

SILVERCORP METALS INC.
(the "Company")

WHISTLEBLOWER POLICY

PROCEDURES FOR THE SUBMISSION OF COMPLAINTS OR CONCERNS

In accordance with Canadian securities regulatory requirements and with our desire to promote sustainable business practices and foster positive community relations, the Board of Directors (the "Board") has established the following procedures for the confidential, anonymous submission by employees and consultants ("Employees") of the Company of concerns regarding:

- a. the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters, (collectively, "Accounting Matters"),
- b. breaches of the Company's Code of Conduct and Ethics by any employees, contractors or managers, or
- c. the Company's conduct relative to safety, environmental, and community matters.

SUBMISSION OF COMPLAINTS

Any person, including Employees, may submit a concern or complaint regarding the above matters to the management of the Company without fear of dismissal or retaliation of any kind. The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee (or take equivalent action against any consultant) in the terms and conditions of employment based upon any lawful actions of an Employee with respect to good faith reporting of concerns or complaints regarding the above matters.

Should any person, including Employees, feel it is inappropriate to submit such concerns or complaints to management, they may forward these concerns or complaints on a **confidential or anonymous** basis as follows:

- a. in writing - you can write to the Chair of the Audit Committee (in the case of financial concerns), or the Board Chair (in the case of ethical, safety, environmental, community or other concerns) and include a telephone number in the submission at which he or she may be contacted. If you wish to remain anonymous, a telephone number is not required. However, it may be difficult to adequately investigate the concern or complaint without some method of contacting you.
- b. At such time as the Board believes appropriate to retain an independent whistleblower agent, directly to that agent, the identity and particulars of which will be delivered to all insiders and employees upon an agent being retained.

SCOPE OF MATTERS COVERED BY THIS POLICY

- I. Accounting Matters: Concerns or complaints relating to any questionable Accounting matters including:
- a. fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Company;
 - b. fraud or deliberate error in the recording and maintaining of financial records of the Company;
 - c. deficiencies in or noncompliance with the Company's internal controls over financial reporting;
 - d. misrepresentation or false statement to or by a senior officer, accountant or external auditor regarding a matter contained in the financial records, financial reports or audit reports of the Company; or
 - e. deviation from full and fair reporting of the Company's financial condition.
- II. Safety, Environmental or Community Matters: Concerns or complaints relating to any questionable environmental and safety matters including, without limitation, the following:
- a. failure to abide by the company's code of conduct and ethics
 - b. failure to abide by the company's high standards regarding safety, environmental sustainability and community relations; or
 - c. fraud or deliberate error in the recording, preparation, evaluation, review or maintenance of any statement of the Company regarding an Environmental or Safety Matter.

TREATMENT OF COMPLAINTS

Upon receipt of a concern or complaint, the Chair of the Audit Committee or Board Chair will:

- a. determine whether the concern or complaint actually pertains to matters covered by this policy, and
- b. when possible, acknowledge receipt of the concern or complaint to the submitter.

Concerns or complaints relating to Accounting Matters will be reviewed under Audit Committee direction and oversight by such persons as the Audit Committee determines to be appropriate. Confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate review. Other complaints will be reviewed by the Board or a delegate of the Board, at the Chair's discretion.

Prompt and appropriate corrective action will be taken when and as warranted in the judgement of the Audit Committee (for financial matters) or the Board (for other matters). When possible and determined appropriate, notice of any corrective action taken will be given to the person who submitted the concern or complaint.

REPORTING AND RETENTION OF COMPLAINTS AND INVESTIGATIONS

The Board Chair and Chair of the Audit Committee will maintain a log of all concerns or complaints, tracking their receipt and treatment, and shall prepare a periodic summary report thereof for the Board and Audit Committee.

EFFECTIVE DATE

This Policy was implemented by the Board on June 2, 2008.