



SILVERCORP METALS INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For the three months ended June 30, 2020 and 2019
(Expressed in thousands of US dollars, unless otherwise stated)
(Unaudited)

SILVERCORP METALS INC.

Condensed Consolidated Interim Statements of Financial Position

(Unaudited) (Expressed in thousands of U.S. dollars)

	Notes	As at June 30, 2020	As at March 31, 2020
ASSETS			
Current Assets			
Cash and cash equivalents	19	\$ 94,024	\$ 65,777
Short-term investments	3	84,362	76,742
Trade and other receivables		987	1,178
Current portion of lease receivable	8	195	186
Inventories		7,558	8,430
Due from related parties	12	62	1,519
Income tax receivable		-	1,093
Prepays and deposits		3,764	3,254
		190,952	158,179
Non-current Assets			
Long-term prepaids and deposits		402	390
Long-term portion lease receivable	8	315	348
Reclamation deposits		7,695	9,230
Investment in an associate	4	51,332	44,555
Other investments	5	7,375	8,750
Plant and equipment	6	66,393	66,722
Mineral rights and properties	7	229,854	224,586
TOTAL ASSETS		\$ 554,318	\$ 512,760
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 31,712	\$ 23,129
Current portion of lease obligation	8	594	567
Deposits received		3,238	3,195
Income tax payable		1,676	937
		37,220	27,828
Non-current Liabilities			
Long-term portion of lease obligation	8	1,425	1,502
Deferred income tax liabilities		36,664	35,758
Environmental rehabilitation		8,678	8,700
Total Liabilities		83,987	73,788
Equity			
Share capital		245,075	243,926
Equity reserves		(4,270)	(21,142)
Retained earnings		159,211	145,898
Total equity attributable to the equity holders of the Company		400,016	368,682
Non-controlling interests	11	70,315	70,290
Total Equity		470,331	438,972
TOTAL LIABILITIES AND EQUITY		\$ 554,318	\$ 512,760

Approved on behalf of the Board:

(Signed) David Kong

Director

(Signed) Rui Feng

Director

See accompanying notes to the condensed consolidated interim financial statements

SILVERCORP METALS INC.

Condensed Consolidated Interim Statements of Income

(Unaudited)(Expressed in thousands of U.S. dollars, except numbers for share and per share figures)

	Notes	Three Months Ended June 30,	
		2020	2019
Sales	18(b)(c)	\$ 46,705	\$ 45,576
Cost of mine operations			
Production costs		17,747	18,000
Depreciation and amortization		5,740	5,869
Mineral resource taxes		1,336	1,251
Government fees and other taxes	14	540	594
General and administrative	13	2,057	2,129
		27,420	27,843
Income from mine operations		19,285	17,733
Corporate general and administrative	13	2,687	2,353
Property evaluation and business development	3	(3,785)	66
Foreign exchange loss		2,670	854
Loss on disposal of plant and equipment	6	192	142
Gain on disposal of mineral rights and properties	7	-	(1,477)
Share of loss in associate	4	161	281
Dilution gain on investment in associate	4	-	(723)
Reclassification of other comprehensive income upon ownership dilution of investment in associate		-	(21)
Gain on equity investments designated as FVTPL	5	(5,466)	-
Other (income) expense		(248)	199
Income from operations		23,074	16,059
Finance income	15	947	929
Finance costs	15	(147)	(175)
Income before income taxes		23,874	16,813
Income tax expense (recovery)	16	5,382	(488)
Net income		\$ 18,492	\$ 17,301
Attributable to:			
Equity holders of the Company		\$ 15,491	\$ 12,607
Non-controlling interests	11	3,001	4,694
		\$ 18,492	\$ 17,301
Earnings per share attributable to the equity holders of the Company			
Basic earnings per share		\$ 0.09	\$ 0.07
Diluted earnings per share		\$ 0.09	\$ 0.07
Weighted Average Number of Shares Outstanding - Basic		173,997,464	169,991,268
Weighted Average Number of Shares Outstanding - Diluted		176,414,612	170,753,967

See accompanying notes to the condensed consolidated interim financial statements

SILVERCORP METALS INC.

Condensed Consolidated Interim Statements of Comprehensive Income

(Unaudited) (Expressed in thousands of U.S. dollars)

	Notes	Three Months Ended June 30,	
		2020	2019
Net income		\$ 18,492	\$ 17,301
Other comprehensive income (loss), net of taxes:			
Items that may subsequently be reclassified to net income or loss:			
Currency translation adjustment, net of tax of \$nil		6,419	(5,113)
Share of other comprehensive loss in associate	4	(595)	(357)
Reclassification to net income upon ownership dilution of investment in associate		-	(21)
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	5	10,906	1,245
Other comprehensive income (loss), net of taxes		\$ 16,730	\$ (4,246)
Attributable to:			
Equity holders of the Company		\$ 16,467	\$ (2,845)
Non-controlling interests	11	263	(1,401)
Total comprehensive income		\$ 35,222	\$ 13,055
Attributable to:			
Equity holders of the Company		\$ 31,958	\$ 9,762
Non-controlling interests		3,264	3,293
		\$ 35,222	\$ 13,055

See accompanying notes to the condensed consolidated interim financial statements

SILVERCORP METALS INC.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited) (Expressed in thousands of U.S. dollars)

