



# SilverCrest

METALS

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022

**SILVERCREST METALS INC.**  
**TABLE OF CONTENTS**

---

	<b>Page</b>
Condensed Consolidated Interim Statements of Financial Position	3
Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Loss	4
Condensed Consolidated Interim Statements of Cash Flows	5
Condensed Consolidated Interim Statement of Shareholders' Equity	6
Notes to the Condensed Consolidated Interim Financial Statements	7 – 21

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

	June 30, 2022	December 31, 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 118,581	\$ 176,515
Amounts receivable (note 7)	169	88
Value-added taxes receivable	18,060	10,211
Inventory (note 3)	19,422	-
Prepaid expenses and other	1,259	3,303
<b>Total current assets</b>	<b>157,491</b>	<b>190,117</b>
<b>Non-current assets</b>		
Value-added taxes receivable	8,290	13,082
Deposits	90	92
Mineral property, plant and equipment (note 4)	199,991	165,686
<b>Total non-current assets</b>	<b>208,371</b>	<b>178,860</b>
<b>TOTAL ASSETS</b>	<b>\$ 365,862</b>	<b>\$ 368,977</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (notes 7 and 8)	\$ 10,618	\$ 10,385
Lease liabilities	161	178
<b>Total current liabilities</b>	<b>10,779</b>	<b>10,563</b>
<b>Non-current liabilities</b>		
Lease liabilities	201	263
Debt (note 5)	87,543	87,168
Reclamation and closure provision (note 6)	2,645	2,713
<b>Total liabilities</b>	<b>101,168</b>	<b>100,707</b>
<b>Shareholders' equity</b>		
Capital stock (note 8)	403,143	401,736
Share-based payment reserve (note 8)	10,762	9,782
Foreign currency translation reserve	7,361	14,194
Deficit	(156,572)	(157,442)
<b>Total shareholders' equity</b>	<b>264,694</b>	<b>268,270</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 365,862</b>	<b>\$ 368,977</b>

Nature of operations (note 1)

Commitments (note 4)

Subsequent events (note 10)

Approved by the Board and authorized for issue on August 10, 2022:

*"N. Eric Fier"*

Director

*"Graham C. Thody"*

Director

## SILVERCREST METALS INC.

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE LOSS

(UNAUDITED - EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS, EXCEPT FOR PER SHARE AMOUNTS; SHARES IN THOUSANDS)  
FOR THE THREE AND SIX MONTHS ENDED JUNE 30,

	Three months ended		Six months ended	
	2022	2021	2022	2021
<b>Operating expenses</b>				
Exploration and evaluation expenditures	\$ (1,635)	\$ (2,472)	\$ (3,389)	\$ (4,595)
Depreciation (note 4)	(15)	(18)	(29)	(33)
General and administrative expenses	(544)	(518)	(1,125)	(976)
Marketing	(160)	(143)	(314)	(331)
Professional fees (note 7)	(246)	(255)	(501)	(581)
Remuneration (note 7)	(555)	(551)	(1,203)	(1,045)
Share-based compensation recovery (expense) (notes 7 and 8)	41	(321)	(379)	(861)
	(3,114)	(4,278)	(6,940)	(8,422)
<b>Other income (expense)</b>				
Foreign exchange gain (loss)	12,025	(5,232)	6,725	(13,692)
Interest expense	(66)	(7)	(127)	(14)
Interest income	760	468	1,143	681
<b>Income (loss) before income taxes</b>	9,605	(9,049)	801	(21,447)
Income tax recovery (expense)	-	(32)	57	(286)
<b>Income (loss) for the period</b>	\$ 9,605	\$ (9,081)	\$ 858	\$ (21,733)
<b>Other comprehensive income (loss)</b>				
Foreign currency translation adjustment	(12,832)	6,006	(6,833)	14,633
<b>Comprehensive loss for the period</b>	\$ (3,227)	\$ (3,075)	\$ (5,975)	\$ (7,100)
<b>Basic income (loss) per common share</b>	\$ 0.07	\$ (0.06)	\$ 0.01	\$ (0.16)
<b>Diluted income (loss) per common share</b>	\$ 0.06	\$ (0.06)	\$ 0.01	\$ (0.16)
<b>Weighted average number of common shares outstanding</b>				
Basic	145,949	144,548	145,828	140,076
Diluted	152,114	144,548	152,062	140,076

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 THOUSANDS OF UNITED STATES DOLLARS)**  
**FOR THE SIX MONTHS ENDED JUNE 30,**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss) for the period	\$ 858	\$ (21,733)
Adjustments for:		
Depreciation (note 4)	29	33
Foreign exchange (gain) loss, unrealized	(3,163)	9,292
Income tax recovery	(57)	-
Interest expense	127	14
Interest income	(1,143)	(681)
Share-based compensation	597	976
Changes in non-cash working capital items:		
Amounts receivable	4	58
Value-added taxes receivable	(3,059)	(2,736)
Inventory	(7,260)	-
Prepays and deposits	1,068	342
Accounts payable and accrued liabilities	(1,275)	(2,068)
<b>Net cash used in operating activities</b>	<b>(13,274)</b>	<b>(16,503)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,055	866
Expenditures on mineral properties, plant and equipment	(39,047)	(55,630)
<b>Net cash used in investing activities</b>	<b>(37,992)</b>	<b>(54,764)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital stock issued	854	139,213
Capital stock issuance costs	-	(6,679)
Loan interest payment	(3,824)	(1,275)
Payment of lease liabilities	(79)	(74)
<b>Net cash (used in) provided by financing activities</b>	<b>(3,049)</b>	<b>131,185</b>
Effect of foreign exchange on cash and cash equivalents	(3,619)	5,340
<b>Change in cash and cash equivalents, during the period</b>	<b>(57,934)</b>	<b>65,258</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>176,515</b>	<b>135,136</b>
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 118,581</b>	<b>\$ 200,394</b>
<b>Cash and cash equivalents is represented by:</b>		
Cash	\$ 87,534	\$ 109,573
Cash equivalents	31,047	90,821
<b>Total cash and cash equivalents</b>	<b>\$ 118,581</b>	<b>\$ 200,394</b>
<b>Non-cash investing activities</b>		
Capitalized to mineral property, plant, and equipment		
Transfer to inventory	\$ (8,277)	\$ -
Accounts payable and accrued liabilities	\$ 4,404	\$ 12,909
Depreciation (note 4)	\$ 1,234	\$ 470
Loan interest and accretion (note 5)	\$ 1,303	\$ 102
Share-based compensation	\$ 914	\$ 534
Right-of-use asset recognized	\$ -	\$ 208
Interest on lease liabilities	\$ 8	\$ -
Change in reclamation and closure provision	\$ (146)	\$ -
<b>Supplementary cash flow information</b>		
Mineral property, plant, and equipment in accounts payable and accrued liabilities	\$ 4,404	\$ 6,611

