in this Scheme Booklet and to the inclusion in this Scheme Booklet of the Independent Expert's Report set out in Annex 5 and the references to the Independent Expert's Report elsewhere in this Scheme Booklet, in each case in the form and context in which they are included.

Deloitte has given and has not before the Last Practicable Date withdrawn its written consent to be named as the Investigating Accountant in this Scheme Booklet and to the inclusion in this Scheme Booklet of the Independent Limited Assurance Report set out in Annex 6 and the references to the Independent Limited Assurance Report elsewhere in this Scheme Booklet, in each case in the form and context in which they are included.

Silvercorp has given and has not before the Last Practicable Date withdrawn its written consent to the inclusion in this Scheme Booklet of the Silvercorp Information in the form and context in which it is included.

(b) Disclaimers of responsibility

Each person named in section 12.14(a):

- has not authorised or caused the issue of this Scheme Booklet;
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based other than as specified in section 12.14(a); and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for any part of, this Scheme Booklet other than a reference to its name and any statement or report which has been included in this Scheme Booklet with the consent of that person referred to in section 12.14(a).

12.15 Fees, interests of advisers and other payments associated with the Scheme

Each of the persons named in section 12.14(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging. The estimated fees payable to this parties are set out in the table below:

Name	Estimate of fees (ex GST)
Allen & Overy	A\$400,000

Name	Estimate of fees (ex GST)
CIBC Capital Markets	A\$2,900,000
Deloitte	A\$100,000
BDO	A\$175,000
SRK Consulting (Australasia) Pty Ltd	A\$380,000
PricewaterhouseCoopers	A\$15,000

If the Scheme is implemented, external costs of approximately A\$4,016,000 (excluding GST) are expected to be paid by OreCorp. This includes advisory fees for OreCorp's financial, legal, accounting and tax advisers, the Independent Expert's fees, Investigating Accountant's fees, printing and distribution costs, expenses associated with convening and holding the Scheme Meeting and other expenses.

If the Scheme is not implemented, costs of approximately A\$1,116,000 (excluding GST) are expected to be paid by OreCorp.

From time to time, CIBC and its Related Bodies Corporate may have interests in marketable securities of Silvercorp by virtue of their funds management and proprietary trading operations.

Except as described above, no person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet has, or has had in the two years before the Last Practicable Date, an interest in:

- the formation or promotion of Silvercorp;
- any property acquired or proposed to be acquired by Silvercorp in connection with its formation or promotion or the proposed issue of New Silvercorp Shares and New Silvercorp CDIs under the Scheme; or
- the proposed issue of New Silvercorp Shares and New Silvercorp CDIs under the Scheme,

and no amounts have been paid or agreed to be paid and no one has given or agreed to give a benefit, to any such person for services rendered in connection with the promotion or formation of Silvercorp or the proposed issue of New Silvercorp Shares and New Silvercorp CDIs under the Scheme.

Further, as noted above in section 12.7(a), OreCorp expects to pay retention payments, in an aggregate amount not exceeding A\$1,400,000 (on the basis of the current Scheme timetable), to certain employees of the OreCorp Group in order to retain their services during the Scheme process and in recognition of the work that they have undertaken and will be required to undertake in connection with the Scheme process (in addition to the normal responsibilities of their roles).

12.16 Information in relation to Silvercorp's CIM Mineral Resources and CIM Mineral Reserves

As noted in section 6.2, Silvercorp prepares its CIM Mineral Reserves and CIM Mineral Resources estimates in accordance with NI 43-101, which is different to the reporting standard ordinarily applicable to ASX listed companies, the JORC Code.

The NI 43-101 standards require that CIM Mineral Resource estimates are prepared in accordance with, and have the meaning ascribed by, CIM Standards. The NI 43-101 and the NI 43-101 Companion Policy identifies the Australian JORC Code as an “acceptable foreign code” for the estimation of CIM Mineral Resources and noted that it is substantially similar to the CIM Standards as both are based on and are consistent with the international reporting template published by the Committee for Mineral Reserves International Reporting Standards. Likewise, the ASX Listing Rules classify foreign estimates that have been prepared in accordance with NI 43- 101 and the CIM Standards as “qualifying foreign estimates” in Australia.

(a) Cautionary Statement

The qualifying foreign estimates have not been reported in accordance with the JORC Code. A competent person has not done sufficient work to classify the foreign estimates as Mineral Resources or Ore reserves in accordance with the JORC Code. It is uncertain that following evaluation and/or further exploration work that the foreign estimates will be able to be reported as Mineral Resources or Ore Reserves in accordance with the JORC Code.

The technical information contained in this Scheme Booklet relating to Silvercorp's mining projects is governed by NI 43-101 which incorporates the guidelines as set out in the CIM Standards. The CIM Standards are sufficiently similar to the JORC Code for Silvercorp's resources and reserves and as such are quoted as “qualifying foreign estimates” in accordance with Chapter 19 of the ASX Listing Rules. **Silvercorp currently has no intention to verify the foreign estimates in accordance with the JORC Code.**

(b) Comparison of key terms used in JORC Code, CIM Standards and NI 43-101

Whilst there are some differences in their terminology between the JORC Code and the CIM Standards they share (and require) common themes:

- there must be a very high level of confidence (reliability) in the data used to define the mineral deposit;
- the continuity of mineralisation between observation points (sampling points or drillholes) must be established to a very high standard;
- the quality of sampling data must be of a very high standard; and
- most importantly, the potential development of a deposit with either “Proven” or “Probable” ore reserves must be economic to develop and produce, as determined by engineering and mine design studies.

Refer below for a summary of the various key terms used in each of the JORC Code, CIM Standards and NI 43-101.

JORC Code	CIM Standards
Inferred Mineral Resource An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade (or quality) are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade (or quality) continuity. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.	Inferred Mineral Resource An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
Indicated Mineral Resource An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to assume geological and grade (or quality) continuity between points of observation where data and samples are gathered. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Ore Reserve.	Indicated Mineral Resource An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.
Measured Mineral Resource	Measured Mineral Resource

JORC Code	CIM Standards
A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, and is sufficient to confirm geological and grade (or quality) continuity between points of observation where data and samples are gathered. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve or under certain circumstances to a Probable Ore Reserve.	A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.
Ore Reserve An Ore Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.	Mineral Reserve A Mineral Reserve is the economically mineable part of a measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at prefeasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must

JORC Code	CIM Standards
	be demonstrated by a Pre-Feasibility Study or Feasibility Study.
Probable Ore Reserve A Probable Ore Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.	Probable Mineral Reserve A Probable Mineral Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.
Proved Ore Reserve A Proved Ore Reserve is the economically mineable part of a Measured Mineral Resource. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors.	Proven Mineral Reserve (Proved Mineral Reserve) A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

JORC Code	NI 43-101
Competent Person A Competent Person is a minerals industry professional who is a Member or Fellow of The Australasian Institute of Mining and Metallurgy, or of the Australian Institute of Geoscientists, or of a “Recognised Professional Organisation” (RPO), as included in a list available on the JORC and ASX websites. These organisations have enforceable disciplinary processes including the powers to suspend or expel a member. A Competent Person must have a minimum of five years relevant experience in the style of mineralisation or type of deposit under consideration and in the activity which that person is undertaking. If the Competent Person is preparing documentation on Exploration Results, the relevant experience must be in exploration. If the Competent Person is estimating, or supervising the estimation of Mineral Resources, the relevant experience must be in the estimation, assessment and evaluation of Mineral Resources. If the Competent	Qualified Person A Qualified Person means an individual who (a) is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining; (b) has at least five years of experience in mineral exploration, mine development or operation, or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice; (c) has experience relevant to the subject matter of the mineral project and the technical report; (d) is in good standing with a professional association; and (e) in the case of a professional association in a foreign jurisdiction, has a membership designation that both requires attainment of a position of responsibility in their profession that requires the exercise of independent judgment, and requires a favourable confidential peer evaluation of the individual’s character, professional judgement, experience, and ethical fitness a recommendation for membership by at least two peers, and demonstrated prominence or

JORC Code	NI 43-101
Person is estimating, or supervising the estimation of Ore Reserves, the relevant experience must be in the estimation, assessment, evaluation and economic extraction of Ore Reserves.	expertise in the field of mineral exploration or mining.

12.17 Competent person and qualified person statements

(a) **OreCorp**

The information in this Scheme Booklet relating to OreCorp's Exploration Results, estimates of Mineral Resources, Ore Reserves Statements and the production target in relation to Nyanzaga is extracted from the ASX announcements dated 22 August 2022 (Nyanzaga DFS Delivers Robust Results), 5 May 2022 (DFS Completion and Kilimani Mineral Resources Estimate Update) and 12 September 2017 (MRE Update for the Nyanzaga Project Increasing Category and Grade) which are available to view on OreCorp's website www.orecorp.com.au.

OreCorp confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and, in the case of Exploration Results, estimates of Mineral Resources, Ore Reserves Statements and the production target in relation to Nyanzaga, that all material assumptions and technical parameters underpinning the Exploration Results, estimates of Mineral Resources, Ore Reserves Statements and the production target in relation to Nyanzaga (and any forecast financial information derived from the production target) in the original announcements continue to apply and have not materially changed. OreCorp confirms that the form and context in which the relevant competent persons' findings are presented have not been materially modified from the original announcements.

(b) **Silvercorp**

The scientific and technical information relating to Silvercorp's projects contained herein has been reviewed and approved by Guoliang Ma, P. Geo., who is a Qualified Person (**QP**) within the meaning of NI 43-101, and who supervised the preparation of the scientific and technical information of Silvercorp included in this Scheme Booklet. The Qualified Person has verified the information disclosed herein using standard verification processes, including the sampling, preparation, security and analytical procedures underlying such information, and is not aware of any significant risks and uncertainties or any limitations on the verification process that could be expected to affect the reliability or confidence in the information discussed herein.

For more information on Silvercorp's projects, readers should refer to Silvercorp's latest Annual Information Form dated 1 June 2023, and Silvercorp's technical reports available on SEDAR+ website www.sedarplus.ca

The scientific and technical information related to Silvercorp's projects included in this Scheme Booklet are derived from the following technical reports:

- NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China with the effective date of September 20, 2022 (**Ying 2022 Technical Report**), prepared by AMC Mining Consultants (Canada) Ltd. Qualified Persons as defined by National Instrument 43-101 responsible for the preparation of the Ying 2022 Technical Report were H. Smith, P.Eng., G. Vartell, P.Geo. and S. Robinson, P.Geo., MAIG of AMC Mining Consultants (Canada) Ltd.;

R. Webster, MAIG and R. Cheshier, FAusIMM of AMC Consultants Pty Ltd.; A. Riles, MAIG of Riles Integrated Resource Management Pty Ltd., and Guoliang Ma, P.Geo. of Silvercorp Metals Inc. Guoliang Ma, P.Geo. has reviewed and consented to the technical information in this Scheme Booklet and believes it fairly and accurately represents the information in the Ying 2022 Technical Report that supports the disclosure. For a more detailed overview of the Ying Mining District, please refer to the Ying 2022 Technical Report, which is available on SEDAR+ at www.sedarplus.ca.

- NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China with the effective date March 31, 2021 (**GC 2021 Technical Report**), prepared by AMC Mining Consultants (Canada) Ltd. Qualified Persons as defined by National Instrument 43-101 responsible for the preparation of the GC 2021 Technical Report were. D. Nussipakynova, P.Geo., H. A. Smith, P.Eng., A. A. Ross, P.Geo., and S. Robinson, P.Geo., MAIG. of AMC Mining Consultants (Canada) Ltd.; A. Riles, MAIG., of Riles Integrated Resource Management Pty Ltd, and Guoliang Ma, P.Geo. of Silvercorp Metals Inc. Guoliang Ma, P.Geo. has reviewed and consented to the technical information in this Scheme Booklet and believes it fairly and accurately represents the information in the GC 2021 Technical Report that supports the disclosure. For a more detailed overview of the GC Mine, please refer to the GC 2021 Technical Report, which is available on SEDAR+ at www.sedarplus.ca.

12.18 Publicly available information in relation to OreCorp

OreCorp is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. In addition, under the ASX Listing Rules, subject to certain limited exceptions, OreCorp is required, to notify ASX immediately on becoming aware of any information which a reasonable person might expect to have a material impact on the price or value of OreCorp Shares.

Copies of documents given by OreCorp to ASIC under the Corporations Act may be obtained from or inspected at any office of ASIC. Copies of documents given by OreCorp to ASX are available from ASX's website www.asx.com.au and on OreCorp's website at www.orecorp.com.au.

12.19 Lodgement of Scheme Booklet with ASIC

A draft copy of this Scheme Booklet was lodged with ASIC on Friday 13 October 2023 in accordance with section 411(2)(b) of the Corporations Act.

12.20 No unacceptable circumstances

The OreCorp Board believes that the Scheme does not involve any circumstances in relation to the affairs of OreCorp that could reasonably be characterised as constituting unacceptable circumstances for the purposes of section 657A of the Corporations Act.

12.21 Supplementary information

If OreCorp becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the Effective Date:

- a material statement in this Scheme Booklet is false or misleading in a material respect;
- a material omission from this Scheme Booklet;

- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter that has arisen and that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC,

OreCorp will make available supplementary information to OreCorp Shareholders. OreCorp intends to make available any such supplementary information by releasing that information to ASX (www.asx.com.au) and posting the supplementary information to OreCorp's website (www.orecorp.com.au). Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, OreCorp may also send such supplementary information to OreCorp Shareholders.

12.22 Other material information

Except as set out in this Scheme Booklet (including the information contained in the Independent Expert's Report and the other annexes to this Scheme Booklet), there is no information that is material to the making of a decision by an OreCorp Shareholder in relation to the Scheme, being information that is within the knowledge of any OreCorp Director and which has not previously been disclosed to OreCorp Shareholders.

13. Glossary

In this Scheme Booklet:

AEDT means Australian Eastern Daylight Time;

AgEq has the meaning given in section 6.2;

Announcement Date means the date on which the execution of the Scheme Implementation Agreement was announced by OreCorp and Silvercorp, being 6 August 2023;

ASIC means the Australian Securities and Investments Commission;

Associate has the meaning given in section 12(2) of the Corporations Act;

ASX means ASX Limited or the Australian Securities Exchange, as the context requires;

ASX Listing Rules means the official listing rules of ASX, modified to the extent of any express written waiver by ASX;

ASX Quotation means the admission of Silvercorp to the official list of ASX and the New Silvercorp CDIs being approved for official quotation on ASX;

ASX Settlement means ASX Settlement Pty Limited (ABN 49 008 504 532);

ASX Settlement Operating Rules means the operating rules of the clearing and settlement facility provided by ASX Settlement;

Break Fee means A\$2,840,976;

Business Corporations Act means the Business Corporations Act (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that act;

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are generally open in Perth, Western Australia and Vancouver, Canada for normal business;

BVI means British Virgin Islands;

BYP Mine has the meaning given in section 6.3;

Cash Consideration means A\$0.15 for each Scheme Share;

CDI means CHESS Depositary Interest;

CDI Elected Shareholder means a Scheme Shareholder (other than an Ineligible Foreign Shareholder) who has made a CDI Election;

CDI Election means a valid election for New Silvercorp CDIs made by a Scheme Shareholder (other than an Ineligible Foreign Shareholder) pursuant to the terms of the Scheme;

CDI Election Form means the form pursuant to which Scheme Shareholders (other than Ineligible Shareholders) may elect to receive their Scrip Consideration in the form of New Silvercorp CDIs, a copy of which accompanies this Scheme Booklet, and a replacement for which may be obtained from the OreCorp Registry on 1300 441 602 or hello@automicgroup.com.au;

CDI Nominee means CHESS Depository Nominees Pty Limited (ACN 071 346 506);

CHESS means the clearing house electronic sub-register system of share transfers operated by ASX Settlement;

CIM and CIM Council means Canadian Institute of Mining, Metallurgy and Petroleum Council;

CIM Mineral Reserve has the meaning given to the term “mineral reserve” in the CIM Standards;

CIM Mineral Resource has the meaning given to the terms “mineral resource” in the CIM Standards;

CIM Standards means the Definition Standards for Mineral Resources & Mineral Reserves adopted by CIM Council on 19 May 2014, which were adopted by the Canadian Securities Administrators’ (National Instrument 43-101 Standards of Disclosure for Mineral Projects);

COG means cut-off grade;

Competing Proposal means any proposal, offer, expression of interest, agreement, arrangement or transaction (whether by way of takeover bid, scheme of arrangement, reverse takeover, capital reduction, buy-back, sale, lease, purchase or assignment of assets, sale or issue of securities, strategic alliance, joint venture, partnership, dual listed companies structure, economic or synthetic merger or combination or other transaction or arrangement) which, if entered into or completed, would result in a third party:

- (a) directly or indirectly acquiring or being entitled to acquire a Relevant Interest or any other direct or indirect interest in more than 20% of the shares of OreCorp or any other member of the OreCorp Group whose assets represent 20% or more of the total consolidated assets of the OreCorp Group; or
- (b) directly or indirectly acquiring or being entitled to acquire an interest in more than 20% of the Nyanzaga Project; or
- (c) acquiring Control of OreCorp or merging or amalgamating with OreCorp or any other member of the OreCorp Group whose assets represent 20% or more of the total consolidated assets of the OreCorp Group,

or which would otherwise require OreCorp to abandon, or otherwise fail to proceed with, the Scheme;

Control has the meaning given in section 50AA of the Corporations Act;

Corporations Act means the Corporations Act 2001 (Cth);

Corporate Governance Committee means the Corporate Governance Committee of the Silvercorp Board;

COSO means the Committee of Sponsoring Organizations of the Treadway Commission;

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act as OreCorp and Silvercorp agree in writing;

DCG Mine has the meaning given in section 6.3;

Deed Poll means the deed poll dated 30 October 2023 entered into by Silvercorp in favour of the Scheme Shareholders in the form set out in Annex 4;

Deloitte means Deloitte Corporate Finance Pty Limited;

Depository means CHESS Depository Nominees Pty Limited (ACN 071 346 506);

DFS or Study has the meaning given in section 5.1;

ECI has the meaning given in section 5.2;

Effective means, when used in relation to the Scheme, the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) in relation to the Scheme;

Effective Date means the date the Scheme becomes Effective;

End Date means the date that is 8 months after the date of the Scheme Implementation Deed, being 5 April 2024 or such later date as OreCorp and Silvercorp agree in writing;

ESG has the meaning given in section 6.1;

Excluded Event means any event or change in circumstances:

- (a) agreed to in writing by Silvercorp (in the case of an OreCorp Material Adverse Change) or by OreCorp (in the case of a Silvercorp Material Adverse Change);
- (b) resulting from the execution or announcement of the Scheme Implementation Deed or the Scheme or from the exercise by any party of its rights, or the discharge by any party of its obligations, under the Scheme Implementation Deed;
- (c) in the case of an OreCorp Material Adverse Change, the future occurrence of which and the effect on the OreCorp Group of which have both been Fairly Disclosed in the OreCorp Data Room Information or in any ASX announcement made by OreCorp after 1 January 2022 and before the date of the Scheme Implementation Deed or any matter actually known by Silvercorp on or before the date of the Scheme Implementation Deed;
- (d) in the case of a Silvercorp Material Adverse Change, the future occurrence of which and the effect on the Silvercorp Group of which have both been Fairly Disclosed in the Silvercorp Data Room Information or in any TSX or NYSE American announcement made by Silvercorp after 1 January 2022 and before the date of the Scheme Implementation Deed or any matter actually known by OreCorp on or before the date of the Scheme Implementation Deed;
- (e) resulting from any applicable law, any judicial or administrative interpretation of the law or any practice or policy of a Government Agency, including in relation to Tax;

- (f) that is, or arises from, a change or fluctuation in general economic, banking, regulatory, political or business or industry conditions;
- (g) that is, or arises from, a general deterioration in global gold or silver prices or a change in taxation rates, interests rates or exchange rates;
- (h) that is, or arises from, geopolitical conditions, hostilities, civil or political unrest, any acts of war, sabotage, cyberattack or terrorism (including any outbreak, escalation or worsening of the foregoing) except:
 - (i) in relation to an OreCorp Material Adverse Change to the extent such events occur solely in Tanzania; and
 - (ii) in relation to a Silvercorp Material Adverse Change to the extent such events occur solely in China;
- (i) that is, or arises from, any actual or announced change in generally accepted accounting principles or standards or the interpretation of such principles or standards; or
- (j) that is, or arises from, any epidemic, pandemic, lightning, storm, flood, fire, seismic event or explosion, cyclone, tidal wave, landslide, natural disaster or adverse weather conditions or the like,

except, in the case of each of the matters contemplated in items (f), (g), (h), (i) and (j), if the effects of such event, occurrence, change, condition, matter, circumstance or thing are, or would be considered reasonably likely to be, disproportionately adverse to OreCorp or Silvercorp (as the case may be) compared to the effects on other comparable companies in the same industries as OreCorp or Silvercorp (as the case may be), then those effects are excluded from the matters contemplated in items (f), (g), (h), (i) or (j) (as applicable) only to the extent of such disproportionate effect and not in their entirety;

Exclusivity Period means the period starting on the date of the Scheme Implementation Deed (5 August 2023) and ending on the first to occur of:

- (a) termination of the Scheme Implementation Deed in accordance with its terms;
- (b) the Implementation Date; and
- (c) the End Date;

Excluded Shares means any OreCorp Shares held by any member of the Silvercorp Group or by any person on behalf of or for the benefit of the Silvercorp Group as at the Record Date (or, in the context of determining eligibility to attend or vote at the Scheme Meeting, as at 7.00pm AEDT on Wednesday 6 December 2023);

Excluded Shareholder means a person who is registered in the OreCorp Share Register as the holder of one or more Excluded Shares on the Record Date (or, in the context of determining eligibility to attend or vote at the Scheme Meeting, as at 7.00pm AEDT on Wednesday 6 December 2023);

Fairly Disclosed means disclosed in sufficient detail to enable a reasonable, diligent and sophisticated recipient of the relevant information who is experienced in transactions similar to the Scheme or experienced in a business similar to the business of the OreCorp Group or

Silvercorp Group (as applicable), to identify the nature and scope of the relevant fact, matter, circumstance or event;

FATA means the Foreign Acquisitions and Takeovers Act 1975 (Cth);

FCC means the Tanzanian Fair Competition Commission;

FIRB means the Australian Foreign Investment Review Board;

First Court Date means the first day on which an application is made to the Court for an order under section 411(1) of the Corporations Act approving the convening of the Scheme Meeting or, if the application is adjourned for any reason, the first day on which the adjourned application is heard;

Fortune Copper means Fortune Copper Limited;

Fiscal or Fiscal Year, in relation to Silvercorp, means the fiscal year ended 31 March of the relevant year;

Fortune Mining means Fortune Mining Limited (a British Virgin Islands entity);

g/t means grams per tonne;

GC Mine has the meaning given in section 6.1;

Government Agency means any foreign or Australian government, any department, officer or minister of any government and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity, and includes any Relevant Exchange, ASIC, the Takeovers Panel, FIRB, FCC, the Australian Taxation Office, the Business Registrations and Licencing Agency of Tanzania, the Tanzanian Mining Commission and any state or territory revenue offices;

GST has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999 (Cth);

Guangdong Found means Guangdong Found Mining Co. Ltd.;

H2 CY means the second half of the calendar year;

Henan Found means Henan Found Mining Co. Ltd.;

Henan Huawei means Henan Huawei Mining Co. Ltd.;

HPG Mine has the meaning given in section 6.3;

HZG Mine has the meaning given in section 6.3;

Implementation Date means the date which is 5 Business Days after the Record Date, or such other date as OreCorp and Silvercorp agree in writing;

Independent Expert or **BDO** means BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045;

Independent Expert's Report means the report prepared by the Independent Expert, a copy of which is set out in Annex 5;

Independent Limited Assurance Report means the report prepared by the Investigating Accountant in relation to the Scheme, a copy of which is set out in Annex 6;

Independent Technical Specialist means SRK Consulting (Australasia) Pty Ltd;

Independent Technical Specialist's Report means the report prepared by the Independent Technical Specialist, a copy of which is set out in Appendix 5 to the Independent Expert's Report;

Ineligible Foreign Shareholder means a Scheme Shareholder whose address, as shown on the OreCorp Share Register on the Record Date, is a place outside:

- (a) Australia and its external territories;
- (b) New Zealand;
- (c) the United Kingdom;
- (d) Canada;
- (e) the United States of America; and
- (f) such other jurisdiction as agreed by OreCorp and Silvercorp,

unless Silvercorp (in consultation with OreCorp) determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Silvercorp Shares or New Silvercorp CDIs (as applicable) on implementation of the Scheme;

Ineligible Shareholder means an Ineligible Foreign Shareholder or an Unmarketable Parcel Shareholder;

Investigating Accountant means Deloitte;

IRR means internal rate of return;

JORC Code means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012, as updated from time to time;

Koz means one thousand ounces;

Kuanping Project has the meaning given in section 6.3;

Last Practicable Date means 27 October 2023, being the last practicable date to prepare information before finalising this Scheme Booklet for registration by ASIC;

LME Mine has the meaning given in section 6.3;

LMW Mine has the meaning given in section 6.3;

LOM means life-of-mine;

Merged Group means the Silvercorp Group, including the OreCorp Group, after implementation of the Scheme;

MI 61-101 – means Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions;

Moz means one million ounces;

MRE has the meaning given in section 5.2;

Mt means millions of tonnes;

Mtpa means millions of tonnes per annum;

New Infini means New Infini Silver Inc.;

New Infini Shares means common shares in New Infini;

New Pacific Metals means New Pacific Metals Corp. a Canadian public company listed on the TSX under the symbol “NUAG” and the NYSE American under the symbol “NEWP”;

New Silvercorp CDI means a Silvercorp CDI to be issued to CDI Elected Shareholders under the Scheme (if any);

New Silvercorp Securities means New Silvercorp Shares and New Silvercorp CDIs;

New Silvercorp Share means a Silvercorp Share to be issued under the Scheme to Scheme Shareholders (other than CDI Elected Shareholders, if ASX Quotation occurs) as Scrip Consideration;

NI 43-101 means National Instrument NI 43-101 Standards of Disclosure for Mineral Projects;

NI 52-110 means National Instrument 52-110 Audit Committees;

NI 58-101 means National Instrument 58-101 Disclosure of Corporate Governance Practices;

NI 54-101 means National Instrument 54-101 Communications with Beneficial Owners of Securities of a Reporting Issuer;

NI 55-102 means National Instrument 55-102 System for Electronic Disclosure by Insiders;

NI 62-104 means National Instrument 62-104 Take-Over Bids and Issuer Bids;

NMCL means Nyanzaga Mining Company Limited, a private limited company incorporated and organised under the laws of the United Republic of Tanzania with registered number 60002;

NP 58-201 means National Policy 58-201 Corporate Governance Guidelines;

NP 62-202 means National Policy 62-202 Takeover Bids – Defensive Tactics;

NPV means net present value;

Nyanzaga Project or **Project** means the Nyanzaga gold project in the Sengerema District, Mwanza region, northwest Tanzania;

NYSE American means the NYSE American stock exchange;

Omnibus Plan means Silvercorp’s amended and restated share-based compensation plan;

Option Cancellation Deed means a deed between OreCorp and an OreCorp Optionholder pursuant to which OreCorp will cancel all of the holder's OreCorp Options in consideration for the OreCorp Option Consideration, conditional on, amongst other conditions, the Scheme becoming Effective and each other OreCorp Optionholder also agreeing to the cancellation of their OreCorp Options;

OreCorp means OreCorp Limited ACN 147 917 299;

OreCorp \$0.9906 Options has the meaning given in section 12.1(a);

OreCorp \$0.9066 Options has the meaning given in section 12.1(a);

OreCorp Board means the board of directors of OreCorp;

OreCorp Data Room Information means:

- (a) the written information and documents made available to Silvercorp or its representatives on or before 4 August 2023 in the electronic data room assembled by OreCorp, an index to which has been initialled on behalf of Silvercorp and OreCorp; and
- (b) the written answers or written confirmations provided to Silvercorp or its representatives on or before 4 August 2023 in response to requests for information, copies of which have been compiled and initialled on behalf of Silvercorp and OreCorp;

OreCorp Directors means the directors of OreCorp as at the Last Practicable Date, whose names are set out in section 5.5(a);

OreCorp Group means OreCorp and its Related Entities;

OreCorp Group Tenement means the SML, being the tenement set out in the table below:

Code	Current Holder	Status	Current Status	Grant Date	Expiry Date	Area (km2)
SML 653/2021	Sotta Mining Corporation Limited	Active	Initial period	13 December 2021	12 December 2036	23.36

OreCorp Information means all information included in this Scheme Booklet other than:

- (a) the Silvercorp Information; and
- (b) the information on the taxation implications of the Scheme contained in section 11 of this Scheme Booklet; and
- (c) the information contained in the Independent Expert's Report and the Independent Limited Assurance Report;

OreCorp Material Adverse Change means any event or circumstances that occurs after the date of the Scheme Implementation Deed which is not an Excluded Event and which individually, or when aggregated with all other events or changes that are not Excluded Events:

- (a) gives rise to the suspension, revocation, invalidity, unenforceability, materially adverse variation, premature lapse or premature termination of all or any material rights under the OreCorp Group Tenement (other than planned relinquishment or abandonment);
- (b) involves the grant of mining or other rights or interests of any kind over all or part of any area covered by or the subject of the OreCorp Group Tenement to any person other than the holder(s) of the OreCorp Group Tenement (in that capacity) which materially conflict or could reasonably be expected to materially conflict with the enjoyment of the rights conferred or purported to be conferred by the OreCorp Group Tenement;
- (c) diminishes or could reasonably be expected to diminish the consolidated net assets of the OreCorp Group by A\$12 million or more; or
- (d) has or could reasonably be expected to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the OreCorp Group taken as a whole,

and for the purposes of this definition, consolidated net assets will be calculated using the same principles as were used to calculate the consolidated net assets in the most recent audited financial statements of OreCorp as at the date of the Scheme Implementation Deed;

OreCorp Options means options to subscribe for new OreCorp Shares, comprising the OreCorp \$0.9906 Options and the OreCorp \$0.9066 Options;

OreCorp Option Consideration means A\$0.02 per OreCorp \$0.9906 Option and A\$0.03 per OreCorp \$0.9066 Option;

OreCorp Optionholder means each person registered as the holder of an OreCorp Option in OreCorp's register of optionholders maintained in accordance with the Corporations Act;

OreCorp Performance Rights means an entitlement granted by OreCorp for the holder to be allocated an OreCorp Share subject to the satisfaction of applicable vesting conditions, as further described in section 12.7(c);

OreCorp Prescribed Occurrence means the occurrence of any of the events listed in Schedule 1 to the Scheme Implementation Deed, other than a matter:

- (a) in relation to which Silvercorp has expressly agreed to in writing;
- (b) resulting from the exercise by any party of its rights, or the discharge by any party of its obligations, under the Scheme Implementation Deed; or
- (c) the occurrence or potential or planned occurrence of which has been Fairly Disclosed in the OreCorp Data Room Information or in any ASX announcement made by OreCorp after 1 January 2022 and before the date of the Scheme Implementation Deed;

OreCorp Registry means Automic Pty Ltd or such other person nominated by OreCorp to maintain the OreCorp Share Register;

OreCorp Share means a fully paid ordinary share in the issued capital of OreCorp;

OreCorp Shareholder means a person who is registered in the OreCorp Share Register as the holder of one or more OreCorp Shares from time to time;

OreCorp Share Register means the register of OreCorp Shares maintained by the OreCorp Registry on behalf of OreCorp;

OreCorp Tanzania means OreCorp Tanzania Limited, a private limited company incorporated and organised under the laws of the United Republic of Tanzania with registered number 105422;

Oz means an ounce;

PCAOB means the Public Company Accounting Oversight Board (United States);

Placement has the meaning given in section 4.5;

Potential Competing Proposal means any offer, proposal or expression of interest which is not, but could reasonably be expected to become, a Competing Proposal;

Proxy Form means the proxy form for the Scheme Meeting which accompanies this Scheme Booklet;

QP means a Qualified Person as that term is used in NI 43-101;

Record Date means 7.00pm on 15 December 2023;

Related Body Corporate has the meaning given in the Corporations Act;

Related Entity has the meaning given in the Scheme;

Relevant Exchange means, in the case of OreCorp, ASX and in the case of Silvercorp, the TSX and the NYSE American (and in respect of the ASX Quotation, ASX);

Relevant Interest has the meaning given in the Corporations Act, as modified by any class order or other instrument executed by ASIC that applies to OreCorp;

Sale Agent means a person appointed by Silvercorp, in consultation with OreCorp, to sell the New Silvercorp Shares to which Ineligible Shareholders would have been entitled under the Scheme;

Scheme means a scheme of arrangement under Part 5.1 of the Corporations Act under which all of the Scheme Shares will be transferred to Silvercorp and the Scheme Shareholders will be entitled to receive the Scheme Consideration, in the form attached as Annex 3, subject to any amendments made or required by the Court under section 411(6) of the Corporations Act and approved by Silvercorp and OreCorp in writing;

Scheme Booklet means this document;

Scheme Consideration means the consideration payable by Silvercorp for the transfer of each Scheme Share held by a Scheme Shareholder, being the Cash Consideration and the Scrip Consideration;

Scheme Implementation Deed means the Scheme Implementation Deed dated 5 August 2023 between Silvercorp and OreCorp under which, amongst other things, OreCorp has agreed to propose the Scheme to OreCorp Shareholders and each of Silvercorp and OreCorp have agreed to take certain steps to give effect to the Scheme, a copy of which was released to ASX on 6 August 2023;

Scheme Meeting means the meeting of OreCorp Shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme;

Scheme Shareholder means a person who is registered in the OreCorp Share Register as the holder of one or more Scheme Shares on the Record Date;

Scheme Shares means all of the OreCorp Shares on issue on the Record Date other than Excluded Shares;

Scrip Consideration means, in respect of each Scheme Shareholder:

- (a) 0.0967 New Silvercorp Shares for each Scheme Share held; or
- (b) if ASX Quotation occurs and a Scheme Shareholder is a CDI Elected Shareholder, 0.0967 New Silvercorp CDIs for each Scheme Share;

Second Court Date means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard;

Second Court Hearing means the hearing of the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme;

SGX Mine has the meaning given in section 6.2;

Silvercorp means Silvercorp Metals Inc. BN 131033920;

Silvercorp Articles means the articles of Silvercorp;

Silvercorp Board means the board of directors of Silvercorp;

Silvercorp CDI means a CHESS Depositary Interest, being a unit of beneficial ownership in a Silvercorp Share (in the form of a CHESS Depositary Interest) registered in the name of CDI Nominee;

Silvercorp Counterproposal has the meaning given in Annex 1.

Silvercorp Data Room Information means:

- (a) the written information and documents made available to OreCorp or its Representatives on or before 4 August 2023 in the electronic data room assembled by Silvercorp, an index (in English) to which has been initialled on behalf of OreCorp and Silvercorp; and
- (b) the written answers or written confirmations provided to OreCorp or its Representatives on or before 4 August 2023 in response to requests for information, copies of which have been compiled and initialled on behalf of OreCorp and Silvercorp;

Silvercorp Group means Silvercorp and its Related Entities;

Silvercorp Group Tenement means each of the tenements held by the Silvercorp Group;

Silvercorp Information means all information concerning Silvercorp (including in respect of the New Silvercorp Shares, New Silvercorp CDIs and the Silvercorp Group) and the Merged Group provided by or on behalf of Silvercorp to OreCorp in writing that is included in this Scheme Booklet, being all the information set out in sections:

- (a) Important Notices – the following paragraphs in the Important Notices:
 - (i) Notice to OreCorp Shareholders in New Zealand;
 - (ii) Notice to OreCorp Shareholders in the United Kingdom;
 - (iii) Notice to OreCorp Shareholders in Canada; and
 - (iv) Notice to OreCorp Shareholders that (i) are in the United States of America or (ii) are or will be “affiliates” of Silvercorp as defined under the US Securities Act;
- (b) Letter from Silvercorp Chairman and Chief Executive Officer;
- (c) Responses to the questions in the FAQ relating to Silvercorp and the Merged Group;
- (d) Section 6 – Information about Silvercorp;
- (e) Section 7 – Information about the Merged Group;
- (f) Section 8.4 – Risks relating to Silvercorp and its business;
- (g) Section 8.5 – Risks relating to the Merged Group;
- (h) Section 12.3 – Silvercorp’s interests in OreCorp Securities;
- (i) Section 12.4 – No collateral benefits;
- (j) Section 12.13(d) – ASX waivers and confirmations (excluding the first sentence);
- (k) Section 12.16 – Information in relation to Silvercorp’s CIM Mineral Resources and CIM Mineral Reserves;
- (l) Section 12.17(b) – Competent person and qualified person statements, Silvercorp;
- (m) Section 13 – Definitions relating to Silvercorp, its operations and Canadian laws and regulations; and
- (n) Annex 8 – Comparison of Relevant Australian and Canadian Laws (to the extent it relates to the Canadian legal regime);

Silvercorp Material Adverse Change means any event or change in circumstances that occurs after the date of the Scheme Implementation Deed which is not an Excluded Event and which individually, or when aggregated with all other events or changes that are not Excluded Events:

- (a) gives rise to the suspension, revocation, invalidity, unenforceability, materially adverse variation, premature lapse or premature termination of all or a material portion of the material rights under a Silvercorp Group Tenement material to the Silvercorp Group taken as a whole (other than planned relinquishment or abandonment);

- (b) involves the grant of material mining or other material rights or material interests of any kind over all or part of any area covered by or the subject of a Silvercorp Group Tenement material to the Silvercorp Group taken as a whole to any person other than the holder(s) of that Silvercorp Group Tenement (in that capacity) which materially conflict or could reasonably be expected to materially conflict with the enjoyment of the rights conferred or purported to be conferred by a Silvercorp Group Tenement material to the Silvercorp Group taken as a whole;
- (c) diminishes or could reasonably be expected to diminish the consolidated net assets of the Silvercorp Group by US\$116 million or more; or
- (d) has or could reasonably be expected to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Silvercorp Group taken as a whole;

Silvercorp Options has the meaning given in section 6.4;

Silvercorp PSUs has the meaning given in section 6.5;

Silvercorp Prescribed Occurrence means the occurrence of any of the events listed in Schedule 2 of the Scheme Implementation Deed, other than a matter:

- (a) in relation to which OreCorp has expressly agreed to in writing;
- (b) resulting from the exercise by any party of its rights, or the discharge by any party of its obligations, under the Scheme Implementation Deed; or
- (c) the occurrence or potential or planned occurrence of which has been Fairly Disclosed in the Silvercorp Data Room Information or in any TSX or NYSE American announcement made by Silvercorp after 1 January 2022 and before the date of the Scheme Implementation Deed;

Silvercorp Register means the register of holders of Silvercorp Shares maintained by or on behalf of Silvercorp;

Silvercorp RSUs has the meaning given in section 6.4;

Silvercorp Share means a fully paid common share in Silvercorp;

Silvercorp Shareholder means a person who is registered in the Silvercorp Register as the holder of one or more Silvercorp Shares from time to time;

Silvercorp Share Repurchase Program has the meaning given in section 6.4;

SML has the meaning given in section 5.1;

SMCL means Sotta Mining Corporation Limited, a joint venture company incorporated by the Government of the United Republic of Tanzania and NMCL under the laws of the United Republic of Tanzania with registered number 154374027;

Superior Proposal means a written bona fide Competing Proposal received after the date of the Scheme Implementation Deed that:

- (a) does not result from a breach by OreCorp of any of its obligations under clause 12 of the Scheme Implementation Deed or from any act by a member of the OreCorp Group which, if done by OreCorp, would constitute a breach of clause 12 of the Scheme Implementation Deed by OreCorp;
- (b) the OreCorp Board determines, acting in good faith and after having taken advice from its external financial and legal advisers;
- (c) is reasonably capable of being valued and implemented within a reasonable timeframe in accordance with its terms; and
- (d) would, if completed substantially in accordance with its terms, be more favourable to OreCorp Shareholders than the Scheme or the Silvercorp Counterproposal (as the case may be),

taking into account (as a whole), all aspects of the Competing Proposal and the Scheme or the Silvercorp Counterproposal (as the case may be), including their respective conditions precedent, the identity and reputation of the person making the Competing Proposal and all relevant legal, regulatory and financial matters (including the value and type of consideration, funding, any timing considerations, any conditions precedent or other matters affecting the probability of the proposal being completed);

Tax means any tax, levy, charge, impost, fee, deduction, goods and services tax, compulsory loan or withholding, stamp, landholder, transaction or registration duty or similar charge that is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of, any of the above;

Tincorp Metals means Tincorp Metals Inc. (formerly Whitehorse Gold Corp.), a Canadian public company listed on the TSX-V under the symbol “TIN”;

TLP Mine has the meaning given in section 6.3;

TMF means tailings management facilities;

tpd means tonnes per day;

TSX means the Toronto Stock Exchange;

TSX Company Manual means the original listing and ongoing listing maintenance requirements of the TSX, as amended from time to time;

Unmarketable Parcel Shareholder means a Scheme Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of OreCorp Shares on the Record Date would, on implementation of the Scheme, be entitled to receive less than a marketable parcel (as that term is defined in the ASX Listing Rules) of New Silvercorp Shares or New Silvercorp CDIs (assessed by reference to the price of Silvercorp Shares on the TSX at the close of trading on the trading day prior to the Record Date) as Scrip Consideration;

US or United States means the United States of America;

US Securities Act means the US Securities Act of 1933, as amended;

Victor Mining means Victor Mining Ltd;

Victor Resources means Victor Resources Ltd.;

VWAP means volume-weighted average price;

WHO means the World Health Organisation;

Yangtze Mining HK means Yangtze Mining (H.K.) Ltd.; and

Ying Mining District has the meaning given in section 6.1.

ANNEX 1

KEY TERMS OF THE SCHEME IMPLEMENTATION DEED

1. Overview

On 5 August 2023, OreCorp and Silvercorp entered into the Scheme Implementation Deed. The Scheme Implementation Deed sets out the rights and obligations of each of OreCorp and Silvercorp in connection with the implementation of the Scheme. A copy of the Scheme Implementation Deed is attached at Annex 2. The key terms of the Scheme Implementation Deed are summarised below.

2. Conditions

The Scheme is subject to a number of conditions precedent that must be satisfied (or, if applicable, waived) before the Scheme can come into effect, as follows:

Condition	Responsibility	Waiver
(a) (Court approval) the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.	Silvercorp and OreCorp	None
(b) (OreCorp Shareholder approval) OreCorp Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act.	OreCorp	None
(c) (Placement) completion of the Placement.	Silvercorp and OreCorp	None
(d) (Independent Expert) the Independent Expert: (i) issues the Independent Expert's Report which concludes that the Scheme is in the best interests of OreCorp Shareholders before the time when the Scheme Booklet is registered by ASIC; and (ii) does not change its conclusion in any written update to the Independent Expert's Report or withdraw the Independent Expert's Report before 8.00am on the Second Court Date.	OreCorp	OreCorp
(e) (Tanzanian FCC) before 8.00am on the Second Court Date, Silvercorp receives (i) an advisory opinion from the Tanzanian Fair Competition Commission (FCC) confirming that no approval is required from the FCC or	Silvercorp and OreCorp	None

Condition	Responsibility	Waiver
(ii) approval from the FCC in respect of the indirect change of control of each of NMCL, SMCL and OreCorp Tanzania on unconditional terms or on terms acceptable to Silvercorp (acting reasonably and in good faith). To the extent that the approval in subparagraph (ii) is subject to any condition, this condition will only be deemed to have been satisfied if the party adversely affected by such condition, acting reasonably and in good faith, agrees to accept such a condition within 5 Business Days of being notified of such conditional approval.		
(f) (FIRB approval) If notice and a no objection notification are required under the Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA) to implement the Scheme, before 8.00am on the Second Court Date either: (i) Silvercorp has received a written notice under the FATA, by or on behalf of the Treasurer of the Commonwealth of Australia, stating unconditionally or on the basis of conditions which are acceptable to Silvercorp (acting reasonably) that there is no objection to the proposed acquisition by Silvercorp of the Scheme Shares; or (ii) following notice of the proposed Scheme having been given to the Treasurer of the Commonwealth of Australia, the Treasurer of the Commonwealth of Australia has ceased to be empowered to make an order or decision under Part 3 of the FATA because the applicable time limit on making orders and decisions under the FATA has expired.	Silvercorp	None
(g) (Other regulatory approvals) if any other approvals, consents or other actions are required by law or practice of a Government Agency to implement the transactions contemplated by the Scheme Implementation Deed, those approvals, consents or other actions are obtained, in each case unconditionally or on the basis of conditions which are acceptable to Silvercorp (acting	Silvercorp and OreCorp	Silvercorp

Condition	Responsibility	Waiver
reasonably), and those actions are taken before 8.00am on the Second Court Date.		
(h) (Regulatory intervention) no court or Government Agency has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Scheme and no such order, decree, ruling, other action or refusal is in effect as at 8.00am on the Second Court Date.	Silvercorp and OreCorp	Silvercorp and OreCorp
(i) (Other OreCorp securities) before 8.00am on the Second Court Date either: no OreCorp Performance Rights or OreCorp Options remain in existence; or, the holders of OreCorp Performance Rights have agreed to exercise their OreCorp Performance Rights and OreCorp Optionholders have agreed to cancel their OreCorp Options subject only to the Court approving the Scheme in accordance with section 411(4)(b) of the Corporations Act.	OreCorp	Silvercorp
(j) (No OreCorp Material Adverse Change) no OreCorp Material Adverse Change occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.	OreCorp	Silvercorp
(k) (No Silvercorp Material Adverse Change) no Silvercorp Material Adverse Change occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.	Silvercorp	OreCorp
(l) (No OreCorp Prescribed Occurrence) no OreCorp Prescribed Occurrence occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.	OreCorp	Silvercorp
(m) (No Silvercorp Prescribed Occurrence) no Silvercorp Prescribed Occurrence occurs between the date of the Scheme Implementation Deed and 8.00am on the Second Court Date.	Silvercorp	OreCorp

Condition	Responsibility	Waiver
(n) (TSX and NYSE American approvals) before 8.00am on the Second Court Date the New Silvercorp Shares have been approved for listing on the TSX and the NYSE American, subject only to customary post closing conditions.	Silvercorp	Silvercorp and OreCorp

OreCorp and Silvercorp have agreed that each party specified in the second column of the above table as being “responsible” for a condition must take all reasonable endeavours to procure that the condition is satisfied as soon as practicable. The party responsible must also provide to the other party information in relation to the status of the condition or any matter that may result in the condition not being satisfied.

Where the third column of the above table opposite a condition states “none”, that condition may not be waived. Each other condition is only for the benefit of, and may only be waived by, the party specified (if only one party is specified in the third column) or both parties jointly (if both parties are specified in the third column).

If there is an event or occurrence that would, or does, prevent any of the conditions being satisfied (at all or by the time and date specified for satisfaction) and the condition has not been waived (if capable of waiver) or if the Scheme has not become Effective by the End Date, then OreCorp and Silvercorp must promptly consult in good faith to consider and, if agreed, determine to:

- proceed by way of alternative means or methods so as to achieve a commercial outcome that is substantially the same as the Scheme;
- change or adjourn the date of the application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme;
- extend the date for satisfaction of a particular condition; and/or
- extend the End Date.

If OreCorp and Silvercorp are unable to reach agreement after consulting in good faith for a period of 5 Business Days then, unless that condition has been waived, either party may terminate the Scheme Implementation Deed. However, neither party may terminate if the relevant occurrence or event, the failure of the condition to be satisfied, or the failure of the Scheme to become Effective, arises out of a breach of its obligations with respect to satisfaction of conditions and providing information to the other party in relation to the status of conditions (although in such circumstances, the other party may still terminate).

3. **Obligations to implement the Scheme and conduct business in the ordinary course**

Both OreCorp and Silvercorp have agreed to each take certain steps to implement the Scheme, which are set out in clause 4 of the Scheme Implementation Deed.

In addition, both OreCorp and Silvercorp have agreed that from the date of the Scheme Implementation Deed until the Implementation Date, they will each carry on business in the ordinary course and in substantially the same manner as conducted as at the date of the Scheme Implementation Deed.

4. Recommendation of OreCorp Directors

Clause 6.1 of the Scheme Implementation Deed states that each OreCorp Director has confirmed that they will recommend that OreCorp Shareholders vote in favour of the Scheme and will vote the shares held or controlled by them in favour of the Scheme, in each case, in the absence of a Superior Proposal and subject to the Independent Expert concluding and continuing to conclude that the Scheme is in the best interests of OreCorp Shareholders.

Clause 6.2 of the Scheme Implementation Deed requires OreCorp to use its best endeavours to procure that no OreCorp Director withdraws or changes their recommendation in favour of the Scheme unless (a) the Independent Expert concludes that the Scheme is not in the best interests of OreCorp Shareholders; or (b) a Superior Proposal emerges. If any member of the OreCorp Board, or the whole OreCorp Board, proposes to change, withdraw, modify, revise or qualify their recommendation to vote in favour of the Scheme, OreCorp must notify Silvercorp and OreCorp and Silvercorp will consult in good faith to determine whether the recommendation to vote in favour of the Scheme can be maintained.

5. Exclusivity arrangements

(a) No shop obligation

During the Exclusivity Period, OreCorp and its representatives must not, directly or indirectly:

- solicit, invite, encourage or initiate any Competing Proposal or any offer, proposal, expression of interest, enquiry, negotiation or discussion with any third party in relation to, or that may reasonably be expected to encourage or lead to, a Competing Proposal; or
- announce or communicate to any person an intention to do any of the above.

(b) No talk obligation

Subject to a fiduciary out exception, during the Exclusivity Period, OreCorp and its representatives must not directly or indirectly enter into or continue negotiations or discussions with any third party in relation to a Competing Proposal, or that may reasonably be expected to encourage or lead to a Competing Proposal, even if:

- the actual, proposed or Potential Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by OreCorp or any of its representatives; or
- the Competing Proposal has been publicly announced.

(c) No due diligence obligation

Subject to a fiduciary out exception, during the Exclusivity Period, OreCorp and its representatives must not directly or indirectly make available to any third party, or cause or permit any third party to receive, any non-public information relating to any member of the OreCorp Group or their respective businesses or operations that may reasonably be expected to assist such third party in formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

(d) Matching right

During the Exclusivity Period, before (a) any member of the OreCorp Group enters into any agreement pursuant to which a third party or OreCorp proposes to undertake or give effect to a Competing Proposal; or (b) any member of the OreCorp Board changes or withdraws their recommendation in favour of the Scheme in response to or in connection with an actual Competing Proposal, the following conditions must be satisfied:

- (i) the OreCorp Board, acting in good faith, must determine that the Competing Proposal is a Superior Proposal and that a failure to enter into an agreement to give effect to it would likely breach the fiduciary or statutory duties of the members of the OreCorp Board;
- (ii) OreCorp has provided Silvercorp with the material terms and conditions of the Competing Proposal (including the price, conditions precedent, timetable, break fee or reimbursement fee and the identity of the third party), as well as notification of the OreCorp Board's determination referred to in (i) and reasons for that determination;
- (iii) for at least 5 Business Days after the provision of the above information, Silvercorp and OreCorp have negotiated in good faith, to the extent Silvercorp wishes to negotiate and make itself reasonably available to negotiate, to enable Silvercorp to provide an equivalent or superior proposal to the terms of the Competing Proposal;
- (iv) by the expiry of the negotiation period, OreCorp has received a written proposal from Silvercorp to improve the Scheme Consideration or otherwise alter the terms of the Scheme (**Silvercorp Counterproposal**), and OreCorp (acting reasonably and in good faith, after receiving written advice from its external legal advisers and advice from its financial advisers) has determined as soon as reasonably practicable (and in any event within 4 Business Days of receiving the Silvercorp Counterproposal), that the Silvercorp Counterproposal would not produce an equivalent or superior outcome for OreCorp Shareholders as compared to the Competing Proposal, taking into account all terms and conditions and other aspects of both proposals, and that the failure to take an action specified in (i) or (ii) above would continue to breach the fiduciary or statutory duties of the members of the OreCorp Board; and
- (v) OreCorp has complied with its obligations to:
 - (i) procure that the OreCorp Board considers the Silvercorp Counterproposal and makes a determination in the manner contemplated above as to whether the Silvercorp Counterproposal would provide an equivalent or superior outcome to OreCorp Shareholders as compared with the Competing Proposal;
 - (ii) notify Silvercorp of the determination in writing, stating reasons for that determination; and
 - (iii) if the determination is that the Silvercorp Counterproposal would provide an equivalent or superior outcome to OreCorp Shareholders as compared with the Competing Proposal, then for a period of not less than 2 Business Days OreCorp and Silvercorp must use their best endeavours to agree the transaction documentation required to implement the Silvercorp Counterproposal as soon as reasonably practicable, and OreCorp must use its best endeavours to procure that the OreCorp Board unanimously recommend that OreCorp Shareholders vote in favour of the Silvercorp Counterproposal (subject to the Independent

Expert concluding it is in the best interest of OreCorp Shareholders and there being no further Superior Proposal).

6. Break fee

OreCorp has agreed to pay the Break Fee to Silvercorp if, during the Exclusivity Period:

- a Competing Proposal is announced or made and, within 12 months after the date of the announcement, a third party completes a Competing Proposal;
- any OreCorp Director fails to recommend that OreCorp Shareholders vote in favour of the Scheme and will vote the shares held or controlled by them in favour of the Scheme, changes or withdraws their recommendation that OreCorp Shareholders vote in favour of the Scheme, or makes a public statement indicating that they no longer recommend the Scheme or recommend that OreCorp Shareholders accept or vote in favour of the Scheme, or otherwise publicly supports or endorses, a Competing Proposal. However, none of these circumstances will trigger the Break Fee where this is after the Independent Expert's Report concludes that the Scheme is not in the best interests of OreCorp Shareholders (other than where the reason for this conclusion or amended conclusion is wholly or in part the existence of a Competing Proposal), or in circumstances where OreCorp is entitled to terminate the Scheme Implementation Deed on the basis of a material breach of the Scheme Implementation Deed by Silvercorp or a material breach of a material warranty given by Silvercorp); or
- Silvercorp validly terminates the Scheme Implementation Deed before 8.00am on the Second Court Date on the basis of a material breach of the Scheme Implementation Deed by OreCorp or a material breach of a material warranty given by OreCorp, where the circumstances giving rise to the right of termination arose as a result of any act or omission that could have been prevented by OreCorp.

The Break Fee is the sole and exclusive remedy available to Silvercorp in connection with any event or occurrence listed above and OreCorp is not liable for any loss or damage arising in connection with any such event or occurrence other than for any liability that it may have to pay Silvercorp the Break Fee.

7. Representations and Warranties

Under the Scheme Implementation Deed, OreCorp and Silvercorp provide a range of representations and warranties in relation to their respective organisations and operations to the other. The representations and warranties are qualified by public disclosures and certain other information provided by each party to the other before the date of the Scheme Implementation Deed.

8. Termination rights

The Scheme Implementation Deed may be terminated before 8.00am on the Second Court Date by either party if:

- the other party has materially breached the Scheme Implementation Deed, provided that the breach is material in the context of the Scheme (taken as a whole), the party seeking to terminate is not in material breach of the Scheme Implementation Deed and has given written notice to the other setting out the relevant circumstances and stating an intention to terminate and the other party has failed to remedy the breach within 10 Business Days; or

- there has been a material breach of a material warranty given by the other party, provided that the party seeking to terminate has given notice to the other setting out the relevant circumstances and stating an intention to terminate or allow the Scheme to lapse, the relevant breach continues to exist for 10 Business Days and the relevant breach is material in the context of the Scheme (taken as a whole).

Subject to first complying with its obligations with respect to matching rights, OreCorp may terminate the Scheme Implementation Deed by written notice to Silvercorp until 8.00am on the Second Court Date if OreCorp has received a Competing Proposal and the OreCorp Board has determined that the Competing Proposal constitutes a Superior Proposal.

Silvercorp may terminate the Scheme Implementation Deed at any time before 8.00am on the Second Court Date if a member of the OreCorp Board:

- fails to recommend that OreCorp Shareholders vote in favour of the Scheme in the manner contemplated by the Scheme Implementation Deed;
- changes or withdraws their support of the Scheme or their recommendation that OreCorp Shareholders vote in favour of the Scheme in the manner contemplated by the Scheme Implementation Deed; or
- makes a public statement indicating that they no longer recommend the Scheme or that they recommend a Competing Proposal, or otherwise publicly supports or endorses a Competing Proposal.

ANNEX 2

SCHEME IMPLEMENTATION DEED

SCHEME IMPLEMENTATION DEED

OreCorp Limited

and

Silvercorp Metals Inc.

ALLEN & OVERY

CONTENTS

Clause	Page
1. Interpretation	1
1.1 Definitions	1
1.2 OreCorp awareness	14
1.3 Silvercorp awareness	14
1.4 Reasonable endeavours	14
1.5 Things required to be done other than on a Business Day	15
1.6 Other rules of interpretation	15
2. Overview of Scheme	16
2.1 OreCorp to propose Scheme	16
2.2 Nomination of acquirer wholly-owned subsidiary	16
2.3 Provision of Scheme Consideration	16
2.4 Election to receive New Silvercorp CDIs	16
2.5 General implementation obligations	17
2.6 Timetable	17
2.7 No amendment to Scheme without Silvercorp's consent	17
2.8 Fractional entitlements	17
2.9 Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders	18
2.10 New Silvercorp Shares	18
3. Conditions Precedent	19
3.1 Conditions	19
3.2 Satisfaction of Conditions	21
3.3 Information in relation to status of Conditions	21
3.4 Communications in relation to satisfaction of Regulatory Conditions	22
3.5 Waiver of Conditions	22
3.6 Method of waiver	23
3.7 Effect of waiver	23
3.8 Termination on failure of a Condition	23
4. Implementation	24
4.1 OreCorp's obligations	24
4.2 Silvercorp's obligations	28
4.3 Silvercorp confirmations and approvals	29
4.4 Responsibility statements	30
4.5 OreCorp Board changes	30
5. Court Proceedings	31
5.1 General	31
5.2 Court documents	31
5.3 Appeal if orders not made	31
6. Recommendation	31
6.1 Recommendation of OreCorp Directors	31
6.2 Change to recommendation	32
7. Access, Information and Conduct of Business	32
7.1 Access and information	32
7.2 OreCorp's conduct of business	33
7.3 Silvercorp's conduct of business	35
7.4 Silvercorp's undertaking in relation to the Celsius Proposal	36
7.5 Pre-Implementation Date integration planning	36
8. Other OreCorp Securities	36
8.1 OreCorp Performance Rights	36
8.2 OreCorp Options	37

9.	Representations and Warranties	37
9.1	OreCorp representations and warranties	37
9.2	Indemnity by OreCorp	37
9.3	Qualifications to OreCorp's representations and warranties	37
9.4	Silvercorp representations and warranties	38
9.5	Indemnity by Silvercorp	38
9.6	Qualifications to Silvercorp's representations and warranties	38
9.7	Status of representations, warranties, undertakings and indemnities	39
9.8	Scheme becoming Effective	39
10.	Releases	39
10.1	Release of OreCorp Indemnified Persons	39
10.2	Release of Silvercorp Indemnified Persons	39
11.	Insurance and Indemnification	39
11.1	Insurance	39
11.2	Deeds of indemnity, access and insurance	40
11.3	Undertaking for benefit of each of the current and former directors and officers of each member of the OreCorp Group	40
12.	Exclusivity	40
12.1	No current discussions regarding a Competing Proposal	40
12.2	Restriction during Exclusivity Period	41
12.3	Fiduciary exception	41
12.4	General notification obligations	42
12.5	Matching right	42
12.6	Normal provision of information	44
12.7	Acknowledgment	45
12.8	Warranty	45
13.	Break Fee	45
13.1	Background to Break Fee	45
13.2	Circumstances where Break Fee payable	45
13.3	Break fee not payable	46
13.4	Payment of Break Fee	46
13.5	Basis of Break Fee	46
13.6	Amendments to Break Fee arrangements	47
13.7	Sole and exclusive remedy	47
14.	Termination	47
14.1	Termination for material breach	47
14.2	Termination for breach of representations and warranties and for a Superior Proposal	48
14.3	Silvercorp further termination rights	48
14.4	No other termination	49
14.5	Effect of termination	49
15.	Announcements	49
15.1	Initial announcements	49
15.2	Other announcements	49
16.	Confidentiality Deeds	50
17.	Payments	50
17.1	Manner of payments	50
17.2	Default interest	50
17.3	Withholding	50
18.	GST	51
18.1	Interpretation	51
18.2	Consideration exclusive of GST	51
18.3	Payment of GST	51

18.4	Tax invoice.....	51
18.5	Adjustment events.....	51
18.6	Input tax credits.....	51
19.	Notices.....	52
19.1	Manner of giving notice.....	52
19.2	When notice given	52
19.3	Proof of service	53
19.4	Documents relating to legal proceedings	53
20.	General	53
20.1	Amendments	53
20.2	Assignments.....	53
20.3	Consents and approvals.....	53
20.4	Costs.....	53
20.5	Duty	53
20.6	Entire agreement.....	53
20.7	Execution in counterparts	54
20.8	Exercise and waiver of rights.....	54
20.9	Further assurance	54
20.10	No reliance	54
20.11	Severability	54
21.	Governing Law and Jurisdiction	54
21.1	Governing law.....	54
21.2	Jurisdiction.....	54
21.3	Service of process	55
Schedule 1		56
OreCorp Prescribed Occurrences		56
Schedule 2		58
Silvercorp Prescribed Occurrences.....		58
Schedule 3		59
OreCorp Warranties.....		59
Schedule 4		64
Silvercorp Warranties		64
Schedule 5		67
OreCorp Options		67
OreCorp Performance Rights		67
Schedule 6		68
Timetable.....		68
Annex 1		70
Scheme		70
Annex 2		71
Deed Poll		71
Annex 3		72
Announcement.....		72

THIS DEED is made on 5 August 2023

BETWEEN:

- (1) OreCorp Limited ABN 24 147 917 299 of Suite 22, Level 1, 513 Hay Street, Subiaco, Western Australia, 6008 (**OreCorp**); and
- (2) Silvercorp Metals Inc. BN 131033920 of Suite 1750-1066, W. Hastings Street, Vancouver, BC, Canada V6E 3X1 (**Silvercorp**).

BACKGROUND:

- (A) Silvercorp and OreCorp have agreed that Silvercorp will acquire all of the Scheme Shares by means of the Scheme.
- (B) This deed is entered into to record and give effect to the terms and conditions on which Silvercorp and OreCorp propose to implement the Scheme.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this deed:

Additional Amount has the meaning given in clause 18.3;

Anti-Corruption Laws means laws, rules, regulations, industry codes or orders relating to anti-bribery, anti-corruption, fraud or other similar activities, including, the Criminal Code Act 1995 (Cth), the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), the Crimes (Secret Commissions) Amendment Act 1987 (NSW), the UK Bribery Act 2010 (and, in relation to conduct prior to 1 July 2011, the Public Bodies Corrupt Practices Act 1889 and the Prevention of Corruption Act 1906), the US Foreign Corrupt Practices Act 1977 and all national and international laws enacted to implement and comply with the OECD Convention on Combating Bribery of Foreign Officials on International Business Transactions;

ASIC means the Australian Securities and Investments Commission;

Associate has the meaning given in section 12(2) of the Corporations Act;

ASX means ASX Limited or the market operated by it, as the context requires;

ASX Listing Rules means the official listing rules of ASX, modified to the extent of any express written waiver by ASX;

ASX Quotation means the admission of Silvercorp to the official list of ASX and the New Silvercorp CDIs being approved for official quotation on the ASX;

Authorisation means any permit, licence, consent, approval, registration, accreditation, certification or other authorisation given or issued by any Government Agency;

Break Fee means A\$2,840,976;

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are generally open in Perth, Western Australia and Vancouver, Canada for normal business;

Cash Consideration means A\$0.15 for each Scheme Share;

CDI Elected Shareholder means a Scheme Shareholder (other than an Ineligible Foreign Shareholder) who has made a valid CDI Election;

CDI Election means a valid election for New Silvercorp CDIs made by a Scheme Shareholder (other than an Ineligible Foreign Shareholder) pursuant to the terms of the Scheme;

Celsius Proposal means the potential transaction with Celsius Resources Limited as announced to ASX on 15 May 2023;

Competing Proposal means any proposal, offer, expression of interest, agreement, arrangement or transaction (whether by way of takeover bid, scheme of arrangement, reverse takeover, capital reduction, buy-back, sale, lease, purchase or assignment of assets, sale or issue of securities, strategic alliance, joint venture, partnership, dual listed companies structure, economic or synthetic merger or combination or other transaction or arrangement) which, if entered into or completed, would result in a Third Party:

- (a) directly or indirectly acquiring or being entitled to acquire a Relevant Interest or any other direct or indirect interest in more than 20% of the shares of OreCorp or any other member of the OreCorp Group whose assets represent 20% or more of the total consolidated assets of the OreCorp Group; or
- (b) directly or indirectly acquiring or being entitled to acquire an interest in more than 20% of the Nyanzaga Project; or
- (c) acquiring Control of OreCorp or merging or amalgamating with OreCorp or any other member of the OreCorp Group whose assets represent 20% or more of the total consolidated assets of the OreCorp Group,

or which would otherwise require OreCorp to abandon, or otherwise fail to proceed with, the Scheme;

Conditions mean the conditions precedent set out in the first column of the table in clause 3.1;

Confidentiality Deeds means the confidentiality deeds dated 2 March 2023 and 18 May 2023 between the parties, both as amended from time to time;

Control has the meaning given in section 50AA of the Corporations Act;

Corporations Act means the Corporations Act 2001 (Cth);

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act as the parties agree in writing;

Deed Poll means the deed poll to be entered into by Silvercorp in favour of the Scheme Shareholders substantially in the form attached as Annex 2 or in such other form as the parties agree in writing;

Duty means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and any penalty, fine, interest or additional charge payable in relation to any such duty or charge;

Effective, when used in relation to the Scheme, means the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme;

Effective Date means the date the Scheme becomes Effective;

Encumbrance means any security interest (within the meaning of section 51A of the Corporations Act) and any option, right to acquire, right of pre-emption, assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind, and any agreement to create any of the foregoing;

End Date means 8 months after the date of this deed, or such later date as the parties agree in writing;

Excluded Event means any event or change in circumstances:

- (a) agreed to in writing by Silvercorp (in the case of an OreCorp Material Adverse Change) or by OreCorp (in the case of a Silvercorp Material Adverse Change);
- (b) resulting from the execution or announcement of this deed or the Scheme or from the exercise by any party of its rights, or the discharge by any party of its obligations, under this deed;
- (c) in the case of an OreCorp Material Adverse Change, the future occurrence of which and the effect on the OreCorp Group of which have both been Fairly Disclosed in the OreCorp Data Room Information or in any ASX announcement made by OreCorp after 1 January 2022 and before the date of this deed or any matter actually known by Silvercorp on or before the date of this deed;
- (d) in the case of a Silvercorp Material Adverse Change, the future occurrence of which and the effect on the Silvercorp Group of which have both been Fairly Disclosed in the Silvercorp Data Room Information or in any TSX or NYSE announcement made by Silvercorp after 1 January 2022 and before the date of this deed or any matter actually known by OreCorp on or before the date of this deed;
- (e) resulting from any applicable law, any judicial or administrative interpretation of the law or any practice or policy of a Government Agency, including in relation to Tax;
- (f) that is, or arises from, a change or fluctuation in general economic, banking, regulatory, political or business or industry conditions;
- (g) that is, or arises from, a general deterioration in global gold or silver prices or a change in taxation rates, interests rates or exchange rates;
- (h) that is, or arises from, geopolitical conditions, hostilities, civil or political unrest, any acts of war, sabotage, cyberattack or terrorism (including any outbreak, escalation or worsening of the foregoing) except:
 - (i) in relation to an OreCorp Material Adverse Change to the extent such events occur solely in Tanzania; and
 - (ii) in relation to a Silvercorp Material Adverse Change to the extent such events occur solely in China;
- (i) that is, or arises from, any actual or announced change in generally accepted accounting principles or standards or the interpretation of such principles or standards; or

- (j) that is, or arises from, any epidemic, pandemic, lightning, storm, flood, fire, seismic event or explosion, cyclone, tidal wave, landslide, natural disaster or adverse weather conditions or the like,

except, in the case of each of the matters contemplated in items (f), (g), (h), (i) and (j), if the effects of such event, occurrence, change, condition, matter, circumstance or thing are, or would be considered reasonably likely to be, disproportionately adverse to OreCorp or Silvercorp (as the case may be) compared to the effects on other comparable companies in the same industries as OreCorp or Silvercorp (as the case may be), then those effects are excluded from the matters contemplated in items (f), (g), (h), (i) or (j) (as applicable) only to the extent of such disproportionate effect and not in their entirety;

Excluded Shares means any OreCorp Shares held by any member of the Silvercorp Group or any person on behalf of or for the benefit of any member of the Silvercorp Group;

Exclusivity Period means the period starting on the date of this deed and ending on the first to occur of:

- (a) termination of this deed in accordance with its terms;
- (b) the Implementation Date; and
- (c) the End Date;

Fairly Disclosed means disclosed in sufficient detail to enable a reasonable, diligent and sophisticated recipient of the relevant information who is experienced in transactions similar to the Scheme or experienced in a business similar to the business of the OreCorp Group or Silvercorp Group (as applicable), to identify the nature and scope of the relevant fact, matter, circumstance or event;

FATA means the Foreign Acquisitions and Takeovers Act 1975 (Cth);

FCC means the Tanzanian Fair Competition Commission;

FIRB means the Australian Foreign Investment Review Board;

First Court Date means the first day on which an application is made to the Court for an order under section 411(1) of the Corporations Act approving the convening of the Scheme Meeting or, if the application is adjourned for any reason, the first day on which the adjourned application is heard;

Government Agency means any foreign or Australian government, any department, officer or minister of any government and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity, and includes any Relevant Exchange, ASIC, the Takeovers Panel, FIRB, FCC, the Australian Taxation Office, the Business Registrations and Licencing Agency of Tanzania, the Tanzanian Mining Commission and any state or territory revenue offices;

GST has the meaning given in the GST Law;

GST Exclusive Consideration has the meaning given in clause 18.2;

GST Law has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999 (Cth);

Headcount Test means the requirement under section 411(4)(a)(ii)(A) of the Corporations Act that the Scheme Resolution is passed at the Scheme Meeting by a majority in number of OreCorp Shareholders present and voting, either in person or by proxy;

Implementation Date means the date which is 5 Business Days after the Record Date, or such other date after the Record Date as the parties agree in writing;

Independent Expert means such person appointed by OreCorp, in consultation with Silvercorp, as independent expert to prepare the Independent Expert's Report;

Independent Expert's Report means the report prepared by the Independent Expert in relation to the Scheme for inclusion in the Scheme Booklet, as amended or updated from time to time and including any supplementary or replacement report, setting out the Independent Expert's opinion whether or not the Scheme is in the best interests of OreCorp Shareholders and the reasons for holding that opinion;

Ineligible Foreign Shareholder means a Scheme Shareholder whose address, as shown on the Register as at the Record Date, is a place outside:

- (a) Australia and its external territories;
- (b) New Zealand;
- (c) the United Kingdom;
- (d) Canada; and
- (e) such other jurisdiction as agreed by the parties,

unless Silvercorp (in consultation with OreCorp) determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Silvercorp Shares or New Silvercorp CDIs (as applicable) on implementation of the Scheme;

Ineligible Shareholder means an Ineligible Foreign Shareholder or an Unmarketable Parcel Shareholder;

Insolvency Event means in respect of any person:

- (a) the person is unable to or states that it is unable to pay its debts as they fall due or stops or threatens to stop paying its debts as they fall due;
- (b) any indebtedness of the person is subject to a moratorium;
- (c) a liquidator, provisional liquidator or administrator has been appointed to the person, a controller (as defined in section 9 of the Corporations Act) has been appointed to any property of the person or an event occurs which gives any other person a right to seek such an appointment;
- (d) an order has been made, a resolution has been passed or proposed in a notice of meeting or in an announcement to any recognised securities exchange, or an application to court has been made for the winding up or dissolution of the person or for the entry into of any arrangement, compromise or composition with, or assignment for the benefit of, creditors of the person or any class of them;
- (e) a security interest (within the meaning of section 51A of the Corporations Act) becomes enforceable or is enforced over, or a writ of execution, garnishee order, mareva injunction or

similar order has been issued over or affecting, all or a substantial part of the assets of the person; or

- (f) the person has otherwise become, or is otherwise taken to be, insolvent in any jurisdiction or an event occurs in any jurisdiction in relation to the person which is analogous to, or which has a substantially similar effect to, any of the events referred to in paragraphs (a) to (e) above;

Investigating Accountant means the accounting firm to be appointed by Silvercorp to prepare the Investigating Accountant's Report;

Investigating Accountant's Report means the report prepared by the Investigating Accountant in relation to the financial information regarding the Merged Group for inclusion in the Scheme Booklet;

Loss means all losses, damages, costs, expenses, charges and other liabilities whether present or future, fixed or unascertained, actual or contingent;

Merged Group means the Silvercorp Group including OreCorp Group following implementation of the Scheme;

Merged Group Information means any information regarding the Merged Group in the Scheme Booklet or any amendments thereto or supplements thereof (as applicable);

New Silvercorp CDI means a Silvercorp CDI to be issued to CDI Elected Shareholders under the Scheme (if any);

New Silvercorp Share means a Silvercorp Share to be issued to Share Elected Shareholders other than CDI Elected Shareholders under the Scheme;

NMCL means Nyanzaga Mining Company Limited, a private limited company incorporated and organised under the laws of the United Republic of Tanzania with registered number 60002;

Nyanzaga Project means the Nyanzaga gold project in the Sengerema District, Mwanza region, northwest Tanzania;

NYSE means the NYSE American stock exchange;

Official means any employees, executives, directors, contractors, agents or officers of any:

- (a) Government Agency;
- (b) state-owned or state-controlled corporation;
- (c) private entities which operate substantially based on public funds;
- (d) public international organisations;
- (e) political parties, including political representatives, candidates or nominated candidates for political office anywhere in the world; or
- (f) private person acting on behalf of any such government, department, agency, instrumentality or public international organization, in each case, whether overseas, Commonwealth, Federal, State or local including any persons performing duties of an office under the law of any relevant country (including legislative, administrative and judicial offices),

or any other party considered to be an official under any applicable laws.

Option Cancellation Deed means a deed between OreCorp and a holder of OreCorp Options pursuant to which OreCorp will cancel all of the holder's OreCorp Options in consideration for payment of the OreCorp Option Consideration, conditional on, amongst other conditions, the Scheme becoming Effective and each other OreCorp Optionholder also agreeing to the cancellation of their OreCorp Options;

OreCorp Board means the board of directors of OreCorp;

OreCorp Constitution means the constitution of OreCorp;

OreCorp Data Room Information means:

- (a) the written information and documents made available to Silvercorp or its Representatives on or before 4 August 2023 in the electronic data room assembled by OreCorp, an index to which has been initialled for the purposes of identification by Jonathan Hoyles on behalf of Silvercorp and Jessica O'Hara on behalf of OreCorp; and
- (b) the written answers or written confirmations provided to Silvercorp or its Representatives on or before 4 August 2023 in response to requests for information, copies of which have been compiled and initialled for the purposes of identification by Jonathan Hoyles on behalf of Silvercorp and Jessica O'Hara on behalf of OreCorp;

OreCorp Director means each director of OreCorp from time to time;

OreCorp Group means OreCorp and its Related Entities;

OreCorp Group Tenement means the tenement set out in the table below:

Code	Current Holder	Status	Current Status	Grant Date	Expiry Date	Area (km2)
SML 653/2021	Sotta Mining Corporation Limited	Active	Initial period	13 December 2021	12 December 2036	23.36

OreCorp Indemnified Persons means each member of the OreCorp Group and each of their respective Representatives;

OreCorp Information means all information included in the Scheme Booklet other than the Silvercorp Information, the Independent Expert's Report and the Investigating Accountant's Report;

OreCorp Material Adverse Change means any event or circumstances that occurs after the date of this deed which is not an Excluded Event and which individually, or when aggregated with all other events or changes that are not Excluded Events:

- (a) gives rise to the suspension, revocation, invalidity, unenforceability, materially adverse variation, premature lapse or premature termination of all or any material rights under the OreCorp Group Tenement (other than planned relinquishment or abandonment);
- (b) involves the grant of mining or other rights or interests of any kind over all or part of any area covered by or the subject of the OreCorp Group Tenement to any person other than the holder(s) of the OreCorp Group Tenement (in that capacity) which materially conflict or could reasonably be expected to materially conflict with the enjoyment of the rights conferred or purported to be conferred by the OreCorp Group Tenement;
- (c) diminishes or could reasonably be expected to diminish the consolidated net assets of the OreCorp Group by A\$12 million or more; or

- (d) has or could reasonably be expected to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the OreCorp Group taken as a whole,

and for the purposes of this definition, consolidated net assets will be calculated using the same principles as were used to calculate the consolidated net assets in the most recent audited financial statements of OreCorp as at the date of this deed;

OreCorp Options means the 3,725,257 options to subscribe for new OreCorp Shares outstanding at the date of this deed, details of which are set out in Schedule 5;

OreCorp Option Consideration means, in respect of each OreCorp Option comprised in any tranche of OreCorp Options described in the first column of the table in Schedule 5, the consideration agreed between OreCorp and the relevant OreCorp Optionholder;

OreCorp Optionholder means each person registered as the holder of an OreCorp Option in OreCorp's register of optionholders maintained in accordance with the Corporations Act;

OreCorp Performance Rights means an entitlement granted by OreCorp for the holder to be allocated an OreCorp Share subject to the satisfaction of any applicable vesting conditions, as set out in Schedule 5;

OreCorp Prescribed Occurrence means the occurrence of any of the events listed in Schedule 1 other than a matter:

- (a) in relation to which Silvercorp has expressly agreed to in writing;
- (b) resulting from the exercise by any party of its rights, or the discharge by any party of its obligations, under this deed; or
- (c) the occurrence or potential or planned occurrence of which has been Fairly Disclosed in the OreCorp Data Room Information or in any ASX announcement made by OreCorp after 1 January 2022 and before the date of this deed;

OreCorp Share means a fully paid ordinary share in the issued share capital of OreCorp;

OreCorp Shareholder means a person who is registered in the Register as the holder of one or more OreCorp Shares from time to time;

OreCorp Tanzania means OreCorp Tanzania Limited, a private limited company incorporated and organised under the laws of the United Republic of Tanzania with registered number 105422.

OreCorp Warranties means the statements set out in Schedule 3;

Placement means the private placement of OreCorp Shares to be issued to Silvercorp in accordance with the subscription agreement between OreCorp and Silvercorp dated on or about the date of this deed;

Potential Competing Proposal means any offer, proposal or expression of interest which is not, but could reasonably be expected to become, a Competing Proposal;

Public Register means, in respect of OreCorp, records maintained by ASIC on 11 July 2023 and in respect of Silvercorp, documents which have been filed by or on behalf of Silvercorp as at 4 August 2023 on 'the System for Electronic Document Analysis and Retrieval plus' available at

www.sedarplus.ca, as maintained by the Canadian securities administrators (excluding any TSX announcement made by Silvercorp before 1 January 2022);

Record Date means 7.00pm the date which is 2 Business Days after the Effective Date or such other date as the parties agree in writing;

Reference Rate means in relation to interest payable on any payment due under this deed, the average bid rate displayed on the Reuters Screen BBSY for a 3 month term at or about 10.30 am on the first date on which interest accrues on that payment;

Register means the register of OreCorp Shares maintained by Automic Pty Ltd on behalf of OreCorp;

Regulatory Conditions means the Conditions set out in items (e) (Tanzanian FCC), (f) (FIRB approval), (g) (other regulatory approvals), (h) (regulatory intervention), and (n) (TSX and NYSE approvals) of the table in clause 3.1;

Related Entity means:

- (a) in respect of Silvercorp, an entity that:
 - (i) Controls Silvercorp;
 - (ii) is under the Control of Silvercorp; or
 - (iii) is under the Control of another entity that also Controls Silvercorp,

but does not, for the avoidance of doubt, include New Pacific Metals Corp. or Tincorp Metals Inc.; and

- (b) in respect of OreCorp, an entity that is under the Control of OreCorp;

Relevant Exchange means, in the case of:

- (a) OreCorp, ASX; and
- (b) Silvercorp, TSX and NYSE (and in respect of the ASX Quotation, ASX);

Relevant Interest has the meaning given in the Corporations Act as modified by any class order or other instrument executed by ASIC that applies to OreCorp;

Representative means in relation to a person, any director, officer or employee or agent of, and any accountant, auditor, financier, financial adviser, legal adviser, technical adviser or other expert adviser or consultant to, that person;

RG 60 means Regulatory Guide 60 issued by ASIC in September 2020, as may be amended from time to time;

Sale Agent means a person appointed by Silvercorp, in consultation with OreCorp, to sell the Sale Shares under clause 2.9(a);

Sale Proceeds means the gross proceeds of sale of the Sale Shares under clause 2.9(a), less any applicable taxes and charges incurred by Silvercorp or the Sale Agent in connection with the sale of the Sale Shares under clause 2.9(a);

Sale Shares means the New Silvercorp Shares to which Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders would have been entitled under the Scheme but for the operation of clause 2.9(a);

Scheme means a scheme of arrangement under Part 5.1 of the Corporations Act under which all of the Scheme Shares will be transferred to Silvercorp and the Scheme Shareholders will be entitled to receive the Scheme Consideration, in the form attached as Annex 1 or in such other form as the parties approve in writing and the Court approves under section 411(6) of the Corporations Act;

Scheme Booklet means the explanatory memorandum to be approved by the Court and sent to OreCorp Shareholders in advance of the Scheme Meeting;

Scheme Consideration means the consideration payable by Silvercorp for the transfer of each Scheme Share held by a Scheme Shareholder, being the Cash Consideration and the Scrip Consideration;

Scheme Meeting means the meeting of OreCorp Shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme;

Scheme Resolution means the resolution to be put to OreCorp Shareholders at the Scheme Meeting to approve the Scheme;

Scheme Shareholder means a person who is registered in the Register as the holder of one or more Scheme Shares as at the Record Date;

Scheme Shares means all of the OreCorp Shares on issue at 7.00pm on the Record Date other than Excluded Shares;

Scrip Consideration means, in respect of a Scheme Shareholder:

- (a) where clause 2.4 does not apply, 0.0967 New Silvercorp Shares for each Scheme Share held; or
- (b) where clause 2.4 applies and:
 - (i) where that Scheme Shareholder is not a CDI Elected Shareholder, 0.0967 New Silvercorp Shares for each Scheme Share; and
 - (ii) where that Scheme Shareholder is a CDI Elected Shareholder, 0.0967 New Silvercorp CDIs for each Scheme Share.

Second Court Date means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, the first day on which the adjourned application is heard;

Silvercorp Articles means the articles of Silvercorp;

Silvercorp Board means the board of directors of Silvercorp;

Silvercorp CDI means a CHESS Depository Interest, being a unit of beneficial ownership in a Silvercorp Share (in the form of a CHESS Depository Interest) registered in the name of CHESS Depository Nominees Pty Limited (ACN 071 346 506);

Silvercorp Counterproposal has the meaning given in clause 12.5(a)(vi);

Silvercorp Data Room Information means:

- (a) the written information and documents made available to OreCorp or its Representatives on or before 4 August 2023 in the electronic data room assembled by Silvercorp, an index (in English) to which has been initialled for the purposes of identification by Jessica O'Hara, Legal Counsel on behalf of OreCorp and Jonathan Hoyles on behalf of Silvercorp; and
- (b) the written answers or written confirmations provided to OreCorp or its Representatives on or before 4 August 2023 in response to requests for information, copies of which have been compiled and initialled for the purposes of identification by Jessica O'Hara, Legal Counsel on behalf of OreCorp and Jonathan Hoyles on behalf of Silvercorp;

Silvercorp Group means Silvercorp and its Related Entities, but excluding:

- (a) the OreCorp Group on and from Implementation Date; and
- (b) if Celsius Resources Limited becomes a subsidiary of a member of the Silvercorp Group prior to the Implementation Date, Celsius Resources Limited and its subsidiaries, except only for purposes of:
 - (i) the following definitions: “**Excluded Shares**” and “**Merged Group**”;
 - (ii) the Silvercorp undertaking in clause 7.3;
 - (iii) the Silvercorp Prescribed Occurrences numbered 4, 6 and 8 in Schedule 2; and
 - (iv) the Silvercorp Prescribed Occurrence numbered 11 in Schedule 2 (to the extent applicable to the Silvercorp Prescribed Occurrences numbered 4, 6 and 8);
 - (v) the Silvercorp Warranties numbered 8, 9 and 15 in Schedule 4; and
 - (vi) the Silvercorp Warranties numbered 19 and 20 but to the extent those warranties apply to Celsius Resources Limited and its subsidiaries they will be deemed to be qualified by Silvercorp's awareness,

and provided that Celsius Resources Limited and its subsidiaries will only be included in the Silvercorp Group from the date Celsius Resources Limited becomes a subsidiary of a member of the Silvercorp Group.

Silvercorp Group Tenement means each of the tenements held by the Silvercorp Group;

Silvercorp Indemnified Persons means each member of the Silvercorp Group and each of their respective Representatives;

Silvercorp Information means all information regarding Silvercorp (including in respect of the New Silvercorp Shares, New Silvercorp CDIs, the Silvercorp Group and Celsius Resources Limited and its subsidiaries) and the Merged Group Information given by Silvercorp to OreCorp for inclusion in the Scheme Booklet, being information regarding Silvercorp required to be included in the Scheme Booklet by the Corporations Act, RG 60, the ASX Listing Rules and any other applicable laws or regulations (other than information about the OreCorp Group that accurately reflects information disclosed by OreCorp in the OreCorp Data Room Information or in any ASX announcement made by OreCorp);

Silvercorp Material Adverse Change means any event or change in circumstances that occurs after the date of this deed which is not an Excluded Event and which individually, or when aggregated with all other events or changes that are not Excluded Events:

- (a) gives rise to the suspension, revocation, invalidity, unenforceability, materially adverse variation, premature lapse or premature termination of all or a material portion of the material rights under a Silvercorp Group Tenement material to the Silvercorp Group taken as a whole (other than planned relinquishment or abandonment);
- (b) involves the grant of material mining or other material rights or material interests of any kind over all or part of any area covered by or the subject of a Silvercorp Group Tenement material to the Silvercorp Group taken as a whole to any person other than the holder(s) of that Silvercorp Group Tenement (in that capacity) which materially conflict or could reasonably be expected to materially conflict with the enjoyment of the rights conferred or purported to be conferred by a Silvercorp Group Tenement material to the Silvercorp Group taken as a whole; or
- (c) diminishes or could reasonably be expected to diminish the consolidated net assets of the Silvercorp Group by US\$116 million or more; or
- (d) has or could reasonably be expected to have a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Silvercorp Group taken as a whole;

Silvercorp Prescribed Occurrence means the occurrence of any of the events listed in Schedule 2 other than a matter:

- (a) in relation to which OreCorp has expressly agreed to in writing;
- (b) resulting from the exercise by any party of its rights, or the discharge by any party of its obligations, under this deed; or
- (c) the occurrence or potential or planned occurrence of which has been Fairly Disclosed in the Silvercorp Data Room Information or in any TSX or NYSE announcement made by Silvercorp after 1 January 2022 and before the date of this deed;

Silvercorp Share means a fully paid common share in Silvercorp;

Silvercorp Shareholder means a person who is registered in the register of Silvercorp Shares as the holder of one or more Silvercorp Shares from time to time;

Silvercorp Warranties means the statements set out in Schedule 4;

SMCL means Sotta Mining Corporation Limited, a joint venture company incorporated by the Government of the United Republic of Tanzania and NMCL under the laws of the United Republic of Tanzania with registered number 154374027;

SMCL Documents means the Shareholders' Agreement between the Government of the United Republic of Tanzania and NMCL in respect of SMCL dated 13 December 2021, the Framework Agreement between the Government of the United Republic of Tanzania and NMCL dated 13 December 2021 and the Special Mining Licence No. SML 653/2021 granted to SMCL on 13 December 2021;

Superior Proposal means a written bona fide Competing Proposal received after the date of this deed that:

- (a) does not result from a breach by OreCorp of any of its obligations under clause 12 or from any act by a member of the OreCorp Group which, if done by OreCorp, would constitute a breach of clause 12 by OreCorp; and
- (b) the OreCorp Board determines, acting in good faith and after having taken advice from its external financial and legal advisers:
 - (i) is reasonably capable of being valued and implemented within a reasonable timeframe in accordance with its terms; and
 - (ii) would, if completed substantially in accordance with its terms, be more favourable to OreCorp Shareholders than the Scheme or the Silvercorp Counterproposal (as the case may be),

taking into account (as a whole), all aspects of the Competing Proposal and the Scheme or the Silvercorp Counterproposal (as the case may be), including their respective conditions precedent, the identity and reputation of the person making the Competing Proposal and all relevant legal, regulatory and financial matters (including the value and type of consideration, funding, any timing considerations, any conditions precedent or other matters affecting the probability of the proposal being completed);

Supplier has the meaning given in clause 18.3;

Surviving Clauses means clause 1 (interpretation), clause 13 (break fee), clause 15 (announcements), clause 16 (confidentiality deeds), clause 18 (GST), clause 19 (notices), clause 20 (general) (other than clause 20.9 (further assurance)) and clause 21 (governing law and jurisdiction);

Tax means any tax, levy, charge, impost, fee, deduction, goods and services tax, compulsory loan or withholding, stamp, landholder, transaction or registration duty or similar charge that is assessed, levied, imposed or collected by any Government Agency and includes any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of, any of the above;

Tax Act means the Income Tax Assessment Act 1936 (Cth) or the Income Tax Assessment Act 1997 (Cth), or both as the context requires or applicable Tanzanian legislation in respect of Tax applicable to any member of the OreCorp Group.

Tax Return means any return relating to Tax including any document which must be lodged with a Taxing Authority or which a taxpayer must prepare and retain under any law with respect to or imposing any Tax (such as an activity statement, schedule or election and any attachment), excluding an amended return.

Taxing Authority means any Government Agency responsible for the administration of any Taxes.

Third Party means a person other than a member of the Silvercorp Group;

Timetable means the timetable set out in Schedule 6, or such other timetable as the parties agree in writing;

Transaction means the acquisition by Silvercorp of all the Scheme Shares through implementation of the Scheme in accordance with the terms of this deed and the Scheme;

TSX means the Toronto Stock Exchange;

Unmarketable Parcel Shareholder means a Scheme Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of OreCorp Shares on the Record Date would, on implementation of the Scheme, be entitled to receive less than a marketable parcel (as that term is defined in the ASX Listing Rules) of New Silvercorp Shares or New Silvercorp CDIs (assessed by reference to the price of Silvercorp Shares on the TSX at the close of trading on the trading day prior to the Record Date) as Scrip Consideration;

Voting Power has the meaning given in the Corporations Act as modified by any class order or other instrument executed by ASIC that applies to OreCorp.

1.2 OreCorp awareness

Where any OreCorp Warranty is qualified by the expression so far as OreCorp is aware or any similar expression, OreCorp will be deemed to know or be aware of all matters or circumstances of which any of Matthew Yates (Executive Chairman), Henk Diederichs (CEO and Managing Director), Greg Hoskins (CFO) and Jessica O'Hara (Legal Counsel) is aware as at the date of this deed or would have been aware as at the date of this deed had they made all reasonable enquiries in the circumstances. For avoidance of doubt, and without limiting clause 10.1, none of the individuals named in this clause 1.2 has any personal liability in respect of the OreCorp Warranties.

1.3 Silvercorp awareness

Where any Silvercorp Warranty is qualified by the expression so far as Silvercorp is aware or any similar expression (or is deemed to be qualified by Silvercorp's awareness), Silvercorp will be deemed to know or be aware of all matters or circumstances of which any of Rui Feng (Chairman and CEO), Derek Liu (CFO) and Lon Shaver (VP) is aware as at the date of this deed or would have been aware as at the date of this deed had they made all reasonable enquiries in the circumstances. For avoidance of doubt, and without limiting clause 10.2, none of the individuals named in this clause 1.3 has any personal liability in respect of the Silvercorp Warranties.

1.4 Reasonable endeavours

Except as otherwise expressly provided in this deed, any provision of this deed which requires a party to use reasonable endeavours, best endeavours or all reasonable endeavours, or to take all steps reasonably necessary, to procure that something is performed or occurs, does not impose any obligation to:

- (a) commence any legal action or proceeding against any person;
- (b) procure absolutely that that thing is done or happens;
- (c) incur a material expense, except where that provision expressly specifies otherwise; or
- (d) accept any undertakings or conditions required by any third party if those undertakings or conditions, in the reasonable opinion of the party required to give such undertakings or satisfy such conditions, are materially adverse to its commercial interests or fundamentally or materially alter the basis on which it originally agreed to the transaction the subject of this deed.

1.5 Things required to be done other than on a Business Day

Unless otherwise indicated, if the day on which any act, matter or thing is to be is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.

1.6 Other rules of interpretation

In this deed:

- (a) any reference, express or implied, to any legislation in any jurisdiction includes:
 - (i) that legislation as amended, extended or applied by or under any other legislation made before or after signature of this deed;
 - (ii) any legislation which that legislation re-enacts with or without modification; and
 - (iii) any subordinate legislation made before or after signature of this deed under that legislation, including (where applicable) that legislation as amended, extended or applied as described in clause 1.6(a)(i), or under any legislation which it re-enacts as described in clause 1.6(a)(ii);
- (b) references to persons or entities include natural persons, bodies corporate, partnerships, trusts and unincorporated associations of persons;
- (c) references to an individual or a natural person include his estate and personal representatives;
- (d) a reference to a clause, schedule or annex is a reference to a clause, schedule or annex of or to this deed (and the schedules and annexes form part of this deed);
- (e) subject to clause 20.2, references to a party to this deed include the successors or assigns (immediate or otherwise) of that party;
- (f) a reference to any instrument or document includes any variation or replacement of it;
- (g) unless otherwise indicated, a reference to any time is, a reference to that time in Perth, Western Australia;
- (h) a reference to A\$ is to Australian currency;
- (i) a reference to US\$ is to the currency of the United States of America;
- (j) singular words include the plural and vice versa;
- (k) a word of any gender includes the corresponding words of any other gender;
- (l) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- (m) general words must not be given a restrictive meaning just because they are followed by particular examples intended to be embraced by the general words;
- (n) nothing is to be construed adversely to a party just because that party put forward this deed or the relevant part of this deed; and
- (o) the headings do not affect interpretation.

2. OVERVIEW OF SCHEME

2.1 OreCorp to propose Scheme

OreCorp must propose the Scheme to the OreCorp Shareholders on and subject to the terms of this deed.

2.2 Nomination of acquirer wholly-owned subsidiary

Within 5 Business Days after the date on which the first draft of the Scheme Booklet is provided to Silvercorp in accordance with clause 4.1(h), Silvercorp may nominate any wholly-owned subsidiary of Silvercorp (**Silvercorp Nominee**) to acquire the Scheme Shares under the Scheme by providing a written notice which sets out the details of the Silvercorp Nominee to OreCorp. If Silvercorp decides to nominate the Silvercorp Nominee to acquire the Scheme Shares:

- (a) the parties must procure that the Scheme Shares transferred under the Scheme are transferred to the Silvercorp Nominee rather than Silvercorp; and
- (b) Silvercorp must procure that the Silvercorp Nominee complies with all of the relevant obligations of Silvercorp under this deed and the Scheme; and
- (c) any such nomination will not relieve Silvercorp of its obligations under this deed, including the obligation to provide (or procure the provision of) the Scheme Consideration in accordance with the terms of the Scheme provided that Silvercorp will not be in breach of this deed for failing to perform an obligation of Silvercorp if that obligation is fully discharged by the Silvercorp Nominee.

2.3 Provision of Scheme Consideration

Subject to this deed and the Scheme, Silvercorp undertakes in favour of OreCorp (in its own right and on behalf of the Scheme Shareholders) to procure that, in consideration for and simultaneously with the transfer to Silvercorp of each Scheme Share held by a Scheme Shareholder under the terms of the Scheme, Silvercorp will:

- (a) accept that transfer; and
- (b) provide or procure the provision of the Scheme Consideration to each Scheme Shareholder in accordance with the Scheme and the Deed Poll.

2.4 Election to receive New Silvercorp CDIs

- (a) This clause 2.4 only applies if ASX has formally approved the ASX Quotation (conditional only on implementation of the Scheme, the issue of the Scrip Consideration and customary pre-quotation disclosures) by no later than 5.00pm on the Business Day before the Second Court Date.
- (b) If this clause 2.4 applies, each Scheme Shareholder will receive as Scrip Consideration:
 - (i) where a Scheme Shareholder is not a CDI Elected Shareholder, 0.0967 New Silvercorp Shares for each Scheme Share; and
 - (ii) where that Scheme Shareholder is a CDI Elected Shareholder, 0.0967 New Silvercorp CDIs for each Scheme Share.

2.5 General implementation obligations

Each party must do everything reasonably necessary, including by procuring that its Representatives work in good faith and in a timely and co-operative manner with the other party and its Representatives, to implement the Scheme in accordance with this deed and the Scheme and all applicable laws and regulations applicable to the Scheme.

2.6 Timetable

- (a) Each party must use all reasonable endeavours to ensure that the Scheme is implemented in accordance with the Timetable.
- (b) Each party must keep the other informed about their progress against the Timetable and notify the other if it believes that any of the dates in the Timetable have become unachievable.
- (c) If any date in the Timetable is not able to be achieved due to events outside the control of either of the parties, the parties must consult in good faith with a view to amending the Timetable to the extent required to permit the Scheme to be implemented before the End Date.

2.7 No amendment to Scheme without Silvercorp's consent

OreCorp must not consent to any modification of, or amendment to, the Scheme, or the making or imposition by the Court or any Government Agency of any condition to the Scheme, without Silvercorp's prior written consent.

2.8 Fractional entitlements

- (a) Where the calculation of the number of New Silvercorp Shares or New Silvercorp CDIs to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a New Silvercorp Share or a New Silvercorp CDI, the fractional entitlement will be rounded up or down to the nearest whole number of New Silvercorp Shares or New Silvercorp CDIs, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number of New Silvercorp Shares or New Silvercorp CDIs and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole number of New Silvercorp Shares or New Silvercorp CDIs.
- (b) If OreCorp and Silvercorp are of the opinion (acting reasonably) that two or more Scheme Shareholders (each of whom holds a number of OreCorp Shares which results in a fractional entitlement to New Silvercorp Shares or New Silvercorp CDIs) have, before the Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, Silvercorp may direct OreCorp to give notice to those Scheme Shareholders:
 - (i) setting out the names and registered addresses as set out in the Register;
 - (ii) stating that opinion; and
 - (iii) attributing to one of them specifically identified in the notice the OreCorp Shares held by them,

and, after the notice has been given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of the Scheme, be taken to hold all those OreCorp Shares and each of the other Scheme Shareholders whose names are set out in the notice shall, for the

purposes of the Scheme, be taken to hold no OreCorp Shares. Silvercorp, in complying with the provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

2.9 Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders

- (a) Silvercorp has no obligation under this Scheme, and will not issue, any New Silvercorp Shares or New Silvercorp CDIs to any Ineligible Shareholder as part of the Scheme Consideration. Instead, Silvercorp must:
 - (i) On the Implementation Date, issue the Scrip Consideration to which any Ineligible Shareholder would otherwise have been entitled as part of the Scheme Consideration to the Sale Agent in the form of New Silvercorp Shares;
 - (ii) procure that as soon as reasonably practicable after the Implementation Date (and in any event within 20 days on which the Silvercorp Shares are capable of being traded on TSX), the Sale Agent sells the New Silvercorp Shares issued to it in such manner, at such price and on such other terms as the Sale Agent determines in good faith;
 - (iii) procure that the Sale Agent, as soon as reasonably practicable after settlement (and in any event within 10 Business Days) remits the Sale Proceeds to Silvercorp; and
 - (iv) promptly after all of the Sale Proceeds have been remitted to Silvercorp by the Sale Agent in accordance with clause 2.9(a)(iii) (following the last sale of such New Silvercorp Shares), pay each Ineligible Shareholder an amount in Australian dollars equal to the proportion of the Sale Proceeds received by Silvercorp pursuant to clause 2.9(a)(iii) to which that Ineligible Shareholder is entitled to receive in full satisfaction of their entitlement to receive Scrip Consideration.
- (b) Silvercorp must appoint the Sale Agent on terms reasonably acceptable to OreCorp at least 5 Business Days prior to the Scheme Meeting.
- (c) None of OreCorp, Silvercorp or the Sale Agent give any assurance as to the price that will be achieved for the sale of New Silvercorp Shares in accordance with this clause 2.9 and the sale of New Silvercorp Shares will be at the risk of the Ineligible Shareholder.

2.10 New Silvercorp Shares

Silvercorp covenants in favour of OreCorp (in its own right and on behalf of the Scheme Shareholders) that the New Silvercorp Shares issued as Scrip Consideration (including those issued to CHESS Depository Nominees Pty Limited (ACN 071 346 506) in connection with the New Silvercorp CDIs (if any)) will, on issue:

- (a) rank equally with all other Silvercorp Shares then on issue;
- (b) be duly and validly issued in accordance with all applicable laws and Silvercorp's certificate of incorporation, the Silvercorp Articles and other constituent documents;
- (c) be entitled to participate in and receive any dividends or distribution of capital paid and any other entitlements accruing in respect of Silvercorp Shares on and from the Implementation Date; and

(d) be fully paid and free from any Encumbrance.

3. CONDITIONS PRECEDENT

3.1 Conditions

The Scheme will not become Effective and the obligations of Silvercorp and OreCorp in regards to the implementation of the Scheme (including Silvercorp's obligations under clause 2.3) do not become binding unless and until each of the conditions set out in the first column of the following table has been satisfied or waived in accordance with this clause 3:

Condition	Responsibility	Waiver
(a) (Court approval) the Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.	Silvercorp and OreCorp	None
(b) (OreCorp Shareholder approval) OreCorp Shareholders approve the Scheme at the Scheme Meeting by the requisite majorities under section 411(4)(a)(ii) of the Corporations Act.	OreCorp	None
(c) (Placement) completion of the Placement.	Silvercorp and OreCorp	None
(d) (Independent Expert) the Independent Expert: (i) issues the Independent Expert's Report which concludes that the Scheme is in the best interests of OreCorp Shareholders before the time when the Scheme Booklet is registered by ASIC; and (ii) does not change its conclusion in any written update to the Independent Expert's Report or withdraw the Independent Expert's Report before 8.00am on the Second Court Date.	OreCorp	OreCorp
(e) (Tanzanian FCC) before 8.00am on the Second Court Date, Silvercorp receives (i) an advisory opinion from the Tanzanian Fair Competition Commission (FCC) confirming that no approval is required from the FCC or (ii) approval from the FCC in respect of the indirect change of control of each of NMCL, SMCL and OreCorp Tanzania on unconditional terms or on terms acceptable to Silvercorp (acting reasonably and in good faith). To the extent that the approval in subparagraph (ii) is subject to any condition, this condition will only be deemed to have been satisfied if the party adversely affected by such condition, acting reasonably and in good faith, agrees to accept	Silvercorp and OreCorp	None

Condition	Responsibility	Waiver
such a condition within 5 Business Days of being notified of such conditional approval.		
(f) (FIRB approval) If notice and a no objection notification are required under FATA to implement the Scheme, before 8.00am on the Second Court Date either: (i) Silvercorp has received a written notice under the FATA, by or on behalf of the Treasurer of the Commonwealth of Australia, stating unconditionally or on the basis of conditions which are acceptable to Silvercorp (acting reasonably) that there is no objection to the proposed acquisition by Silvercorp of the Scheme Shares; or (ii) following notice of the proposed Scheme having been given to the Treasurer of the Commonwealth of Australia, the Treasurer of the Commonwealth of Australia has ceased to be empowered to make an order or decision under Part 3 of the FATA because the applicable time limit on making orders and decisions under the FATA has expired.	Silvercorp	None
(g) (Other regulatory approvals) if any other approvals, consents or other actions are required by law or practice of a Government Agency to implement the transactions contemplated by this deed, those approvals, consents or other actions are obtained, in each case unconditionally or on the basis of conditions which are acceptable to Silvercorp (acting reasonably), and those actions are taken before 8.00am on the Second Court Date.	Silvercorp and OreCorp	Silvercorp
(h) (Regulatory intervention) no court or Government Agency has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restrain or prohibition preventing the Scheme and no such order, decree, ruling, other action or refusal is in effect as at 8.00am on the Second Court Date.	Silvercorp and OreCorp	Silvercorp and OreCorp
(i) (Other OreCorp securities) before 8.00am on the Second Court Date either: no OreCorp Performance rights or OreCorp Options remain in existence; or, the holders of OreCorp Performance Rights have agreed to exercise their OreCorp Performance Rights and OreCorp Optionholders have agreed to cancel their OreCorp Options subject only to the Court approving	OreCorp	Silvercorp

Condition	Responsibility	Waiver
the Scheme in accordance with section 411(4)(b) of the Corporations Act.		
(j) (No OreCorp Material Adverse Change) no OreCorp Material Adverse Change occurs between the date of this deed and 8.00am on the Second Court Date.	OreCorp	Silvercorp
(k) (No Silvercorp Material Adverse Change) no Silvercorp Material Adverse Change occurs between the date of this deed and 8.00am on the Second Court Date.	Silvercorp	OreCorp
(l) (No OreCorp Prescribed Occurrence) no OreCorp Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date.	OreCorp	Silvercorp
(m) (No Silvercorp Prescribed Occurrence) no Silvercorp Prescribed Occurrence occurs between the date of this deed and 8.00am on the Second Court Date.	Silvercorp	OreCorp
(n) (TSX and NYSE approvals) before 8.00am on the Second Court Date the New Silvercorp Shares have been approved for listing on TSX and NYSE, subject only to customary post closing conditions.	Silvercorp	Silvercorp and OreCorp

3.2 Satisfaction of Conditions

In respect of each Condition:

- (a) each party specified in the second column of the table in clause 3.1 opposite that Condition must use all reasonable endeavours (other than waiver) to procure that the Condition is satisfied as soon as practicable after the date of this deed and (as the case may require) continues to be satisfied at all times until the last time it is satisfied;
- (b) the other party must promptly provide all information and other assistance reasonably required by the party referred to in clause 3.2(a) for the purposes of procuring the satisfaction of the Condition; and
- (c) each party must not take any action that will or is likely to hinder or prevent the satisfaction of the Condition.

3.3 Information in relation to status of Conditions

Each party specified in the second column of the table in clause 3.1 opposite a Condition must:

- (a) provide to the other party on request reasonable information about the steps it has taken towards satisfaction of the Condition;
- (b) promptly after becoming aware that the Condition is satisfied, give notice to the other party that the Condition is satisfied including reasonable evidence of how it was satisfied; and

- (c) promptly after becoming aware of the breach or non-satisfaction of the Condition or of any matter or circumstance that may result in the Condition not being satisfied, give notice to the other party of the relevant breach, non-satisfaction, matter or circumstance.

3.4 Communications in relation to satisfaction of Regulatory Conditions

Without limiting clause 3.2, each party must:

- (a) promptly apply for or file all relevant documentation in relation to the Regulatory Conditions for which it is the party responsible;
- (b) promptly notify the other party of any communication, whether written or oral received by that party from any Government Agency in relation to the satisfaction of the Regulatory Conditions;
- (c) give the other party drafts of all written communications intended to be sent by that party to any Government Agency in relation to the satisfaction of the Regulatory Conditions and:
 - (i) give the other party a reasonable opportunity to comment on such drafts;
 - (ii) not send such communications without the prior approval of the other party (such approval not to be unreasonably withheld or delayed); and
 - (iii) give the other party final copies of all such communications,except that in relation to all disclosures under this clause 3.4(c), business secrets and other confidential material may be redacted so long as each party acts reasonably in identifying such material for redaction;
- (d) give the other party reasonable notice of all meetings and telephone calls with any Government Agency in relation to the satisfaction of the Regulatory Conditions and a reasonable opportunity to participate in them (except to the extent that the relevant Government Agency expressly requests that a party should not be present at the meeting or part or parts of the meeting) including to be represented and make submissions at any such meeting or telephone calls with any Government Agency;
- (e) provide reasonable assistance to the other party in order to enable the other party to obtain satisfaction of the Regulatory Conditions for which the other party is the party responsible; and
- (f) take all steps it is responsible for as part process of satisfying the Regulatory Conditions, including responding to requests for information and documentary material at the earliest practicable time.

3.5 Waiver of Conditions

Where the third column of the table in clause 3.1 opposite a Condition states “none”, that Condition may not be waived. Each other Condition is only for the benefit of, and may only be waived by:

- (a) if one party is specified in the third column of the table in clause 3.1 opposite that Condition, that party; or
- (b) if both parties are specified in the third column of the table in clause 3.1 opposite that Condition, the parties jointly.

A party entitled to waive, or to join in the waiver of, a Condition may do so in its absolute discretion.

3.6 Method of waiver

Where a Condition may be waived by one party, that party may only waive the Condition by giving notice in writing to the other party. Where a Condition may only be waived by both parties jointly, the parties may only waive the Condition by agreeing in writing to do so.

3.7 Effect of waiver

- (a) If a party waives or joins in the waiver of breach or non-satisfaction in respect of a Condition in accordance with this clause 3 that waiver does not:
 - (i) preclude that party from bringing a claim against the other party for any breach of this deed;
 - (ii) constitute a waiver of breach or non-satisfaction of any other Condition; or
 - (iii) constitute a waiver of breach or non-satisfaction of that Condition resulting from any other event.

3.8 Termination on failure of a Condition

- (a) If:
 - (i) there is an event or occurrence that would, or does, prevent any of the Conditions being satisfied and the Condition has not been waived (if capable of waiver);
 - (ii) there is an event or occurrence that would, or does, prevent any of the Conditions being satisfied by the time and date specified in this deed for the satisfaction of that Condition and the Condition has not been waived (if capable of waiver); or
 - (iii) the Scheme has not become Effective by the End Date,then OreCorp and Silvercorp must promptly consult in good faith to consider and, if agreed, determine to:
 - (iv) proceed by way of alternative means or methods so as to achieve a commercial outcome that is substantially the same as the Scheme;
 - (v) change the date of the application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Scheme or adjourning that application (as applicable) to another date agreed to in writing by OreCorp and Silvercorp;
 - (vi) extend the relevant date or time for satisfaction of a particular Condition(s);
 - (vii) extend the End Date; or
 - (viii) do any combination of the matters contemplated in clauses 3.8(a)(iv) to 3.8(a)(vii).
- (b) Subject to clause 3.8(d), if OreCorp and Silvercorp are unable to reach agreement under clause 3.8(a) after consulting in good faith for a period of 5 Business Days after OreCorp and Silvercorp become aware of the relevant event or occurrence in clauses 3.8(a)(i) to 3.8(a)(iii) (as applicable) then, unless that Condition has been waived in accordance with clause 3.5,

either OreCorp or Silvercorp may terminate this deed without liability to the other party because of that termination. However, neither party may terminate if the relevant occurrence or event, the failure of the Condition to be satisfied, or the failure of the Scheme to become Effective, arises out of a breach of clauses 3.2 to 3.4 by that party, although in such circumstances the other party may still terminate this deed.

- (c) Subject to any rights or obligations arising under or pursuant to clauses that are expressed to survive termination (including by virtue of clause 14.5), on termination of this deed, no party will have any rights against or obligations to any other party under this deed except for those rights and obligations which accrued prior to termination.
- (d) If the Condition in clause 3.1(b) (OreCorp Shareholder approval) is not satisfied by reason only of the non-satisfaction of the Headcount Test, and it appears to either party, acting reasonably, that there are grounds on which an application could be made to the Court under section 411(4)(a)(ii)(A) of the Corporations Act to disregard the Headcount Test (**Order**), that party may give notice to the other within 3 Business Days after the Scheme Meeting setting out those grounds and if such notice is given:
 - (i) OreCorp must promptly after the notice is given apply to Court for the Order and make such submissions to the Court and file such evidence as counsel engaged by OreCorp to represent it in Court proceedings related to the Scheme, in consultation with Silvercorp, considers is reasonably required to seek to persuade the Court to exercise its discretion under section 411(4)(a)(ii)(A) of the Corporations Act by making an order to disregard the Headcount Test;
 - (ii) the cost of the application for the Order is to be borne equally between the parties; and
 - (iii) if the Court makes the Order, the Condition in clause 3.1(b) is deemed to be satisfied for all purposes.

4. IMPLEMENTATION

4.1 OreCorp's obligations

Without limiting clause 2, OreCorp must (at its own expense) take all reasonable steps to implement the Scheme on a basis consistent with this deed as soon as reasonably practicable, including each of the following:

- (a) (**Announce directors' recommendation**) following execution of this deed, announce, in the form contained in Annex 3 (on the basis of statements made to OreCorp by each member of the OreCorp Board) that:
 - (i) the OreCorp Board intends to unanimously recommend that OreCorp Shareholders vote in favour of the Scheme; and
 - (ii) each OreCorp Board member who holds OreCorp Shares intends to vote his or her OreCorp Shares in favour of the Scheme,subject to:
 - (iii) the Independent Expert concluding, and continuing to conclude, that the Scheme is in the best interests of OreCorp Shareholders; and

- (iv) there being no Superior Proposal;
- (b) **(Prepare Scheme Booklet)** prepare the Scheme Booklet so that it contains:
 - (i) all information required by the Corporations Act, RG 60, the ASX Listing Rules and any other applicable laws or regulations;
 - (ii) the responsibility statements referred to in clause 4.4; and
 - (iii) a statement by the OreCorp Directors reflecting the recommendation and voting intentions referred to in clause 6.1;
- (c) **(Independent Expert)** appoint the Independent Expert and provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report and any other materials to be prepared by them for inclusion in the Scheme Booklet (including any updates thereto);
- (d) **(Investigating Accountant)** provide all assistance and information reasonably requested by the Investigating Accountant in connection with the preparation of the Investigating Accountant's Report for inclusion in the Scheme Booklet;
- (e) **(Merged Group Information)** prepare and promptly provide to Silvercorp any information regarding the OreCorp Group that Silvercorp reasonably requires or requests in order to prepare the Merged Group Information for inclusion in the Scheme Booklet;
- (f) **(Consultation with Silvercorp)** give Silvercorp drafts of the Scheme Booklet (including the Independent Expert's Report) in a timely manner, give Silvercorp a reasonable opportunity to review those drafts and consider in good faith the reasonable comments of Silvercorp and its Representatives when preparing revised drafts of the Scheme Booklet (and reviewing the Independent Expert's Report for factual accuracy), provide Silvercorp a revised draft of the Scheme Booklet (including the Independent Expert's Report) within a reasonable time before the Scheme Booklet (including the Independent Expert's Report) is provided to ASIC for approval pursuant to section 411(2) of the Corporations Act and obtain Silvercorp's consent to the inclusion of the Silvercorp Information (including in respect of the form and context in which the Silvercorp Information appears in the Scheme Booklet);
- (g) **(Due diligence and verification)** undertake appropriate due diligence and verification processes in relation to the OreCorp Information and, after those processes have been completed, provide on or before the First Court Date an affidavit to the Court confirming the due diligence and verification processes undertaken and their completion (if required by the Court);
- (h) **(Advanced draft)** as soon as practicable after preparation of an advanced draft of the Scheme Booklet suitable for review by ASIC give that draft to Silvercorp and procure that a meeting of the OreCorp Board is convened to approve it for submission to ASIC for review;
- (i) **(Liaison with ASIC)** as soon as practicable after the approval of the OreCorp Board referred to in clause 4.1(h) and receipt of the confirmation from Silvercorp referred to in clause 4.2(g) and in any case 14 days before the First Court Date:
 - (i) give ASIC the draft Scheme Booklet as required by section 411(2) of the Corporations Act; and subsequently

- (ii) keep Silvercorp informed of any matters raised by ASIC in relation to the Scheme Booklet, and use best endeavours, in co-operation with Silvercorp, to resolve any such matters (provided that, where those issues relate to Silvercorp Information, OreCorp must not take any steps to address them without Silvercorp's prior written consent, not to be unreasonably withheld);
- (j) **(Approval of Scheme Booklet)** as soon as practicable after the end of ASIC's review of the draft Scheme Booklet, procure that a meeting of the OreCorp Board is convened to approve it for lodgement with the Court and for dispatch to OreCorp Shareholders;
- (k) **(ASIC indication of intent)** before the First Court Date apply to ASIC for a letter indicating whether ASIC intends to appear before the Court, or intervene to oppose the Scheme, at the hearing held on the First Court Date;
- (l) **(Representation)** procure that it is represented by counsel at the Court hearings convened for the purposes of subsection 411(1) and paragraph 411(4)(b) of the Corporations Act;
- (m) **(First Court Date)** apply to the Court for an order under section 411(1) of the Corporations Act convening the Scheme Meeting, and if the Court makes that order:
 - (i) request ASIC to register the Scheme Booklet in accordance with section 412(6) of the Corporations Act; and
 - (ii) dispatch the Scheme Booklet to OreCorp Shareholders and hold the Scheme Meeting in accordance with that order;
- (n) **(Scheme Meeting)** convene the Scheme Meeting to agree to the Scheme in accordance with any orders made by the Court pursuant to section 411(1) of the Corporations Act;
- (o) **(Director's voting)** use its reasonable endeavours to procure that each member of the OreCorp Board votes any OreCorp Shares in which they have a Relevant Interest in favour of the Scheme, subject to:
 - (i) the Independent Expert concluding, and continuing to conclude, that the Scheme is in the best interests of OreCorp Shareholders; and
 - (ii) there being no Superior Proposal;
- (p) **(Supplementary disclosure)** advise Silvercorp if after despatch of the Scheme Booklet and at any time before the Second Court Date, OreCorp becomes aware either:
 - (i) of new information which, had it been known at the time the Scheme Booklet was prepared, should have been included in the Scheme Booklet; or
 - (ii) that any part of the OreCorp Information in the Scheme Booklet is misleading or deceptive in any material respect, including by omission,

and, if OreCorp considers that supplementary disclosure is required, provide supplementary disclosure to OreCorp Shareholders.
- (q) **(Solicitation)** provide Silvercorp with such information as Silvercorp reasonably requests in relation to the shareholdings of OreCorp Shareholders in a form reasonably requested by Silvercorp for the purposes of Silvercorp promoting the merits of the Scheme and encouraging

OreCorp Shareholders to vote on the Scheme in accordance with the recommendation of the OreCorp Board, subject to applicable law and ASIC policy;

- (r) **(Second Court Date)** if the Scheme Resolution is passed by the requisite majorities of OreCorp Shareholders (as may be modified by the Court in accordance with section 411(4)(a)(ii)(A) of the Corporations Act), promptly:
 - (i) subject to all Conditions in clause 3.1 (other than that in clause 3.1(a) (Court approval)) being satisfied or waived in accordance with this deed, apply to the Court for an order approving the Scheme; and
 - (ii) apply to ASIC for a statement pursuant to section 411(17)(b) of the Corporations Act that ASIC has no objection to the Scheme;
- (s) **(Condition precedent certificate)** give to the Court on the Second Court Date the certificate signed by one of its directors and made in accordance with a resolution of the OreCorp Board in relation to the satisfaction of the Conditions contemplated by the terms of the Scheme;
- (t) **(Implementation)** if the Court approves the Scheme in accordance with sections 411(4)(b) and 411(6) of the Corporations Act:
 - (i) promptly lodge with ASIC an office copy of the order approving the Scheme in accordance with section 411(10) of the Corporations Act;
 - (ii) procure ASX to suspend trading in OreCorp Shares from the close of trading on the Effective Date;
 - (iii) close the Register as at the Record Date to determine the identity of the Scheme Shareholders and their entitlements to the Scheme Consideration;
 - (iv) subject to Silvercorp satisfying its obligations under clause 4.2(n), effect the transfer of the Scheme Shares to Silvercorp in accordance with the Scheme on the Implementation Date; and
 - (v) do all other things contemplated by or necessary to give effect to the Scheme and the orders of the Court;
- (u) **(ASX listing)** use its reasonable endeavours to ensure that the OreCorp Shares continue to be quoted on ASX (even if suspended from trading) until close of business on the Implementation Date;
- (v) **(ASX Quotation and other matters)** provide reasonable assistance to Silvercorp to:
 - (i) prepare all documents required by ASX to apply for ASX Quotation; and
 - (ii) assist with the quotation of New Silvercorp Shares on TSX and NYSE,including to prepare and as soon as reasonably practicable provide to Silvercorp any information regarding the OreCorp Group that Silvercorp reasonably requires or requests in order to achieve ASX Quotation; and
- (w) **(SilverCorp Options – waiver application)** submit an application to ASX for the waiver referred to in clause 8.2(b)(ii) within 5 Business Days of the date of this deed.

4.2 Silvercorp's obligations

Without limiting clause 2, Silvercorp must (at its own expense) take all reasonable steps to implement the Scheme on a basis consistent with this deed as soon as reasonably practicable, including each of the following:

- (a) **(Silvercorp Information)** prepare and give to OreCorp for inclusion in the Scheme Booklet all Silvercorp Information;
- (b) **(Consultation with OreCorp)** give OreCorp drafts of the information referred to in clause 4.2(a) in a timely manner, give OreCorp a reasonable opportunity to review those drafts and consider in good faith the reasonable comments of OreCorp and its Representatives when preparing revised drafts of that information;
- (c) **(Independent Expert information)** provide all assistance and information reasonably requested by the Independent Expert to enable it to prepare the Independent Expert's Report;
- (d) **(Investigating Accountant)** promptly appoint the Investigating Accountant and provide all assistance and information reasonably requested by the Investigation Accountant in connection with the preparation of the Investigating Accountant's Report for inclusion in the Scheme Booklet;
- (e) **(Review drafts of Scheme Booklet)** as soon as practicable after receipt of any draft of the Scheme Booklet from OreCorp review and provide comments on that draft;
- (f) **(Verification)** undertake appropriate verification processes in relation to the Silvercorp Information and, after those processes have been completed, provide on or before the First Court Date an affidavit to the Court confirming the due diligence and verification processes undertaken and their completion (if required by the Court);
- (g) **(Confirmation of Silvercorp Information)** subject to clause 4.3:
 - (i) as soon as practicable after receipt from OreCorp of the advanced draft of the Scheme Booklet referred to in clause 4.1(h) confirm to OreCorp in writing that the Silvercorp Information in the form and context in which it appears in the Scheme Booklet is accurate and not misleading or deceptive, including by omission;
 - (ii) as soon as practicable after the conclusion of the review by ASIC of the Scheme Booklet, procure that a meeting of the Silvercorp Board is convened to approve the Silvercorp Information for lodgement with the Court and for dispatch to OreCorp Shareholders; and
 - (iii) before the First Court Date deliver to OreCorp consent from Silvercorp to the inclusion of the Silvercorp Information in the Scheme Booklet in the form and context it appears;
- (h) **(Deed Poll)** before the First Court Date deliver to OreCorp an executed copy of the Deed Poll;
- (i) **(Update Silvercorp Information)** advise OreCorp if after despatch of the Scheme Booklet and at any time before the Second Court Date, Silvercorp becomes aware either:
 - (i) of new information which, had it been known at the time the Scheme Booklet was prepared, should have been included in the Silvercorp Information; or

- (ii) that any part of the Silvercorp Information is misleading or deceptive in a material respect, including by omission, together with such additional information as OreCorp reasonably requires to determine whether supplementary disclosure to OreCorp Shareholders is required;
- (j) **(ASX Quotation)** use reasonable endeavours to:
 - (i) apply for ASX Quotation, including making relevant applications and keep OreCorp regularly informed of the progress and timing of the application process, including providing to OreCorp on request reasonable information about the steps Silvercorp has taken in respect of such application; and
 - (ii) apply for trading of the New Silvercorp CDIs, such that if ASX Quotation is approved, the New Silvercorp CDIs commence trading by the second Business Day after the Implementation Deed; and
 - (iii) if the ASX Quotation is approved, at the earliest general meeting of Silvercorp Shareholders to be held after the ASX Quotation, propose such amendments to the Silvercorp Articles as are necessary to allow CHESS Depositary Nominees Pty Limited (ACN 071 346 506) to appoint holders of Silvercorp CDIs, or a person nominated by any such holder, as its proxy;
- (k) **(TSX and NYSE listing)** do everything necessary to ensure that the issue of the New Silvercorp Shares has been approved by TSX and NYSE and ensure that trading in the New Silvercorp Shares commences on the first day of trading on the TSX and NYSE (respectively) following the Implementation Date (or such date as the Relevant Exchange requires);
- (l) **(Condition precedent certificate)** give to the Court on the Second Court Date the certificate signed by one of its directors and made in accordance with a resolution of the Silvercorp Board in relation to the satisfaction of the Conditions contemplated by the terms of the Scheme;
- (m) **(Court assistance)** if requested by the Court, undertake to the Court to do all such things within its power as are reasonably necessary to ensure that it fulfils its obligations under this deed and the Deed Poll; and
- (n) **(Scheme Consideration)** if the Scheme becomes Effective accept a transfer of the Scheme Shares and provide the Scheme Consideration in accordance with clause 2.3 and the Deed Poll on or before the Implementation Date.

4.3 Silvercorp confirmations and approvals

If Silvercorp requires any change to be made to the form or content of the Silvercorp Information as a condition of doing any of the things referred to in clause 4.2(g) then:

- (a) if OreCorp disagrees with the change the parties must consult in good faith about the change and the reasons for it with a view to agreeing an alternative change that satisfies both parties; and
- (b) if the parties are unable to reach agreement, OreCorp must make such changes to the Silvercorp Information as Silvercorp reasonably requires.

4.4 Responsibility statements

The Scheme Booklet must contain responsibility statements, in a form to be agreed between the parties, to the effect that:

- (a) OreCorp has prepared, and is responsible for, the content of the Scheme Booklet, other than, to the maximum extent permitted by law, the Silvercorp Information, the Independent Expert's Report, the Investigating Accountant's Report or any other report or letter issued to OreCorp by a third party;
- (b) Silvercorp has prepared, and is responsible for, the Silvercorp Information (and no other part of the Scheme Booklet), and that none of OreCorp and its officers and employees assumes any responsibility for the accuracy or completeness of the sections of the Scheme Booklet that Silvercorp has prepared and has responsibility for.

4.5 OreCorp Board changes

Subject to the Scheme Consideration having been provided by Silvercorp in accordance with the Scheme:

- (a) OreCorp must procure that:
 - (i) such persons as Silvercorp nominates by notice to OreCorp no later than 2 Business Days before the Implementation Date and who have provided to OreCorp a signed consent to act and Director Identification Number by that time are appointed as additional directors of OreCorp on the Implementation Date;
 - (ii) unless otherwise agreed by Silvercorp in writing and subject to the provisions of the SMCL Documents, each member of the OreCorp Board resigns as a director of OreCorp with effect from the Implementation Date and acknowledges in writing that he or she has no claim against OreCorp other than for accrued directors fees, salaries and expenses (provided this does not limit any entitlement to an indemnity in accordance with the OreCorp Constitution or any other agreement Fairly Disclosed to Silvercorp in respect of any office held with OreCorp); and
 - (iii) subject to applicable law and the constituent documents of each member of the OreCorp Group (including the SMCL Documents), unless otherwise agreed by Silvercorp in writing, all directors on the boards of each member of the OreCorp Group, resigns as a director with effect from the Implementation Date and acknowledges in writing that he or she has no claim against any member of the OreCorp Group other than for accrued directors fees, salaries and expenses (provided this does not limit any entitlement to an indemnity in accordance with the relevant company's constitution or any other agreement Fairly Disclosed to Silvercorp in respect of any office held with the company); and
- (b) Silvercorp must procure that (i) the appointments of such persons as Silvercorp nominates as new directors of any member of the OreCorp Group and, (ii) the resignations of the existing directors of any member of the OreCorp Group, are registered with the relevant Government Agency as soon as practicable after their appointment or resignation (as applicable) (with written evidence of the registration of such resignations to be provided on request by any former OreCorp nominee director).

5. COURT PROCEEDINGS

5.1 General

In respect of Court proceedings under Part 5.1 of the Corporations Act:

- (a) OreCorp and Silvercorp are entitled to separate representation at such Court proceedings;
- (b) this deed does not give OreCorp and Silvercorp any right or power to give undertakings to the Court for or on behalf of the other party without that party's written consent; and
- (c) OreCorp and Silvercorp must, acting reasonably and in good faith, consider all undertakings to the Court in such Court proceedings which are reasonably required to obtain Court approval and confirmation of the Transaction as contemplated by this deed.

5.2 Court documents

In relation to each Court hearing held in relation to the Scheme, including any appeal, OreCorp must give Silvercorp drafts of all documents required to be given by OreCorp to the Court (including the originating process, affidavits, submissions and draft Court orders) and must consider in good faith the reasonable comments of Silvercorp and its Representatives on those documents.

5.3 Appeal if orders not made

If the Court does not make any order convening the Scheme Meeting or approving the Scheme (the **Decision**):

- (a) the parties must consult in good faith as to whether to appeal the Decision; and
- (b) if within 10 Business Days after the Decision the parties agree to appeal the Decision or either party obtains an opinion from independent Senior Counsel, practising in any Australian state or territory in the field of corporate law to the effect that there are reasonable prospects of successfully appealing the Decision:
 - (i) OreCorp must appeal the Court's decision;
 - (ii) the cost of any such appeal is to be borne equally between the parties;
 - (iii) if the End Date would otherwise occur before the appeal is finally determined, the End Date is deferred to the date that is 5 Business Days after the appeal from the Decision is finally determined; and
 - (iv) if the appeal is successful and the relevant order is made, the End Date is further deferred to the date which is D days after the original End Date (disregarding the effect of clause 5.3(b)(iii)) where D is equal to the number of days between the date of the Decision and the date on which the appeal from the Court's decision is finally determined, or to such other date as the parties agree in writing.

6. RECOMMENDATION

6.1 Recommendation of OreCorp Directors

OreCorp represents and warrants to Silvercorp that, as at the date of this deed, each OreCorp Director has confirmed that they:

- (a) recommend that OreCorp Shareholders vote in favour of the Scheme; and
- (b) will vote, or procure the voting of, all OreCorp Shares held or controlled by them in favour of the Scheme,

in each case, in the absence of a Superior Proposal and subject to the Independent Expert concluding and continuing to conclude that the Scheme is in the best interests of OreCorp Shareholders.

6.2 Change to recommendation

- (a) OreCorp must use its best endeavours to procure that no OreCorp Director changes, withdraws, modifies, revises or qualifies the recommendation referred to in clause 6.1(a) or makes any statement inconsistent with that recommendation unless:
 - (i) the Independent Expert's Report concludes the Scheme is not in the best interests of OreCorp Shareholders or adversely changes its previously given opinion that the Scheme is in the best interests of OreCorp Shareholders; or
 - (ii) there is a Superior Proposal.
- (b) Subject to and without limiting clause 12 in any way, if the OreCorp Board collectively, or any member of the OreCorp Board individually, proposes to change, withdraw, modify, revise or qualify their recommendation in accordance with clause 6.2(a):
 - (i) OreCorp must as soon as reasonably practicable notify Silvercorp in writing of that fact; and
 - (ii) OreCorp and Silvercorp must consult in good faith for 2 Business Days after the date on which the notification in clause 6.2(b)(i) is given to consider and determine whether the recommendation in place at the time can be maintained.

7. ACCESS, INFORMATION AND CONDUCT OF BUSINESS

7.1 Access and information

- (a) OreCorp must procure that its share registry provides to Silvercorp, within one Business Day after the Record Date, a complete copy of OreCorp's register of members as at the Record Date (which must include the name, registered address and registered holding of each Scheme Shareholder as at the Record Date), in order to facilitate the provision by Silvercorp of the Scheme Consideration in accordance with this deed, the Scheme and the Deed Poll, other than information that the share registry is prohibited by law or by the operating rules of any financial market or clearing and settlement facility from providing.
- (b) From the date of this deed until and including the Implementation Date, subject to clause 7.1(b)(vii), procure that Silvercorp and its Representatives are given reasonable access to the properties, books and records and management of the OreCorp Group during normal business hours and on reasonable notice to OreCorp for the purposes of:
 - (i) satisfying any of the Conditions Precedent;
 - (ii) preparing financial statements (including for the Merged Group) and other information required for inclusion in the Scheme Booklet or any amendment or supplement thereof;

- (iii) enabling Silvercorp and its financiers to understand the OreCorp Group's business and operations and its financial position, financial performance, trading performance, management control systems, prospects or assets in order to allow Silvercorp to develop, finalise and implement its plans for carrying on the OreCorp Group's business following implementation of the Scheme;
- (iv) implementing the Scheme and enabling Silvercorp to prepare for the transition of ownership of the OreCorp Group to Silvercorp; and
- (v) any other purpose agreed between the parties in writing,

except to the extent that:

- (vi) in relation to the OreCorp Group other than SMCL, the provision of such access is prohibited by any applicable law or regulation of any Government Agency or any confidentiality obligations owed to third parties; and
- (vii) in relation to SMCL, the provision of such access is subject to applicable law and the constituent documents of each member of the OreCorp Group.

7.2 OreCorp's conduct of business

- (a) From the date of this deed until and including the Implementation Date, OreCorp must ensure that it and each other member of the OreCorp Group:
 - (i) to the extent it is within its power to do so, carries on its business and operations in the ordinary course and in substantially the same manner as conducted at the date of this deed;
 - (ii) uses its best endeavours to:
 - (A) keep available the services of its officers and key employees;
 - (B) preserve its relationships with all Government Agencies, joint venture parties, customers, suppliers, landlords, financiers and others with whom it has business dealings;
 - (C) renew each of the material insurance policies held by the relevant member of the OreCorp Group as at the date of this deed, if and when renewal is required;
 - (D) renew (to the extent commercially and reasonably required) each of the material Authorisations held by a member of the OreCorp Group as at the date of this deed; and
 - (E) ensure there is no occurrence within its control or the control of any member of the OreCorp Group that would bring about or be likely to bring about an OreCorp Material Adverse Change;
 - (iii) does not, except as permitted by clause 7.2(b):
 - (A) incur capital expenditure exceeding A\$1 million or, except in the ordinary course of trading, transfer or otherwise dispose of or create any Encumbrance in respect of, assets having a value exceeding A\$1 million;

- (B) acquire or dispose of any shares or other securities in any body corporate or any units in any trust, or substantially all of the assets of any business except where the aggregate consideration paid or received by all members of the OreCorp Group for all such acquisitions or disposals does not exceed A\$1 million;
- (C) enter into any engineering, procurement and contract management services contract in respect of the Nyanzaga Project or terminate any early contractor involvement contract in respect of the Nyanzaga Project;
- (D) increase the aggregate level of its borrowings or enter into any swap, option, futures contract, forward commitment or other derivative transaction;
- (E) give any guarantee of, or security for, or indemnity in connection with the obligations of any person other than a member of the OreCorp Group;
- (F) enter into a new employment agreement with any prospective employee, other than to replace any employee who leaves employment with the OreCorp Group;
- (G) increase the remuneration of, make any bonus payment, retention payment or termination payment to, or otherwise change the terms and conditions of an existing employment agreement of any OreCorp Director or any employee of any member of the OreCorp Group except in accordance with any contractual entitlement, policy or guideline existing as at the date of this deed or as disclosed in the OreCorp Data Room Information;
- (H) accelerate the rights of any OreCorp Director or any employee of any member of the OreCorp Group to receive any benefit under any OreCorp incentive plan or similar arrangement, except as contemplated by this deed;
- (I) pass any resolution of shareholders or any class of shareholders, except as contemplated by this deed;
- (J) fail to comply in all material respects with all laws and regulations applicable to its business or do or omit to do anything which might result in the termination, revocation, suspension, modification or non-renewal of any Authorisation held by it;
- (K) change in any material respect the accounting procedures, principles or practices of any member of the OreCorp Group;
- (L) commence, compromise or settle any litigation, investigation, arbitration or similar proceedings for an amount exceeding A\$1 million (individually or in aggregate with related claims) and must not compromise or settle any litigation or similar proceedings in respect of compensation under the Resettlement Action Plan;
- (M) take any action that, or fail to take any action whose omission, would give rise to an OreCorp Prescribed Occurrence; or
- (N) agree, conditionally or otherwise, to do any of the things referred to in the preceding paragraphs of this clause 7.2(a)(iii), or announce or represent to any person that any of those things will be done; and

- (iv) uses their reasonable endeavours to procure that as soon as practicable after the date of this document OreCorp Tanzania submits applications for second term renewals in respect of PL 10911/2016 and PL 10877/2016;
- (b) Any member of the OreCorp Group may do any thing referred to in clause 7.2(a)(iii):
 - (i) with the prior written consent of Silvercorp;
 - (ii) to the extent reasonably required to permit OreCorp to comply with its obligations under any other provision of this deed;
 - (iii) to the extent reasonably required to permit SMCL and NMCL to comply with their respective obligations under the SMCL Documents;
 - (iv) to the extent Fairly Disclosed and reasonably required to permit SMCL and NMCL to implement the plan for relocation, resettlement of and payment of compensation to people within the mining areas, including incurring any costs associated with the resettlement process; or
 - (v) if the doing of that thing is Fairly Disclosed in the OreCorp Data Room Information or in any ASX announcement made by OreCorp after 1 January 2022 and before the date of this deed, provided it will not impact on OreCorp's ability to complete the Transaction on the terms set out in this deed (including, but not limited to, adherence to the Timetable).
- (c) For the avoidance of doubt, nothing in this clause 7.2 restricts the ability of OreCorp to respond to a Competing Proposal in accordance with clause 12.

7.3 Silvercorp's conduct of business

- (a) From the date of this deed until and including the Implementation Date, Silvercorp must ensure that it and each other member of the Silvercorp Group:
 - (i) to the extent it is within its power to do so, carries on its business in the ordinary course and in substantially the same manner as conducted at the date of this deed (or in the case of Celsius Resources Limited and its subsidiaries (to the extent applicable) at such later date on which Celsius Resources Limited becomes a subsidiary of a member of the Silvercorp Group); and
 - (ii) does not, except as permitted by clause 7.3(b), take any action that, or fail to take any action whose omission, would give rise to a Silvercorp Prescribed Occurrence.
- (b) Any member of the Silvercorp Group may do any thing referred to in clause 7.3(a):
 - (i) with the prior written consent of OreCorp;
 - (ii) to the extent reasonably required to permit Silvercorp to comply with its obligations under any other provision of this deed; or
 - (iii) if the doing of that thing is Fairly Disclosed in the Silvercorp Data Room Information or in any TSX or NYSE announcement made by Silvercorp after 1 January 2022 and before the date of this deed, provided it will not impact on Silvercorp's ability to complete the Transaction on the terms set out in this deed (including, but not limited to, adherence to the Timetable).

7.4 Silvercorp's undertaking in relation to the Celsius Proposal

Silvercorp undertakes to OreCorp that the Celsius Proposal will not result in a material delay to the Timetable.

7.5 Pre-Implementation Date integration planning

- (a) As soon as reasonably practical after the date of this document, OreCorp's and Silvercorp's respective Chief Executive Officers (or other person nominated and agreed to by OreCorp and Silvercorp in writing) (**Integration Nominee**) will agree in writing:
 - (i) a date to in good faith commence working together from the date of this deed until the Implementation Date, planning for implementation of the Transaction and integration of the OreCorp Group with the Silvercorp Group from the Implementation Date; and
 - (ii) an action plan in respect of certain matters identified during negotiations, which OreCorp will use reasonable endeavours to attend to as part of integration planning.
- (b) As soon as reasonably practical after the date of this document, the Integration Nominees must establish an integration committee consisting of such number of persons from the respective management teams of each of the parties and such other persons as the Integration Nominee of each party agree from time to time (**Integration Committee**).
- (c) The Integration Committee will determine the frequency (being no less than once per fortnight) and format of its meetings from time to time.
- (d) Subject to the requirements and limitations imposed in any protocols agreed between the parties to govern the activities of the Integration Committee (**Integration Protocols**), the role of the Integration Committee is to act as a forum for the consideration and planning (but not decision making) of the integration of the OreCorp Group with the Silvercorp Group and to use best endeavours to oversee and implement the Scheme, the plan for the integration of the OreCorp Group with the Silvercorp Group following implementation of the Scheme and will have such other objectives as the parties may agree.
- (e) Subject to the other provisions of this deed, nothing in this clause 7.5 requires any party to act at the direction of the other or imposes any obligation on any party to conduct their respective businesses in accordance with any direction or representation made by the other and the parties acknowledge that their obligation under this clause 7.5 will be subject to all applicable laws, regulations or requirements of any Government Agency and the Integration Protocols. The parties agree that nothing in this deed constitutes the relationship of a partnership or joint venture between the parties.

8. OTHER ORECORP SECURITIES

8.1 OreCorp Performance Rights

- (a) OreCorp must ensure that, by no later than the Effective Date, there are no outstanding OreCorp Performance Rights.
- (b) In order to comply with its obligation under clause 8.1(a), OreCorp agrees that:
 - (i) OreCorp will notify each holder of the OreCorp Performance Rights of the change of control event, in accordance with their terms;

- (ii) OreCorp will procure that all holders of OreCorp Performance Rights provide OreCorp with an irrevocable written notice or agreement exercising their OreCorp Performance Rights with immediate effect prior to the Effective Date; and
- (iii) OreCorp will issue or procure the issue of such number of OreCorp Shares as required by the terms of the OreCorp Performance Rights before the Record Date so that the holders of OreCorp Performance Rights can participate as Scheme Participants in the Scheme and receive the Scheme Consideration.

8.2 OreCorp Options

- (a) OreCorp must take all steps reasonably necessary to ensure that, by no later than the Effective Date, there are no outstanding OreCorp Options.
- (b) In order to comply with its obligations under clause 8.2(a), OreCorp agrees:
 - (i) to take all steps reasonably necessary to procure that, as soon as practicable after the date of this document (and, in any event, before the First Court Date), each OreCorp Option holder has duly executed an Option Cancellation Deed under which, subject to the relevant security terms and any required ASX waiver:
 - (A) each OreCorp Optionholder irrevocably agrees to the cancellation of its OreCorp Options, with such cancellation to be subject to the Scheme becoming Effective; and
 - (B) the OreCorp Optionholder will be paid the OreCorp Option Consideration, in consideration for their OreCorp Options and in the manner set out in the Option Cancellation Deed; and
 - (ii) to facilitate the cancellation of the OreCorp Options (including, if required, the OreCorp Board making any necessary lawful amendment, consent or determination for the purposes of the relevant terms and conditions upon which the OreCorp Options were issued and using reasonable endeavours to procure the grant of any necessary waivers by ASX, including in respect of ASX Listing Rule 6.23.2).

9. REPRESENTATIONS AND WARRANTIES

9.1 OreCorp representations and warranties

OreCorp represents and warrants to Silvercorp on the date of this deed and at 8.00am on the Second Court Date (unless expressed to be given on a different date and/or time) that each of the OreCorp Warranties is true, accurate and not misleading.

9.2 Indemnity by OreCorp

OreCorp indemnifies Silvercorp against, and must pay to Silvercorp on demand an amount equal to, all Losses directly or indirectly incurred or suffered by the Silvercorp Indemnified Parties arising out of or in connection with any matter or circumstance that results in any of the OreCorp Warranties being untrue, inaccurate or misleading when given.

9.3 Qualifications to OreCorp's representations and warranties

The OreCorp Warranties in clause 9.1 and the indemnity in clause 9.2 are each subject to matters that:

- (a) are known to a member of the Silvercorp Group in relation to the Transaction or the Scheme;
- (b) have been Fairly Disclosed in the OreCorp Data Room Information;
- (c) have been Fairly Disclosed in:
 - (i) any ASX announcement made by OreCorp after 1 January 2022 and before the date of this deed; or
 - (ii) any information publicly available on a Public Register as at the relevant date stated in the definition of Public Register,

(excluding any risk factor disclosure and disclosure of risks in “forward looking statement” disclaimers that are predictive, forward-looking or primarily cautionary in nature); or
- (d) are required or expressly permitted by this deed.

9.4 Silvercorp representations and warranties

Silvercorp represents and warrants to OreCorp on the date of this deed and at 8.00am on the Second Court Date (unless expressed to be given on a different date and/or time) that each of the Silvercorp Warranties is true, accurate and not misleading.

9.5 Indemnity by Silvercorp

Silvercorp indemnifies OreCorp against, and must pay to OreCorp on demand an amount equal to, all Losses directly or indirectly incurred or suffered by the OreCorp Indemnified Parties arising out of or in connection with any matter or circumstance that results in any of the Silvercorp Warranties being untrue, inaccurate or misleading when given.

9.6 Qualifications to Silvercorp’s representations and warranties

The Silvercorp Warranties in clause 9.4 and the indemnity given in clause 9.5 are each subject to matters that:

- (a) are known to a member of the OreCorp Group in relation to the Transaction or the Scheme;
- (b) have been Fairly Disclosed in the Silvercorp Data Room Information;
- (c) have been Fairly Disclosed in:
 - (i) any TSX or NYSE announcement made by Silvercorp after 1 January 2022 and before the date of this deed; or
 - (ii) any information publicly available on a Public Register as at the relevant date stated in the definition of Public Register,

(excluding any risk factor disclosure and disclosure of risks in “forward looking statement” disclaimers that are predictive, forward-looking or primarily cautionary in nature); or
- (d) are required or expressly permitted by this deed.

9.7 Status of representations, warranties, undertakings and indemnities

Each representation and warranty, undertaking and indemnity made or given under this clause 9 is severable and survives termination of this deed and each undertaking and indemnity given in this clause 9 is a continuing obligation.

9.8 Scheme becoming Effective

After the Scheme becomes Effective, any breach of the representations and warranties made or given under this clause 9 may only give rise to a claim for damages under the indemnities in this clause 9 and does not entitle a party to terminate this deed.

10. RELEASES

10.1 Release of OreCorp Indemnified Persons

Silvercorp waives and releases, and must procure that each member of the Silvercorp Group waives and releases, all rights and claims which it may have against any OreCorp Indemnified Person (other than OreCorp and its Related Entities) in respect of any misrepresentation, inaccuracy or omission in or from any information or advice given by that OreCorp Indemnified Person in good faith in connection with any representation or warranty given by OreCorp in this deed. The parties acknowledge and agree that:

- (a) OreCorp has sought and obtained the waiver and release in this clause 10.1 as agent for and on behalf of each OreCorp Indemnified Person and may enforce the provisions of this clause 10.1 on behalf of any OreCorp Indemnified Person; and
- (b) any OreCorp Indemnified Person may plead this clause 10.1 in response to any claim made by any member of the Silvercorp Group against them.

10.2 Release of Silvercorp Indemnified Persons

OreCorp waives and releases, and must procure that each member of the OreCorp Group waives and releases, all rights and claims which it may have against any Silvercorp Indemnified Person (other than Silvercorp and its Related Entities) in respect of any misrepresentation, inaccuracy or omission in or from any information or advice given by that Silvercorp Indemnified Person in good faith in connection with any representation or warranty given by Silvercorp in this deed. The parties acknowledge and agree that:

- (a) Silvercorp has sought and obtained the waiver and release in this clause 10.2 as agent for and on behalf of each Silvercorp Indemnified Person and may enforce the provisions of this clause 10.2 on behalf of any Silvercorp Indemnified Person; and
- (b) any Silvercorp Indemnified Person may plead this clause 10.2 in response to any claim made by any member of the OreCorp Group against them.

11. INSURANCE AND INDEMNIFICATION

11.1 Insurance

- (a) Subject to the Scheme becoming Effective, Silvercorp undertakes in favour of OreCorp and each of the current and former directors and officers of each member of the OreCorp Group that it will to the extent permitted by law:

- (i) for a period of 7 years from:
 - (A) the Implementation Date (for each of the directors and officers of each member of the OreCorp Group as at the date of this deed); and
 - (B) the date of retirement (for each of the former directors and officers of each member of the OreCorp Group),

ensure that the constitution of OreCorp and each other member of the OreCorp Group continue to contain such rules as are contained in those constitutions at the date of this deed that provide for each member of the OreCorp Group to indemnify each of its directors and officers against any liability incurred by that person in his or her capacity as a director or officer of the relevant member of the OreCorp Group to any person other than Silvercorp; and

- (ii) procure that OreCorp and each other member of the OreCorp Group complies with any deeds of indemnity, access and insurance made by them in favour of their respective directors and officers from time to time and without limiting the foregoing, ensure that the directors' and officers' run-off insurance cover for those directors and officers is maintained, for a period set out in clause 11.1(a)(i).
- (b) At or prior to the Implementation Date, OreCorp may purchase a 7-year prepaid "run-off" directors' and officers' liability insurance policy on terms and conditions providing coverage retentions, limits and other material terms (including in relation to deductibles) substantially equivalent to the current policies of directors' and officers' liability insurance maintained by members of the OreCorp Group with respect to matters arising at or prior to the Implementation Date, including in connection with the Scheme (**D&O Run-Off Policy**). Before entering into the D&O Run-off Policy, OreCorp must consult in good faith with Silvercorp regarding the proposed terms of the D&O Run-Off Policy and OreCorp must not purchase the D&O Run-Off Policy unless Silvercorp first approves the quotation (such approval not to be unreasonably withheld, condition or delayed).

11.2 Deeds of indemnity, access and insurance

Subject to the Scheme becoming Effective and subject to applicable laws (including the Corporations Act), Silvercorp must procure that OreCorp complies with all of its obligations under the terms of each deed of indemnity, access and insurance between OreCorp and any of its directors or officers.

11.3 Undertaking for benefit of each of the current and former directors and officers of each member of the OreCorp Group

OreCorp acknowledges that it receives and holds the benefit of clauses 11.1 and 11.2, to the extent those clauses relate to each of the current and former directors and officers of each member of the OreCorp Group, as trustee on behalf of each of them.

12. EXCLUSIVITY

12.1 No current discussions regarding a Competing Proposal

OreCorp represents and warrants to Silvercorp that, as at the date of this deed, and each member of the OreCorp Group:

- (a) is not a party to any agreement, arrangement or understanding with a Third Party entered into for the purpose of facilitating a Competing Proposal (other than confidentiality agreements entered into before the date of this deed);
- (b) is not participating in any discussions, negotiations or other communications, and has terminated any existing discussions, negotiations or other communications, in relation to a Competing Proposal, or which could reasonably be expected to lead to a Competing Proposal;
- (c) has ceased to provide or make available any non-public information in relation to the OreCorp Group to a Third Party where such information was provided for the purpose of facilitating, or could reasonably be expected to lead to, a Competing Proposal; and
- (d) has requested in writing (or will do so within 5 Business Days after the date of this deed) the return or destruction of any non-public information (with such return or destruction to be effected as soon as practicable) in relation to the OreCorp Group provided to a Third Party at any time within the 12 months prior to the date of this deed where such information was provided for the purpose of facilitating, or could reasonably be expected to lead to, a Competing Proposal.

12.2 Restriction during Exclusivity Period

During the Exclusivity Period, OreCorp must not, and must procure that each of its Representatives does not, directly or indirectly:

- (a) **(no shop)** solicit, invite, encourage or initiate any Competing Proposal or any offer, proposal, expression of interest, enquiry, negotiation or discussion with any Third Party in relation to, or that may reasonably be expected to encourage or lead to, a Competing Proposal, or announce or communicate to any person an intention to do anything referred to in this clause 12.2(a); or
- (b) **(no talk)** subject to clause 12.3, enter into or continue negotiations or discussions with any Third Party in relation to a Competing Proposal, or that may reasonably be expected to encourage or lead to a Competing Proposal, even if:
 - (i) the actual, proposed or Potential Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by OreCorp or any of its Representatives; or
 - (ii) the Competing Proposal has been publicly announced; or
- (c) **(no due diligence)** subject to clause 12.3, make available to any Third Party, or cause or permit any Third Party to receive, any non-public information relating to any member of the OreCorp Group or their respective businesses or operations that may reasonably be expected to assist such Third Party in formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal.

12.3 Fiduciary exception

The restrictions in clauses 12.2(b) and 12.2(c) do not apply to the extent that they restrict OreCorp or the OreCorp Board from taking or refusing to take any action with respect to a Competing Proposal that did not result, directly or indirectly, from a material breach of clauses 12.2(b) or 12.2(c), provided the OreCorp Board, acting in good faith, has determined:

- (a) after having taken advice from its financial and external legal advisers, that the Competing Proposal is, or could reasonably be expected to become, a Superior Proposal; and
- (b) after having taken written advice from its external legal advisers, that failing to respond to such Competing Proposal would be reasonably likely to constitute a breach of the OreCorp Board's fiduciary duties or statutory obligations,

provided that if OreCorp makes available to any Third Party any non-public information relating to any member of the OreCorp Group or their businesses or operations:

- (c) the Third Party has first entered into a written agreement in favour of OreCorp restricting the use and disclosure by the Third Party and its affiliates and advisers of the information made available to the Third Party on terms no less favourable in aggregate to OreCorp than those contained in the Confidentiality Deeds; and
- (d) to the extent that any information made available to the Third Party has not previously been provided to Silvercorp, OreCorp provides that information to Silvercorp at the same time as it is provided to the Third Party. However, OreCorp is not required to provide or make available to Silvercorp any information which OreCorp reasonably considers is likely to disclose information relating to that Third Party which is commercially sensitive information of that person.

12.4 General notification obligations

- (a) During the Exclusivity Period, OreCorp must immediately notify Silvercorp if:
 - (i) OreCorp or any of its Representatives receives any Competing Proposal or Potential Competing Proposal or any offer or request to do any of the things referred to in clause 12.2(b) or clause 12.2(c), whether direct or indirect, solicited or unsolicited, and in writing or otherwise; or
 - (ii) OreCorp proposes to take any action in reliance on the exceptions in clause 12.3.

12.5 Matching right

- (a) During the Exclusivity Period, without limiting any of clause 12.1 to 12.4, before:
 - (i) any member of the OreCorp Group enters into any agreement, arrangement or understanding (whether or not in writing) pursuant to which a Third Party or OreCorp proposes (or both a Third Party and OreCorp propose) to undertake or give effect to a Competing Proposal; or
 - (ii) any member of the OreCorp Board changes, withdraws, modifies, revises or qualifies their recommendation in favour of the Scheme in response to or in connection with an actual Competing Proposal,

each of the following conditions must be satisfied:

- (iii) the OreCorp Board, acting in good faith, must determine that:
 - (A) the Competing Proposal is a Superior Proposal; and
 - (B) the failure to take an action specified in clause 12.5(a)(i) would likely breach the fiduciary or statutory duties of the members of the OreCorp Board;

- (iv) OreCorp has provided Silvercorp with:
 - (A) the material terms and conditions of the Competing Proposal, including the price, conditions precedent, timetable, break fee or reimbursement fee and the identity of the Third Party making the actual, proposed or potential Competing Proposal (in each case, to the extent known); and
 - (B) notwithstanding any other provision of this deed, a notification in writing of the determination under clause 12.5(a)(iii), stating the reasons for that determination;
- (v) for at least 5 Business Days after the date of the provision of the information referred to in clause 12.5(a)(iv), Silvercorp and OreCorp have negotiated in good faith, to the extent Silvercorp wishes to negotiate and make itself reasonably available to negotiate, to enable Silvercorp to provide an equivalent or superior proposal to the terms of the Competing Proposal;
- (vi) by (but not before) the expiry of any negotiation period under clause 12.5(a)(v) (to avoid doubt, such negotiation period to be no less than 5 Business Days after the date of the provision of the information referred to in clause 12.5(a)(iv), the OreCorp Board has received a written proposal to OreCorp from Silvercorp to improve the Scheme Consideration or otherwise alter the terms of the Transaction (**Silvercorp Counterproposal**) and, acting reasonably and in good faith, after receiving written advice from its external legal advisers and advice from its financial advisers has determined as soon as reasonably practicable (and in any event within 4 Business Days of receiving the Silvercorp Counterproposal), that the Silvercorp Counterproposal would not produce an equivalent or superior outcome for OreCorp Shareholders (when considered as a whole) as compared to the Competing Proposal, taking into account all terms and conditions and other aspects of:
 - (A) the Silvercorp Counterproposal (including the value and type of consideration, funding, any timing considerations, any conditions precedent or other matters affecting the probability of the Silvercorp Counterproposal being completed compared to the Competing Proposal or other relevant matters); and
 - (B) the Competing Proposal,
 and that the failure to take an action specified in clause 12.5(a)(i) and/or 12.5(a)(ii) would continue to breach the fiduciary or statutory duties of the members of the OreCorp Board; and
- (vii) OreCorp has complied with its obligations under clause 12.5(b).
- (b) If, in accordance with clause 12.5(a)(vi), Silvercorp provides a Silvercorp Counterproposal, OreCorp must procure that the OreCorp Board considers the Silvercorp Counterproposal and determines, as soon as reasonably practicable (and in any event, within 4 Business Days of receiving the Silvercorp Counterproposal), whether, acting reasonably and in good faith, after receiving written advice from its external legal advisers and advice from its financial advisers, the Silvercorp Counterproposal would provide an equivalent or superior outcome to OreCorp Shareholders (when considered as a whole) as compared with the Competing Proposal. Following that determination, OreCorp must:

- (i) procure that the OreCorp Board promptly (and in any event within 24 hours) notifies Silvercorp of the determination in writing, stating reasons for that determination; and
- (ii) if the determination is that the Silvercorp Counterproposal would provide an equivalent or superior outcome to OreCorp Shareholders (when considered as a whole) as compared with the Competing Proposal, then:
 - (A) for a period of not less than 2 Business Days after OreCorp delivers to Silvercorp the notice referred to in clause 12.5(b)(i) above (or such other period agreed by the parties), OreCorp and Silvercorp must use their best endeavours to agree the transaction documentation required to implement the Silvercorp Counterproposal as soon as reasonably practicable; and
 - (B) OreCorp must use its best endeavours to procure that the OreCorp Board unanimously recommend that OreCorp Shareholders vote in favour of the Silvercorp Counterproposal subject to:
 - I. the Independent Expert concluding, and continuing to conclude, that the Silvercorp Counterproposal is in the best interests of OreCorp Shareholders; and
 - II. there being no further Superior Proposal.
- (c) A statement by OreCorp, the OreCorp Board or any member of the OreCorp Board to the effect that:
 - (i) the OreCorp Board has determined that a Competing Proposal is a Superior Proposal and has commenced the matching right process set out in this clause 12.5; or
 - (ii) OreCorp Shareholders should take no action pending the completion of the matching right process set out in this clause 12.5,
 does not of itself:
 - (iii) constitute an adverse change, withdrawal, modification, revision or qualification of the recommendation by the members of the OreCorp Board that OreCorp Shareholders vote in favour of the Scheme or an endorsement of a Competing Proposal;
 - (iv) contravene this deed;
 - (v) give rise to an obligation to pay the Break Fee under clause 13; or
 - (vi) give rise to a termination right under clause 14.

12.6 Normal provision of information

Nothing in this clause 12 prevents a party from:

- (a) providing information required to be provided by law, any court of competent jurisdiction, any Government Agency or the rules of any Relevant Exchange; or
- (b) making presentations to, and responding to bona fide enquiries from, stockbrokers, portfolio investors and equity market analysts in relation to the Scheme or in accordance with its usual practices.

12.7 Acknowledgment

OreCorp and Silvercorp acknowledge and agree that Silvercorp has requested the inclusion of this clause 12 in this deed and would not have entered into this deed without it.

12.8 Warranty

Each Party warrants to the other that it has received legal advice in relation to the operation of this clause 12.

13. BREAK FEE

13.1 Background to Break Fee

OreCorp and Silvercorp acknowledge and agree that:

- (a) Silvercorp and its Related Entities have incurred and will continue to incur significant costs and expenses in pursuing the Transaction, including those set out in clause 13.5;
- (b) in these circumstances, the parties have agreed that provision be made for the payment outlined in clause 13.2 in this deed, without which Silvercorp would not have entered into this deed; and
- (c) the OreCorp Board has received external legal and financial advice in relation to this clause 13 and, having taken such advice, has concluded that the implementation of the Scheme will provide benefits to it and its shareholders, and that it is reasonable and appropriate for OreCorp to agree to payment of the Break Fee in the circumstances described in clause 13.2 in order to secure Silvercorp's participation in this Transaction.

13.2 Circumstances where Break Fee payable

Subject to clauses 13.3 and 13.6, OreCorp must pay the Break Fee to Silvercorp if, during the Exclusivity Period:

- (a) a Competing Proposal is announced or made and, within 12 months after the date of the announcement, a Third Party completes a Competing Proposal;
- (b) any OreCorp Director:
 - (i) fails to make the recommendation in the manner described in clause 6.1;
 - (ii) changes, withdraws, modifies, revises or qualifies their support for the Scheme or their recommendation that OreCorp Shareholders vote in favour of the Scheme in the manner described in clause 6.1(a); or
 - (iii) makes a public statement indicating that they no longer recommend the Scheme or recommend that OreCorp Shareholders accept or vote in favour of the Scheme, or otherwise publicly supports or endorses, a Competing Proposal (but excluding a statement that no action should be taken by OreCorp Shareholders pending the assessment of a Competing Proposal by the OreCorp Board or the completion of the matching right process set out in clause 12.5),

except where this is:

- (iv) after the Independent Expert's Report concludes that the Scheme is not in the best interests of OreCorp Shareholders (other than where the reason for this conclusion or amended conclusion is wholly or in part the existence of a Competing Proposal); or
- (v) in circumstances where OreCorp is entitled to terminate this deed under clause 14.1 or clause 14.2(a); or
- (c) Silvercorp validly terminates this deed under clause 14.1 or 14.2(b) where the circumstances giving rise to the right of termination arose as a result of any act or omission that could have been prevented by OreCorp.

13.3 Break fee not payable

Notwithstanding anything else in this deed:

- (a) the Break Fee is not payable if the Scheme becomes Effective; and
- (b) the Break Fee is payable only once.

13.4 Payment of Break Fee

- (a) A demand by Silvercorp to OreCorp for payment of the Break Fee under clause 13.2 must:
 - (i) be in writing;
 - (ii) be made after the occurrence of the event in that clause giving rise to the right to payment;
 - (iii) state the circumstances which give rise to the demand; and
 - (iv) nominate an account into which OreCorp is to pay the Break Fee.
- (b) OreCorp must pay the Break Fee into the account nominated by Silvercorp, without withholding or set-off, within 10 Business Days after receipt of a demand for payment where Silvercorp is entitled under clause 13.2 to the Break Fee.

13.5 Basis of Break Fee

- (a) The Break Fee has been calculated to reimburse Silvercorp for costs and expenses incurred, including the following:
 - (i) fees for legal, financial and other professional advice in planning and implementing the Transaction (excluding success fees);
 - (ii) costs of management and directors' time in planning and implementing the Transaction;
 - (iii) funding costs;
 - (iv) out of pocket expenses incurred by Silvercorp and Silvercorp's employees, advisers and agents in planning and implementing the Transaction;
 - (v) reasonable opportunity costs incurred in pursuing the Transaction or in not pursuing alternative acquisitions or strategic initiatives; and

- (vi) reputational damage associated with a failed transaction and the implications of that damage to Silvercorp's business.
- (b) The parties acknowledge and agree that:
 - (i) the costs and expenses actually incurred by Silvercorp and its Related Entities are of such nature that they cannot accurately be ascertained; and
 - (ii) a genuine and reasonable pre-estimate of the costs and expenses that have been or will be actually incurred by Silvercorp and its Related Entities in pursuing the Transaction would equal or exceed the Break Fee.
- (c) Each of Silvercorp and OreCorp represents and warrants to the other party that it has received legal advice from its external legal advisers in relation to the operation of this clause 13.

13.6 Amendments to Break Fee arrangements

If any of the following occurs:

- (a) ASIC indicates to either party in writing that it requires any modification to the amount of the Break Fee or the circumstances in which it is to be paid (the **Break Fee Arrangements**) as a condition of not opposing the Scheme;
- (b) the Court requires any modification to the Break Fee Arrangements as a condition of making orders convening the Scheme Meeting; or
- (c) as a result of an application to the Takeovers Panel by a party other than OreCorp or its Representatives, the Takeovers Panel indicates to either party in writing that, in the absence of a written undertaking pursuant to section 201A of the *Australian Securities and Investments Commission Act 2001* (Cth) to modify the Break Fee Arrangements, it will make a declaration of unacceptable circumstances,

then the parties must amend this clause 13 to the extent required to give effect to the requirements of ASIC, the Court or the Takeovers Panel, as the case may be, and in the circumstances referred to in clause 13.6(c) must give the required undertakings.

13.7 Sole and exclusive remedy

Silvercorp acknowledges and agrees that payment of the Break Fee is the sole and exclusive remedy available to Silvercorp in connection with any event or occurrence referred to in clause 13.2 and OreCorp is not liable for any loss or damage arising in connection with any such event or occurrence other than for any liability that it may have to pay Silvercorp the Break Fee under this clause 13.

14. TERMINATION

14.1 Termination for material breach

This deed may be terminated by either party at any time before 8.00am on the Second Court Date if the other party has materially breached this deed (other than in respect of any representation and warranty not being true and correct, which are dealt with in 14.2), provided that:

- (a) the relevant breach is material in the context of the Scheme (taken as a whole);

- (b) the party seeking to terminate is not in material breach of this deed and has given written notice to the other setting out the relevant circumstances and stating an intention to terminate this deed; and
- (c) the other party has failed to remedy the breach within 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given.

14.2 Termination for breach of representations and warranties and for a Superior Proposal

- (a) OreCorp may, at any time before 8.00am on the Second Court Date, terminate this deed for material breach of a material Silvercorp Warranty only if:
 - (i) OreCorp has given written notice to Silvercorp setting out the relevant circumstances and stating an intention to terminate or allow the Scheme to lapse;
 - (ii) the relevant breach continues to exist 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given under clause 14.2(a)(i); and
 - (iii) the relevant breach is material in the context of the Scheme (taken as a whole).
- (b) Silvercorp may, at any time before 8.00am on the Second Court Date, terminate this deed for material breach of a material OreCorp Warranty only if:
 - (i) Silvercorp has given written notice to OreCorp setting out the relevant circumstances and stating an intention to terminate or allow the Scheme to lapse;
 - (ii) the relevant breach continues to exist 10 Business Days (or any shorter period ending at 5.00pm on the Business Day before the Second Court Date) after the date on which the notice is given under clause 14.2(b)(i); and
 - (iii) the relevant breach is material in the context of the Scheme (taken as a whole).
- (c) Subject to first complying with clause 12.5, OreCorp may terminate this deed by written notice to Silvercorp until 8.00am on the Second Court Date if OreCorp has received a Competing Proposal and the OreCorp Board has determined that the Competing Proposal constitutes a Superior Proposal.

14.3 Silvercorp further termination rights

- (a) Silvercorp may terminate this deed at any time before 8.00am on the Second Court Date if, for any reason whether or not permitted by this deed, a member of the OreCorp Board:
 - (i) fails to recommend that OreCorp Shareholders vote in favour of the Scheme in the manner described in clause 6.1(a);
 - (ii) changes, withdraws, modifies, revises or qualifies their support of the Scheme or their recommendation that OreCorp Shareholders vote in favour of the Scheme in the manner described in clause 6.1(a); or
 - (iii) makes a public statement indicating that they no longer recommend the Transaction or that they recommend a Competing Proposal in accordance with this deed, or otherwise publicly supports or endorses a Competing Proposal.

- (b) A statement by OreCorp, the OreCorp Board or any member of the OreCorp Board to the effect that:
 - (i) OreCorp has received a Competing Proposal;
 - (ii) the OreCorp Board is considering whether a Competing Proposal is a Superior Proposal; or
 - (iii) OreCorp Shareholders should take no action pending the completion of the OreCorp Board's consideration of whether a Competing Proposal is a Superior Proposal,
 does not of itself:
 - (iv) constitute a change, withdrawal, modification, revision or qualification of the recommendation by the OreCorp Board or any member of the OreCorp Board or an endorsement of a Competing Proposal;
 - (v) contravene this deed;
 - (vi) give rise to an obligation to pay the Break Fee; or
 - (vii) give rise to a termination right under clause 14.3(a).

14.4 No other termination

No party may terminate or rescind this deed, except as permitted under clauses 3.8(b) and 14.

14.5 Effect of termination

If this deed is terminated under this clause 14 then:

- (a) except as provided in clause 14.5(c), all the provisions of this deed cease to have effect and each party is released from its obligations to further perform this deed;
- (b) each party retains all rights that it has against each other party in respect of any breach of this deed occurring before termination; and
- (c) the provisions of, and the rights and obligations of each party under, this clause 14 and each of the Surviving Clauses survive termination of this deed.

15. ANNOUNCEMENTS

15.1 Initial announcements

As soon as reasonably practicable after this deed is signed each of OreCorp and Silvercorp must issue a public announcement of the proposed Transaction in the form contained in Annex 3.

15.2 Other announcements

- (a) Each party must not make, and must procure that its Representatives do not make, any public announcement concerning the Scheme, the Transaction or the subject matter of this deed (including the Placement) other than:
 - (i) the announcements referred to in clause 15.1;

- (ii) with the written consent of the other party, which must not be unreasonably withheld or delayed; or
 - (iii) if required by law, any court of competent jurisdiction, any Government Agency, but if either party is so required to make any announcement, it must promptly notify the other party, where practicable and lawful to do so, before the announcement is made and must co-operate with the other party regarding the timing and content of such announcement or any action which the other party may reasonably elect to take to challenge the validity of such requirement.
- (b) The obligations under clause 15 do not apply to:
 - (i) the extent that the proposed announcement or disclosure only substantially repeats some or all matters expressly contained in prior announcements or disclosures; or
 - (ii) any announcement or disclosure by a party in connection with:
 - (A) receipt of an actual Competing Proposal except to the extent that such announcement or disclosure could reasonably be deemed to be a solicitation of OreCorp Shareholders in connection with the Scheme; or
 - (B) termination of this deed in accordance with its terms.

