



Avalon Investment Holdings Ltd. And Anconia Resources Corp. Announce Strategic Investment of US\$4.5 Million From Silvercorp Metals Inc.

TORONTO, July 28, 2020 -- Avalon Investment Holdings Ltd. ("**Avalon**"), the holder of an indirect 100% interest in the Omai Gold Mine in Guyana, is pleased to announce that it has completed a non-brokered private placement financing for aggregate proceeds of US\$4,500,000. Under the terms of the financing, Avalon issued 30,000,000 common shares of Avalon to a subsidiary of Silvercorp Metals Inc. (TSX/NYSE American: SVM) ("**Silvercorp**") at a price of US\$0.15 per common share. In connection with the financing, Anconia Resources Corp. (TSXV:ARA) ("**Anconia**") and Silvercorp entered into an investor rights agreement pursuant to which Silvercorp, as long as it owns at least 10% of the issued and outstanding shares of Anconia, has the right to participate in equity financings in order to maintain its pro rata interest in Anconia at the time of any such financing, and to nominate one individual to serve as a director of Anconia.

In a Press Release dated July 17, 2020, Anconia provided an update in connection with a proposed reverse take-over of Avalon (the "**Proposed Transaction**"). The Proposed Transaction is subject to approval of the TSX Venture Exchange to list the shares of the resulting entity (the "**Resulting Issuer**") thereon. The Resulting Issuer will continue to carry on exploration and development, focused primarily on the exploration of Avalon's Omai Gold Mine project in Guyana.

Mario Stifano, incoming President and CEO of the Resulting Issuer commented, "We are very pleased to have received the support of Silvercorp as we continue advancing the Omai Gold Mine. Omai has historically produced over 3.7 million ounces of gold and has the potential to again become a tier one gold asset in the Americas. With historic unmined intercepts of 12 metres of 23.8 gpt gold, 61 metres of 3.7 gpt gold, 15 metres of 13.6 gpt gold, and numerous high priority exploration targets, Avalon is well positioned to create significant shareholder value on completion of the RTO listing and to commence drilling this year".

Denis Clement, incoming Executive Director and founder of the Resulting Issuer commented, "We are pleased to welcome Silvercorp as a strategic investor. Silvercorp's investment further validates the significant potential of Omai to become the leading gold exploration company in Guyana. With Silvercorp's investment, Avalon is fully financed to complete the RTO listing and to carry out its exploration plans over the coming year".

Upon closing of the Proposed Transaction, it is anticipated that Silvercorp will own 15.8% of the Resulting Issuer.

About Silvercorp Metals Inc.

Silvercorp is a profitable Canadian mining company producing silver, lead and zinc metals in concentrates from mines in China. The company's goal is to continuously create healthy returns to shareholders through efficient management, organic growth and the acquisition of profitable projects. Silvercorp balances profitability, social and environmental relationships, employees' wellbeing, and sustainable development.

About Avalon

Avalon is a private gold exploration company focused on gold projects in Guyana, South America. The company's flagship gold project is the famous Omai Gold Mine which it acquired from the Government of Guyana in 2018. The management and technical operational team is Guyana focused and experienced in mining exploration, acquisition and corporate finance.

Brian H. Newton P. Geo is a "qualified person" pursuant to the requirements of National Instrument 43-101. He has reviewed and approved the technical information in this press release.

For further information, please see our website www.omaigoldmines.com or contact:

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Cautionary Note Regarding Forward-Looking Statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the potential increase of the size of the Offering, the closing of additional financings and the completion of the proposed reverse take-over transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive regulatory approvals;

the price of gold and copper; social and economic impacts of COVID-19; and the results of current exploration. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Avalon and Anconia disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.