

Additional Rebuttals on the Anonymous Letter V1 and V2

While some allegations in the [Anonymous Letter V1](#) have been toned down or dropped in the [Anonymous Letter V2](#), many of the same allegations are repeated. The Company has responded to these allegations and will not repeat previous responses here. However, the Company would like to provide rebuttal to points that have not previously been addressed or to provide further information. The allegations are presented below in *italics*.

1. *Silvercorp's Background*

Silvercorp is not “based in China” as falsely stated. Silvercorp is a Canadian company with producing mines and development projects in China. The Company points out that there are many successful Chinese companies that are contributing to improving the welfare of Chinese society. They should be proud of their achievements. We, however, are proud of the Company’s history starting as a \$30 million dollar market cap Canadian junior exploration company and quickly growing to become a major primary silver producer with a \$2.5 billion dollar market capitalization (as recently as March 2011). All of the Company’s management team are Canadian citizens and resident of Canada, with families and children in Canada. We regret that corporate racial profiling and anonymous cyber bullying of anything with a China flavor seems to be increasingly common, particularly within the North American financial marketplace.

2. *“Grades at Ying Project Appear to be Unusually High”*

The grades as set out in the [NI43-101 Technical Report](#) are correct. There is no evidence put forward by any party at any time to question their validity. Our grades are higher than average grades, although in line with other with similar deposits in the Coeur D’Alene District of Idaho. These high grades are also one of the reasons Silvercorp is one of the world’s leading low cost producers of silver.

3. *“Interviews Suggest Grades at Ying are Lower Than Reported”*

This statement is false. The authors “Cross-Check” shows grades of 300-400 g/t. This is in fact in line with the 303 g/t figure reported on page 6 of our the [Management Discussion and Analysis ended June 30, 2011](#). The Company contends that the authors are either ignorant of the difference between resource grade and head grade, or are intentionally and irresponsibly trying to mislead people.

4. *“Drilling (tunneling) costs are underreported by 3.9X”*

All of our costs have been audited by a large international accounting firm. Furthermore, without visiting the Company’s mine, and seeing specifics of our tunnels, understanding ground conditions, tunnel dimensions, and numerous other variables common in mine valuation, it is irresponsible and misleading on the part of the authors to simply rely on average prices per metre of tunnel figures. As a public company, with audited internal controls mandated by SOX, the Company has supporting documents for all of our costs. The Company contends that if the authors were really interested in finding out why our cost appear lower than average they would have contacted us directly.

5. Criticism of AMC Consulting

The firm responsible for the most recent [NI43-101 resource report on GC](#) was criticized as not being a “Name Brand”. See a representative list of AMC Consulting’s clients at <http://www.amcconsultants.com.au/clients.asp>.

6. “Large Fundraising Raises Questions”

As previously disclosed, since 2004, the Company has raised in total \$202.5 million through equity financings. Over the same period of time it has paid out \$40 million in dividends, and has spent \$49.5 million repurchasing its own shares, including \$35 million in the currently ongoing [Normal Course Issuer Bid announced June 17, 2011](#). The Company has \$544.6 million in total assets and no long term debt as at June 30, 2011.

The anonymous writers suggest that the recent equity financing was unnecessary or done for an inappropriate purpose. Neither is true. The Company has a use for the proceeds as set out in the prospectus for the offering and, like many other mining companies at the time, elected to take advantage of preferable market conditions to increase its cash resources.

7. “Based on the research we detail below, in our opinion SVM may be appropriately valued at no more than US\$1.60-\$2.50/share.”

The Company notes that the recommendations which are published by the Anonymous Letter writer on www.chinastockwatch.com involve the direct recommendation of securities traded in the United States. The Company confirms that this website is not connected to any entity registered or approved by the SEC, FINRA or any other regulatory authority. The site is controlled by individuals who will not reveal themselves and the website exists without any regulatory validation of the authors qualifications.

SILVERCORP ENCOURAGES SHORT SELLERS TO REVEAL THEIR TRUE IDENTITIES AND TO COME FORWARD AND ANSWER THE REQUEST OF THE BRITISH COLUMBIA SECURITIES COMMISSION. Silvercorp encourages the Anonymous Letter writer to also disclose what Silvercorp believes are payments and or other benefits received from short seller hedge funds in exchange for the publication of the false short seller reports and to reveal the short seller hedge funds.

Based on the latest information available to the Company, there has been a dramatic increase in the short position of Silvercorp’s shares which is now approximately 26 million shares (Source: <http://www.dataexplorers.com/products/data>), or 16% of the total outstanding public float. Company shareholders are cautioned not to act on these allegations without first doing their own investigations and due diligence. Information rebutting the authors allegations can be found on the Company’s website, its Audited Financial Statements and its public filings on SEDAR and EDGAR.

8. “Undisclosed safety violations that purportedly killed a man and Company subsidiary allegedly encouraged a mob to kill a man”

The Anonymous Shorters have removed from the [Anonymous Letter V2](#), allegations of (i) undisclosed safety violations that purportedly killed a man; and (ii) that the Company’s subsidiary allegedly encouraged a mob to kill a man. Both allegations are not supported by

police reports, or official records. The Company is not aware of any such events, and if such occurred, these would be reported to the Police.

9. *“A Company Subsidiary Allegedly Sealed a Nearby Mine in Conjunction with an Unreported Lawsuit”*

This was in the [Anonymous Letter V1](#), and has been removed from the [Anonymous Letter V2](#).