	Notes	Three Months Ended June 30,	
		2020	2019
Cash provided by			
Operating activities			
Net income		\$ 18,492	\$ 17,301
Add (deduct) items not affecting cash:			
Finance costs	15	147	175
Depreciation, amortization and depletion		6,148	6,220
Share of loss in associate	4	161	281
Dilution gain on investment in associate	4	-	(723)
Reclassification of other comprehensive loss upon ownership dilution of investment in associate		-	(21)
Income tax expense (recovery)	16	5,382	(488)
Gain on equity investments designated as FVTPL		(5,466)	-
Loss on disposal of plant and equipment	6	192	142
Gain on disposal of mineral rights and properties	7	-	(1,477)
Share-based compensation		723	325
Reclamation expenditures		(78)	-
Income taxes paid		(2,749)	(1,919)
Interest paid		(25)	(73)
Changes in non-cash operating working capital	19	7,215	155
Net cash provided by operating activities		30,142	19,898
Investing activities			
Mineral rights and properties			
Capital expenditures		(7,851)	(6,770)
Proceeds on disposals	7	-	4,691
Plant and equipment			
Additions		(806)	(2,171)
Proceeds on disposals	6	1	1
Reclamation deposits			
Paid		(250)	(17)
Refund		1,775	-
Other investments			
Acquisition		(5,538)	-
Proceeds on disposals		16,574	-
Investment in associate	4	(5,805)	(3,023)
Net redemptions (purchases) of short-term investments		890	(24,075)
Principal received on lease receivable	8	45	27
Net cash used in investing activities		(965)	(31,337)
Financing activities			
Related parties			
Repayments received		1,423	-
Bank loan			
Repayment		-	(4,369)
Principal payments on lease obligation	8	(132)	(101)
Non-controlling interests			
Distribution	11	(3,239)	-
Cash dividends distributed	9(c)	(2,178)	(2,125)
Proceeds from issuance of common shares		832	220
Net cash used in financing activities		(3,294)	(6,375)
Effect of exchange rate changes on cash and cash equivalents		2,364	(304)
Increase (decrease) in cash and cash equivalents		28,247	(18,118)
Cash and cash equivalents, beginning of the period		65,777	67,441
Cash and cash equivalents, end of the period		\$ 94,024	\$ 49,323
Supplementary cash flow information	19		

See accompanying notes to the condensed consolidated interim financial statements

SILVERCORP METALS INC.

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share figures)

	Share capital		Equity reserves				Total equity attributable to the equity holders of the Company		Non-controlling interests	Total equity
	Notes	Number of shares	Amount	Share option reserve	Reserves	Accumulated other comprehensive loss	Retained earnings			
Balance, March 31, 2019		169,842,052	\$ 231,269	\$15,898	\$ 25,409	\$ (41,864)	\$ 116,734	\$ 347,446	\$ 65,735	\$ 413,181
Adjustment upon adoption of IFRS 16		-	-	-	-	167	(823)	(656)	-	(656)
Options exercised		168,100	294	(74)	-	-	-	220	-	220
Share-based compensation		-	-	325	-	-	-	325	-	325
Dividends declared		-	-	-	-	-	(2,125)	(2,125)	-	(2,125)
Comprehensive (loss) income		-	-	-	-	(2,845)	12,607	9,762	3,293	13,055
Balance, June 30, 2019		170,010,152	\$ 231,563	\$16,149	\$ 25,409	\$ (44,542)	\$ 126,393	\$ 354,972	\$ 69,028	\$ 424,000
Options exercised		3,665,306	10,709	(2,928)	-	-	-	7,781	-	7,781
Restricted share units vested		141,376	527	(527)	-	-	-	-	-	-
Share-based compensation		-	-	2,344	-	-	-	2,344	-	2,344
Dividends declared		-	-	-	-	-	(2,162)	(2,162)	-	(2,162)
Distribution to non-controlling interests		-	-	-	-	-	-	-	(3,259)	(3,259)
Disposal of common shares held by associate		-	1,127	-	-	-	-	1,127	-	1,127
Comprehensive (loss) income		-	-	-	-	(17,047)	21,667	4,620	4,521	9,141
Balance, March 31, 2020		173,816,834	\$ 243,926	\$15,038	\$ 25,409	\$ (61,589)	\$ 145,898	\$ 368,682	\$ 70,290	\$ 438,972
Options exercised		465,006	1,122	(291)	-	-	-	831	-	831
Restricted share units vested		7,625	27	(27)	-	-	-	-	-	-
Share-based compensation		-	-	723	-	-	-	723	-	723
Dividends declared	9(c)	-	-	-	-	-	(2,178)	(2,178)	-	(2,178)
Distribution to non-controlling interests	11	-	-	-	-	-	-	-	(3,239)	(3,239)
Comprehensive income		-	-	-	-	16,467	15,491	31,958	3,264	35,222
Balance, June 30, 2020		174,289,465	\$ 245,075	\$15,443	\$ 25,409	\$ (45,122)	\$ 159,211	\$ 400,016	\$ 70,315	\$ 470,331

See accompanying notes to the condensed consolidated interim financial statements

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

1. CORPORATE INFORMATION

Silvercorp Metals Inc., along with its subsidiary companies (collectively the “Company”), is engaged in the acquisition, exploration, development, and mining of mineral properties. The Company’s producing mines and other current exploration and development projects are located in China.

The Company is a publicly listed company incorporated in the Province of British Columbia, Canada, with limited liability under the legislation of the Province of British Columbia. The Company’s shares are traded on the Toronto Stock Exchange and NYSE American.

The head office, registered address and records office of the Company are located at 1066 West Hastings Street, Suite 1750, Vancouver, British Columbia, Canada, V6E 3X1.

Operating results for the three months ended June 30, 2020, are not necessarily indicative of the results that may be expected for the year ending March 31, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting (“IAS 34”)* of the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended March 31, 2020. These condensed consolidated interim financial statements follow the same significant accounting policies set out in note 2 to the audited consolidated financial statements for the year ended March 31, 2020.

These condensed consolidated interim financial statements were authorized for issue in accordance with a resolution of the Board of Directors dated on August 5, 2020.

(b) Basis of Consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its wholly or partially owned subsidiaries.

Subsidiaries are consolidated from the date on which the Company obtains control up to the date of the disposition of control. Control is achieved when the Company has power over the subsidiary, is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to use its power to affect its returns.