16. CONFIDENTIALITY DEEDS

Each party acknowledges and agrees that:

- (a) it continues to be bound by the Confidentiality Deeds after the date of this deed; and
- (b) its rights and obligations under the Confidentiality Deeds survive termination of this deed.

17. PAYMENTS

17.1 Manner of payments

Unless otherwise expressly stated (or as otherwise agreed in the case of a given payment), each payment to be made under this deed must be made in A\$ by transfer of the relevant amount into the relevant account on or before the date on which the payment is due and in immediately available funds. The relevant account for a given payment is the account that the party due to receive the payment specifies, not less than 3 Business Days before the date on which payment is due, by giving notice to the party due to make the payment.

17.2 Default interest

If a party defaults in making any payment when due of any sum payable under this deed, it must pay interest on that sum from (and including) the date on which payment is due until (but excluding) the date of actual payment (after as well as before judgment) at an annual rate of 2% above the Reference Rate on that sum, which interest accrues from day to day and must be compounded monthly.

17.3 Withholding

All payments to be made by a party under, or in respect of any breach of, this deed or under the Scheme must be paid free and clear of all deductions and withholdings except as required by law. If a party is required by law to make a deduction or withholding in respect of any sum payable under, or in respect of any breach of, this deed, or under the Scheme, that party must, at the same time as the sum which

is the subject of that deduction or withholding is payable, pay to the payee of that sum such additional amount as is required to ensure that the net amount received by the payee will equal the full amount which it would have received had no such deduction or withholding been required to be made.

18. GST

18.1 Interpretation

Words and expressions that are defined in the GST Law have the same meaning when used in this clause 18. For the purposes of this clause 18, references to GST payable and input tax credit entitlements of any entity include GST payable by, and the input tax credit entitlements of, the representative member of the GST group of which the entity is a member.

18.2 Consideration exclusive of GST

Except as otherwise expressly provided in this deed, all amounts payable or consideration to be provided under or in connection with this deed are exclusive of GST (**GST Exclusive Consideration**).

18.3 Payment of GST

- (a) If GST is payable, or notionally payable, on any supply made under or in connection with this deed the recipient must pay to the party that has made or will make the supply (the **Supplier**), in addition to the GST Exclusive Consideration, an additional amount equal to the GST payable on that supply (the **Additional Amount**).
- (b) Subject to the prior receipt of a tax invoice under clause 18.4, the recipient must pay the Additional Amount without set-off, demand or deduction, at the same time and in the same manner as any GST Exclusive Consideration for that supply is required to be paid.
- (c) This clause does not apply to the extent that the consideration for the supply is expressly stated to include GST or the supply is subject to a reverse-charge.

18.4 Tax invoice

For any supply to which clause 18.3 applies, the Supplier must issue a tax invoice which complies with the GST Law.

18.5 Adjustment events

If any adjustment event occurs in respect of a supply to which clause 18.3 applies:

- (a) the Additional Amount paid or payable by the recipient must be recalculated, taking into account any previous adjustments under this clause 18.5, to reflect the occurrence of that adjustment event and the Supplier or the recipient, as the case requires, must pay to the other the amount required to reflect the recalculation of the Additional Amount; and
- (b) the Supplier must provide an adjustment note to the recipient within 14 Business Days of the Supplier becoming aware of the occurrence of that adjustment event.

18.6 Input tax credits

Notwithstanding any other provision of this deed, if an amount payable under or in connection with this deed is calculated by reference to any loss, damage, cost, expense, charges or other liability incurred or suffered by a party, then the amount payable must be reduced by the amount of any input tax credit to which that entity is entitled in respect of the acquisition of any supply to which the loss,

damage, cost, expense, charge or other liability relates. If the reduced payment is consideration for a taxable supply, clause 18.3 will apply to the reduced payment.

19. NOTICES

19.1 Manner of giving notice

Any notice or other communication to be given under this deed must be in writing (which includes email) and may be delivered or sent by post email to the party to be served as follows:

(a) to Silvercorp at:

Address: Silvercorp Metals Inc.
Suite 1750-1066 W. Hastings Street
Vancouver, BC, Canada V6E 3X1
Email: [REDACTED]
For the attention of: Rui Feng;

(b) to OreCorp at:

Address: OreCorp Limited
Suite 22, Level 1, 514 Hay St
Subiaco, WA, 6008, Australia
Email: [REDACTED]
For the attention of: Matthew Yates;

or at any such other address, or email address notified for this purpose to the other parties under this clause. Any notice or other communication sent by post must be sent by prepaid ordinary post (if the country of destination is the same as the country of origin) or by airmail (if the country of destination is not the same as the country of origin).

19.2 When notice given

Any notice or other communication is deemed to have been given:

- (a) if delivered, on the date of delivery; or
- (b) if sent by post, on the third day after it was put into the post (for post within the same country) or on the fifth day after it was put into the post (for post sent from one country to another); or
- (c) if sent by e-mail, the earlier of:
 - (i) at the time of transmission unless the sender receives an automatic notification that the email has not been received (other than an out of office greeting for the named addressee) and it receives the notification before two hours after the time of transmission;
 - (ii) the sender receiving a message from the intended recipient's information system confirming delivery of the email; and
 - (iii) when the email (including any attachment) becomes available to be read at the email address specified by the recipient in accordance with this deed,

but if the notice or other communication would otherwise be taken to be received after 5.00pm or on a Saturday, Sunday or public holiday in the place of receipt then the notice or communication is taken

to be received at 9.00am on the next day that is not a Saturday, Sunday or public holiday in the place of receipt.

19.3 Proof of service

In proving service of a notice or other communication, it is sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted either by prepaid post or by prepaid airmail or that the e-mail was properly addressed and transmitted by the sender's server into the network and there was no apparent error in the operation of the sender's e-mail system, as the case may be.

19.4 Documents relating to legal proceedings

This clause 19 does not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this deed.

20. GENERAL

20.1 Amendments

This deed may only be amended in writing and where such amendment is signed by all the parties.

20.2 Assignments

None of the rights or obligations of a party under this deed may be assigned or transferred without the prior written consent of the other party.

20.3 Consents and approvals

Except as otherwise expressly provided in this deed a party may give or withhold its consent to or approval of any matter referred to in this deed in its absolute discretion. A party that gives its consent to or approval of any matter referred to in this deed is not taken to have made any warranty or representation as to any matter or circumstance connected with the subject matter of that consent or approval.

20.4 Costs

Except as otherwise expressly provided in this deed, each party must pay the costs and expenses incurred by it in connection with entering into and performing its obligations under this deed, the Scheme and the Deed Poll.

20.5 Duty

Silvercorp is liable for and must pay all Duty on or relating to this deed, the Scheme and any transfer of the Scheme Shares.

20.6 Entire agreement

This deed contains the entire agreement between the parties relating to the Transaction and supersedes all previous agreements, whether oral or in writing, between the parties relating to the Transactions except for the Confidentiality Deeds.

20.7 Execution in counterparts

This deed may be executed in counterparts, which taken together must constitute one and the same agreement, and any party (including any duly authorised representative of a party) may enter into this deed by executing a counterpart.

20.8 Exercise and waiver of rights

The rights of each party under this deed:

- (a) may be exercised as often as necessary;
- (b) except as otherwise expressly provided by this deed, are cumulative and not exclusive of rights and remedies provided by law; and
- (c) may be waived only in writing and specifically,

and delay in exercising or non-exercise of any such right is not a waiver of that right.

20.9 Further assurance

Each party undertakes, at the request, cost and expense of the other party, to sign all documents and to do all other acts, which may be necessary to give full effect to this deed.

20.10 No reliance

Each party acknowledges that in agreeing to enter into this deed it has not relied on any express or implied representation, warranty, collateral contract or other assurance made by or on behalf of the other party before the entering into of this deed. To the maximum extent permitted by law, each party waives all rights and remedies which, but for this clause 20.10 might otherwise be available to it in respect of any such representation, warranty, collateral contract or other assurance including all rights and remedies under Part 7.10 of the Corporations Act, Part 2 Division 2 of the Australian Securities and Investments Act 2001(Cth), section 18, Schedule 2 (Australian Consumer Law) of the Competition and Consumer Act 2010 (Cth) or any corresponding or equivalent provision of any legislation having effect in any relevant jurisdiction.

20.11 Severability

The provisions contained in each clause of this deed are enforceable independently of each other clause of this deed and the validity and enforceability of any clause of this deed will not be affected by the invalidity or unenforceability of any other clause.

21. GOVERNING LAW AND JURISDICTION

21.1 Governing law

This deed and any non-contractual obligations arising out of or in connection with it is governed by the law applying in Western Australia.

21.2 Jurisdiction

The courts having jurisdiction in Western Australia have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute relating to any non-contractual obligations arising out of or in connection with this deed) and each party irrevocably submits to the non-exclusive jurisdiction of the courts having jurisdiction in Western Australia.

21.3 Service of process

Without preventing any method of service allowed under any relevant law, Silvercorp:

- (a) irrevocably appoints Dabserv Corporate Services Pty Limited (ABN 73 001 824 111) as its process agent to receive any document in an action in connection with this deed, and agrees that any such deed may be served on Silvercorp by being delivered to or left for Silvercorp at the following address:

Dabserv Corporate Services Pty Limited (ABN 73 001 824 111)
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

- (b) agrees that failure by the specified process agent to notify Silvercorp of any document in an action in connection with this deed does not invalidate the action concerned.

If for any reason Dabserv Corporate Services Pty Limited (ABN 73 001 824 111) ceases to be able to act as process agent, Silvercorp agrees to appoint another person as its process agent in the place referred to in clause 21.3 and ensure that the replacement process agent accepts its appointment and confirms its appointment to OreCorp.

Silvercorp agrees that service of documents on its process agent is sufficient service on it.

THIS DEED has been executed by the parties or their duly authorised representatives on the date stated at the beginning of this deed.

SCHEDULE 1

ORECORP PRESCRIBED OCCURRENCES

1. OreCorp converts all or any of its securities into a larger or smaller number of securities.
2. Any member of the OreCorp Group resolves to reduce its share capital in any way or resolves to reclassify, combine, split or redeem or repurchase directly or indirectly any of its shares.
3. Any member of the OreCorp Group enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under the Corporations Act.
4. Any member of the OreCorp Group issues shares or securities convertible into shares or grants, vests or accelerates a performance right or an option or any other securities convertible into shares or similar right over its shares or agrees to make such an issue or grant, vesting or acceleration in relation to such an option, performance right, share, security or similar right (other than an issue of shares in OreCorp pursuant to the Placement or conversion of convertible securities or the exercise of options where the existence of those convertible securities or options has been disclosed to ASX before the date of this deed or as disclosed to Silvercorp in OreCorp Data Room Information).
5. Any member of the OreCorp Group (other than a wholly-owned subsidiary of OreCorp) announces, declares or determines to pay any dividend or announces or makes any other distribution to its members.
6. Any member of the OreCorp Group makes any change to its constitution or equivalent documents.
7. Any member of the OreCorp Group disposes of, or agrees to dispose of, the whole, or a substantial part of its business or property.
8. Any member of the OreCorp Group grants, or agrees to grant, an Encumbrance in respect of the whole, or a substantial part of, its business or property.
9. Any member of the OreCorp Group incurs any financial indebtedness or issues any debt securities (including convertible notes or hybrid securities), other than in the ordinary course of business or pursuant to advances under its credit facilities in existence as at the date of this deed where the funds drawn pursuant to those advances are used in the ordinary course of business.
10. Any member of the OreCorp Group makes any loans, advances or capital contributions to, or investments in, any other person (other than to or in OreCorp or to another direct or indirect wholly owned Related Entity of OreCorp in the ordinary course of business or to Silvercorp), other than in the ordinary course of business.
11. Any member of the OreCorp Group entering, varying or terminating any material contract, joint venture, partnership or other commitment which is material in the context of the business of the OreCorp Group as a whole, other than in the ordinary course of business.
12. Any member of the OreCorp Group entering into or resolving to enter into a transaction with a related entity of OreCorp (as defined in the Corporations Act, but excluding transactions between members of the OreCorp Group).
13. Any member of the OreCorp Group settling or compromising a material dispute.
14. An Insolvency Event occurs in relation to a material member of the OreCorp Group.

15. OreCorp ceases to be admitted to the official list of ASX or OreCorp Shares cease to be quoted by ASX.
16. Any member of the OreCorp Group authorising, committing, announcing or agreeing to take any of the actions referred to preceding paragraphs.

SCHEDULE 2

SILVERCORP PRESCRIBED OCCURRENCES

1. Silvercorp consolidating or splitting all or any of its authorised and issued securities into a larger or smaller number of securities.
2. Silvercorp resolves to reduce its share capital in any way or resolves to reclassify, combine or split any of its share capital.
3. Silvercorp announces, declares or determines to pay any special dividend other than in accordance with Silvercorp's recent dividend history.
4. Any member of the Silvercorp Group issues shares or securities convertible into shares or grants, vests or accelerates a performance right or an option or similar right over its shares or agrees to make such an issue or grant, vesting or acceleration in relation to such an option or similar right (other than in circumstances where no Silvercorp shareholder approval is required or in relation to an issue of shares in Silvercorp pursuant to the conversion of convertible securities or the exercise of performance rights, options or other similar rights where the existence of those convertible securities or performance rights, options or other similar rights has been disclosed to TSX before the date of this deed or as disclosed to OreCorp in the Silvercorp Data Room Information.
5. Any member of the Silvercorp Group makes any change to its articles or equivalent documents.
6. Any member of the Silvercorp Group disposes of, or agrees to dispose of, the whole, or a substantial part of the business or property of Silvercorp Group, taken as a whole.
7. Any member of the Silvercorp Group grants, or agrees to grant, an Encumbrance in respect of the whole, or a substantial part of, its business or property other than in connection with an external financing.
8. Any member of the Silvercorp Group entering into or resolving to enter into a transaction with a director, officer or employee of any member of the Silvercorp Group (or any entity controlled by any of them) or a shareholder holding more than 20% of Silvercorp (or any entity controlled by it) (but excluding transactions between members of the Silvercorp Group and ordinary course incentive arrangements with Silvercorp Group directors, officers and employees).
9. An Insolvency Event occurs in relation to a material member of the Silvercorp Group.
10. Silvercorp ceases to be admitted to the official list of TSX or NYSE or Silvercorp Shares cease to be quoted by TSX or NYSE.
11. Any member of the Silvercorp Group authorising, committing, announcing or agreeing to take any of the actions referred to preceding paragraphs.

SCHEDULE 3

ORECORP WARRANTIES

1. OreCorp and each member of the OreCorp Group is a corporation validly existing under the laws of its place of incorporation.
2. OreCorp has the full capacity, corporate power and lawful authority to execute this deed and to perform its obligations under this deed and the Scheme, and has taken all necessary corporate action to authorise such execution and the performance of such obligations.
3. OreCorp's obligations under this deed are legal, valid and binding obligations enforceable subject to and in accordance with their terms.
4. The execution and delivery by OreCorp of this deed and the performance of its obligations under this deed and the Scheme do not and will not conflict with or constitute a default or breach under any provision of:
 - (a) any agreement or instrument to which OreCorp is a party;
 - (b) the OreCorp Constitution; or
 - (c) any law (including the FATA), order, judgment, award, injunction, decree, rule or regulation by which OreCorp is bound.
5. OreCorp has filed with ASIC and ASX all documents required to be filed with ASIC or ASX (**OreCorp Reporting Documents**), has complied in all material aspects with its continuous and periodic disclosure obligations under the Corporations Act and the ASX Listing Rules and is not relying on the carve-out in ASX Listing Rule 3.1A to withhold any information from public disclosure (other than the transactions contemplated by this deed).
6. As at the date of this deed there are:
 - (a) 398,997,558 OreCorp Shares on issue;
 - (b) 3,725,257 OreCorp Options on issue; and
 - (c) 4,087,106 OreCorp Performance Rights on issue,and there are no other shares, options or other securities (including equity securities, debt securities or convertible securities) or performance rights or other instruments which are convertible into securities in OreCorp nor has OreCorp offered or agreed to issue any such shares, options or other securities or performance rights or other instruments to any Third Party, other than pursuant to the Placement.
7. Other than approval of OreCorp Shareholders in accordance with section 411(4)(b) of the Corporations Act, no approvals are required from OreCorp Shareholders, or from any shareholders of any member of the OreCorp Group, to execute, deliver or perform this deed.
8. OreCorp has ceased to provide or make available any non-public information in relation to the OreCorp Group to a Third Party where such information was provided for the purpose of facilitating, or that may reasonably be expected to encourage or lead to, a Competing Proposal.
9. As far as OreCorp is aware, the OreCorp Data Room Information has been collated with all reasonable care and skill and is accurate in all material respects and is not false, misleading or deceptive in a material respect (including by omission).

10. The OreCorp Information contained in the Scheme Booklet:
- (a) will be prepared and included in the Scheme Booklet in good faith and on the understanding that Silvercorp and each other Silvercorp Indemnified Party will rely on that information for the purpose of preparing the Scheme Booklet and determining to proceed with the Transaction;
 - (b) as at the date of the Scheme Booklet will not contain any statement which is materially false, misleading or deceptive in a material respect (with any statement of belief or opinion having been formed on a reasonable basis), including by way of omission from that statement.
 - (c) will comply in all material respects with the requirements of the Corporations Act, RG 60, the ASX Listing Rules and any other applicable laws or regulations.
11. All information provided by OreCorp to the Independent Expert and Investigating Accountant will be provided in good faith and on the understanding that the Independent Expert and Investigating Accountant will rely on that information for the purpose of preparing the Independent Expert's Report and the Investigating Accountant's Report (as applicable).
12. No Insolvency Event has occurred in relation to OreCorp or any other member of OreCorp Group, nor, as far as OreCorp is aware, has any regulatory action of any nature been taken that would prevent or restrict its ability to fulfil its obligations under this deed or the Scheme.
13. So far as OreCorp is aware, no event or circumstances has occurred since 31 December 2022, which if it had occurred after the date of this deed would have constituted a Material Adverse Change.
14. As at the date of this deed, so far as OreCorp is aware, OreCorp and each member of the OreCorp Group has complied in all material respects with all material laws and regulations applicable to them and orders of Government Agencies having jurisdiction over them.
15. Within the 3 years prior to the date of this deed, there has not been any citation, fine, or penalty imposed, asserted, or threatened against OreCorp under any foreign, federal, state, local, or other law or regulation relating to employment, immigration, occupational safety, zoning, or environmental matters, in each case which would have a material impact on the OreCorp Group and so far as OreCorp is aware there is no current circumstances likely to result in the imposition or assertion of such a citation, fine, or penalty.
16. OreCorp is lawfully able to carry on its business as it is now being conducted, and is qualified to do business in every jurisdiction in which the character and location of the assets owned by it or the nature of the business transacted by it requires such qualification and where such failure to so qualify would have a material adverse impact on the OreCorp Group.
17. The OreCorp Group has, as at the date of this deed, all material licences, leases, permits and authorisations necessary for it to conduct the business of the OreCorp Group as conducted as at the date of this deed, and no member of the OreCorp Group:
- (a) is in material breach of, or default under, any such licence, lease, permit or authorisation as at the date of this deed; or
 - (b) has received any notice in respect of the termination, revocation, variation or non-renewal of any such licence, lease, permit or authorisation.
18. The financial information of OreCorp included in OreCorp's half year report for the half year ended 31 December 2022 and full year report for the full year ended 30 June 2022, including the related notes, where applicable:

- (a) have been prepared in accordance with the requirements of the Corporations Act and any other applicable laws and in accordance with applicable accounting standards; and
 - (b) give a true and fair view in all material respects of the consolidated financial position of the OreCorp Group and the consolidated results of operations and changes in cash flows and equity of the OreCorp Group as of the respective dates and for the periods to which those financial statements relate.
19. As at the date of this deed, no member of the OreCorp Group has any material liabilities arising after 1 January 2023 required under applicable accounting standards to be reflected on the consolidated balance sheet of OreCorp, except for (i) liabilities and obligations that are specifically presented or disclosed in OreCorp's half year report for the half year ended 31 December 2022, including the related notes; (ii) those incurred in the ordinary course of business since the date of OreCorp's half year report for the half year ended 31 December 2022; and (iii) those incurred in connected with the execution of this deed.
20. There are no current material actions, suits, arbitrations or legal or administrative proceedings against any member of the OreCorp Group and, as far as OreCorp is aware:
- (a) there are no (i) pending or threatened material claims, disputes or demands, or (ii) pending or threatened material actions, suits, arbitrations or legal or administrative proceedings, in each case against any member of the OreCorp Group; and
 - (b) no member of the OreCorp Group is the specific subject of, or has received an unresolved written notice of, any material formal investigation by a Government Agency (not being an industry-wide investigation).
21. So far as OreCorp is aware, OreCorp and its subsidiaries do not have any material deficiency in and have not received written notice of termination of title to their material real property interests that would not permit the operation of the OreCorp Group's business as operated as at the date of this deed in all material respects.
22. All issued and allotted share capital of each member of the OreCorp Group that is registered in Tanzania or Mauritius has been properly allotted and issued, is fully paid, or credited as fully paid, and has been issued and/or transferred in compliance with the provisions of each of their respective constitutional documents (as applicable) and all applicable laws.
23. None of the members of the OreCorp Group that are registered in Tanzania or Mauritius have issued share capital that is affected by any Encumbrance and there are no arrangements or obligations that could result in the creation of an Encumbrance affecting any of the share capital or any future shares in the capital of those members of the OreCorp Group that are registered in Tanzania or Mauritius.
24. There are no borrowings by any of the members of the OreCorp Group that are registered in Tanzania or Mauritius from any third party.
25. Other than any Authorisation contemplated by the Conditions, there is no Authorisation required from any Government Agency as a result of, and no pre-emptive rights (or similar rights) are triggered by, the entry into this deed or the implementation of the Scheme.
26. All contracts, agreements and arrangements in existence as at the date of this deed that could reasonably be considered material to the OreCorp Group as a whole (**OreCorp Material Contracts**) have been disclosed in the OreCorp Data Room Information and the copies of all OreCorp Material Contracts included in the OreCorp Data Room Information are, so far as OreCorp is aware, in all material respects current, accurate and complete (when considered with any and all amendments,

variations, supplements, addendums, annexures, appendices, extensions and/or renewals in respect of such OreCorp Material Contracts that are also included in the OreCorp Data Room Information).

27. So far as OreCorp is aware, no member of the OreCorp Group has received or given any notice in respect of any actual, alleged or potential material breach of any OreCorp Material Contract.
28. So far as OreCorp is aware, as at the date of this deed, no party to any OreCorp Material Contract has given any notice terminating or intending to terminate any OreCorp Material Contract.
29. So far as OreCorp is aware, no member of the OreCorp Group is in material default under any OreCorp Material Contract binding on it.
30. No member of the OreCorp Group has entered into, or agreed to enter into, a transaction which requires, or would require, the approval of OreCorp Shareholders under ASX Listing Rule 10.1 where OreCorp has not obtained such approval.
31. So far as OreCorp is aware:
 - (a) the OreCorp Group maintains insurance in such amounts and against accident, physical loss or damage, third party liability (including general liability) and all other normal risks incidental to the operation of the business of the OreCorp Group as required by law or as is otherwise reasonably required and can be obtained on reasonable commercial terms for a group with activities of the nature of that undertaken by the OreCorp Group;
 - (b) each material policy of insurance is currently in full force and effect and all applicable premiums that are due and payable have been paid;
 - (c) the OreCorp Group has not received any current written notice that it is not in compliance with the current insurance policies covering the OreCorp Group;
 - (d) as of the date of this document, no written notice of cancellation, termination or revocation of a policy of insurance has been received by a member of the OreCorp Group that remains outstanding; and
 - (e) so far as OreCorp is aware, nothing has been done, or failed to be done, which would make any OreCorp Group insurance policy void or voidable or would permit an insurer to cancel any OreCorp Group insurance policy or refuse or reduce a claim or materially increase the premiums payable under any OreCorp Group insurance policy.
32. So far as OreCorp is aware, no member of the OreCorp Group:
 - (a) is currently the subject of a Tax audit or examination or other administrative or judicial proceeding arising therefrom, and to OreCorp's knowledge, no such audit, examination or proceeding is threatened or contemplated, or
 - (b) has received from any Taxing Authority any written notice of a proposed adjustment, deficiency or underpayment of Taxes which has not been satisfied by payment or been withdrawn that would reasonably be likely to give rise to any Material Adverse Effect on the overall Target Group business or financial position,

and all Tax Returns required to be filed by any member of the Target Group, have been timely filed and all Taxes shown as due and payable on such Tax Returns, and all amounts of Taxes required to have been paid by the relevant member of the Target Group have been paid or appropriate reserves have been recorded in the financial statements of Target.

33. No Tax is payable to any Taxing Authority in connection with the acquisition of tenements by members of the OreCorp Group from Barrick Gold Corporation and any deemed change of control triggered by that transaction.
34. The relevant OreCorp Shares held by each Scheme Participant are not, and until (and including) the Implementation Date will not be, indirect Australian real property interests within the meaning of Division 855 of the Tax Act for the Scheme Participant.
35. Any obligation on a member of the OreCorp Group under any Tax Law to withhold amounts at source on account of Tax has been complied with in all material respects. All amounts required by any Tax Law to be deducted by or on behalf of member of the OreCorp Group from the salary or wages of employees or from any other amount (including amounts referred to in Division 11A of Part III of the Tax Act) have been duly deducted and, where appropriate, duly paid to the relevant Government Agency in accordance with the relevant Tax Law and by the relevant due date.
36. No member of the OreCorp Group nor any director of any member of the OreCorp Group so far as OreCorp is aware, any officer, agent, employee or other person or entity that provides services for or acts for or on behalf of a member of the OreCorp Group has at any time, either directly or indirectly:
- (a) offered, promised, provided, or authorised the provision of any money, property, contribution, gift, entertainment or other thing of value to any Official in the exercise of his or her duties (including acts that may fall outside an Official's official duties) to influence official action or secure an improper advantage (including to obtain or retain business or a financial or business advantage (including a future business advantage)); nor;
 - (b) violated any Anti-Corruption Laws applicable to a member of the OreCorp Group.
37. No member of the OreCorp Group has received any notice, subpoena, demand or other communication (whether oral or written) from a Government Agency within the 12 months prior to the date of this document alleging that a member of the OreCorp Group has:
- (a) been investigated (or is being investigated) in connection with any Anti-Corruption Law applicable to a member of the OreCorp Group; or
 - (b) been suspected in any jurisdiction of having engaged in any conduct with respect to matters which would constitute an actual, alleged, possible or potential breach of, or failure to comply with any Anti-Corruption Law applicable to a member of the OreCorp Group.
38. No member of the OreCorp Group has any residual liability in respect of Solstice Minerals Limited or its related bodies corporate prior to the date of the demerger of Solstice Minerals Limited or in respect of the demerger of Solstice Minerals Limited.

SCHEDULE 4

SILVERCORP WARRANTIES

1. Silvercorp is a corporation validly existing under the laws of its place of incorporation.
2. Silvercorp has the full capacity, corporate power and lawful authority to execute and deliver and to perform its obligations under this deed and the Deed Poll, and has taken all necessary corporate action to authorise such execution and delivery and the performance of such obligations.
3. The obligations of Silvercorp under this deed are, and the obligations of Silvercorp under the Deed Poll will, on execution of the Deed Poll be, legal, valid and binding obligations enforceable subject to and in accordance with their terms.
4. The execution and delivery by Silvercorp of this deed and the execution and delivery by Silvercorp of the Deed Poll do not and will not conflict with or constitute a default or breach under any provision of:
 - (a) any agreement or instrument to which Silvercorp is a party;
 - (b) the Silvercorp Articles or equivalent documents of Silvercorp; or
 - (c) any law (including the FATA), order, judgment, award, injunction, decree, rule or regulation by which Silvercorp is bound.
5. Silvercorp has filed with TSX and NYSE all documents required to be filed with TSX and NYSE (**Silvercorp Reporting Documents**), has complied in all material aspects with its disclosure obligations under applicable legislation and Relevant Exchange rules.
6. As at the date of this deed there are:
 - (a) 176,816,488 Silvercorp Shares on issue;
 - (b) 1,421,668 options over Silvercorp Shares on issue; and
 - (c) 2,919,809 restricted stock units on issue,and there are no other shares, options or other securities (including equity securities, debt securities or convertible securities) or performance rights or other instruments which are convertible into securities in Silvercorp nor has Silvercorp offered or agreed to issue any such shares, options or other securities or performance rights or other instruments to any Third Party.
7. No approvals are required from Silvercorp Shareholders, or from any shareholders of any member of the Silvercorp Group, to execute, deliver or perform this deed or the Deed Poll, including the issue of Scrip Consideration to relevant Scheme Shareholders.
8. No member of the Silvercorp Group has any Voting Power in, or any right to acquire, any OreCorp Shares, and no member of the Silvercorp Group have entered into any agreement, arrangement or understanding that confers rights or interests the economic effect of which is equivalent or substantially equivalent to holding, acquiring or disposing of OreCorp Shares or any member of the OreCorp Group or of any assets of the OreCorp Group or any of its Related Entities, other than pursuant to the Placement.
9. No member of the Silvercorp Group, nor any Associates of the Silvercorp Group has any agreement, arrangement or understanding with any OreCorp Shareholder under which that OreCorp Shareholder

(or an Associate of that OreCorp Shareholder) would be entitled to receive any collateral benefit in relation to the Scheme, or under which the OreCorp Shareholder has agreed to vote in favour of the Scheme (or against any Competing Proposal).

10. Silvercorp will have as at 8.00am on the Implementation Date immediately available on an unconditional basis the necessary cash resources to meet in full its obligations under the Deed Poll to pay the Cash Consideration.
11. The New Silvercorp Shares will be duly authorised and validly issued, without Silvercorp Shareholder approval, and will be fully paid and free of all Encumbrances and third party rights and rank equally with all other Silvercorp Shares then on issue (including to receive any dividends or distribution of capital paid and any other entitlements accruing in respect of Silvercorp Shares after the Implementation Date).
12. As far as Silvercorp is aware, the Silvercorp Data Room Information has been collated with all reasonable care and skill and is accurate in all material respects and is not false, misleading or deceptive in a material respect (including by omission).
13. The Silvercorp Information contained in the Scheme Booklet:
 - (a) will be prepared and included in the Scheme Booklet in good faith and on the understanding that OreCorp and each other OreCorp Indemnified Party will rely on that information for the purpose of preparing the Scheme Booklet and determining to proceed with the Transaction;
 - (b) as at the date of the Scheme Booklet will not contain any statement which is materially false, misleading or deceptive in a material respect (with any statement of belief or opinion having been formed on a reasonable basis), including by way of omission from that statement; and
 - (c) will comply in all material respects with the requirements of the Corporations Act, RG 60, the ASX Listing Rules and any other applicable laws or regulations.
14. All information provided by Silvercorp to the Independent Expert and Investigating Accountant will be provided in good faith and on the understanding that the Independent Expert and Investigating Accountant will rely on that information for the purpose of preparing the Independent Expert's Report and the Investigating Accountant's Report (as applicable).
15. As at the date of this deed, so far as Silvercorp is aware, Silvercorp and each member of the Silvercorp Group has complied in all material respects with all material laws and regulations applicable to them and orders of Government Agencies having jurisdiction over them.
16. The Silvercorp Group has, as at the date of this deed, all material licences, leases, permits and authorisations necessary for it to conduct the business of the Silvercorp Group as conducted as at the date of this deed, and no member of the Silvercorp Group:
 - (a) is in material breach of, or default under, any material licence, lease, permit, land use right certificate or authorisation as at the date of this deed; or
 - (b) has received any notice in respect of the termination, revocation, variation or non-renewal of any material licence, lease, permit, land use right certificate or authorisation.
17. Silvercorp is not a 'foreign government investor' for the purposes of the FATA.
18. So far as Silvercorp is aware the Silvercorp Group maintains insurance in such amounts and against accident, physical loss or damage, third party liability (including general liability) and all other normal

risks incidental to the operation of the business of the Silvercorp Group as required by law or as is otherwise reasonably required and can be obtained on reasonable commercial terms for a group with activities of the nature of that undertaken by the Silvercorp Group.

19. No member of the Silvercorp Group nor any director of any member of the Silvercorp Group so far as Silvercorp is aware, any officer, agent, employee or other person or entity that provides services for or acts for or on behalf of a member of the Silvercorp Group has at any time, either directly or indirectly:
 - (a) offered, promised, provided, or authorised the provision of any money, property, contribution, gift, entertainment or other thing of value to any Official in the exercise of his or her duties (including acts that may fall outside an Official's official duties) to influence official action or secure an improper advantage (including to obtain or retain business or a financial or business advantage (including a future business advantage); nor;
 - (b) violated any Anti-Corruption Laws applicable to a member of the Silvercorp Group.
20. No member of the Silvercorp Group has received any notice, subpoena, demand or other communication (whether oral or written) from a Government Agency within the 12 months prior to the date of this document alleging that a member of the Silvercorp Group has:
 - (a) been investigated (or is being investigated) in connection with any Anti-Corruption Law applicable to a member of the Silvercorp Group; or
 - (b) been suspected in any jurisdiction of having engaged in any conduct with respect to matters which would constitute an actual, alleged, possible or potential breach of, or failure to comply with any Anti-Corruption Law applicable to a member of the Silvercorp Group.

SCHEDULE 5
ORECORP OPTIONS

Option issue date	Number of options	Expiry date	Exercise price
25 November 2020	2,575,257	25 November 2024	A\$0.9906
25 November 2020	1,150,000	25 November 2024	A\$0.9006

ORECORP PERFORMANCE RIGHTS

Performance rights expiry date	Number of performance rights
22 November 2026	1,562,106
26 August 2027	2,525,000

SCHEDULE 6

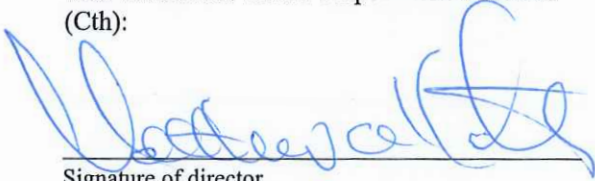
TIMETABLE

Event	Date
First draft of Scheme Booklet circulated	Mid-late August 2023
Scheme Booklet provided to ASIC for review	Mid-late September 2023
First Court Date	Early-mid October 2023
Scheme Booklet sent to OreCorp Shareholders	Early-mid October 2023
Scheme Meeting	Mid November 2023
Second Court Date	Mid November 2023
Effective Date	End of November/Early December 2023
Record Date	End of November/Early December 2023
Implementation Date	End of November/Early December 2023

EXECUTION PAGE

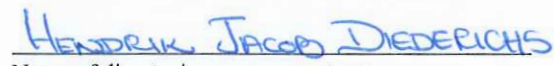
EXECUTED AS A DEED by OreCorp
Limited ABN 24 147 917 299 in accordance
with section 127 of the Corporations Act 2001
(Cth):

)
)
)


Signature of director

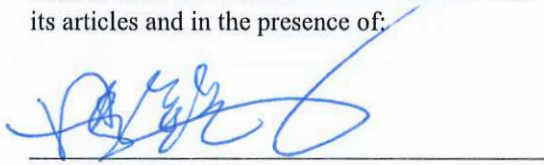

Signature of director/company secretary


Name of director


Name of director/company secretary

EXECUTED AS A DEED by Silvercorp
Metals Inc. BN 131033920 in accordance with
its articles and in the presence of:

)
)
)


Signature of officer


Name of officer and authorisation

ANNEX 3
SCHEME

SCHEME OF ARRANGEMENT

DATED _____ 2023

ORECORP LIMITED

AND

SCHEME SHAREHOLDERS

ALLEN & OVERY

THIS SCHEME OF ARRANGEMENT UNDER SECTION 411 OF THE CORPORATIONS ACT 2001 (CTH) is made on _____ 2023

BETWEEN:

- (1) **ORECORP LIMITED** ABN 24 147 917 299 of Suite 22, Level 1, 513 Hay Street, Subiaco, Western Australia, 6008 (**OreCorp**); and
- (2) Each person who is registered in the Register as the holder of one or more Scheme Shares as at the Record Date (each a **Scheme Shareholder** and, together, the **Scheme Shareholders**).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this document:

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited or the market operated by it, as the context requires;

ASX Listing Rules means the official listing rules of ASX, modified to the extent of any express written waiver by ASX;

ASX Settlement means ASX Settlement Pty Limited ACN 49 008 504 532 as the holder of a licence to operate a clearing and settlement facility;

ASX Quotation means the admission of Silvercorp to the official list of ASX and the New Silvercorp CDIs being approved for official quotation on ASX;

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are generally open in Perth, Western Australia and Vancouver, Canada for normal business;

Cash Consideration means A\$0.15 for each Scheme Share;

CDI Elected Shareholder means a Scheme Shareholder (other than an Ineligible Foreign Shareholder) who has made a CDI Election;

CDI Election means a valid election for New Silvercorp CDIs made by a Scheme Shareholder (other than an Ineligible Foreign Shareholder) pursuant to the terms of the Scheme;

CDI Election Form means the form accompanying the Scheme Booklet pursuant to which Scheme Shareholders (other than Ineligible Shareholders) may elect to receive their Scrip Consideration in the form of New Silvercorp CDIs;

CHESS means the clearing house electronic sub-register system of share transfers operated by ASX Settlement;

Control has the meaning given in section 50AA of the Corporations Act;

Corporations Act means the *Corporations Act 2001* (Cth);

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act as the parties agree in writing;

Deed Poll means the deed poll executed by Silvercorp substantially in the form of Annex 2 of the Scheme Implementation Deed or in such other form as the parties agree in writing;

Depository means CHESS Depository Nominees Pty Limited (ACN 071 346 506);

Effective, when used in relation to the Scheme, means the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme;

Effective Date means the date the Scheme becomes Effective;

Encumbrance means any security interest (within the meaning of section 51A of the Corporations Act) and any option, right to acquire, right of pre-emption, assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind, and any agreement to create any of the foregoing;

End Date means the date that is 8 months after the date of the Scheme Implementation Deed, or such other date as the parties agree in writing;

Excluded Shares means any OreCorp Share held by any member of the Silvercorp Group, or any other person on behalf of or for the benefit of any member of the Silvercorp Group;

FCC means the Tanzanian Fair Competition Commission;

FIRB means the Australian Foreign Investment Review Board;

Government Agency means any foreign or Australian government, any department, officer or minister of any government and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity, and includes any Relevant Exchange, ASIC, the Takeovers Panel, FIRB, FCC, the Australian Taxation Office, the Business Registrations and Licencing Agency of Tanzania and any state or territory revenue offices;

Immediately Available Funds means cash, bank cheque or telegraphic or other electronic means of transfer or cleared funds into a bank account;

Implementation Date means the date which is 5 Business Days after the Record Date, or such other date after the Record Date as the parties agree in writing;

Ineligible Foreign Shareholder means a Scheme Shareholder whose address, as shown on the Register as at the Record Date, is a place outside:

- (a) Australia and its external territories;
- (b) New Zealand;
- (c) the United Kingdom;
- (d) Canada; and
- (e) such other jurisdiction as agreed by the parties,

unless Silvercorp (in consultation with OreCorp) determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Silvercorp Shares or New Silvercorp CDIs (as applicable) on implementation of the Scheme;

Ineligible Shareholder means an Ineligible Foreign Shareholder or an Unmarketable Parcel Shareholder;

New Silvercorp CDI means a Silvercorp CDI to be issued to CDI Elected Shareholders under the Scheme (if any);

New Silvercorp Share means a Silvercorp Share to be issued under the Scheme to Scheme Shareholders other than CDI Elected Shareholders as Scrip Consideration;

Nominee Parcel has the meaning given in clause 6.2(e);

NYSE means the NYSE American stock exchange;

OreCorp Constitution means the constitution of OreCorp;

OreCorp Share means a fully paid ordinary share in the issued share capital of OreCorp;

OreCorp Shareholder means a person who is registered in the Register as the holder of one or more OreCorp Shares from time to time;

Record Date means 7.00pm on the date which is 2 Business Days after the Effective Date or any other date as the parties agree in writing;

Register means the register of OreCorp Shares maintained by Automic Pty Ltd on behalf of OreCorp;

Registry means Automic Pty Ltd or such other person nominated by OreCorp to maintain the Register;

Related Entity means:

(a) in respect of Silvercorp, an entity that:

(i) Controls Silvercorp;

(ii) is under the Control of Silvercorp; or

(iii) is under the Control of another entity that also Controls Silvercorp,

but does not, for the avoidance of doubt, include New Pacific Metals Corp. or Tincorp Metals Inc.; and

(b) in respect of OreCorp, an entity that is under the Control of OreCorp;

Relevant Exchange means, in the case of:

(a) OreCorp, ASX; and

(b) Silvercorp, TSX and NYSE (and in respect of the ASX Quotation, ASX);

Sale Agent means a person appointed by Silvercorp, in consultation with OreCorp, to sell the Sale Shares under clause 6.5;

Sale Proceeds means the gross proceeds of sale of the Sale Shares under clause 6.5(a), less any applicable taxes and charges incurred by Silvercorp or the Sale Agent in connection with the sale of the Sale Shares under clause 6.5(a);

Sale Shares means the New Silvercorp Shares to which Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders would have been entitled under the Scheme but for the operation of clause 6.5(a);

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act under which all of the Scheme Shares will be transferred to Silvercorp and the Scheme Shareholders will be entitled to receive the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by the parties in accordance with clause 11.3 of the Scheme;

Scheme Booklet means the explanatory memorandum to be approved by the Court and sent to OreCorp Shareholders in advance of the Scheme Meeting;

Scheme Consideration means the consideration payable by Silvercorp for the transfer of each Scheme Share held by a Scheme Shareholder, being the Cash Consideration and the Scrip Consideration;

Scheme Implementation Deed means the scheme implementation deed dated 5 August 2023 between Silvercorp and OreCorp under which, amongst other things, OreCorp has agreed to propose the Scheme to OreCorp Shareholders and each of Silvercorp and OreCorp have agreed to take certain steps to give effect to the Scheme, a copy of which was released to ASX on 6 August 2023;

Scheme Meeting means the meeting of OreCorp Shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme;

Scheme Shareholder means a person who is registered in the Register as the holder of one or more Scheme Shares as at the Record Date;

Scheme Share Transfer means, for each Scheme Shareholder, a duly completed and executed instrument of transfer in respect of the Scheme Shares held by the Scheme Shareholder for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares;

Scheme Shares means all of the OreCorp Shares on issue at 7.00pm on the Record Date other than Excluded Shares;

Scrip Consideration means, in respect of each Scheme Shareholder:

- (a) where clause 2.4 of the Scheme Implementation Deed does not apply, 0.0967 New Silvercorp Shares for each Scheme Share held; or
- (b) where clause 2.4 of the Scheme Implementation Deed applies and:
 - (i) where that Scheme Shareholder is not a CDI Elected Shareholder, 0.0967 New Silvercorp Shares for each Scheme Share held; and
 - (ii) where that Scheme Shareholder is a CDI Elected Shareholder, 0.0967 New Silvercorp CDIs for each Scheme Share;

Second Court Date means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, the date on which the adjourned application is heard or scheduled to be heard;

Silvercorp means Silvercorp Metals Inc. a company incorporated in British Columbia with Business Number 131033920 of Suite 1750-1066, W. Hastings Street, Vancouver, British Columbia, Canada V6E 3X1;

Silvercorp Articles means the articles of Silvercorp;

Silvercorp CDI means a CHESS Depositary Interest, being a unit of beneficial ownership in a Silvercorp Share (in the form of a CHESS Depositary Interest) registered in the name of the Depositary;

Silvercorp Group means Silvercorp and its Related Entities;

Silvercorp Register means the register of holders of Silvercorp Shares maintained by or on behalf of Silvercorp;

Silvercorp Share means a fully paid common share in Silvercorp;

TSX means the Toronto Stock Exchange; and

Unmarketable Parcel Shareholder means a Scheme Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of OreCorp Shares on the Record Date would, on implementation of the Scheme, be entitled to receive less than a marketable parcel (as that term is defined in the ASX Listing Rules) of New Silvercorp Shares or New Silvercorp CDIs (assessed by reference to the price of Silvercorp Shares on the TSX at the close of trading on the trading day prior to the Record Date) as Scrip Consideration.

1.2 Things required to be done other than on a Business Day

Unless otherwise indicated, if the day on which any act, matter or thing is to be done under this document is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.

1.3 Other rules of interpretation

In this document:

- (a) any reference, express or implied, to any legislation in any jurisdiction includes:
 - (i) that legislation as amended, extended or applied by or under any other legislation made before or after the date of this document;
 - (ii) any legislation which that legislation re-enacts with or without modification; and
 - (iii) any subordinate legislation made before or after the date of this document under that legislation, including (where applicable) that legislation as amended, extended or applied as described in subclause 1.3(a)(i), or under any legislation which it re-enacts as described in subclause 1.3(a)(ii);
- (b) references to persons or entities include natural persons, bodies corporate, partnerships, trusts and unincorporated associations of persons;
- (c) references to an individual or a natural person include his estate and personal representatives;
- (d) the schedules and annexes form part of this document and, unless otherwise indicated, a reference to a clause, subclause, schedule or annex is a reference to a clause, subclause, schedule or annex of or to this document;

- (e) references to a party to this document include the successors or assigns (immediate or otherwise) of that party;
- (f) a reference to any time is, unless otherwise indicated, a reference to that time in Perth, Western Australia;
- (g) a reference to A\$ or dollars is to Australian currency;
- (h) singular words include the plural and vice versa;
- (i) a word of any gender includes the corresponding words of any other gender;
- (j) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- (k) general words must not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words; and
- (l) the headings do not affect interpretation.

2. PRELIMINARY

2.1 OreCorp

- (a) OreCorp is:
 - (i) a public company limited by shares;
 - (ii) incorporated in Australia and registered in Western Australia; and
 - (iii) admitted to the official list of the ASX and OreCorp Shares are quoted on the ASX.
- (b) As at 4 August 2023, OreCorp had on issue:
 - (i) 398,997,558 OreCorp Shares;
 - (ii) 3,725,257 options to subscribe for new OreCorp Shares; and
 - (iii) 4,087,106 performance rights (being entitlements granted by OreCorp for the holder to be allocated an OreCorp Share subject to the satisfaction of any applicable vesting conditions on issue).

2.2 Silvercorp

- (a) Silvercorp is:
 - (i) a company incorporated in British Columbia, Canada; and
 - (ii) its common shares are listed and posted for trading on the TSX and NYSE.

2.3 Scheme Implementation Deed and Deed Poll

- (a) Silvercorp and OreCorp have entered into the Scheme Implementation Deed to implement the terms of the Scheme.

- (b) OreCorp has agreed in the Scheme Implementation Deed to propose a scheme of arrangement between OreCorp and the holders of Scheme Shares, the effect of which will be that all Scheme Shares will be transferred to Silvercorp and Silvercorp will provide or procure the provision of the Scheme Consideration to Scheme Shareholders.
- (c) The Scheme attributes actions to Silvercorp but does not itself impose an obligation on Silvercorp to perform those actions. Silvercorp has executed the Deed Poll under which it has covenanted in favour of Scheme Shareholders to perform its obligations under the Scheme, including the provision of Scheme Consideration to the Scheme Shareholders.

2.4 Nomination of acquirer wholly-owned subsidiary

Within 5 Business Days after the date on which the first draft of the Scheme Booklet is provided to Silvercorp in accordance with the Scheme Implementation Deed, Silvercorp may nominate any wholly-owned subsidiary of Silvercorp (**Silvercorp Nominee**) to acquire Scheme Shares under the Scheme by providing a written notice which sets out the details of the Silvercorp Nominee to OreCorp. If Silvercorp decides to nominate the Silvercorp Nominee to acquire the Scheme Shares then:

- (a) references in this Scheme to Silvercorp acquiring the Scheme Shares under the Scheme are to be read as references to the Silvercorp Nominee doing so;
- (b) Silvercorp must procure that the Silvercorp Nominee complies with all of the relevant obligations of Silvercorp under the Scheme; and
- (c) any such nomination will not relieve Silvercorp of its obligations under this Scheme, including the obligation to provide (or procure the provision of) the Scheme Consideration in accordance with the terms of this Scheme provided that Silvercorp will not be in breach of this Scheme for failing to perform an obligation of Silvercorp if that obligation is fully discharged by the Silvercorp Nominee.

3. CONDITIONS PRECEDENT

3.1 Conditions precedent to the Scheme

The Scheme is conditional on and will not come into effect unless and until each of the following conditions precedent is satisfied:

- (a) as at 8.00am on the Second Court Date, the Scheme Implementation Deed and Deed Poll not having been terminated in accordance with their respective terms;
- (b) all of the conditions set out in clause 3.1 of the Scheme Implementation Deed (other than the condition relating to the Court having approved the Scheme in accordance with section 411(4)(b) of the Corporations Act set out in clause 3.1(a) of the Scheme Implementation Deed) have been satisfied or waived in accordance with the terms of the Scheme Implementation Deed;
- (c) the Court approves the Scheme pursuant to section 411(4)(b) of the Corporations Act, with or without modification and, if applicable, OreCorp and Silvercorp having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act; and
- (d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to the Scheme.

3.2 Conditions precedent and operation of clause 5 of the Scheme

The satisfaction of each condition set out in clause 3.1 of the Scheme is a condition precedent to the operation of clause 5 of the Scheme.

3.3 Confirmations in relation to conditions

- (a) On the Second Court Date, each of OreCorp and Silvercorp must provide to the Court a certificate, or such other evidence as the Court requests, confirming (in respect of the matters within their knowledge) whether or not the conditions set out in clause 3.1 of the Scheme (other than the conditions set out in clauses 3.1(c) and (d)) have been satisfied or waived as at 8.00am on the Second Court Date.
- (b) Unless the Court requires otherwise, the certificates provided by OreCorp and Silvercorp under this clause 3.3 will constitute conclusive evidence as to whether or not those conditions referred to in clause 3.1 of the Scheme (other than the conditions set out in clauses 3.1(c) and (d)) have been satisfied or waived as at 8.00am on the Second Court Date.

4. THE SCHEME

4.1 Effect of the Scheme

If the Scheme becomes Effective then:

- (a) all of the Scheme Shares (together with all rights and entitlements attaching to them as at the Implementation Date) will be transferred to Silvercorp without the need for any further act by any Scheme Shareholder (other than acts performed by OreCorp as attorney and agent for Scheme Shareholders under clause 11.1) and OreCorp will enter Silvercorp's name in the Register as the holder of the Scheme Shares;
- (b) the transfer of Scheme Shares will be taken to be effective on the Implementation Date;
- (c) in consideration for the transfer of each of the Scheme Shares to Silvercorp, each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each Scheme Share registered in the name of that Scheme Shareholder as at the Record Date; and
- (d) Silvercorp will provide the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme.

4.2 Acknowledgment and agreement by Scheme Shareholders

- (a) Each Scheme Shareholder irrevocably:
 - (i) acknowledges that the Scheme binds OreCorp and all Scheme Shareholders (including those Scheme Shareholders who do not attend the Scheme Meeting or do not vote at, or vote against the Scheme, at the Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the OreCorp Constitution; and
 - (ii) agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, to Silvercorp in accordance with the Scheme.
- (b) Each Scheme Shareholder also provides the authorities and acknowledgements in clause 11.2 (to the extent applicable).

4.3 Effective Date

Subject to clause 4.4, the Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

4.4 End Date

The Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Scheme Implementation Deed or Deed Poll is terminated in accordance with its respective terms before 8.00am on the Second Court Date.

5. IMPLEMENTATION OF THE SCHEME

5.1 Lodgement of orders

If the conditions set out in clause 3.1 of the Scheme (other than the condition in clause 3.1(d) of the Scheme) are satisfied, OreCorp must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court orders made under section 411(4)(b) of the Corporations Act approving the Scheme as soon as practicable after such orders are made and, in any event, by 12.00pm on the first Business Day after the day on which the Court approves the Scheme or such later time as OreCorp and Silvercorp may agree in writing.

5.2 Transfer and registration of Scheme Shares

On the Implementation Date, subject to the provision of the Scheme Consideration for the Scheme Shares in accordance with clause 6 of the Scheme and Silvercorp having provided OreCorp with written confirmation of the provision of Scheme Consideration:

- (a) all Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to Silvercorp, without the need for any further act by any Scheme Shareholder (other than the acts performed by OreCorp as attorney and agent for Scheme Shareholders), by:
 - (i) OreCorp delivering to Silvercorp duly completed and executed Scheme Share Transfer executed on behalf of the Scheme Shareholders by OreCorp, for registration;
 - (ii) Silvercorp duly executing the Scheme Share Transfer and delivering the Scheme Share Transfer to OreCorp for registration; and
- (b) as soon as practicable after receipt of the duly executed Scheme Share Transfer OreCorp will procure that Silvercorp's name is entered in the Register in respect of all of the Scheme Shares transferred to Silvercorp in accordance with the terms of the Scheme.

5.3 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to Silvercorp of the Scheme Shares, each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6 of the Scheme.

5.4 Beneficial entitlement to Scheme Shares

Subject to provision of the Scheme Consideration in accordance with clause 6 of the Scheme, on and from the Implementation Date, Silvercorp will be beneficially entitled to the Scheme Shares

transferred to it under the Scheme pending the entry of Silvercorp's name in the Register as the holder of the Scheme Shares.

5.5 Transfer free from Encumbrances

To the extent permitted by law, all Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to Silvercorp under this Scheme will, at the date of the transfer of them to Silvercorp, vest in Silvercorp free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

6. SCHEME CONSIDERATION

6.1 Provision of Scheme Consideration

(a) Subject to the Scheme becoming Effective, in consideration of the transfer to Silvercorp of each Scheme Share held by a Scheme Shareholder, on the Implementation Date Silvercorp will provide the Scheme Consideration to each Scheme Shareholder for each Scheme Share held by it. The obligation of Silvercorp to provide or procure the provision of the Scheme Consideration to Scheme Shareholders will be satisfied as follows:

(i) in respect of the Cash Consideration:

(A) no later than 5.00pm on the Business Day before the Implementation Date, Silvercorp will deposit or procure the deposit, in Immediately Available Funds into an account established by or on behalf of OreCorp, the A\$ amount equal to the Cash Consideration multiplied by the number of Scheme Shares, to be held on trust for Scheme Shareholders and for the purpose of paying the Cash Consideration to the Scheme Shareholders in accordance with the Scheme. Any interest earned on the amount deposited by Silvercorp will be for the account of Silvercorp;

(B) on the Implementation Date, and subject to the receipt of the aggregate amount of Cash Consideration, OreCorp will pay to each Scheme Shareholder from the account referred to in subclause 6.1(a)(i)(A) the Cash Consideration in respect of each Scheme Share registered in the name of that Scheme Shareholder as at the Record Date; and

(C) the payment referred to in subclause 6.1(a)(i)(B) will be satisfied by OreCorp (acting in its absolute discretion and notwithstanding any election or authority referred to in paragraphs I or II below):

I. paying or procuring the payment of, the relevant amount in Australian currency by electronic transfer to a bank account nominated by the Scheme Shareholder, where the Scheme Shareholder has made a valid election prior to the Record Date in accordance with the requirements of the Registry to receive dividend payments from OreCorp into that bank account; or

II. paying or procuring the payment of, the relevant amount in Australian currency by electronic transfer to a bank account nominated by the Scheme Shareholder by an appropriate authority received from the Scheme Shareholder to OreCorp; or

- III. sending or procuring the despatch to each Scheme Shareholder by prepaid post to the address of the Scheme Shareholder recorded in the Register as at the Record Date of a pre-printed cheque for the aggregate amount of Cash Consideration due to that Scheme Shareholder in accordance with the Scheme; and
- (ii) in respect of the Scrip Consideration payable in the form of New Silvercorp Shares (other than to Ineligible Shareholders):
 - (A) on the Implementation Date, Silvercorp must:
 - I. issue such number of New Silvercorp Shares to which the Scheme Shareholder is entitled as Scrip Consideration; and
 - II. enter into the Silvercorp Register the name and address of the Scheme Shareholder in respect of the New Silvercorp Shares issued to that Scheme Shareholder; and
 - (B) as soon as practicable, after the Implementation Date, Silvercorp must send a direct registration statement to relevant Scheme Shareholders reflecting the New Silvercorp Shares that are held by the relevant Scheme Shareholder.
- (iii) in respect of the Scrip Consideration payable in the form of New Silvercorp CDIs (if any), on the Implementation Date, Silvercorp must:
 - (A) issue to the Depositary to be held on trust that number of New Silvercorp Shares that will enable the Depositary to issue the New Silvercorp CDIs as contemplated by clause 6.1(a)(iii)(C);
 - (B) procure that the name and address of the Depositary is entered into the Silvercorp Register in respect of those New Silvercorp Shares on the Implementation Date and that a direct registration statement in the name of the Depositary representing those New Silvercorp Shares is issued to the Depositary;
 - (C) procure that on the Implementation Date the Depositary issues to each such Scheme Shareholder the number of New Silvercorp CDIs to which it is entitled under this clause 6;
 - (D) procure that on the Implementation Date the name of each such Scheme Shareholder is entered into the records maintained by the Depositary as the holder of the New Silvercorp CDIs to which it is entitled under this clause 6;
 - (E) in the case of each Scheme Shareholder who held OreCorp Shares on the CHESS subregister, procure that the New Silvercorp CDIs are held on the CHESS subregister on the Implementation Date and send or procure the sending of an allotment advice that sets out the number of New Silvercorp CDIs issued and procure that ASX Settlement will provide, at the end of the month of allotment, a CDI holding statement confirming the number of New Silvercorp CDIs held on the CHESS subregister by that Scheme Shareholder; and
 - (F) in the case of each Scheme Shareholder who held OreCorp Shares on the issuer sponsored subregister, procure that the New Silvercorp CDIs are held on the issuer sponsored subregister on the Implementation Date and send or

procure the sending of a CDI holding statement to each Scheme Shareholder which sets out the number of New Silvercorp CDIs held on the issuer sponsored subregister by that Scheme Shareholder; and

- (iv) in respect of the Scrip Consideration payable in the form of New Silvercorp Shares to Ineligible Shareholders, Silvercorp must:
 - (A) on the Implementation Date:
 - I. issue such aggregate number of New Silvercorp Shares to which the Ineligible Shareholders are entitled as Scrip Consideration to the Sale Agent;
 - II. enter into the Silvercorp Register the name and address of the Sale Agent in respect of the New Silvercorp Shares issued to the Sale Agent;
 - (B) as soon as practicable, after the Implementation Date, Silvercorp must send a direct registration statement to the Sale Agent reflecting the New Silvercorp Shares that are held by the Sale Agent; and
 - (C) procure that the Sale Agent sells those New Silvercorp Shares on behalf of the Ineligible Shareholders and remits the Sale Proceeds in accordance with clause 6.5.

6.2 CDI Election Procedure for Scrip Consideration

- (a) Subject to the remaining provisions of this clause 6.2, each Scheme Shareholder will be entitled to elect to receive, as Scrip Consideration for the transfer of its Scheme Shares to Silvercorp under the Scheme, New Silvercorp CDIs instead of New Silvercorp Shares by completing a CDI Election Form and returning it to the specified address such that it is received by 5.00pm on the date that is 2 Business Days before the Record Date. An election under this clause 6.2(a) must be made in accordance with the terms and conditions set out on the CDI Election Form. Any election validly made in accordance with the terms and conditions of the CDI Election Form is subject to clause 6.3.
- (b) An Ineligible Shareholder is not permitted to make any election pursuant to this clause 6.2 and any election purported to be made by an Ineligible Shareholder will be invalid and of no effect. Ineligible Shareholders will receive New Silvercorp Shares and those New Silvercorp Shares will be dealt with in accordance with clause 6.5.
- (c) To avoid doubt, a Scheme Shareholder (other than an Ineligible Shareholder) who does not validly elect to receive New Silvercorp CDIs will receive New Silvercorp Shares as Scrip Consideration, for the transfer of its Scheme Shares.
- (d) Subject to clause 6.2(e), a CDI Election made by a Scheme Shareholder under this clause 6.2 will be deemed to apply in respect of the Scheme Shareholder's entire registered holding of Scheme Shares at the Record Date, regardless of whether the Scheme Shareholder's holding of Scheme Shares at the Record Date is greater or less than the Scheme Shareholder's holding at the time of the CDI Election.
- (e) A Scheme Shareholder who is noted on the Register as holding one or more parcels of OreCorp Shares as trustee or nominee for, or otherwise on account of, another person, may make separate elections under this clause 6.2 in relation to each of those parcels of OreCorp Shares (each a **Nominee Parcel**) (subject to it providing OreCorp and Silvercorp with any

substantiating information they reasonably require), and a CDI Election made by a Scheme Shareholder in respect of a Nominee Parcel, or an omission to make a CDI Election in respect of a Nominee Parcel, will not be taken to extend to any other Nominee Parcel held by that Scheme Shareholder.

- (f) OreCorp may, with the agreement of Silvercorp, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any CDI Election, and any such decision will be conclusive and binding on OreCorp, Silvercorp and the relevant Scheme Shareholder.

6.3 ASX Quotation

- (a) Under the Scheme Implementation Deed, Silvercorp is required to use reasonable endeavours, including making relevant applications, to apply for ASX Quotation.
- (b) In the event that ASX has not formally approved the ASX Quotation (conditional only on implementation of the Scheme, the issue of the Scrip Consideration and customary pre-quotation disclosures) by no later than 5.00pm on the Business Day before the Second Court Date:
 - (i) any CDI Election made by a Scheme Shareholder to receive New Silvercorp CDIs as Scrip Consideration for the transfer of its Scheme Shares to Silvercorp under clause 6.2 shall be void and of no effect; and
 - (ii) to avoid doubt, such Scheme Shareholder will receive New Silvercorp Shares as Scrip Consideration for the transfer of its Scheme Shares to Silvercorp.

6.4 Fractional entitlements

- (a) Where the calculation of the number of New Silvercorp Shares or New Silvercorp CDIs to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a New Silvercorp Share or a New Silvercorp CDI, the fractional entitlement will be rounded up or down to the nearest whole number of New Silvercorp Shares or New Silvercorp CDIs, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number of New Silvercorp Shares or New Silvercorp CDIs and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole number of New Silvercorp Shares or New Silvercorp CDIs.
- (b) If OreCorp and Silvercorp are of the opinion (acting reasonably) that two or more Scheme Shareholders (each of whom holds a number of OreCorp Shares which results in a fractional entitlement to New Silvercorp Shares or New Silvercorp CDIs) have, before the Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, Silvercorp may direct OreCorp to give notice to those Scheme Shareholders:
 - (i) setting out the names and registered addresses as set out in the Register;
 - (ii) stating that opinion; and
 - (iii) attributing to one of them specifically identified in the notice the OreCorp Shares held by them,

and, after the notice has been given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of the Scheme, be taken to hold all those OreCorp Shares and

each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of the Scheme, be taken to hold no OreCorp Shares. Silvercorp, in complying with the provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

6.5 Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders

- (a) Where a Scheme Shareholder is an Ineligible Shareholder, each Ineligible Shareholder authorises Silvercorp to:
 - (i) issue the Scrip Consideration to which any Ineligible Shareholder would otherwise have been entitled as part of the Scheme Consideration to the Sale Agent in the form of New Silvercorp Shares;
 - (ii) procure that as soon as reasonably practicable after the Implementation Date (and in any event within 20 days on which the Silvercorp Shares are capable of being traded on TSX), the Sale Agent sells on the TSX the New Silvercorp Shares issued to it in such manner, at such price and on such other terms as the Sale Agent determines in good faith;
 - (iii) procure that the Sale Agent, as soon as reasonably practicable after settlement (and in any event within 10 Business Days) remits the Sale Proceeds to Silvercorp; and
 - (iv) promptly after all of the Sale Proceeds have been remitted to Silvercorp by the Sale Agent in accordance with clause 6.5(a)(iii) (following the last sale of such New Silvercorp Shares), pay each Ineligible Shareholder an amount in Australian dollars equal to the proportion of the Sale Proceeds received by Silvercorp pursuant to clause 6.5(a)(iii) to which that Ineligible Shareholder is entitled to receive in full satisfaction of their entitlement to receive Scrip Consideration.
- (b) Each Ineligible Shareholder appoints OreCorp as its agent to receive, on its behalf, any financial services guide or other notice (and any updates to such documents) that the Sale Agent is required to provide to Ineligible Shareholders under the Corporations Act.

6.6 Joint holders

Where Scheme Shares are held in joint names:

- (a) any New Silvercorp Shares or New Silvercorp CDIs to be issued under the Scheme are to be issued to, and registered in the names of, the joint holders and entry into the Silvercorp Register must be in the same order as the holders' names currently appear in the Register;
- (b) any cheque that is required to be sent to a Scheme Shareholder under the Scheme must be payable to the joint holders and sent to the address of the holder whose name first appears in the Register as at the Record Date; and
- (c) any document required to be sent under the Scheme will be sent to the address of the holder whose name first appears in the Register as at the Record Date.

6.7 Binding instructions or notification

To the extent not prohibited by law (and including where permitted by any Government Agency), all instructions, notifications and elections made by a Scheme Shareholder to OreCorp in relation to the

Scheme Shares that are binding (or deemed to be binding) between the Scheme Shareholder and OreCorp, including in relation to:

- (a) the payment of dividends by cheque or by electronic funds transfer to a nominated bank account;
- (b) payments of dividends on OreCorp Shares; and
- (c) notices or other communications from OreCorp (including by email),

as at the Record Date will, except to the extent determined otherwise by Silvercorp in its sole discretion, be deemed to be an instruction, notification or election (as applicable) that is binding on, and accepted by, Silvercorp in respect of the New Silvercorp Shares or New Silvercorp CDIs (as the case may be) issued to the Scheme Shareholder as Scheme Consideration until such time as that instruction, notification or election is revoked or amended in writing addressed to Silvercorp and provided that, any such instruction, notification or election accepted by Silvercorp will only apply to the New Silvercorp Shares and New Silvercorp CDIs to the extent that they are:

- (d) not inconsistent with any other provision of the Scheme; and
- (e) recognised under Canadian law or the Silvercorp Articles.

7. DEALINGS IN ORECORP SHARES

7.1 Recognition of dealings

- (a) To establish the identity of the Scheme Shareholders, dealings in OreCorp Shares or other alterations to the Register will only be recognised by OreCorp if:
 - (i) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant OreCorp Shares on or before the Record Date; and
 - (ii) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Register is kept.
- (b) OreCorp must register registrable transmission applications or transfers of OreCorp Shares of the kind referred to in clause 7.1(a)(ii) by the Record Date.

7.2 Dealings after Record Date

- (a) If the Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date except as set out in the Scheme and any such disposal will be void and of no legal effect whatsoever.
- (b) OreCorp will not accept for registration, or recognise for any purpose, any transmission application, transfer or other request in respect of OreCorp Shares received:
 - (i) after the Record Date; or
 - (ii) prior to the Record Date but not in registrable or actionable form,

other than a transfer of OreCorp Shares to Silvercorp pursuant to the Scheme or any subsequent transfer by Silvercorp to its successors in title.

7.3 Maintenance of Register

- (a) For the purpose of determining entitlements to the Scheme Consideration, OreCorp must maintain the Register in accordance with the provisions of this clause 7.3(a) until the Scheme Consideration has been issued or paid (as the case may be) to all Scheme Shareholders and Silvercorp has been entered into the Register as the holder of all the Scheme Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.
- (b) As soon as possible on or after the Record Date, and in any event by 5.00pm on the third Business Day after the Record Date, OreCorp must make available to Silvercorp in the form Silvercorp reasonably requires details of the names, registered addresses and holdings of Scheme Shares for each Scheme Shareholder as shown in the Register on the Record Date.

7.4 Holding statements and Register entries

- (a) Subject to the provision of the Scheme Consideration and registration of the transfer of Scheme Shares to Silvercorp, as contemplated in clauses 5.2 and 7.3 of the Scheme, with effect from the Record Date all statements of holding for Scheme Shares will cease to have effect as documents of title in respect of those shares (other than statements of holding in favour of Silvercorp or its successors in title).
- (b) Following the Record Date, each entry on the Register current at that date (other than entries in respect of Silvercorp or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

8. WARRANTIES

- (a) Each Scheme Shareholder warrants to Silvercorp and is deemed to have authorised OreCorp to warrant to Silvercorp (in OreCorp's capacity as agent and attorney for the Scheme Shareholder) that:
 - (i) all of the Scheme Shares registered in the name of that Scheme Shareholder as at the Record Date (including all rights and entitlements attaching to them as at the Implementation Date) which are transferred to Silvercorp under the Scheme will, at the date of transfer, be fully paid and free from all Encumbrances or interests of third parties of any kind, whether legal or otherwise, and from all other restrictions on transfer; and
 - (ii) that Scheme Shareholder has full power and capacity to sell and transfer those Scheme Shares (together with all rights and entitlements attaching to them as at the Implementation Date) to Silvercorp under the Scheme.
- (b) OreCorp undertakes that it will provide such warranty to Silvercorp as agent and attorney of each Scheme Shareholder.

9. APPOINTMENT OF PROXY

- (a) Subject to the provision of the Scheme Consideration as contemplated by clauses 5.2 and 6 of the Scheme, on and from the Implementation Date and until Silvercorp's name is entered in the Register as the holder of all of the Scheme Shares, each Scheme Shareholder:
 - (i) irrevocably appoints OreCorp as attorney and agent (and directs OreCorp in such capacity), to appoint Silvercorp and any director or officer of Silvercorp (acting jointly or individually) as its sole proxy and, where applicable, corporate representative, of

that Scheme Shareholder to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in the name of that Scheme Shareholder and sign shareholders' resolutions;

- (ii) undertakes not to attend any shareholders' meeting or exercise the votes attaching to the Scheme Shares registered in the name of that Scheme Shareholder or sign any shareholders' resolutions, whether in person, by proxy or corporate representative (other than pursuant to this clause 9);
 - (iii) must take all other actions as registered holder of those Scheme Shares as Silvercorp reasonably directs; and
 - (iv) acknowledges and agrees that in exercising the powers conferred under this clause 9, Silvercorp and any director, officer or corporate representative of Silvercorp may act in the best interests of Silvercorp as the intended registered holder of the Scheme Shares.
- (b) OreCorp undertakes in favour of each Scheme Shareholder that in accordance with clause 9(a), it will appoint Silvercorp and any director or officer of Silvercorp (acting jointly or individually) as that Scheme Shareholder's proxy or, where applicable, corporate representative.

10. QUOTATION OF ORECORP SHARES

- (a) OreCorp will apply to ASX to suspend trading on the ASX in OreCorp Shares with effect from the close of trading on the ASX on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Silvercorp, OreCorp will apply:
 - (i) for termination of the official quotation of OreCorp Shares on the ASX; and
 - (ii) to have itself removed from the official list of the ASX.

11. GENERAL SCHEME PROVISIONS

11.1 Appointment of attorney

Each Scheme Shareholder, without the need for any further act, irrevocably appoints OreCorp and all of its directors, officers and secretaries (jointly and severally) as its attorney and agent for the purpose of:

- (a) executing any document or form or doing any other act necessary to give effect to the Scheme including without limitation, the Scheme Share Transfer; and
- (b) enforcing the Deed Poll against Silvercorp,

and OreCorp accepts such appointment.

11.2 Authority and acknowledgement

In addition to the agreement and acknowledgements provided in clause 4.2, under the Scheme:

- (a) each Scheme Shareholder:

- (i) irrevocably consents to OreCorp and Silvercorp doing all things necessary for, or incidental to, the implementation of the Scheme and the transactions contemplated by it, including the execution of deeds, instruments, transfers or other documents;
 - (ii) agrees to the variation, cancellation or modification of the rights and entitlements attaching to their Scheme Shares constituted by, or resulting from, the Scheme;
 - (iii) agrees to destroy any holding statements or share certificates relating to the Scheme Shares at the direction of Silvercorp; and
 - (iv) agrees that the payment of the Scheme Consideration in accordance with clause 6 shall constitute full satisfaction of that Scheme Shareholder's entitlements under the Scheme;
- (b) each Scheme Shareholder (other than an Ineligible Shareholder) who is issued New Silvercorp Shares under this Scheme agrees to become a shareholder of Silvercorp, to have their name entered into the Silvercorp Register and to be bound by the Silvercorp Articles;
 - (c) each Scheme Shareholder (other than an Ineligible Shareholder) who is issued New Silvercorp CDIs under this Scheme agrees to become a holder of New Silvercorp CDIs; and
 - (d) each Scheme Shareholder, who is an Ineligible Shareholder agrees and acknowledges that payment to it of an amount in accordance with clause 6.5 constitutes satisfaction in full of its entitlement under this Scheme.

11.3 Consent to amendments

- (a) If the Court proposes to approve the Scheme subject to any amendments or conditions, OreCorp may, by its counsel, consent on behalf of all persons concerned (including the Scheme Shareholders) to those amendments or conditions to which Silvercorp has provided its prior written consent.
- (b) Each Scheme Shareholder agrees to any amendments or conditions to which OreCorp has consented pursuant to clause 11.2 of the Scheme.

11.4 No liability when acting in good faith

Without prejudice to either party's rights under the Scheme Implementation Deed, neither OreCorp nor Silvercorp, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of the Scheme in good faith.

11.5 Costs and duties

OreCorp must pay the costs and expenses of the Scheme, except that Silvercorp must pay any stamp, transaction and registration duties and similar charges payable under Australian law in connection with the transfer of the Scheme Shares to Silvercorp in accordance with the Scheme Implementation Deed.

11.6 Enforcement of Deed Poll

OreCorp undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against Silvercorp on behalf of and as agent and attorney for the Scheme Shareholders.

11.7 Further actions

OreCorp must, at its own expense, do all things and execute all documents necessary to give full effect to the Scheme and the transactions contemplated by it and the Scheme Shareholders consent to

OreCorp doing all such things and executing all such documents and doing all other things necessary or incidental to the implementation of the Scheme.

11.8 Notices

- (a) If a notice, transfer, transmission, application, direction or other communication referred to in the Scheme is sent by post to OreCorp, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time at which it is actually received at OreCorp's registered office.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by any OreCorp Shareholder will not invalidate the Scheme Meeting or the proceedings of the Scheme Meeting, unless the Court makes an order to the contrary.

12. GOVERNING LAW AND JURISDICTION

This scheme of arrangement is governed by the law applying in Western Australia. The courts having jurisdiction in Western Australia have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this scheme of arrangement and each of OreCorp and each Scheme Shareholder irrevocably submits to the non-exclusive jurisdiction of the courts having jurisdiction in Western Australia.

ANNEX 4

DEED POLL

DEED POLL

DATED October 30, 2023

MADE BY SILVERCORP METALS INC.

IN FAVOUR OF

SCHEME SHAREHOLDERS

ALLEN & OVERY

THIS DEED POLL is made on October 30, 2023

BY:

Silvercorp Metals Inc. BN 131033920 of Suite 1750-1066, W. Hastings Street, Vancouver, BC, Canada V6E 3X1 (**Silvercorp**)

IN FAVOUR OF:

Each holder of fully paid ordinary shares in the capital of OreCorp Limited ABN 24 147 917 299 (**OreCorp**), other than Excluded Shares, on issue as at the Record Date (the **Scheme Shareholders**).

BACKGROUND:

- (A) OreCorp and Silvercorp have entered into the Scheme Implementation Deed.
- (B) OreCorp has agreed in the Scheme Implementation Deed to propose a scheme of arrangement between OreCorp and the holders of fully paid ordinary shares in the capital of OreCorp the effect of which will be that all Scheme Shares will be transferred to Silvercorp and Silvercorp will provide or procure the provision of the Scheme Consideration to the Scheme Shareholders.
- (C) The effect of the Scheme will be that all Scheme Shares will be transferred to Silvercorp.
- (D) In the Scheme Implementation Deed, Silvercorp agreed (amongst other things) to provide the Scheme Consideration to OreCorp on behalf of Scheme Shareholders, subject to certain conditions.
- (E) Silvercorp is entering into this deed poll in accordance with the terms of the Scheme Implementation Deed for the purpose of covenanting in favour of Scheme Shareholders to perform its obligations in relation to the Scheme.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this deed poll:

Scheme means a scheme of arrangement under Part 5.1 of the Corporations Act under which all of the Scheme Shares will be transferred to Silvercorp and the Scheme Shareholders will be entitled to receive the Scheme Consideration, in the form attached as Annex 1 to this deed poll or in such other form as the parties approve in writing and the Court approves under section 411(6) of the Corporations Act;

Scheme Implementation Deed means the scheme implementation deed dated 5 August 2023 between Silvercorp and OreCorp,

and words defined in the Scheme which are not separately defined in this deed poll have the same meaning when used in this deed poll.

1.2 Interpretation

Clauses 1.2 and 1.3 of the Scheme apply to the interpretation of this deed poll, except that references to 'this document' are to be read as references to 'this deed poll'.

2. NATURE OF THIS DEED POLL

2.1 Enforceability

Silvercorp acknowledges that this deed poll may be relied upon and enforced by any Scheme Shareholder subject to and in accordance with its terms, even though the Scheme Shareholders are not party to it, and that under the Scheme each Scheme Shareholder appoints OreCorp and each of its directors (jointly and each of them severally) as its agent and attorney to enforce this deed poll against Silvercorp.

2.2 Continuing obligations

This deed poll is irrevocable and, subject to clause 3.1 remains in full force and effect until either:

- (a) Silvercorp has fully performed its obligations under it; or
- (b) it is terminated under clause 3.2.

3. CONDITION PRECEDENT AND TERMINATION

3.1 Condition precedent

The obligations of Silvercorp under clause 4 of this deed poll do not become binding on Silvercorp unless and until the Scheme becomes Effective.

3.2 Termination

The obligations of Silvercorp under this deed poll will automatically terminate and, subject to clause 3.3, the terms of this document will be of no further force or effect if:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms; or
- (b) the Scheme does not become Effective on or before the End Date.

3.3 Effect of termination

If this deed poll is terminated under clause 3.2 then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Shareholders:

- (a) except for this clause 3.3, clause 5 and clause 7, all the provisions of this deed poll will lapse and cease to have effect; and
- (b) neither the lapsing of those provisions nor their ceasing to have effect will affect any accrued rights of the Scheme Shareholders against Silvercorp in respect of damages for non-performance of any obligation under this deed poll falling due for performance before such lapse and cessation or for breach of any representation or warranty given under this deed poll before such lapse and cessation.

4. SCHEME OBLIGATIONS

4.1 Provision of Scheme Consideration

Subject to clause 3, in consideration for the transfer to Silvercorp of the Scheme Shares on the Implementation Date Silvercorp undertakes in favour of each Scheme Shareholder to:

- (a) provide or procure the provision of the Scheme Consideration to each Scheme Shareholder; and
- (b) undertake all other actions, and give each acknowledgement, representation, warranty and indemnity attributed to it under the Scheme,

in each case in accordance with the terms of the Scheme.

4.2 New Silvercorp Shares

Silvercorp covenants in favour of each Scheme Shareholder that the New Silvercorp Shares issued as Scrip Consideration (including those issued to the Depositary in connection with the New Silvercorp CDIs (if any)) will, on issue:

- (a) rank equally with all other Silvercorp Shares then on issue;
- (b) be duly and validly issued in accordance with all applicable laws and Silvercorp Articles and other constituent documents;
- (c) be entitled to participate in and receive any dividends or distribution of capital paid and any other entitlements accruing in respect of Silvercorp Shares on and from the Implementation Date; and
- (d) be fully paid and free from any Encumbrance.

5. REPRESENTATIONS AND WARRANTIES

5.1 Representations and warranties

Silvercorp represents and warrants that:

- (a) it is a corporation validly existing under the laws of its place of incorporation;
- (b) it has the full capacity and corporate power and lawful authority to execute and deliver and to perform its obligations under this deed poll, and has taken all necessary corporate action to authorise such execution and delivery and the performance of such obligations;
- (c) its obligations under this deed poll are legal, valid and binding obligations enforceable subject to and in accordance with their terms;
- (d) the execution and delivery by it of this deed poll does not and will not conflict with or constitute a default or breach under any provision of:
 - (i) any agreement or instrument to which it is a party;
 - (ii) the Silvercorp Articles or equivalent documents of Silvercorp; or
 - (iii) any law (including the Foreign Acquisitions and Takeovers Act 1975 (Cth)), order, judgment, award, injunction, decree, rule or regulation by which it is bound.

5.2 Acknowledgement

Silvercorp acknowledges that each representation and warranty in this clause 5 is severable and survives termination of this deed poll.

6. NOTICES

6.1 Manner of giving notice

Any notice or other communication to be given under this deed poll must be in writing (which includes email) and may be delivered or sent by post or email to Silvercorp as follows:

Address:	Silvercorp Metals Inc. Suite 1750-1066 W. Hastings Street Vancouver, BC, Canada V6E 3X1
Email:	rfeng@silvercorp.ca
For the attention of:	Rui Feng

or at any such other address, or email address notified by Silvercorp for the purpose of this clause. Any notice or other communication sent by post must be sent by prepaid ordinary post (if the country of destination is the same as the country of origin) or by airmail (if the country of destination is not the same as the country of origin).

6.2 When notice given

Any notice or other communication is deemed to have been given:

- (a) if delivered, on the date of delivery;
- (b) if sent by post, on the third day after it was put into the post (for post within the same country) or on the fifth day after it was put into the post (for post sent from one country to another);
- (c) if sent by email, the earlier of:
 - (i) at the time of transmission unless the sender receives an automatic notification that the email has not been received (other than an out of office greeting for the named addressee) and it receives the notification before two hours after the time of transmission;
 - (ii) the sender receiving a message from the intended recipient's information system confirming delivery of the email; and
 - (iii) when the email (including any attachment) becomes available to be read at the email address specified by the recipient in accordance with this agreement,

but if the notice or other communication would otherwise be taken to be received after 5.00pm or on a Saturday, Sunday or public holiday in the place of receipt then the notice or communication is taken to be received at 9.00am on the next day that is not a Saturday, Sunday or public holiday in the place of receipt.

6.3 Proof of service

In proving service of a notice or other communication, it shall be sufficient to prove that delivery was made or that the envelope containing the communication was properly addressed and posted either by prepaid post or by prepaid airmail or that the email was properly addressed and transmitted as the case may be.

6.4 Documents relating to legal proceedings

This clause 6 does not apply in relation to the service of any claim form, notice, order, judgment or other document relating to or in connection with any proceedings, suit or action arising out of or in connection with this deed.

7. COSTS AND DUTIES

7.1 Costs

Silvercorp must pay the costs and expenses incurred by it in connection with entering into and performing its obligations under this deed.

7.2 Payment of duties and similar charges

In accordance with the terms of the Scheme Implementation Deed, Silvercorp must pay any Duty in connection with the Scheme or its implementation, or on the transfer of the Scheme Shares and must indemnify each Scheme Shareholder against all losses damages, costs, expenses, charges, penalties and other liabilities (including legal and other professional fees) directly or indirectly incurred or suffered by the Scheme Shareholder arising out of or in connection with any failure by Silvercorp to make such payment.

8. GENERAL

8.1 Amendments

A provision of this deed poll may be amended if:

- (a) the amendment is agreed to by OreCorp, which agreement OreCorp may give or withhold in its absolute discretion and without reference to or approval by any Scheme Shareholder; and
- (b) the Court indicates that the amendment would not of itself preclude approval of the Scheme,

in which event Silvercorp will enter into a further deed poll in favour of each Scheme Shareholder giving effect to the amendment.

8.2 Assignment

The rights and obligations of Silvercorp and each Scheme Shareholder under this deed poll are personal. They cannot be assigned, charged or otherwise dealt with at law or in equity. Any purported dealing in contravention of this clause 8.2 is invalid.

8.3 Partial exercising of rights

Unless this deed poll expressly states otherwise, if Silvercorp does not exercise a right, power or remedy in connection with this document fully or at a given time, it may still exercise it later.

8.4 Cumulative rights

The rights, powers and remedies of Silvercorp and Scheme Shareholders under this deed poll are cumulative and do not exclude any other rights, power or remedies provided by law independently of this deed poll.

8.5 Further assurance

Silvercorp must, at its own expense, do all things reasonably required of it to give full force and effect to this deed poll.

8.6 Waiver

Silvercorp may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right in respect of the Scheme unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.

9. GOVERNING LAW AND JURISDICTION

9.1 Governing law

This deed and any non-contractual obligations arising out of or in connection with it is governed by the law applying in Western Australia.

9.2 Jurisdiction

The courts having jurisdiction in Western Australia have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this deed (including a dispute relating to any non-contractual obligations arising out of or in connection with this deed) and each party irrevocably submits to the non-exclusive jurisdiction of the courts having jurisdiction in Western Australia.

9.3 Service of process

(a) Without preventing any method of service allowed under any relevant law, Silvercorp:

- (i) irrevocably appoints Dabserv Corporate Services Pty Limited (ABN 73 001 824 111) as its process agent to receive any document in an action in connection with this deed, and agrees that any such deed may be served on Silvercorp by being delivered to or left for Silvercorp at the following address:

Dabserv Corporate Services Pty Limited (ABN 73 001 824 111)
Level 61
Governor Phillip Tower
1 Farrer Place
Sydney NSW 2000
Australia

- (ii) agrees that failure by the specified process agent to notify Silvercorp of any document in an action in connection with this deed does not invalidate the action concerned.

(b) If for any reason Dabserv Corporate Services Pty Limited (ABN 73 001 824 111) ceases to be able to act as process agent, Silvercorp agrees to appoint another person as its process agent in the place referred to in clause 9.3 and ensure that the replacement process agent accepts its appointment and confirms its appointment to OreCorp.

(c) Silvercorp agrees that service of documents on its process agent is sufficient service on it.

THIS DEED POLL has been signed, sealed and delivered on the date stated at the beginning of this deed poll.



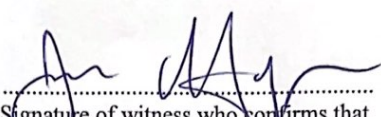
EXECUTION PAGE

SIGNED, SEALED AND
DELIVERED AS A DEED by
SILVERCORP METALS INC. BN
131033920 whose common seal is duly
affixed in the presence of:


.....
Signature of authorised person

DIRECTOR
.....
Office held

MARINA KATUSA
.....
Name of authorised person (block
letters)


.....
Signature of witness who confirms that
that they have witnessed the execution,
sealing and delivery of this deed poll

JONATHAN HOYLES
.....
Name of witness (block letters)

SCHEME OF ARRANGEMENT

DATED _____ 2023

ORECORP LIMITED

AND

SCHEME SHAREHOLDERS

ALLEN & OVERY

THIS SCHEME OF ARRANGEMENT UNDER SECTION 411 OF THE CORPORATIONS ACT 2001 (CTH) is made on _____ 2023

BETWEEN:

- (1) **ORECORP LIMITED** ABN 24 147 917 299 of Suite 22, Level 1, 513 Hay Street, Subiaco, Western Australia, 6008 (**OreCorp**); and
- (2) Each person who is registered in the Register as the holder of one or more Scheme Shares as at the Record Date (each a **Scheme Shareholder** and, together, the **Scheme Shareholders**).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this document:

ASIC means the Australian Securities and Investments Commission;

ASX means ASX Limited or the market operated by it, as the context requires;

ASX Listing Rules means the official listing rules of ASX, modified to the extent of any express written waiver by ASX;

ASX Settlement means ASX Settlement Pty Limited ACN 49 008 504 532 as the holder of a licence to operate a clearing and settlement facility;

ASX Quotation means the admission of Silvercorp to the official list of ASX and the New Silvercorp CDIs being approved for official quotation on ASX;

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks are generally open in Perth, Western Australia and Vancouver, Canada for normal business;

Cash Consideration means A\$0.15 for each Scheme Share;

CDI Elected Shareholder means a Scheme Shareholder (other than an Ineligible Foreign Shareholder) who has made a CDI Election;

CDI Election means a valid election for New Silvercorp CDIs made by a Scheme Shareholder (other than an Ineligible Foreign Shareholder) pursuant to the terms of the Scheme;

CDI Election Form means the form accompanying the Scheme Booklet pursuant to which Scheme Shareholders (other than Ineligible Shareholders) may elect to receive their Scrip Consideration in the form of New Silvercorp CDIs;

CHESS means the clearing house electronic sub-register system of share transfers operated by ASX Settlement;

Control has the meaning given in section 50AA of the Corporations Act;

Corporations Act means the *Corporations Act 2001* (Cth);

Court means the Federal Court of Australia or such other court of competent jurisdiction under the Corporations Act as the parties agree in writing;

Deed Poll means the deed poll executed by Silvercorp substantially in the form of Annex 2 of the Scheme Implementation Deed or in such other form as the parties agree in writing;

Depository means CHESS Depository Nominees Pty Limited (ACN 071 346 506);

Effective, when used in relation to the Scheme, means the coming into effect pursuant to section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Scheme;

Effective Date means the date the Scheme becomes Effective;

Encumbrance means any security interest (within the meaning of section 51A of the Corporations Act) and any option, right to acquire, right of pre-emption, assignment by way of security, trust arrangement for the purpose of providing security, retention arrangement or other security interest of any kind, and any agreement to create any of the foregoing;

End Date means the date that is 8 months after the date of the Scheme Implementation Deed, or such other date as the parties agree in writing;

Excluded Shares means any OreCorp Share held by any member of the Silvercorp Group, or any other person on behalf of or for the benefit of any member of the Silvercorp Group;

FCC means the Tanzanian Fair Competition Commission;

FIRB means the Australian Foreign Investment Review Board;

Government Agency means any foreign or Australian government, any department, officer or minister of any government and any governmental, semi-governmental, administrative, fiscal, judicial or quasi-judicial agency, authority, board, commission, tribunal or entity, and includes any Relevant Exchange, ASIC, the Takeovers Panel, FIRB, FCC, the Australian Taxation Office, the Business Registrations and Licencing Agency of Tanzania and any state or territory revenue offices;

Immediately Available Funds means cash, bank cheque or telegraphic or other electronic means of transfer or cleared funds into a bank account;

Implementation Date means the date which is 5 Business Days after the Record Date, or such other date after the Record Date as the parties agree in writing;

Ineligible Foreign Shareholder means a Scheme Shareholder whose address, as shown on the Register as at the Record Date, is a place outside:

- (a) Australia and its external territories;
- (b) New Zealand;
- (c) the United Kingdom;
- (d) Canada; and
- (e) such other jurisdiction as agreed by the parties,

unless Silvercorp (in consultation with OreCorp) determines that it is lawful and not unduly onerous or impracticable to issue that Scheme Shareholder with New Silvercorp Shares or New Silvercorp CDIs (as applicable) on implementation of the Scheme;

Ineligible Shareholder means an Ineligible Foreign Shareholder or an Unmarketable Parcel Shareholder;

New Silvercorp CDI means a Silvercorp CDI to be issued to CDI Elected Shareholders under the Scheme (if any);

New Silvercorp Share means a Silvercorp Share to be issued under the Scheme to Scheme Shareholders other than CDI Elected Shareholders as Scrip Consideration;

Nominee Parcel has the meaning given in clause 6.2(e);

NYSE means the NYSE American stock exchange;

OreCorp Constitution means the constitution of OreCorp;

OreCorp Share means a fully paid ordinary share in the issued share capital of OreCorp;

OreCorp Shareholder means a person who is registered in the Register as the holder of one or more OreCorp Shares from time to time;

Record Date means 7.00pm on the date which is 2 Business Days after the Effective Date or any other date as the parties agree in writing;

Register means the register of OreCorp Shares maintained by Automic Pty Ltd on behalf of OreCorp;

Registry means Automic Pty Ltd or such other person nominated by OreCorp to maintain the Register;

Related Entity means:

- (a) in respect of Silvercorp, an entity that:
 - (i) Controls Silvercorp;
 - (ii) is under the Control of Silvercorp; or
 - (iii) is under the Control of another entity that also Controls Silvercorp,but does not, for the avoidance of doubt, include New Pacific Metals Corp. or Tincorp Metals Inc.; and
- (b) in respect of OreCorp, an entity that is under the Control of OreCorp;

Relevant Exchange means, in the case of:

- (a) OreCorp, ASX; and
- (b) Silvercorp, TSX and NYSE (and in respect of the ASX Quotation, ASX);

Sale Agent means a person appointed by Silvercorp, in consultation with OreCorp, to sell the Sale Shares under clause 6.5;

Sale Proceeds means the gross proceeds of sale of the Sale Shares under clause 6.5(a), less any applicable taxes and charges incurred by Silvercorp or the Sale Agent in connection with the sale of the Sale Shares under clause 6.5(a);

Sale Shares means the New Silvercorp Shares to which Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders would have been entitled under the Scheme but for the operation of clause 6.5(a);

Scheme means this scheme of arrangement under Part 5.1 of the Corporations Act under which all of the Scheme Shares will be transferred to Silvercorp and the Scheme Shareholders will be entitled to receive the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by the parties in accordance with clause 11.3 of the Scheme;

Scheme Booklet means the explanatory memorandum to be approved by the Court and sent to OreCorp Shareholders in advance of the Scheme Meeting;

Scheme Consideration means the consideration payable by Silvercorp for the transfer of each Scheme Share held by a Scheme Shareholder, being the Cash Consideration and the Scrip Consideration;

Scheme Implementation Deed means the scheme implementation deed dated 5 August 2023 between Silvercorp and OreCorp under which, amongst other things, OreCorp has agreed to propose the Scheme to OreCorp Shareholders and each of Silvercorp and OreCorp have agreed to take certain steps to give effect to the Scheme, a copy of which was released to ASX on 6 August 2023;

Scheme Meeting means the meeting of OreCorp Shareholders ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act in respect of the Scheme;

Scheme Shareholder means a person who is registered in the Register as the holder of one or more Scheme Shares as at the Record Date;

Scheme Share Transfer means, for each Scheme Shareholder, a duly completed and executed instrument of transfer in respect of the Scheme Shares held by the Scheme Shareholder for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Scheme Shares;

Scheme Shares means all of the OreCorp Shares on issue at 7.00pm on the Record Date other than Excluded Shares;

Scrip Consideration means, in respect of each Scheme Shareholder:

- (a) where clause 2.4 of the Scheme Implementation Deed does not apply, 0.0967 New Silvercorp Shares for each Scheme Share held; or
- (b) where clause 2.4 of the Scheme Implementation Deed applies and:
 - (i) where that Scheme Shareholder is not a CDI Elected Shareholder, 0.0967 New Silvercorp Shares for each Scheme Share held; and
 - (ii) where that Scheme Shareholder is a CDI Elected Shareholder, 0.0967 New Silvercorp CDIs for each Scheme Share;

Second Court Date means the first day on which the application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme is heard or scheduled to be heard or, if the application is adjourned for any reason, the date on which the adjourned application is heard or scheduled to be heard;

Silvercorp means Silvercorp Metals Inc. a company incorporated in British Columbia with Business Number 131033920 of Suite 1750-1066, W. Hastings Street, Vancouver, British Columbia, Canada V6E 3X1;

Silvercorp Articles means the articles of Silvercorp;

Silvercorp CDI means a CHESS Depositary Interest, being a unit of beneficial ownership in a Silvercorp Share (in the form of a CHESS Depositary Interest) registered in the name of the Depositary;

Silvercorp Group means Silvercorp and its Related Entities;

Silvercorp Register means the register of holders of Silvercorp Shares maintained by or on behalf of Silvercorp;

Silvercorp Share means a fully paid common share in Silvercorp;

TSX means the Toronto Stock Exchange; and

Unmarketable Parcel Shareholder means a Scheme Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of OreCorp Shares on the Record Date would, on implementation of the Scheme, be entitled to receive less than a marketable parcel (as that term is defined in the ASX Listing Rules) of New Silvercorp Shares or New Silvercorp CDIs (assessed by reference to the price of Silvercorp Shares on the TSX at the close of trading on the trading day prior to the Record Date) as Scrip Consideration.

1.2 Things required to be done other than on a Business Day

Unless otherwise indicated, if the day on which any act, matter or thing is to be done under this document is a day other than a Business Day, that act, matter or thing must be done on or by the next Business Day.

1.3 Other rules of interpretation

In this document:

- (a) any reference, express or implied, to any legislation in any jurisdiction includes:
 - (i) that legislation as amended, extended or applied by or under any other legislation made before or after the date of this document;
 - (ii) any legislation which that legislation re-enacts with or without modification; and
 - (iii) any subordinate legislation made before or after the date of this document under that legislation, including (where applicable) that legislation as amended, extended or applied as described in subclause 1.3(a)(i), or under any legislation which it re-enacts as described in subclause 1.3(a)(ii);
- (b) references to persons or entities include natural persons, bodies corporate, partnerships, trusts and unincorporated associations of persons;
- (c) references to an individual or a natural person include his estate and personal representatives;
- (d) the schedules and annexes form part of this document and, unless otherwise indicated, a reference to a clause, subclause, schedule or annex is a reference to a clause, subclause, schedule or annex of or to this document;

- (e) references to a party to this document include the successors or assigns (immediate or otherwise) of that party;
- (f) a reference to any time is, unless otherwise indicated, a reference to that time in Perth, Western Australia;
- (g) a reference to A\$ or dollars is to Australian currency;
- (h) singular words include the plural and vice versa;
- (i) a word of any gender includes the corresponding words of any other gender;
- (j) if a word or phrase is defined, other grammatical forms of that word have a corresponding meaning;
- (k) general words must not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words; and
- (l) the headings do not affect interpretation.

2. PRELIMINARY

2.1 OreCorp

- (a) OreCorp is:
 - (i) a public company limited by shares;
 - (ii) incorporated in Australia and registered in Western Australia; and
 - (iii) admitted to the official list of the ASX and OreCorp Shares are quoted on the ASX.
- (b) As at 4 August 2023, OreCorp had on issue:
 - (i) 398,997,558 OreCorp Shares;
 - (ii) 3,725,257 options to subscribe for new OreCorp Shares; and
 - (iii) 4,087,106 performance rights (being entitlements granted by OreCorp for the holder to be allocated an OreCorp Share subject to the satisfaction of any applicable vesting conditions on issue).

2.2 Silvercorp

- (a) Silvercorp is:
 - (i) a company incorporated in British Columbia, Canada; and
 - (ii) its common shares are listed and posted for trading on the TSX and NYSE.

2.3 Scheme Implementation Deed and Deed Poll

- (a) Silvercorp and OreCorp have entered into the Scheme Implementation Deed to implement the terms of the Scheme.

- (b) OreCorp has agreed in the Scheme Implementation Deed to propose a scheme of arrangement between OreCorp and the holders of Scheme Shares, the effect of which will be that all Scheme Shares will be transferred to Silvercorp and Silvercorp will provide or procure the provision of the Scheme Consideration to Scheme Shareholders.
- (c) The Scheme attributes actions to Silvercorp but does not itself impose an obligation on Silvercorp to perform those actions. Silvercorp has executed the Deed Poll under which it has covenanted in favour of Scheme Shareholders to perform its obligations under the Scheme, including the provision of Scheme Consideration to the Scheme Shareholders.

2.4 Nomination of acquirer wholly-owned subsidiary

Within 5 Business Days after the date on which the first draft of the Scheme Booklet is provided to Silvercorp in accordance with the Scheme Implementation Deed, Silvercorp may nominate any wholly-owned subsidiary of Silvercorp (**Silvercorp Nominee**) to acquire Scheme Shares under the Scheme by providing a written notice which sets out the details of the Silvercorp Nominee to OreCorp. If Silvercorp decides to nominate the Silvercorp Nominee to acquire the Scheme Shares then:

- (a) references in this Scheme to Silvercorp acquiring the Scheme Shares under the Scheme are to be read as references to the Silvercorp Nominee doing so;
- (b) Silvercorp must procure that the Silvercorp Nominee complies with all of the relevant obligations of Silvercorp under the Scheme; and
- (c) any such nomination will not relieve Silvercorp of its obligations under this Scheme, including the obligation to provide (or procure the provision of) the Scheme Consideration in accordance with the terms of this Scheme provided that Silvercorp will not be in breach of this Scheme for failing to perform an obligation of Silvercorp if that obligation is fully discharged by the Silvercorp Nominee.

3. CONDITIONS PRECEDENT

3.1 Conditions precedent to the Scheme

The Scheme is conditional on and will not come into effect unless and until each of the following conditions precedent is satisfied:

- (a) as at 8.00am on the Second Court Date, the Scheme Implementation Deed and Deed Poll not having been terminated in accordance with their respective terms;
- (b) all of the conditions set out in clause 3.1 of the Scheme Implementation Deed (other than the condition relating to the Court having approved the Scheme in accordance with section 411(4)(b) of the Corporations Act set out in clause 3.1(a) of the Scheme Implementation Deed) have been satisfied or waived in accordance with the terms of the Scheme Implementation Deed;
- (c) the Court approves the Scheme pursuant to section 411(4)(b) of the Corporations Act, with or without modification and, if applicable, OreCorp and Silvercorp having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act; and
- (d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to the Scheme.

3.2 Conditions precedent and operation of clause 5 of the Scheme

The satisfaction of each condition set out in clause 3.1 of the Scheme is a condition precedent to the operation of clause 5 of the Scheme.

3.3 Confirmations in relation to conditions

- (a) On the Second Court Date, each of OreCorp and Silvercorp must provide to the Court a certificate, or such other evidence as the Court requests, confirming (in respect of the matters within their knowledge) whether or not the conditions set out in clause 3.1 of the Scheme (other than the conditions set out in clauses 3.1(c) and (d)) have been satisfied or waived as at 8.00am on the Second Court Date.
- (b) Unless the Court requires otherwise, the certificates provided by OreCorp and Silvercorp under this clause 3.3 will constitute conclusive evidence as to whether or not those conditions referred to in clause 3.1 of the Scheme (other than the conditions set out in clauses 3.1(c) and (d)) have been satisfied or waived as at 8.00am on the Second Court Date.

4. THE SCHEME

4.1 Effect of the Scheme

If the Scheme becomes Effective then:

- (a) all of the Scheme Shares (together with all rights and entitlements attaching to them as at the Implementation Date) will be transferred to Silvercorp without the need for any further act by any Scheme Shareholder (other than acts performed by OreCorp as attorney and agent for Scheme Shareholders under clause 11.1) and OreCorp will enter Silvercorp's name in the Register as the holder of the Scheme Shares;
- (b) the transfer of Scheme Shares will be taken to be effective on the Implementation Date;
- (c) in consideration for the transfer of each of the Scheme Shares to Silvercorp, each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each Scheme Share registered in the name of that Scheme Shareholder as at the Record Date; and
- (d) Silvercorp will provide the Scheme Consideration to each Scheme Shareholder in accordance with the terms of the Scheme.

4.2 Acknowledgment and agreement by Scheme Shareholders

- (a) Each Scheme Shareholder irrevocably:
 - (i) acknowledges that the Scheme binds OreCorp and all Scheme Shareholders (including those Scheme Shareholders who do not attend the Scheme Meeting or do not vote at, or vote against the Scheme, at the Scheme Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the OreCorp Constitution; and
 - (ii) agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, to Silvercorp in accordance with the Scheme.
- (b) Each Scheme Shareholder also provides the authorities and acknowledgements in clause 11.2 (to the extent applicable).

4.3 Effective Date

Subject to clause 4.4, the Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

4.4 End Date

The Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or
- (b) the Scheme Implementation Deed or Deed Poll is terminated in accordance with its respective terms before 8.00am on the Second Court Date.

5. IMPLEMENTATION OF THE SCHEME

5.1 Lodgement of orders

If the conditions set out in clause 3.1 of the Scheme (other than the condition in clause 3.1(d) of the Scheme) are satisfied, OreCorp must lodge with ASIC, in accordance with section 411(10) of the Corporations Act, an office copy of the Court orders made under section 411(4)(b) of the Corporations Act approving the Scheme as soon as practicable after such orders are made and, in any event, by 12.00pm on the first Business Day after the day on which the Court approves the Scheme or such later time as OreCorp and Silvercorp may agree in writing.

5.2 Transfer and registration of Scheme Shares

On the Implementation Date, subject to the provision of the Scheme Consideration for the Scheme Shares in accordance with clause 6 of the Scheme and Silvercorp having provided OreCorp with written confirmation of the provision of Scheme Consideration:

- (a) all Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to Silvercorp, without the need for any further act by any Scheme Shareholder (other than the acts performed by OreCorp as attorney and agent for Scheme Shareholders), by:
 - (i) OreCorp delivering to Silvercorp duly completed and executed Scheme Share Transfer executed on behalf of the Scheme Shareholders by OreCorp, for registration;
 - (ii) Silvercorp duly executing the Scheme Share Transfer and delivering the Scheme Share Transfer to OreCorp for registration; and
- (b) as soon as practicable after receipt of the duly executed Scheme Share Transfer OreCorp will procure that Silvercorp's name is entered in the Register in respect of all of the Scheme Shares transferred to Silvercorp in accordance with the terms of the Scheme.

5.3 Entitlement to Scheme Consideration

On the Implementation Date, in consideration for the transfer to Silvercorp of the Scheme Shares, each Scheme Shareholder will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clause 6 of the Scheme.

5.4 Beneficial entitlement to Scheme Shares

Subject to provision of the Scheme Consideration in accordance with clause 6 of the Scheme, on and from the Implementation Date, Silvercorp will be beneficially entitled to the Scheme Shares

transferred to it under the Scheme pending the entry of Silvercorp's name in the Register as the holder of the Scheme Shares.

5.5 Transfer free from Encumbrances

To the extent permitted by law, all Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to Silvercorp under this Scheme will, at the date of the transfer of them to Silvercorp, vest in Silvercorp free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

6. SCHEME CONSIDERATION

6.1 Provision of Scheme Consideration

- (a) Subject to the Scheme becoming Effective, in consideration of the transfer to Silvercorp of each Scheme Share held by a Scheme Shareholder, on the Implementation Date Silvercorp will provide the Scheme Consideration to each Scheme Shareholder for each Scheme Share held by it. The obligation of Silvercorp to provide or procure the provision of the Scheme Consideration to Scheme Shareholders will be satisfied as follows:
 - (i) in respect of the Cash Consideration:
 - (A) no later than 5.00pm on the Business Day before the Implementation Date, Silvercorp will deposit or procure the deposit, in Immediately Available Funds into an account established by or on behalf of OreCorp, the A\$ amount equal to the Cash Consideration multiplied by the number of Scheme Shares, to be held on trust for Scheme Shareholders and for the purpose of paying the Cash Consideration to the Scheme Shareholders in accordance with the Scheme. Any interest earned on the amount deposited by Silvercorp will be for the account of Silvercorp;
 - (B) on the Implementation Date, and subject to the receipt of the aggregate amount of Cash Consideration, OreCorp will pay to each Scheme Shareholder from the account referred to in subclause 6.1(a)(i)(A) the Cash Consideration in respect of each Scheme Share registered in the name of that Scheme Shareholder as at the Record Date; and
 - (C) the payment referred to in subclause 6.1(a)(i)(B) will be satisfied by OreCorp (acting in its absolute discretion and notwithstanding any election or authority referred to in paragraphs I or II below):
 - I. paying or procuring the payment of, the relevant amount in Australian currency by electronic transfer to a bank account nominated by the Scheme Shareholder, where the Scheme Shareholder has made a valid election prior to the Record Date in accordance with the requirements of the Registry to receive dividend payments from OreCorp into that bank account; or
 - II. paying or procuring the payment of, the relevant amount in Australian currency by electronic transfer to a bank account nominated by the Scheme Shareholder by an appropriate authority received from the Scheme Shareholder to OreCorp; or

- III. sending or procuring the despatch to each Scheme Shareholder by prepaid post to the address of the Scheme Shareholder recorded in the Register as at the Record Date of a pre-printed cheque for the aggregate amount of Cash Consideration due to that Scheme Shareholder in accordance with the Scheme; and
 - (ii) in respect of the Scrip Consideration payable in the form of New Silvercorp Shares (other than to Ineligible Shareholders):
 - (A) on the Implementation Date, Silvercorp must:
 - I. issue such number of New Silvercorp Shares to which the Scheme Shareholder is entitled as Scrip Consideration; and
 - II. enter into the Silvercorp Register the name and address of the Scheme Shareholder in respect of the New Silvercorp Shares issued to that Scheme Shareholder; and
 - (B) as soon as practicable, after the Implementation Date, Silvercorp must send a direct registration statement to relevant Scheme Shareholders reflecting the New Silvercorp Shares that are held by the relevant Scheme Shareholder.
 - (iii) in respect of the Scrip Consideration payable in the form of New Silvercorp CDIs (if any), on the Implementation Date, Silvercorp must:
 - (A) issue to the Depositary to be held on trust that number of New Silvercorp Shares that will enable the Depositary to issue the New Silvercorp CDIs as contemplated by clause 6.1(a)(iii)(C);
 - (B) procure that the name and address of the Depositary is entered into the Silvercorp Register in respect of those New Silvercorp Shares on the Implementation Date and that a direct registration statement in the name of the Depositary representing those New Silvercorp Shares is issued to the Depositary;
 - (C) procure that on the Implementation Date the Depositary issues to each such Scheme Shareholder the number of New Silvercorp CDIs to which it is entitled under this clause 6;
 - (D) procure that on the Implementation Date the name of each such Scheme Shareholder is entered into the records maintained by the Depositary as the holder of the New Silvercorp CDIs to which it is entitled under this clause 6;
 - (E) in the case of each Scheme Shareholder who held OreCorp Shares on the CHESS subregister, procure that the New Silvercorp CDIs are held on the CHESS subregister on the Implementation Date and send or procure the sending of an allotment advice that sets out the number of New Silvercorp CDIs issued and procure that ASX Settlement will provide, at the end of the month of allotment, a CDI holding statement confirming the number of New Silvercorp CDIs held on the CHESS subregister by that Scheme Shareholder; and
 - (F) in the case of each Scheme Shareholder who held OreCorp Shares on the issuer sponsored subregister, procure that the New Silvercorp CDIs are held on the issuer sponsored subregister on the Implementation Date and send or

procure the sending of a CDI holding statement to each Scheme Shareholder which sets out the number of New Silvercorp CDIs held on the issuer sponsored subregister by that Scheme Shareholder; and

(iv) in respect of the Scrip Consideration payable in the form of New Silvercorp Shares to Ineligible Shareholders, Silvercorp must:

(A) on the Implementation Date:

I. issue such aggregate number of New Silvercorp Shares to which the Ineligible Shareholders are entitled as Scrip Consideration to the Sale Agent;

II. enter into the Silvercorp Register the name and address of the Sale Agent in respect of the New Silvercorp Shares issued to the Sale Agent;

(B) as soon as practicable, after the Implementation Date, Silvercorp must send a direct registration statement to the Sale Agent reflecting the New Silvercorp Shares that are held by the Sale Agent; and

(C) procure that the Sale Agent sells those New Silvercorp Shares on behalf of the Ineligible Shareholders and remits the Sale Proceeds in accordance with clause 6.5.

6.2 CDI Election Procedure for Scrip Consideration

- (a) Subject to the remaining provisions of this clause 6.2, each Scheme Shareholder will be entitled to elect to receive, as Scrip Consideration for the transfer of its Scheme Shares to Silvercorp under the Scheme, New Silvercorp CDIs instead of New Silvercorp Shares by completing a CDI Election Form and returning it to the specified address such that it is received by 5.00pm on the date that is 2 Business Days before the Record Date. An election under this clause 6.2(a) must be made in accordance with the terms and conditions set out on the CDI Election Form. Any election validly made in accordance with the terms and conditions of the CDI Election Form is subject to clause 6.3.
- (b) An Ineligible Shareholder is not permitted to make any election pursuant to this clause 6.2 and any election purported to be made by an Ineligible Shareholder will be invalid and of no effect. Ineligible Shareholders will receive New Silvercorp Shares and those New Silvercorp Shares will be dealt with in accordance with clause 6.5.
- (c) To avoid doubt, a Scheme Shareholder (other than an Ineligible Shareholder) who does not validly elect to receive New Silvercorp CDIs will receive New Silvercorp Shares as Scrip Consideration, for the transfer of its Scheme Shares.
- (d) Subject to clause 6.2(e), a CDI Election made by a Scheme Shareholder under this clause 6.2 will be deemed to apply in respect of the Scheme Shareholder's entire registered holding of Scheme Shares at the Record Date, regardless of whether the Scheme Shareholder's holding of Scheme Shares at the Record Date is greater or less than the Scheme Shareholder's holding at the time of the CDI Election.
- (e) A Scheme Shareholder who is noted on the Register as holding one or more parcels of OreCorp Shares as trustee or nominee for, or otherwise on account of, another person, may make separate elections under this clause 6.2 in relation to each of those parcels of OreCorp Shares (each a **Nominee Parcel**) (subject to it providing OreCorp and Silvercorp with any

substantiating information they reasonably require), and a CDI Election made by a Scheme Shareholder in respect of a Nominee Parcel, or an omission to make a CDI Election in respect of a Nominee Parcel, will not be taken to extend to any other Nominee Parcel held by that Scheme Shareholder.

- (f) OreCorp may, with the agreement of Silvercorp, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any CDI Election, and any such decision will be conclusive and binding on OreCorp, Silvercorp and the relevant Scheme Shareholder.

6.3 ASX Quotation

- (a) Under the Scheme Implementation Deed, Silvercorp is required to use reasonable endeavours, including making relevant applications, to apply for ASX Quotation.
- (b) In the event that ASX has not formally approved the ASX Quotation (conditional only on implementation of the Scheme, the issue of the Scrip Consideration and customary pre-quotation disclosures) by no later than 5.00pm on the Business Day before the Second Court Date:
 - (i) any CDI Election made by a Scheme Shareholder to receive New Silvercorp CDIs as Scrip Consideration for the transfer of its Scheme Shares to Silvercorp under clause 6.2 shall be void and of no effect; and
 - (ii) to avoid doubt, such Scheme Shareholder will receive New Silvercorp Shares as Scrip Consideration for the transfer of its Scheme Shares to Silvercorp.

6.4 Fractional entitlements

- (a) Where the calculation of the number of New Silvercorp Shares or New Silvercorp CDIs to be issued to a particular Scheme Shareholder would result in the Scheme Shareholder becoming entitled to a fraction of a New Silvercorp Share or a New Silvercorp CDI, the fractional entitlement will be rounded up or down to the nearest whole number of New Silvercorp Shares or New Silvercorp CDIs, with any such fractional entitlement of less than 0.5 being rounded down to the nearest whole number of New Silvercorp Shares or New Silvercorp CDIs and any such fractional entitlement of 0.5 or more being rounded up to the nearest whole number of New Silvercorp Shares or New Silvercorp CDIs.
- (b) If OreCorp and Silvercorp are of the opinion (acting reasonably) that two or more Scheme Shareholders (each of whom holds a number of OreCorp Shares which results in a fractional entitlement to New Silvercorp Shares or New Silvercorp CDIs) have, before the Record Date, been party to a shareholding splitting or division in an attempt to obtain an advantage by reference to the rounding provided for in the calculation of each Scheme Shareholder's entitlement to the Scheme Consideration, Silvercorp may direct OreCorp to give notice to those Scheme Shareholders:
 - (i) setting out the names and registered addresses as set out in the Register;
 - (ii) stating that opinion; and
 - (iii) attributing to one of them specifically identified in the notice the OreCorp Shares held by them,

and, after the notice has been given, the Scheme Shareholder specifically identified in the notice shall, for the purposes of the Scheme, be taken to hold all those OreCorp Shares and

each of the other Scheme Shareholders whose names are set out in the notice shall, for the purposes of the Scheme, be taken to hold no OreCorp Shares. Silvercorp, in complying with the provisions of the Scheme relating to it in respect of the Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Scheme Shares, will be taken to have satisfied and discharged its obligations to the other Scheme Shareholders named in the notice under the terms of the Scheme.

6.5 Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders

- (a) Where a Scheme Shareholder is an Ineligible Shareholder, each Ineligible Shareholder authorises Silvercorp to:
 - (i) issue the Scrip Consideration to which any Ineligible Shareholder would otherwise have been entitled as part of the Scheme Consideration to the Sale Agent in the form of New Silvercorp Shares;
 - (ii) procure that as soon as reasonably practicable after the Implementation Date (and in any event within 20 days on which the Silvercorp Shares are capable of being traded on TSX), the Sale Agent sells on the TSX the New Silvercorp Shares issued to it in such manner, at such price and on such other terms as the Sale Agent determines in good faith;
 - (iii) procure that the Sale Agent, as soon as reasonably practicable after settlement (and in any event within 10 Business Days) remits the Sale Proceeds to Silvercorp; and
 - (iv) promptly after all of the Sale Proceeds have been remitted to Silvercorp by the Sale Agent in accordance with clause 6.5(a)(iii) (following the last sale of such New Silvercorp Shares), pay each Ineligible Shareholder an amount in Australian dollars equal to the proportion of the Sale Proceeds received by Silvercorp pursuant to clause 6.5(a)(iii) to which that Ineligible Shareholder is entitled to receive in full satisfaction of their entitlement to receive Scrip Consideration.
- (b) Each Ineligible Shareholder appoints OreCorp as its agent to receive, on its behalf, any financial services guide or other notice (and any updates to such documents) that the Sale Agent is required to provide to Ineligible Shareholders under the Corporations Act.

6.6 Joint holders

Where Scheme Shares are held in joint names:

- (a) any New Silvercorp Shares or New Silvercorp CDIs to be issued under the Scheme are to be issued to, and registered in the names of, the joint holders and entry into the Silvercorp Register must be in the same order as the holders' names currently appear in the Register;
- (b) any cheque that is required to be sent to a Scheme Shareholder under the Scheme must be payable to the joint holders and sent to the address of the holder whose name first appears in the Register as at the Record Date; and
- (c) any document required to be sent under the Scheme will be sent to the address of the holder whose name first appears in the Register as at the Record Date.

6.7 Binding instructions or notification

To the extent not prohibited by law (and including where permitted by any Government Agency), all instructions, notifications and elections made by a Scheme Shareholder to OreCorp in relation to the

Scheme Shares that are binding (or deemed to be binding) between the Scheme Shareholder and OreCorp, including in relation to:

- (a) the payment of dividends by cheque or by electronic funds transfer to a nominated bank account;
- (b) payments of dividends on OreCorp Shares; and
- (c) notices or other communications from OreCorp (including by email),

as at the Record Date will, except to the extent determined otherwise by Silvercorp in its sole discretion, be deemed to be an instruction, notification or election (as applicable) that is binding on, and accepted by, Silvercorp in respect of the New Silvercorp Shares or New Silvercorp CDIs (as the case may be) issued to the Scheme Shareholder as Scheme Consideration until such time as that instruction, notification or election is revoked or amended in writing addressed to Silvercorp and provided that, any such instruction, notification or election accepted by Silvercorp will only apply to the New Silvercorp Shares and New Silvercorp CDIs to the extent that they are:

- (d) not inconsistent with any other provision of the Scheme; and
- (e) recognised under Canadian law or the Silvercorp Articles.

7. DEALINGS IN ORECORP SHARES

7.1 Recognition of dealings

- (a) To establish the identity of the Scheme Shareholders, dealings in OreCorp Shares or other alterations to the Register will only be recognised by OreCorp if:
 - (i) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant OreCorp Shares on or before the Record Date; and
 - (ii) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Register is kept.
- (b) OreCorp must register registrable transmission applications or transfers of OreCorp Shares of the kind referred to in clause 7.1(a)(ii) by the Record Date.

7.2 Dealings after Record Date

- (a) If the Scheme becomes Effective, a holder of Scheme Shares (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Record Date except as set out in the Scheme and any such disposal will be void and of no legal effect whatsoever.
- (b) OreCorp will not accept for registration, or recognise for any purpose, any transmission application, transfer or other request in respect of OreCorp Shares received:
 - (i) after the Record Date; or
 - (ii) prior to the Record Date but not in registrable or actionable form,

other than a transfer of OreCorp Shares to Silvercorp pursuant to the Scheme or any subsequent transfer by Silvercorp to its successors in title.

7.3 Maintenance of Register

- (a) For the purpose of determining entitlements to the Scheme Consideration, OreCorp must maintain the Register in accordance with the provisions of this clause 7.3(a) until the Scheme Consideration has been issued or paid (as the case may be) to all Scheme Shareholders and Silvercorp has been entered into the Register as the holder of all the Scheme Shares. The Register in this form will solely determine entitlements to the Scheme Consideration.
- (b) As soon as possible on or after the Record Date, and in any event by 5.00pm on the third Business Day after the Record Date, OreCorp must make available to Silvercorp in the form Silvercorp reasonably requires details of the names, registered addresses and holdings of Scheme Shares for each Scheme Shareholder as shown in the Register on the Record Date.

7.4 Holding statements and Register entries

- (a) Subject to the provision of the Scheme Consideration and registration of the transfer of Scheme Shares to Silvercorp, as contemplated in clauses 5.2 and 7.3 of the Scheme, with effect from the Record Date all statements of holding for Scheme Shares will cease to have effect as documents of title in respect of those shares (other than statements of holding in favour of Silvercorp or its successors in title).
- (b) Following the Record Date, each entry on the Register current at that date (other than entries in respect of Silvercorp or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

8. WARRANTIES

- (a) Each Scheme Shareholder warrants to Silvercorp and is deemed to have authorised OreCorp to warrant to Silvercorp (in OreCorp's capacity as agent and attorney for the Scheme Shareholder) that:
 - (i) all of the Scheme Shares registered in the name of that Scheme Shareholder as at the Record Date (including all rights and entitlements attaching to them as at the Implementation Date) which are transferred to Silvercorp under the Scheme will, at the date of transfer, be fully paid and free from all Encumbrances or interests of third parties of any kind, whether legal or otherwise, and from all other restrictions on transfer; and
 - (ii) that Scheme Shareholder has full power and capacity to sell and transfer those Scheme Shares (together with all rights and entitlements attaching to them as at the Implementation Date) to Silvercorp under the Scheme.
- (b) OreCorp undertakes that it will provide such warranty to Silvercorp as agent and attorney of each Scheme Shareholder.

9. APPOINTMENT OF PROXY

- (a) Subject to the provision of the Scheme Consideration as contemplated by clauses 5.2 and 6 of the Scheme, on and from the Implementation Date and until Silvercorp's name is entered in the Register as the holder of all of the Scheme Shares, each Scheme Shareholder:
 - (i) irrevocably appoints OreCorp as attorney and agent (and directs OreCorp in such capacity), to appoint Silvercorp and any director or officer of Silvercorp (acting jointly or individually) as its sole proxy and, where applicable, corporate representative, of

that Scheme Shareholder to attend shareholders' meetings, exercise the votes attaching to the Scheme Shares registered in the name of that Scheme Shareholder and sign shareholders' resolutions;

- (ii) undertakes not to attend any shareholders' meeting or exercise the votes attaching to the Scheme Shares registered in the name of that Scheme Shareholder or sign any shareholders' resolutions, whether in person, by proxy or corporate representative (other than pursuant to this clause 9);
 - (iii) must take all other actions as registered holder of those Scheme Shares as Silvercorp reasonably directs; and
 - (iv) acknowledges and agrees that in exercising the powers conferred under this clause 9, Silvercorp and any director, officer or corporate representative of Silvercorp may act in the best interests of Silvercorp as the intended registered holder of the Scheme Shares.
- (b) OreCorp undertakes in favour of each Scheme Shareholder that in accordance with clause 9(a), it will appoint Silvercorp and any director or officer of Silvercorp (acting jointly or individually) as that Scheme Shareholder's proxy or, where applicable, corporate representative.

10. QUOTATION OF ORECORP SHARES

- (a) OreCorp will apply to ASX to suspend trading on the ASX in OreCorp Shares with effect from the close of trading on the ASX on the Effective Date.
- (b) On a date after the Implementation Date to be determined by Silvercorp, OreCorp will apply:
 - (i) for termination of the official quotation of OreCorp Shares on the ASX; and
 - (ii) to have itself removed from the official list of the ASX.

11. GENERAL SCHEME PROVISIONS

11.1 Appointment of attorney

Each Scheme Shareholder, without the need for any further act, irrevocably appoints OreCorp and all of its directors, officers and secretaries (jointly and severally) as its attorney and agent for the purpose of:

- (a) executing any document or form or doing any other act necessary to give effect to the Scheme including without limitation, the Scheme Share Transfer; and
- (b) enforcing the Deed Poll against Silvercorp,

and OreCorp accepts such appointment.

11.2 Authority and acknowledgement

In addition to the agreement and acknowledgements provided in clause 4.2, under the Scheme:

- (a) each Scheme Shareholder:

- (i) irrevocably consents to OreCorp and Silvercorp doing all things necessary for, or incidental to, the implementation of the Scheme and the transactions contemplated by it, including the execution of deeds, instruments, transfers or other documents;
 - (ii) agrees to the variation, cancellation or modification of the rights and entitlements attaching to their Scheme Shares constituted by, or resulting from, the Scheme;
 - (iii) agrees to destroy any holding statements or share certificates relating to the Scheme Shares at the direction of Silvercorp; and
 - (iv) agrees that the payment of the Scheme Consideration in accordance with clause 6 shall constitute full satisfaction of that Scheme Shareholder's entitlements under the Scheme;
- (b) each Scheme Shareholder (other than an Ineligible Shareholder) who is issued New Silvercorp Shares under this Scheme agrees to become a shareholder of Silvercorp, to have their name entered into the Silvercorp Register and to be bound by the Silvercorp Articles;
 - (c) each Scheme Shareholder (other than an Ineligible Shareholder) who is issued New Silvercorp CDIs under this Scheme agrees to become a holder of New Silvercorp CDIs; and
 - (d) each Scheme Shareholder, who is an Ineligible Shareholder agrees and acknowledges that payment to it of an amount in accordance with clause 6.5 constitutes satisfaction in full of its entitlement under this Scheme.

11.3 Consent to amendments

- (a) If the Court proposes to approve the Scheme subject to any amendments or conditions, OreCorp may, by its counsel, consent on behalf of all persons concerned (including the Scheme Shareholders) to those amendments or conditions to which Silvercorp has provided its prior written consent.
- (b) Each Scheme Shareholder agrees to any amendments or conditions to which OreCorp has consented pursuant to clause 11.2 of the Scheme.

11.4 No liability when acting in good faith

Without prejudice to either party's rights under the Scheme Implementation Deed, neither OreCorp nor Silvercorp, nor any of their respective officers, will be liable for anything done or omitted to be done in the performance of the Scheme in good faith.

11.5 Costs and duties

OreCorp must pay the costs and expenses of the Scheme, except that Silvercorp must pay any stamp, transaction and registration duties and similar charges payable under Australian law in connection with the transfer of the Scheme Shares to Silvercorp in accordance with the Scheme Implementation Deed.

11.6 Enforcement of Deed Poll

OreCorp undertakes in favour of each Scheme Shareholder to enforce the Deed Poll against Silvercorp on behalf of and as agent and attorney for the Scheme Shareholders.

11.7 Further actions

OreCorp must, at its own expense, do all things and execute all documents necessary to give full effect to the Scheme and the transactions contemplated by it and the Scheme Shareholders consent to

OreCorp doing all such things and executing all such documents and doing all other things necessary or incidental to the implementation of the Scheme.

11.8 Notices

- (a) If a notice, transfer, transmission, application, direction or other communication referred to in the Scheme is sent by post to OreCorp, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time at which it is actually received at OreCorp's registered office.
- (b) The accidental omission to give notice of the Scheme Meeting or the non-receipt of such notice by any OreCorp Shareholder will not invalidate the Scheme Meeting or the proceedings of the Scheme Meeting, unless the Court makes an order to the contrary.

12. GOVERNING LAW AND JURISDICTION

This scheme of arrangement is governed by the law applying in Western Australia. The courts having jurisdiction in Western Australia have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this scheme of arrangement and each of OreCorp and each Scheme Shareholder irrevocably submits to the non-exclusive jurisdiction of the courts having jurisdiction in Western Australia.

ANNEX 5

INDEPENDENT EXPERT'S REPORT

ORECORP LIMITED
Independent Expert's Report

12 October 2023



Financial Services Guide

12 October 2023

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by OreCorp Limited ('OreCorp' or 'the Company') to provide an independent expert's report on the proposed acquisition by Silvercorp Metals Inc. ('Silvercorp') via a scheme of arrangement ('the Scheme'). You are being provided with a copy of our report because you are a shareholder of OreCorp and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Scheme Booklet required to be provided to you by OreCorp to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$175,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in OreCorp or Silvercorp.

Other Assignments

BDO Corporate Finance (WA) Pty Ltd provided an Independent Limited Assurance Report as part of OreCorp's demerger of Solstice Minerals Limited in March 2022. We do not consider that this impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter. Fees received by BDO Corporate Finance (WA) Pty Ltd over the two years up to the date of our Report totalled \$25,000.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from OreCorp for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

We are a member of the Australian Financial Complaints Authority (AFCA) which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:

Mail:	GPO Box 3, Melbourne, VIC 3001
Free call:	1800 931 678
Website:	www.afca.org.au
Email:	info@afca.org.au
Interpreter Service:	131 450

TABLE OF CONTENTS

1.	Introduction	1
2.	Summary and Opinion	1
3.	Scope of the Report	5
4.	Outline of the Scheme	7
5.	Profile of OreCorp	10
6.	Profile of Silvercorp	16
7.	Profile of the Merged Group	26
8.	Economic analysis	27
9.	Industry analysis	32
10.	Valuation approach adopted	45
11.	Valuation of OreCorp prior to the Scheme	51
12.	Valuation of the Scheme Consideration	76
13.	Is the Scheme fair?	114
14.	Is the Scheme reasonable?	115
15.	Conclusion	119
16.	Sources of information	120
17.	Independence	120
18.	Qualifications	121
19.	Disclaimers and consents	121

Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Discount Rate for the Nyanzaga Project

Appendix 4 - Discount Rate for the Ying and GC Mines

Appendix 5 - Independent Specialist Report prepared by SRK

© 2023 BDO Corporate Finance (WA) Pty Ltd

12 October 2023

The Directors
OreCorp Limited
Suite 22, Level 1
513 Hay Street
Subiaco WA 6008

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 6 August 2023, OreCorp Limited ('OreCorp' or 'the Company') announced it had entered into a binding Scheme Implementation Deed ('SID') with Silvercorp Metals Inc. ('Silvercorp'), under which it is proposed that Silvercorp will acquire all the fully paid ordinary shares of OreCorp not held by Silvercorp or its associates, by way of a scheme of arrangement under the Corporations Act 2001 (Cth) ('the Scheme'). Under the terms of the Scheme, each OreCorp shareholder will receive A\$0.15 cash plus 0.0967 Silvercorp common shares for each OreCorp share held at the Scheme record date ('Scheme Consideration').

OreCorp and Silvercorp are both public companies, with OreCorp shares listed on the Australian Securities Exchange ('ASX'), and Silvercorp shares currently listed on the Toronto Stock Exchange ('TSX') and the New York Stock Exchange American ('NYSE American'). As part of the SID, Silvercorp has also agreed to use reasonable endeavours to apply for admission of Silvercorp to the official list of the ASX ('**ASX Quotation**'). If the ASX Quotation is approved, shareholders of OreCorp will be able to elect to receive CHESS depository interests ('**CDIs**'), which confer a beneficial interest in Silvercorp shares on a one-for-one basis. The CDIs are proposed to be traded on the ASX such that OreCorp shareholders will be able to hold their interest in Silvercorp through CDIs.

Upon implementation of the Scheme, OreCorp will become a wholly owned subsidiary of Silvercorp, and shareholders of OreCorp will receive an interest in the enlarged group ('Merged Group').

Currencies in this report are quoted in Australian Dollars ('A\$' or 'AUD'), United States Dollars ('US\$' or 'USD'), Canadian Dollars ('C\$' or 'CAD') or Chinese Yuan ('RMB') unless otherwise stated.

2. Summary and Opinion

2.1 Requirement for the report

The directors of OreCorp have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether the Scheme is fair and reasonable and in the best interests of the shareholders of OreCorp ('Shareholders').

Our Report is prepared pursuant to section 411 of the Corporations Act 2001 (Cth) and is to be included in the Scheme Booklet for OreCorp and Silvercorp, in order to assist Shareholders in their decision whether to approve the Scheme.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 60 'Schemes of arrangements' ('RG 60'), Regulatory Guide 111 'Content of expert's reports' ('RG 111') and Regulatory Guide 112 'Independence of experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Scheme as outlined in the body of this report. We have considered:

- How the value of an OreCorp share prior to the Scheme (on a controlling interest basis) compares to the value of the Scheme Consideration, being A\$0.15 cash plus 0.0967 shares in the Merged Group (on a minority interest and diluted basis);
- The likelihood of an alternative offer being made to OreCorp;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Scheme; and
- The position of Shareholders should the Scheme not proceed.

2.3 Opinion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of a superior proposal, the Scheme is fair and reasonable to Shareholders.

Therefore, in the absence of a superior proposal, we consider the Scheme to be in the best interests of Shareholders.

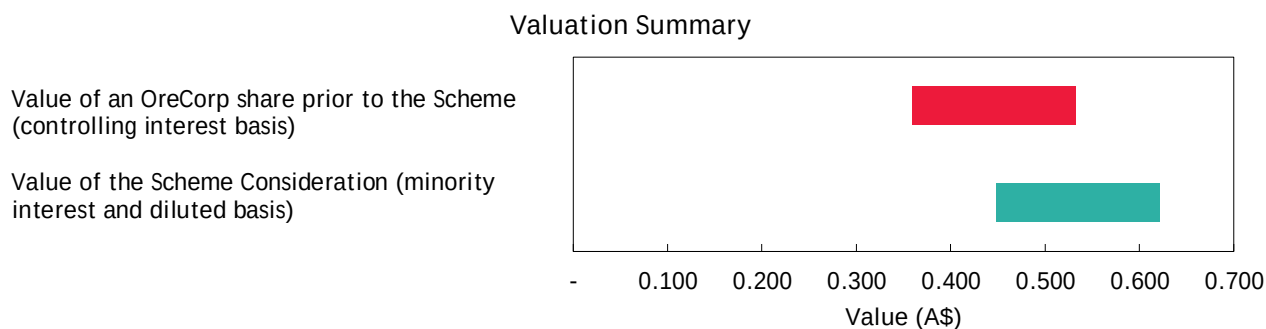
2.4 Fairness

In Section 13, we compared the value of an OreCorp share prior to the implementation of the Scheme on a controlling interest basis to the value of the Scheme Consideration, comprising 0.0967 shares in the Merged Group on a minority interest and diluted basis and A\$0.15 cash, as detailed below:

Fairness assessment	Ref	Low A\$/share	Preferred A\$/share	High A\$/share
Value of an OreCorp share prior to the Scheme (controlling interest basis)	11.1	0.360	0.443	0.533
Value of the Scheme Consideration				
Value of Scheme Scrip Consideration (minority interest and diluted basis)	12.3	0.298	0.383	0.471
Value of Scheme Cash Consideration	4	0.150	0.150	0.150
Total value of the Scheme Consideration		0.448	0.533	0.621

Source: BDO analysis

The above valuation ranges are graphically presented below:



Source: BDO analysis

The above pricing indicates that, in the absence of any other relevant information and a superior proposal, the Scheme is fair for Shareholders. We consider the Scheme to be fair for Shareholders because the value of the Scheme Consideration on a minority interest and diluted basis is greater than the value of an OreCorp share prior to the Scheme on a controlling interest basis, when a direct comparison is made between the corresponding low, preferred and high values. Therefore, we consider that the Scheme is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 14 of this report, in terms of both:

- advantages and disadvantages of the Scheme; and
- other considerations, including the position of Shareholders if the Scheme does not proceed and the consequences of not approving the Scheme.

In our opinion, the position of Shareholders if the Scheme is approved is more advantageous than the position if the Scheme is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal we believe that the Scheme is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
14.1.1	The Scheme is fair	14.2.1	Dilution of Shareholders' exposure to the potential value upside of the Nyanzaga Project
14.1.2	Silvercorp's strong balance sheet can provide funding to start the Nyanzaga Project development immediately	14.2.2	The exact value of the Scheme Consideration is not certain
14.1.3	Silvercorp's strong technical team has expertise to develop the Nyanzaga Project and pursue opportunities for optimisation		
14.1.4	Silvercorp's ability to access cash reserves, debt funding and cash generating operations will reduce potential dilution from equity fund raisings		
14.1.5	Creation of an enlarged, diversified group and potential re-rating for the Merged Group will enhance capital market relevance		
14.1.6	The cash component of the Scheme Consideration provides certainty of value for Shareholders		
14.1.7	Shareholders will gain exposure to a company that has historically paid dividends		

Other key matters we have considered include:

Section	Description
14.3	Alternative Proposal
14.4	Consequences of not approving the Scheme, being a potential decrease in the share price of OreCorp, the incurring of transaction costs and the possibility of being liable to pay a break fee to Silvercorp and the additional time required for OreCorp to source funding for the Nyanzaga Project's development
14.5	Other considerations - Holding shares in Silvercorp may not align with Shareholders' risk preferences, and legal and tax implications

3. Scope of the Report

3.1 Purpose of the Report

The Scheme is to be implemented pursuant to section 411 of the Corporations Act. Part 3 of Schedule 8 to the Corporations Act Regulations 2001 ('Regulations') prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to section 411 of the Act ('Section 411').

An independent expert's report must be obtained by a scheme company if:

- There is one or more common directors; or
- The other party to the scheme holds 30% or more of the voting shares in the scheme company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interest of the members of the company the subject of the scheme and set out the reasons for that opinion.

There are no common directors of OreCorp and Silvercorp, nor is there any party to the Scheme that holds 30% or more of the scheme company, being OreCorp. Accordingly, there is no requirement for this Report pursuant to Section 411.

Notwithstanding the fact that there is no legal requirement to engage an independent expert to report on the Scheme, the directors of OreCorp have requested that BDO prepare this report as if it were an independent expert's report pursuant to Section 411 and to provide an opinion as to whether the Scheme is fair and reasonable and in the best interests of Shareholders.

The requirement for an independent expert's report is also a condition precedent in the SID, which states that, for the Scheme to proceed, the independent expert must conclude that the Scheme is in the best interests of Shareholders.

3.2 Regulatory guidance

Neither the Act nor the Regulations defines the term 'in the best interests of'. In determining whether the Scheme is in the best interests of Shareholders, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover bid and is therefore representative of a change of 'control' transaction.

In the circumstance of a scheme that achieves the same outcome as a takeover bid, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover. Independent expert reports required under the Act in the circumstance of a takeover are required to provide an opinion as to whether or not the takeover bid is 'fair and reasonable'. While there is no definition of 'fair and reasonable', RG 111 provides some guidance as to how the terms should be interpreted in a range of circumstances.

RG 111 suggests that an opinion as to whether transactions are fair and reasonable should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to effect the transaction.

Schemes of arrangement pursuant to Section 411 can encompass a wide range of transactions. Accordingly, 'in the best interests' must be capable of a broad interpretation to meet the particular

circumstances of each transaction. This involves a judgment on the part of the expert as to the overall commercial effect of the transaction, the circumstances that have led to the transaction and the alternatives available. The expert must weigh up the advantages and disadvantages of the proposed transaction and form an overall view as to whether shareholders are likely to be better off if the proposed transaction is implemented than if it is not. This assessment is the same as that required for a 'fair and reasonable' assessment in the case of a takeover. If the expert would conclude that a proposal was 'fair and reasonable'; if it was in the form of a takeover bid, the expert will also be able to conclude that the scheme is in the best interests of shareholders. An opinion of 'in the best interests' does not imply the best possible outcome for shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in three parts:

- A comparison between the value of an OreCorp share including a premium for control and the value of the Scheme Consideration, comprising cash of A\$0.15 and 0.0967 shares in the Merged Group on a minority interest and diluted basis (fairness - see Section 13 'Is the Scheme Fair?');
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the Scheme, after reference to the value derived above (reasonableness - see Section 14 'Is the Scheme Reasonable?'); and
- A consideration of whether the Scheme is in the best interests of Shareholders.

RG 111 states that if a transaction is fair and reasonable then the expert can conclude that the transaction is in the best interests of shareholders; if a transaction is not fair but reasonable an expert can still conclude that the transaction is in the best interests of shareholders; if a transaction is neither fair nor reasonable then the expert would conclude that the transaction is not in the best interests of shareholders.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Scheme

On 6 August 2023, OreCorp announced it had entered into an SID with Silvercorp, under which it is proposed that Silvercorp will acquire all fully paid ordinary shares of OreCorp not held by Silvercorp or its associates by way of a scheme of arrangement. Under the terms of the Scheme, each OreCorp shareholder will receive the Scheme Consideration, comprising A\$0.15 cash (**'Scheme Cash Consideration'**) plus 0.0967 Silvercorp common shares or 0.0967 Silvercorp CDIs (**'Scheme Scrip Consideration'**) for each OreCorp share held at the Scheme record date.

The Scheme is subject to certain conditions precedent including the following:

- The Court approving the Scheme in accordance with Section 411(4)(b) of the Act;
- Shareholders approving the requisite majorities (75% of all votes cast by shareholders, and 50% of the number of Shareholders who vote);
- The completion of the Silvercorp placement (**'Silvercorp Placement'**) (already completed see details in Section 4.1 below);
- The independent expert concluding that the Scheme is in the best interests of Shareholders;
- The Tanzanian Fair Competition Commission (**'FCC'**) giving approval in respect of the indirect change of control of OreCorp's subsidiaries or issuing an advisory opinion confirming no approval is required from the FCC;
- The Foreign Investment Review Board (**'FIRB'**) in Australia giving approval, if required;
- OreCorp performance rights (**'OreCorp Performance Rights'**) and OreCorp options (**'OreCorp Options'**) being appropriately dealt with such that none will remain outstanding on completion of the Scheme (see details in Section 4.2 below);
- No material adverse change, no prescribed occurrence or regulated events in relation to either OreCorp or Silvercorp; and
- TSX and NYSE American giving approval for the quotation of new Silvercorp shares to be issued pursuant to the Scheme Scrip Consideration.

The complete terms of the Scheme, including all details relating to the conditions precedent are set out in the SID that was announced on 6 August 2023.

4.1 Silvercorp Placement

In conjunction with the announcement of the Scheme on 6 August 2023, OreCorp also announced it had entered into a placement agreement with Silvercorp (**'Placement Agreement'**). Under the Placement Agreement, OreCorp issued 70,411,334 new fully paid ordinary OreCorp shares to Silvercorp at a price of A\$0.40 per share for aggregate proceeds of approximately A\$28.17 million.

The Silvercorp Placement was completed across two tranches in August 2023. Following the completion of the Silvercorp Placement, OreCorp received approximately A\$28.17 million and Silvercorp held a 15% interest in the issued capital of OreCorp.

4.2 OreCorp Performance Rights and OreCorp Options

The current capital structure of OreCorp including all outstanding OreCorp Rights and Options as at 22 September 2023 are outlined below:

- 469,408,892 OreCorp ordinary shares;
- 3,725,257 OreCorp Options, comprising 2,575,257 OreCorp Options each with an exercise price of A\$0.9906 and 1,150,000 OreCorp Options each with an exercise price of A\$0.9066, all of which have an expiry date of 25 November 2024; and
- 4,087,106 OreCorp Performance Rights, comprising 1,562,106 OreCorp Performance Rights with an expiry date of 22 November 2026 and 2,525,000 OreCorp Performance Rights with an expiry date of 26 August 2027.

As part of the conditions precedent of the Scheme, OreCorp has agreed to ensure no OreCorp Performance Rights or OreCorp Options will remain outstanding on completion of the Scheme. Accordingly, OreCorp has entered into Option Cancellation Deeds with each OreCorp Optionholder to effect the cancellation of the OreCorp Options, conditional on the Court approving the Scheme. Pursuant to the Option Cancellation Deeds, holders of OreCorp Options will receive the following cash consideration for their OreCorp Options:

OreCorp Options	Consideration per OreCorp Option	Number of OreCorp Options	OreCorp Option Consideration
	A\$	No.	A\$
OreCorp Options expiring 25 November 2024 exercisable at A\$0.9906 each	0.02	2,575,257	51,505
OreCorp Options expiring 25 November 2024 exercisable at A\$0.9066 each	0.03	1,150,000	34,500
Total		3,725,257	86,005

Source: Scheme Booklet

Furthermore, as part of the Scheme, the 4,087,106 OreCorp Performance Rights outstanding will automatically vest and be exercised, thereby increasing the number of OreCorp shares on issue by the same figure.

4.3 Proposed ASX Quotation of Silvercorp CDIs

As part of the SID, Silvercorp has also agreed to use reasonable endeavours to apply for admission of Silvercorp to the official list of the ASX.

If the ASX Quotation is approved, Shareholders will be able to elect to receive ASX-listed CDIs as the Scheme Scrip Consideration, instead of shares in Silvercorp (which are tradeable on TSX and NYSE American). A Silvercorp CDI would provide an indirect, beneficial interest in a Silvercorp share while remaining tradeable on the ASX. As one Silvercorp CDI will confer a beneficial interest in one Silvercorp share, the ratio of the Scheme Scrip Consideration is the same regardless of whether Silvercorp CDIs or Silvercorp shares are elected.

We note that following the implementation of the Scheme, Silvercorp Shareholders owning Silvercorp shares may request to have their shares converted into Silvercorp CDIs and vice versa. Further details are set out in Section 7.9 of the Scheme Booklet.

4.4 Capital structure

The capital structure of the Merged Group is set out in the table below.

Share structure following implementation of the Scheme	
OreCorp shares on issue as at the date of our Report	469,408,892
OreCorp shares to be issued on vesting and exercise of OreCorp Performance Rights	4,087,106
OreCorp shares on issue prior to the Scheme	473,495,998
OreCorp shares held by Silvercorp prior to the Scheme	70,411,334
OreCorp shares available to receive Scheme Scrip Consideration	403,084,664
<i>Silvercorp shares that OreCorp Shareholders will receive for every share held in OreCorp</i>	<i>0.0967</i>
Shares in the Merged Group to be issued to OreCorp Shareholders	38,978,287
Silvercorp shares on issue prior to the Scheme	176,819,989
Shares on issue in the Merged Group following implementation of the Scheme	215,798,276
<i>Percentage of the Merged Group to be held by OreCorp Shareholders</i>	<i>18.06%</i>
<i>Percentage of the Merged Group to be held by Silvercorp shareholders</i>	<i>81.94%</i>

Source: Scheme Booklet and BDO analysis

We note that as at the date of the Scheme Booklet, Silvercorp has a relevant interest in OreCorp of 70,411,334, representing 15% of the issued shares in OreCorp. This is as a result of the Placement outlined in Section 4.1 above.

4.5 Break fees

OreCorp must pay Silvercorp an amount of A\$2.84 million if during the exclusivity period:

- a competing proposal is announced or made and, within 12 months after the date of the announcement, a third party completed a competing proposal;
- if any of the Directors of OreCorp fails to recommend the Scheme, except in the circumstances permitted under the SID; or
- if Silvercorp validly terminates the SID under certain provisions relating to a material breach by OreCorp or as a result of an OreCorp prescribed occurrence.

Refer to the SID for the full set of circumstances under which the break fee is payable by OreCorp.

4.6 Ineligible OreCorp Shareholders

If the Scheme is approved, Ineligible Foreign Shareholders and Unmarketable Parcel Shareholders (together, Ineligible Shareholders) will receive as consideration for their OreCorp Shares:

- the Cash Consideration of A\$0.15 for each OreCorp share held; and
- the net cash proceeds of sale of the number of New Silvercorp Shares that they would otherwise have been entitled to receive.

An Ineligible Foreign Shareholder, as at the date of the Scheme Booklet, is any OreCorp Shareholder whose address on the OreCorp share register on the Record Date is a place outside of Australia and its external territories, New Zealand, the United Kingdom, Canada and the United States of America. The Scheme Booklet sets out further details on implications of the Scheme for OreCorp Shareholders with registered addresses in Australia and its external territories, New Zealand, the United Kingdom, Canada and the United States of America.

An Unmarketable Parcel Shareholder is any OreCorp Shareholder (other than an Ineligible Foreign Shareholder) who, based on their holding of OreCorp Shares on the Record Date, would be entitled to receive less than a marketable parcel (as that term is defined in the ASX Listing Rules) on implementation of the Scheme.

5. Profile of OreCorp

5.1 History

OreCorp is an ASX-listed gold exploration and development company headquartered in Western Australia ('WA'). OreCorp's sole asset is its 84% interest in the Nyanzaga Gold Project ('Nyanzaga Project') located in northwest Tanzania. The Company was incorporated in 2010 and listed on the ASX in 2013.

The current directors of OreCorp are:

- Matthew Yates - Executive Chairman;
- Hendrik Diederichs - CEO and Managing Director;
- Alastair Morrison - Non-Executive Director;
- Michael Klessens - Non-Executive Director; and
- Michael Davis - Non-Executive Director.

5.2 Nyanzaga Project

Overview

The Nyanzaga Project is located in the Lake Victoria Goldfields, northwest Tanzania and comprises special mining licence 653/2021 ('SML'), which covers an area of approximately 23.4 square kilometres ('km²'). and other surrounding prospecting licences and applications covering an additional 164km². Access to the Nyanzaga Project is via a sealed highway from Tanzania's second largest city, Mwanza.

The SML for the Nyanzaga Project is held by Sotta Mining Corporation Limited ('SMCL'), a joint venture company in which OreCorp holds an 84% interest through its wholly owned subsidiary, Nyanzaga Mining Company Limited. The Treasury Registrar of the Government of Tanzania holds a 16% free carried interest in SMCL in accordance with the Tanzanian Mining Act 2017.

On 22 August 2022, the Company released the results of its definitive feasibility study ('DFS') for the Nyanzaga Project, which outlined the following:

- the Ore Reserve estimate comprises three distinct operations, including the Nyanzaga open pit, Nyanzaga underground and the Kilimani open pit;
- optimal development scenario of 4 million tonnes per annum ('Mtpa') with concurrent development of both the open pit and underground operations;
- average expected gold production of 234 thousand ounces ('koz') per annum ('pa') over a 10.7-year life of mine ('LOM'), with approximately 242 koz pa for the first 10 years, peaking at 295 koz pa in Year 6;
- expected production of approximately 2.5 million ounces ('Moz') of gold over the LOM;
- expected all-in sustaining cost of US\$954/oz; and

- post-tax net present value ('NPV') of US\$618 million, based on a gold spot price of US\$1,750/oz and a discount rate of 5%.

Project Financing

The Company and its financing advisor, Auramet International LLC ('Auramet'), continue to work with a group of major European, African and Tanzanian banks (which provided non-binding expressions of interest in late 2022) to finalise firm commitments for financing the development of the Nyanzaga Project.

SLR Consulting Limited ('SLR') have been appointed as Independent Technical Consultant and Independent Environmental, Social and Governance Consultant on behalf of the banks, is currently finalising its review, with a report due in Q3 2023.

The Company is also advancing discussions with international non-bank mining financiers, several of which provided non-binding indicative proposals for commodity-based financing in the form of metal streams and royalties.

The bank debt and commodity-based financing workstreams are expected to continue through the 2023 calendar year with firm funding commitments anticipated in the second half of the 2023 calendar year. It is expected that gold production will begin approximately two years thereafter (in the second half of the 2025 calendar year).

Project Development

The Company has progressed several key activities for the development of the Nyanzaga Project, including:

- the early contractor involvement ('ECI') contract, awarded in parallel to Ausenco Services Pty Ltd and DRA Global Limited, has completed with savings of between 4% to 6% identified compared to the August 2022 Definitive Feasibility Study pre-production capital cost estimate;
- the ECI process also includes a comprehensive optimisation review of the process design, equipment specification and site layout. The mills and crushers are out to tender as part of the ECI process for them to be awarded early in the engineering, procurement and construction management ('EPCM') phase;
- continued preparation for the resettlement of communities currently within the SML boundary. The resettlement housing tender process commenced with the aim of housing construction to start in the second half of the 2023 calendar year and compensation payments have already commenced;
- continued preparation of open pit and underground mining contract tenders;
- commencement of the tender for the design and build of the permanent camp;
- completion of the design for the site access road;
- commencement of preliminary engagement with Tanzanian and international contractors for major work packages, including civil works, SMP works and electrical works; and
- recruitment of both a construction manager and several construction supervisors to commence on early works and the resettlement housing packages.

During the first quarter of the 2024 financial year, the Company plans to:

- release the open pit contract to the market; and
- issue the tenders for resettlement house construction and camp design and construction.

Further information on the Nyanzaga Project can be found in the Independent Specialist Report in Appendix 5 of our Report.

5.3 Recent Corporate Events

Silvercorp Placement

As outlined in Section 4 of our Report, in conjunction with the announcement of the Scheme on 6 August 2023, OreCorp also announced it had entered into a Placement Agreement with Silvercorp. Under the Placement Agreement, OreCorp issued 70,411,334 new fully paid ordinary OreCorp shares to Silvercorp at a price of A\$0.40 per share for aggregate proceeds of approximately A\$28.17 million.

The Silvercorp Placement was completed on 16 August 2023 with the notice of change of interests of substantial holder announced on the ASX on 18 August 2023. Following the completion of the Placement, OreCorp received approximately A\$28.17 million and Silvercorp held a 15% interest in the issued capital of OreCorp.

Proceeds from the Silvercorp Placement will be used to immediately progress resettlement activities and early project works, facilitating the development of the Nyanzaga Project.

5.4 Historical Statements of Financial Position

Statement of Financial Position	Audited as at 30-Jun-23 A\$'000	Audited as at 30-Jun-22 A\$'000	Audited as at 30-Jun-21 A\$'000
CURRENT ASSETS			
Cash and cash equivalents	13,462	31,854	66,302
Trade and other receivables	362	231	414
Other current assets	272	35	-
TOTAL CURRENT ASSETS	14,096	32,120	66,716
NON-CURRENT ASSETS			
Plant and equipment	632	603	267
Right-of-use-assets	40	140	242
Exploration and evaluation assets	18,968	18,139	19,582
TOTAL NON-CURRENT ASSETS	19,640	18,882	20,091
TOTAL ASSETS	33,736	51,002	86,807
CURRENT LIABILITIES			
Trade and other payables	2,851	1,758	12,166
Lease liabilities	43	116	106
Provisions	479	359	322
TOTAL CURRENT LIABILITIES	3,373	2,232	12,594
NON-CURRENT LIABILITIES			
Lease liabilities	-	35	147
Provisions	59	32	17
TOTAL NON-CURRENT LIABILITIES	59	68	164
TOTAL LIABILITIES	3,432	2,299	12,758

Statement of Financial Position	Audited as at 30-Jun-23 A\$'000	Audited as at 30-Jun-22 A\$'000	Audited as at 30-Jun-21 A\$'000
NET ASSETS	30,304	48,702	74,050
EQUITY			
Issued capital	137,194	136,727	132,814
Reserves	2,485	1,692	(8)
Accumulated Losses	(108,718)	(89,717)	(58,755)
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	30,961	48,702	74,050
Non-controlling interest	(658)	0	-
TOTAL EQUITY	30,304	48,702	74,050

Source: OreCorp's audited financial statements for the years ended 30 June 2021, 30 June 2022 and 30 June 2023

Commentary on the Historical Statements of Financial Position

- Cash and cash equivalents decreased from A\$66.30 million as at 30 June 2021 to A\$31.85 million as at 30 June 2022. The decrease was primarily the result of payments to suppliers and employees of A\$23.22 million relating to development of the Nyanzaga Project and the final payment for the acquisition of the Nyanzaga Project of A\$11.05 million.
- Cash and cash equivalents decreased from A\$31.85 million as at 30 June 2022 to A\$13.46 million as at 30 June 2023. The decrease was primarily the result of payments to suppliers and employees of A\$17.84 million.
- Exploration and evaluation assets of A\$18.97 million as at 30 June 2023 solely relates to the Company's interest in the Nyanzaga Project, which is further detailed in Section 5.2 of our Report.
- Trade and other payables of A\$12.17 million as at 30 June 2021 primarily consisted of the US\$8.05 million balance of consideration for the acquisition of the Nyanzaga Project, which was paid in December 2021.
- Provisions relate to annual leave and long service leave and does not comprise any rehabilitation provisions in connection with the Nyanzaga Project.

5.5 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-23 A\$'000	Audited for the year ended 30-Jun-22 A\$'000	Audited for the year ended 30-Jun-21 A\$'000
Interest income	475	152	31
Other income	-	-	231
Foreign exchange (loss)/gain	(105)	465	(1,074)
Corporate and administration costs	(7,012)	(5,857)	(2,576)
Exploration and evaluation costs	(13,359)	(16,483)	(4,648)
Business development costs	-	(121)	(310)
Loss before tax from continuing operations	(20,001)	(21,844)	(8,345)
Income tax expense	-	-	-
Loss after tax from continuing operations	(20,001)	(21,844)	(8,345)
Loss from discontinued operation	-	(5,008)	(890)
Loss for the year	(20,001)	(26,853)	(9,235)
Other comprehensive income			
Exchange differences arising on translation of foreign operations	681	985	(515)

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-23 A\$'000	Audited for the year ended 30-Jun-22 A\$'000	Audited for the year ended 30-Jun-21 A\$'000
Total comprehensive loss/(gain) for the year, net of tax	(19,320)	(25,868)	(9,751)

Source: OreCorp's audited financial statements for the years ended 30 June 2021, 30 June 2022 and 30 June 2023

Commentary on the Historical Statements of Profit or Loss and Other Comprehensive Income

- Other income of A\$0.23 million for the year ended 30 June 2021 consisted of A\$0.18 million of previously unrecovered GST in relation to capital raisings that was subsequently recovered under the Financial Acquisitions Threshold and A\$0.06 million in government grants in relation to cashflow boosts and payroll tax.
- Loss from discontinued operations of A\$5.01 million for the year ended 30 June 2022 related to the demerger of the Company's wholly owned subsidiary, Solstice Minerals Limited, which held interests in several Western Australian exploration assets.
- Exploration and evaluation costs relate to development of the Nyanzaga Project.

5.6 Capital Structure

The share structure of OreCorp as at 22 September 2023 is outlined below:

	Number
Total ordinary shares on issue*	469,408,892
Top 20 shareholders	353,725,643
Top 20 shareholders - % of shares on issue	75.36%

Source: OreCorp share registry information

The ordinary shares held by the most significant shareholders as at 22 September 2023 are detailed below:

Name	No. of ordinary shares	Percentage of issued shares (%)
Silvercorp Metals Inc.	70,411,334	15.00%
Federation Mining Pty Ltd, International Mining & Finance Corporation and Simon Mark Le Messurier (Australian Super Pty Ltd as trustee for Australian Super)	49,648,202	10.58%
Rollason Pty Ltd	49,136,589	10.47%
Mutual Investments Pty Ltd	26,248,575	5.59%
Timothy R B Goyder	24,325,756	5.18%
Subtotal	219,770,456	46.82%
Others	249,638,436	53.18%
Total ordinary shares on issue	469,408,892	100.00%

Source: OreCorp share registry information

The options and performance rights on issue as at 22 September 2023 are outlined below:

Description	No. of options/rights	Exercise price (A\$)	Expiry date
Unlisted options	1,150,000	A\$0.9066	25 November 2024

Description	No. of options/rights	Exercise price (A\$)	Expiry date
Unlisted options	2,575,257	A\$0.9906	25 November 2024
Unlisted performance rights	1,562,106	Nil	22 November 2026
Unlisted performance rights	2,525,000	Nil	26 August 2027
Total	7,812,363		

Source: OreCorp Issued Capital Report

6. Profile of Silvercorp

6.1 History

Silvercorp is a Canadian mining company focused primarily on the mining, development and exploration of its silver, lead and zinc projects located in China. Silvercorp operates several silver-lead-zinc mines at the Ying Mining District in Henan Province, China ('the Ying Mines') and the GC silver-lead-zinc mine in Guangdong Province, China ('the GC Mine'). Silvercorp was incorporated as Spokane Resources Limited, under the Company Act (British Columbia) in 1991, through the amalgamation of Julia Resources Corporation and MacNeill International Industries Inc. Silvercorp was renamed as SKN Resources Limited in 2000 and again in 2005 as Silvercorp Metals Inc. We note that Silvercorp's financial year ends in March, whereas OreCorp has a June financial year end.

Silvercorp is listed on the TSX and on the NYSE American. Silvercorp's registered office is located in Vancouver, British Columbia.

The current board of directors of Silvercorp are:

- Rui Feng - Chairman and Chief Executive Officer;
- Yikang Liu - Director;
- Paul Simpson - Director;
- Marina A Katusa - Director; and
- Ken Robertson - Director.

6.2 Silvercorp's Holdings

Silvercorp is the sole shareholder of Fortune Mining Limited ('Fortune') which was incorporated under the laws of the British Virgin Islands ('BVI') in 2002. Fortune is a holding company for subsidiaries which are parties to agreements relating to mineral properties in China.

Fortune owns 100% of the following subsidiary companies:

- Victor Mining Limited ('Victor Mining') - Victor Mining was incorporated in the BVI in 2003 and holds 77.5% interest in Henan Found Mining Co. Ltd ('Henan Found'). Henan Found is a Chinese company holding the following assets based in the Henan Province:
 - o Ying Property's flagship silver-lead zinc project ('SGX Mine') and satellite silver-lead mine ('HZG Mine');
 - o Silver-lead mine in Tieluping ('TLP Mine');
 - o Silver-gold-lead mine in Haopinggou ('HPG Mine');
 - o Silver-lead-zinc mine in Longmen East ('LME Mine')
 - o Silver-lead-zinc mine in Longmen West ('LMW Mine');
 - o Development project in Dong Cao Gou ('DCG Mine'); and
 - o 100% interest in Henan Xinbaoyuan Mining Co. Ltd. which holds 100% interest in the Kuanping silver-lead-zinc-gold project ('Kuanping Project').

- Victor Resources Limited ('Victor Resources') - Victor Resources was incorporated in the BVI in 2003 and holds a 80% interest in Henan Huawei Mining Co. Ltd. ('Henan Huawei'). Henan Huawei is a Chinese company, which through agreements with Henan Found, holds an 100% interest in the HPG Mine and LME Mine.
- Yangtze Mining Limited ('Yangtze Mining') - Yangtze Mining holds a 100% interest in Yangtze Mining H.K. Limited ('Yangtze Mining HK'). Yangtze Mining HK holds a 95% interest in Guangdong Found Mining Co. Ltd. ('Guangdong Found'), a Chinese company that holds 100% interest in the silver-lead-zinc exploration mine in Gaocheng in the Guangdong Province ('GC Mine'). Silvercorp Metals (China) Inc, a wholly owned subsidiary of Silvercorp, acquired an additional 4% in Guangdong Found, as a result Silvercorp now has a beneficial interest of 99%.
- Fortune Copper Limited - Fortune Copper Limited was incorporated in the BVI in 2002 and holds 100% interest in Wonder Success Limited, a Hong Kong company which has 70% equity interest in Xinshao Yun Xiang Mining Co. Ltd. ('Yunxiang'). Yunxiang owns the BYP gold, lead and zinc mine ('BYP Project') in the Hunan Province.

Silvercorp holds a 46.15% interest in New Infini Silver Inc. ('New Infini'). New Infini was incorporated under the Company Act (British Colombia) in 2020 and holds a 100% interest in the La Yesca silver project ('La Yesca Project').

6.3 Ying Mines

The Ying Mines are located approximately 240 kilometres ('km') west-southwest of Zhengzhou, the capital city of Henan Province, and 145 km southwest of Luoyang, the nearest major city. The Ying Mines is Silvercorp's primary source of production and consists of seven underground mines, including the SGX, HZG, TLP, HPG, LMW, LME and DCG Mines and two processing plants. The project areas have good road access and operate year-round.

Silvercorp's Ying Mines consists of four contiguous mining licences, totalling an area of 68.6 km²:

- Yuelianggou Mining License: SGX & HZG Mines (19.8 km²)
- Haopinggou Mining License: HPG Mine (6.2 km²)
- Tieluping-Longmen Mining License: TLP, LME and LMW Mines (22.8 km²)
- Dongcaogau Mining License: DCG Mine (19.8 km²)

Silvercorp currently operates two sulphide flotation plants at the Ying Mines with a total design capacity of 2,600 tonnes per day ('tpd'). Silvercorp announced plans to construct a new 3,000 tpd mill and 19.1 million cubic metres ('m³') tailings storage facility in November 2021. As at the date of our Report, construction of the tailings storage facility has commenced.

Silvercorp released an updated National Instrument 43-101 Technical Report on the Mineral Resources and Mineral Reserves for the Ying Mines ('Ying Technical Report'), with an effective date in September 2022. The Ying Technical Report reflected a 3% increase in total Proven and Probable Mineral Reserves compared to the previous Technical Report of the Ying Mines within July 2020.

At the Ying Mines over Silvercorp's 2023 financial year ('FY'), a total of 769,024 tonnes ('t') of ore was mined and 773,057t of ore was milled at average head grades of 261 grams per tonne ('g/t') for silver, 3.8% for lead, and 0.7% for zinc. Metals produced at the Ying Mines were approximately 6.0 Moz of silver, 4,400 ounces ('oz') of gold, 60.3 million pounds ('Mlb') of lead, and 7.2 Mlb of zinc.

The Ying Mines comprises seven underground mines which Silvercorp has a 77.5% interest in each except for the HGP and LME Mines in which it has 80% interests. These mines are detailed further below.

6.3.1. 77.5% Interest in the SGX Mine and HZG Mine

The SGX Mine and HZG Mine are 100% owned by Henan Found, a Sino-foreign cooperative JV company owned 77.5% by Silvercorp and 22.5% by Henan Non-Ferrous Geological & Mineral Resources Co. Ltd. Henan Found operates under a 30-year business license issued by the Chinese government and has been granted all necessary permits. The SGX Mine and HZG Mine operate under the Yuelianggou Mining License.

The SGX Mine is Silvercorp's largest of the seven mining operations at Ying. Silvercorp acquired the property in March 2004 and brought the mine into production following two years of exploration and development in April 2006.

The HZG Mine is a satellite silver-lead mine with portals located approximately 4 km south of the SGX Mine. The HZG Mine declared production in 2011.

6.3.2. 80% Interest in the HPG Mine

The HPG mine is 100% owned by Henan Huawei, a Sino-foreign cooperative JV company owned 80% by Silvercorp and 20% by Luoning Huatai Mining Development Co. Ltd. The HPG Mine is a silver-gold-lead-zinc mine northeast of the SGX mine, also operating under the Yuelianggou Mining License. The underground mine was first opened in April 1995 and was acquired by Silvercorp in January 2007.

6.3.3. 77.5% Interest in the TLP Mine

The TLP mine is 100% owned by Henan Found and is located approximately 11 km east-southeast of the SGX Mine. The TLP Mine is silver-lead mine that operates under the Tieluping-Longmen Mining License. The TLP Mine is Silvercorp's second-largest underground operation at the Ying Mines. The property was acquired in December 2007 and production resumed in March 2008.

6.3.4. 80% Interest in the LME Mine

The LME Mine is a silver-lead-zinc mine 100% owned by Henan Huawei, of which Silvercorp holds an 80% interest. The LME Mine operates under the Tieluping-Longmen Mining License and is located approximately 12 km southeast of the SGX Mine and approximately 2.4 km east of LMW. The property was acquired in November 2007 and production was resumed in March 2008.

6.3.5. 77.5% Interest in the LMW Mine

The LMW Mine is a silver-lead-zinc mine 100% owned by Henan Found, of which Silvercorp holds a 77.5% interest. The LMW Mine operates under the Tieluping-Longmen Mining License and is located approximately 12 km southeast of the SGX Mine and approximately 2.4 km west of the LME Mine. The property was acquired in November 2007 and production resumed in March 2008.

6.3.6. 77.5% Interest in the DCG Mine

The DCG Mine is a silver-lead-zinc-gold mine 100% owned by Henan Found, of which Silvercorp holds a 77.5% interest. The DCG Mine operates under the Dongcaogau Mining License and is located approximately 2.7 km northwest of the TLP Mine. The DCG Mine is a development project, with activities underway including a 1.8 km long haulage ramp connecting the DCG Mine and TLP Mine. The property has its mineral reserves first declared in September 2022.

6.4 99% interest in the GC Mine

The GC Mine is located approximately 200km west of Guangzhou, the capital of Guangdong Province, which is located approximately 120km north-west of Hong Kong. Silvercorp holds a 99% interest in the GC Mine, through its ownership in Yangtze Mining HK and Silvercorp Metals (China) Inc, that hold 95% and 4%, respectively, of the Chinese company Guangdong Found that owns the GC Mine.

Silvercorp acquired its interest in the GC Mine in April 2008, and commenced construction on the mine shortly after receiving the mining permit in late 2010. The mining permit in the name of Guangdong Found is valid for 30 years to 24 November 2040, and covers the entire 5.5 km² area of the GC Mine. The permit allows for the operation of an underground mine to produce silver, lead and zinc.

The GC Mine consists of a 310 kilo-tonnes per annum ('ktpa') underground mine and a sulphide flotation plant. Currently, the GC Mine is subject to Mineral Resources Taxes, levied at 3% of revenue from lead and zinc and 2% of revenue from silver.

At the GC Mine in FY23, a total of 299,959t of ore was mined and 299,597t was milled at average head grades of ore milled of 75 g/t for silver, 1.3% for lead, and 2.8% for zinc. Metals produced at the GC Mine were approximately 593 thousand ounces of silver, 7.8 million pounds of lead, and 16.3 million pounds of zinc.

6.5 70% interest in the BYP Project

The BYP Project is Located approximately 220 km southwest of Changsha, the capital city of Hunan Province. Silvercorp acquired its interest in the project, though the acquisition of a 70% interest in Chinese company Yunxiang, that owns the project.

The BYP Project was in production from 2006 to 2014, producing 1,403t of lead at a recovered grade of 0.46%, 8,936t of zinc at a recovered grade of 2.9% and 25,335oz of gold at a recovered grade of 3.56 g/t. The operations of the mine included a 500 tpd mill, underground mine and a sulphide flotation plant.

The BYP Project was placed on care and maintenance in August 2014, due to the required capital upgrades to sustain ongoing production and the unfavourable market environment. The BYP Project currently remains in care and maintenance.