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

**SILVERCREST METALS INC.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF SHAREHOLDERS' EQUITY**  
**(UNAUDITED - EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS; SHARES IN THOUSANDS)**

	Capital stock		Share-based payment reserve	Foreign currency translation reserve	Deficit	Total
	Number	Amount				
<b>Balance at December 31, 2020</b>	129,329	\$ 265,939	\$ 8,978	\$ 8,869	\$ (134,786)	\$ 149,000
Capital stock issued	15,008	138,069	-	-	-	138,069
Capital stock issuance costs	-	(6,645)	-	-	-	(6,645)
Stock options exercised	526	1,850	(706)	-	-	1,144
Stock options forfeited	-	-	(86)	-	86	-
Share-based compensation, stock options	-	-	1,103	-	-	1,103
Foreign exchange translation	-	-	-	14,633	-	14,633
Net loss for the period	-	-	-	-	(21,733)	(21,733)
<b>Balance at June 30, 2021</b>	144,863	\$ 399,213	\$ 9,289	\$ 23,502	\$ (156,433)	\$ 275,571
Stock options exercised	786	2,523	(913)	-	-	1,610
Stock options forfeited	-	-	(22)	-	22	-
Share-based compensation, stock options	-	-	1,428	-	-	1,428
Foreign exchange translation	-	-	-	(9,308)	-	(9,308)
Net loss for the period	-	-	-	-	(1,031)	(1,031)
<b>Balance at December 31, 2021</b>	145,649	\$ 401,736	\$ 9,782	\$ 14,194	\$ (157,442)	\$ 268,270
Stock options exercised (note 8)	470	1,407	(553)	-	-	854
Stock options forfeited (note 8)	-	-	(12)	-	12	-
Share-based compensation, stock options (note 8)	-	-	1,545	-	-	1,545
Foreign exchange translation	-	-	-	(6,833)	-	(6,833)
Net income for the period	-	-	-	-	858	858
<b>Balance at June 30, 2022</b>	146,119	\$ 403,143	\$ 10,762	\$ 7,361	\$ (156,572)	\$ 264,694

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

**1. NATURE OF OPERATIONS**

SilverCrest Metals Inc. (the “Company” or “SilverCrest”) is a Canadian precious metals exploration and development 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 Toronto Stock Exchange (“TSX”) 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 19<sup>th</sup> Floor, 885 West Georgia Street, Vancouver, BC, Canada, V6C 3H4.

The Company’s primary development asset is the Las Chispas Mine, located in Sonora, Mexico.

The Company’s business could be adversely affected by the effects of the ongoing outbreak of respiratory illness caused by the novel coronavirus (“COVID-19”). Since early March 2020, significant measures have been implemented in Canada, Mexico, and the rest of the world by governmental authorities in response to COVID-19. The Company cannot accurately predict the impact COVID-19 will have on the ability of third parties to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of the COVID-19 globally could materially and adversely impact the Company’s business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions on planned drill and exploration programs, restrictions on the commissioning of the Company’s process plant, and other factors that depend on future developments beyond the Company’s control. The current circumstances are dynamic and the impacts of COVID-19 on the Company’s development and exploration activities, including the impact on the commissioning schedule of its process plant, cannot be reasonably estimated at this time. The recent increase in COVID-19 cases and variants globally may impact the Company’s operations due to additional government mandated shutdowns or closures.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**Statement of Compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 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, 2021, which include information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the Company’s significant accounting policies and use of judgments and estimates were presented in notes 2 and 3, respectively, of those consolidated financial statements and have been consistently applied in the preparation of these condensed consolidated interim financial statements. In addition, the Company recognized a new critical judgment related to determining whether assets are ready for their intended use. Please refer to note 4 “*Mineral Property, Plant, and Equipment*” for further details.

**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.

These condensed consolidated interim financial statements were approved for issuance by the Board of Directors on August 10, 2022.

**Basis of consolidation**

These condensed consolidated interim financial statements incorporate the financial statements of the Company and its subsidiaries, all of which are wholly owned. There has been no change to the Company’s subsidiaries since December 31, 2021. The Company consolidates subsidiaries where the Company can exercise control. Control is achieved when the Company is exposed to variable returns from involvement with an investee and can 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. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition of control up to the effective date of loss of control. Intercompany assets, liabilities, equity, income, expenses, and cash flows between the Company and its subsidiaries are eliminated on consolidation.

SILVERCREST METALS INC.  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(UNAUDITED - EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)  
SIX MONTHS ENDED JUNE 30, 2022

---

3. INVENTORY

The Company's inventory comprised of the following:

	June 30, 2022 <sup>(1)</sup>
Stockpiled ore	\$ 16,433
Work-in-process	270
Finished goods – doré	104
Materials and supplies	2,615
<u>Total current inventory</u>	<u>\$ 19,422</u>

<sup>(1)</sup> The Company did not have any inventory recorded at December 31, 2021.

Stockpiled ore, work-in-process, and finished goods are measured at the lower of weighted average cost and net realizable market value ("NRV"). NRV is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future costs to convert the inventories into saleable form and estimated costs to sell.