For non-wholly owned subsidiaries over which the Company has control, the net assets attributable to outside equity shareholders are presented as “non-controlling interests” in the equity section of the consolidated balance sheets. Net income for the period that is attributable to the non-controlling interests is calculated based on the ownership of the non-controlling interest shareholders in the subsidiary. Adjustments to recognize the non-controlling interests’ share of changes to the subsidiary’s equity are made even if this results in the non-controlling interests having a deficit balance. Changes in the Company’s ownership interest in a subsidiary that do not result in a loss of control are recorded as equity

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

transactions. The carrying amount of non-controlling interests is adjusted to reflect the change in the non-controlling interests' relative interests in the subsidiary and the difference between the adjustment to the carrying amount of non-controlling interest and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to equity holders of the Company.

Balances, transactions, revenues and expenses between the Company and its subsidiaries are eliminated on consolidation.

Details of the Company's significant subsidiaries which are consolidated are as follows:

Name of subsidiaries	Principal activity	Country of incorporation	Proportion of ownership interest held		Mineral properties
			June 30, 2020	March 31, 2020	
Silvercorp Metals China Inc.	Holding company	Canada	100%	100%	
Silvercorp Metals (China) Inc.	Holding company	China	100%	100%	
0875786 B.C. LTD.	Holding company	Canada	100%	100%	
Fortune Mining Limited	Holding company	BVI (i)	100%	100%	
Fortune Copper Limited	Holding company	BVI	100%	100%	
Fortune Gold Mining Limited	Holding company	BVI	100%	100%	
Victor Resources Ltd.	Holding company	BVI	100%	100%	
Yangtze Mining Ltd.	Holding company	BVI	100%	100%	
Victor Mining Ltd.	Holding company	BVI	100%	100%	
Yangtze Mining (H.K.) Ltd.	Holding company	Hong Kong	100%	100%	
Fortune Gold Mining (H.K.) Limited	Holding company	Hong Kong	100%	100%	
Wonder Success Limited	Holding company	Hong Kong	100%	100%	
Henan Huawei Mining Co. Ltd. ("Henan Huawei")	Mining	China	80%	80%	Ying Mining District
Henan Found Mining Co. Ltd. ("Henan Found")	Mining	China	77.5%	77.5%	
Xinshao Yunxiang Mining Co., Ltd. ("Yunxiang")	Mining	China	70%	70%	BYP
Guangdong Found Mining Co. Ltd. ("Guangdong Found")	Mining	China	99%	99%	GC

(i) British Virgin Islands ("BVI")

(c) Significant Accounting Judgments and Estimates

The current outbreak of COVID 19 resulted in a series of public health and emergency measures that have been put in place globally to combat the spread of the virus. These measures have led to significant disruption to the global economic conditions and financial markets. The full extent of the impact of COVID-19 on operations and future financial performances is currently unknown.

IFRS requires management to make judgments, estimates and assumptions about future events that affect the reported amounts and disclosures, including but not limited to the potential impact arising from COVID-19 and government regulations and measures aimed at reducing its transmission. As the extent and duration of the impact from COVID-19 remain unclear, the Company's judgments and estimates may evolve as conditions change. Actual results may differ from those estimates.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

3. SHORT-TERM INVESTMENTS

As at June 30, 2020, short-term investments consist of the following:

	Amount	Interest rates	Maturity
Bonds	\$ 21,453	6.00% - 13.00%	November 6, 2020 - June 27, 2024
Money market instruments	55,398		
Investment in Guyana Goldfields	7,511		
	\$ 84,362		

As at March 31, 2020, short-term investments consist of the following:

	Amount	Interest rates	Maturity
Bonds	\$ 23,313	6.00% - 13.00%	April 2, 2020 - June 27, 2024
Money market instruments	53,429		
	\$ 76,742		

All bonds were purchased in open markets and are readily tradable.

On April 26, 2020, the Company entered into a definitive agreement with Guyana Goldfields Inc. ("Guyana Goldfields"), and subsequently amended on May 18, 2020 (collectively, the "Arrangement Agreement") to acquire all of the issued and outstanding shares of Guyana. On June 10, 2020, Guyana Goldfields terminated the Arrangement Agreement and paid the Company a break fee of \$6,497 (CAD\$9,000). The gain was recorded as a recovery of property evaluation and business development expense on the condensed consolidated interim statements of income to net off related expenditure and cost. The fair value of the shares of Guyana Goldfields that the Company held as at June 30, 2020 was reclassified to short-term investments from other investments.

4. INVESTMENT IN AN ASSOCIATE

New Pacific Metals Corp. ("NUAG") is a Canadian public company listed on the TSX Venture Exchange (symbol: NUAG). NUAG is a related party of the Company by way of two common directors and one common officer, and the Company accounts for its investment in NUAG using the equity method as it is able to exercise significant influence over the financial and operating policies of NUAG.

On June 9, 2020, the Company participated in an offering of common shares of NUAG underwritten by BMO Capital Markets and acquired an additional 1,320,710 common shares of NUAG for a cost of \$5,805.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

As at June 30, 2020, the Company owned 43,917,216 common shares of NUAG (March 31, 2020 – 42,596,506), representing an ownership interest of 28.8% (March 31, 2020 – 28.8%). The summary of the investment in NUAG common shares and its market value as at the respective balance sheet dates are as follows:

	Number of shares	Amount	Value of NUAG's common shares per quoted market price
Balance April 1, 2019	39,346,300	\$ 38,703	\$ 69,783
Purchase from open market	502,600	861	
Exercise of warrants	1,500,000	2,349	
Participation in public offering	1,247,606	3,820	
Share of net loss		(1,276)	
Share of other comprehensive income		1,077	
Dilution gain		723	
Disposal of common shares held by the associate		1,127	
Foreign exchange impact		(2,829)	
Balance March 31, 2020	42,596,506	\$ 44,555	\$ 148,624
Participation in public offering	1,320,710	5,805	
Share of net loss		(161)	
Share of other comprehensive loss		(595)	
Foreign exchange impact		1,728	
Balance June 30, 2020	43,917,216	\$ 51,332	\$ 178,208