Silvercorp holds the surface land use rights over the 3.67 km² mining licence area until 2063. The lead and zinc mining licence previously used has expired and, as such, Silvercorp is in the process of applying for a new mining permit for a gold-only operation. Simultaneously, Silvercorp continues to explore various development options for this asset.

6.6 Kuanping Project

The Kuanping Project is located in the Shanzhou District of Sanmenxia City, Henan Province and is approximately 33 km north of the Ying Mines. The Kuanping Project was acquired by Silvercorp in October 2021, through its subsidiary Henan Found, which acquired Henan Xinbaoyuan Mining Co. Ltd that owned a 100% interest in the Kuanping Project.

In December 2022, the Kuanping Project received the Kuanping Mining License from the Department of Natural Resources, Henan Province, China. The Kuanping Mining License covers 6.97 km² and is valid until March 13, 2029. The silver-lead-zinc-gold Kuanping Project expanded Silvercorp's footprint within the prospective Qinling orogenic belt.

In FY23, a total of 8,485 metres ('m') of drilling was completed and capitalized at the Kuanping Project.

6.7 La Yesca Project

The La Yesca Project is a silver-polymetallic, epithermal-type project located approximately 100 km northwest of Guadalajara, the second-largest city in Mexico. The concessions comprising the La Yesca Project cover an area of approximately 47.7 km². Silvercorp acquired a 46.15% interest in the project through its subsidiary, New Infini, acquiring a Mexican company, Resources, S.A. de C.V., that owned the La Yesca Project.

In FY23, Silvercorp reviewed the results of a drilling program completed in FY22 and decided that no further work will be completed on the La Yesca Project in the near future. The decision was made to fully impair the value of the La Yesca Project and recognize an impairment charge of US\$20.2 million during the quarter ended 30 September 2022.

6.8 Recent Corporate Events

Proposed acquisition of Celsius Resources Limited

On 15 May 2023, Silvercorp announced that it had signed a non-binding term sheet with Celsius Resources Limited ('Celsius') regarding a proposed transaction, pursuant to which Silvercorp would acquire all of the issued and outstanding shares of Celsius.

On 9 August 2023, Silvercorp announced that the exclusivity period entered into between Silvercorp and Celsius had expired effective 31 July 2023, the two companies had not agreed on the terms of a definitive agreement in line with those contained in the term sheet, and that no negotiations were taking place.

On 11 August 2023, Celsius issued a news release stating that Celsius had sought to advance discussions with Silvercorp regarding a higher price for the proposed transaction and that Silvercorp had not engaged with Celsius in such discussions. Neither party has issued any further updates with respect to the proposed transaction.

Dividends Paid

On 26 May 2023, Silvercorp declared a semi-annual dividend of US\$0.0125 per share to be paid to all shareholders of record at the close of business on 12 June 2023, with a payment date of the dividend completed prior to 30 June 2023.

During the year ended March 31, 2023, dividends of US\$4.4 million, or US\$0.025 per share, were declared and paid.

Share Buyback

On 15 September 2023, Silvercorp announced regulatory approval of a normal course issuer bid, Canada's term for a public company's repurchases of its own shares, to acquire up to 8,487,191 common shares of the company, representing approximately 4.8% of the 176,816,488 common shares issued. The repurchase program will run from 19 September 2023 to 18 September 2024, with purchases made, if any, at the discretion of management.

New Pacific Metals Corp. Offering

On 29 September 2023, New Pacific Metals Corp. ('**New Pacific**') announced that Silvercorp had subscribed for an additional 2,541,890 shares in New Pacific at an offer price of C\$2.65 per share in connection with a capital raising to raise approximately C\$35 million ('**New Pacific Offering**'). Following the New Pacific Offering, Silvercorp holds approximately 27.4% of the issued capital of New Pacific.

6.9 Historical Statements of Financial Position

Statement of Financial Position	Audited as at 31-Mar-23 US\$'000	Audited as at 31-Mar-22 US\$'000	Audited as at 31-Mar-21 US\$'000
CURRENT ASSETS			
Cash and cash equivalents	145,692	113,302	118,735
Short-term investments	57,631	99,623	80,357
Trade and other receivables	1,806	3,615	1,485
Current portion of lease receivable	-	182	213
Inventories	8,343	9,124	9,768
Due from related parties	88	66	847
Income tax receivable	582	928	4,978
Prepays and deposits	4,906	5,468	4,806
TOTAL CURRENT ASSETS	219,048	232,308	221,189
NON-CURRENT ASSETS			
Long-term prepaids and deposits	872	974	409
Long-term portion of lease receivable	-	-	183
Reclamation deposits	6,981	8,876	8,513
Other investments	15,540	17,768	15,733
Investments in associates	50,695	56,841	53,457
Plant and equipment	80,059	79,418	75,729
Mineral rights and properties	303,426	326,448	277,429
Deferred income tax assets	179	905	-
TOTAL NON-CURRENT ASSETS	457,752	491,230	431,453
TOTAL ASSETS	676,800	723,538	652,642
CURRENT LIABILITIES			
Accounts payable and accrued liabilities	36,737	39,667	30,298
Current portion of lease obligation	269	649	657
Deposits received	4,090	5,445	4,857
Income tax payable	144	277	1,363
TOTAL CURRENT LIABILITIES	41,240	46,038	37,175
NON-CURRENT LIABILITIES			
Long-term portion of lease obligation	314	614	1,084
Deferred income tax liabilities	48,096	48,033	40,792
Environmental rehabilitation	7,318	8,739	7,863
TOTAL NON-CURRENT LIABILITIES	55,728	57,386	49,739
TOTAL LIABILITIES	96,968	103,424	86,914
NET ASSETS	579,832	620,114	565,728
EQUITY			
Share capital	255,684	255,444	250,199
Equity reserves	3,484	43,250	29,469
Retained earnings	229,885	213,702	187,906
TOTAL EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE COMPANY	489,053	512,396	467,574
Non-controlling interests	90,778	107,718	98,154
TOTAL EQUITY	579,831	620,114	565,728

Source: Silvercorp's audited financial statements for the years ended 31 March 2021, 31 March 2022 and 31 March 2023.

Commentary on the Consolidated Statements of Financial Position

- Cash and cash equivalents increased from US\$113.30 million as at 31 March 2022 to US\$145.69 million as at 31 March 2023. The increase was primarily attributable to the redemption of short-term investments during the year.
- Short-term investments decreased from US\$99.62 million as at 31 March 2022 to US\$57.63 million as at 31 March 2023. Silvercorp's short-term investments typically consist of bonds and money market instruments. The bonds attract an interest rate of between 5.50% and 13.00% and have

maturities ranging up to January 2025. The breakdown of short-term investments is shown in the table below:

Short-term investments	Audited as at 31-Mar-23 US\$'000	Audited as at 31-Mar-22 US\$'000	Audited as at 31-Mar-21 US\$'000
Bonds	3,802	9,168	15,812
Money market instruments	53,829	90,455	64,545
Total	57,631	99,623	80,357

- Inventory of US\$8.34 million as at 31 March 2023 consisted of US\$4.55 million of material and supplies, US\$2.56 million of concentrate inventory and US\$1.23 million of stockpiles.
- Other investments comprise of a mix of public and private companies. These are recorded at Fair Value Through Other Comprehensive Income ('FVTOCI') and Fair Value Through Profit or Loss ('FVTPL'), which is broken down in the table below:

Other investments	Audited as at 31-Mar-23 US\$'000	Audited as at 31-Mar-22 US\$'000	Audited as at 31-Mar-21 US\$'000
Equity investments designated as FVTOCI			
Public companies	918	2,383	2,966
Private companies	65	71	2,289
	983	2,454	5,255
Equity investments designated as FVTPL			
Public companies	11,396	11,533	10,478
Private companies	3,161	3,781	-
	14,557	15,314	10,478
Total	15,540	17,768	15,733

- Investments in associates refers to Silvercorp's investment in Canadian mining companies New Pacific Metals (28.1% shareholding) and Tincorp Metals Inc. (29.3% shareholding) ('Tincorp') as at 31 March 2023. The companies are listed on the TSX and TSXV exchanges, respectively, and are still in the exploration and development phase. These investments are held at cost and therefore the fair market value of the shareholdings may differ from the carrying values detailed in the table below:

Investments in associates	Audited as at 31-Mar-23 US\$'000	Audited as at 31-Mar-22 US\$'000	Audited as at 31-Mar-21 US\$'000
New Pacific Metals Corp (28.1% interest)	43,253	49,437	50,399
Tincorp Metals Inc. (29.3% interest)	7,442	7,404	3,058
Total	50,695	56,841	53,457

- Property, plant and equipment ('PPE') increased marginally from US\$79.42 million as at 31 March 2022 to US\$80.06 million as at 31 March 2023. Silvercorp's PPE is broken down by each of its operations in the table below:

Plant and equipment	Audited as at 31-Mar-23 US\$'000	Audited as at 31-Mar-22 US\$'000	Audited as at 31-Mar-21 US\$'000
Ying Mines	59,854	58,189	53,651
BYP	3,159	3,708	3,833
GC	15,289	15,282	15,765
Other	1,757	2,239	2,480
Total	80,059	79,418	75,729

- Mineral rights and properties decreased from US\$326.45 million as at 31 March 2022 to US\$303.43 million as at 31 March 2023. The movement was mainly due to the full impairment of the La Yesca operation during the financial year. Silvercorp's mineral rights and properties is broken down by each of its operations in the table below:

Mineral rights and properties	Audited as at 31-Mar-23 US\$'000	Audited as at 31-Mar-22 US\$'000	Audited as at 31-Mar-21 US\$'000
Producing and development properties			
Ying Mines	251,150	254,071	225,023
BYP	6,953	7,571	7,345
GC	32,070	32,091	28,314
	<u>290,173</u>	<u>293,733</u>	<u>260,682</u>
Exploration and evaluation properties			
Kuanping	13,253	13,380	-
La Yesca	-	19,335	16,747
	<u>13,253</u>	<u>32,715</u>	<u>16,747</u>
Total	<u>303,426</u>	<u>326,448</u>	<u>277,429</u>

- Deferred income tax liabilities of US\$48.10 million as at 31 March 2023, largely relates to mineral rights and properties.

6.10 Historical Statement of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 31-Mar-23 US\$'000	Audited for the year ended 31-Mar-22 US\$'000	Audited for the year ended 31-Mar-21 US\$'000
Revenue	208,129	217,923	192,105
Production costs	(91,769)	(88,537)	(69,544)
Depreciation and amortisation	(27,607)	(25,082)	(21,434)
Mineral resource taxes	(5,095)	(5,952)	(5,004)
Government fees and other taxes	(2,388)	(2,643)	(2,374)
General and administrative	(10,487)	(11,408)	(9,587)
Cost of mine operations	<u>(137,346)</u>	<u>(133,622)</u>	<u>(107,943)</u>
Income from mine operations	70,783	84,301	84,162
Corporate general and administration expenses	(13,249)	(14,181)	(12,365)
Property evaluation and business development	-	-	3,237
Foreign exchange gain (loss)	4,842	267	(7,746)
Gain (loss) on disposal of plant and equipment	-	-	(293)
Share of loss in associates	(2,901)	(2,188)	(1,846)
Dilution gain on investment in associate	(107)	-	-
Gain (loss) on equity investments	(2,318)	(3,485)	7,732
Impairment charges against mineral rights and properties	(20,211)	-	-
Other items	(3,092)	(2,149)	(1,157)
Income from operations	<u>33,747</u>	<u>62,565</u>	<u>71,724</u>
Finance income (loss)	1,396	(5,493)	1,779
Income tax benefit (expense)	(14,043)	(13,788)	(12,994)
Net Income	<u>21,100</u>	<u>43,284</u>	<u>60,509</u>
Attributable to:			
Equity holders of Silvercorp	20,608	30,634	46,376
Non-controlling interests	492	12,650	14,133
	<u>21,100</u>	<u>43,284</u>	<u>60,509</u>

Source: Silvercorp's audited financial statements for the years ended 31 March 2021, 31 March 2022 and 31 March 2023.

Commentary on Historical Statements of Profit or Loss and Other Comprehensive Income

- Revenue for the year ended 31 March 2023 was US\$208.13 million, comprising of US\$174.87 million from Henan Luoning and US\$33.26 million from Guangdong. The revenue for the year represented a 4.5% decrease from the US\$217.92 million for the year ended 31 March 2022 as a result of a decrease in the net realised selling prices for silver, lead, and zinc, and a decrease in quantity of zinc sold. This was partially offset by an increase in the quantity of silver, gold and lead sold.
- The breakdown of revenue by commodity is shown in the table below:

	Audited as at 31-Mar-23 US\$'000	Audited as at 31-Mar-22 US\$'000	Audited as at 31-Mar-21 US\$'000
Silver	113,592	121,273	111,191
Gold	6,647	5,083	6,722
Lead	56,843	57,090	50,464
Zinc	24,823	28,842	21,793
Other	6,224	5,635	1,935
Total	208,129	217,923	192,105

- Government fees and other taxes for the year ended 31 March 2023 were US\$2.39 million. Government fees of US\$0.7 million included environmental protection fees paid to the state and local Chinese government and other taxes of US\$2.32 million were comprised of surtax on value-added tax, land usage levy, stamp duty and other miscellaneous levies, duties and taxes imposed by the state and local Chinese government.
- Finance items for the year ended 31 March 2023 of US\$1.40 comprised of US\$4.65 million of finance income and US\$3.26 million of finance costs. Finance income for the year ended 31 March 2023 comprised of US\$4.58 million of interest income and US\$0.08 million of dividend income. Finance costs for the year ended 31 March 2023 consisted of US\$2.88 million impairment charges for expected credit loss against bond investments, US\$0.24 million of unwinding of discount of environmental rehabilitation provision, US\$0.09 million of loss on disposal of bonds and US\$0.04 million of interest on lease obligation.
- Impairment charges against mineral rights and properties of US\$20.21 million for the year ended 31 March 2023 relates to the impairment of Silvercorp's La Yesca operation during the financial year.

6.11 Capital Structure

The share structure of Silvercorp as at 10 September 2023 is outlined below:

	Number
Total ordinary shares on issue	176,819,989
Top 20 shareholders	53,798,570
Top 20 shareholders - % of shares on issue	30.43%

Source: Silvercorp share registry information

Based on data provided by Silvercorp as at 10 September 2023, there are no shareholders with an interest greater than 5% of its issued capital.

The list of outstanding options and restricted share units ('RSUs') of Silvercorp as at 10 September 2023 are outlined below:

Description	No. of Options/RSUs	Exercise price (CAD)	Expiry Date
Unlisted options expiring 26 April 2027	478,000	3.93	26-Apr-27
Unlisted options expiring 23 February 2028	60,000	4.08	23-Feb-28
Unlisted options expiring 26 May 2025	493,668	5.46	26-May-25
Unlisted options expiring 11 November 2025	390,000	9.45	11-Nov-25
Restricted share units*	2,919,809	-	Various
Total number of options and RSUs	4,341,477		

*Silvercorp has advised that of the 2,919,809 RSUs outstanding, a total of 794,710 RSUs are currently vested but unexercised.

Source: Silvercorp share registry information

7. Profile of the Merged Group

Upon implementation of the Scheme, the Merged Group will represent the combined operations of Silvercorp and OreCorp.

7.1 Operating Structure

Silvercorp will be the parent company of the Merged Group upon implementation of the Scheme and OreCorp will be a wholly owned Australian subsidiary of Silvercorp following implementation of the Scheme.

Following implementation of the Scheme, Silvercorp will undertake a review of the operating structure of OreCorp which may result in Silvercorp implementing changes to the operating structure of either or both of OreCorp and Silvercorp. While it is currently expected that the operating structure of the Merged Group will largely follow Silvercorp's operating structure, as described in Section 6, until Silvercorp undertakes its review of OreCorp's operating structure.

7.2 Board of Directors

Following the implementation of the Scheme, it is expected that each of the existing five Silvercorp Directors will continue as directors of the Merged Group. The board of directors is intended to be:

- Rui Feng - Chairman and Chief Executive Officer;
- Yikang Liu - Director;
- Paul Simpson - Director;
- Marina A Katusa - Director; and
- Ken Robertson - Director.

7.3 Stock exchange listing

Following the implementation of the Scheme, OreCorp will become a wholly owned subsidiary of Silvercorp. Silvercorp will apply for admission to the official list of ASX, conditional on the Scheme being implemented. See Section 7.5 of the Scheme Booklet for further information on the potential ASX listing of Silvercorp.

8. Economic analysis

OreCorp is primarily exposed to the risks and opportunities of the Australian and Tanzanian markets through its listing on the ASX and the geographical location of the Nyanzaga Project, which is based in Tanzania. Silvercorp is primarily exposed to the risks and opportunities of the Canadian and Chinese markets through its listing on the TSX and its mining operations in China.

As such, we have presented an analysis on the Australian, Canadian, Chinese, and Tanzanian economies, to the extent that it relates to considerations for our assessment.

8.1 Australia

At its October 2023 Monetary Policy Decision meeting, the Reserve Bank of Australia ('RBA') made the decision to leave the cash rate target unchanged at 4.10%. Since May 2022, the RBA has increased interest rates by four percentage points, with the intention of easing inflationary pressures and returning inflation to its target rate within a reasonable timeframe. The decision in October to hold interest rates steady for the fourth consecutive meeting was aimed to provide additional time for the RBA to assess the impact of interest rate rises to date on key macroeconomic indicators.

Inflation reached 7.8% over the 2022 calendar year, the highest year-end inflation figure since 1990, and significantly higher than the RBA's inflation target of 2-3%. The RBA stated in its July statement that the decline in the monthly consumer price index ('CPI') indicator for May 2023 suggested that inflation had since passed its peak in Australia. However, the RBA considers that inflation is still too high at its current rate of 5.2% over the twelve months to August 2023 and it will remain so for some time. The RBA has forecasts inflation to continue to decline and return to the target range in late 2025.

According to the RBA, growth in the Australian economy was slightly stronger than expected over the first half of 2023, however the economy is still experiencing a period of below-trend growth which is expected to continue. Currently, the combination of heightened interest rates and cost-of-living pressures has led to a substantial deceleration in household spending. As a result, equity market conditions, particularly for retail investors have dampened with the decline in discretionary income.

Among major economies around the world, the rebound from the COVID-19 pandemic waned throughout 2022, which contributed to a slowdown in the global economy. Like many advanced economies, high inflation and energy prices have weighed on demand in Australia. In addition, it is anticipated in 2023-24 that Gross Domestic Product ('GDP') growth in Australia's key trading partners will remain substantially below historical norms. However, downside risks to growth in the major global economies have lessened in recent months, supported by China's reversal of its COVID-19 measures in December 2022, which has stabilised the supply chain recovery trajectory.

The March 2023 banking system crisis in the United States and Switzerland resulted in volatility in financial markets and a reassessment of the outlook for global interest rates. These problems are also expected to influence tighter financial conditions, forming an additional headwind for the global economy. However, the RBA considers the Australian banking system to be strong, well capitalised and highly liquid. It is, therefore, well placed to provide the credit that the economy needs, albeit at higher interest rates compared to the rates during the pandemic.

Conditions in the labour market remain very tight, although have slightly eased. Firms report that labour shortages have lessened, yet job vacancies and advertisements are still at very high levels. The unemployment rate at 3.7% remains close to a 50-year low, consequently, wage growth is stated to be increasing in response to the tight labour market and high inflation. With the economy and employment

forecast to grow below trend, the unemployment rate is expected to rise gradually to around 4.5% late next year.

Outlook

Economic growth in Australia is forecast to be hampered by rising interest rates, higher living costs and declining real wealth. As a result, the forecast declining trajectory of inflation in Australia remains uncertain and the high inflation environment is expected to continue weighing on real household incomes for the short term. The composition of inflation in Australia is also likely to shift, with higher inflation expected in more persistent and non-discretionary items, such as rent, in the coming years. However, despite inflationary concerns, aggregate household incomes have been sustained by solid labour demand, which has underpinned the health of household balance sheets. Although the balance of risks has improved in recent months, the pathway forward remains uncertain, with upside and downside scenarios equally plausible.

Source: www.rba.gov.au Statement by Michele Bullock, Governor: Monetary Policy Decision dated 3 October 2023 and prior periods, www.rba.gov.au Statement on Monetary Policy September 2023 and prior periods, and BDO analysis.

8.2 Canada

Overview

Economic activity in Canada has been robust for the first half in 2023, surpassing expectations from the start of the year. Household spending was strong, supported by tight labour markets, rapid population growth and the high level of accumulated household savings. The Bank of Canada is expecting economic growth to moderate in the near future, forecasting economic growth to be 1.8% over 2023 and 1.2% over 2024. The slowdown is expected as cumulative interest rate increases work their way through the economy and weigh on household spending and business investment. Weak foreign demand is also expected to slow export growth.

Inflation

Inflation continues to fall globally, but inflation in major economies continues to remain elevated. In Canada, inflation has continued to come down. CPI was 3.4% in May 2023, representing significant movement toward price stability over the past year as inflation has steadily dropped from a high of 8.1% in July 2022. Inflation has been easing with lower energy prices, improvements in global supply chains and the effects of higher interest rates moving through the economy.

However, the downward momentum in inflation is slowing, attributable to demand in Canada continuing to outpace supply. Household spending has been robust, supported by strong demand for labour, population growth and accumulated household savings. Housing resales and house prices have also picked up. Simultaneously, business investment is softening, and labour market conditions remain tight but appear to be easing.

Inflation is now projected to remain around 3% over the next year. As excess demand dissipates and labour market conditions ease, inflation is expected to gradually return to the Bank of Canada's 2% target in the middle of 2025.

Employment

The Canadian labour market has remained tight, labour demand has been persistently strong, and job gains have been robust. Net new jobs created in the first six months of 2023 is estimated at 290,000 with many new entrants to the labour market being hired quickly. The labour market tightness has been supported by the rapid population growth.

The unemployment rate in Canada was 5.4% in June 2023. The unemployment has edged up recently but remains low by historical standards. Wage growth has been in a range of about 4% to 5%. At the same time, tighter monetary policy appears to be moderating demand for labour, with job vacancies declining since the start of the year. According to the Business Outlook Survey, this is attributable to less competition for labour and improved labour supply.

Outlook

Economic growth is projected to gradually pick up, as the effect of higher interest rates on economic growth dissipate and foreign demand also strengthens. The Bank of Canada is expecting these effects to be felt in the second half of 2024, with economic growth reaching 2.4% over 2025. A considerable amount of uncertainty surrounds the forecast, particularly into 2024 and 2025. As such, it is likely that revisions will be made to the Bank of Canada's growth projections of 1.2% over 2024 and 2.4% over 2025, as the global economy continues to recover from the lingering effects of the COVID-19 pandemic and the Russia-Ukraine crisis. However, it should be noted that financial conditions remain accommodative across Canada.

Source: www.bankofcanada.ca Monetary Policy Report July 2023 and prior periods, and BDO analysis.

8.3 China

Overview

After a period of unstable growth following the COVID-19 pandemic, the Chinese economy is projected to enter a period of sustainable, steady growth. The economy grew 4.5% year-on-year to the first quarter of 2023, up from 3.0% over 2022. While there has been improvement in housing sector activity and policy support, growth in consumer demand with the removal of mobility restrictions and a surge in spending on services has become a key driver of GDP growth in the first quarter of 2023. The growth momentum has slowed since April 2023 however, indicating that China's recovery remains fragile and dependent on policy support.

China's GDP growth rate is projected to rise to 5.6% over 2023 led by the rebound in consumer spending. Capital spending in infrastructure and manufacturing is expected to remain resilient. Net exports are expected to weigh on growth, due to softer external demand coupled with a modest acceleration in import growth reflective of improved domestic demand.

Inflation and Employment

China's CPI remained subdued in the first four months of 2023, reflecting the uneven consumer demand recovery. Headline inflation registered a moderate reading of 1.0% in the first four months of 2023, primarily attributed to a decline in global energy prices, meanwhile, core inflation averaged 0.8% for the first four months of 2023, significantly below the pre-pandemic average of 1.8%. While inflation in the service sector picked up, goods inflation has slowed, driven by lacking demand especially for consumer durables and lingering cautious consumer sentiment. The World Bank is expecting inflation to pick up with continuing recovery in service demand, forecasting CPI to be 1.5% over 2023 and 2.4% over 2024.

China's unemployment has remained steady, with unemployment rates of 5.2% in April 2023. China's rebound has failed to alleviate high levels of youth unemployment, with youth unemployment rates reaching new highs of 20.4% in April 2023. The recovery of employment and household income is still incomplete, with real disposable income growing by 3.8% in the first quarter of 2023, below the overall growth rate of the economy.

Currency movements

The Chinese exchange rate regime has undergone gradual reform since the move away from a fixed exchange rate in 2005. Capital outflows combined with broader strengthening of the US dollar caused a weakening of the RMB in 2023. The RMB depreciated against the US dollar and on a trade-weighted basis despite a large current account surplus. The RMB has fallen by approximately 5% against the US dollar in September 2023 from the highs in January 2023, when global markets embraced China's border reopening. The weaker RMB will aid Chinese exporters amid soft global demand.

Outlook

Following this year's recovery, growth is expected to return to a path of structural deceleration. Economic growth is projected to slow to 4.6% and 4.4% over 2024 and 2025 respectively. Growth is projected to decline as the economy matures and higher levels of physical capital face diminishing returns. Additionally, China's mounting debt levels, will constrain investment driven growth in the future, with total non-financing sector debt increasing to an all-time high of 287 times of GDP in 2022. Expected slower per capita growth in the coming decade is also expected to weigh on future demand for China's exports. Additionally, rising geopolitical tensions are contributing to a decoupling of critical supply chains and curtailing China's access to critical technology.

Mining in China

Companies carrying out mining activities in China are regulated by the Mineral Resource Law ('MRL'), which is a national law governing the protection for and extraction from mines in China and the registration of mining rights, that is imposed by the Ministry of Land and Resources. In accordance with the MRL, all mineral resources fall under the ownership of the state.

Foreign mining companies can receive the right to extract natural resources. Companies require an exploration license or a mining license, according to the specific activities carried out by the company and must receive approval from the Ministry of Commerce and obtain an environmental approval from the local authorities, under the Law of Appraising of Environmental Factors.

Silvercorp, through its subsidiaries, are party to agreements with Chinese companies relating to mineral properties in China. Silvercorp's Chinese operations have all required mining licences and approvals with the relevant Chinese authority.

Source: International Monetary Fund, Reuters, The World Bank and BDO analysis.

8.4 Tanzania

Overview

Tanzania has sustained a high level of economic growth over 2009 to 2017, averaging 6.0% to 7.0% per year. Growth has been driven by the country's natural resources, agriculture, and tourism, combined with fiscal stimulus and monetary policies from the Tanzanian Government. In July 2020, Tanzania officially became a low-middle-income country from its previous low-income country status, as defined by the World Bank Group.

According to the African Development Bank Group ('ADB'), Tanzania's GDP growth decreased 4.7% in 2022, compared to a decrease of 4.9% in 2021. The decline was primarily due to the Russia/Ukraine conflict affecting food and energy prices. GDP growth is expected to increase to 5.3% over 2023 and 6.3% in 2024, supported by a recovery in tourism and the gradual stabilisation of supply and value chains.

Potentially headwinds, including the lingering possibility of new COVID-19 variants and the effects of Russia's invasion of Ukraine, slightly hamper future growth expectations.

Inflation and Employment

According to the ADBG, inflation rose to 4.3% in 2022, up from 3.7% in 2021, driven by higher food and fuel prices. Accommodative monetary policy was tapered in June 2022 to contain inflationary pressures while supporting the growth recovery. Inflation is projected to increase to 4.7% in 2023, however, it is then projected to moderate to 4.0% in 2024.

According to the World Bank, unemployment in Tanzania is currently at 2.8%. Unemployment spiked with the onset of the COVID-19 pandemic but remains low when compared to historical standards. The World Bank estimates the poverty rate to have declined marginally from 27.1% in 2020 to 27.0% in 2021, driven by the recovery of employment and non-farm business revenue. The national poverty rate is expected to decline further over the next few years, driven by the growth of employment of women.

Currency

The Tanzanian exchange rate has remained stable, supported by high gold exports and tourism receipts. The current account deficit widened to 5.7% of GDP in 2022, up from 3.4% in 2021, as a result of a higher oil prices increasing the value of imports and was financed mainly by external commercial debt as other financial flows including foreign direct investment declined.

Mining Regulation in Tanzania

Mining is a leading industrial sector in Tanzania, with the sector comprising both small and large-scale operations for precious metals, fuel minerals and rare earth minerals. The Tanzanian mining sector has experienced strong growth, with the value of mineral exports consistently increasing over the past several years.

Mining and quarrying activities in Tanzania contribute 10.2% to the country's GDP. Mining in Tanzania is primarily governed in accordance with the Tanzanian Mining Act 2017, which sets out the regulatory requirements for international miners operating in Tanzania. Licence holders and contractors are obligated to pay a corporate tax of 30%, capital gain tax of 30%, withholding tax of 10% and other taxes.

Amendments to the Tanzanian Mining Act in 2017 saw an increased power and role for the government in investment contracts, including the Tanzanian Government having the authority to dissolve or re-negotiate existing contracts. Provisions also allowed the Tanzanian Government to own at least a 16% free carried interest stake in mining companies, with the option to acquire up to 50%. In addition, the Tanzanian Government is able reject international arbitration for natural resource disputes.

Source: World Bank, African Economic Outlook 2023, and BDO Analysis

9. Industry analysis

OreCorp is a gold exploration and development company and Silvercorp is a silver, lead and zinc exploration, development and mining company. OreCorp is listed on the ASX and Silvercorp is listed on the TSX and the NYSE American.

As such, we have presented an overview of the relevant industry segments on the basis that these form part of the considerations for our overall assessment. We have presented an analysis of the exploration sector on the ASX as well as the gold, silver, lead and zinc industries.

9.1 Exploration Sector

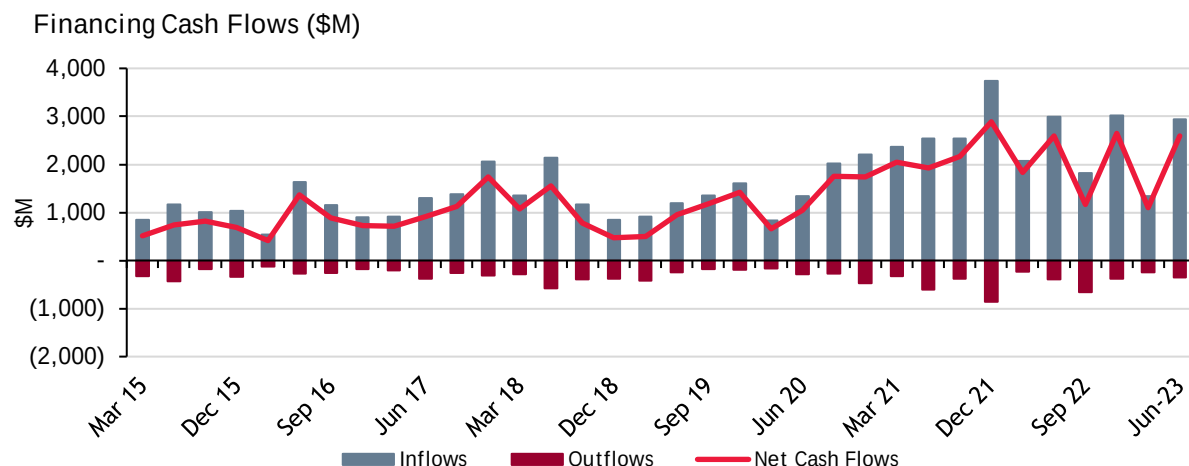
BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the June quarter of 2023 suggests that improved financial market conditions following a turbulent global macroeconomic environment, has enabled the sector to position itself for the battery mineral future.

Unlike the previous two quarters of subdued operations and investment, the current quarter showed a reset in investor sentiment, demonstrated by the increase in financing, investments and exploration spending as cash balances remained healthy. This quarter also saw a return in consolidation activity among explorers, particularly in the gold sector, while initial public offerings ('IPOs') focused on critical minerals, comprising lithium and rare-earth minerals. A total of 779 companies lodged an Appendix 5B for the June 2023 quarter, representing a reduction of eight companies from the March 2023 quarter and marking the first reduction in companies to lodge since the September 2020 quarter. Interestingly, seven companies were acquired or merged with in the June 2023 quarter, signifying the commencement of a healthy wave of consolidation activity across the sector, particularly within the gold sector, as explorers favour this route over running the gauntlet with current uncertain and volatile capital markets.

Following a decrease of 55% in the amount of funds raised in the previous quarter, financing cash inflows for the June 2023 quarter increased 111% to total A\$2.84 billion. Alongside, the average financing inflows per company was up 8.5% to total A\$3.65 million, when compared to the two-year average of A\$3.36 million. The recent volatility in financing cash flows, as outlined below, is a consequence of the adverse reaction from capital markets to increasing interest rates since May 2022, in conjunction with an inflationary environment, and global economic uncertainty. In the current quarter, we observed a loosening of previously tightened capital markets, evidenced by the increased number of large fund raisings.

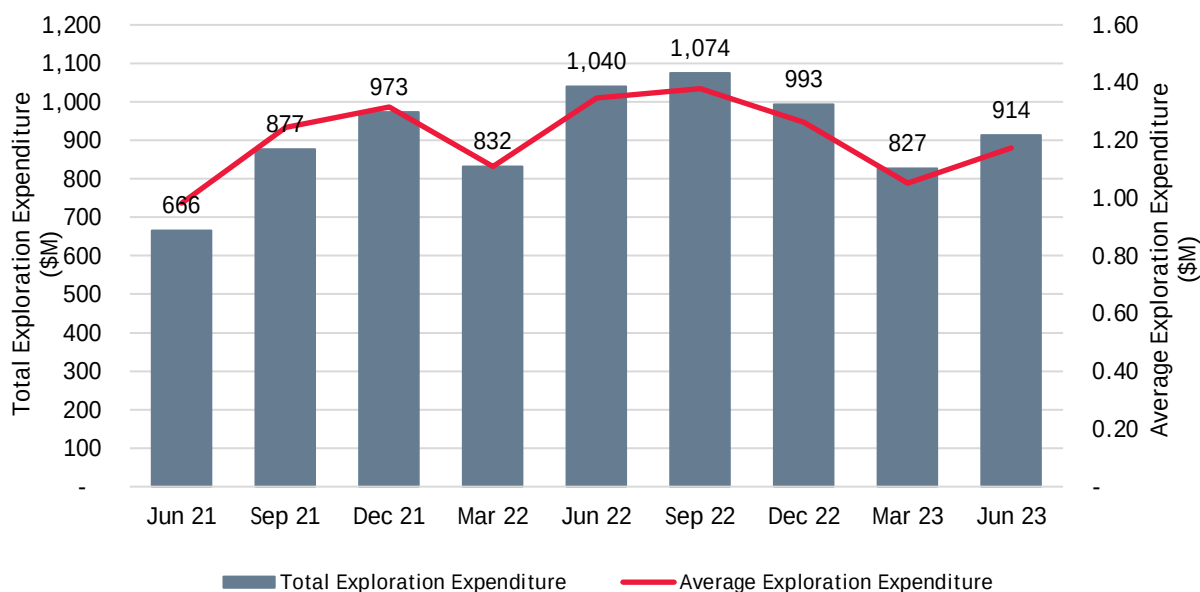
In the June 2023 quarter, 53 companies (which we have termed 'Fund Finders') raised capital exceeding A\$10 million, up from 34 in the previous quarter. For the second successive quarter, both gold and lithium secured the top spots on our Fund Finders, underscoring the notion that market sentiment is being both driven by the demand for battery metals, yet tempered by economic volatility.

Explorers' cash positions increased modestly in the June 2023 quarter, with 82% of exploration companies reporting a cash balance of over A\$1 million, up from 81% in the March 2023 quarter. Notably, this marks a slight reversal of a trend of explorers with cash balances over A\$1 million reducing since the June 2022 quarter. This development is encouraging, especially considering the industry-wide rise in investment and exploration expenditure throughout the quarter, in tandem with the prevailing inflationary environment.



In the June 2023 quarter, total exploration expenditure increased for the first time since the record-billion dollar spend in the September 2022 quarter of A\$1.07 billion. The June 2023 quarter's A\$914 million exploration spend represented a 10% increase from the March 2023 quarter. The average exploration spend per company rebounded by 12% to A\$1.17 million from the two-year low of A\$1.05 million shown in the March 2023 quarter.

Total Exploration Expenditure - Last Two Years (\$M)



The top ten exploration spending companies comprised four lithium companies, three gold companies, one nickel-copper, graphite, and coal company. Gold and oil and gas typically account for the largest portion of the top 10 exploration spends, however, this quarter, we have also observed growth in exploration spending for lithium that has likely been driven by the sustained demand for renewable energy sources to meet future requirements.

Contradictory macroeconomic signals defined the macroeconomic landscape in the June 2023 quarter. For example, gold topped our Fund Finders for the fourth consecutive quarter, which would potentially serve as an indicator of ongoing economic turbulence, given the recognised safe haven attributes of gold.

However, despite the prevailing economic uncertainty, there was a resurgence of capital market support during the same period, largely driven by the demand for battery metals. Nonetheless, the results from the June 2023 quarter suggests that the sector has healthily rebounded from the noticeable industry wide slowdown observed in the preceding two quarters.

Source: BDO Explorer Quarterly Cash Update: June 2023 and prior releases.

9.2 Gold

Gold is a soft malleable metal which is highly desirable due to its rarity, permanence, and unique mineral properties. Gold has been used in jewellery and as a form of currency for thousands of years, however more recently, there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine, and aerospace technology.

In addition to its practical applications, gold also serves as an international store of monetary value. Gold is widely regarded as a monetary asset as it is considered less volatile than world currencies and therefore provides a safe haven investment during periods of economic uncertainty.

The nature of the ore deposit determines the mining and mineral processing techniques applied. Gold contained in oxide ore deposits are typically of low grade and are simple to extract and readily amenable by cyanidation. Consequently, highly disseminated gold can be contained within sulphide minerals which require mining, crushing, grinding and to be followed by gravity separation to recover the gold, subject to flotation to concentrate the sulphide mineral fraction containing the gold. Inherently, the costs associated with the treatment of oxide ore are significantly less than of sulphide ores.

Once mined, gold continues to exist indefinitely and is often melted down and recycled to produce alternative or replacement products. Consequently, demand for gold is supported by both gold ore mining and gold recycling. A summary of the recent historical supply of gold is provided in the table below:

Gold supply (tonnes)	2017	2018	2019	2020	2021	2022
Mine production	3,576	3,656	3,596	3,482	3,589	3,649
Net producer hedging	(26)	(12)	6	(39)	(7)	(11)
Recycled gold	1,112	1,132	1,276	1,293	1,136	1,141
Total supply	4,662	4,776	4,878	4,736	4,718	4,779

Source: World Gold Council 2022 Statistics, 31 March 2023

The World Gold Council expects gold to remain supported with potential upside for the latter half of 2023. Increased financial uncertainty from weakening global economic conditions should see gold experience stronger demand on the back of a weaker US dollar and rangebound bond yields. However, the risk of tighter monetary policy or an economic soft landing could result in gold divestment.

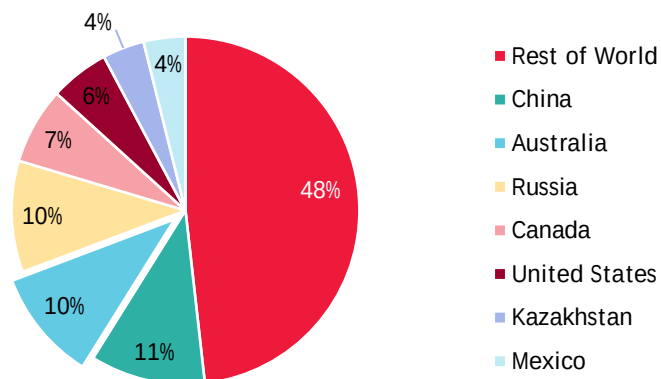
Gold ore mining is a capital intensive and high-cost process, which becomes increasingly difficult and more expensive as the quality of ore reserves diminish. The industry also incurs many indirect costs related to exploration, royalties, overheads, marketing and native title law. Typically, many of these costs are fixed in the short term as a result of industry operators' inability to significantly alter cost structures once a mine commences production.

The gold industry is geographically diverse as China, Australia and Russia lead global gold production. According to the United States Geological Survey ('USGS'), total estimated global gold ore mined for 2022 was approximately 3,100 metric tonnes. The chart below illustrates the estimated global gold production by country for 2022.

Gold production and reserves

The USGS estimates that overall global gold production in 2022 remained relatively unchanged from 2021 as production decreases in Papua New Guinea and the United States were more than offset by production increases in Colombia, Indonesia and Burkina Faso.

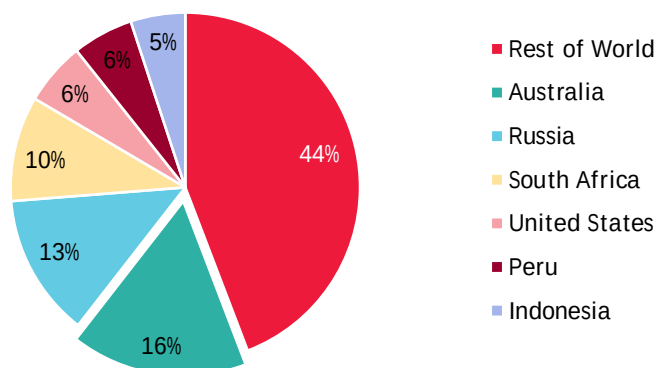
Gold Production by Country 2022



Source: U.S. Geological Survey, January 2023

Despite China leading global gold production in 2022, Australia, Russia and South Africa hold the largest known gold reserves globally. As depicted below, the USGS estimates that collectively, these three countries account for approximately 39% of global gold reserves.

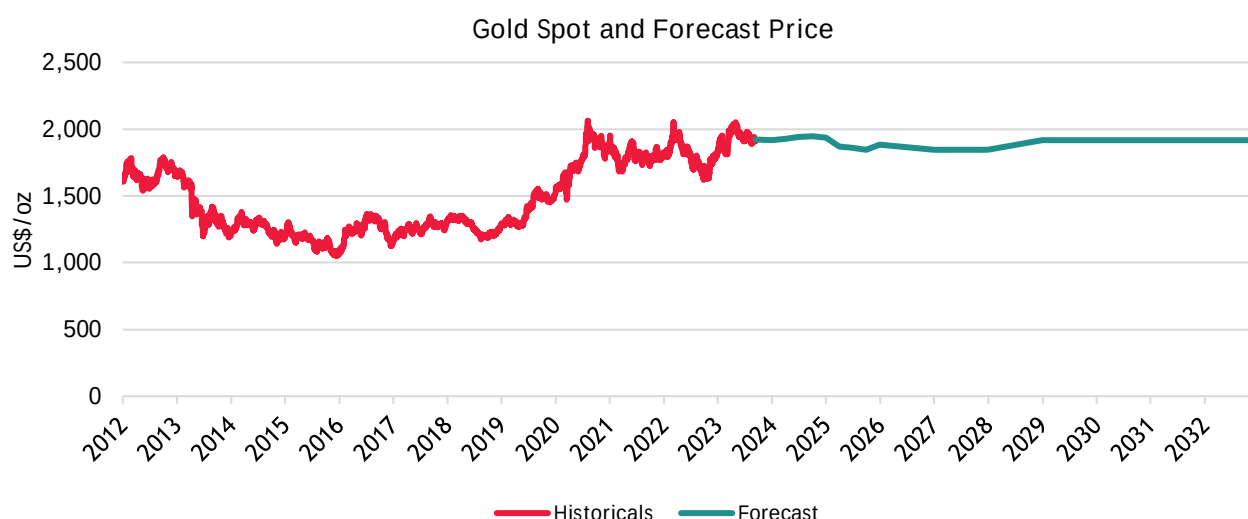
Gold Reserves by Country 2022



Source: U.S. Geological Survey, January 2023

According to the 2023 USGS, Australia's gold reserves amount to 8,400 tonnes, representing over 16% of global reserves and the largest held by any one country. IBISWorld estimates domestic industry revenue will fall by an annualised 2.7% over the five-year period through to 2027-28, to approximately US\$19.8 billion. This is largely expected to be the result of a forecast decline in domestic gold prices, a stronger Australian dollar and a higher interest rate environment that is estimated to persist.

Gold prices



Source: Bloomberg and Consensus Economics Survey dated 18 September 2023

The figure above illustrates the historical fluctuations in the gold spot prices from January 2012 to September 2023 and the consensus economics forecast for gold prices for the remainder of 2023 through to 2033.

The start of 2013 saw the price of gold enter a declining trend, falling from the US\$1,700 level to approach US\$1,100 over the subsequent few years. The downturn represented the beginning of a correction in the gold price, which had almost tripled in the two-year period prior to the European crisis in 2011. Over the period from 2014 through to 2019, the gold price fluctuated primarily between US\$1,100 and US\$1,400.

Gold prices fluctuated significantly throughout 2020. Demand for gold increased in response to the uncertainty created by the global spread of COVID-19, as investors prioritised safe haven assets. In late March 2020, the increasing demand for gold was interrupted by a panic selloff as investors began to realise their profits amidst the growing uncertainty caused by the crisis. Gold spot prices fell to a yearly low of US\$1,471, before rallying in late July and early August to exceed US\$2,000. The COVID-19 crisis was the primary driver of the gold price, as central banks injected trillions of dollars into financial markets and investors prioritised safe haven assets. Additionally, the prevailing low interest rate environment across 2020 increased access to capital, which further spurred investment in gold.

Through to early January 2021, the price of gold increased as a result of further fallout from the US Election, climbing back over US\$1,900 after remaining in the US\$1,800s through most of December 2020. For the rest of 2021, the price of gold traded between US\$1,600 and US\$1,900 as demand fluctuated throughout the year. Rising US treasury yields initially threatened gold's appeal as an inflation hedge by increasing the opportunity cost of holding the precious metal. However, concerns regarding the spread of the Delta variant increased gold's safe haven appeal, and subsequently, the price of gold climbed back above the US\$1,800 mark in early July 2021. This was quickly reversed in the following months as the US Federal Reserve signalled policy tightening sooner than anticipated which drove US treasury yields and a stronger US dollar. Towards the end of the year, gold prices significantly strengthened following the US Federal Reserve's announcement to reduce purchases of Government bonds and the release of US inflation data which revealed an annualised inflation rate of 6.2%, its highest level since 1990.

The invasion of Ukraine by Russia in February 2022 saw gold prices climb above US\$1,900 and peak at US\$2,039 during March, in response to several economic sanctions on Russia and the release of US inflation data which indicated an annualised inflation rate of 8.5%. In May 2022, the price of gold weakened to US\$1,800 following the US Federal Reserve's aggressive monetary tightening to control rising inflation. The gold price continued to decline until September 2022, before it staged a recovery driven by a combination of slowing US inflation, depreciation of the US dollar, and increased gold demand by central banks for reserve diversification.

The first quarter of 2023 witnessed several financial institutions, such as the Credit Suisse Group AG and the Silicon Valley Bank, face severe liquidity and investor confidence issues which were supportive factors for the price of gold. Early April 2023 saw gold prices surpass US\$2,000 as investors speculated a nearing of the end of interest rate tightening in the US. The latter half of May 2023 saw gold prices pull back below US\$2,000 where they have stayed during June 2023 finishing the month at approximately US\$1,950. The increased viability of gold as a hedge against current inflation and emerging market central banks continuing to purchase gold to diversify from the US dollar and US bonds have also contributed to the price hike. Gold continues to be a safe haven asset relied upon during times of volatility.

Consensus Economics forecasts the price of gold to exhibit a declining trend over the period to the end of 2026, from which point it is expected to stabilise over the longer term and remain high in comparison to historical levels. According to Consensus Economics, the medium-term forecast gold price from 2025 to 2027 is expected to range between US\$1,890/oz and US\$1,840/oz, with the long term (2028-2032) nominal forecast at approximately US\$1,920/oz.

Source: Bloomberg, Consensus Economics, IBISWorld, World Gold Council and Reuters

9.3 Silver

Silver is a silver-white, lustrous, precious metal and is a commonly used metal given its malleability along with its electrical and thermal conductivity characteristics. Given its attractive appearance, silver is also used in jewellery, ornaments and household silverwares. Other uses include photographic paper and film, electronics, coatings for mirrors and as an anti-bacterial agent.

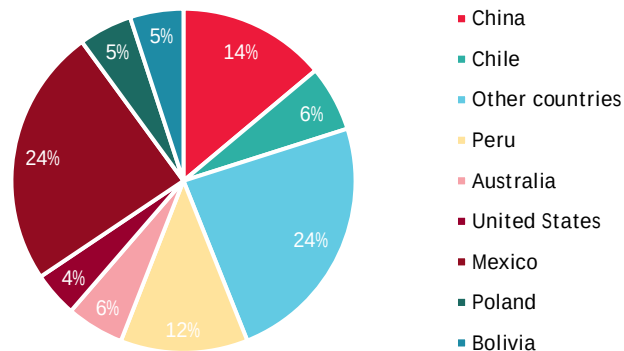
In its purest state, silver is found as native silver, however, is more commonly combined with other elements such as lead, copper and zinc ores. Over half of the world's silver production is obtained as a by-product.

Alike gold, silver is often used as an investment instrument, particularly as a hedge against movements in the currency's value. Demand for silver often increases during times of recessions because investors want to hold solid commodity assets instead of more-volatile stocks and bonds. Unlike gold, silver has a wide array of practical applications, mainly in the industrial and medical sectors.

Production and reserves

The world's largest producers of silver are Mexico, China and Peru. In 2022, Mexico and Peru accounted for approximately 38% of the world's silver production. The graph below shows the split between the different country's production levels for 2022:

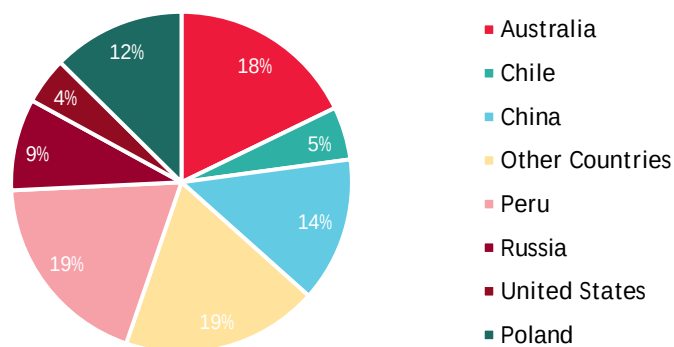
Global Silver Production (2022 estimate)



Source: Bloomberg and BDO analysis

Peru has the world's largest deposits for silver, accounting for 19% of the world's reserves. Australia, China and Poland also have substantial portions of silver reserves. The figure below outlines global silver reserves by country for 2022.

Global Silver Reserves (2022 estimate)

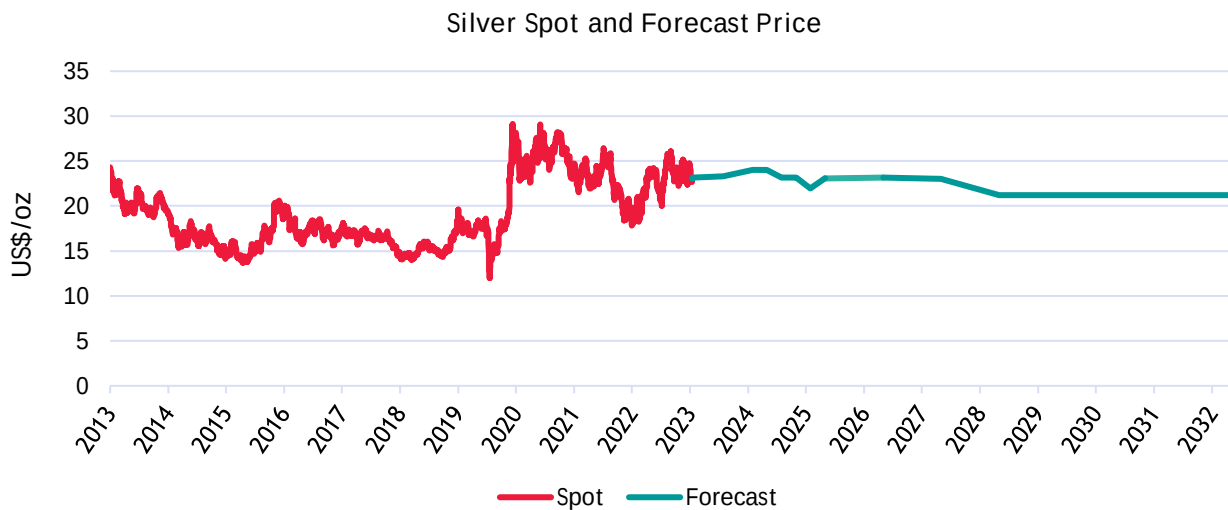


Source: Bloomberg and BDO analysis

The supply of silver is mainly derived from mine production and recycling of scrap silver. As seen in the graph above, world silver mine production reached an estimated 26,000t in 2022, increasing 4% from 2021. The uptick was principally a result of increased production from mines in Chile and other countries as silver mines were still recovering from shutdowns in 2020 in response to the COVID-19 pandemic.

Silver prices

Silver is a global commodity and, as such, prices are determined by global supply and demand factors.



Source: Bloomberg and Consensus Economics Survey dated 18 September 2023

The graph above illustrates the historical fluctuations in the silver spot prices from September 2013 through to September 2023 as well as the Consensus Economics forecasts for silver prices from the remainder of 2023 to 2032.

Prior to the GFC, worldwide demand for silver jumped due to the rapid industrialization of countries like China, India and Brazil. Supply did not increase proportionally over the period, as low prices of silver since the mid-1980s discouraged further exploration and production expansions. Prices rose from US\$4.88/oz average in 2003 to a US\$13.39/oz average in 2007. The onset of the GFC saw silver demand from the industrial sector drop off but this was offset by investor demand amongst uncertainty in the economy.

Strong industrial demand for silver post-GFC and the reluctance investors to relinquish silver investments as the global economic recovery remained slow, drove prices up to a US\$20.15/oz average in 2010. These demand increases were not met with supply increases as it takes several years to explore new mining sites and getting mining production up and running. The supply shortage drove prices up further in 2011, before prices cooled over 2012 and 2013 as the global economy slowly improved and investors moved away from holding silver.

Prices fell even further in 2014, as the US Federal Reserve wound down bond-buying programs in late 2013, lowering demand for silver as a store of value. Declining growth rates in China in 2015 resulted in global economies experiencing a period of volatility, with commodity prices in general dropping further.

Prices rebounded in 2016, with economic shocks such as Brexit increasing investment demand for precious metals including silver. During 2017 and 2018, accelerating economic growth shifted the demand away from precious metals for investment and in conjunction with weak industrial demand depressed prices for silver. More robust industrial demand and demand for jewellery lifted prices in 2019.

The onset of the COVID-19 pandemic prompted prices to spike, as more investors looked to silver as a wealth-security tool that was more accessible than gold. Prices rose 26.6% in 2020 and continued to increase a further 22.5% in 2021, driven by high inflation and global tensions, making silver an attractive safe-haven asset in comparison to stocks and bonds. Silver prices spiked as a result of the Russia/Ukraine crisis, with investors flocking to silver as a safe haven asset in a time of general economic uncertainty. Prices peaked at US\$25.31/oz in March 2022.

Prices followed a downward trend throughout 2022, as silver production picked up by 4% in comparison to 2021, according to USGS. The price of silver picked up in late 2022 and into 2023, amid the growing view that interest rates will remain higher for longer given stubbornly high inflation. Silver prices have averaged US\$23.49/oz in the first half of 2023. Expectations on future silver prices is dependent on the growth in industrial demand for silver, in particular its use in green technologies, and the continuing demand for silver as a safe haven investment.

According to Consensus Economics, prices are forecast to remain stable over future periods. The forecast price of silver is expected to remain within the band of US\$24.00/oz and US\$21.90/oz and subsequently decrease to a long term (2028-2032) nominal forecast around US\$21.20/oz.

Source: Consensus Economics, IBIS World and BDO analysis

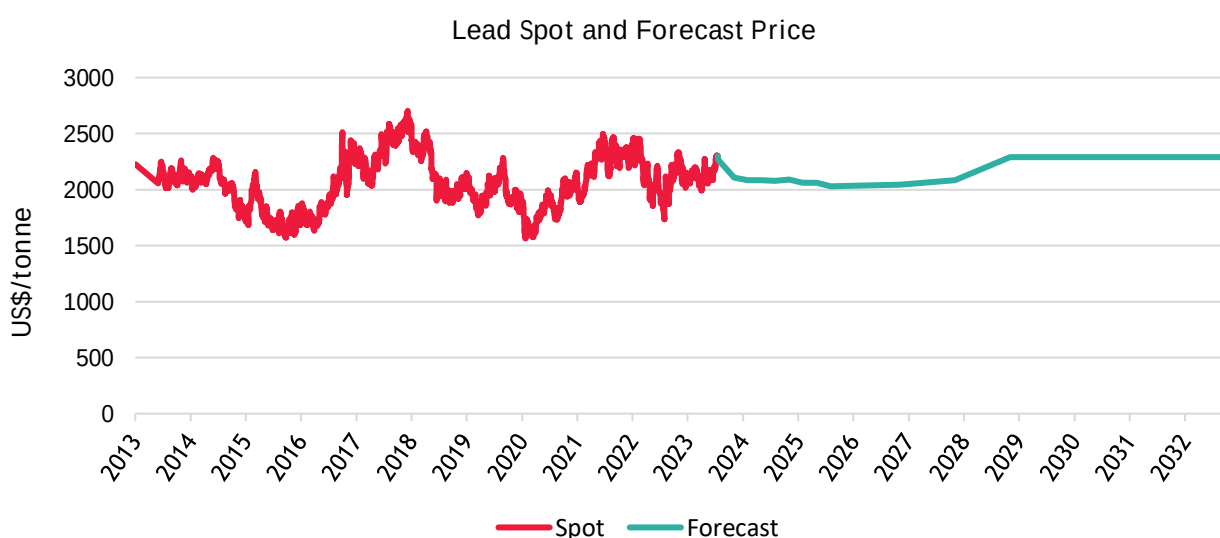
9.4 Lead

Lead is a heavy, corrosion-resistant metal that has been in use for at least 5,000 years. In its early days it was used primarily for building materials, however, following the increased growth in production of motorised vehicles, demand for lead has significantly shifted towards lead-acid batteries. They are primarily used as starting-lighting-ignition batteries for vehicles, as well as industrial-type batteries for standby power for computer and telecommunications networks.

The use of lead in vehicle batteries, accounts for approximately 85% of modern lead usage. Like copper, lead is highly recyclable, with 99% of lead from used batteries recycled to make new batteries. Lead is also used in weights and ballast, underwater cable sheathing, solder, casting alloys, chemical compounds, ammunition, glassware, and radiation protection.

Lead prices

The US\$ price for lead is listed on the London Metal Exchange. Like other base metals, lead is a global commodity and as such, prices are determined by global supply and demand factors.



Source: Bloomberg and Consensus Economics Survey dated 18 September 2023

The figure above illustrates the historical fluctuations in the lead spot prices from September 2013 to September 2023 and the Consensus Economics forecasts for lead prices from 2023 to 2033.

Due to its demand drivers, the price of lead has closely followed global economic conditions. Following its peak to US\$2,700/t in July 2011, the price of lead averaged US\$2,068/t over the subsequent four years to July 2015, before declining to US\$1,570/t in November 2015 due to an excess of supply and weakened global demand for most major commodities. Prices then climbed back to 2011 levels over the period to February 2018 in line with global economic recovery and growth in demand from China.

In 2020, lead prices fell alongside other major commodities following the adverse global economic impacts stemming from the COVID-19 outbreak, but rallied over 2021 in a similar trend to zinc with concerns over a limited supply. The increase in prices were attributable to ongoing conflict between Russia and Ukraine, inflation shocks and monetary tightening, however, has been relatively subdued compared to zinc as the alternate supply of recycled lead continues to help in supplementing demand.

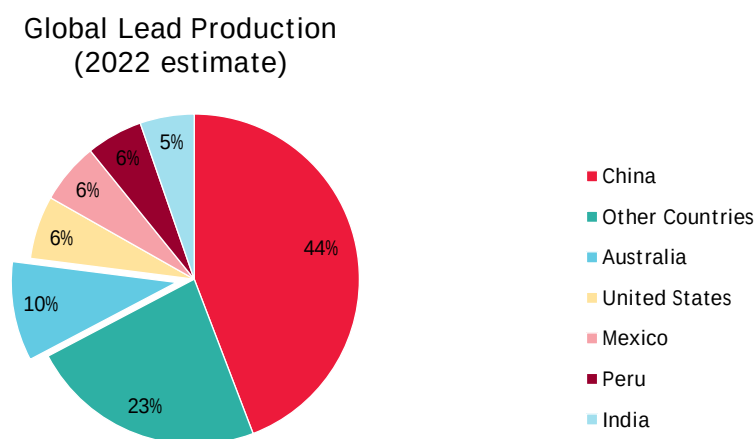
Lead prices averaged US\$2,325/t in the first quarter of 2022 and reached US\$2,454/t in mid-April 2022, before retreating to US\$2,138/t in early June 2022. Lead prices averaged US\$2,042/t in the second half of 2022 and demonstrated stability relative to prior periods. Lead prices was on a downward trend over the first two months of 2023 and London Metal Exchange warehouse stocks reached a 33-year low in early February, indicating a broad supply squeeze, primarily owing to high labour and energy costs.

Lead prices are expected to remain stable over the second half of 2023. Weak production in major demand centres such as Europe and the US will continue to be offset by lead exports from China. Subdued national Chinese demand is helping it sustain its international exports, whilst in Europe, lead demand will be constrained by weak economic activity.

According to Consensus Economics, the medium-term forecast gold price from 2025 to 2027 is expected to range between US\$2,085/t and US\$2,030, with the long term (2028-2032) nominal forecast at approximately US\$2,290/t.

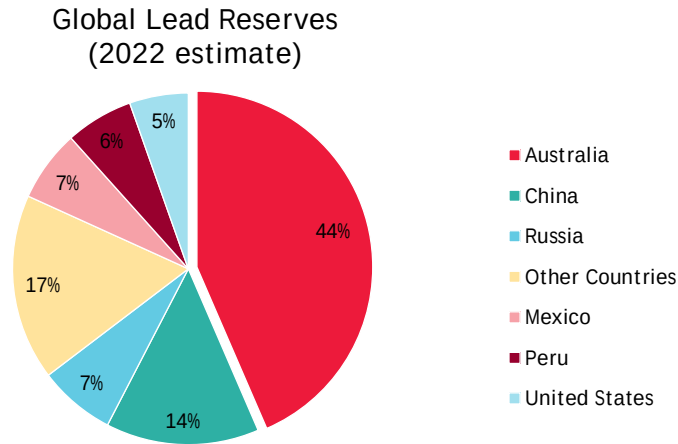
Lead production and reserves

China is the leading producer of lead by a large margin, with an estimated 2,000 tonnes of lead produced from mining throughout 2022, equating to approximately 45% of the world lead production. This is illustrated in the chart below.



Source: USGS, January 2023

Australia has the world's largest deposits for lead by a significant proportion, with most of its total 4,600 tonne reserves located in the state of Queensland. The figure below outlines global lead reserves by country for 2022.



Source: USGS, January 2023

9.5 Zinc

Globally, zinc is the most used metal after iron, aluminium and copper. It is typically found in complex deposits alongside lead and silver. It is an element known for its unique protective capacity given it is resistant to corrosion and, as such, a substantial portion of zinc is used for galvanising iron and steel. Other uses include the production of zinc alloys, for example, brass from the combination of zinc and copper. Zinc is also used in chemical forms, for example in the pharmaceutical industry for skin products.

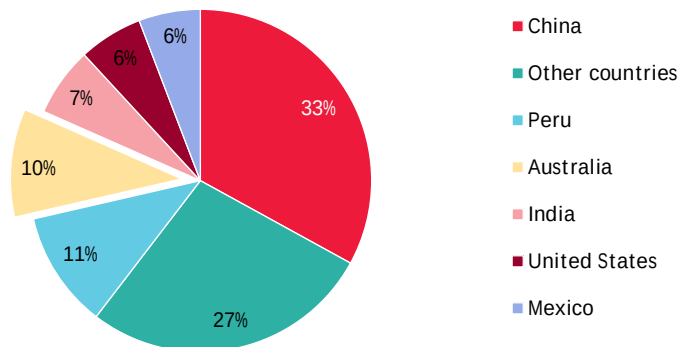
Almost all of Australia's zinc mines are underground operations and are highly mechanised. Typically, zinc ore is drilled and blasted before being transported to underground rock crushers. The crushed ore is subsequently hoisted or trucked to the surface, where it is subject to additional crushing and grinding. A flotation process is then used to separate the zinc and other valuable sulphide minerals from the waste rock particles or tailings to generate a concentrate.

Zinc was recently added to the official US Critical Minerals List of 2022 prepared by the USGS. This means that the USGS has identified zinc as vital to the well-being of the US economy and at risk of significant movements in the global supply chain.

Zinc production and reserves

As per the chart below, China remains the largest producer of zinc globally and is also the largest consumer of zinc primarily for its steel applications. Peru and Australia follow as the second and third largest producers, respectively.

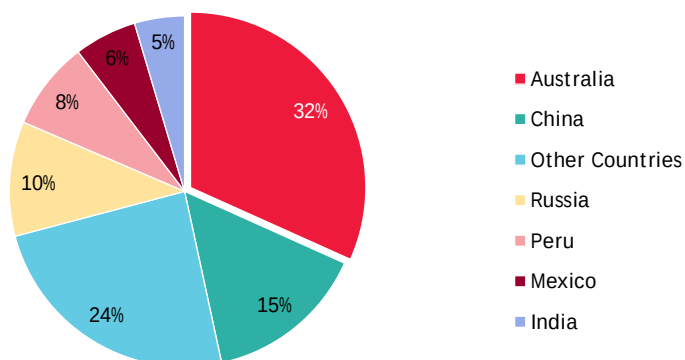
Global Zinc Production (2022)



Source: USGS, January 2023

Australia has the world's largest deposits for zinc, with a substantial portion of zinc reserves located in the state of Queensland and the Northern Territory. Globally, China and Russia also have substantial portions of zinc reserves. The chart below outlines global zinc reserves by country for 2022.

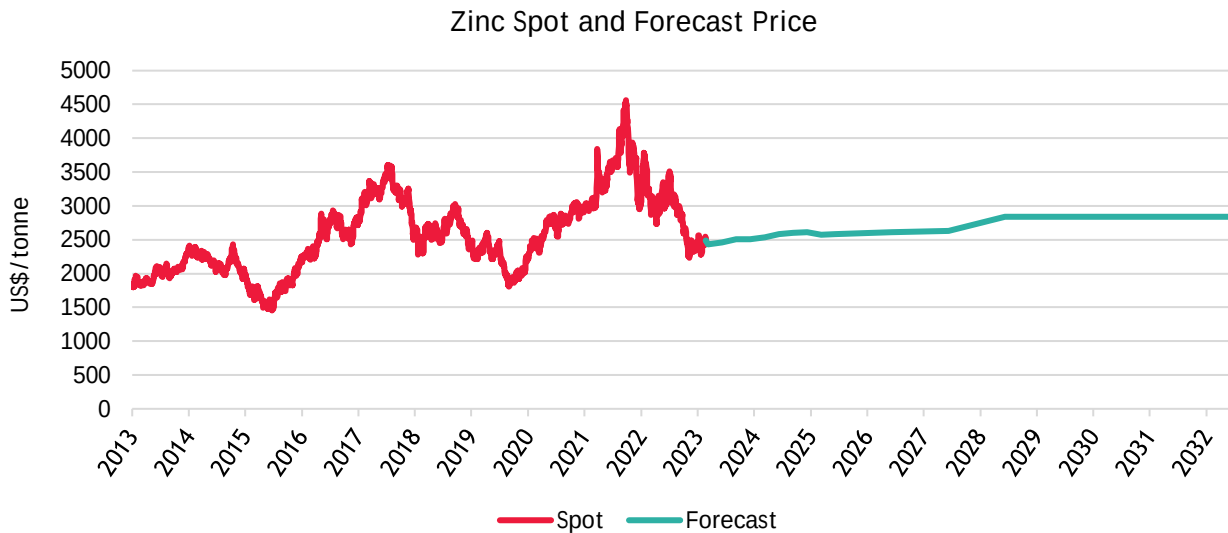
Global Zinc Reserves (2022)



Source: USGS, January 2023

Zinc prices

The United States dollar price for zinc is quoted on the London Metal Exchange. A key driver of the zinc price relates to the stock levels held in the London Metal Exchange warehouses, the largest global zinc depository. The global balance between demand and supply for zinc, along with speculative factors determines the price of zinc.



Source: Bloomberg and Consensus Economics Survey dated 18 September 2023

The graph above illustrates the historical fluctuations in the zinc spot prices from September 2013 to September 2023, as well as the Consensus Economics forecasts for zinc prices from the remainder of 2023 to 2033.

As a result of the demand drivers for base metals, the price of zinc has closely followed global economic conditions. After the global financial crisis in 2008, the price of zinc steadily recovered in line with global economic recovery and climbed to US\$3,500/t in February 2018. Prices started to decline throughout 2018 and 2019 as Chinese zinc production started to increase.

The onset of the COVID-19 pandemic prompted prices to fall to a five-year low of US\$1,802/t on 24 March 2020 as global markets were disrupted by lockdowns and infrastructure spending was reduced. However, prices have since rallied over a mismatch between supply and demand, particularly as the initial economic recovery from the pandemic outpaced global zinc output. In April 2022, zinc prices reached an all-time high, exceeding US\$4,500/t, which was partially attributable to production constraints caused by high energy prices across Europe, the permanent closure of the Flin Flon smelter in Canada and disruptions at several other smelters. Subsequently, prices have declined an average of US\$2,727/t from January 2023 to August 2023, which is reflective of moderating energy prices across Europe, the easing of China's COVID-19 restrictions and the general unwinding of smelter disruptions.

According to Consensus Economics, prices are forecast to weaken slightly, as demand and supply imbalances stabilise over the medium-term. The forecast price of zinc is expected to remain within the band of US\$2,700/t and US\$2,500/t and subsequently increase to a long term (2028-2032) nominal forecast around US\$2,840/t.

Source: Bloomberg, Consensus Economics, IBISWorld, and S&P Global.

10. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME');
- Discounted cash flow ('DCF');
- Quoted market price basis ('QMP');
- Net asset value ('NAV');
- Market based assessment (such as a Resource Multiple); and

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information.

It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('Sum-of-Parts') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above. The component parts are then valued using the NAV methodology, which involves aggregating the estimated fair market value of each individual company's assets and liabilities.

10.1 Valuation of an OreCorp share prior to the Scheme

In our assessment of the value of an OreCorp share prior to the Scheme, we have chosen to employ the following methodologies:

- Sum-of-Parts as our primary methodology, which estimates the fair market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology. The value derived from this methodology reflects a control value; and
- QMP as our secondary methodology, as this represents the value that a Shareholder may receive for a share if it were sold on market prior to the announcement of the Scheme. The value derived from this methodology reflects a minority interest value; and
- a market-based assessment as our tertiary methodology, based on the offer price of A\$0.40 per OreCorp share under the Silvercorp Placement, which was announced on 6 August 2023 and subsequently completed on 16 August 2023. This is on the basis that the Silvercorp Placement represents an arm's length transaction and the level of interest subscribed for in the Company's equity was substantial enough to reflect the underlying value of the Company.

We have chosen the following methodologies to value OreCorp prior to the Scheme, with the reasons for utilising those methodologies set out below:

- The core value of OreCorp lies in the future cash flows to be generated from its interest in the Nyanzaga Project. These cash flows are most appropriately valued using a DCF approach, however there are other assets and liabilities of OreCorp that are not suited to a DCF valuation approach. Where different approaches are used to value different assets or components of a business, a Sum-of-Parts approach is the most appropriate valuation methodology to employ. Based on the

Company completing a DFS in August 2022 with JORC Code compliant Ore Reserves, and based on discussions with SRK, we consider there to be sufficient reasonable grounds for a DCF valuation of the Nyanzaga Project;

- The value of OreCorp's interest in the Residual Resources and exploration potential of the Nyanzaga Project not included in the DCF valuation, are valued using alternative valuation methodologies by an independent technical specialist, as contained in the Independent Specialist Report in Appendix 5;
- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. The cash flows from the Nyanzaga Project have a finite life and these cash flows may vary substantially from year to year. The FME methodology is also not considered appropriate for valuing finite life assets, such as mining assets, rendering the Nyanzaga Project not suitable for an FME valuation;
- We have adopted QMP as our secondary approach. The QMP basis is a relevant methodology to consider because the shares of OreCorp are listed on the ASX, therefore reflecting the value that a Shareholder will receive for a share sold on the market. This means there is a regulated and observable market where the shares of OreCorp can be traded. However, for the QMP methodology to be considered appropriate, the listed shares should be liquid, and the market should be fully informed of the Company's activities; and
- We have adopted a market-based assessment as our tertiary approach using the Silvercorp Placement offer price of A\$0.40 per share as an indicator of the value of an OreCorp share prior to the Scheme. RG 111.86(e) states that an expert must consider "any recent genuine offers received by the target for the entire business, or any business units or assets as a basis for valuation of those business units or assets". Whilst we note that the Placement Agreement was not an offer for the entire business of OreCorp, we consider the size of the placement to be substantial enough to be a relevant indicator of the value of an OreCorp share prior to the Scheme.

Therefore, we consider the Sum-of-Parts approach to be an appropriate methodology to use in assessing the value of an OreCorp share prior to the Scheme.

We have employed the Sum-of-Parts methodology in estimating the fair market value of OreCorp prior to the Scheme by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the following:

- Value of OreCorp's interest in the Nyanzaga Project, applying the DCF methodology;
- Notional funding for the development of the Nyanzaga Project;
- Value of OreCorp's interest in the Residual Resources and exploration potential of the Nyanzaga Project not included in the DCF valuation, having reliance on the valuation performed by SRK, an independent technical specialist;
- Guidance contained in ASIC's Regulatory Guide 170 *Prospective Financial Information* ('RG 170') and Information Sheet 214 *Mining and resources: Forward-looking statements* ('IS 214') and advice from the technical specialist, SRK, to inform our assessment of whether there are sufficient reasonable grounds for a DCF valuation of the Nyanzaga Project prior to the Scheme;
- Value of OreCorp's other assets and liabilities, adjusting to fair market value under the NAV methodology;

- Present value of OreCorp's expected corporate overhead costs which is based on historical corporate costs incurred by OreCorp and an analysis of the corporate costs incurred by comparable ASX-listed companies; and
- Transaction costs incurred as part of the Scheme process borne by OreCorp if the Scheme is not successfully implemented.

Notional funding of the Nyanzaga Project in the absence of the Scheme

RG 111.15 states that funding requirements for a company that is not in financial distress (e.g., capital that is required to develop a project) should be taken into account by the expert when determining the fair value of the company's securities, especially when using the DCF methodology.

The capital expenditure requirements for the development of the Nyanzaga Project is approximately US\$473 million (on a real basis), which is expected to be incurred from 1 July 2024 in the absence of the Scheme. After considering the corporate costs expected to be incurred by OreCorp until the Nyanzaga Project becomes cash flow positive and converting the cash flows into nominal terms based on the inflation assumptions detailed in Section 11.1.1, the total funding requirements for the development of the Nyanzaga Project is approximately US\$547.62 million (on a nominal basis).

We note that the cashflow model upon which our DCF valuation is based has been prepared on an unfunded basis and therefore does not consider any costs associated with debt funding, or any dilution resulting from an equity raising. Therefore, there is a funding requirement of US\$547.62 million for the development of the Nyanzaga Project to realise the value.

In the absence of the Scheme, we have considered the alternatives available to OreCorp to fund the development of the Nyanzaga Project. The notional funding that we have assumed will be secured by OreCorp for the purposes of the development of the Nyanzaga Project in the absence of the Scheme is detailed in Section 11.1.2.

We note that we have accounted for the funding requirements for the development of the Nyanzaga Project separately to the value of the Nyanzaga Project itself. As such, the funding requirements are not included in our valuation of OreCorp's interest in the Nyanzaga Project as determined in Section 11.1.1.

Technical Expert

In performing our valuation of OreCorp prior to the Scheme using the DCF methodology, we have relied on the Independent Specialist Report prepared by SRK, including SRK's review of the technical project assumptions contained in the cash flow model. Additionally, we have relied on SRK's valuation of the Residual Resources and exploration potential of the Nyanzaga Project not included in the DCF valuation, which is included in the Independent Specialist Report.

SRK's Independent Specialist Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('**VALMIN Code**') and the JORC Code. We are satisfied with the valuation methodologies adopted by SRK, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code.

The specific valuation methodologies used by SRK are referred to in the respective sections of our Report and in further detail in the Independent Specialist Report contained in Appendix 5.

10.2 Valuation of the Scheme Consideration

As detailed in Section 4 of our Report, the Scheme Consideration comprises A\$0.15 cash and 0.0967 shares in the Merged Group. In valuing the Scheme Scrip Consideration, we have considered the following approaches:

- Sum-of-Parts of the Merged Group as our primary methodology. The value derived from this methodology reflects a control value, to which we then apply a minority interest discount; and
- QMP as our secondary methodology, utilising post-announcement pricing of Silvercorp. The value derived from this methodology reflects a minority interest value.

Under RG 111.34, it is noted that if, in a scrip bid, the target is likely to become a controlled entity of the bidder, the bidder's securities can also be valued using a notionally combined entity. However, it should still be noted that the accepting holders are likely to hold minority interests in that combined entity. Therefore, on the basis that Shareholders will become minority interest holders in the Merged Group, our valuation of a share in the Merged Group is on a minority interest basis.

We have considered the above valuation approaches in determining our assessed value range of the Scheme Scrip Consideration. The Scheme Scrip Consideration is then aggregated with the Scheme Cash Consideration to determine the total value of the Scheme Consideration.

We have chosen the following methodologies to value the Merged Group following the implementation of the Scheme, and in turn, the Scheme Scrip Consideration with the reasons for utilising those methodologies set out below:

- The core value of the Merged Group lies in the future cash flows to be generated from Silvercorp's interests in the Chinese mines and OreCorp's interest in the Nyanzaga Project. These cash flows are most appropriately valued using a DCF approach, however there are other assets and liabilities of the Merged Group that are not suited to a DCF valuation approach. Where different approaches are used to value different assets or components of a business, a Sum-of-Parts approach is the most appropriate valuation methodology to employ. As outlined in Section 10.1, based on OreCorp completing a DFS in August 2022 with JORC Code compliant Ore Reserves, and based on discussions with SRK, we consider there to be sufficient reasonable grounds for a DCF valuation of the Nyanzaga Project;
- The value of the Merged Group's interest in the Residual Resources and exploration potential of Silvercorp's mineral assets and the Nyanzaga Project not included in the respective DCF valuations, have been valued using alternative valuation methodologies by an independent technical specialist, as contained in the Independent Specialist Report in Appendix 5;
- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. The cash flows from Silvercorp's Chinese mines and the Nyanzaga Project have finite lives and these cash flows may vary substantially from year to year. The FME methodology is also not considered appropriate for valuing finite life assets, such as mining assets, rendering Silvercorp's Chinese mines and the Nyanzaga Project not suitable for an FME valuation; and
- We have adopted QMP as our secondary approach, utilising post-announcement pricing of Silvercorp. The QMP basis is a relevant methodology to consider because the shares of Silvercorp are listed on the TSX and NYSE American. This means there is a regulated and observable market where the shares of Silvercorp can be traded. However, for the QMP methodology to be

considered appropriate, the listed shares should be liquid, and the market should be fully informed of the company's activities.

Therefore, we consider the Sum-of-Parts approach to be an appropriate methodology to use in assessing the value of the Merged Group following the implementation of the Scheme, and in turn, the Scheme Scrip Consideration.

We have employed the Sum-of-Parts methodology in estimating the fair market value of the Merged Group following the Scheme by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the following:

The value of OreCorp following the Scheme which includes:

- The value of OreCorp's interest in the Nyanzaga Project following the Scheme, applying the DCF methodology;
- The value of OreCorp's interest in the Residual Resources and exploration potential of the Nyanzaga Project not included in the DCF valuation, having reliance on the valuation performed by SRK, an independent technical specialist; and
- The value of OreCorp's other assets and liabilities.

The value of Silvercorp which includes:

- The value of Silvercorp's interest in the Ying Mines and the GC Mine, applying the DCF methodology;
- The value of Silvercorp's interest in the Residual Resources and exploration potential not included in the DCF valuation of Silvercorp's mineral assets; and
- The value of Silvercorp's other assets and liabilities.

Adjustments to the value of the Merged Group to reflect the impact of the Scheme which includes:

- The present value of forecast corporate costs of the Merged Group; and
- Transaction-related costs.

Notional funding of the Nyanzaga Project following the implementation of the Scheme

RG 111.15 states that funding requirements for a company that is not in financial distress (e.g., capital that is required to develop a project) should be taken into account by the expert when determining the fair value of the company's securities, especially when using the DCF methodology.

The capital expenditure requirements for the development of the Nyanzaga Project is approximately US\$473 million (on a real basis), which is expected to be incurred from 1 January 2024 if the Scheme is implemented. After considering the corporate costs expected to be incurred by the Merged Group until the Nyanzaga Project becomes cash flow positive and converting the cash flows into nominal terms based on the inflation assumptions detailed in Section 11.1.1, the total funding requirements for the development of the Nyanzaga Project is approximately US\$529.18 million (on a nominal basis).

We note that the cashflow model upon which our DCF valuation is based has been prepared on an unfunded basis and therefore does not consider any costs associated with debt funding, or any dilution resulting from an equity raising. Therefore, there is a funding requirement of US\$529.18 million for the development of the Nyanzaga Project to realise the value.

Based on discussions with management of both OreCorp and Silvercorp, if the Scheme is successfully implemented, funding for the development of the Nyanzaga Project is expected to be sourced from the Merged Group's existing cash reserves and short-term investments (bonds and money market instruments), positive cash flows from its existing operating mines, and a debt facility. The notional funding that we have assumed will be secured by the Merged Group for the purposes of the development of the Nyanzaga Project is detailed in Section 12.1.1.

Technical Expert

In performing our valuation of the Merged Group following the implementation of the Scheme using the DCF methodology, we have relied on the Independent Specialist Report prepared by SRK, including SRK's review of the technical project assumptions contained in the respective cash flow models. Additionally, we have relied on SRK's valuation of the Residual Resources and exploration potential of Silvercorp's mineral assets and the Nyanzaga Project, not included in the respective DCF valuations, which is included in the Independent Specialist Report.

SRK's Independent Specialist Report has been prepared in accordance with the VALMIN Code and the JORC Code. We are satisfied with the valuation methodologies adopted by SRK, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code.

The specific valuation methodologies used by SRK are referred to in the respective sections of our Report and in further detail in the Independent Specialist Report contained in Appendix 5.

Post-announcement pricing of Silvercorp

We have considered the post-announcement pricing of Silvercorp as a secondary approach in valuing the Scheme Scrip Consideration.

Given that we are valuing the Scheme Scrip Consideration, being the 0.0967 shares in the Merged Group that are to be received by Shareholders, we have considered the market pricing of Silvercorp following the announcement of the Scheme. The market price of Silvercorp shares in the period following the announcement of the Scheme is considered an indicator of the value of the Merged Group because market participants are fully informed as to the terms of the Scheme, with the price reflecting the market's view of value. This value includes the acquisition of OreCorp, the Scheme Cash Consideration of A\$60.46 million exiting the Merged Group and the associated dilution from issuing the Scheme Scrip Consideration.

We note that there are other market factors which have, and will influence the Silvercorp share price following the announcement of the Scheme. As such, we have also conducted an analysis of the movements of the TSX Composite Index, as a proxy for the market and the S&P/TSX Global Mining Index as a proxy for Silvercorp and OreCorp's industry, over the same post-announcement period.

Further, we note that market pricing can be volatile and as such, we have assessed post-announcement pricing on a volume weighted average price over a number of different time periods in order to smooth the day to day price fluctuations.

11. Valuation of OreCorp prior to the Scheme

11.1 Sum-of-Parts valuation

We have employed the Sum-of-Parts methodology in estimating the fair market value of an OreCorp share on a controlling interest basis prior to the Scheme, by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration of the following:

- the DCF valuation of OreCorp's interest in the Nyanzaga Project;
- the notional funding for the development of the Nyanzaga Project;
- the value of OreCorp's interest in the Residual Resources and exploration potential of the Nyanzaga Project not included in the DCF valuation;
- the value of OreCorp's other assets and liabilities not included in the DCF valuation; and
- the present value of OreCorp's corporate costs; and
- the transaction costs.

Our Sum-of-Parts valuation of OreCorp prior to the Scheme is set out in the table below:

Valuation of OreCorp prior to the Scheme	Ref	Low US\$'000	Preferred US\$'000	High US\$'000
DCF valuation of OreCorp's interest in the Nyanzaga Project	11.1.1	107,000	148,000	190,000
Value of notional gold stream arrangement	11.1.2	46,197	46,197	46,197
Cash raised through notional equity raising	11.1.2	170,481	170,481	170,481
Value of OreCorp's interest in the Residual Resources and exploration potential of the Nyanzaga Project not included in the DCF valuation	11.1.3	9,730	15,390	21,050
Value of OreCorp's other assets and liabilities	11.1.4	26,042	26,042	26,042
Value of OreCorp's corporate costs	11.1.5	(43,245)	(36,565)	(29,885)
Transaction costs	11.1.6	(748)	(748)	(748)
Total value of OreCorp prior to the Scheme (control)		315,456	368,796	423,137
Number of OreCorp shares on issue prior to the Scheme	11.1.7	1,306,412,315	1,241,285,247	1,185,561,553
Value per OreCorp share prior to the Scheme (US\$/share) (control)		0.241	0.297	0.357
<i>AUD/USD exchange rate assumed</i>		<i>0.670</i>	<i>0.670</i>	<i>0.670</i>
Value per OreCorp share prior to the Scheme (A\$/share) (control)		0.360	0.443	0.533

Source: BDO analysis

We have assumed an AUD/USD exchange rate of 0.670 for all AUD/USD conversions throughout our valuation, based on consensus analyst forecasts sourced from Bloomberg.

Based on the above, we have assessed the value of an OreCorp share prior to the Scheme (on a controlling interest basis) to be in the range of A\$0.360 to A\$0.533, with a preferred value of A\$0.443.

11.1.1. DCF valuation of OreCorp's interest in the Nyanzaga Project in the absence of the Scheme

We have elected to use the DCF approach in valuing OreCorp's interest in the Nyanzaga Project in the absence of the Scheme. The DCF approach estimates the fair market value of the asset by discounting the future cash flows arising from it to their net present value. Performing a DCF valuation requires the determination of:

- the future cash flows that the Nyanzaga Project is expected to generate; and
- an appropriate discount rate to apply to the cash flows of the Nyanzaga Project attributable to OreCorp to convert them into their present value equivalent.

The value that we have ascribed to OreCorp's interest in the Nyanzaga Project is based on technical factors as advised by SRK, and our view of future economic assumptions, all of which are derived from information available at the time of our SRK's report, and our Report, respectively. The technical and economic factors may change in the future, which may change the value of the Nyanzaga Project.

The management of OreCorp have prepared a detailed forecast cash flow model of the Nyanzaga Project ('Nyanzaga Model'). The Nyanzaga Model estimates the future cash flows expected from production over the life of mine of the Nyanzaga Project. The Nyanzaga Model reflects forecasts of after-tax, monthly cash flows on a real and 100% interest basis, over a life of mine of approximately 10.7 years.

Based on discussions with the management of OreCorp, the Company's discussions with its financiers for the funding for the development of the Nyanzaga Project have curtailed during the Scheme process. As a result, in the absence of the Scheme, construction of the Nyanzaga Project would likely commence around 1 July 2024.

We have assessed the reasonableness of the Nyanzaga Model and the material assumptions that underpin it. We have made certain adjustments to the Nyanzaga Model where it was considered appropriate, to arrive at an adjusted model ('Adjusted Nyanzaga Model'). In particular, we adjusted the Nyanzaga Model to:

- calculate the cash flows attributable to OreCorp, based on its 84% interest in the Nyanzaga Project;
- reflect any changes to the technical assumptions as a result of SRK's review;
- reflect any changes to the economic and other input assumptions that we consider appropriate as a result of our research;
- convert the cash flows to be presented on a nominal basis;
- reflect a construction commencement date of 1 July 2024; and
- adopt a valuation date of 30 June 2023.

From its review of the technical assumptions, SRK recommended certain adjustments to the Nyanzaga Model. Further details of SRK's proposed adjustments are set out in SRK's Independent Specialist Report, included in Appendix 5. We have adopted SRK's recommendations in forming our DCF valuation range of OreCorp's interest in the Nyanzaga Project.

The Nyanzaga Model was prepared based on estimates of the production profile of the Nyanzaga Project, operating costs and capital expenditure (including closure costs). The main assumptions underpinning the Adjusted Nyanzaga Model include:

- mining and processing volumes;
- gold prices;
- operating costs;
- development and sustaining capital expenditure;
- rehabilitation costs;
- royalties;
- corporate tax; and
- discount rate.

We undertook the following analysis on the Nyanzaga Model:

- analysed the Nyanzaga Model to confirm its integrity and mathematical accuracy;
- appointed SRK as technical expert to review, and where required, provide changes to the technical assumptions underpinning the Nyanzaga Model;
- conducted independent research on certain economic and other inputs such as gold prices, inflation, and the discount rate applicable to the future cash flows of the Nyanzaga Project;
- held discussions with SRK to confirm the reasonableness of the technical inputs underpinning the Nyanzaga Model; and
- performed sensitivity analysis on the value of the Nyanzaga Project by flexing key assumptions and inputs.

The Adjusted Nyanzaga Model, which forms the basis of our DCF valuation, has been adjusted based on the above procedures.

We have not undertaken a review of the cash flow forecast in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information* and do not express an opinion on the achievability of the forecast. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Adjusted Nyanzaga Model has been based have not been prepared on a reasonable basis.

Appointment of a technical expert

SRK was engaged to prepare a report providing a technical assessment of the assumptions underpinning the Nyanzaga Model. SRK's assessment involved the review and provision of opinion on the reasonableness of the assumptions adopted in the Nyanzaga Model, including but not limited to:

- mining physicals (including volume mined, recovery and grade);
- Mineral Resources and Ore Reserves included in the Nyanzaga Model;
- processing assumptions (including products recovery);
- operating costs (comprising mining, processing, transport, refining and site administration costs);
- capital expenditure (development and sustaining capital required);
- royalties;
- rehabilitation; and

- other relevant assumptions.

SRK's Independent Specialist Report is included in Appendix 5.

Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Adjusted Nyanzaga Model, as it is often the case that some events and circumstances frequently do not occur as expected, or are not anticipated, and those differences may be material.

Economic assumptions

Inflation

All cash flows contained in the Nyanzaga Model are calculated on a real basis. We have therefore applied the forecast inflation rate to the costs (including operating and capital expenditure) in the Adjusted Nyanzaga Model to convert them into nominal cash flows.

The Nyanzaga Model forecasts operating costs in US Dollars, therefore we consider the US inflation rate to be the most appropriate inflation rate to apply to the cash flows in the Adjusted Nyanzaga Model.

In forming our assessment of the forecast inflation rate, we have had regard to consensus views of forecast inflation as sourced from Bloomberg and considered recent inflation trends in the US. The inflation assumptions we have adopted are outlined in the table below, with long-term inflation beyond calendar year ('CY') 2026 assumed to be flat at 2.0% per annum, consistent with the US Federal Reserve's long-term inflation target.

The inflation rates that we have adopted in the Adjusted Nyanzaga Model are set out below.

USD Inflation rate	CY23	CY24	CY25	CY26+
Average inflation rate	4.1%	2.6%	2.4%	2.0%

Source: Bloomberg and BDO analysis

As discussed in the next section, our long-term inflation assumption of 2.0% per annum is also applied to the real long-term gold pricing, which is quoted in US Dollar terms, from January 2028 onwards.

Gold prices

The Company will receive revenue from the sale of gold produced at the Nyanzaga Project.

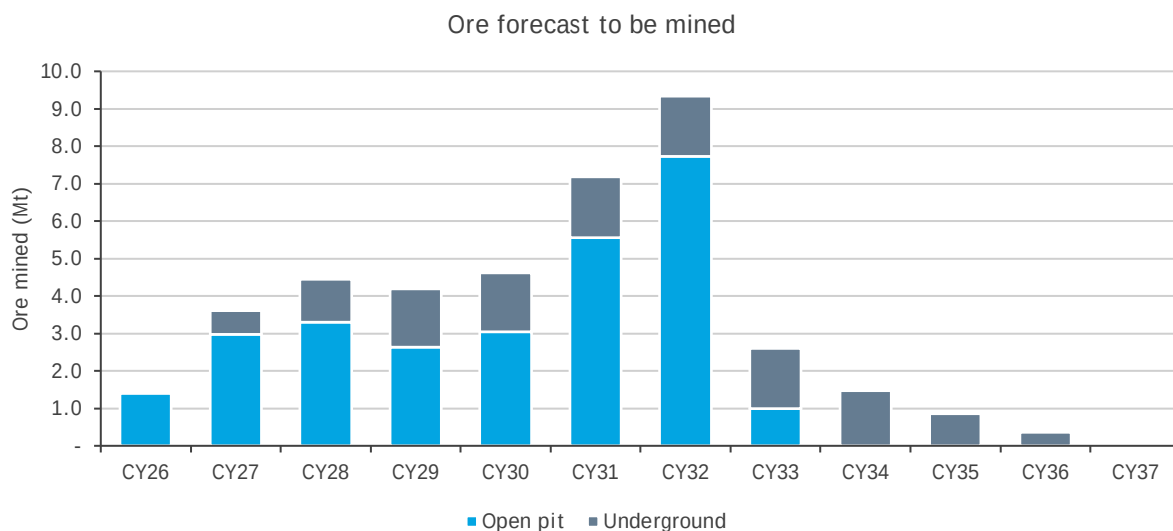
In assessing the forecast gold prices, we have considered the Consensus Economics price forecasts as at September 2023. We note that Consensus Economics provides long-term real commodity pricing which begin from January 2028 onwards. In forming our long-term nominal pricing for gold, we have considered the long-term real prices and inflated them for our inflation assumptions (outlined above). The final column in the table below indicates the average nominal pricing adopted in January 2028, with prices inflated in the subsequent periods at our long-term inflation assumption of 2.0% per annum. Based on our analysis, we have adopted the following future gold prices (in nominal terms).

Gold prices	CY26	CY27	Jan-28
Gold price (US\$/oz)	1,848	1,846	1,845

Source: Consensus Economics and BDO analysis

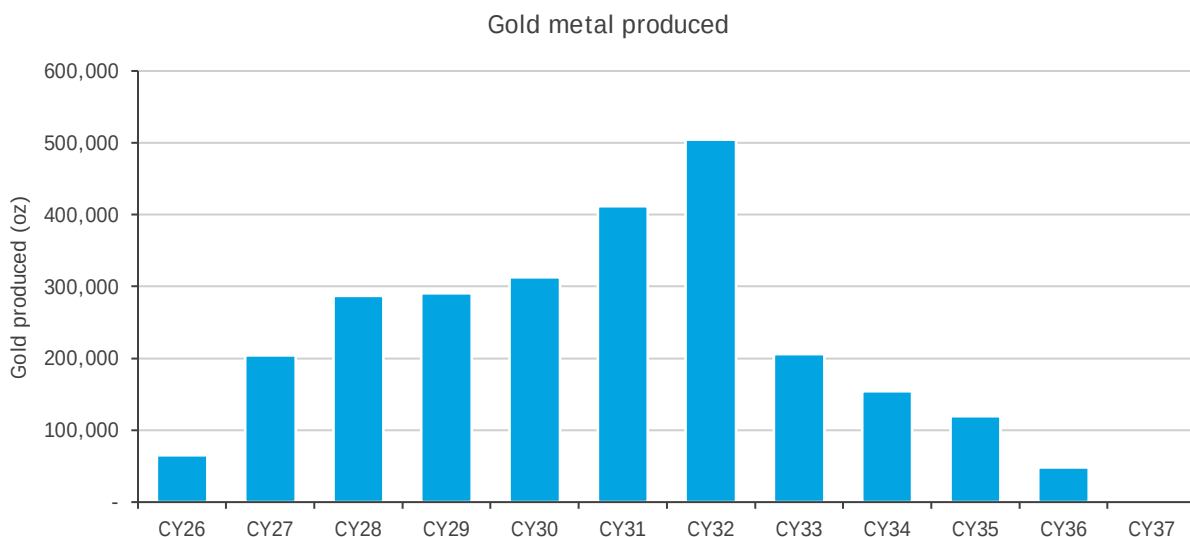
Mining physicals

The proposed production outlook of the Nyanzaga Project is approximately 10.7 years. The graph below shows the forecast ore to be mined and processed over the Adjusted Nyanzaga Model's forecast period. We note that the graphs in this section have been prepared on a calendar year basis.



Source: Adjusted Nyanzaga Model and BDO analysis

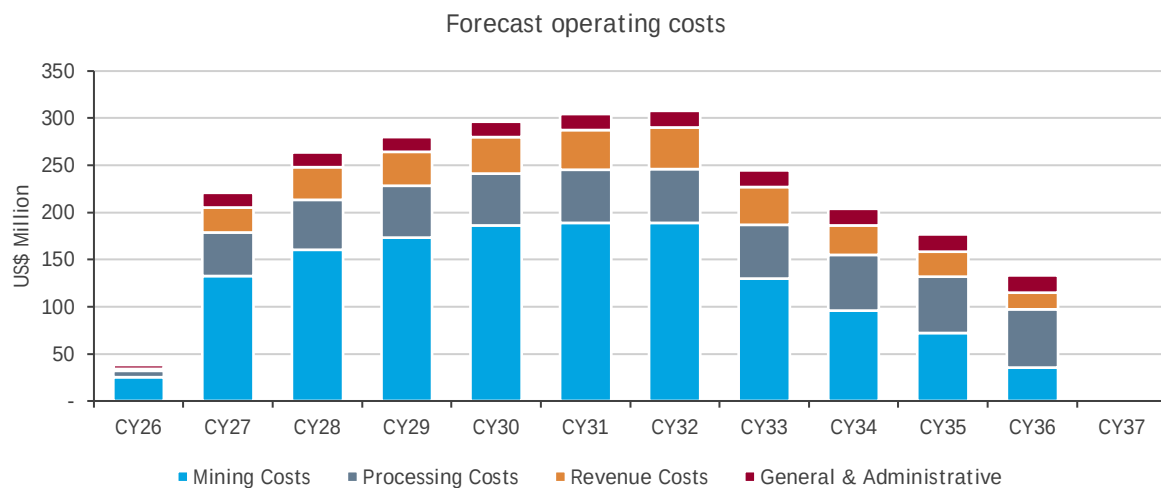
The mined ore is then processed into gold for sale. The graphs below show the forecast gold produced over the Adjusted Nyanzaga Model's forecast period.



Source: Adjusted Nyanzaga Model and BDO analysis

Operating expenditure

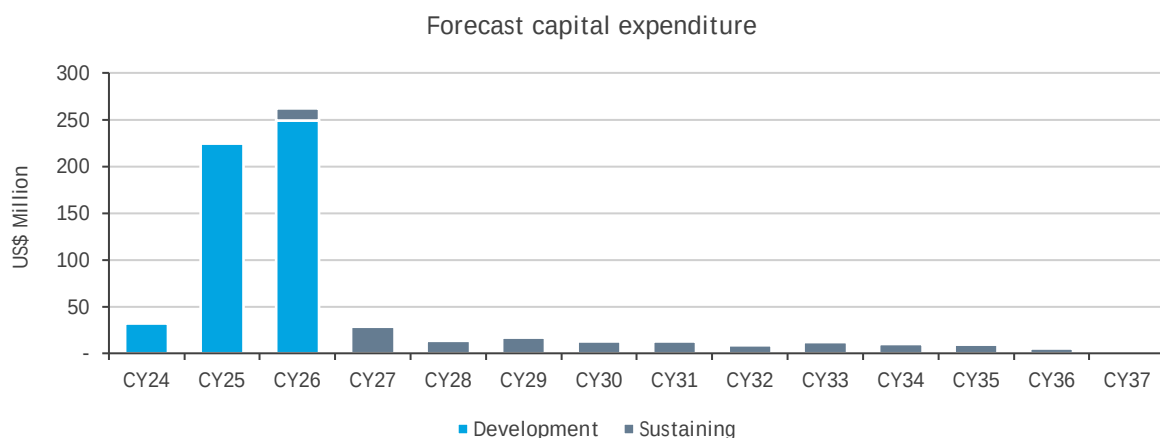
The operating expenditure ('OpEx') included in the Adjusted Nyanzaga Model includes open pit mining costs ('OP Mining Costs'), underground mining costs ('UG Mining Costs'), processing costs, transport and refining costs, royalties and site costs. In preparing the Adjusted Nyanzaga Model, we have applied our assessed forecast inflation rate to the forecast operating expenditure. SRK has confirmed the reasonableness of the forecast operating expenditure assumptions having considered such costs incurred historically at similar projects and by assessing the forecast operating costs per tonne in the context of their experience with gold mining projects. The forecast operating expenditure for the Nyanzaga Project in the Adjusted Nyanzaga Model is illustrated in the chart below.



Source: Adjusted Nyanzaga Model and BDO analysis

Capital expenditure

The capital expenditure ('CapEx') requirements for the Nyanzaga Project relate to development and sustaining capital costs. Capital expenditure totals US\$593 million (on a real basis) over the life of the mine. We have applied our assessed forecast inflation rate to the forecast capital expenditure. SRK has confirmed the reasonableness of the forecast capital expenditure included in the Adjusted Nyanzaga Model. The forecast capital expenditure required for the Nyanzaga Project in the Adjusted Nyanzaga Model is illustrated in the chart below.



Source: Adjusted Nyanzaga Model and BDO analysis

Royalties

Gold produced at the Nyanzaga Project is subject to a 6% royalty payable to the Government of Tanzania, which is reflected in the Adjusted Nyanzaga Model. Further details on the royalty can be found in SRK's Independent Specialist Report found in Appendix 5 of our Report.

Depreciation

We note that the capital expenditure has been depreciated over the life of mine and has been deducted from the pre-tax cash flows to arrive at the taxable income, thereby providing a tax shield benefit.

Mine closure costs

The Nyanzaga Model includes total mine closure costs of US\$33 million (in real terms), which SRK has deemed to be a reasonable mine closure cost estimate. We have applied our assessed forecast inflation rate to the forecast mine closure costs. Further details on the mine closure costs can be found in SRK's Independent Specialist Report found in Appendix 5 of our Report.

Receivables and payables

We have not reflected the receivables and payables balances as at 30 June 2023 in the Adjusted Nyanzaga Model as these balances are considered separately in our Sum-of-Parts valuation.

Taxation

As at the Valuation Date, SMCL (the entity that owns the Nyanzaga Project) does not have any carried forward tax losses available to utilise against future taxable income. However, tax losses generated through the development and early production stages of the life of mine in the Adjusted Nyanzaga Model have been utilised against forecast taxable income.

We have modelled corporate tax at the Tanzanian corporate tax rate of 30% throughout the life of mine.

Discount rate

In our assessment of an appropriate discount rate to apply to the cash flows of the Nyanzaga Project, we consider the most appropriate discount rate to be OreCorp's weighted average cost of capital ('WACC'). As outlined in Section 10.1, we have made assumptions around the necessary funding required in order to develop the Nyanzaga Project in the absence of the Scheme, which includes a combination of cash reserves, debt, equity and a gold stream. Therefore, the cash flows in the Adjusted Nyanzaga Model represent cash flows available to both debt and equity holders. As such, we consider OreCorp's WACC to be the appropriate discount rate to apply to the cash flows of the Nyanzaga Project.

We have assessed OreCorp's WACC to be in the range of 10.96% to 13.17% per annum. We have used the rounded midpoint of 12% in our base case to discount the cash flows of the Nyanzaga Project to its present value.

In assessing OreCorp's WACC, we have considered the following:

- the rate of return for comparable ASX-listed gold development and early-stage production companies;
- the capital structure of OreCorp over the LOM, taking into account the notional funding for the development of the Nyanzaga Project (see Section 11.1.2); and

- the risk profile of OreCorp as compared to the comparable companies identified.

A detailed consideration of how we arrived at our adopted discount rate range is shown in Appendix 3.

OreCorp's beneficial interest

As outlined in Section 5 of our Report, Nyanzaga Project is held by SMCL, a joint venture company in which OreCorp holds an 84% interest through its wholly owned subsidiary, Nyanzaga Mining Company Limited. The Treasury Registrar of the Government of Tanzania holds a 16% free carried interest in SMCL in accordance with the Tanzanian Mining Act 2017.

OreCorp is entitled to 100% of the cash flows generated by the Nyanzaga Project until SMCL has fully repaid the capital provided by OreCorp to fund the development of the Nyanzaga Project, at which point OreCorp will be entitled to 84% of the cash flows generated by the Nyanzaga Project thereafter.

As detailed in Section 11.1.2 below, OreCorp will provide SMCL approximately US\$397.62 million to fund the development of the Nyanzaga Project, which will be raised through a debt facility of US\$200 million, a notional equity raising of US\$170 million and existing cash reserves of US\$27.14 million (after accounting for transaction costs payable by OreCorp).

The Nyanzaga Model reflects the cash flows of the Nyanzaga Project on a 100% interest basis. Therefore, we have adjusted the cash flows to reflect OreCorp's beneficial interest in the Nyanzaga Project over the life of mine. For the purposes of our valuation, we have assumed all positive cash flows generated by the Nyanzaga Project will be used by SMCL to firstly repay the capital provided by the Company.

Sensitivity analysis

Our valuation of the Nyanzaga Project is sensitive to changes in forecast gold prices, operating expenditure, capital expenditure, inflation and the discount rate. We have therefore included a sensitivity analysis to consider the value of the Nyanzaga Project under various pricing scenarios and in applying:

- a change of +/- 10% to the gold price;
- a change of +/- 10% to operating expenditure;
- a change of +/- 10% to capital expenditure;
- a long-term inflation rate in the range of 1% to 3%; and
- a discount rate in the range of 10% to 14%.

The following sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of the Nyanzaga Project if our base case assumptions change:

Currency: US\$'000		Sensitivity analysis of the value of the Nyanzaga Project		
% Relative flex	Gold price	OpEx	CapEx	
+10.0%	251,957	82,991	106,147	
+8.0%	230,915	95,602	114,062	
+6.0%	210,581	108,886	123,230	
+4.0%	190,477	122,059	131,346	
+2.0%	168,903	135,372	139,170	
-	148,334	148,334	148,334	
-2.0%	127,625	161,431	156,345	

Currency: US\$'000	Sensitivity analysis of the value of the Nyanzaga Project		
-4.0%	106,776	174,428	165,509
-6.0%	85,283	187,321	173,477
-8.0%	63,297	199,990	182,640
-10.0%	42,831	212,875	190,561

Source: Adjusted Nyanzaga Model and BDO analysis

Sensitivity analysis of Nyanzaga post-tax DCF valuation to the long-term inflation rate					
% Absolute Flex on Inflation Rate	-1.0%	-0.5%	-	0.5%	1.0%
Value (US\$'000)	147,680	147,956	148,334	148,813	149,389

Source: Adjusted Nyanzaga Model and BDO analysis

Sensitivity analysis of Nyanzaga post-tax DCF valuation to the discount rate					
Discount rate	10.0%	11.0%	12.0%	13.0%	14.0%
Value (US\$'000)	210,121	177,717	148,334	121,678	97,488

Source: Adjusted Nyanzaga Model and BDO analysis

In considering the above sensitivities, Shareholders should note the following:

- the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- the variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- the sensitivities performed do not cover the full range of possible variances from the base case assumptions used (i.e., variances could be greater than the percentage increases or decreases set out in this analysis).

We also note that we have presented the above sensitivities to highlight the sensitivity of the value of the Nyanzaga Project to changes in pricing and other assumptions.

Based on the above analysis we consider the value of OreCorp's interest in the Nyanzaga Project in the absence of the Scheme to be in the range of US\$107 million to US\$190 million, with a preferred value of US\$148 million. Our assessed low and high values are based on +/-4% movements in the gold price. Over the past five years, the annualised volatility of the US Dollar denominated gold price was approximately 15%. Therefore, given the sensitivity of the value of the Nyanzaga Project to movements in the gold price and the historical volatility of this input, we consider it appropriate to adopt a wide range of values around our preferred position.

11.1.2. Notional funding of the Nyanzaga Project

As detailed in Section 9.1, RG 111.15 states that funding requirements for a company that is not in financial distress (e.g., capital that is required to develop a project) should be taken into account by the expert when determining the fair value of the company's securities, especially when using the DCF methodology.

The capital expenditure requirements for the development of the Nyanzaga Project is approximately US\$473 million (on a real basis), which is expected to be incurred from 1 July 2024 in the absence of the Scheme. After considering the corporate costs expected to be incurred by OreCorp until the Nyanzaga Project becomes cash flow positive, and converting the cash flows into nominal terms based on the

inflation assumptions detailed in Section 11.1.1, the total funding requirements for the development of the Nyanzaga Project is approximately US\$547.62 million (on a nominal basis).

As detailed in Section 5, the Government of Tanzania has a 16% free-carried interest in the Nyanzaga Project. Therefore, OreCorp will need to solely fund the development of the Nyanzaga Project until the Nyanzaga Project becomes cash flow positive.

We note that the Nyanzaga Model has been prepared on an unfunded basis and therefore does not consider any costs associated with debt funding, or any dilution resulting from an equity raising. Based on our analysis, there is a funding requirement of US\$547.62 million for the development of the Nyanzaga Project to realise the value. We note that this funding requirement includes the upfront capital expenditure and corporate costs over the development period, with sustaining capital expenditure to be covered by operating cash flows over the life of the Nyanzaga Project.

In the absence of the Scheme, we have considered the next best alternatives available to OreCorp to fund the development of the Nyanzaga Project. We have assumed that all of the Company's existing cash reserves of approximately US\$27.14 million as at the Valuation Date would be available for use towards the development of the Nyanzaga Project, including corporate costs over the development period. The Company's existing cash reserves of US\$27.14 million (A\$40.51 million) as at the Valuation Date comprises the Company's cash and cash equivalents of US\$9.02 million (A\$13.46 million) as at 30 June 2023, plus the funds raised under the Silvercorp Placement of US\$18.87 million (A\$28.17 million), less the transaction costs of US\$0.75 million (A\$1.12 million) that are expected to be incurred by OreCorp following 30 June 2023 regardless of whether the Scheme proceeds, based on the AUD/USD exchange rate of 0.670.

The remainder could then be funded by a mix of debt and equity funding. The notional funding that we have assumed will be secured by OreCorp for the purposes of the development of the Nyanzaga Project is detailed in the following sections.

We note that we have accounted for the funding requirements for the development of the Nyanzaga Project separately to the value of the Nyanzaga Project itself. As such, the funding requirements are not considered in the Adjusted Nyanzaga Model and therefore are not included in our valuation of OreCorp's interest in the Nyanzaga Project as determined above in Section 11.1.

11.1.2.1. Notional debt funding

Senior debt facility

On 7 March 2023, the Company announced a project financing update for the development of the Nyanzaga Project. The Company outlined that it continued to work with a group of major European, African and Tanzanian banks, which provided non-binding expressions of interest in late 2022, to finalise firm commitments.

Based on discussions with management, we understand that OreCorp was in advanced discussions with these banks to provide a senior debt facility of approximately US\$200 million. We consider a senior debt facility of this nature to be of a suitable size for international banks with mining expertise to provide.

We note that a senior debt facility would give rise to an asset and liability of equal amounts to the Company. Therefore, no financial adjustment is necessary for the notional senior debt facility of US\$200 million for the purposes of our valuation.

Gold stream

Based on discussions with management, we understand that OreCorp was in advanced discussions with a gold streaming company to provide funding in the form of a gold stream. Under the proposal, the gold streaming company would provide funds to OreCorp and secure a portion of gold produced at the Nyanzaga Project at an agreed discount to the gold spot price over the life of the mine.

Based on the terms of the proposal, and our knowledge of the industry, we consider it reasonable to assume that OreCorp could secure funding of approximately US\$150 million through a gold stream arrangement.

We have valued the gold stream based on the proposed terms between the Company and the gold streaming company, which we consider to be customary for mining companies in the development phase. However, we have not disclosed the specific terms of the gold stream arrangement for commerciality reasons.

The value of the gold stream arrangement is equal to the amount of the initial funding provided by the gold streaming company, less the present value of the income foregone resulting from the delivery of gold to the gold streaming company at a discount to the spot price. We have assumed that the funding of US\$150 million is provided upfront and the subsequent gold stream payments occur over the life of the Nyanzaga Project. For the purposes of the valuation of the gold stream arrangement, we have used OreCorp's WACC of 12% as assessed in Section 11.1.1.

We note that the production schedule within the Adjusted Nyanzaga Model was used for the purpose of determining the amount of gold produced and sold to the gold streaming company.

Value of notional gold stream arrangement	US\$'000
Funding amount	150,000
Present value of income foregone resulting from delivery of gold at discount to spot price	(103,803)
Present value of notional gold stream arrangement	46,197

Source: BDO analysis

We have assessed the present value of a notional gold stream arrangement to be approximately US\$46.20 million.

A summary of the notional funding of the Nyanzaga Project in the absence of the Scheme is set out below:

Notional funding of the Nyanzaga Project in the absence of the Scheme	US\$'000
Total expenditure requirement (a)	547,623
Existing cash reserves of OreCorp	27,890
Less: Transaction costs expected to be incurred by OreCorp following 30 June 2023	(748)
Add: Notional senior debt facility	200,000
Add: Notional gold stream	150,000
Total funding obtained through cash reserves and notional debt funding (b)	377,142
Shortfall (to be obtained through notional equity raising) (a) - (b)	170,481

Source: BDO analysis

Therefore, based on discussions with management, we consider that the Company could reasonably secure debt funding of US\$350 million, resulting in a shortfall of approximately US\$170.48 million for the development of the Nyanzaga Project after utilising its existing cash reserves. This funding shortfall is then assumed to be obtained through a notional equity raising, which is detailed in the following section.

11.1.2.2. Notional equity raising

The funding shortfall for the development of the Nyanzaga Project (after considering the gold stream, senior debt facility and existing cash reserves) is approximately US\$170.48 million. Therefore, we have included a notional equity raising to fulfil OreCorp's remaining funding requirements.

To determine the required amount to be raised, we have grossed up the funding shortfall to reflect the costs likely to be incurred in conducting the capital raising. We have assessed the costs of a capital raising to be approximately 5% of the total funds raised. Therefore, OreCorp will be required to raise an equivalent of approximately A\$267.84 million (inclusive of costs) to meet the funding shortfall, which is set out in the table below:

Cash raised through notional equity raising	
Equity funding required (US\$'000)	170,481
AUD/USD exchange rate assumed	0.670
Equity funding required (A\$'000)	254,449
Placement fee (A\$'000)	13,392
Cash required to be raised through notional equity raising, net of costs (A\$'000)	267,841

Source: Bloomberg and BDO analysis

To determine the likely price at which OreCorp would have to place its shares to a third party or to current shareholders under a notional capital raising to fulfil the funding shortfall, we considered the VWAP of OreCorp's shares and the discount at which shares have been issued by ASX-listed companies when compared to the respective companies' 30-day VWAP prior to the announcement of the respective placement.

We considered the discount at which shares have been issued by ASX-listed companies to raise capital over the last three years. A summary of our results is set out in the table below:

	Placement size: US\$100m to US\$200m	Placement as % of market cap. (>120%)	Market cap. (<A\$300m)	All companies
ASX Mining				
Number of placements	11	3	867	935
Mean discount	11.9%	16.6%	17.4%	17.2%
Median discount	10.4%	16.4%	16.4%	15.9%
All ASX				
Number of placements	25	10	1,623	1,845
Mean discount	9.6%	29.1%	17.6%	17.0%
Median discount	6.1%	21.5%	16.0%	15.0%

Source: Bloomberg and BDO analysis

Based on our analysis, the mean discount for ASX-listed mining companies was 17.2%. Given that the discounts are positively skewed, we have also considered the median of 15.9% as this represents a better measure of central tendency.

We note that the size of the notional equity raising would be approximately 120% of OreCorp's market capitalisation prior to the announcement of the Scheme. Therefore, we consider that a higher discount would be required to provide investors sufficient incentive to participate in any raising that OreCorp conducts. Therefore, we have analysed discounts for equity raisings in which the amount raised was more than 100% of the company's market capitalisation at the time of the raising and found that the median placement discount for ASX-listed mining companies and all ASX-listed companies was 16.4% and 21.5%, respectively.

We have also assessed the discounts of capital raisings for companies with market capitalisations of less than A\$300 million. The mean and median discount across all ASX-listed companies in this band was 17.6% and 16.0% respectively. For ASX-listed mining companies in this band, the statistics were similar, with a mean and median discount of 17.4% and 16.4% respectively.

Given the above analysis and the size of the notional equity raising, we consider a placement discount in the range of 15% to 20% will be required to provide investors sufficient incentive to participate in the notional equity raising.

In Section 11.2 of our Report, we assess the quoted market price of OreCorp shares. From this analysis, we assessed the value of an OreCorp share to be between A\$0.400 and A\$0.440, on a minority interest basis. Applying a discount in the range of 15% to 20% to the assessed value of an OreCorp share prior to the announcement of the Scheme, results in an assumed notional equity raising price of between A\$0.320 and A\$0.374 per share.

As shown in the table below, in order to raise an equivalent of A\$267.84 million to fulfil the funding shortfall, OreCorp will need to issue between 716,152,661 and 837,003,423 new shares at a price between A\$0.320 and A\$0.374 per share.

Number of shares issued under notional equity raising	Low	Preferred	High
Cash required to be raised through notional equity raising, net of costs (A\$'000)	267,841	267,841	267,841
Quoted market price (minority) (A\$/share)	\$0.400	\$0.420	\$0.440
Assessed placement discount	20.0%	17.5%	15.0%
Capital raising price (A\$/share)	\$0.320	\$0.347	\$0.374
Number of shares issued under notional equity raising	837,003,423	771,876,355	716,152,661

Source: Bloomberg and BDO analysis

We note that the number of shares issued under the notional equity raising have been included in the total number of OreCorp shares on issue prior to the Scheme for the purposes of our valuation of an OreCorp share prior to the Scheme (see Section 11.1.7).

11.1.3. Valuation of OreCorp's interest in the Residual Resources and exploration potential of the Nyanzaga Project not included in the DCF valuation

In performing our valuation of OreCorp's interest in the Residual Resources and exploration potential of the Nyanzaga Project not included in the DCF valuation, we have relied on the Independent Specialist Report prepared by SRK. We instructed SRK to provide an independent valuation of the Residual Resources (the Mineral Resources not considered in the Adjusted Nyanzaga Model) and the exploration potential of the Nyanzaga Project.

SRK determined the fair market value of the Residual Resources and exploration potential of the Nyanzaga Project to be within the range of US\$9.73 million to US\$21.05 million, with a preferred value of US\$15.39 million. We note that SRK's valuation is on an attributable basis (i.e. accounts for OreCorp's relevant ownership interests in the underlying properties). The breakdown of the values as determined by SRK is set out below:

Value of OreCorp's interest in the Residual Resources and exploration potential of the Nyanzaga Project	Low US\$M	Preferred US\$M	High US\$M
Residual Resources and Exploration Targets	8.58	13.51	18.43
Exploration Potential	1.15	1.89	2.62
Total	9.73	15.39	21.05

Source: Independent Specialist Report prepared by SRK

For further information on SRK's approach and conclusions, refer to the Independent Specialist Report prepared by SRK which is included as Appendix 5 of our Report.

11.1.4. Valuation of OreCorp's other assets and liabilities

The other assets and liabilities of OreCorp represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with the management of OreCorp and analysis of the other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value, unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Statement of Financial Position	Notes	Audited as at 30-Jun-23 A\$'000	Adjusted Value A\$'000
CURRENT ASSETS			
Cash and cash equivalents	a)	13,462	41,627
Trade and other receivables		362	362
Other current assets		272	272
TOTAL CURRENT ASSETS		14,096	42,260
NON-CURRENT ASSETS			
Plant and equipment	b)	632	-
Right-of-use-assets		40	40
Exploration and evaluation assets	c)	18,968	-
TOTAL NON-CURRENT ASSETS		19,640	40
TOTAL ASSETS		33,736	42,300
CURRENT LIABILITIES			
Trade and other payables		2,851	2,851
Lease liabilities		43	43
Provisions		479	479
TOTAL CURRENT LIABILITIES		3,373	3,373
NON-CURRENT LIABILITIES			
Lease liabilities		-	-
Provisions		59	59
TOTAL NON-CURRENT LIABILITIES		59	59
TOTAL LIABILITIES		3,432	3,432

Statement of Financial Position	Notes	Audited as at 30-Jun-23 A\$'000	Adjusted Value A\$'000
NET ASSETS (A\$'000)		30,304	38,868
<i>AUD/USD exchange rate assumed</i>		<i>0.670</i>	<i>0.670</i>
NET ASSETS (US\$'000)		20,303	26,042

Source: OreCorp's audited financial statements for the year ended 30 June 2023 and BDO analysis

We have been advised that there have not been any significant changes to the net assets of OreCorp since 30 June 2023 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the audited position at 30 June 2023, we have obtained supporting documentation to validate the adjusted values used.

We note the following in relation to the above valuation to OreCorp's other assets and liabilities:

Note a): Cash and cash equivalents

We have adjusted the book value of cash and cash equivalents of A\$13.46 million as at 30 June 2023 to A\$41.63 million to include the A\$28.17 million raised under the Silvercorp Placement. Our adjustment to OreCorp's cash and cash equivalents balance as at 30 June 2023 is set out in the table below:

Cash and cash equivalents	A\$'000
Cash and cash equivalents as at 30 June 2023	13,462
Add: Net cash proceeds from Silvercorp Placement	28,165
Adjusted cash and cash equivalents	41,627

Source: OreCorp's audited financial statements for the year ended 30 June 2023 and BDO analysis

Note b): Plant and equipment

The total book value of plant and equipment of A\$0.63 million as at 30 June 2023 solely related to plant and equipment used for mining related activities. Therefore, we have adjusted the book value of plant and equipment to nil as it is reflected in the valuation of OreCorp's interest in the Nyanzaga Project and the Residual Resources, which have been valued separately in Sections 11.1.1 and 11.1.3 respectively.

Note c): Exploration and evaluation assets

We have adjusted the book value of exploration and evaluation assets of A\$18.97 million as at 30 June 2023 to nil, as it is reflected in the valuation of OreCorp's interest in the Nyanzaga Project and the Residual Resources and exploration potential, which have been valued separately in Sections 11.1.1 and 11.1.3 respectively.

11.1.5. Valuation of OreCorp's corporate costs

Corporate costs have not been included in the Adjusted Nyanzaga Model. Corporate costs consist of all corporate administration costs that cannot be directly attributable to operations at the Nyanzaga Project.

As part of our analysis, we have considered the corporate costs that OreCorp has incurred historically. Set out below are the corporate costs incurred by OreCorp for the years ended 30 June 2021, 30 June 2022 and 30 June 2023. Our DCF valuation is based on the assumption that the Nyanzaga Project is developed through to production. Therefore, we would expect the corporate costs to increase above those levels incurred by OreCorp historically.

OreCorp's historical corporate costs	Audited for the year ended 30-Jun-23 A\$'000	Audited for the year ended 30-Jun-22 A\$'000	Audited for the year ended 30-Jun-21 A\$'000
Corporate and administration costs	(7,012)	(5,857)	(2,576)

Source: OreCorp's audited financial statements for the years ended 30 June 2021, 30 June 2022 and 30 June 2023

We have also considered the corporate costs incurred by ASX-listed companies with a similar size and scale of operations to OreCorp prior to the Scheme. We have analysed ASX-listed gold mining companies, whilst considering other company characteristics such as total assets, number of mines in the development or early production phase, and market capitalisation, as proxies for the size and scale of operations.

Our analysis of the corporate costs for the identified ASX-listed companies is set out below.

Company name	Revenue for the year ended 30-Jun-23 A\$m	Market cap. as at 30-Jun-23 A\$m	Corporate costs for the year ended 30-Jun-23 A\$'000	Corporate costs for the year ended 30-Jun-22 A\$'000	Corporate costs for the year ended 30-Jun-21 A\$'000
OreCorp Ltd	-	153.6	7,012	5,857	2,576
Resolute Mining Ltd	996.1	830.3	18,230*	15,706	18,070
Westgold Resources Ltd	654.4	682.0	16,442	12,077	8,977
Alkane Resources Ltd	190.5	424.1	11,413	9,818	10,515
Ora Banda Mining Ltd	135.9	211.9	15,639	10,748	10,904
Calidus Resources Ltd	80.5	103.3	8,092	5,801	3,792
Kingsgate Consolidated Ltd	27.3	387.9	11,386	10,588	8,489
Tietto Minerals Ltd	-	505.7	10,802*	13,797	4,536
Mako Gold Ltd	-	15.6	1,543	1,396	1,204

*Annualised based on the most recent half-year financial statements

Source: Annual reports, S&P Capital IQ and BDO analysis

Based on the above analysis of corporate costs incurred by comparable ASX-listed companies and having consideration for the corporate costs incurred by OreCorp historically, we have assessed the real corporate costs of OreCorp to be in the range of A\$8 million to A\$12 million per annum, in real terms, for the purposes of our valuation of OreCorp prior to the Scheme. We note that OreCorp's corporate costs over the forecast period should be reflective of a company that is in the production phase of the mining life cycle. As such, our assessed range has been weighted more towards the historical corporate costs of the comparable companies that are in the production phase.

We have applied our assessed forecast inflation rates as set out in Section 11.1.1 of our Report to the corporate costs over the forecast period and have discounted these cash flows at our assessed WACC of OreCorp prior to the Scheme of 12%, as detailed in Appendix 3.

Based on the above analysis, we have assessed the present value of the tax effected corporate costs to be in the range of US\$29.89 million to US\$43.25 million. We have selected a preferred value of US\$36.57 million, being the midpoint between the low and high values as there is no reason for us to select a preferred value on either end of the above assessed range.

11.1.6. Transaction costs

In performing our valuation of OreCorp prior to the Scheme, we have reflected the transaction costs that are expected to be incurred by OreCorp following 30 June 2023, but prior to the implementation of the Scheme, regardless of whether the Scheme proceeds.

The transaction costs to be incurred by OreCorp have been estimated to be A\$1.12 million as detailed in the Scheme Booklet. We have not considered the transaction costs that have been incurred by OreCorp prior to 30 June 2023, as these costs are reflected in the valuation of OreCorp' other assets and liabilities.

11.1.7. Number of shares on issue prior to the Scheme

As detailed in Section 5.6, the number of OreCorp shares on issue as at the date of our Report is 469,408,892, which includes the OreCorp shares issued under the Silvercorp Placement. We have also adjusted the number of shares on issue to account for the notional equity raising detailed in Section 11.1.2.

The total number of OreCorp shares on issue used in our Sum-of-Parts valuation of OreCorp prior to the Scheme is set out below:

Share structure prior to the implementation of the Scheme	Ref	Low	Preferred	High
OreCorp shares on issue prior to the Scheme	5.6	469,408,892	469,408,892	469,408,892
OreCorp shares issued through notional equity raising	11.1.2	837,003,423	771,876,355	716,152,661
Total ordinary OreCorp shares on issue prior to the Scheme (including the notional equity raising)		1,306,412,315	1,241,285,247	1,185,561,553

Source: BDO analysis

11.2 Quoted Market Prices for OreCorp Securities

To provide a comparison to the valuation of OreCorp in Section 11.1, we have also assessed the quoted market price for an OreCorp share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.43 suggests that when considering the value of a company's shares for the purposes of a control transaction, the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

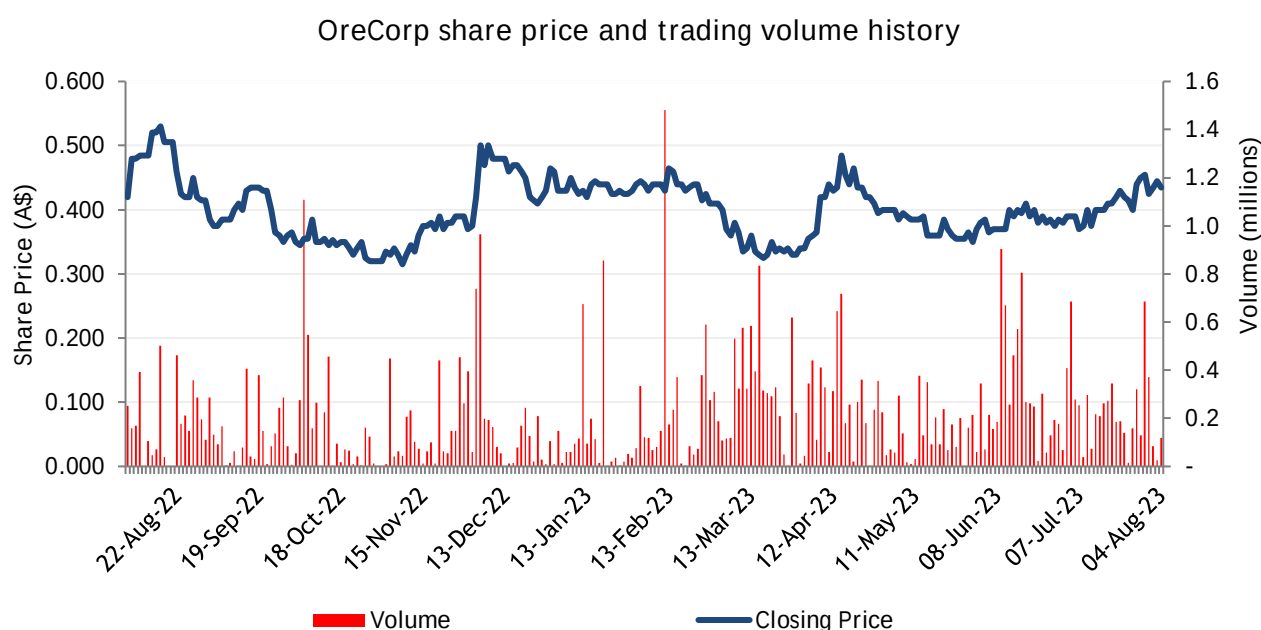
- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

Therefore, our calculation of the quoted market price of a OreCorp share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of a OreCorp share is based on the pricing prior to the announcement of the Scheme (7 August 2023). This is because the value of an OreCorp share after the announcement may include the effects of any change in value as a result of the Scheme. However, we have considered the value of an OreCorp share following the announcement of the Scheme when we have considered reasonableness in Section 14.

Information on the Scheme was announced to the market on 7 August 2023. Therefore, the following chart provides a summary of the share price movement over the 12 months to 4 August 2023, which was the last trading day prior to the announcement.



Source: Bloomberg

The closing share price of OreCorp shares from 4 August 2022 to 4 August 2023 ranged from a low of A\$0.315 on 8 November 2022 to a high of A\$0.530 on 16 August 2022. The largest day of single trading over the assessed period was 10 February 2023, when 1,480,741 shares were traded.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement A\$ (movement)			Closing Share Price Three Days After Announcement A\$ (movement)		
21/07/2023	Quarterly Activities/Appendix 5B Cash Flow Report	0.430	▲	2.4%	0.400	▼	7.0%
25/05/2023	Investor Presentation and Webinar	0.355	▼	1.4%	0.365	▲	2.8%
02/05/2023	Investor Presentation - May 2023	0.400	►	0.0%	0.385	▼	3.8%
24/04/2023	Quarterly Activities/Appendix 5B Cash Flow Report	0.420	▼	3.4%	0.395	▼	6.0%
21/04/2023	Early Contractor Involvement Appointments for Nyanzaga	0.435	►	0.0%	0.410	▼	5.7%

Date	Announcement	Closing Share Price Following Announcement A\$ (movement)			Closing Share Price Three Days After Announcement A\$ (movement)		
10/03/2023	Interim Financial Report - Half-Year ended 31 December 2022	0.340	▲	1.5%	0.330	▼	2.9%
07/03/2023	Investor Presentation - March 2023	0.380	▲	5.6%	0.340	▼	10.5%
07/03/2023	OreCorp Progresses Project Financing for Nyanzaga	0.380	▲	5.6%	0.340	▼	10.5%
03/03/2023	S&P DJI Announces March 2023 Quarterly Rebalance	0.370	▼	7.5%	0.365	▼	1.4%
13/02/2023	Notice of initial substantial holder	0.465	▲	8.1%	0.440	▼	5.4%
07/02/2023	OreCorp Progresses Nyanzaga with Energy Supply MOU	0.440	▲	2.3%	0.430	▼	2.3%
06/02/2023	Investor Presentation - February 2023	0.430	▼	2.3%	0.440	▲	2.3%
25/01/2023	Quarterly Activities/Appendix 5B Cash Flow Report	0.430	▲	1.2%	0.430	►	0.0%
22/12/2022	OreCorp Appoints Greg Hoskins as Chief Financial Officer	0.415	▼	1.2%	0.430	▲	3.6%
09/12/2022	Investor Presentation	0.480	►	0.0%	0.460	▼	4.2%
24/11/2022	OreCorp Progresses Financing for Nyanzaga Gold Project	0.380	►	0.0%	0.390	▲	2.6%
23/11/2022	Further Drilling Builds Resource Growth Potential	0.380	▲	2.7%	0.390	▲	2.6%
16/11/2022	Results of Annual General Meeting	0.375	►	0.0%	0.390	▲	4.0%
16/11/2022	AGM Chairman's Address and Investor Presentation	0.375	►	0.0%	0.390	▲	4.0%
09/11/2022	Board & Management Positioned for Nyanzaga Development	0.330	▲	4.8%	0.360	▲	9.1%
01/11/2022	Opportunities Identified to Extend Life of Mine at Nyanzaga	0.320	►	0.0%	0.340	▲	6.3%
25/10/2022	Quarterly Activities/Appendix 5B Cash Flow Report	0.350	▲	2.9%	0.320	▼	8.6%
13/10/2022	Letter to Shareholders - Annual General Meeting	0.345	▼	2.8%	0.350	▲	1.4%
13/10/2022	Notice of Annual General Meeting	0.345	▼	2.8%	0.350	▲	1.4%
13/10/2022	OreCorp Bolsters Board with Additional Appointment	0.345	▼	2.8%	0.350	▲	1.4%
28/09/2022	2022 Corporate Governance Statement & Appendix 4G	0.350	▼	2.8%	0.350	►	0.0%
28/09/2022	2022 Annual Report to shareholders	0.350	▼	2.8%	0.350	►	0.0%
26/09/2022	Date of AGM and Closing Date for Nominations of Directors	0.365	▼	8.8%	0.360	▼	1.4%
05/09/2022	Investor Presentation - September 2022	0.375	►	0.0%	0.385	▲	2.7%
02/09/2022	Retirement of Chairman	0.375	▼	2.6%	0.385	▲	2.7%
22/08/2022	Investor Presentation - Nyanzaga DFS	0.460	▼	8.9%	0.420	▼	8.7%
22/08/2022	Nyanzaga DFS Delivers Robust Results	0.460	▼	8.9%	0.420	▼	8.7%
19/08/2022	Definitive Feasibility Study Investor Webinar	0.505	►	0.0%	0.420	▼	16.8%
18/08/2022	Trading Halt	0.505	►	0.0%	0.425	▼	15.8%

Source: Bloomberg, ASX and BDO analysis

On 22 August 2022, OreCorp announced the DFS results for its Nyanzaga Project. On the date of the announcement, the share price decreased 8.9% to close at A\$0.460, before decreasing by a further 8.7% over the subsequent three-day trading period to close at A\$0.420.

On 9 November 2022, OreCorp announced changes to its Board and senior management for the development of the Company's Nyanzaga Project. OreCorp announced the appointment of Matthew Yates as Executive Chairman and Henk Diederichs as CEO and Managing Director. On the date of the announcement, the share price increased 4.8% to close at A\$0.330, before increasing by a further 9.1% over the subsequent three-day trading period to close at A\$0.360.

On 23 November 2022, OreCorp announced assay results from recent drilling at its Nyanzaga Project. On the date of the announcement, the share price increased 2.7% to close at A\$0.380 before increasing by a further 2.6% over the subsequent three-day trading period to close at A\$0.390. Subsequently, on 24 November 2022, OreCorp announced that it had received indicative debt funding proposals for the development and construction of the Nyanzaga Project.

On 13 February 2023, OreCorp announced a notice of initial substantial holder, with Mr Timothy R B Goyder (and related entities) acquiring a substantial interest (5.04% interest) in the Company on 10 February 2023. On the date of the announcement, the share price increased 8.1% to close at A\$0.465 before decreasing by 5.4% over the subsequent three-day trading period to close at A\$0.440. In addition, the trading volume on this day was the largest over the assessed period, with 1,480,741 shares being traded on the 10 February 2023, representing approximately 0.32% of the Company's issued capital.

On 3 March 2023, S&P Dow Jones Indices announced its March 2023 quarterly rebalance of the S&P/ASX Indices, in which OreCorp was removed from the S&P Dow Jones All Ordinaries Index. On the date of the announcement, the share price decreased 7.5% to close at A\$0.370 before decreasing by a further 1.4% over the subsequent three-day trading period to close at A\$0.365.

On 7 March 2023, OreCorp provided an investor presentation on the Nyanzaga Project, providing an update on the progress of the funding discussions and anticipated development and production timelines. On the date of the announcement, the share price increased 5.6% to close at A\$0.380 before decreasing 10.5% over the subsequent three-day trading period to close at A\$0.340. Subsequently, on 10 March 2023, OreCorp released its half-year results for the six months ended 31 December 2022. On the date of the announcement, the share price increased 1.5% to close at A\$0.340 before decreasing 2.9% over the subsequent three-day trading period to close at A\$0.330.

To provide further analysis of the market prices for an OreCorp share, we have also considered the weighted average market price for 10-, 30-, 60- and 90-day periods to 4 August 2023.

Share price per unit	04-Aug-23	10 days	30 days	60 days	90 days
Closing price	\$0.435				
Volume weighted average price (VWAP)		\$0.439	\$0.407	\$0.394	\$0.400

Source: Bloomberg, BDO analysis

The above weighted average prices are prior to the date of the announcement of the Scheme, to avoid the influence of any increase in price of OreCorp shares that has occurred since the Scheme was announced. An analysis of the volume of trading in OreCorp shares for the twelve months to 4 August 2023 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of issued capital
1 Day	\$0.430	\$0.435	118,939	0.03%
10 Days	\$0.400	\$0.465	2,048,589	0.44%
30 Days	\$0.370	\$0.465	6,686,064	1.42%
60 Days	\$0.350	\$0.465	14,564,828	3.10%
90 Days	\$0.330	\$0.530	20,953,524	4.46%
180 Days	\$0.320	\$0.650	40,373,098	8.60%

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of issued capital
1 Year	\$0.310	\$0.650	51,667,329	11.01%

Source: Bloomberg, BDO analysis

This table indicates that OreCorp's shares display a low level of liquidity, with 11.01% of the Company's current issued capital being traded in a twelve-month period. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of OreCorp, we consider the shares to display a low level of liquidity, on that basis that less than 1% of securities have been traded weekly on average, with 8.60% and 11.01% of OreCorp's current issued capital being traded over a 180-day period and twelve-month period, respectively, prior to the announcement of the Scheme. Of the 52 weeks in which our analysis is based on, the trading volume of the Company's securities did not exceed 1% of total issued capital on any week.

Our assessment is that a range of values for OreCorp shares based on market pricing, after disregarding post announcement pricing, is between A\$0.400 and A\$0.440.

Control Premium

We have reviewed the control premiums on completed transactions, paid by acquirers of ASX-listed gold companies, ASX-listed general mining companies and all ASX-listed companies over the ten-year period from 2013 to August 2023. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e., less than a 0% premium) and at a premium in excess of 100%. We have summarised our findings below:

ASX-listed gold companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2023	3	223.71	20.62
2022	4	3,792.56	17.46
2021	4	1,520.23	35.98
2020	1	2,748.78	10.10
2019	1	219.98	56.41
2018	2	31.26	21.77
2017	2	13.74	41.04
2016	4	23.31	47.88

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2015	3	48.26	57.90
2014	7	135.05	47.96
2013	4	241.88	20.24

Source: Bloomberg, BDO analysis

ASX-listed general mining companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2023	8	216.08	27.89
2022	9	1,929.92	22.67
2021	6	1,235.14	29.89
2020	5	592.04	35.90
2019	9	182.08	41.27
2018	6	68.30	28.27
2017	4	9.28	39.86
2016	10	72.56	50.15
2015	6	318.69	58.37
2014	13	79.54	41.48
2013	12	145.27	37.75

Source: Bloomberg, BDO analysis

All ASX-listed companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2023	18	454.61	28.64
2022	39	3,199.03	23.39
2021	29	1,348.05	34.75
2020	16	367.97	40.43
2019	29	4,165.55	32.83
2018	26	1,571.79	30.07
2017	24	1,168.71	36.75
2016	28	490.46	38.53
2015	28	948.39	33.53
2014	36	485.46	37.39
2013	32	147.97	35.48

Source: Bloomberg, BDO analysis

The mean and median of the entire data sets comprising control transactions from 2013 onwards for ASX-listed gold companies, ASX-listed general mining companies and all ASX-listed companies, are set out below:

Entire Data Set Metrics	ASX-Listed Gold Companies		ASX-Listed Mining Companies		All ASX-Listed Companies	
	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)
Mean	797.59	35.70	424.83	37.85	1,402.85	33.43
Median	41.79	32.29	45.86	32.67	114.76	29.23

Source: BDO analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

We have removed transactions for which the announced premium was in excess of 100%. We have removed these transactions because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

The table above indicates that the long-term average control premium by acquirers of ASX-listed gold companies, ASX-listed general mining companies and all ASX-listed companies is approximately 35.70%, 37.85% and 33.43% respectively. However, in assessing the transactions included in the table above, we noted that control premiums appeared to be positively skewed.

In a population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 32.29% for ASX-listed gold companies, 32.67% for ASX-listed general mining companies and 29.23% for all ASX-listed companies.

Based on the above, we consider an appropriate premium for control to be between 30% and 40%.

Quoted market price including control premium

Applying a control premium to OreCorp's quoted market share price results in the following quoted market price value including a premium for control:

	Low	High
	\$	\$
Quoted market price value	0.400	0.440
Control premium	30%	40%
Quoted market price valuation including a premium for control	0.520	0.616

Source: BDO analysis

Therefore, our valuation of an OreCorp share based on the quoted market price method and including a premium for control is between A\$0.520 and A\$0.616, with our preferred QMP value of an OreCorp share being a rounded midpoint value of A\$0.568. We have selected the midpoint between the low and high values as a preferred value as there is no reason for us to select a value on either end of the above assessed range.

11.3 Silvercorp Placement

In performing our valuation of an OreCorp share prior to the Scheme, we have chosen to employ a market-based assessment as our tertiary methodology. The market-based assessment involves considering the offer price under the recent Silvercorp Placement in determining the value of an OreCorp share prior to the Scheme.

As outlined in Section 4, in conjunction with the announcement of the Scheme on 6 August 2023, OreCorp also announced it had entered into a Placement Agreement with Silvercorp. Under the Silvercorp Placement, OreCorp issued 70,411,334 new fully paid ordinary OreCorp shares to Silvercorp at a price of A\$0.40 per share for aggregate proceeds of approximately A\$28 million. The Silvercorp Placement completed over two tranches in August 2023.

A key factor in determining the appropriateness of using this methodology is whether the acquirer of the company's shares is an unrelated third party and whether the level of interest subscribed for in the company's equity is substantial enough to reflect the underlying value of the company. These factors need to fulfil the definition of an arm's length transaction between a willing buyer and willing seller for the shares in that company.

We note that whilst the Silvercorp Placement was announced in conjunction with the Scheme on 6 August 2023, the Silvercorp Placement was not conditional on the implementation of the Scheme. As such, we consider the offer price of A\$0.400 per share to be a relevant indicator of the value of an OreCorp share prior to, and in the absence of the Scheme. In addition, we do not consider the offer price under the Silvercorp Placement to reflect the value of the Scheme Consideration nor any consequences resulting from the successful implementation of the Scheme.

We consider the Silvercorp Placement to represent an arm's length transaction between a willing buyer and a willing seller, in which the price per OreCorp share subscribed for under the Silvercorp Placement is an indicator of the market value of OreCorp.

We have also considered whether the level of interest subscribed for in OreCorp's equity under the Silvercorp Placement is substantial enough to reflect the underlying value of OreCorp. The level of interest subscribed for in OreCorp's equity under the Silvercorp Placement is summarised in the table below.

Description	
OreCorp shares on issue prior to the Silvercorp Placement	398,997,558
OreCorp shares subscribed for under the Silvercorp Placement	70,411,334
Total OreCorp shares following the Silvercorp Placement	469,408,892
OreCorp shares subscribed for as a % of total OreCorp shares on issue following the Silvercorp Placement	15%

Source: BDO analysis

Based on the table above, the number of shares subscribed for under the Silvercorp Placement equates to an interest of 15%. Therefore, we consider the level of interest subscribed for in OreCorp's equity under the Silvercorp Placement to be substantial enough to reflect the underlying value of OreCorp.

Therefore, we consider a market-based assessment to be an appropriate tertiary valuation methodology for the purposes of assessing the value of an OreCorp share prior to the Scheme.

We note that the offer price of A\$0.400 per share represents a minority interest. As outlined in Section 10.2, our assessment of the value of an OreCorp share prior to the Scheme reflects a control value. Therefore, we have added a premium for control to the minority interest value as assessed in Section 11.2. Applying a control premium to the Silvercorp Placement offer price results in the following value including a premium for control:

	Low \$	High \$
Silvercorp Placement offer price	0.400	0.400
Control premium	30%	40%
Market-based valuation including a premium for control	0.520	0.560

Source: BDO analysis

Therefore, our market-based assessment of an OreCorp share based on the Silvercorp Placement offer price including a premium for control is between A\$0.520 and A\$0.560, with our preferred market-based assessment value of an OreCorp share being a rounded midpoint value of A\$0.540. We have selected the midpoint between the low and high values as a preferred value as there is no reason for us to select a value on either end of the above assessed range.

11.4 Assessment of the value of an OreCorp prior to the Scheme

The results of the valuations performed are summarised in the table below:

	Ref	Low A\$	Preferred A\$	High A\$
Sum-of-Parts	11.1	0.360	0.443	0.533
QMP	11.2	0.520	0.568	0.616
Market-based assessment	11.3	0.520	0.540	0.560

Source: BDO analysis

We consider the Sum-of-Parts approach to be the most appropriate methodology to value OreCorp as the core value of the Company lies in its interest in the Nyanzaga Project, which has been valued using the DCF methodology, and the Residual Resources and exploration potential of the Nyanzaga Project not included in the DCF valuation, which have been independently valued by SRK, an independent technical specialist, in accordance with VALMIN. Further, the QMP approach is only appropriate where there is a liquid and active market for the company's shares. However, our liquidity analysis in Section 11.2 indicates that OreCorp shares display a low level of liquidity. Notwithstanding, we consider the QMP approach to be relevant for the purposes of a broad cross-check to our valuation under the Sum-of-Parts approach.

The different results of our valuation approaches are explained by:

- the technical assumptions made by SRK in assessing the value of the Nyanzaga Project and OreCorp's other mineral assets may be less optimistic than those made by the market;
- as detailed in Section 9.1, RG 111.15 states that funding requirements for a company that is not in financial distress (e.g., capital that is required to develop a project) should be taken into account by the expert when determining the fair value of the company's securities, especially when using the DCF methodology. Given we are bound by RG 111.15 to account for the entire funding requirements of the Nyanzaga Project as at the valuation date, we have included a significant notional capital raising that is dilutive in value due to the large discount applied to the assumed

capital raising price. Although the market may be factoring in the funding requirements of the Nyanzaga Project, it may be assuming a number of smaller capital raisings throughout the development phase which may be at stronger share price points as project milestones are met and announced through the development phase, which may be less dilutive;

- SRK is bound by the requirements of VALMIN and other industry codes, as well as guidance from ASIC in RG 170 and IS 214 when assessing the value of OreCorp's mineral assets. Whereas the market is not constrained or governed by these codes and therefore may be pricing in more potential upside that SRK is unable to incorporate in its valuation; and
- as determined by our liquidity analysis in Section 11.2, OreCorp shares display a low level of liquidity, therefore the market price may not reflect the underlying value of an OreCorp share.

Based on the results above we consider the value of an OreCorp share prior to the Scheme (on a controlling interest basis) to be in the range of A\$0.360 to A\$0.533, with a preferred value of A\$0.443.

12. Valuation of the Scheme Consideration

The Scheme consideration comprises 0.0967 Silvercorp shares for every 1 OreCorp share and a cash payment of A\$0.15 per OreCorp share. In valuing the Scheme Consideration, we have applied the Sum-of-Parts approach to assess the value of a share of the Merged Group (on a minority interest and diluted basis).

This is because, when assessing non-cash consideration in control transactions, RG 111.31 suggests that a comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:

- (a) the acquirer is obtaining or increasing control of the target; and
- (b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.

Our Sum-of-Parts valuation of the Merged Group is discussed in the following section.

12.1 Sum-of-Parts valuation of the Merged Group

The individual components that contribute to the value of the Merged Group are outlined below.

- The value of OreCorp following the Scheme which includes:
 - o the DCF valuation of the Merged Group's interest in the Nyanzaga Project following the Scheme;
 - o the value of OreCorp's interest in the Residual Resources and exploration potential of the Nyanzaga Project; and
 - o the value of OreCorp's other assets and liabilities.
- The value of Silvercorp which includes:
 - o the DCF valuation of the Ying Mines and GC Mine;
 - o SRK's value of Silvercorp's interest in the Residual Resources and exploration potential not included in the DCF valuation of Silvercorp's mineral assets (noting that SRK has not

assigned a value to the La Yesca Project as SRK considers it to be immaterial to Silvercorp and the Merged Group); and

- o the value of other assets and liabilities of Silvercorp not included in the components above.
- Adjustments to the value of the Merged Group to reflect the impact of the Scheme including:
 - o the present value of forecast corporate costs of the Merged Group; and
 - o transaction-related costs.

The summary of our Sum-of-Parts valuation is set out in the table below.

Valuation of the Merged Group following the Scheme	Ref	Low US\$'000s	Preferred US\$'000s	High US\$'000s
Value of OreCorp's assets following the Scheme:				
DCF valuation of the Merged Group's interest in the Nyanzaga Project following the Scheme	12.1.1	130,000	174,000	219,000
Value of OreCorp's interest in the residual resources and exploration potential of the Nyanzaga Project	11.1.3	9,730	15,390	21,050
Value of OreCorp's other assets and liabilities	11.1.4	26,042	26,042	26,042
Value of OreCorp's assets following the Scheme (A)		165,772	215,432	266,092
Value of Silvercorp:				
Value of Silvercorp's interest in the Ying Mines	12.1.5	337,050	387,470	433,240
Value of Silvercorp's interest in the GC Mine	12.1.8	56,240	70,250	84,280
Value of Silvercorp's interest in the BYP Project	12.1.9	20,230	29,350	38,480
Value of the Kuanping Project	12.1.10	13,100	13,100	13,100
Value of Silvercorp's other assets and liabilities	12.1.11	183,807	183,807	183,807
Value of Silvercorp (B)		610,427	683,977	752,907
Value of the Merged Group:				
Value of (A) + (B) Above		776,199	899,409	1,018,999
Present value of corporate costs of the Merged Group	12.1.12	(125,320)	(102,230)	(80,980)
Transaction costs related to the Scheme	12.1.13	(20,654)	(20,654)	(20,654)
Total value of the Merged Group (control, undiluted)		630,225	776,525	917,365
Ordinary shares in the Merged Group on issue following the Scheme	12.1.14	215,798,276	215,798,276	215,798,276
Value per share of the Merged Group (US\$/share) (control, undiluted)		2.920	3.598	4.251
Minority discount	12.1.15	29%	26%	23%
Value per share (US\$/share) (minority, undiluted)		2.073	2.663	3.273
Value per share (US\$/share) (minority, diluted)	12.1.16	2.066	2.653	3.261

Source: BDO analysis

We have assessed the value of a share in the Merged Group on an undiluted minority interest basis to be in the range of US\$2.073 to US\$3.273 with a preferred value of US\$2.663. Accounting for the dilutionary impact of any in-the-money Silvercorp options and vested RSUs, the value of a share in the Merged Group (on a minority interest basis) is in the range of US\$2.066 to US\$3.261 with a preferred value of US\$2.653.

12.1.1. DCF valuation of the Merged Group's interest in the Nyanzaga Project following the Scheme

The difference between the DCF valuation of OreCorp's interest in the Nyanzaga Project in the absence of the Scheme, and the DCF valuation of the Merged Group's interest in the Nyanzaga Project following the Scheme, lies in the construction commencement date and the notional funding assumptions for the development of the Nyanzaga Project.

Based on discussions with the management of OreCorp, if the Scheme is successfully implemented, the Company expects construction of the Nyanzaga Project to commence around 1 January 2024.

The notional funding assumptions for the development of the Nyanzaga Project in the absence of the Scheme comprised existing cash reserves of US\$27.14 million, a senior debt facility of US\$200 million, a gold stream arrangement of US\$150 million and an equity raising of US\$170.48 million. Further details of the notional funding assumptions used in our valuation of OreCorp's interest in the absence of the Scheme are set out in Section 11.1.2.

As detailed in Section 11.1.1 of our Report, OreCorp is entitled to 100% of the cash flows generated by the Nyanzaga Project until SMCL has fully repaid the capital provided by the Company to fund the development of the Nyanzaga Project, at which point the Company will be entitled to 84% of the cash flows generated by the Nyanzaga Project thereafter. In our valuation of OreCorp's interest in the Nyanzaga Project in the absence of the Scheme, the US\$150 million of funding sourced through the notional gold stream arrangement was in effect a royalty and therefore the face value was not required to be repaid by SMCL to the Company.

However, in our valuation of the Merged Group's interest in the Nyanzaga Project following the Scheme, the notional funding for the development of the Nyanzaga Project does not include a gold stream arrangement. Therefore, in our valuation of the Merged Group's interest in the Nyanzaga Project following the Scheme, SMCL will need to repay a larger amount to the Merged Group than in the absence of the Scheme, due to the absence of a gold stream arrangement.

We have made further changes to the Adjusted Nyanzaga Model to reflect the above differences between the Nyanzaga Project in the absence of, and following the Scheme. We note that all other technical, economic and other input assumptions (including the discount rate) are identical to those adopted in the valuation of OreCorp's interest in the Nyanzaga Project in the absence of the Scheme as assessed in Section 11.1.1.

Notional funding

As detailed in Section 9.1, RG 111.15 states that funding requirements for a company that is not in financial distress (e.g., capital that is required to develop a project) should be taken into account by the expert when determining the fair value of the company's securities, especially when using the DCF methodology.

The capital expenditure requirements for the development of the Nyanzaga Project is approximately US\$473 million (on a real basis), which is expected to be incurred from 1 January 2024 if the Scheme is implemented. After considering the corporate costs expected to be incurred by the Merged Group until the Nyanzaga Project becomes cash flow positive and converting the cash flows into nominal terms based on the inflation assumptions detailed in Section 11.1.1, the total funding requirements for the development of the Nyanzaga Project is approximately US\$529.18 million (on a nominal basis).

As detailed in Section 5, the Government of Tanzania has a 16% free-carried interest in the Nyanzaga Project. Therefore, OreCorp will need to solely fund the development of the Nyanzaga Project until the Nyanzaga Project becomes cash flow positive.

We note that the Nyanzaga Model has been prepared on an unfunded basis and therefore does not consider any costs associated with debt funding, or any dilution resulting from an equity raising. Therefore, there is a funding requirement of US\$529.18 million for the development of the Nyanzaga Project to realise the value.

Based on discussions with management of both OreCorp and Silvercorp, if the Scheme is successfully implemented, funding for the development of the Nyanzaga Project is expected to be sourced from the Merged Group's existing cash reserves and short-term investments (bonds and money market instruments), positive cash flows from its existing operating mines, and a debt facility.

We have assumed that all of the Merged Group's estimated available cash reserves following the implementation of the Scheme (approximately US\$143 million per the table below) would be available for use towards the development of the Nyanzaga Project. A summary of the Merged Group's available cash reserves is set out below. We have assumed an AUD/USD exchange rate of 0.670 where required to convert between the two currencies:

Merged Group's available funding	US\$'000
Silvercorp's cash balance as at 30 June 2023	143,278
Add: Silvercorp's short-term investments as at 30 June 2023	57,322
Less: Cash used in Silvercorp Placement (A\$28.17 million in US\$ terms)	(18,870)
Less: Funds used to subscribe to the New Pacific Offering	(5,027)
Less: Scheme Cash Consideration	(40,510)
Less: Funds used for the Option Cancellation Deeds (see Section 12.1.11a)	(58)
Silvercorp's available funding (A)	136,135
OreCorp's cash balance as at 30 June 2023 (US\$'000)	9,020
Add: Cash from the Silvercorp Placement (A\$28.17 million in US\$ terms)	18,870
OreCorp's available funding (B)	27,890
Less: Estimated transaction costs associated with the Scheme (see Section 12.1.13) (C)	(20,654)
Merged Group's available funding (A) + (B) + (C)	143,371

Source: BDO analysis

We have also assumed that all of the cash flows from Silvercorp's existing operating mines would be available for use towards the development of the Nyanzaga Project, which we have assessed to be approximately US\$134.90 million, over the period when funding is required. We note that the cash flows available for use, reflects the available cash after corporate costs and other cash outflows during the construction period such as tax have been accounted for.

A summary of the notional funding of the Nyanzaga Project following the implementation of the Scheme is set out below:

Notional funding of the Nyanzaga Project following the implementation of the Scheme	US\$'000
Total expenditure requirement (A)	(529,182)
Merged Group's available funding	143,371
Cash flows from Silvercorp's existing operating mines	134,901

Notional funding of the Nyanzaga Project following the implementation of the Scheme		US\$'000
Total funding obtained through cash reserves and cash flows from existing operating mines (B)		278,272
Shortfall (A) - (B)		(250,910)

Source: BDO analysis

Based on the above, this results in a shortfall of US\$250.91 million for the development of the Nyanzaga Project after utilising the Merged Group's cash reserves of US\$143.37 million and cash flows from Silvercorp's existing operating mines of US\$134.90 million. Based on discussions with management of Silvercorp, we have assumed the funding shortfall of US\$250.91 million to be obtained through debt.

In Section 11.1.2, we assumed that OreCorp could secure a senior debt facility of approximately US\$200 million for the purposes of funding the Nyanzaga Project in the absence of the Scheme. Therefore, we consider that the Merged Group could reasonably secure debt funding of a greater amount based on the Merged Group having operating assets and a strong balance sheet relative to OreCorp prior to the Scheme.

We also note that Silvercorp also has investments in both listed and unlisted companies, as well as its interests in New Pacific Metals Corp. (27.4%) and Tincorp Metals Inc. (29.3%), which could also act as further sources of funding if required. However, for the purposes of our funding analysis, we have not assumed the sale of these investments.

Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Adjusted Nyanzaga Model, as it is often the case that some events and circumstances frequently do not occur as expected, or are not anticipated, and those differences may be material.

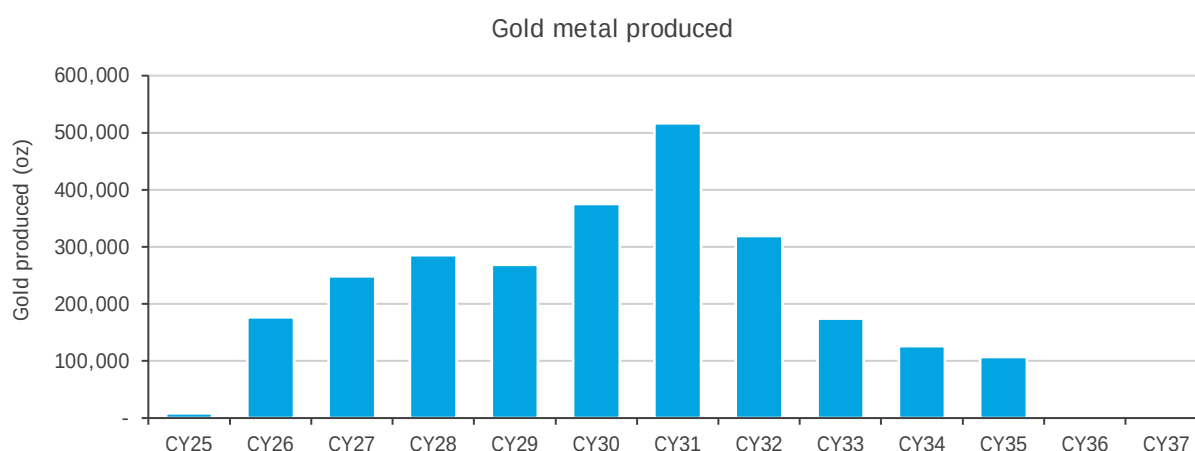
Mining physicals

The proposed production outlook of the Nyanzaga Project is approximately 10.7 years. The graph below shows the forecast ore to be mined and processed over the Adjusted Nyanzaga Model's forecast period.



Source: Adjusted Nyanzaga Model and BDO analysis

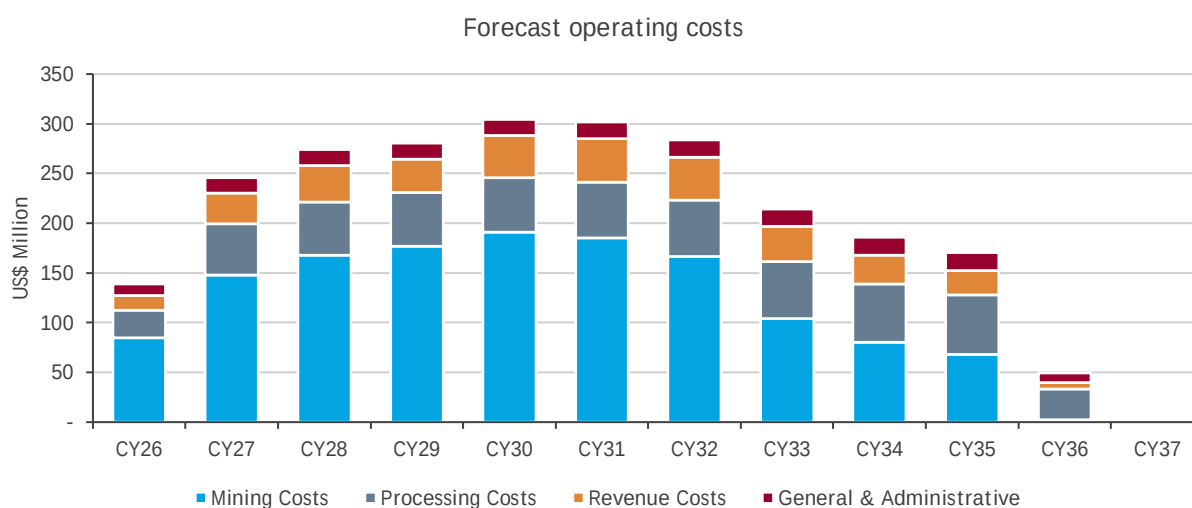
The mined ore is then processed into gold for sale. The graphs below show the forecast gold produced over the Adjusted Nyanzaga Model's forecast period.



Source: Adjusted Nyanzaga Model and BDO analysis

Operating expenditure

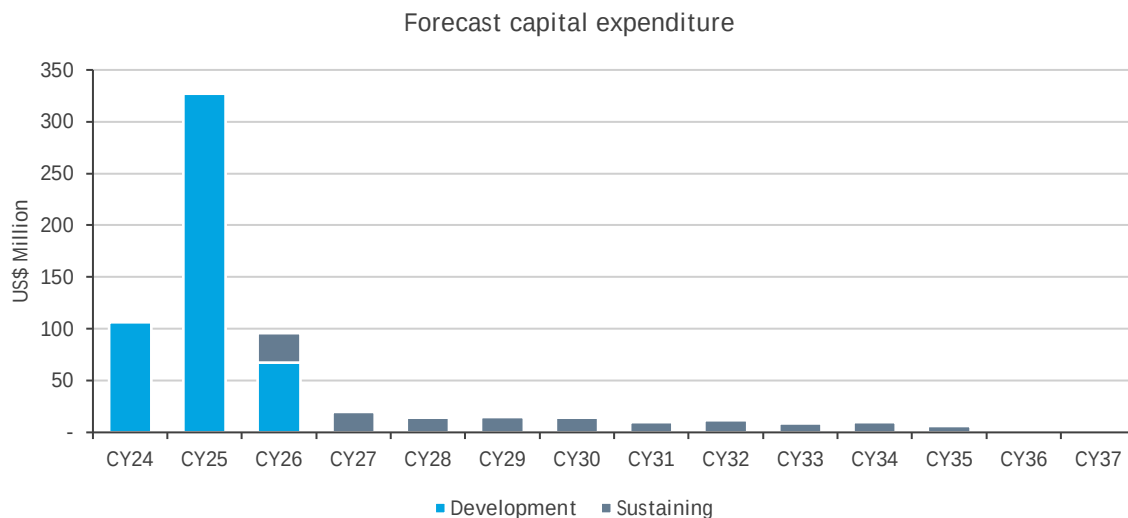
The operating expenditure included in the Adjusted Nyanzaga Model includes open pit mining costs, underground mining costs, processing costs, transport and refining costs, royalties and site costs. In preparing the Adjusted Nyanzaga Model, we have applied our assessed forecast inflation rate to the forecast operating expenditure. The forecast operating expenditure for the Nyanzaga Project in the Adjusted Nyanzaga Model is illustrated in the chart below.



Source: Adjusted Nyanzaga Model and BDO analysis

Capital expenditure

The capital expenditure requirements for the Nyanzaga Project relate to development and sustaining capital costs. Capital expenditure totals US\$593 million (on a real basis) over the life of the mine. We have applied our assessed forecast inflation rate to the forecast capital expenditure. The forecast capital expenditure required for the Nyanzaga Project in the Adjusted Nyanzaga Model is illustrated in the chart below.



Source: Adjusted Nyanzaga Model and BDO analysis

Sensitivity analysis

Our valuation of the Nyanzaga Project is sensitive to changes in forecast gold prices, operating expenditure, capital expenditure, inflation and the discount rate. We have therefore included a sensitivity analysis to consider the value of the Nyanzaga Project under various pricing scenarios and in applying:

- a change of +/- 10% to the gold price;
- a change of +/- 10% to operating expenditure;
- a change of +/- 10% to capital expenditure;
- a long-term inflation rate in the range of 1% to 3%; and
- a discount rate in the range of 10% to 14%.

The following sensitivities have been prepared to assist Shareholders in considering the potential effects to the value of the Nyanzaga Project if our base case assumptions change:

Currency: US\$'000				Sensitivity analysis of the value of the Nyanzaga Project		
% Relative flex	Gold price	Operating expenditure	Capital expenditure			
+10.0%	285,696	105,865	133,229			
+8.0%	263,323	120,413	141,114			
+6.0%	240,590	134,022	149,166			
+4.0%	219,249	146,708	157,717			
+2.0%	197,425	161,168	166,672			
-	174,202	174,202	174,202			
-2.0%	152,295	187,976	182,510			
-4.0%	130,058	201,630	191,743			
-6.0%	107,515	215,436	199,205			
-8.0%	85,339	228,817	207,348			
-10.0%	62,533	242,354	216,939			

Source: Adjusted Nyanzaga Model and BDO analysis

Sensitivity analysis of Nyanzaga post-tax DCF valuation to the long-term inflation rate					
% Absolute Flex on Inflation Rate	-1.0%	-0.5%	-	0.5%	1.0%
Value (US\$'000)	167,170	170,562	174,202	178,095	182,248

Source: Adjusted Nyanzaga Model and BDO analysis

Sensitivity analysis of Nyanzaga post-tax DCF valuation to the discount rate					
Discount rate	10.0%	11.0%	12.0%	13.0%	14.0%
Value (US\$'000)	239,605	205,420	174,202	145,675	119,593

Source: Adjusted Nyanzaga Model and BDO analysis

In considering the above sensitivities, Shareholders should note the following:

- the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- the variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- the sensitivities performed do not cover the full range of possible variances from the base case assumptions used (i.e., variances could be greater than the percentage increases or decreases set out in this analysis).

We also note that we have presented the above sensitivities to highlight the sensitivity of the value of the Nyanzaga Project to changes in pricing and other assumptions.

Based on the above analysis we consider the value of the Merged Group's interest in the Nyanzaga Project following the Scheme to be in the range of US\$130 million to US\$219 million, with a preferred value of US\$174 million. Our assessed low and high values are based on +/-4% movements in the gold price. Over the past five years, the annualised volatility of the US Dollar denominated gold price was approximately 15%. Therefore, given the sensitivity of the value of the Nyanzaga Project to movements in the gold price and the historical volatility of this input, we consider it appropriate to adopt a wide range of values around our preferred position.

We note that the DCF valuation of the Merged Group's interest in the Nyanzaga Project assessed above is greater than the DCF valuation of OreCorp's interest in the Nyanzaga Project assessed in Section 11.1.1 of our Report. This is due to the accelerated commencement of the construction of the Nyanzaga Project if the Scheme is successfully implemented, which results in the cash flows to be discounted to the present value by a lesser amount. We note that we have considered the difference in value under the two scenarios in reasonableness in Section 14.