Ore extracted from the Las Chispas Mine is stockpiled and subsequently processed into work-in-process and finished goods. Costs are included in work-in-process inventory based on current costs incurred up to the point prior to the refining process, including applicable depreciation and depletion of mining interests, and removed at the weighted average cost per recoverable ounce of silver equivalent. The average costs of finished goods represent the average costs of work-in-process inventories incurred prior to the refining process, plus applicable refining costs. As the Las Chispas Mine is not yet in commercial production, no depletion was recorded during the six months ended June 30, 2022.

Work-in-process inventory includes inventories in the milling process, in tanks, and precipitates. Finished goods inventory includes metals in their final stage of production prior to sale, including primarily doré at the mine site or in transit, and refined metal held at a refinery.

Any write-downs of inventory to NRV are recorded as cost of sales. If there is a subsequent increase in the value of inventories, the previous write-downs to NRV are reversed to the extent that the related inventory has not been sold.

Materials and supplies are measured at weighted average cost. In the event that the NRV of the finished goods, the production of which the supplies are held for use in, is lower than the expected cost of the finished product, the supplies are written down to their NRV.



SILVERCREST METALS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(UNAUDITED - EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)

SIX MONTHS ENDED JUNE 30, 2022

4. **MINERAL PROPERTY, PLANT, AND EQUIPMENT**

	Property and equipment	Construction in progress	Mineral property	Exploration and evaluation assets	Total
<b>Cost</b>					
At December 31, 2020	\$ 4,181	\$ 28,768	\$ 4,312	\$ 2,488	\$ 39,749
Additions	9,553	60,598	57,973	-	128,124
Transfers	5,083	(5,083)	-	-	-
At December 31, 2021	18,817	84,283	62,285	2,488	167,873
Additions	3,592	14,032	31,599	-	49,223
Transfers	1,869	(1,869)	-	-	-
Transfers to inventory (note 3)	-	-	(13,655)	-	(13,655)
At June 30, 2022	\$ 24,278	\$ 96,446	\$ 80,229	\$ 2,488	\$ 203,441
<b>Accumulated depreciation</b>					
At December 31, 2020	\$ (740)	\$ -	\$ -	\$ -	\$ (740)
Depreciation for the year	(1,447)	-	-	-	(1,447)
At December 31, 2021	(2,187)	-	-	-	(2,187)
Depreciation for the period	(1,263)	-	-	-	(1,263)
At June 30, 2022	\$ (3,450)	\$ -	\$ -	\$ -	\$ (3,450)
<b>Carrying amounts</b>					
At December 31, 2021	\$ 16,630	\$ 84,283	\$ 62,285	\$ 2,488	\$ 165,686
At June 30, 2022	\$ 20,828	\$ 96,446	\$ 80,229	\$ 2,488	\$ 199,991

On December 31, 2020, the Company's subsidiary entered into an engineering, procurement, and construction ("EPC") agreement with Ausenco Engineering Canada Inc. and its affiliate ("Ausenco") to construct a 1,250 tonne per day process plant at Las Chispas. The EPC agreement has a fixed price of \$76,455 and at June 30, 2022, the Company had incurred \$75,690 in milestone payments (December 31, 2021 – \$68,580) which were recorded as construction in progress.

At June 30, 2022, the Company had committed to incur an additional \$893, including \$765 to Ausenco, of costs related to construction in progress.

At the end of May 2022, Ausenco completed construction of the Las Chispas processing plant which allowed the Company to start commissioning activities of the processing plant. Commissioning includes the processing of stockpiled ore and the production of doré for sale. Accordingly, the Company concluded that the stockpiled ore should be presented as inventory, with an appropriate allocation of costs. Consequently, \$13,655 of costs incurred from January 1, 2021 to June 30, 2022, and previously presented within mineral property costs, have been reclassified to inventory.

*Critical Judgment - mineral property, plant, and equipment and assets ready for intended use*

Determining when the Las Chispas Mine, processing plant, and other assets are in the condition necessary to be capable of operating in the manner intended by management is a matter of judgment. The Company has established a framework in the context of IAS 16 – Property, Plant and Equipment with respect to determining when the Las Chispas Mine and processing plant are deemed to be capable of operating in the manner intended by management. This framework considers factors such as the physical and technical performance of the asset. At June 30, 2022, management determined that the Las Chispas Mine was not yet capable of operating in the manner intended by management. Certain other assets were also determined to not yet be capable of operating in the manner intended and as such no depreciation was recorded on these assets.

**SILVERCREST METALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****(UNAUDITED - EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)****SIX MONTHS ENDED JUNE 30, 2022****5. DEBT**

On December 31, 2020, the Company's subsidiary entered into a credit agreement for a secured project financing facility (the "facility") for the Las Chispas Mine of up to \$120,000. The Company drew \$30,000 on December 31, 2020, as required, and made drawdowns of \$30,000 on both August 31, 2021 and December 30, 2021. The remaining \$30,000 is available until August 31, 2022; however, the Company has decided it will not draw down on this amount and as such reclassified \$936 of related transaction costs from prepaid expenses and other to mineral property, plant, and equipment.

All amounts borrowed under the facility are due on December 31, 2024. The Company may voluntarily prepay amounts borrowed under the facility but would incur fees of 3.0% or 1.5% of the prepaid principal amount if prepaid before December 31, 2023 or December 31, 2024, respectively. During the six months ended June 30, 2022, the Company did not prepay any borrowed amounts.

Amounts borrowed under the facility and any deferred interest payments incur interest at a rate of 6.95% per annum plus the greater of either 3-month LIBOR (or agreed upon equivalent) or 1.5%. Interest is payable quarterly, and the Company has the option to defer interest payments until after the availability period which, subject to the draw-down schedule noted above, is December 31, 2020 to August 31, 2022. During the six months ended June 30, 2022, the Company did not exercise its option to defer interest payments and made interest payments of \$3,824.

