



# SILVERCREST

Metals Inc.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND NOTES**

**FOR THE SIX MONTHS ENDED JUNE 30, 2019**

**(Unaudited - Expressed in Canadian Dollars)**

**SILVERCREST METALS INC.**  
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SILVERCREST METALS INC.  
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION  
(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)  
AS AT

	June 30, 2019	December 31, 2018
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 25,694,452	\$ 44,013,742
Amounts receivable (note 5)	380,659	170,574
Taxes receivable	60,460	36,519
Prepays	338,528	353,095
<b>Total current assets</b>	<b>26,474,099</b>	<b>44,573,930</b>
<b>Non-current assets</b>		
Taxes receivable	5,264,895	3,877,934
Deposits	226,703	70,553
Property and equipment (notes 2 and 4)	2,185,588	1,302,884
Exploration and evaluation assets (note 3)	50,351,624	31,615,763
<b>Total non-current assets</b>	<b>58,028,810</b>	<b>36,867,134</b>
<b>TOTAL ASSETS</b>	<b>\$ 84,502,909</b>	<b>\$ 81,441,064</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 5)	\$ 4,642,071	\$ 1,462,538
Lease liability (note 2)	173,093	-
<b>Total current liabilities</b>	<b>4,815,164</b>	<b>1,462,538</b>
<b>Non-current liabilities</b>		
Lease liability (note 2)	411,928	-
<b>Total liabilities</b>	<b>5,227,092</b>	<b>1,462,538</b>
<b>Shareholders' equity</b>		
Capital stock (note 6)	88,523,039	86,745,544
Share-based payment reserve (note 6)	8,634,516	6,196,165
Deficit	(17,881,738)	(12,963,183)
<b>Total shareholders' equity</b>	<b>79,275,817</b>	<b>79,978,526</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 84,502,909</b>	<b>\$ 81,441,064</b>

Nature of operations (note 1)

Subsequent events (note 9)

Approved by the Board and authorized for issue on August 8, 2019:

\_\_\_\_\_  
*"N. Eric Fier"* Director

\_\_\_\_\_  
*"Graham C. Thody"* Director

*The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

**SILVERCREST METALS INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**  
**(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)**  
**FOR THE THREE AND SIX MONTHS ENDED JUNE 30,**

	Three months ended		Six months ended	
	2019	2018	2019	2018
Depreciation (note 4)	\$ 39,135	\$ 816	\$ 76,000	\$ 1,681
Exploration expenditures (recovery)	155,323	6,070	189,443	(17,866)
Foreign exchange loss (gain)	84,502	4,861	1,036,844	(387,076)
Insurance	68,630	12,928	136,818	27,325
Interest expense (note 2)	14,904	-	30,562	-
Interest income	(236,083)	(51,861)	(545,968)	(76,655)
Management and director fees (note 5)	122,304	77,943	241,741	152,239
Office and miscellaneous	26,091	67,612	65,720	135,727
Professional fees (note 5)	185,943	68,678	418,032	131,320
Regulatory and transfer agent fees	58,827	35,835	181,699	61,896
Remuneration (note 5)	357,818	247,967	633,336	487,035
Share-based compensation (notes 5 and 6)	730,486	594,887	1,964,510	1,613,991
Shareholder and investor relations	45,208	48,615	86,325	117,999
Technical consultants	6,000	6,000	12,000	12,000
Tradeshaw and travel	227,572	124,389	391,493	243,730
<b>Net and comprehensive loss for the period</b>	<b>\$ (1,886,660)</b>	<b>\$ (1,244,740)</b>	<b>\$ (4,918,555)</b>	<b>\$ (2,503,346)</b>
<b>Basic and diluted comprehensive loss per common share</b>	<b>\$ (0.02)</b>	<b>\$ (0.02)</b>	<b>\$ (0.06)</b>	<b>\$ (0.04)</b>
<b>Weighted average number of common shares outstanding</b>	<b>85,673,551</b>	<b>68,748,804</b>	<b>85,462,130</b>	<b>66,374,414</b>

*The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

**SILVERCREST METALS INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
**(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)**  
**FOR THE SIX MONTHS ENDED JUNE 30,**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (4,918,555)	\$ (2,503,346)
Items not affecting cash:		
Depreciation	76,000	1,681
Interest expense	30,562	-
Interest income	(545,968)	(76,655)
Share-based compensation	1,964,510	1,613,991
Changes in non-cash working capital items:		
Amounts receivable	57,247	(46,432)
Taxes receivable	(1,410,902)	(1,331,657)
Prepays and deposits	(8,433)	(63,905)
Accounts payable and accrued liabilities	(170,454)	(23,092)
<b>Net cash used in operating activities</b>	<b>(4,925,993)</b>	<b>(2,429,415)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	278,636	70,448
Exploration and evaluation assets	(14,486,945)	(7,873,991)
Deposit paid for decline construction	(133,150)	-
Option payment received	132,704	126,007
Purchase of property and equipment	(357,940)	(329,782)
<b>Net cash used in investing activities</b>	<b>(14,566,695)</b>	<b>(8,007,318)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital stock issued	1,462,636	19,271,783
Capital stock issuance costs	(198,645)	(1,357,600)
Payment of lease liabilities	(90,593)	-
<b>Net cash provided by financing activities</b>	<b>1,173,398</b>	<b>17,914,183</b>
<b>Change in cash and cash equivalents, during the period</b>	<b>(18,319,290)</b>	<b>7,477,450</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>44,013,742</b>	<b>10,116,324</b>
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 25,694,452</b>	<b>\$ 17,593,774</b>
<b>Cash and cash equivalents is represented by:</b>		
Cash	\$ 4,841,452	\$ 12,593,774
Cash equivalents	20,853,000	5,000,000
<b>Total cash and cash equivalents</b>	<b>\$ 25,694,452</b>	<b>\$ 17,593,774</b>
<b>Non-cash investing activities</b>		
Capitalized to property and equipment		
Right of use asset recognized upon accounting policy change	\$ 645,052	\$ -
Capitalized to exploration and evaluation assets		
Accounts payable and accrued liabilities	\$ 4,381,448	\$ 906,021
Fair value of shares issued for mineral property	\$ -	\$ 367,526
Depreciation	\$ 44,288	\$ 25,432
Share-based compensation	\$ 802,698	\$ 265,686
<b>Non-cash financing activities</b>		
Capital stock issuance costs in accounts payable and accrued liabilities	\$ -	\$ 77,051