5. OTHER INVESTMENTS

	June 30, 2020	March 31, 2020
Equity investments designated as FVTOCI		
Public companies	\$ 4,290	\$ 6,633
Private companies	2,122	2,117
	6,412	8,750
Equity investments designated as FVTPL		
Public companies	963	-
Total	\$ 7,375	\$ 8,750

Investments in publicly traded companies represent equity interests of other publicly-trading mining companies that the Company has acquired through the open market or through private placements. Investment in equity instruments that are held for trading are classified as FVTPL. For other investment in equity instruments, the Company can make an irrevocable election, on an instrument-by-instrument basis, to designate them as at FVTOCI.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

The continuity of such investments is as follows:

	Note	Fair value	Accumulated fair value change included in OCI	Accumulated fair value change included in P&L
April 1, 2019		\$ 9,253	\$ (35,128)	\$ -
Gain on equity investments designated as FVTOCI		249	249	-
Acquisition		7,851	-	-
Disposal		(8,454)	-	-
Impact of foreign currency translation		(149)	-	-
March 31, 2020		\$ 8,750	\$ (34,879)	\$ -
Gain on equity investments designated as FVTOCI		10,906	10,906	-
Gain on equity investments designated as FVTPL		5,466	-	5,466
Acquisition		5,538	-	-
Disposal		(16,574)	-	-
Reclassified to short-term investments	3	(7,511)	-	-
Impact of foreign currency translation		800	-	-
June 30, 2020		\$ 7,375	\$ (23,973)	\$ 5,466

6. PLANT AND EQUIPMENT

Plant and equipment consist of:

Cost	Land use rights and building	Office equipment	Machinery	Motor vehicles	Construction in progress	Total
Balance as at April 1, 2019	\$ 100,028	\$ 7,735	\$ 29,452	\$ 6,722	\$ 5,790	\$ 149,727
Adjustment upon adoption of IFRS 16	\$ 360	\$ -	\$ -	\$ -	\$ -	\$ 360
Additions	1,736	1,060	1,082	681	3,618	8,177
Disposals	(6,932)	(368)	(3,265)	(630)	(52)	(11,247)
Reclassification of asset groups ⁽¹⁾	6,908	-	65	-	(6,973)	-
Impact of foreign currency translation	(5,646)	(417)	(1,534)	(357)	(247)	(8,201)
Balance as at March 31, 2020	\$ 96,454	\$ 8,010	\$ 25,800	\$ 6,416	\$ 2,136	\$ 138,816
Additions	16	30	109	236	850	1,241
Disposals	(151)	(11)	(93)	(357)	-	(612)
Reclassification of asset groups ⁽¹⁾	370	-	10	-	(380)	-
Impact of foreign currency translation	327	59	66	16	7	475
Ending balance as at June 30, 2020	\$ 97,016	\$ 8,088	\$ 25,892	\$ 6,311	\$ 2,613	\$ 139,920

Impairment, accumulated depreciation and amortization

Balance as at April 1, 2019	\$ (49,929)	\$ (5,409)	\$ (20,701)	\$ (5,017)	\$ (54)	\$ (81,110)
Disposals	6,821	278	3,051	574	52	10,776
Depreciation and amortization	(3,481)	(527)	(1,601)	(384)	-	(5,993)
Impact of foreign currency translation	2,602	283	1,083	263	2	4,233
Balance as at March 31, 2020	\$ (43,987)	\$ (5,375)	\$ (18,168)	\$ (4,564)	\$ -	\$ (72,094)
Disposals	67	8	70	274	-	419
Depreciation and amortization	(998)	(143)	(359)	(106)	-	(1,606)
Impact of foreign currency translation	(143)	(45)	(47)	(11)	-	(246)
Ending balance as at June 30, 2020	\$ (45,061)	\$ (5,555)	\$ (18,504)	\$ (4,407)	\$ -	\$ (73,527)

Carrying amounts

Balance as at March 31, 2020	\$ 52,467	\$ 2,635	\$ 7,632	\$ 1,852	\$ 2,136	\$ 66,722
Ending balance as at June 30, 2020	\$ 51,955	\$ 2,533	\$ 7,388	\$ 1,904	\$ 2,613	\$ 66,393

⁽¹⁾ when an asset is available for use, it is reclassified from construction in progress to one of the appropriate plant and equipment categories.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

Carrying amounts as at June 30, 2020	Ying Mining District	BYP	GC	Other	Total
Land use rights and building	\$ 35,190	\$ 3,029	\$ 11,639	\$ 2,097	\$ 51,955
Office equipment	1,801	24	392	316	2,533
Machinery	5,521	251	1,616	-	7,388
Motor vehicles	1,661	21	222	-	1,904
Construction in progress	848	495	1,270	-	2,613
Total	\$ 45,021	\$ 3,820	\$ 15,139	\$ 2,413	\$ 66,393

Carrying amounts as at March 31, 2020	Ying Mining District	BYP	GC	Other	Total
Land use rights and building	\$ 35,476	\$ 3,094	\$ 11,762	\$ 2,135	\$ 52,467
Office equipment	1,886	26	403	320	2,635
Machinery	5,734	258	1,640	-	7,632
Motor vehicles	1,598	22	232	-	1,852
Construction in progress	419	493	1,224	-	2,136
Total	\$ 45,113	\$ 3,893	\$ 15,261	\$ 2,455	\$ 66,722

During the three months ended June 30, 2020, certain plant and equipment were disposed for proceeds of \$1 (three months ended June 30, 2019 - \$1) and loss of \$192 (three months ended June 30, 2019 – loss of \$142).