In August 2020, the IASB issued *Interest Rate Benchmark Reform – Phase 2*, which amends *IFRS 9 – Financial Instruments*, and addresses how to account for changes in contractual cash flows that may result due to the transition from LIBOR to alternative interest rate benchmarks. At June 30, 2022, the Company and the lender had not agreed upon an equivalent benchmark to 3-month LIBOR. The Company anticipates a replacement benchmark will be determined in June 2023, when the 3-month LIBOR rate will be phased out. However, once a new benchmark is agreed upon, the Company may be required to re-estimate the contractual cash flows based on a new effective interest rate which could result in an adjustment to the carrying value of the debt.

All debts under the facility are guaranteed by the Company and its subsidiaries and secured by the assets of the Company and pledges of the securities of the Company's subsidiaries. In connection with the facility, the Company must also maintain a certain working capital ratio and adhere to other non-financial covenants. As at June 30, 2022, the Company was in compliance with these covenants.

The debt has been recorded at amortized cost, net of transaction costs, and will be accreted to face value over the life of the debt using the effective interest rate method. During the six months ended June 30, 2022, interest cost recorded on the facility of \$4,199 (June 30, 2021 - \$1,377) was capitalized to mineral property.

The Company paid a 3% arrangement fee of \$3,600 on December 31, 2020 of which \$900 was recorded as a transaction cost and \$2,700 was recorded as a prepaid expense, in proportion to the amount of debt drawn on the facility. The Company also incurred \$531 in related transaction costs of which \$133 was recorded as a transaction cost and \$398 was recorded as a prepaid expense (on the same pro rata basis).

A summary of debt transactions is as follows:

	June 30, 2022	December 31, 2021
Balance, beginning of period (year)	\$ 87,168	\$ 28,967
Drawdown	-	60,000
Interest expense (capitalized to mineral property, plant and equipment)	4,199	3,703
Interest payment	(3,824)	(3,436)
Transaction costs	-	(2,066)
Balance, end of period (year)	\$ 87,543	\$ 87,168

**SILVERCREST METALS INC.****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS****(UNAUDITED - EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)****SIX MONTHS ENDED JUNE 30, 2022****6. RECLAMATION AND CLOSURE PROVISION**

Changes to the reclamation and closure provision were as follows:

	June 30, 2022	December 31, 2021
Balance, beginning of period (year)	\$ 2,713	\$ -
Increase in estimated cash flows resulting from current activities	295	2,713
Changes in estimate	(441)	-
Accretion	117	-
Effect of changes in foreign exchange rates	(39)	-
Balance, end of period (year)	\$ 2,645	\$ 2,713

The reclamation and closure cost provision is calculated as the present value of estimated future net cash outflows based on the following key assumptions:

- The discount rate used in discounting the estimated reclamation and closure cost provision was 9.2% (2021 - 5.5%) during the six months ended June 30, 2022 and is a risk-free rate based on the Bank of Mexico's 10 year bond rate.
- The majority of the expenditures are expected to occur in 2031.
- A 1% change in the discount rate would result in an approximately \$200 increase or decrease in the provision, while holding other assumptions consistent.

The undiscounted value of the reclamation and closure provision is estimated to be \$5,602 which is calculated using a long-term inflation rate assumption of 5.2%.

**7. RELATED PARTY TRANSACTIONS****Professional fees**

During the six months ended June 30, 2022 and 2021, the Company had the following transactions with Koffman Kalef LLP, a law firm of which the Company's Corporate Secretary is a partner.

	Six months ended June 30, 2022	Six months ended June 30, 2021
Professional fees – expense	\$ 68	\$ 82
Professional fees – capital stock issuance costs	\$ -	\$ 126

  

	June 30, 2022	December 31, 2021
Payable to Koffman Kalef LLP	\$ 2	\$ 6

SILVERCREST METALS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(UNAUDITED - EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)

SIX MONTHS ENDED JUNE 30, 2022

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

**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"), Chief Operating Officer ("COO"), and directors. Key management personnel compensation is summarized as follows:

	Mineral property, plant, and equipment	Expensed		Total
		Remuneration expense	Exploration and evaluation expenditures	
<b>Six months ended June 30, 2022</b>				
Management fees <sup>(1)</sup>	\$ 79	\$ 59	\$ 62	\$ 200
Management remuneration <sup>(2)</sup>	217	184	17	418
Director fees	-	132	-	132
Share-based compensation – stock options	259	246	78	583
Share-based compensation – restricted share units	34	28	11	73
	\$ 589	\$ 649	\$ 168	\$ 1,406
<b>Six months ended June 30, 2021</b>				
Management fees <sup>(1)</sup>	\$ 97	\$ 48	\$ 49	\$ 194
Management remuneration <sup>(2)</sup>	179	241	7	427
Director fees	-	140	-	140
Share-based compensation – stock options	181	234	39	454
	\$ 457	\$ 663	\$ 95	\$ 1,215

<sup>(1)</sup> Total management fees were paid to a company controlled by the CEO.

<sup>(2)</sup> Remuneration and short-term benefits were paid to the President, CFO, and COO.

**Other transactions**

- The Company has an employee providing technical services who is an immediate family member of the CEO. During the six months ended June 30, 2022 and 2021, the Company recorded the following for this employee:

	Mineral property, plant, and equipment	Expensed		Total
		Remuneration expense	Exploration and evaluation expenditures	
<b>Six months ended June 30, 2022</b>				
Remuneration	\$ 33	\$ 7	\$ 28	\$ 68
Share-based compensation – stock options	18	4	15	37
Share-based compensation – restricted share units	2	-	2	4
	\$ 53	\$ 11	\$ 45	\$ 109
<b>Six months ended June 30, 2021</b>				
Remuneration	\$ 34	\$ 13	\$ 18	\$ 65
Share-based compensation – stock options	18	7	9	34
	\$ 52	\$ 20	\$ 27	\$ 99

- The Company recorded a loan receivable due from an officer of the Company. The loan accrues interest at a rate of 2% per annum and is due December 31, 2022. The loan receivable balance is as follows:

	June 30, 2022	December 31, 2021
Loan receivable	\$ 43	\$ 44

**7. RELATED PARTY TRANSACTIONS (continued)****Other transactions (continued)**

- 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. Amounts allocated to Goldsource are due at the end of each fiscal quarter and accrue interest at a rate of 1% per month, if in arrears for greater than 30 days. During the six months ended June 30, 2022 and 2021, the following transactions occurred:

	Six months ended June 30, 2022	Six months ended June 30, 2021
Costs allocated to Goldsource	\$ 40	\$ 46

  

	June 30, 2022	December 31, 2021
Receivable from Goldsource	\$ 18	\$ 23

**8. 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**

As of June 30, 2022, the Company had 146,118,764 common shares and no preferred shares outstanding.

