

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re Silvercorp Metals, Inc.
Securities Litigation

Case No. 12-cv-9456 (JSR)

**NOTICE OF PROPOSED
SETTLEMENT OF CLASS ACTION,
MOTION FOR ATTORNEYS'
FEES AND EXPENSES, AND
SETTLEMENT FAIRNESS
HEARING**

IF YOU PURCHASED PUBLICLY TRADED SHARES OF SILVERCORP METALS, INC. (“SILVERCORP”) COMMON STOCK ON THE NEW YORK STOCK EXCHANGE (THE “NYSE”) MARKET OR BY OTHER MEANS INVOLVING TRANSACTIONS IN THE UNITED STATES BETWEEN MAY 20, 2009, AND SEPTEMBER 13, 2011, INCLUSIVE, AND INCURRED DAMAGES, YOU COULD RECEIVE A PAYMENT FROM A CLASS ACTION SETTLEMENT.

A federal court authorized this Notice. This is not a solicitation from a lawyer.

Your legal rights are affected whether you act, or don't act. Read this Notice carefully.

SUMMARY OF KEY PROVISIONS AND REASONS FOR SETTLEMENT

- The Settlement will provide fourteen million U.S. dollars (USD\$14,000,000.00) to pay claims from investors who bought Silvercorp shares between May 20, 2009, and September 13, 2011.
- The Settlement resolves a U.S. lawsuit over whether Silvercorp misled its shareholders about the reserves, grade, and production of the Ying Mine (a/k/a the Yuelianggou Ab-Pb-Zn mine, the SGX Mine, and/or the Ying Project), as well as its compliance with applicable law. Silvercorp and its officers deny they did anything wrong.
- Only shareholders who bought shares on the New York Stock Exchange (the “NYSE”) are eligible for participation in the Settlement. *Shares purchased or otherwise acquired on the Toronto Stock Exchange (“TSE”) are **not** included in the Settlement.*
- Court-appointed lawyers for investors will ask the Court for up to four million two hundred thousand U.S. dollars (USD\$4,200,000.00) (\$0.024 per share) in attorneys' fees, and reimbursement of up to four hundred thousand U.S. dollars (USD\$400,000.00) for litigation costs. The lawyers will also ask the Court to pay Lead Plaintiffs Dale Hachiya and Charles A. Burnes, Jr. up to fifteen thousand U.S. dollars (\$15,000.00) each for their contributions to this lawsuit.
- Lead Counsel estimates that the per-share Settlement Class Members' approximate recovery from the Settlement, following deduction of attorneys' fees, awards to Lead Plaintiffs, and administration costs, is an average of \$0.054 per outstanding share.
- The two sides disagree on how much money could have been won if the investors won at trial.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

SUBMIT A CLAIM FORM	The only way to get a payment.
EXCLUDE YOURSELF	Get no Payment. This is the only option that allows you to ever be part of any other lawsuit against Silvercorp about the legal claims that were at issue in this case.
OBJECT	Write to the Court about why you do not like the settlement.
GO TO A HEARING	Ask to speak in Court about the fairness of the settlement.
DO NOTHING	Get no payment. Give up your rights to bring an individual action.

These rights and options and the deadlines to exercise them are explained in this Notice.

The Court in charge of this case still has to decide whether to approve the Settlement.

Payments will be made if the Court approves the Settlement, orders distribution of such monies, and all appeals are resolved. Please be patient.

The case has been litigated since December 2012. The Lead Plaintiffs and Lead Counsel believe that the Settlement provides the Settlement Class with a substantial benefit now, in lieu of engaging in years of further litigation – including a second motion to dismiss, summary judgment motions, a contested class certification motion, a contested trial and likely appeals, and attempts to enforce any judgment – all with the possibility of no recovery at all. By settling the Action at this point, the Lead Plaintiffs are not admitting that the Action lacked merit or that the Settlement Class’s ultimate recovery would not have been greater than the Settlement Consideration, nor are the Settling Defendants or any former defendants admitting that the Action had merit or that Settlement Class Members ultimately would have recovered any damages.

The Lead Plaintiffs allege that Silvercorp’s stock price was inflated by Defendants’ material misrepresentations and omissions regarding the Ying Mine. Specifically, Lead Plaintiffs allege that the Defendants overstated the Ying Mine’s reserves, grade, and production, in various filings, including its quarterly and annual reports filed on Forms 6-K and 40-F with the United States Securities and Exchange Commission (“SEC”) and Canadian NI 43-101 reports filed or summarized in SEC filings. Lead Plaintiffs cite as evidence dynamic reconnaissance reports on the Ying Mine submitted to Chinese authorities by Silvercorp’s Chinese subsidiary and by third party technical firms and summaries of those reports prepared by Chinese authorities – both of which set forth differing metrics for the Ying Mine. Lead Plaintiffs further contend that the Defendants made these statements knowing them to be materially false or misleading, or recklessly disregarding their materially false or misleading nature, and that investors suffered substantial injury after the truth about the Ying Mine was disclosed.