*The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

**SILVERCREST METALS INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY**  
**(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)**

	Capital stock		Share-based payment reserve	Deficit	Total
	Number	Amount			
<b>Balance at December 31, 2017</b>	63,602,903	\$ 29,899,525	\$ 3,278,378	\$ (7,191,633)	\$ 25,986,270
Capital stock issued	8,666,250	18,000,333	-	-	18,000,333
Shares issued for mineral property	140,277	367,526	-	-	367,526
Capital stock issuance costs	-	(1,334,375)	-	-	(1,334,375)
Warrants exercised	873,000	1,265,850	-	-	1,265,850
Stock options exercised	35,000	8,900	(3,300)	-	5,600
Share-based compensation	-	-	1,879,677	-	1,879,677
Net and comprehensive loss for the period	-	-	-	(2,503,346)	(2,503,346)
<b>Balance at June 30, 2018</b>	73,317,430	48,207,759	5,154,755	(9,694,979)	43,667,535
Capital stock issued	8,220,645	30,663,006	-	-	30,663,006
Shares issued for mineral property	96,473	315,466	-	-	315,466
Capital stock issuance costs, net of recovery	-	(241,485)	-	-	(241,485)
Warrants exercised	2,638,085	7,636,030	-	-	7,636,030
Stock options exercised	650,000	164,768	(60,768)	-	104,000
Share-based compensation	-	-	1,102,178	-	1,102,178
Net and comprehensive loss for the period	-	-	-	(3,268,204)	(3,268,204)
<b>Balance at December 31, 2018</b>	84,922,633	86,745,544	6,196,165	(12,963,183)	79,978,526
Capital stock issued (note 6)	100,000	292,000	-	-	292,000
Capital stock issuance costs (note 6)	-	(13,998)	-	-	(13,998)
Shares cancelled and returned to treasury (note 6)	(62,722)	-	-	-	-
Warrants exercised (note 6)	443,404	642,936	-	-	642,936
Stock options exercised (note 6)	395,000	856,557	(328,857)	-	527,700
Share-based compensation (note 6)	-	-	2,767,208	-	2,767,208
Net and comprehensive loss for the period	-	-	-	(4,918,555)	(4,918,555)
<b>Balance at June 30, 2019</b>	85,798,315	\$ 88,523,039	\$ 8,634,516	\$ (17,881,738)	\$ 79,275,817

*The accompanying notes are an integral part of these condensed consolidated interim financial statements.*

**SILVERCREST METALS INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)**  
**SIX MONTHS ENDED JUNE 30, 2019**

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**1. NATURE OF OPERATIONS**

SilverCrest Metals Inc. (the “Company” or “SilverCrest”) is a Canadian precious metals exploration company headquartered in Vancouver, BC. The Company was incorporated under the Business Corporations Act (British Columbia). The common shares of the Company trade on the TSX Venture Exchange under the symbol “SIL” and on the NYSE-American under the symbol “SILV”. The head office and principal address of the Company is 501-570 Granville Street, Vancouver, BC, Canada, V6C 3P1. The address of the Company’s registered and records office is 19th Floor, 885 West Georgia Street, Vancouver, BC, Canada, V6C 3H4.

While the Company currently has no source of revenue, its cash and cash equivalents of \$26 million, as of June 30, 2019, contribute to working capital of \$22 million, which management believes will be sufficient to fund its minimum exploration activities and general working capital for the next 12 months. Subsequent to June 30, 2019, the Company entered into agreements to issue 5,106,300 common shares at a price of \$5.85 per share for gross proceeds of \$30 million (note 9). The Company’s financial success is dependent on its ability to discover economically viable mineral deposits. In order to advance beyond the currently planned surface and underground exploration programs at Las Chispas, the Company may require substantial additional financing, which is subject to a number of factors many of which are beyond the Company’s control. There is no assurance that future equity capital will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all. These condensed consolidated interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board (“IASB”). These condensed consolidated interim financial statements should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2018, which include information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies, use of judgments and estimates were presented in notes 2 and 3, respectively, of those consolidated financial statements, and have been consistently applied, except for the adoption of IFRS 16, starting on January 1, 2019, in the preparation of these condensed consolidated interim financial statements.

**Basis of preparation and measurement**

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. Additionally, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. Certain comparative figures have been reclassified to conform to the current period presentation.

These condensed consolidated interim financial statements were approved for issuance by the Board of Directors on August 8, 2019.

**Basis of consolidation**

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries, NorCrest Metals Inc., a Canadian corporation, Minera La Llamada, S.A. de C.V., a Mexican corporation, and Babicanora Agricola del Noroeste S.A. de C.V., a Mexican corporation. The Company consolidates subsidiaries where the Company has the ability to exercise control. Control is achieved when the Company is exposed to variable returns from involvement with an investee and has the ability to affect the returns through power over the investee. Control is normally achieved through ownership, directly or indirectly, of more than 50 percent of the voting power. Control can also be achieved through power over more than half of the voting rights by virtue of an agreement with other investors or through the exercise of de facto control. All intercompany balances, transactions, income and expenses, and profits or losses have been eliminated on consolidation.