*Six months ended June 30, 2022*

During the six months ended June 30, 2022, the Company issued 470,000 common shares at prices ranging from C\$1.84 per share to C\$8.24 per share for gross proceeds of \$854 upon the exercise of stock options.

*Year ended December 31, 2021*

In February 2021, the Company completed a prospectus offering of 15,007,500 common shares at a price of US\$9.20 per common share for gross proceeds of \$138,069. The Company incurred \$6,645 of related capital stock issue costs.

The Company also issued 1,311,633 common shares at prices ranging from C\$1.88 per share to C\$8.24 per share for gross proceeds of \$2,754 upon the exercise of stock options.

**Stock options**

During the six months ended June 30, 2022, the Company's Board of Directors and shareholders approved a new stock option plan (the "New SOP") which, subject to TSX approval, will replace the old Stock Option Plan that remained in effect at June 30, 2022. Like the old Stock Option Plan, the New SOP is a "rolling 5.5%" 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 5.5% of the then issued and outstanding common shares. Subsequent to June 30, 2022, the TSX approved the New SOP and as such it was adopted by the Company replacing the old Stock Option Plan.

SILVERCREST METALS INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(UNAUDITED - EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)

SIX MONTHS ENDED JUNE 30, 2022

8. **CAPITAL STOCK** (continued)

Stock options (continued)

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

	Six months ended June 30, 2022		Year ended December 31, 2021	
	Number of options	Weighted average exercised price (C\$)	Number of options	Weighted average exercised price (C\$)
Outstanding, beginning of period (year)	6,216,700	\$ 6.37	6,031,500	\$ 4.55
Granted	227,000	10.14	1,562,500	10.36
Exercised*	(470,000)	2.31	(1,311,633)	2.63
Forfeited	(15,000)	10.80	(65,667)	8.80
Outstanding, end of period (year)	5,958,700	\$ 6.82	6,216,700	\$ 6.37

\*During the six months ended June 30, 2022, the weighted average market value of the Company's shares at the dates of exercise was C\$10.64 (December 31, 2021 – C\$11.04).

During the six months ended June 30, 2022, the Company granted 227,000 stock options to certain employees and a contractor with exercise prices ranging from C\$9.69 to C\$11.14 and expiring five years from the grant date. These options vest over a 3-year period with 1/3 of the options vesting after each of one year, two years, and three years after the grant date, respectively.

During 2021, the Company granted 1,562,500 stock options to officers, employees, and contractors with exercise prices ranging from C\$9.79 to C\$10.87 and expiring five years from the grant date. These options vest over a 3-year period with 1/3 vesting after each of one year, two years, and three years after the grant date, respectively.

Stock options outstanding and exercisable as of June 30, 2022 are as follows:

Expiry date	Exercise price (C\$)	Options outstanding		Options exercisable
		Number of shares issuable on exercise	Remaining life (years)	Number of shares issuable on exercise
August 4, 2022*	\$ 1.88	312,500	0.10	312,500
January 2, 2023	\$ 1.84	55,000	0.51	55,000
January 4, 2023	\$ 1.94	570,000	0.52	570,000
November 13, 2023	\$ 3.30	100,000	1.37	100,000
December 14, 2023	\$ 3.24	1,235,000	1.46	1,235,000
May 30, 2024	\$ 4.54	110,250	1.92	110,250
September 4, 2024	\$ 8.21	842,500	2.18	842,500
December 19, 2024	\$ 8.24	747,950	2.47	492,532
September 14, 2025	\$ 12.53	150,000	3.21	50,000
November 11, 2025	\$ 12.63	25,000	3.37	8,333
December 7, 2025	\$ 11.22	50,000	3.44	16,667
February 25, 2026	\$ 10.87	742,000	3.66	247,333
July 26, 2026	\$ 9.97	100,000	4.07	-
August 3, 2026	\$ 10.80	37,500	4.10	-
December 21, 2026	\$ 9.79	654,000	4.48	-
April 1, 2027	\$ 11.14	70,000	4.76	-
May 2, 2027	\$ 9.69	157,000	4.84	-
		5,958,700		4,040,115

\*Subsequent to June 30, 2022, all 312,500 of these stock options were exercised.

The weighted average remaining life of options outstanding is 2.39 years.

**SILVERCREST METALS INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED - EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)**  
**SIX MONTHS ENDED JUNE 30, 2022**

**8. CAPITAL STOCK (continued)**

**Share-based compensation**

The fair value of options granted during 2022 was estimated using the Black-Scholes Option Pricing Model using the following weighted average assumptions:

	Six months ended June 30, 2022	Year ended December 31, 2021
Expected option life (years)	3.00	3.56
Expected volatility	56.28%	54.90%
Expected dividend yield	-	-
Risk-free interest rate	2.52%	0.72%
Expected forfeiture rate	1.00%	1.00%
Fair value per option (C\$)	\$ 3.99	\$ 4.12
Total fair value	\$ 712	\$ 5,137

A summary of the Company's share-based compensation for options vested during the period (year) is as follows:

	Six months ended June 30, 2022	Year ended December 31, 2021
Portion of options granted during 2019 which vested in the period (year)		
Share-based compensation expense	\$ 41	\$ 209
Exploration and evaluation expenditures	19	81
Mineral property, plant, and equipment	61	316
Subtotal, options granted during 2019	121	606
Portion of options granted during 2020 which vested in the period (year)		
Share-based compensation expense	57	226
Exploration and evaluation expenditures	15	55
Mineral property, plant, and equipment	43	174
Subtotal, options granted during 2020	115	455
Portion of options granted during 2021 which vested in the period (year)		
Share-based compensation expense	357	414
Exploration and evaluation expenditures	160	154
Mineral property, plant, and equipment	709	902
Subtotal, options granted during 2021	1,226	1,470
Portion of options granted during 2022 which vested in the period (year)		
Share-based compensation expense	65	-
Exploration and evaluation expenditures	1	-
Mineral property, plant, and equipment	17	-
Subtotal, options granted during 2022	83	-
Subtotal, share-based compensation expense	520	849
Subtotal, exploration and evaluation expenditures	195	290
Subtotal, mineral property, plant, and equipment	830	1,392
Total share-based compensation on vested options	\$ 1,545	\$ 2,531
Share-based compensation expense		
Share-based compensation expense - stock options	\$ 520	\$ 849
Share-based compensation (recovery) expense - deferred share units	(195)	869
Share-based compensation expense - restricted share units	54	3
Total, share-based compensation expense	\$ 379	\$ 1,721

**SILVERCREST METALS INC.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**(UNAUDITED - EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)**  
**SIX MONTHS ENDED JUNE 30, 2022**

---

**8. CAPITAL STOCK (continued)**

**Share-based payment reserve**

The share-based payment reserve records items recognized as share-based compensation. At the time that stock options 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:

	<b>Six months ended</b>	<b>Year ended</b>
	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Balance, beginning of period (year)	\$ 9,782	\$ 8,978
Share-based compensation, stock options	1,545	2,531
Stock options exercised, reallocated to capital stock	(553)	(1,619)
Stock options forfeited, reallocated to deficit	(12)	(108)
Balance, end of period (year)	\$ 10,762	\$ 9,782

**Share unit plan**

On June 15, 2021, the shareholders of the Company approved the adoption of a new Equity Share Unit Plan for the Company (the "SU Plan") pursuant to which the Company may grant share units ("SUs"), including restricted share units ("RSUs"), performance share units and deferred share units ("new DSUs"). The SU Plan provides for up to 1.5% of the outstanding common shares of the Company from time to time to be issuable to settle share units granted under the SU Plan. With the implementation of the SU Plan, the Company's former cash-settled DSU plan ("old DSU plan") was phased out and no new awards of DSUs will be granted under that plan.

The SUs will be subject to any combination of time-based vesting and performance-based vesting conditions as the Board of Directors shall determine from time to time. Unless set forth in the particular award agreement, the Board of Directors may elect one or any combination of the following settlement methods for the settlement of SUs: issuing shares from treasury, causing a broker to purchase shares on the TSX; and/or paying cash. While the SUs issued during 2021 did not specify a method of settlement, the Company determined that at least a portion would be settled by a brokered purchase or cash. Accordingly, the Company recorded the value of SUs issued during 2021 as an accrued liability.

**DSUs**

*Old DSU plan*

During 2019, the Board of Directors approved the old DSU plan. Each DSU that was granted under the old DSU plan ("old DSU") entitles the holder to receive cash equal to the current market value of the equivalent number of common shares of the Company. Old DSUs vest immediately and become payable upon the retirement of the holder. The share-based compensation expense related to old DSUs is calculated using the fair value method based on the market price of the Company's shares at the end of each reporting period. As old DSUs are cash settled, the Company records a corresponding liability in accounts payable and accrued liabilities. Old DSUs will remain in effect but no further old DSUs may be awarded under the old DSU plan as the Company adopted the SU Plan (see above).

During 2021, the Company issued 57,000 old DSUs (excluding new DSUs) to directors of the Company as compensation for service in 2020.

*New DSUs*

During 2021, the Company issued a total of 66,000 new DSUs to directors of the Company. New DSUs vest immediately and become payable upon the retirement of the holder. The share-based compensation expense related to new DSUs was calculated using the fair value method based on the market price of the Company's shares at the end of each reporting period and the Company records a corresponding liability in accounts payable and accrued liabilities. During the six months ended June 30, 2022, the Board of Directors elected and approved that the 66,000 new DSUs granted to the directors of the Company are to be fully settled in cash in accordance with the terms of the SU Plan.

During the six months ended June 30, 2022, 14,000 old DSUs and 10,500 new DSUs for a total of 24,500 DSUs (six months ended June 30, 2021 – Nil) were settled fully in cash. The Company paid cash of \$218 to settle these DSUs.



**SILVERCREST METALS INC.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**(UNAUDITED - EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)**

**SIX MONTHS ENDED JUNE 30, 2022**

**8. CAPITAL STOCK (continued)**

**DSUs (continued)**

*Share-based compensation expense and accrued DSU liability*

As of June 30, 2022, the market value of the Company's common shares was C\$7.87 (December 31, 2021 – C\$10.00). Accordingly, during the six months ended June 30, 2022, the Company recorded share-based compensation recovery of \$195 (December 31, 2021 – expense of \$869) related to all DSUs granted to June 30, 2022. At June 30, 2022, the Company recorded an accrued liability of \$806 (December 31, 2021 – \$1,234) for all outstanding DSUs.