The Settling Defendants and all former defendants have denied and continue to deny all charges of wrongdoing or liability arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged, in the Complaint. Specifically, the Settling Defendants and all former defendants contend, among other things, that the Ying Mine’s reserves, grade, and production were at all times accurately stated in Canadian and U.S. filings, or that the estimates in these filings were Silvercorp’s best estimates based on the information that was available to it. They claim that the Chinese documents were prepared under different standards, cover different portions of the Ying Mine, and fail to account for additional exploration done in the Ying Mine. They further claim that decreases in the Ying Mine’s reported grades are explained by improper conduct done by Chinese subcontractors. Defendants also claim that some of the corrective events to which Lead Plaintiffs point were reports published by a shortseller who himself has been charged with fraud by Canadian regulators in preparing those reports. Nonetheless, the Settling Defendants have concluded that further conduct of the Action could be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the parties’ Stipulation of Settlement (“Stipulation”) in order to limit further expense, inconvenience and distraction, to dispose of

the burden of protracted litigation, and to permit the operation of the Company's business without the Action causing distraction and diversion of the Company's executive personnel. The Settling Defendants have also taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Action. The Settling Defendants have, therefore, determined that it is desirable and beneficial that the Action be settled in the manner and upon the terms and conditions set forth in the Stipulation. The Settling Defendants entered into the Stipulation without in any way admitting to or acknowledging any fault, liability, or wrongdoing of any kind. There has been no adverse determination by any court against the Settling Defendants or anyone else on the merits of the claims asserted in the Action.

Neither the Stipulation, nor any of its terms or provisions, nor any of the negotiations or proceedings connected with it, shall be construed as an admission or concession by any of the parties released by the Stipulation (the "Released Parties") of the merit or truth of any of the allegations or wrongdoing of any kind on the part of the Released Parties. Neither the Stipulation nor any of the terms or provisions, nor any of the negotiations or proceedings connected therewith, shall be offered as evidence in the Action or in any pending or future civil, criminal, or administrative action or other proceeding to establish any liability or admission by the Released Parties or any other matter adverse to the Released Parties or any of their respective related entities, except as expressly set forth in the Stipulation.

The Settlement must be compared to the risk of no recovery after contested dispositive motions, trial, and likely appeals. A trial is a risky proposition. The claims in the Action involve numerous complex legal and factual issues, many of which would require expert testimony. The Settling Parties disagree on both liability and damages, and do not agree on the average amount of damages per share, if any, that would be recoverable if Lead Plaintiffs were to have prevailed on each claim alleged. Among the many issues about which Lead Plaintiffs and the Settling Defendants disagree are: (1) whether the Settling Defendants violated the securities laws or otherwise engaged in any wrongdoing; (2) whether the misrepresentations and omissions alleged by the Lead Plaintiffs were material, false, misleading or otherwise actionable under the securities laws; (3) the extent (if any) that the alleged misrepresentations and omissions influenced the trading prices of Silvercorp common stock during the relevant period; and (4) the method for determining whether, and the extent to which, purchasers of Silvercorp stock suffered injury and damages that could be recovered at trial.

If the proposed Settlement is approved after a fairness hearing ("Settlement Hearing"), the Court will enter a Judgment and Order of Final Approval (the "Judgment"). The Judgment will dismiss the Settlement Class Claims and the Defendant Claims with prejudice as to both the Released Parties and the Lead Plaintiffs, Lead Counsel, and any Settlement Class Members, respectively. The Judgment will provide that all Settlement Class Members shall be deemed to have released and forever discharged all Settlement Class Claims (to the extent that Settlement Class Members have such claims) against all Released Parties (which includes, but is not limited to, the Settling Defendant and any subsidiaries and affiliates, and all of their employees, directors and officers). The terms of the releases, including the meaning of the term "Settlement Class Claims," are set forth in the Proof of Claim and Release form that is enclosed.