12.1.2. Economic assumptions used in the DCF valuation of the Ying Mines and the GC Mine

Sections 12.1.4 and 12.1.5 set out the DCF valuations of the Ying Mines and the GC Mine. Given the DCF valuations of the Ying and GC Mines rely on a set of common macroeconomic assumptions, we have presented a discussion of these common inputs in this section. These economic assumptions were also adopted in the DCF valuation of the Nyanzaga Project, however are presented below in terms of Silvercorp's March fiscal year end periods.

Inflation

All cash flows contained in the Ying and GC Models are calculated on a real basis. We have therefore applied the forecast inflation rate to the costs (including operating and capital expenditure) in these models to convert them into nominal cash flows.

These models forecast operating costs in US Dollars, therefore we consider the most appropriate inflation rate to apply to the cash flows in the Adjusted Ying Model and the Adjusted GC Model to be the US inflation rate.

In forming our assessment of the forecast inflation rate, we have had regard to consensus views of forecast inflation as sourced from Bloomberg, as well as consideration of the recent trend of the inflation rate in the US. The inflation assumptions we have adopted is outlined in the table below, with long-term inflation beyond FY2027 assumed to be flat at 2.0% per annum, consistent with the US Federal Reserve's long-term inflation target.

USD Inflation rate	FY24*	FY25	FY26	FY27+
Average inflation rate	3.6%	2.6%	2.3%	2.0%

*FY24 reflects partial fiscal year beginning 30 June 2023 and ending 31 March 2024

Source: Bloomberg and BDO analysis

As discussed in the next section, our long-term inflation assumption of 2.0% per annum is also applied to the real long-term commodity pricing for metals, which are quoted in US Dollar terms, from January 2028 onwards.

Commodity prices

From the Ying and GC Mines, the Proposed Merged Entity will receive revenue from the sale of gold, silver, lead and zinc metals.

In assessing the forecast commodity prices, we have considered the Consensus Economics price forecasts as at September 2023. We note that Consensus Economics provides long-term real commodity pricing which begin from January 2028 onwards. In forming our long-term nominal pricing for each of the metals, we have considered these long term real prices and inflated them for our inflation assumptions (outlined above). The final column in the table below indicates the average nominal pricing adopted in January 2028, with prices inflated in the subsequent periods at our long-term inflation assumption of 2.0% per annum. Based on our analysis, we have adopted the following future gold, silver, lead and zinc prices (in nominal terms).

Commodity prices	FY24*	FY25	FY26	FY27	Jan-28
Gold price (US\$/oz)	1,925	1,925	1,850	1,850	1,845
Silver price (US\$/oz)	23.40	23.80	23.10	23.20	23.70
Lead price (US\$/t)	2,120	2,080	2,040	2,050	2,150
Zinc price (US\$/t)	2,440	2,560	2,590	2,620	2,760

*FY24 reflects partial fiscal year beginning 30 June 2023 and ending 31 March 2024

Source: Consensus Economics and BDO analysis

12.1.3. DCF valuation of the Ying Mines

We have elected to use the DCF approach in valuing the Ying Mines. The DCF approach estimates the fair market value of the asset by discounting the future cash flows arising from it to their net present value. Performing a DCF valuation requires the determination of:

- The future cash flows that the Ying Mines is expected to generate; and
- An appropriate discount rate to apply to the cash flows of the Ying Mines to convert them to their present value equivalent.

The value that we have ascribed to the Ying Mines is based on technical factors as advised by SRK and our view of future economic assumptions, all of which are derived from information available at the time of our SRK's report and our Report respectively. The technical and economic factors may change in the future, which may change the value of the Ying Mines.

The management of Silvercorp has prepared a detailed cash flow model for the Ying Mines ('the Ying Model'). The Ying Model estimates the future cash flows expected from silver, lead, zinc and gold produced by the seven mines underpinning the Ying Mines (being SGX, HZG, HPG, TLP, LME, LMW and DCG). The Ying Model depicts forecasts of real, after-tax cash flows over an approximately fifteen year life of mine on a yearly basis, beginning from the final quarter of financial year ('FY') 2022 to FY 2037. We note that the financial years contemplated in the Ying Model begin from 1 April and end on 31 March, which is different from OreCorp's adopted fiscal year ending 30 June. For the purposes of this section, the financial years refer to the 12 month period ending 31 March.

BDO has made certain adjustments to the Ying Model where it was considered appropriate to arrive at an adjusted model ('the Adjusted Ying Model'). In particular, we have adjusted the Ying Model to:

- reflect Silvercorp's interest in each of the mines underpinning the Ying Mines (i.e. 77.5% in all of the underlying mines except for HPG and LME which are both 80% interests);
- reflect any changes to technical assumptions as a result of SRK's review;
- reflect any changes to the economic and other input assumptions from our research;
- convert the cash flows in the Ying Model to be presented on a nominal basis; and
- adopt a valuation date of 30 June 2023.

From its review of the technical assumptions, SRK recommended certain adjustments to the Ying Model. Further details of SRK's proposed adjustments are set out in SRK's Independent Specialist Report, included in Appendix 5. We have adopted SRK's recommendations in forming our DCF valuation range of the Ying Mines.

The Ying Model was prepared based on estimates of a mining and production profile, operating costs and capital expenditure (including closure costs). Cashflows in the model were prepared on a USD basis and therefore the NPV calculated is in USD terms. The main assumptions underlying the Adjusted Ying Model include:

- mining and milling volumes;
- operating costs;
- capital expenditure;
- closure costs;
- royalties;

- commodity prices;
- corporate tax; and
- discount rate.

BDO has undertaken an analysis of the Ying Model which has involved:

- appointing SRK as a technical specialist to review, and where required, provide suggested changes to the technical assumptions underpinning the Ying Model;
- analysing the Ying Model to confirm its integrity and mathematical accuracy;
- conducting independent research on certain economic and other inputs such as commodity prices, exchange rates, inflation, corporate costs and discount rate applicable to the future cash flows of the Ying Mines;
- holding discussions with Silvercorp management and its advisers regarding the preparation of the forecasts in the Ying Model and its views; and
- performing sensitivity analyses on the value of the Ying Mines as a result of flexing certain assumptions and inputs.

The Adjusted Ying Model, which forms the basis of our DCF valuation, has been adjusted based on the above procedures.

We have not undertaken a review of the cash flow forecast in accordance with the Standards on Assurance Engagement ASAE 3450 'Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information' and do not express an opinion on the achievability of the forecast. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Adjusted Ying Model has been based have not been prepared on a reasonable basis.

Appointment of technical expert

SRK was engaged to prepare the Independent Specialist Report which includes a technical assessment of the assumptions underlying the Ying Model. SRK's assessment involved the review and provision of an opinion on the reasonableness of the assumptions adopted in the Ying Model, including but not limited to:

- the Mineral Resources and Reserves included in the Ying Model;
- mining physicals (including volume mined, recovery and grades);
- processing assumptions (including quality of concentrate produced and recovery rates);
- operating costs (comprising mining, milling and administration costs);
- capital expenditure;
- royalties;
- rehabilitation and closure costs; and
- other relevant assumptions.

SRK's Independent Specialist Report is included in Appendix 5.

Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Adjusted Ying Model, as

it is often the case that some events and circumstances do not occur as expected, or are not anticipated, and those differences may be material.

Ying Mines mining physicals

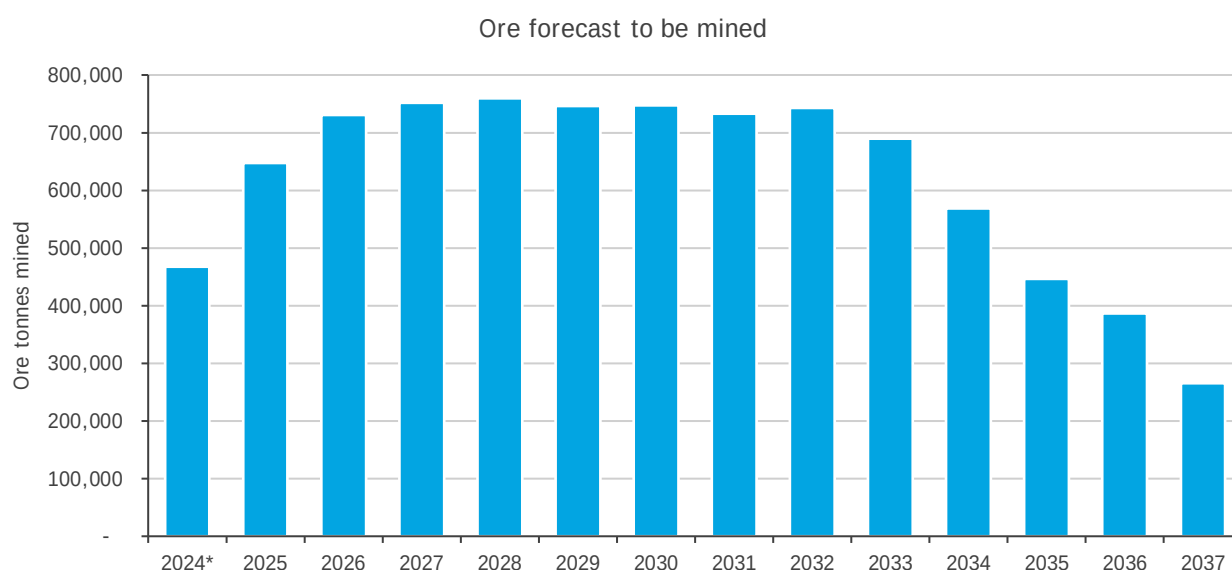
Mining at the Ying Mines has already commenced and the Adjusted Ying Model contemplates a forecast period of approximately 14 years, beginning from the valuation date of 30 June 2023 to the end of the life of mine plan in FY2037. We have adopted SRK's suggested amendments to certain assumptions relating to mining and processing physicals in the Adjusted Ying Model including:

- adjustments to the life of mine plan to align with the adopted valuation date of 30 June 2023;
- adjustments to metallurgical recoveries (for gold in the SGX and LME mines, and for lead and zinc in the DCG mine); and
- adjustments to the silver, lead and zinc grades for the TLP mine.

The details of SRK's proposed amendments above can be found in SRK's report attached as Appendix 5.

SRK has also advised that there are Residual Resources not accounted for in the Ying Model, which could extend the life of mine beyond the forecast period. SRK has also provided a valuation for these Residual Resources, which we have accounted for outside of the DCF valuation of the Ying Mines, separately in our Sum-of-Parts valuation. It would not be appropriate to extend the life of mine in the DCF to reflect the Residual Resource because of insufficient reasonable grounds.

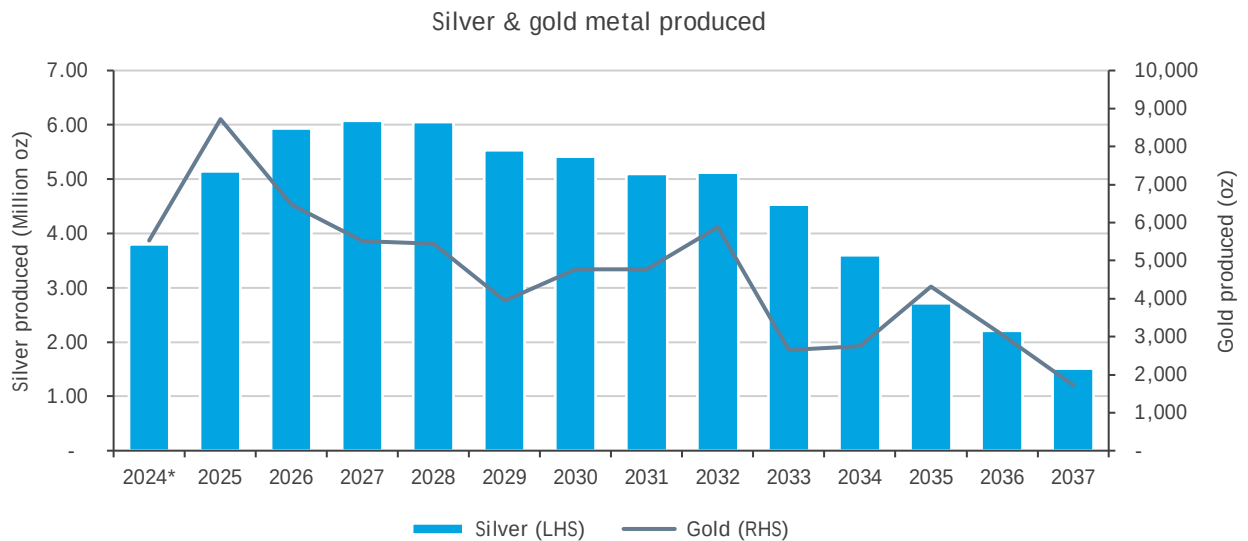
The graph below shows the forecast ore to be mined over the remaining life of mine of the Ying Mines. It is assumed that all ore mined is processed in the same financial year. The periods in the charts below are in financial years beginning 1 April and ending 31 March of each year. The exception to this is for FY24, which reflects a partial period beginning from our adopted valuation date of 30 June 2023. We also note that the charts below reflect the statistics of the Ying Mines on a 100%-ownership basis and incorporate SRK's recommendations.



*FY24 reflects partial fiscal year beginning 30 June 2023 and ending 31 March 2024

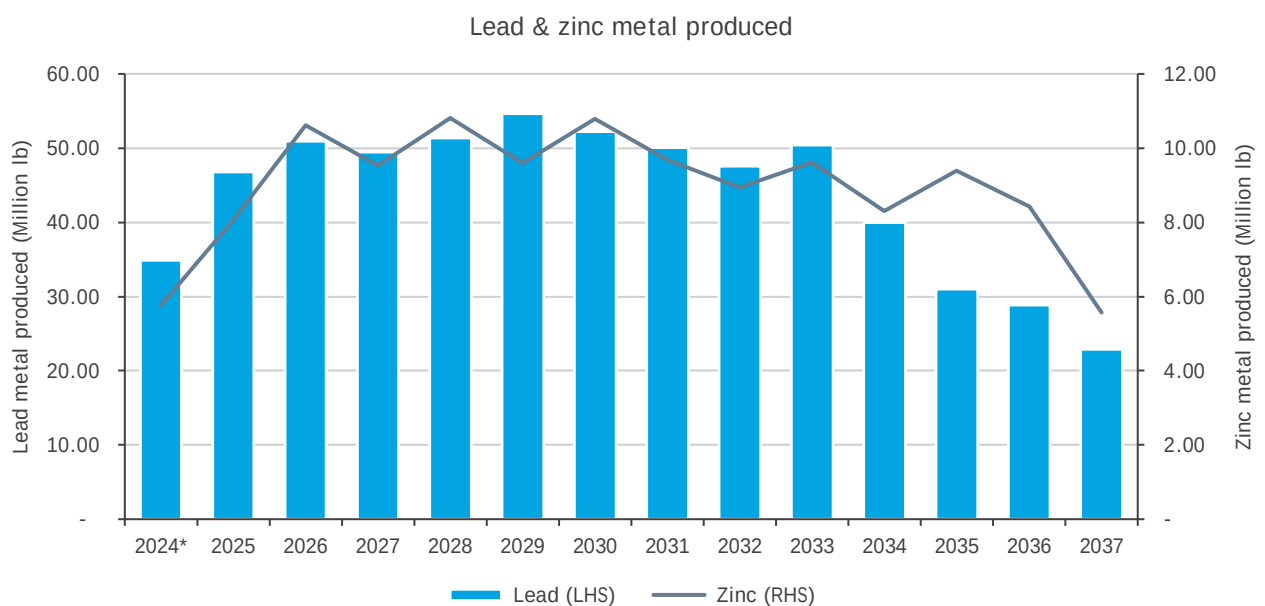
Source: Adjusted Ying Model

The ore that is mined is processed into gold, silver, lead and zinc metals for sale. The graphs below show the forecast metals produced over the Adjusted Ying Model's forecast period.



*FY24 reflects partial fiscal year beginning 30 June 2023 and ending 31 March 2024

Source: Adjusted Ying Model



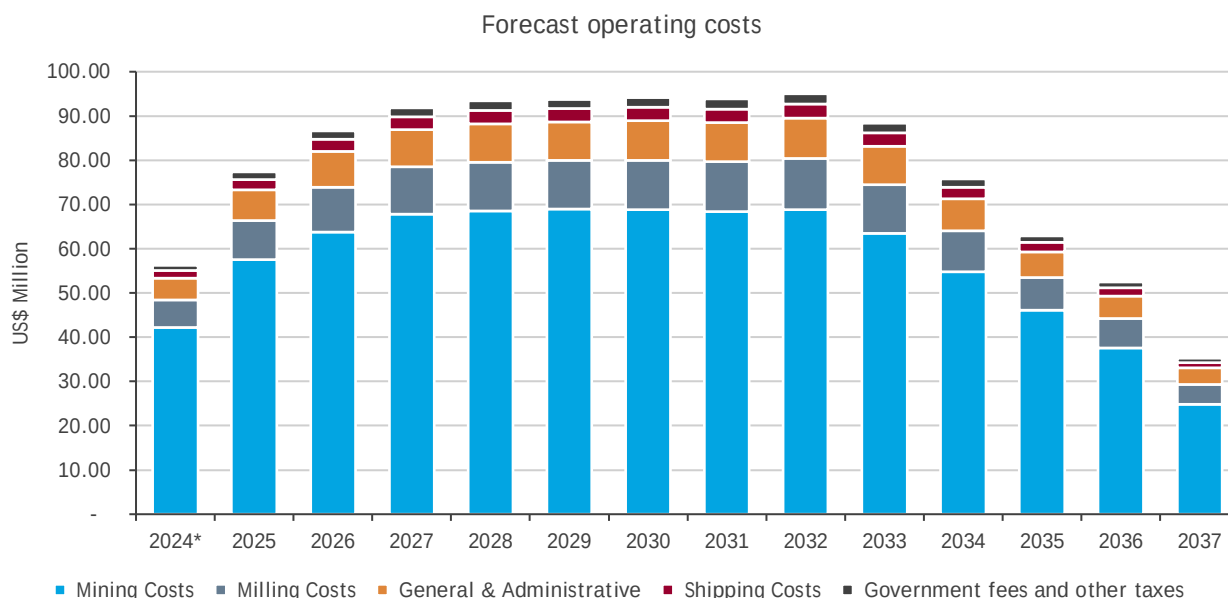
*FY24 reflects partial fiscal year beginning 30 June 2023 and ending 31 March 2024

Source: Adjusted Ying Model

Ying Mines operating costs

The operating costs forecast in the Ying Model include mining, milling, general & administrative, shipping and government fees and other taxes. In preparing the Adjusted Ying Model, we have applied our inflation assumptions to these forecast operating costs.

SRK has considered the reasonableness of the forecast operating cost assumptions in the context of their experience with similar mining projects. We have reflected SRK's suggested amendments to certain unit costs in the Adjusted Ying Model including: mining costs, milling costs, shipping costs and administrative costs. As detailed in the Independent Specialist Report, SRK have recommended adopting unit costs which reflect the Ying Mines' recent operational performance, as measured over FY23 and through to the first quarter of FY24. We have translated these costs into US\$ terms using the average USD:RMB exchange rate over the same period of approximately 6.88. The forecast operating costs for the Ying Mines incorporating SRK's technical input assumptions and BDO's inflation assumptions are illustrated in the charts below.



*FY24 reflects partial fiscal year beginning 30 June 2023 and ending 31 March 2024

Source: Adjusted Ying Model

Mineral Resource Tax

For the Ying Mines, SRK, in discussions with Silvercorp, has advised that the Ying Mines is subject to a Mineral Resource Tax which is payable each year based on the net revenue from sale of silver, lead and zinc metal produced. This net revenue is calculated after deducting smelter charges and is applied at the following rates:

- Silver - 2% of net revenue
- Lead - 3% of net revenue
- Zinc - 3% of net revenue

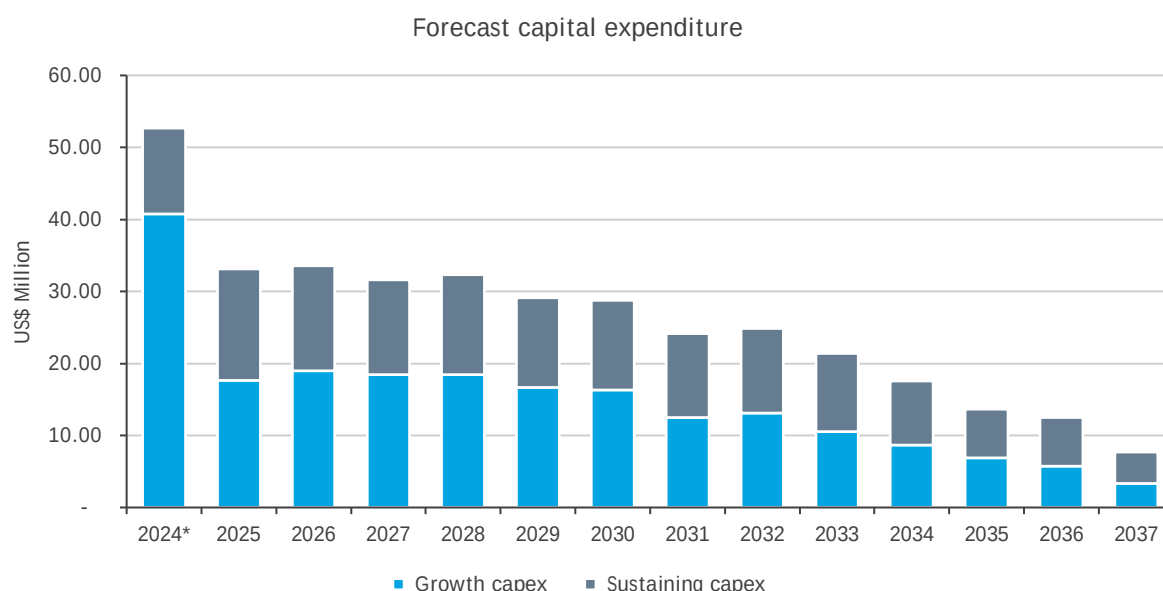
We have applied the above rates in the Adjusted Ying Model. We note that gold revenues are exempt from the Mineral Resource Tax.

Ying Mines capital expenditure

The capital expenditure requirements for the Ying Mines relate to growth capital expenditure and ongoing sustaining capital expenditure. Growth capital expenditure includes payments for a third mill and tailings storage facility as well as exploration tunnelling to grow existing operations. We have adjusted both the

sustaining and growth capital expenditure for SRK's recommendations in the Adjusted Ying Model, which includes an allowance for the third mill and tailings storage facility expenditure in FY24 and FY25.

As set out below, most of the forecast capital expenditure is expected to be incurred in FY24 and FY25, largely driven by the aforementioned third mill and tailings storage facility costs.



*FY24 reflects partial fiscal year beginning 30 June 2023 and ending 31 March 2024

Source: Adjusted Ying Model

Taxation

Tax in the Adjusted Ying Model is calculated at the 25% Chinese statutory corporate tax rate, given the location of the project. We understand that China allows for certain entities recognised as 'High and New Technology Enterprises' to have a reduced effective tax rate of 15%. Although some of Silvercorp's subsidiaries such as Henan Found Mining Co. Ltd. (China) have historically obtained this tax concession, we note that the designation as a High and New Technology Enterprise is only effective for three years and is subject to government approval for renewal. As we have no basis to assume the continual renewal of this tax concession over the life of the project, we have elected to adopt the statutory Chinese corporate tax rate instead.

The tax shield benefits of depreciation and amortisation of relevant plant and equipment as well as mineral rights and properties were not included in the original Ying Model. We have modelled these in the Adjusted Ying Model, based on the forecast yearly revenue, having consideration for the historical depreciation and amortisation over Silvercorp's prior reporting periods. As summarised in the table below, Silvercorp's depreciation and amortisation expense has fluctuated between 11-13% of the corresponding period's revenue, and averaged approximately 12% of revenue over the past three financial years and most recent quarterly period:

Depreciation and amortisation analysis	Unaudited for the quarter ended 30-Jun-23 US\$'000	Audited for the year ended 31-Mar-23 US\$'000	Audited for the year ended 31-Mar-22 US\$'000	Audited for the year ended 31-Mar-21 US\$'000
Depreciation and amortisation	7,663	27,607	25,082	21,434
Revenue	60,006	208,129	217,923	192,105
Depreciation and amortisation as % of revenue	13%	13%	12%	11%
Average depreciation and amortisation as % of revenue	12%			

Source: Silvercorp's historical financial statements and BDO analysis

We have therefore assumed a tax shield benefit from depreciation and amortisation of 12% of revenue in the Adjusted Ying Model.

Ying Mines rehabilitation and closure costs

SRK considers the general and administrative costs in the Adjusted Ying Model to adequately reflect the ongoing environmental costs of operating the mines. The Adjusted Ying Model also includes closure costs of US\$9.62 million (in nominal terms). This figure incorporates SRK's recommendation on closure costs of RMB50.65 million (in real terms) to be incurred in FY38, being the year after the final production year. Further details of SRK's adjustments can be found in the Independent Specialist Report.

Trade receivables and trade payables

The Adjusted Ying Model does not contemplate the movement of working capital items such as trade receivables and trade payables. It therefore assumes all payments are made to suppliers and revenue is received from sales within each of the financial years forecast.

Inventory

The Adjusted Ying Model assumes all ore is processed in the year that it is mined. Therefore, there are no inventory balances contemplated.

Ying Discount Rate

In our assessment of an appropriate discount rate to apply to the cash flows of the Adjusted Ying Model, we consider the most appropriate discount rate to be Silvercorp's cost of equity. We note that its weighted average cost of capital is equivalent to its cost of equity, as the Ying Mines are self-funding and do not require debt.

For the DCF valuation of the Ying Mines, we have selected a nominal post-tax discount rate in the range of 9.5% to 10.7% with a preferred rounded midpoint of 10%. We have used our preferred rounded midpoint to discount the cashflows in the Adjusted Ying Model.

In selecting our range of discount rates we considered the following:

- the rate of return for comparable developed market listed precious and base metals production companies with similar commodity types and location; and
- the risk profile of the Ying Mines as compared to the comparable companies identified.

A detailed consideration of how we arrived at the adopted post-tax nominal discount range is discussed in Appendix 4.

Sensitivity analysis

We have analysed the key assumptions to the Adjusted Ying Model and have prepared sensitivities on the post-tax NPV. The sensitivity analysis considers the value of the Ying Mines under various pricing scenarios, after adjusting for Silvercorp's relevant interest in the underlying mines, and in applying:

- a relative change of +/- 10% to the silver, lead, gold and zinc price;
- a relative change of +/- 10% to operating costs;
- a relative change of +/- 10% to capital costs;
- a discount rate in the range of 8.0% to 12.0%; and
- an absolute change of +/- 2% to the rate of inflation rate assumed.

These sensitivities have been prepared to assist Shareholders in considering the potential affects to the value of the Ying Mines if our base case assumptions change. We note that the NPVs set out in the tables below have been adjusted to reflect Silvercorp's interest in the mines underpinning the Ying Mines.

Sensitivity Analysis of the Ying Mines' DCF Valuation						
in US\$million						
% Relative Flex	Silver Price	Lead Price	Gold Price	Zinc Price	Operating Costs	Capital Costs
+10.0%	371.38	332.82	312.43	312.31	306.22	300.74
+8.0%	358.57	327.72	311.41	311.31	306.44	302.05
+6.0%	345.76	322.62	310.39	310.32	306.66	303.37
+4.0%	332.94	317.52	309.37	309.32	306.88	304.69
+2.0%	320.13	312.42	308.34	308.32	307.10	306.00
-	307.32	307.32	307.32	307.32	307.32	307.32
-2.0%	294.51	302.22	306.30	306.32	307.54	308.64
-4.0%	281.70	297.12	305.27	305.32	307.76	309.95
-6.0%	268.88	292.02	304.25	304.33	307.98	311.27
-8.0%	256.07	286.92	303.23	303.33	308.20	312.59
-10.0%	243.26	281.82	302.21	302.33	308.42	313.90

Source: BDO analysis and the Adjusted Ying Model

Sensitivity Analysis of Ying Mines' DCF Valuation to the discount rate					
Discount rate	8.0%	9.0%	10.0%	11.0%	12.0%
Value (US\$ million)	342.26	324.11	307.32	291.77	277.34

Source: BDO analysis and the Adjusted Ying Model

Sensitivity Analysis of Ying Mines' DCF Valuation to the inflation rate					
% Absolute Flex on Inflation Rate	-2.0%	-1.0%	-	+1.0%	+2.0%
Value (US\$ million)	304.23	305.55	307.32	309.58	312.35

Source: BDO analysis and the Adjusted Ying Model

In considering the above sensitivities, Shareholders should note the following:

- the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- the variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and

- the sensitivities performed do not cover the full range of possible variances from the base case assumptions used (i.e. variances could be greater than the percentage increases or decreases set out in this analysis).

We also note that we have presented the above sensitivities to highlight the sensitivity of the value of the Ying Mines to changes in pricing and other assumptions.

Conclusion on DCF valuation of the Ying Mines

Based on the above analysis we consider the value of the Ying Mines to Silvercorp to be in the range of US\$280.00 million to US\$330.00 million with a preferred value of US\$307.32 million. Our assessed valuation range incorporates SRK's recommendations for certain input assumptions and was formed having consideration to sensitivities around a +/-4% relative change in the price of silver, given the sensitivity of the NPV to it.

12.1.4. Value of Silvercorp's interest in the Ying Mines' Residual Resources

SRK has valued the Residual Resources not accounted for in the Adjusted Ying Model using the actual and comparable transactions and yardstick methods. The fair market value of the Residual Resources as assessed by SRK, lies within the range of US\$57.05 million to US\$103.24 million, with a preferred value of US\$80.14 million. As discussed in the Independent Specialist Report, SRK has elected to adopt an equal weighting for the valued implied by the comparable transaction analysis and industry yardsticks to inform its valuation range for the Residual Resources. We note that SRK's valuation below accounts for Silvercorp's relevant ownership interests across each of the underlying mines.

	Low	Preferred	High
Value of Silvercorp's interest in the Ying Mines' Residual Resources	US\$'000	US\$'000	US\$'000
SRK's assessed value based on comparable transactions	73,550	95,750	117,960
SRK's assessed value based on the yardstick method	40,550	64,540	88,520
SRK valuation of the Ying Mines' Residual Resources	57,050	80,140	103,240

Source: SRK's Independent Specialist Report

12.1.5. Value of Silvercorp's interest in the Ying Mines

Based on the values outlined in the previous sections, the value of Silvercorp's interest in the Ying Mines is summarised in the table below.

	Low	Preferred	High
Value of Silvercorp's interest in the Ying Mines	US\$'000	US\$'000	US\$'000
DCF Valuation of the Ying Mines	280,000	307,320	330,000
Value of Silvercorp's interest in the Ying Mines' Residual Resource	57,050	80,150	103,240
Total	337,050	387,470	433,240

Source: BDO analysis

12.1.6. DCF Valuation of the GC Mine

We have elected to use the DCF approach in valuing the GC Mine. The DCF approach estimates the fair market value of the asset by discounting the future cash flows arising from it to their net present value. Performing a DCF valuation requires the determination of:

- The future cash flows that the GC Mine is expected to generate; and

- An appropriate discount rate to apply to the cash flows of the GC Mine to convert them to their present value equivalent.

The value that we have ascribed to the GC Mine is based on technical factors as advised by SRK and our view of future economic assumptions, all of which are derived from information available at the time of our SRK's report and our Report respectively. The technical and economic factors may change in the future, which may change the value of the GC Mine.

The management of Silvercorp has prepared a detailed cash flow model for the GC Mine ('the GC Model'). The GC Model estimates the future cash flows expected from silver, lead, and zinc produced by the GC mine underpinning the GC Mine. The GC Model depicts forecasts of real, after-tax cash flows over an approximately thirteen year life of mine on a yearly basis, beginning from the final quarter of FY2022 to FY2034. We note that the financial years contemplated in the GC Model begin from 1 April and end on 31 March, which is different from OreCorp's adopted fiscal year period ending 30 June. For the purposes of this section, the financial years refer to the 12-month period ending 31 March.

BDO has made certain adjustments to the GC Model where it was considered appropriate to arrive at an adjusted model ('the Adjusted GC Model'). In particular, we have adjusted the GC Model to:

- reflect any changes to technical assumptions as a result of SRK's review;
- reflect any changes to the economic and other input assumptions from our research;
- convert the cash flows in the GC Model to be presented on a nominal basis; and
- adopt a valuation date of 30 June 2023.

From its review of the technical assumptions, SRK recommended certain adjustments to the GC Model. Further details of SRK's proposed adjustments are set out in SRK's Independent Specialist Report, included in Appendix 5. We have adopted SRK's recommendations in forming our DCF valuation range of the GC Mine.

The GC Model was prepared based on estimates of a mining and production profile, operating costs and capital expenditure (including closure costs). Cashflows in the model were prepared on a USD basis and therefore the NPV calculated is in USD terms. The main assumptions underlying the Adjusted GC Model include:

- mining and milling volumes;
- operating costs;
- capital expenditure;
- closure costs;
- royalties;
- commodity prices;
- corporate tax; and
- discount rate.

BDO has undertaken an analysis of the GC Model which has involved:

- appointing SRK as a technical specialist to review, and where required, provide suggested changes to the technical assumptions underpinning the GC Model;
- analysing the GC Model to confirm its integrity and mathematical accuracy;

- conducting independent research on certain economic and other inputs such as commodity prices, inflation, corporate costs and discount rate applicable to the future cash flows of the GC Mine;
- holding discussions with Silvercorp management and its advisers regarding the preparation of the forecasts in the GC Model and its views; and
- performing sensitivity analyses on the value of the GC Mine as a result of flexing certain assumptions and inputs.

The Adjusted GC Model, which forms the basis of our DCF valuation, has been adjusted based on the above procedures.

We have not undertaken a review of the cash flow forecast in accordance with the Standards on Assurance Engagement ASAE 3450 'Assurance Engagements involving Corporate Fundraising and/or Prospective Financial Information' and do not express an opinion on the achievability of the forecast. However, nothing has come to our attention as a result of our procedures to suggest that the assumptions on which the Adjusted GC Model has been based have not been prepared on a reasonable basis.

Appointment of technical expert

SRK was engaged to prepare the Independent Specialist Report which includes a technical assessment of the assumptions underlying the Ying Model. SRK's assessment involved the review and provision of an opinion on the reasonableness of the assumptions adopted in the GC Model, including but not limited to:

- the Mineral Resources and Reserves included in the GC Model;
- mining physicals (including volume mined, recovery and grades);
- processing assumptions (including quality of concentrate produced and recovery rates);
- operating costs (comprising mining, processing and administration costs);
- capital expenditure;
- royalties;
- rehabilitation and closure costs; and
- other relevant assumptions.

SRK's Independent Specialist Report is included in Appendix 5.

Limitations

Since forecasts relate to the future, they may be affected by unforeseen events and they depend, in part, on the effectiveness of management's actions in implementing the plans on which the forecasts are based. Accordingly, actual results may vary materially from the forecasts included in the Adjusted GC Model, as it is often the case that some events and circumstances do not occur as expected, or are not anticipated, and those differences may be material.

GC Mine mining physicals

Mining at the GC Mine has already commenced and the Adjusted GC Model contemplates a forecast period of approximately 11 years, beginning from the valuation date of 30 June 2023 to the end of the life of mine plan in FY2034. We have adopted SRK's suggested amendments to certain assumptions relating to mining and processing physicals in the Adjusted GC Model including:

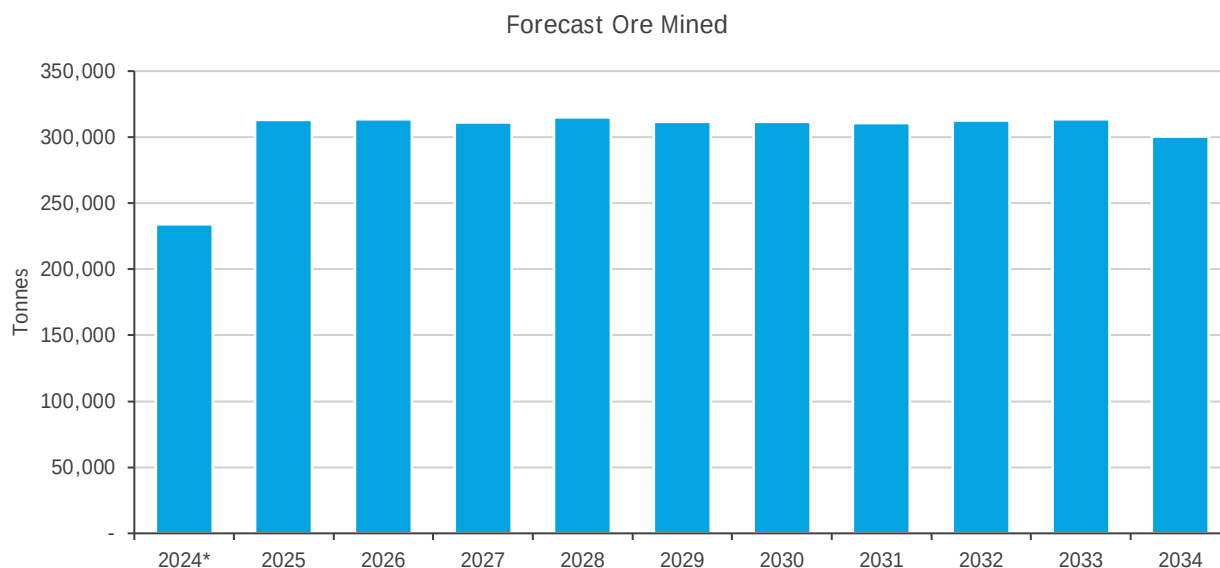
- adjustments to the life of mine plan to align with the adopted valuation date of 30 June 2023; and

- adjustments to the silver metallurgical recoveries.

The details of SRK's proposed amendments above can be found in SRK's report attached as Appendix 5.

SRK has also advised that there are Residual Resources not accounted for in the GC Model, which could extend the life of mine beyond the forecast period. SRK has also provided a valuation for these Residual Resources, which we have accounted for outside of the DCF valuation of the GC Mine, separately in our Sum-of-Parts valuation. It would not be appropriate to extend the life of mine in the DCF to reflect the Residual Resource because of insufficient reasonable grounds.

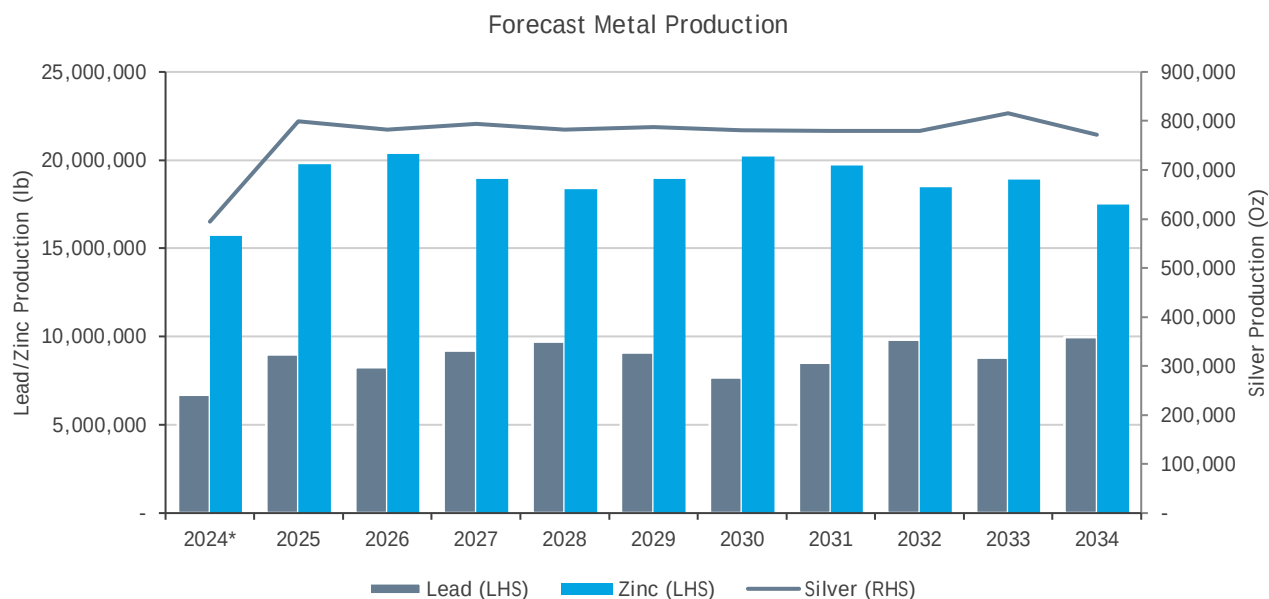
The graph below shows the forecast ore to be mined over the life of mine. It is assumed that all ore mined is processed in the same financial year. The periods in the charts below are in financial years beginning 1 April and ending 31 March of each year. The exception to this is for FY24, which reflects a partial period beginning from our adopted valuation date of 30 June 2023. We also note that the charts below reflect the statistics of the GC Mine on a 100%-ownership basis and incorporate SRK's recommendations.



*FY24 reflects partial fiscal year beginning 30 June 2023 and ending 31 March 2024

Source: Adjusted GC Model

The ore that is mined is processed into silver, lead and zinc metals for sale. The graph below show the forecast metals produced over the Adjusted GC Model's forecast period.



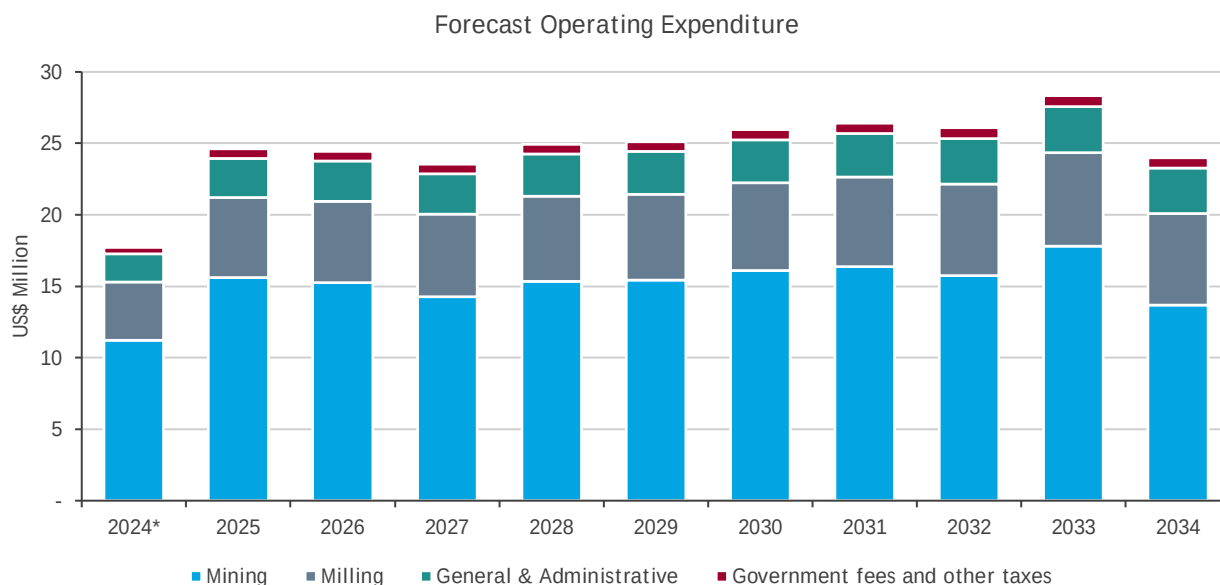
*FY24 reflects partial fiscal year beginning 30 June 2023 and ending 31 March 2024

Source: Adjusted GC Model

GC Mine operating costs

The operating costs forecast in the GC Model include mining, milling, general & administrative, and government fees and other taxes. In preparing the Adjusted GC Model, we have applied our inflation assumptions to these forecast operating costs.

SRK has considered the reasonableness of the forecast operating cost assumptions in the context of their experience with similar mining projects. We have reflected SRK's suggested amendments to certain unit costs in the Adjusted GC Model including: mining costs, milling costs, and administrative costs. As detailed in the Independent Specialist Report, SRK have recommended adopting unit costs which reflect the GC Mine's recent operational performance, as measured over FY23 and through to the first quarter of FY24. We have translated these costs into US\$ terms using the average USD:RMB exchange rate over the same period of approximately 6.88. The forecast operating costs for the GC Mine incorporating SRK's technical input assumptions and BDO's inflation assumptions are illustrated in the charts below.



*FY24 reflects partial fiscal year beginning 30 June 2023 and ending 31 March 2024

Source: Adjusted GC Model

Mineral Resource Tax

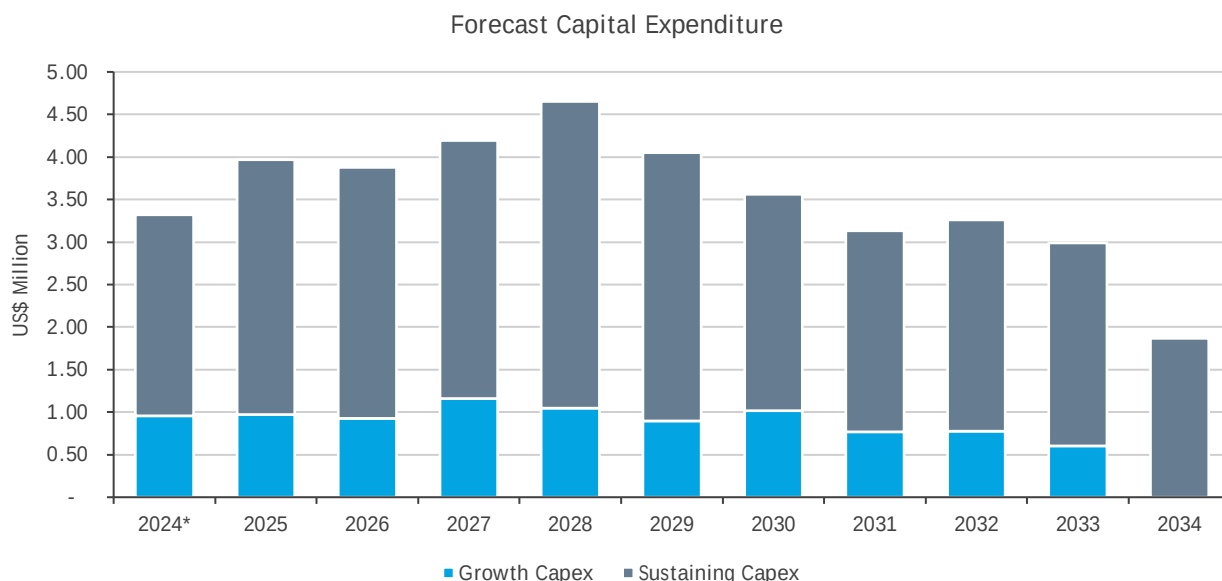
Like the Ying Mines, the GC Mine is subject to a Mineral Resource Tax which is payable each year based on the net revenue from sale of silver, lead and zinc metal produced. This net revenue is calculated after deducting smelter charges and is applied at the following rates:

- Silver - 2% of net revenue
- Lead - 3% of net revenue
- Zinc - 3% of net revenue

We have applied the above rates in the Adjusted GC Model based on SRK's recommendations following discussions with Silvercorp.

GC Mine capital expenditure

The capital expenditure requirements for the GC Mine relate to growth capital expenditure and ongoing sustaining capital expenditure. Growth capital expenditure includes payments for exploration tunnelling to grow existing operations. We have adjusted both the sustaining and growth capital expenditure for SRK's recommendations in the Adjusted GC Model.



*FY24 reflects partial fiscal year beginning 30 June 2023 and ending 31 March 2024

Source: Adjusted GC Model

Taxation

For the same reasons as outlined previously in the taxation section of the Adjusted Ying Model, we have also adopted the 25% Chinese statutory corporate tax rate for the Adjusted GC Model.

Similarly, we have assumed a tax shield benefit from depreciation and amortisation of 12% of revenue in the Adjusted GC Model based on our analysis performed for the Ying Mines.

GC Mine rehabilitation and closure costs

SRK considers the general and administrative costs in the Adjusted GC Model to adequately reflect the ongoing environmental costs of operating the mine. The Adjusted GC Model also includes closure costs of US\$1.39 million (in nominal terms). This figure incorporates SRK's recommendation on closure costs of RMB7.75 million (in real terms) to be incurred in FY35, being the year after the final production year. Further details of SRK's adjustments can be found in the Independent Specialist Report.

Trade receivables and trade payables

The Adjusted GC Model does not contemplate the movement of working capital items such as trade receivables and trade payables. It therefore assumes all payments are made to suppliers and revenue is received from sales within each of the financial years forecast.

Inventory

The Adjusted GC Model assumes all ore is processed in the year that it is mined. Therefore, there are no inventory balances contemplated.

GC Discount Rate

In our assessment of an appropriate discount rate to apply to the cash flows of the Adjusted GC Model, we consider the most appropriate discount rate to be Silvercorp's cost of equity. We note that its weighted

average cost of capital is equivalent to its cost of equity, as the GC Mine is self-funding and does not require debt.

For the DCF valuation of the GC Mine, we have selected a nominal post-tax discount rate in the range of 9.5% to 10.7% with a preferred rounded midpoint of 10%. We have used our preferred rounded midpoint to discount the cashflows in the Adjusted GC Model.

In selecting our range of discount rates we considered the following:

- the rate of return for comparable developed market listed precious and base metals production companies with similar commodity types and location; and
- the risk profile of the GC Mine as compared to the comparable companies identified.

A detailed consideration of how we arrived at the adopted post-tax nominal discount range is discussed in Appendix 4.

Sensitivity analysis

We have analysed the key assumptions to the Adjusted GC Model and have prepared sensitivities on the post-tax NPV. The sensitivity analysis considers the value of the GC Mine under various pricing scenarios, after adjusting for Silvercorp's interest in the project, and in applying:

- a relative change of +/- 10% to the silver, lead and zinc price;
- a relative change of +/- 10% to operating costs;
- a relative change of +/- 10% to capital costs;
- a discount rate in the range of 8.0% to 12.0%; and
- an absolute change of +/- 2% to the rate of inflation rate assumed.

These sensitivities have been prepared to assist Shareholders in considering the potential affects to the value of the GC Mine if our base case assumptions change. We note that the NPVs set out in the tables below have been adjusted to reflect Silvercorp's 99%-interest in the GC Mine.

in US\$million		Sensitivity Analysis of the GC Mine's DCF Valuation			
% Relative Flex	Silver Price	Lead Price	Zinc Price	Operating Costs	Capital Costs
+10.0%	41.71	39.84	45.07	23.00	33.99
+8.0%	40.56	39.07	43.25	25.60	34.39
+6.0%	39.42	38.30	41.44	28.20	34.79
+4.0%	38.28	37.53	39.62	30.80	35.19
+2.0%	37.14	36.76	37.81	33.39	35.59
-	35.99	35.99	35.99	35.99	35.99
-2.0%	34.85	35.22	34.18	38.59	36.39
-4.0%	33.71	34.45	32.36	41.19	36.79
-6.0%	32.56	33.69	30.55	43.79	37.19
-8.0%	31.42	32.92	28.73	46.38	37.59
-10.0%	30.28	32.15	26.92	48.98	37.99

Source: BDO analysis and the Adjusted GC Model

Sensitivity Analysis of the GC Mine's DCF Valuation to the discount rate					
Discount rate	8.0%	9.0%	10.0%	11.0%	12.0%
Value (US\$ million)	39.52	37.69	35.99	34.41	32.94

Source: BDO analysis and the Adjusted GC Model

Sensitivity Analysis of the GC Mine's DCF Valuation to the inflation rate					
% Absolute Flex on Inflation Rate	-2.0%	-1.0%	-	+1.0%	+2.0%
Value (US\$ million)	38.48	37.24	35.99	34.72	33.43

Source: BDO analysis and the Adjusted GC Model

In considering the above sensitivities, Shareholders should note the following:

- the variables described above may have compounding or offsetting effects and are unlikely to move in isolation;
- the variables for which we have performed sensitivities are not the only variables which are subject to deviation from the forecast assumptions; and
- the sensitivities performed do not cover the full range of possible variances from the base case assumptions used (i.e. variances could be greater than the percentage increases or decreases set out in this analysis).

We also note that we have presented the above sensitivities to highlight the sensitivity of the value of the GC Mine to changes in pricing and other assumptions.

Conclusion on DCF valuation of the GC Mine

Based on the above analysis we consider the value of Silvercorp's interest in the GC Mine to be in the range of US\$32.00 million to US\$40.00 million with a preferred value of US\$35.99 million. Our assessed valuation range incorporates SRK's recommendations for certain input assumptions and was formed having consideration to sensitivities around a +/-4% relative change in the price of zinc, given the sensitivity of the NPV to it.

12.1.7. Value of the Silvercorp's interest in the GC Mine's Residual Resources

SRK has valued the Residual Resources not accounted for in the Adjusted GC Model using the actual and comparable transactions and yardstick methods. The fair market value of the Residual Resources as assessed by SRK, lies within the range of US\$24.24 million to US\$44.28 million, with a preferred value of US\$34.26 million. As discussed in the Independent Specialist Report, SRK has elected to adopt an equal weighting for the valued implied by the comparable transaction analysis and industry yardsticks to inform its valuation range for the Residual Resources. We note that SRK's valuation below accounts for Silvercorp's 99%-interest in the GC Mine.

	Low	Preferred	High
Value of Silvercorp's interest in the GC Mine's Residual Resources	US\$'000	US\$'000	US\$'000
SRK's assessed value based on comparable transactions	31,000	40,360	49,710
SRK's assessed value based on the yardstick method	17,480	28,160	38,840
SRK's valuation of the GC Mine's Residual Resources	24,240	34,260	44,280

Source: SRK's Independent Specialist Report

12.1.8. Value of Silvercorp's interest in the GC Mine

Based on the values outlined in the previous sections, the value of Silvercorp's interest in the GC Mine is summarised in the table below.

	Low	Preferred	High
Value of Silvercorp's interest in the GC Mine	US\$'000	US\$'000	US\$'000
DCF Valuation of the GC Mine	32,000	35,990	40,000
Value of the Silvercorp's interest in the GC Mine's Residual Resource	24,240	34,260	44,280
Total	56,240	70,250	84,280

Source: BDO analysis

12.1.9. Value of Silvercorp's interest in the BYP Project

SRK has valued Silvercorp's 70% interest in the BYP Project, which is currently under care and maintenance, using the comparable transactions and yardstick methods. The fair market value of the BYP Project as assessed by SRK, lies within the range of US\$20.23 million to US\$38.48 million, with a preferred value of US\$29.35 million. As discussed in the Independent Specialist Report, SRK has elected to adopt an equal weighting for the valued implied by the comparable transaction analysis and industry yardsticks to inform its valuation range for the BYP Project.

	Low	Preferred	High
Value of Silvercorp's 70% interest in the BYP Project	US\$'000	US\$'000	US\$'000
Comparable transactions	24,210	32,290	40,360
Yardstick	16,240	26,420	36,610
Total	20,230	29,350	38,480

Source: SRK's Independent Specialist Report

12.1.10. Value of the Kuanping Project

As detailed in the Independent Specialist Report, SRK considers the actual transaction value paid by Silvercorp for its 100% interest in the Kuanping Project as the best reflection of the value of its exploration potential. Given the relatively recent acquisition (November 2021) in a competitive public auction, SRK consider the price paid to be reflective of its fair value. Accordingly, it has valued the Kuanping Project at US\$13.10 million which we have adopted across each of the low, preferred and high valuation points.

12.1.11. Value of Silvercorp's other assets and liabilities

The other assets and liabilities of Silvercorp represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with Silvercorp and analysis of the other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value, unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Statement of Financial Position	Notes	Audited as at 31-Mar-23 US\$'000	Adjusted Value US\$'000
CURRENT ASSETS			
Cash and cash equivalents	a)	145,692	78,813
Short-term investments	b)	57,631	57,322

Statement of Financial Position	Notes	Audited as at 31-Mar-23 US\$'000	Adjusted Value US\$'000
Trade and other receivables		1,806	1,806
Inventories		8,343	6,819
Due from related parties		88	88
Income tax receivable		582	582
Prepays and deposits		4,906	4,906
TOTAL CURRENT ASSETS		219,048	150,336
NON-CURRENT ASSETS			
Long-term prepaids and deposits		871	871
Reclamation deposits		6,981	6,981
Other investments	b)	15,540	17,090
Investments in associates	c)	50,695	97,760
Investment properties	b)	-	470
Plant and equipment	d)	80,059	-
Mineral rights and properties	d)	303,426	-
Deferred income tax assets		179	179
TOTAL NON-CURRENT ASSETS		457,751	123,351
TOTAL ASSETS		676,799	273,687
CURRENT LIABILITIES			
Accounts payable and accrued liabilities		36,737	36,737
Current portion of lease obligation		269	269
Deposits received		4,090	4,090
Income tax payable		144	374
TOTAL CURRENT LIABILITIES		41,240	41,470
NON-CURRENT LIABILITIES			
Long-term portion of lease obligation		314	314
Deferred income tax liabilities		48,096	48,096
Environmental rehabilitation	d)	7,318	-
TOTAL NON-CURRENT LIABILITIES		55,728	48,410
TOTAL LIABILITIES		96,968	89,880
NET ASSETS		579,831	183,807

Source: Silvercorp's audited financial statements for the period ended 31 March 2023, Silvercorp's unaudited financial statements for the quarter ended 30 June 2023, discussions with Silvercorp and BDO analysis.

We have not undertaken a review of Silvercorp's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We have been advised that there has not been any other significant change in the net assets of Silvercorp since 31 March 2023 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the audited position at 31 March 2023 we have obtained supporting documentation to validate the adjusted values used, which provides reasonable grounds for reliance on the unaudited financial information.

We note the following in relation to the above valuation to Silvercorp's other assets and liabilities:

Note a) Cash and cash equivalents

Based on Silvercorp's unaudited financial statements for the quarter ended 30 June 2023, we have adjusted the cash balance for the Silvercorp Placement (which completed subsequent to 30 June 2023), the New Pacific Offering, as well as the expected payments associated with the Scheme Cash Consideration and the Option Cancellation Deeds. We note that transaction costs are considered separately in our Sum-of-Parts valuation (see Section 12.1.13). Our adjustments to this 30 June 2023 cash balance are shown below in USD terms:

Adjusted cash and cash equivalents	US\$'000
Closing balance of cash as at 30 June 2023	143,278
Less: Funds used for the Silvercorp Placement (A\$28.17 million in US\$ terms)	(18,870)
Less: Funds used to subscribe to the New Pacific Offering	(5,027)
Less: Payment of the Scheme Cash Consideration	(40,510)
Less: Funds used for the Option Cancellation Deeds	(58)
Adjusted cash and cash equivalents	78,813

Source: Silvercorp's unaudited financial statements for the quarter ended 30 June 2023, draft Scheme Booklet and BDO analysis.

In calculating the above adjustments, we note the following:

- We have assumed an AUD/USD exchange rate of 0.670 where required to convert between the two currencies;
- The funds used to subscribe to the New Pacific Offering has been calculated on the basis of a total of 2,541,890 New Pacific shares at the offer price of C\$2.65 per share, converted at the assumed USD/CAD exchange rate of 1.340;
- The Scheme Cash Consideration has been calculated on the basis of a total of 403,084,664 OreCorp shares and a cash payment of A\$0.15 per OreCorp share. This reflects the number of OreCorp shares not already held by Silvercorp and includes the automatic vesting and conversion of OreCorp Performance Rights into shares (see Section 12.1.14 for further details); and
- The payments under the Option Cancellation Deeds total A\$86,005 (see Section 4.2 for further details), equivalent to approximately US\$58,000 converted at the aforementioned AUD/USD exchange rate.

Note b) Short-term investments, other investments and investment properties

We have updated the balances for Silvercorp's short-term investments, other investments and investment properties to reflect a more recent valuation as follows:

- The value of Silvercorp's short-term investments (comprising bonds and money market instruments) has been adjusted per the 30 June 2023 financial statements of \$57.32 million.
- The value of the other investments (comprising a mix of public and private companies) has been adjusted to reflect more recent valuations as advised by Silvercorp management. Management has advised that, based on the closing prices of the public companies included within this line item around the date of our Report, these public listed entities are valued at approximately US\$13.80 million, a slight increase from the audited 31 March 2023 balance of US\$12.31 million. For the value of the private entities, we have adopted the 30 June 2023 valuation of approximately US\$3.29 million, noting that it has not materially changed from the audited 31 March 2023 balance. In total, the adjusted value of other investments amounts to US\$17.09 million.

- We have included the value of investment properties of US\$470,000 which was present as at 30 June 2023 but not as at 31 March 2023.

Note c) Investment in associates

We have adjusted the value of Silvercorp's investment in its associates being its interest in New Pacific (27.4%) and Tincorp (29.3%) to reflect their recent quoted market prices on the TSX.

We have assessed the value of the holding at a recent date (and not prior to the announcement of the Scheme) because the Scheme is between OreCorp and Silvercorp and is unlikely to have an impact on the market value the investments. The investments are currently recorded on the Silvercorp's balance sheet using the equity method, i.e. they are initially recognized at cost and subsequently increased or decreased to recognize Silvercorp's share of profit and loss of the associate and for impairment losses as well as any dividends received after the initial recognition date.

In assessing the fair values of Silvercorp's investment in its associates, we have had regard to International Financial Reporting Standards 13 *Fair Value Measurement*, which gives the highest priority to unadjusted quoted prices in active markets and does not allow for premium or discounts that reflect size as a characteristic of the entity's holding. Although the quoted market price is reflective of a minority interest, we have not applied a premium to reflect Silvercorp's potential to influence the operations of its investments. We note that although both entities exhibit relatively low levels of trading liquidity, we consider it to be sufficient for us to be able to rely on their quoted market prices for our assessment.

Set out below are our valuations for Silvercorp's interests in New Pacific and in Tincorp based on the quoted market price method. For the purposes of our valuation assessment, we have adopted the preferred valuation points of both, resulting in a total adjusted value of US\$97.76 million.

Silvercorp's interest in New Pacific Metals Corp.

In our analysis of the market prices for a New Pacific share, we have considered the weighted average market price for 10, 30 and 60 day periods to 6 October 2023.

Share Price per unit	06-Oct-23	10 Days	30 Days	60 Days	90 Days
Closing price C\$	C\$2.060				
Volume weighted average price (VWAP) C\$		C\$2.362	C\$2.729	C\$2.879	C\$2.890

Source: Bloomberg, BDO analysis

Our assessment is that a range of values for New Pacific shares based on market pricing is between C\$2.300 and C\$2.900, with a preferred value being the midpoint of the range. Our valuation of Silvercorp's interest in New Pacific is set out below:

Value of the shares in New Pacific	Low	Preferred	High
Number of New Pacific shares held by Silvercorp	46,893,506	46,893,506	46,893,506
QMP value of a New Pacific share (C\$/share)	2.300	2.600	2.900
Total value of the New Pacific shares held by Silvercorp (C\$'000)	107,855	121,923	135,991
Total value of the New Pacific shares held by Silvercorp (US\$'000)*	80,490	90,990	101,490

Source: Bloomberg, BDO analysis

*We have used a USD/CAD fixed exchange rate of 1.340 here (based on consensus analyst forecasts sourced from Bloomberg) to convert the value from CAD to USD and rounded to the nearest ten thousand.

Therefore, our valuation of Silvercorp's holding in New Pacific, based on the quoted market price method, is between US\$80.49 million and US\$101.49 million, with our preferred value being a midpoint of US\$90.99 million.

Silvercorp's interest in Tincorp Metals Inc.

In our analysis of the market prices for a Tincorp share, we have considered the weighted average market price for 10, 30 and 60 day periods to 6 October 2023.

Share Price per unit	06-Oct-23	10 Days	30 Days	60 Days	90 Days
Closing price C\$	C\$0.430				
Volume weighted average price (VWAP) C\$		C\$0.466	C\$0.470	C\$0.457	C\$0.422

Source: Bloomberg, BDO analysis

Our assessment is that a range of values for Tincorp shares based on market pricing is between C\$0.450 and C\$0.480, with a preferred value being the midpoint of the range. Our valuation of Silvercorp's interest in Tincorp is set out below:

Value of the shares in Tincorp	Low	Preferred	High
Number of Tincorp shares held by Silvercorp	19,514,285	19,514,285	19,514,285
QMP value of a Tincorp share (C\$/share)	0.450	0.465	0.480
Total value of the Tincorp shares held by Silvercorp (C\$'000)	8,781	9,074	9,367
Total value of the Tincorp shares held by Silvercorp (US\$'000)*	6,550	6,770	6,990

Source: Bloomberg, BDO analysis

*We have used a USD/CAD fixed exchange rate of 1.340 here (based on consensus analyst forecasts sourced from Bloomberg) to convert the value from CAD to USD and rounded to the nearest ten thousand.

Therefore, our valuation of Silvercorp's holding in Tincorp, based on the quoted market price method, is between US\$6.55 million and US\$6.99 million, with our preferred value being a midpoint of US\$6.77 million.

Note d) Plant and equipment, mineral rights and properties and environment rehabilitation

We have adjusted the book value of these items to nil, as they are already accounted for in the valuation of Silvercorp's mineral assets elsewhere in the Sum-of-Parts valuation.

12.1.12. Present value of corporate costs of the Merged Group

We have assessed the present value of corporate costs separately from the DCF valuations of the Merged Group's mineral assets. Following the Scheme, Silvercorp will be a larger entity with the acquisition of OreCorp and as such, we have assumed it would incur higher corporate costs than those incurred historically. Silvercorp's historical corporate costs are summarised in the table below, based on which we consider a range of between US\$10 million and US\$14 million per annum to be reasonable.

Corporate costs of Silvercorp	Audited for the year ended 31-Mar-23 US\$'000	Audited for the year ended 31-Mar-22 US\$'000	Audited for the year ended 31-Mar-21 US\$'000
Corporate general and admin	13,249	14,181	12,365

Source: Silvercorp's audited financial statements for the years ended 31 March 2023, 31 March 2022 and 31 March 2021

However, there are also likely to be duplicate corporate and administrative costs at the Merged Group level, which would result in the Merged Group having lower costs than the sum of the two companies' respective corporate costs. Based on discussions with Silvercorp, it is anticipated that between 30% to 50%

of OreCorp's current corporate and administrative expenses may be duplicate costs that could be saved. Applying these synergies to our assessed real corporate cost of OreCorp prior to the Scheme (see Section 11.1.5) results in the values below.

Corporate costs of OreCorp	Low	Preferred	High
Assessed real annual corporate cost of OreCorp prior to the Scheme (in A\$'000) (Section 11.1.5)	12,000	10,000	8,000
AUD/USD exchange rate assumed	0.670	0.670	0.670
Assessed real annual corporate cost of OreCorp prior to the Scheme (in US\$'000)	8,040	6,700	5,360
<i>Discount for synergies</i>	30%	40%	50%
Assumed real annual corporate cost of OreCorp after synergies	5,628	4,020	2,680

Source: BDO analysis

The table below outlines the assumed real annual corporate costs of both Silvercorp and OreCorp based on their respective historical corporate costs, as well as an estimate of the corporate costs of the Merged Group including the anticipated savings discussed above.

Present value of corporate costs of the Merged Group	Low	Preferred	High
	US\$'000	US\$'000	US\$'000
Assumed real annual corporate costs of Silvercorp	14,000	12,000	10,000
Assumed real annual corporate costs of OreCorp after synergies	5,628	4,020	2,680
Assumed total real corporate costs of the Merged Group	19,628	16,020	12,680
Assumed statutory Canadian corporate tax rate	27%	27%	27%
Real annual corporate cost of the Merged Group (tax effected and rounded)	14,330	11,690	9,260
Present value of corporate costs (tax effected)	(125,320)	(102,230)	(80,980)

Based on the above and after accounting for the tax shield impact of these expenses, we have assessed real corporate costs for the Merged Group to be in the range of US\$9.26 million to US\$14.33 million per annum, with a preferred position of US\$11.69 million. As a cross-check, we have also considered the corporate costs of companies broadly similar to the Merged Group and determine this level to be reasonable for our purposes.

In calculating the present value of corporate costs of the Merged Group, we have applied our inflation assumptions to the costs and assumed the costs continue up to the end of March 2038, being the final year of cashflows contemplated by the DCF valuation models of the Nyanzaga, Ying and GC Mines. A discount rate of 11% was used for discounting, broadly reflecting the discount rates used in the DCF valuation of the Nyanzaga, Ying, GC Mines (12%, 10% and 10%, respectively). We have also assumed a tax shield impact from these costs, calculated at the statutory Canadian tax rate of approximately 27%.

Based on the above analysis, we assess the present value of corporate costs to be in the range of US\$80.98 million to US\$125.32 million per annum, with a preferred position of US\$102.23 million.

12.1.13. Transaction costs related to the Scheme

In connection with the Scheme, OreCorp and Silvercorp have estimated transaction-related costs including advisory, legal fees and an A\$1.40 million allowance for retention payments to certain OreCorp employees, further details of which are contained within the Scheme Booklet. The estimated transaction costs amount to approximately US\$6.24 million (applying our assumed AUD/USD and USD/CAD exchange

rates of 0.670 and 1.340, respectively, where applicable). Accordingly, we have deducted this from the value of the Merged Group.

In addition, upon completion of the Scheme, the Merged Group may incur a capital gains tax payable under Tanzanian legislation. The amount payable is linked to the consideration paid by Silvercorp, which includes the value of the Silvercorp shares issued as consideration as at the Scheme completion date. As such, the exact amount payable will only be known upon completion of the Scheme. Based on OreCorp's expectations and discussions with its tax advisors, and applying our assumed AUD/USD exchange rate of 0.670, the tax payable is estimated to be US\$14.41 million, which we have also deducted from the value of the Merged Group.

We note that this estimate is based on the closing share price of Silvercorp's NYSE American listing of US\$2.31 as at 10 October 2023, being a recent practicable date prior to the date of our Report. Further details on the capital gains tax payable are detailed in the Scheme Booklet.

Based on the above, we have deducted a total of US\$20.65 million from the value of the Merged Group as transaction costs related to the Scheme (including the estimate for the capital gains tax payable).

12.1.14. Ordinary shares in the Merged Group on issue following the Scheme

In calculating the number of Merged Group shares on issue following the implementation of the Scheme, we have reflected the following adjustments:

- The conversion of OreCorp's current shares on issue into Silvercorp shares (less any OreCorp shares already held by Silvercorp); and
- The conversion of OreCorp's existing performance rights on issue into Silvercorp shares.

The share structure of the Merged Group following the implementation of the Scheme is summarised below.

Share structure following the implementation of the Scheme	No.
Number of OreCorp shares on issue prior to the Scheme	469,408,892
Less: OreCorp shares already held by Silvercorp prior to the Scheme	(70,411,334)
Add: OreCorp Performance Rights to be converted into OreCorp shares	4,087,106
Total number of OreCorp shares to be converted into Silvercorp shares	403,084,664
<i>Number of Silvercorp shares that OreCorp Shareholders will receive for every share they hold in OreCorp*</i>	0.0967
Number of Merged Group shares to be issued to Shareholders	38,978,287
Number of Silvercorp shares on issue prior to the Scheme	176,819,989
Total ordinary shares on issue in the Merged Group following the implementation of the Scheme	215,798,276

Source: BDO analysis

12.1.15. Minority discount

The value of a Merged Group share derived under the Sum-of-Parts approach is reflective of a controlling interest. This suggests that the acquirer obtains an interest in the company which allows them to have an individual influence on the operations and value of that company. However, if the Scheme is approved, Shareholders will be minority holders in the Merged Group, meaning that their individual holding will not be considered significant enough to have an individual influence in the operations of that company.

Therefore, we have adjusted our valuation of a Merged Group share following the Scheme to reflect the minority interest holding. The minority discount is based on the inverse of the control premium and is calculated using the formula $1 - (1 / (1 + \text{control premium}))$.

Based on our analysis in Section 11.2, we consider an appropriate control premium to be in the range of 30% to 40% with a midpoint of 35%. This assessed control premium range gives rise to a rounded minority discount in the range of 23% to 29%, with a rounded midpoint of 26%.

12.1.16. Value of the Merged Group on a diluted basis

We have considered the dilutionary impact from Silvercorp's options and RSUs currently on issue (summarised in Section 6.11). Based on our assessed Sum-of-Parts value of the Merged Group, none of the options will be in-the-money and therefore we have not assumed their notional exercise. We also note that Silvercorp has 794,710 RSUs that have already vested but remain unexercised. We have considered the dilutionary impact of these vested RSUs in our calculation of the value per share of the Merged Group on a minority interest and diluted basis below:

Valuation of the Merged Group following the Scheme (diluted)	Ref	Low US\$'000	Preferred US\$'000	High US\$'000
Value of the Merged Group (control, undiluted) (A)	12.1	630,225	776,525	917,365
Adjusted number of shares outstanding	12.1.14	215,798,276	215,798,276	215,798,276
Add: Shares issued on notional exercise of already vested Silvercorp performance rights		794,710	794,710	794,710
Total shares on a diluted basis (B)		216,592,986	216,592,986	216,592,986
Value per share of the Merged Group (\$) (control, diluted) (A/B)		2.910	3.585	4.235
Minority discount	12.1.15	29%	26%	23%
Value per share of the Merged Group (\$) (minority, diluted)		2.066	2.653	3.261

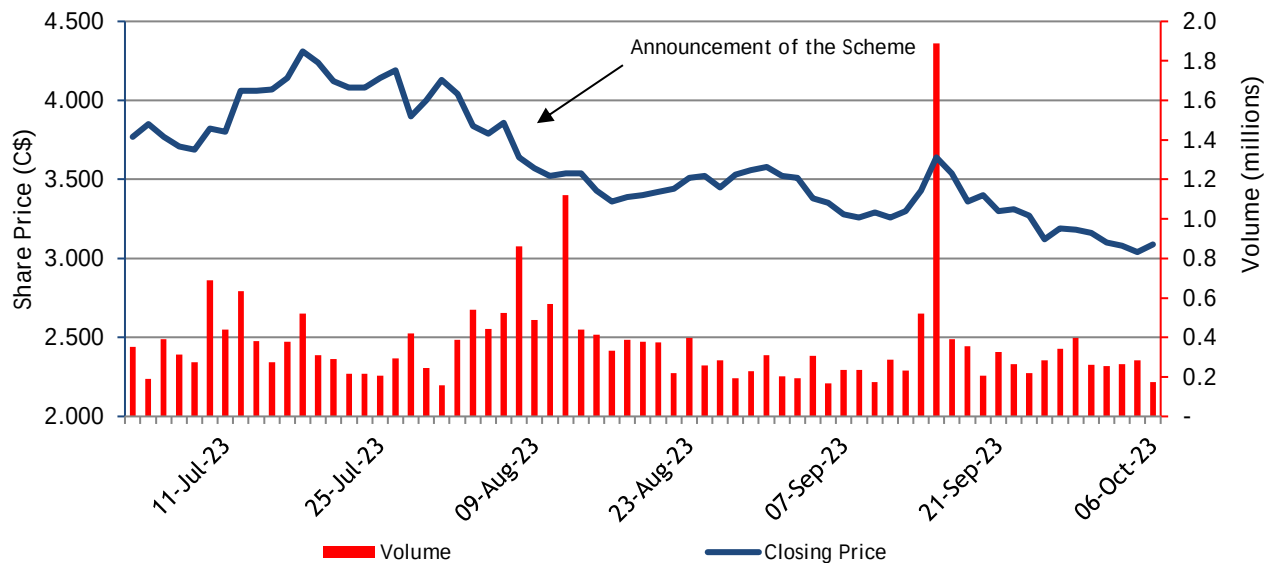
Source: BDO analysis

12.2 Quoted Market Prices for Silvercorp Securities

Given that we are valuing the Scheme Scrip Consideration, being the 0.0967 shares in the Merged Group that are to be received by Shareholders, we have considered the market pricing of Silvercorp following the announcement of the Scheme. The market price of Silvercorp shares in the period following the announcement of the Scheme is considered an indicator of the value of the Merged Group because market participants are fully informed as to the terms of the Scheme, with the price reflecting the market's view of value. This value includes the acquisition of OreCorp, the Scheme Cash Consideration of A\$60.5 million exiting the Merged Group and the associated dilution from issuing the Scheme Scrip Consideration.

We have analysed movements in Silvercorp's share price since the Scheme was announced. A graph of Silvercorp's share price and trading volume leading up to, and following the announcement of the Scheme is set out below.

Silvercorp post-announcement pricing and trading volume



Source: Bloomberg and BDO analysis

The Scheme was announced on 6 August 2023. On the first trading date after that the Scheme was announced, the share price closed at C\$3.640, down from a closing price of C\$3.860 on the previous trading day. On that day, 860,383 shares were traded, representing approximately 0.49% of Silvercorp's issued capital. Following the announcement of the Scheme, the closing share price of Silvercorp has fluctuated between a low of C\$3.040 on 5 October 2023 to a high of C\$3.640 on 15 September 2023.

To provide further analysis of the market prices for a Silvercorp share post the announcement of the Scheme, we have also considered the weighted average market price for the below periods following the announcement up to 6 October 2023:

Share Price per unit	6-Oct-23	5 Days	10 Days	20 Days	From announcement to 6-Oct-23
Closing price	C\$3.090				
Volume weighted average price (VWAP)		C\$3.092	C\$3.157	C\$3.354	C\$3.428

Source: Bloomberg and BDO analysis

In accordance with the guidance in RG111, we also consider it appropriate to assess the liquidity of Silvercorp shares before utilising the QMP basis. The table below sets out the liquidity of Silvercorp shares as proxied by the volume traded as a percentage of the number of shares on issue. We have performed this analysis over the twelve months prior to the announcement of the Scheme, in order to determine whether there is sufficient trading in Silvercorp shares historically in order to rely on a QMP approach.

Trading days	Share price low (C\$)	Share price high (C\$)	Cumulative volume traded	As a % of Issued capital
1 Day	C\$3.830	C\$4.030	522,290	0.30%
10 Days	C\$3.775	C\$4.220	3,432,527	1.94%
30 Days	C\$3.660	C\$4.350	10,627,249	6.01%
60 Days	C\$3.590	C\$4.820	27,136,546	15.35%

Trading days	Share price low (C\$)	Share price high (C\$)	Cumulative volume traded	As a % of Issued capital
90 Days	C\$3.590	C\$5.600	41,842,725	23.66%
180 Days	C\$3.480	C\$5.600	92,747,253	52.45%
1 Year	C\$2.740	C\$5.600	135,748,961	76.77%

Source: Bloomberg and BDO analysis

The table above indicates that Silvercorp's shares display a high level of liquidity, with 76.77% of the company's current issued capital being traded in a twelve-month period. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Silvercorp, we consider the shares to display a high level of liquidity, on the basis that more than 1% of securities have been traded weekly on average, with 76.77% of Silvercorp's current issued capital being traded over a twelve-month period, and 52.45% of Silvercorp's current issued capital being traded over a 180 trading day period, prior to the announcement of the Scheme. Of the 52 weeks in which our analysis is based on, more than 1% of the company's securities had been traded in 39 of those weeks.

We have also analysed the liquidity of Silvercorp shares, as proxied by the volume traded as a percentage of the number of shares on issue, over the post announcement period up to 6 October 2023. We conduct this analysis in order to determine whether we consider the Silvercorp shares to be liquid and active in the period following the announcement of the Scheme.

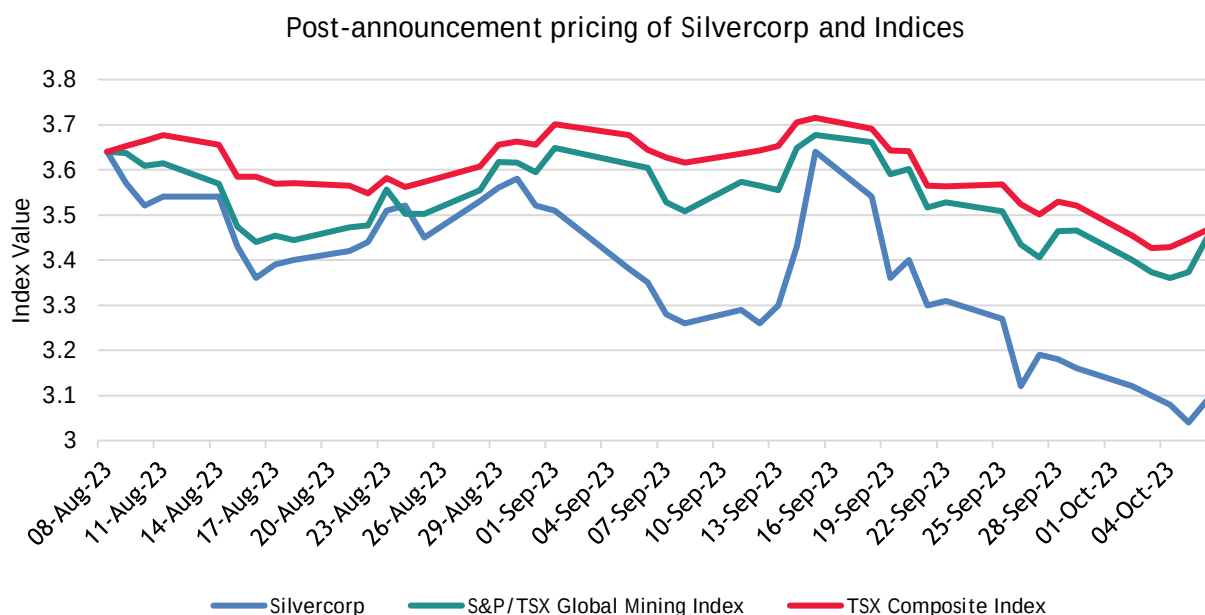
Trading days following the announcement of the Scheme	Share price low (C\$)	Share price high (C\$)	Cumulative volume traded	As a % of Issued capital
1 Day	C\$3.860	C\$3.860	522,290	0.30%
5 Days	C\$3.520	C\$3.860	3,481,149	1.97%
10 Days	C\$3.360	C\$3.860	5,363,945	3.03%
15 Days	C\$3.360	C\$3.860	6,716,592	3.80%
20 Days	C\$3.360	C\$3.860	7,956,536	4.50%
25 Days	C\$3.260	C\$3.860	9,056,563	5.12%
To 6 October 2023 (42 days)	C\$3.040	C\$3.860	15,721,502	8.89%

Source: Bloomberg and BDO analysis

We consider the trading following the announcement of the Scheme to show high levels of liquidity with over 8.9% of Silvercorp's shares being traded in the period (42 trading days) following the announcement of the Scheme. However, we consider the share price over the period following the announcement of the Scheme to display high levels of volatility, with the closing share price ranging from \$3.040 to \$3.640 in the period up to 6 October 2023, reflecting an approximate 20% movement in the closing share price. We

consider this may indicate uncertainty in the market about the potential effect on valuation of Silvercorp that may arise following the implementation of the Scheme.

We have also considered if there are other market factors which could influence the Silvercorp share price following the announcement of the Scheme by analysing movements in the TSX Composite Index, as a proxy for the market, and the S&P/TSX Global Mining Index as a proxy for Silvercorp and OreCorp's industry, over the same post-announcement period. Our analysis is depicted in the graph below, with each of the indices rebased to Silvercorp's share price following the announcement of the Scheme in order to illustrate the relative performance of the indices and Silvercorp.



Source: Bloomberg and BDO analysis

We note the performance of the TSX Composite Index and the S&P/TSX Global Mining Index has remained relatively stable over the period following the announcement of the Scheme, albeit with some recent downward pressure on both of the Indices. Therefore, we consider there may be some indication that the Silvercorp share price has been affected by market conditions outside the operations of Silvercorp in the period following the announcement of the Scheme.

Based on the above analysis, we consider there to be sufficient liquidity in Silvercorp's shares in order to utilise post-announcement pricing as an approach to valuing the Scheme Consideration. However, there may appear to be some indication of market wide or industry events that have occurred between the announcement of the Scheme and the date of our Report that could distort our assessment of the impact of the Scheme on the value of a Merged Group share. We also note the high volatility in the Silvercorp share price over the post-announcement period may indicate uncertainty in the market about the potential effect of the Scheme on the valuation of Silvercorp as a proxy for the Merged Group.

Our assessment of QMP valuation for Silvercorp's shares based on post-announcement market pricing is between C\$3.050 and C\$3.450. Based on our assumed USD/CAD exchange rate of 1.340, our assessment of QMP valuation for Silvercorp's shares based on post-announcement market pricing is between US\$2.280 and US\$2.570.

12.3 Assessment of the value of a Merged Group share following the Scheme

The results of the valuations performed are summarised in the table below:

	Ref	Low US\$	Preferred US\$	High US\$
Sum-of-Parts (minority, diluted basis)	12.1.16	2.066	2.653	3.261
QMP	12.2	2.280	2.425	2.570

Source: BDO analysis

We consider the Sum-of-Parts approach to be the most appropriate methodology to value the Merged Group as the core value lies in its interest in the Nyanzaga Project, the Ying Mine and the GC Mine, which have been valued using the DCF methodology, and the Residual Resources and exploration potential of the mineral assets not included in the DCF valuation, which have been independently valued by SRK, an independent technical specialist in accordance with VALMIN. Notwithstanding this, we consider the QMP approach to be relevant for the purposes of a broad cross-check to our valuation under the Sum-of-Parts approach. Based on the values above, we consider the valuation under the QMP approach to be broadly supportive of the valuation under the Sum-of-Parts approach.

The different results of our valuation approaches are explained by the technical assumptions made by SRK in assessing the value of the Nyanzaga Project, the Ying Mine and the GC Mine and the Residual Resources and exploration potential of the mineral assets not included in the DCF valuation may be more optimistic than those made by the market.

Based on the results above we consider the value of a Merged Group share (on a minority interest and diluted basis) to be in the range of US\$2.066 to US\$3.261, with a preferred value of US\$2.653.

Based on the value of a Merged Group share (on a minority interest and diluted basis), we have set out the value of the Scheme Consideration below.

Value of the Scheme Consideration	Units	Low	Preferred	High
Value of 1 share in the Merged Group (minority, diluted)	US\$	2.066	2.653	3.261
Value of 0.0967 shares in the Merged Group (minority, diluted)	US\$	0.200	0.257	0.315
<i>AUD/USD exchange rate assumed</i>	<i>rate</i>	<i>0.670</i>	<i>0.670</i>	<i>0.670</i>
Value of 0.0967 shares in the Merged Group (minority, diluted)	A\$/share	0.298	0.383	0.471
Add: Value of A\$0.15 cash per OreCorp share	A\$/share	0.150	0.150	0.150
Value of the Scheme Consideration	A\$/share	0.448	0.533	0.621

Source: BDO analysis

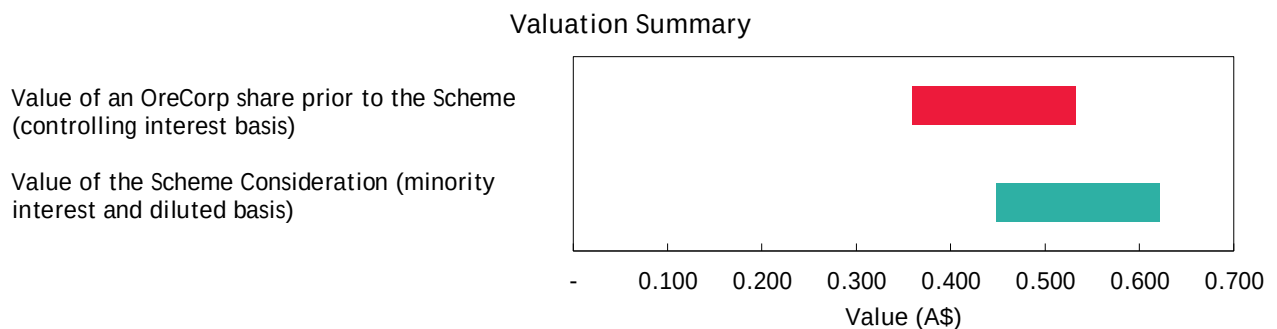
13. Is the Scheme fair?

The value of an OreCorp share prior to the implementation of the Scheme on a controlling interest basis and the value of the Scheme Consideration, comprising 0.0967 shares in the Merged Group on a minority interest and diluted basis and A\$0.15 cash, are compared below:

Fairness assessment	Ref	Low A\$/share	Preferred A\$/share	High A\$/share
Value of an OreCorp share prior to the Scheme (controlling interest basis)	11.1	0.360	0.443	0.533
Value of the Scheme Consideration				
Value of Scheme Scrip Consideration (minority interest and diluted basis)	12.3	0.298	0.383	0.471
Value of Scheme Cash Consideration	4	0.150	0.150	0.150
Total value of the Scheme Consideration		0.448	0.533	0.621

Source: BDO analysis

The above valuation ranges are graphically presented below:



Source: BDO analysis

The above pricing indicates that, in the absence of any other relevant information and a superior proposal, the Scheme is fair for Shareholders. We consider the Scheme to be fair for Shareholders because the value of the Scheme Consideration on a minority interest and diluted basis is greater than the value of an OreCorp share prior to the Scheme on a controlling interest basis, when a direct comparison is made between the corresponding low, preferred and high values. Therefore, we consider that the Scheme is fair for Shareholders.

14. Is the Scheme reasonable?

14.1 Advantages of Approving the Scheme

We have considered the following advantages when assessing whether the Scheme is reasonable.

14.1.1. The Scheme is fair

As set out in Section 13, the Scheme is fair. RG 111.12 states that an offer is reasonable if it is fair.

14.1.2. **Silvercorp's strong balance sheet can provide funding to start the Nyanzaga Project development immediately**

Silvercorp currently has no debt on its balance sheet and has cash reserves (including bonds and money market instruments) in excess of US\$200 million.

Following implementation of the Scheme (and payment of Cash Scheme Consideration to OreCorp Shareholders), Silvercorp will have in excess of US\$140 million of cash reserves that can be immediately deployed to start the development of the Nyanzaga Project. Our estimate of the Merged Group's available funding is set out in Section 12.1.1 of our Report. This will enable the Merged Group to start development of the Nyanzaga Project while continuing to finalise the specific details of future funding requirements of the Nyanzaga Project, fast tracking the Nyanzaga Project into production sooner than is possible under OreCorp's sole ownership of the Nyanzaga Project.

As detailed in Section 12.2.1, the DCF valuation of the Merged Group's interest in the Nyanzaga Project following the implementation of the Scheme (preferred value of US\$174 million) is greater than the DCF valuation of OreCorp's interest in the Nyanzaga Project in the absence of the Scheme (preferred value of US\$148 million). We note that this is due the fast tracking of the Nyanzaga Project into production sooner than is possible in the absence of the Scheme. Therefore, if the Scheme is implemented, the accelerated construction commencement date will increase the net present value of the Nyanzaga Project and in turn be value accretive to Shareholders.

14.1.3. **Silvercorp's strong technical team has expertise to develop the Nyanzaga Project and pursue opportunities for optimisation**

Silvercorp's management team has technical expertise in the successful development and mining of mineral assets in relatively higher risk emerging jurisdictions. This is evidenced by Silvercorp's experience with their current Ying and GC Mines which are mature, multi-commodity mining projects operating profitably in China. Importantly, Silvercorp's expertise further includes environmental, social and governance ('ESG') initiatives that will continue to gain traction as modern societal demands prioritise and highlight the importance of robust ESG performance and reporting.

The Merged Group is well placed to utilise Silvercorp's technical expertise in emerging markets, formulated at its Ying and GC Mines in China, at the Nyanzaga Project to de-risk the project through development and into the production phase. We consider the ability to successfully navigate the challenges of developing and operating mineral assets in emerging markets such as China, and now Tanzania, to be advantageous.

14.1.4. Silvercorp's ability to access cash reserves, debt funding and cash generating operations will reduce potential dilution from equity fund raisings

Silvercorp is planning to fund the development of the Nyanzaga Project using the following sources:

- Existing cash reserves;
- Available cash generated from its current mining operations in China, and
- Debt facilities.

Silvercorp has mature mining operations at the Ying and GC Mines with a recent history for cash generating profitability. Silvercorp also has the expertise and a track record for successful development of mining assets in emerging markets that can be utilised to develop the Nyanzaga Project. These strengths can be leveraged to source significant debt finance to fund the shortfall required to develop the Nyanzaga Project without the need to source equity funding. The ability of the Merged Group to avoid sourcing required funds through equity markets will mitigate the effects of potential dilution.

14.1.5. Creation of an enlarged, diversified group and potential re-rating for the Merged Group will enhance capital market relevance

Based on the pre-Scheme market capitalisations of both OreCorp and Silvercorp, if the Scheme is approved then the Merged Group will have a market capitalisation of approximately A\$950 million (adding the pre-announcement market capitalisations of OreCorp and Silvercorp together).

Upon implementation of the Scheme, the Merged Group will become a diversified exploration, development and mining business with exposure to emerging and mining-friendly jurisdictions, China and Tanzania, across multiple commodities, namely gold, silver, zinc and lead.

The immediate uplift in value may increase the Merged Group's likelihood of the company being included in certain indexes which may create demand for the Merged Group's shares with investors re-balancing their portfolios to include those constituents of an index, as well as creating increased buying support from Exchange Traded Funds. These types of investors often transact in high values relative to retail shareholders, which may create upward pressure on the Merged Group's share price as well as improving liquidity.

Further, the creation of an enlarged and more diversified group may improve the Merged Group's ability to raise funding, both debt and equity, on terms potentially more favourable than either of OreCorp or Silvercorp could have raised prior to the Scheme. This may fast track the development of the Nyanzaga Project, or could allow the Merged Group to accelerate Silvercorp's current strategy to pursue regional merger and acquisition opportunities.

14.1.6. The cash component of the Scheme Consideration provides certainty of value for Shareholders

As detailed in Section 4 of our Report, the Scheme Consideration includes a cash component of A\$0.15 per OreCorp share. As such, the Scheme Cash Consideration provides shareholders with certainty in terms of part of the value that they are receiving as consideration for their OreCorp shares.

14.1.7. Shareholders will gain exposure to a company that has historically paid dividends

Silvercorp has a history of paying dividends, having paid dividends to its shareholders in each of its past five financial years (and beyond). It has been able to do this through funds generated by its producing Chinese mines. In contrast, OreCorp does not have a history of paying dividends and given the Nyanzaga Project's current stage of development, is unlikely to consider paying dividends until production is achieved. Following the Scheme, Shareholders will hold investments in a company that has a history of paying dividends and therefore will be more likely to receive one in the near future, compared to their current investment in OreCorp.

14.2 Disadvantages of Approving the Scheme

If the Scheme is approved, in our opinion, the potential disadvantages to Shareholders include those set out below:

14.2.1. Dilution of Shareholders' exposure to the potential value upside of the Nyanzaga Project

If the Scheme is implemented, Shareholders will go from holding 85% of the issued capital of OreCorp to collectively holding approximately 18.06% of the Merged Group. Therefore, if the Scheme is implemented, Shareholders will go from having a majority of the exposure to any upside in value that may be generated by OreCorp, to sharing that upside with other shareholders of the Merged Group, should it materialise.

14.2.2. The exact value of the Scheme Consideration is not certain

Although the Scheme Consideration includes a cash component of A\$0.15 per OreCorp share, the bulk of the value of the Scheme Consideration is in the form of shares in the Merged Group. A Scheme Consideration entirely in cash would have offered more certainty in value. Notwithstanding the current Scheme Consideration allows Shareholders to continue to be exposed to the Nyanzaga Project via the Scheme Scrip Consideration, the final value of the Scheme Consideration will be dependent on the price at which Silvercorp's shares trade on the public markets (which includes the TSX, NYSE American and potentially the ASX if a CDI quotation is approved) following the Scheme. Shareholders will receive shares in the Merged Group, the value of which will fluctuate as it will continue to trade on public markets.

14.3 Alternative Proposal

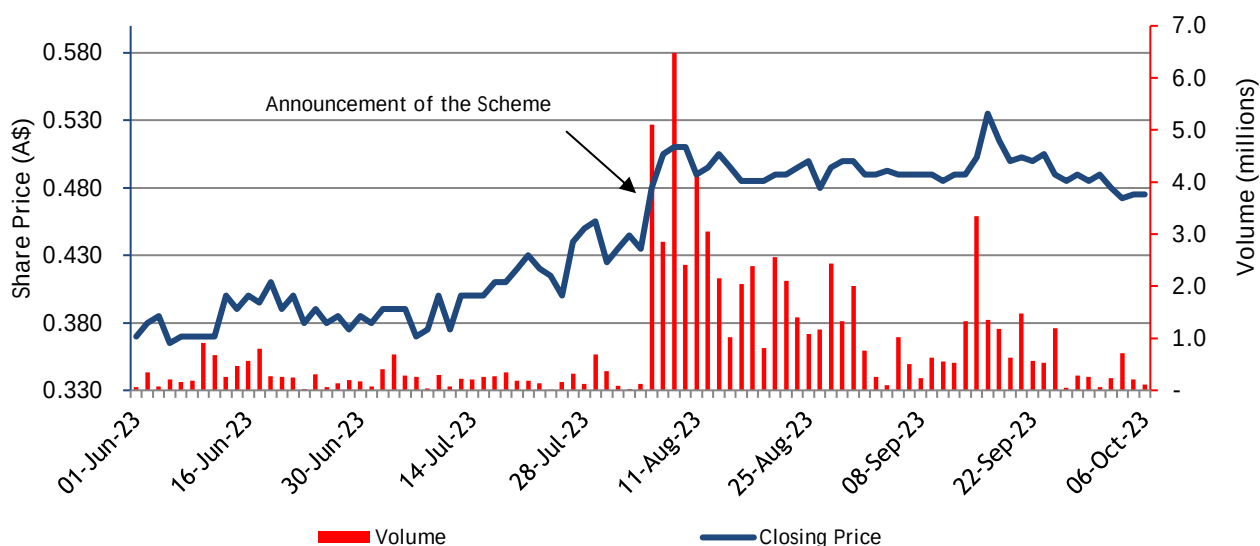
We are unaware of any alternative proposal that might offer the Shareholders of OreCorp a premium over the value resulting from the Scheme.

14.4 Consequences of not approving the Scheme

14.4.1. Potential decline in share price

We have analysed movements in OreCorp's share price since the Scheme was announced. A graph of OreCorp's share price and trading volume leading up to, and following the announcement of the Scheme is set out below. For a longer historical period, refer to Section 11.2 of our Report.

OreCorp share price and trading volume history



Source: Bloomberg

The closing price of a OreCorp share from 1 June 2023 to 6 October 2023 ranged from a low of A\$0.365 on 7 June 2023 to a high of A\$0.535 on 18 September 2023.

The Scheme was announced on 7 August 2023. On the date that the Scheme was announced, the share price closed at A\$0.480, up from a closing price of A\$0.435 on the previous trading day. On that day, 5,101,909 shares were traded, representing approximately 1.09% of OreCorp's current issued capital. Following the announcement of the Scheme, the share price of OreCorp has fluctuated from a low of A\$0.473 on 4 October 2023, to a high of A\$0.535 on 18 September 2023.

Given the above analysis it is possible that if the Scheme is not approved then OreCorp's share price may decline to pre-announcement levels.

14.4.2. Transaction costs will be incurred by OreCorp and break fee may be payable to Silvercorp

If the Scheme is not implemented, transaction costs of approximately A\$1.12 million will be borne by OreCorp with no achieved outcome. In addition to this, there is a potential break fee of A\$2.84 million that may be payable to Silvercorp, depending on the circumstances under which the Scheme does not proceed.

We note that the break fee is not payable by OreCorp as a result in itself of OreCorp not obtaining the requisite approval level from Shareholders. The conditions around the payment of the break fee are set out in Section 4 of our Report and are detailed in the SID (announced on 6 August 2023).

14.4.3. OreCorp will need additional time to source funding for the Nyanzaga Project's development

Through discussion with OreCorp management, we consider development of the Nyanzaga Project could be delayed if the Scheme is not approved.

OreCorp management has worked with many potential funding partners, prior to the announcement of the Scheme, that have been put on hold due to the Scheme process. We consider these proposed funding partners and funding mechanisms would require significant updating and review to bring them back to readiness for market delivery, which may take several months following non-approval of the Scheme.

14.5 Other considerations

14.5.1. Holding shares in Silvercorp may not align with Shareholders' risk preferences

If the Scheme is implemented, Shareholders will go from holding shares in a gold exploration and development company with a primary gold asset in Tanzania, to holding shares in a diversified mining company that has significant exposure to operating multi-commodity mines in China. In addition to gold commodity risks, Shareholders would also gain exposure to silver, zinc and lead commodity risks as well from their investment in the Merged Group.

The economic analysis of China, where Silvercorp operates mining projects, provides context for the different risk profile attached to operating in China compared to Africa. However, it is worth noting that this adjusted risk may facilitate greater returns for Shareholders. Further, the diversification provided by exposure to sovereign risk in China may be seen as complementary to Shareholders' current exposure to sovereign risk in Tanzania.

We have presented this as another consideration as it will depend on Shareholders' individual risk preferences as to whether this is considered an advantage or a disadvantage.

14.5.2. Legal implications

If the Scheme is implemented, Shareholders will hold shares in a Canadian incorporated Company and will be subject to the laws of the Province of British Columbia and applicable Canadian federal laws. There are differences between the laws and regimes of Australia and Canada, which are detailed in Annexure 9 of the Scheme Booklet. These differences may either be advantageous or disadvantageous to Shareholders.

14.5.3. Tax implications

Shareholders are directed to Section 9 of the Scheme Booklet for a detailed explanation of the tax implications of the Scheme for Shareholders. We emphasise that the tax circumstances of each shareholder can differ significantly and individual shareholders are advised to obtain their own specific advice.

15. Conclusion

We have considered the terms of the Scheme as outlined in the body of this report and have concluded that, in the absence of a superior proposal, the Scheme is fair and reasonable to Shareholders.

Therefore, in the absence of a superior proposal, we consider the Scheme to be in the best interests of Shareholders.

16. Sources of information

This report has been based on the following information:

- Draft Scheme Booklet on or about the date of this report;
- Audited financial statements of OreCorp for the years ended 30 June 2023, 2022 and 2021;
- Audited financial statements of Silvercorp for the years ended 31 March 2023, 2022 and 2021;
- Unaudited financial statements of Silvercorp for the quarter ended 30 June 2023;
- The Nyanzaga Model provided by OreCorp;
- The Ying Model provided by Silvercorp;
- The GC Model provided by Silvercorp;
- OreCorp's August 2023 Internal Board Presentation on the Scheme;
- OreCorp's internal analysis of funding options for the Nyanzaga Project, including indicative terms of funding;
- Details on the Option Cancellation Deeds provided by OreCorp;
- Workings for estimated Tanzanian capital gains tax payable upon completion of the Scheme prepared by OreCorp in discussions with its tax advisors;
- August 2023 Joint Presentation by Silvercorp and OreCorp announced on the ASX on 7 August 2023;
- Independent Specialist Report of OreCorp's and Silvercorp's mineral assets dated 11 October 2023 performed by SRK;
- ASX announcement of the Scheme on 7 August 2023 including the Scheme Implementation Deed;
- Share registry information provided by OreCorp and Silvercorp;
- Bloomberg;
- S&P Capital IQ;
- Reserve Bank of Australia;
- Bank of Canada;
- International Monetary Fund;
- The World Bank;
- IBISWorld;
- United States Geological Survey;
- Consensus forecasts;
- Information in the public domain; and
- Discussions with Directors and Management of OreCorp and Silvercorp.

17. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$175,000 (excluding GST and reimbursement of out-of-pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by OreCorp in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the OreCorp, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to OreCorp and Silvercorp and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of OreCorp, Silvercorp and their respective associates.

A draft of this report was provided to OreCorp and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

18. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 500 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

19. Disclaimers and consents

This report has been prepared at the request of OreCorp for inclusion in the Scheme Booklet which will be sent to all OreCorp Shareholders. OreCorp engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed scheme of arrangement with Silvercorp.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be

included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Silvercorp. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (WA) Pty Ltd by OreCorp, Silvercorp and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved. We note that the forecasts provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications, it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of OreCorp, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by OreCorp and Silvercorp. The valuer engaged for the mineral asset valuation, SRK, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Sherif Andrawes
Director



Adam Myers
Director

Appendix 1 - Glossary of Terms

Reference	Definition
A\$, AUD	Australian Dollars
Act	The Corporations Act 2001 Cth
ADBG	African Development Bank Group
Adjusted GC Model	BDO adjusted forecast cash flow model of the GC Model
Adjusted Nyanzaga Model	BDO adjusted forecast cash flow model of the Nyanzaga Project
Adjusted Ying Model	BDO adjusted forecast cash flow model of the Ying Model
AFCA	Australian Financial Complaints Authority
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX Quotation	Silvercorp using reasonable endeavours to apply for admission of Silvercorp to the official list of the ASX
Auramet	Auramet International LLC
BDO	BDO Corporate Finance (WA) Pty Ltd
BVI	British Virgin Islands
BYP Project	Yunxiang's BYP gold, lead and zinc mine
C\$, CAD	Canadian Dollars
CapEx	Capital expenditure
CAPM	Capital Asset Pricing Model
CDIs	CHESS depository interests
Celsius	Celsius Resources Limited
Company	OreCorp Limited
CPI	Consumer Price Index
CY	Calendar Year
DCF	Discounted Future Cash Flows
DCG Mine	Silvercorp's development project in Dong Cao Gou

Reference	Definition
DFS	Definitive feasibility study
ECI	Early contractor involvement
EPCM	Engineering, procurement and construction management phase
ESG	Environmental, social and governance
FCC	Tanzanian Fair Competition Commission
FIRB	Foreign Investment Review Board
FME	Future Maintainable Earnings
Fortune	Fortune Mining Limited
FSG	Financial Services Guide
FVTOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FY	Financial year
g/t	Grams per tonne
GC Mine	Silvercorp's silver-lead-zinc exploration mine in Gaocheng in the Guangdong Province
GC Model	Detailed cash flow model for the GC Mine prepared by Silvercorp's management
GDP	Gross Domestic Product
Guangdong Found	Guangdong Found Mining Co. Limited
Henan Found	Henan Found Mining Co. Ltd
Henan Huawei	Henan Huawei Mining Co. Ltd
HPG Mine	Silvercorp's silver-gold-lead mine in Haopinggou
HZG Mine	Ying Property's satellite silver-lead mine
IPOs	Initial Public Offerings
IS 214	Information Sheet 214 Mining and resources: Forward-looking statements
km	Kilometres
km ²	Square kilometres
Koz	Thousand ounces
ktpa	Kilo-tonnes per annum

Reference	Definition
Kuanping Project	Silvercorp's Kuanping silver-lead-zinc-gold project
La Yesca Project	Silvercorp's La Yesca silver project
LME Mine	Silvercorp's silver-lead-zinc mine in Longmen East
LMW Mine	Silvercorp's silver-lead-zinc mine in Longmen West
LOM	Life of mine
m	Metres
M&A	Merger and acquisition
m ³	Cubic metres
Merged Group	Merged Group of Silvercorp and OreCorp following the implementation of the Scheme
MIb	Million pounds
Moz	Million ounces
MRL	Chinese Mineral Resource Law
Mtpa	Million tonnes per annum
NAV	Net Asset Value
New Infini	New Infini Silver Inc.
New Pacific	New Pacific Metals Corp.
NPV	Net present value
Nyanzaga Model	Forecast cash flow model of the Nyanzaga Project
Nyanzaga Project	Nyanzaga Gold Project
NYSE American	New York Stock Exchange American
OP Mining Costs	Open pit mining costs
OpEx	Operating expenditure
OreCorp	OreCorp Limited
OreCorp Options	OreCorp options
OreCorp Performance Rights	OreCorp performance rights
our Report	This Independent Expert's Report prepared by BDO
oz	Ounces

Reference	Definition
pa	per annum
Placement Agreement	Placement agreement between OreCorp and Silvercorp for the issue of 70,411,334 new fully paid ordinary OreCorp shares to Silvercorp at a price of A\$0.40 per share
PPE	Property, plant and equipment
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 170	Prospective Financial Information
RG 60	Schemes of arrangements
RMB	Chinese Yuan
RSUs	Restricted Share Units
Scheme	The scheme of arrangement between OreCorp and Silvercorp under the Corporations Act 2001 (Cth)
Scheme Cash Consideration	A\$0.15 cash per OreCorp share
Scheme Consideration	Under the terms of the Scheme, each OreCorp shareholder will receive A\$0.15 cash plus 0.0967 Silvercorp common shares for each OreCorp share held at the Scheme record date
Scheme Scrip Consideration	0.0967 Silvercorp common shares or 0.0967 Silvercorp CDIs per OreCorp share
Section 411	Section 411 of the Act
SGX Mine	Ying Property's silver-lead-zinc project
Shareholders	Shareholders of OreCorp
SID	Scheme Implementation Deed between OreCorp and Silvercorp
Silvercorp	Silvercorp Metals Inc.
Silvercorp Placement	Placement between OreCorp and Silvercorp for the issue of 70,411,334 new fully paid ordinary OreCorp shares to Silvercorp at a price of A\$0.40 per share
SLR	SLR Consulting Limited
SMCL	Sotta Mining Corporation Limited
SML	Special mining licence
Sum-of-Parts	Sum-of-Parts valuation
t	Tonne

Reference	Definition
Tincorp	Tincorp Metals Inc.
TLP Mine	Silvercorp's silver-lead mine in Tieluping
tpd	Tonnes per day
TSX	Toronto Stock Exchange
UG Mining Costs	Underground mining costs
US\$, USD	United States Dollars
VALMIN Code	Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition)
Victor Mining	Victor Mining Limited
Victor Resources	Victor Resources Limited
WA	Western Australia
WACC	Weighted average cost of capital
Yangtze Mining	Yangtze Mining Limited
Yangtze Mining HK	Yangtze Mining H.K. Limited
Ying Mines	Silvercorp's silver-lead-zinc mine located in the Ying Mining District in Henan Province, China
Ying Model	Detailed cash flow model for the Ying Mines prepared by management of Silvercorp
Ying Technical Report	Silvercorp's National Instrument 43-101 Technical Report on the Mineral Resources and Mineral Reserves for the Ying Mines
Yunxiang	Xinshao Yun Xiang Mining Co. Ltd

Copyright © 2023 BDO Corporate Finance (WA) Pty Ltd

All rights reserved. No part of this publication may be reproduced, published, distributed, displayed, copied or stored for public or private use in any information retrieval system, or transmitted in any form by any mechanical, photographic or electronic process, including electronically or digitally on the Internet or World Wide Web, or over any network, or local area network, without written permission of the author. No part of this publication may be modified, changed or exploited in any way used for derivative work or offered for sale without the express written permission of the author.

For permission requests, write to BDO Corporate Finance (WA) Pty Ltd, at the address below:

The Directors
 BDO Corporate Finance (WA) Pty Ltd
 Level 9, Mia Yellagonga Tower 2
 5 Spring Street
 Perth, WA 6000
 Australia

Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset-based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a startup phase, or experience irregular cash flows.

5 Market Based Assessment

The market-based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

The resource multiple is a market-based approach which seeks to arrive at a value for a company by reference to its total reported resources and to the enterprise value per tonne/lb of the reported resources of comparable listed companies. The resource multiple represents the value placed on the resources of comparable companies by a liquid market.

Appendix 3 - Discount Rate for the Nyanzaga Project

Assessing the correct risk-adjusted discount rate (also referred to as the cost of capital), for an asset or business requires consideration of factors that affect the returns and risks of the business, as well as the application of accepted methodologies for determining the returns of a business.

The discount rate applied to the forecast cash flows from a business represents the financial return that will be required before an investor would be prepared to acquire (or invest in) the business.

When considering the Nyanzaga Project, both prior to and following the Scheme, we consider the most appropriate discount rate to be the post-tax nominal weighted average cost of capital ('WACC'). The WACC is built up from the cost of debt and cost of equity for the asset or business. We select the WACC as the appropriate discount rate because the cash flows considered in the Adjusted Nyanzaga Model are assessed at the project level, on a pre-financing basis. Local taxation considerations were considered in the Models; therefore, a post-tax discount rate was used.

As detailed further below, the differences between the discount rate for the Nyanzaga Project prior to and following the Scheme is purely from a financing perspective - i.e. the level of gearing (which impacts the geared beta and hence cost of equity) and the cost of debt. The underlying risk associated with the project does not change as a result of the Scheme, as reflected by the same ungeared beta adopted both scenarios.

Cost of Equity and Capital Asset Pricing Model

For the cost of equity component of the WACC, we consider the capital asset pricing model ('CAPM'), which is a commonly used methodology in determining the required market rate of return on equity investments. CAPM is based on the theory that a rational investor would price an asset so that the expected return is equal to the risk-free rate of return plus an appropriate premium for risk. CAPM assumes investors are risk averse and demand a higher return for accepting a higher level of risk. The calculation for the cost of equity, based on CAPM, is set out in the table below.

CAPM	
K_e	$= R_f + B \times (R_m - R_f)$
Where:	
K_e	= expected equity investment return or cost of equity in nominal terms
R_f	= risk free rate of return
R_m	= expected market return
$R_m - R_f$	= market risk premium
B	= equity beta

The individual components of CAPM are discussed below.

Risk Free Rate (R_f)

The risk-free rate is typically approximated by reference to a forecast long term government bond rate with a maturity approximately equivalent to the timeframe over which the returns from the assets are expected to be received. The Adjusted Nyanzaga Model forecasts cash flows generated in USD terms over

a period of approximately 10 years, measured from the valuation date of 30 June 2023. We have considered the ten-year US Treasury yield around the valuation date of 30 June 2023, as well as analyst projections for this rate going forward, as a proxy for our risk free rate over the forecast period. Based on this analysis, we have adopted a risk-free rate in the range of 3.00% to 4.00%.

Market Risk Premium ($R_m - R_f$)

The market risk premium represents the additional return that investors expect from an investment in a well-diversified portfolio of assets. It is common to use a historical risk premium, as expectations are not observable in practice.

We have considered the market returns of the selected benchmarks that we have used in our beta regression, against the US risk free rate. Based on our analysis of historical risk premiums of developed markets such as Australia, Canada and the United States, and applying our professional judgment, we adopt an equity market risk premium of 6% for the Nyanzaga Discount Rate. This is further supported by market evidence across valuers and regulators.

Selected Beta (β)

In order to assess the appropriate equity beta for the Nyanzaga Project, we considered the equity betas of other ASX-listed companies. The ASX-listed companies identified are gold producing companies with operations in Australia. The betas below have been assessed over a two-year period, against the S&P/ASX All Ordinaries Index, in USD terms. The list of comparable companies we selected for the Nyanzaga Project are set out below, with a brief description of each company provided at the end of this section.

Company	Market Capitalisation 30-Jun-23 (US\$m)	Gear Beta (β)	Gross Debt/Equity (%)	Ungeared Beta (β_a)	R ²
Regis Resources Ltd (ASX:RRL)	921.52	1.42	25%	1.21	0.33
Ramellus Resources Ltd (ASX:RMS)	832.98	1.42	3%	1.39	0.28
Silver Lake Resources Ltd (ASX:SLR)	598.34	1.37	4%	1.33	0.31
Westgold Resources Ltd (ASX:WGX)	454.84	1.34	5%	1.30	0.24
Pantoro Ltd (ASX:PNR)	225.87	1.17	36%	0.94	0.16
Dacian Gold Ltd (ASX:DCN)	64.92	1.31	12%	1.21	0.18
Mean	516.41	1.34	14%	1.23	0.25
Median	526.59	1.35	8%	1.25	0.26

Source: Bloomberg and BDO analysis

In selecting an appropriate beta for the Nyanzaga Project, we have considered the similarities and differences between the project and the set of comparable companies as set out above. We set out our considerations as follows:

- The comparable companies are listed on the ASX similar to OreCorp.
- Notwithstanding the comparable companies are gold producers with operations based in Australia, they face similar industry-wide risks to the Nyanzaga Project, including but not limited to gold price risk.
- Because the comparable companies are producers with assets based in Australia, they are subject to a lower risk-profile when compared to the Nyanzaga Project, which is in late-stage development and located in Tanzania.

- The comparable companies have variable risk profiles depending on the number of operating mines they hold, the assets maturity, stage of production and location. We note that the majority of the companies operate more than one mine.
- Although not all companies in the list have similar metrics across each of the assessed factors, we still consider them to be comparable companies as they have sufficient similarities on an overall basis.

In selecting an appropriate ungeared beta for the Nyanzaga Project, we have considered the ungeared betas of the companies listed above along with the aforementioned factors. As set out in the table above, the ungeared beta for the list of comparable companies, based on the returns over a two-year period, ranges from 0.94 to 1.39 with a median of 1.28.

On the basis that the comparable companies selected have a lower risk profile compared to the Nyanzaga Project, we consider a beta that is higher than the median reported for our comparable company set to be appropriate. Specifically, we adjust for the increased risks from the Nyanzaga Project being located in an emerging jurisdiction such as Tanzania, having yet achieved production status and it being a single mine project. Having regard to these factors and based on our analysis, we consider an appropriate ungeared beta for the Nyanzaga Model to be in the range of 1.30 to 1.50.

Nyanzaga Discount Rate prior to the Scheme

Gearing

The discount rate assessment requires an assessment of the proportion of funding provided by debt and equity (i.e. gearing ratio) over the forecast period. For the gearing of the Nyanzaga Project prior to the Scheme, we have assessed the level of debt to equity over the life of the project, based on the notional funding available for the Nyanzaga Project prior to the Scheme as detailed in Section 11.1.2 of our Report. Based on our analysis, the average debt to equity over the life of the Nyanzaga Project prior to the Scheme is approximately 20% which we have adopted for the purposes of our discount rate assessment.

Regeared beta

Applying the above 20% debt-to-equity ratio to the ungeared beta range calculated previously results in a regeared beta range of between 1.48 and 1.71.

Cost of Equity

We have assessed the cost of equity for the Nyanzaga Model to be in the range shown in the table below.

Input	Value adopted	
	Low	High
Risk free rate of return	3.00%	4.00%
Equity market risk premium	6.00%	6.00%
Beta (regeared)	1.48	1.71
Cost of Equity	11.89%	14.26%

Source: Bloomberg and BDO analysis

Tax rate

We have adopted a tax rate of 30% based on Tanzania's corporate tax rate.

WACC (Post-Tax)

The WACC represents the market rate of return on total assets required by debt and equity providers. WACC is used to assess the appropriate commercial rate of return on the capital invested in the business, acknowledging that normally funds invested consist of a mixture of debt and equity funds. Accordingly, the discount rate should reflect the proportionate levels of debt and equity relative to the level of security and risk attributable to the investment.

In calculating WACC there are a number of different formulae which are based on the definition of cash flows (i.e. pre-tax or post-tax), the treatment of the tax benefit arising through the deductibility of interest expenses (included in either the cash flow or discount rate), and the manner and extent to which they adjust for the effects of dividend imputation. The commonly used WACC formula is the post-tax WACC, without adjustment for dividend imputation, which is set out in the table below.

WACC	
WACC	$= \frac{E}{E+D} K_e + \frac{D}{D+E} K_d (1 - t)$
Where:	
K_e	= expected return or discount rate on equity
K_d	= interest rate on debt (pre-tax)
t	= corporate tax rate
E	= market value of equity
D	= market value of debt
$(1 - t)$	= tax adjustment

Cost of Debt

OreCorp has advised that it has received non-binding indicative proposals relating to debt financing for the Nyanzaga Project. Based on our discussions with management, we consider it reasonable to assume the development of the Nyanzaga Project would be able to be funded by a combination of debt and equity. We have not disclosed specific terms of any potential debt financing given the confidential nature of such discussions, however based on our understanding of current discussions and our assessment of comparable companies' cost of debt, we consider a reasonable pre-tax cost of debt to fall within the range of 9.00% and 11.00% (equivalent to 6.30% and 7.70% on a post-tax basis respectively, assuming the statutory 30% Tanzanian corporate tax rate).

Discount Rate Conclusion - Nyanzaga Discount Rate prior to the Scheme

Using the inputs discussed above, we have calculated the WACC for the Nyanzaga Project prior to the Scheme as set out in the table below. We have assessed the WACC to be in the range of 10.96% to 13.17%, with a rounded midpoint of 12.0% (rounded to the nearest 0.5%).

Nyanzaga Model WACC	Value Adopted	
	Low	High
Cost of Equity (K_e)	11.89%	14.26%
After-tax cost of debt (K_d) ($1-t$)	6.30%	7.70%
Proportion of Equity ($E/(E+D)$)	83.33%	83.33
Proportion of Debt ($D/(E+D)$)	16.67%	16.67%
WACC	10.96%	13.17%

Source: Bloomberg, BDO analysis

We note that our assessed WACC is quoted on a nominal basis and is applied to cash flows after the payment of tax at the Tanzanian tax rate. As such we consider it appropriate to apply a post-tax discount rate.

Comparable companies for the Nyanzaga Discount Rate (Beta)

Set out below are the business descriptions of the companies we considered in our comparable company analysis when forming an assessment of the beta to apply for the Nyanzaga Discount Rate.

Company	Business Description
Dacian Gold Limited (ASX:DCN)	Dacian Gold Limited engages in the exploration, mining, and processing of gold properties in Australia. The company holds interest in Mt Morgans and the Redcliffe gold project located in Leonora-Laverton, Western Australia. Dacian Gold Limited was incorporated in 2011 and is based in Perth, Australia. Dacian Gold Limited operates as a subsidiary of Genesis Minerals Limited.
Kaiser Reef Limited (ASX:KAU)	Kaiser Reef Limited engages in the exploration, development, and production of gold projects in Australia. The company holds a 100% interest in the Stuart Town project; and Macquarie North project located in the Lachlan Fold Belt, New South Wales. It also holds a 100% interest in the Maldon Goldfield located within the central portion of the Bendigo-Ballarat zone of the Lachlan Fold Belt; and the A1 Gold Mine located in Eastern Victoria. Kaiser Reef Limited was incorporated in 2019 and is based in Subiaco, Australia.
Pantoro Limited (ASX:PNR)	Pantoro Limited, together with its subsidiaries, engages in the gold mining, processing, and exploration activities in Western Australia. The company explores for gold and silver deposits. Its flagship property is the Nicolson's Project located in the Kimberley Region of Western Australia. The company was formerly known as Pacific Niugini Limited and changed its name to Pantoro Limited in December 2015. Pantoro Limited was incorporated in 1986 and is based in West Perth, Australia.
Ramellus Resources Limited (ASX:RMS)	Ramellus Resources Limited, together with its subsidiaries, engages in the exploration, mine development and operation, production, and sale of gold in Australia. It operates through three segments: Mt Magnet, Edna May, and Exploration. The company owns and operates the Mt Magnet, the Edna May, the Vivien, the Marda, the Tampia, the Rebecca, and the Penny gold mines located in Western Australia. It also develops Symes' Find prospect located in the Southern Cross Province of the Eastern Goldfields. The company was incorporated in 1979 and is headquartered in East Perth, Australia.
Regis Resources Limited (ASX:RRL)	Regis Resources Limited, together with its subsidiaries, engages in the exploration, evaluation, and development of gold projects in Australia. It owns 100% interests in the Duketon gold project located in the North Eastern Goldfields of Western Australia; and the McPhillamys gold project situated in the Central Western region of New South Wales, as well as holds 30% interest in Tropicana Gold Project. Regis Resources Limited was incorporated in 1986 and is based in Subiaco, Australia.

Company	Business Description
Silver Lake Resources Limited (ASX:SLR)	Silver Lake Resources Limited, together with its subsidiaries, engages in the exploration, mine development, mine operation, and sale of gold and copper concentrates in Australia and Canada. The company holds interest in the Deflector operations that produce gold bullion and gold-copper concentrates located in the Southern Murchison region of Western Australia; and Mount Monger operations, which produce gold bullion located within the Kalgoorlie terrane subdivision of the Eastern Goldfields Province. It also holds interest in the Sugar Zone operations that produce gold bullion and gold concentrates located in Northern Ontario, Canada. The company was incorporated in 2004 and is headquartered in South Perth, Australia.
Westgold Resources Limited (ASX:WGX)	Westgold Resources Limited engages in the exploration, operation, development, mining, and treatment of gold assets primarily in Western Australia. The company's assets include Bryah Operations, Murchison Operations, Meekatharra Gold Operations, and Cue Gold Operations that comprise various mining titles covering 1,300 square kilometers in the Murchison region. Westgold Resources Limited is based in Perth, Australia.

Source: S&P Capital IQ and BDO analysis

Nyanzaga Discount Rate following the Scheme

Gearing

The discount rate assessment requires an assessment of the proportion of funding provided by debt and equity (i.e. gearing ratio) over the forecast period. As mentioned previously, one of the main changes in the Nyanzaga Discount Rate following the Scheme is the level of gearing adopted. This is because while OreCorp has had discussions with potential financiers for its Nyanzaga Project (which we have considered in our gearing assessment prior to the Scheme), following the Scheme, the size and types of funding available to the enlarged Merged Group may be different.

As outlined in our Report, we have considered the level of funding required by the Merged Group for the development of the Nyanzaga Project following the Scheme, and have concluded that it would be able to fund the project with a combination of internally generated funds from its operating mines in China, existing cash reserves and debt funding. Based on the assessed level of debt funding required by the Merged Group, we have calculated the average debt to equity over the life of the Nyanzaga Project following the Scheme to be approximately 10%.

As a cross-check, we have also considered the gearing of other gold producers in Africa and found our adopted gearing value to be reasonable. The comparable companies that we have considered for the purposes of identifying an appropriate level of gearing are set out in the table below. A description of each company is set out at the end of this section.

Company	Market Capitalisation 30-Jun-23 (US\$m)	Gross Debt/Equity (%)
Newmont Corporation (NYSE:NEM)	33,903.23	31%
Barrick Gold Corporation (TSX:ABX)	29,719.05	15%
Gold Fields Limited (JSE:GFI)	12,433.71	21%
AngloGold Ashanti Limited (JSE:ANG)	8,849.87	51%
Kinross Gold Corporation (TSX:K)	5,855.48	41%

Company	Market Capitalisation	Gross Debt/Equity
	30-Jun-23 (US\$m)	(%)
Sibanye Stillwater Limited (JSE:SSW)	4,365.70	26%
Harmony Gold Mining Company Limited (JSE:HAR)	2,605.08	16%
Resolute Mining Limited (ASX:RSG)	553.74	22%
Shanta Gold Limited (AIM:SHG)	121.00	18%
Mean	10,934.09	27%
Median	5,855.48	22%

Source: Bloomberg, BDO analysis

Regeared beta

Based on the calculated average debt to equity over the life of the Nyanzaga Project following the Scheme and the gearing of other gold producers in Africa, we have applied a 20% debt-to-equity ratio to the ungeared beta range calculated previously results in a regeared beta range of between 1.48 and 1.71.

Cost of Equity

We have assessed the cost of equity for the Adjusted Nyanzaga Model to be in the range shown in the table below with our preferred value being a rounded midpoint of 13.1%.

Input	Value adopted	
	Low	High
Risk free rate of return	3.00%	4.00%
Equity market risk premium	6.00%	6.00%
Beta (regeared)	1.48	1.71
Cost of Equity	11.89%	14.26%

Source: Bloomberg and BDO analysis

Cost of Debt

As discussed in the Nyanzaga Discount Rate prior to the Scheme, we estimate that a reasonable cost of debt that OreCorp would be able to obtain as a standalone entity would be in the range of 9.00% to 11.00%. Following the Scheme however, the Merged Group would be a larger entity with multiple producing assets and a balance sheet with significant levels of cash and other liquid investments. It is therefore reasonable to assume that the Merged Group would be able to obtain debt financing at lower rates. Based on our understanding of the industry and our assessment of the Merged Group's comparable companies' cost of debt, we consider a reasonable pre-tax cost of debt to fall within the range of 7.00% and 9.00% (equivalent to 4.90% and 6.30% on a post-tax basis respectively, assuming the statutory 30% Tanzanian corporate tax rate).

Tax rate

We have adopted a tax rate of 30% based on Tanzania's corporate tax rate.

Discount Rate Conclusion - Nyanzaga Discount Rate following the Scheme

Using the WACC formula discussed previously, we have calculated the WACC for the Adjusted Nyanzaga Model as set out in the table below. We have assessed the WACC of the Nyanzaga Project following the Transaction to be in the range of 10.73% to 12.93%, with a rounded midpoint of 12.0% (rounded to the nearest 0.5%).

Nyanzaga Model WACC	Value Adopted	
	Low	High
Cost of Equity (Ke)	11.89%	14.26%
After-tax cost of debt (Kd) (1-t)	4.90%	6.30%
Proportion of Equity (E/(E+D))	83.33%	83.33%
Proportion of Debt (D/(E+D))	16.67%	16.67%
WACC	10.73%	12.93%

Source: Bloomberg, BDO analysis

We note that our assessed WACC is quoted on a nominal basis and is applied to cash flows after the payment of tax at the Tanzanian tax rate. As such we consider it appropriate to apply a post-tax discount rate.

Comparable companies for the Nyanzaga Discount Rate (Gearing)

Set out below are the descriptions of the companies we considered in our assessment of a reasonable level of gearing to adopt for the Nyanzaga Discount Rate, following the Scheme.

Company	Business Description
AngloGold Ashanti Limited (JSE:ANG)	AngloGold Ashanti Limited operates as a gold mining company in Africa, the Americas, and Australia. The company explores for gold. Its flagship property is a 100% owned Geita project located in the Lake Victoria goldfields of the Mwanza region in north-western Tanzania. The company also owns 100% interest in the Iduapriem mine which covers 137 square kilometers located in the western region of Ghana; Obuasi project located in Ghana; AGA Mineração in Brazil; Serra Grande located in central Brazil in the state of Goiás; Greenfield Projects in the Beatty district in Nevada; and Sunrise Dam in Australia. It also holds 92.5% interest in the Cerro Vanguardia project situated in Argentina; 70% interest in the Tropicana property in Australia; and 85% interest in the Siguiri project in Guinea. The company also explores for silver and sulphuric acid. AngloGold Ashanti Limited was incorporated in 1944 and is headquartered in Johannesburg, South Africa.
Barrick Gold Corporation (TSX:ABX)	Barrick Gold Corporation engages in the exploration, mine development, production, and sale of gold and copper properties. It has ownership interests in producing gold mines that are located in Argentina, Canada, Côte d'Ivoire, the Democratic Republic of Congo, the Dominican Republic, Mali, Tanzania, and the United States. The company also has ownership interests in producing copper mines located in Chile, Saudi Arabia, and Zambia; and various other projects located throughout the Americas, Asia, and Africa. Barrick Gold Corporation was founded in 1983 and is headquartered in Toronto, Canada.
Gold Fields Limited (JSE:GFI)	Gold Fields Limited operates as a gold producer with reserves and resources in Chile, South Africa, Ghana, West Africa, Australia, and Peru. The company also explores for copper deposits. It holds interests in nine operating mines, as well as gold mineral reserves and mineral resources. The company was founded in 1887 and is based in Sandton, South Africa.

Company	Business Description
Harmony Gold Mining Company Limited (JSE:HAR)	Harmony Gold Mining Company Limited engages in the exploration, extraction, and processing of gold. The company also explores for uranium, silver, copper, and molybdenum deposits. It has eight underground operations in the Witwatersrand Basin; an open-pit mine on the Kraaipan Greenstone Belt; and various surface source operations in South Africa. The company also owns interests in the Hidden Valley, an open-pit gold and silver mine; and the Wafi-Golpu project located in Morobe Province in Papua New Guinea. Harmony Gold Mining Company Limited was incorporated in 1950 and is headquartered in Randfontein, South Africa.
Kinross Gold Corporation (TSX:K)	Kinross Gold Corporation, together with its subsidiaries, engages in the acquisition, exploration, and development of gold properties principally in the United States, Brazil, Chile, Canada, and Mauritania. It is also involved in the extraction and processing of gold-containing ores; reclamation of gold mining properties; and production and sale of silver. Kinross Gold Corporation was founded in 1993 and is headquartered in Toronto, Canada.
Newmont Corporation (NYSE:NEM)	Newmont Corporation engages in the production and exploration of gold. It also explores for copper, silver, zinc, and lead. The company has operations and/or assets in the United States, Canada, Mexico, Dominican Republic, Peru, Suriname, Argentina, Chile, Australia, and Ghana. As of December 31, 2022, it had proven and probable gold reserves of 96.1 million ounces and land position of 61,500 square kilometers. The company was founded in 1916 and is headquartered in Denver, Colorado.
Resolute Mining Limited (ASX:RSG)	Resolute Mining Limited engages in gold mining, and prospecting and exploration for minerals in Africa, the United Kingdom, and Australia. The company's flagship project is the Syama Gold Mine located in Mali, West Africa. It also owns Mako Gold Mine in Senegal, West Africa. The company was incorporated in 2001 and is based in Perth, Australia.
Shanta Gold Limited (AIM:SHG)	Shanta Gold Limited, together with its subsidiaries, engages in the exploration, development, and production of gold in East Africa. It holds a 100% interest in the New Luika gold mine property located in Songwe district of Southwestern Tanzania. The company also owns the Singida gold mine located in the Ikungi region of Central Tanzania; and the West Kenya Project in Kenya. The company was incorporated in 2005 and is based in Saint Peter Port, Guernsey.
Sibanye Stillwater Limited (JSE:SSW)	Sibanye Stillwater Limited, together with its subsidiaries, operates as a precious metals mining company in South Africa, the United States, Europe, and Australia. The company produces gold; platinum group metals (PGMs), including palladium, platinum, rhodium, iridium, and ruthenium; chrome; nickel; and silver, cobalt, and copper. It owns the East Boulder and Stillwater mines located in Montana, the United States; and Columbus metallurgical complex, which smelts the material mined to produce PGM-rich filter cake, as well as conducts PGM recycling activities. The company also involved in the Kroondal, Rustenburg, Marikana, and Platinum Mile operations situated in South Africa; Mimosa located on the southern portion in Zimbabwe; the Driefontein, Kloof, Rand Refinery, and Cooke surface operations located on the West Rand of the Witwatersrand Basin; and the Beatrix situated in the southern Free State. In addition, it owns an interest in surface tailings retreatment facilities; the Marathon PGM project in Ontario, Canada; the Altar and Rio Grande copper gold projects in the Andes in north-west Argentina; the Hoedspruit; and the Burnstone and southern Free State gold projects in South Africa. Sibanye Stillwater Limited was founded in 2013 and is headquartered in Weltevreden Park, South Africa.

Appendix 4 - Discount Rate for the Ying and GC Mines

Assessing the correct risk-adjusted discount rate (also referred to as the cost of capital), for an asset or business requires consideration of factors that affect the returns of the asset or business, as well as the application of accepted methodologies for determining the underlying discount rate.

When considering the Ying Mines and the GC Mines, we consider the most appropriate discount rate to be the nominal post-tax cost of equity. This is because both projects are self-funding and the cash flows of both the Adjusted Ying Model and the Adjusted GC Model (collectively ‘the Adjusted Silvercorp **Models**’) do not contemplate any financing cash flows as none are required. Our assessment of the WACC for both the Ying and GC Mines are therefore equivalent to their cost of equity. Local taxation considerations were contemplated in the models; therefore, a post-tax discount rate is applied. We consider the Ying and GC Mines to have a similar level of risk and therefore adopted the same discount rate for both.

Cost of Equity and Capital Asset Pricing Model

For the cost of equity, we consider the CAPM, which was previously outlined in the section for our discount rate for the Nyanzaga Project. The individual components of CAPM are discussed below.

Risk Free Rate (R_f)

The Adjusted Silvercorp Models forecasts cash flows generated in USD terms over a period exceeding 10 years, measured from the valuation date of 30 June 2023. Consistent with the Nyanzaga Discount Rate, we have adopted a risk-free rate in the range of 3.00% to 4.00% which is based on the ten-year US Treasury yield as outlined previously.

Market Risk Premium ($R_m - R_f$)

Consistent with the Nyanzaga Discount Rate, we have adopted an equity market risk premium of 6% for the Adjusted Silvercorp Models. This reflects the market risk premium for developed markets given Silvercorp’s listing in Canada and the US (and following the Scheme, potentially on the ASX via the CDIs).

Selected Beta (β)

In order to assess the appropriate equity beta for the Adjusted Silvercorp Models, we considered the equity betas of other companies listed on stock exchanges in developed markets. The listed companies identified are multi-commodity producers with operations in developing countries. The betas below have been assessed over a three-year period against the MSCI World Index (a broad, developed markets equity index), as this periodicity provided higher R^2 values, indicating a more meaningful regression. The list of comparable companies we selected for this analysis are set out in the table below.

Company	Market Capitalisation 30-Jun-23 (US\$m)	Gear Beta (β)	Gross Debt/Equity (%)	Ungeared Beta (β_a)	R^2
Aya Gold & Silver Inc. (TSX:AYA)	753.47	0.92	0.3%	0.92	0.05
Coeur Mining, Inc. (NYSE:CDE)	945.82	1.35	47.5%	1.00	0.17
Endeavour Silver Corp. (TSX:EDR)	557.33	1.24	3.9%	1.20	0.11
Fortuna Silver Mines Inc. (TSX:FVI)	947.69	1.24	26.0%	1.03	0.15
Hochschild Mining plc (LSE:HOC)	465.13	1.39	46.0%	1.03	0.20

Company	Market Capitalisation 30-Jun-23 (US\$m)	Gear Beta (B)	Gross Debt/Equity (%)	Ungeared Beta (Ba)	R ²
Mean	733.89	1.23	25%	1.04	0.14
Median	753.47	1.24	26%	1.03	0.15

Source: Bloomberg and BDO analysis

In selecting an appropriate beta for the Ying and Mines, we have considered the similarities and differences between the project and the set of comparable companies as set out above. The comparable similarities and differences noted are:

- The comparable companies are listed on the exchanges of developed markets, similar to Silvercorp which is listed on the TSX and NYSE American.
- The comparable companies are multi-commodity producers in gold, silver, zinc and lead, which are the same metals produced by the Ying and GC Mines, and therefore face similar commodity and industry-wide risks.
- Although the comparable companies' assets are not located in China, they are situated in regions or developing countries facing similar types and levels of geopolitical risks.
- The comparable companies have variable risk profiles depending on the number of operating mines they hold, the assets maturity, stage of production and location; and
- Although not all companies in the list have similar metrics across each of the assessed factors, we still consider them to be comparable companies as they have sufficient similarities on an overall basis.

In selecting an appropriate ungeared beta for the Ying and GC Mines, we have considered the ungeared betas of the companies listed above along with the aforementioned factors. As set out in the table above, the ungeared beta for the list of comparable companies, based on the returns over a three-year period, ranges from 0.92 to 1.20 with a mean of 1.04. Based on our analysis, we consider an appropriate ungeared beta for Ying and GC to be in the range of 1.00 to 1.20.

Gearing

The discount rate assessment requires an assessment of the proportion of funding provided by debt and equity (i.e. gearing ratio) over the forecast period. Both Ying and GC are fully funded by equity in the Adjusted Silvercorp Models. As such we consider an appropriate debt to equity ratio to be 0%.

Regeared beta

Given no debt is used for the operations of the Ying and GC Mines, the regeared beta range is the same as the ungeared beta range calculated previously.

Cost of Equity

We have assessed the cost of equity for the Adjusted Silvercorp Models to be in the range shown in the table below with our preferred value being a rounded midpoint of 10.0% (rounded to the nearest 0.5%).

Input	Value adopted	
	Low	High
Risk free rate of return	3.00%	4.00%
Equity market risk premium	6.00%	6.00%
Beta (regeared)	1.00	1.20

Input	Value adopted	
	Low	High
Cost of Equity	9.00%	11.20%

Source: Bloomberg and BDO analysis

Comparable companies for the Ying and GC Mines

Set out below are the company descriptions of the comparable companies to the Ying and GC Mines.

Company	Business Description
Aya Gold & Silver Inc. (TSX:AYA)	Aya Gold & Silver Inc., together with its subsidiaries, engages in the acquisition, exploration, evaluation, and development of precious metal properties in Morocco. The company primarily explores for gold, silver, zinc, lead, tungsten, molybdenum, uranium, and copper deposits. Its flagship project is the Zgounder property located approximately 265 kms east of Agadir in the Proterozoic Siroua Massif of the Anti-Atlas Range, Morocco. The company was incorporated in 2007 and is based in Montreal, Canada.
Coeur Mining, Inc. (NYSE:CDE)	Coeur Mining, Inc. explores for precious metals in the United States, Canada, and Mexico. It primarily explores for gold, silver, zinc, and lead properties. The company holds 100% interests in the Palmarejo gold and silver mine covering an area of approximately 67,279 net acres located in the State of Chihuahua in Northern Mexico; the Rochester silver and gold mine that covers an area of approximately 43,441 net acres situated in northwestern Nevada; the Kensington gold mine comprising 3,972 net acres located to the north of Juneau, Alaska; the Wharf gold mine covering an area of approximately 3,243 net acres situated in the northern Black Hills of western South Dakota; and the Silvertip silver-zinc-lead mine comprising 97,298 net acres located in northern British Columbia, Canada. Further, it markets and sells its concentrates to third-party customers, smelters, under off-take agreements. The company was formerly known as Coeur d'Alene Mines Corporation and changed its name to Coeur Mining, Inc. in May 2013. Coeur Mining, Inc. was incorporated in 1928 and is headquartered in Chicago, Illinois.
Endeavour Silver Corp. (TSX:EDR)	Endeavour Silver Corp., a silver mining company, engages in the acquisition, exploration, development, extraction, processing, refining, and reclamation of mineral properties in Mexico and Chile. The company explores for gold and silver deposits, and precious metals. The company was formerly known as Endeavour Gold Corp. and changed its name to Endeavour Silver Corp. in September 2004. Endeavour Silver Corp. was incorporated in 1981 and is headquartered in Vancouver, Canada.
Fortuna Silver Mines Inc. (TSX:FVI)	Fortuna Silver Mines Inc. engages in the precious and base metal mining in Argentina, Burkina Faso, Mexico, Peru, and Côte d'Ivoire. It holds interest in the Caylloma silver, lead, and zinc mine located in southern Peru; the San Jose silver and gold mine located in southern Mexico; the Lindero gold project located in Northern Argentina; Yaramoko gold mine located in south western Burkina Faso; and Séguéla gold mine located in south western Côte d'Ivoire. The company was formerly known as Fortuna Ventures Inc. and changed its name to Fortuna Silver Mines Inc. in June 2005. Fortuna Silver Mines Inc. was incorporated in 1990 and is based in Vancouver, Canada.
Hochschild Mining plc (LSE:HOC)	Hochschild Mining plc, a precious metals company, engages in the exploration, mining, processing, and sale of gold and silver in the Americas. The company holds 100% interests in the Inmaculada gold/silver underground operation and Pallancata silver/gold property, which are located in the Department of Ayacucho in southern Peru. It also holds a 51% interest in the San Jose silver/gold mine located in Argentina. In addition, the company has a portfolio of projects located across Peru, Argentina, Mexico, United States, Canada, Brazil, and Chile. Further, it is involved in the power generation business. Hochschild Mining plc was founded in 1911 and is based in London, the United Kingdom.

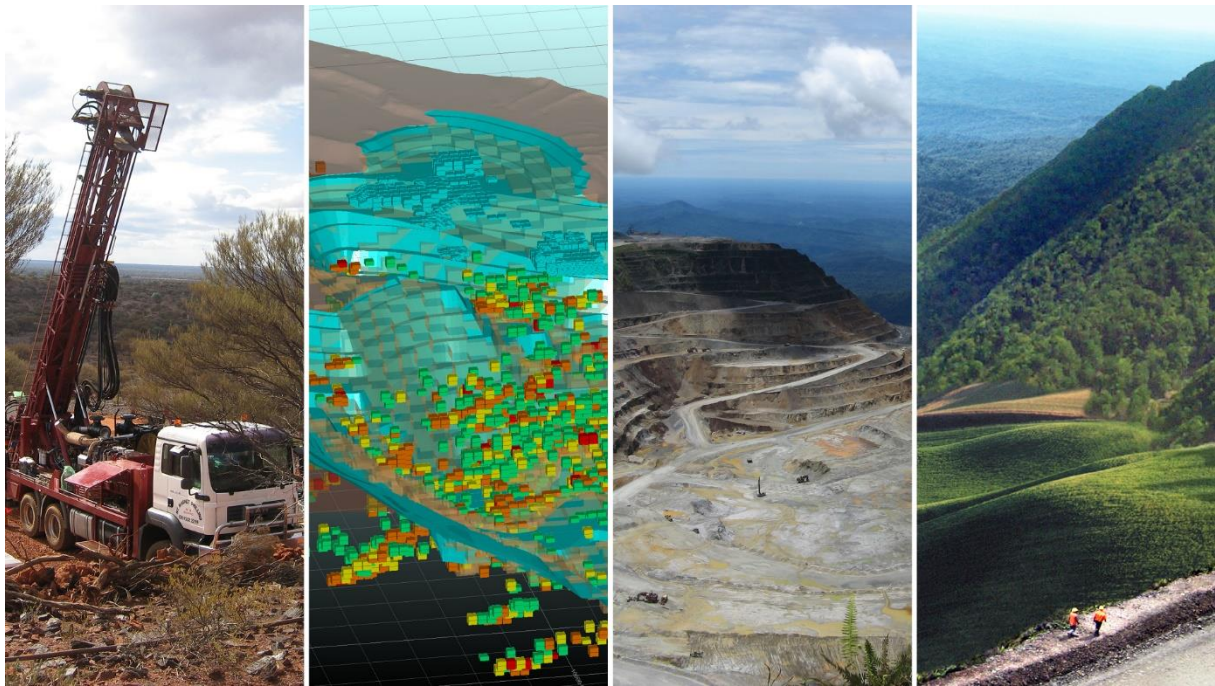
Source: S&P Capital IQ and BDO analysis

Appendix 5 - Independent Specialist Report

Final

Independent Specialist Report – Mineral Assets of OreCorp Limited and Silvercorp Metals Inc.

BDO Corporate Finance (WA) Pty Ltd



SRK Consulting (Australasia) Pty Ltd ■ BDO026 ■ October 2023

Final

Independent Specialist Report – Mineral Assets of OreCorp Limited and Silvercorp Metals Inc.

Prepared for:

BDO Corporate Finance (WA) Pty Ltd
Level 9, Mia Yellagonga Tower
25 Spring Street
Perth WA 6000

+61 8 6382 4600

Prepared by:

SRK Consulting (Australasia) Pty Ltd
Level 3, 18–32 Parliament Place
West Perth WA 6005
Australia

+61 8 9288 2000

www.srk.com

ABN: 56 074 271 720



Quality
ISO 9001

Lead Author: Mathew Davies **Initials:** MD

Reviewer: Jeames McKibben **Initials:** JMck

File Name:

BDO026_BDO OreCorp Silvercorp - ISR Master_Rev1.docx

Suggested Citation:

SRK Consulting (Australasia) Pty Ltd. 2023. Independent Specialist Report – Mineral Assets of OreCorp Limited and Silvercorp Metals Inc.. Final. Prepared for BDO Corporate Finance (WA) Pty Ltd: Project number: BDO026. Issued October. 2023.

Copyright © 2023

SRK Consulting (Australasia) Pty Ltd ■ BDO026 ■ October 2023



Acknowledgments

The following consultants have contributed to the preparation of this Report:

Role	Name	Professional designation
Coordinating author	Mathew Davies	BSc (Hons), MAusIMM
Contributing author	Lesley Jeffrey	MSc, BSc, PrSciNat, FGSSA, SACNASP, MFFF
Contributing author	Ivan Doku	GDE(Mining), MSc Eng, BSc Eng, PrSciNat
Contributing author	Norman McGeorge	MSc, BSc, PrEng, MSAIMM
Contributing author	Katie Barns	BEng, MBA, MAusIMM, MIPE(NZ), EwB(NZ)
Contributing author	Darryll Kilian	MA, BA(Hons), DipEd, BA, MIAIASA
Contributing author	Vassie Maharaj	BSc, MIAPP, MIAIPSA, MIDSA
Contributing author	Marcin Wertz	BSc, PrEng, FSAIMM
Contributing author	Alexander Thin	BEng (Hons), GDip Engineering, FAusIMM (CP), FIMMM (CEng), FSAIMM, RPEQ
Contributing author	Bonnie Zhao	MSc, BSc, MAusIMM, CMRV
Contributing author	Falong Hu	BEng, MBA, MAusIMM, CKC, CMRV
Contributing author	Yonggang Wu	BEng, MEng, MAusIMM
Contributing author	Anson Xu	PhD, MSc, BSc, FAusIMM
Contributing author	Xiangfeng Yang	BEng, MEng, MAusIMM, CMRV
Contributing author	Lanliang Niu	BEng, MAusIMM, MCAMRA, MGSC
Contributing author	Nan Xue	MSc, BSc, MAusIMM, LEIA
Peer review	Jeames McKibben	BSc (Hons), MBA, FAusIMM (CP), MAIG, MRICS, SME
Releasing authority	Jeames McKibben	BSc (Hons), MBA, FAusIMM (CP), MAIG, MRICS, SME

Disclaimer: The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by OreCorp Limited (OreCorp) and Silvercorp Metals Inc (Silvercorp). The opinions in this Report are provided in response to a specific request from BDO Corporate Finance (WA) Pty Ltd (BDO) to do so. SRK has exercised all due care in reviewing the supplied information. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

Contents

Useful Definitions	xiii
Executive Summary	xvi
1 Introduction	1
1.1 Scope	1
1.2 Reporting standard	2
1.3 Legal matters	3
1.4 Valuation date	3
1.5 Project team	3
1.6 Limitations, independence, indemnities and consent	6
1.6.1 Limitations and reliance	6
1.6.2 Statement of SRK independence	6
1.6.3 Indemnities	6
1.6.4 Consent	7
1.6.5 Consulting fees	7
1.7 Structure of the report	7
2 Context to the Scheme	8
2.1 Introduction	8
Part A: Mineral Assets of OreCorp	9
3 Nyanzaga Gold Project	10
3.1 Overview	10
3.1.1 Location, access and climate	10
3.1.2 Tenure and land use	12
3.1.3 Agreements, contracts and taxes	15
3.1.4 Project history	16
3.2 Geology and Mineral Resources	17
3.2.1 Site visit	17
3.2.2 Regional setting and local mineralisation	17
3.2.3 Resource estimation	21
3.3 Mining and Ore Reserves	32
3.3.1 Methods and design	32
3.3.2 Ore Reserves	35
3.3.3 Production schedule	35
3.3.4 Mining operating and capital costs	37
3.4 Metallurgical testwork and process design	39
3.4.1 Process flowsheet	39
3.4.2 Supporting testwork	40
3.4.3 Processing operating and capital costs	43
3.5 Environment and social	44
3.5.1 Integration in DFS	44
3.5.2 Environmental and social factors	45
3.5.3 Environmental and social management system	47
3.5.4 Environmental and social management plan	47
3.5.5 Tailings and water management	48
3.5.6 Monitoring	48
3.5.7 Permitting	49

3.5.8	Social factors.....	49
3.5.9	Environmental and social risks	50
3.5.10	Summary of the review findings	50
3.5.11	Mine closure plan	51
3.5.12	Closure costing	52
4	Other Mineral Assets	53
Part B: Mineral Assets of Silvercorp		54
5	Ying Mine.....	55
5.1	Overview.....	55
5.1.1	Location, access and climate	55
5.1.2	Ownership, tenure and land use	57
5.1.3	Agreements, contracts and taxes	60
5.1.4	Project history	61
5.2	Geology and Resources	63
5.2.1	Site visit.....	63
5.2.2	Regional setting and local mineralisation.....	66
5.2.3	Data collection.....	74
5.2.4	Resource estimation	75
5.2.5	Risks and opportunities.....	80
5.2.6	Prospectivity	81
5.2.7	SRK comments	81
5.3	Mining and Ore Reserves	83
5.3.1	Methods and design.....	84
5.3.2	Ore Reserves	91
5.3.3	Production schedule.....	96
5.3.4	SRK comments	97
5.3.5	Mining operating and capital costs.....	99
5.4	Metallurgical testwork and process design.....	108
5.4.1	Process flowsheet	108
5.4.2	Supporting testwork	112
5.4.3	Process throughput and metallurgical recovery.....	114
5.4.4	Processing operating and capital costs	118
5.5	Environment and Social.....	119
5.5.1	Permitting	119
5.5.2	Environmental management and compliance.....	120
5.5.3	Environmental considerations	121
5.5.4	Social considerations	123
5.5.5	Mine Closure Plan	123
6	GC Mine.....	125
6.1	Overview.....	125
6.1.1	Location, access and climate	125
6.1.2	Tenure and land use	127
6.1.3	Agreements, contracts and taxes	128
6.1.4	Project history	128
6.2	Geology and Resources	131
6.2.1	Regional setting and local mineralisation.....	131
6.2.2	Data collection.....	134
6.2.3	Mineral Resource estimation	136
6.2.4	Risks and opportunities.....	140

6.2.5	Prospectivity	141
6.2.6	SRK comments	141
6.3	Mining and Ore Reserves	141
6.3.1	Methods and design	142
6.3.2	Ore Reserves	148
6.3.3	Production schedule	151
6.3.4	SRK comments	152
6.3.5	Mining operating and capital costs	153
6.4	Metallurgical testwork and Process design	158
6.4.1	Process flowsheet	158
6.4.2	Supporting testwork	166
6.4.3	Process throughput and metallurgical recovery	166
6.4.4	Processing operating and capital costs	168
6.5	Environment and Social	170
6.5.1	Permitting	170
6.5.2	Environmental Impact Assessment	171
6.5.3	Environmental Considerations	171
6.5.4	Social Considerations	172
6.5.5	Mine Closure Plan	172
7	BYP Mine	173
7.1	Overview	173
7.1.1	Location, access and climate	173
7.1.2	Tenure and land use	176
7.1.3	Agreements, contracts and taxes	178
7.1.4	Project history	178
7.2	Geology and Resources	180
7.2.1	Regional setting and local mineralisation	180
7.2.2	Data collection	181
7.2.3	Mineral Resource Estimation	183
7.2.4	Risks and opportunities	188
7.2.5	Prospectivity	189
7.2.6	SRK comments	189
7.3	Mining and Ore Reserves	189
7.4	Metallurgical testwork and Process design	189
7.5	Environment and Social	189
7.5.1	Permitting	189
7.5.2	Environmental management and compliance	190
8	Other Mineral Assets	191
8.1	Kuanping	191
8.2	La Yesca	193
	Part C: Valuation	196
9	Other considerations	197
9.1	Commodity prices	197
9.1.1	Gold	197
9.1.2	Silver	198
9.2	Previous valuations	198
10	Valuation	199
10.1	Valuation basis	201

10.2	SRK's Valuation technique	202
10.3	Reasonableness of technical inputs to the Models	203
10.3.1	Adjustments to the LOM Plan to align with VALMIN Code requirements	203
10.3.2	SRK's LOM Plan recommendations	204
10.4	Resources external to mine plan	215
10.4.1	Introduction	215
10.4.2	Actual transactions	217
10.4.3	Comparable market transactions	219
10.4.4	Industry Yardstick crosscheck	227
10.4.5	Summary – residual Resource Valuation	229
10.5	Exploration Potential	230
10.5.1	Introduction	230
10.5.2	Comparable transactions – African gold	230
10.5.3	Geoscientific Rating	234
10.5.4	Summary – Exploration Potential Valuation	237
11	Valuation Summary	239
	References	242

Tables

Table 1-1: Details of the qualifications and experience of the consultants	3
Table 3-1: Project licence status	14
Table 3-2: Prospecting licence application	14
Table 3-3: Taxes applicable to the Nyanzaga Gold Project	16
Table 3-4: Mineral Resource Statement as declared by CSA Global	27
Table 3-5: Exploration Target as declared by OreCorp (November, 2022)	28
Table 3-6: Ore Reserves in the schedule	35
Table 3-7: Operating cost summary	37
Table 3-8: Costs	37
Table 3-9: Total mining capital cost for the Nyanzaga Gold Project	38
Table 3-10: Laboratory testwork	41
Table 3-11: Metallurgical samples	41
Table 3-12: Diagnostic leach results	42
Table 3-13: Ore types and feed blends	44
Table 3-14: DFS chapter featuring environmental and social aspects	44
Table 3-15: Environmental and social factors	45
Table 5-1: Mining licences	59
Table 5-2: Exploration licences	59
Table 5-3: Recent production and cost summary	62
Table 5-4: Summary of the database for the Ying Mine	75
Table 5-5: Mineral Resources of Ying Mine, as of 31 December 2021	76
Table 5-6: Key parameters of Mineral Resources estimate (Ying Mine)	77
Table 5-7: Grade capping summary at Ying Mine	79
Table 5-8: 'Residual' Mineral Resource Statement, as at 30 June 2023	82
Table 5-9: Summary of the mines at the Ying Mine Complex	83
Table 5-10: Parameters for the mining methods	87
Table 5-11: Ore (Mineral) Reserve Statement for Ying Mine summary, as at 31 December 2021	92
Table 5-12: Average dilution parameters by mine and method	94
Table 5-13: 'Depleted' Ore Reserves at Ying Mine, as at 30 June 2023	96
Table 5-14: Revised silver, lead and zinc grades for TLP Mine	99
Table 5-15: Mining costs for each mining section of Ying Mine	100
Table 5-16: Mining costs for each mining section of Ying Mine (continued)	101
Table 5-17: Mining costs for each mining section of Ying Mine (continued)	102
Table 5-18: Average labour, reclamation and environmental management costs of Ying Mine	103
Table 5-19: G&A costs of Ying Mine	103
Table 5-20: The inputs for various parameters SRK recommends to using in the Ying Mine model (RMB)	104
Table 5-21: Previous CAPEX into Ying Mine as on 31 December 2022 (RMB)	105
Table 5-22: Previous CAPEX into Ying Mine as on 30 June 2023 (RMB)	106
Table 5-23: New CAPEX needed in the Silvercorp NPV models (US\$)	107
Table 5-24: The historical testwork for the Ying Mine project	112
Table 5-25: Test results from HNMRI testwork (SGX)	113
Table 5-26: Test results from CCGRI testwork (HPG)	113
Table 5-27: Ore feed to Plant 1 (FY2023)	114
Table 5-28: Ore feed to Plant 2 (FY2023)	114
Table 5-29: Concentrate quality of Plant 1 and Plant 2 (FY2023)	115
Table 5-30: Overall metal recovery and SRK recommendations	116
Table 5-31: Milling costs of Ying Mine	118
Table 5-32: Details of the safety production permits for Ying Mine	119
Table 5-33: Details of the water use permit for Ying Mine	120

Table 5-34: Details of the EIA reports and approvals for Ying Mine	121
Table 5-35: Details of the reclamation cost for Ying Mine.....	124
Table 6-1: Mining Permit coordinates.....	127
Table 6-2: GC Mine mining licence	128
Table 6-3: Recent production and cost summary.....	131
Table 6-4: Summary of database used	136
Table 6-5: Mineral Resource Statement, as of 31 December 2020	137
Table 6-6: Key parameters of the Mineral Resources estimate (GC Mine)	137
Table 6-7: 'Residual' Mineral Resource Statement, as at 30 June 2023	141
Table 6-8: GC Mine production from FY2015 to FY 2021 (Q1 to Q3).....	142
Table 6-9: Mining equipment fleet as of December 2021	146
Table 6-10: Ore (Mineral) Reserve Statement for GC Mine summary, as at 31 December 2020	149
Table 6-11: Average dilution by mine and method.....	150
Table 6-12: 'Depleted' Ore Reserves for GC Mine, as at 30 June 2023.....	151
Table 6-13: Mining costs of GC Mine	154
Table 6-14: G&A costs of GC Mine	154
Table 6-15: The inputs for various parameters SRK recommends using in the GC Mine model (RMB).....	155
Table 6-16: Previous CAPEX into GC Mine as on 31 December 2022 (RMB).....	156
Table 6-17: Previous CAPEX into GC Mine as at 30 June 2023 (RMB).....	156
Table 6-18: New CAPEX needed in the Silvercorp's NPV models (US\$).....	157
Table 6-19: Closed circuit flotation test results of GC Mine	166
Table 6-20: Historical Production Index of GC Mine Processing Plant	167
Table 6-21: SRK recommendations on the product recovery	168
Table 6-22: Milling costs of GC mine.....	168
Table 6-23: Previous CAPEX into GC Mine as on 31 December 2022 (US\$).....	169
Table 6-24: Previous CAPEX into GC Mine as at 30 June 2023 (US\$).....	169
Table 6-25: Details of the safety production permits for the GC Mine	170
Table 6-26: Details of the water use permit for the GC Mine	170
Table 7-1: Yunxiang Mining, mining permit	176
Table 7-2: Mining Permit Gauss coordinates	177
Table 7-3: Mineral Resources for gold zones as of December 2011	179
Table 7-4: Mineral Resources for lead and zinc zones as of December 2011	179
Table 7-5: Historical Metallurgy and Production (2011)	180
Table 7-6: Historical exploration work summary	182
Table 7-7: Bulk Density Summary	182
Table 7-8: Summary of database of BYP Mine in the Mineral Resource Estimate.....	183
Table 7-9: BYP Mine Mineral Resource Estimate as at 30 November 2018	183
Table 7-10: Key parameters of the Mineral Resources estimate (BYP Mine)	186
Table 7-11: Details of the safety production permit for the BYP Mine	190
Table 8-1: Kuanping Chinese resource evaluation	192
Table 10-1: Suggested valuation approaches according to development status.....	199
Table 10-2: SRK's adopted valuation basis	202
Table 10-3: Life of Mine Plan – production sequencing	203
Table 10-4: SRK's recommendations regarding the Nyanzaga model	205
Table 10-5: SRK's recommendations regarding the Ying Model	208
Table 10-6: SRK's recommendations regarding the GC Model	212
Table 10-7: Interest in each project held by OreCorp and Silvercorp	215
Table 10-8: Summary of the residual Resources, and Exploration Target valued at Nyanzaga	215
Table 10-9: Summary of the residual Resources at Silvercorp's operations in silver equivalent as at 1 September 2023.....	216
Table 10-10: Summary of the Mineral Resources in gold equivalent.....	217
Table 10-11: Resource-based transaction multiple analysis.....	220

Table 10-12: Comparable transaction valuation of Resources and residual Resources on an attributable basis	223
Table 10-13: Resource-based silver transaction multiple analysis	224
Table 10-14: China Resource-based gold transaction multiple analysis	225
Table 10-15: Comparable Transaction Valuation of residual Resources and Mineral Resources	226
Table 10-16: Yardstick factors value range	227
Table 10-17: Yardstick Valuation of residual Resources and Exploration Target	227
Table 10-18: Yardstick factors value range (silver)	228
Table 10-19: Yardstick Valuation of residual Resources (Ying and GC)	228
Table 10-20: Yardstick Valuation of BYP Mineral Resources	229
Table 10-21: Summary of SRK's Valuation of OreCorp's residual Resources and Exploration Target on an attributable basis.	229
Table 10-22: Summary of SRK's Valuation of residual Resources and Mineral Resources	230
Table 10-23: Area-based transaction multiple analysis	232
Table 10-24: Exploration Potential Value using Transaction Analysis – net attributable basis	233
Table 10-25: BAC cost calculation PL/EL	234
Table 10-26: BAC cost calculation SML	235
Table 10-27: Modified property rating criteria	236
Table 10-28: Summary of Exploration Potential Value using the Geoscientific (Kilburn) Method – net attributable basis	237
Table 10-29: Valuation summary – exploration potential	238
Table 11-1: Summary of the Market Value of the Mineral Assets	240

Figures

Figure 3-1: Geographic location (left) and access to (right) the Nyanzaga Gold Project	10
Figure 3-2: Aerial view of the project site (looking west)	11
Figure 3-3: Nyanzaga SML and prospecting rights	13
Figure 3-4: Oblique view (looking north) of HG mineralised unit and TOFR (in grey).....	19
Figure 3-5: Plan view of Kilimani grade estimate (grey) and mineralised drill hole intercepts (red)	20
Figure 3-6: Section view of Kilimani grade estimate (grey) and mineralised drill hole intercepts (red).....	20
Figure 3-7: Log normal distribution of Kilimani gold (capped) composite dataset.....	22
Figure 3-8: Log normal distribution of Nyanzaga gold (capped) composite dataset.....	23
Figure 3-9: Oblique view showing footprint of only Measured Mineral Resources displayed using a SoR legend.....	25
Figure 3-10: Aircore drilling in the western areas of the Nyanzaga SML	30
Figure 3-11: Geophysical interpretation across OreCorp's permit areas	31
Figure 3-12: Nyanzaga Special Mining Licence area and site layout.....	32
Figure 3-13: Typical resultant pit	33
Figure 3-14: Resultant underground layout	34
Figure 3-15: Production schedule	36
Figure 3-16: Nyanzaga process flowsheet	39
Figure 3-17: Metallurgical sample location	41
Figure 3-18: Leach testwork results.....	42
Figure 5-1: Location of Ying Mining Complex.....	56
Figure 5-2: Ying Mine and mill locations.....	57
Figure 5-3: Location of the approved mining licences forming the Ying Mine.....	58
Figure 5-4: SGX drill core store	64
Figure 5-5: Core splitting machine at TLP	64
Figure 5-6: Core catalogue room at LMW	65
Figure 5-7: Sample preparation room of SGS	65
Figure 5-8: Ying laboratory	66
Figure 5-9: Geology of Western Henan Province and location of the Ying property.....	67
Figure 5-10: Tunnels and veins in the SGX area	68
Figure 5-11: Tunnels and veins in the HZG area	70
Figure 5-12: Tunnels and veins in the HPG area	71
Figure 5-13: Distribution of mineralised veins in the TLP-LM area	72
Figure 5-14: Tunnels and veins in the HPG area	73
Figure 5-15: Mineral Resource classification longitudinal projection SGX mine: Vein S19	79
Figure 5-16: Local view of block model for Vein S14-1 – SGX	80
Figure 5-17: An orthogonal view of the SGX mine design	85
Figure 5-18: Underground access and level drive at the TLP and LMW mines	85
Figure 5-19: Typical rescue stopeing method	86
Figure 5-20: Typical shrinkage stopeing method.....	87
Figure 5-21: Typical resuing stope condition at the TLP Mine	88
Figure 5-22: Typical underground conditions	89
Figure 5-23: Backfill plant at LMW	90
Figure 5-24: Dilution planned for stopes at SGX Mine	95
Figure 5-25: Waste dump in TLP and aggregate factory typical shrinkage stopeing method	99
Figure 6-1: GC Mine location.....	126
Figure 6-2: Regional geology map.....	132
Figure 6-3: Local geology map of GC Mine.....	133
Figure 6-4: Plan view of veins at GC Mine	134
Figure 6-5: View of GC drill holes and channel sampling.....	136

Figure 6-6: Local view of block model for Vein NV10	139
Figure 6-7: Drill core store of GC Mine	140
Figure 6-8: Site laboratory of GC Mine	140
Figure 6-9: An orthogonal view of the GC Mine design	143
Figure 6-10: Underground access and level drive of GC Mine	144
Figure 6-11: Operation of cut and fill stoping	145
Figure 6-12: Example of GC Mine equipment on site	146
Figure 6-13: GC Mine Central Control System	148
Figure 6-14: Dilution planned for some stopes of GC Mine	151
Figure 7-1: BYP general mine location	174
Figure 7-2: BYP Mine location	175
Figure 7-3: Local geology map of BYP Mine	181
Figure 7-4: 3D view of mineralisation domains of BYP Mine	185
Figure 7-5: Mineral Resource classification of gold deposit	187
Figure 7-6: Mineral Resource classification of lead-zinc deposit	188
Figure 8-1: Location map of the Kuanping Project	191
Figure 8-2: Location of drill holes and significant intercepts at the La Yesca Project	194
Figure 9-1: Monthly average commodity prices (US\$ terms) January 2015 – present	197
Figure 10-1: Project value curve	220
Figure 10-2: Resource multiples for African gold transactions	222
Figure 10-3: Resource multiples for African gold transactions (adjusted axis)	222
Figure 10-4: China Resource-based silver transaction multiple analysis	225
Figure 10-5: China Resource-based gold transaction multiple analysis	226
Figure 10-6: Area-based multiples African gold transactions (excludes high outliers >US\$300/km ²)	231

Appendices

Appendix A	Comparative transactions
Appendix B	SRK assessment: geoscientific scorecard

Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

Abbreviations

amsl	above mean sea level
ANCOLD	Australian National Committee on Large Dams
Anhui Yangtze	Anhui Yangtze Mining Co. Ltd.
ARI	average recurrence interval
BDO	BDO Corporate Finance (WA) Pty Ltd
BYP	Baiyunpu Zinc and Lead Mine
CRM	certified reference material
DCG	Dongcaogou Gold and Silver Mine
EC	Environmental Certificate
EPCM	Engineering, Procurement and Construction Management
ESAP	environmental and social action plan
ESG	environmental, social and governance
ESMP	environmental and social management plan
ESMS	environmental and social management system
GHG	greenhouse gas
GoT	Government of Tanzania
Guangdong Found	Guangdong Found Mining Co. Ltd. (China)
HAZOP	Hazard and Operability
HG	high-grade
HNTE	High and New Technology Enterprise
ID2	inverse distance squared
JORC Code	<i>Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, edition 2012</i>
LG	low-grade
LOM	life of mine
LUC	Localised Uniform Condition
MG	medium grade
NMCL	Nyanzaga Mining Company Ltd
Nyanzaga	Nyanzaga Gold Project
OK	Ordinary Kriging
OP	open pit
OreCorp	OreCorp Limited
PFS	pre-feasibility study
QC	quality control

RAP	resettlement action plan
RMB	Chinese Yuan Renminbi
ROM	run of mine
RPEEE	Reasonable Prospect for Eventual Economic Extraction
RPF	Resettlement Policy Framework
SCS	sediment control structures
Silvercorp	Silvercorp Metals Inc.
SMCL	Sotta Mining Corporation Ltd
SML	Special Mining Licence
SMU	selective mining unit
SoR	Slope of Regression
SPW	Sum of Positive Weights
SRK ZA	SRK South Africa
SVOL1	first search pass
SVOL2	second search pass
SVOL3	third search pass
TANESCO	Tanzania Electric Supply Company Limited
TANROADS	Tanzanian National Roads Agency
TARURA	Tanzanian Rural and Urban Roads Agency
TOFR	Top of Fresh Rock
TSF	tailings storage facility
UG	underground
US\$	United States dollars
US\$m or US\$M	million United States dollars
VALMIN Code	Australasian Code for the Public Reporting of Technical Assessment and Valuation of Mineral Assets, edition 2015
VAT	Value Added Tax
Xinda	Luoning Xinda Mineral Products Trade Co. Ltd.
Yangtze Gold	Yangtze Gold Ltd.
Yangtze Mining	Xinshao Yunxiang Mining Co. Mining Ltd.
Yunxiang Mining	Xinshao Yunxiang Mining Co. Ltd.