**Adoption of new accounting policy - leases**

*Impact of application of IFRS 16 Leases*

Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective application method, where the 2018 comparatives are not restated and the cumulative effect of initially applying IFRS 16 has been recorded on January 1, 2019 for any differences identified. The Company has determined that the adoption of IFRS 16 resulted in no adjustments to the opening balance of accumulated deficit.

**SILVERCREST METALS INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)**  
**SIX MONTHS ENDED JUNE 30, 2019**

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Adoption of new accounting policy – leases (continued)**

*Impact of application of IFRS 16 Leases (continued)*

IFRS 16 introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases under IFRS 17 and requiring the recognition of a right-of-use asset (“ROU asset”) and a lease liability at the lease commencement for all leases, except for short-term leases (lease terms of 12 months or less) and leases of low value assets.

In applying IFRS 16 for all leases, except as noted above, the Company (i) recognizes the ROU asset and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments; (ii) recognizes the depreciation of ROU assets and interest on lease liabilities in the consolidated statement of comprehensive loss; and (iii) separates the total amount of cash paid into a principal portion (presented in financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows. For short-term leases and leases of low value assets, the Company has opted to recognize a lease expense on a straight-line basis, and this expense is presented within office and miscellaneous in the consolidated statement of comprehensive loss.

The Company has made use of the following practical expedients available on transition to IFRS 16:

- Measure the ROU assets equal to the lease liability calculated for each lease;
- Apply the recognition exemptions for low value leases and leases that end within 12 months of the date of initial application, and account for them as low value and short-term leases, respectively; and
- Accounting for non-lease components and lease components as a single lease component.

In transitioning to IFRS 16, the Company analyzed its contracts to identify whether they are or contain a lease arrangement. This analysis identified a contract containing a lease that had an equivalent increase to both the Company’s ROU assets and lease liabilities, which resulted in a \$645,052 adjustment. The incremental borrowing rate for lease liabilities initially recognized on adoption of IFRS 16 was 10.10%.

The cumulative effect of the changes made to the consolidated statement of financial position as at January 1, 2019 for the adoption of IFRS 16 is as follows:

	As previously reported	Effect of change in accounting policy	As reported under new accounting policy
Property and equipment	\$ 1,302,884	\$ 645,052	\$ 1,947,936
Lease liability (current)	-	(173,093)	(173,093)
Lease liability (non-current)	-	(471,959)	(471,959)
	\$ 1,302,884	\$ -	\$ 1,302,884

The operating lease obligations as at December 31, 2018 are reconciled as follows to the recognized lease liabilities as at January 1, 2019:

Operating lease obligations as at December 31, 2018	\$ 830,425
Low value lease	(3,390)
Effect from discounting at the incremental borrowing rate as at January 1, 2019	(181,983)
Lease liabilities due to initial application of IFRS 16 at January 1, 2019	\$ 645,052

*New accounting policy for leases under IFRS 16*

The Company assesses whether a contract is or contains a lease, at the inception of a contract. The Company recognizes a ROU asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, at the commencement of the lease, with the following exceptions: (i) the Company has elected not to recognize ROU assets and liabilities for leases where the total lease term is less than or equal to 12 months, or (ii) for leases of low value. The payments for such leases are recognized in the consolidated statement of comprehensive loss on a straight-line basis over the lease term.



SILVERCREST METALS INC.  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)**  
**SIX MONTHS ENDED JUNE 30, 2019**

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**2. SIGNIFICANT ACCOUNTING POLICIES**

**Adoption of new accounting policy – leases (continued)**

*New accounting policy for leases under IFRS 16 (continued)*

The ROU asset is initially measured based on the present value of lease payments, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments include fixed payments less any lease incentives, and any variable lease payments where variability depends on an index or rate. When the lease contains an extension or purchase option that the Company considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

ROU assets are included in property and equipment, and the lease liability is presented as a separate line in the consolidated statement of financial position. Variable lease payments that do not depend on an index or rate are not included in the measurement of the ROU asset and lease liability. The related payments are recognized as an expense in the period in which the triggering event occurs and are included in the consolidated statement of comprehensive loss.

***Lease liabilities***

The Company leases office space and has one other lease which is considered a low value lease and as such is included in the statement of comprehensive loss and not the statement of financial position. Interest expense on the lease liabilities amounted to \$30,562 for the six months ended June 30, 2019. The Company did not incur any variable lease payments and there were no leases with residual value guarantees or leases not yet commenced to which the Company is committed. The expense relating to the low value lease amounted to \$907 for the six months ended June 30, 2019.

<b>Lease liabilities</b>	<b>June 30, 2019</b>
Lease liabilities	\$ 585,021
Less: current portion	(173,093)
Long-term portion	\$ 411,928

<b>Undiscounted lease payments</b>	<b>June 30, 2019</b>
Not later than 1 year	\$ 181,184
Later than 1 year and not later than 5 years	522,597
	\$ 703,781

**SILVERCREST METALS INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)**  
**SIX MONTHS ENDED JUNE 30, 2019**

**3. EXPLORATION AND EVALUATION ASSETS**

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, titles to all of its properties are in good standing except as otherwise disclosed. However, this should not be considered as a guarantee of title. The mineral properties may be subject to prior claims or agreements, or transfers, and rights of ownership may be affected by undetected defects.

