

Form 62-103F1
REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS

Item 1 - Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

This report relates to the acquisition of common shares (“**Common Shares**”) of Omai Gold Mines Corp. (the “**Issuer**”).

The head office of the Issuer is located at:

82 Richmond Street East
Toronto, Ontario
M5C 1P1

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable. The Common Shares were acquired on completion of a reverse takeover transaction (the “**RTO**”) pursuant to which the Issuer acquired all of the issued and outstanding common shares in the capital of Avalon Investment Holdings Inc. (“**Avalon**”). On completion of the RTO, each common share of Avalon was exchanged for one Common Share.

Item 2 - Identity of the Acquiror

2.1 State the name and address of the acquiror.

Silvercorp Metals Inc.
1750 - 1066 West Hastings Street
Vancouver, B.C.
V6E 3X1

(“**Silvercorp**”)

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

The Issuer and Avalon completed the RTO on October 1, 2020. On completion of the RTO, Fortune Gold Mining Limited (“**Fortune Gold**”), a wholly-owned subsidiary of Silvercorp, received an aggregate of 30,000,000 Common Shares in exchange for its 30,000,000 common shares of Avalon.

2.3 State the names of any joint actors.

Silvercorp indirectly acquired the Common Shares through Fortune Gold, its wholly-owned subsidiary. Silvercorp and Fortune Gold may be considered to be joint actors in respect of the Issuer.

Item 3 - Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.

See Items 1.1 and 2.2. Silvercorp indirectly acquired 30,000,000 Common Shares on completion of the RTO.

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

See Items 1.1 and 2.2. Silvercorp indirectly acquired ownership of the Common Shares that triggered the requirement to file this report.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Before completion of the RTO, neither Silvercorp nor Fortune Gold owned any Common Shares. Immediately completion of the RTO, Silvercorp indirectly owns 30,000,000 Common Shares through its wholly-owned subsidiary Fortune Gold, representing approximately 15.17% of the issued and outstanding Common Shares.

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

(a) the acquiror, either alone or together with any joint actors, has ownership and control,

Silvercorp indirectly owns and controls all of the Common Shares referred to in Item 3.4 through its wholly-owned subsidiary Fortune Gold.

(b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and

Not applicable.

- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.

Not applicable.

- 3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

- 3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

Not applicable.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.

Not applicable.

Item 4 - Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.

Not applicable.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.

Not applicable.

4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.

The Common Shares referred to in Item 3.4 were acquired in connection with the completion of the RTO.

Item 5 - Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**
- (e) a material change in the present capitalization or dividend policy of the reporting issuer;**
- (f) a material change in the reporting issuer's business or corporate structure;**
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;**
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;**
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;**
- (j) a solicitation of proxies from securityholders; or**
- (k) an action similar to any of those enumerated above.**

The 30,000,000 common shares of Avalon owned by Silvercorp through its wholly-owned subsidiary Fortune Gold were initially acquired for investment purposes. Silvercorp may,

depending on market and other conditions, directly or indirectly increase or decrease its ownership of Common Shares or other securities of the Issuer, whether in the open market, by privately negotiated agreement or otherwise.

Under the terms of an investor rights agreement between Fortune Gold and the Issuer dated July 21, 2020, Fortune Gold shall have the right, for so long as it owns at least 10% of the issued and outstanding Common Shares, to (i) designate one member of the board of directors of the Issuer and (ii) participate in future equity financings of the Issuer to maintain its *pro rata* interest in the Common Shares. Fortune Gold may from time to time exercise such rights, but Silvercorp and Fortune Gold do not otherwise have any current plans or intentions that relate to or would result in the items listed in (a) through (k) above.

Item 6 - Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

None.

Item 7 - Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 - Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and described the facts supporting that reliance.

Not applicable.

Item 9 - Certification

The acquiror must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

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Certificate

The acquiror certifies that the statements made in this report are true and complete in every respect.

Date: October 23, 2020

SILVERCORP METALS INC.

By: "Lon Shaver"
Name: Lon Shaver
Title: Vice President