Chemical symbols

Ag	silver
Au	gold
CH ₄	methane
CO ₂	carbon dioxide

H ₂ S	hydrogen sulfide
NO ₂	nitrogen dioxide
Pb	lead
SO ₂	sulfur dioxide
Zn	zinc

Units

%	percentage
°	degrees
°C	degrees Celsius
asl	above sea level
g/t	grams per tonne
ha	hectares
km	kilometres
km ²	square kilometres
ktpa	kilotonnes per annum
m	metres
Mlb	million pounds
mm	millimetres
Moz	million ounces
Mt	million metric tonnes
Mtpa	million tonnes per annum
t	metric tonnes
tpa	tonnes per annum
tpd	tonnes per day
tpm	tonnes per month

Executive Summary

BDO Corporate Finance (WA) Pty Ltd (BDO) has been engaged by OreCorp Limited (OreCorp) to prepare an Independent Expert's Report (IER – BDO Report) commenting on the fairness and reasonableness of a proposed transaction with Silvercorp Metals Inc. (Silvercorp). The transaction structure envisages the proposed acquisition of the entire issued capital of OreCorp by Silvercorp via a Scheme of Arrangement (the Scheme), with consideration being A\$0.15 per share in cash and 0.0967 shares in Silvercorp for all OreCorp shares.

BDO subsequently contacted SRK Consulting (Australasia) Pty Ltd (SRK) to prepare an Independent Specialist Report (ISR or Report) incorporating a technical assessment and valuation of the mineral assets of both companies and providing its opinion on matters for which BDO is not the Specialist (SRK Scope).

OreCorp's mineral assets to be considered by SRK include:

- An 84% interest¹ in the Nyanzaga Gold Project located 60 km south-southwest of Mwanza in the Lake Victoria Goldfields, Tanzania.

Silvercorp's mineral assets to be considered by SRK include:

- A 77.5% interest in the Ying silver-lead-zinc mine located 240 km west-southeast of Zhengzhou in Henan Province, China
- A 99.0% interest in the GC Mine located 15 km west of Yunfu in Guangdong Province, China
- A 70.0% interest in the BYP Mine located 20 km northwest of Shaoyang in Hunan Province, China.

Based on BDO's Instruction Letter, SRK's scope comprises:

1. A review of the relevant technical project assumptions of the Nyanzaga, Ying and GC mines and the provision of an assessment on the reasonableness of each of the assumptions used in the life of mine base cash flow models (the Models) including the:
 - a. Mineral Resources and Ore Reserves incorporated into the Models
 - b. mining physicals (including tonnes of ore mined, quality, waste material and mine life)
 - c. processing physicals (including ore processed and produced)
 - d. production and operating costs (including, but not limited to drilling, blasting, mining, haulage, transport, general administration, distribution and marketing, contingencies and royalties or levies)
 - e. capital expenditure (including but not limited to pre-production costs, project capital costs, sustaining capital expenditure, salvage value, rehabilitation and contingency)
 - f. any other relevant technical assumptions not specified above.

Should SRK determine that an assumption (primarily revenue, cost or timing related) in the provided Models is unreasonable, it will be reflected in SRK's report with explanation. SRK is to advise BDO before the completion of its report to assist BDO in making any changes to the Models.

¹ The Government of Tanzania holds the remaining 16% interest in Nyanzaga.

SRK may also be asked to assist with the assessment of the reasonableness of the assumptions for more than one scenario if it is considered appropriate.

SRK's scope specifically excludes any work relating to the marketing, commodity price and exchange rate assumptions, inflation rates and financial analysis (including discount rate) adopted in the Models.

2. Additionally, SRK will provide an independent opinion on the market valuation of:
 - a. Any stated Mineral Resources or Ore Reserves at OreCorp's Nyanzaga Gold Project or Silvercorp's Ying and GC mines that are not already included in the Models (defined as residual Resources)
 - b. Silvercorp's BYP mine, which is currently on care and maintenance
 - c. Any other mineral assets held by either OreCorp or Silvercorp that SRK considers are likely to have material value.

SRK's Report has been prepared in accordance with the guidelines outlined in the *Australasian Code for the Public Reporting of Technical Assessment and Valuation of Mineral Assets* (VALMIN Code, 2015), which incorporates the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code, 2012).

SRK's recommended valuation ranges and preferred values are detailed in Section 10 of this Report (Valuation) and are summarised in Table ES-1. The valuation represents the Market Value of the Mineral Assets as at the Valuation Date, this being 11 October 2023.

Based on its technical assessment and valuation presented in the Report, Table ES-1 summarises SRK's market value assessment of the defined residual Resources (i.e. those Mineral Resources that lie outside the life of mine schedule) and exploration potential at each of the relevant Projects in accordance with its mandate.

SRK notes that the market value of the life of mine (LOM) schedules at each of OreCorp's Nyanzaga Gold Project and Silvercorp's Ying and GC mines has been assessed by BDO (with input from SRK on the appropriate technical inputs) in its IER and as such no value has been ascribed by SRK in Table ES-1.

Table ES-1: Summary valuation

Method	Low (US\$M)	High (US\$M)	Preferred (US\$M)
Residual Resources and Exploration Targets	8.58	18.43	13.51
Exploration Potential	1.15	2.62	1.89
Selected OreCorp (net attributable basis)	9.73	21.05	15.39
Residual Resources	57.05	103.24	80.15
Exploration Potential	-	-	-
Selected Ying (77.5%)	57.05	103.24	80.15
Residual Resource	24.24	44.28	34.26
Exploration Potential	-	-	-
Selected GC (99%)	24.24	44.28	34.26
Residual Resource	20.23	38.48	29.35
Exploration Potential	-	-	-
Selected BYP (70%)	20.23	38.48	29.35
Residual Resources	-	-	-
Exploration Potential	13.10	13.10	13.10
Selected Other	13.10	13.10	13.10
Residual Resources Totals	101.52	186.00	143.76
Exploration Potential Totals	13.10	13.10	13.10
Selected Silvercorp (net attributable basis)	114.62	199.10	156.86

Note: Any discrepancies between values in the tables are due to rounding.

In considering the overall value of the mineral assets, SRK has adopted the values implied by both Comparable Transaction and Yardsticks and/or Comparable Transaction and geoscientific rating methodologies. For Kuanping only the actual transaction value reflecting a competitive public auction process in November 2021 was used. No value has been assigned to the La Yesca Project as it is not considered to hold material value. SRK has adopted the midpoint as its preferred value overall for the assets where a range was determined.

In defining its valuation ranges, SRK notes that there are inherent risks involved when conducting any arm's length valuation exercise. These factors can ultimately result in significant differences in valuations over time. By applying narrower confidence ranges, a greater degree of certainty regarding these assets is being implied than may be the case. Where possible, SRK has endeavoured to narrow its valuation range.

1 Introduction

On 6 August 2023, OreCorp and Silvercorp announced the signing of a binding scheme implementation deed whereby Silvercorp would acquire all fully paid ordinary shares in OreCorp not already held by Silvercorp or its associates, pursuant to an Australian Scheme of Arrangement (the Scheme).

BDO has been engaged by OreCorp to prepare an Independent Expert's Report (BDO Report) for inclusion within a Scheme Booklet to be provided to OreCorp shareholders.

Mr Sherif Andrawes, Head of Global Natural Resources at BDO, subsequently engaged (Engagement), SRK to provide an ISR (or Report) relating to the mineral assets of both OreCorp and Silvercorp.

1.1 Scope

The Engagement scope requested SRK to complete the following:

1. A review of the relevant technical project assumptions of the Nyanzaga, Ying and GC mines and the provision of an assessment on the reasonableness of each of the assumptions used in the life of mine base cash flow models (the Models) including the:
 - a. Mineral Resources and Ore Reserves incorporated into the Models
 - b. mining physicals (including tonnes of ore mined, quality, waste material and mine life)
 - c. processing physicals (including ore processed and produced)
 - d. production and operating costs (including, but not limited to drilling, blasting, mining, haulage, transport, general administration, distribution and marketing, contingencies and royalties or levies)
 - e. capital expenditure (including but not limited to pre-production costs, project capital costs, sustaining capital expenditure, salvage value, rehabilitation and contingency)
 - f. any other relevant technical assumptions not specified above.

Should SRK determine that an assumption (primarily revenue, cost or timing related) in the provided Models is unreasonable, it will be reflected in SRK's report with explanation. SRK is to advise BDO before the completion of its report to assist BDO in making any changes to the Models.

SRK may also be asked to assist with the assessment of the reasonableness of the assumptions for more than one scenario if it is considered appropriate.

SRK's scope specifically excludes any work relating to the marketing, commodity price and exchange rate assumptions, inflation rates and financial analysis (including discount rate) adopted in the Models.

2. Additionally, SRK will provide an independent opinion on the market valuation of:
 - a. Any stated Mineral Resources or Ore Reserves at OreCorp's Nyanzaga Gold Project or Silvercorp's Ying and GC mines that are not already included in the Models (defined as residual Resources)
 - b. Silvercorp's BYP mine which is currently on care and maintenance

- c. Any other mineral assets held by either OreCorp or Silvercorp that SRK considers is likely to have material value.

1.2 Reporting standard

This Report has been prepared in accordance with the guidelines outlined in the *Australasian Code for the Public Reporting of Technical Assessment and Valuation of Mineral Assets* (VALMIN Code, 2015), which incorporates the *Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code, 2012).

A first draft of the report was supplied to BDO and OreCorp to check for material errors, factual accuracy and omissions before the final report was issued.

For the purpose of this Report, value is defined as 'market value', being the amount of money (or the cash equivalent or some other consideration) for which a mineral asset should change hands on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing, wherein the parties each acted knowledgeably, prudently and without compulsion.

SRK's Report does not comment on the 'fairness and reasonableness' of any transaction between OreCorp and Silvercorp or any other parties.

For this Report, SRK has classified the mineral assets of OreCorp in accordance with the categories outlined in the VALMIN Code (2015), these being:

- **Early-Stage Exploration Projects** – tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **Advanced Exploration Projects** – tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **Pre-Development Projects** – tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **Development Projects** – tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of development Projects will be proven by at least a pre-feasibility study (PFS).
- **Production Projects** – tenure holdings – particularly mines, borefields and processing plants that have been commissioned and are in production.

As discussed further in this Report, SRK has classified OreCorp's Nyanzaga Gold Project as a Pre-Development Project for valuation purposes, while Silvercorp's Ying and GC mines are Production Projects and the BYP Project is best evaluated as a Pre-Development Project.

SRK has used valuation approaches that are typically used for mineral assets at each of these respective stages. Additional details are provided in Section 9 and Section 10 of this Report.

1.3 Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this valuation. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture (JV) agreements, local heritage or potential environmental or land access restrictions.

1.4 Valuation date

The Valuation Date adopted is the date of this Report, namely 11 October 2023.

1.5 Project team

This Report has been prepared by a team of consultants from SRK's offices in South Africa, China and Australia. Details of the qualifications and experience of the consultants who have carried out the work in this Report, who have extensive experience in the mining industry and are members in good standing of appropriate professional institutions, are set out in Table 1-1.

Table 1-1: Details of the qualifications and experience of the consultants

Specialist	Position/ Company	Responsibility	Length and type of experience	Site inspection	Professional designation
Alexander Thin	Principal Consultant/ SRK China	Project Management, Mining and overall China asset responsibility	35 years of experience – 11 years in consulting specialising in mineral asset audits and evaluations, independent technical reports, techno- economic studies, mining related mergers and acquisitions, due diligence and advisory services; 24 years in operations.	No	BEng (Hons), GDip Engineering, FAusIMM (CP), FIMMM (CEng), FSAIMM, RPEQ
Bonnie Zhao	Principal Consultant/ SRK China	Geology, Mineral Resources and exploration potential	More than 14 years of experience in geological databases, QA/QC, geological modelling, mineral resource estimations, technical reporting, gap analysis and due diligence studies.	Yes	MSc, BSc, MAusIMM, CMRV

Specialist	Position/ Company	Responsibility	Length and type of experience	Site inspection	Professional designation
Falong Hu	Principal Consultant/ SRK China	Mining, operating and capital costs	More than 11 years of mining consultant experience; mining assessment, reviewing Mineral Resources, Ore Reserve estimation, production scheduling, CAPEX and OPEX review and technical economic analysis, preparation of independent technical reports.	Yes	BEng, MBA, MAusIMM, CKC, CMRV
Yonggang Wu	Principal Consultant/ SRK China	Geology, Mineral Resources and Mining	More than 15 years of geological and mining experience; mining assessment, reviewing Mineral Resources, Ore Reserve estimation, production scheduling, CAPEX and OPEX review and technical economic analysis, preparation of independent technical reports.	Yes	BEng, MEng, MAusIMM
Anson Xu	Corporate Consultant/ SRK China	Processing and associated OPEX and CAPEX	More than 30 years of experience in the exploration and development of various types of mineral deposits. Also due diligence/ technical reviews of projects, for NI 43-101 reports and HKEx IPO technical reports.	No	PhD, MSc, BSc, FAusIMM
Xiangfeng Yang	Senior Consultant/ SRK China	Mineral processing and associated operating and capital costs	More than 10 years of mineral processing experience in the selection and procurement of beneficiation equipment, processing flowsheet and plant design, especially in industrial minerals including gold, silver, lead, zinc, copper as well as phosphate, potash, fluorite.	No	BEng, MEng, MAusIMM, CMRV
Gavin Chan	Principal Consultant/ SRK Hong Kong	Silvercorp residual resources and Mineral Resources valuation	19 years: 15 years in technical consulting including valuation and 4 years in academia	No	BSc, MPhil, PhD, FAIG

Specialist	Position/ Company	Responsibility	Length and type of experience	Site inspection	Professional designation
Fong Cheuk	Consultant/ SRK Hong Kong	Silvercorp residual resources and Mineral Resources valuation	12 years: 7 years in technical consulting including valuation and 5 years in exploration geology	No	BSc, MAIG
Lanliang Niu	Principal Consultant/ SRK China	Mineral processing and associated operating and capital costs	More than 30 years of practice of metallurgical researching and mine technical service. Academic and practical experience in Au, Ag, Cu-Ni, Ag-Pb-Zn, Iron, Fluorite and REE.	No	BEng, MAusIMM, MCAMRA, MGSC
Nan Xue	Principal Consultant/ SRK China	Environmental and permitting	More than 15 years in China focusing on environmental impact assessment for construction projects, environmental planning, environmental management and environmental due diligence.	No	MSc, BSc, MAusIMM, LEIA
Lesley Jeffrey	Principal Geologist/ SRK ZA	Local project manager, overview, tenure, reporting	39 years: coal – geology, modelling, resource estimation	None	MSc, BSc, PrSciNat, FGSSA, FFF
Ivan Doku	Principal Geologist/ SRK ZA	Geology, Mineral Resources	16 years: precious/base/industrial metals/minerals – geology, modelling, resource estimation	None	GDE(Mining, MSc Eng, BSc Eng, PrSciNat
Noddy McGeorge	Principal Mining Engineer/ SRK ZA	Mining, Ore Reserves	37 years: all aspects of mining engineering (underground, open pit), mine management	None	MSc, BSc, PrEng, MSAIMM
Katie Barns	Associate Principal Consultant	Mineral Processing		None	BEng, MBA, MAusIMM, MIPE(NZ), EwB(NZ)
Darryll Kilian	Principal Consultant/ SRK ZA	Environmental Science	28 years: environmental management, consulting and research	None	MA, BA(Hons), DipEd, BA, MIAIASA
Vassie Maharaj	Principal Consultant/ SRK ZA	Social Science	24 years: social risk management, stakeholder engagement	None	BSc, MIAPP, MIAIPSA, MIDSA
Marcin Wertz	Principal Mining Engineer/ SRK ZA	Technical review	36 years: mine planning, underground hard rock mine design, study management	None	BSc, PrEng, FSAIMM

Specialist	Position/ Company	Responsibility	Length and type of experience	Site inspection	Professional designation
Mathew Davies	Senior Consultant/ SRK	Valuation	15 years including 12 years in technical consulting and valuation	None	BSc (Hons), MAusIMM
Jeames McKibben	Principal Consultant/ SRK	Peer Review	29 years: 19 years in valuation and corporate advisory, 2 years as an analyst and 8 years in exploration and project management roles	None	BSc (Hons), MBA, FAusIMM (CP), MAIG, MRICS, MSME

1.6 Limitations, independence, indemnities and consent

1.6.1 Limitations and reliance

SRK's opinion contained herein is based on information provided to SRK by OreCorp and Silvercorp throughout the course of SRK's investigations as described in this Report, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided by OreCorp and Silvercorp was taken in good faith by SRK. SRK has not recalculated the Mineral Resources or Ore Reserves estimates, but has independently assessed the reasonableness of the estimates.

This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider them to be material.

As far as SRK has been able to ascertain, the information provided by OreCorp and Silvercorp was complete and not incorrect, misleading or irrelevant in any material aspect.

1.6.2 Statement of SRK independence

Neither SRK, nor any of the authors of this Report, has any material present or contingent interest in the outcome of this Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting their independence or that of SRK. SRK has no beneficial interest in the outcome of this Report capable of affecting its independence.

1.6.3 Indemnities

As recommended by the VALMIN Code (2015), OreCorp and Silvercorp has represented in writing to SRK that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

In line with the VALMIN Code (2015), OreCorp has provided SRK with an indemnity letter under which SRK is to be compensated for any liability and/or expenditure resulting from any additional work required which:

- results from SRK's reliance on information provided by OreCorp and Silvercorp, or OreCorp and Silvercorp not providing material

- relates to any consequential extension of workload through queries, questions or public hearings arising from this report.

1.6.4 Consent

SRK understands that this Report may be provided to OreCorp's shareholders. SRK provides its consent for this Report to be included in the BDO Report on the basis that the technical assessment and valuation expressed in the Executive Summary and in the individual sections of this Report is considered with, and not independently of, the information set out in the complete Report.

1.6.5 Consulting fees

SRK's estimated fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and the availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$350,000. The payment of this professional fee is not contingent upon the outcome of this Report.

1.7 Structure of the report

This report adopts the following structure:

Part A: OreCorp's Nyanzaga Gold Project comprising Sections 3 to 4

Part B: Silvercorp's Ying and GC mines, along with the BYP Project comprising Sections 5 to 8

Part C: Valuation of OreCorp's and Silvercorp's Mineral Resources and Ore Reserves not included in the Nyanzaga, Ying and GC cash flow models, and other mineral assets comprising Sections 9 to 11.

2 Context to the Scheme

2.1 Introduction

On 6 August 2023, OreCorp and Silvercorp jointly announced the signing of a binding scheme implementation deed, whereby Silvercorp will acquire all fully paid ordinary shares of OreCorp, not held by Silvercorp or its associates, pursuant to an Australian scheme of arrangement under Part 5.1 of the *Corporations Act 2001* (the Scheme) subject to the satisfaction of various conditions.

As per the joint announcement, highlights of the transaction are reported to include:

- OreCorp shareholders to receive A\$0.15 in cash and 0.0967 of a Silvercorp common share (valued at A\$0.45) for each OreCorp Share, representing a total consideration with an implied value of A\$0.60 per OreCorp Share (based on the 20-day volume weighted average price of Silvercorp's common shares on the NYSE American for the period ending 3 August 2023 using an exchange rate of A\$1.526:US\$1).
- Silvercorp to provide OreCorp with approximately A\$28 M in funding via an equity placement to immediately advance development of the Nyanzaga Gold Project including resettlement activities and early project works.
- Creating a diversified precious metal company with a robust growth pipeline and exposure to an emerging mining jurisdiction
- A re-rating opportunity for the development of the Nyanzaga Gold Project.
- Improved access to capital, higher liquidity, increased scale and enhanced relevance in capital markets.
- Financial depth to fund construction and exploration, as well as regional acquisition opportunities.
- Access to Silvercorp's technical team with proven expertise in construction and optimisation.

The following sections provide an overview the technical merits, opportunities and risks associated with the various Mineral Assets held by both OreCorp and Silvercorp.

Part A: Mineral Assets of OreCorp

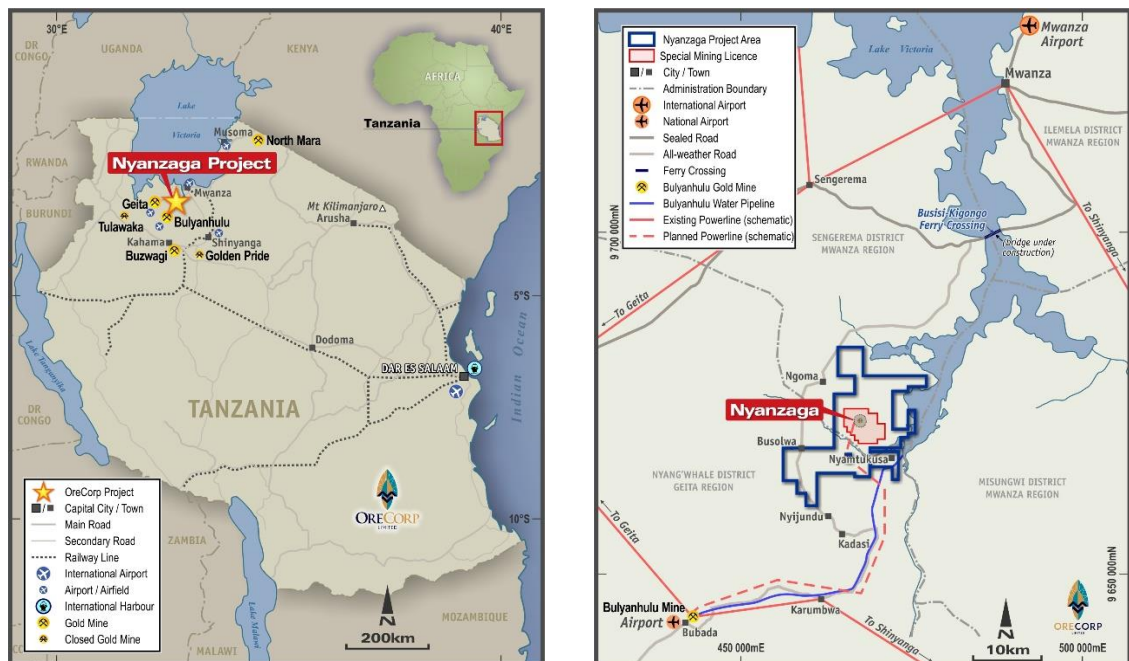
3 Nyanzaga Gold Project

3.1 Overview

3.1.1 Location, access and climate

OreCorp's key project is the Nyanzaga Gold Project (Nyanzaga) in the Lake Victoria Goldfield, located in northwest Tanzania in the Sengerema District of the Mwanza Region. The project lies south of Lake Victoria with geographic coordinates 2°58'S and 32°42'E (Figure 3-1). It is approximately 60 km southwest of Mwanza city, 60 km east of AngloGold Ashanti's Geita Gold Mine and 30 km northeast of Barrick Gold's Bulyanhulu Gold Mine.

Figure 3-1: Geographic location (left) and access to (right) the Nyanzaga Gold Project



Source: Gerschwitz (19/09/2023)

Mwanza can be reached via sealed national roads from the coastal city of Dar es Salaam (approximately 1,100 km away) or by international or domestic flights into Mwanza Airport.

The project can be accessed from Mwanza by the all-weather sealed national B6 and B163 roads, crossing the Smith Sound of the Mwanza Gulf by ferry between the towns of Kikongo and Busisi. Thereafter, a 35 km long gravel road (the R162) leads to Ngoma village, with a further 7 km gravel road leading to Nyanzaga Camp itself (Figure 3-1). A bridge is currently being constructed across the Smith Sound at Busisi, and is due for completion in 2024. Alternative access from Bulyanhulu Gold Mine via the villages of Karumbwa, Nyundu and Ngoma is possible via 65 km of gravel road. National roads are usually well-maintained by the Tanzanian National Roads Agency (TANROADS) while the gravel roads are somewhat less well-maintained by the Tanzanian Rural and Urban Roads Agency (TARURA). OreCorp plans to upgrade the Ngoma–Nyanzaga gravel road, with the agreement of TARURA.

Tanzania lies between 2° and 11° south of the Equator and between 30° and 40° east of the Greenwich Meridian on the east coast of Africa. The proximity to the Equator results in daylight hours of very close to 12 hours each day. The altitude varies from sea level in the east to a maximum of 5,895 m above mean sea level (amsl) on Mount Kibo (the highest peak of Mount Kilimanjaro), with an average elevation of 1,018 m amsl. This range results in a climate that varies from tropical on the coast to temperate in the highlands. Most of Tanzania lies above 1,000 m amsl, except for the south-southeastern part of the country.

The topography of the Nyanzaga area is between approximately 1,100 m and 1,500 m amsl with a zone of gentle northwest-trending hills – Kilimani Ridge, Nyanzaga Hill and Nyamtukuza Hill – straddling the project area in a south-southwest direction (Figure 3-2).

Figure 3-2: Aerial view of the project site (looking west)



Source: OreCorp (2023)

The climate is tropical to subtropical, moderated by the altitude of the highland plateau. The average maximum temperature is around 27–28°C, while the average minimum temperature varies slightly between 16°C and 19°C. October is the hottest month and July is the coolest. The dry season is from June to September when it is windy and partly cloudy, while the wet season, extends from October to May and is humid and overcast. The annual average rainfall is slightly over 800 mm: the rainfall peaks in November (139 mm) and April (127 mm) and is lowest in July (6 mm)².

² Climate data sourced from <https://weatherspark.com/y/97203/Average-Weather-in-Mwanza-Tanzania-Year-Round>

3.1.2 Tenure and land use

SRK has placed reliance on ALN Tanzania/A&K Tanzania (ALN Tanzania/A&K Tanzania, 2023). for the legal verification of tenure for the Special Mining Licence (SML) referred to below. SRK has reviewed the various licence documents (SML and prospecting licences/prospecting licence application) provided and assured itself of the correct geographical extent and status of the licences with respect to the exploration, etc. conducted by OreCorp. In addition, SRK consulted the Tanzanian Mining Cadastre and confirmed that the details in the licence documents match those on the Cadastre as at 31 July 2023.

Nyanzaga is owned by Sotta Mining Corporation Ltd (SMCL), a subsidiary of OreCorp (OreCorp, 2022b). OreCorp holds an 84% interest in the project through its wholly owned subsidiary, Nyanzaga Mining Company Ltd (NMCL), with the Treasury Registrar of the Government of Tanzania (GoT) owning the balance of 16%, a free-carried interest, in accordance with Tanzania's *Mining Act* (Chapter 123, Revised Edition 30 November 2019). The GoT is entitled to acquire an additional interest, up to a maximum of 50%.

The GoT granted an SML³ – SML 653/2021 – to SMCL on 13 December 2021, which is valid for a period of 15 years until 13 December 2036 (Figure 3-3) – the SML encompasses the Nyanzaga and Kilimani gold deposits. A Framework Agreement and a Shareholder Agreement were both signed on the same date between the GoT and NMCL, confirming the rights and responsibilities of each party regarding the development and management of the project (refer to Section 3.1.3 for further information). The Environmental Certificate (EC) was transferred soon thereafter. These two licences comprise the key permits for the project. Other permits and approvals required for development and mining will be applied for, as required.

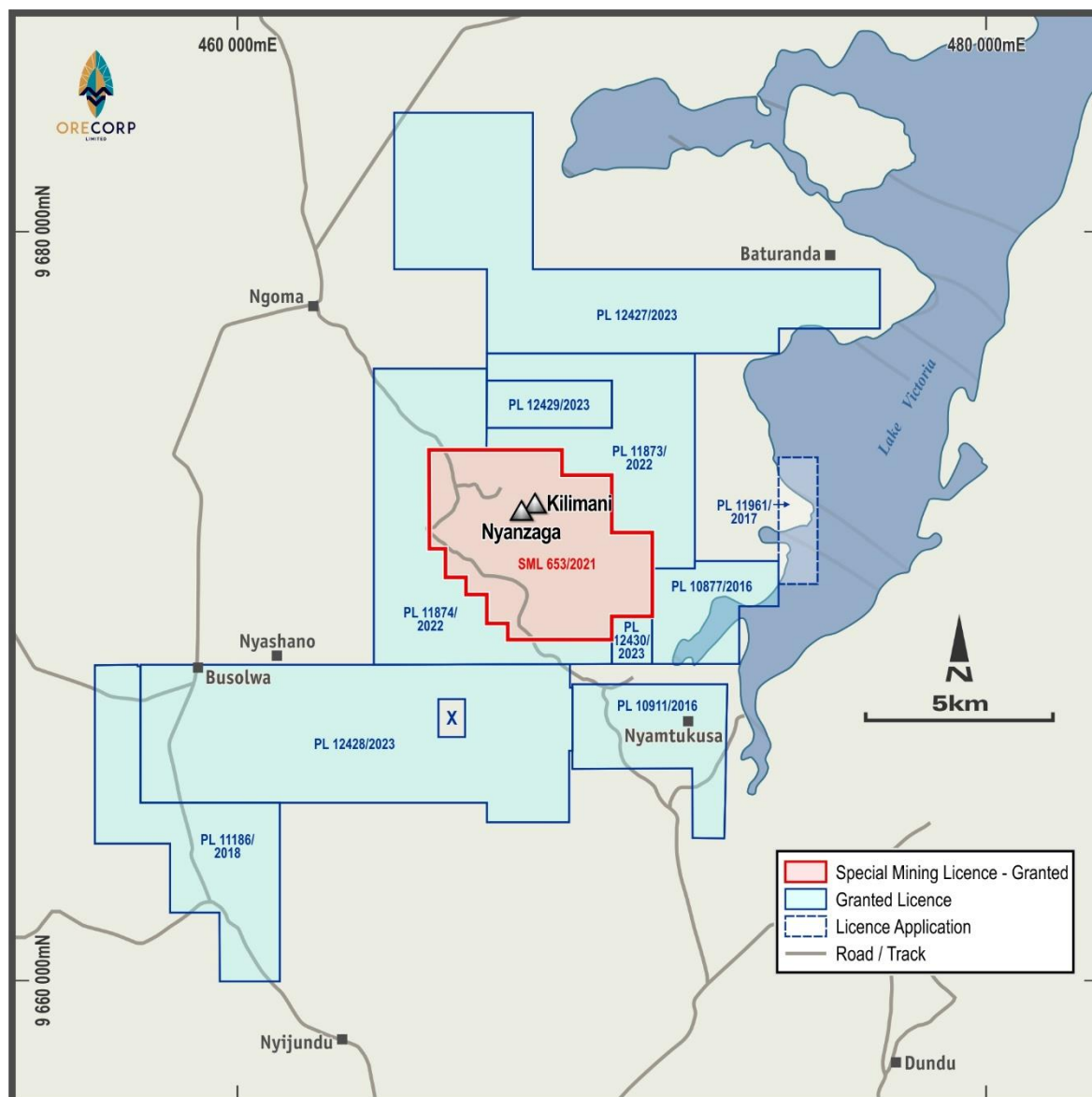
In addition to the SML, the project area consists of nine prospecting rights that are either in the initial, first or second renewal periods and one prospecting licence application, which has already been recommended by the GoT (Figure 3-3). The SML covers 23.36 km², with the active prospecting licences adding another 160.40 km², a total of 183.76 km² (Table 3-1). The prospecting licence application covers 3.53 km² and is contiguous with the existing prospecting licences.

SMCL is also in discussion with the Tanzanian Mining Commission to lodge applications for prospecting rights held by NMCL that have completed their second renewal period and cannot be extended under current legislation.

Most of the area encompassed within the SML is allotted to subsistence farming on small holdings of between 0.5 ha and 4 ha: food, cash crops and livestock farming, harvesting of medicinal plants, grass/reeds and firewood and charcoal production. Food crops mainly consist of maize and rice, but lentils, beans, sorghum, sweet potato, cassava, ground nuts and chickpeas are grown to a lesser extent – mangoes are the main fruit tree grown. Cash crops include cotton, sisal and aloe vera. Approximately one-third of the SML (7.7 km²), including the hilly areas of Kilimani Ridge, Nyanzaga Hill and Nyamtukuza Hill, is not cultivated.

³ An SML applies to large-scale operations where capital investment exceeds US\$100 M. An SML is renewable upon timeous application.

Figure 3-3: Nyanzaga SML and prospecting rights



Source: *personal communication*, OreCorp (2023)

Table 3-1: Project licence status

Licence code and type	Holder and percentage holding	Tanzanian Mining Cadastre status	Period type	Initial application date	Initial grant date	Expiry date	Area (km ²)
SML653/2021 Mining Licence	Sotta Mining Corporation Limited (100%)	Active	Initial (15 years)	07/12/2021	13/12/2021	12/12/2036	23.36
PL11873/2022 Prospecting Licence	Sotta Mining Corporation Limited (100%)	Active	Initial (4 years)	01/02/2022	29/03/2022	28/03/2026	17.03
PL11874/2022 Prospecting Licence	Sotta Mining Corporation Limited (100%)	Active	Initial (4 years)	01/02/2022	29/03/2022	28/03/2026	21.22
PL10911/2016 Prospecting Licence	OreCorp Tanzania Limited (100.00%)	Active	First renewal (3 years)	21/04/2016	23/09/2016	22/09/2023	10.91
PL10877/2016 Prospecting Licence	OreCorp Tanzania Limited (100.00%)	Active	First renewal (3 years)	11/03/2016	07/10/2016	06/10/2023	7.42
PL11186/2018 Prospecting Licence	OreCorp Tanzania Limited (100.00%)	Pending renewal	First renewal (3 years)	14/12/2016	26/10/2018	25/10/2025	18.21
PL24748/2023* Prospecting Licence	Sotta Mining Corporation Limited (100%)	Granted	Initial (4 years)	05/07/2023	24/07/2023	23/07/2027	42.78
PL12427/2023 Prospecting Licence	Sotta Mining Corporation Limited (100%)	Granted	Initial (4 years)	06/07/2023	24/07/2023	23/07/2027	37.26
PL12430/2023 Prospecting Licence	Sotta Mining Corporation Limited (100%)	Granted	Initial (4 years)	06/07/2023	24/07/2023	23/07/2027	1.37
PL12429/2023/2023 Prospecting Licence	Sotta Mining Corporation Limited (100%)	Granted	Initial (4 years)	06/07/2023	24/07/2023	23/07/2027	4.2
Total area							183.76

* Note: PL24748/2023 is referred to as PL12428/2023 by OreCorp.

Table 3-2: Prospecting licence application

Licence code	Holder and percentage holding	Tanzanian Mining Cadastre status	Current status	Initial application date	Area (km ²)
PL11961/2017	OreCorp Tanzania Limited (100.00%)	Application recommended	31/05/2017 Recorded 06/06/2017	31/05/2017	3.53

3.1.3 Agreements, contracts and taxes

Agreements

A Framework Agreement and Shareholder Agreement (Lycopodium, 2022) were both signed on 13 December 2021 between the GoT and NMCL. These agreements specify the key rights and responsibilities of the parties as shareholders in SMCL, regarding the development and management of the project. These agreements also provide SMCL with the relevant tenure under the Mining Act to develop and operate Nyanzaga. Consequently, the GoT has agreed to facilitate the procurement of the necessary rights, permits and approvals to establish, develop and operate Nyanzaga, subject to SMCL's compliance with Tanzanian procedural and statutory requirements. Fiscal and taxation assumptions and arrangements in the agreements reflect prevailing Tanzanian legislative and regulatory requirements.

The Shareholder Agreement outlines the relationship between NMCL and the GoT, confirms their respective shareholding in SMCL and confirms the structure of the SMCL Board of Directors: five directors are to be nominated by NMCL (including the Chair) and two directors by the GoT. This agreement also contains standard provisions relating to:

1. Board and shareholder meetings, the operation and management of SMCL
2. Pre-emption regarding any proposed transfer of NMCL's shares in SMCL to a third party
3. Reserved matters that require the approval of the GoT (including the conducting of any business outside the approved business plans, other actions outside the ordinary course of business and the winding up and dissolution of SMCL).

Both agreements provide for the resolution of any disputes by reference to international arbitration under the UNICITRAL Arbitration Rules and contain other customary terms typical for an incorporated joint venture.

Other agreements pertaining to stakeholder agreements and power cost unit rates are noted in the Definitive Feasibility Study (the DFS) (Lycopodium, 2022).

Contracts

Not all contracts have been finalised due to the early stage of project development. The following points are made:

1. Costs concerning the mining contract/s (both open pit and underground) were included in the DFS, based on non-binding tender submissions, however as yet no contracts have been signed.
2. Ausenco Services (Pty) Ltd of Perth, Australia and DRA Global Ltd were appointed in April 2023 (Orion, 2023) to provide the early contractor involvement (ECI) services for the Engineering, Procurement and Construction Management package.
3. SMC has signed a Memorandum of Understanding with TANESCO for the power supply and advanced negotiations for the supply agreement are in progress.

4. An abstraction agreement between SMC and the Tanzanian Ministry of Water (Lake Victoria Basin Water Board) for the provision of water from Lake Victoria for mine development was signed in 2022. The abstraction agreement expires on 21 December 2025 and is renewable every 3 years. Additional water for mine development is obtained from nearby two boreholes, with similar validity as the aforementioned abstraction agreement (refer Section 3.5.7 for permitting).

Taxes

Applicable taxes are shown in Table 3-3.

Table 3-3: Taxes applicable to the Nyanzaga Gold Project

Description	Amount
Corporate tax rate	30% of profit
Value added tax	18% of base price
Mineral royalty (tax deductible)	6% (metallic minerals); reduces to 4% for gold sold at refinery centres in Tanzania
Inspection fee	1% of gross value
Service levy	0.3% of turnover

3.1.4 Project history

Nyanzaga was first discovered around 1936, however it was not until modern exploration by Sub-Sahara Resources NL of Australia commenced in 1995 that exploration advanced in earnest (OreCorp, 2022a). Drilling and testing was conducted in phases by several companies over the next 18 years including Sub-Sahara Resources NL, Western Metals, Placer Dome, Anglo American and African Barrick Gold (Lycopodium, 2022).

In 2014, the project was regarded as a large-scale, large-capital expenditure, low-grade bulk tonnage operation supported by a Canadian National Instrument (NI) 43-101 Mineral Resource estimate of 4.19 Moz of gold at an average grade of 1.3 g/t Au in 100 Mt of ore. Mining was planned from a 600 m deep open pit, accompanied by a processing plant to treat between 10 Mtpa and 12 Mtpa.

The following year, OreCorp entered into a JV for the project, where it earned a 51% interest by July 2018 and ultimately took full control (100%) in October 2019. Over that period, OreCorp completed a PFS in March 2017, Environmental Impact Assessment in the June quarter of 2017, and commenced DFS site-based activities.

The 2017 PFS evaluated the technical and economic viability of various open pit and underground development scenarios for the Nyanzaga deposit (excluding Kilimani) and ultimately expected the project to deliver an average gold production of 213 kozpa of gold over a 12 year LOM peaking at 249 koz in Year 3 and totalling approximately 2.56 Moz of gold produced over the LOM.

Subsequent work conducted as part of the DFS focused on the optimisation of open pit and underground mining and the proposed timing of the underground operation. The DFS also assessed in greater detail the process flowsheet to enhance gold recovery through optimisation of the comminution, gravity gold, leach and elution circuits as well as to further refine the accuracy of estimated costings.

A maiden Mineral Resource estimate was announced for the Kilimani deposit in May 2020.

The SML for the project was granted on 13 December 2021. Subsequent to the grant of the SML, OreCorp rapidly advanced the DFS and announced the results of this study in August 2022. The DFS confirmed the production rate and concurrent mine development strategy as outlined in the 2017 PFS, providing improved project definition and cost estimate accuracy. As part of this study a maiden Probable Ore Reserve was declared and a combined open pit and underground production target of 42.51 Mt averaging 2.07 g/t Au for 2.83 Moz of contained gold was estimated. LOM average gold production of 234 kozpa was envisaged over a 10.7 year mine life. The results of the DFS are discussed in greater details elsewhere within this report.

To date, no gold production has occurred at Nyanzaga.

3.2 Geology and Mineral Resources

3.2.1 Site visit

SRK did not undertake a site visit for the purpose of this valuation but has relied upon the recent site inspection and associated report compiled by SLR Consulting Limited (SLR). SLR was appointed by Auramet International, Inc to provide services regarding OreCorp's Nyanzaga project. SLR's services included a site visit, which took place between 10 and 11 February 2023 with its team consisting of a mining engineer, a resource geologist and the environmental and social impact assessment (ESIA) lead. The visiting party reviewed transport routes from Mwanza to site; the power supply line; project infrastructure (site office buildings, accommodation, etc.); a site overview from various elevated positions; the proposed positions of various mine infrastructure locations (e.g. underground portal, tailings storage facility); the core and corresponding drill logs; the geological model; community visits and environmental, social and governance (ESG) discussions.

SRK notes that site visits were also previously undertaken by CSA Global (CSA) which indicated satisfaction with the protocols implemented on recent exploration campaigns and the reliability of geological measurements with respect to drill hole collars, logging of drill core and its interpretation relative to the local geology. SRK has reviewed the drill core photographs and site visit notes as supplied by OreCorp.

3.2.2 Regional setting and local mineralisation

The Nyanzaga and Kilimani deposits are interpreted to be orogenic in nature. These deposits are 400 m apart striking in a northeasterly direction and located within the northeastern flank of the Sukumaland Archaean Greenstone Belt of the Lake Victoria Goldfield. They are both hosted within a sequence of folded Nyanzian sedimentary and volcanic rocks.

At Nyanzaga, the deposit is interpreted to consist of a sequence of mudstone, sandstone and chert units that are folded about a northerly plunging anticline; at Kilimani, this sequence constitutes the fold assemblage with a double plunge in the west-northwest striking direction.

The structure is more complex at Nyanzaga than at Kilimani: at Nyanzaga, the structural system comprises fault zones (due to a series of deformation sheets) and thrust faults, some of which are at extremely low angles. Several of these major structures have only been mapped on the surface and SRK considers that the structural interpretation employed in the geological model cannot be considered to be robust at depth. There is no known major fault system at Kilimani.

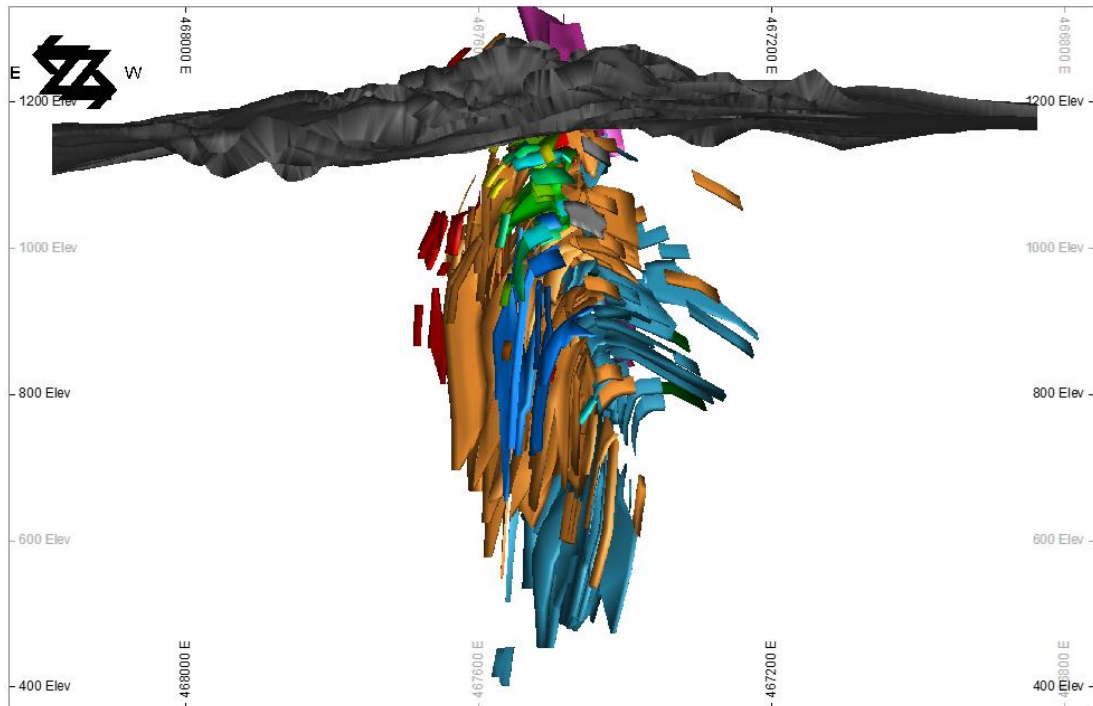
Gold mineralisation at Nyanzaga is both structurally and lithologically controlled – the latter is associated with the competency contrast near the sedimentary cycle/sequence boundaries. The structural system, which is post the sedimentary event, serves as a conduit for the mobilisation of fluid, thus overprinting its gold content dominantly within the sedimentary cycle described above. Preferential grade enhancement occurs in selected altered units such as the cherts, silica-dolomite altered medium-grained sandstones, brecciated silica-carbonate altered mudstones or in the late quartz veins (associated with the structures) as free gold. At Kilimani, it is assumed that a potential sub-vertical feeder fault(s) is/are the likely source of the mineralisation constrained within the sedimentary cycle.

Geology and mineralisation models

A three-dimensional (3D) geological model, in the form of wireframe solids, exists at Nyanzaga, however this is not the case at Kilimani. At Kilimani, the mineralised model (which is also represented by wireframe solids) cannot be validated against the sedimentary cycle between drill hole section lines due to the lack of a geological model – this is on the basis that the mineralogy is lithologically controlled. Two mineralised units are modelled at Nyanzaga: a high-grade (HG) inner core using a threshold value of 2 g/t Au sandwiched by a low-grade (LG) unit using a 0.8 g/t Au threshold value. Both units straddle the interface between fresh and oxide material with a potential open pit and underground mine footprint, and outcrop on surface. Kilimani has a mineralised unit modelled using a threshold value of 0.4 g/t Au, which is all within the oxides and is considered potentially mineable in an open pit environment.

SRK has reviewed Nyanzaga's mineralised units represented by solid wireframes relative to the drill hole data and is satisfied that the interpretation of the mineralised units is consistent with the applicable HG and LG threshold values applicable to the drill hole trace. The HG mineralised units tend to be thin, and erratic at depth and this is likely to pose a problem for underground mining – refer to Figure 3-4 showing the HG mineralised units and the wireframe surface for the Top of Fresh Rock (TOFR) in grey.

Figure 3-4: Oblique view (looking north) of HG mineralised unit and TOFR (in grey)



It is worth noting that the threshold value considered for the LG footprint at Nyanzaga is twice that for the same material type at Kilimani. In SRK's opinion, the threshold value used at Nyanzaga is significantly higher than expected, taking cognisance of the relatively higher gold price over the last 2–3 years. There is an upside potential of metal content below the 0.8 g/t Au threshold at Nyanzaga, which cannot be publicly declared because of the relatively higher threshold value used to delineate the mineralised unit.

SRK notes that Geita Gold Mine, located 60 km west of Nyanzaga, has open pit Mineral Resources declared at 0.5 g/t Au for its LG footprint, which is slightly higher than that applied at Kilimani. Notable at Kilimani is the exclusion of drill hole intercepts with grades above the 0.4 g/t Au threshold.

Figure 3-5 and Figure 3-6 show the mineralised drill hole intercepts (in red) in plan and section view, respectively, superimposed on the block model (in grey) reported above 0.4 g/t Au. The purple outline is the wireframe representing the topography and the yellow solid line is the section line. Based on these plots, it is evident that a significant number of drill hole intercepts meeting the grade threshold criteria have been excluded. SRK therefore considers that there is upside potential for additional metal content above what is currently declared at the 0.4 g/t Au threshold.

Figure 3-5: Plan view of Kilimani grade estimate (grey) and mineralised drill hole intercepts (red)

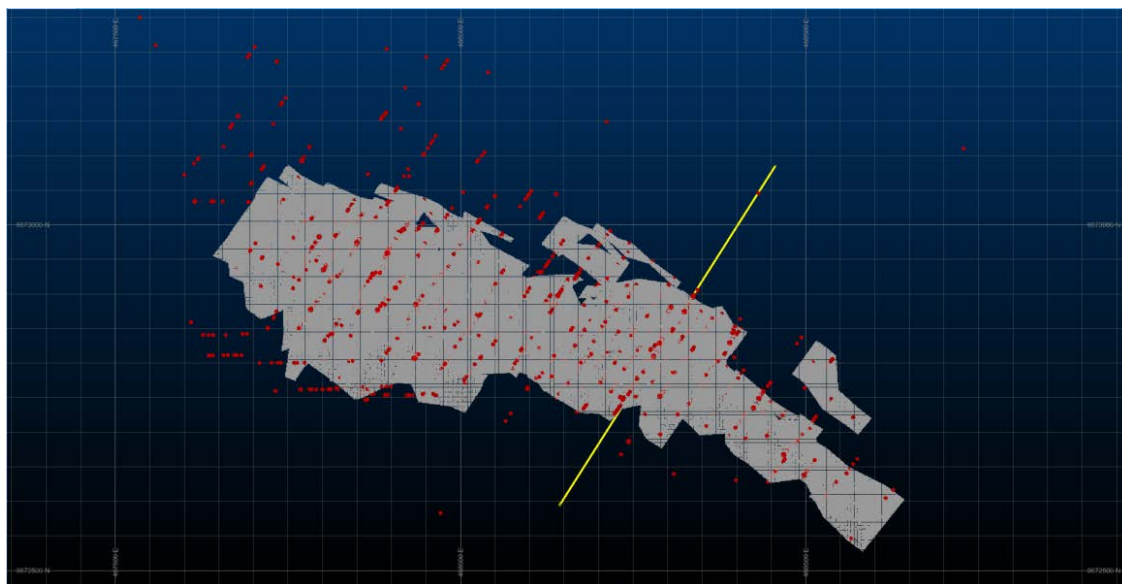
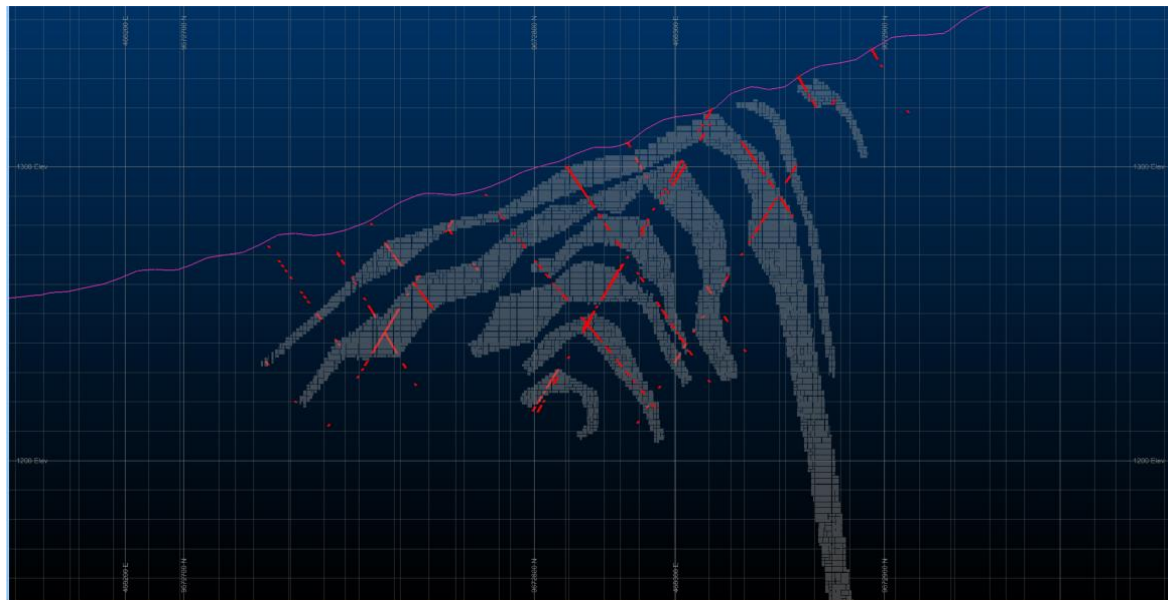


Figure 3-6: Section view of Kilimani grade estimate (grey) and mineralised drill hole intercepts (red)



3.2.3 Resource estimation

Data integrity

Independently inserted assay quality control (QC) results/reports for the period between 2010 and 2017 at Nyanzaga, indicate that the assay data are reliable for grade estimation purposes. This is buttressed by the good grade correspondence in paired data notable in the umpire results relative to the primary result. The QC data reviewed for this period consisted primarily of independently inserted certified reference materials (CRMs), blanks and pulp duplicates, which are paramount to ascertaining the integrity of the assay dataset. The failures noted are not material, however, the batches of samples affected were resubmitted for analysis before consideration of incorporating them into the final assay dataset for grade estimation.

There are no QC records/results pre-dating 2010 (i.e. when the project was under the ownership of Indago, Sub Sahara Resources and Acacia at different times) and hence SRK cannot comment on the reliability of that subset of the dataset. The assay QC results subsequent to 2010 contribute approximately 90% of the drill hole dataset used for the grade estimation. The basic statistics of the remaining 10% (pre-2010) with respect to the assay dataset is not skewed in any way to warrant concerns regarding its reliability for incorporation into the dataset for grade estimation.

SRK notes from the DFS report, that there was no material cross contamination at Kilimani during sample preparation, and although sample swaps were notable with respect to CRMs, the general results indicate no significant bias. Duplicate records indicate acceptable precision. SRK has not reviewed the live assay QC results but has reached conclusions based on information in the DFS report.

SRK de-surveyed the drill holes using the collar, assay, survey and lithology files and the final output corresponds well with what was provided by OreCorp for review. The choice of the composite length (i.e. 1 m) is deemed appropriate by SRK; the sampling interval is mostly at 1 m intervals. A larger support in the order of 2–3 m would also have been sound because the orthogonal block size dimension in the Z-direction into which the grade estimates have been compiled is bigger than the composite length. There is no material loss of metal when composited on a larger support. SRK's 1 m composites correspond well with what has been used for the grade estimation.

Estimation

Grade estimation has been compiled using data sourced from only diamond and reverse circulation (RC) drill holes. At Nyanzaga, there are drill hole intercepts with absent/missing grades within the mineralised units, which are neither hydrogeological, geotechnical nor metallurgical holes. SRK understands from OreCorp that these are historical holes completed prior to OreCorp's acquisition of the project and thus, the missing values are most likely due to poor recovery. In SRK's opinion understanding the reasons for the absent values informs how they should be treated in the mineralisation modelling and grade estimation. SRK does not consider that this is likely to have a material impact on the global scale estimate.

The grade estimates have been compiled using Ordinary Kriging (OK); at Nyanzaga it is noted that the LG footprint estimates have been post-processed using Localised Uniform Condition (LUC). It is unclear why LUC is not also applicable to the HG footprint. The reason for LUC is to identify and report higher-grade portions at selective mining unit (SMU) support within the LG panels – this must equally be the case for lower grade portions at SMU support within the HG panels. No reason is further advanced in the DFS report (Lycopodium, 2022) as to why the same LUC is not applicable at Kilimani with the same style of mineralisation within the oxide zone. In a subsequent response to this query, CSA Global indicated that the choice of OK at Kilimani was due to its log normal distribution without substantial high-grade tails when compared with that of Nyanzaga. Log normal distribution plots of the capped gold composite dataset used for the grade estimation suggest otherwise (Figure 3-7 and Figure 3-8).

Figure 3-7: Log normal distribution of Kilimani gold (capped) composite dataset

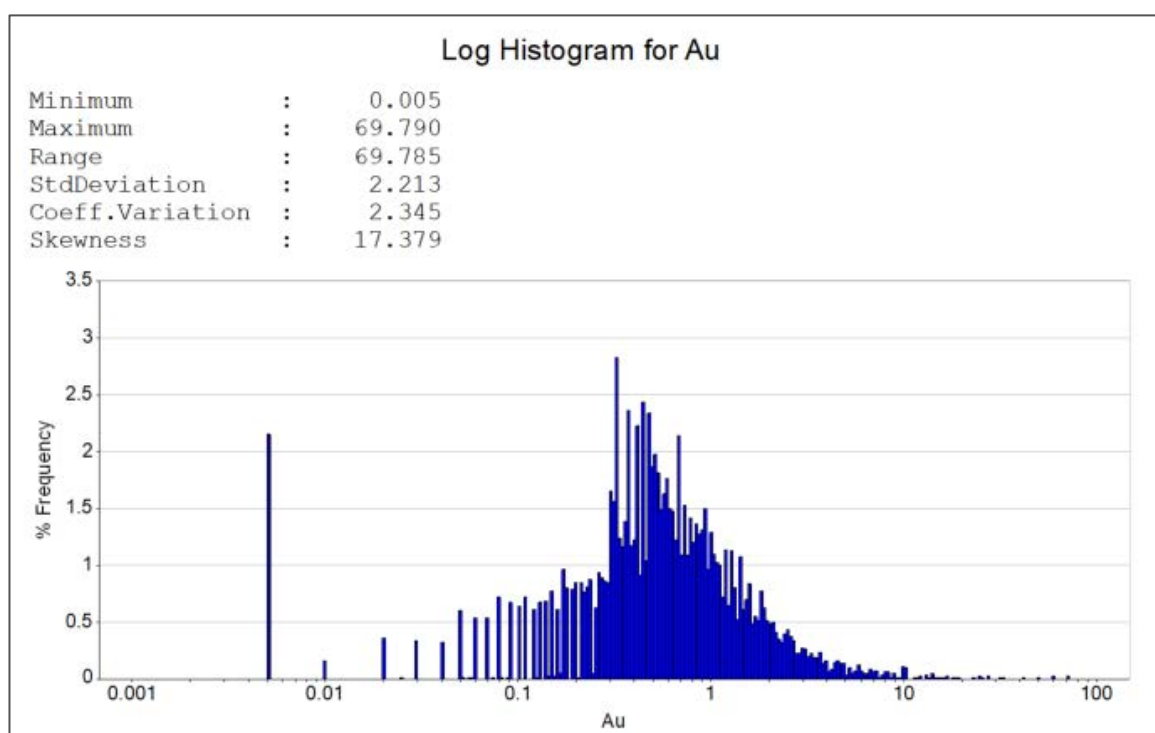
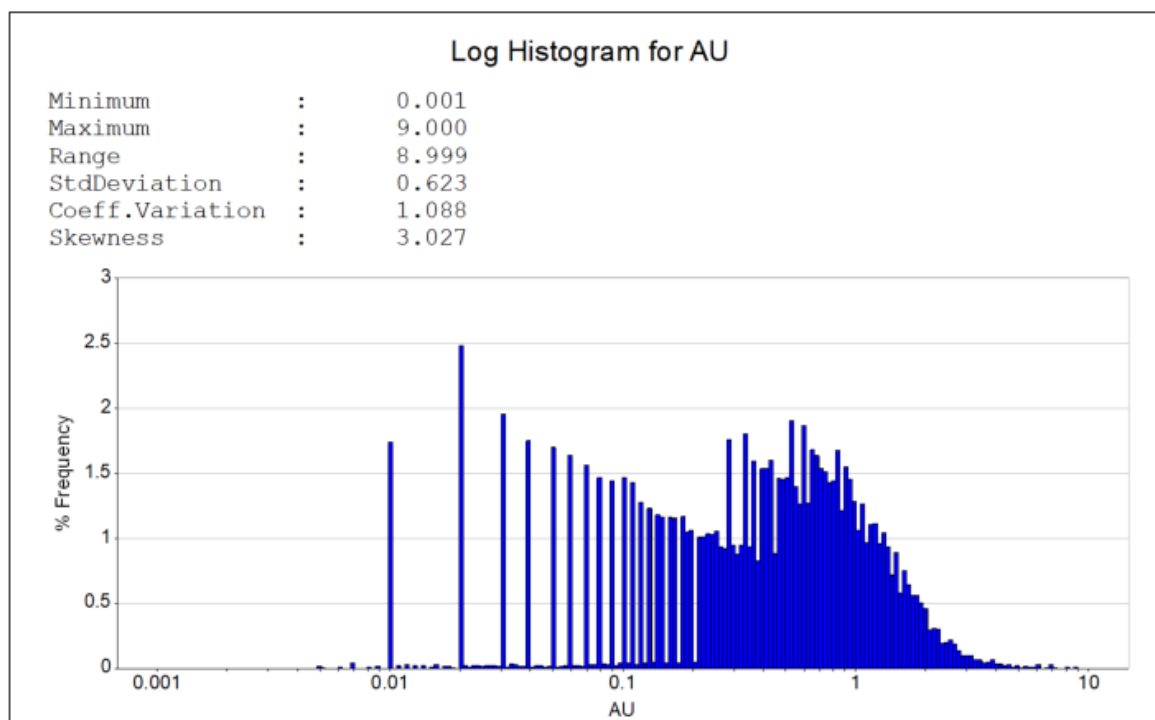


Figure 3-8: Log normal distribution of Nyanzaga gold (capped) composite dataset



These queries are not to suggest that the estimates are flawed but rather to highlight the inconsistencies that are not supported by the basic statistics of the datasets. The OK grade estimates are compiled on a 10 m panel support, while the LUC is post-processed on 2.5 SMU support. The choice of OK is primarily because grade continuity could be demonstrated in all the estimation domains via variography at Nyanzaga; at Kilimani, the grade estimates for some of the domains use borrowed variogram models. There is no basis for the over 40 domains at Kilimani, since the basic statistics of many of the domains are similar and could have been combined. In addition, some of these domains have very few composites to generate variogram models on their own.

No details of how the LUC estimate was undertaken are supplied in the DFS report (Lycopodium, 2022). Likewise, the panel estimate prior to post-processing to LUC is not provided in the block model. In SRK's opinion, this is necessary to validate the LUC estimate against the OK estimate on a panel support. Filtering the model on the 1.5 g/t Au cut-off grade shows that many of the above cut-off SMU LG blocks are isolated and unlikely to be recovered; the reference to 1.5 g/t Au is because this is the cut-off grade that CSA Global used to declare both the open pit and underground Mineral Resources. SRK is of the opinion that the LG halo estimates using LUC do not show good prospects for being economically extractable at a 1.5 g/t Au cut-off grade. However, using a 0.5 g/t Au cut-off grade (for open pit mining) shows a much better continuity and thus potentially viable economically.

At Nyanzaga, the Fault and HG zones semi-variogram models are characterised by short ranges and low continuity – they are not very well structured experimental semi-variograms. The LG zones show relatively longer ranges and more robust experimental structures. At Kilimani, variography was undertaken in five domains of which only one (i.e. Domain 61 with the greatest number of composites) is presented in the supporting memorandum attached to the DFS (Lycopodium, 2022).

Plots of the Domain 61 semi-variograms fitted with models indicate that only the downhole experimental semi-variogram is well structured – the remaining semi-variograms are poorly to moderately structured. Due to the folded nature of the cycles of both deposits, the OK estimates were compiled using dynamic anisotropy to honour the mineralisation trends. SRK deems this approach to be appropriate.

The OK estimates are compiled in three search passes. At Nyanzaga, the first search pass (SVOL1) ranges are half of the variogram range for each of the respective estimation domains; search pass 2 (SVOL2) is equivalent to the variogram range and search pass 3 (SVOL3) is approximately 2.5 times the variogram range for the respective domains. SRK considers that beyond the variogram range (i.e. SVOL3, in this instance) one cannot demonstrate grade continuity to warrant OK estimates being classified in the Indicated category. The only reason for the extent of excessive extrapolation noted at Nyanzaga is primarily to ensure that all the blocks within the mineralised solids are assigned a grade. CSA Global has not demonstrated the extent of extrapolation beyond the last line of composites and what informs the choice of incorporating SVOL3 estimates as Mineral Resources. Using the CSA Global cut-off grade as the basis of the analysis, approximately 0.284 Moz of gold is contained in SVOL3 and classified as Mineral Resources of which 0.157 Moz is classified in the Indicated category and the rest in the Inferred category.

At Kilimani, all the estimation domains use the same search parameter, which is tied to Domain 61. The SVOL1 search range is two-thirds of the variogram range, while SVOL2 and SVOL3 search ranges are two and five times that of SVOL1. SRK's concerns raised at Nyanzaga for SVOL3 are thus applicable here as well. SVOL3, however, constitutes only 3% of the block estimate at Kilimani.

At Nyanzaga, it is not clear how the grade estimate for Domain 41 was compiled, since there is no corresponding domain in the composite dataset supplied to SRK. SRK has queried this with OreCorp but had not received feedback at the time of finalising this report. Domain 41 constitutes only 0.5% of the gold metal content of the Mineral Resources declared at Nyanzaga.

SRK notes that the choice of search neighbourhood and estimation parameters for the grade estimation were based on Kriging Neighbourhood Analysis (KNA); one of the kriged output parameters is the Sum of Positive Weights (SPW), which according to the DFS (Lycopodium, 2022), was assessed to ensure that the parameters chosen did not result in excessive over-smoothing of the grade estimate. The block models supplied for both deposits do not have records for this parameter (SPW) to enable SRK to make an informed opinion on the degree of smoothing in the OK estimates.

At Kilimani, it is further mentioned in the DFS report (Lycopodium, 2022) that the Mineral Resource classification criteria took into consideration some of the kriged output statistics without detailing what the criteria were; there is no kriged output parameter in the block model to allow SRK to validate the accuracy of the Mineral Resource categories based on the classification criteria outlined in the DFS report (Lycopodium). In a subsequent interaction with OreCorp, an additional model was provided with the kriging statistics (but no classification) with notes from CSA Global indicating that estimates with Slope of Regression (SoR) greater than 0.5 were considered potentially as Indicated Mineral Resources.

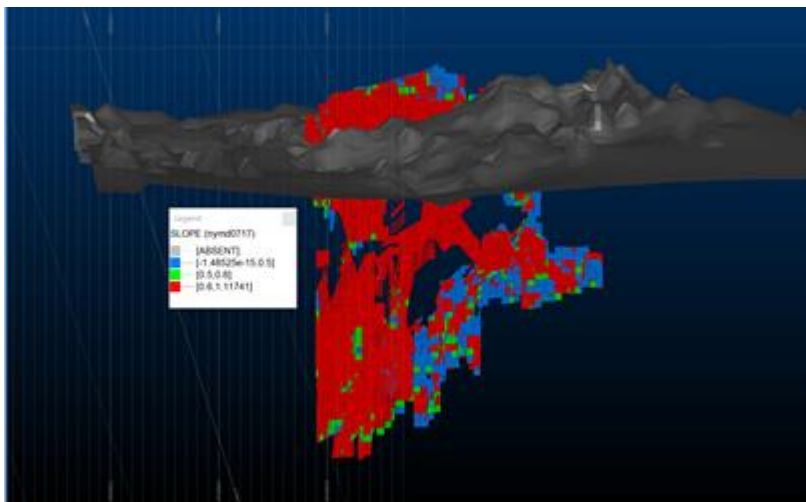
The Nyanzaga-declared Mineral Resources that constitute 93% of the entire stated Mineral Resources declared for both deposits (i.e. in terms of metal content) considered the following criteria in the Mineral Resource classification:

1. Resources were classified as Measured Mineral Resources in the Fault/Breccia Zones and sedimentary cycles, where grade was estimated in the first search pass, with at least 20 samples used to make the estimate and OK slope of regression better than 0.6 with the average sample distance less than half the search radii.
2. Resources were classified as Indicated Mineral Resources for material proximal to the Measured Mineral Resources material where at least 15 samples were used in search volume 1 or 20 samples in search volume 2.
3. Resources were classified as Inferred Mineral Resources for material contained within the interpreted mineralisation volumes which was not classified as Measure Mineral Resources or Indicated Mineral Resources. The Inferred Mineral Resource material generally represents material that is isolated to single drill intercepts.

The following observations are strictly with respect to the above classification criteria. With respect to:

- Item (1) above, the classification criteria exclude estimates in SVOL2 and SVOL3 as Measured Mineral Resources. It is, however, noted in the block model supplied that estimates in SVOL2 are incorrectly classified as Measured, amounting to gold metal content approximating 16 koz with an average grade of 4.94 g/t Au.
- Item (1) above, it is implied that estimates within SVOL1 and with SoR less than 0.6 do not qualify to be classified as Measured. This is not what is depicted in the block model supplied to SRK. Refer to Figure 3-9 (showing only the Measured footprint displayed on the SoR) – the wireframe shown is for the bottom of the Oxide zone. In essence, the green and blue blocks shown in Figure 3-9 do not strictly qualify to be classified as Measured. This amounts to a misclassification of the declared Measured Mineral Resources of approximately 0.2 Moz at a cut-off grade of 5.8 g/t Au.

Figure 3-9: Oblique view showing footprint of only Measured Mineral Resources displayed using a SoR legend



Source: SRK analysis

- Item (1) above, SRK is of the opinion that the SoR value of 0.6 is lower than expected for a Measured category. A threshold value of 0.7 or above is conventionally acceptable. SRK, however, acknowledges that this is a subjective test and dependent on what motivation the Competent Person puts forward to buttress their argument. The material concern to SRK, however, is why the SoR parameter is not also considered at a lower threshold for delineating the footprint of the Indicated category. Once a parameter is considered as part of the classification criteria, it is SRK's opinion that this parameter (with a value at a lower threshold) be consistently applied for all three classification categories, but at different thresholds.
- With the inconsistent application of the SoR across the confidence categories, SRK is of the opinion that the Indicated Mineral Resource footprint may be potentially overstated because of the exclusion of the SoR criteria. SRK considers a 0.5 SoR as an appropriate threshold for potentially delineating an Indicated category – note that CSA Global concurred with this criterion for Kilimani. Using this threshold in this instance, the Indicated footprint may be potentially overstated by 6.62 Mt at a grade of 5.05 g/t with a metal content of approximately 1.1 Moz. A 0.5 SoR is equivalent to a Kriging Efficiency (KE) of 0, which is usually the threshold used to delineate an Indicated footprint from an Inferred footprint. This is primarily because at $KE < 0$ or $SoR < 0.5$, the kriging variance tends to become greater than the block variance, at which point kriging is not appropriate relative to any other classical approach to estimation – hence, the need to consider estimates with $SoR < 0.5$ potentially in the Inferred category.

SRK notes good correspondence in grade locally and globally between the estimates and composites per estimation domain/zone. SRK has been able to replicate the Mineral Resources for Nyanzaga and Kilimani based on the block models supplied (Table 3-4). The Nyanzaga statement does not take into consideration the concept of Reasonable Prospects for Eventual Economic Extraction (RPEEE) as recommended by the JORC Code (2012), among others; the Kilimani statement does take RPEEE into consideration. It is SRK's opinion that not applying RPEEE consideration to the declaration of the Nyanzaga Mineral Resource estimate is a material flaw inconsistent with best practice, and, at best, what has been declared in the DFS report (Lycopodium, 2022) can only be considered a mineral inventory at a given cut-off grade. Taken into consideration that Nyanzaga has potentially open pit and underground footprints, it is highly unlikely that both footprints will have the same cut-off grade (i.e. 1.5 g/t Au) for Mineral Resource declaration. The choice of modelling the HG shoots using a threshold value of 2 g/t Au but declaring the resources thereof at a relatively lower threshold of 1.5 g/t Au, is unreasonable for the underground footprint since resources between these two thresholds are excluded in the declared Mineral Resources.

Table 3-4: Mineral Resource Statement as declared by CSA Global

Deposit	Cut-off (g/t)	Classification	Mt	Au grade (g/t)	Au Moz
Nyanzaga	1.5	Measured	4.6	4.96	0.74
Nyanzaga		Indicated	16.2	3.80	1.98
Kilimani	0.4	Indicated	3.4	1.09	0.12
Nyanzaga	1.5	Inferred	2.9	3.84	0.36
Kilimani	0.4	Inferred	2.8	1.02	0.09
Total (Measured + Indicated + Inferred)			30.0	3.4	3.3

Source: (Lycopodium, 2022)

Notes:

- ¹ Mineral Resources quoted are inclusive of Mineral Ore Reserves.
- ² Kilimani is reported at a cut-off grade of 0.4 g/t (open pit) and classified in accordance with the JORC Code (2012).
- ³ Kilimani RPEEE consideration is supported by a conceptual pit optimisation generated using a revenue factor of 1 and a gold price of US\$1,500.
- ⁴ Nyanzaga is reported at a cut-off grade of 1.5 g/t and is inconsistent with the JORC Code (2012) guidelines on the declaration of Mineral Resources.
- ⁵ Totals may not add up due to appropriate rounding of the Mineral Resources.

Risks and opportunities

Kilimani's RPEEE is based on a revenue factor of 1 and a gold price of US\$1,500/oz. It is SRK's opinion that RPEEE considerations for a Mineral Resource declaration must be optimistic. Taking cognisance of gold prices since the cessation of the COVID-19 pandemic, which have been hovering above US\$1,800/oz, an optimistic view of gold prices in the future will yield a larger resource pit shell than currently estimated. Hence there is an upside potential to the currently stated Mineral Resource on the basis of an optimistic gold price. It is also worth mentioning that there is an upside potential for Mineral Resources outside the current mineralised unit (i.e. the solid wireframe modelled at 0.4 g/t Au) – this is because some of the drill hole composites outside of this footprint meet the threshold criteria for inclusion and should have been incorporated into the mineralised unit.

At Nyanzaga, the discontinuous nature of the relatively thin HG shoots poses significant risk for underground mining. There is waste material in between these shoots and hence the choice of underground mining method is critical to assessing economic viability. The open pit footprint has upside potential for Mineral Resources if it is reported at 0.5 g/t Au; the LUC footprint demonstrates contiguous SMUs with grades above 0.5 g/t Au. Strict application of CSA Global's classification criteria thus indicates an overstatement of the Measured and Indicated Mineral Resource categories.

Exploration Target

In November 2022 OreCorp released an announcement detailing an Exploration Target for at depth extensions to the Nyanzaga underground (OreCorp, November 2022). OreCorp reported that the Exploration Target was developed using in-depth geological knowledge of the deposit and drill intercepts and has been estimated 200 m down plunge of the Mineral Resource.

The following at depth intercepts were reported by OreCorp as underpinning the validity of the Exploration Target:

- NYZDD0503 – 6 m at 6.28 g/t Au from 674 m
- NYZRCDD0158 – 4 m at 7.11 g/t Au from 679 m
- NYZRCDD0348 – 10 m at 6.91 g/t Au from 766 m; 9 m at 6.82 g/t Au from 801 m
- NYZRCDD0053 – 9 m at 8.21 g/t Au from 809 m; 3 m at 4.35 g/t Au from 910 m
- NYZRCDD0163 – 13 m at 3.19 g/t Au from 712 m
- NYZRCDD0388 – 5 m at 5.03 g/t Au from 718 m.

OreCorp's Exploration Target is detailed in Table 3-5 and contains approximately 4.0–6.0 Mt at a grade range from approximately 3.4–4.0 g/t Au.

Table 3-5: Exploration Target as declared by OreCorp (November, 2022)

Low range (Mt)	High range (Mt)	Low grade (g/t Au)	High grade (g/t Au)	Low ounces (troy oz)	High ounces (troy oz)
4.0	6.0	3.4	4.0	440,000	770,000

Source: OreCorp (November, 2022)

Notes: Cautionary Statement – the potential quantity and grade of the Exploration Target is conceptual in nature and is therefore an approximation. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target as declared by OreCorp is the deeper underground extent of the mine production target. It is exclusive of the Mineral Resources which targets the down-dip and along strike extents of some of the high-grade shoots in the poorly drilled area. The down-dip extent of extrapolation ranges from 50 m to greater than 200 m for the high-grade shoots; the along strike extent ranges from 40 m to greater than 80 m. The basis for the range of extrapolation is to ensure the same depth and strike extent for all the high-grade shoots; this is on the assumption that there is no overlap of these shoots. SRK is of the opinion that the extent of extrapolation is not supported by the continuity of the high-grade shoots observed in the highly drilled area. The declared Exploration Target has a tonnage ranging from 4 Mt to 6 Mt with a grade range from 3.4 g/t to 4 g/t (refer to Table 3-5). It is SRK's opinion that the lower limit values of the tonnage and grade are optimistic.

In SRK's opinion the Exploration Target is likely to overstate the potential tonnage and grade that may exist as at depth extensions below the Nyanzaga underground. However SRK considers that applying a 50% discount to the lower range of tonnage and grade will result in a range that is suitable for valuation purposes.

Prospectivity

It is noted in the DFS report (Lycopodium, 2022) that the structural signatures in aeromagnetic geophysical data at Nyanzaga are evident elsewhere within OreCorp's tenure package and therefore could potentially host gold mineralisation outside the current mineralised footprint. This will require additional geophysical, soil geochemical sampling and drilling to ascertain and as such the upside potential associated with the current project tenures remains to be determined.

Nyanzaga (SML653/2021)

Nyanzaga underground potential

The Nyanzaga underground potential is captured by the Exploration Target as detailed above

Nyanzaga mine surrounds

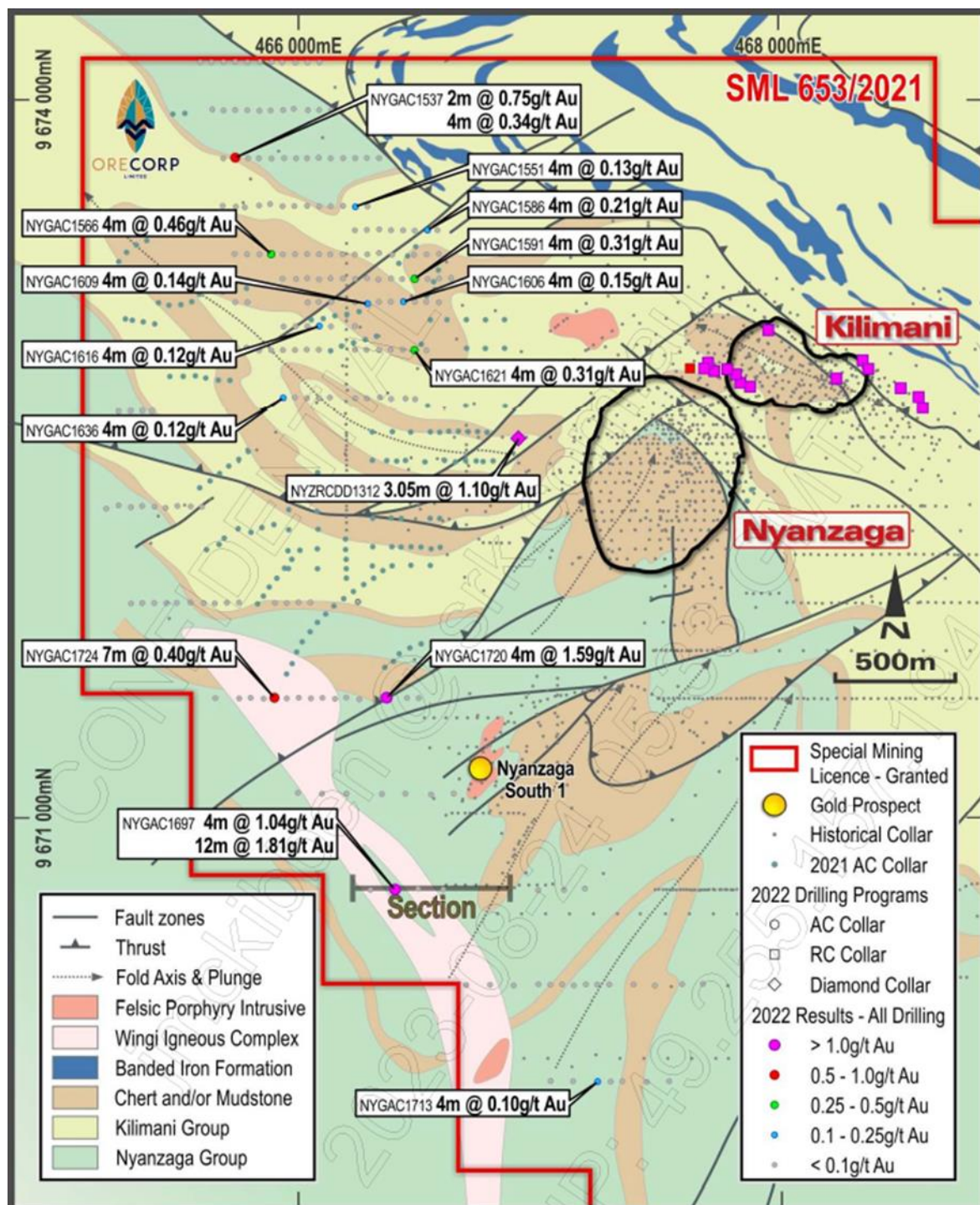
Drilling in 2021 and 2022 totalling 213 aircore (AC) drill holes was completed for 12,219 m of drilling within the Nyanzaga SML. This drilling was planned to test the 'Western Corridor' west of the Nyanzaga deposit. To date this drilling has resulted in several notable intersections of 2–4 m at between 0.31 g/t and 1.59 g/t Au from depths of 0–60 m not including the best result from NYGAC1697 which reports 4 m at 1.04 g/t from surface and 12 m at 1.81 g/t from 8 m, including 4 m at 4.07 g/t from 12 m.

The full results and drilling locations are provided in Figure 3-10 and were detailed in OreCorp's 23 November 2023 Australian Securities Exchange (ASX) announcement.

The drilling was completed on east to west lines 400 m apart with vertical holes spaced approximately 50–100 m apart. This drilling also covered a named prospect – Nyanzaga South 1 – where historical drilling identified gold mineralisation interpreted as occurring flat lying quartz veins. This drilling confirmed the presence of mineralisation and is now interpreted as forming part of a northwest striking igneous complex over 1,000 m long and 500 m wide referred to as the Wingi Igneous Complex.

Based on high-level interrogation of the Nyanzaga database, SRK notes there are >1,000 collars inside the SML but outside of the Nyanzaga and Kilimani deposit areas of which ~140 contained gold and of which 70 contained >0.5 g/t Au. This drilling highlights that the local area around Nyanzaga remains highly prospective with a number of the modern intersections worthy of follow-up drilling. SRK is not aware of any detailed follow-up drilling at this stage but considers the potential for further discoveries of structurally controlled orogenic gold is high.

Figure 3-10: Aircore drilling in the western areas of the Nyanzaga SML



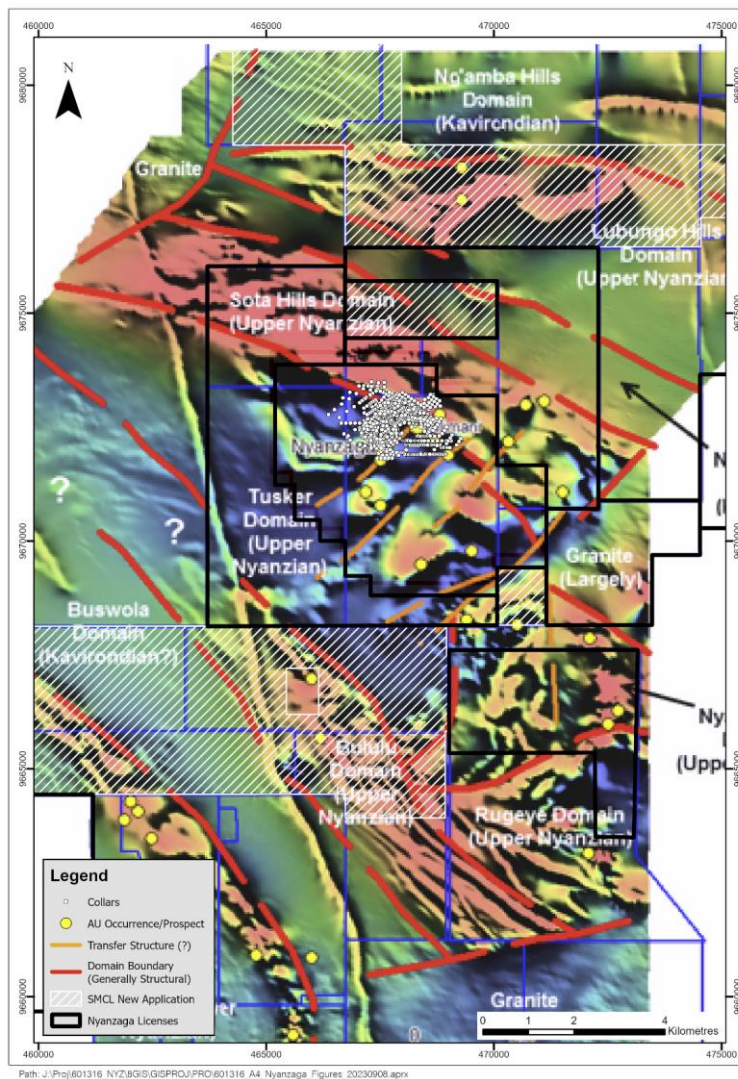
Source: OreCorp ASX release 23 November 2022

Nyanzaga surrounding tenure (PL11873/2022, PL11874/2022, PL10911/2016, PL10877/2016, PL11186/2018, PL12429/2023, PL24748/2023*, PL12430/2023, PL12427/2023 and PL11961/2017)

SRK was not provided with, or able to identify any on ground exploration or drilling information relating to the surrounding tenure package outside of the Nyanzaga SML.

However, SRK notes the NE–SW and NW–SE structural trends shown are considered to be primary conduits to the gold mineralisation. Wherever gold prospects have been identified in the region it is believed to be structurally controlled. It is therefore reasonable to consider that the area outside of the current SML (Figure 3-11) will have potential as future exploration targets. More importantly, the structural signatures evident outside of the SML are the most likely conduits to the gold mineralisation. SRK notes that all of these additional areas should be considered ‘green fields’ exploration projects and will require additional geophysical surveying, soil sampling and drilling to identify, test and define new targets.

Figure 3-11: Geophysical interpretation across OreCorp’s permit areas

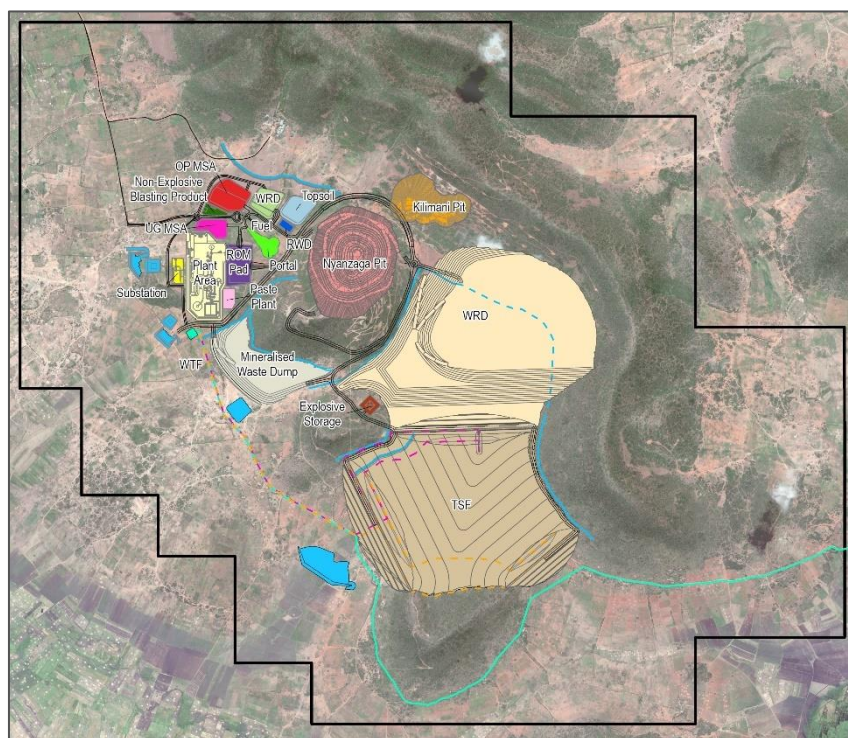


Source: CSA 2017- Modified up by SRK

3.3 Mining and Ore Reserves

The SML area and site layout is shown in Figure 3-12.

Figure 3-12: Nyanzaga Special Mining Licence area and site layout



Source: Lycopodium (2022)

3.3.1 Methods and design

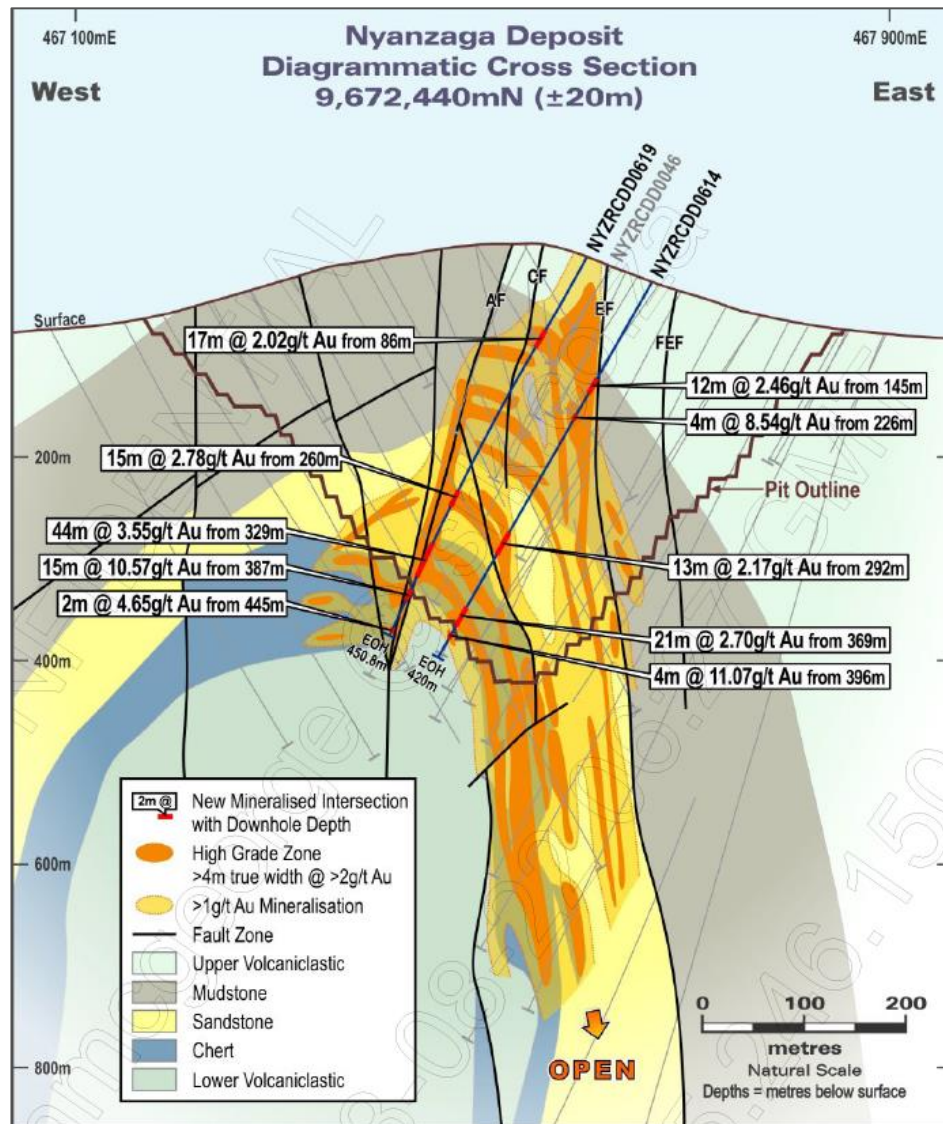
According to the 2022 DFS, the currently proposed recovery of the Nyanzaga ore is based upon extraction using both open pit and underground mining methods. This is expected to involve separating the presently defined orebody by economic factors into an open pit component employing conventional drill and blast, load and haul methods and an underground component where extraction is planned using a long hole stoping method with fill. The defined mineralisation follows a narrow zone approximately 200 m wide with higher grade pay shoots within this zone that are around 5–10 m wide. This grade distribution dictates the stope design underground as well as the access to those stopes.

The open pit portion of the Nyanzaga deposit has been estimated using the known drilling and grade, blocked to a 10 m size in geological terms, and the best estimate of operating costs applied to establish the cut-off grade (0.48 g/t Au) at suitable revenue parameters. The parameters used are conservative (US\$1,500/oz) and the resultant shell is considered by SRK to be conservative. The pit shape from the Whittle™ process is a typical size that is limited by the economic parameters. In Figure 3-13, the typical resultant pit overlying the ore zones is shown.

The remaining process of optimising which pit shell maximises the value has been completed and a suitable pit shell has been defined. There is appropriate application of dilution and recovery efficiency to ensure that the pit selected is acceptable for the estimate of Ore Reserves. The final

pit selected will determine the depth of mining and the subsequent interface between the open pit and the underground portions. The potential to expand this pit later in order to mine deeper should the circumstances allow, becomes constrained. The pit design was completed on a re-blocked model that is approximately half the size of the geological blocks and has reported a larger amount of ore in the process at the same gold content. This will affect the Ore Reserve estimation and grade. The same process is applicable to both the Nyanzaga and Kilimani pits.

Figure 3-13: Typical resultant pit



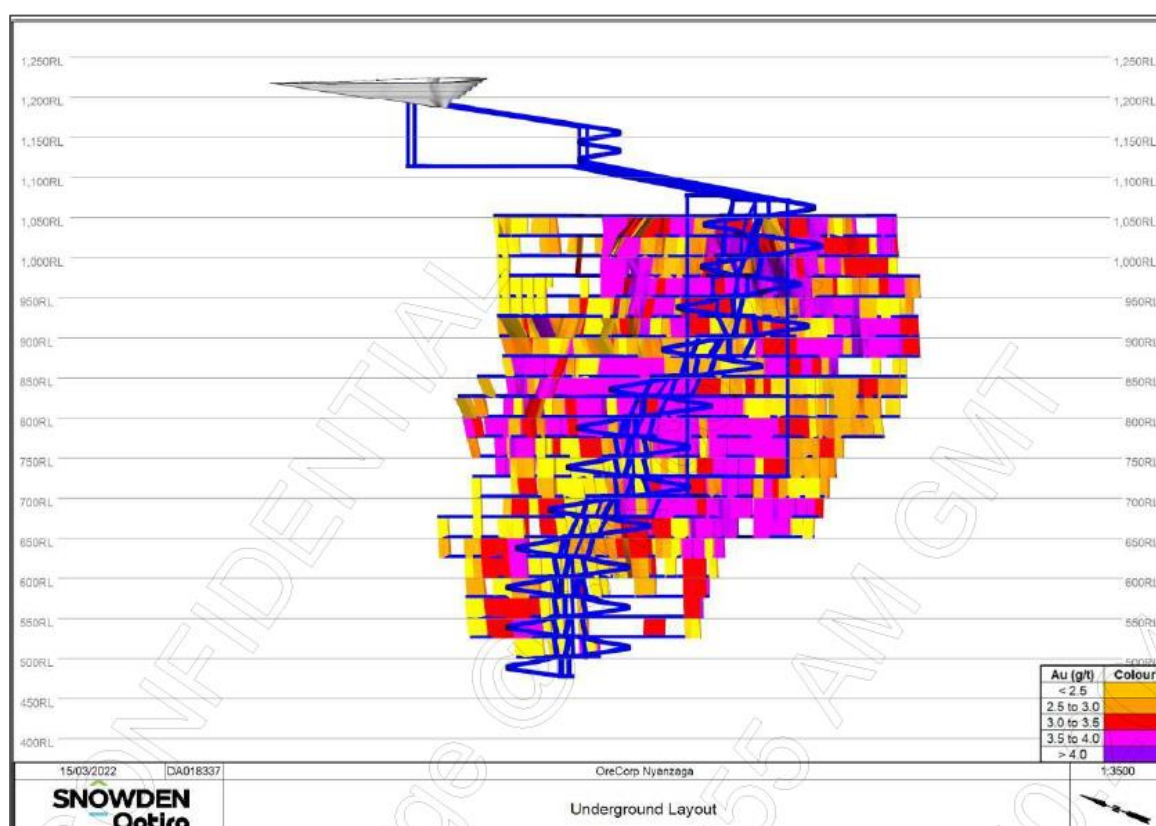
Source: Lycopodium (2022)

Within the ore zone, it is clear there are waste zones that require the benches mining method to be able to selectively mine the material. A typical mining block within the pit will be approximately 50 m in width and could contain a wide range of grades that will require additional grade control drilling to satisfactorily delineate the material.

The pit optimisation process for the Nyanzaga and Kilimani pits was conducted using only Measured and Indicated resources which then defined a pit shell that was transferred to the mine scheduling package which then scheduled the material in the pit shell and included the Inferred resources. Hence the life of mine plan has some inferred resources included but these can be removed from the schedule if required.

The underground mine design follows a similar restriction in that the ore, while being variable in grade distribution, is also restricted to a relatively narrow zone. To define stopes, a process has been used to apply polygons from the geological model that restrict the outside limit to a grade of 2.0 g/t, the maximum stope length to 25 m and stope width to 25 m. A minimum stope thickness of 3 m is applied. The resultant layout of the underground section is shown in Figure 3-14.

Figure 3-14: Resultant underground layout



Source: Lycopodium (2022)

The 2.0 g/t Au cut-off grade for the underground is reasonable but small changes will significantly impact the potential stope shapes and the continuity between stopes. While the current design is based on the existing drilling, the number of intersections at depth is a concern in the stope design. The development to access the stopes is progressive to the extraction. The extraction of the underground and open pit areas will be concurrent and the need to leave suitable pillars and other geotechnical requirements still needs to be fully evaluated.

3.3.2 Ore Reserves

At present, the defined Ore Reserves are an accumulation of the mining schedule for both the underground and open pit, which are the basis of the LOM plan production schedule. The schedule has been targeted to mine approximately 2.5 Mt of ore per annum and 1.5 Mt of ore from underground. The Ore Reserves are an accumulation of the Measured and Indicated ore turned into Probable Reserves. The other modifying factors for the conversion such as dilution etc. are accounted for in the schedule which has the optimised pit design for the conversion of the Whittle shell into the scheduled shell.

In the valuation model (*220822 Nyanzaga Model v.8ii FS.xls*), the summation of the open pit tonnage is 28.2 Mt at a grade of 1.32 g/t Au, which supports the Ore Reserve statement supplied by OreCorp. The underground tonnage is 14.3 Mt at a grade of 3.55 g/t Au, which again supports the Ore Reserve statement (Table 3-6).

Table 3-6: Ore Reserves in the schedule

Area	Probable Ore Reserve			Inferred Mineral Resource in production schedule			Total production schedule		
	Mt	Au g/t	Au Moz	Mt	Au g/t	Au Moz	Mt	Au g/t	Au Moz
Nyanzaga OP	25.63	1.35	1.11	0.08	0.88	0.00	25.71	1.35	1.11
Kilimani OP	2.04	1.05	0.07	0.37	0.82	0.01	2.41	1.01	0.08
Nyanzaga UG	12.42	3.57	1.42	1.07	3.49	0.22	14.39	3.55	1.64
Total	40.08	2.02	2.60	2.42	2.95	0.23	42.51	2.07	2.83

Source: 220822 - DFS Announcement Final.pdf

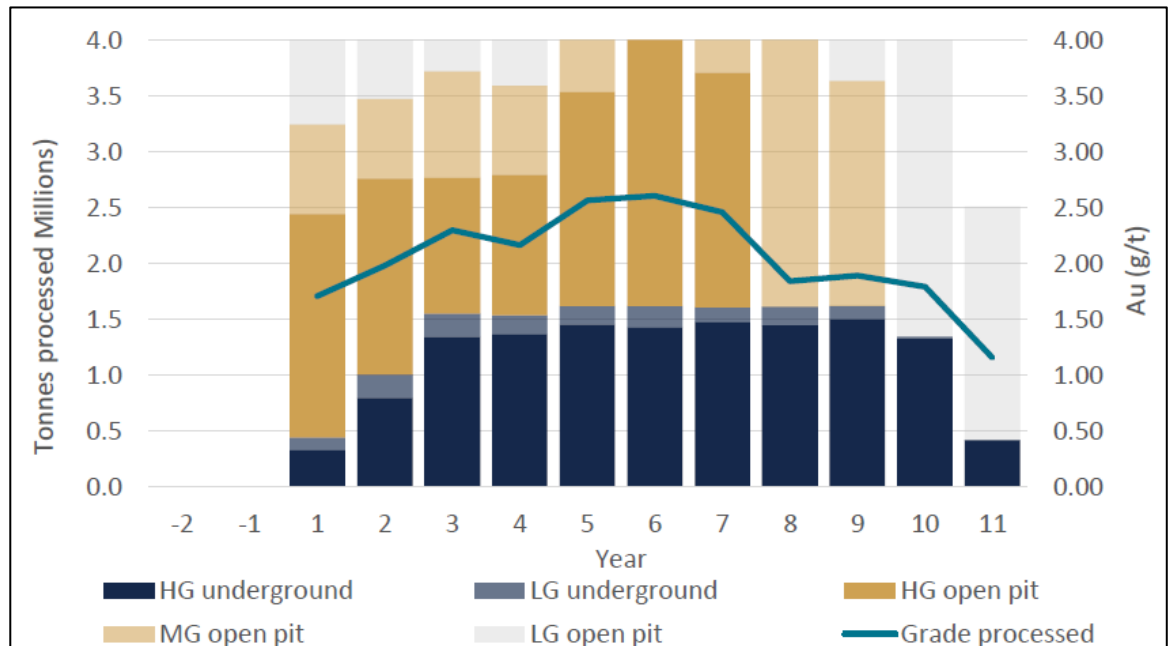
Notes: OP – open pit; UG – underground.

A further check is the comparison of the scheduled ore against the Whittle™ pit ore for Measured and Indicated ore selected which is 2.1 Mt for Kilimani and 27.1 Mt for Nyanzaga.

3.3.3 Production schedule

The production schedule for the combined operation (Figure 3-15) shows the relative proportions of the underground and open pit as well as the result of separating the low-grade material to a stockpile that can be recovered at the end of the LOM.

Figure 3-15: Production schedule



Source: 220822 - DFS Announcement Final.pdf

The plant design matches the mine production volumes and will not be a constraint to achieving the stated throughput.

In the open pit schedule, the rate of vertical development has been kept to 80 m; the main constraints to achieving open pit production are the number of machines and the ramp access to the pit. The proposed location of the waste dump is reasonably close to the proposed pits. Therefore, the open pit schedule is envisaged to initially produce 3.5 Mt of ore, which is possible given the limited need to remove waste to expose the central core of the deposit. This will change as more waste is removed to expose the ore. The average LOM strip ratio is 3.7, therefore the peak material movement from the open pit is expected to be approximately 16 Mt. This can easily be achieved using approximately three mining fleets and 20 trucks. The split of the open pit ore into HG, medium grade and LG material will not affect the production capacity as only LG ore is stockpiled and all other ore is processed when plant capacity is available. This LG ore is limited in volume, although it is dependent upon the mining block size; the challenge to practically delineate this material in the block may lead to some of it being sent with the ore feedstock to the plant rather than being stockpiled. The medium grade and HG ore is stockpiled when there is insufficient plant capacity but is recovered as soon as possible to smooth out the feed rate to the plant.

The underground schedule is based upon the number of stopes available at any time for loading and the ability of the trucks to haul the ore through the incline to surface with limited disruptions in running time in the incline. Three stopes have been assumed to be available at any time, which will provide sufficient ore for loading. The typical machine capacity is expected to be around 60 t and an expected cycle time in the underground mine would be around 40 minutes. Hence, each hauler should manage to move approximately 0.3 Mtpa and an estimate of approximately seven trucks will be needed. This level of haulage can be accommodated with sufficient passing bays in the decline. The proposed ramp-up is a feature of the development of the stope inventory in the early years until peak production is reached. Based upon the grade limit of 2 g/t Au, there will be no ore

separation based on grade, apart from potential development waste, which will be recovered as LG material to a stockpile.

The ore schedule as presented in the DFS is a representation of the likely LOM plan and subsequently, the Ore Reserves. The only qualification to this schedule would arise due to any drilling completed subsequent to the completion of the DFS to increase the density of information at depth, which may lead to changes in the stope designs, or a significant change in the cut-off grade applied for stope design.

A second schedule has been done to exclude the Inferred material from the schedule which is captured in 20220809 Nyanzaga Model v.7vi Reserve 2.xls to allow the exclusion of material which does not meet the requirements for a feasibility study.

3.3.4 Mining operating and capital costs

As outlined in the DFS, the estimate of the mining costs represents a combination of estimates from contractors (for the mining costs) and the owner estimates (for processing and general and administration costs). The summary from the supplied valuation model is shown in Table 3-7.

Table 3-7: Operating cost summary

Item	Amount (US\$M)	Unit amount (US\$)
Total operating costs	2,238	896/oz
Revenue costs	32	7.67/t processed
Mining	1,279	30.08/t mined OP + UG
Processing	483	11.37/t processed
General and administration	150	3.54/t processed

Source: Lycopodium (2022) supporting document - 220525 DFS GA Cost Estimate – REV 6.xls

The contractor supplied mining costs are detailed to an estimate per piece of equipment in terms of underground costs and are comprehensive. These costs were then accumulated into fixed and variable costs for the model. The open pit costs are likewise simulated: the contractor estimated the costs on a similar basis and varied the number based upon the depth in the pit.

The best attempt to split the costs from the different mining sources is based on the cost model (220525 DFS GA Cost Estimate - Rev 6), which is part of the feasibility documentation. The key benchmarks are the cost of material moved in the open pit (US\$3.78/t) and the underground costs of US\$57.35/t (Table 3-8).

Table 3-8: Costs

Item	Unit	Amount
Open pit mining cost	US\$/t moved	3.78
UG mining cost	US\$/t ore	57.35
Processing cost	US\$/t	11.37
General and administration cost	US\$/t	3.54

Source: Lycopodium (2022) supporting document - 220525 DFS GA Cost Estimate – REV 6.xls

SRK notes that in benchmarking against a similar third party held project in Tanzania, which is currently in operation, the estimated material movement cost of US\$3.17/t was recorded for the open pit. While the two projects have different strip ratios and waste distances to move, the costs at this third party site suggest that the mining costs have not been overestimated by the contractors. SRK's previous experience with similar projects has shown that fuel costs have a significant impact on the cost structure and hence sensitivities should examine that factor. Regarding the estimation for the underground mining costs, the third party mine recorded a cost of US\$33.03/t and a processing cost of US\$14.1/t. These parameters are also broadly similar to the currently stated cost models for Nyanzaga, and as such SRK considers them to be reasonable.

The Nyanzaga general and administration costs were estimated based upon a detailed budget but the overall estimated costs (at US\$13 M) may appear underestimated considering the remoteness of the site and the requirement for an office to represent the company in Tanzania. Similarly, social and community costs, which could not be identified in the cost model, will further increase this estimated cost. The total mining capital cost for mining extracted from the cost model is shown in Table 3-9.

Table 3-9: Total mining capital cost for the Nyanzaga Gold Project

[illegible]

Source: 220525 DFS GA Cost Estimate – REV 6.xls

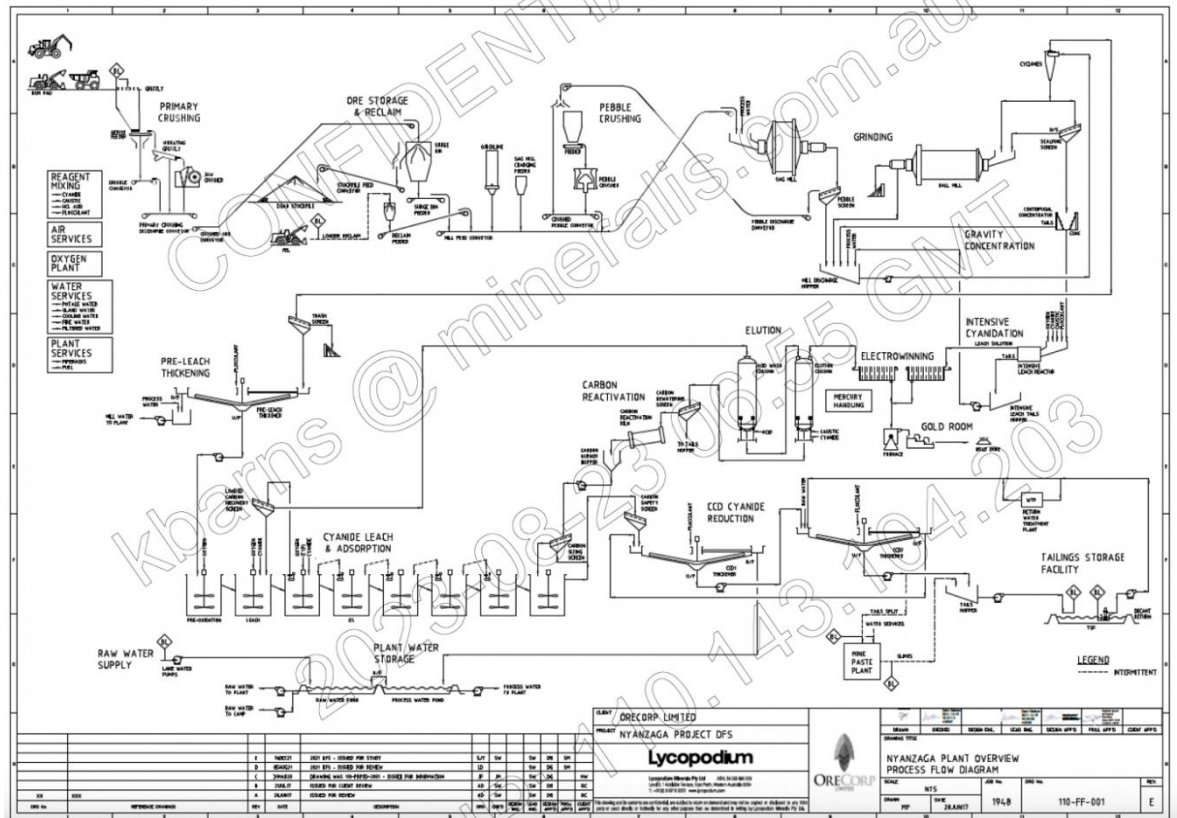
SRK considers that this estimate for mining capital is reasonable considering that the open pit mining and underground mining is done by a contractor who will provide the mining equipment and support equipment. It is expected the same contractor will be doing the development work.

3.4 Metallurgical testwork and process design

3.4.1 Process flowsheet

The proposed flowsheet for Nyanzaga is shown in Figure 3-16.

Figure 3-16: Nyanzaga process flowsheet



Source: Lycopodium (2022)

The proposed processing plant is a conventional comminution and carbon-in-leach (CIL) circuit using standard unit processes typically used to treat orogenic gold deposits. Based on its review of the available technical data, SRK notes the following:

- The process plant has been designed to treat 4 Mtpa comprising of 3.6 Mtpa of underground material and 0.4 Mtpa of material from the open cut.
- The C150 crusher with a closed side setting of 150 mm has been selected to operate at 80% availability on scalped feed. The predicted scalped feed throughput is 328 tph (from a total feed of 570 tph) with the crusher able to process 470 tph of scalped feed (based on the crusher documented throughput capacity limit of 400–555 tph).
- The standard crushing and grinding circuit (SABC) circuit design was based on the 85th percentile of the comminution testwork results for fresh ore. While Kilimani testwork was not completed for the SABC circuit modelling, initial data are that Kilimani material is softer than the Nyanzaga ore tested. The feed strategy of blending Kilimani with Nyanzaga ores should help safeguard against throughput restrictions while the inclusion of a variable speed drive on the SAG mill and the ability to recycle cyclone underflow to either the SAG or ball mill circuits will

protect the mill. The target grind size – P80 of 75 µm – is typical of this type of CIL gold plant treating an orogenic gold deposit.

- The gravity circuit appears to have been designed based on an estimate of the gravity recoverable gold derived by a measurement of free gold determined by amalgamation. With the gold particle size described as being in the 3–100 µm range even a centrifugal concentrator (e.g. Knelson or Falcon) would not recover the finest particles particularly in the mudstone and oxide material where the gold grain size is reported as fine. Although this would result in more gold reporting to the CIL circuit, its generous size should enable it to handle the added load.
- The CIL circuit design is based on an eight-tank design (one pre-aeration, one leach, six CIL) giving 24-hours residence time. The leach circuit residence time is adequate as supported by testwork showing 95–100% gold extraction occurs within 8 hours of leaching.
- While no indication of pre-robbing material was found in the chert, sandstone or oxide ore types, the mudstone ore did exhibit mild pre-robbing characteristics. While the use of activated carbon in the leach tanks in the CIL circuit will mitigate the pre robber the primary tank operation without activated carbon may result in gold losses when treating mudstone ore. SRK commends OreCorp for including the ability to retrofit this first tank as a CIL tank if required.
- While acceptable the Zadra stripping circuit proposed for Nyanzaga is typically used when there is insufficient good quality water available. Each stripping cycle takes approximately 16 hours. An AARL Elution Circuit is more common in situations where water quality is not problematic. However, a Zadra technology circuit does require less instrumentation and is easier to operate which would be an advantage for an operation in Tanzania.
- The countercurrent decantation (CCD) washing circuit is included to reduce cyanide levels to acceptable tailings storage facility (TSF) discharge levels. The incorporation of a bypass mechanism, while potentially beneficial from a maintenance perspective, has the potential to leave the project exposed to not meeting its TSF environmental discharge requirements if used – particularly as there is no alternative/backup cyanide destruction process on site.

The processing plant availability estimates look reasonable, when compared to other operations, with 80% and 91.3% availability in the crusher and comminution plants respectively.

3.4.2 Supporting testwork

The Nyanzaga testwork has been comprehensive. The scoping study incorporated five test programs from 2005–16 on 30 drill core samples using diagnostic leaching to determine gold occurrence and testwork to determine parameters for comminution, gravity concentration and cyanide leaching. The DFS test program ran from 2016–17 on drill core from Nyanzaga

Metallurgical testwork for the Nyanzaga design has been completed at three reputable laboratories (ALS Perth, SGS Perth and Outotec) with data analysis done at JKTech. The Outotec work was completed to determine the thickener design requirements – the other testwork programs are summarised in Table 3-10.

Table 3-10: Laboratory testwork

SGS Perth	ALS Perth	JK Tech
Comminution testwork. Bulk leach extractable gold (BLEG) testwork. Diagnostic leach testwork. Gravity and cyanidation testwork. Flotation testwork.	BLEG testwork. Tailings mineralogy and sizing. Bulk tailings preparation.	Interpretation of the results from the SAG Mill Comminution (SMC) tests conducted by SGS Perth.

Samples for the DFS test program were sourced from drill core representing the four ore types, a range of spatial locations and head grade and used individually for bulk leach extractable gold testwork and as variability and master composites for comminution extraction and plant design testwork.

Figure 3-17: Metallurgical sample location

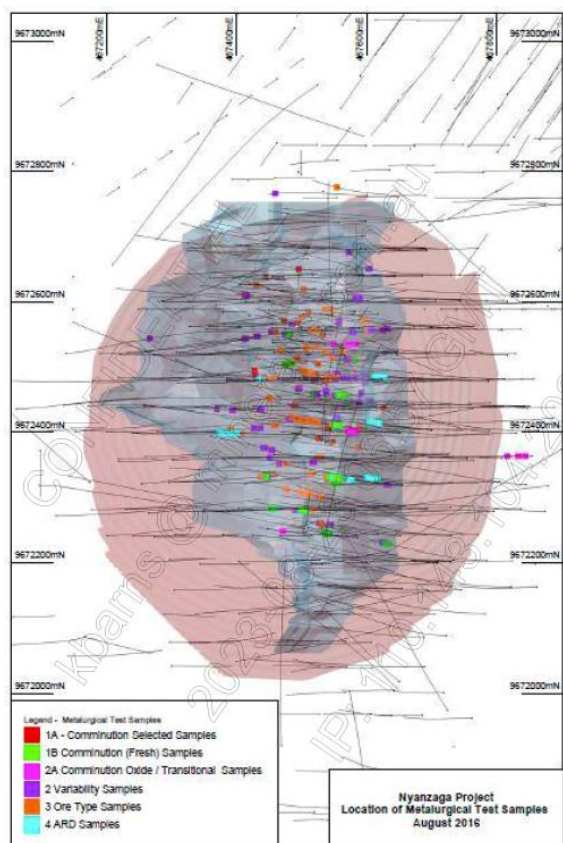


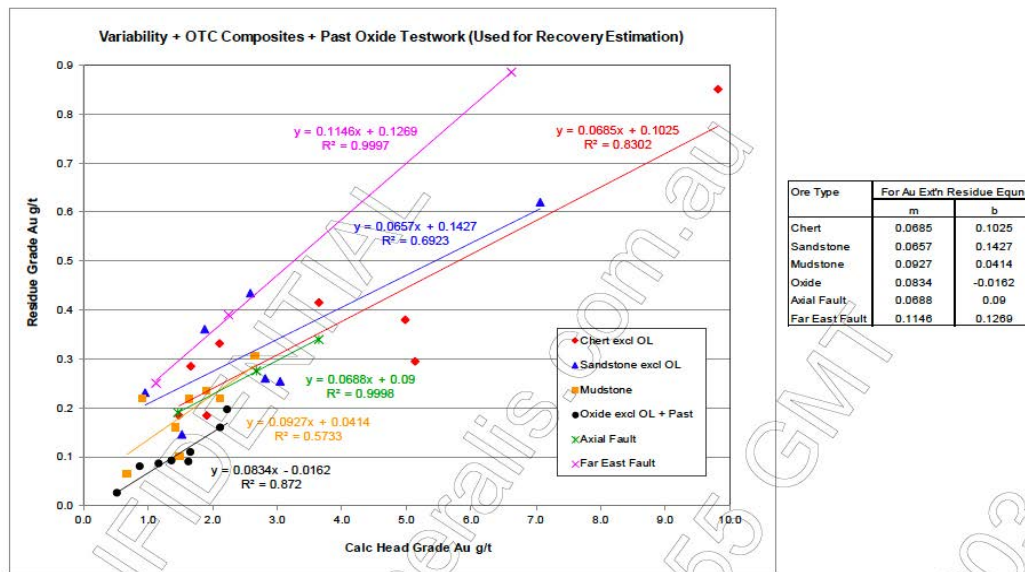
Table 3-11: Metallurgical samples

Ore Type Composite	No. of Intervals	Mass (kg)	Weighted average of interval assays Au g/t
Chert (Fresh)	37	79.6	2.46
Sandstone (Fresh)	59	125.8	2.69
Mudstone (Fresh)	41	98.2	1.75
Oxide	18	25.2	1.80

Comminution testwork showed the fresh ore as competent and resistant to impact breakage with a high abrasivity. By comparison the oxide material has a low competence and abrasivity and is more variable. The mineralogy is pyrite and pyrrhotite dominant and requires a pre-aeration step prior to leaching. Testwork showed that, with the exception of mudstone ores, the feed was not pre-robbing. The evidence of pre-robbing in the mudstone ores may require the design option of carbon addition to the first leach tank.

The DFS leach recoveries were calculated leach linear regression models from the testwork.

Figure 3-18: Leach testwork results



The LOM recovery estimate derived from the regression equations predicted a total gold recovery of 88.2%. However, SRK notes the poor correlation coefficients with R² values ranging from 0.57 to 0.99 where high correlation coefficients were driven by a single high head grade sample. The poor correlations from some ore types makes relying on this work questionable. The diagnostic gold analysis results reported free and cyanide recoverable gold quantities of 85.8%, 88.1% and 82.5% for chert, sandstone and mudstone samples respectively so it is likely that the LOM recovery based on the questionable regression models is optimistic.

Table 3-12: Diagnostic leach results

Gold association	Distribution - %		
	Chert	Sandstone	Mudstone
Free gravity gold	25.1	36	30.6
Free cyanidable gold	60.7	52.1	51.9
Carbonate locked gold	2.9	3.8	4.5
Mild refractory	8.4	3.9	8.2
highly refractory	2.1	1.6	2.4
locked in silicates	0.8	2.5	2.3

Variability testwork on the oxide material indicated gold extraction values ranging from 87.1% to 92.4% with an average of 90.1%. Given this range, it is likely the model prediction of 92% gold recovery in the first month dropping to 91% in the subsequent 4 months is optimistic.

Test work on Kilimani, while limited, showed a lower competency and more difficult settling characteristics. Confirmatory testwork and an optimised blending strategy with the Kilimani ore should be a high priority to ensure operation of the comminution circuit, thickeners and CCD circuit is not compromised.

3.4.3 Processing operating and capital costs

The budgeted capital costs of the process plant are aligned with SRK's database of capital costs for a 4 Mtpa comminution and CIL circuit. Vendor quotes were used for 80% of the mechanical equipment and 75% of the electrical equipment with labour rates based on quotes from local contractors. Although cost escalations appear to have stabilised, the capital costs for equipment should be confirmed. SLR's technical review for Auramet completed in August 2023 concluded that, except for the conveyor system which appears low compared to similar installations in the region, the equipment capital costs, when spot checked, were reasonable. Allowance needs to be made for site construction services and third party engineering which has not been included in the capital estimate and the allowed contingency should be increased.

Nyanzaga operating costs appear to have been developed from a sound first principles bottom-up approach with all areas covered. The costing has been completed by a competent engineering firm however given the current escalating commodity prices, checks of unit costs should be confirmed by the client's supply chain. SRK notes the cyanide consumption used in the operating cost estimate – while based on testwork – at 0.25–0.38 kg/t is considerably lower than comparable operations and the budgeted cyanide consumption of 0.58 kg/t is at the lower end of predicted usage. Cyanide consumptions of 0.5–1 kg/t would be more typical particularly given the noted presence of pyrrhotite and pyrite.

The planned production schedule shows a start-up predominantly on oxide ore followed by 16 months operation on a blend containing 59% oxide material. SRK notes:

- The Nyanzaga financial model assumes the processing plant can meet the design throughput of 4 Mtpa in the first month. Even though the preferential treatment of less competent oxide ore in the 6 weeks will assist with this, a ramp-up period should be built into the schedule.
- Gold leach recovery should be discounted during the first 6 months of operations – typical discounts of 5% in month 1, 3% in month 2, 2% in month 3 and 1% in months 4 and 5 should be subtracted from the predicted recovery.
- Consumable costs are likely to be higher at the start of production. Typical unit consumptions are 125% in year 1, 115% in year 2 and 105% in year 3.

Table 3-13: Ore types and feed blends

Ore Type	Plant Feed Blends*		
	Initial 16 Months %	LOM %	First 6 Weeks %
Chert	11	23	10
Sandstone	5	25	0
Mudstone	26	39	1
Oxide	59	13	89
Total	100	100	100

*Based on Plant Feed Schedule from Snowden, 15/07/2022.

3.5 Environment and social

3.5.1 Integration in DFS

Environmental and social data and considerations are featured throughout the DFS (Lycopodium, 2022), from introductory and contextual sections, to baseline and technical sections, legal and land tenure and capital and operating costs estimates and risks. This integration demonstrates that OreCorp is aware that these factors need to be carefully managed throughout the project life cycle to mitigate impacts and risks, and meet national and international compliance requirements. Table 3-14 indicates where environmental and social factors are featured in the DFS.

Table 3-14: DFS chapter featuring environmental and social aspects

DFS chapter	Section
Chapter 1	Executive summary: S1.2 Project overview; S1.9 Environmental and social studies; S1.14 Project risk assessment; S1.15 Recommendations
Chapter 2	Project description: S2.8 Climate; S2.9 Social context
Chapter 4	Geology and resources: S4.4 Topography
Chapter 8	Tailings and water management: S8.1 Tailings Storage Facility; S8.3 Surface water and sediment management
Chapter 9	Infrastructure and services: S9.5 Water services; S9.6 Sewage and waste management
Chapter 10	Environment, social and heritage: S10.1–S10.5
Chapter 11	Mine closure: S11.1–S11.7
Chapter 12	Greenhouse gas assessment: S12.1–S12.5
Chapter 13	Legal and land tenure: S13.3 SML 653/2021 details and conditions; S13.4 Project development and approvals
Chapter 15	Operations management: S15.1 Human resources
Chapter 16	Project execution: S16.2 Project execution model
Chapter 17	Capital cost estimate: S17.2 Pre-production capital costs
Chapter 18	Operating cost estimates: S18.2 Overall operating costs

DFS chapter	Section
Chapter 19	Financial analysis: S19.7 Capital cost
Chapter 20	Risks assessment

3.5.2 Environmental and social factors

Chapter 10 of the DFS presents information relating to Nyanzaga's environmental, social and heritage factors. These datasets have been collected during previous studies undertaken as part of ESIA processes, as well as additional investigations in 2017, 2018, 2021 and 2022. Following a review of the initial 2017 ESIA against the Equator Principles and International Financing Corporation (IFC) and World Bank Group standards and guidelines, a number of gaps were identified requiring additional studies and surveys that have been commissioned and were to be completed by the end of 2022. These include a health assessment, human rights assessment and climate change risk assessment.

The DFS should be updated to make reference to the Final ESIA prepared in April 2023 and indicate that specialist studies have been completed, including the human rights impact assessment and health impacts assessment.

It is noted that several specialist studies are being revised and amended to reflect the changes to site layout and the project. These include studies relating to noise and vibration, groundwater modelling, air quality and social.

Investigations of the project study area conducted as part of the ESIAs, and studies have highlighted key environmental and social features and sensitivities, as summarised in Table 3-15. These overviews are suitably comprehensive for a DFS and supported by ESIAs, a suite of specialist studies and management planning processes. However, given that the DFS was prepared in 2021, additional updates will be required to reflect more recent developments.

Table 3-15: Environmental and social factors

Aspect	Key feature and sensitivities
Soils	Based on soil studies, soil sealing and compaction is likely to result in low water infiltration, high erodibility and poor workability as well as waterlogging during the rainy season. Soil erosion has been enhanced by poor agricultural practices such as grazing. These poorly drained soils require careful water management.
Ecology (terrestrial and aquatic)	Wet and dry season surveys were conducted and identified and recorded multiple flora and fauna species, including species that appear on the IUCN threatened lists, are nationally listed and endemic. Critical habitat assessment and biodiversity management plans are being prepared.
Wetlands	The project area includes various wetland types, including freshwater marshes, wet meadows (wet fields), wet plains, freshwater ponds and vernal pools. Freshwater meadows are found along Lake Victoria and the Wingi River, providing riparian habitats. Species richness was generally higher in the wet season.

Aspect	Key feature and sensitivities
Surface water	Nyanzaga's footprint is located within the Wingi River catchment area and covers an area of approximately 6.5 km ² . The Wingi River is seasonal and drains towards Lake Victoria. The Wingi River and Lake Victoria are the key water sources for local communities for domestic and agricultural purposes. Surface water quality has been found to be impacted by anthropogenic activities. Water for Nyanzaga will be sourced from dewatering of the pit and make-up water from Lake Victoria.
Groundwater	The Nyanzaga area is characterised by three aquifers with depths varying from 0–6 mbgl (shallow perched ferricrete aquifer) to 10–70 mbgl (deep saprock/fractured aquifer) and influenced by topography in relation to Nyanzaga Hill and position in the catchment. Groundwater sampling undertaken during the dry and wet season found that water is generally fresh to brackish. Samples taken from deep aquifers showed relatively high total dissolved solids and very high concentrations of SO ₄ and HCO ₃ .
Air quality	Baseline air quality monitoring at six sites was conducted during dry and wet seasons for a number of parameters (i.e. particulate matter (PM ₁₀ and PM _{2.5}), nitrogen oxides, nitrogen dioxide (NO ₂), sulfur dioxide (SO ₂), hydrogen sulfide (H ₂ S) and carbon dioxide (CO ₂). Nine dust deposition monitoring stations were erected to record depositional dust. Higher concentrations of particulate matter were found during the dry season. All parameters were found to be within Tanzanian and international air quality guidelines.
Greenhouse gasses	A decarbonisation option analysis was undertaken in 2021–22 to identify various technology options for potential emission reduction. A greenhouse gas (GHG) assessment was completed in 2022 and included determination of Scope 1 and Scope 2 emissions associated with Nyanzaga for construction and operational phases. The GHGs evaluated in the study included carbon dioxide (CO ₂), nitrous oxide (N ₂ O) and methane (CH ₄).
Noise and vibration	Background noise levels were measured during both the wet and dry seasons at six sampling stations. During the dry season, noise levels varied between 42.6 dBA and 50.0 dBA during the day and were between 33.7 dBA and 44.3 dBA at night. During the wet season, noise measurements recorded during the day ranged between 39.7 dBA and 52.6 dBA, and were between 34.2 dBA and 44.3 dBA at night. National and international noise emissions limits need to be below 85 dBA and 70 dBA for working areas, respectively. Increased noise levels due to mining activities are not expected to exceed Tanzanian limits at nearby hamlets outside of the project area. The biggest contributing factor to the measured noise at all sites was vehicular movement from both private and exploration vehicles. An increase in vibration is expected from blasting but will not impact receptors outside the project area. Blasting will not be undertaken at night.
Cultural heritage and archaeology	The broader Nyanzaga area is characterised by heritage and archaeological features, including pottery remains, grinding hollows, ritual places, graves and natural springs. Surveys found six potential Iron Age sites, however, no significant archaeological materials were discovered. Within the area there is no one area designated for graves, which are generally scattered between individual farms and household areas.

Aspect	Key feature and sensitivities
Social and community	The Nyanzaga area is characterised by a rural population speaking Kiswahili, living in traditional villages, and poorly serviced by social infrastructure and health services. Social surveys found that approximately 27.2% of the ward population live in Ngoma A, which is considerably bigger than other villages in the area. Ngoma A Village, particularly at Ngoma Centre, has been growing rapidly into a small township that has influenced the development of businesses and migration of people from other areas. Agriculture is the main economic activity of the people in the study area and livestock are an important livelihood. Fishing is also an economic activity, especially for those living along or close to the lake shore, and those living on the numerous islands of Lake Victoria.

3.5.3 Environmental and social management system

The DFS indicates that an environmental and social management system (ESMS) has been developed for Nyanzaga to be consistent with the requirements of IFC PS 1 and ISO 14001:2015 standards, in order to manage the project's environmental and social risks and opportunities.

The ESMS establishes the foundation of a flexible management approach capable of addressing the regulatory requirements and meeting good international industry practice standards for ESG. According to the DFS (Lycopodium, 2022), the ESMS will incorporate the following elements: policy, identification of risks and impacts, management program, organisational capacity and competency, emergency preparedness and response, and monitoring and review.

A recent technical review report by SLR (SLR, 2023) notes the ESMS remains under development, as does a construction environmental and social management plan. The DFS should be updated accordingly.

3.5.4 Environmental and social management plan

An environmental and social management plan (ESMP) is currently being developed for Nyanzaga to meet legal and other requirements, based on the framework ESMP provided within the Nyanzaga ESIA document, as well as additional studies being undertaken to develop a revised ESIA. The ESIA documentation contains a range of mitigation and management measures to minimise the potential impacts, as far as reasonably practicable. These mitigation and management measures will be developed in more detail in the updated ESMP and sub-plans.

The ESMP will be aligned with management controls identified in the Nyanzaga impact and risk register and was reportedly scheduled for completion by the end of June 2023. Based on documents provided, OreCorp has developed an environmental and social action plan (ESAP) for preparing a detailed ESMP and other plans and programs. The ESAP includes labour, stakeholder engagement, socioeconomic development, air quality, land, soil and erosion management, biodiversity, community, health, safety and security, water and wastewater and hazardous substances/material. This management tool is not currently highlighted in the DFS.

The DFS notes that the content of the ESMP and its individual management plans is significantly dependent on the various design details and assumptions and will be reviewed and updated at each stage of the project life cycle to accurately reflect the nature of the activities undertaken.

3.5.5 Tailings and water management

Chapter 8 of the DFS (Lycopodium, 2022) presents information regarding tailings and water management. The design specifications and management requirements for the TSF are featured. A seepage assessment was conducted to demonstrate that the expected TSF seepage will be limited by the high-density polyethylene (HDPE) liner and relevant control measures. An assessment of the TSF embankment stability has been carried out, including the west embankment. The results of this study are summarised and have suitable factors of safety according to ANCOLD guidelines.

Tailings geochemical tests indicate that oxide tailings are likely to be acid-forming and could result in excess alkalinity within the TSF. Several metals were detected to have higher concentrations when compared with Tanzanian guidelines for municipal and industrial effluent and drinking water standards. The results indicate that the TSF needs to have a robust liner system to control seepage and effective stormwater management to prevent environmental pollution. Based on geotechnical investigations, the founding conditions are suitable for construction of the TSF embankments.

The consequence assessment for the final stage TSF was carried out to assess the potential downstream population at risk, the business risk and the environmental impact in the event of a dam failure or spillway discharge. This was based on the *Global Industry Standard on Tailings Management* (GISTM) requirements. The dam failure classification was found to be very high due to the potential for loss of life in the event of a solids breach. In addition to addressing design considerations, the DFS also covers rehabilitation of the TSF.

Water balance modelling was conducted. It is concluded that the TSF has sufficient capacity for all design storm conditions for the LOM if the facility is operated in terms of the design intent. It is recommended that the decant water pump capacity be designed for maximum recycle from the TSF. The rationale is that 100% of the water in slurry can be recycled to provide all process water requirements.

Surface water and sediment management is also presented in the DFS. The surface water management has assessed the stormwater drainage conditions taking into consideration rainfall events, ground conditions and environmental factors. The site surface water management uses sediment control structures (SCS), which will reduce flow velocities to promote sediment settling.

Discharge from the SCS will be to the environment downstream of the project site. For minor events and depending on storage within the structure prior to a rainfall event, the SCS may completely contain runoff.

The 5-year average recurrence interval (ARI) storms have been used to estimate the proposed SCS storage capacity and diversion channel size. The 100-year ARI storms were used to size the emergency spillways for the SCS. They are designed to mitigate adverse effects on water quality, impacts on flora and fauna and their habitats, impacts on wetlands and aquatic vegetation, and worsening flooding.

3.5.6 Monitoring

Chapter 13 of the DFS highlights the legal commitments regarding environmental management. It states that the holder of an SML, a contractor or a subcontractor is required to ensure that regular

environmental audits, monitoring and evaluations are carried out to avert environmental spoil, degradation and hazardous substances, which are or may be harmful to humans, and/or the environment. Although monitoring is embedded in the presentation of baseline surveys as an impact mitigation measure and stated in the context of resettlement, it would be helpful to collate this information into a dedicated sub-section in Chapter 10. This write-up could include monitoring that is currently taking place, such as the network of surface water quality sites in the surrounding area.

3.5.7 Permitting

In Chapter 13, the DFS provides information regarding the mining right, environmental approvals and other permits. It also covers issues related to environmental management, local content and corporate social responsibility. The key information is presented, including:

1. A Special Mining Licence (SML 653/2021) was issued to SMCL on 13 December 2021 for a period of 15 years.
2. The Nyanzaga project was registered with the environmental regulator, National Environmental Management Council in May 2016, with baseline surveys being completed during successive years.
3. The EC for Nyanzaga was granted in February 2018 and OreCorp successfully re-registered the certificate in March 2021, transferring the EC on 15 March 2022.
4. There are numerous other permits required to construct and operate a mine in Tanzania. A permitting pathway has been generated that encompasses all necessary permits and approvals and OreCorp has commenced engagement with various GoT ministries and authorities to progress the permitting process.
5. A comprehensive list of environmental and social permit and licence requirements is presented in Appendix 13.1 of the DFS.

The DFS should be updated to reflect the permits that have been issued such as the water use permit for Lake Victoria issued 22 December 2022. It is assumed that the mine will develop a permit register.

3.5.8 Social factors

Stakeholder engagement

The DFS refers to stakeholder engagement in the context of the resettlement planning process and mine closure. Although the DFS mentions the ESIA processes, it does not explicitly state that extensive stakeholder engagement was conducted during these studies. This aspect is important to highlight as it indicates consideration for stakeholder inputs in project planning and design, as well as building relationships with interested and affected parties in the project area.

Community development

In the legal and land tenure chapter of the DFS, it is stated that *‘The holder of an SML shall ensure that the Corporate Social Responsibility Plan prepared is congruent and responsive to guidelines for corporate social responsibility developed by the relevant local government authority in terms of*

section 105(4) of The Mining Act, CAP.123 and make a declaration specified under the Schedule to the Mining Commission (Guidelines for Submission of Local Content Plan) 2018.'

Resettlement plan

A summary of the *Resettlement Policy Framework* (RPF) is provided in the DFS. An RPF was undertaken for the project in 2021 for the physical and economic displacement of households in the villages of Sotta and Nabila, to address potential displacement impacts (i.e. 467 households and approximately 3,656 people and additional loss of assets). As part of the displacement, approximately 1,100 residential structures and 400 graves will be impacted. The resettlement action planning process commenced in August 2021, and culminated in a detailed *Resettlement Action Plan* (RAP) and *Livelihood Restoration Plan*, which were completed in February 2023. The DFS will need to be updated to reflect the fact that the RAP has now been completed. An independent technical review report produced by SLR indicates that resourcing of staff to implement the RAP may be an issue.

3.5.9 Environmental and social risks

Chapter 20 of the DFS presents the risk assessment for the project. A detailed risk register was presented during the PFS and revisited during the DFS. It is proposed that the risk register will be updated during the construction and operational phases. Formal HAZARD and HAZOP exercises, as well as constructability reviews, will be held during the engineering and design phases.

A detailed likelihood–consequence risk matrix was applied in developing the risk assessment. The eight highest residual risks are presented in the DFS report. Among the highest risks (carrying a risk rating of 12) are permitting and timely resettlement. The report provides an overview of permitting processes, noting that they are detailed and complex and could be delayed, resulting in time and cost implications – this needs to be closely monitored and controlled.

Resettlement implementation is expected to be a delicate and complex process, with community and government involvement. Successful execution of the resettlement process is a high priority for OreCorp and an essential process to ensure that positive community relations are maintained. If resettlement is not executed in line with the Nyanzaga schedule, delays will result. Experienced consultants have been engaged for resettlement and a thorough assessment and resettlement action plan has been developed. Other environmental and social risks that are highlighted in the risk assessment, include: health and safety, community, and the TSF.

The SLR technical review report notes that as of March 2023 there are no red flags or showstoppers relating to the ESG components at the Nyanzaga project. However, there are a number of priority actions relating to high environmental and social risks that require alignment of documentation and processes with applicable standards.

3.5.10 Summary of the review findings

Based on the review of the Nyanzaga DFS and documentation provided, SRK notes the following findings:

1. The DFS is suitably comprehensive and draws on available information prepared for the project.

2. ESG considerations are integrated throughout the document.
3. The DFS should be updated to reflect additional studies that have been completed subsequent to the drafting of the BFS, including:
 - a. Final ESIA (April 2023)
 - b. Human rights impact assessment (January 2023)
 - c. Community health impact assessment (October 2022)
 - d. RAP (February 2023)
 - e. Critical habitat assessment (February 2023)
 - f. Climate change impact assessment (February 2023).
4. Although the report mentions the ESIA processes undertaken for the project, it does not explicitly state that extensive stakeholder engagement was conducted during these studies. This aspect is important to highlight as it indicates consideration for stakeholder inputs in project planning and design, as well as building relationships with interested and affected parties in the project area.
5. The ESAP, which is used as a management tool by OreCorp, is not presently referenced in the DFS.
6. The DFS mentions policies in relation to the ESMS, but it does not mention the policies that have been developed on human rights, ESG, communities and environment.
7. Although monitoring is embedded in the presentation of baseline surveys as an impact mitigation measure and stated in the context of resettlement, consideration should be given to collating this information into a dedicated sub-section in Chapter 10. This write up could also reference monitoring that is currently taking place such as the network of surface water quality sites in the surrounding area.
8. The DFS should be updated to reflect permits that have already been issued such as the water use permit for Lake Victoria issued on 22 December 2022. In addition to the permit pathway, which is mentioned in the report, it is assumed that the mine will develop a permit register.
9. The DFS should be updated to reflect the outcomes of the SLR *Technical Review Report* (SLR, 2023), where relevant.

3.5.11 Mine closure plan

Mine closure planning has been designed mostly for the end of mine life and mostly concerns the reduction of the slope on the waste dumps, vegetating the slopes and managing the water accumulation in the pits as needed. Many of these items cannot be forecast accurately as mining has not yet commenced at the Nyanzaga Gold Project.

The proposed future closure of the underground will consist mostly of sealing shaft entrances to allow subsequent re-entry (if necessary) – other subsidence-related items from underground are unlikely as the stopes will be filled. The plant closure is mostly focused on the removal of infrastructure and rehabilitation of the disturbed area. The last major cost relates to covering and vegetating the TSF and controlling water from the dam. The potential expansion of the mine pit is limited and the timing of the expenditure is delayed as far as possible.

3.5.12 Closure costing

The supplied valuation model has allowed a capital cost of US\$26 M for mine closure, of which most is related to the closure of the TSF/tailings dam (US\$15 M in 2022 dollar terms). The balance of the closure cost estimate is assigned to mining (US\$7 M in 2022 dollar terms) and the plant (US\$3 M in 2022 dollar terms). It is accepted that this amount will be sufficient based on the current standards as applied to closure, but costs could escalate if standards change in future.

It should be noted that the risk of cyanide release into water streams post-closure could be reputationally poor for the mine owners (at any such point in time) and changing standards around this may impact costs. Similarly, the trends regarding the safety of tailings dams, as being experienced currently, may also have a negative effect on costs.

4 Other Mineral Assets

On 22 April 2022, OreCorp completed the demerger of Solstice (a wholly owned subsidiary). The demerger was undertaken to divest OreCorp's interest in the Western Australian exploration assets, comprising the Yarri, Yundamindra and Ponton projects. As such, OreCorp no longer retains any mineral interests in Australia.

In addition, OreCorp previously held three licences forming the Akjoujt South Project in Mauritania. Two of these licences expired in March 2022 and the third expired in August 2022. OreCorp has subsequently wound up its operations in Mauritania.

Part B: Mineral Assets of Silvercorp

5 Ying Mine

5.1 Overview

Silvercorp is a Canadian mining company producing silver, lead, and zinc metals in concentrates from a series of mines in China. It is listed on both the Toronto Stock Exchange (TSX) and New York Stock Exchange (NYSE American) under the ticker code: SVM.

Through its wholly owned subsidiaries, Silvercorp holds an effective interest of 77.5% in the SGX, HZG, TLP, LMW, and DCG mines, which collectively form the Ying Mine (where its JV partners are Henan Non-Ferrous Geology Minerals Ltd (17.5%) and Henan Xinxiangrong Mining Ltd (5%)), and an 80% interest in the HPG and LME mines (JV partner is Henan Xinhui Mining Co., Ltd. (20%)).

Silver-lead-zinc mineralisation in the Ying district has been known and intermittently mined for several hundred years. Silvercorp acquired an interest in the SGX project in 2004, the HPG project in 2006, and the TLP, LMW and LME projects in late 2007. Annual production has been consistent in recent years, ranging from 650,000–773,000 t milled between FY2021 and FY 2023.

5.1.1 Location, access and climate

The Ying Mine is situated in central China in western Henan Province (Figure 5-1), about 145 km southwest of Luoyang (population 1.4 million) and 240 km west-southwest of Zhengzhou (population 7.0 million), the capital city of Henan Province. Luoyang is the nearest major city to the project while Zhengzhou is the largest industrial city in the region, offering full-service facilities and daily air flights to Beijing, the capital of China, as well as to Shanghai and Hong Kong.

The nearest urban centre to the project area is Luoning (population >80,000) which is about 56 km to the north by paved roads from the Ying mill site. The mill site is about 15 km by paved road from the Guxian Reservoir (Figure 5-1), a significant water storage lake (capacity: $11.75 \times 10^8 \text{ m}^3$) on the Luo River, a tributary to the Yellow River in Luoning Country. The primary purpose of the Guxian Reservoir is flood control, but it also generates hydroelectricity (peak capacity 60.0 MW) and provides water for irrigation. The SGX camp can be accessed via a 10-minute ferry ride across the reservoir.

The term 'Ying District' is used to describe a 100 km² rectangular area bounded by latitude 34°07'N to 34°12'N and longitude 111°14'E to 111°23'E. Within this district block, Silvercorp has three principal centres of operation, within which seven mining operations are located. Ore from all mining operations is hauled to a centralised processing complex (known as the Ying Mill Complex) for processing.

Collectively, the project tenures are supported by good quality sealed roads which enable access year-round. There are major power grids in proximity to the project including a powerline extending to the SGX area. A hydroelectrical power station at the Guxian Reservoir is proximal to the project and there is sufficient labour available in the surrounding region to support exploration and mining operations.

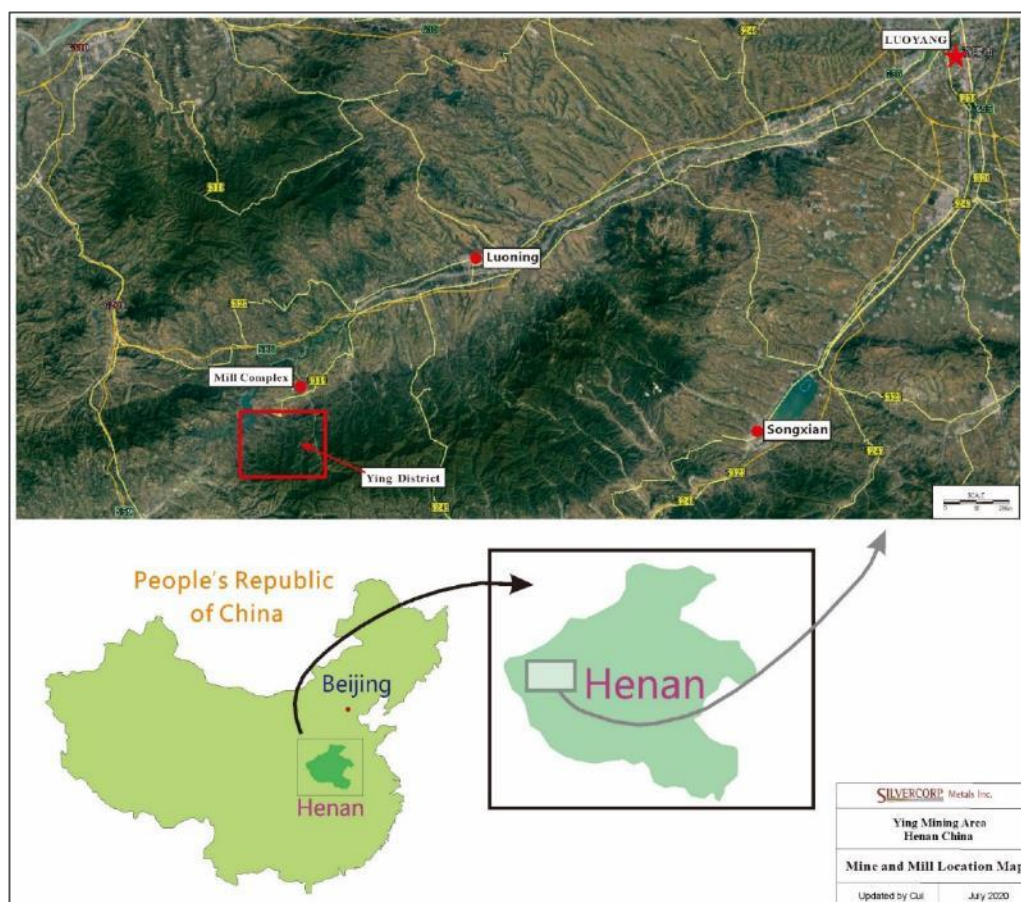
The district lies within rugged, deeply dissected mountainous terrain of the Xionger Mountain Range. Elevations range from 300 m to 1,200 m asl. Hill slopes are steep, commonly exceeding 25°, and have good bedrock exposure.

The area experiences a continental sub-tropical climate with four distinct seasons, with hot and humid conditions in summer (June to August) and cool to cold, windy, dry winters (December to February). The average annual temperature is around 15°C, with the January temperatures ranging from -10°C to 3°C and July from 24°C to 38°C. The average annual precipitation ranges according to elevation from 500–900 mm, with more precipitation in the southern and western mountainous areas and during the months from July to September, supplemented by snow and frost from November to March. About 50% of the annual precipitation of Henan falls in summer, and the average annual sunshine is about 1,286–2,293 hours. Mining and processing operations are continuous year-round without major climate induced interruptions.

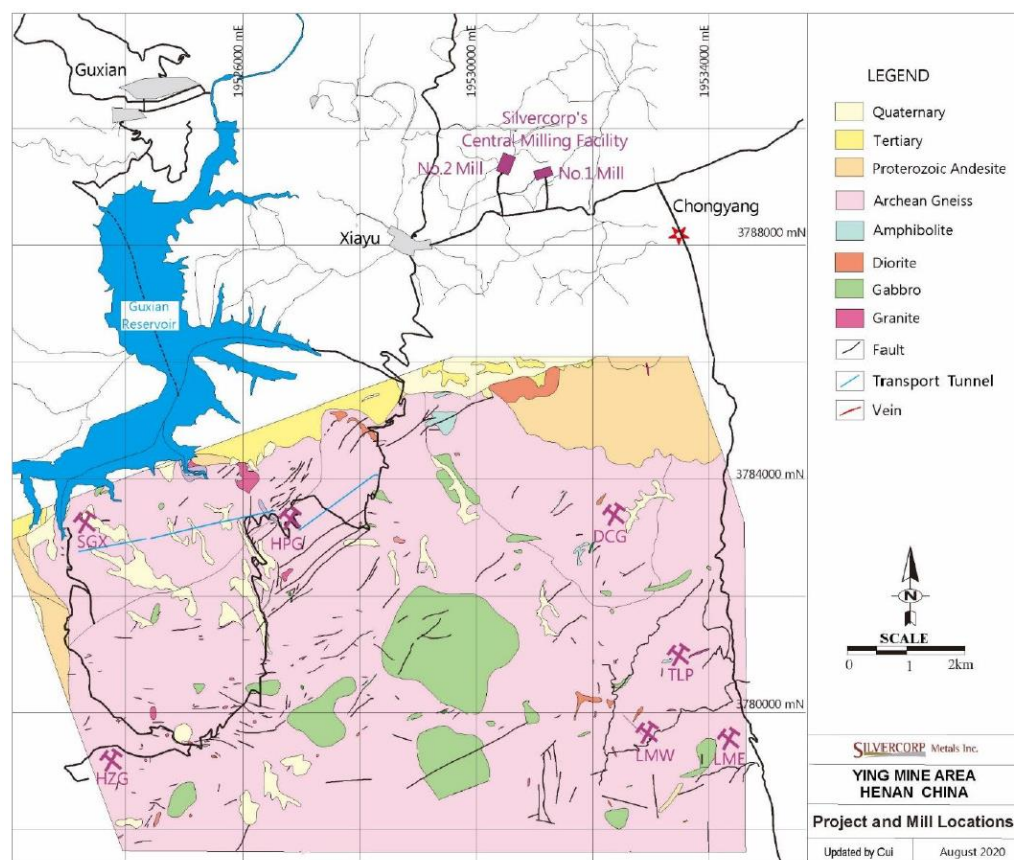
The area is sparsely vegetated, consisting mostly of bushes, shrubs, ferns, and small trees. At higher elevations the vegetation is denser, and the trees are larger.

The local economy is based on agriculture (wheat, corn, tobacco, medicinal herbs) and mining. Agriculture is confined to the base of the larger stream valleys and to the many terraced hillsides.

Figure 5-1: Location of Ying Mining Complex



Source: NI 43-101 Report dated September 2022.

Figure 5-2: Ying Mine and mill locations

Source: NI 43-101 Report dated September 2022.

The area shown in Figure 5-2 with the geology drape roughly corresponds to the outline of the mining licences. To increase haulage efficiency and facilitate environment-friendly operations, Silvercorp has driven haulage tunnels to connect the SGX and HPG mines, and from HPG to a road-access point nearer to the mill sites. The SGX, HZG, HPG, TLP, LME, LMW, and DCG mines all have road access. Currently all ore is hauled to the mill using trucks.

The steep valleys form natural reservoirs for TSFs and waste dumps.

5.1.2 Ownership, tenure and land use

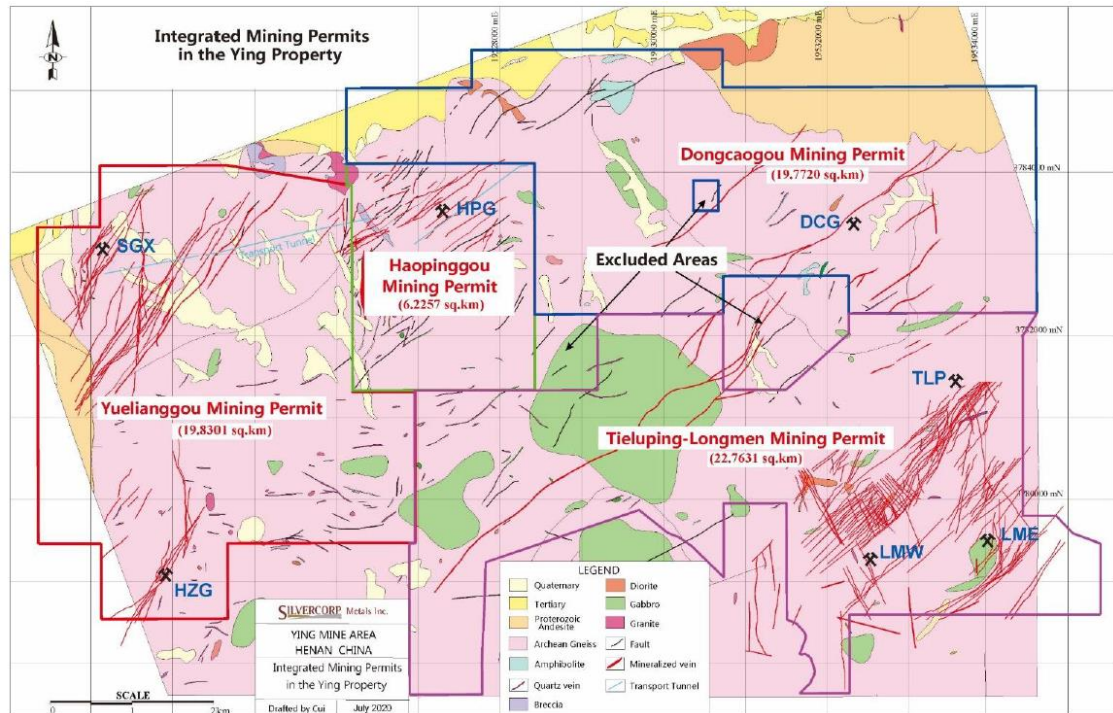
Silvercorp, through its wholly owned subsidiary, Victor Mining Ltd (Victor), is party to a cooperative JV agreement dated 12 April 2004 under which it earned a 77.5% interest in Henan Found Mining Co. Ltd. (Henan Found), the Chinese company holding (with other assets) the SGX, HZG, TLP, LMW and DCG projects.

In addition, Silvercorp, through Victor is also party to a cooperative agreement dated 31 March 2006, under which it initially obtained a 60% interest in Henan Huawei Mining Co. Ltd (Henan Huawei), the beneficiary owner of the project in Haopinggou (the HPG Project) and the project in Longmen (the LME Project). Over the intervening period, Silvercorp's interest in Henan Huawei has increased to 80%.

The information supporting Figure 5-3 Table 5-1 and Table 5-2 has been provided by Silvercorp to SRK, supported by a letter dated 8 April 2022 from BaiRun Law Firm summarising the legal status of the exploration and mining licences. SRK has taken this information in good faith, having completed its own validation and checks during its site inspection in late August 2023.

The Ying Mine area is covered by four major contiguous mining licences, as shown in Figure 5-3.

Figure 5-3: Location of the approved mining licences forming the Ying Mine



Source: Silvercorp Metals Inc.

Silvercorp's mines in the area are located as follows:

- The SGX and HZG lead-zinc-silver mines fall within the Yuelianggou Mining Licence in the western part of the tenure block.
- The HPG lead-zinc-silver-gold mine is within the Haopinggou Mining Licence in the central western part of the block.
- The DCG gold-silver mine is covered by the Doncaogou Mining Licence in the northeastern part of the tenure block.
- The TLP, LME, and LMW lead-silver mines all occur within the Tieluping-Longmen Mining Licence in the eastern part of the block.

The combined area of the four mining licences is 68.59 km². Table 5-1 lists the relevant details of these tenures including names, licence numbers, areas, and expiry dates.

Table 5-1: Mining licences

Area and licence name	Mines	Exploration licence number	Area (km ²)	Expiry date
Yuelianggou Lead-zinc-silver Mine	SGX & HZG	C4100002009093210038549	19.8301	September 2024
Haopinggou Lead-zinc-silver-gold Mine	HPG	C4100002016043210141863	6.2257	29/04/2028
Dongcaogou Gold-silver Mine	DCG	C4100002015064210138848	19.772	15/06/2025
Tieluping-Longmen Silver-lead Mine	TLP, LME & LMW	C4100002016064210142239	22.7631	26/02/2041
Total			68.5909	

Source: Silvercorp Metals Inc.

The licences indicate that mining is permitted between the following prescribed elevations:

- Yuelianggou Mining Licence: 1,060 m and 0 m above sea level
- Haopinggou Mining Licence: 955 m and 365 m above sea level
- Tieluping-Longmen Mining Licence: 1,250 m and 700 m above sea level
- Dongcaogou Mining Licence: 1,087 m and 605 m above sea level.

Henan Found previously engaged an accredited geological team to prepare the reports needed to support an extension of these four mining licences to extract ores from elevations below the currently permitted lower limits. In 2021, Henan Found was granted four exploration licences covering the area beneath the lower boundaries of the four mining licence areas. However, as noted in Table 5-2, the four exploration licences expired during 2023.

SRK has sighted and noted that in Clause 3 of the '*Notice of the Ministry of Natural Resources on Further Improving the Registration and Administration of Mineral Resources Exploration and Exploitation Natural Resources Regulation [2023] No. 4*' issued on 6 May 2023, that '*The mining permit holder carries out exploration work beneath or above the boundaries of the mining areas, does not need to apply for new registration of exploration right.*' Ying Mine does not need to renew the exploration licences as the exploration areas are within the boundaries of the four mining licence areas. Ying Mine has title to conduct exploration activities as before.

Details of the four exploration licences are summarised in Table 5-2.

Table 5-2: Exploration licences

Area and licence name	Mines	Licence No.	Area (km ²)	Expiry*
Yuelianggou Lead-zinc-silver Mine	SGX & HZG	T4100002021033010056162	19.8303	02/03/2023
Haopinggou Lead-zinc-silver-gold Mine	HPG	T4100002021033050056218	6.2155	25/03/2023
Dongcaogou Gold-silver Mine	DCG	T4100002021074050056410	19.1491	08/07/2023
Tieluping-Longmen Silver-lead Mine	TLP, LME & LMW	T4100002021044050056239	22.7302	06/04/2023
Total			67.9251	

Source: Silvercorp Metals Inc.

Silvercorp's mining licences are subject to mining-right usage fees, and applicable Mineral Resource taxes. The renewal of mining licences and extending of mining depth and boundaries occur in the ordinary course of business so long as Mineral Resources exist or are defined, the required documentation is submitted, and the applicable government resources taxes and fees are paid. The mining licences provide the right to carry out full mining and mineral processing operations, in conjunction with safety and environmental certificates. Safety certificates for Silvercorp's mining activities have been issued by the Department of Safety, Production and Inspection of Henan Province. Environmental certificates have been issued by the Department of Environmental Protection of Henan Province.

Surface rights for mining purposes are not included in the licences, but Silvercorp has acquired or leased surface rights for mining and milling activities through the payment of a fee based on the appraised value of the land or negotiation. Subject to negotiation, land use compensation fees may also be due to the local farmers, if their agricultural land is disturbed by exploration activities. China has an established Mining Code that defines the mining rights guaranteed by the government of China.

Some major land purchases may be required in the future for mine infrastructure purposes (such as for additional processing plant requirements, waste disposal, offices and accommodations). The land needed for the third mill and the new TSF, has been leased from the local community. If further land is needed, it will be leased as, and when, required.

There are no significant factors and risks that may affect access, title, or the right or ability to perform work on the Ying property that are known at this time.

5.1.3 Agreements, contracts and taxes

With the exception of existing mining contractors' agreements and monthly concentrate sales agreements with major smelters, there are no other material agreements and contracts pertaining to the Ying mining and processing operations.

There are no State or third party royalty payments due in relation to production from the site.

China has a 13% value added tax (VAT) on sales of concentrates and on articles such as materials and supplies. The VAT paid on materials purchased for mining is returned to Silvercorp as an incentive to support mining in China. There is no VAT on labour.

Silvercorp also pays a VAT surtax, which comprises 12% of the VAT payable, including 5% of VAT payable as city construction fee, and 7% of VAT payable as education surtax. Silvercorp also pays a Mineral Resources tax currently levied at approximately 3% of sales. The normal income tax rate in China is 25%.

In 2020, Henan Found was recognised as a High and New Technology Enterprise (HNTE) and its effective income tax rate was reduced to 15% from 2020 to 2022. The recognition of a HNTE is for a 3-year period, and can be renewed, subject to government approval, in the fourth year.

5.1.4 Project history

Introduction

Silver-lead-zinc mineralisation in the Ying district has been known and intermittently mined for several hundred years. The first systematic geological prospecting and exploration was initiated in 1956 by the Chinese government. Detailed summaries of the district's historical activities from 1956 to 2004, when Silvercorp first acquired interests in the area, are described in previous NI 43-101 Technical Reports (see References).

Drilling

Prior to Silvercorp obtaining the rights to the SGX mine in 2004, there was little drilling work completed on the Ying Mine. Drilling programs conducted by previous operators included a 10,736 m surface drilling program in the TLP-LM area by the No. 6 Nonferrous Geological Exploration Team during the period from 1991 to 1994 as well as a test drilling program comprising two holes in the SGX area by the Henan Nonferrous Geological Exploration Bureau in 2003.

Ownership and production

Silvercorp acquired an interest in the SGX mine project in 2004. Subsequently, Silvercorp acquired the HZG, HPG, TLP, LM (LME and LMW), and DCG projects, all of which were previously held and operated by private Chinese companies.

HPG Mine

The underground mine at HPG was initially constructed in April 1995, with a mining licence issued in June 1996 to Huatai #1 company. The mine was shutdown during 1997 and 1998, and in 2001, new mining licences were issued by the Henan Bureau of Land and Resources to Huatai #2 company (changing names on a mine licence in China is difficult so the same name is used even though they are different companies).

In 2004, Huatai #3 company acquired the mine, which reportedly produced 70,000 tpa of ore from four principal underground levels. Ore was shipped to the Guxian Ore Processing Plant, owned by Huatai. In 2006, Silvercorp reached an agreement with Huatai, which included both the mine and the plant.

TLP Mine

In 1998, a mining permit was issued for the TLP area to Tieluping Silver and Lead Mine of Luoning County. The mine produced 450 tpd of ore using shrinkage stoping methods. Ore was shipped to five small mills and lead concentrates were produced by conventional flotation methods. In December 2006, the government closed the mine due to health, safety, and environment concerns. The operation is reported to have produced about 1.55 Mt of ore, although actual production and grades are unknown. Silvercorp acquired the TLP project from the owners in late 2007.

LM Mine

In 2002, a mining permit was issued for the LM area to Luoning Xinda Mineral Products Trade Co. Ltd. (Xinda), which allowed Xinda to mine 30,000 t of silver-lead ore using shrinkage stoping methods. Ore was mined mainly from the 990 m to 838 m levels and shipped to a local custom mill for processing by conventional flotation. Reported production for the operation was 120,206 t of ore averaging 257.06 g/t Ag and 7.04% Pb. Silvercorp acquired the LM project from the owners in late 2007.

DCG

The two exploration permits – the original Dongcaogou Gold-Silver deposit and the adjacent Ximiao-Leileishi gold deposit to the west – were acquired by Silvercorp in August 2006 and June 2007, respectively. In February 2013, the Department of Land and Resources of Henan Province approved the delimitation of the mining area of Dongcaogou gold and silver mine (DCG), which combined together the original Dongcaogou gold-silver deposit and Ximiao-Leileishi gold deposit. On 15 June 2015, the Department of Land and Resources of Henan Province issued the DCG mining licence with the validity period from 15 June 2015 to 15 June 2025.

Table 5-3 summarises the recent production from year-end 31 March 2021 to year-end 31 March 2023 and the Ying Mining Complex.

Table 5-3: Recent production and cost summary

Year-end 31 March	2023	2022	2021
Mined (t)	769,024	681,398	650,025
Processed (t)	773,057	684,293	651,402
<i>ROM grade</i>			
Silver (g/t)	261	272	290
Gold (g/t)	Not reported	Not reported	Not reported
Lead (%)	3.8	3.9	4.3
Zinc (%)	0.7	0.8	0.8
<i>Produced</i>			
Silver (Moz)	6.0	5.6	5.6
Gold (oz)	4,400	3,400	3,500
Lead (Mlb)	60.3	53.9	56.7
Zinc (Mlb)	7.2	6.6	7.0
Mining costs (US\$/t)	78.63	81.98	69.56
Processing costs (US\$/t)	11.76	12.10	9.69
Production costs per tonne of ore processed	94.07	97.76	83.01
All-in sustaining costs per tonne of ore processed	146.59	147.52	132.54
Cash costs per ounce of silver, net of by-product credits	0.88	0.96	-0.39
All-in sustaining costs per ounce of silver, net of by-product credits	8.29	7.93	6.09

Source: Silvercorp Metals Inc.

In Q1 Fiscal 2024 (the 3 months ending 30 June 2023), ore mined was 213,748 t and 208,809 t processed. The average run of mine (ROM) grades were 254 g/t Ag, 3.6% Pb and 0.7% Zn, resulting in metal produced of 1.6 Moz of silver, 1,552 oz of gold, 15.4 Mlb of lead and 2.1 Mlb of zinc.

The mining costs were US\$71.17/t, while the milling costs were US\$11.13/t. The production costs were US\$85.58/t, ore processed and the all-in sustaining cost per tonne of ore processed was US\$133.94. The cash costs per ounce of silver, net of by-product credits, was US\$0.26 and the all-in sustaining costs, net of by-product credits was US\$7.14/oz of silver.

Historical Mineral Resource and Ore Reserve estimates

Silvercorp acquired its interests in the deposits now forming its Ying Mining Complex between 2004 and 2007. Any Mineral Resource or Ore/Mineral Reserve estimates that pre-date Silvercorp's involvement have not been considered by SRK (as these were generally not reported in accordance with international reporting standards).

Current estimates of Mineral Resources and Ore Reserves (for the purpose of this report, Mineral Reserves (CIM definition) and Ore Reserves (JORC Code definition) have the same meaning) are discussed in the relevant sections of this report.

5.2 Geology and Resources

5.2.1 Site visit

SRK conducted a site visit of the Ying Mine (principally the SGX, TLP, HPG and LMW areas) from 28 to 30 August 2023. SRK's site inspection included:

- inspection of the project area
- meeting with site representatives
- discussions with geologists and other technical staff
- visit to the drill core store
- visit to the sample preparation room of SGS on site
- visit to the Ying Mine site laboratory.

SRK also inspected the drill core store of the SGX, TLP/DCG and LMW mines (Figure 5-4 to Figure 5-6) and the sample preparation room of SGS (Figure 5-7), to gain an understanding of the company's core storage and sample preparation practices and to ensure they are standardised and aligned with best practice requirements.

Figure 5-4: SGX drill core store



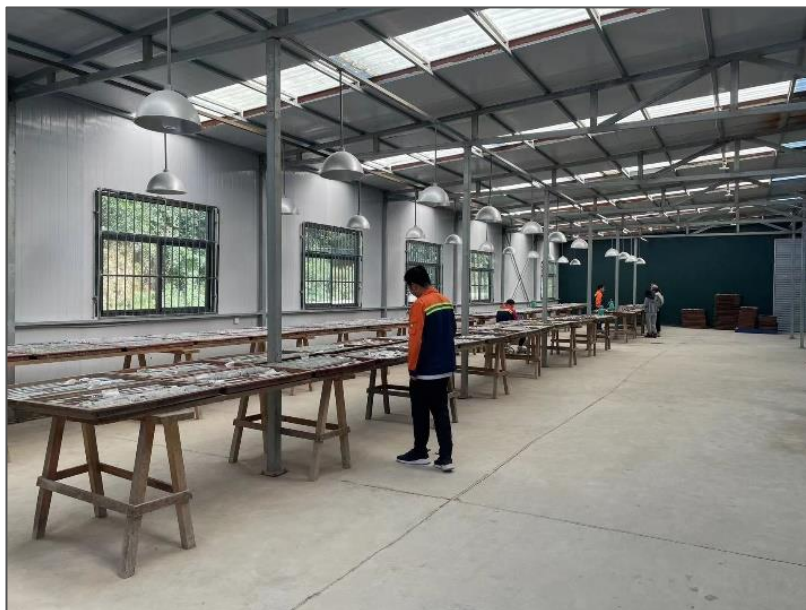
Source: SRK site visit, August 2023

Figure 5-5: Core splitting machine at TLP



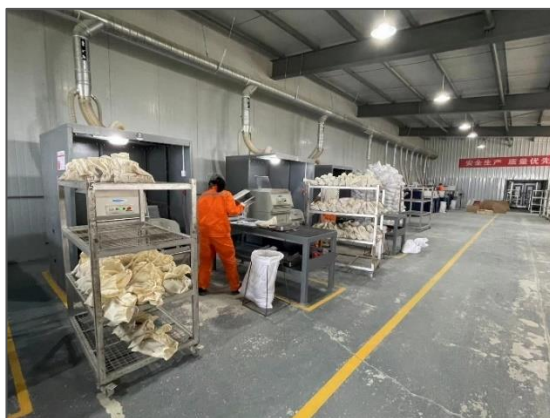
Source: SRK site visit, August 2023

Figure 5-6: Core catalogue room at LMW



Source: SRK site visit, August 2023

Figure 5-7: Sample preparation room of SGS



Source: SRK site visit, August 2023

SRK also attended the Ying Mine laboratory (Figure 5-8), to understand the analytical methods, and to determine if processes are in line with conventional practices and the analysis results do not show significant bias or precision errors compared with umpire samples.