The following table summarizes the Company's exploration and evaluation asset expenditures:

	Las Chispas	Guadalupe	Total
Balance at December 31, 2018	\$ 31,206,225	\$ 409,538	\$ 31,615,763
Expenditures	18,868,565	-	18,868,565
Recovery of exploration and evaluation assets	-	(132,704)	(132,704)
<b>Balance at June 30, 2019</b>	<b>\$ 50,074,790</b>	<b>\$ 276,834</b>	<b>\$ 50,351,624</b>

**Las Chispas Property, Sonora, Mexico**

The following table details exploration and evaluation asset expenditures at the Company's Las Chispas property to date:

	Cumulative to December 31, 2017	Expenditures during the year	Cumulative to December 31, 2018	Expenditures during the period	Cumulative to June 30, 2019
Acquisition costs:					
Option, concession, and surface rights payments	\$ 935,592	\$ 3,861,590	\$ 4,797,182	\$ 250,035	\$ 5,047,217
Exploration and evaluation expenditures:					
Assays	1,390,283	1,422,284	2,812,567	814,804	3,627,371
Decline construction	-	-	-	3,694,355	3,694,355
Depreciation (note 4)	38,305	54,762	93,067	44,288	137,355
Drilling	7,468,232	10,044,369	17,512,601	10,405,178	27,917,779
Field and administrative costs	1,210,101	636,955	1,847,056	415,869	2,262,925
Metallurgy	-	-	-	222,549	222,549
Salaries and remuneration (notes 5)	1,128,811	1,344,513	2,473,324	1,125,015	3,598,339
Share-based compensation (notes 5 and 6)	313,820	437,021	750,841	802,698	1,553,539
Technical consulting services and studies	251,306	393,109	644,415	1,041,779	1,686,194
Travel and lodging	204,474	70,698	275,172	51,995	327,167
<b>TOTAL</b>	<b>\$ 12,940,924</b>	<b>\$ 18,265,301</b>	<b>\$ 31,206,225</b>	<b>\$ 18,868,565</b>	<b>\$ 50,074,790</b>

**SILVERCREST METALS INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED - EXPRESSED IN CANADIAN DOLLARS)**  
**SIX MONTHS ENDED JUNE 30, 2019**

**3. EXPLORATION AND EVALUATION ASSETS (continued)**

**Las Chispas Property, Sonora, Mexico** (continued)

The following table summarizes the option payments for concessions at the Las Chispas Property in Sonora, Mexico. The Las Chispas Property in Sonora, Mexico consists of 28 concessions totalling approximately 1,400 hectares. Except as disclosed in the table below, the Company has either 100% ownership of or the rights to purchase 100% ownership of these concessions.

<b>Property</b>	<b># of concessions</b>	<b>Title %</b>	<b>Future option payments (US\$)</b>	<b>Paid in 2019 (US\$)</b>	<b>Paid in 2018 (US\$)</b>	<b>Prior option payments (US\$)</b>	<b>Total option payments (US\$)</b>
Las Chispas	6	100%	\$ -	\$ -	\$ -	\$ -	\$ -
Las Chispas	1	100%	\$ -	\$ -	\$ 100,000	\$ 50,000	\$ 150,000
A 2% net smelter return royalty is payable for material from this concession that has processed grades greater than or equal to 40 ounces per tonne of silver and 0.5 ounces per tonne of gold, combined. In 2018, the Company made an option payment of \$126,510 (US\$ 100,000) and exercised its option to acquire 100% title to the concession.							
Las Chispas	13	100%	\$ -	\$ -	\$ 2,525,000	\$ 425,000	\$ 2,950,000
The Company received the right and option to purchase an undivided 100% title in 13 concessions for total consideration of US\$2,950,000. During 2017, the Company and the concession holder agreed to amend the schedule of remaining payments. The original payment schedule detailed a final payment of US\$2,725,000 on June 2, 2018, of which US\$500,000 was payable in common shares of SilverCrest and an additional US\$500,000, at the concession holder's option, could be paid in common shares of SilverCrest. As a result, during 2018, the Company paid \$2,644,144 (US\$2,025,000) in cash and US\$500,000 in common shares for a total of US\$2,525,000, as amended. The Company issued 236,750 common shares with a fair value of \$682,992 (note 6), which was recorded as an acquisition cost. The concession holder did not exercise their right to receive common shares. Total acquisition costs of \$3,327,136 were recorded in 2018 and the Company exercised its option to acquire 100% of the concessions.							
Las Chispas	1	100%	\$ -	\$ 95,000	\$ -	\$ 55,000	\$ 150,000
During the six months ended June 30, 2019, the Company made an option payment of \$127,082 (US\$95,000) and exercised its option to acquire 100% title to the concession.							
Las Chispas	1	67%	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000
The remaining 33% of this 1.7 hectares concession is owned by a local Mexican family and not optioned to SilverCrest. None of the Company's Mineral Resource is located on this concession.							
Las Chispas	4	20%	\$ 280,000	\$ 80,000	\$ 146,400	\$ 65,000	\$ 571,400
The Company had the right and option to purchase an undivided 100% title in four concessions for total consideration of US\$575,000. On June 27, 2018, the Company and an option holder representing a 20% title to the four mining concessions agreed to amend the schedule of remaining payments whereby the Company could exercise its option and earn a 20% interest in the concessions. The original payment schedule called for a payment of US\$20,000 (of a total US\$100,000) on May 20, 2019 and US\$70,000 (of a total US\$350,000) on May 20, 2020. The amended payment schedule called for an option payment of US\$86,400, representing a 4% discount to the original total remaining payments of US\$90,000, on June 27, 2018, for an amended total of US\$571,400. As a result, the Company made a payment of \$111,551 (US\$86,400), as amended, and earned a 20% interest in the concessions. In 2018, in relation to these concessions, the Company made total option payments of \$189,017 (US\$146,400). During the six months ended June 30, 2019, the Company made an option payment of \$107,016 (US\$80,000).							
Las Chispas	2	0%	\$ 150,000	\$ -	\$ 26,697	\$ -	\$ 176,697
During 2018, the Company acquired an option to purchase the rights to a mining concession application from a local Mexican company. The Company also agreed to pay US\$150,000 upon receiving 100% title to the concession.							
<b>Total Las Chispas Concessions</b>	<b>28</b>		<b>\$ 430,000</b>	<b>\$ 175,000</b>	<b>\$ 2,803,097</b>	<b>\$ 595,000</b>	<b>\$ 4,003,097</b>

