

Silvercorp Metals Inc

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Silvercorp Metals shares flying higher after price target bump, renewed Buy rating from Roth

Silvercorp Metals Inc (NYSEAMERICAN:SVM) (TSE:SVM) shares jumped Monday after analysts at Roth Capital Markets upped its price target for the stock to \$8.25 from \$6.60 and reiterated a Buy rating.

The firm said that Silvercorp's recently announced fiscal first quarter revenue of US\$46.7 million and earnings of US\$0.09 per share beat its expectations of \$45.7 million and \$0.04 per share, respectively.

Shares of the company rose more than 9% to US\$8.06 in New York and to C\$10.80 in Toronto on Monday.

READ: Silvercorp Metals reports increased revenue and net income in first quarter, lower production costs

Those exceeded expectations, plus a strong precious metals sector, has Roth feeling optimistic.

"[Silvercorp's] results were slightly above our expectations," Roth wrote. "Additionally, precious metals prices continue to outpace our forecasts and as such we are increasing our price target"

Roth also noted Silvercorp's position in the silver industry, including at the Ying mining district in China.

"While SVM has significant base metals exposure, it also has significant leverage to silver," the firm wrote. "One other way SVM could demonstrate its leverage to metals prices would be to increase mining rates at the Ying mining district. We believe the mill has significant excess capacity and that this capacity could be utilized by increasing underground development rates or developing neighboring deposits."

The Ying project lies 240 kilometres southwest of Zhengzhou, the capital city of Henan province in central China and consists of six separate mines which feed two mills. Six smelters lie within 200 kilometres. The Vancouver-headquartered company also produces from its GC mine in Guangdong province.

—Updated to include closing price—

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Price: 7.24

Market Cap: \$1.27 billion

1 Year Share Price Graph



January 2020 July 2020 January 2021

Share Information

Code: SVM

Listing: TSX

52 week High Low
11.62 2.12

Sector: Gold & silver

Website: www.silvercorp.ca

Company Synopsis:

Silvercorp is a low-cost silver-producing Canadian mining company with multiple mines in China. The Company's vision is to deliver shareholder value by focusing on the acquisition of under developed projects with resource potential and the ability to grow organically. For more information, please visit our website at www.silvercorpmetals.com.

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