The following table summarizes the change in the accrued DSU liability:

	<b>Six months ended</b>	<b>Year ended</b>
	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Outstanding, beginning of period (year)	\$ 1,234	\$ 373
Settlement of DSUs during the period (year)	(218)	-
Change in accrued DSU liability	(195)	869
Effect of foreign currency translation	(15)	(8)
Outstanding, end of period (year)	\$ 806	\$ 1,234

**RSUs**

A summary of the Company's RSU transactions, shown in number of RSUs, during the period (year) is as follows:

	<b>Six months ended</b>	<b>Year ended</b>
	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Outstanding, beginning of period (year)	83,500	-
Granted	13,000	83,500
Outstanding, end of period (year)	96,500	83,500

During the six months ended June 30, 2022, the Company issued 13,000 RSUs to a consultant of the Company. During 2021, the Company issued a total of 83,500 RSUs to officers and employees of the Company. These RSUs vest over a 3-year period with 1/3 of the options vesting after each of one year, two years, and three years after the grant date, respectively. Share-based compensation of RSUs is calculated using the fair-value method based on the market price of the Company's shares at the grant date and is recorded over the vesting period. Where RSUs are subject to vesting, each vesting tranche is considered a separate award with its own vesting period and grant date fair value. Share-based compensation is recognized over the tranche's vesting period as either an expense, exploration and evaluation expenditure, or capitalized as mineral property, plant, and equipment, with a corresponding change in accrued liabilities. The value of vested RSUs is remeasured at each reporting date to the current market price of the Company's shares.

As of June 30, 2022, the market value of the Company's common shares was C\$7.87 (December 31, 2021 – C\$10.00). Accordingly, during the six months ended June 30, 2022, the Company recorded share-based compensation of \$161, including an expense of \$54, exploration and evaluation expenditures of \$23, and mineral property, plant, and equipment of \$84. As at June 30, 2022, the Company recorded an accrued liability of \$171 (December 31, 2021 – \$11) for RSUs.

The following table summarizes the change in the accrued RSU liability:

	<b>Six months ended</b>	<b>Year ended</b>
	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Outstanding, beginning of period (year)	\$ 11	\$ -
Change in accrued RSU liability	161	11
Effect of foreign currency translation	(1)	-
Outstanding, end of period (year)	\$ 171	\$ 11

**SILVERCREST METALS INC.**

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**(UNAUDITED - EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)**

**SIX MONTHS ENDED JUNE 30, 2022**

**8. SEGMENTED INFORMATION**

During the six months ended June 30, 2022 and 2021, the Company had two operating segments: the Las Chispas Mine and El Picacho Property ("Picacho"), which is in the exploration phase. Corporate includes the corporate team that provides administrative, technical, financial, and other support to the Company's business units.

Significant information relating to the Company's reportable operating segments during the three and six months ended June 30, 2022 and 2021 is summarized below:

	<b>Las Chispas</b>	<b>Picacho</b>	<b>Corporate</b>	<b>Total</b>
Income (loss) for the three months ended June 30, 2022	\$ (61)	\$ (1,613)	\$ 11,279	\$ 9,605
Capital additions during the three months ended June 30, 2022				
Mineral property	\$ 3,841	\$ -	\$ -	\$ 3,841
Plant and equipment	10,328	-	-	10,328
Total capital additions	\$ 14,169	\$ -	\$ -	\$ 14,169
Loss for the three months ended June 30, 2021	\$ -	\$ (2,400)	\$ (6,681)	\$ (9,081)
Capital additions during the three months ended June 30, 2021				
Mineral property	\$ 15,487	\$ -	\$ -	\$ 15,487
Plant and equipment	13,559	-	-	13,559
Total capital additions	\$ 29,046	\$ -	\$ -	\$ 29,046
Income (loss) for the six months ended June 30, 2022	\$ (117)	\$ (3,322)	\$ 4,297	\$ 858
Capital additions during the six months ended June 30, 2022				
Mineral property	\$ 17,944	\$ -	\$ -	\$ 17,944
Plant and equipment	17,624	-	-	17,624
Total capital additions	\$ 35,568	\$ -	\$ -	\$ 35,568
Loss for the six months ended June 30, 2021	\$ -	\$ (4,561)	\$ (17,172)	\$ (21,733)
Capital additions during the six months ended June 30, 2021				
Mineral property	\$ 27,578	\$ -	\$ -	\$ 27,578
Plant and equipment	35,239	-	-	35,239
Total capital additions	\$ 62,817	\$ -	\$ -	\$ 62,817

	<b>Las Chispas</b>	<b>Picacho</b>	<b>Corporate</b>	<b>Total</b>
As at June 30, 2022				
Total assets	\$ 232,506	\$ 2,488	\$ 130,868	\$ 365,862
Total liabilities	\$ 98,561	\$ 372	\$ 2,235	\$ 101,168
As at December 31, 2021				
Total assets	\$ 181,318	\$ 2,489	\$ 185,170	\$ 368,977
Total liabilities	\$ 95,716	\$ 1,248	\$ 3,743	\$ 100,707

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

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity, foreign currency, and credit and interest rate risks. Where material, these risks are reviewed and monitored by the Board of Directors.

**9. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (continued)****Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company's cash and cash equivalents are invested in business accounts with quality financial institutions and are available on demand to fund the Company's operations.

The Company enters into contracts that give rise to commitments in the normal course of business. The following table summarizes the remaining contractual maturities of the Company's financial liabilities per *IFRS 7 – Financial Instruments: Disclosures*, shown in contractual undiscounted cash flows, at June 30, 2022:

	Less than 1 year	Between 1 - 3 years	Between 4 - 5 years	After 5 years	Total
Accounts payable and accrued liabilities	\$ 10,618	\$ -	\$ -	\$ -	\$ 10,618
Lease liabilities	168	87	75	132	462
Credit facility <sup>(1)</sup>	7,711	108,805	-	-	116,516
Reclamation and closure provision <sup>(2)</sup>	-	-	-	5,602	5,602
<b>TOTAL</b>	<b>\$ 18,497</b>	<b>\$ 108,892</b>	<b>\$ 75</b>	<b>\$ 5,734</b>	<b>\$ 133,198</b>

<sup>(1)</sup> Debt interest payments calculated based on interest rate in effect on June 30, 2022. Interest rate may vary (note 5).

<sup>(2)</sup> Estimated undiscounted cash flows.