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3. EXPLORATION AND EVALUATION ASSETS (continued)

**Cruz de Mayo Property, Sonora, Mexico**

The following table summarizes the option payments for concessions at the Cruz de Mayo Property in Sonora, Mexico:

Property	# of concessions	Title %	Future option payments (US\$)	Paid in 2019 (US\$)	Paid in 2018 (US\$)	Prior option payments (US\$)	Total option payments (USD\$)
Cruz de Mayo	1	100%	\$ -	\$ -	\$ -	\$ -	\$ -
Cruz de Mayo	1	0%	\$ 655,000	\$ -	\$ 100,000	\$ 245,000	\$ 1,000,000
<b>Total Cruz de Mayo</b>	<b>2</b>		<b>\$ 655,000</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ 245,000</b>	<b>\$ 1,000,000</b>

The Company had an option to purchase a 100% interest in the El Gueriguito concession, which was terminated in December 2017. As a result, during 2017, the Company recorded impairment expense of \$76,387 for related previously capitalized costs. During 2018, the Company reinstated its option agreement for this concession and made payments of \$130,575 (US\$100,000). While the Company continues to have either a 100% interest or the option to purchase a 100% interest in the Cruz de Mayo concessions, no substantive exploration expenditures are currently budgeted nor planned. As a result, during 2018, the Company recorded impairment expense of \$97,488 for all remaining capitalized costs relating to these concessions.

**Other properties in Mexico**

The Company's other Mexican exploration properties include Guadalupe, Angel de Plata, and Estacion Llano.

On February 28, 2018, the Company entered into an option agreement whereby the optionee can earn a 100% interest in the Guadalupe property by making staged payments of \$126,007 (US\$100,000) upon signing (received), \$132,704 (US\$100,000) on February 28, 2019 (received), and US\$300,000 on February 28, 2020. Subsequent to June 30, 2019, the Company agreed to discount the remaining amount to US\$250,000 in exchange for an accelerated payment from the optionee. Accordingly, the Company received US\$250,000 and the optionee exercised its option to earn 100% title to the property. The Company recorded option payments and the reimbursement of concession taxes as a recovery and credited it against the carrying value of the Guadalupe property. At June 30, 2019, the Guadalupe property had a carrying value of \$276,834 (December 31, 2018 – \$409,538).

While the Company continues to have a 100% interest in the Angel de Plata and Estacion Llano properties, no substantive exploration expenditures are currently budgeted nor planned. During 2018, the Company recorded an impairment expense for all previously capitalized costs related to these properties.

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**4. PROPERTY AND EQUIPMENT**

	Building <sup>(1)</sup>	Computer	Equipment	Right of use asset	Vehicle	Land <sup>(2)</sup>	Total
<b>Cost</b>							
Balance at December 31, 2017	\$ -	\$ 32,432	\$ 78,446	\$ -	\$ 107,426	\$ 854,974	\$1,073,278
Additions	-	9,664	629	-	111,756	238,530	360,579
As at December 31, 2018	-	42,096	79,075	-	219,182	1,093,504	1,433,857
Recognition of right of use asset upon initial adoption of accounting policy (note 2)	-	-	-	645,052	-	-	645,052
Additions	198,652	16,081	46,958	-	96,249	-	357,940
As at June 30, 2019	\$ 198,652	\$ 58,177	\$ 126,033	\$ 645,052	\$ 315,431	\$1,093,504	\$2,436,849
<b>Accumulated depreciation</b>							
Balance at December 31, 2017	\$ -	\$ 17,862	\$ 17,143	\$ -	\$ 37,235	\$ -	\$ 72,240
Depreciation for the year	-	8,370	8,009	-	42,354	-	58,733
As at December 31, 2018	-	26,232	25,152	-	79,589	-	130,973
Depreciation for the period <sup>(3)</sup>	4,021	6,113	5,362	70,369	34,423	-	120,288
As at June 30, 2019	\$ 4,021	\$ 32,345	\$ 30,514	\$ 70,369	\$ 114,012	\$ -	\$ 251,261
<b>Carrying amounts</b>							
As at December 31, 2018	\$ -	\$ 15,864	\$ 53,923	\$ -	\$ 139,593	\$1,093,504	\$1,302,884
As at June 30, 2019	\$ 194,631	\$ 25,832	\$ 95,519	\$ 574,683	\$ 201,419	\$1,093,504	\$2,185,588

(1) During the six months ended June 30, 2019, the Company constructed and purchased buildings for use at the Las Chispas Property.

(2) During 2018, the Company purchased land located in Sonora, Mexico.

(3) During the six months ended June 30, 2019, depreciation of \$44,288 (June 30, 2018 – \$25,432) was included in exploration and evaluation assets (note 3)

**5. RELATED PARTY TRANSACTIONS**

**Professional fees**

During the six months ended June 30, 2019, the Company paid or accrued professional fees of \$81,913 (June 30, 2018 – \$41,065) and capital stock issuance costs of \$14,832 (June 30, 2018 – \$111,916), to Koffman Kalef LLP, a law firm of which the Company's Corporate Secretary is a partner. At June 30, 2019, \$15,773 (December 31, 2018 – \$105,375) was payable to Koffman Kalef LLP.

**Key management compensation**

The Company's key management personnel have authority and responsibility for planning, directing, and controlling the activities of the Company and include the Company's Chief Executive Officer ("CEO"), President, Chief Financial Officer ("CFO") and Chief Operating Officer ("COO"). Key management personnel compensation is summarized as follows:

	Six months ended June 30, 2019	Six months ended June 30, 2018
Management fees <sup>(1)</sup>	\$ 167,790	\$ 115,000
Management remuneration <sup>(2)</sup>	350,623	187,570
Director fees	79,241	37,239
Share-based compensation <sup>(3), (4)</sup>	2,437,593	1,515,945
	\$ 3,035,247	\$ 1,855,754

(1) Management fees were paid to a company controlled by the CEO.