Figure 5-8: Ying laboratory



Source: SRK site visit, August 2023

SRK did not complete any independent sampling for data verification purposes as part of its investigations.

5.2.2 Regional setting and local mineralisation

The Ying Mine is situated in the 300 km long, west-northwest trending Qinling orogenic belt (Figure 5-9), a major structural belt formed by the collision of two large continental tectonic plates in Palaeozoic time. The northern continental plate, the North China Plate, covers all of Henan Province and most of North China, while the southern plate, the Yangtze Plate, covers most of South China. Rocks along the orogenic belt between the two major tectonic plates are severely folded and faulted, offering optimal structural conditions for the emplacement of a myriad of mineral deposits. Several operating silver-lead-zinc mines, including those on the Ying Mine, occur along this belt.

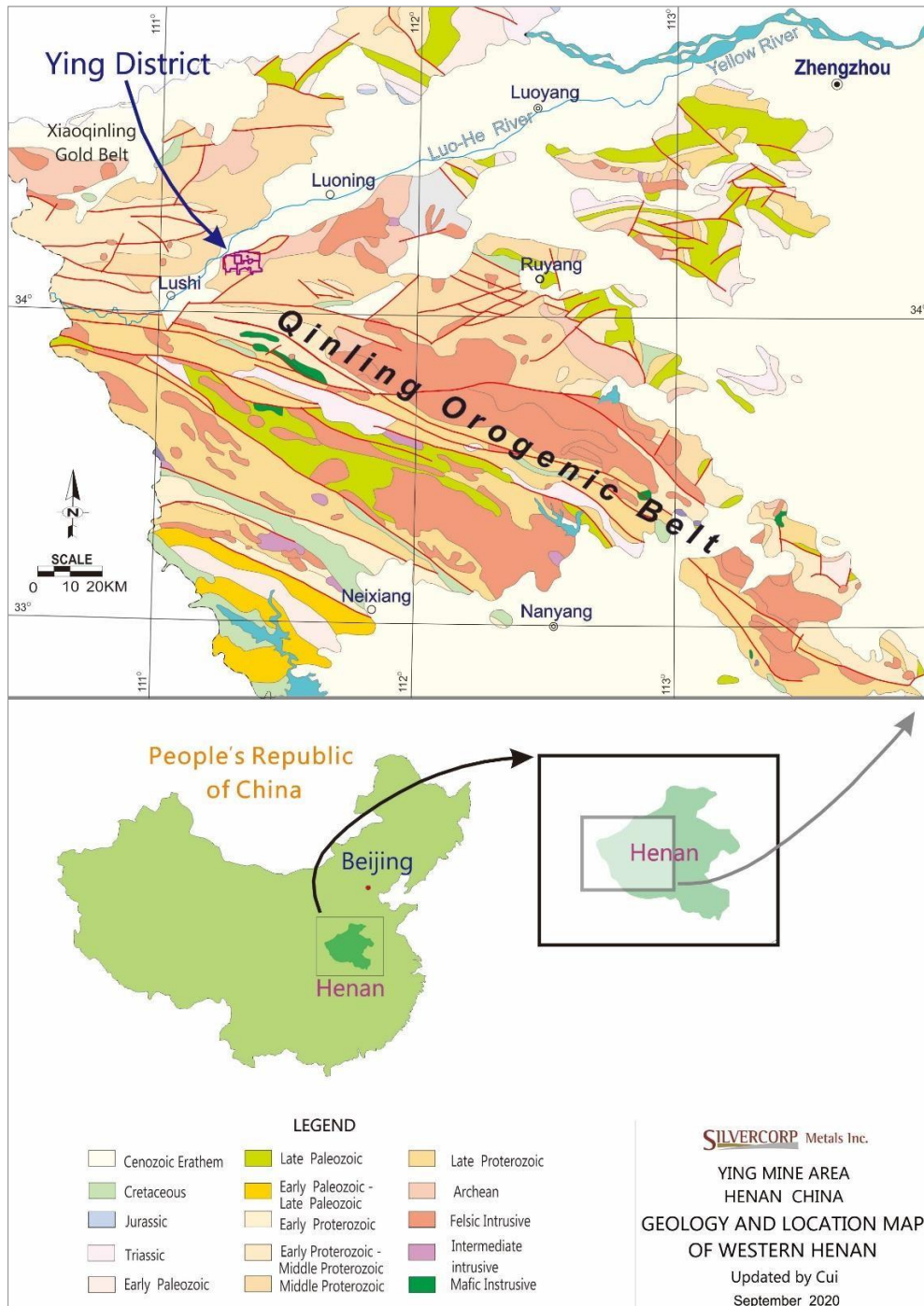
The dominant structures in the Qinling orogenic belt are west-northwest trending folds and faults generated during the collision of the two major tectonic plates. The faults consist of numerous thrusts having a component of oblique movement with sets of conjugate shear structures trending either northwest or northeast. These conjugate shear zones, which display features of brittle fracturing such as fault gouge, brecciation, and well-defined slickensides, are associated with all the important mineralisation recognised along the 300 km long orogenic belt. At least three important north-northeast trending mineralised fault zones are identified in the Ying Mine:

- Heigou-Luan-Weimosi deep-seated fault zone
- Waxuezi-Qiaoduan fault zone
- Zhuyangguan-Xiaguan fault zone.

The Ying Mine contains multiple mesothermal silver-lead-zinc-rich quartz-carbonate veins in steeply-dipping fault-fissure zones which cut Archean gneiss and greenstone. Significant mineralisation has been defined or developed in at least 356 discrete vein structures, and many other smaller veins have been found but are not as yet well explored. Other than HPG, which contains around 1.5 g/t Au in the ore veins, 10 of the 356 veins contain high levels of gold and various levels of silver and base metals.

The deposit type for the silver-lead-zinc mineralisation is an epigenetic vein deposit that has mesothermal characteristics. Mesothermal vein systems typically occur in rocks associated with orogenic belts. Mineralisation is associated with deep-seated shear zones that cut the metamorphic rocks. The veins form in a temperature range from 200–300°C, at pressure depths from 600 m to 5,000 m. The veins occur in sets with the major veins in the system tending to be continuous for over 1,000 m (laterally and vertically).

Figure 5-9: Geology of Western Henan Province and location of the Ying property

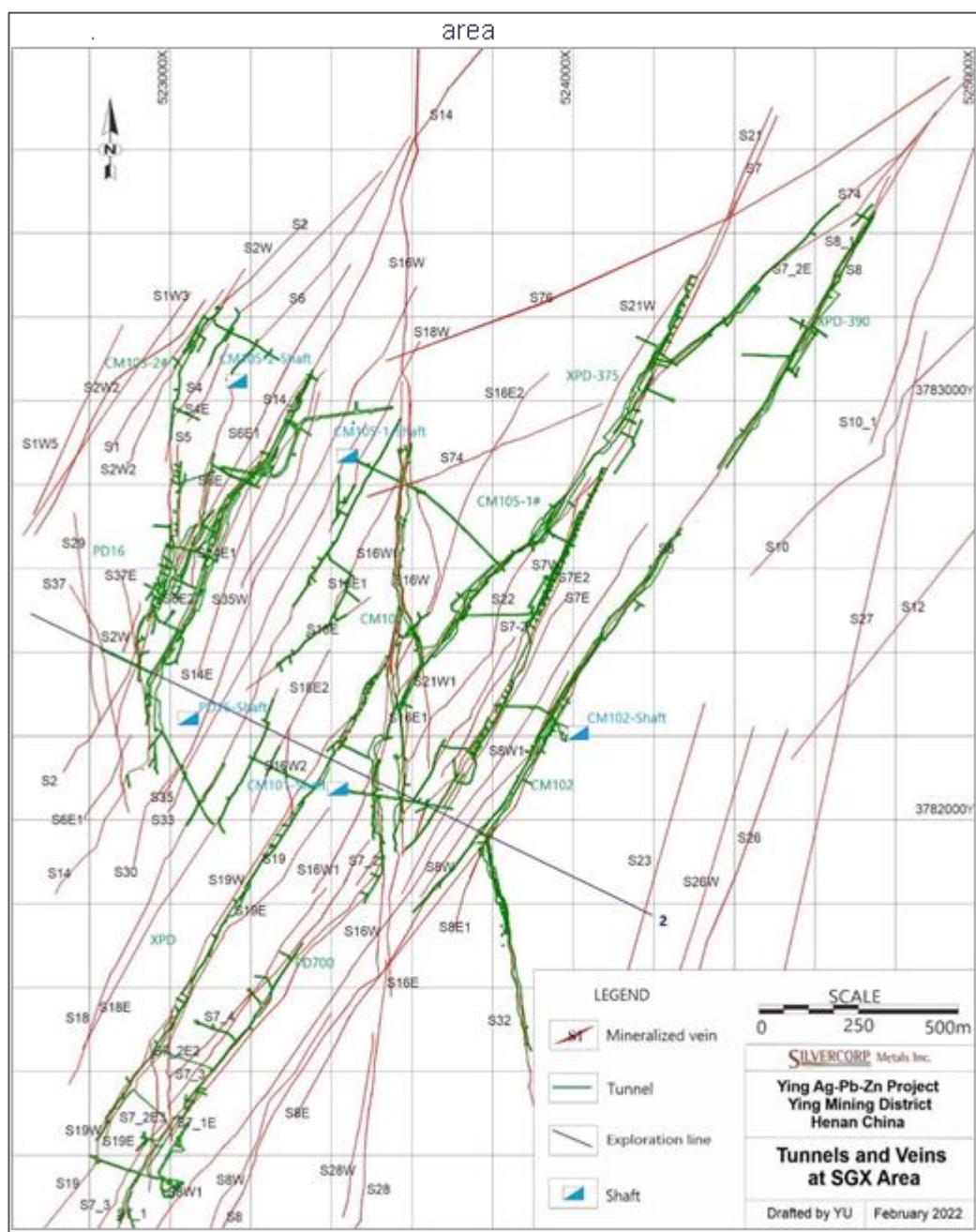


Source: NI 43-101 Report dated September 2022.

SGX area

The currently defined silver-lead-zinc mineralisation in the SGX area occurs within 82 veins which arise in 8 major and 2 minor vein systems. Figure 5-10 shows the exploration and development tunnels (tunnels) and veins in the SGX area.

Figure 5-10: Tunnels and veins in the SGX area



Source: NI 43-101 Report dated September 2022.

The SGX veins have been extensively mapped and sampled at various levels in the underground workings and by drilling. Results show that approximately 30% of the material filling the veins is strongly mineralised with massive, semi-massive, veinlet, and disseminated galena and sphalerite over narrow widths ranging from 0.3–5 m or more with a weighted average true width of 0.77 m. Other than galena and sphalerite, the most common metallic minerals are small amounts of pyrite, chalcopyrite, hematite, and very small amounts of wire silver, silver-bearing sulfosalts (mainly pyrargyrite), silver-bearing tetrahedrite (known as freibergite), and possibly acanthite (silver sulfide). The metallic minerals are confined to the veins where they occur as massive accumulations or disseminations. The galena mineralisation often occurs as massive tabular lenses comprised of coarsely crystalline aggregates or fine-grained granular ‘steel galena’ bodies, which can be up to 1 m thick and 100 m or more in vertical and horizontal dimensions. Sphalerite, in its dark-coloured, iron-rich form is often known as ‘blackjack’ and occurs with the galena as coarse bands or aggregates. Alternating bands of galena, sphalerite, pyrite, and quartz are common near the vein margins.

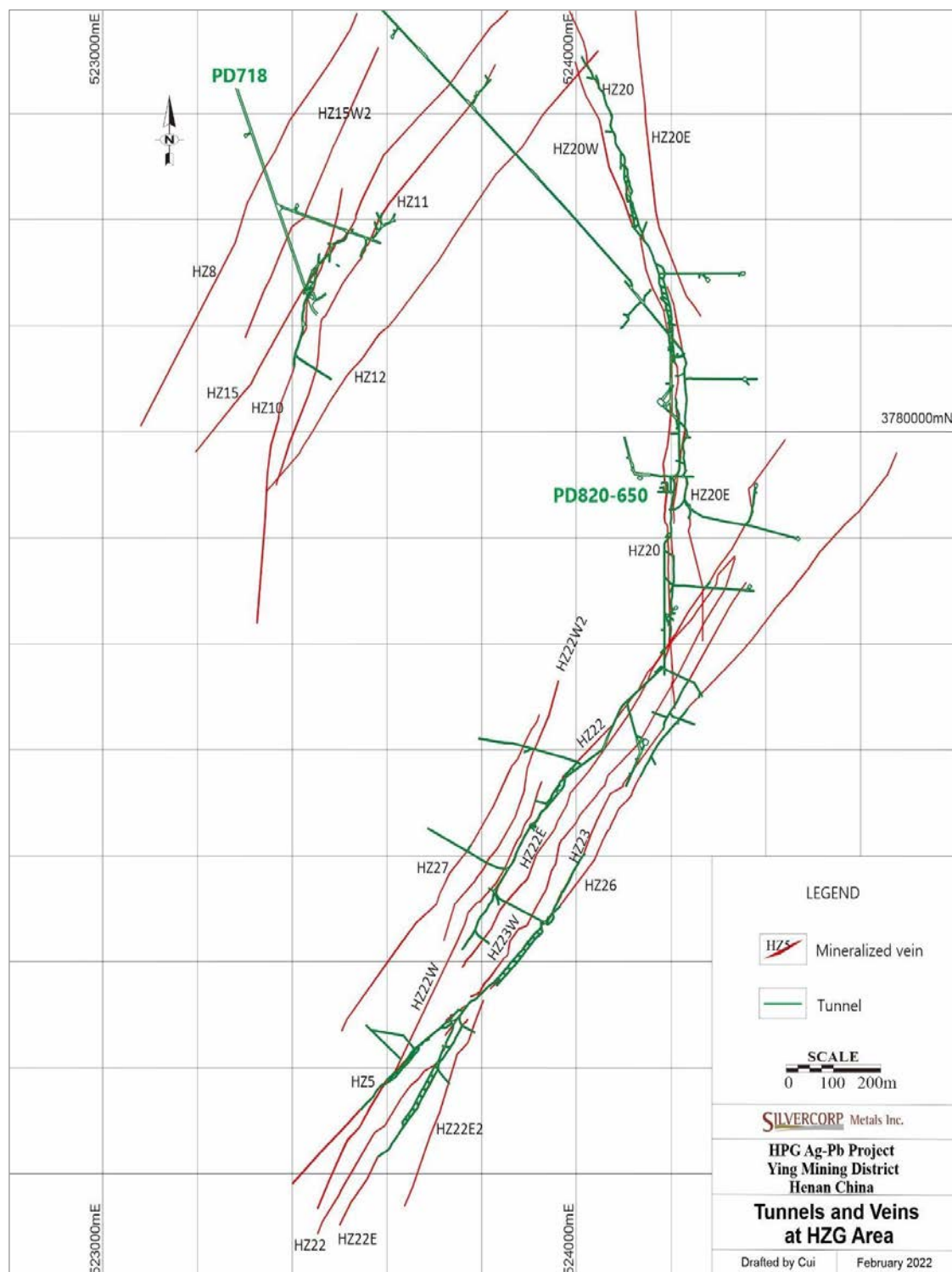
HZG area

The HZG mine area, south of the SGX area, hosts 23 silver-lead-zinc veins in which mineralisation has been defined to date. Underground and surface sampling and drilling indicates that 14% to 23% of the vein filling material in these veins is strongly mineralised over a true weighted average width of 0.55 m (ranging from 0.30–2.64 m). The veins contain distinctly more copper but lower zinc than the district’s many other veins. One of the largest HZG veins defined to date, HZ20, contains an average of 0.688% Cu, which occurs mostly in chalcopyrite and tetrahedrite. The tetrahedrite commonly forms massive lenses, probably filling tension gashes that are distributed in relay-like fashion near the vein margins and in ladder-like fashion near the centre of the veins. The chalcopyrite occurs as disseminated crystals in the gangue and in the tetrahedrite. Other sulfides present include galena (up to several per cent locally) and pyrite.

The contact of the HZG veins with the wall rock is sharply marked by shearing and gouge. The gangue is predominantly quartz-ankerite with conspicuous amounts of bright green fuchsite, a chrome-bearing muscovite alteration product that is especially abundant near the HZG vein margins. Fuchsite apparently occurs nowhere else in the Ying property, although it is a common alteration product in many greenstone-related mesothermal gold districts throughout the world.

The HZG veins mostly trend northeast–southwest, bending north-northeast–south-southwest towards the western margin, although there are a few vein systems that trend approximately north–south as shown on Figure 5-11.

Figure 5-11: Tunnels and veins in the HZG area

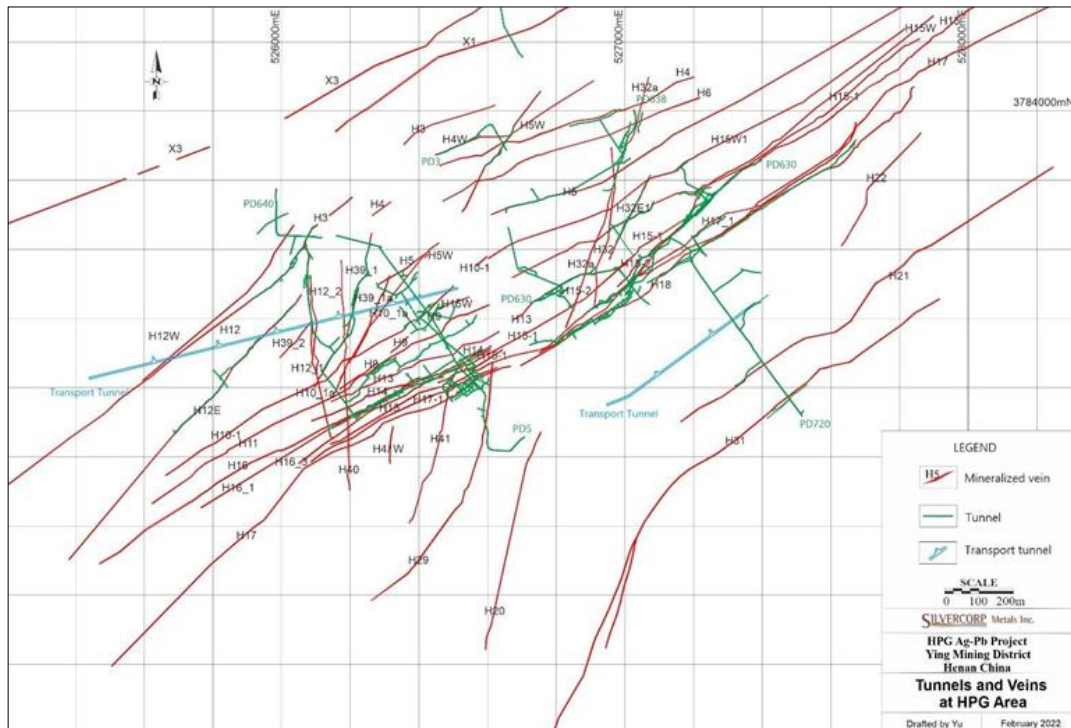


Source: NI 43-101 Report dated September 2022.

HPG area

The HPG Mine area is located in the central part of the district, immediately northeast of the SGX Mine. Figure 5-12 shows the tunnels and veins in the HPG area. Mineralisation is currently defined in 47 veins. Sampling at various levels in the workings along these vein structures indicates that 27% to 50% or more of the vein material is mineralised, ranging from 0.30–5.76 m in width and averaging 0.77 m.

Figure 5-12: Tunnels and veins in the HPG area



Source: NI 43-101 Report dated September 2022.

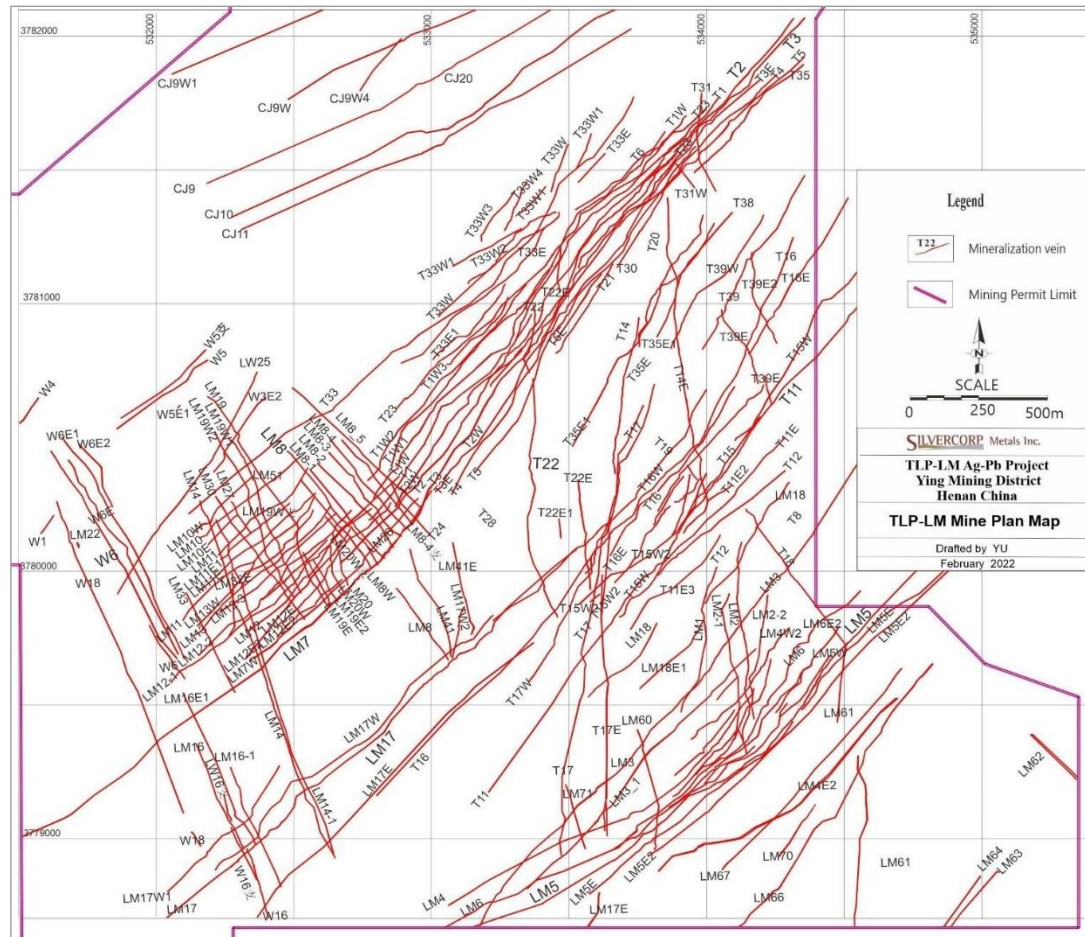
The veins occur in relatively permeable fault-fissure zones and are extensively oxidised from the surface to depths of about 80 m. Within this zone, the veins show many open spaces with conspicuous box-work lattice textures resulting from the leaching and oxidation of sulfide minerals. Secondary minerals present in varying amounts in this zone include cerussite (lead carbonate), malachite (copper carbonate), and limonite (hydrous iron oxide). Beneath this oxide zone, sulfide minerals are mixed with secondary oxide minerals in the vein, with sulfides becoming increasingly abundant downward to about 150 m depth, beyond which fresh sulfides are present with little or no oxidation.

The dominant sulfides are galena, typically comprising a few per cent to 10% of the vein, together with a few per cent of sphalerite, pyrite, chalcopyrite, and freibergite-tetrahedrite. Other metallic minerals in much smaller amounts include argentite, native silver, native gold, bornite, and various sulfosalts. The minerals occur in narrow massive bands, veinlets or as disseminations in the gangue, which consists of quartz, sericite, and carbonate, occurring as dolomite and calcite with some ankerite.

TLP and LM area (TLP, LME and LMW)

There are 76 known veins at TLP, 88 known veins at LMW and 30 known veins at LME. Figure 5-13 shows the distribution of veins in the TLP and LM area. TLP contains no gold-rich veins; LME has one gold-rich vein – LM4E2; LMW has four gold-rich veins – LM22, LM26, LM50 and LM51.

Figure 5-13: Distribution of mineralised veins in the TLP-LM area



Source: NI 43-101 Report dated September 2022.

Extensive underground sampling at various levels along or across the main veins indicates that a significant amount of the vein-filling material is strongly mineralised with massive, semi-massive and disseminated galena, as well as minor amounts of chalcopyrite and sphalerite over widths from 0.3–10 m or more. Other metallic minerals present in much smaller amounts include pyrite, hematite, and very sparse amounts of acanthite.

The veins at TLP mostly dip westward while those at LM dip steeply both east and west. Previous mining and stoping along the Vein T1 and Vein T2 structures at TLP indicate that the mineralisation plunges shallowly to the north within structural zones extending hundreds of metres to a thousand metres or more along strike. The main mineralisation occurs as massive accumulations or disseminations in the veins. The galena often occurs as massive tabular lenses

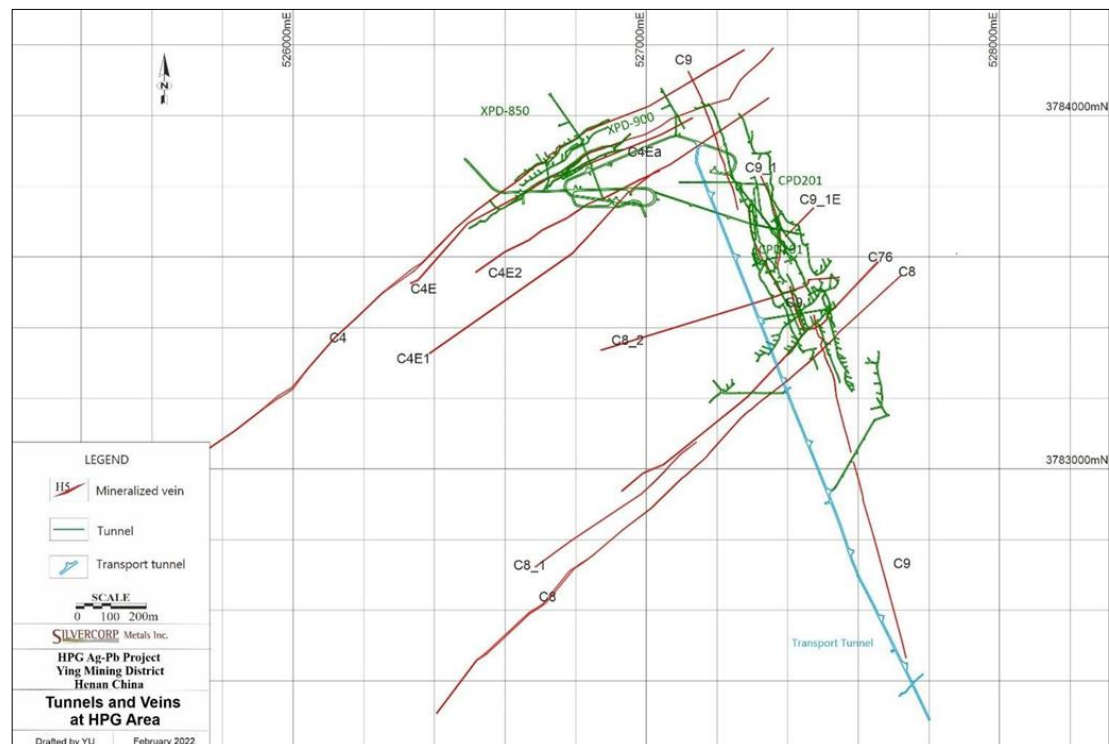
comprised of coarsely crystalline aggregates or fine-grained granular steel galena bodies, which can be up to 1 m thick and 100 m or more in both vertical and horizontal dimensions.

Most of the silver in the TLP-LM veins is present as microscopic inclusions in the galena. It appears that silver:lead ratios are distinctly different between veins of the northern TLP area (North Zone) and the southern TLP and LM area (South Zone). Based upon 15 verification samples collected for a previous Technical Report (Broili et al., 2008), veins in the South Zone appear to have much higher zinc contents and higher silver:lead ratios (90–130 g of silver for each per cent of lead) than veins from the North Zone (5–15 g of silver for each per cent of lead), as well as proportionally less gold. It is interpreted that this difference is the result of zonation or reflects differences in the level of exposure.

DCG area

The DCG area is located in the northeast part of the district, immediately north of the TLP Mine (Figure 5-14). Mineralisation is currently defined in 10 veins. The largest two veins, C76 and C9 based on Measured and Indicated Mineral Resources expressed as silver equivalent metal, account for 80% of the Mineral Resources defined to date at DCG. Vein C9 has a different d orientation from the other veins in that it extends to the north-northwest with a dip direction of ~70–90°, while the other veins extend to the northeast.

Figure 5-14: Tunnels and veins in the HPG area



Source: NI 43-101 Report dated September 2022.

The veins occur in relatively permeable northeast striking fault-fissure zones and are oxidised from the surface to depths of ~50 m. Weak silver-lead mineralisation at surface was exposed by trenches at around the 200 m interval. The grade improves with depth.

The dominant sulfides are galena, typically comprising a few per cent to 10% of the vein, together with a few per cent sphalerite and pyrite and minor argentite. The minerals occur in narrow massive bands, veinlets, or as disseminations in the gangue, which consists of quartz, sericite, and carbonate, occurring as dolomite and calcite with some ankerite. The dominant mineralisation is silver-lead.

5.2.3 Data collection

Since acquiring the Ying Mine, Silvercorp has initiated systematic drilling programs to target veins in other locations vertically and laterally and explore for new mineralised structures in less explored or unexplored areas in the mine. Drill hole samples have historically been collected at lengths that range between 5 cm and 2 m. The minimum sample length was increased to 20 cm in recent programs.

Other than drilling, the projects have been explored primarily by underground development (termed tunnelling) and sampling. Tunnels are typically developed along and across the veins on nominal 40–50 m spaced levels, with infill to 20–25 m levels where warranted. Raises and declines are developed to provide access to the veins between levels. Underground samples comprise a composite of chips collected from channels cut into the walls or faces of the tunnels and cross-cuts. Faces are typically sampled along sample lines perpendicular to the mineralised vein structure on 5 m intervals within mineralised zones, and increasing to 15 m or 25 m intervals within non-mineralised zones. Sampling of mineralised zones typically encompass samples of adjacent wall rock in addition to the visible mineralisation or vein. Sample lengths have historically ranged between ~20 cm and 2 m. The minimum sample length was recently increased to 40 cm.

The drilling samples are sent to the nine certified commercial laboratories, and the tunnelling samples are sent to the Ying Mine site laboratory for analysis. From 2010, quality assurance and quality control (QA/QC) procedures have been used to monitor for accuracy, precision and contamination of the sample stream during sampling, preparation and analysis. The QC sample results show an overall acceptable analytical accuracy and the sample database is acceptable for Mineral Resource estimation purposes.

The database used for the 2021 Mineral Resource estimation of 356 veins comprises surface and underground diamond drill holes, and underground samples collected from channels cut into tunnels, raises, and cross-cuts. The database details are shown in Table 5-4.

Table 5-4: Summary of the database for the Ying Mine

Mine	No. of veins	No. of channel samples	No. of drill holes	Metres of channel samples	Metres of drill core samples
SGX	82	76,682	2,500	40,609.4	76,428.0
HZG	23	18,486	541	8,144.1	21,359.8
HPG	47	18,172	1,035	12,040.5	50,718.2
TLP	76	68,024	1,639	40,079.7	69,620.0
LME	30	15,198	829	9,432.2	37,892.4
LMW	88	26,523	1,245	14,011.8	66,545.7
DCG	10	2,053	253	1,686.9	20,256.3
Total*	356	225,138	8,042	126,004.6	342,820.4

Notes:

¹ Compiled by AMC (2022) using individual mine databases.

² *Totals are approximate due to minor overlap, and duplication of data in individual mine databases.

5.2.4 Resource estimation

Mineral Resources are not directly shown in *SVM Ying NAV Calculation 2022.10.05.xlsx* (the 'Ying Model'). Based on the Mineral Reserves and mining schedule in the Ying Model, SRK considers that the Mineral Resources disclosed in *NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China* (the 2022 Ying Technical Report), that was prepared by AMC Mining Consultants (Canada) Ltd (AMC) and reported on 3 November 2022 have been used as the basis of the Ying Model.

The Mineral Resource estimates for the SGX, HZG, HPG, TLP, LME, LMW, and DCG deposits at the Ying Mine were prepared by Silvercorp for a total of 356 veins using the inverse distance squared (ID2) interpolation method in Micromine software. The data, parameters and methodologies were reviewed by independent Qualified Persons (QPs), namely Mr Rod Webster, MAIG; Mr Simeon Robinson, PGeo, MAIG; and Dr Genoa Vartell, PGeo of AMC. Mr Webster takes responsibility for the SGX, HPG, HZG LMW, and DCG estimates, Mr Robinson takes responsibility for the TLP estimate and Dr Vartell takes responsibility for the LME estimate. The Mineral Resource for Ying Mine is shown in Table 5-5.

Table 5-5: Mineral Resources of Ying Mine, as of 31 December 2021

Mine	Resource category	Tonnes (Mt)	Au grade (g/t)	Ag grade (g/t)	Pb grade (%)	Zn grade (%)	Au metal (koz)	Ag metal (Moz)	Pb metal (kt)	Zn metal (kt)
SGX	Measured	3.51	0.05	290	5.56	2.75	5.48	32.81	195.38	96.62
	Indicated	3.13	0.01	247	4.67	2.17	0.57	24.86	146.14	68.04
	Meas + Ind	6.64	0.03	270	5.14	2.48	6.05	57.66	341.52	164.66
	Inferred	3.98	0.01	232	4.63	1.93	0.7	29.75	184.3	76.79
HZG	Measured	0.51	-	372	1.2	-	-	6.15	6.18	-
	Indicated	0.51	-	358	0.91	-	-	5.91	4.68	-
	Meas + Ind	1.03	-	365	1.06	-	-	12.06	10.86	-
	Inferred	0.55	-	326	0.83	-	-	5.75	4.55	-
HPG	Measured	0.77	1.37	94	3.87	1.4	33.91	2.31	29.73	10.72
	Indicated	0.92	1.6	68	3.17	1.22	47.36	2.01	29.22	11.26
	Meas + Ind	1.69	1.5	80	3.49	1.3	81.27	4.32	58.95	21.98
	Inferred	1.45	2.61	91	3.43	1.2	121.87	4.26	49.78	17.43
TLP	Measured	2.45	-	221	3.43	-	-	17.41	83.93	-
	Indicated	2.01	-	189	3.08	-	-	12.16	61.84	-
	Meas + Ind	4.46	-	206	3.27	-	-	29.58	145.77	-
	Inferred	3.76	-	180	2.86	-	-	21.78	107.46	-
LME	Measured	0.45	0.1	357	1.73	0.35	1.45	5.11	7.71	1.54
	Indicated	1.02	0.22	315	1.67	0.42	7.17	10.35	17.06	4.3
	Meas + Ind	1.47	0.18	327	1.69	0.4	8.62	15.46	24.77	5.85
	Inferred	1.49	0.65	221	1.45	0.41	30.86	10.55	21.58	6.03
LMW	Measured	0.94	0.21	325	2.63	-	6.45	9.78	24.65	-
	Indicated	2.16	0.36	232	2.04	-	24.84	16.12	43.91	-
	Meas + Ind	3.09	0.31	260	2.22	-	31.28	25.9	68.56	-
	Inferred	1.51	0.07	235	2.36	-	3.63	11.39	35.52	-
DCG	Measured	0.15	2.57	75	1.19	0.3	12.67	0.37	1.82	0.46
	Indicated	0.2	3.33	101	2.26	0.2	21.5	0.65	4.54	0.39
	Meas + Ind	0.35	3	90	1.8	0.24	34.17	1.02	6.36	0.85
	Inferred	0.32	1.44	98	2.7	0.21	14.77	1	8.58	0.67
All	Measured	8.78	0.21	262	3.98	1.25	59.96	73.94	349.4	109.34
	Indicated	9.95	0.32	225	3.09	0.84	101.44	72.06	307.39	83.99
	Meas + Ind	18.73	0.27	242	3.51	1.03	161.4	146.01	656.79	193.34
	Inferred	13.05	0.41	201	3.15	0.77	171.83	84.46	411.77	100.92

Source: AMC Mining Consultants (Canada) Ltd, NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China, reported on 3 November 2022

The current estimates for Ying Mine are based on a mineralised domain that has been interpreted based on relevant Ag eq cut-off grades (SGX, HPG, and HZG –140 g/t Ag eq; TLP, LMW, LME, and DCG – 120 g/t Ag eq) for each mine. Domain boundaries were digitised on cross sections, snapped to drill hole traces where appropriate. Most veins incorporated a minimum downhole thickness of 0.4 m.

The Mineral Resource estimation description of Ying Mine is outlined in Table 5-6.

Table 5-6: Key parameters of Mineral Resources estimate (Ying Mine)

Item	Description
Software	Micromine TM
Drill hole database	Underground channel – 225,138 samples, 126,004.6 m total Drill hole – 8,042 holes, 342,820.4m total. Details in Table 5-4
Cut-off grade	SGX 170 g/t Ag eq; HZG 170 g/t Ag eq; HPG 180 g/t Ag eq; TLP 155 g/t Ag eq; LME 180 g/t Ag eq; LMW 160 g/t Ag eq; DCG 155 g/t Ag eq. Ag eq (equivalent formulas) by mine: SGX = $\text{Ag g/t} + 37.79 \cdot \text{Pb\%} + 20.76 \cdot \text{Zn\%}$. HZG = $\text{Ag g/t} + 36.31 \cdot \text{Pb\%}$. HPG = $\text{Ag g/t} + 69.41 \cdot \text{Au g/t} + 36.84 \cdot \text{Pb\%} + 24.73 \cdot \text{Zn\%}$. TLP = $\text{Ag g/t} + 36.65 \cdot \text{Pb\%}$. LME = $\text{Ag g/t} + 35.84 \cdot \text{Pb\%} + 10.44 \cdot \text{Zn\%}$. LMW = $\text{Ag g/t} + 36.88 \cdot \text{Pb\%}$. DCG = $\text{Ag g/t} + 36.84 \cdot \text{Pb\%} + 24.73 \cdot \text{Zn\%}$. Ag eq formulas used for significant gold bearing veins: SGX (Veins S16W_Au, S18E and S74) = $\text{Ag g/t} + 66.25 \cdot \text{Au g/t} + 37.79 \cdot \text{Pb\%} + 20.76 \cdot \text{Zn\%}$. LME (Vein LM4E2) = $\text{Ag g/t} + 66.70 \cdot \text{Au g/t} + 35.84 \cdot \text{Pb\%} + 10.44 \cdot \text{Zn\%}$. LMW (Veins LM22, LM26, LM50 and LM51) = $\text{Ag g/t} + 65.78 \cdot \text{Au g/t} + 36.88 \cdot \text{Pb\%}$. DCG (Veins C9, C76) = $\text{Ag g/t} + 69.41 \cdot \text{Au g/t} + 36.84 \cdot \text{Pb\%} + 24.73 \cdot \text{Zn\%}$.
Density	SGX and HPG: $2.643339 + 0.0524358 \cdot \text{Pb\%} + 0.011367 \cdot \text{Zn\%}$, calculated using the Pb and Zn assay results. DCG and HZG: 2.70, average of the 17 measurements. TLP: 2.92, adopted from previous government exploration reports. LME and LMW: 2.93, the minimum and maximum values were removed from the dataset.
Number of veins	356
Composite length	Sample compositing was completed by vein, using a primary composite length of 0.4 m, and a minimum composite length of 0.2 m. Residual samples (less than 0.2 m, left after compositing) were combined with the previous composite if the composite occurred within the same vein.
Block size	Models were rotated around the Z-axis to align the X-axis across the strike of the vein and the Y-axis along the strike of the vein. SGX, LMW, DCG :parent: 0.8 m*10m*10m (x, y, z), minimum: 0.2 m * 2m * 2m (x, y, z) HZG, HPG,TLP,LME, DCG :parent: 0.8 m*10m*10m (x, y, z), minimum: 0.1 m * 1m * 1m (x, y, z)
Grade capping	Grade capping was applied during the estimation process. All capping thresholds were selected by the relevant QP using flagged, composited sample data provided by Silvercorp. Grade caps were typically defined at the upper break of the dominant sample population defined by the histogram or log probability plot. Outliers were then reviewed in a 3D context to determine whether samples reflected clustered high-grade zones which could be sub-domained, or were random high-grade occurrences. Details in Table 5-7.

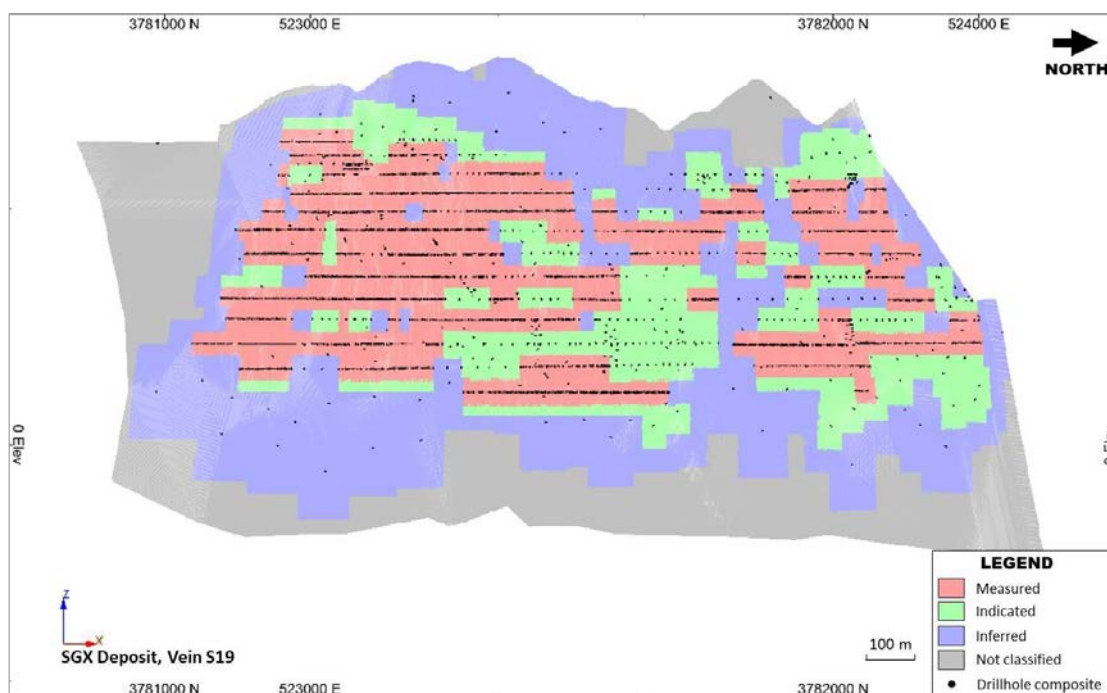
Item	Description
Grade interpolation	Silver, lead, zinc, and in select veins gold were estimated using ID2 method for each vein within hard domain boundaries. Three pass, omnidirectional search was used for all estimates.
Search volume	Pass 1: 25 m radius sphere Pass 2: 50 m radius sphere Pass 3: 200 m radius sphere
Number of composites	Minimum: 4 for pass 1 and 2, 3 for pass 3 Maximum: 12 for all three passes Maximum allowed per hole or channel: 2 for all three passes.
Mining depletion and write-offs	The depleted area was coded ('0' for mined and '1' for remained ore) to the resource models for remained Mineral Resource reporting respectively of each mine, as of 31 December 2021.
Mineral Resource classification	Measured Resources are defined by the presence of exploration tunnelling. The boundary of Measured Resources is determined by extrapolating 20–25 m up and down-dip from the exploration tunnels where channel samples are less than 15 m apart, No Measured Resources are extrapolated along strike from the ends of an exploration tunnel. Indicated Resources are defined by either exploration drilling or exploration tunnelling. A basic drilling grid of 50 m (along strike) × 100 m (up and down-dip) is used to delineate Indicated Resources. A minimum of three holes is required to define an Indicated Resource block. Boundaries of drill-defined Indicated Resource blocks are determined by extrapolating 25 m along strike and 50 m up and down-dip from the hole closest to the boundary. Boundaries of tunnel-defined Indicated Resources are defined by extrapolating 40–50 m up and down-dip from the exploration tunnel. No Indicated Resources are extrapolated along strike from the ends of an exploration tunnel. Inferred Resources are either defined by a low density of holes or extrapolated from drill-defined Indicated Resource blocks. Boundaries of Inferred Resource are determined by extrapolating 50 m along strike and 100 m up and down-dip from the hole closest to the Indicated boundary. No Inferred Resources are extrapolated from exploration tunnels. Figure 5-15 shows the Mineral Resource classification of Vein S19 of SGX Mine.

Sources: AMC Mining Consultants (Canada) Ltd, NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China, reported on 3 November 2022

Table 5-7: Grade capping summary at Ying Mine

Mine	Element	Number of veins	Number of veins top-cut	Lowest top-cut	Highest top-cut
SGX	Au (g/t)	3	1	10	10
	Ag (g/t)	82	39	100	8,000
	Pb (%)	82	32	0.6	70
	Zn (%)	82	15	0.35	50
HZG	Ag (g/t)	23	10	100	8,000
	Pb (%)	23	15	1	30
	Au (g/t)	47	27	1.5	65
HPG	Ag (g/t)	47	28	140	2,500
	Pb (%)	47	31	1.3	55
	Zn (%)	47	28	0.15	36
TLP	Ag (g/t)	76	70	180	5,300
	Pb (%)	76	58	5	46
LME	Au (g/t)	1	1	9.5	9.5
	Ag (g/t)	30	25	520	5,400
	Pb (%)	30	26	0.35	30
	Zn (%)	30	27	0.18	5.5
LMW	Au (g/t)	4	2	10	60
	Ag (g/t)	88	31	60	5,000
	Pb (%)	88	34	0.2	50
	Au (g/t)	2	1	20	20
DCG	Ag (g/t)	10	5	3.5	2,000
	Pb (%)	10	3	1	4
	Zn (%)	10	5	0.11	1

Figure 5-15: Mineral Resource classification longitudinal projection SGX mine: Vein S19

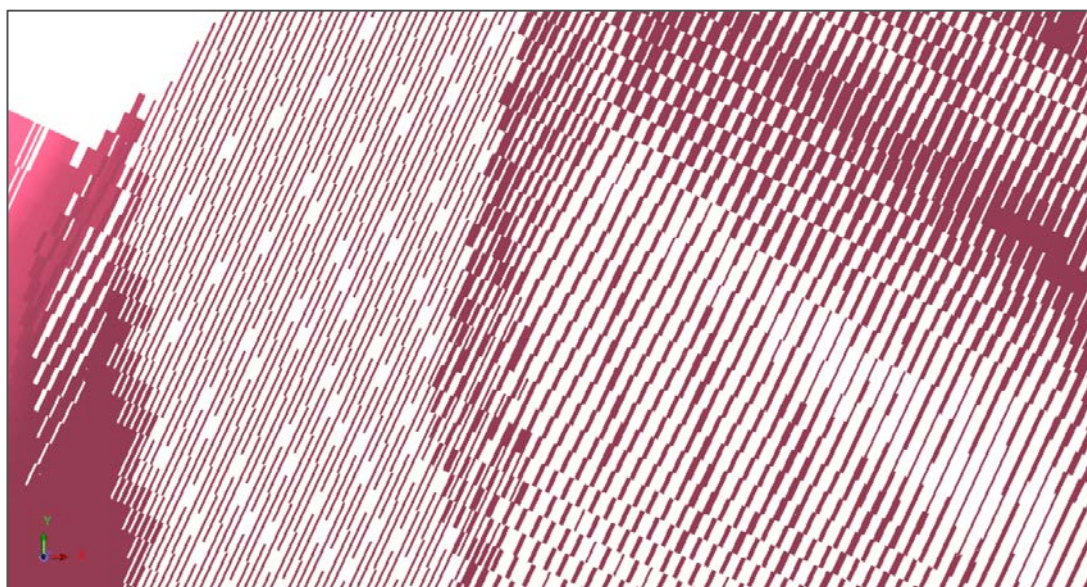


Note: Longitudinal Section looking towards 315°
Source: AMC, 2022.

Based on its review of the 2022 Ying technical report and the associated block models, SRK notes the following:

- A block was assigned a zone code when its centroid was located in the wireframe model of the mineralised zone, which makes many blocks isolated or scattered due to the thin thickness of mineralised zones. This may lead to biased grade distribution due to discontinuously located blocks. Figure 5-16 is an example of isolated or scattered blocks.
- The maximum number of composites allowed to interpolate grade is two per drill hole or tunnel. Considering the nominal composite length of 0.4 m and block size, some composites in a drill hole or tunnel will be skipped during grade interpolation.
- There is no description of support effect regarding composite length. Neglecting this may lead to biased grade distribution when interpolating grades to a block.
- De-clustering was considered during grade interpolation, which may lead to seriously clustering effects due to unevenly spaced channels and drill holes.
- Anisotropy of grades are not considered for the ID2 method, and this may lead to biased grade distribution.

Figure 5-16: Local view of block model for Vein S14-1 – SGX



Source: SRK Consulting

5.2.5 Risks and opportunities

Risks

The prospecting licences have expired, and about 25% of the Mineral Resource falls below the current mining licence. According to the current mineral rights management policy, exploration activities in the deep and upper parts of the mining licence area are allowed. There is no material risk if Silvercorp submits the required documentation to the mining rights management department, pays the royalty and fees, and changes the mining rights elevation limit.

Opportunities

SRK has been advised that the residual Mineral Resource at Ying Mine does not reduce because any new Mineral Resource likely to be defined by exploration is likely to be greater than that consumed by mining, and mineralisation remains open at depth.

5.2.6 Prospectivity

Mineralisation has not been closed off at depth, and exploration is ongoing at Ying Mine.

Previous exploration activities have been used to good effect to upgrade the confidence in the defined Mineral Resource (i.e. improve the classification category), explore for new mineralised zones within the previously unexplored portions of vein structures, and test for down-dip and along strike extensions of the known vein structures.

5.2.7 SRK comments

SRK has reviewed Silvercorp's supplied reports, database, grade estimate method, parameters, and procedures, and conducted a site visit to the component mine areas of the Ying Mine from 28–29 August 2023. Based on its review, SRK notes the following:

- The overall Mineral Resource estimation process and outcome is considered reasonable.
- SRK is able to reproduce the resource base as stated in the NI 43-101 technical report using the block model provided by Silvercorp.
- There is additional potential for depth extensions to the presently defined Mineral Resource.
- Approximately 25% of the currently defined Mineral Resource lies within the current mining licence, with the remainder held under prospecting licences. The renewal of the mining licence and planned extension of the permit to lower mining depths is part of the ordinary course of business in China and should present no undue delays or surprises as long as Mineral Resources exist and are appropriately defined within the tenures, the required documentation is submitted, and the applicable government resources taxes and fees are paid.
- The current insertion rates of QA/QC samples as part of the mine's data verification procedures are not aligned with prevailing industry best practice. SRK has been advised by site personnel that management of the laboratory has been strengthened and the QC sample insertion rate was being reviewed this year.
- It should be noted that Silvercorp has not publicly disclosed a Mineral Resource estimate since 31 December 2021. SRK was advised by Silvercorp, that the resource base available after 31 December 2021 may be greater or less than that shown in Table 5-5 due to the combination of ongoing mine production and additional exploration works conducted on site.
- Based on the available information for each mine comprising the Ying Complex, namely SGX_LOM_43-101(20220907)_33.xlsx, HZG_LOM_43-101(20220712)_Rev2.xlsx, HPG_LOM_43-101(20220824).bs_rev2.xlsx, TLP_LOM_43-101(20220907).xlsx, LME_LOM_43-101(20220907).Rev1.bs.xlsx, LMW_LOM_43-101(20220902).xlsx and DCG_LOM_43-101(20220824)_Rev2.bs.xlsx, SRK has attempted to estimate the residual Mineral Resources as presented in Table 5-8, which are exclusive of Mineral/Ore Reserves.

- In doing so, SRK has assumed that the mine production over the intervening period has been carried out in accordance with the production plan as at 31 December 2021.

Table 5-8: ‘Residual’ Mineral Resource Statement, as at 30 June 2023

Mine	Category	Quantity (Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Au metal (koz)	Ag metal (koz)	Pb metal (Mlb)	Zn metal (Mlb)
SGX	Measured	1.07	0.04	256	4.93	2.68	1.24	8.83	52.99	28.74
	Indicated	0.75	0.01	188	3.28	2.12	0.30	4.53	24.59	15.89
	Measured and Indicated	1.82	0.03	228	4.25	2.45	1.54	13.35	77.59	44.63
	Inferred	3.98	0.01	232	4.63	1.93	0.70	29.75	184.30	76.79
HZG	Measured	0.18	-	304	1.12	-	-	1.80	2.06	-
	Indicated	0.19	-	267	0.94	-	-	1.65	1.81	-
	Measured and Indicated	0.38	-	285	1.03	-	-	3.45	3.87	-
	Inferred	0.55	-	326	0.83	-	-	5.75	4.55	-
HPG	Measured	0.44	1.19	87	3.90	1.25	16.95	1.25	17.32	5.54
	Indicated	0.53	1.18	66	3.16	1.24	20.29	1.13	16.82	6.59
	Measured and Indicated	0.98	1.19	76	3.49	1.24	37.25	2.38	34.14	12.13
	Inferred	1.45	2.61	91	3.43	1.20	121.87	4.26	49.78	17.43
TLP	Measured	1.03	-	177	3.13	-	-	5.88	32.32	-
	Indicated	1.09	-	147	2.84	-	-	5.17	31.11	-
	Measured and Indicated	2.13	-	162	2.98	-	-	11.05	63.43	-
	Inferred	3.76	-	180	2.86	-	-	21.78	107.46	-
LME	Measured	0.23	0.01	326	1.69	0.34	0.11	2.41	3.89	0.77
	Indicated	0.43	0.03	264	1.27	0.40	0.44	3.62	5.41	1.71
	Measured and Indicated	0.66	0.03	285	1.42	0.38	0.54	6.03	9.30	2.48
	Inferred	1.49	0.65	221	1.45	0.41	30.86	10.55	21.58	6.03
LMW	Measured	0.41	0.06	271	2.69	-	0.84	3.60	11.10	-
	Indicated	1.01	0.26	1,133	1.87	-	8.40	36.62	18.83	-
	Measured and Indicated	1.42	0.20	882	2.11	-	9.24	40.22	29.93	-
	Inferred	1.51	0.07	235	2.36	-	3.63	11.39	35.52	-
DCG	Measured	0.07	2.45	70	0.80	0.28	5.34	0.15	0.54	0.19
	Indicated	0.08	1.81	72	2.43	0.23	4.87	0.19	2.04	0.19
	Measured and Indicated	0.15	2.10	71	1.70	0.25	10.21	0.34	2.58	0.38
	Inferred	0.32	1.44	98	2.70	0.21	14.77	1.00	8.58	0.67
All	Measured	3.44	0.22	216	3.49	1.02	24.48	23.92	120.22	35.24
	Indicated	4.09	0.26	403	2.46	0.60	34.30	52.91	100.61	24.38
	Measured and Indicated	7.53	0.24	317	2.93	0.79	58.78	76.83	220.82	59.63
	Inferred	13.06	0.41	201	3.15	0.77	171.83	84.48	411.77	100.92

Source: SRK estimates based on Silvercorp data

5.3 Mining and Ore Reserves

The Ying Mining District has been intermittently mined over many years by small-scale, local miners.

Silvercorp commenced mining in the district at the SGX Mine in April 2006. The current mining activities continue to be focused on SGX, but now also include HZG (satellite deposit to SGX), HPG, TLP, LME, LMW and DCG mines, as shown in Figure 5-2.

SGX is the largest of Silvercorp's mines within the Ying Mine complex, producing about 38% of the annual tonnes and 46% of the silver ounces for the total operation in fiscal years 2021 and 2022. The Ag-Pb-Zn mineralisation is found in at least 78 veins with the five largest vein systems (S7, S8, S2, S19, and S16) accounting for over 60% of this mineralisation. Vein widths range from around 0.3–5.1 m, with resuing the predominant mining method up to date, and only about 3% mined by shrinkage stoping in FY2022, on a tonnage basis. Mining is currently planned down to the 60 mRL. Adjacent to the SGX underground are the ore and waste sorting facilities, main office, and engineering, and administration buildings.

The other Ying mines are summarised in Table 5-9.

Table 5-9: Summary of the mines at the Ying Mine Complex

Mine	SGX	HZG	HPG	TLP	LME	LMW	DCG
Location	Western part of Ying	Satellite to SGX, 4 km to the south of SGX	Central part of Ying	11 km to SGX	Near TLP, 12 km to SGX	Near TLP, 12 km to SGX	2.7 km to northwest of TLP
Operation by Silvercorp	2004	2011	2007				
Vein	At least 78 veins	23 known veins	47 veins	76 veins	30 veins	83 veins, & 5 Au-Ag veins	
Main vein	5 largest veins account for 60% of mineralisation	6					
Width of vein	0.3–5.1 m	0.2–3.0 m	0.3–2.7 m	0.3–5.0 m	Similar	Similar	Similar
Access	8 adits 1 decline	5 adits 1 decline	7 adits 1 decline	8 adits 1 decline	1 adit, 3 shafts, 2 incline shafts, 1 decline, connected with TLP decline	2 adits 1 decline are being constructed, shared access with TLP and LME	1 decline constructed since April 2021
Production systems (sections)	7 systems	5 systems	5 systems	7 systems			
Mining method, on tonnage basis	97% resuing, 3% shrinkage	100% resuing	82% resuing, 18% shrinkage	100% resuing	100% resuing	93% resuing, 7% shrinkage	Mining started in May 2021
Contribution in FY2021 and FY2022	38% ROM feed, 46% silver metal in conc.	7% ROM feed, 9% silver metal in conc.	9% ROM feed, 3% silver metal in conc.	29% ROM feed, 23% silver metal in conc.	6% ROM feed, 7% silver metal in conc.	10% ROM feed, 12% silver metal in conc.	22.5 kt ROM feed planned in FY2023

Source: Summarised from AMC's 2022 NI43-101 Technical Report of Ying Property

5.3.1 Methods and design

Geotechnical and hydrogeological considerations

There is no specific geotechnical or hydrogeological study data available for the mines within the Ying Mine Complex. In general, the ground at the current mining openings is in good condition. Support is only installed where necessary, with rock bolts (split sets) being used for hanging wall support on occasion. Timber and/or steel I-beams are used for unstable locations.

The water inflow evident to date is not significant during operations, and was also evident during SRK's site visit. Dewatering facilities are installed and operated effectively.

Mine access

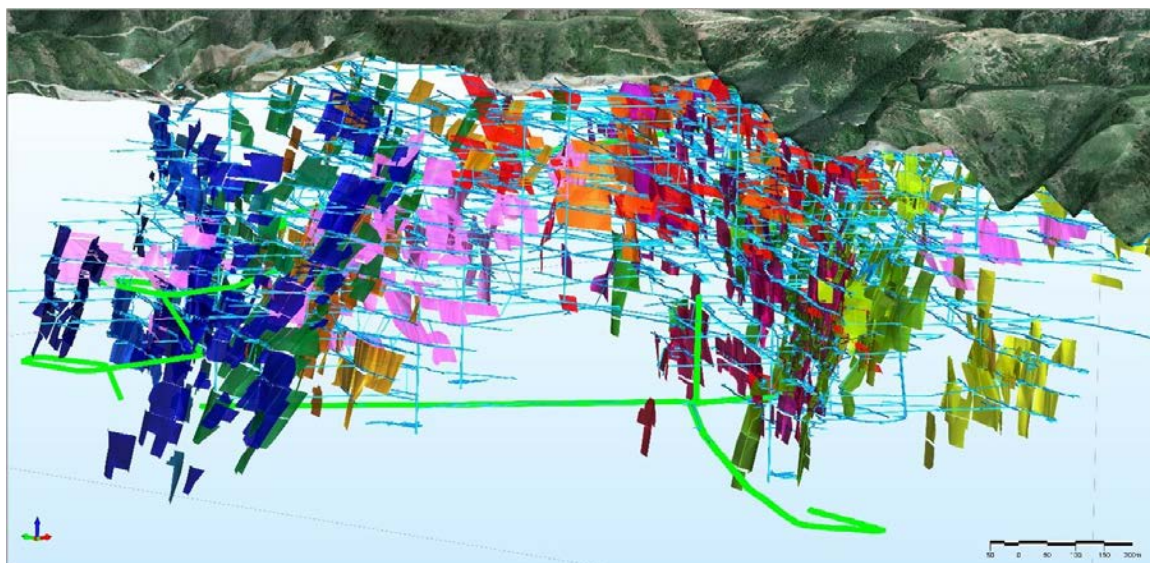
All underground mining techniques are based on the geometry and depth of mineralisation defined to date. As the mines within the Ying Mine Complex are located in narrow valleys, a series of adits provide underground access at each mine. Most interval levels are connected to an internal shaft or incline haulage way (incline shaft). Since 2012, all mines at Ying have modified the mine design to a decline (ramp) system combined with the previous system, connected on each level. During SRK's site visit, all mines were able to be accessed via decline, although some declines had not reached the bottom level of the proposed mine development.

The mine access for personnel and materials transportation is complex with five types evident and used on both a standalone basis and in combination.

- adit and portal
- incline haulage way (incline shaft)
- decline (ramp)
- internal shaft (relayed shaft) with single cage
- shaft, with single cage.

An orthogonal view of the SGX mine design is presented in Figure 5-17.

Figure 5-17: An orthogonal view of the SGX mine design



Source: Silvercorp, 2022

Examples of the underground access system are presented in Figure 5-18.

Figure 5-18: Underground access and level drive at the TLP and LMW mines



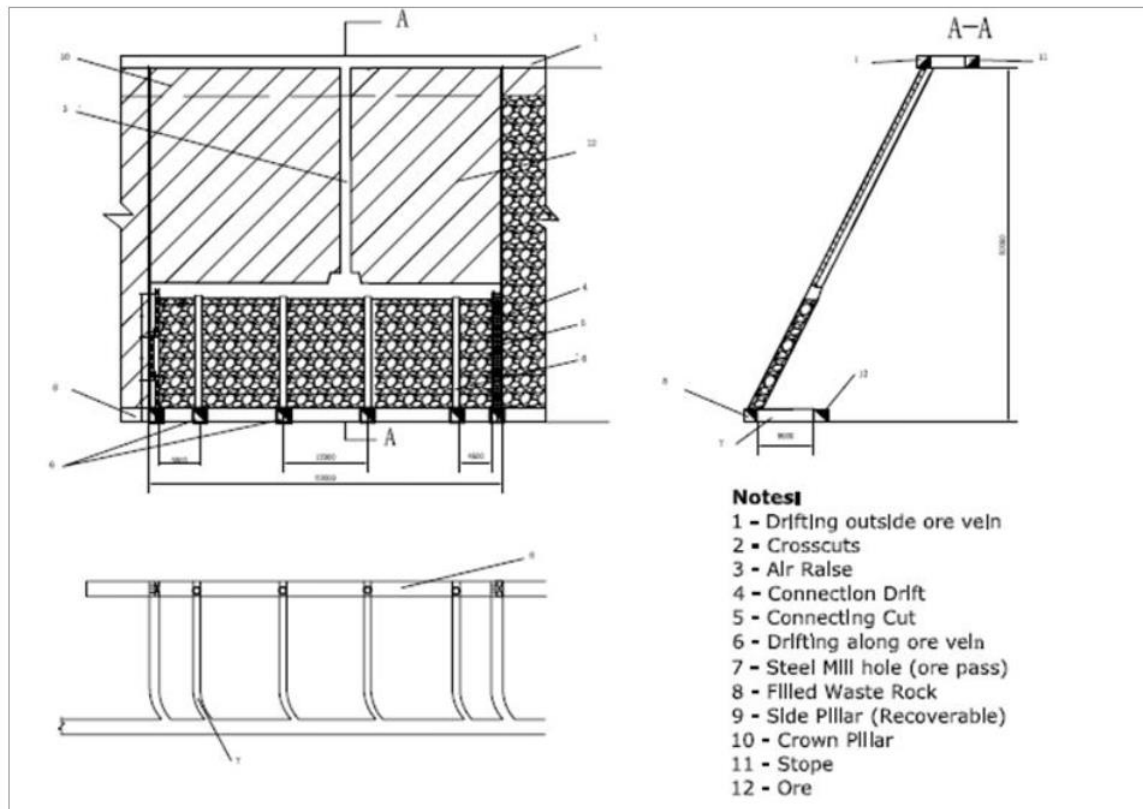
Source: SRK site visit, August 2023

Mining method

Resue stoping and shrinkage stoping are the predominant mining methods used at the mines within the Ying Mine Complex. These methods are considered to be the most effective given the geometry and orientation of the known mineralised veins (i.e. vertical and/or sub-vertical). A minimal amount of mining using the room and pillar method has been introduced into flat-dipping ($\sim 15\text{--}30^\circ$) veins. Sub-level open stoping with delayed backfill has also been adopted for one vein in the LMW mine, which is wider than 4 m. SRK also inspected one stope which is used primarily for testing and piloting training.

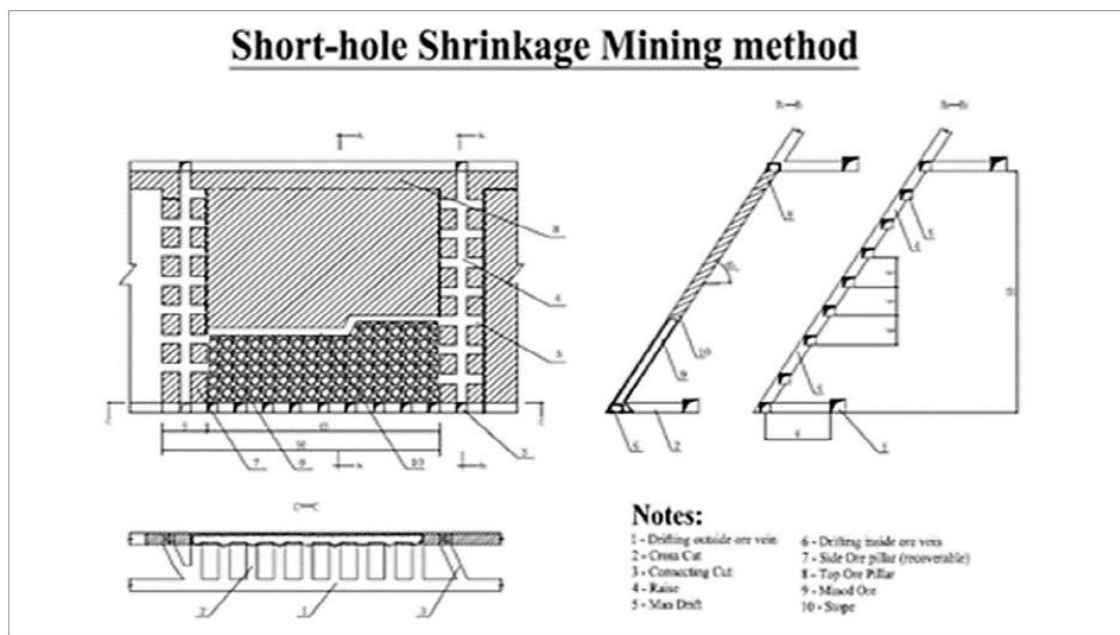
The typical layout of each stoping block for resueing and shrinkage is presented in Figure 5-19 and Figure 5-20. The key parameters for the two stoping methods are shown in Table 5-10.

Figure 5-19: Typical resue stoping method



Source: Silvercorp, 2019.

Figure 5-20: Typical shrinkage stoping method



Source: Silvercorp, 2022.

Table 5-10: Parameters for the mining methods

Method	Resuing	Shrinkage
Apply to	High-grade, 0.1–0.8 m	>0.8 m
Minimum mining width	0.3 m	0.8 m
Block height (level interval)	50 m	50 m
Block length along strike	40–60 m	40–60 m
Cross-cut (drawpoint) interval	15 m	~5 m
Level drive stand-off	>6 m	>6 m
Lift height	1.8–2 m	1.8–2 m
Muck in stope	By hand or scraper winches	Scraper winches or hand
Raise	2 man access raises with steel-lined or timber sets	
Sill (crown) pillar thickness	3 m	>3 m
Fill	Waste mining from footwall	n/a

Source: Summarised from AMC's 2022 Technical Report of Ying Property

SRK was informed during its site visit that the minimum mining width of the resuing method has been increased from 0.5 m to 0.6 m. The key considerations for this change included:

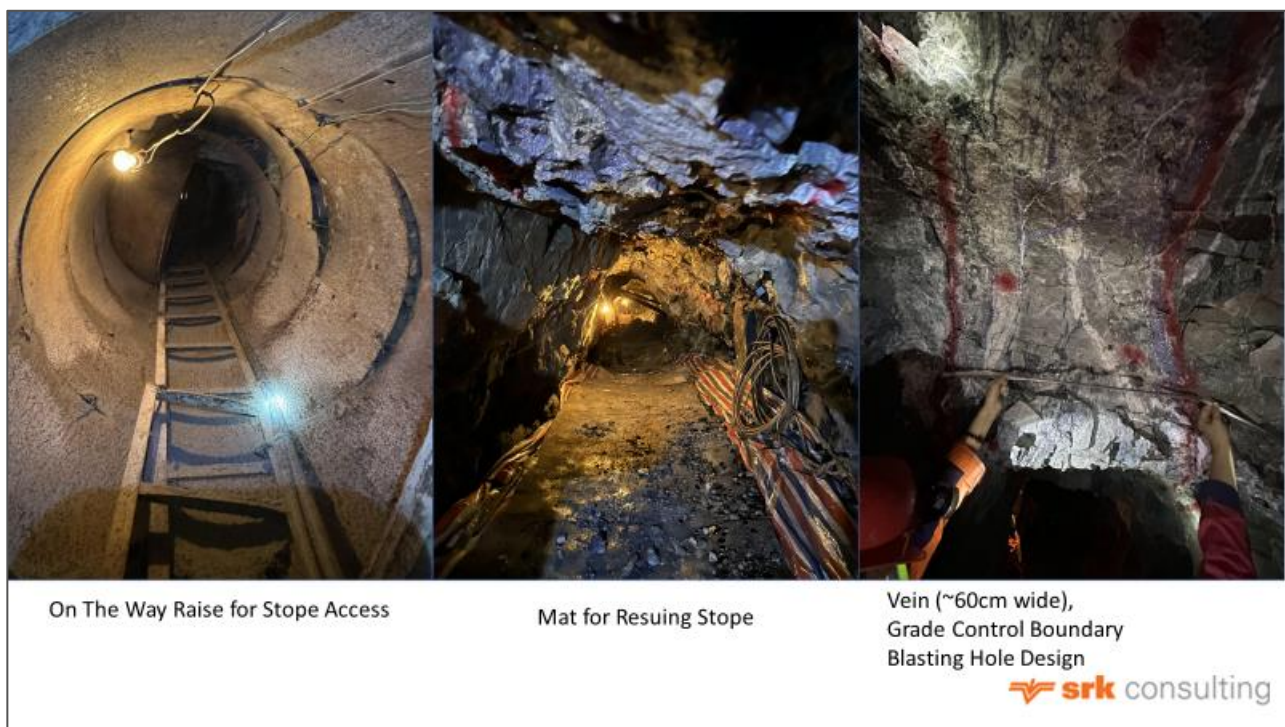
- employ more in-stope scraper winches rather than hand mucking
- enhance blasting efficiency and lower the unit explosive consumption costs
- introduce pre-processing flow to separate waste from ROM feed.

Stope management

Silvercorp has developed a stope management protocol and stope management manual at the Ying Mine. The purpose of stope management is to reduce dilution by implementing stope operation procedures prepared by the Mining Quality Control Department. The department has a total of nine technical staff, including management, mine engineers, geologists, and technicians, and reports directly to Silvercorp's Beijing office. The mine engineers in the group are responsible for supervising the stope operation procedure, with stope inspections occurring at least once per day to check that the mine contractors are following the procedures. The geologists and geological technicians are responsible for stope geological mapping and sampling, which occurs every 3–5 m of stope lift. The department also measures the mined area of all stopes at the end of each month for mine contract payment purposes. Figure 5-21 shows a typical resuing stope and vein condition.

Based on the data collected during the stope mapping and sampling, an update of the Mineral Resources is applied to individual stopes monthly, supporting the quarterly rolling mine plan.

Figure 5-21: Typical resuing stope condition at the TLP Mine



Source: SRK site visit, August 2023

Material haulage

ROM material is mined from the stope and waste is excavated from development headings and is loaded into 0.7 m³ rail ore cars by rocker shovel from either the cross-cut drawpoint or heading directly. The ore cars are pushed by hand or by locomotives (electro-motion) along the level drive to the shaft, incline shaft station then hoisted by shaft cage or inclined haulage way to surface. When the mined material nears the decline system, the underground truck is loaded by drawpoint equipped with vibration feeder at the bottom of the ore pass, which is fed from the upper level by

a railway ore car. Figure 5-22 shows the typical conditions underground as evidenced by SRK during its site inspection.

Figure 5-22: Typical underground conditions



Source: SRK site visit, August 2023

Equipment and operation

Most of the key mining equipment is provided by Silvercorp and is maintained and operated by contractors. Silvercorp monitors and manages the equipment and schedules the maintenance and replacement plan.

Workforce

Silvercorp operates the mines in the Ying Mine Complex using mainly contractors for mine development, production, ore transportation and exploration. The mill plant and surface workshops are operated and maintained by Silvercorp personnel. Silvercorp provides its own management, technical services, and supervisory staff to manage the mine operations. Each mine is run by a mine manager supported by one or two deputy mine managers.

During SRK's site visit, the owner staff across the Ying Mine Complex was estimated by Silvercorp at approximately 1,000, and the technical team of geologists, mine engineers and processing staff were estimated at +100, +170, +100, respectively. Contractor numbers were estimated at more than 1,000 miners across the seven mine sites.

Mining facilities

Mine ventilation at the mines within the Ying Mine Complex is designed in accordance with Chinese regulations. Annual checks and testing for the primary ventilation fans are conducted by certified third parties. Underground routine monitoring (real-time) is well established by Silvercorp and the ventilation systems can be controlled remotely.

Backfill such as tailings is not used at the Ying mines. Shrinkage stopeing does not require fill, however Silvercorp has committed to evaluate the opportunities to dispose of waste material as backfill or to leave the mined-out void in future.

Within the resue stopes, waste from the footwall is mined to achieve the minimum mining width for the mining platform. The waste, which forms the working platform for the miner, is left in the stope as fill.

A backfill plant was constructed at LMW in June 2023, as shown in Figure 5-23. The purpose of this backfill plant is:

- support the planned sub-level open stopeing method for vein #LM7
- deplete the waste volume, as the backfill material is sourced for the aggregate plant
- provide an opportunity to fill the mined-out shrinkage stope for both safety and waste disposal.

Figure 5-23: Backfill plant at LMW



Source: SRK site visit in August 2023

The dewatering system across the seven mines has been constructed in accordance with Chinese safety regulations. The sump capacity is 6–8 hours of water at the average water yield. At least three sets of pumps are designed and installed at each station. Under normal circumstances, one pump is running, one is being maintained, and the third pump is on standby. The stages of relay pumping vary at each mine.

Water at the Ying mines is used for drilling and dust suppression. As per safety regulations, fire prevention systems are constructed at each portal with a head pond containing 100–200 m³ of water depending on the requirements. Pipelines are also installed from surface to the various underground levels. An additional water pond in HPG Mine of 300 m³ was constructed to pump underground water to the No.2 processing plant on the surface.

The power supply facilities support both the underground mining operations and surface processing and administration infrastructure. The power supply enters the Ying Mine through the local government network via three transmission lines at SGX mine, and is then reticulated around the rest of the complex.

Explosives storage magazines are also constructed at each mine with design capacities supporting the respective operation.

Since late 2015, Silvercorp has implemented a workplace safety and work quality checklist system to reinforce operational process control. A feature of this initiative is an internal 'Enterprise Blog' (EB) system as part of the management of Mine Production and Safety Information, which the company implemented in August 2015. The EB is an internet social media system that facilitates and makes transparent the distribution and flow of work-related knowledge and information for parties at different locations.

5.3.2 Ore Reserves

The Ore Reserves (Mineral Reserves) were stated in AMC's 2022 Ying Technical Report dated 3 November 2022, in accordance with the CIM Standard Definition and NI 43-101. The Ore Reserves are summarised in Table 5-11 for each mine within the Ying Mine Complex as at 31 December 2021. The Ore Reserves were estimated by Silvercorp under the guidance of independent QP, Mr H A Smith, PEng, who took responsibility for those estimates.

In total, 46.9% of the Ore Reserve tonnage is categorised as Proved with the remainder classified as Probable. About 66% of the defined Measured and Indicated Mineral Resources are converted into Ore Reserve (on a tonnage basis and also on a contained metal basis).

Table 5-11: Ore (Mineral) Reserve Statement for Ying Mine summary, as at 31 December 2021

Mine	Category	Mt	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Metal contained in Mineral Reserves			
							Au (koz)	Ag (Moz)	Pb (kt)	Zn (kt)
SGX	Proven	2.62	0.05	267	5.12	2.46	4.0	22.53	134.1	64.5
	Probable	2.61	0.00	230	4.41	1.90	0.3	19.33	115.2	49.7
Total Proven & Probable		5.23	0.03	249	4.76	2.18	4.2	41.86	249.3	114.2
HZG	Proven	0.37	-	350	1.08	-	-	4.17	4.0	-
	Probable	0.36	-	347	0.77	-	-	4.06	2.8	-
Total Proven & Probable		0.73	-	348	0.93	-	-	8.23	6.8	-
HPG	Proven	0.35	1.41	89	3.38	1.39	15.8	1.00	11.7	4.8
	Probable	0.44	1.80	59	2.76	1.04	25.7	0.85	12.2	4.6
Total Proven & Probable		0.79	1.63	73	3.03	1.19	41.5	1.85	24.0	9.4
TLP	Proven	1.55	-	219	3.15	-	-	10.94	49.0	-
	Probable	1.02	-	204	2.91	-	-	6.70	29.7	-
Total Proven & Probable		2.58	-	213	3.05	-	-	17.64	78.7	-
LME	Proven	0.23	0.16	349	1.59	0.32	1.2	2.62	3.7	0.7
	Probable	0.68	0.30	316	1.62	0.40	6.6	6.91	11.0	2.7
Total Proven & Probable		0.91	0.27	325	1.61	0.38	7.9	9.53	14.7	3.4
LMW	Proven	0.57	0.33	321	2.27	-	6.0	5.86	12.9	-
	Probable	1.29	0.55	242	1.87	-	23.0	10.06	24.1	-
Total Proven & Probable		1.86	0.48	266	1.99	-	28.9	15.92	37.0	-
DCG	Proven	0.09	2.41	73	1.38	0.28	6.8	0.20	1.2	0.2
	Probable	0.13	3.84	104	1.87	0.15	15.4	0.42	2.3	0.2
Total Proven & Probable		0.21	3.25	91	1.67	0.20	22.2	0.62	3.5	0.4
Ying Mines	Proven	5.78	0.18	255	3.75	1.22	33.8	47.32	216.6	70.3
	Probable	6.54	0.34	230	3.02	0.87	70.9	48.32	197.5	57.2
Total Proven & Probable		12.32	0.26	241	3.36	1.03	104.7	95.65	414.1	127.5

Source: AMC's 2022 Ying Technical Report

SRK has reviewed the estimated input parameters, progress, and completed selective validation of several stopping blocks, to provide a high-level opinion regarding the Ore Reserve estimates, which are considered reasonable and allow for ongoing operations of the respective mines.

Mineral Resource estimate for conversion to Ore Reserves:

- The Mineral Resources estimated under the CIM standard definition were reviewed by independent geologists.
- Measured and Indicated Mineral Resources categories are applied to conversion.

Study status and site visit:

- The Ying mines are in operation and hold the necessary licences – the operation practices could achieve more than those outlined in previous PFS level studies.
- The QP Mr Smith has a long involvement with Ying's Ore Reserves estimates having completed previous reviews in 2012, 2013, 2014, 2017 and 2020. Mr Smith visited the Ying Mine in July 2016 for 3 days. The other contributor to the Ore Reserve estimates is a Silvercorp employee who works on site and visits the other sites frequently.

Cut-off parameters

- There are three classes of cut-off grades applied to the mines at the Ying Mine Complex, which are:
 - Full break-even cut-off grade, which is used as a normal flag to determine whether a given stope should be mined or not
 - Marginal stoping cut-off grade, which is used for a given stope accounting for all development and completed drilling and the costs are covered by the nearby stope
 - Development cut-off grade, which is used for to determine whether ore drive material is sent to the waste dump or the processing plant.
- Full break-even cut-off grade Ag eq (g/t) = (operating cost/t + sustaining capital cost/t + mineral resources tax/t) / (Ag value/g x processing recovery x payable).
- The costs are considered as FY2023 budget on an individual mine basis, the budget also considers the historical costs and the mine plan.
- During SRK's site visit and discussion with the mine planner, SRK was advised that another cut-off grade of 500 g/t Ag eq is employed during mine planning, to decide if the sill (crown) pillar for the stope should be left in place. If the stope grade is more than 500 g/t Ag eq, an artificial sill pillar would be constructed to replace the ore pillar.

Workflow of estimates

1. Design the mining stope outline and divide the mineral structures into stope blocks as mineable scope. The pillars are also evaluated, but excluded in conversion and mine plan, treating them as design loss.
2. Boolean operation with the end of month survey of the stope.
3. Interrogate against grade model (block model) to get the critical parameters, such as Mineral Resource category, grades, thickness, etc.
4. Classify the stope into mining method based on the thickness (horizontal) and then applying the modifying factors:
 - Minimum mining width: 0.5 m for resuing and 1.0 m for shrinkage; before planned dilution, 0.4 m for resuing and 0.8 m for shrinkage is considered.
 - Planned dilution: if the thickness is lower than the minimum mining width, planned dilution (0 grade) to the minimum mining width.
 - Dilution: apply unplanned dilution with zero grade to the stope. Factor 0.05 m on the hanging wall and footwall for resuing stope and 0.1 each wall for shrinkage stope.
 - Further factor dilution of 2% (if more than 2 m wide), 3% (between 2 m and 1 m) and 4% (<1 m wide), are also applied for shrinkage as broken ore is completely draw when mining is finished.
 - Estimate the stope grade and filtered by break-even cut-off grade and 500 g/t Ag eq, to apply different ore loss factors. If the stope grade is more than 500 g/t Ag eq, the in situ sill pillar is recovered.
 - Factor ore loss as 95% and 92% for resuing and shrinkage method respectively.

- Visually and manually filter the stopes considering the practical conditions with the local mine planning engineer.
- 5. Sum the eligible material in stopes as the potential Ore Reserves and then conduct mine planning and scheduling.

In general, the stated Ore Reserves provide a reasonable estimate of the in situ tonnages and grades available for mining at these narrow vein deposits. The mining methods employed are highly selective, and the company has initiated activities to minimise dilution which include:

- Placement of rubber mats and/or conveyor belting over the waste fill floor in resuing stope immediately to serve as a barrier between ore and waste.
- Hand sorting in the stope before ore mucking and off-stope to upgrade the ore delivered to the plant.
- Conducting high intensity QC processes for each cut of stoping, in terms of grade control sampling, design, drilling, blasting and mucking, to achieve the dilution targets.

The method of designing stope blocks via mineable shape optimisation is not seen by SRK as the best methodology, therefore the Excel spreadsheet basis mineable Mineral Resource with dilution and loss allowance are applied. The parameters for loss and dilution are validated using historical data from recent years.

The summary of average dilution as recorded by mine and method is presented in Table 5-12. After reviewing the Ore Reserve conversion database, the estimated dilution rate is reconciled with the stated records which are ~15% for resuing and ~20% for shrinkage. Figure 5-24 provides an example for the SGX Mine.

Table 5-12: Average dilution parameters by mine and method

Mine	Dilution %	
	Resuing	Shrinkage
SGX	15.3%	20.1%
HZG	18.3%	24.0%
HPG	15.2%	22.2%
TLP	15.6%	20.0%
LME	15.0%	17.2%
LMW ¹	15.3%	16.9%
DCG	11.7%	16.9%
Total Ying	15.5%	19.5%

Note: ¹Small amount of room and pillar mining also planned at LMW (< 2% of Ying total) – estimated dilution 23.1%.

Source: AMC 2022 Ying Technical Report (data duration is unknown)

Figure 5-24: Dilution planned for stopes at SGX Mine

Category															Reserve									
Level	Stope number	类别	TONNES	ID- TONNE	MS- TONNE	Agr (g/t)	Au (g/t)	Ag (g/t)	Pb(%)	Zn(%)	true_widht h (m)	Mining Metho	Mining Width(t)	Planned Dilutio	Ore Loss(%)	TONNES	Agr(g/t)	Au (g/t)	Ag (g/t)	Pb(%)	Zn(%)			
176	300	XPD-519-300-6-SICC	SICC	8353	6313	2040	740	0	334	10.65	0.15	1.69	S	1.89	15%	8687	654	0.00	296	9.42	0.14			
178	300	XPD-519-300-8-SICC	SICC	8773	3506	5267	597	0	221	9.08	1.58	0.98	S	1.18	22%	8%	9827	490	0.00	181	7.46	1.30		
179	300	XPD-519-300-11-SICC	SICC	5012	5012	1007	0	428	14.68	1.21	0.65	R	0.75	12%	5%	5349	897	0.00	381	13.07	1.08			
197	160	XPD-519W-160-13-ZCCC	ZCCC	12854	12854	707	0	292	10.72	0.47	1.11	R	1.21	8%	5%	13138	657	0.00	271	9.96	0.44			
227	260	XPD-57_1-260-N5-ZCCC	ZCCC	5822	31	5792	685	0	371	7.06	2.24	0.64	R	0.74	14%	5%	6308	600	0.00	325	6.19	1.97		
229	300	XPD-57_1-300-11A-ZCCC	ZCCC	4879	4879	568	0	195	6.52	6.12	0.88	R	0.98	10%	5%	5104	516	0.00	177	5.92	5.56			
231	300	XPD-57_1-300-53-ZCCC	ZCCC	5182	1851	3330	605	0	235	7.46	4.21	0.85	R	0.95	10%	5%	5436	547	0.00	213	6.75	3.81		
249	210	XPD-57_2-210-N2-ZCCC	ZCCC	5189	5189	1134	0	512	16.26	0.36	1.20	R	1.30	7%	5%	5254	1064	0.00	481	15.26	0.33			
266	160	XPD-58-160-11A-SICC	SICC	8523	4385	4158	630	0	399	5.94	0.34	0.74	R	0.84	12%	5%	9095	561	0.00	355	5.29	0.30		
268	210	XPD-58-210-15A-SICC	SICC	2994	2994	290	0	159	3.35	0.17	0.74	R	0.84	13%	5%	3215	256	0.00	141	2.97	0.15			
284	210	XPD-58E-210-15-ZCCC	ZCCC	4435	2445	1990	395	0	302	2.29	0.29	1.74	R	1.84	6%	5%	4450	374	0.00	286	2.17	0.27		
285	260	XPD-58E-260-11-ZCCC	ZCCC	6106	3153	2953	465	0	331	2.48	1.95	0.66	R	0.76	15%	5%	6647	406	0.00	289	2.17	1.70		
387	450	CM101-518E-450-N1-ZCCC	ZCCC	923	923	339	3	101	0.44	0.31	0.67	R	0.77	15%	5%	1009	295	2.82	88	0.38	0.27			
117	RESUING		3113770	1468555	1645215	554	292	5.47	2.56	RESUING		15%	5%	3401920	482	254	4.76	2.22						
118	SHRINKAGE		1660634	899348	761285	557	286	5.72	2.52	SHRINKAGE		20%	8%	1851285	465	239	4.77	2.10						
119	TOTAL		4774403	2367903	2406500	555	290	5.56	2.55	TOTAL		17%	6%	5233805	476	249	4.79	2.18						

Source: Silvercorp spreadsheet - SGX_LOM_43-101(20220907)_33.xlsx

‘Depleted’ Ore Reserves as at 30 August 2023

For the purpose of estimating the Ore Reserves as close as possible to the Valuation Date, SRK has depleted the Ore Reserve estimate as at 31 December 2021 for production over the intervening period using the following files as provided by Silvercorp. In doing so, SRK has assumed that mine production was aligned with the schedules outlined in these files (as no more accurate information was available for SRK’s review). The resulting depleted Ore Reserves as at 30 August 2023 are outlined in Table 5-13.

- SGX_LOM_43-101(20220907)_33.xlsx
- HZG_LOM_43-101(20220712)_Rev2.xlsx
- HPG_LOM_43-101(20220824).bs_rev2.xlsx
- TLP_LOM_43-101(20220907).xlsx
- LME_LOM_43-101(20220907).Rev1.bs.xlsx
- LMW_LOM_43-101(20220902).xlsx
- DCG_LOM_43-101(20220824)_Rev2.bs.xlsx.

Table 5-13: ‘Depleted’ Ore Reserves at Ying Mine, as at 30 June 2023

Deposit	Classification	Quantity (Mt)	Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Au metal (koz)	Ag metal (Moz)	Pb metal (Mlb)	Zn metal (Mlb)
SGX	Proved	2.3	0.1	257	4.9	2.5	3.9	19	250	125
	Probable	2.5	0.0	228	4.4	1.9	0.3	19	247	107
	Total	4.8	0.0	242	4.6	2.2	4.2	38	497	232
HZG	Proved	0.3	-	350	1.1	-	-	3	7	-
	Probable	0.4	-	348	0.7	-	-	4	6	-
	Total	0.6	-	349	0.9	-	-	7	13	-
HPG	Proved	0.3	1.4	81	3.4	1.3	11.49	1	20	8
	Probable	0.4	1.8	57	2.8	1.1	24.48	1	26	10
	Total	0.7	1.6	67	3.0	1.2	36.8	1	46	18
TLP	Proved	1.3	-	217	3.2	-	-	9	90	-
	Probable	0.9	-	206	2.9	-	-	6	60	-
	Total	2.2	-	212	3.1	-	-	15	151	-
LME	Proved	0.2	0.2	347	1.6	0.3	1.2	2	6	1
	Probable	0.7	0.3	318	1.6	0.4	6.6	7	23	6
	Total	0.8	0.3	325	1.6	0.4	7.9	9	30	7
LMW	Proved	0.5	0.3	319	22.09	-	4.9	5	24	2
	Probable	1.2	0.6	240	1.9	-	22.0	10	52	6
	Total	1.7	0.5	262	2.0	-	26.9	15	75	8
DCG	Proved	0.1	2.5	59	1.3	0.3	5.5	0	2	0
	Probable	0.1	3.7	102	1.9	0.2	13.1	0	5	0
	Total	0.2	3.2	86	1.7	0.2	18.6	1	7	1
Total	Proved	4.9	0.2	249	3.7	1.2	27.6	39	399	134
	Probable	6.3	0.3	229	3.0	0.9	67.1	46	420	123
	Total	11.2	0.3	238	3.3	1.0	94.7	85	819	258

Source: SRK analysis using Silvercorp data

5.3.3 Production schedule

Annual ore production is projected to rise from the current level of around 650 kt to 785 kt in 2023 and then to 938 kt by 2026. From 2027 through to 2032, a further sustained increase is projected for an average of over 950 ktpa. From 2033 through to the envisaged end of mine life for the current Mineral/Ore Reserves, annual production is projected to steadily decline from 885 kt to 343 kt by 2037, as economic mining is completed at HZG, HPG, and DCG, followed by TLP and LME, and then finally the SGX and LMW mines.

The mine schedule is strategic and designed to achieve the grade target as provided by mine management. The progress of mine sequencing and scheduling is:

- Stope by stope planning considering the current mining activities and grade targets
- Design the ore drive as grade control or production exploration development as necessary

- Factored stope preparation development, such as level drive, cross-cut, raises based on the stope geometry parameters
- Design and schedule the mine layout development, such as decline, lower-level ore drive (exploration drive) for long-term consideration
- Summation of the scheduling result and optimisation.

The productivity applied to the mine schedule is summarised as:

- Resuing stope: maximum 600 tpm, the typical planned productivity is 300–500 tpm
- Shrinkage stope: 1,200 tpm including the broken ore mucking period, the typical planned productivity is ~1,000 tpm
- Decline:
 - 120 m/month with jumbo drilling and mechanical mucking
 - 60 m/month with jackleg drilling and mechanical mucking
- Level drive or ore drive:
 - 50 m/month with jackleg drilling and hand mucking
 - 60 m/month with jackleg drilling and mechanical mucking
- Shaft: 60 m/month
- Raises: all consider 40 m/month as jackleg drilling, though three set raise boring machines are equipped on site.

Based on its review of the supplied detailed mine schedules, SRK can confirm that the mine schedule files agree with that coded in the model *SVM Ying NAV Calculation 2022.10.05.xlsx*.

5.3.4 SRK comments

SRK has reviewed the supplied reports, database, inputs to the Ore Reserve estimates and estimation procedure, and conducted a site visit between 30 and 31 August 2023 for the operating conditions and facilities.

In general, the mining design and operation at Ying Mine are stable with the underground mine layout set-up. The stoping method is well established at each of the mines and current mining practice relies on using experienced and skilled miners.

Due to the narrow vein mining method used, the development headings and the working stopes are vast and widely dispersed throughout the mine sites, which adds significant complexity to both the operation and safety management aspects of the Ying Mine Complex. The company also has to face increased mechanisation and hence a smaller workforce as aligned to the experience of other mines across China.

Silvercorp has commenced investigating various activities designed to increase productivity including the introduction of increased mechanisation, automation and digitisation equipment or systems, such as designing and developing declines to give access for mobile equipment, replacing hand loading with rocker shovels, introducing electric rakes (scrapers, slushers) in stope mucking to replace hand mucking, introducing integrated systems on remote control shaft

hoisting, pumps, and ventilation fans. Greater use of bulk mining methods has also been considered and piloted.

SRK recommends that the mechanical cut and fill method using jumbos and loaders be considered as the backfill plant is now in-place.

There are no material rock mechanics studies applicable to the various mine sites, as SRK was advised there are good rock mass qualities throughout the complex. However, SRK recommends a periodic rock mechanics review, even for areas using the pilot sub-level open stoping method. A good understanding of the inherent rock mass will provide greater confidence with the mine design and plan.

Based on its review, SRK offers the following conclusions:

- The inputs, workflow, and validated detailed stopes show the Ore Reserves estimates are well supported.
- The mine schedule is reasonable. The vast majority of stopes (nearly 100 stopes per year) in operation and the complex systems rely on an experienced mine planner who manually optimises the mine schedules (i.e. no mine planning optimisation software is used).
- The mining method and equipment used are suitable and operated by skilled miners.
- The annual production rate increases in the plan from the 650 ktpa up 950 ktpa by 2026 but will depend on diligent planning and production management.
- The infrastructure and development requirement proposed are not considered to be a material risk, as they are either in place or under construction, or have been planned with sufficient time available for execution. A risk to the project is the limited space for the waste dumps at TLP, LME and LMW, which has been identified by Silvercorp. Activities to mitigate the risk include the development of an aggregate factory and reopening of a closed waste dump as well as the backfill plant, and are presented in Figure 5-25.
- On review of the Silvercorp model (SVM Ying NAV Calculation 2022.10.05.xlsx), SRK noted that the TLP Mine Plan had utilised the 'Geo Grade' and not the 'Mined Ore Grades' which includes the mining dilution etc. for the TLP schedule, silver, lead and zinc grades. Table 5-14 summarises the revised silver, lead and zinc grades for TLP Mine.

Figure 5-25: Waste dump in TLP and aggregate factory typical shrinkage stoping method



Source: SRK site visit in August 2023

Table 5-14: Revised silver, lead and zinc grades for TLP Mine

Year	Ag (g/t)	Pb (%)	Zn (%)
2024	208	2.98	0.32
2025	217	3.11	0.33
2026	240	2.87	0.33
2027	237	2.95	0.33
2028	235	3.02	0.37
2029	222	2.89	0.35
2030	217	2.94	0.38
2031	208	2.83	0.23
2032	189	3.07	0.44
2033	171	3.82	0.27
2034	177	3.26	0.29

Source: SRK analysis using Silvercorp data.

5.3.5 Mining operating and capital costs

Operating costs

Silvercorp has provided SRK with actual monthly operating costs from April 2022 (first month of FY2023) to June 2023 (last month of Q1 of FY2024), in the categories of mining costs (including capitalised costs) for each of its mining sections (or shafts) and general administration costs for the entire project. SRK has summarised the costs and listed them as the average of FY2023 and Q1FY2024 in Table 5-15, Table 5-16 and Table 5-17 listing the mining costs for each mining section of Ying Mine.

Table 5-15: Mining costs for each mining section of Ying Mine

Mining section		SGX*		TLP		LME
Item	FY2023	Q1 FY2024	FY2023	Q1 FY2024	FY2023	Q1 FY2024
Mining operation costs						
Direct mining costs						
Unit resuing mining costs (RMB/t)	325.77	334.93	93.18	248.77	290.87	323.39
Unit shrinkage mining costs (RMB/t)	162.00	187.95	137.07	124.12	255.49	310.15
Unit common cost (RMB/t)	172.24	156.94	144.11	128.52	308.06	407.18
Unit drilling costs (RMB/m)	207.64	245.43	320.59	368.23	233.98	218.11
Unit drilling costs (RMB/t)	16.05	7.80	30.10	16.44	133.37	139.41
Mining prep Unit costs (RMB/m)	2,267.60	2,318.77	6,623.77	1,361.63	1,938.69	2,071.95
Unit mining cost (RMB/t)	583.74	579.83	505.67	424.23	839.97	933.57
Unit shipping costs (RMB/t)	26.28	24.99	22.50	21.91	22.21	21.10
Sustaining capital						
Unit capitalised drilling cost (RMB/m)	292.28	223.09	215.89	200.20	294.06	200.59
Unit capitalised drilling cost (RMB/m)	43.17	37.33	18.88	15.368	203.79	148.17
Exploration tunnelling unit cost (RMB/m)	2,431.06	2,588.00	1,909.64	1,968.13	2,105.97	2,418.06
Other development tunnelling (RMB/m)	3,900.35	2,475.24	2,466.84	2,552.72	2,660.03	2,543.58
Growth capital						
Ramp development (RMB/m)	5,981.71	5,835.03	2,663.57	3,306.74	4,691.83	4,076.42
PPE (RMB/t)	23.99	13.33	33.57	6.26	80.11	6.29

Source: Data provided by Silvercorp

Note: *SGX may be named as YING mining section somewhere else.

Table 5-16: Mining costs for each mining section of Ying Mine (continued)

Mining section	LMX		HPG		HZG	
Item	FY2023	Q1 FY2024	FY2023	Q1 FY2024	Fy2023	Q1 FY2024
Mining operation costs						
Direct mining costs						
Unit resuing mining costs (RMB/t)	298.12	302.30	296.08	270.76	311.43	287.40
Unit shrinkage mining costs (RMB/t)	126.88	156.11	118.79	160.32	192.12	131.27
Unit common cost (RMB/t)	202.60	195.88	190.74	177.35	176.53	138.32
Unit drilling costs (RMB/m)	202.34	231.53	88.67	170.30	219.52	237.83
Unit drilling costs (RMB/t)	88.05	120.35	15.13	9.91	66.69	36.18
Mining prep Unit costs (RMB/m)	2,354.00	2,293.57	2,037.35	1,630.39	2,313.07	2,299.63
Unit mining cost (RMB/t)	634.53	696.53	544.39	469.83	636.57	513.96
Unit shipping costs (RMB/t)	22.16	21.28	19.57	18.54	31.00	29.69
Sustaining capital						
Unit capitalised drilling cost (RMB/m)	1,114.04	328.02	350.61	310.07	288.80	185.40
Unit capitalised drilling cost (RMB/t)	63.22	29.31	94.40	38.89	46.51	28.81
Exploration tunnelling unit cost (RMB/m)	2,219.72	2,117.90	2,094.89	2,119.57	2,448.23	2,558.37
Exploration tunnelling unit cost (RMB/t)	63.22	29.31	94.40	38.89	46.51	28.81
Other development tunnelling (RMB/m)	2,989.42	2,590.41	2,872.68	1,319.06	2,799.09	2,365.83
Growth capital						
Ramp development (RMB/m)	4,060.16	2,831.64	4,661.81	4,490.33	4,129.15	4,660.53
PPE (RMB/t)	163.90	36.84	70.90	17.15	64.88	6.75

Sources: Data provided by Silvercorp

Table 5-17: Mining costs for each mining section of Ying Mine (continued)

Mining section Item	DCG	
	FY2023	Q1 FY2024
Mining operation costs		
Direct mining costs		
Unit resuing mining costs (RMB/t)	281.71	257.21
Unit shrinkage mining costs (RMB/t)		
Unit common cost (RMB/t)	185.16	114.84
Unit drilling costs (RMB/m)	258.82	-
Unit drilling costs (RMB/t)	127.23	-
Mining prep Unit costs (RMB/m)	1,976.66	1,964.14
Unit mining cost (RMB/t)	740.44	493.55
Unit shipping costs (RMB/t)	22.16	27.63
Sustaining capital		
Unit capitalised drilling cost (RMB/m)	239.13	-
Unit capitalised drilling cost (RMB/t)	231.19	-
Exploration tunnelling unit cost (RMB/m)	2,121.16	2,044.21
Other development tunnelling (RMB/m)		
Growth capital		
Ramp development (RMB/m)		
PPE (RMB/t)	184.32	

Sources: Data provided by Silvercorp

Table 5-18 and Table 5-19 provide details of the labour, reclamation and environmental management costs and general administration costs respectively at Ying Mine.

Table 5-18: Average labour, reclamation and environmental management costs of Ying Mine

Item	FY2023	Q1-FY2024
Safety and environmental protection costs (RMB/t ore)	2.37	2.11
Maintenance and repairing cost (RMB/t ore)	1.65	0.50
Assaying cost (RMB/t ore)	0.91	1.26
Officing, communications etc. (RMB/t ore)	1.00	1.62
Others (RMB/t ore)	0.30	0.11
Compensation fees for land used (RMB/t ore)	0.19	(0.32)
Total cost for management (RMB)	4,973,157.00	1,101,922.00
Unit cost (RMB/t ore)	6.43	5.28
Labour cost		
Salary and bonus (RMB/t ore)	20.69	21.40
Insurances (RMB/t ore)	3.25	3.12
Welfares (RMB/t ore)	2.01	1.53
Workers union fees (RMB/t ore)	0.41	0.36
Training costs (RMB/t ore)		-
Total labour cost (RMB)	20,380,607.29	5,514,446.02
Unit cost (RMB/t ore)	26.36	26.41
Reclamation and environmental management		
Other basic construction (not including ore shipping tunnels)	6.62	0.08
Basic construction subtotal (RMB/t ore)	6.62	0.08
Equipment purchase (RMB/t ore)	2.67	0.19
Total basic construction and equipment (RMB)	7,180,469.90	55,914.33
Total unit cost for basic construction and equipment (RMB/t ore)	9.29	0.27
Total milling cost (RMB)	69,888,985.07	16,425,281.91
Total unit milling cost (RMB/t)	90.41	78.66

Sources: Data provided by Silvercorp

Table 5-19: G&A costs of Ying Mine

Item	Unit	FY2023	Q1 FY2024
Ore milled	tonne	773,055.78	208,808.70
General administrative costs	RMB	23,958,326.97	6,036,492.68
Labour costs	RMB	30,114,407.98	8,257,571.68
Unit G&A cost	RMB/t ore	69.95	68.46

Sources: Data provided by Silvercorp

SRK recommends that the averages from the FY2023 and Q1FY2024 production records be used in the financial model, as summarised in Table 5-20, with assumptions that the shrinkage mining cost is RMB140/t; development tunnelling (ramp) is RMB4,500/m, and exploration

tunnelling for resources is RMB2,600/m, if the actual production records do not include such costs in some mining sections.

Table 5-20: The inputs for various parameters SRK recommends to using in the Ying Mine model (RMB)

Mining Section (Shaft)	SGX	TLP	LME	LMW	HZG	HPG	DCG	YING Camp
Direct Mining costs								
Unit resuing mining costs (RMB/t)	327.67	283.61	296.13	299.07	305.37	291.47	275.32	
Unit shrinkage mining costs (RMB/t)	179.09	133.05	140.00	131.40	140.30	133.03	140.00	
Unit common cost (RMB/t)	168.97	140.67	322.96	201.14	166.79	187.90	166.85	
Expensed drilling costs (RMB/t)	14.29	27.78	134.27	95.06	58.92	14.0	127.23	
Mining prep Unit costs (RMB/m)	2,279.75	1,847.88	1,949.57	2,338.12	2,310.58	1,962.83	1,973.81	
Unit Mining costs (RMB/t)	582.91	487.69	854.04	647.99	605.32	528.56	676.17	
Unit shipping costs (RMB/t)	26.01	22.37	22.05	21.97	30.70	19.36	23.33	
Sustaining Capital								
Unit capitalised drilling cost (RMB/t)	41.93	18.10	195.43	55.85	42.00	82.61	231.19	
Exploration tunnelling unit cost (RMB/m)	2,463.91	1,924.39	2,144.28	2,191.06	2,472.60	2,100.71	2,110.15	
Other development tunnelling (RMB/m)	3,308.11	2,484.40	2,653.18	2,904.20	2,621.40	2,352.93	2,600.00	
Growth Capital								
Ramp development (RMB/m)	5,936.07	2,776.40	4,299.68	3,605.42	4,237.4	4,595.4	4,500.00	
PPE (RMB/t)	21.72	27.54	69.01	136.30	50.06	59.49	135.52	
Milling Cost								87.91
G&A								69.63

Sources: SRK Analysis on data provided by Silvercorp

The government fee and other tax used in Silvercorp's financial model was simplified from the fee and surtax based on VAT payable, SRK believes that the value can be used as the fee and tax, if the VAT issue will be simplified.

Capital costs

Capital expenditures (CAPEX) to construct the mines, ore processing plants, and various facilities and exploration have been invested. Silvercorp has provided SRK with the previous CAPEX summarised in different categories. Table 5-21 and Table 5-22 list details of the original costs,

cumulative amortisation, and net book value (US\$ terms) of the CAPEX as at 31 December 2022, and 30 June 2023, respectively, for the Ying Mine Complex.

Table 5-21: Previous CAPEX into Ying Mine as on 31 December 2022 (RMB)

As on 31 December 2022			
Item	Costs	Cumulative Amortisation	Net book Value
Ying Mine			
Building – 20 years	383,330,652.06	143,091,882.01	240,238,770.05
Underground construction – 20 years	281,051,110.97	219,677,774.72	61,373,336.25
Production Machinery – 10 years	96,033,212.01	67,253,943.78	28,779,268.23
Electric Machinery – 10 years	45,297,994.15	31,689,047.89	13,608,946.26
Tools and small equipment – 5 years	6,851,323.23	3,367,034.42	3,484,288.81
Vehicle – 5 years	43,091,677.65	32,651,626.46	10,440,051.19
Computer and other electronic equipment – 5 years	25,789,381.97	19,249,000.38	6,540,381.59
Office furniture and equipment – 5 years	4,908,602.25	2,559,904.34	2,348,697.91
Construction in Progress	35,368,444.09		35,368,444.09
Construction in Process	109,035,279.87		109,035,279.87
Intangible assets – land use rights (50 years)	20,467,399.20	4,365,035.20	16,102,364.00
Intangible assets – software (5 years)	14,063,438.90	7,848,582.97	6,214,855.93
Mineral rights and properties	1,185,921,557.88	1,063,086,050.91	122,835,506.97
Henan Total	2,251,210,074.23	1,594,839,883.08	656,370,191.15

Sources: Data provided by Silvercorp

Table 5-22: Previous CAPEX into Ying Mine as on 30 June 2023 (RMB)

As at 30 June 2023			
Item	Costs	Cumulative Amortisation	Net book Value
Ying Mine			
Building – 20 years	235,309,962.38	100,483,576.43	134,826,385.95
Underground construction – 20 Years	102,290,811.85	44,301,142.26	57,989,669.59
Production Machinery – 10 Years	62,980,621.22	40,162,843.93	22,817,777.29
Electric Machinery – 10 Years	11,716,935.59	9,094,443.49	2,622,492.10
Tools and small equipment – 5 Years	1,932,423.12	1,357,569.04	574,854.08
Vehicle – 5 Years	7,307,726.30	5,597,931.15	1,709,795.15
Computer and other electronic equipment – 5 Years	2,245,300.80	2,000,664.25	244,636.55
Office furniture and equipment – 5 Years	1,580,206.75	1,337,835.65	242,371.10
Building Construction in Progress	1,007,273.81		1,007,273.81
Tunnel Construction in Process	30,269,677.70	6,255,619.65	24,014,058.05
Intangible assets – Land use rights (50 Years)	1,420,727.33	542,942.04	877,785.29
Intangible assets – software (5 Years)	202,406,596.29	151,820,683.98	50,585,912.31
Mineral rights and properties	660,468,263.14	362,955,251.87	297,513,011.27
Henan Total	235,309,962.38	100,483,576.43	134,826,385.95

Sources: Data provided by Silvercorp

The net book values can be considered for further depreciation and amortisation.

Silvercorp provided the new CAPEX required for the Ying Mine in two categories:

- Sustaining capital:
 - capitalising the expenses from Exploration tunnelling – grade control, Development tunnelling, and Facilities and equipment.
- Growth capital:
 - capitalising the expenses from Exploration tunnelling – New and upgrade resources, Capitalised drilling and to build 3rd Mill and TSF. SRK notes that the 3rd mill and extra TSF are needed, although not urgently, SRK recommends to keeping the CAPEX, while the investment schedule may be adjusted to a couple of years later than the plan in the financial model).

Table 5-23 summarises the new CAPEX required for the Ying Mine in the financial/NPV models as provided by Silvercorp in US\$/t ore mined.

Table 5-23: New CAPEX needed in the Silvercorp NPV models (US\$)

CAPEX Item	Unit	Ying
Sustaining capital		
Exploration tunnelling – grade control	US\$/t	1.35
Development tunnelling	US\$/t	2.46
Facilities and equipment	US\$/t	8.87
Growth capital		
Exploration tunnelling – New and upgrade resources	US\$/t	8.67
Capitalised drilling	US\$/t	6.29
3rd Mill and TSF	US\$/t	5.50

Sources: Data provided by Silvercorp

Tax obligations

Based on the data provided by – and discussions with – Silvercorp, the subsidiary entities operating the Ying Mine have the following tax obligations.

Enterprise Income Tax: in China, the normal enterprise income tax is 25% of the taxable income. Silvercorp has advised SRK that as a HNTE, the subsidiary entities operating Ying Mine are subject to a tax rate of 15% of taxable income for a 3 year term, which is renewable.

Resource tax:

- 3% of the net amount of sales from lead (Pb) and zinc (Zn) mineral products
- 2% of the net amount of sales from silver (Ag) mineral products
- No resource tax for gold (Au) and copper (Cu), since they are by-products

Value added tax (received):

- 13% of the net amount of sales, excluding the revenue from gold (Au)

Surtax/surcharge:

- City construction fee: 5% of VAT payable
- Education surtax: 7% of VAT payable.

Smelter charges

The following are the smelter charge for each metal in each company:

Ying Mine:

- smelter charge for gold: 17.00%
- smelter charge for silver: 9.00%
- smelter charge for lead: 5.00%
- smelter charge for zinc: 26.00%.

5.4 Metallurgical testwork and process design

5.4.1 Process flowsheet

At present, Silvercorp's Ying Mine runs two processing plants, Plant 1 (Xiayu Plant) and Plant 2 (Zhuangtou Plant), with a total current design capacity of approximately 2,600 tpd. The Xiayu Plant has been in production since March 2007, with design capacity of 600 tpd. The Zhuangtou Plant has been in production since December 2009, with design capacity of 2,000 tpd (expanded from 1,000 tpd in October 2011).

Silvercorp planned to construct a new plant (Plant 3) to expand the existing processing capacity, which was designed by the Changchun Gold Design Institute in March 2022 and has a design capacity of 3,000 tpd. Plant 3 is under construction and the operation date has not been scheduled.

The final products are lead concentrate, zinc concentrate, copper concentrate and Knelson gold concentrate.

The overall process flowsheets for the three plants are similar and comprise crushing, grinding, gravity, flotation and dewatering. The specific process flowsheets of the three plants is described as follows.

Plant 1 process flowsheet

Until Plant 3 is operating, gold-bearing ores from the HPG Mine will be fed to Plant 1. When there is insufficient gold-bearing ore, Plant 1 will process LG ores from the DCG, LMW, TLP, and HZG mines. The production process flowsheet for Plant 1 is shown in Figure 5-1 and described as follows:

Crushing and screening

The plant adopts a two-stage closed-circuit crushing process, with a raw ore feed size of no more than 200 mm and a final crushed product size of less than 16 mm, after which the feed is sent to the fine ore bin for grinding.

Grinding and classification

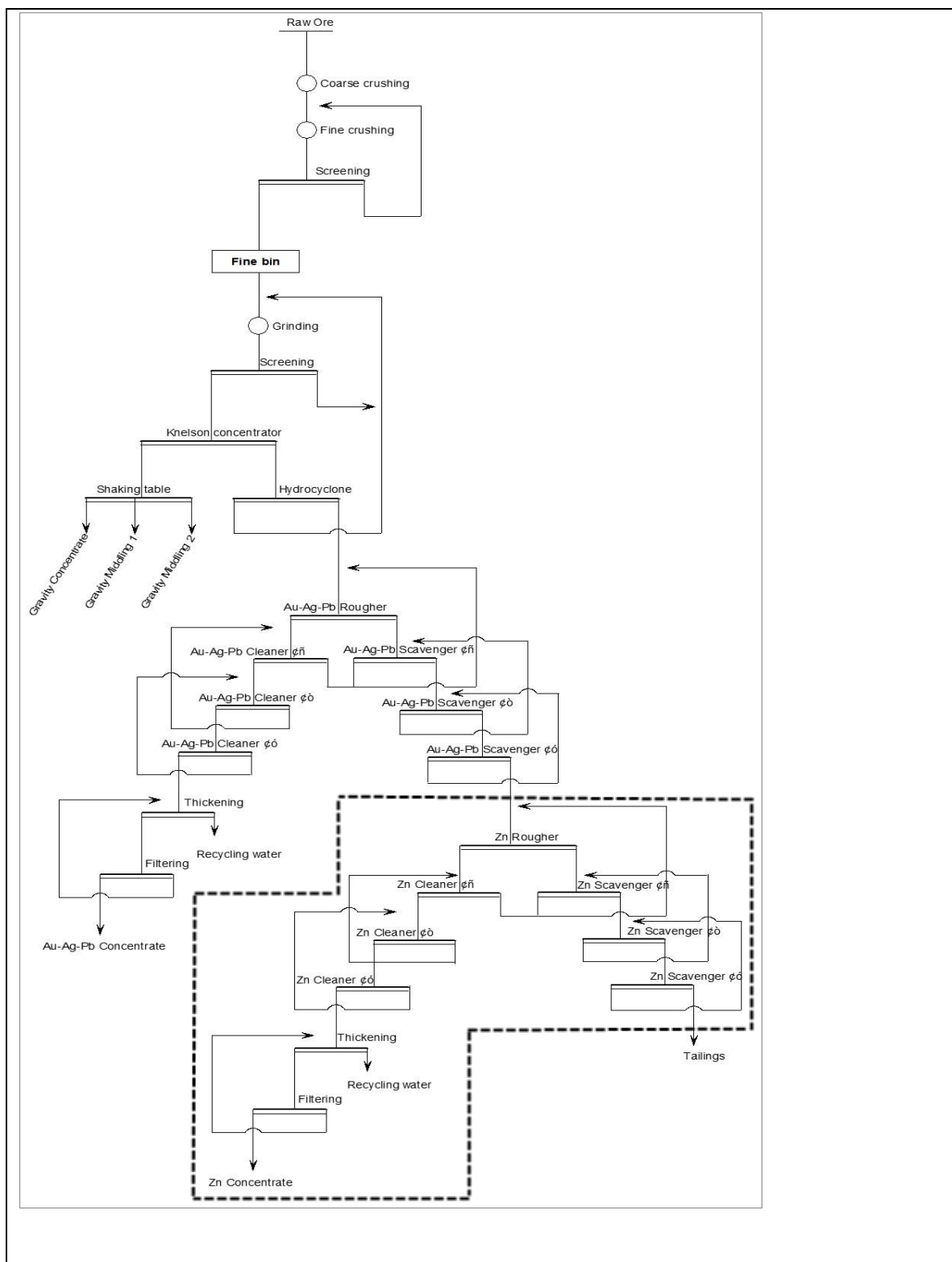
Crushed ore is conveyed to a closed milling circuit consisting of two trains, each with a grate-discharge ball mill and a spiral classifier. The spiral classifiers were replaced by hydrocyclones to reduce the overgrinding of galena minerals and improve the classification efficiency.

The grind size is 61–63% passing 75 µm and the overflow density is maintained at 40% solids w/w.

Gravity separation

In line with metallurgical test results carried out by Changchun Gold Research Institute (CCGRI) in 2021, Plant 1 was upgraded by adding a gravity separation circuit.

Figure 5-1: Production flowsheet of Ying Mine Plant 1



Source: Data provided by Silvercorp

Note: Zinc circuit not in use.

A Knelson concentrator was added to process the products discharged by the ball mill to recover coarse gold. At the same time, a linear screen was added in front of the Knelson to remove the coarse ore particles larger than 2 mm.

The concentrate from the Knelson concentrator is cleaned with a shaking table. The tailings from the concentrator are classified by hydrocyclones, with coarse materials returning to the ball mill for further grinding, and fine materials enter the flotation system.

Flotation

The overflow (O/F) of the hydrocyclones flows to the lead rougher conditioning tank mixing with flotation reagents, and then to the lead rougher flotation cells. The lead flotation circuit is 'one roughing + two scavenging + three cleaning', to obtain lead concentrate.

Concentrate dewatering

The lead concentrate adopts a two-stage dewatering process, with the first stage using a thickener and having a discharge concentration of 50–60%; the second stage uses a ceramic filter, and has a final concentrate moisture content of 7–10%.

Tailings handling

Tailings are directly pumped through up to four discharge outlets into the Zhuangtou tailings storage pond located at the northern creek between Plant 1 and Plant 2.

Reclaimed process water from the tailings pond is recycled for re-use in the milling process.

Plant 2 process flowsheet

The flowsheet of Plant 2 is very similar to Plant 1, with minor changes as follows:

- Plant 2 adopts a three-stage closed-circuit crushing process
- no gravity separation
- flotation circuit (lead sulfide flotation – zinc sulfide flotation (2 × 1,000 tpd), no copper flotation).

Plant 3 process flowsheet

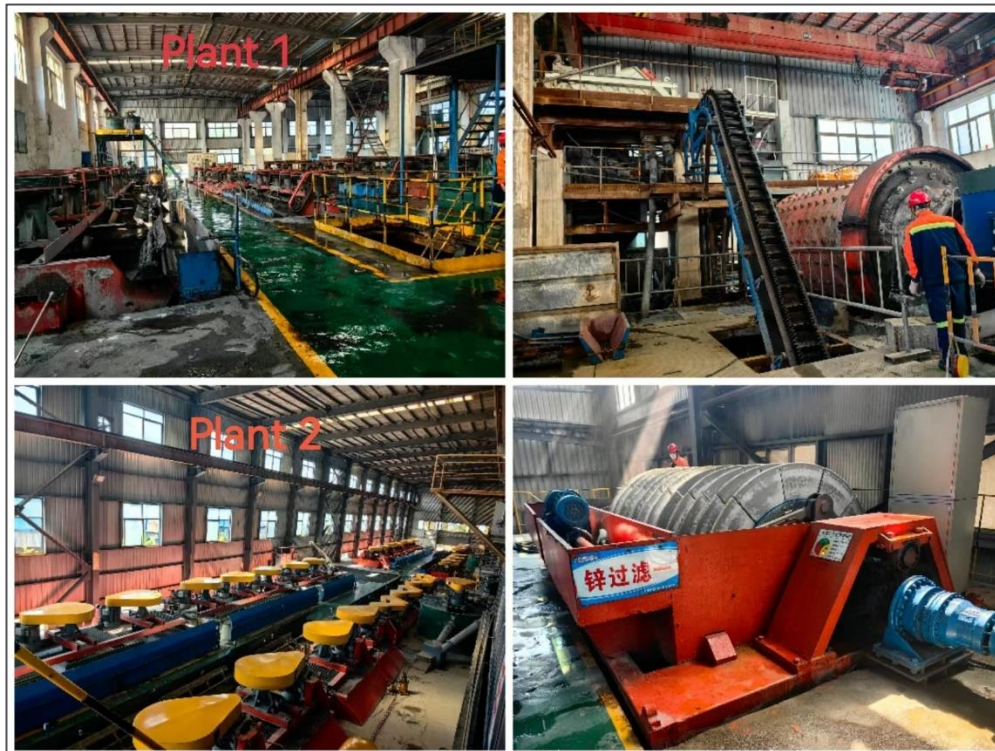
The general process for Plant 3 is very similar to that of Plant 1 and Plant 2, and will consist of the following:

- A jaw crusher is used for coarse crushing of raw ore.
- The grinding operation circuit is semi autogenous grinding milling+ ball milling (SAB). The components are arranged as one circuit with processing capacity of 3,000 tpd.
- The gravity concentration operation includes a Knelson concentrator, a vertical mill for regrinding Knelson gold concentrate, and a concentrate shaking table.
- The flotation circuit mainly includes lead-copper flotation, zinc flotation, and copper/lead separation flotation.

- The product is dewatered by a two-stage circuit. A thickener is used for concentration, and a ceramic filter is used for filtration (including lead concentrate filtration, zinc concentrate filtration, copper concentrate filtration and gold concentrate filtration).
- Tailings will discharge to TSF 3 – the Shimengou TSF – which is under construction.

General view photographs of Plant 1 and Plant 2 are shown in Figure 5-2.

Figure 5-2: General view photographs (Plant 1 and Plant 2)



Source: SRK site visit in August 2023

Based on the process flowsheets for the three plants in Ying Mine, SRK notes the following:

- Plant 1 has upgraded by installing a gravity separation circuit: including Knelson concentrator, shaking table, and cyclone classification in one train, to process gold-bearing ores. This system can recover coarse gold effectively.
- To optimise profitability, HG lead concentrate (53–60% Pb) from Plant 2 is blended with medium grade lead concentrate (40–50% Pb) from Plant 1 before shipping to clients.
- Plant 3 adopts an SAB grinding flowsheet, which would reduce the construction area, is easy to realise centralised automatic control, and avoid dust and intermediate step blockage.
- The Plant 3 equipment is large, and the processing capacity is high, and a more advanced technology is employed. The flowsheet is also more flexible, and can handle silver-lead-zinc ore, silver-lead ore, copper-lead ore and gold ore.

5.4.2 Supporting testwork

Prior to the operation of the mines and the construction of processing plants, many metallurgical tests had been carried out by various institutes for the Ying Mine project, which are shown in Table 5-24.

Table 5-24: The historical testwork for the Ying Mine project

No.	Date	Test Institute	Test type	Sample source
1	1994	Changsha Design and Research Institute (CDRI)	Laboratory testwork	TLP
2	2005	Hunan Nonferrous Metal Research Institute (HNMRI)	Laboratory testwork	SGX
3	2007	Tongling Nonferrous Metals Design Institute (TNMDI)	Laboratory testwork	HZG
4	2021	Changchun Gold Research Institute (CCGRI)	Laboratory testwork	HPG
5	2021	CITIC Heavy Industry Machinery Co., Ltd. (CITIC)	Laboratory comminution test, Bond grinding work index test, Bond metal wear index test	Sulfide ore from SGX, TLP, LME, and LMW, and oxide ore from TLP and HPG

Sources: Data provided by Silvercorp

Plant 1 and Plant 2 were designed based on the HNMRI testwork (2005) because SGX is the main deposit and the HNMRI testwork was the most comprehensive. Plant 3 was designed based on the CCGRI testwork (2021) on the HPG deposit.

In the following subsections, SRK introduces the experiment content and results of the HNMRI testwork.

HNMRI metallurgical testwork (SGX)

To develop a process flowsheet with appropriate operating parameters as a basis for the industrial scale implementation of lead, zinc, and silver recovery, HNMRI was commissioned to conduct a laboratory process test study on the SGX deposit in 2005.

The closed-circuit test adopted the conventional Pb/Zn separation process by differential flotation (Pb and Zn flotation both adopted one roughing + two scavenging + three cleaning), and the results are shown in Table 5-25. The results show that under the process and technological conditions, the grade of lead concentrate is 68.18%, and the recovery rate is more than 90%. The grade of zinc concentrate is 59.61% with recovery greater than 85%. The recovery rate of silver can reach more than 93%.

Table 5-25: Test results from HNMRI testwork (SGX)

Product	Yield (%)	Grade			Recovery		
		Pb (%)	Zn (%)	Ag(g/t)	Pb (%)	Zn (%)	Ag (%)
Lead Conc.	7.84	68.18	6.24	4,196.52	90.89	9.39	85.12
Zinc Conc.	7.49	2.10	59.61	453.80	2.67	85.67	8.79
Tailings	84.67	0.45	0.30	27.80	6.44	4.94	6.09
ROM	100.00	5.88	5.21	386.50	100.00	100.00	100.00

Source: HNMRI metallurgical testwork, 2005

Note: Conc. – concentrate

CCGRI metallurgical testwork (HPG)

In 2021, CCGRI was commissioned to carry out mineral processing tests for HPG mineralisation. The purpose was to conduct a comprehensive mineral processing test on gold ore, obtain a recovery plan for gold, silver, lead, and zinc, and provide a basis for production process optimisation.

The closed-circuit test results are shown in Table 5-26. The results indicated that free particle gold could be recovered effectively by using a Knelson concentrator for gravity separation. The total recovery rates for gold, silver and lead were 95.00%, 88.46% and 96.90% respectively from the gravity and Au/Ag/Pb flotation concentrate. The zinc grade is 44.96% and the recovery rate is 74.44% in the zinc concentrate.

Table 5-26: Test results from CCGRI testwork (HPG)

Product	Mass yield (%)	Grade				Recovery			
		Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Total Au (%)	Total Ag (%)	Total Pb (%)	Zn (%)
Gravity Conc.	0.0072	10,077.10	63,421.80	42.88	0.05	95.00	88.46	96.9	—
Shaking Table Conc1	0.0047	2,108.62	20,305.57	44.62	0.04				—
Shaking Table Conc2	0.38	207.60	7,078.65	50.01	2.07				0.40
Au-Ag-Pb Conc.	10.45	12.66	1,972.70	48.37	3.28				17.05
Zn Conc.	3.33	2.08	445.87	1.18	44.96	2.23	5.5	0.72	74.44
Tails	85.83	0.10	19.01	0.15	0.19	2.77	6.04	2.38	8.11
ROM	100.00	3.10	270.00	5.42	2.01	100.00	100.00	100.00	100.00

Source: CCGRI metallurgical testwork, 2021

Based on the above test results, SRK notes the following:

- The gravity separation-flotation combined process proved to perform better at recovering gold, silver, lead, and zinc in gold ore. In particular, the gravity separation process could recover more free particle gold and improve the overall recovery rate of gold.
- Of the CCGRI metallurgical testwork on the HPG deposit, SRK suggests adding a Cu-Pb separation flotation reagent exploration test, to provide a design basis for Plant 3.

5.4.3 Process throughput and metallurgical recovery

Process throughput

Table 5-27 and Table 5-28 show the process throughput from each mine milled at Plant 1 and Plant 2 respectively. Table 5-29 summarises the concentrate grade and output indexes for Plant 1 and Plant 2 in FY2023.

Table 5-27: Ore feed to Plant 1 (FY2023)

Item	Unit	SGX	HZG	HPG	TLP	LME	LMW	DCG	Subtotal
Ore milled	t	-	51,878	11,092	47,173	373	82,374	4,787	197,677
Feed grade (Pb)	%	-	1.47	1.77	2.77	1.55	2.52	0.91	2.22
Feed grade (Zn)	%	-	-	1.12	-	-	-	-	0.06
Feed grade (Ag)	g/t	-	285	83	228.17	426	315	83	268
Feed grade (Au)	g/t	-	-	1.64	-	-	0.24	0.92	0.21
Contribution	%	-	26.24	5.61	23.86	0.19	41.67	2.42	100.00

Sources: Data provided by Silvercorp

Note:1. HZG includes BCG.

2. Numbers may not compute exactly due to rounding.

Table 5-28: Ore feed to Plant 2 (FY2023)

Item	Unit	SGX	HZG	HPG	TLP	LME	LMW	DCG	Subtotal
Ore milled	t	289,933	2,417	57,989	180,511	33,631	6,764	3,934	575,179
Feed grade (Pb)	%	6.11	1.57	3.56	2.63	1.51	2.91	3.83	4.42
Feed grade (Zn)	%	1.60	-	1.10	-	0.31	-	-	0.94
Feed grade (Ag)	g/t	329	312	131	192	272	311	78	261
Feed grade (Au)	g/t	-	-	0.46	-	0.01	0.06	0.05	0.05
Contribution	%	50.41	0.42	10.08	31.38	5.85	1.18	0.68	100.00

Sources: Data provided by Silvercorp

Note:1. HZG includes BCG.

2. Numbers may not compute exactly due to rounding.

Table 5-29: Concentrate quality of Plant 1 and Plant 2 (FY2023)

Items	Unit	SGX	HZG	HPG	TLP	LME	LMW	DCG	Subtotal
ROM									
Ore milled	t	289,933	54,296	69,082	227,684	34,004	89,138	8,721	772,856
Feed grade (Pb)	%	6.11	1.47	3.27	2.66	1.51	2.55	2.23	3.86
Feed grade (Zn)	%	1.60	-	1.11	-	0.31	-	-	0.71
Feed grade (Ag)	g/t	329	286	124	200	274	315	81	263
Feed grade (Au)	g/t	-	-	0.65	-	0.01	0.22	0.53	0.09
Pb Concentrate									
Pb conc output	t	28,128	1,591	4,797	13,135	980	4,680	454	53,765
Pb conc yield	%	9.70	2.93	6.94	5.77	2.88	5.25	5.20	6.96
Pb grade	%	61.53	47.06	43.07	41.62	47.39	46.45	33.97	52.79
Ag grade	g/t	3,271	9,405	1,598	3,252	9,088	5,803	1,363	3,609
Au grade	g/t	0.04	0.06	8.20	0.01	0.26	3.69	9.08	1.16
Pb metal output	t	17,306	749	2,066	5,467	464	2,174	154	28,381
Ag metal output in Pb conc	kg	92,015	14,967	7,664	42,708	8,904	27,155	619	194,032
Au metal output in Pb conc	kg	1.16	0.09	39.32	0.10	0.26	17.25	4.12	62.29
Zn Concentrate									
Zn conc output	t	5,862	-	1,036	2	70	-	-	6,970
Zn conc yield	%	2.02	-	1.50	0.001	0.206	-	-	0.902
Zn grade	%	48.40	-	50.00	61.68	48.91	-	-	48.65
Ag grade	g/t	285	-	111	237	832	-	-	265
Zn metal output	t	2,838	-	518	1.22	34	-	-	3,391
Ag metal output in Zn conc	kg	1,671	-	115	0.47	58	-	-	1,845
Knelson concentrate									
Au conc output	t	-	-	3.19	-	-	1.95	0.27	5.41
Au conc yield	%	-	-	0.005	-	-	0.002	0.003	0.001
Au grade	g/t	-	-	541	-	-	624	140	551
Ag grade	g/t	-	-	776	-	-	1,239	536	931
Au metal output in Knelson conc	kg	-	-	1.73	-	-	1.21	0.04	2.98
Ag metal output in Knelson conc	kg	-	-	2.48	-	-	2.41	0.15	5.03

Sources: Data provided by Silvercorp

Note: 1. HZG includes BCG.

2. Numbers may not compute exactly due to rounding.

According to the above three tables, combined with the historical production data from FY2019 to FY2022 in AMC's 2022 Ying Technical Report, SRK notes:

- Approximately 25% of the ore was processed at Plant 1, with an average daily processing rate of about 600 tpd, reaching the design capacity. The main ore supplies are from LMW (42%), TLP (24%) and HZG (26%), which account for 92%. The ore from the SGX mine does not feed to Plant 1.
- About 75% of the ore was processed at Plant 2, with an average daily processing rate of about 1,700 tpd versus the design capacity of 2,000 tpd. Ore from all mines was used as the feed for Plant 2, and the mainly ore supply was from SGX (50%), TLP (31%) and HPG (10%).
- SGX has remained the largest contributor to production at about 37% of total, and TLP remains the second largest contributor at about 29%.
- There has been an overall production increase of close to 7% in the last three fiscal years.
- SGX, TLP, and HPG ores are rich in lead, and TLP, LMW, LME, DCG and HZG have little zinc.
- Silver and lead grades in lead concentrate have been relatively stable but the average lead grade is still lower than the design value of 60%.
- Zinc grade in zinc concentrate has shown a small increase since 2019, and the average zinc grade is significantly higher than the design value of 45%.
- The total milled ore throughput is 772,856 t in FY2023, with an average daily processing rate of about 2,300 tpd. The maximum production capacity of mining scheduling in the financial model is 975,503 t in FY2028. With the operation of Plant 3, the production capacity will reach 990,000 tpa, so SRK considers that the production scheduling in the model is reasonable.

Metallurgical recovery

SRK has analysed and summarised the historical metallurgical recovery rate of all mines from FY2022 to FY2023. According to the table, combined with the historical production data in AMC's *NI 43-101 Technical Report Update*, the recovery indicators and comments on each mine suggested by SRK in the financial model are shown in Table 5-30.

Table 5-30: Overall metal recovery and SRK recommendations

Items	FY2022	FY2023	Model	SRK recommendations	Comments
SGX Mine					
Pb Recovery	97.60	97.63	97.50	Accepted base case	Base case is supported by operational performance and is closely to the historical indexes of recent two fiscal years.
Zn Recovery	60.93	61.14	63.30	Accepted base case	
Ag Recovery	95.65	96.36	95.00	Accepted base case	
Au Recovery	-	82.67	90.70	73.50	No Knelson gravity separation. Indicators such as the recovery rate of gold in lead concentrate began to be calculated and recorded in January 2023, so SRK recommends that the average recovery rate from January to March 2023 may be suitable for the calculation index.

Items	FY2022	FY2023	Model	SRK recommendations	Comments
TLP Mine					
Pb Recovery	92.00	90.33	93.40	Accepted base case	Base case is supported by operational performance and is closely to the historical indexes of recent two fiscal years.
Zn Recovery	-	-	-		
Ag Recovery	92.66	94.00	92.40	Accepted base case	
Au Recovery	-	-	-		
LME Mine					
Pb Recovery	91.94	90.37	92.00	Accepted base case	Base case is supported by operational performance and is closely to the historical indexes of recent two fiscal years.
Zn Recovery	30.15	32.51	35.60	Accepted base case	
Ag Recovery	95.11	95.61	94.00	Accepted base case	
Au Recovery	-	87.46	90.70	81.60	No Knelson gravity separation. Indicators such as the recovery rate of gold in lead concentrate began to be calculated and recorded in January 2023, so SRK recommends that the average recovery rate from January to March 2023 may be suitable for the calculation index.
LMW Mine					
Pb Recovery	96.29	95.62	97.10	Accepted base case	Base case is supported by operational performance and is closely to the historical indexes of recent two fiscal years.
Zn Recovery	-	-	-		
Ag Recovery	96.57	96.76	95.60	Accepted base case	Base case is supported by operational performance and is closely to the historical indexes of recent two fiscal years.
Au Recovery	-	92.69	90.70	Accepted base case	Processing using the Knelson gravity separation since January 2023, and it is close to the average recovery rate from January to March 2023.
HZG+BCG Mine					
Pb Recovery	94.88	93.70	95.10	Accepted base case	Base case is supported by operational performance and is closely to the historical indexes of recent two fiscal years.
Zn Recovery	-	-	-		
Ag Recovery	96.52	96.37	95.90	Accepted base case	Base case is supported by operational performance and is closely to the historical indexes of recent two fiscal years.
Au Recovery	-	-	-		
HPG Mine					
Pb Recovery	91.80	91.43	93.50	Accepted base case	Base case is supported by operational performance and is closely to the historical indexes of recent two fiscal years.
Zn Recovery	68.18	67.80	65.90	Accepted base case	
Ag Recovery	87.74	89.82	86.30	Accepted base case	
Au Recovery	-	91.37	89.10	Accepted base case	Enter to the Knelson gravity separation since January 2023, and it is close to the average recovery rate from January to March 2023

Items	FY2022	FY2023	Model	SRK recommendations	Comments
DCG Mine					
Pb Recovery	67.32	79.26	93.50	82.00	The recovery rate index fluctuates greatly in historical production, with the highest index 91.37% and the lowest 77.15% from October 2022 to March 2023. SRK recommends the average recovery rate of 82.00% for the calculation index.
Zn Recovery	-	-	35.60	0.00	Through review of the <i>Monthly Process Plant Production Reports</i> , SRK noted that there is no Zn feed grade and Zn concentrate related index records in DCG mine – so there is no zinc value in the mine.
Ag Recovery	82.13	87.99	86.30	Accepted base case	Base case is supported by operational performance and is closely to the historical indexes of recent two fiscal years.
Au Recovery		90.70	89.10	Accepted base case	Enter to the Knelson gravity separation since January 2023, and it is close to the average recovery rate from January to March 2023.

Sources: Data provided by Silvercorp

5.4.4 Processing operating and capital costs

Silvercorp provided SRK with actual monthly operating costs from April 2022 (first month of FY2023) to June 2023 (last month of Q1 of FY2024) for milling costs. SRK has summarised the costs and listed them as the average of FY2023 and Q1FY2024 in Table 5-31.

Table 5-31: Milling costs of Ying Mine

Item	FY2023	Q1-FY2024
Ore milled (t)	773,055.78	208,808.70
Electricity (RMB/t ore)	30.22	29.70
Materials (RMB/t ore)	17.56	16.70
Steel balls (RMB/t ore)	4.68	4.46
Milling agent	6.19	5.75
Equipment parts	4.51	4.55
Maintenance and repair of equipment (RMB/t ore)	0.78	0.81
Others (RMB/t ore)	1.39	1.13
Total (RMB)	36,935,474.23	9,689,180.84
Unit cost (RMB/t ore)	47.78	46.40

Sources: Data provided by Silvercorp

5.5 Environment and Social

5.5.1 Permitting

According to the requirements of relevant Chinese laws and regulations, a series of environmental protection related licences and permits should be obtained during the operation of mines, such as a safety production permit, water use permit and site discharge permit.

Safety production permit

The safety production permits for Ying Mine are presented in Table 5-32.

Table 5-32: Details of the safety production permits for Ying Mine

Area and permit name	Safety Production Permit No.	Licensed activity	Expiry
Yuelianggou Lead-zinc-silver Mine Qiaogou Mining Area	[2021]XCDX007Y	Lead-zinc-silver Mine Underground Mining	24 April 2024
Yuelianggou Lead-zinc-silver Mine Shagou Mining Area	[2021]XCDX006Y	Lead-zinc-silver Mine Underground Mining	24 April 2024
Haopinggou Lead-zinc-silver-gold Mine	[2021]XCJC388Y	Lead-zinc-silver-gold Mine Underground Mining	19 September 2024
Dongcaogou Gold-silver Mine	[2021]XCJC409	Gold-silver Mine Underground Mining	12 December 2024
Tieluping-Longmen Silver-lead Mine TLPE Mining Area	[2022]XCDX001	Silver-lead-zinc Mine Underground Mining	21 February 2025
Tieluping-Longmen Silver-lead Mine TLPW Mining Area	[2022]XCDX004Y	Silver-lead-zinc Mine Underground Mining	19 January 2025
Tieluping-Longmen Silver-lead Mine LME Mining Area	[2022]XCDX002Y	Silver-lead-zinc Mine Underground Mining	19 January 2025
Tieluping-Longmen Silver-lead Mine LMW Mining Area	[2022]XCDX003Y	Silver-lead-zinc Mine Underground Mining	19 January 2025
Henan Found Zhuangtou TSF	[2022]XCWK405Y	TSF Operation	20 November 2025
Henan Found Shiwagou TSF	[2022]XCWK409Y	TSF Operation	6 December 2025
Henan Found	[2022]XCGL001Y	Safety Management of Non-coal Mines	19 January 2025

Sources: Data provided by Silvercorp

SRK considers that the safety production permits listed above cover all mine sites and TSFs within the Ying Mine Complex.

Water use permit

The water use permit for Ying Mine is presented in Table 5-33.

Table 5-33: Details of the water use permit for Ying Mine

Water Use Permit No.	C410328S2022-0030
Issued to	Henan Found Mining Ltd
Issued by	Chifeng City Songshan District Water Bureau
Issue date	20 July 2022
Expiry date	19 July 2025
Water supply source	Surface water
Water use allocation	895,600 m ³ /year

Sources: Data provided by Silvercorp

Site discharge permit

Henan Found has registered the discharge of fixed pollution sources on 27 September 2021. The registration number is 91410000764897399A001X. The registration is valid until 13 April 2025. The permissible discharge of waste includes waste oil, fugitive dust and treated wastewater.

5.5.2 Environmental management and compliance

The basis of environmental policy in China is contained in the *2018 Constitution of the People's Republic of China*. Pursuant to Article 26 of the Constitution, the state protects and improves the environment in which people live and the ecological environment. It prevents and controls pollution and other public hazards. The state organises and encourages afforestation and the protection of forests.

The following are other Chinese laws that provide environmental legislative support to the *Minerals Resources Law of the People's Republic of China (2019)* and the *Environmental Protection Law of the People's Republic of China (2014)*:

- *Environmental Impact Assessment (EIA) Law (2018)*
- *Law on Prevention & Control of Atmospheric Pollution (2018)*
- *Law on Prevention & Control of Noise Pollution (2021)*
- *Law on Prevention & Control of Water Pollution (2017)*
- *Law on Prevention & Control Environmental Pollution by Solid Waste (2020)*
- *Forestry Law (2019)*
- *Water Law (2016)*
- *Land Administration Law (2019)*
- *Protection of Wildlife Law (2022)*
- *Regulations on the Administration of Construction Project Environmental Protection (2017).*

In accordance with Chinese legislation, Ying Mine was subjected to a comprehensive EIA to assess the environmental impacts from the proposed development on the human and natural environment prior to the commencement of construction and mining operations. The company has provided SRK with a number of EIA reports and approvals for Ying Mine, which are presented in Table 5-34.

Table 5-34: Details of the EIA reports and approvals for Ying Mine

Project	Produced by	Production date	Approved by	Approval date
Yuelianggou Lead-zinc-silver Mine Resource Development and Utilisation Project	Luoyang City Environmental Protection Institute	May. 2006	Henan Province Environmental Protection Bureau	8 February 2006
Haopinggou Silver-lead Mine Development Project	Henan University of Technology Industrial Corporation	December 2015	Henan Province Environmental Protection Bureau	14 February 2016
Dongcaogou Gold-silver Mine Mining Project	Luoyang Jinghua Environmental Protection Company Ltd	January 2014	Henan Province Environmental Protection Bureau	8 July 2014
Tieluping-Longmen Silver-lead Mine Mining Project	Henan Jinhan Environmental Assessment Company Ltd	August 2015	Henan Province Environmental Protection Bureau	29 March 2016
Tieluping-Longmen Silver-lead Mine 2,000 tpd Processing Plant and Shiwagou TSF Project	Luoyang City Environmental Protection Institute	June 2009	Henan Province Environmental Protection Bureau	30 July 2009
Henan Found 3,000 tpd Processing Plant Project	Henan Jinglin Environmental Protection Company Ltd	October 2022	Luoyang City Environmental Protection Bureau Luoning Branch	19 April 2023
Henan Found Shimengou TSF Project	Henan Jinhan Environmental Assessment Company Ltd	April 2023	Luoyang City Environmental Protection Bureau Luoning Branch	19 April 2023

Sources: Data provided by Silvercorp

SRK has reviewed these EIA reports and approvals and concluded that Silvercorp's EIAs cover the current main production facilities including mine sites, processing plants and TSFs. SRK also notes that Ying Mine prepared these reports in accordance with relevant Chinese legal requirements and obtained corresponding government approval.

5.5.3 Environmental considerations

The landform and topography in the mine site are modified by various installations including mining, waste rock and TSF infrastructure, haul roads, office buildings and dormitories, and other facilities. The previous development of Ying Mine may also have resulted in impacts to, or loss of, flora and fauna habitat, water loss and soil erosion. According to the EIA reports, Ying Mine is not located within any natural reserves or significant cultural heritage sites.

The Xiongershan provincial natural reserve is situated 1.8 km from Ying Mine. Ying Mine is located in a warm-temperate deciduous broad-leaved forest region with three main vegetation types, including broad-leaved forests, agricultural crops, and grasses and shrubs. The vegetation in the region is dominated by forest trees, followed by agricultural crops, with interspersed grass shrubs. Trees include Chinese oak, poplar, tung, rowan, chestnut and elm. Due to human activities, the habitat of fauna has been affected, and large terrestrial animals have basically no activities in this area. Wild rabbits and prairie chickens occasionally appear in remote forest areas. There are no endangered fauna and flora in the Ying Mine area.

There are many rivers in, and around, the Ying Mine Complex, such as Chongyang River, Dagou River, Shagou River. Furthermore, the Guxian Reservoir lies to the northwest of Ying Mine. In

addition to Chongyang River and Xigou River in the mine site, other rivers flow into Guxian Reservoir.

Atmospheric precipitation is the main source of water recharge in this area. The potential negative impacts of Ying Mine on surface water and groundwater are due to the indiscriminate discharge of untreated production and domestic wastewater. In addition, the mining activities may lead to changes in the groundwater table. The EIA approvals require all the processing wastewater for Ying Mine to be collected and re-used for production. The discharge of mine water generated by Ying Mine is prohibited. During the site visit, SRK observed that mine water from Ying Mine was treated using a flocculation precipitation method. Polyacrylamide (PAM) and powdered activated carbon (PAC) were used as reagents for the treatment of mine waters.

A water monitoring report for Ying Mine was also provided to SRK for review. The test results show that the concentrations of copper, zinc, lead, cadmium, arsenic in precipitated mine water are below the detection limit. SRK recommends that quality monitoring be undertaken of the groundwater and surface water resources within the project area (including upstream and downstream of the project area), and also any site water discharges. SRK also recommends Silvercorp constructs an effective drainage system to divert run-off from undisturbed areas around disturbed areas. In addition, some prevention measures, such as surface hardening, second containment facility and accident pool, are recommended to mitigate the water pollution risks.

Waste rock is mainly deposited into the waste rock dumps on each mine site. During SRK's site visit to Ying Mine, it was evident that a portion of the waste rock dump has now been reclaimed and planted with acacia and other vegetation. In addition, SRK was advised that waste rock was sold to a nearby construction material factory.

There are currently two TSFs operating for Ying Mine. The tailings generated by the two processing plants were discharged into the TSFs. The TSFs were built downstream of the processing plants and the village. There are no residents, industrial facilities, monuments or important transport hubs within 5 km downstream of the TSF ponds. Flood interception ditches have been constructed on both banks of the two TSFs, and a flood control dam is located upstream to intercept rainwater from outside the TSF and divert it downstream. Both TSFs are equipped with online safety monitoring systems. No geochemical characterisation of waste rocks or acid rock drainage assessment was provided to SRK as part of this review. However, the EIA reports state that toxicity leaching tests have been conducted on waste rock from Ying Mine. The waste rock for Ying Mine is not classified as hazardous waste using leaching toxicity. The waste rock is general industrial solid waste (Class I).

Hazardous materials have the characteristics of being corrosive, reactive, explosive, toxic, flammable and potentially biologically infectious, which pose a potential risk to human and/or environmental health. The hazardous materials will be generated mainly by the project's construction, mining, and processing operations and include of hydrocarbons (i.e. fuels, waste oils, and lubricants) and oil containers, batteries, medical waste, etc. The leaks, spills or other types of accidental releases of hazardous materials may have negative impact on soils, surface water, and groundwater resources. The main hazardous materials for Ying Mine's operations comprise the storage and handling of hydrocarbons, processing reagents, etc. SRK observed during its site visit that there is a temporary storage of hazardous waste which seems to be consistent with Chinese legal requirements. SRK recommends that the collected waste oil, fuel

tanks and reagents be stored with secondary containment which is in line with the recognised international industry management practices.

5.5.4 Social considerations

According to the relevant Chinese environmental legislation, public participation should be included within the environmental impact assessment. The results of public participation for the four mining licence areas of Ying Mine are summarised as:

- Yuelianggou – the construction of this project will have a positive impact on the development of the local economy. However, if the wastewater is not properly treated (cannot be recycled), it will cause pollution to the water environment. The public is more concerned about the wastewater discharge from the processing plant, and it is hoped that the processing wastewater is all recycled.
- Dongcaogou – the survey respondents all support the construction of this project and have no objections. Local people focus on the damage to the ecological environment, the pollution of surface water bodies, the management of waste rock dumps, and the vegetation restoration during the mine closure period.
- Tieluping-Longmen – 84.6% of respondents supported the construction of the project, and there was no objection. Local people hope the waste rock dump will be rehabilitated in time after the life of mine.
- Haopinggou – 95% of respondents agreed with the construction of the project and held a supportive attitude. The public has expressed concern about the ore transportation, haul road and fugitive dust. Some people complained about the crushing of the road surface by vehicles.

5.5.5 Mine Closure Plan

The Chinese national requirements for mine closure are covered under Article 21 of the *Mineral Resources Law of People's Republic of China (2019)*, the Rules for Implementation of the Mineral Resources Law of the People's Republic of China, the Mine Site Geological Environment Protection Regulations (2019), and the Land Rehabilitation Regulation (2011) issued by the State Council. In summary, these legislative requirements cover the need to conduct land rehabilitation, to prepare a geological environmental protection and reclamation plan, and to submit the plan for assessment and approval. In addition, a mine geological environment treatment and restoration fund account should be established by Ying Mine.

SRK has sighted the geological environmental protection and reclamation plans for the Dongcaogou, Haopinggou, Yuelianggou and Tieluping-Longmen mining licence areas. A land reclamation budget statement is also developed by Henan Found. Table 5-35 summarises the geological environmental protection and reclamation cost of Ying Mine.

Table 5-35: Details of the reclamation cost for Ying Mine

Areas	Geological environmental protection	Land reclamation	Total (RMB)
Dongcaogou	1,332,600	832,100	2,164,700
Haopinggou	3,466,600	4,106,200	7,572,800
Yuelianggou	6,737,800	11,662,700	18,400,500
Tieluping-Longmen	7,698,400	11,171,900	18,870,300
Shiwagou TSF	-	2,591,400	2,591,400
Zhuangtou TSF	-	1,046,600	1,046,600
Total (RMB)	19,235,400	31,410,900	50,646,300

Sources: Data provided by Silvercorp

In SRK's opinion, these cost estimates appear reasonable given the anticipated timeframes before mine completion.

6 GC Mine

6.1 Overview

Silvercorp owns a 95% interest in the Gaocheng (Gaocheng or GC) mining operation (GC Mine) through its 100% ownership of the shares of Yangtze Gold Ltd (Yangtze Gold), which in turn wholly owns Yangtze Mining Ltd (Yangtze Mining). Yangtze Mining owns a 95% interest in a Sino-Foreign joint venture company, Anhui Yangtze Mining Co. Ltd (Anhui Yangtze).

Anhui Yangtze's main asset was the GC exploration permit which covers the GC Mine, and which was subsequently converted to a mining permit in November 2010. Guangdong Found Mining Co. Ltd. (China), (Guangdong Found), is the designated joint venture operating company of GC Mine. Yangtze Mining (H.K.) Ltd., a wholly owned subsidiary of Yangtze Mining, owns 95% of Guangdong Found.

The Mining Permit is registered in the name of Guangdong Found and is valid for 30 years to 24 November 2040. This permit covers the entire 5.5238 km² area of the GC Mine and permits mining from between the elevations of 315 m and -530 m asl. The permit also allows for the operation of an underground mine to produce silver, lead and zinc.

Various state-sponsored Chinese Geological Brigades and companies have conducted geological and exploration activities in the project area, with systematic regional geological surveys commencing in 1959. Historical drilling commenced in 2001.

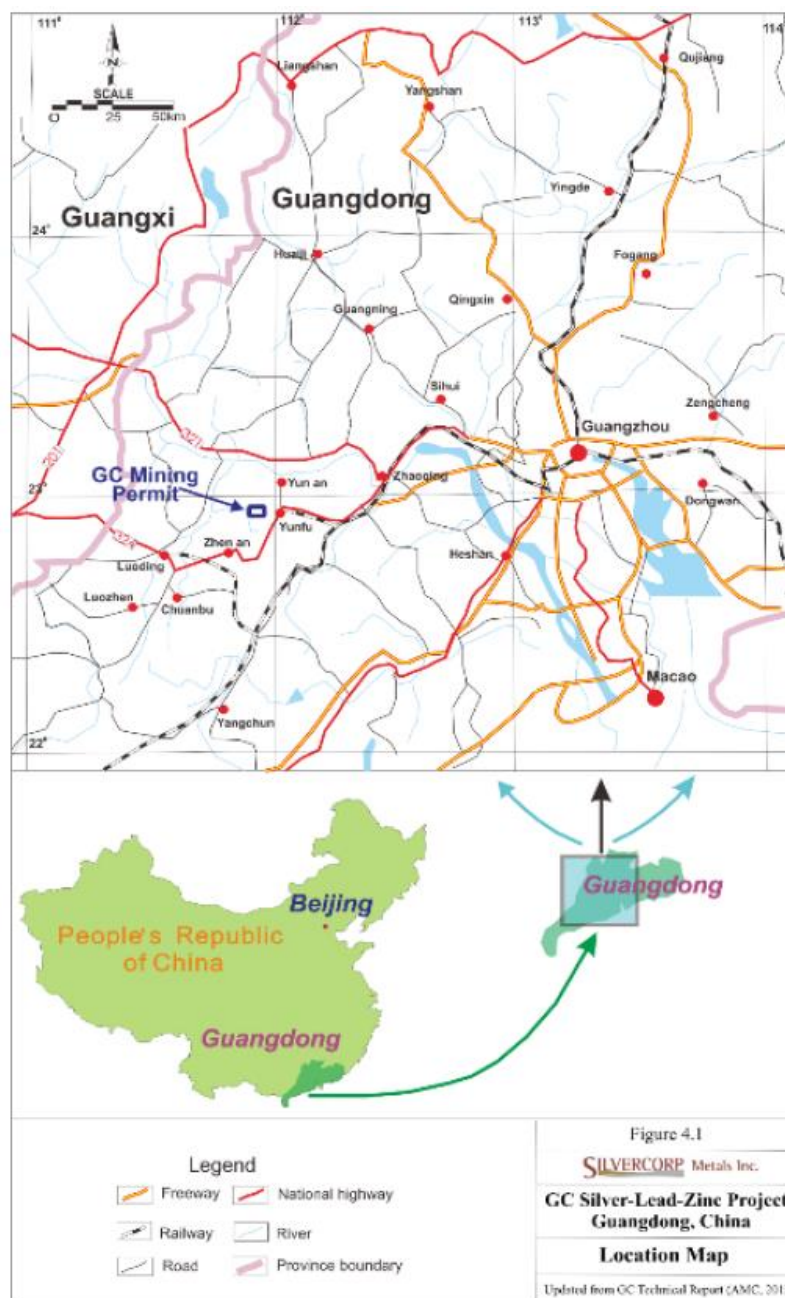
Prior to Yangtze Mining acquiring GC Mine in 2005, illegal mining activity had resulted in the excavation of several tunnels and small-scale mining of veins V2, V2-2, V3, V4, V5, V6, and V10. It is reported that a total of 1,398 m of excavation comprising 10 adits and tunnels had been completed at the mine through this former illegal activity.

6.1.1 Location, access and climate

GC Mine is located near Gaocheng village, Gaocun Township, Yun'an District, Yunfu City, Guangdong Province, People's Republic of China (Figure 6-1). and is located west of the metropolitan city of Guangzhou, the capital of Guangdong Province. Guangzhou is located about 120 km northwest of Hong Kong and has a total population of about 14 million people. Access to the GC project from Guangzhou is via 178 km of four-lane express highway to Yunfu, then 48 km of paved road to the project site. A railway connection from Guangzhou to Yunfu is also available.

Altitudes in the region range from 78–378 m asl, usually 150–250 m asl, with relative differences of 50 m to 150 m. Vegetation is in the form of secondary forests of pine and hardwoods, bushes, and grasses. Topsoil covers most of the ground. Outcrops of bedrock can only be observed in valleys.

The region is characterised by a sub-tropical monsoon climate zone with average annual temperature of 20–22°C. Rainfall is mainly concentrated in spring and summer from March to August. Winters feature short periods of frost. GC Mine is able to operate year-round.

Figure 6-1: GC Mine location

Source: Silvercorp Metals Inc. NI 43-101 Report dated September 2022.

Streams are well developed in the district, with the Hashui Creek flowing through the GC Mine area. There is an existing water reservoir upstream of the mine. Small hydropower stations are developed in the region that are connected to the provincial electrical grid. There is a 10 kV powerline that passes through the mine area.

A power supply system consisting of a 5.8 km powerline, a 110 kV substation, and a 10 kV safety backup-circuit was completed in 2013. This system has sufficient capacity to support the current production and any envisaged future production expansion at GC Mine.

The economy of Yun'an district mainly relies upon agriculture and several small township industrial enterprises. Labour is locally available, and technical personnel are available in Yunfu as well as nearby cities. The Gaocheng village is located within the GC Mine area.

6.1.2 Tenure and land use

On 14 June 2010, Silvercorp announced that it had been issued an Environmental Permit for the Project from the Department of Environmental Protection of Guangdong Province, an essential document required for a mining permit application.

A Mining Permit was issued to Anhui Yangtze by the Ministry of Land and Resources of China on 24 November 2010. The permit is valid for 30 years to 24 November 2040, covers the entire 5.5238 km² area of GC Mine and permits mining between the elevations of 315 m and -530 m asl. The permit allows for the operation of an underground mine to produce silver, lead, and zinc. In June 2012, Anhui Yangtze transferred the mining permit to Guangdong Found, and a new mining permit was issued to Guangdong Found by the Ministry of Land and Resources of China on 6 June 2012.

The information supporting Table 6-1 and Table 6-2 has been provided by Silvercorp to SRK, supported by a letter dated 23 March 2021 from BaiRun Law Firm summarising the legal status of the mining licence. SRK has taken the supporting information in good faith having completed its own verification inquiries as part of its site investigations in August 2023.

Mining licence corner points of GC Mine are as shown in Table 6-1.

Table 6-1: Mining Permit coordinates

Point	X-coordinate	Y-coordinate
1	2536958.82	37591830.45
2	2536977.34	37594822.59
3	2535131.42	37594834.19
4	2535112.90	37591841.69

Source: Silvercorp Metals Inc.

Altitude is referred to the Yellow Sea 1956 Elevation System. The project survey control points were generated from three nearby national survey control points.

GC Mine lies within a single granted mining permit, Mining Permit C1000002010113210083333, held by Guangdong Found. Key information is summarised in Table 6-2.

Table 6-2: GC Mine mining licence

Owner	Guangdong Found Mining Co. Ltd.
Owner's address	48 Zhenqian Rd, Gaocun Town, YunAn County, Yunfu City, Guangdong Province
Name of the mine	Guangdong Found Mining Co. Ltd. Gaocheng Lead-zinc Mine
Business category	Sino-Foreign Cooperative Joint Venture Enterprises
Types of ore mined	Zinc, lead, and silver ore
Mining method	Underground mining
Production capacity	330,000 t/year
Mine area	5.5238 km ²
Valid period	6 June 2012 to 24 November 2040
Issued date*	6 June 2012

Source: Silvercorp Metals Inc.

6.1.3 Agreements, contracts and taxes

There are no other material agreements and contracts supporting GC Mine other than the mining contractors' agreements and monthly concentrate sales agreements with major smelters.

There are no state or third party royalty payments pertaining to GC Mine.

Currently, GC Mine is subject to Mineral Resources taxes, levied at 3% of revenue from lead and zinc, 2% of revenue from silver and 0% for Au. The Mineral Resource taxes, together with other government fees that are not tied to revenue, amount to approximately 5% of revenue.

SRK is not aware of any additional royalties, back-in rights, payments, agreements, environmental liabilities, or encumbrances particular to GC Mine other than those stated above.

6.1.4 Project history

Prior ownership

Prior to Yangtze Mining Ltd acquiring the project area in 2005, illegal mining activity resulted in the excavation of several tunnels and small-scale mining of veins.

In 2008, Silvercorp acquired a 100% interest in the shares of Yangtze Gold Ltd. which in turn wholly owned the entirety of Yangtze Mining.

Exploration and development work

Various state-sponsored Chinese Geological Brigades and companies have conducted geological and exploration work in the project area. Systematic regional geological surveys covering the area started in 1959. A brief history of the previous exploration work conducted in the area is outlined below:

- During the period from 1959 to 1960, No. 763 Geological Brigade of Guangdong Bureau of Geology (GBG) conducted a 1:200,000 scale regional geological survey and mapping survey, and regional prospecting for Mineral Resources in the area. A geological map and geological reports were published as a result of these surveys.
- From 1964 to 1967, a Comprehensive Study Brigade of GBG conducted general prospecting and 1:50,000 scale geological mapping in the area, including the current project area, and submitted a geological report.
- In 1983, the Geophysical Survey Brigade of Guangdong Bureau of Geology and Mineral Resources (GBGMR) conducted a 1:200,000 scale airborne magnetic geophysical survey covering the current project area.
- In 1988, the Regional Geological Survey Brigade of GBGMR conducted a 1:200,000 scale stream sediment geochemical survey, which covers the current project area.
- In 1991, the Geophysical Survey Brigade of GBGMR conducted a 1:200,000 scale gravity geophysical survey covering the project area.
- In 1995, the Ministry of Geology and Mineral Resources completed the compilation and interpretation of 1:1,000,000 scale geochemical, geophysical, and remote sensing surveys covering the entire project area.
- During 1995 and 1996, the Geophysical Survey Brigade of GBGMR conducted a 1:50,000 scale soil geochemical survey, and defined some large and intensive Pb, Zn, Ag, Sn, W, and Bi geochemical anomalies, that cover the project area.
- During 1999 and 2000, the Guangdong Provincial Institute of Geological Survey (GIGS) conducted a 1:50,000 scale stream sediment survey, which covers the project area, and defined several intensive geochemical anomalies of Pb-Zn-Ag-Sn-Mn, leading to the discovery of the GC deposit.
- During 2001 and 2002, and again in 2004 and 2005, GIGS conducted general prospecting at the GC project area, and defined several mineralised bodies and estimated Mineral Resources for the GC deposit.
- During 2006 and 2007, contracted by Yangtze Mining, GIGS conducted detailed prospecting at the GC project area, and completed a 36-hole, 11,470 m surface diamond drilling program and 1,964 m³ of trenching and surface stripping to update and upgrade the Mineral Resources of the GC deposit.
- In 2008, Silvercorp completed a 22-hole, 10,083 m diamond drilling program, which resulted in the discovery of an additional 15 mineralised veins.

Prior to Yangtze Mining acquiring the project in 2005, illegal mining activity had resulted in the excavation of several tunnels and small-scale mining of veins – principally the V2, V2-2, V3, V4,

V5, V6, and V10. GIGS reported that a total of 1,398 m of excavation across 10 adits and tunnels had been completed illegally on the deposit area.

In 2002, GIGS developed 66 m of tunnel to cross-cut veins V5 and V5-1. GIGS sampled and mapped adits denoted as ML1 to ML5, ML6, ML7, ML9, and PD12.

Yangtze Mining, after its purchase of the project in 2005, mapped and sampled the accessible tunnels at ML5 and ML8. Tunnel ML5 had exposure to vein V10 and tunnel ML8 had exposure to vein V2-2. Assay results from the tunnel samples were used in subsequent resource estimation.

Historical Mineral Resource estimates

GIGS prepared a resource estimate for nine mineralised veins for the GC project after the 2004–05 exploration season. GIGS has its own classification system of Mineral Resources/Reserves, which differs from the CIM and JORC Code standards.

Silvercorp acquired the project in 2008 and since that time, five resource estimates for the GC project have been reported under the following documents:

- Technical Report by SRK Consulting (SRK), dated April 2008 (titled *Technical Report on Gaocheng Ag-Zn-Pb Project and Shimentou Au-Ag-Zn-Pb Project, Guangdong Province, People's Republic of China*)
- AMC Technical Report (titled *NI 43-101 Technical Report Update on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*), effective date 18 June 2009
- AMC Technical Report (titled *NI 43-101 Technical Report on the GC Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*), effective date 31 December 2011
- AMC Technical Report (titled *NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*), effective date 30 June 2018
- AMC Technical Report (titled *NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China*), effective date 30 June 2019.

Current estimates of Mineral Resources and Mineral Reserves are discussed in the relevant sections of this report.

Production and costs

Table 6-3 summarises the recent production from GC Mine for the period spanning year-end 31 March 2021 to year-end 31 March 2023.

Table 6-3: Recent production and cost summary

Year-end 31 March	2023	2022	2021
Mined (t)	299,959	314,882	314,900
Processed (t)	299,597	318,042	316,179
<i>ROM grade</i>			
Silver (g/t)	75	75	85
Lead (%)	1.3	1.5	1.7
Zinc (%)	2.8	3.2	3.4
<i>Produced</i>			
Silver (Moz)	593	646	705
Lead (Mlb)	7.8	9.7	10.4
Zinc (Mlb)	16.3	20.2	20.9
Mining costs (US\$/t)	41.36	40.59	38.56
Processing costs (US\$/t)	16.93	16.31	12.88
Production costs per tonne of ore processed	58.29	56.90	51.44
All-in sustaining costs per tonne of ore processed	83.33	79.56	74.09
The cash costs per ounce of silver, net of by-product credits	-13.72	-20.91	-11.48
The all-in sustaining costs per ounce of silver, net of by-product credits	0.50	-8.07	0.00

Source: Silvercorp Metals Inc.

In Q1 Fiscal 2024 (the 3 months ending 30 June 2023), ore mined was 89,472 t and 86,286 t processed. The average ROM grades were 80 g/t Ag, 1.4% Pb, and 2.7% Zn, resulting in metal produced of 183 koz silver, 2.4 Mlb lead, and 5.0 Mlb zinc.

The mining costs were US\$45.99/t, while the milling costs were US\$16.03/t. The production was US\$62.02/t, ore processed and the all-in sustaining cost per tonne of ore processed was US\$90.94. The cash costs, net of by-product credits, were US\$5.30/oz of silver and the all-in sustaining costs, net of by-product credits was US\$9.51/oz of silver.

6.2 Geology and Resources

6.2.1 Regional setting and local mineralisation

GC Mine is located on the east margin of the Luoding basin, east of the major Wuchuan–Sihui fault within the north portion of the Yunkai uplift of the South China Orogenic Belt. Northeast striking structures and arc structures form the basic geological framework of the region. Deposits on the mine occur at the intersection of a northeasterly striking fault zone and a near east–west striking fault zone.

Basement geology in the area comprises late Proterozoic Sinian sedimentary clastic and carbonate rocks, Palaeozoic (Ordovician, Silurian, Devonian, Carboniferous) sedimentary clastic and carbonate rocks, and Mesozoic (Triassic) coal-bearing clastic rocks and Cretaceous red

clastic rocks. Ag-Pb-Zn poly-metallic deposits occur within late Proterozoic rocks. Cu-Pb-Zn, Mn and Au-Ag deposits occur within Palaeozoic rocks.

