

# SILVERCORP METALS INC.

## Consolidated Statements of Cash Flow

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

	Three Months Ended March 31,		Years Ended March 31,	
	2017	2016	2017	2016
<b>Cash provided by</b>				
<b>Operating activities</b>				
Net income	\$ 16,334	\$ (727)	\$ 55,498	\$ 9,939
Add (deduct) items not affecting cash:				
Finance costs	75	333	760	1,084
Depreciation, amortization and depletion	2,101	3,193	18,913	18,926
Share of (income) loss in associate	(122)	216	(282)	50
Loss on disposal of a subsidiary	-	-	-	460
Impairment reversal of investment in associate	(5,278)	-	(5,278)	-
Impairment of plant and equipment and mineral rights and properties	-	-	181	-
Write down of inventories	-	159	-	159
Income tax expense	5,146	(488)	19,237	2,749
Finance income	(591)	(324)	(2,206)	(1,382)
Loss on disposal of plant and equipment	81	20	538	100
Share-based compensation	361	145	1,015	887
Income taxes paid	(9,637)	(681)	(13,667)	(1,208)
Interest received	591	324	2,206	1,382
Interest paid	(9)	(41)	(963)	(41)
Changes in non-cash operating working capital	(4,171)	2,215	4,485	(1,224)
<b>Net cash provided by operating activities</b>	<b>4,881</b>	<b>4,344</b>	<b>80,437</b>	<b>31,881</b>
<b>Investing activities</b>				
Mineral rights and properties				
Capital expenditures	(2,209)	(11,690)	(27,814)	(25,847)
Plant and equipment				
Additions	(3,431)	(5,359)	(7,987)	(10,953)
Proceeds on disposals	-	55	51	287
Other investments				
Acquisition	-	-	(782)	-
Proceeds on disposals	-	-	33	422
Reclamation deposit paid	(807)	(267)	(2,967)	(276)
Net purchases of short-term investments	7,424	(16,257)	(4,094)	(10,753)
Proceeds for sale of a subsidiary	-	-	-	11
<b>Net cash used in investing activities</b>	<b>977</b>	<b>(33,518)</b>	<b>(43,560)</b>	<b>(47,109)</b>
<b>Financing activities</b>				
Bank loan				
Proceeds	-	4,619	-	4,619
Repayment	(4,325)	-	(4,325)	-
Non-controlling interests				
Loan advanced	-	-	-	(1,587)
Repayments received	-	1,589	-	1,589
Distribution	(762)	-	(2,222)	(1,661)
Cash dividends distributed	-	-	(1,585)	(1,323)
Proceeds from issuance of common shares	415	-	904	-
Common shares repurchased as part of normal course issuer bid	-	(894)	-	(2,580)
<b>Net cash used in financing activities</b>	<b>(4,672)</b>	<b>5,314</b>	<b>(7,228)</b>	<b>(943)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>4,843</b>	<b>2,447</b>	<b>1,391</b>	<b>(2,045)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>6,029</b>	<b>(21,413)</b>	<b>31,040</b>	<b>(18,216)</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>66,974</b>	<b>63,376</b>	<b>41,963</b>	<b>60,179</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 73,003</b>	<b>\$ 41,963</b>	<b>\$ 73,003</b>	<b>\$ 41,963</b>