Deadlines:	Submit Claim:	February 4, 2015
	File Objection:	January 19, 2015
	Request Exclusion	January 19, 2015
	Court Hearing on Fairness of Settlement:	February 9, 2015

More Information: www.berdonclaims.com

Settlement Administrator:
Silvercorp Metals, Inc. Securities Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914
Telephone: 800-766-3330

Lead Counsel:
Matthew L. Tuccillo, Esq.
Pomerantz LLP
600 Third Avenue
New York, NY 10016
Telephone: 212-661-1100
mltuccillo@pomlaw.com

- You may submit a claim or object, or do both, or do nothing. However, if you timely exclude yourself that is the **only** thing you can do: you cannot then also object in writing, appear at the Settlement Hearing to state any objections, or submit a claim.
- If you object and do not request exclusion, you will remain a Settlement Class Member, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class Members who do not object.
- Unless you timely request exclusion from the Settlement Class, or unless the Court rejects the proposed Settlement, you are bound by the Stipulation and Agreement of Settlement, whether or not you submit a claim or object.
- These rights and options are explained in this Notice. *Please take careful note of the deadlines to exercise them, set forth above.*
- The Court presiding over this case must decide whether to approve the Settlement, which it will do at the Settlement Hearing on February 9, 2015. Payments will be made thereafter only if the Court approves the Settlement and, if there are any appeals, after appeals are resolved. Please be patient.

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BASIC INFORMATION

1. Why Did I Receive This Notice Package?

You or someone in your family may have purchased or otherwise acquired Silvercorp Metals, Inc. (“Silvercorp”) common stock on the NYSE between May 20, 2009, and September 13, 2011, inclusive, and incurred damages. If you or someone in your family purchased or otherwise acquired Silvercorp shares **only** on the Toronto Stock Exchange (“TSE”), the instructions and information in this Notice **do not apply to you**. If you or someone in your family purchased or otherwise acquired Silvercorp shares on **both** the NYSE **and** the TSE, then the instructions and information in this Notice apply **only** to the NYSE-listed Silvercorp shares.

This Notice was sent because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the Settlement. If the Court approves the Settlement, after any objections or appeals are resolved, the Settlement Administrator appointed by the Court will make the payments to those persons who timely submit claims in the manner described below.

This package explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

The Court in charge of the case is the United States District Court for the Southern District of New York, U.S. District Judge Jed S. Rakoff presiding, and the case is known as *In re Silvercorp Metals, Inc. Securities Litigation*, Case No. 12-cv-9456 (JSR). Dale Hachiya and Charles A. Burnes, Jr. are called the Lead Plaintiffs, and the Settling Defendants are Silvercorp and its former CEO Rui Feng. The Lead Plaintiffs and the Settling Defendants are referred to together as the “Parties.”

2. What Is This Lawsuit About?

This Action alleges violations of the Federal Securities Laws (specifically Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §78j(b) and 78(t)(a)) and Rule 10b-5 promulgated thereunder (17 C.F.R. §240.10b-5) against the Settling Defendants.

Silvercorp is a publicly-traded British Columbia, Canada, corporation with its principal place of business located there. Silvercorp is a mining company whose operations are predominantly in China. Its largest mine is the Ying Mine, located in Henan Province, China. During the Settlement Class Period, Silvercorp common stock traded on the NYSE under the ticker symbol “SVM.”

Lead Plaintiffs allege that, during the Settlement Class Period, Silvercorp’s stock price was artificially inflated as a result of a series of allegedly untrue or materially misleading statements the Settling Defendants made concerning the reserves, grade, and production of the Ying Mine. Lead Plaintiffs further contend that the Settling Defendants made these statements knowing them to be false or misleading, or recklessly disregarding their false or misleading natures, and that investors suffered injury as a result of the alleged inflation.

The Settling Defendants (and all former defendants previously dismissed by the court) have denied and continue to deny the allegations, and contend that the Ying mine’s reserves, grade, and production were at all times reported properly in Silvercorp’s SEC filings and Canadian filings technical reports or that the metrics presented in these filings was Silvercorp’s best estimate at the time of the filings. The Settling Defendants (and all former defendants) also contend that they did not act with scienter in making or causing any alleged material misrepresentation or omission. They further contend that Lead Plaintiffs and the Settlement Class suffered no damages because the alleged declines in Silvercorp’s share price did not result from any revelation that Silvercorp had overstated the Ying Mine’s reserves, grade, or production.

3. Why Is This A Class Action?

Classes are generally used in lawsuits that affect a large number of individuals. The class action consolidates into a single action all of the claims of individuals allegedly harmed by the same conduct or course of conduct in the same period of time, thus removing the need for members of the class to file their own individual lawsuits to separately seek to recover for the harm alleged. Once the class is certified, the Court is empowered to resolve all issues on behalf of members of the class, except for those members of the class, if any, who specifically choose to exclude themselves from the class.

As part of the preliminary approval process, Lead Plaintiffs will ask the Court to certify a class for settlement purposes only. The proposed Settlement Class will consist of all persons or entities that purchased Silvercorp common stock on the NYSE market between May 20, 2009 and September 13, 2011 (both dates inclusive). Excluded from the Settlement Class are Defendants, the former and current officers and directors of Silvercorp who held such positions during the Settlement Class Period, and members of any of their immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest. Also excluded from the Settlement Class are any persons or entities who exclude themselves by filing a request for exclusion in accordance with the requirements set forth in the Notice. The Settlement Class does not encompass any Silvercorp securities trades made on the Canadian stock exchanges.