5. **RELATED PARTY TRANSACTIONS** (continued)

**Key management compensation** (continued)

- (2) During the six months ended June 30, 2019, remuneration and short-term benefits were paid to the President, CFO, and COO, of which \$120,235 (June 30, 2018 – \$Nil) was recorded as exploration and evaluation expenditures (note 3). During the six months ended June 30, 2018, remuneration and short-term benefits were paid to the President and CFO.
- (3) Share-based compensation is the fair value of the vested portion of stock options that have been granted to directors and officers of the Company.
- (4) During the six months ended June 30, 2019, the Company recorded share-based compensation of \$767,456 (June 30, 2018 – \$Nil) for the vested portion of options granted to the COO and the Company's VP of Exploration, of which \$601,723 was recorded as exploration and evaluation expenditures (note 3) and \$165,733 was expensed.

**Other transactions**

During the six months ended June 30, 2019, the Company:

- paid remuneration of \$81,954 (June 30, 2018 – \$76,295) to the Company's VP of Exploration and Technical Services, who is an immediate family member of the CEO, of which \$44,956 (June 30, 2018 – \$50,587) was recorded as exploration and evaluation expenditures (note 3) and \$36,998 (June 30, 2018 – \$25,709) was expensed. During the six months ended June 30, 2018, before being appointed VP, the Company recorded \$120,302 of share-based compensation for the vested portion of stock options granted to this employee, which was recorded as exploration and evaluation expenditures;
- paid remuneration of \$50,722 (June 30, 2018 – \$45,957) to an employee providing technical services who is an immediate family member of the CEO, of which \$35,142 (June 30, 2018 – \$33,702) was recorded as exploration and evaluation expenditures (note 3) and \$15,580 (June 30, 2018 – \$12,255) was expensed. The Company also recorded share-based compensation of \$48,352 (June 30, 2018 – \$26,880) for the vested portion of stock options granted to this employee, of which \$34,711 (June 30, 2018 – \$26,880) was recorded as exploration and evaluation expenditures (note 3) and \$13,641 (June 30, 2018 – \$Nil) was expensed;
- paid remuneration of \$7,691 (June 30, 2018 – \$Nil) to an employee providing technical services who is an immediate family member of the COO which was recorded as exploration and evaluation expenditures (note 3); and
- recorded loans receivable at June 30, 2019 of \$57,356 (December 31, 2018 – \$40,499) due from officers of the Company.

The Company has an allocation of costs agreement with Goldsource Mines Inc. ("Goldsource"), a company related by common directors and officers, whereby the Company shares salaries, administrative services, and other expenses. During the six months ended June 30, 2019, the Company allocated to Goldsource \$129,999 (June 30, 2018 – \$80,659) for its share of these expenses, of which \$48,062 (December 31, 2018 – \$79,105) was receivable from Goldsource at June 30, 2019.

6. **CAPITAL STOCK**

**Authorized shares**

The Company's authorized capital stock consists of an unlimited number of common shares and an unlimited number of preferred shares without nominal or par value.

**Issued and outstanding**

At June 30, 2019, the Company had 85,798,315 common shares and no preferred shares outstanding.

*Six months ended June 30, 2019*

On January 11, 2019, the Company completed a private placement, with the new COO of the Company, of 100,000 units at a price of \$2.92 per unit for gross proceeds of \$292,000. Each unit consisted of one common share and one half-warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$4.03 per share until January 11, 2021. The Company did not pay a finder's fee in connection with the private placement and incurred \$13,998 of capital stock issuance costs.

The Company cancelled and returned to treasury 62,722 shares pursuant to a depositary agreement dated September 15, 2015 entered into between the Company and Computershare Trust Company of Canada ("Computershare"). Computershare was appointed to act as depositary for common shares of the Company to be distributed to former shareholders of SilverCrest Mines Inc. by a plan of arrangement agreement ("the Arrangement") dated July 26, 2015. Any shares not distributed on or before October 1, 2018, the third anniversary of the date of completion of the Arrangement, were returned to the Company for cancellation.

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**6. CAPITAL STOCK (continued)**

**Issued and outstanding (continued)**

*Six months ended June 30, 2019 (continued)*

The Company issued a total of 443,404 common shares at \$1.45 per common share for gross proceeds of \$642,936 upon the exercise of warrants. The Company also issued 395,000 common shares at prices ranging from \$0.16 to \$2.37 per common share for gross proceeds of \$527,700 upon the exercise of stock options. Accordingly, the Company reallocated \$328,857 from reserves to capital stock.

*Year ended December 31, 2018*

On January 17, 2018, the Company completed a private placement, with the President of the Company, of 451,800 units at a price of \$1.66 per unit for gross proceeds of \$749,988. Each unit consisted of one common share and one half-warrant. Each whole warrant entitles the holder to purchase one common share at a price of \$2.29 per share until January 17, 2020. The Company did not pay a finder's fee in connection with the private placement and incurred \$15,817 of capital stock issuance costs.

On May 17, 2018, the Company completed a prospectus offering of 8,214,450 common shares at a price of \$2.10 per common share for gross proceeds of \$17,250,345. The Company incurred \$1,313,612 of capital stock issuance costs related to the prospectus offering.

On December 7, 2018, the Company completed a private placement with SSR Mining Inc. ("SSR Mining") of 8,220,645 common shares at a price of \$3.73 per common share for gross proceeds of \$30,663,006. The Company did not pay a finder's fee in connection with the private placement and incurred \$245,823 of capital stock issuance costs.