7. MINERAL RIGHTS AND PROPERTIES

Mineral rights and properties consist of:

Cost	Producing and development properties			Exploration and evaluation properties		Total
	Ying Mining District	BYP	GC	XHP	RZY	
Balance as at April 1, 2019	\$ 288,453	\$ 64,305	\$ 107,161	\$ 20,909	\$ 174	\$ 481,002
Capitalized expenditures	23,871	6	1,617	-	-	25,494
Mine right fees	797	-	-	-	-	797
Environmental rehabilitation	(4,299)	39	239	-	-	(4,021)
Disposition	-	-	-	(20,485)	-	(20,485)
Foreign currency translation impact	(15,686)	(778)	(5,706)	(424)	(10)	(22,604)
Balance as at March 31, 2020	\$ 293,136	\$ 63,572	\$ 103,311	\$ -	\$ 164	\$ 460,183
Capitalized expenditures	7,821	-	1,168	-	-	8,989
Foreign currency translation impact	807	39	323	-	7	1,176
Ending balance as at June 30, 2020	\$ 301,764	\$ 63,611	\$ 104,802	\$ -	\$ 171	\$ 470,348
Impairment and accumulated depletion						
Balance as at April 1, 2019	\$ (91,179)	\$ (57,083)	\$ (80,491)	\$ (13,155)	\$ (174)	\$ (242,082)
Depletion	(14,282)	-	(2,165)	-	-	(16,447)
Disposition	-	-	-	12,888	-	12,888
Foreign currency translation impact	5,071	395	4,301	267	10	10,044
Balance as at March 31, 2020	\$ (100,390)	\$ (56,688)	\$ (78,355)	\$ -	\$ (164)	\$ (235,597)
Depletion	(3,766)	-	(584)	-	-	(4,350)
Foreign currency translation impact	(273)	(18)	(249)	-	(7)	(547)
Ending balance as at June 30, 2020	\$ (104,429)	\$ (56,706)	\$ (79,188)	\$ -	\$ (171)	\$ (240,494)
Carrying amounts						
Balance as at March 31, 2020	\$ 192,746	\$ 6,884	\$ 24,956	\$ -	\$ -	\$ 224,586
Ending balance as at June 30, 2020	\$ 197,335	\$ 6,905	\$ 25,614	\$ -	\$ -	\$ 229,854

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

8. LEASES

The following table summarizes changes in the Company's lease receivable and lease obligation related to the Company's office lease and sublease.

	Lease Receivable	Lease Obligation
Adjustment upon adoption of IFRS 16, April 1, 2019	\$ 447	\$ 1,463
Addition	238	1,239
Interest accrual	27	112
Interest received or paid	(27)	(112)
Principal repayment	(118)	(503)
Foreign exchange impact	(33)	(130)
Balance, March 31, 2020	\$ 534	\$ 2,069
Interest accrual	7	25
Interest received or paid	(7)	(25)
Principal repayment	(45)	(132)
Foreign exchange impact	21	82
Balance, June 30, 2020	\$ 510	\$ 2,019
Less: current portion	(195)	(594)
Non-current portion	\$ 315	\$ 1,425

The following table presents a reconciliation of the Company's undiscounted cash flows to their present value for its lease receivable and lease obligation as at June 30, 2020:

	Lease Receivable	Lease Obligation
Within 1 year	\$ 213	\$ 639
Between 2 to 5 years	330	1,575
Total undiscounted amount	543	2,214
Less future interest	(33)	(195)
Total discounted amount	\$ 510	\$ 2,019
Less: current portion	(195)	(594)
Non-current portion	\$ 315	\$ 1,425

The lease receivable and lease obligation were discounted using an estimated incremental borrowing rate of 5%.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

9. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value. All shares issued as at June 30, 2020 were fully paid.

(b) Share-based compensation

The Company has a share-based compensation plan (the "Plan") which consists of stock options, restricted share units (the "RSUs") and performance share units (the "PSUs"). The Plan allows for the maximum number of common shares to be reserved for issuance on any share-based compensation to be a rolling 10% of the issued and outstanding common shares from time to time. Furthermore, no more than 3% of the reserve may be granted in the form of RSUs and PSUs.

For the three months ended June 30, 2020, a total of \$723 (three months ended June 30, 2019 - \$325) in share-based compensation expense was recognized and included in the general and administrative expenses and property evaluation and business development expenses on the condensed consolidated interim statements of income.

(i) Stock options

The following is a summary of option transactions:

	Number of shares	Weighted average exercise price per share CAD\$
Balance, April 1, 2019	6,480,916	\$ 2.86
Options exercised	(3,833,406)	2.78
Options forfeited	(123,750)	3.29
Options expired	(100,000)	1.75
Balance, March 31, 2020	2,423,760	\$ 3.00
Option granted	622,000	5.46
Options exercised	(465,010)	2.45
Balance, June 30, 2020	2,580,750	\$ 3.69

During the three months ended June 30, 2020, a total of 622,000 options with a life of five years were granted to directors, officers, and employees at exercise prices of CAD\$5.46 per share subject to a vesting schedule over a three-year term with 1/6 of the options vesting every six months from the date of grant until fully vested.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

The fair value of stock options granted during the three months ended June 30, 2020 were calculated as of the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Three months ended June 30, 2020
Risk free interest rate	0.31%
Expected life of option in years	2.75 years
Expected volatility	66%
Expected dividend yield	0.64%
Estimated forfeiture rate	10%
Weighted average share price at date of grant	\$5.46

The weighted average grant date fair value of options granted during the three months ended June 30, 2020 was CAD\$2.16 (US\$1.56). Volatility was determined based on the historical volatility of the Company's shares over the estimated life of stock options.

No options were granted during the three months ended June 30, 2019.