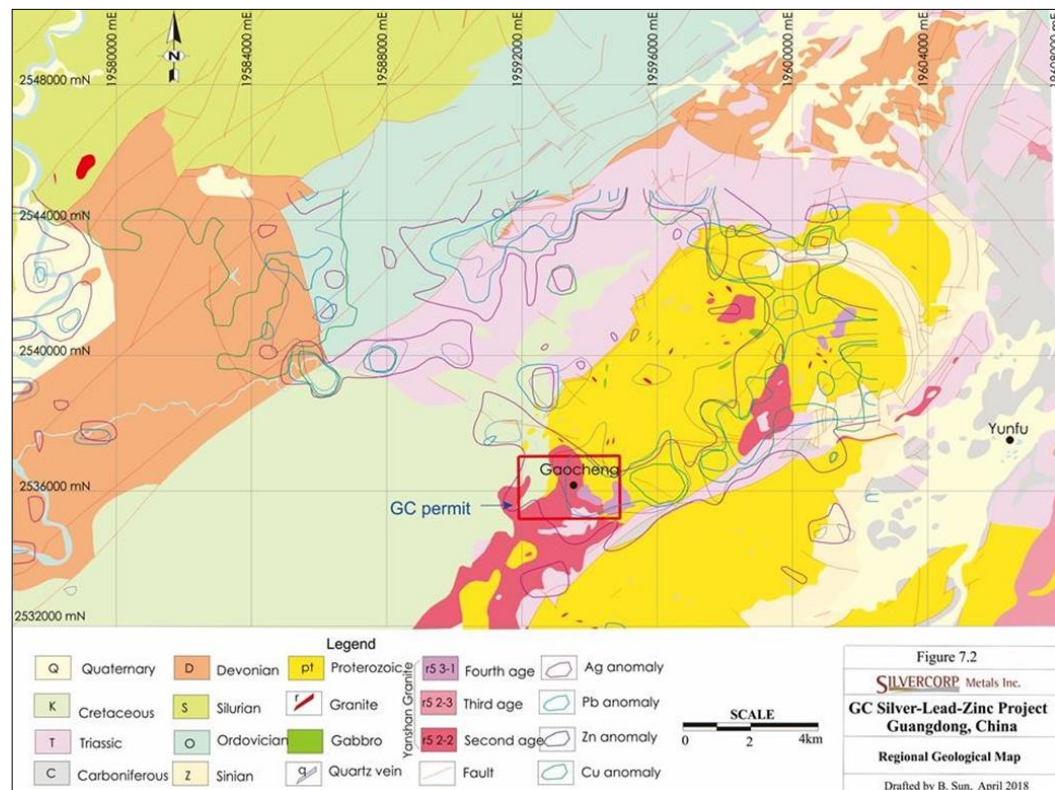
Three prominent sets of structures occur within the region:

- northeasterly striking structures comprising a series of folds and faults that host some mineralised bodies
- approximately east–west striking structures that dip steeply and contain structural breccias and quartz infill within the fault zones. Prominent alteration zones occur along both sides of these structures
- arc or ring structures that include folds and faults surrounding the Daganshan granite body. The Pb-Zn-Ag-Sn deposits, mineralisation showings, and Au-Ag-Pb-Zn geochemical anomalies occur in the arc/ring structural zone.

Palaeozoic granite batholiths and Mesozoic granite stocks and dykes occur commonly within the arc/ring structure. These intrusions are closely related with Pb-Zn-Ag poly-metallic mineralisation in the region.

The regional geology map is shown in Figure 6-2.

Figure 6-2: Regional geology map



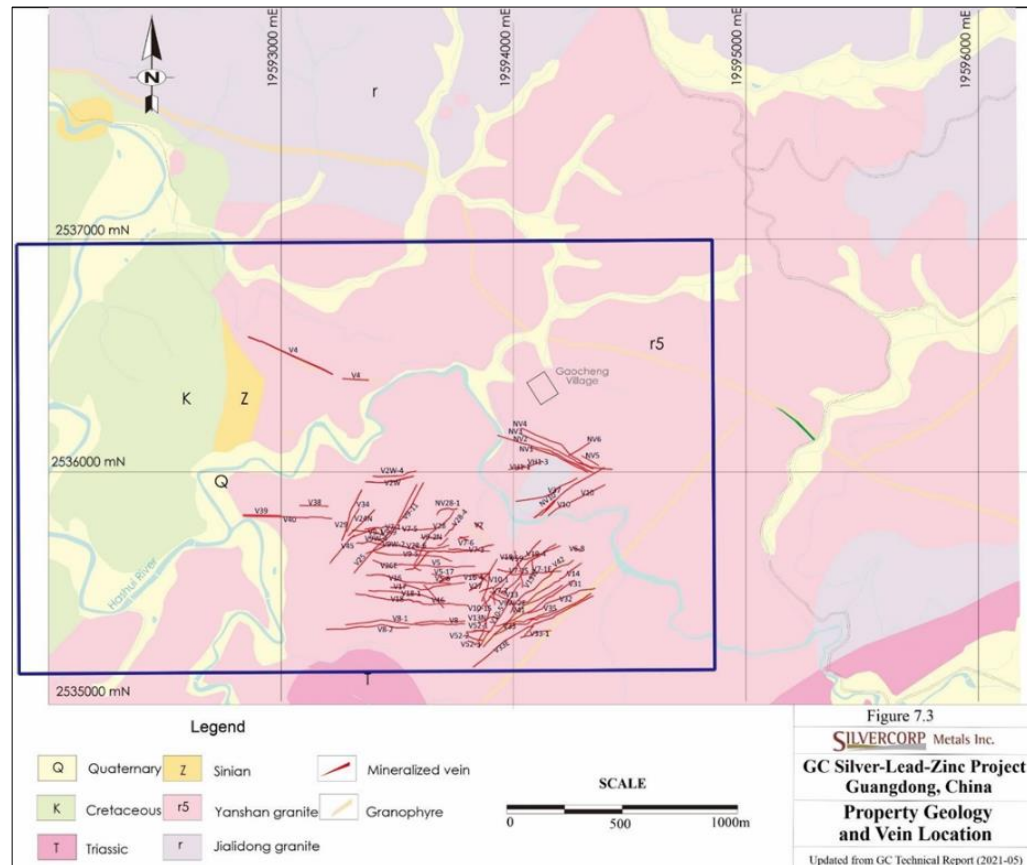
Source: NI 43-101 Report dated October 2021.

GC Mine is located at the intersection between the Wuchuan–Sihui Deep Fault zone and Daganshan arc/ring structural zone.

Basement rocks within the property encompass quartz sandstone, meta-carbonaceous siltstone, carbonaceous phyllite, calcareous quartzite, and argillaceous limestone of the Sinian Daganshan Formation; quartz sandstone and shale of the Triassic Xiaoyunwushan Formation; and sandy conglomerate and conglomerate of the Cretaceous Luoding Formation. These rocks are intruded by Palaeozoic medium-grained biotite granite, and Mesozoic fine-grained to medium-grained adamellite, brownish, fine-grained, biotite mylonite, granite porphyry, quartz porphyry, diabase, and aplite. The Mesozoic intrusive rocks intrude along the south and southwest contacts of the Palaeozoic granites. The majority of Ag-Zn-Pb mineralisation is hosted by the Mesozoic granite. The granite dips south and strikes approximately west-northwest, parallel to many of the mineralised veins on the property.

The local mine geology map is shown in Figure 6-3.

Figure 6-3: Local geology map of GC Mine



Source: NI 43-101 Report dated October 2021.

The poly-metallic mineralisation of the GC deposit belongs to the mesothermal vein infill style of deposit and exhibits the following characteristics:

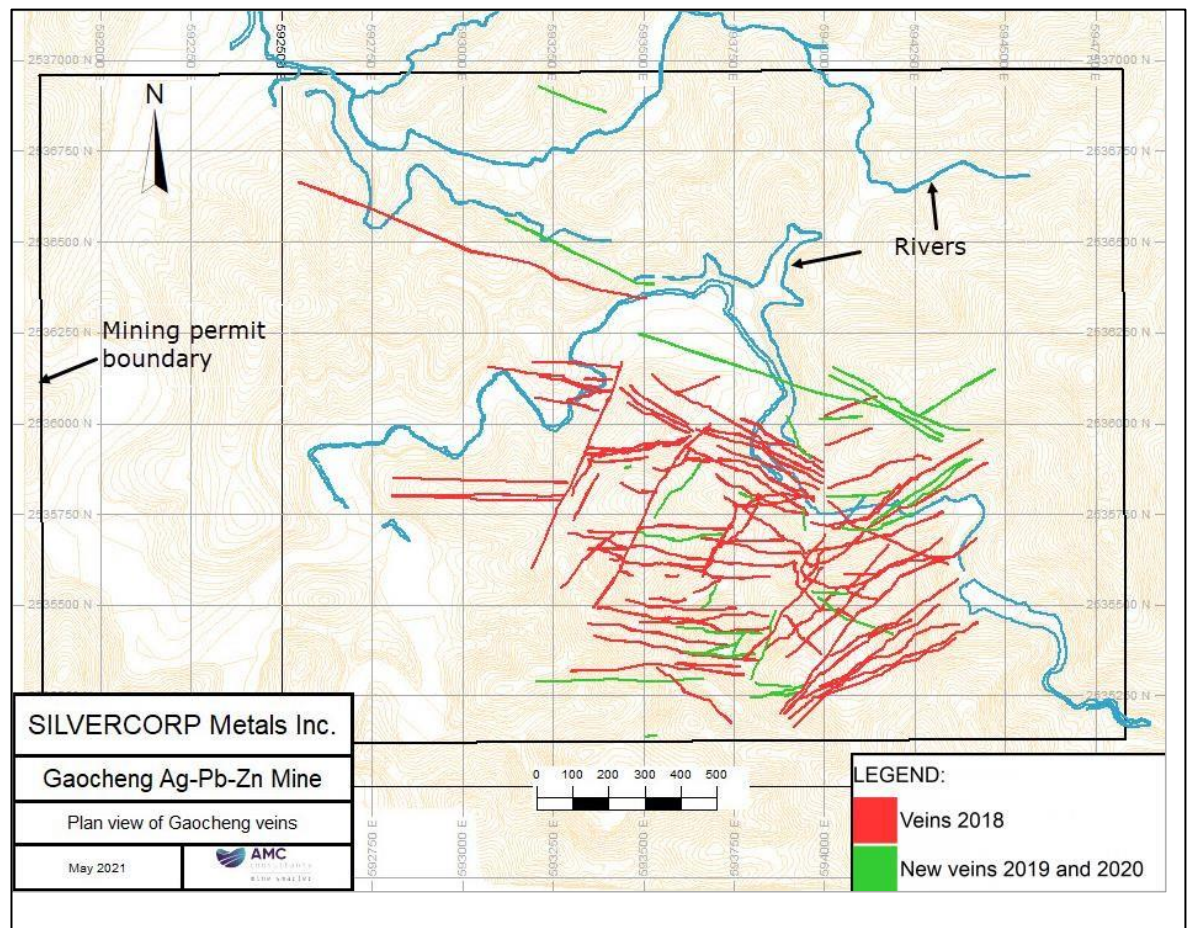
- The mineralisation occurs as veins that are structurally controlled within broader alteration zones. The alteration can reach more than a few metres along the faults distributing in both the hanging wall and footwall.
- The veins have a sharp contact with the host rocks and steeply dip at angles between 60° and 85°.

Ag-Zn-Pb mineralisation at the GC deposit can be divided into two types: primary and oxidised. The primary mineralisation is mainly composed of galena-sphalerite-silver minerals, which occur sparsely, as disseminations, veinlets and lumps. Primary mineralisation accounts for 95% of the entire Mineral Resource. Oxide mineralisation occurs on and near the surface.

Mineralised veins in GC Mine occur in relatively permeable fault-breccia zones. These zones are extensively oxidised from the surface to depths of about 40 m. Veins in this zone exhibit open space and boxwork lattice textures resulting from the leaching and oxidation of sulfide minerals. Secondary minerals present in varying amounts in this zone include kaolinite, hematite, and limonite.

The GC deposit consists of 156 veins. The plan view of veins is shown in Figure 6-4.

Figure 6-4: Plan view of veins at GC Mine



Source: NI 43-101 Report dated October 2021

6.2.2 Data collection

Various state-sponsored Chinese Geological Brigades and companies have conducted geological and exploration work in the project area. Systematic regional geological surveys covering the area started in 1959. In 2008, GC Mine completed a 1:10,000 scale soil geochemical survey on the southern portion of the mine, and conducted trenching and pitting programs based on the soil

sampling. Drilling and underground tunnelling programs have been continually carried out since 2008.

Drilling completed at GC Mine comprises NQ sized (48 mm) diamond core collared from both surface and underground. Drill core is collected in wooden core trays by drilling personnel. Sample intervals are determined by the geologist based on the presence of veining and sulfide content, respecting geological and mineralisation contacts. Sample lengths generally range from 5 cm up to 2 m, averaging 1.1 m in length. After the core has been photographed, core to be sampled is cut in half with a rock saw. One half of the core is collected and placed into cotton bags and the other half of the core is returned to the core tray for archival storage (or quartered if a duplicate sample is required).

Underground samples comprise a composite of chips collected from channels cut into tunnels, cross-cuts, and the bottom of trenches. Tunnels are typically sampled along sample lines perpendicular to the mineralised vein structure on 5 m intervals within mineralised zones and increasing to 15 to 25 m within non-mineralised zones. Samples collected from the walls of cross-cuts and the bottom of trenches are generally restricted to the thickness of the mineralised structure.

GC Mine has previously used two primary laboratories for sample preparation and analysis. ALS Chemex (Guangzhou) Co., Ltd. (ALS Guangzhou), part of ALS Global, located in Guangdong Province was used as the primary laboratory between 2008 and 2014. The GC Mine Site Laboratory (GC Lab) was used as the primary laboratory from 2014. The GC Lab is owned and operated by GC Mine and is not certified by any standards association.

From 2022, GC Mine used SGS Tianjin replacing ALS Guangzhou.

GC Mine has established QA/QC procedures which cover sample collection and processing at GC Mine. These QA/QC protocols have been progressively refined since 2011. Certified reference materials (CRMs) and coarse blanks have been included with drilling samples since 2011, and with underground samples since 2014. Field duplicates have been included with drilling samples since 2012 and with underground samples since 2014. Check (umpire) samples (pulp duplicates) have been sent to a separate 'umpire' laboratory since 2012.

In 2018, GC Mine further improved its QA/QC protocols to include regular and more frequent submission of CRMs, coarse blanks, and field duplicates with drilling and underground samples. Coarse reject duplicates and pulp duplicates were also incorporated into drill sampling programs. The proportion of check samples sent to a different laboratory was also increased. In 2019, GC Mine initiated real time monitoring of QA/QC protocols. QA/QC results related to drilling completed since 2014 confirm the reasonable accuracy and precision of associated data and these are acceptable for Mineral Resource estimation.

The data used in the 2020 Mineral Resource estimate for GC Mine consists of surface and underground diamond drill holes and channel samples. The underground channel samples are from tunnels, raises, and cross-cuts. Details are shown in Table 6-4 and Figure 6-5.

Table 6-4: Summary of database used

Year	Trench			Underground channel			Surface drill hole			Underground drill hole		
	No	No. of samples	Length (m)	No	No. of samples	Length (m)	No	Metres sampled	Length (m)	No	Metres sampled	Length (m)
2002							3	92	680			
2005							3	84	972			
2006				12	1,121	3,674						
2007	23	143	1,593	38	104	119	47	1,740	8,335			
2008							29	2,041	10,417			
2011				17	34	25						
2012				389	1,003	1,111						
2013				782	2,125	2,415	87	3,990	26,341	231	6,100	34,764
2014				832	2,138	1,806				187	3,480	29,545
2015	14	14	18	1,619	3,866	2,708	24	640	54	183	3,416	30,703
2016				1,732	4,432	3,418	4	99	370	131	2,120	12,633
2017				2,003	5,369	3,780	4	205	882	191	4,865	25,032
2018				2,188	5,700	3,601	187	5,291	24,778			
2019				2,991	7,620	4,685				197	5,686	25,506
2020				2,689	7,047	4,502				346	9,419	34,953
Total	37	157	1,611	15,292	40,559	31,844	388	14,182	72,829	1,466	35,086	193,136

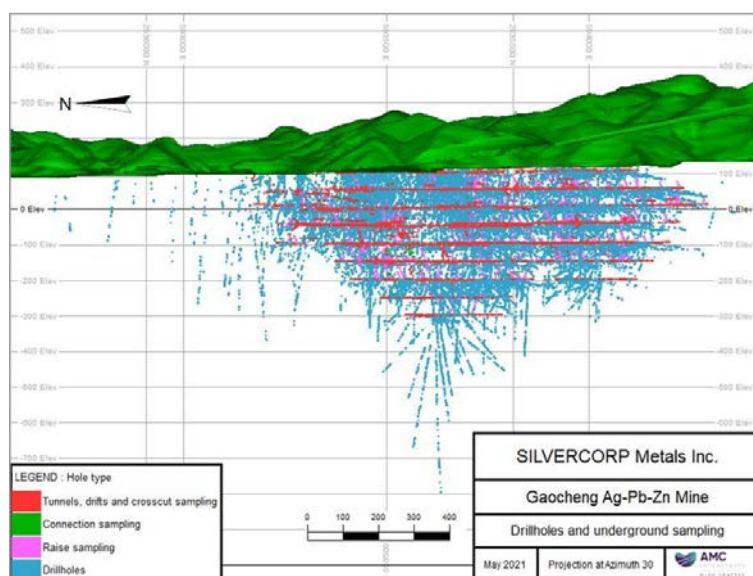
Source: Silvercorp Metals Inc., reproduced as a check by AMC Mining Consultants (Canada) Ltd.

Notes:

¹ Drill data to 31 December 2020.

² Numbers may not add due to rounding.

Figure 6-5: View of GC drill holes and channel sampling



Source: NI 43-101 Report dated October 2021.

6.2.3 Mineral Resource estimation

Mineral Resources are not directly shown in the file 'SVM GC NAV Calculation 2021.09.17 with sensitivity for silver price V2.xlsx' (the GC Model). Based on the Mineral (Ore) Reserves and mining

schedule in the GC Model, SRK considered that it is the Mineral Resources disclosed in the *NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China* (the 2021 GC Technical Report), prepared by AMC Mining Consultants (Canada) Ltd and reported on 6 October 2021, that was used as the basis of the GC Model. The Mineral Resource statement is shown in Table 6-5, and is inclusive of Mineral (Ore) Reserves.

Table 6-5: Mineral Resource Statement, as of 31 December 2020

Classification	Quantity (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Ag metal (koz)	Pb metal (Mlb)	Zn metal (Mlb)
Measured	5.286	88	1.3	3.1	14,906	154	360
Indicated	4.747	75	1.1	2.5	11,457	111	259
Measured and Indicated	10.033	82	1.2	2.8	26,363	265	619
Inferred	8.441	87	1.0	2.4	23,562	195	442

Sources: AMC Mining Consultants (Canada) Ltd, NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China, reported on 6 October 2021

Key descriptions of the Mineral Resources estimate for GC Mine are summarised in Table 6-6.

Table 6-6: Key parameters of the Mineral Resources estimate (GC Mine)

Item	Description
Software	Micromine TM
Drill hole database	Trench: 157 samples, 1,611 m long Underground channel: 40,559 samples, 31,844 m long Surface drill hole: 14,182 samples, 72,829 m long Underground drill hole: 35,086 samples, 193,136 m long.
Cut-off grade	Silver equivalent (Ag eq) at 105 g/t. $Ag\ eq = Ag\ g/t + 50.46 * Pb\% + 43.53 * Zn\%$ The vein was delineated on the basis of structure rather than grade.
Density	With respect to mineralised zones, $Density = 3.094919 + (0.040827 * Pb\%) + (0.034253 * Zn\%) + (0.000482 * Ag\ g/t)$. With respect to waste blocks, density is 2.60 tpm ³ .
Number of veins	156
Composite length	0.4 m
Block size	Parent: 0.8 m*10m*10m (x, y, z) Minimum: 0.2 m * 2m * 2m (x, y, z)
Grade capping	Grade capping was applied to composites. The capping values varied with mineralised domains. Capping summary is shown below: ■ Ag (g/t): 40 to 1,921 ■ Pb (%): 1 to 30 ■ Zn (%): 1.8 to 33
Grade interpolation	Inverse distance squared
Search volume	Pass 1: 25 m radius sphere. Pass 2: 50 m radius sphere. Pass 3: 200 m radius sphere.
Number of composites	Minimum: 4 for Pass 1 and Pass 2. 3 for Pass 3. Maximum: 12 for all three passes Maximum allowed per hole or channel: 2 for all three passes.

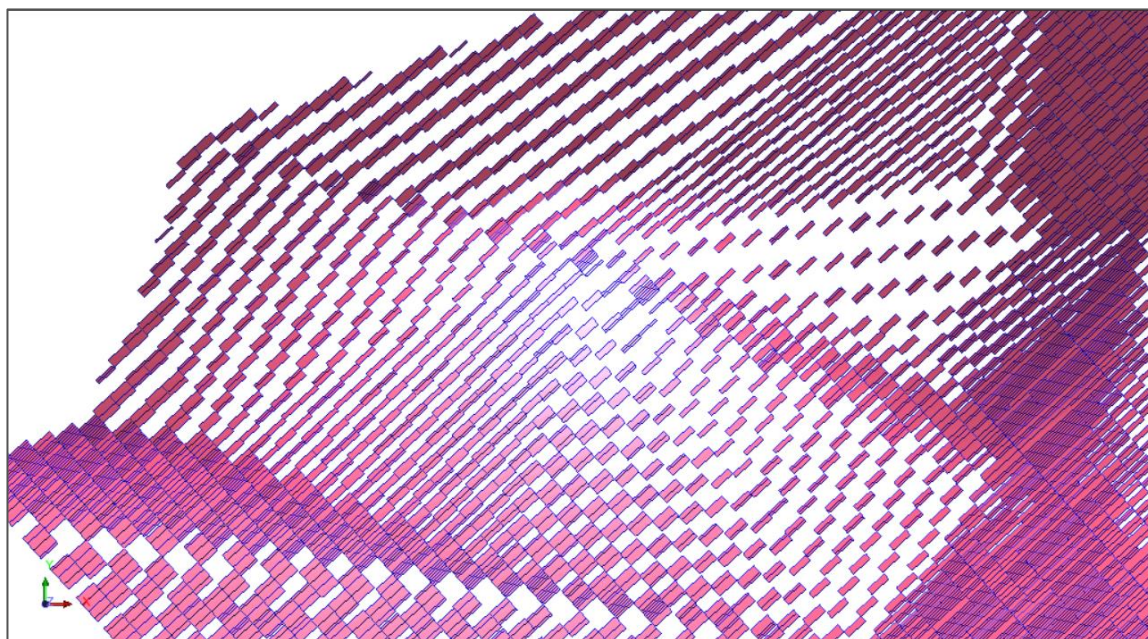
Item	Description
Mining depletion and write-offs	As at 31 December 2020.
Mineral Resource classification	Based on the three search passes used for the estimation, with manually created volumes based on sample density and the presence or absence of an exploration drive.

Sources: AMC Mining Consultants (Canada) Ltd, NI 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China, reported on 6 October 2021

After its review of the *2021 GC Technical Report* and the block models, SRK offers the following comments and recommendations:

- A block was assigned a zone code when its centroid was located in the wireframe model of the mineralised zone, which makes many blocks isolated or scattered due to the thin thickness of mineralised zones. Figure 6-6 is an example of isolated or scattered blocks. This may lead to biased grade distribution due to discontinuous blocks.
- The maximum number of composites allowed to interpolate grade is two per drill hole or tunnel. Considering the nominal composite length of 0.4 m and block size, some composites in a drill hole or tunnel will be skipped during grade interpolation. This may lead to biased grade distribution for mineralised zones with a thickness greater than 0.8 m.
- There is no description of support effect regarding composite length. Neglecting this may lead to biased grade distribution when interpolating grades to a block.
- Clustering effect was not described in the *2021 GC Technical Report*. De-clustering was not considered during grade interpolation, which may lead to serious clustering effects due to unevenly spaced channels and drill holes.
- The Ag eq was used to divide the Mineral Resources and waste materials. The primary products of GC Mine are lead concentrates and zinc concentrates. The sales revenue is mainly brought by the zinc metal. It would be better to use zinc equivalent to divide Mineral Resources and waste materials. This is negligible when estimating Mineral Resources but may lead to misunderstanding of GC Mine's primary commodity.
- The cost assumption is not shown in the *2021 GC Technical Report* to calculate the cut-off grade of Ag eq. It would be better to clearly show the cost assumption in the next technical report.
- Anisotropy of grades are not described in the *2021 GC Technical Report*. This may lead to biased grade distribution.

Figure 6-6: Local view of block model for Vein NV10



Source: SRK

SRK conducted a site visit to GC from 31 August to 1 September 2023, and completed the following:

- site inspection of the project area
- meeting with site representatives
- discussions with geologists
- visit to the drill core store
- visit to the site laboratory.

SRK visited the drill core store of GC Mine (Figure 6-7) and site laboratory (Figure 6-8), to understand the company's core storage protocols and procedures. SRK found that these procedures are standardised, and the analytical methods, processes are in line with conventional practice – the analysis results did not show significant bias or precision errors compared with umpire samples.

Figure 6-7: Drill core store of GC Mine



Source: SRK site visit, August 2023

Figure 6-8: Site laboratory of GC Mine



Source: SRK site visit, August 2023

Given the timing requirements of its mandate, SRK did not collect independent samples for data verification purposes.

6.2.4 Risks and opportunities

SRK did not find any material risks regarding Mineral Resources.

SRK has been advised by site personnel that the remaining Mineral Resource does not reduce because the new Mineral Resource by exploration is greater than that consumed by mining.

6.2.5 Prospectivity

The currently defined mineralisation is not closed-off at depth. Ongoing exploration and prospecting is undertaken along with infill drilling to upgrade the stated Mineral Resource category and test for additional or new mineralised zones.

6.2.6 SRK comments

SRK has reviewed the supplied reports, database, the grade estimate method, parameters, procedure, and conduct a site visit from 30–31 August 2023.

SRK notes the following:

- The overall Mineral Resource estimation procedure and output is considered reasonable.
- SRK was able to recreate the Mineral Resource base using the block model provided by Silvercorp, giving a result that is similar to that in the *2021 GC Technical Report*.
- There is the potential to define additional Mineral Resources at depth.
- It should be noted that Silvercorp has not publicly disclosed a Mineral Resource estimate for GC Mine after 31 December 2020. SRK was advised by Silvercorp that the current Mineral Resource base may be greater or less than that shown in Table 6-5 due to the combination of ongoing mine production and additional exploration works conducted on site.
- The Ore Reserve estimate was described in 'GC LOM 43-101(20210630).xlsx'. Based on the file, SRK has attempted to estimate the residual Mineral Resources as presented in Table 6-7, which are exclusive of Mineral (Ore) Reserves.
- In doing so, SRK has assumed that mine production over the intervening period has been carried out in accordance with the production plan as at 31 December 2020.

Table 6-7: 'Residual' Mineral Resource Statement, as at 30 June 2023

Classification	Quantity	Ag	Pb	Zn	Ag metal	Pb metal	Zn metal
	Mt	g/t	%	%	koz	Mlb	Mlb
Measured	2.881	73	1.0	2.5	6,720	64	160
Indicated	3.231	62	0.8	2.1	6,389	57	148
Measured and Indicated	6.112	67	0.9	2.3	13,109	121	307
Inferred	8.441	87	1.0	2.4	23,562	195	442

Sources: SRK Consulting

6.3 Mining and Ore Reserves

Mining to date has been conducted in two stages:

- Stage 1 targeted bringing the project into production as soon as practicable using mobile, rubber-tyred, diesel-powered equipment (development jumbo, loader, and truck) with surface decline access down to -50 mRL.

- Stage 2 development from -50 mRL down to -300 mRL employs conventional tracked equipment (battery powered locomotives, rail cars, electric rocker shovels and pneumatic handheld drills) via a surface shaft access.

Currently, both the decline and shaft have been developed to the bottom of Stage 2, forming a hybrid underground access system.

GC Mine has operated since Q4 2014 and achieved the designed capacity in 2021, which is approximately 313 ktpa. Historical production records for GC Mine from FY2015 to Q3 of 2021 are presented in Table 6-8.

Table 6-8: GC Mine production from FY2015 to FY 2021 (Q1 to Q3)

Fiscal Year	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021 (Q1 to Q3)	Total
Ore mined (tonnes)	253,321	257,575	260,746	245,783	284,217	287,632	264,388	1,853,662
Head grades								
Silver (g/t)	107	94	94	98	86	97	84	94
Lead (%)	1.35	1.76	1.44	1.45	1.51	1.89	1.68	1.59
Zinc (%)	2.65	2.53	2.81	2.78	3.00	3.32	3.44	2.94
S (%)	9.29	9.19	10.55	9.88	9.82	10.29	9.89	9.85

Sources: 2021 Technical Report GC Mine provided by Silvercorp

The rock mass condition is categorised as Fair to Good and it is anticipated that the vein and host rocks in the mine area will continue to be largely competent and require minimal ground support other than in weaker ground areas. Shrinkage and resuing stoping methods have been adopted at the mine and are as designed and applied by the project.

The required mining supporting facilities are constructed and operated.

6.3.1 Methods and design

Geotechnical and hydrogeological considerations

The rock mass condition is categorised as Fair to Good. AMC's most recent assessment anticipated that the vein and host rocks in the mine area would generally be competent and, local conditions permitting, require minimal ground support. This has largely been confirmed in operations, with most areas deemed to require little or no support. Where Poor ground conditions have been encountered, ground support is provided, with a range of strategies available depending on the local situation. This includes either rock bolts with, or without, mesh, shotcrete only, shotcrete with rock bolts, shotcrete with rock bolts and mesh, timber, or heavier steel support.

Based on its review of the available geotechnical data and high-level assessments undertaken, AMC considered that the geotechnical aspects of the mine design were generally reasonable for mining study purposes. However, given the limited nature of the data, the geotechnical knowledge at GC Mine prior to commencement of operations was not considered to be at the level of detail normally associated with a similar mining operation or feasibility study in Canada.

The mine's geotechnical knowledge has – at a practical level – been significantly advanced since the commencement of operations. AMC has recommended that, as part of ongoing operations at

GC Mine, geotechnical and ground support aspects should be continuously reviewed in a formal and recordable manner, bearing in mind previous recommendations, local and mine-wide operating experience in all rock types encountered, any advisable data collection, and looking to future mining development.

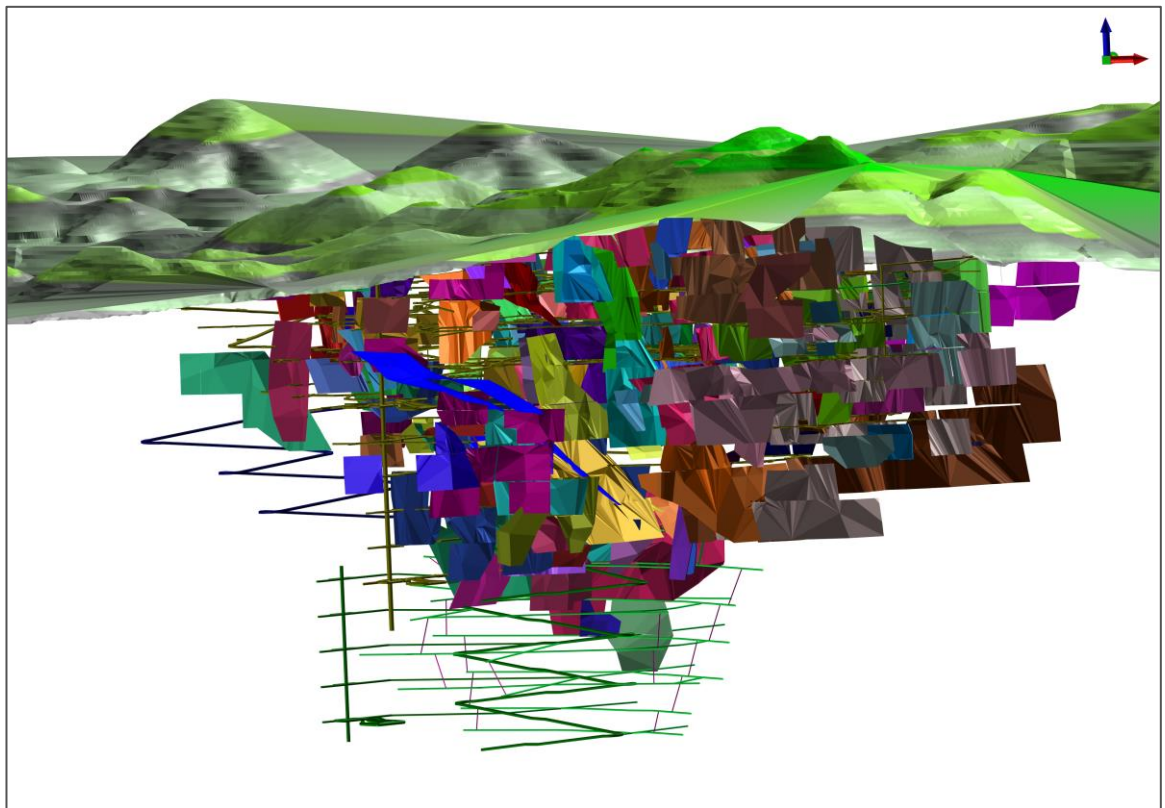
Specific hydrogeological investigations were not conducted. The mine design report presents discussion of hydrogeological conditions at GC Mine and states that hydrogeological exploration in the district is relatively inadequate. For AMC's preliminary geotechnical assessments, minor water inflows (less than 5 L/min locally) were assumed. AMC notes that operating experience to date indicates that the assumption of minor water inflows is reasonable.

Mine access

GC Mine access for rock transport, materials supply and personnel is provided by two declines (Exploration Ramp, Main Ramp) and a shaft (Main Shaft). Secondary mine access for personnel emergency egress is provided by the Stage 1 and Stage 2 return airway shafts.

An orthogonal view of the GC Mine design is presented in Figure 6-9.

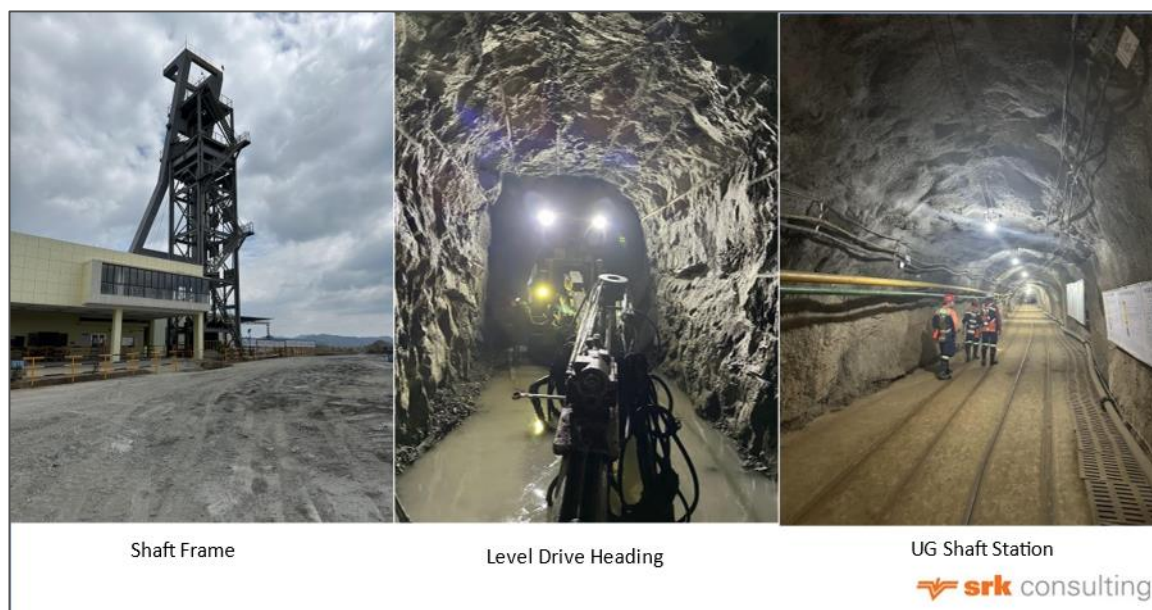
Figure 6-9: An orthogonal view of the GC Mine design



Source: Silvercorp, 2021

The underground access system has been constructed – underground development and examples are presented in Figure 6-10.

Figure 6-10: Underground access and level drive of GC Mine



Source: SRK site visit in August 2023

Mining method

Resue and shrinkage stopeing are the predominant mining methods employed at GC Mine as the geometry and orientation of the main veins are narrow and sub-vertical. These mining methods have been used over an extended period on site and are well managed by GC Mine personnel. SRK considers these methods to be appropriate for the GC Mine environment. The typical layout of stopeing block for resuing and shrinkage and parameters are similar to those employed in Ying Mine.

Due to the lower grade (on average) than that of the Ying mines and more widely spaced veins, the overhand cut and fill (drift and fill) method was recently introduced. One pilot stope was visited during SRK's site visit in August 2023, and is presented in Figure 6-11.

Figure 6-11: Operation of cut and fill stoping



Source: SRK site visit in August 2023

Stoping management

GC Mine has also developed a stope management protocol and stope management manual, similar to that of Ying Mine. The purpose of stope management is to implement stope operation procedures to reduce dilution via the Mining Quality Control Department. The department has a total of nine technical staff, including management, mine engineers, geologists, and technicians, and reports directly to Silvercorp's Beijing office. The mine engineers in the group are responsible for supervising the stope operation procedure, with stope inspection occurring at least once per day to check that mine contractors are following the guidelines. The geologists and geological technicians are responsible for stope geological mapping and sampling, which occurs every 1.5–2 m of stope lift. The department also measures the mined area of a stope at the end of each month for mine contract payment purposes. Based on the data collected during the stope mapping and sampling, an update of Mineral Resources will be applied to individual stopes monthly, supporting the rolling mine plan quarterly.

Material haulage

The ROM material is mined out from the stope or waste excavated from the development heading and loaded into 0.7m³ rail ore cars by small-scale load, haul and dump (LHD) equipment from either cross-cut drawpoints or the heading. The ore cars are pushed by locomotives (electro-motion) along the level drive to the shaft, then hoisted by shaft cage (two deck) to surface. When the material is mined near the decline system, the underground truck is loaded by drawpoint equipped with vibration feeder at the bottom of the ore pass, which is fed from the upper level by the railway ore car or LHD directly.

Equipment and operation

Most of the key mining equipment available at GC Mine is maintained and operated by contractors. GC Mine monitors and manages the equipment situation and schedules the maintenance and replacement plan. The equipment fleet as at the end of 2021 is shown in Table 6-9.

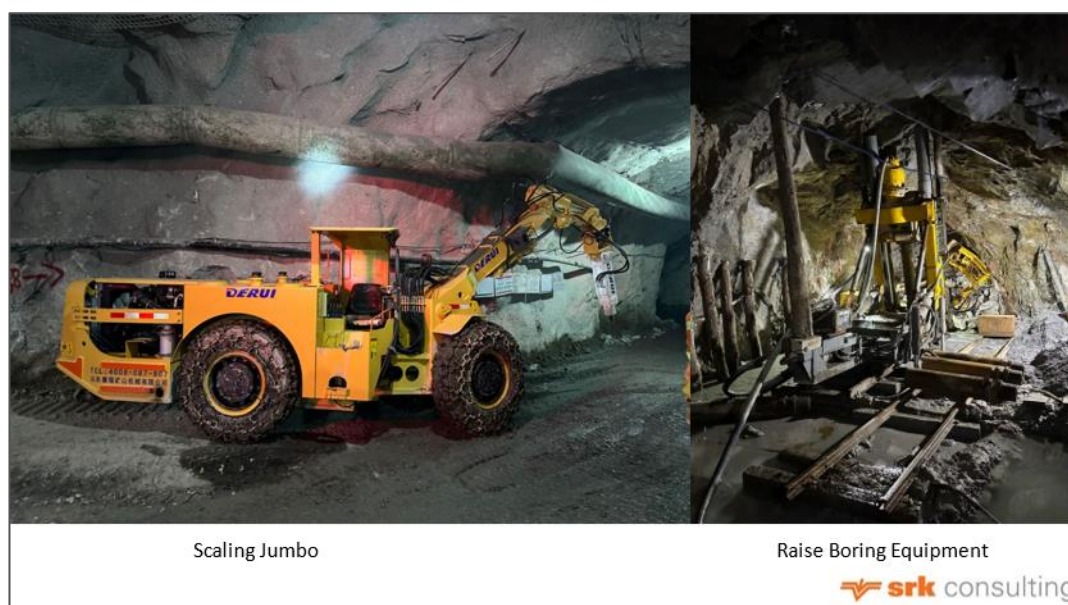
Table 6-9: Mining equipment fleet as of December 2021

Contractor equipment	Units	Manufacturer	Model	Capacity
Single boom jumbo	1	Atlas Copco	Boomer 281	3,660 mm rod
LHD small	20	Shandong Derui Mining Machinery Co. Ltd	WJ-1	1 m ³
LHD large	5	Guangxi Liugong Machinery Co., Ltd.	CLG833	3 m ³
Haul truck	10	Fujian Longyan Shifeng Construction Machinery Co. Ltd	LHF30	13 t
Personnel carrier	2	Anhui Tongguan Machinery Co. Ltd.	JY-5YR-16	16 persons
Shotcreter	2	Hunan Changde Shotcrete Machinery Factory	HPZ-6	6 m ³ /hr
Electric locomotive	18	Shandong Nadian Electromechanical Equipment Co. Ltd	CTY2.5/6B	70 m ³ /h
Electric loader	10	Nanchang Hengye Mining and Metallurgical Machinery Factory	Z-30	0.3 m ³
Rail cars	116	Henan Hebi Mishi Machinery Co. Ltd.	YCC0.85-6	0.85 m ³
Auxiliary stoping & development fan	55	Zib Ventilation Machine Plant Ltd.	JK56-Ng4	0.1~3.4 m ³ /hr

Source: 2021 Technical Report GC Mine provided by Silvercorp

Beside the equipment listed above, the Company has recently introduced additional equipment types to improve the work safety and efficiency, such as scaling jumbo and raise boring equipment, as presented in Figure 6-12.

Figure 6-12: Example of GC Mine equipment on site



Source: SRK site visit in August 2023

Workforce

GC Mine operates using mostly contractors for mine development, production, ore transportation, and exploration. The mill plant and surface workshops are operated and maintained using GC Mine personnel. GC Mine provides its own management, technical services, and supervisory staff to manage the mine operations. The owner team is ~260 personnel on site and the contractor employee numbers are similar.

Mining facilities

Mine ventilation at GC Mine is designed in accordance with Chinese regulations and is in place and operational. The verification and testing of the primary ventilation fans are conducted annually by certificated third parties. Underground routine (real time) monitoring is well established at GC Mine and the ventilation system can be controlled remotely.

The GC Mine backfill plant is established and operational. Previous shrinkage stopes do not require any fill, but for safety purposes and to minimise the amount of material flowing to the TSF, Silvercorp has introduced backfilling of mined voids at GC.

In the resue stopes, waste is mined from the footwall to achieve the minimum mining width for the mining platform. Upon completion of the stope, the waste, which forms the working platform, is left as fill.

The installed dewatering system is designed and implemented to Chinese safety regulations. Two relayed stages of pumping are as designed and equipped. At the Stage 1 pump station (-300 mRL), three pumps (Model MD155-67×5, capacity 155 m³/h) are installed. Water from the -300 mRL pump station is discharged through two steel pipelines installed in the shaft to the Stage 2 station. The effective water storage volume of the inner and outer sumps totals 2,000 m³ at the -300 mRL. At the Stage 2 pump station (-50 mRL), three pumps (Model MD280-43×8, capacity 280 m³/h) are installed. Water from the -50 mRL pump station is discharged through two steel pipelines installed in the ramp to the surface. The effective water storage volume of the inner and outer sumps totals 2,450 m³ at the -50 mRL.

The sump capacity is 6–8 hours at the average water yield. At least three sets of pumps are designed and installed at each station. In the normal circumstances, one pump is running, one is being maintained, and the third one is on standby.

During SRK's site visit, the pump was running only during the night shift as the water inflow was able to be controlled while lowering the costs of electricity power to the site.

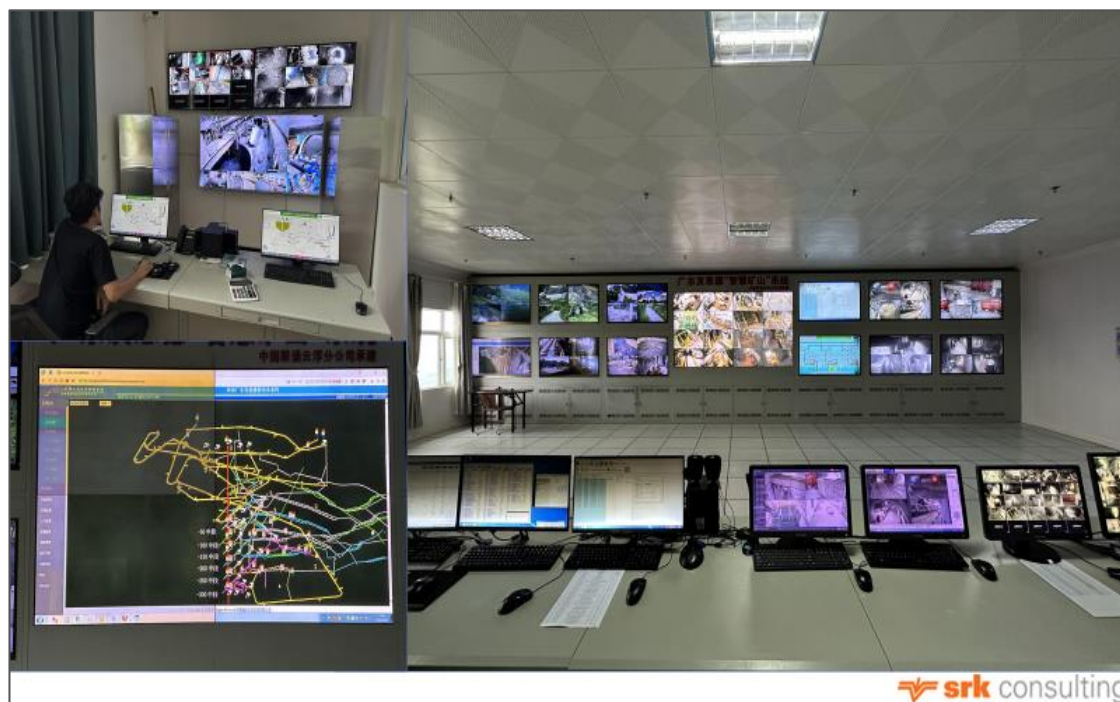
Water consumption at GC Mine is minimal, and primarily associated with drilling and dust suppression. As per safety regulations, fire prevention systems are constructed at each portal and a head pond containing 300 m³ is shared with the processing plant.

The site's power supply facilities are also constructed and operational, with power derived from a 110 kV substation near Gaocun Town, which is ~6 km from the site.

An explosives storage magazine, with the capacity of 10 t explosive and 15,000 detonators, has been constructed and supports ongoing operations.

Since late 2015, GC Mine has implemented a workplace safety and work quality checklist system to reinforce operations process control. A feature of this initiative is an internal EB system in the management of Mine Production and Safety Information, which Silvercorp implemented in August 2015. The EB is an internet social media system that facilitates and makes transparent the distribution and flow of work-related knowledge and information for parties at different locations. The central control system is also well installed in GC Mine, as shown in Figure 6-13.

Figure 6-13: GC Mine Central Control System



Source: SRK site visit, August 2023

6.3.2 Ore Reserves

The Ore Reserves (Mineral Reserves) were reported in AMC's *2021 GC Technical Report* dated 6 October 2021, in compliance with CIM Standard Definition and NI 43-101. The Ore Reserves were estimates by GC Mine under the guidance of independent QP Mr H A Smith, PEng, who took responsibility for those estimates.

The Ore Reserves statement is summarised in Table 6-10, for GC Mine as at 31 December 2020. In total 63% of the Ore Reserve tonnage is categorised as Proved, with the remainder as Probable. About 41% Measured and Indicated Mineral Resources are converted into Ore Reserve (on a tonnage basis or 47% on a contained metal basis).

Table 6-10: Ore (Mineral) Reserve Statement for GC Mine summary, as at 31 December 2020

Classification	Tonnes (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Contained metal		
					Ag (koz)	Pb (Mlbs)	Zn (Mlbs)
Proven	2,587	93	1.5	3.3	7,743	84	189
Probable	1,544	95	1.5	3.0	4,740	51	103
Proven and Probable	4,131	94	1.5	3.2	12,483	135	293

Source: 2021 Technical Report GC Mine provided by Silvercorp

SRK reviewed the estimate input parameters, progress, and randomly checked several stopping blocks, to form a high-level opinion regarding the Ore Reserve estimates. In SRK's view these were all reasonable and support the continued operation of the mine.

Mineral Resource estimate for conversion to Ore Reserves

- The Mineral Resources estimate was prepared under CIM standard definition and reviewed by an independent geologist.
- Measured and Indicated Mineral Resources categories are applied to conversion.

Study status and site visit

- GC Mine is operational and holds the necessary licences to support ongoing production. The operation practices could achieve more than outlined in previous pre-feasibility level studies.
- The GC Mine design for construction, can be classified as exceeding the requirements of a pre-feasibility level.
- The QP, Mr Smith previously visited GC Mine in January 2018 for 3 days. The other contributors to the Ore Reserve estimates work on site or visit the site frequently.

Cut-off parameters

- There are three classes of cut-off grades applied to GC Mine, which are:
 - full break-even cut-off grade, used to flag whether a given stope should be mined or not
 - marginal stopping cut-off grade, which is used for a given stope (inclusive of all developments and drilling) and the costs has been covered by the nearby stope
 - development cut-off grade, is used to decide whether ore drive material should be sent to the dump or plant.
- Full break-even cut-off grade Ag eq (g/t) = (mining cost + tunnelling cost + drilling cost + maintenance cost + milling cost + G&A + sustaining capital + government fee and Mineral Resources and sales taxes) / (\$ value per in situ gram after application of mining recovery, metallurgical recovery, and payable).

Workflow of estimates

- Design mining stope outline and cut the mineral structures into stope blocks as mineable scope. The pillars are also evaluated but excluded in conversion and mine plan, treating them as design loss.
- Boolean operation with the end of month survey of stope.

- Interrogate against grade model (block model) get the critical parameters, such as resource category, grades, thickness, etc.
- Classify the stope into mining method based on the thickness (horizontal) and then applying the modifying factors:
 - minimum mining width: 0.5 m for resuing and 1.0 m for shrinkage, therefore planned dilution – 0.4 m for resuing and 0.8 m for shrinkage
 - planned dilution: if the thickness is lower than the minimum mining width, planned dilution (0 grade) to the minimum mining width
 - dilution: apply unplanned dilution with zero grade to the stope. Factored 0.05 m on hanging wall and footwall each for resuing stope and 0.1 each wall for shrinkage stope
 - further factored dilution of 2% (if more than 2 m wide), 3% (between 2 m and 1 m) and 4% (<1 m wide) is also applied for shrinkage as broken ore drawing when mining is finished
 - factored ore loss as 95% and 92% for resuing and shrinkage methods respectively
 - visually and manually filter the stopes considering the practical conditions with local engineer for mine planning
 - summation of the eligible material in stopes as the potential ore reserves then conduct mine planning and scheduling.

In general, the Ore Reserve estimates are well supported and provide a reasonable basis for ongoing production mining at these narrow vein deposits. The mining methods employed are highly selective, and the company has initiated activities to minimise dilution as key strategy, which includes:

- Placement of rubber mats and/ or conveyor belting over waste fill floor in resuing stope immediately to serve as a barrier between ore and waste.
- Hand sorting in stope before ore mucking to update the deliverable to plant.
- Conduct high intensity quality control process for each cut of stoping, in terms of grade control sampling, design, drilling and blasting and mucking, to achieve the dilution targets.

The methodology of design stopes block via mineable shape optimisation is not practical, therefore the 'Excel spreadsheet' basis mineable resource with dilution and loss allowance are applied. The parameters on loss and dilution are validated via historical data in recent years.

The summary of average dilution as recorded by mine and method is presented in Table 6-11. After reviewing the Ore Reserve conversion database, the estimated dilution rates agree with the stated records which are ~15% for resuing and ~20% for shrinkage, as presented in Figure 6-14.

Table 6-11: Average dilution by mine and method

Gaocheng Mine	Dilution %
Shrinkage	19.8
Resuing	12.4
Total dilution Gaocheng	17.5

Source: 2021 Technical Report GC Mine provided by Silvercorp, data duration unknown

Figure 6-14: Dilution planned for some stopes of GC Mine

	A	B	C	D		I	J	K	L	M	N	O	P	Q	R	S	T	U	V	
1											Reserve									
2	Syst em in	Vein	Level	Stope number		Ageq (g/t)	Ag (g/t)	Pb(%)	Zn(%)	true_widht h (m)	Minin g Meth oc	Mining Width(m)	Planned Dilution	Ore Loss(%)	Ore- TONNES	Ore- Ageq (g/t)	Ore- Ag (g/t)	Ore- Pb(%)	Ore- Zn(%)	
435	GCZS	V6M-3	-300	GCZS-V6M-3-(-300)-(20-26)-SICC		531	129	3.92	4.71	0.95	S	1.15	20%	8%	10,341	444	107	3.27	3.93	
436	GCZS	V6M	-300	GCZS-V6M-(-300)-(18A-22)-SICC		321	58	2.38	3.29	0.81	S	1.01	23%	8%	5,147	261	47	1.93	2.67	
437	GCZS	V6M	-300	GCZS-V6M-(-300)-(22-24A)-SICC		366	89	0.96	5.27	0.99	S	1.19	20%	8%	16,840	306	74	0.80	4.41	
438	GCZS	V7E	-300	GCZS-V7E-(-300)-(40-40A)-SICC		303	32	1.79	4.15	0.87	S	1.07	22%	8%	25,911	248	26	1.47	3.40	
439	GCZS	V7S	-300	GCZS-V7S-(-300)-(38-40)-SICC		293	67	1.89	3.01	0.97	S	1.17	20%	8%	10,386	244	55	1.57	2.50	
440	GCZS	V9-4	-300	GCZS-V9-4-(-300)-(32-34)-SICC		280	61	1.09	3.76	0.87	S	1.07	22%	8%	5,486	229	50	0.89	3.08	
441	GCZS	V9-5	-300	GCZS-V9-5-(-300)-(26A-30A)-SICC		357	57	1.54	5.11	1.00	S	1.20	18%	8%	15,348	302	48	1.30	4.31	
442	GCZS	V9-6	-300	GCZS-V9-6-(-300)-(30A-32A)-SICC		498	136	1.85	6.16	1.08	S	1.28	17%	8%	11,849	426	117	1.59	5.27	
443	GCSX	V1-6	-350	GCSX-V1-6-(-350)-(22A-26A)-SICC		510	169	2.71	4.67	0.77	R	0.87	10%	5%	14,678	464	154	2.47	4.25	
444	GCSX	V2-4	-350	GCSX-V2-4-(-350)-(26-28A)-SICC		338	108	1.31	3.77	1.11	S	1.31	17%	8%	50,546	288	92	1.12	3.22	
445	GCSX	V2E1	-350	GCSX-V2E1-(-350)-(24-26)-SICC		278	71	0.80	3.81	0.82	S	1.02	23%	8%	8,236	225	58	0.65	3.09	
446	GCSX	V2E	-350	GCSX-V2E-(-350)-(26-30A)-SICC		310	86	1.35	3.57	1.01	S	1.21	19%	8%	21,518	261	73	1.14	3.01	
447	GCSX	V2E	-350	GCSX-V2E-(-350)-(30A-34A)-SICC		280	82	0.90	3.50	0.86	S	1.06	22%	8%	39,920	229	67	0.74	2.86	
448	GCSX	V2E	-350	GCSX-V2E-(-350)-(34A-36A)-SICC		376	110	0.86	5.11	0.90	S	1.10	21%	8%	33,504	310	91	0.71	4.21	
449	GCSX	V2W-14	-350	GCSX-V2W-14-(-350)-(24-26)-SICC		441	221	2.07	2.67	0.63	R	0.73	12%	5%	5,741	394	197	1.85	2.38	
450	GCSX	V2W-8	-350	GCSX-V2W-8-(-350)-(24A-26)-SICC		326	87	1.62	3.62	0.91	S	1.11	21%	8%	8,554	269	71	1.33	2.99	
451	GCSX	V2W	-350	GCSX-V2W-(-350)-(16-20)-SICC		381	63	2.41	4.52	0.99	S	1.19	20%	8%	4,651	319	53	2.02	3.78	
452	GCSX	V2W	-350	GCSX-V2W-(-350)-(20-24)-SICC		313	66	1.84	3.56	0.71	R	0.81	11%	5%	13,440	282	59	1.66	3.20	
453	GCSX	V49	-350	GCSX-V49-(-350)-(111-115)-SICC		396	98	2.34	4.12	0.82	S	1.02	23%	8%	16,567	322	80	1.91	3.36	
454	GCSX	V6-0	-350	GCSX-V6-0-(-350)-(28A-32A)-SICC		435	75	0.49	7.69	0.87	S	1.07	21%	8%	14,542	358	62	0.41	6.33	
455	GCSX	V2-2	-400	GCSX-V2-2-(-400)-(30-34)-SICC		347	103	0.40	5.14	0.73	R	0.83	11%	5%	10,633	314	93	0.36	4.64	
456	GCSX	V2-4	-400	GCSX-V2-4-(-400)-(26-28)-SICC		340	106	1.05	4.15	1.27	S	1.47	15%	8%	4,256	295	92	0.91	3.60	
457	GCSX	V2E	-400	GCSX-V2E-(-400)-(26A-30A)-SICC		355	124	1.80	3.21	1.15	S	1.35	17%	8%	11,715	304	106	1.55	2.75	
458	GCSX	V2-2	-450	GCSX-V2-2-(-450)-(30-34)-SICC		308	72	0.43	4.92	1.09	S	1.29	17%	8%	12,035	262	61	0.37	4.19	
459						423	136	1.87	4.44		RESUING		12%	5%	*****	377	121	1.66	3.96	
460						333	98	1.68	3.46		SHRINKAGE		20%	8%	*****	279	82	1.40	2.89	
461						362	110	1.74	3.77		TOTAL		17.5%	7.1%	*****	309	94	1.48	3.22	
462						Ore-Ageq (g/t)														

Source: Silvercorp spreadsheet - GC LOM 43-101(20210630).xlsx

‘Depleted’ Ore Reserves as at 30 June 2023

For the purpose of estimating the Ore Reserves as close as possible to the Valuation Date, SRK has depleted the Ore Reserve estimate as at 31 December 2021 for production over the intervening period using the following files as provided by Silvercorp. In doing so, SRK has assumed that mine production was aligned with the schedules outlined in the file ‘GC LOM 43-101(20210630).xlsx’ (as no more accurate information was available for SRK’s review). The resulting depleted Ore Reserves as at 30 June 2023 are outlined in Table 6-12.

Table 6-12: ‘Depleted’ Ore Reserves for GC Mine, as at 30 June 2023

Classification	Quantity (Mt)	Ag (g/t)	Pb (%)	Zn (%)	Ag metal (Moz)	Pb metal (M lbs)	Zn metal (M lbs)
Proved	1.9	94	1.4	3.2	6	62	137
Probable	1.4	97	1.5	3.0	4	47	94
Total	3.3	95	1.5	3.1	10	109	231

Sources: SRK analysis using Silvercorp data

Note: Differences are associated with rounding errors.

6.3.3 Production schedule

GC Mine has operated since 2014 Q4 and achieved design capacity in 2021, which is approximately 313 ktpa. The mine is planned to continue at steady capacity for the remainder of its mine life. The key target of the mine plan is to achieve the planned grade, mining more efficiently and lowering the cost base.

The mine schedule is directed towards achieving the grade target as provided by mine management. The progress of mine sequencing and scheduling has been designed to facilitate this target and is as following:

- Stope by stope planning considering the currently mining activities and grades target
- Design the ore drive as grade control or production exploration development as necessary
- Factored stope preparation development, such as level drive, cross-cut, raises based on the stope geometry parameters
- Design and schedule the mine layout development, such as decline, lower level ore drive (exploration drive) for long-term consideration
- Sum up the scheduling result and optimisation.

The productivity applied to mine schedule is summarised as followings:

- Resuing stope: maximum 600 tpm, the typical planned productivity is 300–500 tpm
- Shrinkage stope: 1,200 tpm including the broken ore mucking period, the typical planned productivity is about 1,000 tpm
- Decline:
 - 100 m/month with jumbo drilling
- Level drive or ore drive
 - 80 m/month with jumbo drilling
 - 60 m/month with jackleg drilling.
- Raises: all consider 50 m/m as jackleg drilling, though three set raise boring machines are equipped on site. The boring time for a 50 m raise is about 15 days.

The mine schedule as detailed in file *GC LOM 43-101(20210630).xlsx*, is aligned with that coded in the model: *SVM GC NAV Calculation 2021.09.17 with sensitivity for silver price V2.xlsx*, for the year since FY2023. But the planned figures for mining and development do not match each other. During SRK's discussion with GC Mine while on-site, this variance was attributed to a different reference date and it was noted that the latter schedule is updated on a quarterly basis.

The updates to the schedule, will not materially change the project performance on either technical or economic aspects.

6.3.4 SRK comments

SRK has reviewed the supplied reports, database, Ore Reserve estimates inputs, procedure, and conducted a site visit from 31 August to 1 September 2023 to gain a greater understanding of the operating conditions and facilities.

In general, the mine design and operation at GC Mine over the last several years has been stable. The underground mine layout is well established, the stoping method is appropriately managed, and the workforce is skilled.

GC Mine has initiated activities to improve productivity and utilisation via the introduction of increased mechanisation, automation and digitisation equipment or system, introducing an integrated system for the remote control of shaft hoisting, pumps, and ventilation fans. Increased use of bulk mining methods is being considered and piloted.

As the backfill plant has been constructed, the mechanical cut and fill method using vein jumbos and loader will replace some of shrinkage stoping although this method has not been applied within the modifying factors for the latest Ore Reserve estimate. The next update of the technical report is expected to apply this method.

Geotechnical investigation, data collecting, and periodic rock mechanics review is recommended. A good understanding of rock mass, and a 3D rock mechanics analysis and/or simulation model, will provide greater confidence in the mine design and plan.

Based on its review of the mining information supplied, SRK notes the following:

- The inputs, workflow, and re-check of detailed stopes (selected at random) demonstrate that the Ore Reserve estimate is well supported and has a reasonable basis.
- The mine schedule is also reasonable. The schedule relies on manual optimisation by an experienced mine planner. The adopted mine planning methodology is based on task and resource (equipment) available considering the project parameters.
- The mining method and equipment employed are operated by experienced and skilled operators.
- The annual production rate is stable in plan, and is achievable based on previous production history.
- The supporting infrastructure and development requirement are not a material risk, as they are either in place or under construction, or have been planned with sufficient time available prior to implementation.

6.3.5 Mining operating and capital costs

Operating costs

Silvercorp has provided SRK with actual quarterly operating costs from Q1 FY2023 (April to June 2022) to Q1 FY2024 (April to June 2023), in the categories of mining costs (including capitalised costs), milling costs and general administration costs for the whole project. SRK has summarised the costs and listed them as the average of FY2023 and Q1 FY2024 in following tables.

Table 6-13 and Table 6-14 list the mining costs (including capitalised costs) and G&A costs for GC Mine, respectively.

Table 6-13: Mining costs of GC Mine

Item	FY2023	Q1FY2024
Direct Mining costs		
Unit resuing mining costs (RMB/t)	237.38	394.52
Unit shrinkage mining costs (RMB/t)	69.92	82.01
Unit common cost (RMB/t)	76.49	73.24
Expensed drilling costs (RMB/m)	212.80	133.60
Mining prep Unit costs (RMB/m)	2,559.98	2,502.98
Backfilling cost (RMB/t)	22.34	22.65
Unit Mining costs (RMB/t)	283.35	322.70
Unit shipping costs (RMB/t)		
Sustaining Capital		
Unit capitalised drilling cost (RMB/m)	253.76	458.28
Exploration tunnelling unit cost (RMB/m)	1,881.78	1,923.15
Other development tunnelling (RMB/m)	3,127.92	3,863.02
Growth capital		
Ramp development (RMB/m)		
PPE (RMB/t)	40.84	9.16

Sources: Provided by Silvercorp

Table 6-14: G&A costs of GC Mine

Item	Unit	FY2023	Q1 FY2024
Ore milled	tonne	299,597.00	86,285.76
General administrative costs	RMB/t	20.00	22.73
Labour costs	RMB/t	37.30	32.04
Total G&A costs	RMB	17,165,302.00	4,725,358.00
Unit G&A cost	RMB/t	57.29	54.76

Sources: Provided by Silvercorp

SRK recommends to using the average of the costs in FY2023 and Q1 FY2024 for the valuation, and Table 6-15 summarises the inputs of related parameters.

Table 6-15: The inputs for various parameters SRK recommends using in the GC Mine model (RMB)

Item	Average
Operation costs	
Direct Mining costs	
Unit resuing mining costs (RMB/t)	267.12
Unit shrinkage mining costs (RMB/t)	72.70
Unit common cost (RMB/t)	75.74
Expensed drilling costs (RMB/t)	29.84
Mining prep Unit costs (RMB/m)	2542.78
Backfilling cost (RMB/t)	22.41
Unit Mining costs (RMB/t)	292.39
Unit shipping costs (RMB/t)	-
Sustaining Capital	
Unit capitalised drilling cost (RMB/t)	23.68
Exploration tunnelling unit cost (RMB/m)	1891.26
Other development tunnelling (RMB/m)	3301.25
Growth capital	
Ramp development (RMB/m)	
PPE (RMB/t)	33.56
Unit Milling costs	115.22
Unit G&A (RMB/t of ore milled)	56.73

Sources: SRK Analysis on data provided by Silvercorp

Capital costs

CAPEX for the construction of the mine, ore processing plant, and various facilities and exploration etc. has been completed. Silvercorp has provided SRK with the previously invested CAPEX summarised in different categories. Table 6-16 and Table 6-17 provide the same details for GC Mine, as at 31 December 2022, and 30 June 2023, respectively. The depreciation/amortisation period is also given for each item.

Table 6-16: Previous CAPEX into GC Mine as on 31 December 2022 (RMB)

As on 31 December 2022			
Item	Costs	Cumulative Amortisation	Net book value
GC Mine			
Building – 20 years	232,703,390.40	93,890,703.78	138,812,686.62
Underground construction – 20 Years	102,290,811.85	41,319,773.17	60,971,038.68
Production Machinery – 10 Years	63,339,242.62	37,530,730.43	25,808,512.19
Electric Machinery – 10 Years	11,691,253.79	8,767,100.47	2,924,153.32
Tools and small equipment – 5 Years	1,902,669.32	1,212,723.42	689,945.90
Vehicle – 5 Years	7,567,168.05	5,522,946.49	2,044,221.56
Computer and other electronic equipment – 5 Years	2,286,442.98	1,999,893.76	286,549.22
Office furniture and equipment – 5 Years	1,604,247.89	1,302,499.55	301,748.34
Construction in Progress	2,899,229.22		2,899,229.22
Intangible assets – Land use rights (50 Years)	30,269,677.70	5,902,471.75	24,367,205.95
Intangible assets – software (5 Years)	1,604,317.07	643,656.01	960,661.06
Mineral rights and properties	195,422,265.12	138,774,235.62	56,648,029.50
Guangdong Total	653,580,716.01	336,866,734.45	316,713,981.56

Sources: Provided by Silvercorp

Table 6-17: Previous CAPEX into GC Mine as at 30 June 2023 (RMB)

As on 30 June 2023			
Item	Costs	Cumulative Amortisation	Net book value
GC Mine			
Building – 20 years	235,309,962.38	100,483,576.43	134,826,385.95
Underground construction – 20 Years	102,290,811.85	44,301,142.26	57,989,669.59
Production Machinery – 10 Years	62,980,621.22	40,162,843.93	22,817,777.29
Electric Machinery – 10 Years	11,716,935.59	9,094,443.49	2,622,492.10
Tools and small equipment – 5 Years	1,932,423.12	1,357,569.04	574,854.08
Vehicle – 5 Years	7,307,726.30	5,597,931.15	1,709,795.15
Computer and other electronic equipment – 5 Years	2,245,300.80	2,000,664.25	244,636.55
Office furniture and equipment – 5 Years	1,580,206.75	1,337,835.65	242,371.10
Construction in Process	1,007,273.81		1,007,273.81
Intangible assets – Land use rights (50 Years)	30,269,677.70	6,255,619.65	24,014,058.05
Intangible assets – software (5 Years)	1,420,727.33	542,942.04	877,785.29
Mineral rights and properties	202,406,596.29	151,820,683.98	50,585,912.31
Guangdong Total	660,468,263.14	362,955,251.87	297,513,011.27

Sources: Provided by Silvercorp

The net book values can be considered for further depreciation and amortisation.

Silvercorp provided the new CAPEX needed for the GC Mine, in two categories:

- **Sustaining capital:** capitalising the expenses from ‘Exploration tunnelling – grade control’, ‘Development tunnelling’, and ‘Facilities and equipment’
- **Growth capital:** capitalising the expenses from ‘Exploration tunnelling – New and upgrade resources’, ‘Capitalised drilling’ and to build ‘3rd Mill and TSF’.

The new CAPEX needed for GC Mine is similar to that for Ying, but without capitalised drilling and the new mill and TSF.

Table 6-18 summarises the new CAPEX needed for GC Mine in the financial/NPV models supplied by Silvercorp in US\$/t ore mined.

Table 6-18: New CAPEX needed in the Silvercorp’s NPV models (US\$)

CAPEX Item	Unit	GC
Sustaining capital		
Exploration tunnelling – grade control	US\$/t	1.62
Development tunnelling	US\$/t	1,77
Facilities and equipment	US\$/t	3.45
Growth capital		
Exploration tunnelling – New and upgrade resources	US\$/t	2.53
Capitalised drilling	US\$/t	-
3rd Mill and TSF	US\$/t	-

Sources: Provided by Silvercorp

Tax obligations

Based on the data provided by and discussions with Silvercorp, the GC Mine has the following tax obligations.

Enterprise Income Tax: in China the normal enterprise income tax is 25% of the taxable income. Silvercorp has advised SRK that as a HNTE, the subsidiary entities operating the GC project are subject to an enterprise income tax rate of 15% of taxable income for a 3 year term, which is renewable.

Resource tax:

- 3% of the net amount of sales from lead (Pb) and zinc (Zn) mineral products
- 2% of the net amount of sales from silver (Ag) mineral products
- No resource tax for gold (Au) and copper (Cu), since they are by-products

Value Added Tax (received):

- 13% of the net amount of sales, excluding the revenue from gold (Au)

Surtax/Surcharge:

- City construction fee: 5% of VAT Payable
- Education surtax: 7% of VAT Payable

Smelter charges

The base prices for various metals in the future were based on the predictions of some professional institutes. The prices used in Silvercorp's financial/NPV models did not include the value added tax.

The following are the smelter charge for each metal in each company at GC Mine:

- Smelter charge for silver: 41.00%
- Smelter charge for lead: 13.40%
- Smelter charge for zinc: 24.80%.

6.4 Metallurgical testwork and Process design

6.4.1 Process flowsheet

The designed capacity of GC Mine's processing plant is 1,000 tpd (330 kpa) and has been in commercial production since 2014. The process flowsheet is shown schematically in Figure 6-2, mainly includes crushing, grinding, sequential flotation of lead and zinc an- pyrite and concentrate dewatering.

The processing plant added an intelligent preselection system (IPS) in March 2023, with a processing capacity of 80–120 t/h and the designed discard rate is more than 20%. With the preselection system put into operation, it will completely replace the original manual waste sorting operation.

The specific production flowsheet is described as follows:

Crushing

The plant adopts a two-stage closed-circuit crushing process, with the raw ore feed size of no more than 350mm and the product size of -15mm.

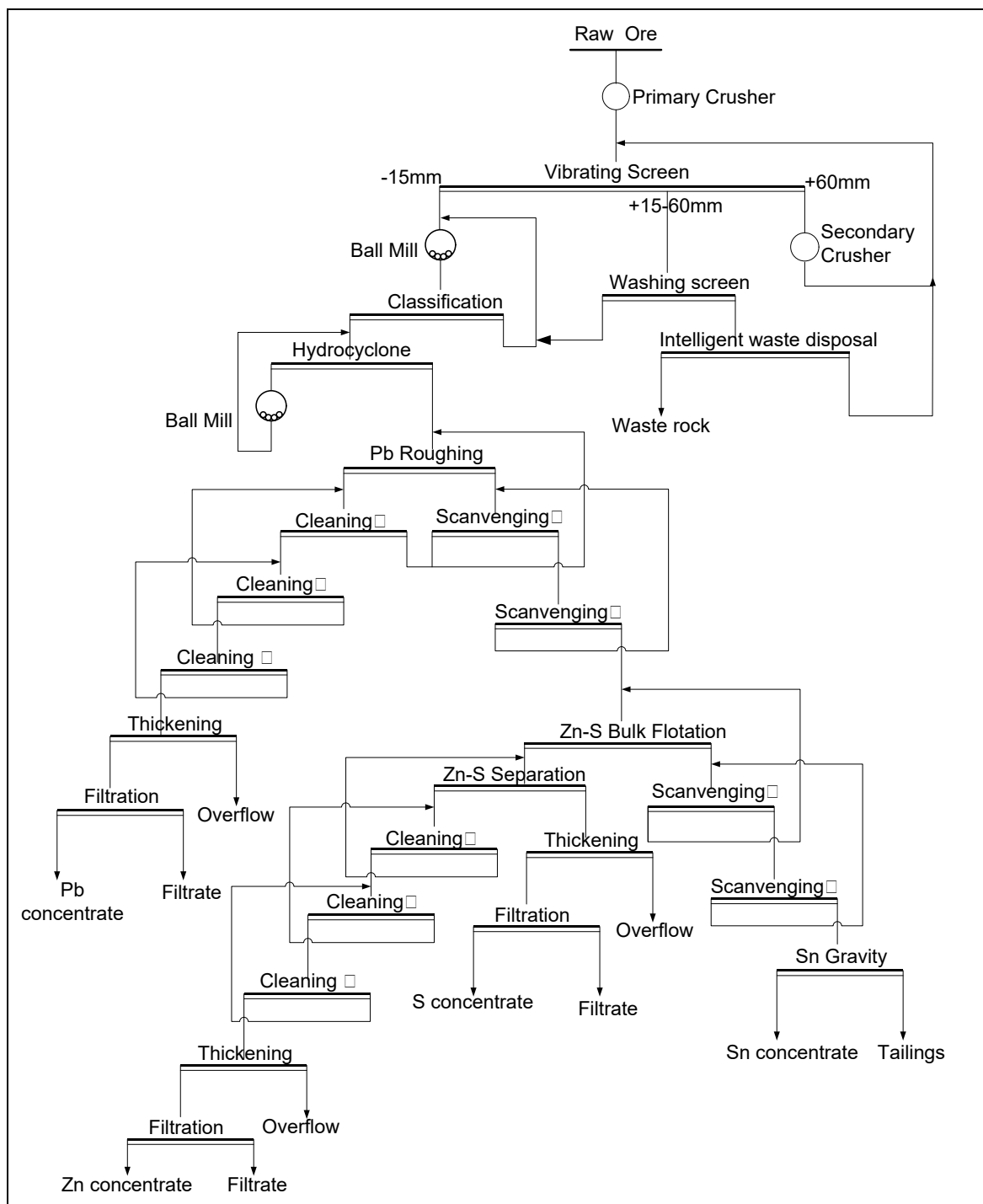
The crushing circuit consists of a ROM ore bin from which the ore is drawn by a vibratory feeder into the primary jaw crusher. The jaw crusher product is screened on a double deck vibrating screen, with the -15 mm fines being conveyed forwards to the fine ore bin while the +60 mm material feeds the secondary cone crusher via a buffer storage bin to maintain choke feeding of the crusher. The 15–60 mm material will enter into the IPS. Figure 6-1 shows the crushing plant on site.

Figure 6-1: The crushing plant as observed during the site visit



Source: SRK site visit in August 2023

Figure 6-2: Production flowsheet for GC Mine Processing Plant



Sources: Provided by Silvercorp

Intelligent Preselection System

The screening intermediate products (15–60 mm) enter into two vibrating screens (ZK2142) in the IPS through the conveyor for desliming and distributing, respectively. The pulp produced by desliming is transported to the grinding system through the pipeline while the oversize product

enters into the intelligent sorting machine for waste disposal. The waste rock flows to the waste rock bin, and the coarse concentrate returns to the buffer ore bin in secondary cone crusher. The system will improve the throughput and reduce the cost of plant. Figure 6-3 shows the IPS plant on site.

Figure 6-3: The Intelligent Preselection System plant



Source: SRK site visit in August 2023

Grinding and classification

The grinding process adopts a two-stage closed circuit grinding system, equipped with grate-discharge ball mill + spiral classifier and overflow ball mill + hydrocyclone, with a final overflow fineness of 80% passing 75 μm and a concentration of 35% to 38%.

The circuit is configured in two parallel series, each of 800 tpd capacity, for reasons of flexibility and ease of maintenance. Figure 6-4 shows the grinding and classification plant on site.

Figure 6-4: The grinding and classification plant



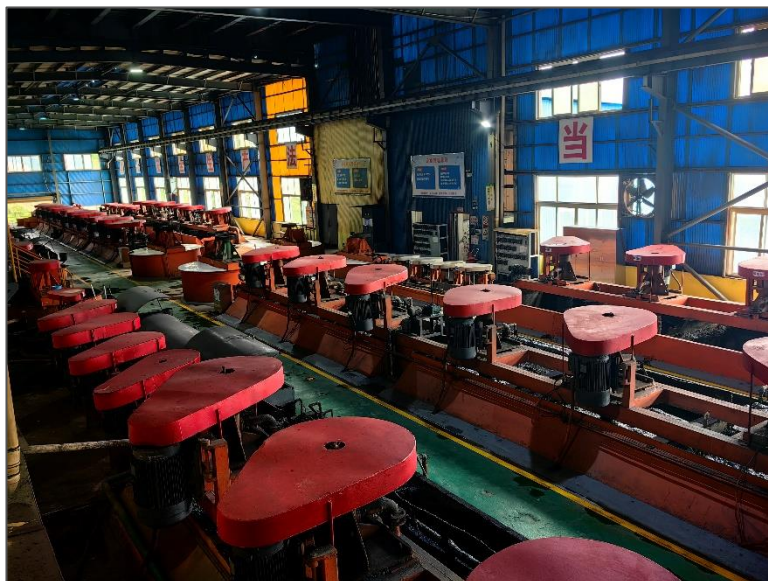
Source: SRK site visit in August 2023

Flotation

Following on the grinding circuit, the flotation circuit is similarly configured in two parallel series. The overflow (O/F) of the hydrocyclone flows to the lead rougher conditioning tank mixing with flotation reagents, and then to the lead rougher flotation cells. The lead flotation circuit is 'one roughing + two scavenging+ three cleaning', to obtain lead concentrate. The flotation lead tailings then flow to the zinc-sulfur mixed flotation process, with the circuit of 'one roughing + two scavenging', to obtain the tailings. The roughing concentrate then enters the zinc-sulfur separation flotation process, with the structure of 'one roughing + two scavenging+ three cleaning', to obtain the sulfur concentrate and zinc concentrate.

Figure 6-5 shows the flotation plant on site.

Figure 6-5: The flotation plant as observed during the site visit



Source: SRK site visit in August 2023

Tin recovery circuit

The tin recovery circuit is set up to treat the flotation tailings, with two stages of gravity separation process using a blanket machine and shaker table. As the amount of tin concentrate is relatively small and random, it is not disclosed in the financial model. Figure 6-6 shows the tin recovery process on site.

Figure 6-6: The tin recovery process



Source: SRK site visit in August 2023

Concentrate dewatering

The lead, zinc, and pyrite concentrates all use a two-stage dewatering process, with one stage of dewatering using a thickener and a discharge concentration of 40% to 50%, the second stage of dewatering using a ceramic filter, with a final concentrate moisture content of 10% to 12%. After dewatering, the concentrate is bagged and loaded by front-end loader into trucks for transport to the smelter customers.

Tailings handling

The tailings are firstly transported to the deep cone thickener for concentration, and the underflow is switched through the valve into the filtration system or into the backfill system. The thickener underflow concentration can reach more than 72%.

The filtered tailings are conveyed to the TSF via conveyor and then spread by bulldozer on a bench-by-bench basis. The tailings deposition method is dry stacking and filling (from bottom to top and stacking by bench to form the embankment), with concurrent rolling and compaction to the desired dry density standards. Figure 6-7 shows the concentrate dewatering and tailings handling on site.

Figure 6-7: Concentrate dewatering and tailings handling



Source: SRK site visit in August 2023

Regarding the processing flowsheet, SRK notes the following:

- SRK considers the recovery methods used for GC Mine are appropriate for the ore characteristics, and the flowsheet is mature and feasible.

- The whole plant is built on a hill, making full use of natural topography, and the equipment inside the plant is compact and reasonable.
- The comminution circuit, especially grinding and flotation, performs well for the current 900–950 tpd operation, and is also adequate for a 1,600 tpd throughput level.
- The IPS has been put into production in March 2023, and the waste disposal rate can reach about 13%, which would increase the production rate and reduce the cost of the plant.

6.4.2 Supporting testwork

In order to develop a process flow sheet with appropriate operating parameters as a basis for the industrial scale implementation of lead, zinc, sulfur (and possibly tin) recovery, Hunan Research Institute of Non-Ferrous Metals was commissioned to carry out a laboratory test study for the GC Mine project in 2009.

The testwork including lead flotation condition test, zinc-sulfur flotation condition test, flotation open circuit and closed-circuit test of sulfide ore. In addition, the exploration test of copper and lead separation, gravity process to recover tin from tailings was also carried out. Based on the conditions established for lead, zinc, and pyrite flotation, a full closed-circuit test was conducted, and the test results are shown in Table 6-19.

Table 6-19: Closed circuit flotation test results of GC Mine

Product	Yield (%)	Grade				Recovery (%)			
		Pb (%)	Zn (%)	S (%)	Ag (g/t)	Pb	Zn	S	Ag
Pb Conc	2.63	46.35	9.53		3,009	84.70	7.74		62.80
Zn Conc	5.84	0.92	48.95		268	3.73	88.20		12.40
Pyrite Conc	14.65	0.81	0.41	42.52	190	8.24	1.85	61.30	22.10
Tailings	76.88	0.06	0.09	0.53	4.5	3.38	2.18	4.01	2.74
ROM	100	1.44	3.24	10.16	126	100	100	100	100

Source: Development and Research of the Comprehensive Recovery Test of Lead Zinc Silver Tin Sulfur for the Lead Zinc Ore Dressing in GC Mine Area, 2009

Note: Copper-lead separation not deemed commercially viable

Based on the test report and site visit, SRK notes the following:

- The flotation testwork culminating in the closed-circuit test provided an adequate basis for the flotation process design.
- The new collector NF211403 is used in the lead flotation, which has stronger selectivity and lower dosage, and can reduce the reagent cost of mineral processing .

6.4.3 Process throughput and metallurgical recovery

SRK has analysed and summarised the historical production indexes of GC Mine processing plant from FY2022 to FY2023 based on data obtained during its site visit and the supplied metal balance report. The results are shown in Table 6-20.

Table 6-20: Historical Production Index of GC Mine Processing Plant

Items	Unit	FY2022	FY2023	Average
ROM				
Ore Milled	t	318,042	299,597	
Feed Grade (Pb)	%	1.53	1.32	1.42
Feed Grade (Zn)	%	3.19	2.75	2.97
Feed Grade (Ag)	g/t	74.72	75.20	74.96
Pb Concentrate				
Pb Conc Output	t	9,655	7,797	
Pb Conc Yield	%	3.04	2.60	2.82
Pb Grade	%	44.86	45.46	45.16
Ag Grade	g/t	1,437	1,728	1,582.66
Pb Recovery	%	89.20	89.83	89.51
Ag Recovery	%	58.39	59.81	59.10
Pb metal Output	t	4,331	3,544	
Ag metal Output in Pb conc	kg	13,875	13,476	
Zn Concentrate				
Zn Conc Output	t	20,028	16,726	
Zn ConcYield	%	6.30	5.58	5.94
Zn Grade	%	45.40	44.24	44.82
Ag Grade	g/t	301	297	299.05
Zn Recovery	%	89.61	89.93	89.77
Ag Recovery	%	25.39	22.04	23.71
Zn metal Output	t	9,092	7,399	
Ag metal Output in Zn conc	kg	6,034	4,965	
Total Ag Recovery	%	83.78	81.85	82.81
S Concentrate				
S Conc Output	t	9,296	13,230	
S Conc Yield	%	2.92	4.42	3.67
Tailings				
Tailings Output	t	279,063	261,843	
Tailings Yield	%	87.74	87.40	87.57

Source: Metal balance report

Note: Note: FY2022 stands for April 2021 to March 2022, and so on.

Based on the index results above, from FY2022 to FY2023, the ROM milled capacity is close to 300 kpa but did not reach the design capacity of 330 kpa. In addition, the ROM grade of lead and zinc began to decline in FY2022, with lead falling from 1.53% to 1.32% and zinc from 3.19% to 2.75%.

For lead concentrate, the lead recovery has consistently exceeded the closed-circuit test result of 84.7%, averaging 89.51%. The lead grade ranges from 44.86% to 45.46%, averaging 45.16%.

For zinc concentrate, the recovery rate remained above 89%, averaging 89.77%, exceeding the closed-circuit test performance of 88.2%. The zinc grade ranges from 44.24% to 45.40%, with an average of 44.82%.

Silver recovery has consistently exceeded the closed-circuit value of 75.2%, averaging 82.81%, of which more than 70% are enriched in lead concentrate.

In the operation, SRK noted that some small amounts of tin concentrate and sulfur have also been produced but that these quantities have not been significant enough to be material to mine economics.

Based on the analysis of the above production indicators and the historical production indexes in *NI 43-101 Technical Report, 2021 Update*, the recovery indicators of each product as modified by SRK are shown in Table 6-21. In addition, the ROM processing capacity should be coordinated with the mining production schedule and is not supposed to exceed the design capacity of 330 tpa.

Table 6-21: SRK recommendations on the product recovery

Item	Model	SRK recommendations	Comments
Ag Recovery	85.38	82.81	The average recovery rate for the last two fiscal years was 82.81%, and the highest recovery rate since production began in FY2015 was 83.78%, while the lowest value is 75.63%. Therefore, it is suggested to take the average recovery rate of the last two fiscal years as the index in the financial model, which is 82.81%.
Pb Recovery	88.92	Accepted base case	Base case is supported by operational performance, and is closely to the historical indexes of recent two fiscal years.
Zn Recovery	89.52	Accepted base case	Base case is supported by operational performance, and is closely to the historical indexes of recent two fiscal years.

6.4.4 Processing operating and capital costs

Operating costs

Silvercorp has provided SRK with actual quarterly operating costs from Q1 F2023 (April to June 2022) to Q1 F2024 (April to June 2023), in the categories of mining costs (including capitalised costs), milling costs and general administration costs for the whole project. SRK has summarised the milling costs and listed them as the average of FY2023 and Q1 FY2024.

Table 6-22: Milling costs of GC mine

Item	FY2023	Q1 FY2024
Ore Milled (t)	299,597.00	86,285.76
Water and electricity (RMB/t)	28.96	33.19
Milling materials (RMB/t)	37.94	46.46
Mill administration costs (RMB/t)	6.13	2.25
Mill labour costs (RMB/t)	42.99	30.56
Total Unit Milling costs (RMB/t)	116.02	112.46

Sources: Provided by Silvercorp

Capital costs

Silvercorp has provided SRK with the previously invested CAPEX summarised in different categories. Table 6-23 and Table 6-24 provides details of the original costs, cumulative amortisation, and net book value (in US dollars) of the CAPEX for GC Mine, as on 31 December 2022, and 30 June 2023, respectively. The depreciation/amortisation period is also given for each item.

Table 6-23: Previous CAPEX into GC Mine as on 31 December 2022 (US\$)

As on 31 December 2022			
Item	Costs	Cumulative Amortisation	Net book value
Building – 20 years	232,703,390.40	93,890,703.78	138,812,686.62
Underground construction – 20 Years	102,290,811.85	41,319,773.17	60,971,038.68
Production Machinery – 10 Years	63,339,242.62	37,530,730.43	25,808,512.19
Electric Machinery – 10 Years	11,691,253.79	8,767,100.47	2,924,153.32
Tools and small equipment – 5 Years	1,902,669.32	1,212,723.42	689,945.90
Vehicle – 5 Years	7,567,168.05	5,522,946.49	2,044,221.56
Computer and other electronic equipment – 5 Years	2,286,442.98	1,999,893.76	286,549.22
Office furniture and equipment – 5 Years	1,604,247.89	1,302,499.55	301,748.34
Construction in Progress	2,899,229.22		2,899,229.22
Intangible assets – Land use rights (50 Years)	30,269,677.70	5,902,471.75	24,367,205.95
Intangible assets – software (5 Years)	1,604,317.07	643,656.01	960,661.06
Mineral rights and properties	195,422,265.12	138,774,235.62	56,648,029.50
Guangdong Total	653,580,716.01	336,866,734.45	316,713,981.56

Sources: Provided by Silvercorp

Table 6-24: Previous CAPEX into GC Mine as at 30 June 2023 (US\$)

As on 30 June 2023			
Item	Costs	Cumulative Amortisation	Net book value
Building – 20 years	235,309,962.38	100,483,576.43	134,826,385.95
Underground construction – 20 Years	102,290,811.85	44,301,142.26	57,989,669.59
Production Machinery – 10 Years	62,980,621.22	40,162,843.93	22,817,777.29
Electric Machinery – 10 Years	11,716,935.59	9,094,443.49	2,622,492.10
Tools and small equipment – 5 Years	1,932,423.12	1,357,569.04	574,854.08
Vehicle – 5 Years	7,307,726.30	5,597,931.15	1,709,795.15
Computer and other electronic equipment – 5 Years	2,245,300.80	2,000,664.25	244,636.55
Office furniture and equipment – 5 Years	1,580,206.75	1,337,835.65	242,371.10
Construction in Progress	1,007,273.81		1,007,273.81
Intangible assets – Land use rights (50 Years)	30,269,677.70	6,255,619.65	24,014,058.05
Intangible assets – software (5 Years)	1,420,727.33	542,942.04	877,785.29
Mineral rights and properties	202,406,596.29	151,820,683.98	50,585,912.31
Guangdong Total	660,468,263.14	362,955,251.87	297,513,011.27

Sources: Provided by Silvercorp

6.5 Environment and Social

6.5.1 Permitting

According to the requirements of relevant laws and regulations of China, a series of environmental protection related licences and permits should be obtained during the operation of mines, such as safety production permit, water use permit and site discharge permit.

Safety Production Permit

The safety production permits for the GC Mine are presented in Table 6-25.

Table 6-25: Details of the safety production permits for the GC Mine

Areas	GC Mine
Safety Production Permit No.	[2023] Wb012 II2
Issued To	Guangdong Found Mining Ltd (GC Mine)
Issued By	Guangdong Province Emergency Management Bureau
Licensed Activity	Lead-zinc-silver Mine Underground Mining
Issue Date	31 August 2023
Expiry Date	30 August 2026
Areas	GC Mine TSF
Safety Production Permit No.	[2023] Wc013 II2
Issued To	Guangdong Found Mining Ltd (GC Mine TSF)
Issued By	Guangdong Province Emergency Management Bureau
Licensed Activity	TSF Operation
Issue Date	31 August 2023
Expiry Date	30 August 2026

Sources: Provided by Silvercorp

SRK considers that the above safety production permits cover the entire mine site and TSF of the GC Mine.

Water Use Permit

The water use permit for the GC Mine is presented in Table 6-26.

Table 6-26: Details of the water use permit for the GC Mine

Water Use Permit No.	D445303S2022-0007
Issued To	Guangdong Found Mining Ltd
Issued By	Yunfu City Yun'an District Agriculture, Rural and Water Resources Bureau
Issue Date	15 March 2022
Expiry Date	14 March 2027
Water Supply Source	Surface water
Water Use Allocation	200,000m ³ /year

Sources: Provided by Silvercorp

Site Discharge Permit

GC Mine has registered the discharge of fixed pollution sources on 31 August 2020. The registration number is 91445300680642284X002Y. Registration is valid until 30 August 2025. The permissible discharge of waste includes waste oil, fugitive dust and treated mine water.

6.5.2 Environmental Impact Assessment

In accordance with Chinese legislation, the Project was previously subjected to a comprehensive EIA to assess the environmental impacts of the proposed development on the human and natural environment prior to the commencement of construction and mining operations. The EIA report for the GC Mine was produced by Guangdong Heli Engineering Survey Institute in March 2010. The EIA approval for the GC Mine was issued by Guangdong Province Environmental Protection Bureau on 13 June 2010.

SRK reviewed above EIA report and approval and concluded that the EIA basically cover the main production facilities including mine site, processing plant and TSF. SRK considers that the GC Mine prepared the EIA report in accordance with relevant Chinese legal requirements and obtained corresponding government approval.

6.5.3 Environmental Considerations

According to the EIA report, the GC Mine is not located within any natural reserves or significant cultural heritage sites. The vegetation in this area belongs to the South Asian tropical monsoon rainforest, also known as evergreen monsoon rainforest and monsoon evergreen broad-leaved forest. Due to the strong interference and destruction of human activities, only some zonal vegetation exists near the TSF in this area, such as Ficus of the mulberry family. Most of plants are secondary vegetation and artificial vegetation. No large wild mammals were seen during the survey, and small passerine birds were occasionally seen in this area. There are no endangered animals and plants in the GC Mine's area.

There are two rivers in and around the GC Mine's area, which are Geshui River and Shenbu River. The potential negative impacts of the GC Mine to surface water and ground water are due to the indiscriminate discharge of untreated production and domestic wastewater. The EIA report states that mine dewatering may cause groundwater table to drop and have negative impacts on agricultural and domestic water sources. SRK recommends that the project implement a sustainable water supply management plan that minimises impacts on natural systems through water management, avoids depletion of aquifers and reduces impacts on water users. At the same time, projects should consult with key stakeholders (i.e. governments and potentially affected communities) to understand any conflicts that may arise from water demand, community dependence on water resources, and/or existing local conservation requirements. The EIA approval requires all the processing wastewater for the GC Mine should be collected and reused for production. According to the GC Mine's introduction, the mine water is treated and partially reused and the processing wastewater is totally reused for production.

GC mine stated that waste rock generated by the mine is mainly given to local villages for poverty alleviation. Most of the tailings are backfilled in the mined out area and rest of the tailings were discharged into the TSF. No geochemical characterisation of waste rocks or acid rock drainage assessment has been sighted as part of this review. However, the EIA report states that toxicity

leaching tests has been conducted on the tailings from the GC Mine. The tailings for the GC Mine are not hazardous waste with leaching toxicity and belong to general industrial solid waste (Class I).

6.5.4 Social Considerations

According to the relevant Chinese environmental legislation, public participation should be involved within the environmental impact assessment. The results of public participation for the GC Mine shows that 95.4% of the respondents supported the construction of the project. Public comments mainly focused on drinking water, water security for agricultural irrigation and the impact of project drainage on agricultural production.

6.5.5 Mine Closure Plan

The Chinese national requirements for mine closure are covered under Article 21 of the Mineral Resources Law of People's Republic of China (2019), the Rules for Implementation of the Mineral Resources Law of the People's Republic of China, the Mine Site Geological Environment Protection Regulations (2019), and the Land Rehabilitation Regulation (2011) issued by the State Council. In summary, these legislative requirements cover the need to conduct land rehabilitation, to prepare a geological environmental protection and reclamation plan, and to submit it for assessment and approval. In addition, a mine geological environment treatment and restoration fund account should be established by the GC Mine. SRK has sighted the geological environmental protection and reclamation plan for the GC Mine which was produced in July 2021.

The total cost of geological environmental protection and reclamation for the GC Mine is RMB7,754,300 which comprise geological environmental protection of RMB2,087,200 and land reclamation of RMB5,667,100 respectively.

Based on SRK's review of the component parts to this estimate, SRK considers this estimate to be reasonable.

7 BYP Mine

7.1 Overview

The Baiyunpu Zinc and Lead Mine (BYP Mine) is owned by Xinshao Yun Xiang Mining Co. Ltd. (Yunxiang Mining), a joint venture company.

In January 2011, Silvercorp, through its wholly-owned subsidiary, Wonder Success Ltd, (Wonder Success), acquired a 70% equity interest in Yunxiang Mining. Silvercorp's JV partner at BYP Mine is Zhixiang Zhu, which holds 30% of interest.

Yunxiang Mining holds the surface land use rights over the mining permit area until 2063, however the latest mining permit which was approved for lead and zinc mining only was last renewed by the Hunan Provincial Department of Land and Resources in April 2013, expiring October 2017. Yunxiang Mining is in the process of applying for a new mining licence for gold, lead and zinc as the main commodities. SRK understand that the land use right provide the first right of refusal for any subsequent mining permit application there should be no impediment to the granting of a new mining permit so long as Yunxiang Mining completes the required mining and environmental studies, as necessary under the Chinese system. It should be noted that the BYP Mine refers to Permits, as per the Hunan Province legislation/regulators, which are the same as licences.

Production at the mine is currently suspended and the mine has been placed on care and maintenance. There are five personnel (on BYP payroll) at site, responsible for underground water pumping discharge, daily status maintenance, permit application business etc.

The BYP Mine is supported by an existing $\pm 182,000$ tpa (500 tpd) processing plant, capable of producing separate flotation concentrates for both lead-zinc and gold mineralised material. Historically, a 50% lead concentrate was produced at an 82% lead recovery, while a 45% zinc concentrate was produced at a 90% zinc recovery, from a feed grade averaging 0.46% Pb and 2.9% Zn. Gold mineralised material, with a feed grade of 3.56 g/t Au, was made into a pyrite concentrate grading 40 g/t gold, with a reported 90% gold recovery.

The JV partners have proposed to upgrade the BYP processing plant to 450,000 tpa, while employing the same flow sheet, which includes a single stage of roughing, two stages of cleaning and two stages of scavenging. Under this upgrade scenario, the planned processing plant capacity is 1,500 tpd and the feed minerals for gold and lead-zinc will be processed within the same processing stream at different times. The supporting infrastructure will be upgraded to accommodate the increased power and water requirements.

7.1.1 Location, access and climate

The BYP Mine is located in Hunan Province (Figure 7-1) in central China, approximately 23 km northwest of Shaoyang city and close to Baiyunpu Village, Jukoupu Township, in Xinshao County (Figure 7-2). A paved provincial highway, S217, runs across the south margin of the BYP Mine area. The BYP mill, underground entrance and TSF are connected to the S217 provincial highway by a 3 km paved road.

Shaoyang City, the major local city with a population of more than half a million and is connected to other major cities in Hunan Province and nationwide by rail and expressways. It takes about 3.5 hours to drive by expressway from Shaoyang to the provincial capital city of Changsha, where an airport with both domestic and international flights is located.

The district of Shaoyang is one of the most densely populated areas in Hunan province, with a history of mining in the province. Skilled labour is available for all levels of mining and related activities.

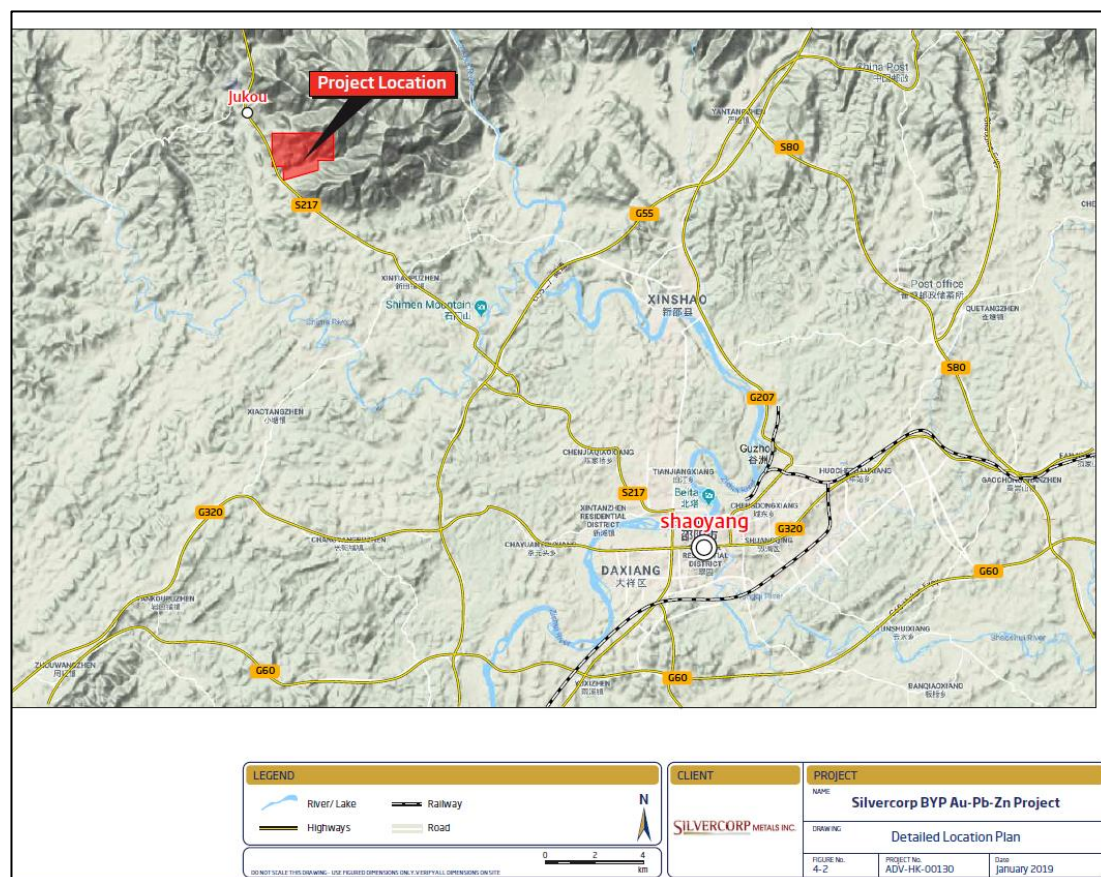
The surface area of the BYP mining licence is 3.6649 km². The bounding geographic coordinates to the mining licence are:

- Easting: 111°17'30" to 111°19'00"
- Northing: 27°21'30" to 27°23'00".

Figure 7-1: BYP general mine location



Source: Silvercorp Metals Inc. NI 43-101 Report dated September 2022.

Figure 7-2: BYP Mine location

Source: Silvercorp Metals Inc. NI 43-101 Report dated September 2022.

The BYP Mine is located at the southwest margin of the north-east trending Dachengshan mountain range. The southwest flank of the range forms the southernmost boundary of the tenure area, with the other three sides being occupied by high hills. This geographic setting gives the landform of the tenure area an 'armchair-like' morphology.

Elevation ranges from 241 m asl in the southwest to 862 m asl in the northeast. The northwest, west and southwestern parts of the tenure are a combination of low mountains and hills that formed as a result of erosion of the incumbent carbonate rocks of the surrounding region.

The climate is subtropical continental and wet, with an annual average temperature of 17.0°C and an average annual precipitation of 1,353 mm. Maximum temperatures range from a recorded maximum of 39.8°C in summer to a minimum of -10.8°C in winter. Despite this wide variation, the climate is suitable for year-round exploration and mining activities.

The high elevation, mountainous area is covered with forest, while most of the low hills have been cleared and developed as farmland. Several streams run through the mine area, with surface streams, existing water wells and recycled water from underground mining operations providing sufficient water (potable and processing) for local use. The currently installed 10 kV power supply at the Project is provided from a 35 kV substation at Xintianpu and a 110 kV substation at Jukoupu, respectively. Both are located at a distance of 11 km from the mine site.

7.1.2 Tenure and land use

The first exploration right for the mine area was approved in April 2003.

In January 2008, Yunxiang Mining was granted a mining permit by converting the current exploration permit. Since that time, the mining permit has been renewed three times with the most recent mining permit (Certificate No. C4300002012063210125603) remaining valid until 8 October 2017. It has subsequently expired.

Yunxiang Mining held a single granted mining permit, Mining Permit C4300002012063210125603, held by Xinshao Yunxiang Mining Co. Ltd. Key information is summarised in Table 7-1.

The mining permit has expired, and Yunxiang Mining has lodged an application for a new permit to allow the extraction, zinc and lead and now also gold at BYP Mine. The proposed mining area is 3.2338 km², with a production capacity of 1,500 tpd (450 ktpa). Yunxiang Mining is waiting for the final approval by National Forestry and Grassland Administration.

Table 7-1: Yunxiang Mining, mining permit

Name of Certificate	PRC Mining Right Permit
Certificate No.	C4300002012063210125603
Mine Right Holder	Xinshao Yunxiang Mining Co. Ltd
Location	Baiyunpu Village, Jukoupu Town, Xinshao County, Hunan Province
Name of Mine	Baiyunpu Lead and Zinc Mine, Xinshao County
Company Type	Limited
Mining Mineral Class	Lead, zinc
Mining Method	Underground mining
ROM production capacity	90 ktpa
Mine Area	3.6649 km ²
Mining Elevation	490 m asl to -220 m asl
Valid Period	8 April 2013 to 8 October 2017
Issue Date	8 April 2013
Issuer	Department of Land and Resources of Hunan Province

Source: Silvercorp Metals Inc.

Mining permit corner points (Xi'an 1980 coordinate system) of the mining permit are as shown below in Table 7-2.

Table 7-2: Mining Permit Gauss coordinates

Point	Northing (mN)	Easting (mE)
1	3030137.60	37528785.96
2	3030143.60	37531258.98
3	3029043.80	37531262.98
4	3029043.79	37530634.98
5	3028643.79	37530634.98
6	3028243.79	37529234.97
7	3028793.79	37529234.97
8	3028793.79	37528788.96

Source: Silvercorp Metals Inc.

Yunxiang Mining has previously acquired the surface rights to the land covered by the mining permit for mining and processing operations. There are four land utilisation permits (numbers 0002234, 0002235, 0002236 and 0002237). The land areas of the permits are 591 m², 15,746 m², 1,208 m², and 10,092 m², respectively. All of the land utilisation permits were granted in September 2017 by Xinshao County Bureau of National Land and Resources. Their validity period extends from January 2013 to January 2063. All the surface land rights pertain to the main projects areas under which the current permit application are located.

In addition, Yunxiang Mining holds the surface land use rights which cover the main mine areas until 2063 precluding other entities from applying for either the surface or sub-surface rights of the mine areas.

BaiRun LLP has provided details dated 1 September 2023 concerning the legal opinion on the Land Use Right Licences held by BYP Mine.

The BYP Mine comprises four Construction Land Use Right Licences (CLURL), which pertain to lawful and valid state-owned Land Use Rights for construction purposes. The term 'Land Use Right for Construction Purpose', refers to permission granted at a provincial-level land and resources management authority to the rights holder, enabling them to lawfully possess, use and derive benefits from land owned by the state. The rights holder is authorised to construct building, structures and their associated facilities on the land.

The CLURL holder is Yunxiang Mining and has need issued by the Ministry of natural resources of Xinshao County on 16 January 2013, and is valid for 50 years to 15 January 2063.

The four CLURL's numbers are:

- D43001037873
- D43001037875
- D43001037876
- D43001037877

Yunxiang Mining also hold a Forest Land Examination and Approval Certificate, number Xiang Forestland Permit No. 2011-1548, issued by the Forestry Department of Hunan province. This allows Yunxiang Mining to utilise forested land for mineral exploration, mining and various other types of construction projects subject to payment of forest land occupation compensation fees.

Yunxiang Mining has paid all applicable taxes, fees royalties to national and local governments as at the date of the BaiRun LLP opinion (1 September 2023).

7.1.3 Agreements, contracts and taxes

As the BYP Mine is not currently operating, there are no material agreements nor contracts in place.

The BYP Mine is not subject to royalty payments, nor taxes.

7.1.4 Project history

Exploration history

The BYP lead-zinc mineralisation was first discovered in 1977 by 468 Team of Hunan Provincial Geological Bureau. Proximal gold mineralisation was subsequently discovered in 1980 by the Geology Investigation Institute of the Hunan Provincial Geology Bureau.

Historically, various exploration stages were carried out at BYP as outlined below:

- **1971–77:** General exploration was carried out by 468 Team of Hunan Provincial Geological Bureau, including development of 217.4 m of adits, 201.35 m of shallow shafts, 2,700 m³ of trenching, 84 drill holes for 31,032.58 m and other miscellaneous sample collection and testing activities.
- **1980:** Gold mineralisation was discovered in Dachengshan area by the Geology Investigation Institute of Hunan Provincial Geology Bureau.
- **1990–92:** Prospecting for gold was completed by 418 Team of Hunan Provincial Geology and Mineral Bureau, with 21 holes drilled in the Baiyunchong portion for a total length of 5,121 m. Four mineralised zones (Zones V, VI, VII and XII) were discovered and further explored during this stage.
- **2003–05:** Yunxiang Mining Company (previously Tianxiang Mining Company) took channel samples, with a total length of 1,290 m, carried out special hydrogeological investigations within an 8 km² area, and conducted small-scale processing test work.
- **2006:** The 418 Team of Hunan Provincial Geology and Mineral Bureau prepared "Hunan Province Xinshao County – Baiyunpu Lead-Zinc Mine General Geological Exploration Report " in October 2006, which was approved and filed by the Hunan Provincial Land and Resources Department.
- **2011–14:** General exploration for gold was completed by Yunxiang Mining. The 418 Team of Hunan Provincial Geology and Mineral Bureau verified all exploration works and compiled the 2013 general exploration report. Exploration activities mainly included 65 surface and underground holes with total of 13,517.13 m, and 146 groups of underground channel samples for 4,556.51 m. Two holes drilled in 2014 were not included in the 2013 general exploration report.
- **2017:** Resource & Reserve Reconciliation report. The 418 Team of Hunan Provincial Geology and Mineral Bureau carried out geological verification work including tunnel measurements (1,757 m), tunnel logging (643 m) and supplemental core logging (42 m). In addition, 279

samples were collected from twelve holes completed in 2011-2014 following creation of the joint venture enterprise in 2011. The holes were mainly drilled during tunnelling operations for exploration and production, leading to the discoveries of the Zone XIII Pb-Zn, Zone 3-1 and Zone 4 gold mineralised zones.

Mineral Resource Estimation History

In 2012, the resource estimate for the BYP Mine deposit was carried out by Yongwei Li, Resource Geologist for Silvercorp, using Surpac software. ID2 was used for the estimation and variogram analysis was used for determination of search ellipse parameters. All resource was classified as Indicated and Inferred, and are summarised in Table 7-3 and Table 7-4, for gold and lead/zinc respectively.

Table 7-3: Mineral Resources for gold zones as of December 2011

Category	Cut Off Grade (g/t)	Tonnes (Mt)	Gold grade (g/t)	Contained gold (koz)
Indicated	1.0	3.51	2.59	292
Inferred	1.0	2.47	1.84	146

Source: Silvercorp Metals Inc.

Table 7-4: Mineral Resources for lead and zinc zones as of December 2011

Category	Cut Off Grade (%)	Tonnes (Mt)	Lead grade (g/t)	Zinc grade (g/t)	Contained lead (Mlb)	Contained zinc (Mlb)
Indicated	2.0 Pb+Zn	7.33	1.16	2.52	187	408
Inferred	2.0 Pb+Zn	7.55	0.85	2.75	141	457

Source: Silvercorp Metals Inc.

Mining History

The BYP mine was approved in 2006 for production of lead-zinc at an annual rate of 90,000 tpa within a mining area covering 3.6649 km² extending from 490 m asl to 220 m below sea level. The selected mining method is underground mining using drift-adit development and haulage and shrinkage stoping based on an assumed 85% mining recovery rate and 10% loss/dilution. Lead and zinc production commenced in 2006 but was suspended in July 2011 due to prevailing low metal prices.

In August 2010, gold pilot mining began between exploration lines 16–22, where gold mineralised zones had been discovered during the initial prospecting stage through drilling and tunnelling operations. Gold mineralised zones are presently accessed on four levels at 261 m, 252 m, 232 m, and 200 m. Pilot-scale production was carried out on the 261 m and 252 m levels using backfilled shrinkage stoping with nominal dimensions of 8 m height and 4 m width. Gold production was suspended in June 2014 due to prevailing low metal prices.

Mine access is currently achieved through three adits: No. 1 Main Adit, No. 1 Auxiliary Adit, No. 2 Adit (previously No. 3 Adit), and the ventilation shaft. The original No. 2 Adit was subsequently abandoned due to an influx of mud and water.

Total mine production from BYP encompassing the period from commencement to suspension comprised 307,000 t of lead-zinc resource yielding 1,403 t of lead and 8,936 t of zinc at recovered grades of 0.46% Pb and 2.9% Zn (2006 to 2011), plus 221,000 t of gold resource yielding 788 kg of gold at a recovered grade of 3.56 g/t Au.

The typical daily metallurgy and production is summarised in Table 7-5.

Table 7-5: Historical Metallurgy and Production (2011)

Process Stream	Production (tpd)	Grade			Metal recovery (%)		
		Pb (%)	Zn (%)	Au (g/t)	Pb	Zn	Au
Feed	420	0.5	2.5	3.6	100	100	100
Lead Concentrate	3.57	50			82		
Zinc Concentrate	21.46		45			90	
Gold-bearing Pyrite Concentrate	34.02			40			90
Tailings	360.95						

Source: Silvercorp Metals Inc.

Production from the mine has been suspended from July 2014 to the present. Underground workings at the 232 m and 200 m levels in the gold mineralised zones are currently flooded.

7.2 Geology and Resources

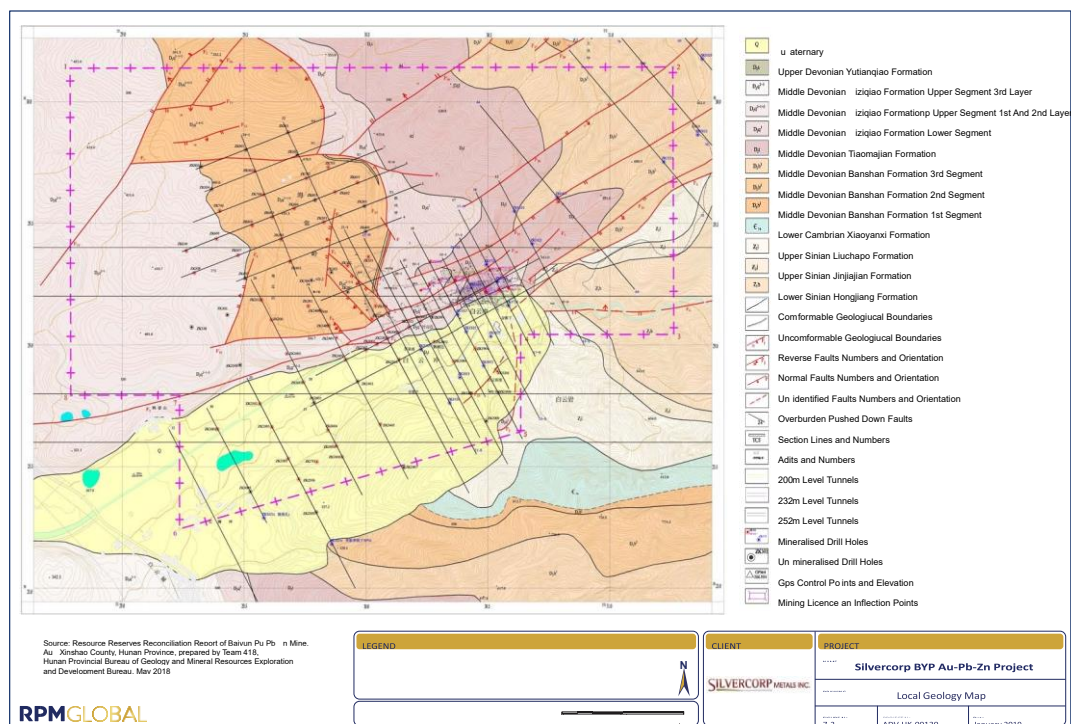
7.2.1 Regional setting and local mineralisation

BYP Mine is located on the southwest plunging end of the Dachengshan anticlinorium (dome structure). The Dachengshan anticlinorium is about 8.5 km wide and 30 km long with a northeast (NE30°) axial trend. Lead-zinc polymetallic mineralisation occurs mainly at the southern and northern flanks of the Dachengshan anticlinorium. The principal structures within the mine include a northeast-trending secondary fold structure and three sets of post-folding faults which include mostly normal faults and minor reverse faults.

The stratigraphy on the mine includes Quaternary cover, Devonian metamorphic and sedimentary rocks, Cambrian and Sinian. The local geology map of BYP Mine is shown in Figure 7-3.

- Tiaomajian Formation: a fine-grained clastic sedimentary sequence including quartz sandstone, siltstone, and mudstone with a total thickness of around 200 m. forms the major host rock for gold mineralisation on the mine.
- Qiziqiao Formation: composed of lower, dark-grey marl, calcareous shale and bio-lithite and upper, thick-bedded massive bio-lithite, dolomite, and limestone with a total thickness of around 1,000 m. Lead-zinc mineralisation in the mine mainly occurs in the middle section of this sequence.

Figure 7-3: Local geology map of BYP Mine



Source: NI 43-101 Report dated September 2022.

Metamorphism in the mine area is largely developed in the Precambrian (Sinian) units exposed in the northeastern part of the mine. Hydrothermal alteration is obvious in the country rock enclosing the mineralisation, consisting of pyritisation, dolomitisation, silicification, and bleaching. Alteration intensity increases proximal to the mineralisation, with lead-zinc zones exhibiting mainly dolomitisation, and gold zones exhibiting mainly silicification, pyritisation, and bleaching.

Based on the current understanding of the geology, the lead-zinc mineralisation is classified as a carbonate-hosted Mississippi Valley Type (MVT) deposit containing minor silver and cadmium. The gold mineralisation is classified as a Carlin Style fine grained disseminated gold deposit with both stratigraphic and structural controls, and with mercury, arsenic, and antimony as the main indicator elements. A total of 30 major individual lead-zinc mineralised domains and 11 gold mineralised domains have been recognised.

7.2.2 Data collection

Historically, a series of exploration stages were carried out from 1971 to 2014. The exploration work is summarised in Table 7-6.

Table 7-6: Historical exploration work summary

Period	Company	Exploration works
1971–77	468 Team of Hunan Provincial Geological Bureau	2,700 m ³ of trench sampling, 201.35 m of shallow, shaft sampling and 217.4 m of channel sampling, 84 drill holes of 31,032.58 m
1990–92	418 Team of Hunan Provincial Geology and Mineral Bureau	6,200 m ³ of trench sampling, 286.1 m of channel sampling, 21 drill holes of 5,120.62 m
2003–06	Yunxiang Mining company	1,290 m of channel sampling
2006–08	Yunxiang Mining company	4,114.53 m of channel sampling
2011–14	Yunxiang Mining company	4,546.51 m of channel sampling at different elevations ranging from 150 m to 336 m, 64 drill holes of 13,334.92 m

Source: Silvercorp Metals Inc.

For the 1971–77 and 1990–92 exploration stages, all samples were taken from trench, test pits and drill cores.

For the 2011–14 exploration stage, locations of channel samples were selected and marked by the geologist across the exposed mineralisation zone along the drift and cross-cut tunnels. Under the supervision of Silvercorp's project geologist, samplers cut a 5 cm wide and 3 cm deep channel across the mineralisation zone with an electric cutter, and then excavated material within the channel with a hammer and chisel.

The overall average core recoveries were more than 85%. The core was then cut into two halves with a diamond rock saw.

There are total of 104 density samples, including 24 samples from the gold mineralisation domain, 50 samples from the lead and zinc mineralisation domains and 30 samples from the wall rock domain. As the total number of density samples taken from the gold deposit is insufficient for any correlation analysis and geostatistical estimation for density assignment, Average values were considered for the density assignment during the resource estimation update process for gold deposit, and few low-density samples were identified which were considered to be mixtures of mineralised samples and wall rock samples which were excluded when determining average values. For the lead and zinc deposit, assay results of Pb + Zn and density values were used for regression analysis. The density summary is shown below in Table 7-7.

Table 7-7: Bulk Density Summary

Domain	Density samples	Density (g/cm ³)
Gold	24	2.8
Lead+Zinc	50	(Lead+Zinc)*0.026 + 2.899
Waste	30	2.9

Source: Silvercorp Metals Inc.

Silvercorp carried out a standard program of QA/QC for drilling since 2011 at the BYP Mine. Generally the QA/QC data suggest a slight bias for high gold standards, potentially as a result of approaching the method over-limit range. Considering the high accuracy and repeatability of CRMs, internal and external check samples, field duplicate samples and the limited apparent bias, these are not considered by RPM to be material, and all categories of QA/QC results support the assay data used in the Mineral Resource estimate.

The BYP Mine database for Mineral Resource estimation contains the records for 163 diamond drill holes (DH) for 48,627 m of drilling, 22 trenches (TC) for 1,082 m and 383 channel samples (CS) of 4,959 m. A summary of the drill hole database is shown in Table 7-8.

Table 7-8: Summary of database of BYP Mine in the Mineral Resource Estimate

Year	Exploration type	In Database		In 2018 Mineral Resource (Gold)		In 2018 Mineral Resource (Lead+Zinc)	
		Number	Meters	Number	Intersection Meters	Number	Intersection Meters
1972–77	DH	80	30,724	8	85	54	1,461
1990–92	TC	22	1,082	1	4	5	62
	DH	7	1,858	8	151	2	35
2011–14	CS	383	4,959	114	3,026	24	243
	DH	64	13,335	53	2,022	17	1,314
Total	TC	22	1,082	1	4	5	62
	CS	383	4,959	114	3025.82	24	243
	DH	151	45,917	69	2258.19	73	2,810

Source: Silvercorp Metals Inc.

Note:

¹ All drill holes from the 1972–77 and 1990–92 exploration stages are surface holes, and 19 surface holes and 45 underground holes were drilled during the 2011–14 exploration stage.

7.2.3 Mineral Resource Estimation

The latest Mineral Resource estimation was completed by RPM in 2019, based on the data collected by Silvercorp as at 30 November 2018. The Mineral Resource estimate and underlying data complies with the guidelines provided in the CIM Definition Standards under NI 43-101.

RPM used a 1.6 g/t Au cut-off grade for the gold area, 3% Pb Eq cut-off grade for lead and zinc area and overlap area for reporting based on mining and processing cost parameters for the Project. The result is shown in Table 7-9.

Table 7-9: BYP Mine Mineral Resource Estimate as at 30 November 2018

Area	Classification	Au Mineral Resource Quantity (Mt)	Au (g/t)		Au (koz)		
Gold area	Measured	2.8	3.0		269		
	Indicated	1.5	3.1		149		
	Mea + Ind	4.3	3.1		418		
	Inferred	1.3	2.5		109		

Area	Classification	Pb and Zn Mineral Resource						
		Quantity (Mt)	Pb (%)	Zn (%)	Au (g/t)	Pb Metal (kt)	Zn Metal (kt)	Au Metal (koz)
Lead and Zinc area	Indicated	4.0	0.7	2.3		28	89	
	Inferred	6.1	1.4	3.1		83	187	
Overlap area	Indicated	0.12	1.2	1.7	0.8	2	2	3
	Inferred	0.03	2.7	3.5	1.0	1	1	1

Sources: RPM Global, BAIYUNPU GOLD-LEAD-ZINC PROJECT Hunan Province, China, National Instrument 43-101 Mineral Resource Technical Report, Reported on 30 April, 2019

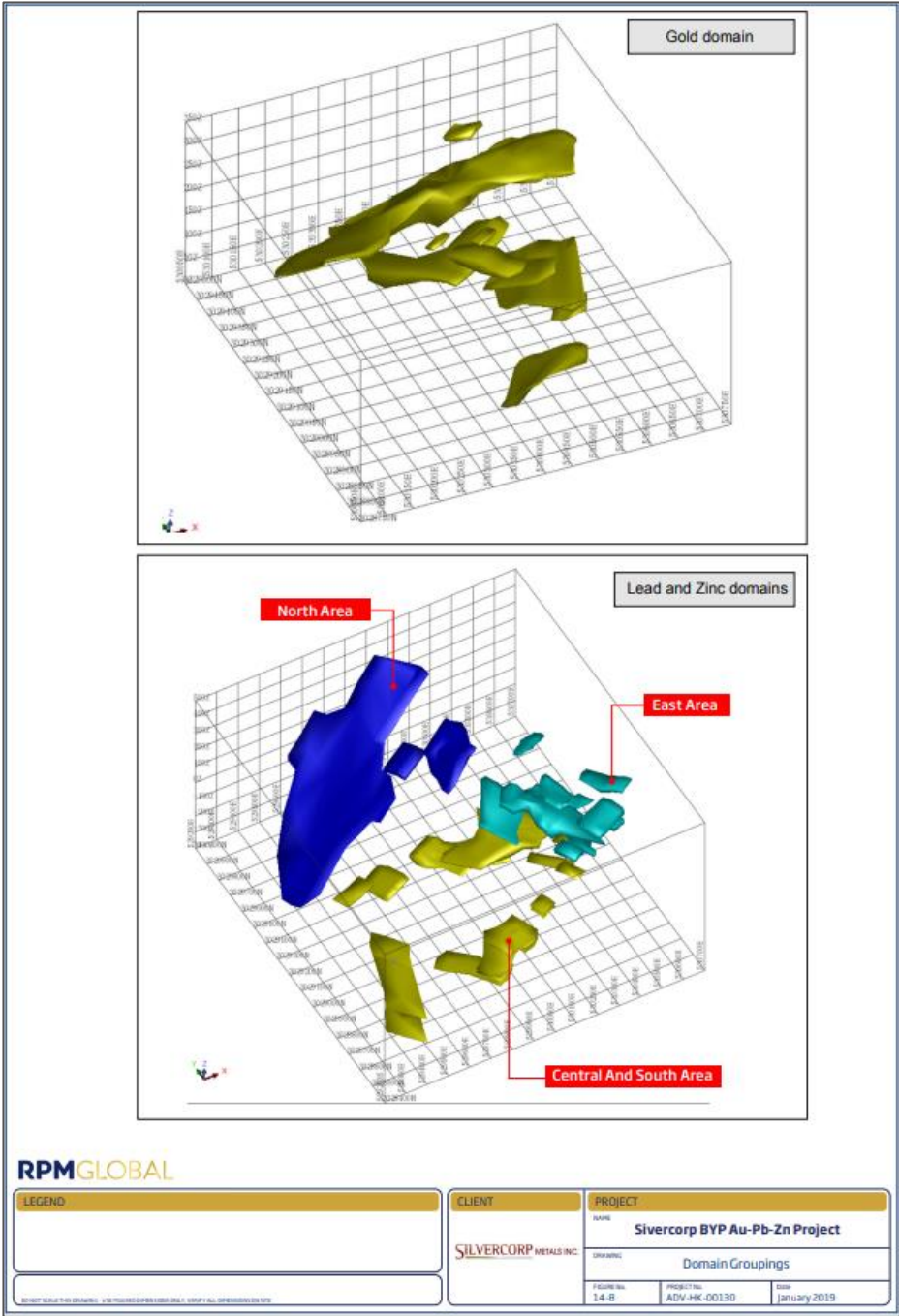
RPM uses a nominal 0.5 g/t Au cut-off grade value for gold mineralisation and a 1% Pb equivalent cut-off grade value for lead and zinc mineralisation. Domain boundaries were digitised

on cross sections and manually triangulated to form solid by Geovia Surpac v6.7.4 mining software.

A total of 11 separate solids were constructed for gold mineralisation and a total of 31 separate solids were constructed and grouped into three zones for lead-zinc mineralisation (Figure 7-4). The mineralisation solid were treated as hard boundaries for grade estimation zones.

One lead-zinc depleted model and sixty-three gold depleted models were provided by Silvercorp. RPM validated all models and combined these models as one depleted model for gold mineralisation and one model for lead-zinc mineralisation respectively.

Figure 7-4: 3D view of mineralisation domains of BYP Mine



Sources: RPM Global, BAIYUNPU GOLD-LEAD-ZINC PROJECT Hunan Province, China, National Instrument 43-101 Mineral Resource Technical Report, Reported on 30 April 2019

The Mineral Resource estimation description for BYP Mine is presented in Table 7-10.

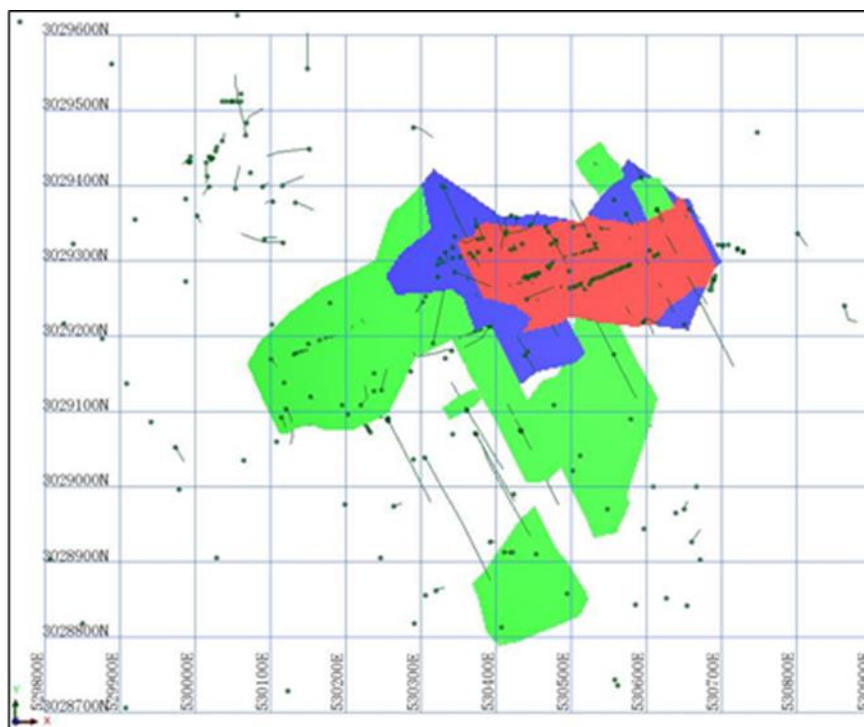
Table 7-10: Key parameters of the Mineral Resources estimate (BYP Mine)

Item	Description
Software	Mi Geovia Surpac v6.7.4
Drillhole database	163 diamond drill holes (DH) for 48,627 m of drilling, 22 trenches (TC) for 1,082 m, 383 channel samples (CS) of 4,959 m
Cut-off grade	Mineral Resources are reported at a 1.6 g/t Au cut-off and 3% Pb equivalent cut-off. Cut-off parameters were selected based on an RPM internal cut-off calculator in which the gold price of US\$1,490/oz, lead price of US\$2,280/t and zinc price of US\$2,760/t, inflated to 120% of prices from 'Energy & Metals Consensus Forecasts', to reflect long-term price movements were applied, and the mining cost of US\$35/t, processing cost of US\$13.3/t milled and processing recovery of 87.41% Au, 85.87% Pb and 92.71% Zn based on 2018 BYP development and utilisation plan report were applied. Based on grades and contained metal for Au, Pb and Zn, it is assumed that all commodities have reasonable potential to be economically extractable. ■ The formulas used for equivalent grade is: $PbEq = Pb + Zn \times 1.3069 + Au \times 2.1386$ ■ The formula used for Au ounces is: $Au\ Oz = [Tonnage \times Au\ grade\ (g/t)] / 31.1035$.
Density	Gold Domain: 2.8 Lead+Zinc Domain, Density= (Lead+Zinc)*0.026 + 2.899. Waste blocks: 2.9
Number of veins	11 gold veins 31 lead-zinc veins
Composite length	The raw sample length ranges from less than 0.1 m to 5 m. The majority of sample lengths within the mineralisation were 2 m which was selected as the composite length, and minimum length of 50% was used due to the numerous very narrow intersections.
Block size	parent: 20 m NS by 20 m EW by 8 m vertical sub-cells of 2.5 m by 2.5 m by 1 m
Grade capping	The top cuts is considered for linear grade interpolation. Top cuts were determined for all main gold and lead-zinc zones using the shape of distribution on the log probability plots and population histograms, and determining the spatial location of the samples subject to high grade cuts. Top-cuts were not applied for domains with insufficient samples. High grade top cuts were then applied for estimation of each domain. Capping summary is shown below: ■ Gold Area: 16 g/t ■ Lead- Zinc Area--Domain 2 :Pb (%) : 6 Zn (%) : 9 ■ Lead- Zinc Area--Domain 3 :Pb (%) : 4 Zn (%) : 6 ■ Lead- Zinc Area--Domain 6 :Pb (%) : 2 Zn (%) : 6.5
Grade interpolation	Ordinary Kriging ("OK") An orientated search ellipse with an 'ellipsoid' search was used to select data for interpolation. Each ellipse was oriented based on kriging parameters and were consistent with the interpreted geology. Variogram parameters of the main lodes were applied to the associated adjacent lodes. Three passes were used to estimate the three elements (Au, Pb and Zn) into the block model.
Search volume	Au: ■ pass 1: 50 m radius sphere. ■ pass 2: 100 m radius sphere. ■ pass 3: 400 m radius sphere. Pb and Zn: ■ pass 1: 100 m radius sphere. ■ pass 2: 200 m radius sphere. ■ pass 3: 800 m radius sphere.
Number of composites	Au: minimum: 6 for pass 1, 4 for pass 2 and 2 for pass 3. maximum: 40 for all three passes Pb and Zn: minimum: 6 for pass 1, 4 for pass 2 and 2 for pass 3. maximum: 40 for all three passes
Mining depletion and write-offs	as of 30 November 2018

Item	Description
Mineral Resource classification	In the gold areas: ■ Measured Mineral Resource was confined to the main deposit within gold areas of closely spaced diamond drilling of less than 25 m by 25 m and where underground development was constructed, ■ Indicated Mineral Resource was confined to the main deposit within gold areas of closely spaced diamond drilling of less than 50 m by 50 m, and where the continuity and predictability of the lode positions was good. The spacing was deemed appropriate for the application of Measured and Indicated Mineral Resource after considering the mineralisation and grade continuity, the relatively low to moderate nugget effect, low coefficient of variance statistics and variogram ranges of approximately 50–100 m for Au analysis results. ■ Inferred Mineral Resource was assigned to areas of the deposit where drill hole spacing was greater than 100 m by 100 m for gold domains, where small, isolated pods of mineralisation occur outside the main mineralised zones, and to geologically complex zones. For lead-zinc areas. ■ Indicated Mineral Resource was confined to the main deposit within gold areas of closely spaced diamond drilling of less than 100 m by 100 m, and where the mineralisation was intersected with underground developments or depleted areas. ■ All the other areas with spacing more than 100 m by 100 m, or small isolated pods were defined as Inferred Resource. Figure 7-5 and Figure 7-6 show examples for gold areas and lead-zinc areas.

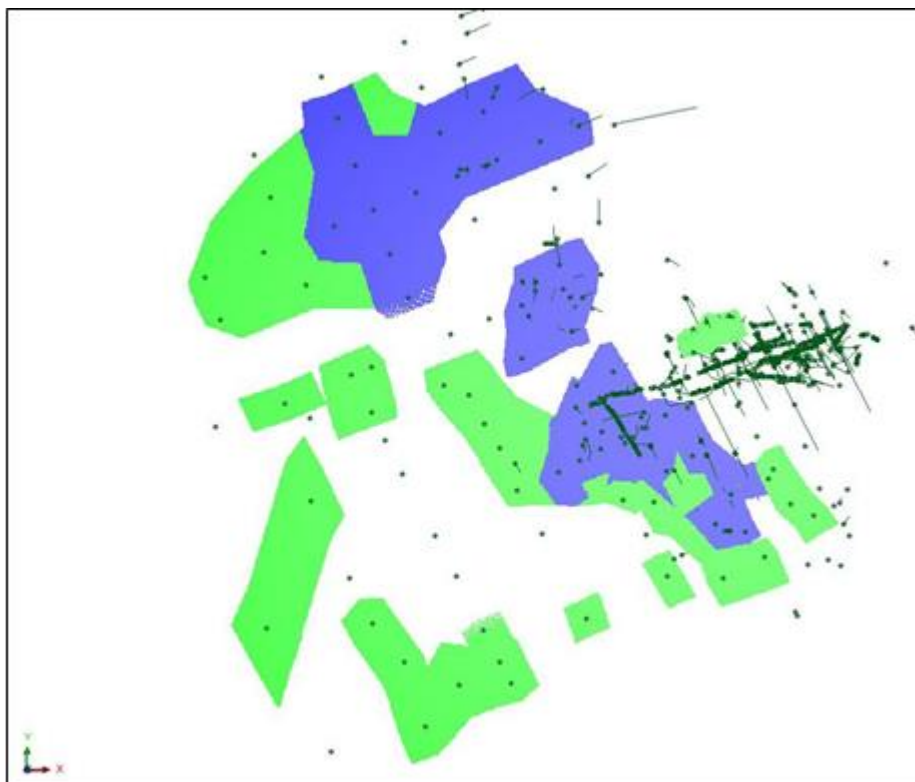
Sources: RPM Global, BAIYUNPU GOLD-LEAD-ZINC PROJECT Hunan Province, China, National Instrument 43-101 Mineral Resource Technical Report, Reported on 30 April, 2019

Figure 7-5: Mineral Resource classification of gold deposit



Sources: RPM Global, BAIYUNPU GOLD-LEAD-ZINC PROJECT Hunan Province, China, National Instrument 43-101 Mineral Resource Technical Report, Reported on 30 April, 2019

Figure 7-6: Mineral Resource classification of lead-zinc deposit



Sources: RPM Global, BAIYUNPU GOLD-LEAD-ZINC PROJECT Hunan Province, China, National Instrument 43-101 Mineral Resource Technical Report, Reported on 30 April, 2019

After its review of the 2019 BYP Technical Report and the block models, SRK notes the following:

- This number of mineralised density measurements is at the lower end of the range for being a statistically significant number of samples to determine a density regression equation.

7.2.4 Risks and opportunities

Risks

BYP Mine exhibits a moderate structural complexity, therefore there is potential for tonnage and overall geometry variations between modelled and actual mineralisation.

The sampling density distribution is not consistent. Some mineralisation areas are represented by an abundance of exploration data whereas a few areas need more exploration works for accurate geological interpretation.

A total of 104 density measurements were obtained from core drilled at the project. This number of mineralised density measurements is at the lower end of the range for being a statistically significant number of samples to determine a density regression equation.

The mining licence has expired, and the BYP Mine is conducting activities to apply for a new mining licence.

Opportunities

There is potential for additional underground exploration to discover concealed mineralisation.

There is an opportunity to increase the level of confidence in the Inferred Mineral Resource with closer spaced extensional and infill drilling within the main mineralised zones.

7.2.5 Prospectivity

There is good potential to expand the currently defined resource with further drilling. Mineralisation is open along strike and dip directions for both gold and lead-zinc mineralisation. Extensional drilling of the main zones may delineate continuations of the known mineralisation.

7.2.6 SRK comments

SRK has reviewed the report, database, the grade estimate method, parameters and procedure. SRK offers the following conclusions:

- The overall Mineral Resource estimation process and output were reasonable.
- SRK was able to regenerate the Mineral Resource base using the block model provided by Silvercorp, and produced the same result as the 2019 BYP Technical Report.
- There is potential to expand the defined Mineral Resource potential at depth.
- The mining licence has expired, and the BYP Mine is conducting activities to apply for a new mining licence, which will include gold. SRK has been advised there is natural preservation zone within the mining rights, and will be deducted from the mining licence area, potentially leading to a reduction in the stated Mineral Resources.

7.3 Mining and Ore Reserves

Currently BYP Mine is not operational as mining has been suspended.

7.4 Metallurgical testwork and Process design

Currently there are no processing operations at BYP as mining has been suspended.

7.5 Environment and Social

7.5.1 Permitting

According to the requirements of relevant laws and regulations of China, a series of environmental protection related licences and permits should be obtained during the operation of mines, such as safety production permit, water use permit and site discharge permit.

The safety production permit for the BYP Mine is presented in the Table 7-11.

Table 7-11: Details of the safety production permit for the BYP Mine

Areas	BYP Mine
Safety Production Permit No.	[2021] E070y1b
Issued To	Xinshao County Yunxiang Mining Ltd
Issued By	Shaoyang City Emergency Management Bureau
Licensed Activity	Lead-zinc-gold Mine Tailings Storage
Issue Date	21 April 2021
Expiry Date	20 April 2024

Source: Silvercorp Metals Inc.

As the BYP Mine is on care and maintenance and a new mining licence is being applied, the safety production permit, water use permit and site discharge permit should be renewed as well.

7.5.2 Environmental management and compliance

In accordance with Chinese legislation the Project will be subjected to a comprehensive EIA to assess the environmental impacts of the proposed development on the human and natural environment prior to the commencement of construction and mining operations. The application for a new mining licence of the BYP Mine is on process and SRK was informed that a new EIA report is under preparation. SRK recommends that a new EIA approval should be obtained before the restart of construction and production for the BYP Mine.

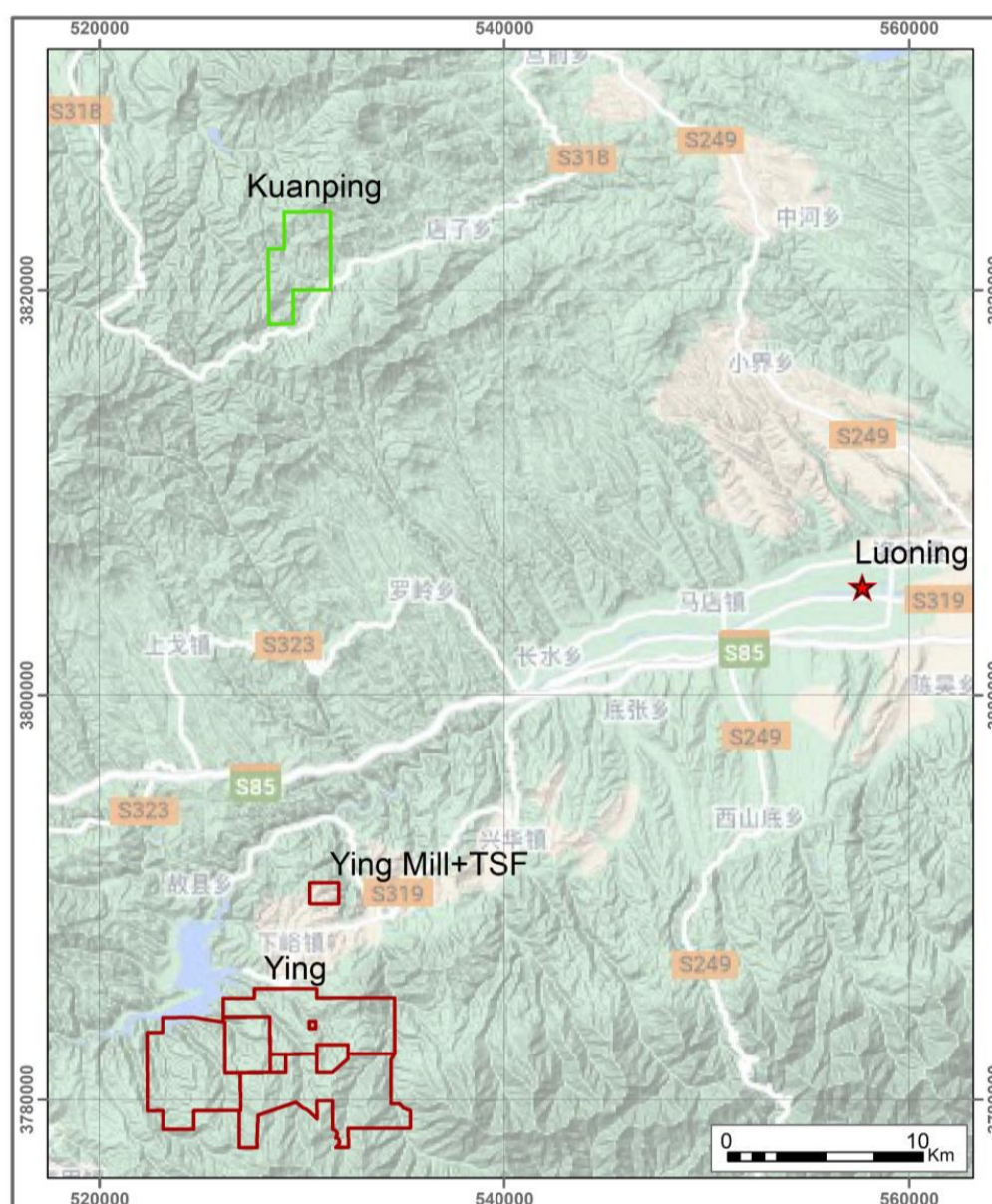
8 Other Mineral Assets

8.1 Kuanping

In October 2021, Silvercorp successfully acquired a 100% interest in the Kuanping Project through its wholly-owned subsidiary, Henan Found. The acquisition was secured in November 2021 through a competitive, open auction process for a total consideration of US\$13.1 M.

The Kuanping Project is situated around 33 km north of the Ying Mining District and is covered by an exploration licence spanning 12.39 km² (Figure 8-1).

Figure 8-1: Location map of the Kuanping Project



Source: Silvercorp

Note: Kuanping exploration licence

In December 2022, the exploration licence for the Kuanping Project was converted into a mining licence, which now covers an area of 6.97 km². The mining licence is valid until March 2029.

Based on available information, historical exploration activities conducted between 2006 and 2013 involved the exploration of the Kuanping Project. This included the excavation of 1,458 m of underground adits, 3,387 m³ of trenching, and 11,759 m of diamond drilling across 52 diamond drill holes.

These exploration efforts identified the presence of six silver-lead-zinc vein structures and one gold-silver vein structure within the project area. Among these vein structures, the K3 and K4 structures have been the most extensively explored. The K3 structure dips at an angle of 25–55° to the north-northwest and extends along a strike length of 600 m. It also reaches a depth of 400 m from the surface. The K4 structure dips at an angle of 35–65° to the northwest and extends along a strike length of 960 m. It reaches a depth of 540 m from the surface.

The historical exploration of the area includes the following significant mineralised intervals:

- Hole ZK40305 intercepted a 4.15 m interval from 179.49 m, grading 536 g/t Ag, 2.47 g/t Au, 2.05% Pb, and 8.00% Zn
- Hole ZK30703 intercepted a 0.23 m interval from 131.45 m, grading 1,462 g/t Ag, 0.69 g/t Au, 0.84% Pb, and 1.41% Zn
- Hole ZK41501 intercepted a 0.36 m interval from 100.63 m, grading 1,561 g/t Ag, 5.98 g/t Au, 9.09% Pb, and 14.14% Zn
- Hole ZK41105 intercepted a 0.48 m interval from 215.77 m, grading 848 g/t Ag, 10.00 g/t Au, 9.82% Pb, and 7.92% Zn
- Hole ZK40311 intercepted a 0.43 m interval from 348.33 m, grading 92 g/t Ag, 8.78 g/t Au, 9.25% Pb, and 4.5% Zn

The historical exploration culminated in the declaration of a Chinese classified resource by a Chinese geological brigade (Henan Resource Assessment Center, 2013) (Table 8-1).

Table 8-1: Kuanping Chinese resource evaluation

Domain	Tonnage (kt)	Average grade				Contained metal			
		Au (g/t)	Ag (g/t)	Pb (%)	Zn (%)	Au (oz)	Ag (oz)	Pb (t)	Zn (t)
Au	61.57	3.88				7,681			
Ag-Pb-Zn	961.62	0.9	269	1.46	2.85	27,825	8,316,570	14,039	27,406
Total	1,023.19					35,506	8,316,570	14,039	27,406

Source: Henan Resource Assessment Centre (2013)

Between March and October 2022, Silvercorp completed 33 diamond holes, totalling 8,484.8 m. The primary objective of these holes was to increase the drill spacing to 40 m by 40 m in the initial mining area of the K4 structure. Two of the drill holes were also used to validate the K3 structure. Three new target structures were also identified.

- Hole ZK40903 intercepted a 0.62 m interval from 127.55 m, grading 387 g/t Ag, 0.14 g/t Au, 0.96% Pb, and 4.21% Zn
- Hole ZK40511 intercepted a 0.82 m interval from 369.41 m, grading 93 g/t Ag, 3.24 g/t Au, 3.45% Pb, and 2.99% Zn
- Hole ZK40307 intercepted a 1.06 m interval from 296.51 m, grading 231 g/t Ag, 2.46 g/t Au, 2.33% Pb, and 10.11% Zn
- Hole ZK40304 intercepted a 0.40 m interval from 142.31 m, grading 1167 g/t Ag, 0.83 g/t Au, 4.33% Pb, and 10.54% Zn
- Hole ZK42203 intercepted a 1.58 m interval from 117.98 m, grading 410 g/t Ag, 0.25 g/t Au, 0.43% Pb, and 1.53% Zn

As part of its plans, Silvercorp aims to complete several studies at the Kuanping Project during FY2024. These studies include the environmental assessment report, waste and soil protection assessment report, as well as the preliminary safety facilities and mine design report.

8.2 La Yesca

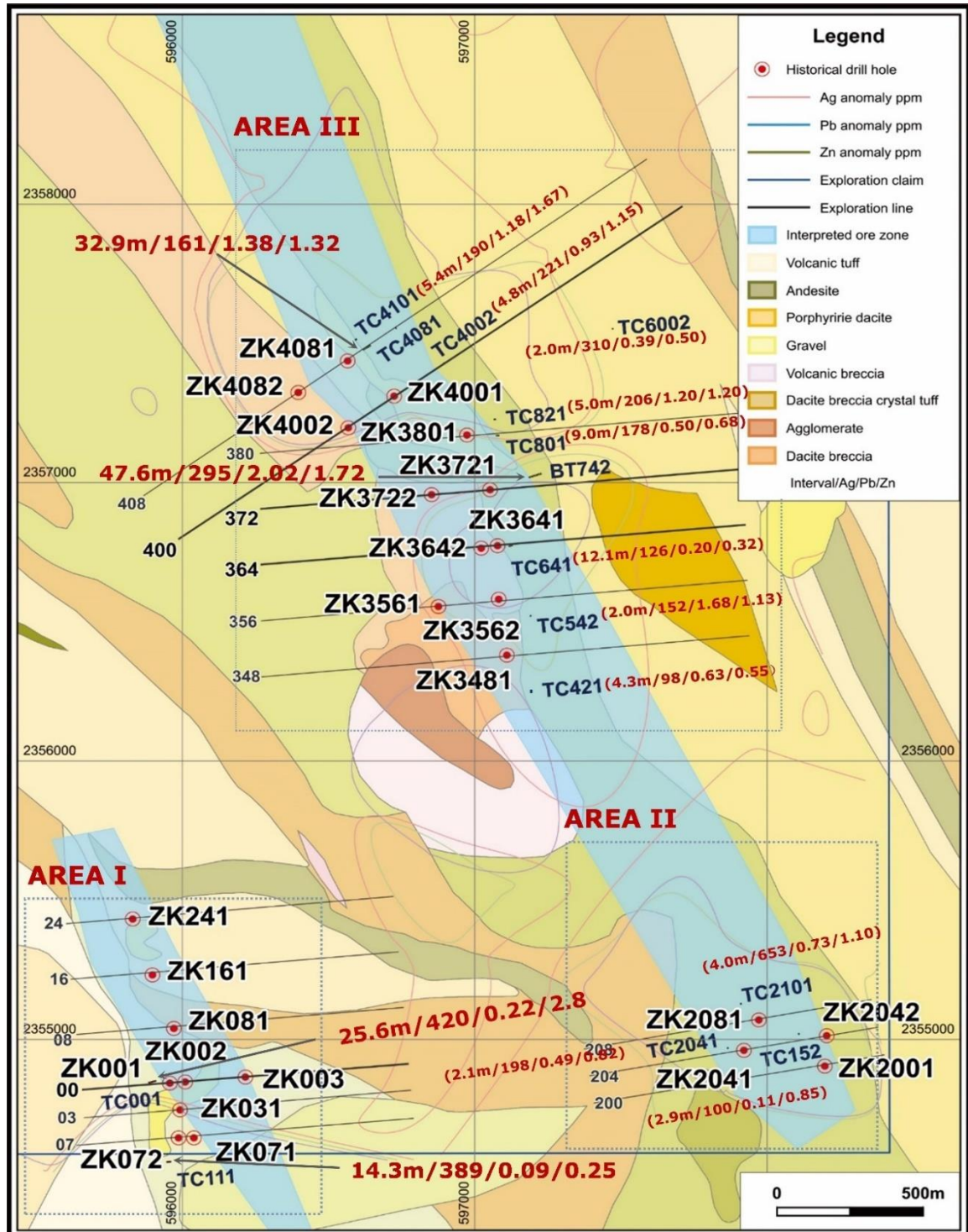
In January 2021, Silvercorp's subsidiary, New Infini Silver Inc, completed the acquisition of a 100% interest in the La Yesca Project in Nayarit State, Mexico. The project is located approximately 100 km (185 km by road), northwest of Guadalajara, the second largest city in Mexico.

The project covers an area of approximately 47.7 km² and is known for its silver-polymetallic epithermal type mineralisation. Previous exploration between 2014 and 2018 included geological mapping, trenching and drilling which identified a silver-lead-zinc soil geochemical anomaly extending over an area more than 500 m wide and 7.5 km long in Areas I, II and III (Figure 8-2). Significant intercepts reported included,

- Hole ZK3562 intercepted a 3.3 m interval from 197.2 m, grading 744 g/t Ag, 0.12% Pb and 1.39% Zn
- Hole ZK3642 intercepted a 10.0 m interval from 78.8 m, grading 977 g/t Ag, 0.23% Pb and 0.59% Zn, and a 2.3 m interval from 103.8 m, grading 840 g/t Ag, 0.25% Pb and 0.68 % Zn, and a 6.0 m interval from 127.4 m, grading 388 g/t Ag, 0.11% Pb and 0.45% Zn
- Hole ZK3721 intercepted a 6.5 m interval from 79.9 m, grading 725 g/t Ag, 0.55% Pb and 1.79% Zn, and a 5.9 m interval from 92.4 m, grading 293 g/t Ag, 0.22% Pb and 1.38% Zn
- Hole ZK3801 intercepted a 2.4 m interval from 36.1 m, grading 823 g/t Ag, 0.30% Pb and 4.01% Zn, and a 3.0 m interval from 140.2 m, grading 718 g/t Ag, 0.21% Pb and 3.34% Zn
- Hole ZK4002 intercepted a 17.0 m interval from 195.8 m, grading 252 g/t Ag, 0.76% Pb and 2.10% Zn
- TC001 from Area I graded 420 g/t Ag, 0.22% Pb, and 2.80% Zn across 25.6 m

- TC111 from Area I graded 389 g/t Ag, 0.09% Pb, and 0.25% Zn across 14.3 m
- BT742 from Area III graded 295 g/t Ag, 2.02% Pb, and 1.72% Zn across 47.6 m
- TC4081 from Area III graded 161 g/t Ag, 1.38% Pb and 1.32% Zn across 32.9 m.

Figure 8-2: Location of drill holes and significant intercepts at the La Yesca Project



Source: Silvercorp announcement 2 February 2021

By the end of the fiscal year 2022, a total of 7,971 m of diamond drilling had been completed by Silvercorp. However, after reviewing the results in fiscal year 2023, Silvercorp decided not to undertake further significant work on the La Yesca Project as the results of drilling have tested the conceptual targets without meeting the required measures to trigger further investigation. This led to a full impairment of the project's value, resulting in an impairment of US\$20.2 M. Based on its discussions with Silvercorp, SRK has satisfied itself that the value of the project is immaterial to the Scheme.

Part C: Valuation

9 Other considerations

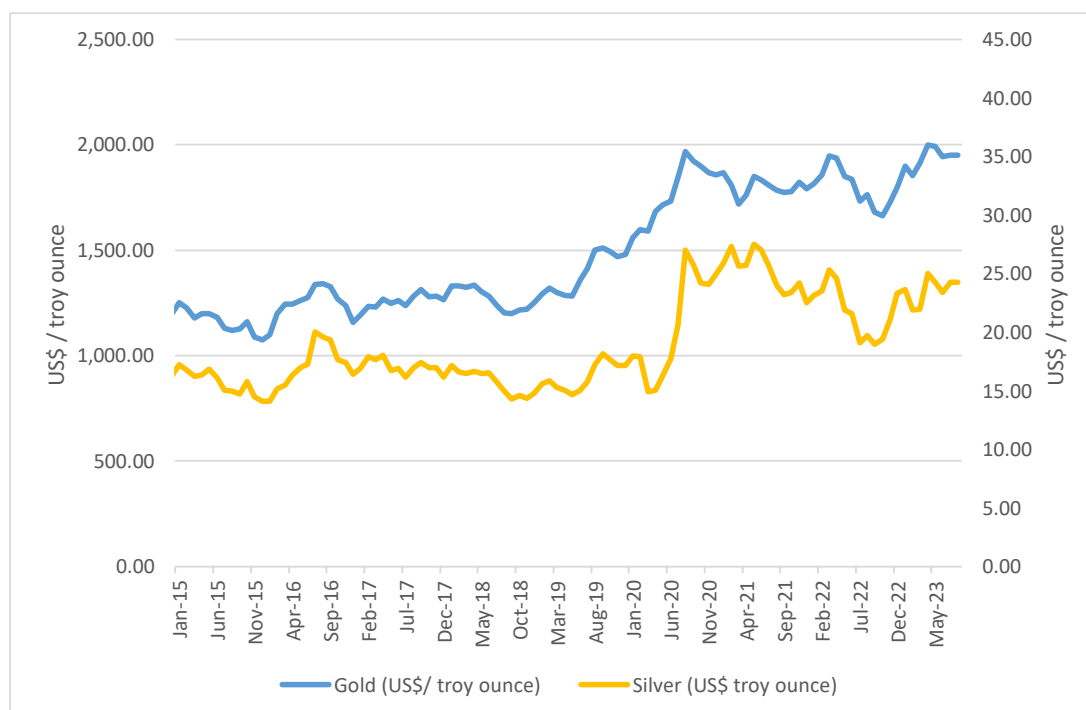
9.1 Commodity prices

SRK has adopted the August 2023 average US dollar (US\$) gold and silver prices for the purpose of its market assessment and valuation.

These prices have been sourced from the World Bank ‘Pink Sheets’ and are expressed in US dollar terms.

Market analysis of the key commodities is presented below with key metal prices for the period from January 2015 to the present as outlined in Figure 9-1.

Figure 9-1: Monthly average commodity prices (US\$ terms) January 2015 – present



Source: SRK analysis

9.1.1 Gold

- Gold prices are estimated to have averaged US\$1,920/oz in the first half of 2023, with support coming from strong safe-haven buying and a slightly weaker US dollar.
- Gold rose 3.2% in July 2023 passing US\$2,000/oz but declined in August 2023. After dipping below US\$1,900/oz, the gold price staged a late recovery to finish the month down 1% at US\$1,942/oz. Sentiment remained weak for most of the month as exchange traded funds (ETF) continued to decline. The longstanding US Treasury yield inverse relationship with the gold price has not held true lately. While yield has gone up, gold prices have largely been supported by central banks buying gold. The expectation is that the gold price should decline from the current high levels with ‘higher for longer’ interest rates likely to keep bond yields elevated putting pressure on the gold price in the long-term.

- Prices are forecast to remain elevated but decline gradually to average around US\$1,770/oz in 2025.

According to GlobalData, South Africa was the world's eighth-largest producer of gold in 2022, with output up by 3% on 2021. Over the 5 years to 2021, production from South Africa decreased by a CAGR of 5.66% and is expected to rise by a CAGR of 4% between 2022 and 2026.

9.1.2 Silver

According to the Silver Institute (SI) 2023 Annual Report:

- Silver supply was effectively unchanged in 2022, but the average price fell by 14% to US\$21.73/oz, due to pressure from institutional investor activity, against a backdrop of rising US interest rates.
- The downward pressure on silver prices further boosted physical demand. This was most pronounced in India, where low prices encouraged the entire supply chain to replenish its stocks on top of already exceptionally strong demand. This followed 2 years of inventory drawdowns during the COVID-19 pandemic. There were other drivers of demand growth in 2022 – most notably the strength of industrial fabrication, in part linked to the robust solar industry, but also reflecting a post pandemic recovery in a number of other markets. Were it not for China's zero-COVID policies, global silver demand would have likely been even greater than the all-time high of 1,242.4 Moz (38,643 t) it realised in 2022.
- A lack of supply gains was another factor contributing to last year's deficit. Limited organic growth, project delays and disruptions resulted in a marginal decline in mine production while recycling barely rose. Importantly, the combined 2021 and 2022 deficits more than offset the cumulative surpluses of the previous 11 years.
- Looking ahead, despite the recent boom in investor demand and the rally, SI believes that 2023 will see a repeat of 2022. While lower year on year at 142.1 Moz (4,419 t), SI forecasts another hefty deficit for the year.

In the context of ongoing demand, deficit prices are expected to rise in the medium term.

9.2 Previous valuations

The VALMIN Code (2015) requires that an Independent Valuation Report should refer to other recent valuations or Expert Reports undertaken on the mineral properties being assessed.

Having asked the question of OreCorp and Silvercorp, SRK is not aware of any previous publicly disclosed valuations prepared in accordance with the VALMIN Code (2015) relating to its Mineral Assets.

10 Valuation

The objective of this section is to provide BDO and the shareholders of OreCorp with SRK's opinion regarding the valuation of the Mineral Assets of OreCorp and Silvercorp. SRK has not valued OreCorp or Silvercorp, these being the corporate entities that are the beneficial owner of the respective Mineral Assets.

SRK has relied on information provided by OreCorp and Silvercorp, as well as information sourced from the public domain, SRK's internal databases and SRK's subscription databases.

The VALMIN Code (2015) outlines three generally accepted valuation approaches:

1. Market Approach
2. Income Approach
3. Cost Approach.

The Market Approach is based primarily on the principle of substitution and is also called the Sales Comparison Approach. The mineral asset being valued is compared with the transaction value of similar mineral assets under similar time and circumstance on an open market (VALMIN Code, 2015). Methods include comparable transactions, metal transaction ratio (MTR) and option or farm-in agreement terms analysis.

The Income Approach is based on the principle of anticipation of economic benefits and includes all methods that are based on the anticipated benefits of the potential income or cashflow generation of the mineral asset (VALMIN Code, 2015). Valuation methods that follow this approach include discounted cashflow (DCF) modelling, capitalised margin, option pricing and probabilistic methods.

The Cost Approach is based on the principle of cost contribution to value, with the costs incurred providing the basis of analysis (VALMIN Code, 2015). Methods include the appraised value method and multiples of exploration expenditure (MEE), where expenditures are analysed for their contribution to the exploration potential of the Mineral Asset.

The applicability of the various valuation approaches and methods varies depending on the stage of exploration or development of the mineral asset and hence the amount and quality of the information available on the mineral potential of the assets.

Table 10-1 presents the valuation approaches for the valuation of mineral properties at the various stages of exploration and development.

Table 10-1: Suggested valuation approaches according to development status

Valuation Approach	Exploration Projects	Pre-Development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Source: VALMIN Code (2015)

The market approach to valuation can be used for the valuation of Mineral Assets regardless of development status but is typically applied as a primary approach for Exploration to Development projects.

An income-based method, such as a DCF model is commonly adopted to assess the value of a tenure containing a deposit where an Ore Reserve has been produced following an appropriate level of technical study and to accepted technical guidelines such as the JORC Code (2012). However, an income-based method is generally not considered appropriate for deposits that are less advanced or where technical risk is not quantified (i.e. no declared Ore Reserve and/or supporting mining and related technical studies).

The use of cost-based methods, such as considering suitable MEE is best suited to exploration projects, where Mineral Resources remain to be reliably estimated.

In general, these methods are accepted analytical valuation approaches that are in common use for determining the value of mineral assets. Given its direct reference to values paid in the market and ability to be actively observed, the market approach provides a direct link to Market Value. In contrast both income-based and cost-based methods derive a Technical Value (as defined below) which typically require the application of various adjustments to account for market considerations in order to convert these values to a Market Value.

The **Market Value** is defined in the VALMIN Code (2015) as, in respect of a mineral asset, the amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should change hands on the Valuation Date between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. The term Market Value has the same intended meaning and context as the International Valuation Standards Committee (IVSC) term of the same name. This has the same meaning as Fair Value in RG111. In the 2005 edition of the VALMIN Code, this was known as Fair Market Value.

The **Technical Value** is defined in the VALMIN Code (2015) as an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations. The term Technical Value has an intended meaning that is similar to the IVSC term Investment Value.

Under prevailing industry norms, regulatory guidance and as required by the VALMIN Code (2015), Practitioners are required to estimate Market Value. There is no requirement to report Technical Value, which is generally only estimated as a step to report Market Value.

Valuation methods are, in general, subsets of valuation approaches and for example the Income Approach comprises several methods. Furthermore, some methods can be considered to be primary methods for valuation while others are secondary methods or rules of thumb considered suitable only to benchmark valuations completed using primary methods.

Methods traditionally used to value exploration and development projects include:

- MEE (expenditure-based)
- JV Terms Method (expenditure-based)
- Geoscience Ratings Methods (e.g. Kilburn – area-based)

- Comparable Transaction Method (market based)
- MTR analysis (ratio of the transaction value to the gross dollar metal content, expressed as a percentage – market based)
- Yardstick/Rule of Thumb Method (e.g. A\$/resource or production unit, percentage of an in situ value)
- the geological risk method.

In summary, however, the various recognised valuation methods are designed to provide an estimate of the mineral asset or project value in each of the various categories of development. In some instances, a particular mineral asset or project may comprise assets which logically fall under more than one of the previously discussed development categories.

10.1 Valuation basis

SRK has considered the defined Ore Reserves and Mineral Resources as well as the areal extent and exploration potential of the granted tenure held by OreCorp and Silvercorp (Table 10-2).

Table 10-2: SRK’s adopted valuation basis

Project	VALMIN Development Stage	Description	Valuation basis
Nyanzaga	Pre-development	Ore Reserves considered within the Model	Income: Cashflow Model (considered by BDO)
		Mineral Resources and Exploration Targets not considered within the Model (residual resources)	Market: Comparable Transactions Cost: Yardstick Factors
		Exploration Potential	Market: Comparable Transactions Cost: Geoscientific Rating
Ying	Production	Ore Reserves considered within the Model	Income: Cashflow Model (considered by BDO)
		Mineral Resources not considered within the Model (residual resources)	Market: Comparable Transactions Cost: Yardstick Factors
		Exploration Potential	Market: Comparable Transactions Cost: Geoscientific Rating
GC	Production	Ore Reserves considered within the Model	Income: Cashflow Model (considered by BDO)
		Mineral Resources not considered within the Model (residual resources)	Market: Comparable Transactions Cost: Yardstick Factors
		Exploration Potential	Market: Comparable Transactions Cost: Geoscientific Rating
BYP	Pre-development	Mineral Resources	Market: Comparable Transactions Cost: Yardstick Factors
		Exploration Potential	Market: Comparable Transactions Cost: Geoscientific Rating
Silvercorp’s other Mineral Assets			
Kuanping	Advanced Exploration	Exploration Potential	Market: Actual Transaction Value
La Yesca	Early-stage Exploration	Exploration Potential	No material value

Source: SRK analysis

10.2 SRK’s Valuation technique

In estimating the value of the projects at the Valuation Date, SRK has considered various valuation methods within the context of the VALMIN Code (2015).

SRK has supplied its recommendations regarding the Models to BDO to assist in the preparation of its market value estimate for the LOM scenario. For the valuation of the defined Mineral Resources outside of the LOM design (hereafter known as residual Resources) for the Nyanzaga, GC and Ying mines, as well as the Mineral Resources of the BYP project, SRK elected to adopt comparable transaction analysis, as its primary valuation approach. The derived values determined using this approach were then crosschecked against values determined using the Yardstick Valuation method.

For the valuation of the exploration potential outside of the defined residual Resource areas, SRK elected to adopt values implied by comparable transaction analysis that have been crosschecked using a geoscientific rating approach.

No material value has been assigned to the La Yesca Project while SRK considers the actual transaction value paid under the 2021 competitive bidding process for Kuanping best reflects the value of the future potential for that project.

10.3 Reasonableness of technical inputs to the Models

10.3.1 Adjustments to the LOM Plan to align with VALMIN Code requirements

The supplied LOM Plan models production from all Mineral Resource classes, including Inferred Resources. SRK considers that the inclusion of large quantities of Inferred Resources does not comply with the 'reasonable grounds requirements' underlying forward-looking statements, and that therefore the LOM Plan models are not fully suited to valuing the assets using a DCF method. The supplied DCF-amenable model has not been prepared with the rigour of the LOM Plan model and is for valuation purposes only. SRK emphasises that the DCF-amenable model does not reflect the views of either OreCorp, Silvercorp, or SRK with respect to future production as:

- it is highly likely that a significant portion of Inferred Resources will be upgraded in classification as the result of ongoing and future drilling campaigns
- the long-term timetable is now necessarily shortened to maintain adequate processing plant throughput following the removal of most of the Inferred Resources.

The changes implemented in the DCF-amenable model with respect to production inventory are specified in Table 10-3.

Table 10-3: Life of Mine Plan – production sequencing

Project	Amendment to mining inventory
Nyanzaga	
Nyanzaga open pit	Accepted as is with the small proportion of Inferred Resource
Kilimani open pit	Remove Inferred material from schedule due to high proportion of Inferred Resource. Value material in alternative method. Use schedule <i>20220809 Nyanzaga Model v.7vi Reserve 2.xls</i>
Nyanzaga underground	Remove Inferred material from last year of schedule to account for 16% of Inferred Resources. Value material in alternative method. Use schedule <i>20220809 Nyanzaga Model v.7vi Reserve 2.xls</i>
Ying	
Ying Mine	Accepted as is, except for TLP Mine
TLP Mine	On review of the Silvercorp model (SVM Ying NAV Calculation 2022.10.05.xlsx), SRK noted that the TLP Mine Plan had used the 'Geo Grade' and not the 'Mined Ore Grades' which includes the mining dilution etc. for the TLP schedule, silver, lead and zinc grades in the SVM Ying model.
GC	
GC Mine	Accepted as is

Material removed by this process remains amenable to valuation using methods other than DCF.

SRK recommends additional changes to the DCF-amenable model in the following section of this report.

10.3.2 SRK's LOM Plan recommendations

The following section sets out SRK's recommendations regarding the LOM Plan.

OreCorp has developed a cashflow model (the OreCorp Model) (*220822 Nyanzaga Model v.8ii FS.xls*) for its Nyanzaga Mineral Assets and has provided these to BDO and SRK. SRK has reviewed this Model and assessed technical production and technical cost projections in order to advise BDO of its findings.