4. Why Is There a Settlement?

The Court did not decide in favor of the Lead Plaintiffs or the Settling Defendants. Instead, both sides agreed to a Settlement. This permits the parties to avoid the cost, delay, and uncertainty of a trial, and permits eligible Settlement Class Members who submit valid claims to receive some compensation rather than risk ultimately receiving nothing. Both the Lead Plaintiffs and the Settling Defendants have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases such as the Action. The Lead Plaintiffs and their attorneys believe the Settlement is best for all Settlement Class Members. Defendants have concluded that further defense of the Action would be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation.

WHO IS IN THE SETTLEMENT

To see if you will receive money from this Settlement, you first have to determine if you are a possible Settlement Class Member.

5. How Do I Know if I Am Part of the Settlement?

The potential Settlement Class includes all persons or entities that purchased Silvercorp common stock on the NYSE between May 20, 2009, and September 13, 2011, inclusive.

6. What Are the Exceptions to Being Included?

You are not a member of the Settlement Class if you only purchased or otherwise acquired Silvercorp common stock on the TSE. If you purchased or otherwise acquired Silvercorp stock on both the NYSE and the TSE, you are included in the class only as regards the the NYSE-listed Silvercorp stock; your TSE-listed Silvercorp stock is not included.

You are also not a member of the Settlement Class if you are the Defendant, an officer or director of Silvercorp, a former officer or director of Silvercorp, and a member of any of their immediate families or their legal representatives, heirs, successors or assigns or any entity in which Defendants have or had a controlling interest.

7. I am Still Not Sure if I Am Included.

If you are still not sure whether you are included, you can ask for free help or more information by contacting the Settlement Administrator at: Silvercorp Metals, Inc. Securities Litigation, c/o Berdon Claims

Administration LLC, P.O. Box 9014, Jericho, NY 11753-8914; telephone: 800-766-3330; fax: 516-931-0810; or at www.berdonclaims.com. Or you can fill out and return the claim form described in Question 10, to see if you qualify.

THE SETTLEMENT BENEFITS — WHAT YOU GET

8. What Does the Settlement Provide?

The Settlement will result in a gross fund of fourteen million U.S. dollars (USD\$14,000,000.00) in cash. The balance of this fund, after payment of Court-approved attorneys' fees and expenses, and the costs of claims administration, including the costs of printing and mailing this Notice and the cost of publishing notice, and any incentive award granted to the Lead Plaintiffs (the "Net Settlement Fund"), will be divided among all eligible Settlement Class Members who send in valid claim forms according to the Plan of Allocation set forth herein.

9. How Much Will My Payment Be?

Your share of the Net Settlement Fund will depend on the number of valid claim forms that Settlement Class Members send in, the number of NYSE-listed shares of Silvercorp common stock you purchased during the Settlement Class Period, and the timing of your purchases and sales. You will not receive a payment, however, if your proportionate share of the Net Settlement Fund is less than ten U.S. dollars (USD\$10.00).

You can calculate your Recognized Claim in accordance with the formula shown below in the Plan of Allocation. After all Settlement Class Members have sent in their Proof of Claim and Release forms, the payment you receive will reflect your Recognized Claim in relation to the Recognized Claims of all persons submitting valid Proof of Claim forms. The Recognized Claim is not the amount of the payment that you can expect, but is used to determine how the Net Settlement Fund is to be allocated among all persons submitting claims.

HOW YOU OBTAIN A PAYMENT — SUBMITTING A CLAIM FORM

10. How Will I Obtain a Payment?

To qualify for payment, you must be an eligible Settlement Class Member, send in a valid Proof of Claim and Release form by the deadline, and properly document your claim as requested in the Claim Form. A Proof of Claim and Release form is enclosed with this Notice. You may also get a Proof of Claim and Release form on the internet at www.berdonclaims.com. Read the instructions carefully, fill out the Proof of Claim and Release form, include the documents required by that form, sign it, and mail it in the enclosed envelope **postmarked no later than February 4, 2015**.

11. When Will I Receive My Payment?

The Court will hold a hearing on February 9, 2015, to decide whether to approve the Settlement. If the Court approves the Settlement, there may be an appeal of such approval. It is always uncertain whether there will be an appeal and when any appeal will be resolved, and resolving an appeal can take time, perhaps more than a year. Even if no appeals are filed, it will take several months for the Settlement Administrator to process all of the Proof of Claim and Release forms and determine the ultimate distribution amounts. Please be patient.