During 2018, the Company issued an aggregate of 236,750 common shares to a mineral property concession holder pursuant to a mineral property option agreement (note 3). The fair value of the shares was \$682,992 and the Company incurred \$10,007 in related capital stock issuance costs.

During 2018, the Company issued 1,052,500 common shares at \$1.45 per common share and 2,458,585 common shares at \$3.00 per common share for total gross proceeds of \$8,901,880 on the exercise of warrants. The Company incurred \$2,257 of related capital stock issuance costs. The Company also issued 685,000 common shares at \$0.16 per common share for gross proceeds of \$109,600 on the exercise of options. Accordingly, the Company reallocated \$64,068 from reserves to capital stock.

During 2018, the Company recovered \$11,656 of capital stock issuance costs for shares issued in prior years.

**Warrants**

Warrant transactions during the period (year) are as follows:

	Six months ended June 30, 2019		Year ended December 31, 2018	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Outstanding, beginning of period (year)	3,959,805	\$ 1.50	7,402,655	\$ 2.00
Issued	50,000	4.03	225,900	2.29
Exercised	(443,404)	1.45	(3,511,085)	2.54
Expired	-	-	(157,665)	3.00
<b>Outstanding, end of period (year)</b>	<b>3,566,401</b>	<b>\$ 1.53</b>	<b>3,959,805</b>	<b>\$ 1.50</b>

The warrants outstanding at June 30, 2019 are as follows:

Expiry date	Exercise price	Remaining life (years)	Number of warrants
December 19, 2019	\$ 1.45	0.47	3,290,501
January 17, 2020	\$ 2.29	0.55	225,900
January 11, 2021	\$ 4.03	1.54	50,000
			<b>3,566,401</b>

The weighted average remaining life of warrants outstanding is 0.49 years.

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**6. CAPITAL STOCK (continued)**

**Stock options**

The Company has a "rolling 10%" Stock Option Plan which authorizes the grant of stock options to directors, officers, employees, and consultants, enabling them to acquire common shares of the Company to a maximum of 10% of the then issued and outstanding common shares. The exercise price of any option will be the market price of the Company's stock as at the date of the grant. The options can be granted for a maximum term of ten years with vesting determined by the Board of Directors.

A summary of the Company's stock option transactions during the period (year) is as follows:

	Six months ended June 30, 2019		Year ended December 31, 2018	
	Number of options	Weighted average exercised price	Number of options	Weighted average exercised price
Outstanding, beginning of period (year)	7,627,500	\$ 1.99	4,825,000	\$ 1.24
Issued	150,000	4.54	3,487,500	2.66
Exercised	(395,000)	1.34	(685,000)	0.16
Outstanding, end of period (year)	7,382,500	\$ 2.07	7,627,500	\$ 1.99

During the six months ended June 30, 2019, the Company granted 150,000 stock options to a new director and employees that can be exercised at a price of \$4.54 per share until May 30, 2024.

During 2018, the Company granted:

- 500,000 stock options, on January 2, 2018, to the President of the Company that can be exercised at a price of \$1.84 per share until January 2, 2023;
- 955,000 stock options to directors, officers, employees, and consultants that can be exercised at a price of \$1.94 per share until January 4, 2023;
- 50,000 stock options to an employee that can be exercised at a price of \$2.37 per share until March 1, 2023;
- 100,000 stock options to a director that can be exercised at a price of \$2.69 per share until May 31, 2023;
- 100,000 stock options to a director that can be exercised at a price of \$3.41 per share until November 11, 2023;
- 200,000 stock options to the COO that can be exercised at a price of \$3.30 per share until November 13, 2023; and
- 1,582,500 stock options to directors, officers, employees, and consultants that can be exercised at a price of \$3.24 per share until December 14, 2023.

Options granted during 2019 and 2018 vest over a one-year period, with 25% vesting after each of three months, six months, nine months, and twelve months after the grant date, respectively.

Stock options outstanding and exercisable at June 30, 2019 are as follows:

Expiry date	Exercise price	Options outstanding		Options exercisable
		Number of shares issuable on exercise	Remaining life (years)	Number of shares issuable on exercise
December 9, 2020	\$ 0.16	1,400,000	1.45	1,400,000
October 17, 2021	\$ 2.56	100,000	2.30	100,000
December 9, 2021	\$ 2.30	1,425,000	2.45	1,425,000
January 3, 2022	\$ 2.55	100,000	2.52	100,000
August 4, 2022	\$ 1.88	810,000	3.10	810,000
January 2, 2023	\$ 1.84	500,000	3.51	500,000
January 4, 2023	\$ 1.94	915,000	3.52	915,000
May 31, 2023	\$ 2.69	100,000	3.92	100,000
November 11, 2023	\$ 3.41	100,000	4.37	50,000
November 13, 2023	\$ 3.30	200,000	4.38	100,000
December 14, 2023	\$ 3.24	1,582,500	4.46	791,250
May 30, 2024	\$ 4.54	150,000	4.92	-
		7,382,500		6,291,250

The weighted average remaining life of options outstanding is 3.11 years.



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6. **CAPITAL STOCK** (continued)

**Share-based compensation**

The fair value of options granted during the six months ended June 30, 2019 and during 2018 was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	Six months ended June 30, 2019	Year ended December 31, 2018
Expected option life (years)	4.33	4.67
Expected volatility	72.92%	88.62%
Expected dividend yield	-	-
Risk-free interest rate	1.46%	2.00%
Expected forfeiture rate	1.00%	1.00%
Fair value per share	\$ 2.53	\$ 1.74
<b>Total fair value</b>	<b>\$ 379,103</b>	<b>\$ 6,069,960</b>

During the six months ended June 30, 2019, the Company recognized share-based compensation expense of \$66,653 for the vested portion of options granted during the period. The Company also recognized share-based compensation of \$2,700,555 for the vested portion of options granted during 2018, for which \$1,897,857 was expensed and \$802,698 was capitalized as exploration expenditures (note 3).

