

# SILVERCORP METALS INC.

## Consolidated Statements of Cash Flow

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

	<b>Three Months Ended June 30,</b>	
	<b>2017</b>	<b>2016</b>
<b>Cash provided by</b>		
<b>Operating activities</b>		
Net income	\$ 13,514	\$ 6,520
Add (deduct) items not affecting cash:		
Finance costs	105	105
Depreciation, amortization and depletion	4,752	5,320
Share of loss (income) in associate	244	(17)
Gain on disposal of NSR	(4,320)	-
Impairment of plant and equipment and mineral rights and properties	-	181
Income tax expense	4,021	2,800
Finance income	(574)	(431)
Loss on disposal of plant and equipment	170	264
Share-based compensation	403	243
Income taxes (paid) recovered	(4,137)	91
Interest received	574	431
Interest paid	-	(51)
Changes in non-cash operating working capital	2,144	4,726
<b>Net cash provided by operating activities</b>	<b>16,896</b>	<b>20,182</b>
<b>Investing activities</b>		
Mineral rights and properties		
Capital expenditures	(5,911)	(5,020)
Plant and equipment		
Additions	(1,211)	(2,384)
Proceeds on disposals	-	17
Reclamation deposit paid	(4)	(385)
Net purchases of short-term investments	(3,704)	(3,981)
<b>Net cash used in investing activities</b>	<b>(10,830)</b>	<b>(11,753)</b>
<b>Financing activities</b>		
Non-controlling interests		
Distribution	(4,891)	-
Cash dividends distributed	(1,679)	-
Proceeds from issuance of common shares	3	215
<b>Net cash used in financing activities</b>	<b>(6,567)</b>	<b>215</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>1,798</b>	<b>(1,005)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>1,297</b>	<b>7,639</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>73,003</b>	<b>41,963</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 74,300</b>	<b>\$ 49,602</b>