The following table summarizes information about stock options outstanding as at June 30, 2020:

Exercise price in CAD\$	Number of options outstanding at June 30, 2020	Weighted average remaining contractual life (Years)	Weighted average exercise price in CAD\$	Number of options exercisable at June 30, 2020	Weighted average exercise price in CAD\$
\$ 2.60	540,000	1.38	\$ 2.60	376,250	\$ 2.60
\$ 3.23	427,500	0.70	\$ 3.23	427,500	\$ 3.23
\$ 3.36	392,500	0.26	\$ 3.36	392,500	\$ 3.36
\$ 3.40	598,750	1.15	\$ 3.40	346,250	\$ 3.40
\$ 5.46	622,000	4.90	\$ 5.46	-	-
\$2.60 to 5.46	2,580,750	1.89	\$ 3.69	1,542,500	\$ 3.15

Subsequent to June 30, 2020, a total of 153,750 options with exercise prices ranging from CAD\$2.60 to CAD\$3.40 were exercised.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

(ii) RSUs

The following is a summary of RSUs transactions:

	Number of shares	Weighted average grant date closing price per share \$CAD
Balance, April 1, 2019	-	\$ -
Granted	850,500	4.94
Cancelled	(31,750)	4.94
Distributed	(141,376)	4.94
Balance, March 31, 2020	677,374	\$ 4.94
Granted	709,000	5.46
Cancelled	(7,500)	4.94
Distributed	(7,625)	4.94
Balance, June 30, 2020	1,371,249	\$ 5.21

During the three months ended June 30, 2020, a total of 709,000 RSUs were granted to directors, officers, and employees of the Company at grant date closing price of CAD\$5.46 per share subject to a vesting schedule over a three-year term with 1/6 of the RSUs vesting every six months from the date of grant. All RSUs will be settled in shares.

Subsequent to June 30, 2020, a total of 1,250 RSUs with grant date closing price of CAD\$4.94 were distributed.

(c) Cash dividends declared

During the three months ended June 30, 2020, dividends of \$2,178 (three months ended June 30, 2019 - \$2,125) were declared and paid.

10. ACCUMULATED OTHER COMPREHENSIVE LOSS

	June 30, 2020	March 31, 2020
Change in fair value on equity investments designated as FVTOCI	\$ 23,973	\$ 34,879
Share of other comprehensive income in associate	(1,140)	(1,735)
Currency translation adjustment	22,289	28,445
Balance, end of the period	\$ 45,122	\$ 61,589

The change in fair value on equity investments designated as FVTOCI, share of other comprehensive income in associate, and currency translation adjustment are net of tax of \$nil for all periods presented.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

11. NON-CONTROLLING INTERESTS

The continuity of non-controlling interests is summarized as follows:

	Henan Found	Henan Huawei	Yunxiang	Guangdong Found	Total
Balance, April 1, 2019	\$ 58,262	\$ 4,903	\$ 3,017	\$ (447)	\$ 65,735
Share of net income (loss)	10,440	664	(221)	46	10,929
Share of other comprehensive loss	(2,768)	(209)	(73)	(65)	(3,115)
Distributions	(2,603)	(656)	-	-	(3,259)
Balance, March 31, 2020	\$ 63,331	\$ 4,702	\$ 2,723	\$ (466)	\$ 70,290
Share of net income (loss)	2,922	106	(45)	18	3,001
Share of other comprehensive income (loss)	195	87	(20)	1	263
Distributions	(2,600)	(639)	-	-	(3,239)
Balance, June 30, 2020	\$ 63,848	\$ 4,256	\$ 2,658	\$ (447)	\$ 70,315

As at June 30, 2020, non-controlling interests in Henan Found, Henan Huawei, Yunxiang, and Guangdong Found were 22.5%, 20%, 30%, and 1%, respectively (March 31, 2020 – 22.5%, 20%, 30% and 1%, respectively).

12. RELATED PARTY TRANSACTIONS

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

Due from related parties	June 30, 2020	March 31, 2020
NUAG (a)	\$ 62	\$ 94
Henan Non-ferrous (b)	-	1,425
	\$ 62	\$ 1,519

- (a) The Company recovers costs for services rendered to NUAG and expenses incurred on behalf of NUAG pursuant to a services and administrative costs reallocation agreement. During the three months ended June 30, 2020, the Company recovered \$161 (three months ended June 30, 2019 - \$68), from NUAG for services rendered and expenses incurred on behalf of NUAG. The costs recovered from NUAG were recorded as a direct reduction of general and administrative expenses on the consolidated statements of income.
- (b) In January 2020, Henan Found advanced a loan of \$1,426 (RMB¥10 million) to Henan Non-ferrous. The loan has a term of four months and bears an interest rate of 4.35% per annum. In May 2020, the loan, including accumulated interest, of \$1,423 (RMB¥10.1 million) was repaid.

The balances with related parties are unsecured.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

13. GENERAL AND ADMINISTRATIVE

General and administrative expenses consist of:

	Three months ended June 30, 2020			Three months ended June 30, 2019		
	Corporate	Mines	Total	Corporate	Mines	Total
Amortization and depreciation	\$ 120	\$ 288	\$ 408	\$ 84	\$ 267	\$ 351
Office and administrative expenses	536	591	1,127	637	537	1,174
Professional fees	318	113	431	179	193	372
Salaries and benefits	1,033	1,065	2,098	1,194	1,132	2,326
Share-based compensation	680	-	680	259	-	259
	\$ 2,687	\$ 2,057	\$ 4,744	\$ 2,353	\$ 2,129	\$ 4,482

14. GOVERNMENT FEES AND OTHER TAXES

Government fees and other taxes consist of:

	Three months ended June 30,	
	2020	2019
Government fees	\$ 14	\$ 88
Other taxes	526	506
	\$ 540	\$ 594

Government fees include environmental protection fees paid to the state and local Chinese government. Other taxes were composed 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.

15. FINANCE ITEMS

Finance items consist of:

Finance income	Three months ended June 30,	
	2020	2019
Interest income	\$ 947	\$ 929

Finance costs	Three months ended June 30,	
	2020	2019
Interest on bank loan	\$ -	\$ 45
Interest on lease obligation	25	23
Loss on disposal of bonds	53	-
Unwinding of discount of environmental rehabilitation provision	69	107
	\$ 147	\$ 175

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

16. INCOME TAX

The significant components of income tax expense are as follows:

Income tax expense (recovery)	Three months ended June 30,	
	2020	2019
Current	\$ 4,569	\$ 1,752
Deferred	813	(2,240)
	\$ 5,382	\$ (488)

17. FINANCIAL INSTRUMENTS

The Company manages its exposure to financial risks, including liquidity risk, foreign exchange risk, interest rate risk, credit risk and equity price risk in accordance with its risk management framework. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

(a) Fair value

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 13, Fair Value Measurement ("IFRS 13").