12. What Am I Giving Up to Receive a Payment?

As a Settlement Class Member, you will be giving up certain rights that you currently have if the Court approves the Settlement. Unless you timely exclude yourself from the Settlement Class by the January 19, 2015 deadline, you are a Settlement Class Member and will be bound by the Release of claims against the Released Parties. That means that you cannot sue, continue to sue, or be part of any other lawsuit against the Released Parties about the Settlement Class Claims in this Action. It also means that all of the Court's orders

will apply to you and legally bind you, and you will release your claims in this Action against the Released Parties. The terms of the Release are included in the Proof of Claim and Release form that is enclosed.

EXCLUDING YOURSELF FROM THE SETTLEMENT

If you do not want a payment from the Settlement, but you want to keep the right to sue or continue to sue the Settling Defendant on your own for the Settlement Class Claims, then you must take steps to get out of the Settlement Class. This is called excluding yourself, or is sometimes referred to as “opting out” of the class.

13. How Do I Get Out of the Settlement Class?

You cannot exclude yourself on the phone, or fax, or by e-mail. To exclude yourself from the Settlement Class, you must send a letter by mail stating that you want to be excluded from *In re Silvercorp Metals, Inc. Securities Litigation*, Case No. 12-cv-9456 (JSR). You must include your name, address, telephone number, your signature, and the number of shares of NYSE-listed Silvercorp common stock you purchased or acquired between May 20, 2009, and September 13, 2011, inclusive, the number of shares of NYSE-listed common stock sold during this time period, if any, the dates of such purchases and/or sales, and the price paid or received per share for each purchase or sale. You must mail your exclusion request **postmarked no later than January 19, 2015** to:

Silvercorp Metals, Inc. Securities Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914
Tel: 800-766-3330

If you ask to be excluded, and your request is processed, you are not eligible to receive any settlement payment, and you cannot object to the Settlement. You will not be legally bound by anything that happens in the Action.

14. If I Don't Exclude Myself, Can I Sue the Released Parties for the Same Thing Later?

No. Unless you exclude yourself from the Settlement Class, you give up any right to sue the Released Parties for the Settlement Class Claims in the Settlement. If you have a pending lawsuit against the Settling Defendants, speak to your lawyer in that case immediately. Remember, the exclusion deadline is January 19, 2015.

15. If I Exclude Myself, Can I Receive Money from the Net Settlement Fund?

No. If you exclude yourself, do not send in a Proof of Claim and Release form.

THE LAWYERS REPRESENTING YOU

16. Do I Have a Lawyer in This Case?

The Court appointed the law firm Pomerantz LLP (f/k/a Pomerantz Grossman Hufford Dahlstrom & Gross LLP) to represent you and other Settlement Class Members. These lawyers are called Lead Counsel. You will not be personally liable for the fees and expenses incurred by these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense.

17. How Will the Lawyers Be Paid?

Lead Counsel will ask the Court for attorneys' fees of up to one-third of the Settlement Fund and for reimbursement of expenses up to \$400,000.00 which were advanced in connection with the Action. Such sums as may be approved by the Court will be paid from the Settlement Fund. Settlement Class Members are not personally liable for any such fees or expenses.

The attorneys' fees and expenses requested will be the only payment to Lead Counsel for their substantial efforts in achieving this Settlement and for their multi-year risk in undertaking this representation on a wholly contingent basis. Since the case began in 2012, Lead Counsel, assisted by other plaintiffs' counsel, have conducted all of the investigation, briefing, and motion practice necessary to prepare the case for trial, and consulted experts regarding the calculation of damages and issues relating to class certification. To date, Lead Counsel and the other plaintiffs' counsel have not been paid for their services or out-of-pocket expenses in prosecuting this Action on behalf of the Lead Plaintiffs and the Settlement Class. Lead Counsel and other plaintiffs' counsel have expended to date more than 2,500 hours of attorney time in prosecuting the Settlement Class's claims and will ask the Court for an award of attorneys' fees, as well as reimbursement of actual expenses (such expenses not to exceed \$400,000.00) in prosecuting the Action. The fee requested will compensate Lead Counsel and other plaintiffs' counsel for their efforts in achieving the Settlement Consideration.

Lead Counsel will file a formal motion with the District Court for approval of the Settlement, the Plan of Allocation, and the request for attorneys' fees and reimbursement of expenses no later than twenty-eight (28) days prior to the Settlement Hearing. That motion will argue that Lead Counsel's requested fees are well within the range of fees awarded to class counsel under similar circumstances in other cases of this type. The Court determines what counsel should receive from the Settlement Fund for fees and expenses, and may award less than this amount.

OBJECTING TO THE SETTLEMENT

You can tell the Court that you do not agree with the Settlement or some part of it.