The Company believes its cash and cash equivalents at June 30, 2022 of \$118,581 is sufficient to settle its commitments through the next 12 months.

**Foreign currency risk**

The Company operates in Canada and Mexico and is therefore exposed to foreign exchange risk arising from transactions denominated in foreign currencies. The operating results and the financial position of the Company are reported in US\$. The functional currency of the parent entity is C\$ and therefore the Company is exposed to foreign currency risk from financial instruments denominated in currencies other than C\$. The functional currency of the Company's subsidiaries is US\$ and therefore the Company's subsidiaries are exposed to foreign currency risk from financial instruments denominated in currencies other than US\$.

The Company is exposed to foreign currency risk through the following financial assets and liabilities, expressed in US\$:

	US Dollar	Mexican Peso	Total
<b>June 30, 2022</b>			
Cash and cash equivalents	\$ 104,386	\$ 678	\$ 105,064
Amounts receivable	107	1	108
Value-added taxes receivable	-	26,317	26,317
Total financial assets	104,493	26,996	131,489
Less: accounts payable and accrued liabilities	(56)	(2,250)	(2,306)
<b>Net financial assets</b>	<b>\$ 104,437</b>	<b>\$ 24,746</b>	<b>\$ 129,183</b>

The Company is primarily exposed to fluctuations in the value of C\$ against US\$ and US\$ against Mexican pesos ("MX\$"). With all other variables held constant, a 1% change in C\$ against US\$ or US\$ against MX\$ would result in the following impact on the Company's net loss for the period:

	June 30, 2022
C\$/US\$ exchange rate - increase/decrease 1%	\$ 1,044
US\$/MX\$ exchange rate - increase/decrease 1%	\$ 247

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

**Credit risk**

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and amounts receivable. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and cash equivalents with high-credit quality financial institutions. At June 30, 2022, the amounts receivable balance of \$169 (December 31, 2021 – \$88) consisted of \$61 (December 31, 2021 – \$67) due from related parties (note 7) and interest receivable of \$108 (December 31, 2021 – \$20) on short-term interest bearing instruments. The Company has not recognized any expected credit losses with respect to interest receivable as the amounts are due from high-credit quality financial institutions and the risk of default is considered negligible. The carrying amount of financial assets, as stated in the consolidated statement of financial position, represents the Company's maximum credit exposure.

**Interest rate risk**

Interest rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from the interest rate impact on its cash and cash equivalents and debt. The Company's cash and cash equivalents are held or invested in highly liquid accounts with both floating and fixed rates of interest, in order to achieve a satisfactory return for shareholders.

At June 30, 2022, the weighted average interest rate earned on the Company's cash and cash equivalents was 2.03%. With all other variables unchanged, a one percentage point change in interest rates would result in approximately a \$1,164 decrease (\$1,164 increase) in the Company's income (loss) and comprehensive loss for the period.

The Company's debt has an interest rate of 6.95% per annum plus the greater of either 3-month LIBOR or 1.5%. At June 30, 2022, 3-month LIBOR was 0.96% and a one percentage point increase in interest rates would result in a \$205 increase in interest for the period. Interest on the Company's debt is capitalized to mineral property, plant, and equipment. Due to upcoming LIBOR reforms, the interest rate of the Company's debt may change upon the transition to the successor interest rate benchmark to 3-month LIBOR.

**Financial instruments carrying value and fair value**

The Company's financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, lease liabilities, and debt.

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 level of measurement for each financial instrument is determined by the lowest level of significant inputs.

The carrying value of amounts receivable and accounts payable and accrued liabilities (except as noted) approximate their fair values due to the short-term nature of these instruments. In relation to the Company's SU plan (note 8), the Company recorded the fair value of SUs in accounts payable and accrued liabilities. The Company's accounts payable and accrued liabilities related to SUs are measured using level 2 inputs. The carrying values of lease liabilities and debt approximate their fair values as a result of relatively unchanged interest rates since inception of the lease liabilities and debt.

The following table summarizes the carrying value and fair value, by level, of the Company's financial instruments. It does not include fair value information for financial instruments not measured at fair value if the carrying amount reasonably approximates the fair value because of their short-term nature.

SILVERCREST METALS INC.  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(UNAUDITED - EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS UNLESS OTHERWISE STATED)  
SIX MONTHS ENDED JUNE 30, 2022

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

Financial instruments carrying value and fair value (continued)

	Carrying value		Fair value		
	Fair value through profit and loss	Amortized cost	Level 1	Level 2	Level 3
<b>June 30, 2022</b>					
<b>Financial assets</b>					
Amounts receivable	\$ -	\$ 169	\$ -	\$ -	\$ -
<b>Financial liabilities</b>					
Accounts payable and accrued liabilities	(977)	(9,641)	-	(977)	-
Lease liabilities	-	(362)	-	-	(362)
Debt	-	(87,543)	-	-	(87,543)
Net financial instruments	\$ (977)	\$ (97,377)	\$ -	\$ (977)	\$ (87,905)
<b>December 31, 2021</b>					
<b>Financial assets</b>					
Amounts receivable	\$ -	\$ 88	\$ -	\$ -	\$ -
<b>Financial liabilities</b>					
Accounts payable and accrued liabilities	(1,245)	(9,140)	-	(1,245)	-
Lease liabilities	-	(441)	-	-	(441)
Debt	-	(87,168)	-	-	(87,168)
Net financial instruments	\$ (1,245)	\$ (96,661)	\$ -	\$ (1,245)	\$ (87,609)

10. **SUBSEQUENT EVENTS**

Subsequent to June 30, 2022, the following occurred:

- The Company granted 25,000 stock options to a recently appointed director of the Company with an exercise price of C\$7.31 per share which expire five years from the grant date. These options vest over a 3-year period with 1/3 vesting after each of one year, two years, and three years after the grant date, respectively. The Company also granted 9,000 DSUs to this director which fully vested on grant.
- The Company issued 312,500 common shares at a price of C\$1.88 per share for gross proceeds of \$455 upon the exercise of stock options.