OreCorp's Model as provided to SRK envisages the following development scenario:

- As noted above the Kilimani open pit Inferred ore needs to be removed from the schedule. Achieved in model *20220809 Nyanzaga Model v.7vi Reserve 2.xls*
- The last year of the underground schedule to be removed to account for the Inferred resources (16% of total). Achieved in model *20220809 Nyanzaga Model v.7vi Reserve 2.xls*
- A pre-production period of approximately 2.5 years for the underground
- Almost simultaneous production of underground and open pit ore sources
- High-grade ore along with medium grade ore treated immediately, and low-grade ore stockpiled and treated at the end of the schedule.

Table 10-4 presents a summary of SRK's findings and recommendations as made to BDO in relation to the OreCorp Model.

Table 10-4: SRK's recommendations regarding the Nyanzaga model

Item	Model	SRK recommendations	Comments
Nyanzaga Mineral Resource Measured Indicated Inferred	4.6 Mt at 4.96 g/t 16.2 Mt at 3.80 g/t 2.9 Mt at 3.84 g/t	Resource statement needs to be split between open pit and underground.	Note cut-off grade: 1.5 g/t Au
Kilimani Mineral Resource Measured Indicated Inferred	- 3.4 Mt at 1.09 g/t 2.8 Mt at 1.02 g/t	Resource statement needs to be split between open pit and underground.	Note cut-off grade: 0.4 g/t Au
Nyanzaga Ore Reserve (open pit) Probable Proved	25.63 Mt at 1.35 g/t -	Ore Reserves to exclude Inferred Mineral Resources.	Production schedule to limit use of Inferred Mineral Resources Includes 0.08 Mt at 0.88 g/t Inferred Mineral Resources
Nyanzaga Ore Reserve (underground) Probable Proved	12.42 Mt at 3.57 g/t	Ore Reserves to exclude Inferred Mineral Resources.	Production schedule to limit use of Inferred Mineral Resources Includes 1.0 7 Mt at 3.49 g/t Inferred Mineral Resources
Kilimani Ore Reserve (open pit) Probable Proved	2.04 at 1.05 g/t -	Ore Reserves to exclude Inferred Mineral Resources.	Schedule includes 0.37 Mt at 0.82 g/t Inferred Mineral Resources
Life of Mine Plan	As per the received Financial Model	Modify	■ Remove Kilimani open pit Inferred Mineral Resources ■ Remove underground Inferred Mineral Resources ■ Use model received from OreCorp 20220809 <i>Nyanzaga Model v.7vi Reserve 2.xls</i>
Metallurgical recovery (LoM)	Average 91–90% on startup then 88.2% over LOM	Discount during ramp-up and based on testwork.	At least discounting to the SLR prediction of 88.0% however models could be rerun excluding the extreme HG feed samples to better predict individual ore type recoveries. Gold leach recovery should be discounted during the first 6 months of operations; typical discounts of 5% in month 1, 3% in month 2, 2% in month 3 and 1% in months 4 and 5 should be subtracted from the predicted recovery.
Mill throughput	4.0 Mtpa from month 1	Incorporate ramp-up period.	The Model assumes the processing plant can meet the design throughput of 4 Mtpa in the first month. Even though the preferential treatment of less competent oxide ore in the 6 weeks will assist with this, a ramp-up period should be built into the schedule.

Item	Model	SRK recommendations	Comments
Pre-production period underground	2.5 years	Accepted for base case. Defer underground tonnes by a year for downside case.	Considerable development required both vertically and horizontally.
Mining capital			
Total capital	US\$645.5 M	Accepted base case suggested range being 5% lower as best case and 30% higher for downside for missing items and rates.	Suggest some benchmarking against similar mine designs to narrow the potential estimate range.
Processing capital		Increase to allow for third party engineering.	Confirm the conveyor cost which appears low based on SLR evaluation. Incorporate allowance for site construction services and third party engineering as well as increasing the site contingency.
Process operating cost		Factor higher consumable consumptions across the first 3 years of operation.	Consumable costs are likely to be higher at the start of production. Typical unit consumptions are 125% in year 1, 115% in year 2 and 105% in year 3.
Closure costs	US\$29 M capital	Reasonable given a pre-production estimate.	

Source: SRK analysis

Note: All SRK recommendations are undiscounted on a real basis.

Similarly, Silvercorp has developed cashflow models (the Ying and GC Models) for its Ying and GC mines and has provided these to BDO and SRK. SRK has reviewed these Models and assessed the technical production and technical cost projections in order to advise BDO of its findings.

Silvercorp's Ying Model provided to SRK envisages the following development scenario:

- Ongoing underground production from the seven mines making up Ying Mine. Ying Mine operates until 2037.
- Total Ying Mine production is 11.15 Mt at an average of 0.27 g/t Au, 233 g/t Ag, 3.37% Pb and 1.20% Zn.
- The Ying Mine metal produced is 0.9 Moz gold, 91.8 Moz silver, 893.2 Mlb lead and 176.1 Mlb zinc.
- Production is completed at DCG in 2032.
- Production is completed at HZG and HPG in 2033.
- Production is completed at TLP in 2034.
- Production is completed at LME in 2035.
- Production is completed at SGX and LMW in 2037.

Table 10-4 presents a summary of SRK's findings and recommendations as made to BDO in relation to Silvercorp's supplied Ying Model.

Table 10-5: SRK's recommendations regarding the Ying Model

Item	Model	SRK recommendations	Comments
Mineral Resource	As per Resource Model	SRK has reviewed the database, grade estimate method, parameters, and procedure, which are reasonable. SRK was able to replicate the Mineral Resource base from the block model provided.	Based on the Mineral Resource as publicly stated 31 December 2021.
Ore Reserve	12.32 Mt at 0.26g/t Au, 231 g/t Ag, 3.36% Pb, 1.03% Zn	Ore Reserve reported as at 31 December 2021, which agrees with the model, however, not as per the reference date of the valuation.	Based on the Ore Reserve as publicly stated 3 November 2022.
Life of Mine Plan	As per Financial Model SVM Ying NAV Calculation 2022.10.05.xlsx.	Modify so that the base date is 1 July 2023. On review of the Silvercorp model (SVM Ying NAV Calculation 2022.10.05.xlsx), SRK noted that the TLP Mine Plan had used the 'Geo Grade' and not the 'Mined Ore Grades' which includes the mining dilution etc. for the TLP schedule, silver, lead and zinc grades in the SVM Ying Model.	■ Base case productivity is supported by the recent operation; an approximately 13% increase on FY2026 mainly relies on SGX opening more stopes with relative lower grade than previously. The risk is mitigated due to the number of other mine operating within the Ying Mine. ■ The stopes and mines in operation at the same time could lead to an opportunity for steady deliverable blends but also a risk of heavy management time. Silvercorp has operated this mine complex for many years using experienced and skilled personnel. ■ Amend the silver, lead and zinc grades as per Table 5-14.
Metallurgical recovery (LoM)	As shown in table 'Ying's Mining Schedule'. The recovery rates of each product in the table 'Ying NPV(base)' in the financial model are calculated according to the recovery rates of each mine.	Refer to Section 5.4.3 – Process throughput and metallurgical recovery	

Item	Model	SRK recommendations	Comments
Mill throughput	As shown in table 'Ying NPV(base)'	Accepted base case	■ Base case is supported by operational performance. ■ The total milled ore throughput is 772,856 t in FY2023, with an average daily processing rate of ~2,300 tpd. The maximum production capacity of mining scheduled in the financial model is 975,503 t in FY2028. The production capacity will reach 990,000 tpa with the operation of Plant 3. SRK believes that the production scheduling in the model is reasonable. ■ Risks are associated with potential variability in future feed, differences in physical properties and grind size targets.
Mining capital	Growth capital: capitalising the expenses from Exploration tunnelling – New and upgrade resources, Capitalised drilling and to build 3rd Mill and TSF.	Silvercorp provided actual production costs for each mining section of the Ying Mine in FY2023 and Q1 FY2024. SRK has summarised the costs as averages for the same categories. SRK recommends using the latest actual production costs to capitalise the sustaining and growth CAPEX instead of those in the models.	Table 5-23 summarises the CAPEX required for the Ying Mine in the financial/NPV models as provided by Silvercorp in US\$/t ore mined.
Processing capital – C&M	US\$5.50/t ore was allocated for the third mill and extra TSF	The net book value of previous CAPEX as at 30 June 2023, and also the actual OPEX of FY2023 and Q1 FY2024. In the OPEX data, there were no capitalised costs for the mill and TSF.	
Sustaining capital	The model capitalised Exploration tunnelling – grade control, Development tunnelling, and Facilities and equipment and the sustaining capital and used the budget rate for each category as US\$/t, which were calculated from related costs from each mining section for Ying Mine.	Silvercorp provided actual production costs for each mining section of the Ying Mine in FY2023 and Q1 FY2024. SRK has summarised the costs as averages for the same categories. SRK recommends using the latest actual production costs to capitalise the sustaining and growth CAPEX instead of those in the models.	SRK considers the latest actual production data to be more reasonable than the budget costs for FY2022 as used in the model. Refer to Table 5-20.

Item	Model	SRK recommendations	Comments
Mining operating cost	As per Financial Model: SVM Ying NAV Calculation 2022.10.05.xlsx.	Silvercorp provided actual production costs for each mining section of Ying Mine in FY2023 and Q1 FY2024. SRK has summarised the costs as averages for the same categories. SRK recommends using the latest real production costs instead of those in the models.	SRK considers the latest actual production data to be more reasonable than the budget costs for FY2022 as used in the model. Amend costs as per Table 5-20.
Process operating cost	US\$11.58/t for Ying Mine	Silvercorp provided actual production costs for Ying Mine in FY2023, and Q1 FY2024. SRK has summarised the costs as averages for the same categories. SRK recommends using the latest real production costs instead of those in the models.	SRK considers the latest real production data to be more reasonable than the budget costs for FY2022 used in the model.
Toll treatment charge	Henan Ying District project: Smelter charge for gold: 17.00% Smelter charge for silver: 9.00% Smelter charge for lead: 5.00% Smelter charge for zinc: 26.00%	As stated.	The smelter charge rates are reasonable in China, although they are typically negotiable.
Closure costs	RMB 50,646,300	No closure plan has been developed. SRK reviewed geological environmental protection and reclamation plans, and the costs for geological protection and reclamation replace the mine closure costs.	The geological environmental protection and reclamation plan should be updated every 5 years. SRK recommends that the closure costs should be included in the year after production stops.

Source: SRK analysis

Note: All SRK recommendations are undiscounted on a real basis.

Silvercorp's GC Model provided to SRK envisages the following development scenario:

- Ongoing underground production from the GC Mine, continues until EOM. Ying Mine operates until 2034.
- Total GC Mine production is 3.35 Mt at an average of 95 g/t Ag, 1.48% Pb and 3.13% Zn.
- The GC Mine metal produced is 10.2 Moz silver, 113.8 Mlb lead and 249.1 Mlb zinc.

Table 10-4 presents a summary of SRK's findings and recommendations as made to BDO in relation to Silvercorp's supplied GC Model.

Table 10-6: SRK's recommendations regarding the GC Model

Item	Model	SRK recommendations	Comments
Mineral Resource	As per Resource Model	SRK has reviewed the database, grade estimate method, parameters, and procedure, which are reasonable. SRK was able to replicate resource base based on the block model provided.	Based on the Mineral Resource as publicly stated 31 December 2020.
Ore Reserve	Model (SVM GC NAV Calculation 2021.09.17 with sensitivity for silver price V2): 3.95 Mt at 94g/t Ag, 1.5% Pb, 3.2% Zn Public reporting: 4.13 Mt at 94g/t Ag, 1.5% Pb, 3.2% Zn	Ore Reserve reported as at 31 December 2020, which does not agree with the model. The model is based on the updated figures a quarter later than publicly reported, however, both numbers are not as per the reference date of the valuation.	Public reporting Ore Reserve numbers are based on the Ore Reserve as publicly stated 6 October 2021.
Life of Mine Plan	As per Financial Model	Modify so that the base date is 1 July 2023.	Base case productivity is supported by the last year's operation as stated by the mine management during site visit. Stable production is assumed and planned for the rest of mine life.
Metallurgical recovery (LoM)	Fixed recovery Ag recovery: 85.38% Pb recovery: 88.92% Zn recovery: 89.52%	Ag recovery: 82.81 Pb recovery: accepted Zn recovery: accepted	- The average silver recovery rate for the last two fiscal years was 82.81%, and the highest recovery rate since production began in FY2015 was 83.78%, while the lowest value is 75.63%. Therefore, it is suggested to take the average recovery rate of the last two fiscal years as the index in the financial model, which is 82.81%. - Base case of Pb and Zn recovery rate is supported by operational performance and is close to the historical indexes of recent two fiscal years.
Mill throughput	Consistent with mining plan, the maximum capacity does not exceed 318 kpta	Accepted	- Base case is supported by operational performance. - The processing plant is equipped with two series of mills and flotation machines, with a maximum capacity of 1,600 tpd, largely exceeding the design capacity of 1,000 tpd(330 kpta). - At present, an intelligent waste disposal system has been added to the site to remove about 13% of waste rock, reducing the ore feed to the mill and selection system.

Item	Model	SRK recommendations	Comments
Mining capital	Growth capital: capitalising the expenses from 'Exploration tunnelling - New and upgrade resources', 'Capitalised drilling	Silvercorp provided SRK with the real production costs for the GC mine in FY2023, and Q1 FY2024. SRK has summarised the costs as averages for the same categories. SRK recommends using the latest real production costs to capitalise the sustaining and growth CAPEX instead of those in the models.	Table 6-18 summarises the new CAPEX needed for GC Mine in the financial/NPV models supplied by Silvercorp in US\$/t ore mined.
Processing capital – C&M	There was no CAPEX needed for GC Mine	The plant is operational as per the model.	
Sustaining capital	The model capitalised 'Exploration tunnelling - grade control', 'Development tunnelling', and 'Facilities and equipment' and the sustaining capital and used the budget rate for each category as US\$/t, which were calculated from related costs from the GC project.	Silvercorp provided SRK with the real production costs for the GC mine in FY2023, and Q1 FY2024. SRK has summarised the costs as averages for the same categories. SRK recommends using the latest real production costs to capitalise the sustaining and growth CAPEX instead of those in the models.	SRK considers that the latest actual production data to be more reasonable than the budget costs for FY2022 used in the model.
Mining operating cost	Mining operating costs had been categorised in Resuing method, shrinkage method, drilling cost, mining preparation cost and common admin cost, and provided as US\$/t ore or US\$/m.	Silvercorp provided SRK with the real production costs for the GC mine in FY2023, and Q1 FY2024. SRK has summarised the costs as averages for the same categories. SRK recommends using the latest real production costs instead of those in the models.	SRK considers that the latest actual production data to be more reasonable than the budget costs for FY2022 used in the model.
Process operating cost	US\$14.76 for GC mine	Silvercorp provided SRK with the real production costs for the GC mine in FY2023, and Q1 FY2024. SRK has summarised the costs as averages for the same categories. SRK recommends using the latest real production costs instead of those in the models.	SRK believes that the latest real production data are more reasonable than the budget costs for FY2022 used in the model.

Item	Model	SRK recommendations	Comments
Toll treatment charge	Guangdong GC project: Smelter charge for silver: 41.00% Smelter charge for lead: 13.40% Smelter charge for zinc: 24.80%	SRK recommends using the same rates	The smelter charge rates are reasonable in China, although they are negotiable.
Closure costs	RMB 7,754,300	No closure plan has been developed. SRK reviewed geological environmental protection and reclamation plans, and the costs for geological protection and reclamation replace the mine closure costs. Details are in Section 6.5.5.	The geological environmental protection and reclamation plan should be updated every 5 years. SRK recommends that the closure costs should be included in the year after production stops.

Source: SRK analysis

Note: All SRK recommendations are undiscounted on a real basis.

10.4 Resources external to mine plan

10.4.1 Introduction

Table 10-7 presents a summary of the residual Resources (those Mineral Resources not considered in the Models) subsequent to BDO's implementation of SRK's recommendations summarised in Section 10.3. The residual Resources are presented in Table 10-8 and Table 10-9.

Table 10-7: Interest in each project held by OreCorp and Silvercorp

	Project	Sub-projects	Interest
OreCorp	Nyanzaga		84.00%
Silvercorp	Ying	SGX	77.50%
		TLP	77.50%
		HZG	77.50%
		LMW	77.50%
		DCG	77.50%
		HPG	80.00%
		LME	80.00%
	BYP		80.00%
	GC		99.00%
	Kuanping		77.50%
	La Yesca		46.15%

Source: OreCorp and Silvercorp

Table 10-8: Summary of the residual Resources, and Exploration Target valued at Nyanzaga

Deposit	Category	Quantity (Mt)	Grade Au (g/t)	Total troy ounces
Nyanzaga residual Resource*	Measured	2.8	3.0	
	Indicated	5.38	1.7	174,775
	Inferred	7.37	1.8	355,767
	Total	15.55	2.0	530,542
Kilimani residual Resource	Measured			
	Indicated	1.36	0.04	50,284
	Inferred	2.80	1.02	91,822
	Total	4.16	0.70	142,106
Nyanzaga Exploration Target**	Exploration Target	4.00	2.7	347,228

Source: SRK analysis

Notes: Rounding errors may occur.

*Resource and Reserve are reported at different cut-offs, so subtraction of ounces only considered.

**SRK has reduced the lower range of the Exploration Target tonnage and grade by 50% as it is considered to be overly optimistic. The resultant range's midpoint is used to calculate ounces for valuation purposes.

Table 10-9: Summary of the residual Resources at Silvercorp's operations in silver equivalent as at 1 September 2023

Project	Category	Quantity (Mt)	AgEq (g/t)	AgEq metal (Moz)	Attributable AgEq metal (Moz)
SGX (77.5%)	Measured	1.07	486	16.72	12.96
	Indicated	0.75	350	8.45	6.55
	Inferred	3.98	427	54.63	42.34
HZG (77.5%)	Measured	0.18	343	1.99	1.54
	Indicated	0.19	297	1.81	1.41
	Inferred	0.55	349	6.17	4.78
HPG (80%)	Measured	0.44	338	4.78	3.82
	Indicated	0.53	294	5.01	4.00
	Inferred	1.45	442	20.59	16.48
TLP (77.5%)	Measured	1.03	267	8.84	6.85
	Indicated	1.09	229	8.01	6.21
	Inferred	3.76	262	31.66	24.54
LME (80%)	Measured	0.23	386	2.86	2.29
	Indicated	0.43	314	4.33	3.47
	Inferred	1.49	328	15.69	12.55
LMW (77.5%)	Measured	0.41	355	4.68	3.63
	Indicated	1.01	1,202	39.04	30.26
	Inferred	1.51	308	14.96	11.60
DCG (77.5%)	Measured	0.07	293	0.66	0.51
	Indicated	0.08	306	0.79	0.61
	Inferred	0.32	299	3.07	2.38
Ying Total	Measured	3.44	367	40.56	31.60
	Indicated	4.09	513	67.48	52.50
	Inferred	13.06	349	146.68	114.66
	Total	20.59	385	254.72	198.77
GC (99%)	Measured	2.88	181	16.76	16.60
	Indicated	3.23	151	15.73	15.57
	Inferred	8.44	192	52.12	51.60
GC Total	Total	14.55	181	84.62	83.77

Source: SRK analysis

Note: Silver equivalent was determined based on US\$1,918.7/oz Au, US\$23.4/oz Ag, US\$8,349/t Cu, US\$2,154/t Pb and US\$2,407/t Zn.

In addition, the BYP Project is currently on care and maintenance. Table 10-10 presents a summary of the presently defined Mineral Resources at BYP.

Table 10-10: Summary of the Mineral Resources in gold equivalent

	Resource Category	Quantity (Mt)	Au eq (g/t)	Au eq (koz)	Attributable Au eq metal (koz)
BYP (80%)	Measured	2.8	3.0	269	215
	Indicated	5.38	1.7	300	240
	Inferred	7.37	1.8	440	352
	Total	15.55	2.0	1,009	807

Source: SRK analysis

Notes: Rounding errors may occur.

SRK has reviewed the reasonableness of the Mineral Resource and Ore Reserve estimates. Based on the information provided, SRK has estimated the residual Resources outside of the LOM Model for valuation purposes. Based on its review of the underlying information, nothing has come to SRK's attention to suggest the quantities included in the LOM Model and outside of the LOM Model are not reasonable.

In allocation, SRK has exercised its professional judgement in assigning the stated tonnages to the relative resource categories in line with OreCorp's ASX and Silvercorp's TSX disclosures.

For the valuation of OreCorp's and Silvercorp's residual Resources, SRK has considered actual transaction analysis, comparable transaction analysis and yardstick methods. The results of these methods are set out in the following sections.

10.4.2 Actual transactions

OreCorp

SRK notes the following transactions involving assets held by either OreCorp or Silvercorp:

- On 22 September 2015, OreCorp entered into an agreement with Acacia Mining plc (Acacia) to earn up to 51% in the advanced Nyanzaga Gold Project. OreCorp made an upfront cash payment of US\$1 M to Acacia in consideration for a 5% initial interest in the project, with the right to earn a further 20% interest for a total of 25% interest in the project upon completion of a DFS. Dependent on the NPV generated by the DFS, Acacia could elect to retain a 75% interest by paying OreCorp an NPV-based multiple of expenditure, or failing Acacia's election, OreCorp could increase to a 51% interest by making cash and royalty payments up to a total of US\$15 M based on the achievement of defined project milestones.
- The reported Mineral Resources at the time were 100.39 Mt at 1.3 g/t Au with 4.19 Moz of gold at a 0.4 g/t cut-off, or 49.81 Mt at 1.91 g/t Au with 3.06 Moz of gold at a 1.0 g/t cut-off. Considering the US\$1 M cash only, the implied multiple from this transaction was – on a normalised basis – US\$8.28/oz or US\$11.32/oz respectively.
- On 6 September 2018, OreCorp entered into an agreement with Acacia to earn up to 100% in the advanced Nyanzaga Gold Project. This included settlement of the previous earn-in to 51% for US\$3 M presumably because the DFS was not complete. A further US\$7 M cash was agreed for the remaining 49% plus a royalty capped at US\$15 M.

- On 2 September 2019, OreCorp announced that the terms of the deal with Acacia had been revised and the \$US15 M royalty had been removed and replaced with a US\$1.5 M cash payment.
- Considering these revised terms, a total US\$8.5 M cash payment was agreed for the remaining 49% – the implied multiple from this transaction was US\$6.65/oz or US\$7.29/oz on a normalised basis.

In SRK's opinion given the age of these transactions, the additional exploration works completed and updates to the Resources, these transactions are no longer strongly indicative of the current value of Nyanzaga.

Silvercorp

In addition, SRK has identified the following transactions relating to the mineral assets of Silvercorp:

- On 13 October 2021, Silvercorp acquired the Kuanping project located in Sanmenxia City, Henan Province, China through an online open auction. The project comprised a single Exploration Licence of 12.39 km² with a Mineral Resource Estimate prepared in accordance with a Chinese Standard in 2013 for immediate application of a Mining Licence. Silvercorp paid US\$11.4 M in cash and assumed a debt of US\$2 M for this transaction.
- On 31 December 2020, Silvercorp acquired the La Yesca project located in Nayarit, Mexico from undisclosed sellers. A total of US\$9.25 M was paid in cash and common shares equivalent to a 45% interest have been issued to the vendors. The project comprised a single Exploration Licence of 47.7 km². A total of 4,878 m³ in 106 trenches and surface strips and 7,649 m of diamond drilling in 25 widely-spaced drill holes have been completed.
- On 31 January 2019, Silvercorp acquired an additional 4% stake in GC Mine for US\$2.22 M from GRT Mining Investment (Beijing) Co., Ltd.
- On 10 January 2011, Silvercorp acquired 70% of BYP Mine from Xinshao Yunxiang Mining Co., Ltd. with US\$31.68 M in cash and assumed liabilities of US\$3.27 M.
- On 6 June 2008, Silvercorp acquired a 95% interest in Gaocheng JV from Yangtze Gold Ltd. The transaction totalled US\$61.9 M comprising 40% in cash and 60% in Silvercorp shares.
- On 30 November 2007, Silvercorp acquired an 100% interest in LM Mine from an undisclosed seller for \$6.54 M.
- On 13 March 2006, Silvercorp acquired a 60% interest in the Houpinggou mine from a private Chinese company HT Mining for US\$5.1 M. On 31 May 2007, Silvercorp purchased an additional 20% interest in Huawei, owner of the Houpinggou mine, from HT Mining in which a 10% interest would be held in trust for a shareholder of HT Mining. The total deal value for the 20% interest was US\$1.7 M with Silvercorp's share of \$856,000 paid in full.
- On 21 December 2007, Silvercorp acquired the NZ project for US\$1.1 M.
- On 31 March 2004, Silvercorp acquired a 100% stake in SGX Mine from an undisclosed seller.

10.4.3 Comparable market transactions

African gold

For its evaluation of the African gold residual Resources as outlined in Table 10-11, SRK has compiled gold resource transactions using its internal databases as well as the S&P Capital IQ Pro subscription database. The raw data relied on for the residual Resource valuation are presented in Appendix A (Comparable Market Transactions).

After compiling the relevant data, SRK reviewed transactions involving African gold projects (at various development stages) that occurred between 2020 and 2023. SRK identified 77 transactions that it considered sufficiently relevant and for which sufficient information was available to calculate a resource multiple. The implied transaction multiple for resources was then expressed in US\$/oz terms. This implied multiple was calculated using the transaction value (at the implied 100% acquisition cost) and the total contained Mineral Resources supporting the transaction. Given the gold price volatility and future price uncertainty, SRK elected to use the August 2023 average US gold price of US\$1,951.02/oz to normalise the implied multiples and inform its market analysis.

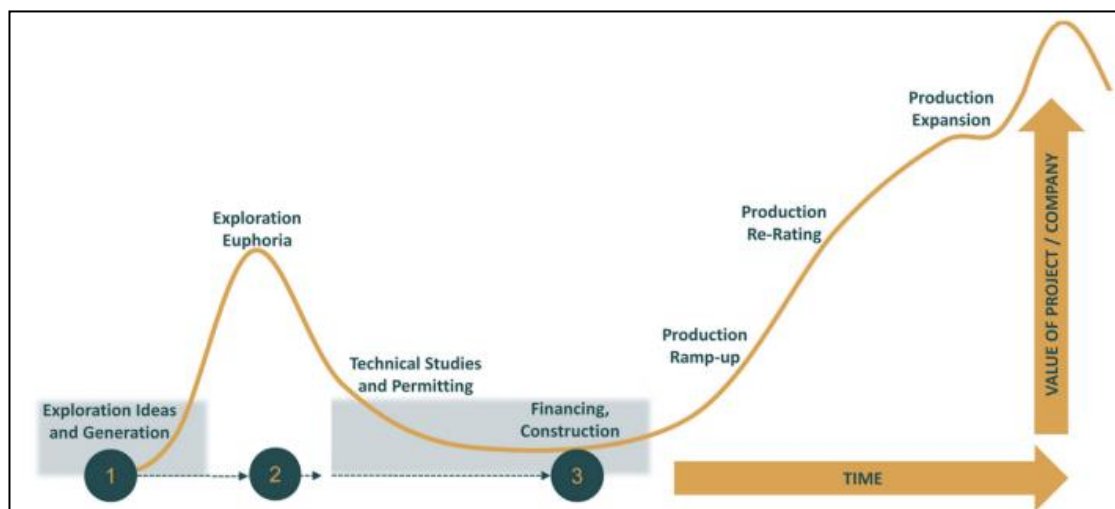
Importantly, while transaction multiples are widely used in valuation, they rely on the assumption that the reported Mineral Resources have been appropriately reported and can be taken at face value. The method assumes that differences in reporting regimes, between different Competent Persons, resource classification, metal recovery and adopted cut-off grades (which may change between assets and/or companies) do not materially influence the implied multiple. The method implicitly assumes total recoverability of all metal tonnes/ounces, as reliable and accurate data are generally not disclosed or available around the time of most transactions or for all companies. Importantly, SRK's implied value calculations are for the purposes of its valuation and do not attempt to estimate or reflect the metal likely to be recovered as required under the JORC Code (2012).

SRK notes that there is a clear relationship between the development stage of the assets that host defined Mineral Resources and their implied multiples with the average, median and weighted average values generally decreasing in line with earlier development stages. When considering the median normalised multiples only, SRK notes its analysis implies the following normalised transaction multiples (based on median values as set out in Table 10-11):

- projects in operation or construction – US\$71.51/oz
- projects at feasibility stage – US\$25.66/oz
- projects at scoping and pre-feasibility stage – US\$15.08/oz
- projects at advanced exploration stage – US\$10.09/oz.

The value price curve identified by this metric is in alignment with prevailing theory on value throughout a mining project's life cycle (Figure 10-1).

Figure 10-1: Project value curve



Source: SRK Consulting

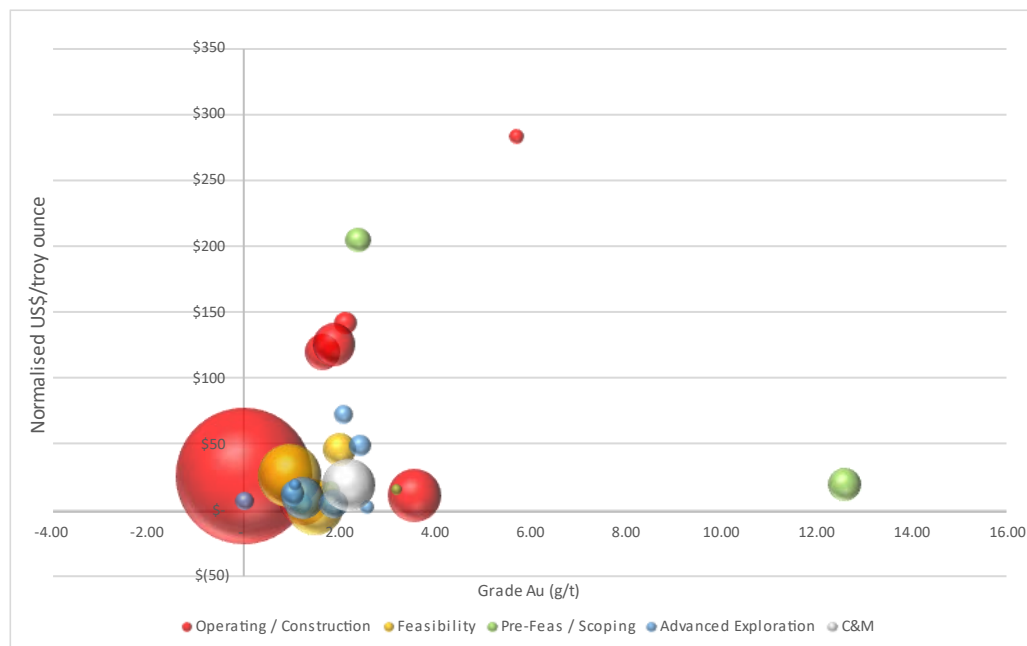
Table 10-11: Resource-based transaction multiple analysis

	Resource multiple – Raw (US\$/troy oz)	Resource multiple – Normalised (US\$/troy oz)
All		
count	25	25
min	1.14	1.41
median	16.27	18.82
average	48.22	49.66
max	283.73	279.03
weighted average	28.97	31.43
25th percentile	7.85	8.20
75th percentile	43.52	48.21
90th percentile	131.13	132.92
Projects in operation or under construction		
count	8	8
min	6.45	6.36
median	70.10	71.51
average	90.17	90.57
max	283.73	279.03
weighted average	33.17	36.03
25th percentile	17.91	19.65
75th percentile	127.22	127.28
90th percentile	180.04	181.26
Care and maintenance, closed		
count	1	1
min	17.00	18.82

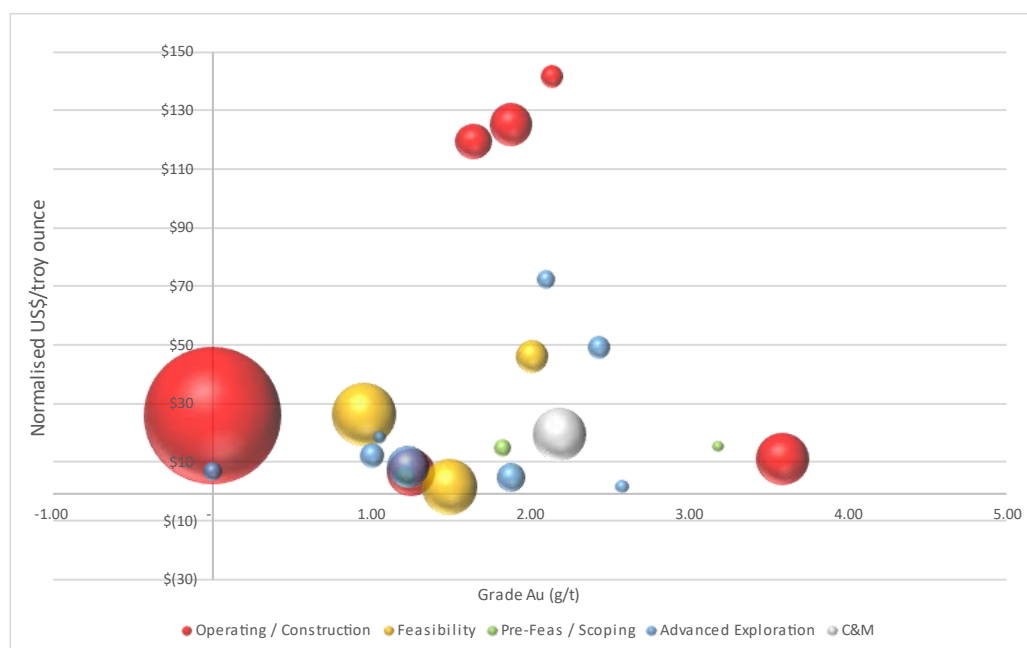
	Resource multiple – Raw (US\$/troy oz)	Resource multiple – Normalised (US\$/troy oz)
median	17.00	18.82
average	17.00	18.82
max	17.00	18.82
weighted average	17.00	18.82
25th percentile	17.00	18.82
75th percentile	17.00	18.82
90th percentile	17.00	18.82
Projects at the feasibility stage		
count	3	3
min	1.14	1.41
median	23.76	25.66
average	21.54	24.12
max	39.72	45.28
weighted average	17.10	18.82
25th percentile	12.45	13.53
75th percentile	31.74	35.47
90th percentile	36.53	41.36
Projects at the scoping/pre-feasibility stage		
count	5	5
min	4.97	4.88
median	14.79	15.08
average	48.71	50.97
max	193.72	201.08
weighted average	58.98	62.29
25th percentile	14.21	14.79
75th percentile	15.84	19.03
90th percentile	122.57	128.26
Projects at the Advanced Exploration stage		
count	8	8
min	1.78	1.82
median	9.33	10.09
average	19.88	21.35
max	68.07	71.12
weighted average	15.27	16.37
25th percentile	5.94	6.19
75th percentile	23.08	25.70
90th percentile	50.89	55.08

Source: SRK analysis

Note: the weighted average is determined based on the contained gold ounces in the defined Mineral Resource, which SRK considers to be an appropriate metric in evaluating a large dataset.

Figure 10-2: Resource multiples for African gold transactions

Source: SRK analysis

Figure 10-3: Resource multiples for African gold transactions (adjusted axis)

Source: SRK analysis

Note: Axis changed to show more detail at low grade and low value multiples.

Table 10-12 summarises the multiples implied by recent transactions involving similar assets to those held by OreCorp prior to the implementation of the Scheme. SRK has used these implied multiples to establish the value of the residual Resources held by OreCorp on a 100% attributable basis.

SRK notes that the selection of implied multiples is a subjective assessment. Based on its assessment of the available technical data, SRK has adopted a resource multiple range of between US\$15/oz and US\$30/oz for its valuation of the residual Resources at OreCorp's Nyanzaga project noting the bulk of these are underground and at depth. This range is based around using the median as the low of the resource multiples implied by PFS stage transactions.

Based on the transaction analysis (Table 10-11), SRK has selected a resource multiple range of between US\$20/oz and US\$40/oz for the Kilimani residual Resources noting that these all have open cut potential. SRK notes that this range is broadly aligned with the values implied by transactions relating to the median and high values implied by the feasibility stage transactions.

Based on the transaction analysis (Table 10-11), SRK has selected a resource multiple range of between US\$1/oz and US\$5/oz for the Nyanzaga Exploration Target. SRK notes that this range is based on roughly half the value for the lowest resource multiple with a wide range adopted above this in consideration of the increased potential associated with its position at depth below the underground.

Based on this comparable transaction analysis, SRK considers the implied value of the residual Resources held by OreCorp lies in the range from US\$9.4M to US\$19.6 M with a preferred valuation of US\$14.5 M on a net attributable equity basis (Table 10-12).

Table 10-12: Comparable transaction valuation of Resources and residual Resources on an attributable basis

Deposit/Project	Total (troy oz)	Value multiple Low (US\$)	Value multiple High (US\$)	Value multiple Preferred (US\$)	Value Low (US\$M)	Value High (US\$M)	Value Preferred (US\$M)
Nyanzaga Residual Resource	530,542	15	30	22.5	6.7	13.4	10.0
Kilimani Resource	142,106	20	40	30	2.4	4.8	3.6
Nyanzaga Exploration Target	347,228	1	5	3	0.3	1.5	0.9
Total Nyanzaga (84%)	1,088,742				9.4	19.6	14.5

Source: SRK analysis

Asia Pacific/Eurasian silver projects

SRK has compiled silver and gold resource transactions using its internal databases as well as the S&P Capital IQ Pro subscription database. The raw data relied on for the residual Resources, and BYP Mineral Resource are presented in Appendix A.

After compiling the relevant data, SRK reviewed transactions involving Chinese and Russian silver projects and Chinese gold projects (at various development stages) that occurred between 2014 and 2023. SRK compiled 27 silver transactions and 40 gold transactions and identified 7 transactions that it considered sufficiently relevant and for which sufficient information was available to calculate a resource multiple. The implied transaction multiple for resources was then expressed in US\$/oz Ag eq terms. This implied multiple was calculated using the transaction value (at the implied 100% acquisition cost) and the total contained Mineral Resources supporting the transaction. Given the gold price volatility and future price uncertainty, SRK elected to use the

August 2023 average US silver price of US\$23.44/oz and gold price of US\$1,918.70/oz to normalise the implied multiples and inform its market analysis.

The implied value paid per silver equivalent exhibited a wide range of values from US\$0.23/oz to US\$1.49/oz, with a median of US\$0.37/oz, an average of US\$0.59/oz and a weighted average of US\$0.64/oz on a normalised basis (Table 10-13).

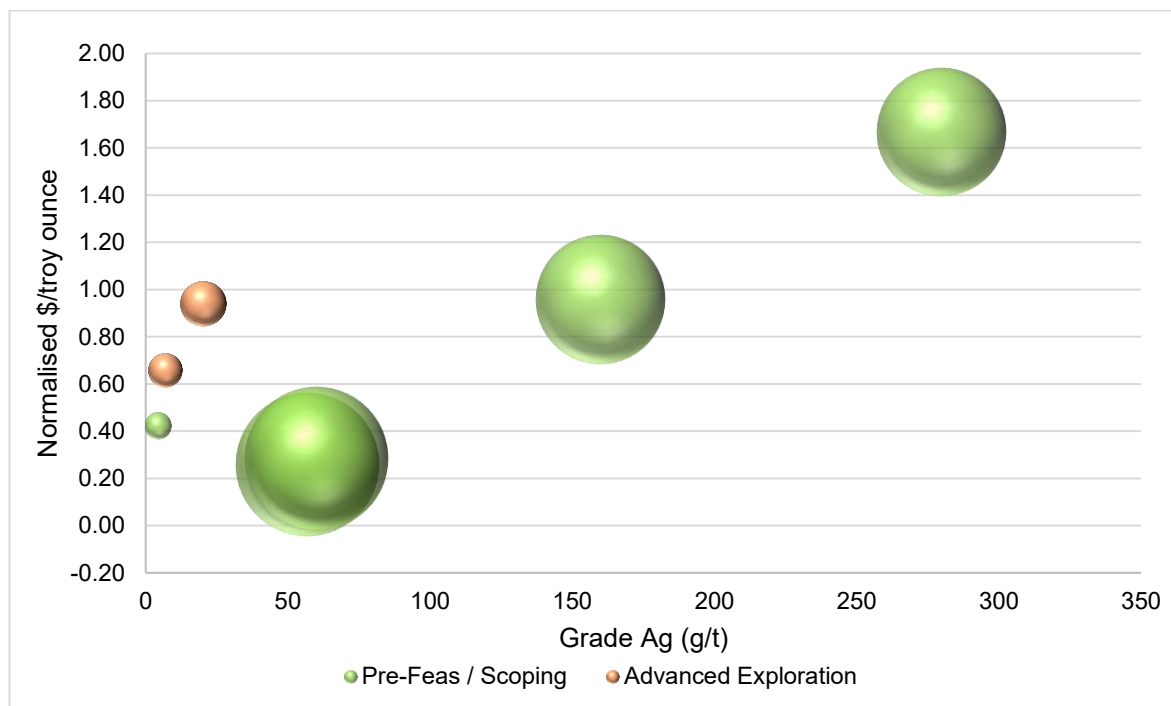
Table 10-13: Resource-based silver transaction multiple analysis

	Resource multiple – Raw (US\$/Ag eq oz)	Resource multiple – Normalised (US\$/Ag eq oz)
All		
Minimum	0.17	0.23
Median	0.25	0.37
Average	0.42	0.59
Maximum	1.06	1.49
Weighted average	0.46	0.64
25th percentile	0.20	0.27
75th percentile	0.52	0.75
90th percentile	0.83	1.17

Source: SRK analysis

Note: the weighted average is determined based on the contained silver ounces in the defined Mineral Resource, which SRK considers to be an appropriate metric in evaluating a large dataset.

The implied value paid per gold equivalent also shows a wide range of values from US\$30.63/oz to US\$365.91/oz, with a median of US\$139.88/oz, an average of US\$156.64/oz and a weighted average of US\$155.02/oz on a normalised basis (Table 10-14).

Figure 10-4: China Resource-based silver transaction multiple analysis

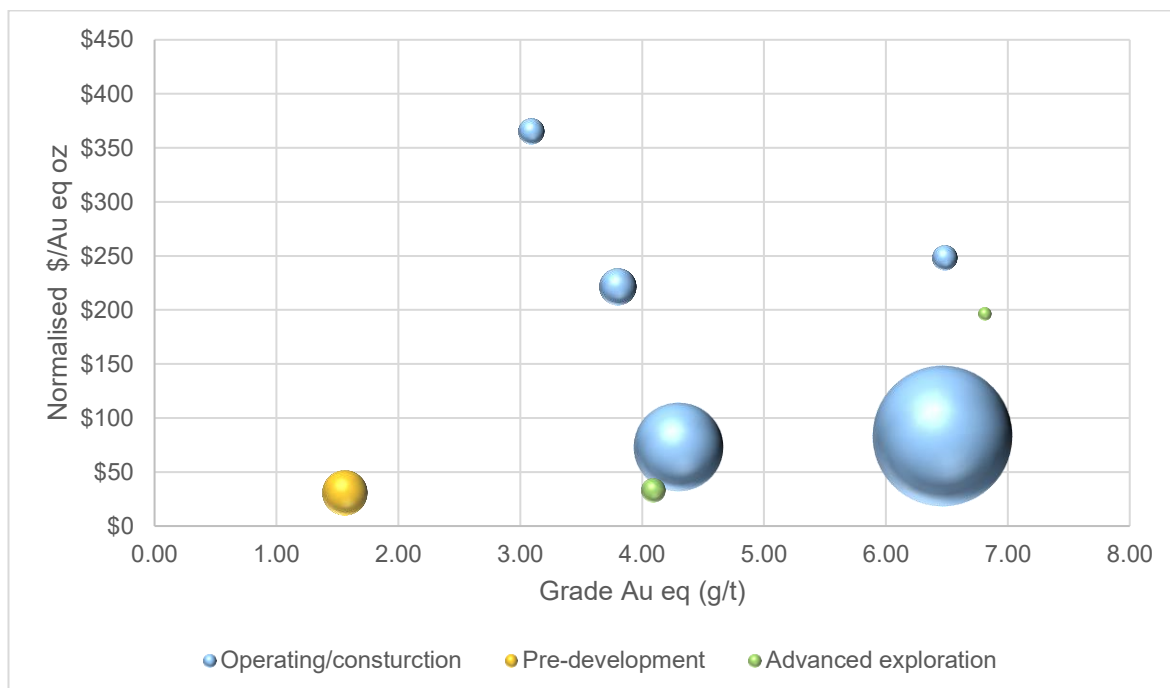
Source: SRK analysis

Table 10-14: China Resource-based gold transaction multiple analysis

	Resource multiple – Raw (US\$/Au eq oz)	Resource multiple – Normalised (US\$/Au eq oz)
All		
Minimum	21.05	30.63
Median	102.28	139.88
Average	104.96	156.64
Maximum	228.96	365.91
Weighted average	65.29	155.02
25th percentile	41.02	63.02
75th percentile	149.83	228.55
90th percentile	186.57	283.81

Source: SRK analysis

Note: the weighted average is determined based on the contained gold ounces in the defined Mineral Resource, which SRK considers to be an appropriate metric in evaluating a large dataset.

Figure 10-5: China Resource-based gold transaction multiple analysis

Source: SRK analysis

SRK comments

SRK notes that the selection of implied multiples is a subjective assessment. Based on its assessment of the available technical data, SRK has adopted a resource multiple range between US\$0.37/oz and US\$0.59/oz of silver equivalence for its valuation of the residual Resources at Silvercorp's Ying and GC mines. This range is based around the median and average of the resource multiples for all selected transactions as these two mines are in operation.

For the BYP project, SRK has adopted a resource multiple range between US\$30.0/oz and US\$50.0/oz of gold equivalence for its valuation of the Mineral Resources. The low range is based around value indicated by the Sawayaerdun Project transaction. The high is based around the lower operational multiples in recognition that the BYP project is on care and maintenance.

Table 10-15 presents the implied values of the project based on comparable transaction analysis.

Table 10-15: Comparable Transaction Valuation of residual Resources and Mineral Resources

Project	Metal equivalence	Total (koz)	Value multiple Low (US\$/oz)	Value multiple High (US\$/oz)	Value multiple Preferred (US\$/oz)	Value Low (US\$'000)	Value High (US\$'000)	Value Preferred (US\$'000)
Ying	Ag	198,767	0.37	0.59	0.48	73,552	117,957	95,755
GC	Ag	83,772	0.37	0.59	0.48	30,999	49,714	40,357
BYP	Au	807	30	50	40	24,214	40,357	32,286
Total						128,766	208,028	168,397

Source: SRK analysis

10.4.4 Industry Yardstick crosscheck

OreCorp

As a crosscheck of the values implied by market multiples, SRK has also considered standard industry yardsticks.

Under the Yardstick method of valuation, specified percentages of the spot price are used to assess the likely value. Commonly used Yardstick factors range between 0.5% and 5.0% of the prevailing spot price as set out below.

- Measured Resources - 2.0% to 5.0% of the spot price
- Indicated Resources - 1.0% to 2.0% of the spot price
- Inferred Resources - 0.5% to 1.0% of the spot price
- Exploration Target - 0.1% to 0.5% of the spot price.

To determine the relevant Yardstick factors for use, SRK adopted the August 2023 average gold price of US\$1,918.70/oz. On this basis, the implied value range multiplies using the yardstick factors are summarised in Table 10-16.

Table 10-16: Yardstick factors value range

		Value range	
Resource	Percentage of the spot price	Low US\$/oz gold	High US\$/oz gold
Measured	2.0% to 5.0%	39.02	97.55
Indicated	1.0% to 2.0%	19.51	39.02
Inferred	0.5% to 1.0%	9.76	19.51
Target	0.1% to 0.5%	1.95	9.76

Source: SRK analysis

Based on this Yardstick analysis, SRK considers the implied value of the residual Resources held by OreCorp lies in the range from US\$7.8 M to US\$17.3 M with a preferred valuation of US\$12.5 M on a net attributable equity basis (Table 10-17).

Table 10-17: Yardstick Valuation of residual Resources and Exploration Target

Deposit/Project	Total (koz)	Value Low (US\$M)	Value High (US\$M)	Value Preferred (US\$M)
Nyanzaga OC and UG residual Resources	530,542	5.68	11.37	8.53
Kilimani residual Resources	142,106	1.55	3.10	2.33
Total residual Resources	672,648	7.23	14.47	10.85
Nyanzaga Exploration Target	347,228	0.56	2.80	1.68
Total Nyanzaga Project (100%)		7.8	17.3	12.5

Source: SRK analysis

Silvercorp

Using the same methodology as outlined above, SRK has adopted the following yardsticks for silver based on the August 2023 average US silver price of US\$23.44/oz. On this basis, the implied value range multiples using the yardstick factors are summarised in Table 10-18.

Table 10-18: Yardstick factors value range (silver)

Resource	Percentage of the spot price	Value range	
		Low US\$/oz	High US\$/oz
Measured	2.0% to 5.0%	0.47	1.17
Indicated	1.0% to 2.0%	0.23	0.47
Inferred	0.5% to 1.0%	0.12	0.23
Target	0.1% to 0.5%	0.02	0.12

Source: SRK analysis

Based on this Yardstick analysis, SRK considers the implied value of the residual Resources held by Silvercorp lies in the range from US\$58.08 M to US\$127.36 M with a preferred valuation of US\$92.69 M on a net attributable equity basis (Table 10-19).

Table 10-19: Yardstick Valuation of residual Resources (Ying and GC)

Deposit/Project	Total Ag eq (Moz)	Value multiple Low (US\$)	Value multiple High (US\$)	Value multiple Preferred (US\$)	Value Low (US\$M)	Value High (US\$M)	Value Preferred (US\$M)
Measured	40.56	0.47	1.17	0.82	19.01	47.53	33.27
Indicated	67.48	0.23	0.47	0.35	15.82	31.63	23.72
Inferred	146.68	0.12	0.23	0.18	17.19	34.48	25.78
Total Ying (100%)	254.72				52.02	113.54	82.78
Measured	31.60	0.47	1.17	0.82	14.81	37.03	25.92
Indicated	52.50	0.23	0.47	0.35	12.31	24.61	18.46
Inferred	114.66	0.12	0.23	0.18	13.44	26.87	20.15
Ying (attributable to Silvercorp)	198.77				40.55	88.52	64.54
Measured	16.76	0.47	1.17	0.82	7.86	19.64	13.75
Indicated	15.73	0.23	0.47	0.35	3.69	7.37	5.53
Inferred	52.12	0.12	0.23	0.18	6.11	12.22	9.16
Total GC (100%)	84.62				17.65	39.23	28.44
Measured	16.60	0.47	1.17	0.82	7.78	19.45	13.61
Indicated	15.57	0.23	0.47	0.35	3.65	7.30	5.48
Inferred	51.60	0.12	0.23	0.18	6.05	12.09	9.07
GC (attributable to Silvercorp)	83.77				17.48	38.84	28.16
Total attributable Silvercorp	282.54				58.08	127.36	92.69

Source: SRK analysis

Table 10-20: Yardstick Valuation of BYP Mineral Resources

Deposit/Project	Total Au eq (koz)	Value multiple Low (US\$)	Value multiple High (US\$)	Value multiple Preferred (US\$)	Value Low (US\$M)	Value High (US\$M)	Value Preferred (US\$M)
Measured	269.00	38.37	95.94	67.15	10.32	25.81	18.06
Indicated	299.82	19.19	38.37	28.78	5.73	11.51	8.63
Inferred	440.12	9.59	19.19	14.39	4.22	8.44	6.33
Total BYP (100%)	1,008.93				20.30	45.76	33.03
Measured	215.20	38.37	95.94	67.15	8.26	20.65	14.45
Indicated	239.86	19.19	38.37	28.78	4.60	9.20	6.90
Inferred	352.09	9.59	19.19	14.39	3.38	6.76	5.07
BYP (attributable to Silvercorp)	807.15				16.24	36.61	26.42

Source: SRK analysis

10.4.5 Summary – residual Resource Valuation

OreCorp

SRK has elected to adopt an equal weighting for the values implied by the comparable transaction analysis and industry yardsticks to inform its valuation range for OreCorp's residual Resources and Exploration Target (Table 10-21).

Table 10-21: Summary of SRK's Valuation of OreCorp's residual Resources and Exploration Target on an attributable basis.

Method	Low (US\$M)	High (US\$M)	Preferred (US\$M)
Comparable transactions	6.68	13.37	10.03
Yardstick	5.68	11.37	8.53
Actual Transactions (total project basis)	17.20	29.34	23.27
Selected OreCorp (100%)	6.18	12.37	9.28

Source: SRK analysis

Note: The actual transaction value was for the whole project and not residual Resources plus the Exploration Target so a fair comparison cannot be made against the Comparable Transaction and Yardstick total values.

Based on this analysis, the implied value of OreCorp's residual Resources and Exploration Target is estimated to reside between US\$6.2 M and US\$12.4 M with a preferred valuation of US\$9.3 M on a net attributable equity basis.

Silvercorp

SRK has elected to adopt an equal weighting for the values implied by the comparable transaction analysis and industry yardsticks to inform its valuation range for Silvercorp's residual Resources and Mineral Resources (Table 10-22).

Table 10-22: Summary of SRK’s Valuation of residual Resources and Mineral Resources

Method	Low (US\$M)	High (US\$M)	Preferred (US\$M)
Comparable transactions	73.55	117.96	95.75
Yardstick	40.55	88.52	64.54
Ying	57.05	103.24	80.14
Comparable transactions	31.00	49.71	40.36
Yardstick	17.48	38.84	28.16
GC	24.24	44.28	34.26
Comparable transactions	24.21	40.36	32.29
Yardstick	16.24	36.61	26.42
BYP	20.23	38.48	29.35
Total	145.86	228.38	187.12

Source: SRK analysis

Based on this analysis, the implied value of Silvercorp’s residual Resources and Mineral Resources is estimated to reside between US\$146 M and US\$228 M with a preferred valuation of US\$187 M on a net attributable equity basis.

For the Kuanping Project, SRK considers the actual transaction value (US\$13.1 M) paid in November 2021 remains the best indication of value. As a recent acquisition in a competitive public auction it should be highly reflective of the future potential for that project.

No value has been assigned to the La Yesca Project as it is not considered to hold material value.

10.5 Exploration Potential

10.5.1 Introduction

In addition to its assessment of the residual Resources, SRK has also considered the value associated with the mineral tenure surrounding the currently defined Mineral Resource and Ore Reserve areas held by the parties.

In doing so, SRK has considered the values implied by comparable transaction analysis for early to advanced stage exploration projects and geoscientific rating methods. Details of these valuation methods and the associated outcomes are presented below.

10.5.2 Comparable transactions – African gold

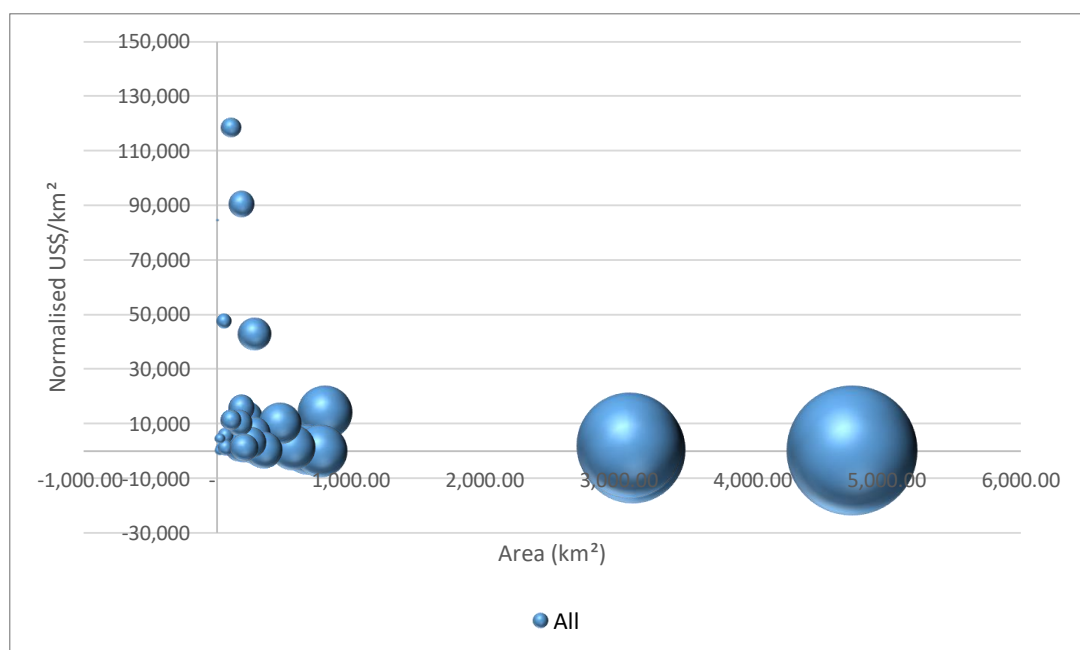
SRK has also reviewed transactions involving early to advanced stage gold exploration projects in Africa (i.e. those without defined gold Mineral Resources) occurring between 2020 and 2023. SRK has identified and compiled data for 51 transactions (Table 10-23) for which sufficient information was available to calculate an area-based multiple (i.e. US\$/km² or US\$/ha). SRK’s analysis of the implied multiples was based on the reported areal extent of mineral tenure.

For the purpose of this section, SRK has expressed the area-based transaction multiple in US\$/km² terms. This value has been calculated using the transaction value (at the implied 100%

acquisition cost) and the total area of the project tenure acquired at the time of the transaction. Given the gold price volatility and future price uncertainty, SRK elected to use the average gold price of US\$1,918.70/oz, being the average spot gold price for the month of August 2023, to normalise the implied multiples and inform its market analysis.

SRK notes there is also a clear relationship between the size of tenure acquired and the implied value (in A\$/km² terms). Mining leases (MLs) are generally smaller than prospecting leases (PLs) or exploration leases (ELs), and are also generally more advanced in terms of the exploration completed. Consequently, MLs generally attract higher transaction prices and thus implied multiples. The relationship usually holds true when these datasets are reviewed exclusively from each other however there is insufficient data for Africa to prove this relationship (Figure 10-6). SRK considers this to be reasonable and in line with industry practice for, as exploration progresses on a tenure, explorers will, in accordance with regulatory requirements, intermittently relinquish those areas of lower perceived potential and retain only those areas considered to be the most prospective.

Figure 10-6: Area-based multiples African gold transactions (excludes high outliers >US\$300/km²)



Source: SRK analysis

Table 10-23: Area-based transaction multiple analysis

	Resource multiple – Raw (US\$/km ²)	Resource multiple – Normalised (US\$/km ²)
All		
count	51	51
min	91.0	100.8
median	4,375.0	4,546.0
average	290,735.7	299,916.8
max	6,100,000.0	6,331,658.1
weighted average	7,781.3	8,076.2
25th percentile	929.8	1,088.8
75th percentile	14,915.1	15,599.1
90th percentile	311,379.9	308,460.4
All excluding three high outliers >US\$1 M/km²		
count	91.0	100.8
min	4,163.4	4,313.0
median	31,591.9	31,982.7
average	319,539.5	319,539.5
max	7,313.6	7,602.7
weighted average	885.5	1,048.0
25th percentile	12,325.8	12,864.5
75th percentile	84,144.0	84,911.4
90th percentile	91.0	100.8
All excluding outliers >US\$0.3 M/km² for similar risk rating countries including Morocco, Tanzania, Cote d'Ivoire, Ghana, Ethiopia and Namibia		
count	19	19
min	91.0	100.8
median	1,230.7	1,180.8
average	13,634.7	14,374.1
max	83,062.9	89,013.7
weighted average	3,662.8	3,957.6
25th percentile	471.4	544.7
75th percentile	12,710.6	13,240.4
90th percentile	47,916.7	46,701.4

Source: SRK analysis

Based on its review of the available technical information, SRK has assessed the value of the exploration holdings for the relevant parties. All values were estimated on a net attributable equity basis.

In SRK's opinion, applying values based on the ranges indicated by either ELs or MLs only, does not reflect the large and coherent nature of the respective party's project tenure and its position relative to the surrounding Mineral Resources (which have been valued separately). SRK has further selected ranges for exploration-stage tenures based on the size of the tenure and selected its preferred value based on the perceived prospectivity of each tenement.

Where relevant, SRK has estimated the area covered by the currently stated Mineral Resource and removed this from the remaining area for valuation purposes to avoid double counting. For very small MLs containing defined Mineral Resources, this has resulted in little or no remaining area and consequently, these have been assigned no value on an area basis.

The implied values of a 100% interest in the exploration potential of OreCorp's mineral tenures using the comparable transaction method are provided in Table 10-24.

Table 10-24: Exploration Potential Value using Transaction Analysis – net attributable basis

Project	Area valued (km ²)	Multiples by area (US\$/km ²)			Market Value (US\$M)		
		Lower	Upper	Preferred	Lower	Upper	Preferred
SML653/2021	9.34*	100,000	200,000	150,000	0.78	1.57	1.18
PL11873/2022	17.03	5,000	10,000	7,500	0.07	0.14	0.11
PL11874/2022	21.22	2,500	5,000	3,750	0.04	0.09	0.07
PL10911/2016	10.91	5,000	10,000	7,500	0.05	0.09	0.07
PL10877/2016	7.42	10,000	20,000	15,000	0.06	0.12	0.09
PL11186/2018	18.21	2,500	5,000	3,750	0.04	0.08	0.06
PL12429/2023	4.20	10,000	20,000	15,000	0.04	0.07	0.05
PL24748/2023	42.78	5,000	10,000	7,500	0.18	0.36	0.27
PL12430/2023	1.37	10,000	20,000	15,000	0.01	0.02	0.02
PL12427/2023	37.26	5,000	10,000	7,500	0.16	0.31	0.23
PL11961/2017*	3.53	5,000	10,000	7,500	0.01	0.03	0.02
Total					1.44	2.89	2.17

Source: SRK analysis

Notes:

*Area of SML653/2021 reduced to exclude the footprint of the mineral Resources, Ore Reserves and Exploration Targets which are valued under alternate methods.

**Indicates tenure remains in application to which a 20% discount has been applied.

Using the Comparative Transactions – area-based method, SRK considers the Market Value of the exploration potential (excluding the areas containing the defined Mineral Resources) associated with OreCorp's mineral tenures resides between US\$1.44 M and US\$2.89 M, with a preferred value of US\$2.17 M on an attributable basis.

Asia Pacific/Eurasian silver projects

SRK does not consider there is any additional potential associated with Silvercorp's Asia Pacific/Eurasian silver project assets over and above that associated with the defined Ore Reserves and Mineral Resources.

10.5.3 Geoscientific Rating

As a crosscheck to the values implied by market multiples, SRK has also considered the Geoscientific Rating method, a cost-based method. The Geoscientific Rating or modified Kilburn method of valuation attempts to quantify the relevant technical aspects of a property through appropriate multipliers (factors) applied to an appropriate base (or intrinsic) value and is considered to be a cost-based method of valuation. The intrinsic value is referred to as the base acquisition cost (BAC), which represents the 'average cost to identify, apply for and retain a base unit of area of title' for 1 year.

Multipliers are considered for off-property aspects, on-property aspects, anomaly aspects, and geology aspects. These multipliers are applied sequentially to the BAC to estimate the Technical Value for each tenement. A further market factor is then considered to derive a Market Value.

A BAC has been assumed in this valuation – which incorporates annual rental, administration and application fees in addition to nominal indicative minimum expenditure on acquisition and costs of identification (Table 10-25) – and is considered to be:

- US\$492/km² (A\$5/ha) for a PL/EL in Tanzania
- US\$12,384/km² (A\$124/ha) for a ML in Tanzania.

Table 10-25: BAC cost calculation PL/EL

Base Area Cost input data – Prospecting Licence/Exploration Permit – Tanzania			
Metric	Unit	Unit Value	Cost
Average licence size ¹	km ²	57.8	-
Average licence age ²	Years	4	-
Application fee	US\$ per licence	2,000	2,000
Annual Administration fee	US\$/km ²	200	200
Annual rent	US\$ per licence	150	8,673
Minimal annual expenditure	US\$ per licence		28,911
BAC of average licence	US\$/km ²		688
BAC of average licence	US\$/ha		7

Source: SRK analysis 2021

Notes:

¹ The average licence size of 57.8 km² was calculated from the Mining Claims downloaded from the S&P Capital IQ Pro database services.

² Assumed

Table 10-26: BAC cost calculation SML

Base Area Cost input data – Special Mining Licence – Tanzania			
Metric	Unit	Unit Value	Cost
Average licence size ¹	km ²	40.80	-
Average licence age ²	Years	10	-
Application fee	US\$ per licence	5,000	5,000
Annual Administration fee	US\$/km ²	300	300
Annual rent	US\$ per licence	5,000	204,000
Minimal annual expenditure	US\$ per licence		
BAC of average licence	US\$/km ²		5,130
BAC of average licence	US\$/ha		51

Source: SRK analysis 2021

Notes:

¹ The average licence size of 40.8 km² was calculated from the Mining Claims downloaded from the S&P Capital IQ Pro database services.

² Assumed

In converting its implied technical values to a market value, SRK considers that market participants would apply a premium to the technical value of 20% to account for the current market sentiment and recent gold price performance.

In addition, SRK considers that any tenures in application would attract a 20% discount to reflect the uncertainty in likely timing of the grant, as well as approval conditions associated with the grant.

The geoscientific rating criteria are presented in Table 10-27.

Table 10-27: Modified property rating criteria

Rating	Off-property factor	On-property factor	Geological factor	Anomaly factor
0.1			Unfavourable geological setting	No mineralisation identified – area sterilised
0.5	Unfavourable district/basin	Unfavourable area	Poor geological setting	Extensive previous exploration provided poor results
0.9			Generally favourable geological setting, under cover or complexly deformed or metamorphosed	Poor results to date
1.0	No known mineralisation in district	No known mineralisation on lease	Generally favourable geological setting	No targets outlined
1.5	Minor workings	Minor workings or mineralised zones exposed		Target identified; initial indications positive
2.0	Several old workings in district	Several old workings or exploration targets identified	Multiple exploration models being applied simultaneously	Significant grade intercepts evident but not linked on cross or long sections
2.5			Well-defined exploration model applied to new areas	
3.0	Mine or abundant workings with significant previous production	Mine or abundant workings with significant previous production	Significant mineralised zones exposed in prospective host rock	
3.5				
4.0	Along strike from a major deposit	Major mine with significant historical production	Well-understood exploration model, with valid targets in structurally complex area, or under cover	
5.0	Along strike for a world class deposit		Well-understood exploration model, with valid targets in well understood stratigraphy	
6.0			Advanced exploration model constrained by known and well-understood mineralisation	
10.0		World class mine		

Source: Modified after Xstract, 2009 and Agricola Mining Consultants, 2011.

OreCorp

Using the geoscientific rating method (calculations presented as Appendix B), SRK considers an 84% interest in the exploration potential of the Mineral Assets (excluding the areas covered by the defined Mineral Resources) resides between US\$0.87 M and US\$2.34 M, with a preferred value of US\$1.61 M.

Table 10-28: Summary of Exploration Potential Value using the Geoscientific (Kilburn) Method – net attributable basis

Project	Area Valued (km ²)	Market Value (US\$M)		
		Lower	Upper	Preferred
SML653/2021	9.34	0.60	1.63	1.12
PL11873/2022	17.03	0.03	0.08	0.05
PL11874/2022	21.22	0.03	0.10	0.06
PL10911/2016	10.91	0.03	0.09	0.06
PL10877/2016	7.42	0.01	0.03	0.02
PL11186/2018	18.21	0.03	0.06	0.04
PL12429/2023	4.20	0.01	0.01	0.01
PL24748/2023	42.78	0.07	0.20	0.13
PL12430/2023	1.37	0.01	0.01	0.01
PL12427/2023	37.26	0.06	0.12	0.09
PL11961/2017*	3.53	0.004	0.01	0.01
Total on a net attributable basis		0.87	2.34	1.61

Source: SRK analysis (total is rounded)

Note: *Indicates tenure remains in application to which a 20% discount has been applied.

Silvercorp

SRK does not consider there is any additional potential associated with the Exploration Potential for Silvercorp's assets over and above that associated with the defined Ore Reserves and Mineral Resources.

10.5.4 Summary – Exploration Potential Valuation

OreCorp

In estimating the value of the exploration potential outside the defined Mineral Resource areas, SRK has considered the values implied by comparable transaction analysis and geoscientific rating methods.

In considering the overall value of the mineral assets, SRK has given equal weighting to the outcomes under both valuation methods, as it has no strong inclination to the values implied by one method over another. SRK has adopted the midpoint as its preferred value.

As summarised in Table 10-29, SRK considers the Market Value of the exploration potential of the Mineral Assets (excluding the areas covered by the defined Mineral Resources) to reside between US\$1.15 M and US\$2.62 M, with a preferred value of US\$1.89 M.

Table 10-29: Valuation summary – exploration potential

Method	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Comparable transactions	1.44	2.89	2.17
Geoscientific Rating	0.87	2.35	1.61
Selected (100%)	1.15	2.62	1.89

Source: SRK analysis (total is rounded)

Silvercorp

SRK does not consider there is any additional potential associated with Silvercorp's mineral assets over and above that associated with the defined Ore Reserves and Mineral Resources.

11 Valuation Summary

Based on its technical assessment presented in the earlier sections of this Report, SRK has completed a valuation of OreCorp's and Silvercorp's Mineral Assets in accordance with its mandate.

SRK has elected to adopt an equal weighting for the values implied by the comparable transaction analysis and industry yardsticks to inform its valuation range for the Resources, residual Resources and Exploration Targets (Table 11-1).

In estimating the value of the exploration potential of OreCorp's and Silvercorp's mineral tenures outside the defined Mineral Resource areas, SRK has considered the values implied by comparable transaction analysis and geoscientific rating methods.

For the Kuanping Project, SRK considers the actual transaction value (US\$13.1 M) paid in November 2021 remains the best indication of value. As a recent acquisition in a competitive public auction it should be highly reflective of the future potential for that project. As there are no publicly reported Resources SRK has assigned this value to Silvercorp's Exploration Potential.

No value has been assigned to the La Yesca Project as it is not considered to hold material value.

In considering the overall value of the mineral assets, SRK has applied equal weighting to all valuation methods as it has no strong inclination to the values implied by one method over another. SRK has adopted the midpoint as its preferred value.

Based on its analysis, SRK considers the current Market Value of OreCorp's Mineral Assets (excluding the Mineral Resources within the LOM Plan) on a net attributable basis reside between US\$9.7 M and US\$21.1 M, with a preferred value of US\$15.4 M as summarised in Table 11-1.

Based on its analysis, SRK considers the current Market Value of Silvercorp's Mineral Assets (excluding the Mineral Resources within the LOM Plan) on a net attributable basis reside between US\$114.6 M and US\$199.1 M, with a preferred value of US\$156.9 M as summarised in Table 11-1.

Table 11-1: Summary of the Market Value of the Mineral Assets

Method	Low (US\$M)	High (US\$M)	Preferred (US\$M)
Residual Resources and Exploration Targets	8.58	18.43	13.51
Exploration Potential	1.15	2.62	1.89
Selected OreCorp (net attributable basis)	9.73	21.05	15.39
Residual Resources	57.05	103.24	80.15
Exploration Potential	-	-	-
Selected Ying (77.5%)	57.05	103.24	80.15
Residual Resource	24.24	44.28	34.26
Exploration Potential	-	-	-
Selected GC (99%)	24.24	44.28	34.26
Residual Resource	20.23	38.48	29.35
Exploration Potential	-	-	-
Selected BYP (70%)	20.23	38.48	29.35
Residual Resources	-	-	-
Exploration Potential	13.10	13.10	13.10
Selected Other	13.10	13.10	13.10
Residual Resources Totals	101.52	186.00	143.76
Exploration Potential Totals	13.10	13.10	13.10
Selected Silvercorp (net attributable basis)	114.62	199.10	156.86

Note: Any discrepancies between values in the tables are due to rounding.

Closure

This report, Independent Specialist Report – Mineral Assets of OreCorp Limited and Silvercorp Metals Inc., was prepared by



Mathew Davies
Senior Consultant

and reviewed by



This signature has been scanned. The author has given permission to its use for this document. The original signature is held on file

Jeames McKibben
Principal Consultant

All data used as source material plus the text, tables, figures, and attachments of this document have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

References

- ALN Tanzania/A&K Tanzania, 2023. Letter Reference DR/SDA/65207482/1 dated 3 August 2023: Proposed Acquisition of all the Issued Shares of ASZ Listed OreCorp Limited by Silvercorp Metals Inc.
- AMC Mining Consultants (Canada) Ltd, 2012. Technical Report for Ying Gold-Silver-Lead-Zinc Property, Henan Province, China, prepared for Silvercorp Metals Inc. Effective date 1 May 2012, filed 15 June 2012.
- AMC Mining Consultants (Canada) Ltd, 2013. Technical Report for Ying Gold-Silver-Lead-Zinc Property, Henan Province, China, prepared for Silvercorp Metals Inc. Effective date 1 May 2012 (Revised 30 April 2013), filed 6 May 2013.
- AMC Mining Consultants (Canada) Ltd, 2014. Ying NI 43-101 Technical Report, prepared for Silvercorp Metals Inc. Effective date 31 December 2013, filed 5 September 2014.
- AMC Mining Consultants (Canada) Ltd, 2017. Ying NI 43-101 Technical Report, prepared for Silvercorp Metals Inc. Effective date 31 December 2016, filed 24 February 2017.
- AMC Mining Consultants (Canada) Ltd, 2020. NI 43-101 Technical Report Update on the Ying Ag-Pb±Zn Property in Henan Province, People's Republic of China, prepared for Silvercorp Metals Inc. Effective date 31 July 2020, filed 14 October 2020.
- AMC Mining Consultants (Canada) Ltd, 2022. NI 43-101 Technical Report Update on the Ying Ag-Pb-Zn Property in Henan Province, People's Republic of China, prepared for Silvercorp Metals Inc. Effective date 20 September 2022, filed 3 November 2022.
- AMC Mining Consultants (Canada) Ltd, 2022. National Instrument 43-101 Technical Report Update on the Ying Ag-Pb- n Property in Henan Province, People's Republic of China, prepared for Silvercorp Metals Inc. Effective date 20 September 2022, filed 3 November 2022.
- AMC Mining Consultants (Canada) Ltd, 2022. National Instrument 43-101 Technical Report Update on the Gaocheng Ag-Zn-Pb Project in Guangdong Province, People's Republic of China, prepared for Silvercorp Metals Inc. Effective date 31 March 2021, filed 6 October 2021.
- Broili, C, Klohn, M and Moran, R, 2008. NI 43-101 Technical Report and Pre-Feasibility Study November 2008 for Silvercorp Metals Inc. TP-LM Silver-Lead Project, Henan Province, Peoples Republic of China. Prepared for Silvercorp Metals Inc. by BK Exploration Assoc., Washington USA, 20 November 2008.
- Department of Industry, Science and Resources, Commonwealth of Australia Resources and Energy Quarterly June 2023.
- GlobalData, May 2023, Global Gold Mining to 2030
- JORC, 2012. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) [online]. Available from: <<http://www.jorc.org>> (The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia).
- Lawrence, M J, 1994. An Overview of Valuation Methods for Exploration Properties, Mineral Valuation Methodologies 1994, *AusIMM/MICA Conference Proceedings*, Publication Series No 5/95, pp 205–223.

Lord D, Etheridge M and Uttley P, December 2001b, Managing Risk and Value in Mineral Exploration. Unpublished SRK Internal Memo.

Lycopodium Minerals (Pty) Ltd, 2022. Nyanzaga Project Definitive Feasibility Study.

OreCorp, 2022a. Nyanzaga: Large-scale Exploration and Development in Tanzania. Company presentation 220216_Company_Presentation_Mining_Exhibition_Feb_2022_Compressed.

OreCorp, 2022b. Nyanzaga DFS Delivers Robust Results, ASX release dated 22 August 2022.

OreCorp, 2023. Early Contractor Involvement Appointments for Nyanzaga, ASX release dated 21 April 2023.

RPM Global Asia Ltd, 2019. National Instrument 43-101 Mineral Resource Technical Report for Baiyunpu Gold-Lead-Zinc Project, Hunan Province, China, prepared for Silvercorp Metals Inc., dated 30 April 2019.

S&P Capital IQ Pro, <https://www.spglobal.com/s&p-capital-iq>

Silver Institute, 2023, World Silver Survey 2023

Silvercorp Ying Mine financial Model: SVM Ying NAV Calculation 2022.10.05

Silvercorp Ying Mine financial Model: SVM GC NAV Calculation 2021.09.17 with sensitivity for silver price V2

Silvercorp Metals website: News – silvercorpmetals.com

Silvercorp Metals regulatory filings (2021 to 2023 inclusive): including Management's Discussion and Analysis; Annual Information Form; News Release.

SLR, 2023. Nyanzaga Gold Project, prepared for OreCorp Ltd, Technical Review Report.

VALMIN Code, 2015. Australasian code for public reporting of Technical Assessments and Valuations of mineral assets. VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. 2015.

World Bank Commodity Price Data (The Pink Sheet): accessed 15/09/2023

Other:

- Ying and GC Mines: Monthly production and operating reports for 2022 and 2023
- Legal documentations and opinions:
 - Legal letter of Ying Mining and Exploration Licenses_2022 (BaiRun LLP)
 - Legal letter of GC Mining License__2022 (BaiRun LLP)
 - Legal opinion of the Land Use Right licenses by BYP Mine_2023.9.1 (BaiRun LLP)
 - Notice of the Ministry of Natural Resources

Appendix A Comparative transactions

Transaction data for Resource based multiples – African Gold

Date of transaction	Project or Company Name	Buyer	Seller	Country	Development Stage	Commodity Details	Implied Price (100%) US\$ M	Equity Acquired (%)	Total Resource (Mt)	Total Resource Contained Gold (troy ounces M)	US\$ / Au troy ounce	normalised US\$/ Au troy ounce
Dec-20	Fininko concession	Kodal Minerals Plc	Sacko Holdings SA	0	Mali	0	2.28	90.00%	-	0.35	6.51	6.72
Jun-20	Bagoe and Liberty projects	Exore Resources Limited	Apollo Consolidated Limited	Reserves Development, Target Outline	Cote d'Ivoire	Gold	22.50	20.00%	6.60	0.52	43.52	48.21
Jun-22	Mankono-Sissédougou Joint Venture project	Montage Gold Corp.	Investor group	Early to Advanced Exploration	Côte d'Ivoire	Gold	23.90	100.00%	5.20	0.35	68.07	71.12
Jun-22	Kouri and Babonga Projects	BAOR SARL	Golden Rim Resources Ltd	Advanced Exploration	Burkina Faso	Gold	15.50	100.00%	50.00	1.97	7.85	8.20
Sep-21	Maligreen project	Caledonia Mining Corporation Plc	Pan African Mining (Private) Limited	Advanced Exploration	Zimbabwe	Gold	4.00	100.00%	15.60	0.94	4.24	4.59
Nov-20	Burkina Faso projects	Predictive Discovery Limited	Montage Gold Corp.	Advanced Exploration	Burkina Faso	Gold	0.33	51.00%	2.23	0.18	1.78	1.82
Jun-20	Lakanfla and Tabakorole projects	Marvel Gold Limited	Altus Strategies plc	Reserves Development, Target Outline	Mali	Gold	6.45	33.00%	18.43	0.60	10.81	11.98
May-20	Dabia Sud project	RosCan Gold Corporation	Komet Resources Inc.	Reserves Development	Mali	Gold	2.28	100.00%	4.13	0.14	16.27	18.19
Jul-21	Harvest project	Zijin Mining Group Company Limited	East Africa Metals Inc.	Pre-feas/Scoping	Ethiopia	Gold	1.64	55.00%	1.13	0.12	14.21	15.08
Jul-23	Diba Project	Allied Gold Corp.	Elemental Altus Royalties Corp.	Pre-feas/Scoping	Mali	Gold	2.00	100.00%	10.31	0.40	4.97	4.88
Aug-23	Imwelo Gold Project	Tembo Gold Tanzania Limited	Lake Victoria Gold Ltd	Pre-feasibility	Tanzania	Gold	4.10	100.00%	4.73	0.28	14.79	14.79
May-22	Nyakafuru Project	Caracal Gold Plc	Private Investors-Mr. John & Mr. Nicholas	Pre-feas/Scoping	Tanzania	Gold	129.42	100.00%	8.70	0.67	193.72	201.08
Feb-20	West Kenya project	Shanta Gold Limited	Barrick Gold Corporation	Prefeas/Scoping	Kenya	Gold	18.67	100.00%	2.91	1.18	15.84	19.03
Jan-20	Dugbe project	ARX Resources Ltd.	Hummingbird Resources Plc	Feasibility Started	Liberia	Gold	4.08	49.00%	74.40	3.57	1.14	1.41
Apr-20	Toega Deposit	West African Resources Limited	Investor group	Feasibility Started	Burkina Faso	Gold	45.00	100.00%	17.53	1.13	39.72	45.28
Oct-21	Kiaka project	West African Resources Limited	B2Gold Corp.	Feasibility Started	Burkina Faso	Gold	111.67	81.00%	153.32	4.70	23.76	25.66
Jul-22	Bilboes Project	Caledonia Mining Corporation Plc	Undisclosed seller	Care and maintenance	Zimbabwe	Gold	53.28	100.00%	44.66	3.13	17.00	18.82
Jun-20	Kouroussa project	Hummingbird Resources Plc	Cassidy Gold Corporation	Commissioning	Guinea	Gold	23.97	100.00%	11.90	1.18	20.34	22.53
Feb-20	South African assets	Harmony Gold Mining Company Limited	AngloGold Ashanti Limited	Closed, Expansion, Operating, Satellite	South Africa	Gold	470.00	100.00%	-	22.03	21.33	25.63
Jul-20	Bogoso-Prestea mine	Future Global Resources Limited	Golden Star Resources Limited	Limited Production	Ghana	Gold	33.33	90.00%	27.29	3.15	10.60	11.01
Mar-22	Karma mine	Néré Mining	Endeavour Mining plc	Operating	Burkina Faso	Gold, Silver	16.67	90.00%	64.20	2.58	6.45	6.36
Jul-23	leopard and hillside project	Kavango Resources Plc	Undisclosed seller	Advanced to Operating?	Zimbabwe	Gold, Silver, Tungsten	62.58	100.00%	1.20	0.22	283.73	279.03
Jan-21	Agbaou mine	Allied Gold Corp.	Endeavour Mining Corporation	Operating	Cote d'Ivoire	Gold	70.59	85.00%	7.57	0.52	135.60	139.36
Jun-23	Boungou and Wahgnion Mines	Lilium Capital	Endeavour Mining plc	Operating	Burkina Faso	Gold, Silver	172.22	90.00%	27.40	1.45	118.87	117.39
Apr-22	Chirano Gold Mine	Asante Gold Corporation	Kinross Gold Corporation	Operating	Ghana	Gold, Silver	250.00	90.00%	33.23	2.01	124.42	123.26

Transaction data for area based multiples – African Gold

Date of transaction	Project or Company Name	Buyer	Seller	Country	Development Stage	Commodity Details	Implied Price (100%) US\$ M	Equity Acquired (%)	Area (km²)	Area Multiple (US\$/km²)	Normalised Area Multiple (US\$/km²)
Apr-22	Onkoshi Project	Antler Gold Namibia (Pty) Ltd.	Undisclosed seller	Namibia	Advanced Exploration	Gold	0.18	90.00%	199.67	883	874
Jul-22	PR840 Permit	Awalé Resources Limited	Turaco Gold Limited	Côte d'Ivoire	Early Exploration	Copper, Gold	0.15	100.00%	324.00	459	508
Apr-22	Bakolobi permit	B2Gold Corp.	Undisclosed seller	Mali	Early Exploration?	Gold	31.14	100.00%	100.00	311,380	308,460
May-22	Odienné Project	Newmont Ventures Limited	Awalé Resources Limited	Côte d'Ivoire	Target Outline	Copper, Gold	10.78	51.00%	800.00	13,480	13,992
Jan-22	Bilbale and Boulon projects	Red Rock Resources plc	Faso Greenstone Resources	Burkina Faso	Early Exploration	Gold	0.09	80.00%	348.00	264	279
May-21	Farani permit	Cora Gold Limited	Undisclosed seller	Mali	Early Exploration		0.08	95.00%	62.00	1,358	1,408
Mar-21	Four exploration licenses	Galiano Gold Inc.	Barrick Gold Corporation	Mali	Early Exploration		1.50	100.00%	167.00	8,982	10,030
Dec-20	Foutiere concession	Kodal Minerals Plc	Falcon Gold SARL	Mali	Reserves Development	Gold	0.22	90.00%	200.00	1,111	1,147
Aug-20	South Mali projects	Marvel Gold Limited	Oklo Resources Limited	Mali	Early to Advanced Exploration	Gold	0.40	80.00%	675.00	592	576
Jul-20	Kofi Quest permit	African Gold Limited	Somadium SARL	Mali	Early Exploration	Gold	0.09	100.00%	20.00	4,375	4,546
Apr-20	Djimbala property	Indigo Exploration Inc.	Desert Gold Ventures Inc.	Mali	Exploration	Gold	0.97	100.00%	100.00	9,665	11,017
Aug-20	South Mali projects	Marvel Gold Limited	Oklo Resources Ltd.	Mali	Early to Advanced Exploration	Gold	0.40	80.00%	675.00	592	576
May-23	Kolondieba Project	Resolute Mining Limited	Marvel Gold Limited	Mali	Early Exploration	Gold	2.00	50.00%	200.00	10,000	9,631
Aug-20	Tichka Est Project	Stellar AfricaGold Inc.	Moroccan National Office of Hydrocarbons and Mines	Morocco	Early Exploration	Gold	2.30	90.00%	48.00	47,917	46,701
May-20	Niou project	Nord Gold SE	Mako Gold Limited	Burkina Faso	Target Outline	Gold	0.70	100.00%	249.00	2,811	3,143
Jan-20	Hounde South project	Roxgold Inc.	Arrow Minerals Limited	Burkina Faso	Target Outline		1.43	70.00%	276.00	5,176	6,363
Jun-21	Marbera 2 Permit	Altair Resources Inc.	Private investors	Burkina Faso	Advanced Exploration	Gold	2.67	90.00%	178.79	14,915	15,599
Dec-21	Six prospecting licences	Bulyanhulu Gold Mine Limited	Tembo Gold Corp.	Tanzania	Early Exploration	Copper, Gold, Silver	15.00	100.00%	180.59	83,063	89,014
Jun-21	Napié Gold Project	Mako Gold Limited	Perseus Mining Limited	Cote d'Ivoire	Early Exploration	Gold	2.69	39.00%	225.00	11,941	12,488
Jun-20	Prikro project and Zenoula project application	Stellar AfricaGold Inc.	Altus Strategies plc	Cote d'Ivoire	Early Exploration		0.07	100.00%	769.50	91	101
Aug-23	Kimoukro Project	Starcore International Mines Ltd.	Undisclosed Seller	Côte d'Ivoire	Early Exploration	Gold	4.63	100.00%	14.48	319,539	319,539
May-21	3 Projects, 6 granted permits and 6 applications	Turaco Gold Limited	Resolute Mining Limited	Cote d'Ivoire	Exploration, Target Outline	Gold	0.98	76.50%	4,738.41	207	215
Mar-20	Bodite and Bianouan licenses	IronRidge Resources Limited	Major Star SARL	Cote d'Ivoire	Exploration	Gold	0.50	100.00%	560.00	886	1,068
Jan-20	Bocanda and Djekanou permits	Stellar AfricaGold Inc.	Undisclosed sellers	Cote d'Ivoire			3.78	80.00%	471.00	8,015	9,854
Feb-20	Terer and Meli licenses	Sun Peak Metals Corp.	Ezana Mining Development PLC	Ethiopia			9.80	51.00%	279.00	35,140	42,215
Dec-20	Stepford project	Middle East Diamond Resources Limited	Undisclosed sellers	Ghana			0.40	50.00%	101.22	3,952	4,080
Jan-21	Two additional permits	Golden Rim Resources Limited	Undisclosed seller	Guinea	Early Exploration		0.29	51.00%	194.60	1,470	1,511
Jul-20	Kada project	Golden Rim Resources Limited	Elta Madencilik Ticaret Anonim STI	Guinea	Advanced Exploration	Gold	11.20	25.00%	100.00	112,000	116,379

Date of transaction	Project or Company Name	Buyer	Seller	Country	Development Stage	Commodity Details	Implied Price (100%) US\$ M	Equity Acquired (%)	Area (km²)	Area Multiple (US\$/km²)	Normalised Area Multiple (US\$/km²)
Apr-20	Koundian Project	Predictive Discovery Limited	Private investors	Guinea			0.30	100.00%	303.00	974	1,110
Jun-20	Four exploration licences	Tanga Resources Limited	Undisclosed seller	Nambia			1.22	90.00%	3,100.00	394	437
May-20	EPL 6550	Antler Gold Inc.	Private investor - Mr. Eliphas Shaningua Shipanga	Nambia			0.02	100.00%	24.80	884	989
Jul-23	Damara project	Sulliden Mining Capital Inc.	Undisclosed seller	Namibia	Early Exploration	Gold, Lithium	5.84	25.00%	3,077.78	1,897	1,866
Feb-20	EPL 7261	Antler Gold Inc.	Undisclosed seller	Nambia			0.08	100.00%	159.12	484	582
Jun-20	Exclusive Prospecting License 6408	Antler Gold Inc.	Private investor	Namibia			0.00	85.00%	17.47	220	243
Apr-23	Subriso-Kokotro concession	Pelangio Exploration Inc.	BNT Resources Ghana Ltd	Ghana	Early Exploration	Gold	0.35	100.00%	284.40	1,231	1,181
Nov-20	Fofora Gold project	Nexus Gold Corp.	Undisclosed Seller	Burkina Faso	Early Exploration	Gold	0.34	90.00%	62.00	5,444	5,597
Jan-20	Hounde South project	Roxgold Inc.	Arrow Minerals Ltd.	Burkina Faso	Target Outline	0	1.43	70.00%	276.00	5,176	6,363
Jan-22	Bilbale and Boulon projects	Red Rock Resources plc	Undisclosed sellers	Burkina Faso	Early Exploration	Gold	0.09	80.00%	348.00	264	279
May-20	Niou project	Nord Gold SE	Mako Gold Ltd.	Burkina Faso	Target Outline	Gold	0.70	100.00%	249.00	2,811	3,143
Jun-21	Marbera 2 Permit	Altair Resources Inc.	Private investors	Burkina Faso	Advanced Exploration	Gold	2.67	90.00%	178.79	14,915	15,599
Mar-21	Four exploration licenses	Galiano Gold Inc.	Barrick Gold Corp.	Mali	Early Exploration		1.50	100.00%	167.00	8,982	10,030
Apr-20	Djimbala property	Indigo Exploration Inc.	Desert Gold Ventures Inc.	Mali	Exploration	Gold	0.97	100.00%	100.00	9,665	11,017
May-21	Farani permit	Cora Gold Limited	Undisclosed seller	Mali	Early Exploration		0.08	95.00%	62.00	1,358	1,408
Aug-20	Tichka Est Project	Stellar AfricaGold Inc.	Moroccan National Office of Hy	Morocco	Early Exploration	Gold	2.30	90.00%	48.00	47,917	46,701
Dec-20	Foutiere concession	Kodal Minerals Plc	Falcon Gold SARL	Mali	Reserves Development	Gold	0.22	90.00%	200.00	1,111	1,147
Jul-20	Kofi Quest permit	African Gold Limited	Somadium SARL	Mali	Early Exploration	Gold	0.09	100.00%	20.00	4,375	4,546
Apr-22	Bakolobi permit	B2Gold Corp.	Undisclosed sellers	Mali	Early Exploration?	Gold	31.14	100.00%	100.00	311,380	308,460
Apr-23	MC-2 Gold Property	Sutter Mining (Private) Limited	Undisclosed seller	Zimbabwe	Advanced Exploration	Gold	0.09	75.00%	1.00	86,667	83,153
Jun-23	Nara project	Kavango Resources Plc	Undisclosed seller	Zimbabwe	Early to Advanced	Gold, Silver, Tungsten	5.00	100.00%	4.50	1,111,111	1,097,272
May-22	Chikonga mine	Sutter Mining (Private) Limited	Hilltouch Investments (Pvt.) Ltd.	Zimbabwe	Operating	Gold	2.44	75.00%	0.40	6,100,000	6,331,658
May-22	Chikonga mine	Sutter Mining (Private) Limited	Undisclosed sellers	Zimbabwe	Operating	Gold	2.44	75.00%	0.40	6,100,000	6,331,658

Transaction data for Resource based multiples – China/Russia Silver

Announcement Date	Tenements/Project	Acquiring Entity	Selling Entity	Principal location	Percentage acquired	Development stage	Implied value (US\$M) for 100%	Total Resource (t)	Ag eq (g/t)	Ag eq content (oz)	Ag spot price (US\$/oz)	Valuer per Ag equivalent (US\$/oz)	Valuer per Ag equivalent normalised (US\$/oz)
26/10/2014	Xizang Changdu County Dadi Mining Company Limited	Jiangxi Province Yifeng Wanguo Mining Company Limited	Private Investors	China	51.00%	Advanced exploration	20.06	17,320,000	216.57	120,594,559	19.58	0.17	0.20
13/07/2015	Primorskoye property	Polymetal International Plc	Decamor Investments Limited	Russia	100.00%	Advanced exploration	6.72	500,000	1,429.24	22,975,523	20.29	0.29	0.34
31/10/2016	Prognoz property	Baker Steel Group	Nord Gold SE	Russia	50.00%	Scoping	57.02	15,500,000	586.42	292,233,788	23.18	0.20	0.20
19/01/2017	Prognoz property	Polymetal International Plc	Polar Acquisition Limited	Russia	5.00%	Scoping	60.00	15,500,000	586.42	292,233,788	22.68	0.21	0.21
24/04/2018	Prognoz property	Polymetal International Plc	Garden Ring Capital	Russia	50.00%	Pre-feasibility in progress	280.00	10,070,000	817.56	264,691,701	21.67	0.60	0.67
19/02/2018	Prognoz property	Polymetal International Plc	Baker Steel Capital Managers LLP	Russia	45.00%	Pre-feasibility in progress	160.00	10,070,000	826.38	267,548,216	21.07	1.06	1.14

Transaction data for Resource based multiples – China gold

Announcement Date	Tenements/Project	Acquiring Entity	Selling Entity	Principal location	Percentage acquired	Development stage	Implied value (US\$M) for 100%	Total Resource (t)	Au eq (g/t)	Au eq content (oz)	Au spot price (US\$/oz)	Valuer per Au equivalent (US\$/oz)	Valuer per Au equivalent normalised (US\$/oz)
06/11/2022	Zhaojin Mining Industry Company Limited	Gold Mountains (Hong Kong) International Mining Company Limited	Shanghai Yuyuan Tourist Mart (Group) Co., Ltd.	China	20.00	Operating, exploration	2,799.64	180,242,400	6.47	37,478,678	1725.07	74.70	83.08
14/07/2022	Sawayaerdun Project	Zijin Mining Group Northwest Company Limited	GobiMin Inc.	China	70.00	Pre-feas/Scoping	106.18	76,539,900	1.56	3,838,868	1732.74	27.66	30.63
05/04/2017	Two Gold Mines	Combined Success Investments Limited	Fung Wai Enterprises Ltd.	China	100.00	Advanced exploration	41.62	1,464,000	6.81	320,459	1266.88	129.86	196.68
26/04/2016	Jinfeng property	China National Gold Group Hong Kong Limited	Eldorado Gold Corporation	China	82.00	Operating	365.85	20,853,887	3.80	2,547,019	1242.26	143.64	221.86
31/05/2015	Shandong Ruiyin Mining Industry Development Company Limited	Yantai Jinshi Mining Investment Company Limited	Laizhou Ruihai Investment Company Limited	China	63.86	Construction	687.92	109,412,000	4.30	15,126,000	1198.63	45.48	72.80
22/05/2015	Changkeng gold project	Minco Investment Holdings HK Ltd.	Minco Gold Corporation	China	51.00	Advanced exploration	22.04	7,962,000	4.09	1,047,120	1198.63	21.05	33.70
15/12/2014	Xiahe Binghua Mining Industry Company Limited	Investor group	Investor group	China	80.00	Operating	294.57	12,950,000	3.09	1,286,527	1200.62	228.96	365.91
24/02/2014	Eastern Dragon project	CDH Investments	Eldorado Gold Corporation	China	20.00	Pre-production	200.00	5,700,000	6.48	1,187,681	1299.58	168.40	248.62

Appendix B SRK assessment: geoscientific scorecard

SRK assessment: geoscientific scorecard – Nyanzaga and surrounds

Lease	Area (km²)	BAC A\$/km²	Equity interest	Off-property		On-property		Geology		Anomaly		Market Factor	Low (A\$M)	High (A\$M)	Midpoint (A\$M)
SML653/2021	9.34	47,933	84%	2.5	3.0	2.0	2.5	1.0	1.5	2.5	3.0	1.20	0.604	1.631	1.12
PL11873/2022	17.03	11,717	84%	2.5	3.0	1.0	1.5	0.9	1.0	1.0	1.5	1.20	0.027	0.080	0.05
PL11874/2022	21.22	14,599	84%	2.5	3.0	1.0	1.5	0.9	1.0	0.9	1.5	1.20	0.030	0.099	0.06
PL10911/2016	10.91	7,506	84%	2.5	3.0	1.0	1.5	0.9	1.0	1.5	2.5	1.20	0.026	0.085	0.06
PL10877/2016	7.42	5,105	84%	2.5	3.0	1.0	1.5	0.9	1.0	1.0	1.5	1.20	0.012	0.035	0.02
PL11186/2018	18.21	12,528	84%	2.5	3.0	1.0	1.5	0.9	1.0	1.0	1.0	1.20	0.028	0.057	0.04
PL12429/2023	4.20	2,890	84%	2.5	3.0	1.0	1.5	0.9	1.0	0.9	1.0	1.20	0.006	0.013	0.01
PL24748/2023*	42.78	29,433	84%	2.5	3.0	1.0	1.5	0.9	1.0	1.0	1.5	1.20	0.067	0.200	0.13
PL12430/2023	1.37	943	84%	2.5	3.0	1.0	1.5	0.9	1.0	2.5	3.0	1.20	0.005	0.013	0.01
PL12427/2023	37.26	25,635	84%	2.5	3.0	1.0	1.5	0.9	1.0	1.0	1.0	1.20	0.058	0.116	0.09
PL11961/2017	3.53	2,429	84%	2.5	3.0	1.0	1.5	0.9	1.0	1.0	1.5	1.20	0.004	0.013	0.01
Totals	173.27												0.87	2.34	1.60

Source: SRK Analysis

ANNEX 6

INDEPENDENT LIMITED ASSURANCE REPORT

The Directors
OreCorp Limited
Suite 22, Level 1
513 Hay Street
Subiaco, WA, 6008

The Directors
Silvercorp Metals Inc.
1066 West Hastings Street
Vancouver, British Columbia, V6E 3X1
Canada

2 November 2023

Dear Directors,

INDEPENDENT LIMITED ASSURANCE REPORT AND FINANCIAL SERVICES GUIDE

Introduction

This report has been prepared at the request of the Directors of OreCorp Limited (“OreCorp” or the “Company”) and Silvercorp Metals Inc. (“Silvercorp” or the “Acquirer”) for inclusion in a Scheme Booklet to be issued by the Company in respect of the proposed acquisition of OreCorp by Silvercorp (the “Transaction”) by a scheme of arrangement of all of the shares not already held by Silvercorp in the Company (“Scheme of Arrangement”).

Deloitte Corporate Finance Pty Limited is wholly owned by Deloitte Touche Tohmatsu and holds the appropriate Australian Financial Services licence (“AFSL”) under the *Corporations Act 2001 (Cth)* for the issue of this report.

References to the Company and other terminology used in this report have the same meaning as defined in the Glossary of the Scheme Booklet.

Scope

Merged Group Unaudited Pro Forma Historical Financial Information

Deloitte Corporate Finance Pty Limited has been engaged by the Directors of the Company and the Acquirer to perform a limited assurance engagement on the unaudited pro forma historical financial information of the Merged Group:

- the Unaudited Pro Forma Historical Income Statements for the year ended 31 March 2023 and the quarter ended 30 June 2023;
- the Unaudited Pro Forma Historical Statements of Cash Flows for the year ended 31 March 2023 and the quarter ended 30 June 2023; and
- the Unaudited Pro Forma Historical Statement of Financial Position as at 30 June 2023.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities. DTTL (also referred to as “Deloitte Global”) and each of its member firms and their affiliated entities are legally separate and independent entities. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

(together the “Merged Group Unaudited Pro Forma Historical Financial Information”) as set out in Section 7.7 of the Scheme Booklet.

The Merged Group Unaudited Pro Forma Historical Financial Information has been derived from the Historical Financial Information, after adjusting for the effects of pro forma adjustments described in Section 7.7 of the Scheme Booklet (Pro Forma Adjustments).

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the transaction to which the Pro Forma Adjustments relate, as if the transaction had occurred as at the date of the Historical Financial Information. Due to its nature, the Merged Group Unaudited Pro Forma Historical Financial Information does not represent the Merged Group’s actual or prospective financial position, financial performance, or cash flows.

The Historical Financial Information, which forms the basis of the Merged Group Unaudited Pro Forma Historical Financial Information for each entity as outlined in Section 7.7 of the Scheme Booklet has been extracted from the underlying audited or reviewed financial reports or other financial information of each entity as follows:

- the financial reports of the Company for the year ended 30 June 2022 and 2023, which was audited by Deloitte Touche Tohmatsu (Australia) in accordance with the Australian Auditing Standards. Deloitte Touche Tohmatsu issued an unmodified audit opinion on the financial report. The audit report for the year ended 30 June 2023 included an emphasis of matter in respect to a material uncertainty related to going concern.
- the unaudited management accounts of the Company for the quarters ended 30 June 2022 and 30 June 2023.
- the financial report of the Acquirer for the year ended 31 March 2023, which was audited by the Acquirer’s external auditor, Deloitte LLP in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB). Deloitte LLP (Canada) issued an unmodified audit opinion on the financial report.
- the condensed consolidated interim financial report of the Acquirer for the three months ended 30 June 2023 issued on 9 August 2023.

The Historical Financial Information is presented in the Scheme Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001 (Cth)*.

Directors’ Responsibility

The Directors of both OreCorp and Silvercorp are responsible for the preparation and presentation of the Historical Financial Information and the Merged Group Unaudited Pro Forma Historical Financial Information, including the selection and determination of the Pro Forma Adjustments made to the Historical Financial Information and included in the Merged Group Unaudited Pro Forma Historical Financial Information.

This responsibility includes the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Historical Financial Information and the Merged Group Unaudited Pro Forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Merged Group Unaudited Pro Forma Historical Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with Australian Standard on Assurance Engagements (“ASAE”) 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* (“ASAE 3450”).

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusion

Merged Group Unaudited Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Merged Group Unaudited Pro Forma Historical Financial Information is not prepared, in all material respects, in accordance with the stated basis of preparation, as described in Section 7.7 of the Scheme Booklet.

Notice to shareholders outside Australia

Under the terms of our engagement this report has been prepared solely to comply with the requirements applicable to a review engagement under ASAE 3450.

This report does not constitute an offer to sell, or a solicitation to offer to buy, any securities. We do not hold any financial services licence outside Australia.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 7.7 of the Scheme Booklet, which describes the purpose of the Historical Financial Information and the Merged Group Unaudited Pro Forma Historical Financial Information, being for inclusion in the Scheme Booklet. As a result, the Historical Financial Information and the Merged Group Unaudited Pro Forma Historical Financial Information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the Historical Financial Information and the Merged Group Unaudited Pro Forma Historical Financial Information to which it relates, for any purpose other than that for which it was prepared.

Consent

Deloitte Corporate Finance Pty Limited has consented to the inclusion of this limited assurance report in the Scheme Booklet in the form and context in which it is included.

Liability

The liability of Deloitte Corporate Finance Pty Limited is limited to the inclusion of this report in the Scheme Booklet. Deloitte Corporate Finance Pty Limited makes no representation regarding, and has no liability for, any other statements or other material in, or omissions from the Scheme Booklet.

Disclosure of Interest

Deloitte Corporate Finance Pty Limited does not have any interest in the outcome of this Scheme of Arrangement other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received.

Deloitte Touche Tohmatsu (Australia) is the auditor of the Company.
Deloitte LLP (Canada) is the auditor of the Acquirer.

General financial product advice

Deloitte Corporate Finance Pty Limited has prepared this report for general information purposes only. It does not take into account the objectives, financial situation or needs of any specific shareholder. Shareholders should consider their own objectives, financial situation and needs when assessing the suitability of the report to their situation or shareholders may wish to obtain personal financial product advice to assist them in this assessment.

Financial Services Guide

We have included our Financial Services Guide in this report. The Financial Services Guide is designed to assist retail clients in their use of any general financial product advice in our report.

Yours faithfully



A T Richards

Authorised Representative of
Deloitte Corporate Finance Pty Limited
(AFSL Number 241457)
AR number 1264272

Financial Services Guide (FSG)

What is an FSG?

An FSG is designed to provide information about the supply of financial services to you.

Deloitte Corporate Finance Pty Limited (**DCF**) (AFSL 241457) provides this FSG to you, so you know how we are remunerated and who to contact if you have a complaint.

Who supplies the financial services?

We provide this FSG to you where you engage us to act on your behalf when providing financial services.

Alternatively, we may provide this FSG to you because our client has provided financial services to you that we delivered to them.

The person who provides the financial service to you is our Authorised Representative (**AR**) and DCF authorises the AR to distribute this FSG. Their AR number and contact details are in the document that accompanies this FSG.

What financial services are we licensed to provide?

We are authorised to provide financial product advice to wholesale clients in relation to derivatives, government debentures, stocks or bonds, interests in managed investment schemes, securities, and regulated emissions units (i.e. Australian carbon credit units and eligible international emissions units). We can also provide general financial product advice to retail clients in relation to the above financial products except for regulated emissions units.

We are also authorised to arrange for another person to deal in financial products in relation to:

- securities, interests in managed investment schemes, government debentures, stocks or bonds, and regulated emissions units and related derivatives to wholesale clients; and
- derivatives to retail and wholesale clients.

General financial product advice

We provide general advice when we have **not** taken into account your personal objectives, financial situation or needs, and you would not expect us to have done so. In this situation, you should consider whether our general advice is appropriate for you, having regard to your own personal objectives, financial situation or needs.

If we provide advice to you in connection with the acquisition of a financial product, you should read the relevant offer document carefully before making any decision about whether to acquire that product.

How are we remunerated?

Our fees are usually determined on a fixed fee or time cost basis plus reimbursement of any expenses incurred in

providing the services. Our fees are agreed with, and paid by, those who engage us.

Clients may request particulars of our remuneration within a reasonable time after being given this FSG.

Apart from these fees, DCF, our directors and officers, and any related bodies corporate, affiliates or associates, and their directors and officers, do not receive any commissions or other benefits.

All employees receive a salary, and, while eligible for annual salary increases and bonuses based on overall performance, they do not receive any commissions or other benefits as a result of the services provided to you.

The remuneration paid to our directors reflects their individual contribution to the organisation and covers all aspects of performance.

We do not pay commissions or provide other benefits to anyone who refers prospective clients to us.

Associations and relationships

The Deloitte member firm in Australia (Deloitte Touche Tohmatsu) controls DCF. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu.

We, and other entities related to Deloitte Touche Tohmatsu, do not have any formal associations or relationships with any entities that are issuers of financial products. However, we may provide professional services to issuers of financial products in the ordinary course of business.

What should you do if you have a complaint?

Please contact us about a concern:

The Complaints Officer
complaints@deloitte.com.au
Phone: +61 8 9365 7234

If an issue is not resolved to your satisfaction, you can lodge a dispute with the Australian Financial Complaints Authority (**AFCA**). AFCA provides fair and independent financial services dispute resolution free to consumers.

www.afca.org.au
1800 931 678 (free call)
Australian Financial Complaints Authority Limited
GPO Box 3 Melbourne VIC 3001

What compensation arrangements do we have?

Deloitte Australia holds professional indemnity insurance that covers the financial services we provide. This insurance satisfies the compensation requirements of the Corporations Act 2001 (Cth).

ANNEX 7

NOTICE OF SCHEME MEETING FOR ORECORP LIMITED ACN 147 917 299

By an order of the Federal Court of Australia (**Court**) made on 2 November 2023 pursuant to section 411(1) of the Corporations Act 2001 (Cth) (**Corporations Act**), a meeting of holders of ordinary shares in OreCorp Limited ACN 147 917 299 (**OreCorp**) (other than Excluded Shareholders) will be held at Level 12, 2 The Esplanade, Perth on Friday 8 December 2023 at 10.00am (**Scheme Meeting**).

The Court has also directed that Matthew Giles Yates act as Chairperson of the meeting, or failing him, Hendrik Jacob Diederichs, and has directed the Chairperson to report the result of the Scheme Meeting to the Court.

(a) **Business of the meeting**

To consider and, if thought fit, pass the following resolution in accordance with section 411(4)(a)(ii) of the Corporations Act:

*“That pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement (**Scheme**) proposed between OreCorp and the holders of its ordinary shares (other than Excluded Shareholders), as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is approved (with or without alterations or conditions by the Court) and further that the directors of OreCorp are authorised to agree to such alterations or conditions as are thought fit by the Court and, subject to approval of the Scheme by the Court, the directors of OreCorp are authorised to implement the Scheme with any such alterations or conditions.”*

Note: the Excluded Shareholders are not eligible to vote their OreCorp Shares at the Scheme Meeting.

(b) **Information on the resolution to be considered at the meeting**

To enable you to make an informed voting decision, further information on the Scheme is set out in the Scheme Booklet of which this notice convening the meeting forms part. Terms used in this notice have the same meaning as set out in the Glossary in section 13 of the Scheme Booklet of which this notice forms part.

(c) **Voting at the Scheme Meeting**

Voting in person

To vote in person, please attend the Scheme Meeting at the time, date and place set out above.

Voting and online attendance

OreCorp is pleased to provide OreCorp Shareholders (other than Excluded Shareholders) with the opportunity to attend and participate in the Scheme Meeting through an online meeting platform powered by its share registry, Automic, where OreCorp Shareholders (other than Excluded Shareholders) will be able to watch, listen, and vote online.

To access the Scheme Meeting online:

- Open your internet browser and go to investor.automic.com.au.

- Login with your username and password or click “register” if you haven’t already created an account. OreCorp Shareholders (other than Excluded Shareholders) are encouraged to create an account prior to the start of the Scheme Meeting to ensure there is no delay in attending the Scheme Meeting online.
- After logging in, a banner will be displayed at the top once the Scheme Meeting is open for registration, click on “**View**” when this appears.
- Click on “**Register**” and follow the steps.
- Click on the URL to join the webcast where you can view and listen to the Scheme Meeting online.
- Once the Chairperson of the Scheme Meeting has declared the poll open for voting click on “**Refresh**” to be taken to the voting screen.
- Select your voting direction and click “**confirm**” to submit your vote. Note that you cannot amend your vote after it has been submitted Voting by Proxy.

Voting by Proxy

A Proxy Form accompanies this Notice. This is to be used by OreCorp Shareholders (other than Excluded Shareholders) if they wish to appoint a representative to vote in their place. All OreCorp Shareholders (other than Excluded Shareholders) are invited and encouraged to attend the Scheme Meeting or, if they are unable to attend, sign and return the Proxy Form to OreCorp in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude an OreCorp Shareholder (other than an Excluded Shareholder) from attending and voting at the Scheme Meeting.

Please note that:

- a member of OreCorp entitled to attend and vote at the Scheme Meeting is entitled to appoint a proxy;
- a proxy need not be a member of OreCorp; and
- a member of OreCorp entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details regarding the appointment of proxies and lodgement of Proxy Forms.

To be valid, your completed and signed Proxy Form (and any power of attorney under which it is signed) must be received at one of the addresses given below no later than 48 hours before the commencement of the Scheme Meeting. Any Proxy Form received after that time will not be valid.

By online voting: investor.automic.com.au/#/home

By email: meetings@automicgroup.com.au

By fax: +61 2 8583 3040

By post: Automic
GPO Box 5193
Sydney NSW 2001

If a member of OreCorp entitled to attend and vote at the Scheme Meeting appoints the Chairperson as his or her proxy or the Chairperson is appointed as the member's proxy by default and the member does not direct the Chairperson as to how to vote then, the Proxy Form provides that the member expressly authorises the Chairperson to exercise the proxy.

Voting exclusions

OreCorp will disregard any votes cast at the Scheme Meeting by an Excluded Shareholder, unless the vote is cast by such person as proxy for a person who is entitled to vote, in accordance with the directions of their proxy form.

(d) OreCorp Shareholders (other than Excluded Shareholders) who are entitled to vote

Pursuant to section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining eligibility to vote at the Scheme Meeting is 7.00pm AEDT on Wednesday 6 December 2023. Only those OreCorp Shareholders (other than Excluded Shareholders) entered on the OreCorp Share Register at that time will be entitled to attend and vote at the Scheme Meeting. An OreCorp Shareholder who holds any Excluded Shares will not be entitled to vote the Excluded Shares at the Scheme Meeting.

(e) Court approval

In accordance with section 411(4)(b) of the Corporations Act, in order to become Effective the Scheme (with or without modification) must be approved by an order of the Court. If the resolution put to this meeting is passed by the requisite majorities and the other conditions precedent to the Scheme are satisfied (or, if applicable, waived), OreCorp intends to apply to the Court for approval of the Scheme.

By order of the Court and the OreCorp Board



Jessica O'Hara
Company Secretary
OreCorp Limited

ANNEX 8

COMPARISON OF RELEVANT AUSTRALIAN AND CANADIAN LAWS

OreCorp is a public company registered in Western Australia and is subject to Australian law. OreCorp Shares are admitted to the official list of ASX.

Silvercorp is a reporting issuer incorporated in the Province of British Columbia, Canada and is subject to the laws of the Province of British Columbia, as well as applicable federal laws in Canada. Silvercorp Shares are listed on the TSX and the NYSE American.

If the Scheme is implemented, Scheme Shareholders (other than Ineligible Shareholders) will hold Silvercorp Shares or Silvercorp CDIs in respect of Silvercorp Shares. Silvercorp Shares are governed principally by Canadian law, the Business Corporations Act, Silvercorp's constituent documents and the rules and policies of the TSX and, as applicable, the NYSE American.

A comparison of some of the material provisions of Australian corporate law and Canadian corporate law as they relate to OreCorp and Silvercorp respectively is set out below, along with a description of the rights and liabilities attaching to the Silvercorp Shares and a description of certain securities laws and stock exchange rules where applicable.

Canadian corporate law is essentially embodied in the provisions of the relevant federal or provincial corporate statutes pursuant to which companies are incorporated or continued. In the case of Silvercorp, the relevant statute is the Business Corporations Act. In addition, Silvercorp is subject to the securities legislation of each of the provinces and territories of Canada for which it is a reporting issuer.

References to "Australian law" where they appear in this section are references to the Corporations Act, ASX Listing Rules, ASX Settlement Operating Rules and Australian common law, as applicable. References to "Canadian law" are references to the Business Corporations Act, the TSX Company Manual, applicable Canadian securities laws and Canadian common law, as applicable.

The comparison below is not an exhaustive statement of all relevant laws, rules and regulations, and is intended as a general guide only. Scheme Shareholders should consult with their own legal adviser to obtain further information on the difference between Australian law and Canadian law and how these differences may affect the rights of Scheme Shareholders.

(a) Shareholder meetings

Rights of holders of OreCorp Shares

Rights of holders of Silvercorp Shares

Requirement of annual meetings; ability to call special meetings

Under Australian law, OreCorp is required to hold an annual general meeting at least once in each calendar year, and within 5 months after the end of its financial year, unless ASIC agrees to an extension of time.

Since 1 April 2022, Australian companies have been able to hold hybrid meetings and, if the company's constitution provides for it, wholly virtual meetings. Hybrid meetings are meetings that use virtual technology to

Under the Business Corporations Act, Silvercorp must hold an annual general meeting of Silvercorp Shareholders at least once per calendar year and not more than 15 months after the last preceding annual meeting. The TSX Company Manual mandates that unless a listed issuer obtains a waiver, each listed issuer must hold its annual meeting of shareholders within 6 months from the end of its fiscal year, or at

Rights of holders of OreCorp Shares

facilitate the meeting but also have one or more physical places at which the meeting is held. This means OreCorp Shareholders can choose to attend in person or participate remotely using virtual technology meetings of members.

A general meeting of OreCorp Shareholders may be called from time to time by the OreCorp Board, individual OreCorp Directors or by OreCorp Shareholders in certain circumstances. When requested to do so by OreCorp Shareholders holding at least 5% of the votes that may be cast at the meeting, OreCorp Directors must call a general meeting within 21 days after the request is given to OreCorp, and the meeting must be held not later than 2 months after the request is given.

Alternatively, OreCorp Shareholders holding at least 5% of the votes that may be cast at the meeting may themselves call, and arrange to hold, a general meeting of OreCorp at their own cost.

Notice of meeting

A notice of a general meeting of OreCorp Shareholders must be given at least 28 days before the date of the meeting. OreCorp is required to give notice of the meeting to OreCorp Shareholders entitled to vote at the meeting, the OreCorp Directors and OreCorp's auditor(s).

Notice of the meeting may be given electronically.

Rights of holders of Silvercorp Shares

such earlier time as is required by applicable law.

The Business Corporations Act permits fully electronic meetings of shareholders. All Silvercorp Shareholders or proxyholders entitled to participate in a meeting of Silvercorp Shareholders may do so electronically if all Silvercorp Shareholders and proxyholders are "able to participate" in, including vote, at the meeting. Further, fully electronic meetings do not require a specified physical location to be named.

The Silvercorp Articles do not contain restrictions which would prevent the holding of fully electronic or hybrid shareholder meetings.

Under the Business Corporations Act and the Silvercorp Articles, the Silvercorp Board may call a special meeting of Silvercorp Shareholders at any time.

The Business Corporations Act further provides that one or more shareholders of a company holding not less than 5% of the issued voting shares of the company may give notice to the directors requiring them to call and hold a general meeting of shareholders for the purposes stated in the requisition, which meeting must be held within 4 months, unless the directors are excused from doing so.

The Business Corporations Act requires that notice of a general meeting of Silvercorp Shareholders must be given to the directors and Silvercorp Shareholders entitled to vote at least 21 days before the date of the meeting. The record date must not precede the date on which the meeting is to be held by more than 2 months.

However NI 54-101 requires Silvercorp to provide, subject to certain exceptions, Silvercorp Shareholders with greater than 21 days' notice of a meeting of shareholders.

Rights of holders of OreCorp Shares**Rights of holders of Silvercorp Shares**

NI 54-101 also requires Silvercorp to set a record date for determining the registered Silvercorp Shareholders that are entitled to receive notice of a shareholder meeting that is at least 30 days and no more than 60 days prior to the date of the meeting (subject to certain exception), and to notify all depositories, applicable securities regulatory authorities and the TSX at least 25 days prior to the record date.

Notice of a meeting at which special business is to be transacted must state the nature of that business in sufficient detail to permit a shareholder to form a reasoned judgement on that business, as well as the text of any special resolution to be submitted to the meeting. In addition, Silvercorp is also required to provide, or make available to shareholders, any document to be approved in connection with the special business at the meeting.

The Silvercorp Articles provide that:

- at a meeting of Silvercorp Shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- at an annual general meeting, all business is special business except for the following:
- the business relating to the conduct of or voting at the meeting;
- consideration of any financial statements of Silvercorp presented to the meeting;
- consideration of any reports of the directors or auditor;
- the setting or changing of the number of directors;
- the election or appointment of directors;
- the appointment of an auditor;

Rights of holders of OreCorp Shares

Rights of holders of Silvercorp Shares

- business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
- any other business which, under these Articles or the Business Corporations Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

Quorum requirements

The quorum for a meeting under OreCorp's Constitution is satisfied by 2 OreCorp Shareholders attending, whether present in person, by proxy, attorney or representative. If within 30 minutes after the time appointed for a meeting, a quorum is not present, the meeting:

- if convened on a requisition, is dissolved; and
- in any other case, stands adjourned to a date and at the time and place to be fixed by the OreCorp Directors.

If at an adjourned meeting, a quorum is not present within 30 minutes after the time appointed for the adjourned meeting, the meeting is dissolved.

The Silvercorp Articles provide that, subject to the special rights and restriction attached to the shares of any class or series of shares, the presence of two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at such meeting will constitute quorum for the transaction of business at the meeting of Silvercorp Shareholders.

If, within 30 minutes from the time set for holding of a meeting of shareholders, a quorum is not present:

- in the case of a general meeting requisitioned by shareholders, the meeting is dissolved; and
- in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

If at an adjourned meeting quorum is not present within 30 minutes, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

Voting requirements

Unless the Corporations Act or the OreCorp Constitution requires a special resolution, ordinary resolutions are passed by a simple majority of votes cast on the resolution. Under the Corporations Act, a special

Under the Business Corporations Act, certain extraordinary corporate actions, such as amalgamations, continuances, reorganisations and other extraordinary corporate actions such as liquidations

Rights of holders of OreCorp Shares

resolution may be passed by OreCorp if not less than 28 days' notice of a general meeting is given, the notice specifies the intention to propose the special resolution and states the resolution to be proposed. A special resolution must be passed by at least 75% of the votes cast by Ore Corp Shareholders entitled to vote. The Corporations Act requires certain matters to be resolved by a company by special resolution, including:

- a change of company name;
- a selective reduction of capital or selective share buy-back;
- the giving by the company of financial assistance in connection with the acquisition of shares in the company;
- the conversion of the company from one type or form to another;
- a decision to wind up the company voluntarily (subject to section 491 of the Corporations Act); and
- a decision to modify or repeal the OreCorp Constitution.

The OreCorp Constitution also stipulates certain matters to be resolved by special resolution, including the exercise of certain powers by a liquidator on a winding up.

Each OreCorp Share (subject to any specific terms of issue) confers a right to vote at all general meetings. On a show of hands, each OreCorp Shareholder present in person, or by proxy, attorney or representative, has one vote.

If a poll is held:

- the holders of fully paid OreCorp Shares present in person or by their proxy, attorney or representative will have one vote for every fully paid share held at the record date for the meeting; and
- the holders of partly paid OreCorp Shares present in person or by their proxy,

Rights of holders of Silvercorp Shares

(winding-ups) and arrangements, require approval of Silvercorp Shareholders by special resolution.

Under the Business Corporations Act, a resolution passed by a special majority at a general meeting for which proper notice has been provided constitutes a special resolution.

A special majority is a majority of votes, as specified by the Silvercorp Articles, that has at least two thirds of the votes cast on the resolution.

The Business Corporations Act and the Silvercorp Articles provide that a special majority of votes is required for Silvercorp to pass a special resolution at a meeting of Silvercorp Shareholders.

Unless the Business Corporations Act or the Silvercorp Articles require a special resolution, ordinary resolutions of Silvercorp Shareholders are passed by a simple majority of votes cast on the resolution.

Additionally, under the Business Corporations Act, a resolution consented to in writing by all of the Silvercorp Shareholders holding shares that carry the right to vote at general meetings constitutes a special resolution.

The Business Corporations Act provide that, unless the Silvercorp Articles provide otherwise, each Silvercorp Share entitles the holder to one vote at a meeting of Silvercorp Shareholders. Furthermore, the Business Corporations Act and the Silvercorp Articles state that voting is to be conducted by a show of hands, unless a poll is, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

In accordance with the Silvercorp Articles and subject to the special rights and restrictions attached to any share and to certain restrictions imposed on voting by

Rights of holders of OreCorp Shares

attorney or representative will have a fraction of one vote which the amount paid (not credited) on the share bears to the total amount payable (excluding amounts credited) on the share.

A proxy or attorney may not vote at a general meeting or adjourned meeting or on a poll unless the instrument appointing the proxy or attorney, and the authority under which the instrument is signed, or a certified copy of the authority, are received by OreCorp at least 48 hours before a meeting.

The OreCorp Constitution provides that at any general meeting a resolution put to the vote of the general meeting shall be decided on a show of hands, unless a poll is demanded. A poll may be demanded by the chairperson of the general meeting, at least 5 OreCorp Shareholders entitled to vote on the resolution or OreCorp Shareholders holding at least 5% of the votes that may be cast on the resolution on a poll.

Rights of holders of Silvercorp Shares

joint shareholders, on a show of hands, each holder of Silvercorp Shares present in person or by proxy and entitled to vote has one vote. If a poll is called, each holder of Silvercorp Shares present in person or by proxy will have one vote for each Silvercorp Share held.

The Business Corporations Act also provides that holders of shares of a class or a series are entitled to vote separately as a class or series on certain proposals to amend the Silvercorp Articles that affect the rights of such holders, whether or not such shares carry the right to vote.

The Silvercorp Articles allow the Silvercorp Board to specify in a notice calling a meeting of Silvercorp Shareholders any time, on, unless these Articles otherwise provide, at least the following number of days' notice before the meeting:

- if and for so long as the company is a public company, twenty-one days;
- otherwise, ten days.

Shareholders' rights to bring a resolution before a meeting

Under the Corporations Act, OreCorp Shareholders holding at least 5% of the votes that may be cast at a general meeting may by written notice to OreCorp propose a resolution for consideration at the next general meeting, which must occur more than 2 months after the date of the notice.

The Business Corporations Act entitles a registered or beneficial holder of not less than 1% (or having a fair market value in excess of C\$2,000) of Silvercorp Shares eligible to be voted at its annual shareholder meeting to submit to Silvercorp notice of any matter that the person wishes to have considered at the next annual general meeting. If Silvercorp receives notice of a proposal at least three months prior to the anniversary of the previous year's annual reference date, and is soliciting proxies, Silvercorp must include details of the proposal in its information circular.

The Business Corporations Act provides for exemptions from the requirements to include a proposal in a company's information circular in certain circumstances, including where:

- it clearly appears that the primary purpose of the proposal is to secure publicity or to

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares
	enforce a personal claim or redress a personal grievance against the company or its directors, officers or security holders; • it clearly appears that the proposal does not relate in a significant way to the business or affairs of the company; • substantially the same proposal failed to receive a certain amount of support at a prior meeting held not more than five years before the receipt of the proposal; • the proposal has already been substantially implemented; • the proposal, if implemented, would cause the company to commit an offence; • the proposal deals with matters beyond the company's power to implement; or • the proposal is invalid or exceeds the maximum length of 1,000 words.

(b) **Shares**

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares
Share capital Under Australian law there is no concept of authorised capital or par value. Purchase of own shares Under the Corporations Act, OreCorp may buy back its shares under a specific buy-back scheme: • if the buy-back does not materially prejudice OreCorp's ability to pay its creditors; and • OreCorp follows the procedures set out in the Corporations Act.	Under the Silvercorp Articles, Silvercorp is authorised to issue an unlimited number of common shares without par value. There is no minimum share capital prescribed by the Business Corporations Act. Under the Business Corporations Act and the Silvercorp Articles, Silvercorp may repurchase its shares provided that there are no reasonable grounds for believing that the company is insolvent or making the payment or providing the consideration would render the company insolvent. Under Canadian law, a repurchase of its own shares by Silvercorp may constitute an

Rights of holders of OreCorp Shares

Share buy-backs that intend to buy-back more than 10% of the votes attaching to the smallest number of shares in the previous 12 months require approval by OreCorp Shareholders by way of ordinary resolution.

The form of an OreCorp Shareholder approval (eg. ordinary resolution or special resolution) is required, absent limited exceptions (eg. for equal access buy-backs that do not exceed certain thresholds), the notice period and the disclosure requirements applying to such shareholder approval depends on the type of buy-back (including the number of shares to be bought back in any 12 month period). Generally, buy-back schemes can be characterised as minimum holding, equal access, selective, on market or relating to employee share schemes.

Transfer of shares

Under OreCorp's Constitution, the OreCorp Directors may refuse to register any transfer of OreCorp Shares (other than an ASX Settlement transfer) where:

- the ASX Listing Rules permit or require OreCorp to do so; or
- the transfer is a transfer of "Restricted Securities" which is or might be in breach of the ASX Listing Rules or any escrow agreement entered into by OreCorp in relation to such restricted securities pursuant to the ASX Listing Rules.

Where the OreCorp Directors refuse to register a transfer, they shall send notice of the refusal and the precise reasons for the refusal to the transferee and the lodging broker (if any) in accordance with the ASX Listing Rules.

Issue of new shares

Typically, a constitution would authorise the board to approve the issue of new shares, with such rights or restrictions as the directors determine in their discretion

Rights of holders of Silvercorp Shares

"issuer bid" which must be effected in accordance with NI 62-104.

The TSX permits a company, subject to the filing of the required form of notice at least two clear trading days prior to any purchases under a bid, to conduct a "normal course" buy-back for that company's own shares for a period of up to one year. There are a number of restrictions with respect to the buy-back, including on the number of shares and price at which those shares are purchased. Any company that conducts a buy-back in this manner is required to issue a press release summarising the terms of the buy-back and the details of any similar purchases made, and is also required to report certain information concerning the buy-back to the TSX.

Under the Silvercorp Articles a transfer of Silvercorp Shares must not be registered where Silvercorp has not received:

- a duly signed instrument of transfer;
- if a share certificate has been issued by Silvercorp in respect of the shares to be transfer, that share certificate; or
- if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by Silvercorp in respect of the share to be transferred, that acknowledgement.

Silvercorp Shares may be issued for such consideration as the Silvercorp Directors may determine subject to the Business Corporations Act, the rights of the holders of

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares
(subject to restrictions under the ASX Listing Rules and the Corporations Act).	issued shares of Silvercorp, and the rules and policies of the TSX Company Manual.
Subject to specified exceptions (such as pro rata rights or entitlements to existing shareholders), the ASX Listing Rules apply to restrict OreCorp from issuing, or agreeing to issue, more equity securities (including shares and options), than the number calculated as follows in any 12 month period without the approval of OreCorp Shareholders: • 15% of the total of: – the number of OreCorp Shares on issue 12 months before the date of the issue or agreement; plus – the number of OreCorp Shares issued in the 12 months under a specified exception; plus – the number of partly paid ordinary OreCorp Shares that became fully paid in the 12 months; plus – the number of OreCorp Shares issued in the 12 months with OreCorp Shareholder approval; minus – the number of OreCorp Shares cancelled in the 12 months, minus – the number of equity securities issued or agreed to be issued in the 12 months before the date of issue or agreement to issue but not under specified exceptions or with OreCorp Shareholder approval.	Under the TSX Company Manual, Silvercorp requires the approval of the TSX to issue securities other than unlisted non-voting, non-participating securities. The TSX may impose conditions on a transaction or grant exemptions from its own requirements. The TSX will consider various factors, including the involvement of insiders of Silvercorp in the transaction, whether the transaction materially affects control of Silvercorp, Silvercorp's corporate governance practices, the size of the transaction relative to the liquidity of Silvercorp and whether a court or administrative body has considered the interests of the Silvercorp Shareholders. The TSX will generally require Silvercorp Shareholder approval of any transaction that materially affects control of Silvercorp or provides consideration to insiders of Silvercorp that represents 10% or more of Silvercorp's market capitalisation (subject to certain conditions) during any six month period, and has not been negotiated at arm's length.
In addition, OreCorp (as an "eligible entity" for the purposes of the ASX Listing Rules with a market capitalisation of less than A\$300 million) may seek approval from its ordinary shareholders by special resolution passed at an annual general meeting to potentially issue an additional 10%, subject to certain conditions.	For distributions of listed securities in reliance on a prospectus exemption (known as private placements), the TSX may require Silvercorp Shareholder approval depending on the price at which the securities are being sold and the number being sold in relation to the number outstanding. If the price is below market and the number of securities of Silvercorp to be issued represents more than 25% of the number outstanding (on a non-diluted basis), Silvercorp Shareholder approval is required, while if the price is at or above market, Silvercorp Shareholder approval is generally not required regardless of the number of securities being issued. If the issuance is to be less than or equal to 25% of the number of securities outstanding, shareholder approval will not be required unless the price is below a permitted discount to market (which is 15% where the securities are trading above C\$2.00 each or 20% where

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares
Subject to certain exceptions, the ASX Listing Rules require the approval of OreCorp Shareholders, by ordinary resolution, for OreCorp to issue shares or options to OreCorp Directors.	the securities are trading between C\$0.51 and C\$2.00 each).
Under the OreCorp Constitution, the OreCorp Directors may issue such number of shares at the issue price, and with rights or restrictions as the OreCorp Directors determine in their absolute discretion, subject to the Corporations Act, the ASX Listing Rules and the OreCorp constitution.	TSX-listed issuers must obtain shareholder approval when the number of securities issued in payment for an acquisition exceeds 25% of the number of issued and outstanding securities of the issuer on a non-diluted basis, whether the target being acquired is a private company or a reporting issuer.
	In private placements to insiders of Silvercorp and acquisitions involving issuances of listed securities to insiders of Silvercorp, the TSX will require Silvercorp Shareholder approval depending on the number of securities issued in relation to the number outstanding. Specifically, if insiders of Silvercorp will be issued, by way of private placements during any six month period, or if insiders will receive, as consideration in an acquisition, securities or options, rights or other entitlements to listed securities representing more than 10% of the number of securities outstanding on a non-diluted basis, shareholder approval will be required and the insiders of Silvercorp may not vote their securities.
	The TSX also requires shareholder approval of securities-based compensation arrangements, including any compensation or mechanism involving the potential issuance of securities from treasury.
	The TSX prescribes specific disclosure requirements for the materials provided to Silvercorp Shareholders for the purposes of such approval, including all material information that shareholders may reasonably require to approve the arrangements. Certain substantive requirements are imposed that must be complied with: exercise prices for any stock options granted under a security based compensation arrangement may not be lower than market price of the securities at the time the stock options are granted; there must be a maximum number or percentage of securities issuable; and most amendments also require shareholder approval.

Rights of holders of OreCorp Shares

Rights of holders of Silvercorp Shares

Variation of class rights

Under the OreCorp Constitution, rights attaching to a share in OreCorp may only be varied:

- by a special resolution passed at a meeting of the OreCorp Shareholders entitled to vote and holding shares in that class; or
- with the written consent of OreCorp Shareholders with at least 75% of the votes in the class.

Under the Business Corporations Act and the Silvercorp Articles, rights attaching to a class of shares may only be varied by a special resolution of all shareholders.

Protection of minority shareholders

Under the Corporations Act, any OreCorp Shareholder can bring an action in cases of conduct which is contrary to the interests of OreCorp Shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any OreCorp Shareholder(s), whether in their capacity as a shareholder or in any other capacity. Former OreCorp Shareholders can also bring an action if it relates to the circumstances in which they ceased to be an OreCorp Shareholder.

A statutory derivative action may also be instituted by an OreCorp Shareholder, former OreCorp Shareholder or person entitled to be registered as a shareholder of OreCorp. In all cases, leave of the Court is required. Such leave will be granted if the Court is satisfied that:

- it is probable that OreCorp will not itself bring the proceedings or properly take responsibility for them or for the steps in them;
- the applicant is acting in good faith;
- it is in the best interests of OreCorp that the applicant be granted leave;
- if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and

Under the Business Corporations Act, a shareholder, defined to include a beneficial shareholder and any other person whom the court considers to be an appropriate person, may seek a remedy for “oppressive” or “unfairly prejudicial” conduct of Silvercorp. The applicant must bring the application in a timely manner.

A Silvercorp Shareholder or Silvercorp Director, may also, with leave of the court, bring a legal proceeding in the name and on behalf of Silvercorp to enforce a right or obligation owed to Silvercorp that could be enforced by Silvercorp itself, or to obtain damages for any breach of such a right or obligation. An applicant may also, with leave of the court, defend a legal proceeding brought against Silvercorp.

The Business Corporations Act further provides that if a company or any director, officer, shareholder, employee, agent, auditor, trustee, receiver, receiver manager or liquidator of a company contravenes or is about to contravene a provision of the Business Corporations Act or the regulations or the articles of the company, a complainant, defined as a shareholder or any other person that the court considers appropriate, may, in addition to any other rights that that person might have, apply to the court for an order that the person who has contravened or is about to contravene the

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares
either, • at least 14 days before making the application, the applicant gave written notice to OreCorp of the intention to apply for leave or the reasons for applying; or • it is otherwise appropriate to grant leave. In addition to the above, a OreCorp Shareholder may be able to bring a claim against OreCorp based on the general laws of contract, tort or other laws applicable in Australia.	provision comply with or refrain from contravening the provision. The granting of leave is not automatic, but requires the court to exercise a judicial discretion. Generally, a court is likely to grant leave where the proposed action is in the shareholders' interest unless the action appears likely to be dismissed, or is frivolous, scandalous or vexatious. In addition to the above, Silvercorp Shareholders may bring claims against Silvercorp based on the general laws of contract, tort or other private laws applicable in Canada.

Payment of dividend and distribution

In accordance with the Corporations Act, OreCorp must not pay a dividend unless:

- OreCorp's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- the payment of the dividend is fair and reasonable to OreCorp Shareholders as a whole; and
- the payment of the dividend does not materially prejudice OreCorp's ability to pay creditors.

Subject to the Corporations Act, and the terms of issue or rights of any shares with special arrangement as to dividends, and OreCorp's Constitution, OreCorp Directors may decide to pay a dividend to the OreCorp Shareholders entitled to the dividend. OreCorp Directors may rescind a decision to pay a dividend if they decide before the payment date, that OreCorp's financial position no longer justifies the payment.

Under the Business Corporations Act, Silvercorp may pay a dividend by issuing fully paid shares or in property, including money. Silvercorp may not declare or pay a dividend if there are reasonable grounds for believing that Silvercorp is insolvent or the payment of the dividend would render Silvercorp insolvent.

(c) Directors and Officers

Rights of holders of OreCorp Shares

Rights of holders of Silvercorp Shares

Management of the business of the company

Under the OreCorp Constitution, the OreCorp Directors will manage the business of OreCorp.

The OreCorp Directors may exercise all the powers of the company except any powers that the Corporations Act or the OreCorp Constitution requires the Company to exercise in a general meeting.

The Silvercorp Articles do not restrict the powers of the Silvercorp Board. Under the Business Corporations Act, the Silvercorp Board is to manage or supervise the management of the business and affairs of Silvercorp.

Number and election of directors

Under the OreCorp Constitution, OreCorp must have at least 3, but not more than 9, directors at all times.

OreCorp may elect a person as director by resolution passed in a general meeting. At OreCorp's annual general meeting every year, one-third of the directors, or if the number of directors is not a multiple of three, then the number nearest one-third (rounded upwards in case of doubt) retires from office. The directors to retire at an annual general meeting are those who have been longest in office since their last election. A retiring director is eligible for re-election.

OreCorp's managing director is exempt from the retirement and election by rotation procedures under the OreCorp Constitution.

The Business Corporations Act and the Silvercorp Articles require a minimum of 3 directors. Currently, there are 5 Silvercorp Directors.

Unless appointed by the board to fill a vacancy or otherwise in accordance with the Business Corporations Act and the Silvercorp Articles, Silvercorp's directors are appointed at Silvercorp's annual general meeting to serve until the next annual general meeting or until such person otherwise ceases to hold office.

Removal of directors

OreCorp Shareholders may remove a director before their period of office ends by passing a resolution to do so at a general meeting. The resolution must be passed by a majority of the votes cast by OreCorp Shareholders present and voting at the meeting.

Under the Corporations Act, the OreCorp Directors cannot themselves remove an OreCorp Director from their office or require an OreCorp Director to vacate their office.

Under the Business Corporations Act and the Silvercorp Articles, Silvercorp Shareholders may remove one or more directors by ordinary resolution.

Under the Silvercorp Articles, the directors may remove any director if the director is convicted of an indictable offence or if the director ceases to be qualified to act as a director and does not promptly resign.

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares

Residency of directors

Under the Corporations Act, public companies must have at least 3 directors, at least 2 of which ordinarily reside in Australia.

The Business Corporations Act does not prescribe any residency requirements for directors.

Under the Corporations Act, private companies must have at least 1 director, who must ordinarily reside in Australia.

(d) Remuneration of directors and officers

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares

Under the ASX Listing Rules, the maximum amount to be paid to OreCorp Directors for their services as OreCorp Directors (other than the salary of an executive director) is not to exceed the amount approved by OreCorp Shareholders in a general meeting.

Under the Business Corporations Act, the directors of Silvercorp may fix the remuneration of the directors, officers and employees of the company. The Silvercorp Articles do not place any restrictions on the remuneration of Silvercorp's directors.

As at the Last Practicable Date, the latest approval was at OreCorp's annual general meeting on 27 November 2019, at which OreCorp Shareholders approved aggregate remuneration for non-executive directors of \$500,000 per annum.

Under Canadian securities law, specific compensation disclosure, including with respect to compensation of the CEO, CFO and next three highest paid executives, is required to be included in the management proxy circular in connection with the annual meeting each year.

OreCorp's annual report includes a remuneration report within the directors' report. In accordance with the Corporations Act, the remuneration report is required to include a discussion of the OreCorp Board's policy in relation to remuneration of key management personnel of OreCorp.

Under the Corporations Act, a listed company (such as OreCorp) must put its remuneration report to a shareholder vote at its annual general meeting. If, at two consecutive annual general meetings, 25% or more of the votes cast on the resolution to adopt the remuneration report vote against the resolution, a spill resolution must then be put to shareholders.

A spill resolution is a resolution put to the members that states:

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares

- a spill meeting be held within 90 days; and
- all directors (other than the managing director who is exempt from the retirement by rotation requirements) cease to hold office immediately before the end of the spill meeting.; and
- resolutions to appoint persons to offices that will be vacated immediately before the end of the spill meeting be put to the vote at the spill meeting.

If the spill resolution is approved by the majority of votes cast on the resolution, a spill meeting will be held, at which directors wishing to remain directors must stand for re-election.

(e) **Retirement Benefits**

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares

The Corporations Act provides that, in respect of termination benefits payable to a company director, senior executive or key management personnel, shareholder approval is required if the total value of the benefits exceed one year of that person's base salary.

In addition, the ASX Listing Rules provide that OreCorp must ensure that no officer is entitled to termination benefits (or any increase in them) if a change occurs in the shareholding or control of OreCorp. Further, OreCorp Shareholder approval is required if the value of the termination benefits that may become payable to all officers together exceeds 5% in aggregate of OreCorp equity interests.

Under the Business Corporations Act and the Silvercorp Articles:

- there are currently no restrictions on the quantum of retirement benefits that Silvercorp may pay to its directors or officers; and
- there is no requirement for shareholders of Silvercorp to approve the quantum of such retirement benefits (if any).

(f) **Release from liability and indemnification of directors and officers**

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares

Under Australian law, OreCorp cannot:

Under the Business Corporations Act, a director is not liable for a resolution he or she

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares
• exempt an officer or auditor from liability to OreCorp incurred in their capacity as an officer or auditor; • indemnify an officer or auditor against a liability owed to OreCorp or a Related Body Corporate; or • indemnify an officer or auditor against the legal costs incurred in defending certain legal proceedings, including proceedings in which the person is found liable to OreCorp or a Related Body Corporate. The OreCorp Constitution contains a provision permitting OreCorp (to the extent permitted by law) to indemnify every OreCorp Director, executive officer or secretary of OreCorp against a liability to another person (other than OreCorp or a Related Body Corporate of OreCorp), provided that the provisions of the Corporations Act are complied with in relation to giving the indemnity and the liability does not arise in respect of conduct involving a lack of good faith on the part of the officer.	voted in favour of if the director has relied in good faith on: • financial statements of the company represented to the director by an officer of the company or in a written report of the auditor of the company to fairly reflect the financial position of the company; • a written report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement; • a statement of fact represented to the director by an officer of the company to be correct; or • any record, information or representation that the court considers provides reasonable grounds for the actions of the director, whether or not the record, information or representation was forged, fraudulently made or inaccurate. Furthermore, a director is not liable for a resolution for which he or she voted in favour if he or she did not know and could not reasonably have known that the act done or authorised by the resolution was contrary to the Business Corporations Act.
	Under the Business Corporations Act, a company may indemnify a past or present director or officer (an eligible party) against certain judgments, penalties or fines, or an amount paid in settlement of proceedings, relating to their actions as directors and officers of the corporation, unless prohibited by the articles or if, in relation to the subject proceedings, the eligible party did not act honestly and in good faith with a view to the best interests of the company and, in the case of criminal proceedings, did not have reasonable grounds for believing that the his or her conduct in respect of which the proceeding was brought was lawful. A company must pay the net expenses of an eligible party, after the final disposition or settlement of the matter, if:

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares

- the party was substantially successful on the merits, or
- the party was wholly successful on the merits or otherwise.

A company may pay the expenses of an eligible party in advance, provided that the party undertakes to repay the advances if it is later determined that the corporation is prohibited from paying such expenses.

(g) **Fiduciary Duties of Directors and Officers**

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares

Under Australian law, the directors and officers of a company such as OreCorp are subject to a range of duties including duties to:

- act in good faith in the best interests of the company;
- act for a proper purpose;
- not fetter their discretion (in the case of directors only);
- exercise care and diligence in the performance of their duties;
- avoid conflicts of interest;
- not use their position to gain advantage for themselves or someone else, or to cause detriment to the company;
- not misuse information which they have gained through their position to gain advantage for themselves or someone else to cause detriment to the company; and
- otherwise act in accordance with the Corporations Act and the OreCorp Constitution.

There are no limitations on shareholders' ability to bring claims against directors for a

Under the Business Corporations Act, each director and officer of Silvercorp, in exercising their powers and discharging their duties, must act honestly and in good faith with a view to the best interests of Silvercorp (commonly referred to as the 'duty of loyalty') and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances (commonly referred to as the 'duty of care').

Rights of holders of OreCorp Shares**Rights of holders of Silvercorp Shares**

breach of duty, subject to certain procedural requirements and (in the case of statutory derivative action) the leave of the court.

(h) Transactions involving directors, officers or other related parties**Rights of holders of OreCorp Shares****Rights of holders of Silvercorp Shares**

The Corporations Act prohibits a public company such as OreCorp from giving a related party a financial benefit unless it:

- obtains the approval of shareholders and gives the benefit within 15 months after receipt of such approval; or
- the financial benefit is exempt.

A related party is defined by the Corporations Act to include any entity which controls the public company, directors of the public company, directors of any entity which controls the public company and, in each case, spouses and certain relatives of such persons. Exempt financial benefits include indemnities, insurance premiums and payments for legal costs which are not otherwise prohibited by the Corporations Act and benefits given on arm's length terms.

The ASX Listing Rules prohibit a listed entity such as OreCorp from acquiring a substantial asset (an asset the value or consideration for which is 5% or more of the entity's equity interests) from, or disposing of a substantial asset to, certain related parties of the entity, unless it obtains the approval of shareholders.

The related parties include directors, persons who have or have had (in aggregate with any of their associates) in the prior six month period an interest in 10% or more of the shares in the company and, in each case, any of their associates. The provisions also apply where the transaction may be on arm's length terms.

The ASX Listing Rules also prohibit a listed entity such as OreCorp from issuing or agreeing to issue shares to a director unless it

In Canada, MI 61-101 establishes disclosure, valuation, review and approval processes in connection with certain transactions where there is a potential for conflicts of interest because the transaction involves one or more interested or related parties who are parties to the transaction and have potential information or other advantages (for example, voting power through share ownership, or representation on the target company's board of directors), or are otherwise entitled to receive different consideration or other benefits under the terms of the transaction that are unavailable to the other shareholders of the target company. As a reporting issuer in Ontario listed on the TSX, Silvercorp is subject to the requirements of MI 61-101.

Depending on the nature of the transaction and subject to the availability of certain exemptions, MI 61-101 provides procedural protections to minority or disinterested shareholders in connection with transactions subject to MI 61-101. For example:

- the requirement for a valuation performed by a qualified and independent valuator in respect of the target company's securities which are the subject of the transaction;
- approval of a proposed transaction by a majority (50.1%) of the votes cast by the minority or disinterested shareholders at a shareholders' meeting and excluding shares held by the interested parties;
- formation of a special committee composed of independent directors who do not have a conflict of interest to supervise the preparation of a formal valuation; and/or

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares
obtains the approval of shareholders or the share issue is exempt. Exempt share issues include issues made pro rata to all shareholders, under an underwriting agreement in relation to a pro rata issue, under certain dividend or distribution plans or under an approved employee incentive plan. The Corporations Act generally requires an OreCorp Director who has a material personal interest in a matter that relates to the affairs of OreCorp to give the other OreCorp Directors notice of that interest. That OreCorp Director must not be present at a meeting where the matter is being considered or vote on the matter unless the other OreCorp Directors or ASIC approve, or the matter is not one which requires disclosure under the Corporations Act. Under the Corporations Act, failure of an OreCorp Director to disclose a material personal interest, or voting despite a material personal interest, does not affect the validity of the resolution in which the OreCorp Director has an interest. OreCorp Directors, when entering into transactions with OreCorp, are subject to the common law and statutory duties to avoid conflicts of interest.	• additional prescribed disclosure in respect of the transaction. The Business Corporations Act sets out the following requirements for a contract or transaction in which a director or officer has a competing interest or duty: • disclosure of the nature and extend conflicting interest to the board; • abstention from voting at the board level; and • approval by directors or shareholders. A court may order an accounting of profits where the first two criteria are not met if it finds that the material contract or transaction was not fair and reasonable.

(i) **Amendments to constitution**

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares
Any amendment to the OreCorp Constitution must be approved by a special resolution passed by OreCorp Shareholders present and voting on the resolution. A special resolution requires approval of at least 75% of the votes cast by shareholders entitled to vote.	Under the Business Corporations Act and Silvercorp Articles, approval by special resolution of the shareholders is required to amend a company's articles. Under the Business Corporations Act and the Silvercorp Articles, a special resolution must be passed by a majority of not less than two-thirds of the votes cast by the shareholders entitled to vote on the resolution.

(j) **Insider trading**

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares

Under the Corporations Act, any person who possesses price sensitive information relating to OreCorp or its securities is prohibited (subject to limited exceptions) from buying or selling those securities or procuring others to do so, or from communicating the information to third parties.

Canadian law prohibits certain persons (including directors, officers and employees) from trading securities of a reporting issuer with knowledge of a material fact or material change with respect to a reporting issuer that has not been generally disclosed.

In addition, NI 55-102 establishes a mandatory system of electronic reporting of trading activity by certain insiders of each reporting issuer. Insiders generally have to report within five days following any trade in securities of the issuer. Insider reports are filed on www.sedi.ca.

(k) **Disclosure of substantial shareholdings**

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares

A person who obtains voting power in 5% or more of an ASX listed company is required to publicly disclose that fact within two business days (and the next day, in the case of a takeover bid) after becoming aware of that fact via the filing of a substantial holding notice. A person's voting power consists of their own 'relevant interest' in shares plus the relevant interests of their associates.

A further notice must be filed within two business days after each subsequent voting power change of 1% or more, and after the person ceases to have voting power of 5% or more. The notice must attach all documents which contributed to the voting power the person obtained or provide a written description of arrangements which are not in writing.

Canadian law includes concepts of "insider", "acquirer", and "control person" that trigger certain disclosures and restrictions.

A person is an "insider" if that person, among other things, is a director or officer of an issuer or a person that is itself an insider or a subsidiary of an issuer, or has:

- beneficial ownership of, or control or direction over, directly or indirectly, or
- a combination of beneficial ownership of, and control or direction over, directly or indirectly, 10% or more of the company's outstanding voting securities.

In addition, within two business days of an acquiror acquiring beneficial ownership of, or control or direction over, securities that, together with the acquiror's securities, constitute 10% or more of the outstanding voting or equity securities of the company, the acquiror must file an early warning report in the prescribed form with such Securities Commission(s).

Similar notification requirements apply in the event that a person's holding increases or decreases by an amount equal to 2% or more of the company's outstanding voting

Rights of holders of OreCorp Shares**Rights of holders of Silvercorp Shares**

securities, or where a person ceases to hold 10% or more of the company's outstanding voting securities.

A control person includes a person that holds a sufficient number of any of the securities of a company so as to affect materially the control of that company, or that holds more than 20% of the outstanding voting shares of the company. There are restrictions on trade by control persons, in addition to the disclosure requirements described above.

(1) Takeovers**Rights of holders of OreCorp Shares****Rights of holders of Silvercorp Shares****Takeover requirements**

Australian law imposes restrictions on a person acquiring interests in the voting shares of OreCorp where, as a result of the acquisition, that person's or someone else's voting power in the company increases from 20% or below to more than 20%, or any increase from a starting point that is above 20% and below 90%. Exceptions to this restriction include an acquisition of no more than 3% of the voting shares in the company within a six month period, an acquisition made with shareholder approval, an acquisition made under a takeover bid conducted in accordance with Australian law or an acquisition that results from a court-approved compromise or arrangement (such as the Scheme).

Takeover bids must treat all shareholders alike and must not involve any collateral benefits. Various restrictions about conditional offers exist under the Corporations Act and there are also restrictions concerning the withdrawal and suspension of offers.

Takeover defence mechanisms

Under Australian takeovers legislation and policy, boards of target companies are limited in the defensive mechanisms that they can put in place to discourage or defeat

Securities laws relating to formal take-over bids are harmonized across Canada under NI 62-104. Under NI 62-104, a take-over bid is an offer to acquire outstanding voting securities made to one or more securityholders where the securities subject to the offer, together with the securities beneficially owned, or over which control or direction is exercised on the date of the offer to acquire by the offeror (i.e. the person making the take-over bid) and any person acting jointly or in concert with the offeror, constitute 20% or more of the outstanding securities of that class at the date of the offer. An offeror proposing a take-over bid must comply with the technical procedural requirements (including those relating to determining beneficial ownership of securities and whether a person is acting jointly or in concert with an offeror) and disclosure requirements of the take-over bid rules unless an exemption is available from those requirements, all in accordance with NI 62-104.

NP 62-202 regulates the defensive tactics that may be employed by a target company in a take-over bid, and limits the ability of a target board to entrench itself to the

Rights of holders of OreCorp Shares

a takeover bid. For example, it is likely that the adoption of a shareholders' rights plan (or so-called 'poison pill') would give rise to a declaration of unacceptable circumstances by the Australian Takeovers Panel if it had the effect of frustrating the bid by diluting the existing shares and the control position of an existing shareholder/bidder.

Rights of holders of Silvercorp Shares

detriment of shareholders. The primary objective of the relevant take-over bid provisions of Canadian law is the protection of the bona fide interests of shareholders of the target company. A secondary objective is to provide a regulatory framework within which take-over bids may proceed in an open and even-handed environment. The take-over bid provisions should favour neither the bidder nor the management of the target company and should leave the shareholders of the target company free to make a fully informed decision.

Canadian securities regulatory authorities:

- consider that unrestricted auctions produce the most desirable results in take-over bids and are reluctant to interfere in contested bids;
- appreciate that defensive tactics may be taken by a board of directors of a target company in a genuine attempt to obtain a better bid;
- are prepared to take appropriate action if they become aware of defensive tactics that will likely result in shareholders being deprived of the ability to respond to a take-over bid or to a competing bid;
- have determined that it is inappropriate to specify a code of conduct for directors of a target company in addition to the fiduciary standard required by corporate law; and
- are prepared to examine target company tactics in specific cases to determine whether they are abusive of shareholder rights.

(m) **Shareholder rights**

Rights of holders of OreCorp Shares

Rights of holders of Silvercorp Shares

Notice of members rights to receive documents

Under the Corporations Act, once each financial year OreCorp must send its members a notice setting out:

- the member's right to elect to receive documents in either physical or electronic form; and
- the members right to elect to not be sent certain documents at all.

OreCorp may alternatively make the above statements on its website.

There is no general requirement under Canadian law to canvass a shareholder's preference to receive documents.

Under Canadian law, a company may use Notice and Access for distribution of meeting materials. Notice and Access allows Silvercorp to send Silvercorp Shareholders paper copies of a notice of meeting and form of proxy or voting instruction form, while providing Silvercorp Shareholders access to electronic copies of the information circular over the internet or the option to receive paper copies of the information circular if they so request within the prescribed time periods.

Statutory rights of action for misrepresentations

Under the Corporations Act, any shareholder who suffers loss as a result of misleading or deceptive conduct relating to securities can bring an action against the person engaged in the conduct. Similarly, any shareholder who suffers loss as a result of a misleading or deceptive statement contained in a disclosure document (ie. a prospectus) can bring an action against the company, any director or the underwriter to the offer made through the disclosure document.

Under Canadian law, purchasers of securities of a company can bring an action against various persons or companies including the issuer of securities, the underwriter, directors and officers of the issuer, and certain other persons or companies responsible for the issue of a prospectus in respect of damage suffered by reason of a misrepresentation therein. A similar right of action is available in some jurisdictions against certain persons or companies in respect of misrepresentations contained in other disclosure documents such as offering memoranda or take-over bid circulars.

Right to Inspect Corporate Books and Records

Under the Corporations Act, a shareholder must obtain a court order to obtain access to the corporate books. To obtain the order, the applicant must be acting in good faith and be making the inspection for a proper purpose. The OreCorp Constitution provides that OreCorp Directors may determine whether and to what extent, at what time and place and under what conditions, the accounting record and other documents of OreCorp will be open to the inspection of Shareholders other than OreCorp Directors.

Under the Business Corporations Act, any person may examine certain of the corporate records of Silvercorp (including the securities register, articles, minutes of meetings and resolutions of shareholders) at Silvercorp's registered office or such other place where such records are kept during Silvercorp's usual business hours free of charge, and copies may be obtained for a fee.

Rights of holders of OreCorp Shares**Rights of holders of Silvercorp Shares****Right to Inspect Register of Shareholders**

Under Australian law, the register of shareholders of a company is usually kept at the registered office or principal place of business in Australia and must be available for inspection by shareholders, free of charge, at all times when the registered office is open to the public.

If a person asks OreCorp for a copy of the OreCorp Share Register (or any part of the OreCorp Share Register) and pays the requested fee (up to a prescribed amount), OreCorp must give that person the copy within seven days of the date on which OreCorp receives such payment.

Under the Business Corporations Act, any person may inspect Silvercorp's central securities register and/or apply to the company for a list setting out the names and last known addresses of the shareholders and the number of shares of each class or series of shares held by each of those shareholders.

Any person wishing to examine the list of shareholders must first make a request to the company, accompanied by an affidavit stating that the list will not be used except for certain purposes permitted under the Business Corporations Act.

(n) Winding up**Rights of holders of OreCorp Shares****Rights of holders of Silvercorp Shares**

Under Australian law, an insolvent company may be wound up by a liquidator appointed either by creditors or the court. Directors cannot use their powers after a liquidator has been appointed. If there are funds left over after payment of the costs of the liquidation, and payments to other priority creditors, including employees, the liquidator will pay these to unsecured creditors as a dividend. The shareholders rank behind the creditors (as unsecured creditors) and therefore will only receive a dividend if there are any funds left over.

Shareholders of a solvent company may decide to wind up the company if the directors are able to form the view, and make a written declaration, that the company will be able to pay its debts in full within 12 months after the commencement of the winding-up. A meeting at which a decision is made to wind up a solvent company requires at least 75% of votes cast by the shareholders present and voting.

The OreCorp Constitution provides that on winding-up, the liquidator may, with the authority of a special resolution, divide

Under the Business Corporations Act, only solvent companies may engage in dissolution and liquidation proceedings. As a result, the directors of a company seeking to dissolve must adequately provide for the payment of each of the company's liabilities; if that is not possible, it may be necessary to proceed under insolvency legislation (such as the Bankruptcy and Insolvency Act). If a company is found to be "insolvent" for the purposes of the Bankruptcy and Insolvency Act, any must be stayed. After the assets of a company have been liquidated and distributed under the Bankruptcy and Insolvency Act or the Winding-up and Restructuring Act, the company will still exist, and can only be dissolved by action taken in accordance with the procedures of the Business Corporations Act.

To voluntarily dissolve a company under the Business Corporations Act that has been properly authorized to do so, a company must provide to its records office an affidavit, sworn by a director of the company, which states that: (i) the dissolution was duly authorised by an ordinary resolution of the shareholders or it

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares
among OreCorp Shareholders in kind the whole or any part of OreCorp's property, and may set the value as the liquidator considers fair on any property to be so decided and may determine how the division is to be carried out.	has not issued any shares, and has the authorization of the directors; (ii) the company has no assets; and (iii) the company has no liabilities or has made adequate provision for the payment of each of its liabilities.
	Proceedings may be continued against a company after its dissolution or brought against a company within two years after its dissolution as if the company had not been dissolved. When assets of the company are distributed to a shareholder in anticipation of, during, or as a result of the company's liquidation or dissolution, the court may add the shareholder as a party to litigation, determine the amount for which the shareholder is liable and the amount the shareholder must contribute to satisfy the plaintiff's claim and direct payment of those amounts, provided that the shareholder is not liable unless added as a party within two years after the date of dissolution. The shareholder's liability is limited to the value of the assets they received, as at the date of distribution. The Silvercorp Articles do not impose any restrictions on winding-up.

(o) **Disclosure**

Rights of holders of OreCorp Shares	Rights of holders of Silvercorp Shares
Nature of disclosure	
OreCorp is a disclosing entity for the purposes of section 111AC(1) of the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.	Silvercorp is subject to regular reporting and disclosure obligations under Canadian law.
These obligations require OreCorp to notify ASX of information about specified matters and events as they arise for the purpose of ASX making that information available to participants in the market. OreCorp has an obligation under the ASX Listing Rules (subject to some exceptions) to notify ASX immediately upon becoming aware of any	Silvercorp's annual reporting obligations include requirements to prepare and file annual and interim financial statements, as well as an annual information form and management information circular. In addition, Silvercorp has certain periodic or special event reporting obligations under Canadian law, for instance, if a material change occurs, Silvercorp must immediately issue and file a news release disclosing the nature and substance of the material change,

Rights of holders of OreCorp Shares

information concerning it, which a reasonable person would expect to have a material effect on the price or value of OreCorp Shares. OreCorp's recent ASX announcements are available on the ASX website at www.asx.com.au. Further announcements will continue to be made available on the ASX website after the Last Practicable Date.

Rights of holders of Silvercorp Shares

and as soon as practicable, and in any event within 10 days of the date on which a material change occurs, prepare and file a material change report.

The TSX Company Manual requires timely disclosure of material information, which TSX considers broader than a "material change". The TSX Company Manual also requires a company to keep TSX fully informed of both routine and unusual events and decisions affecting its security holders.

Silvercorp's financial statements and accompanying management and discussion and analysis, annual information form, management information circular and news releases are available on Silvercorp's corporate profile on SEDAR+ at www.sedarplus.ca.

Financial statements

Pursuant to the Corporations Act, OreCorp is required to prepare and lodge with ASIC and ASX both annual and half yearly consolidated financial statements accompanied by an OreCorp Directors' statement and report, with an audit or review report, as applicable.

Copies of these and other documents lodged with ASIC may be obtained from or inspected at an ASIC office, on ASX's website (www.asx.com.au) and on OreCorp's website.

Silvercorp is required to file audited annual financial statements and accompanying management discussions and analysis within 90 days of the most recently completed financial year end and interim (three month) financial statements and accompanying management discussions and analysis within 45 days of the end of the interim period.

CORPORATE DIRECTORY

OreCorp Limited	Suite 22, Level 1, 513 Hay St Subiaco, Western Australia 6008
Auditor	Deloitte Touche Tohmatsu Level 9, Tower 2, Brookfield Place 123 St Georges Terrace Perth, Western Australia 6000
Financial adviser	CIBC Capital Markets Level 45 Gateway 1 Macquarie Place Sydney NSW 2000
Legal adviser	Allen & Overy Level 12, Exchange Plaza 2 The Esplanade Perth, Western Australia 6000 Australia
Share registry	Automatic Pty Ltd Level 5, 191 St Georges Terrace Perth, Western Australia 6000 Telephone: 1300 441 602 International: +61 2 9934 0529



ORECORP
LIMITED

OreCorp Limited | ABN 147 917 299

Proxy Voting Form

If you are attending the Scheme Meeting
in person, please bring this with you
for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (AWST) on Wednesday, 6 December 2023**, being **not later than 48 hours** before the commencement of the Scheme Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Scheme Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Scheme Meeting as your proxy, please write the name of that individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Scheme Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE SCHEME MEETING

Any directed proxies that are not voted on a poll at the Scheme Meeting will default to the Chair of the Scheme Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Scheme Meeting will be voted according to the instructions set out in this Proxy Voting Form.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Scheme Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE: <https://automicgroup.com.au/>

**ORECORP SHAREHOLDER INFORMATION
LINE (PHONE):**

1300 441 602 (Within Australia)
+61 2 9934 0529 (Overseas)



OreCorp Limited | ACN 147 917 299



By Mail:

GPO Box 5193, Sydney NSW 2001

For All enquiries

1300 441 602 (within Australia)

+61 2 9934 0529 (international)

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

ASX Security Code: ORR

Holder Number (SRN/HIN): [HolderNumber]

CDI ELECTION FORM

YOUR CDI ELECTION MUST BE RECEIVED BY NO LATER THAN 7.00PM (AWST) ON 13 DECEMBER 2023

This is an important document and requires your immediate attention. This document should be read in conjunction with the Scheme Booklet which is available online at <https://orecorp.com.au/>. If you are in any doubt as to how to deal with this form, you should consult your professional advisor.

If the Scheme becomes Effective, and subject to ASX admitting Silvercorp Metals Inc. to the official list of ASX and approving the New Silvercorp CDIs for official quotation (ASX Quotation), each Scheme Shareholder (other than an Ineligible Shareholder) may elect to receive the Scrip Consideration in the form of New Silvercorp CDIs (tradeable on ASX) instead of New Silvercorp Shares (tradeable on TSX and NYSE American).

Scheme Shareholders who are eligible to make an election to receive New Silvercorp CDIs can only make an election in relation to all and not part of their entitlement to receive the Scrip Consideration. An election will apply to the entire registered holding of Scheme Shares at 7.00pm (AWST) on the Record Date, regardless of whether this holding is greater or less than the number held at the time of making the election to receive New Silvercorp CDIs.

Scheme Shareholders should note that even if an election to receive New Silvercorp CDIs is validly made, this will be void and of no effect if ASX Quotation has not occurred by 5.00pm (AWST) on the Business Day before the Second Court Date. In these circumstances, such Scheme Shareholders will receive their Scrip Consideration in the form of New Silvercorp Shares.

A Scheme Shareholder who does not validly elect to receive New Silvercorp CDIs will receive New Silvercorp Shares as Scrip Consideration.

By submitting your election you are indicating that you wish to receive the Scrip Consideration in the form of new Silvercorp CDIs if ASX Quotation has occurred by the time noted above.

Option A: Online Election (Recommended)

Visit <https://investor.automic.com.au/#/home>

To elect online, simply scan the barcode to the right or enter the above link into your browser. Instructions for lodging your election online and accessing this portal are provided in the section overleaf.

- ✓ **It's fast and simple:** Electing online is very easy to do, it eliminates any postal delays and removes any potential risk of it being lost in transit.
- ✓ **It's secure and confirmed:** Electing online provides you with greater privacy over your instructions and provides you with confirmation that your Election has been successfully processed.



Option B: Paper Election

Sign and return this form to indicate you wish to receive the Scrip Consideration in the form of New Silvercorp CDIs

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions relating to this CDI Election Form.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director or Sole Director &
Sole Company Secretary

Director

Director/Company Secretary



INSTRUCTIONS FOR COMPLETION OF THIS CDI ELECTION FORM

SIGNING REQUIREMENTS

Individual:	Where the holding is in one name, the Shareholder must sign.
Joint holding:	Where the holding is in more than one name, all of the Shareholders must sign.
Power of Attorney:	If any signatory signs under Power of Attorney, please attach an originally certified photocopy of the Power of Attorney to this Form when you return it.
Companies:	To be signed in accordance with your Constitution. Please sign in the box which indicates the office held by you.
Estates:	If any signatory signs in the capacity of Executor/s, please attach to this Form when you return it, a certified photocopy of the Probate or Death Certificate together with the Will.

LODGING YOUR CDI ELECTION FORM	
 IMPORTANT! CDI Election Forms cannot be returned by fax or email. Your CDI Election Form must be returned via one of the return methods provided below. Due to recent changes to delivery times by Australia Post, standard delivery may now take up to ten Business Days, or longer from regional areas. Shareholders should bear this in mind when returning forms using Australia Post.	
ONLINE Existing users: If you have an existing Automic Investor Portal account, with access to OreCorp Limited, you do not need to register and can log in with your existing username and password at https://investor.automic.com.au If you do not automatically see your ORR shareholding in your account, you can easily add it by selecting the "Add holding" button on the top right-hand corner of the screen and following the prompts. New users: If you do not have an existing Automic account you will need to register for Investor Portal by visiting https://investor.automic.com.au/#/signup and following these steps: 1. In the Company Name field, select "OreCorp Limited (ORR)" 2. Enter your Holder Number (SRN or HIN) as shown on the top of this form 3. Enter the postcode (Australian address) or click "change country" to select the country code (overseas address) relevant to your holding 4. Tick the "I'm not a robot" box and click "Next" 5. Complete the prompts to set up your Username and Password Once you are logged in, select "Offers" from the left-hand vertical menu and follow the prompts.	
BY MAIL OreCorp Limited – CDI Election Form C/- Automic Group GPO Box 5193 Sydney NSW 2001	
BY HAND DELIVERY (Between Sydney office hours 9.00am – 5.00pm AEST) Automic Group Level 5 126 Phillip Street Sydney NSW 2000	

YOUR CDI ELECTION FORM MUST BE RECEIVED BY NO LATER THAN
7.00PM (AWST) ON 13 DECEMBER 2023.

L