18. How Do I Tell the Court that I Do Not Like the Settlement?

If you are a Settlement Class Member, you can object to the Settlement if you do not like any part of it, including the Plan of Allocation and the request for attorneys' fees. You can state the reasons why you think the Court should not approve it, and the Court will consider your views. To object, you must send a letter saying that you object to the Settlement in *In re Silvercorp Metals, Inc. Securities Litigation*, Case No. 12-cv-9456 (JSR). Be sure to include your name, address, telephone number, your signature, the number of shares of NYSE-listed Silvercorp common stock purchased between May 20, 2009, and September 13, 2011, inclusive, the precise dates and prices of any such transactions, and the reasons you object. If you object to either the Settlement, requested attorneys' fees, or Lead Plaintiffs incentive award, you subject yourself to the jurisdiction of the Court in this matter and Lead Plaintiffs will have the right to take your deposition prior to the Settlement Hearing. If you refuse to have your deposition testimony taken upon Lead Plaintiff's request, your objection will be deemed invalid. The motions in support of the Settlement and the request for attorneys' fees will be filed no later than January 12, 2015, and they will be available from Lead Counsel, the Settlement Administrator or the Court. (The Settlement Administrator's contact information is listed in Section 23, below.) Any objection must be mailed or delivered such that it is received by *each* of the following no later than January 19, 2015:

Court:

Clerk of the Court
United States District Court
Southern District of New York
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl St.
New York, NY 10007-1312

Lead Counsel:

Matthew L. Tuccillo, Esq.
Pomerantz LLP
600 Third Avenue
New York, NY 10016

Settling Defendants' Counsel:

Jeffrey G. Hammel, Esq.
Latham & Watkins LLP
885 Third Avenue
New York, NY 10022-4834

THE COURT'S SETTLEMENT HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you do not have to.

19. When and Where Will the Court Decide Whether to Approve the Settlement?

The Court will hold a Settlement Hearing at 4:00 p.m. on February 9, 2015, at the courthouse for the United States District Court, Southern District of New York, Courtroom 14B, Daniel Patrick Moynihan United States Courthouse, 500 Pearl St. New York, New York 10007-1312. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also consider how much money from the Settlement Fund will be allocated to pay Lead Counsel and other plaintiffs' counsel for their work on the Action and to reimburse their expenses, and whether to grant an incentive award to Lead Plaintiffs, and whether the Plan of Allocation is fair, reasonable and adequate. The Court may decide these issues at the hearing or take them under consideration for a later decision.

20. Do I Have to Come to the Hearing?

No. Lead Counsel will answer questions the Court may have. But you are welcome to come at your own expense. If you send an objection, you do not have to come to Court to talk about it, though you are welcome to do so. You may also pay your own lawyer to attend, but it is not necessary.

21. May I Speak at the Hearing?

You may ask the Court for permission to speak at the Settlement Hearing. To do so, you must send a letter saying that it is your intention to appear in *In re Silvercorp Metals, Inc. Securities Litigation*, Case No. 12-cv-9456 (JSR). Be sure to include your name, address, telephone number, your signature, and the number of NYSE-listed shares of Silvercorp common stock you purchased between May 20, 2009, and September 13, 2011, inclusive, and the precise dates and prices of any such transactions. Your notice of intention to appear must be received no later than twenty one (21) days prior to the Settlement Hearing, January 19, 2015, by the Clerk of the Court, Lead Counsel and the Settling Defendants' Counsel, at the three addresses listed in Question 18.

IF YOU DO NOTHING

22. What Happens if I Do Nothing at All?

If you do nothing, all of your claims against the Released Parties will be released, but you will not receive any money from this Settlement, because it is necessary to submit a Proof of Claim and Release form to share in the Settlement proceeds.

GETTING MORE INFORMATION

23. Are There More Details About the Settlement?

This Notice summarizes the proposed Settlement. More details are in the Stipulation dated as of October 23 2014. You can obtain a copy of the Stipulation or more information about the Settlement by contacting:

Lead Counsel:

Matthew L. Tuccillo, Esq.
Pomerantz LLP
600 Third Avenue
New York, NY 10016
Telephone: 212-661-1100
mltuccillo@pomlaw.com

or

Settlement Administrator:

Silvercorp Metals, Inc. Securities Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914
Telephone: 800-766-3330
Fax: 516-931-0810
Website: www.berdonclaims.com

You can also obtain a copy from the Clerk's office during regular business hours:

Clerk of the Court
United States District Court
Southern District of New York
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl St.
New York, NY 10007-1312

UNDERSTANDING YOUR PAYMENT

The Net Settlement Fund shall be distributed to Class Members who submit acceptable Proofs of Claim and Release forms ("Authorized Claimants") in the following manner:

The Settlement Administrator shall determine each Authorized Claimant's share of the Net Settlement Fund based upon the recognized loss formula (the "Recognized Loss") described below. The Recognized Loss formula is intended to equitably apportion the Net Settlement Fund among Authorized Claimants. The Recognized Loss formula is not an estimate of what an Authorized Claimant would have recovered after trial; nor is it the amount that the Authorized Claimant will be paid pursuant to the Settlement.