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

The following tables set forth the Company's financial assets and liabilities that are measured at fair value level on a recurring basis within the fair value hierarchy as at June 30, 2020 and March 31, 2020 that are not otherwise disclosed. As required by IFRS 13, the assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Recurring measurements	Fair value as at June 30, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	\$ 94,024	\$ -	\$ -	\$ 94,024
Short-term investments - money market instruments	55,398	-	-	55,398
Short-term investments - investment in Guyana Goldfields	7,511	-	-	7,511
Investments in public companies	5,253	-	-	5,253
Investments in private companies	-	-	2,122	2,122

Recurring measurements	Fair value as at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	\$ 65,777	\$ -	\$ -	\$ 65,777
Short-term investments - money market instruments	53,430	-	-	53,430
Investments in public companies	6,633	-	-	6,633
Investments in private companies	-	-	2,117	2,117

Fair value of the other financial instruments excluded from the table above approximates their carrying amount as at June 30, 2020 and March 31, 2020, due to the short-term nature of these instruments.

There were no transfers into or out of Level 3 during the three months ended June 30, 2020 and 2019.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its short-term business requirements. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansion plans.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following summarizes the remaining contractual maturities of the Company's financial liabilities.

	June 30, 2020			March 31, 2020	
	Within a year	2-5 years	Over 5 years	Total	Total
Accounts payable and accrued liabilities	31,712	-	-	31,712	23,129
Lease obligation	594	1,425	-	2,019	2,069
	\$ 32,306	\$ 1,425	\$ -	\$ 33,731	\$ 25,198

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

(c) Foreign exchange risk

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

The Company currently does not engage in foreign exchange currency hedging. The Company's exposure to currency risk affect net income is summarized as follows:

	June 30, 2020	March 31, 2020
Financial assets denominated in U.S. Dollars	\$ 66,525	\$ 60,534

As at June 30, 2020, with other variables unchanged, a 10% strengthening (weakening) of the CAD against the USD would have decreased (increased) net income by approximately \$6.6 million.

(d) Interest rate risk

The Company is exposed to interest rate risk on its cash equivalents and short term investments. As at June 30, 2020, all of its interest-bearing cash equivalents and short-term investments earn interest at market rates that are fixed to maturity or at variable interest rates with terms of less than one year. The Company monitors its exposure to changes in interest rates on cash equivalents and short term investments. Due to the short-term nature of these financial instruments, fluctuations in interest rates would not have a significant impact on the Company's net income.

(e) Credit risk

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

The Company undertakes credit evaluations on counterparties as necessary, requests deposits from customers prior to delivery, and has monitoring processes intended to mitigate credit risks. There were no amounts in trade or other receivables which were past due on June 30, 2020 (at March 31, 2020 - \$nil) for which no provision is recognized.

(f) Equity price risk

The Company holds certain marketable securities that will fluctuate in value as a result of trading on Canadian financial markets. As the Company's marketable securities holdings are mainly in mining companies, the value will also fluctuate based on commodity prices. Based upon the Company's portfolio as at June 30, 2020, a 10% increase (decrease) in the market price of the securities held, ignoring any foreign currency effects, would have resulted in an increase (decrease) to the net income and other comprehensive income of \$646 and \$630, respectively.

SILVERCORP METALS INC.

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(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

18. SEGMENTED INFORMATION

The Company's reportable operating segments are components of the Company where separate financial information is available that is evaluated regularly by the Company's Chief Executive Officer who is the Chief Operating Decision Maker ("CODM"). The operational segments are determined based on the Company's management and internal reporting structure. Operating segments are summarized as follows:

Operational Segments	Subsidiaries Included in the Segment	Properties Included in the Segment
Mining		
Henan Luoning	Henan Found and Henan Huawei	Ying Mining District
Hunan	Yunxiang	BYP
Guangdong	Guangdong Found	GC
Other	Songxian Gold Mining Co., Ltd. ("SX Gold") (i)	XHP
Administrative		
Vancouver	Silvercorp Metals Inc. and holding companies	
Beijing	Silvercorp Metals (China) Inc.	

(i) SX Gold was disposed in April 2019.

SILVERCORP METALS INC.

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(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

(a) Segmented information for assets and liabilities are as follows:

Statement of financial position items:	June 30, 2020						
	Mining				Administrative		Total
	Henan Luoning	Hunan	Guangdong	Other	Beijing	Vancouver	
Current assets	\$ 84,189	\$ 1,441	\$ 6,424		\$ 3,814	\$ 95,084	\$ 190,952
Plant and equipment	45,021	3,820	15,139		841	1,572	66,393
Mineral rights and properties	197,335	6,905	25,614		-	-	229,854
Investment in an associate	-	-	-		-	51,332	51,332
Other investments	2,122	-	-		-	5,253	7,375
Reclamation deposits	3,459	-	4,229		-	7	7,695
Long-term prepaids and deposits	214	99	89		-	-	402
Long-term portion of lease receivable	-	-	-		-	315	315
Total assets	\$ 332,340	\$ 12,265	\$ 51,495		\$ 4,655	\$ 153,563	\$ 554,318
Current liabilities	\$ 25,273	\$ 1,326	\$ 4,623		\$ 225	\$ 5,773	\$ 37,220
Long-term portion of lease obligation	-	-	-		-	1,425	1,425
Deferred income tax liabilities	35,664	1,000	-		-	-	36,664
Environmental rehabilitation	6,738	1,025	915		-	-	8,678
Total liabilities	\$ 67,675	\$ 3,351	\$ 5,538		\$ 225	\$ 7,198	\$ 83,987