During the six months ended June 30, 2018, the Company recognized share-based compensation expense of \$1,620,484 for the vested portion of stock options granted during that period, of which \$1,398,254 was expensed and \$222,230 was capitalized as exploration expenditures. The Company also recognized share-based compensation of \$259,193 for the vested portion of stock options previously granted during 2017, of which \$215,737 was expensed and \$43,456 was capitalized as exploration expenditures.

**Share-based payment reserve**

The share-based payment reserve records items recognized as share-based compensation and the fair value of private placement warrants issued based on the residual method. At the time that stock options or warrants are exercised, the corresponding amount is reallocated to share capital or, if cancelled or expired, the corresponding amount is reallocated to deficit.

A summary of share-based payment reserve transactions is as follows:

	Six months ended June 30, 2019	Year ended December 31, 2018
Balance, beginning of period (year)	\$ 6,196,165	\$ 3,278,378
Share-based compensation	2,767,208	2,981,855
Stock options exercised, reallocated to capital stock	(328,857)	(64,068)
<b>Balance, end of period (year)</b>	<b>\$ 8,634,516</b>	<b>\$ 6,196,165</b>

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**7. SEGMENTED INFORMATION**

The Company operates in one reportable segment, being the acquisition and exploration of mineral property interests in Mexico.

Geographical segmented information is presented as follows:

	Canada	Mexico	Total
<b><u>Comprehensive loss</u></b>			
<b>Six months ended June 30, 2019</b>			
Net loss for the period	\$ 4,759,127	\$ 159,428	\$ 4,918,555
<b>Six months ended June 30, 2018</b>			
Net loss (income) for the period	\$ 2,613,163	\$ (109,817)	\$ 2,503,346
<b><u>Assets and liabilities</u></b>			
<b>June 30, 2019</b>			
Taxes receivable	\$ -	\$ 5,264,895	\$ 5,264,895
Deposits	\$ 226,703	\$ -	\$ 226,703
Property and equipment	\$ 598,169	\$ 1,587,419	\$ 2,185,588
Exploration and evaluation assets	\$ -	\$ 50,351,624	\$ 50,351,624
<b>December 31, 2018</b>			
Taxes receivable	\$ -	\$ 3,877,934	\$ 3,877,934
Deposits	\$ 70,553	\$ -	\$ 70,553
Property and equipment	\$ 10,053	\$ 1,292,831	\$ 1,302,884
Exploration and evaluation assets	\$ -	\$ 31,615,763	\$ 31,615,763

**8. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS**

**Financial instruments carrying value and fair value**

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, and accounts payable. The carrying value of amounts receivable and accounts payable approximate their fair values due to the short-term nature of these instruments.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means. Level 3 inputs are unobservable (supported by little or no market activity). The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. The Company's cash and cash equivalents are measured using level 1 inputs.

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8. **FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS** (continued)

The following table summarizes the classification and carrying values of the Company's financial instruments:

		FVTPL	Amortized cost (financial assets)	Amortized cost (financial liabilities)	Total
<b>June 30, 2019</b>					
<b>Financial assets</b>					
Cash and cash equivalents	\$	25,694,452	\$ -	\$ -	\$ 25,694,452
Amounts receivable		-	380,659	-	380,659
<b>Total financial assets</b>	<b>\$</b>	<b>25,694,452</b>	<b>\$ 380,659</b>	<b>\$ -</b>	<b>\$ 26,075,111</b>
<b>Financial liabilities</b>					
Accounts payable and accrued liabilities	\$	-	\$ -	\$ 4,589,733	\$ 4,589,733
Lease liability		-	-	585,021	585,021
<b>Total financial liabilities</b>	<b>\$</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 5,174,754</b>	<b>\$ 5,174,754</b>
<b>December 31, 2018</b>					
<b>Financial assets</b>					
Cash and cash equivalents	\$	44,013,742	\$ -	\$ -	\$ 44,013,742
Amounts receivable		-	170,574	-	170,574
<b>Total financial assets</b>	<b>\$</b>	<b>44,013,742</b>	<b>\$ 170,574</b>	<b>\$ -</b>	<b>\$ 44,184,316</b>
<b>Financial liabilities</b>					
Accounts payable and accrued liabilities	\$	-	\$ -	\$ 1,462,538	\$ 1,462,538

9. **SUBSEQUENT EVENTS**

Subsequent to June 30, 2019, the Company:

- The Company entered into an agreement with a syndicate of underwriters for a prospectus offering, pursuant to which the underwriters have agreed to purchase, on a bought-deal basis, 4,326,300 common shares of the Company at a price of \$5.85 per common share for aggregate gross proceeds to the Company of \$25,308,855. The Company will pay cash commissions of up to 5% in connection with the offering. The prospectus offering is expected to close on or around August 15, 2019 and is subject to a number of conditions, including receipt of all necessary regulatory approvals;
- SSR Mining has indicated that it will elect to exercise its right to maintain its pro rata ownership interest of up to 9.9% of the outstanding common shares of the Company pursuant to an agreement between the Company and SSR Mining dated November 28, 2018. Accordingly, SSR Mining has agreed to purchase pursuant to a separate non-brokered private placement 780,000 common shares at a price of \$5.85 per share for aggregate gross proceeds of \$4,563,000. The private placement with SSR Mining is expected to close concurrently with, or not more than three business days after, the completion of the prospectus offering; and
- Issued 36,000 common shares at \$1.45 per share for gross proceeds of \$52,200 upon the exercise of warrants and 315,000 common shares at prices ranging from \$0.16 to \$3.24 per share for gross proceeds of \$334,400 upon the exercise of stock options.