An Authorized Claimant's actual share of the Net Settlement Fund will be determined by the ratio of the Authorized Claimant's Recognized Loss divided by the aggregate of the Recognized Loss of all Authorized Claimants.

The Settlement Administrator will use its best efforts to administer and distribute the Net Settlement Fund to the extent that it is equitably and economically feasible. If there is any balance remaining in the Net Settlement Fund after the initial distribution of the Net Settlement Fund, such remaining balance shall then be donated to an appropriate non-profit organization selected by Lead Counsel, in which Lead Counsel shall not have any financial interest or other affiliation.

This Plan of Allocation is based on the following principles applicable to Class Members if the Action had gone to trial: Lead Plaintiffs asserted claims pursuant to Section 10(b) of the Securities Exchange Act of 1934 ("Section 10(b)"). Damages under Section 10(b) are calculated, among other things, by determining the stock price drop caused by the disclosure of information correcting prior materially false and misleading statements or reflecting materializations of risks which were a foreseeable consequence of the alleged concealment. Lead Plaintiffs contended in the Action, among other things, that the first corrective disclosure or materialization of the risk of materially false and misleading statements complained of occurred on September 2, 2011.

For losses to be compensable damages under the federal securities laws, the disclosure of the allegedly misrepresented information must be the cause of the decline in the price or value of the security. Lead Plaintiffs have alleged that corrective information released to the market had an impact on the market prices of Silvercorp Common Stock on two separate days: September 2, 2011; and September 13, 2011. In order to have a Recognized Loss under the Plan of Allocation, with respect to Common Stock, the stock must have been purchased during the Class Period and held through at least one of the dates identified above.

SILVERCORP COMPANY COMMON STOCK

Silvercorp Common Stock

1. For Silvercorp common stock purchased between May 20, 2009 and September 13, 2011:
 - a. *sold between May 20, 2009 and September 13, 2011*, an Authorized Claimant's Recognized Loss per Share shall be the lesser of (but not less than zero): (i) the amount paid per share for the security minus the amount received per share upon sale of the security; or (ii) the Loss per Share at purchase as shown in Table A below minus the Loss per Share at sale as shown in Table A below;
 - b. *if held as of the close of trading on September 13, 2011*, an Authorized Claimant's Recognized Loss per Share shall be the lesser of (but not less than zero): (i) the amount paid per share for the security minus the Holding Value per Share on the date of sale (or 12/9/2011 if still held as of 12/9/2011) as shown in Table B below; or (ii) the Loss per Share at purchase as shown in Table A below.

Table A – Common Stock Loss per Share

Period Start	Period End	Common Stock
May 20, 2009	September 1, 2011	\$2.42
September 2, 2011	September 12, 2011	\$1.54
September 13, 2011	September 13, 2011	\$0.00

Table B – Common Stock Holding Value per Share¹

Date	Holding Value	Date	Holding Value	Date	Holding Value
9/13/2011	\$6.30	10/13/2011	\$7.57	11/14/2011	\$8.27
9/14/2011	\$6.39	10/14/2011	\$7.61	11/15/2011	\$8.27
9/15/2011	\$6.60	10/17/2011	\$7.63	11/16/2011	\$8.28
9/16/2011	\$6.71	10/18/2011	\$7.67	11/17/2011	\$8.27
9/19/2011	\$6.76	10/19/2011	\$7.68	11/18/2011	\$8.26
9/20/2011	\$6.80	10/20/2011	\$7.69	11/21/2011	\$8.25
9/21/2011	\$6.85	10/21/2011	\$7.71	11/22/2011	\$8.23
9/22/2011	\$6.85	10/24/2011	\$7.77	11/23/2011	\$8.21
9/23/2011	\$6.83	10/25/2011	\$7.82	11/25/2011	\$8.18
9/26/2011	\$6.88	10/26/2011	\$7.88	11/28/2011	\$8.17
9/27/2011	\$6.95	10/27/2011	\$7.93	11/29/2011	\$8.15
9/28/2011	\$6.98	10/28/2011	\$7.99	11/30/2011	\$8.14
9/29/2011	\$7.05	10/31/2011	\$8.03	12/1/2011	\$8.14
9/30/2011	\$7.11	11/1/2011	\$8.06	12/2/2011	\$8.12
10/3/2011	\$7.14	11/2/2011	\$8.08	12/5/2011	\$8.11
10/4/2011	\$7.16	11/3/2011	\$8.11	12/6/2011	\$8.10
10/5/2011	\$7.21	11/4/2011	\$8.14	12/7/2011	\$8.08
10/6/2011	\$7.27	11/7/2011	\$8.18	12/8/2011	\$8.07
10/7/2011	\$7.35	11/8/2011	\$8.21	12/9/2011	\$8.05
10/10/2011	\$7.43	11/9/2011	\$8.23	and after	
10/11/2011	\$7.49	11/10/2011	\$8.24		
10/12/2011	\$7.54	11/11/2011	\$8.26		

2. No claim will be recognized for Silvercorp common stock purchased after September 13, 2011.

¹ The Holding Value is based on the average closing price from September 13, 2011 through the listed date and covers a period of 90 days.