Statement of financial position items:	March 31, 2020						
	Mining				Administrative		Total
	Henan Luoning	Hunan	Guangdong	Other	Beijing	Vancouver	
Current assets	\$ 80,160	\$ 1,467	\$ 3,665	\$ -	\$ 4,289	\$ 68,598	\$ 158,179
Plant and equipment	45,113	3,893	15,261	-	862	1,593	66,722
Mineral rights and properties	192,746	6,884	24,956	-	-	-	224,586
Investment in an associate	-	-	-	-	-	44,555	44,555
Other investments	2,117	-	-	-	-	6,633	8,750
Reclamation deposits	5,043	-	4,180	-	-	7	9,230
Long-term prepaids and deposits	205	99	86	-	-	-	390
Long-term portion of lease receivable	-	-	-	-	-	348	348
Total assets	\$ 325,384	\$ 12,343	\$ 48,148	\$ -	\$ 5,151	\$ 121,734	\$ 512,760
Current liabilities	\$ 19,495	\$ 1,322	\$ 3,154	\$ -	\$ 625	\$ 3,232	\$ 27,828
Long-term portion of lease obligation	-	-	-	-	-	1,502	1,502
Deferred income tax liabilities	34,761	997	-	-	-	-	35,758
Environmental rehabilitation	6,775	1,015	910	-	-	-	8,700
Total liabilities	\$ 61,031	\$ 3,334	\$ 4,064	\$ -	\$ 625	\$ 4,734	\$ 73,788

SILVERCORP METALS INC.

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(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

(b) Segmented information for operating results is as follows:

Statement of income:	Three months ended June 30, 2020						
	Mining				Administrative		Total
	Henan Luoning	Hunan ⁽¹⁾	Guangdong	Other	Beijing	Vancouver	
Sales	\$ 39,686	\$ -	\$ 7,019		\$ -	\$ -	\$ 46,705
Costs of mine operations	(22,111)	(114)	(5,195)		-	-	(27,420)
Income from mine operations	17,575	(114)	1,824		-	-	19,285
Operating expenses	88	-	(35)		(460)	4,196	3,789
Finance items, net	382	(8)	41		35	350	800
Income tax expenses	(4,262)	-	-		-	(1,120)	(5,382)
Net income (loss)	\$ 13,783	\$ (122)	\$ 1,830		\$ (425)	\$ 3,426	\$ 18,492
Attributable to:							
Equity holders of the Company	10,755	(77)	1,812		(425)	3,426	15,491
Non-controlling interests	3,028	(45)	18		-	-	3,001
Net income (loss)	\$ 13,783	\$ (122)	\$ 1,830		\$ (425)	\$ 3,426	\$ 18,492

⁽¹⁾ Hunan's BYP project was placed on care and maintenance in August 2014;

Statement of income:	Three months ended June 30, 2019						
	Mining				Administrative		Total
	Henan Luoning	Hunan	Guangdong	Other	Beijing	Vancouver	
Sales	\$ 37,774	\$ -	\$ 7,802	\$ -	\$ -	\$ -	\$ 45,576
Costs of mine operations	(21,727)	(117)	(5,984)	-	(15)	-	(27,843)
Income from mine operations	16,047	(117)	1,818	-	(15)	-	17,733
Operating income (expenses)	1,443	-	(175)	(60)	(430)	(2,452)	(1,674)
Finance items, net	337	(34)	18	-	27	406	754
Income tax recoveries (expenses)	3,736	(16)	(465)	-	-	(2,767)	488
Net income (loss)	\$ 21,563	\$ (167)	\$ 1,196	\$ (60)	\$ (418)	\$ (4,813)	\$ 17,301
Attributable to:							
Equity holders of the Company	16,831	(117)	1,184	(60)	(418)	(4,813)	12,607
Non-controlling interests	4,732	(50)	12	-	-	-	4,694
Net income (loss)	\$ 21,563	\$ (167)	\$ 1,196	\$ (60)	\$ (418)	\$ (4,813)	\$ 17,301

SILVERCORP METALS INC.

Notes to Condensed Consolidated Interim Financial Statements as at June 30, 2020 and for three months ended June 30, 2020 and 2019

(Unaudited) (Expressed in thousands of U.S. dollars, except numbers for share and per share figures or otherwise stated)

(c) Sales by metal

The sales generated for the three months ended June 30, 2020 and 2019 were all earned in China and were comprised of:

	Three months ended June 30, 2020					
	Henan	Luoning	Guangdong	Total		
Silver (Ag)	\$	24,107	\$	2,078	\$	26,185
Gold (Au)		1,477		-		1,477
Lead (Pb)		12,346		2,028		14,374
Zinc (Zn)		1,371		2,784		4,155
Other		385		129		514
	\$	39,686	\$	7,019	\$	46,705

	Three months ended June 30, 2019					
	Henan	Luoning	Guangdong	Total		
Silver (Ag)	\$	21,730	\$	1,828	\$	23,558
Gold (Au)		1,082		-		1,082
Lead (Pb)		12,693		2,485		15,178
Zinc (Zn)		1,664		3,488		5,152
Other		605		1		606
	\$	37,774	\$	7,802	\$	45,576

(d) Major customers

For the three months ended June 30, 2020, four major customers (three months ended June 30, 2019 – five major customers) each accounted for 15%, 17%, 21%, and 22% (three months ended June 30, 2019 - 12%, 15%, 15%, 18%, and 23%), and collectively 75% (three months ended June 30, 2019 - 83%) of the total sales of the Company.

19. SUPPLEMENTARY CASH FLOW INFORMATION

	June 30, 2020	March 31, 2020
Cash on hand and at bank	\$ 88,363	\$ 65,251
Bank term deposits and GICs	5,661	526
Total cash and cash equivalents	\$ 94,024	\$ 65,777

Changes in non-cash operating working capital:

	Three Months Ended June 30,	
	2020	2019
Trade and other receivables	\$ 197	\$ (265)
Inventories	615	252
Prepays and deposits	(487)	815
Accounts payable and accrued liabilities	6,823	(1,429)
Deposits received	32	847
Due from a related party	35	(65)
	\$ 7,215	\$ 155