INSTRUCTIONS APPLICABLE TO ALL CLAIMANTS

1. The payment you receive will reflect your proportionate share of the Net Settlement Fund. Such payment will depend on the number of eligible securities that participate in the Settlement, and when those securities were purchased and sold. The number of claimants who send in claims varies widely from case to case.

2. A purchase or sale of Silvercorp common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

3. Acquisition by Gift, Inheritance, or Operation of Law: If a Class Member acquired Silvercorp common stock during the Class Period by way of gift, inheritance or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer. To the extent that Silvercorp common stock was originally purchased prior to commencement of the Class Period, the Recognized Loss for that acquisition shall be deemed to be Zero (\$0.00).

4. Notwithstanding any of the above, receipt of Silvercorp common stock during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Silvercorp common stock.

5. The first-in-first-out (“FIFO”) basis will be applied to purchases and sales. Sales will be matched in chronological order, by trade date, first against the common stock held as of the close of trading on May 19, 2009 (the last day before the Class Period begins) and then against the purchases during the Class Period.

6. The Recognized Loss with respect to a purchase or acquisition of Silvercorp common stock is calculated by multiplying the number of shares by the appropriate recognized loss per share, as described above.

7. No Authorized Claimant whose proportionate share of cash distributions from the Net Settlement Fund is less than \$10.00 shall receive a distribution from the Settlement Fund.

8. Class Members who do not submit a timely request for exclusion and do not submit an acceptable Proof of Claim by the deadline for submitting claims, will not share in the recovery, but nevertheless will be bound by the Settlement and the Judgment of the Court dismissing this Action.

9. Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement. The payment you receive will reflect your proportionate share of the Net Settlement Fund. Such payment will depend on the number of eligible securities that participate in the Settlement, and when those securities were purchased and sold. The number of claimants who send in claims varies widely from case to case.

10. A purchase or sale of Silvercorp common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

11. Acquisition by Gift, Inheritance, or Operation of Law: If a Class Member acquired Silvercorp common stock during the Class Period by way of gift, inheritance or operation of law, such a claim will be computed by using the date and price of the original purchase and not the date and price of transfer. To the extent that Silvercorp common stock was originally purchased prior to commencement of the Class Period, the Recognized Loss for that acquisition shall be deemed to be Zero (\$0.00).

12. Notwithstanding any of the above, receipt of Silvercorp common stock during the Class Period in exchange for securities of any other corporation or entity shall not be deemed a purchase or sale of Silvercorp common stock.

13. The first-in-first-out (“FIFO”) basis will be applied to purchases and sales. Sales will be matched in chronological order, by trade date, first against the common stock held as of the close of trading on May 19, 2009 (the last day before the Class Period begins) and then against the purchases during the Class Period.

14. The Recognized Loss with respect to a purchase or acquisition of Silvercorp common stock is calculated by multiplying the number of shares by the appropriate recognized loss per share, as described above.

15. No Authorized Claimant whose proportionate share of cash distributions from the Net Settlement Fund is less than \$10.00 shall receive a distribution from the Settlement Fund.

16. Class Members who do not submit a timely request for exclusion and do not submit an acceptable Proof of Claim by the deadline for submitting claims, will not share in the recovery, but nevertheless will be bound by the Settlement and the Judgment of the Court dismissing this Action.

17. Distributions will be made to Authorized Claimants after all claims have been processed and after the Court has finally approved the Settlement.

DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE

SPECIAL NOTICE TO NOMINEES

The Court has ordered that if you held any Silvercorp common stock purchased or acquired between May 20, 2009, and September 13, 2011, inclusive, as nominee for a beneficial owner, then, within ten (10) days after you receive this Notice, you must either: (1) send a copy of this Notice by first-class mail to all such beneficial owners; or (2) provide a list of the names and addresses of such beneficial owners to the Settlement Administrator at:

Silvercorp Metals, Inc. Securities Litigation
c/o Berdon Claims Administration LLC
P.O. Box 9014
Jericho, NY 11753-8914
Telephone: 800-766-3330
Fax: 516-931-0810
Website: www.berdonclaims.com

If you choose to mail the Notice and Proof of Claim and Release form yourself, you may obtain from the Settlement Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for administrative costs actually incurred in connection with forwarding the Notice and which would not have been incurred but for the obligation to forward the Notice, after submission of appropriate documentation to the Settlement Administrator.

DATED: December 3, 2014

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK