



INTERIM MANAGEMENT DISCUSSION & ANALYSIS

QUARTERLY HIGHLIGHTS

JUNE 30, 2016

This Interim Management's Discussion and Analysis – Quarterly Highlights ("Interim MD&A") is an overview of all material information about SilverCrest Metals Inc.'s (the "Company" or "SilverCrest") operations, liquidity and capital resources for the three and six months ended June 30, 2016 ("Q2, 2016"). The Interim MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2016, and the related notes contained therein which have been prepared under International Accounting Standard 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board. The following should also be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2015, and the related notes contained therein. All amounts are stated in Canadian dollars unless otherwise indicated. Additional information related to the Company is available for view on SEDAR at www.sedar.com and on the Company's website www.silvercrestmetals.com. The effective date of this Interim MD&A is August 15, 2016. This Interim MD&A contains forward-looking information. Reference to the "Cautionary Statement and Forward-Looking Statement Disclaimer" on page 5 of this Interim MD&A is advised.

HIGHLIGHTS

Exploration – Las Chispas

Background

In 2016, the Company's main focus is its Las Chispas property ("Las Chispas"). Details of the Company's other five properties are available on the Company's website, www.silvercrestmetals.com. Las Chispas is located approximately 180 kilometres northeast of Hermosillo, Sonora, Mexico. With a recent concession addition in June 2016, the property now consists of 19 concessions totaling 1,363 hectares. Las Chispas is in a prolific mining area with nearby precious metal producers. Historical reports indicate the presence of 14 veins in the district, of which only three (Las Chispas, William Tell and Babicanora) have been previously mined extensively in the early 1900s, but none of which appear to have been drilled until the Company's current drilling campaign.

In early 2016, the Company completed initial general exploration activities on the Las Chispas project, including mapping, sampling and geochemical analysis. As a result of the initial work, the Company began in March 2016 the rehabilitation of several historic silver-gold mines at Las Chispas and a surface drilling program of initially 3,000 metres (subsequently expanded – see drilling update below). The plans were to access and evaluate most of the estimated six kilometres (subsequently extended – see rehabilitation update below) of historic underground workings at Las Chispas. The Company estimated that this initial rehabilitation will take several months to complete and would consist of cleaning and securing all underground areas, removing historic backfill and stockpiling for possible future processing, building a ladder system to access multiple levels, detailed mapping and sampling of accessed workings, and implementation of overall safety protocols. At the beginning of the year, the estimated cost of this initial rehabilitation program was \$150,000 to \$200,000 and the all-in cost for the surface drilling program was \$1.0 million. As at June 30, 2016, the Company had spent approximately \$942,000 on the Las Chispas property. Given the expansion in the area covered and the number of holes to drill, the Company estimates that from July 1, 2016, to September 30, 2016, the estimated cost to complete the rehabilitation program is \$138,000 (US\$107,000) and the surface drilling program is \$998,000 (US\$775,000).

Underground rehabilitation update

- Continuous research into previously documented information and field work supports the increase in known historic underground workings from 6 kilometres to 11.5 kilometres.
- To date, approximately 4 kilometres of underground workings have been accessed with an additional 7.5 kilometres to be explored over the next several months.
- The Company continues to work on detailed underground channel sampling. To date, the Company has collected 450 continuous channel samples at intervals approximately every two to three metres from various historic levels.
- The latest and most significant composited sample results, taken from the Las Chispas vein only, averaged 1.5 metres wide at 2.4 grams per tonne ("gpt") gold ("Au") and 331.0 gpt silver ("Ag"), or 508.0 gpt silver equivalent ("AgEq", 75:1 Ag:Au) uncut and undiluted, over a continuous 35 metre strike length in an unmined area of breccia on the 400 level. Also noteworthy was an average of 1.1 metres wide at 1.55 gpt Au and 334.9 gpt Ag, or 450.9 gpt AgEq over a semi-continuous 90 metre strike length on the 300 level.
- To gain access to underground workings, backfill material is being removed from historical drifts and stopes. This material is being sampled, assayed, and stockpiled for potential future processing. To date, 43 representative grab samples have been collected from backfill material for the Las Chispas and William Tell veins. Average grade of these samples is 2.45 gpt Au, 239.0 gpt Ag, or 423.0 gpt AgEq with grades up to 42.20 gpt Au and 1,920.0 gpt Ag or 5,085.0 gpt AgEq.

Surface drilling update

- The Company extended the surface drilling program from 3,000 metres to over 6,000 metres.
- The Phase I surface drill program, which has been completed, consisted of 22 holes, of which 19 holes have been drilled in the Las Chispas and William Tell veins, and three holes in the adjacent Babicanora (La Victoria) area, for a total of 6,300 metres.
- Initial assay results from eight drill holes in Las Chispas returned drill hole grade intercepts ranging from 1.3 gpt Au and 152.6 gpt Ag to 18.55 gpt Au and 2,460 gpt Ag, with a weighted average grade of 3.52 gpt Au and 454.8 gpt Ag.

- All drill holes have intersected quartz stockwork veinlets, veining and/or breccia.
- No underground workings have been intercepted while drilling the Las Chispas vein.
- With permitting near completion, the Company anticipates commencing a 2,000 metre underground drill program in late Q3 or early Q4 2016. The underground drill program will focus on delineation of a potential bulk sample, infill and expansion drilling, and drilling to depth in preparation for the initial Las Chispas resource estimation.

For additional information on the initial rehabilitation, surface drilling programs, underground channel sample results and drilling results, please refer to the Company's 2016 news releases dated March 2nd, April 28th, June 9th, July 19th and August 2nd available on www.silvercrestmetals.com and under the Company's SEDAR profile on www.sedar.com. All assays were completed by ALS Chemex in Hermosillo, Mexico, and North Vancouver, BC.

Corporate

Results of Annual General Meeting

SilverCrest held its Annual General Meeting of Shareholders ("AGM") on Wednesday, June 22, 2016, in Vancouver, BC. Shareholders voted in favour of all items of business, including fixing the number of directors at six and the re-election of each of the director nominees: Dunham L. Craig, N. Eric Fier, Ross O. Glanville, Barney Magnusson, George W. Sanders and Graham C. Thody. In addition, shareholders voted and re-appointed Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Company and approved the Company's "rolling 10%" Stock Option Plan and its Advance Notice Policy.

At the Board of Directors meeting following the AGM, the Board re-appointed Mr. Thody as Chairman of the Board, Mr. Fier as President and Chief Executive Officer, Mr. Magnusson as Chief Financial Officer, Michael Rapsch as Vice President, Corporate Communications and Bernard Poznanski as Corporate Secretary.

J. Scott Drever, who did not stand for re-election as a director, continues to be available to the Company on an advisory and consulting basis.

Interim Chief Executive Officer

On August 11, 2016, the Company announced that Mr. Fier has taken a temporary leave of absence due to a medical procedure which he underwent during the past week. Mr. Dunham Craig, a director of the Company, has been appointed Interim Chief Executive Officer. Mr. Fier will remain President and a director during this temporary leave, and is expected to resume his role as CEO by the end of 2016.

Changes in share capital

During the six months ended June 30, 2016, the Company issued 142,524 common shares at \$0.06 per share and issued 75,000 common shares at \$0.16 per share for gross proceeds of \$20,553, related to the exercise of stock options. In addition, during the six months ended June 30, 2016, the Company issued 222,500 common shares at \$0.20 per share for gross proceeds of \$44,500, related to the exercise of warrants.

Subsequent to June 30, 2016, the Company issued 275,054 common shares at \$0.06 per share for gross proceeds of \$16,503, related to the exercise of stock options. In addition, the Company issued 190,000 common shares at \$0.20 per share for gross proceeds of \$38,000, related to the exercise of warrants.

RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

During the three and six months ended June 30, 2016, comprehensive loss was \$343,934 and \$734,081, respectively, compared to \$390,147 for the quarter ended March 31, 2016 ("Q1, 2016"). The significant variations between periods ended June 30, 2016, and Q1, 2016, included the following:

- Exploration expenditures increased by \$44,044 (Q1, 2016 – \$7,867) during Q2, 2016, for a total of \$51,911 in the first half of 2016, as the Company conducted research and due diligence on various other properties located throughout in Mexico during Q2, 2016.
- Unrealized foreign exchange loss increased by \$7,169 (Q1, 2016 – 125,349) during Q2, 2016, for a total unrealized loss of \$132,518 in the first half of 2016, from strengthening of the Canadian dollar compared to the US dollar since Q4, 2015. As at June 30, 2016, the Company is primarily exposed to foreign currency risks through holding US dollar cash and cash equivalents of \$2.3 million Canadian dollar equivalents (December 31, 2015 – \$2.4 million).
- Regulatory and transfer agent fees increased by \$13,862 (Q1, 2016 – \$3,998) during Q2, 2016, for a total of \$17,860 in the first half of 2016, as the Company incurred costs related to annual filing fees from the submission of its year-end financial statements in April 2016, regulatory fees for the Company's stock options outstanding and transfer agent fees charges related to changes in share capital.

- Remuneration increased by \$81,738 (Q1, 2016 – \$74,667) during Q2, 2016, for a total of \$156,405 in the first half of 2016, primarily due to the addition of a corporate staff member as of April, 2016.
- Shareholder and investor relations increased by \$50,114 (Q1, 2016 – \$26,966) during Q2, 2016, for a total of \$77,080 for the first half of 2016, primarily due from the preparation, printing and distribution of material for the Company's AGM held June 22, 2016 in addition to vendors and services related to website, advertising and investor relations.
- Technical consultants increased by \$3,230 (Q1, 2016 – \$11,070) during Q2, 2016, for a total of \$14,300 in the first half of 2016, as the Company had engaged an additional consultant during Q1, 2016 for performing due diligence on potential mineral property acquisitions.
- Tradeshow and travel increased by \$39,964 (Q1, 2016 – \$37,212) during Q2, 2016, for a total of \$77,176 in the first half of 2016, as the Company increased corporate travel activities to attend trade shows within North America.

As SilverCrest was incorporated on June 23, 2015, the Company does not have financial information for the three and six months ended June 30, 2015.

CASH FLOW

The Company has financed its operations to date primarily through the issuance of common shares. The Company currently has no operations from which to derive revenues. As at June 30, 2016, cash and cash equivalents decreased to \$2,914,686 (March 31, 2016 – \$4,347,607; December 31, 2015 – \$5,241,781). The significant factors for the decrease in cash include:

- \$478,445 used in operating activities (see "Results of Operations and Financial Conditions" section above) for Q2, 2016, and \$942,257 for the six months ended June 30, 2016.
- \$1,012,776 used in investing activities, primarily from the payment of \$975,699 towards exploration and evaluation expenditures related to its Mexico properties for Q2, 2016 (see "Liquidity and Capital Resources Outlook – Assets" section below) and \$1,449,891 for the six months ended June 30, 2016.
- \$58,303 provided by the issuance of capital stock related to the exercise of options and warrants for Q2, 2016, and \$65,053 for the six months ended June 30, 2016.

LIQUIDITY AND CAPITAL RESOURCES OUTLOOK

Assets

As at June 30, 2016, the Company held cash and cash equivalents of \$2.9 million (December 31, 2015 – \$5.2 million) and short term investments of \$2.0 million (December 31, 2015 – \$2.0 million).

Amounts receivable balance of \$58,344 (December 31, 2015 – \$94,467) consists primarily of \$18,522 (December 31, 2015 – \$78,565) due from Goldsource Mines Inc. ("Goldsource") (see "Related Party Transactions" section), interest receivable of \$19,943 and other amounts receivable of \$19,879.

Taxes receivable increased to \$230,127 (December 31, 2015 – \$45,499), which consisted of value added taxes in Mexico of \$209,952 (December 31, 2015 – \$32,975) and goods and services taxes in Canada of \$20,175 (December 31, 2015 – \$12,524) that the Company has paid and is due to be refunded. The Company believes the balance is fully recoverable and has not provided an allowance.

Equipment increased to \$91,984 (December 31, 2015 – \$50,760) for the purchase of additional office equipment, computer hardware and camp vehicles.

Exploration and evaluation assets increased to \$2,132,720 (December 31, 2015 – \$622,721), primarily from costs incurred at Las Chispas. During the three months ended March 31, 2016, the Company had incurred approximately \$69,000 for its Guadalupe property, \$228,000 for its Huasabas property and \$144,000 for Las Chispas, as well as various amounts for concession payments. Since March 2016, the Company's main focus has been at Las Chispas, where, during the three months ended June 30, 2016, the Company had incurred an additional \$995,000 in costs including concession payments, assays, camp costs, drilling, salaries and remuneration and travel and lodging. Please refer to the "Exploration – Las Chispas" section above for more information.

Liabilities

As at June 30, 2016, accounts payable and accrued liabilities amounted to \$179,191 (December 31, 2015 – \$117,531), which relates to various contractual commitments in the normal course of business.

Liquidity Outlook

While the Company currently has no source of revenue, the Company has cash and cash equivalents of \$2.9 million and short-term deposit of \$2.0 million contribute to working capital of \$5.1 million (as of June 30, 2016), which management believes will be sufficient to fund the 2016 exploration work as described in the "Exploration – Las Chispas" section above, as well as general working capital

requirements for the next 12 months. In order to facilitate the management of its capital requirements, the Company prepared annual expenditure budgets which will be revised periodically based on results of its exploration programs, availability of financing and industry conditions. The Company's financial success is dependent on its ability to discover economically viable mineral deposits. Based on exploration and drilling results, 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.

COMMITMENT, EVENTS AND UNCERTAINTIES

There was no commitment, event or uncertainty which materially affected the Company's operations, liquidity and capital resources during the six months ended June 30, 2016, or which may likely have a material effect going forward.

RELATED PARTY TRANSACTIONS

Legal fees

The Company incurred legal fees of \$7,580 for the second quarter and \$12,963 for the first six months of 2016. During the three and six months ended June 30, 2016, the Company incurred legal fees of \$7,580 and \$12,963, respectively, which were included in professional fees, to Koffman Kalef LLP, a law firm of which an officer of the Company is a partner, of which \$2,247 (December 31, 2015 – \$7,625) was payable as June 30, 2016.

Key management compensation

During the three and six months ended June 30, 2016, the Company paid \$26,500 and \$52,500, respectively in key management compensation to the Chief Executive Officer and Chief Financial Officer of the Company. The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company.

Other transactions

During the three and six months ended June 30, 2016, the Company recognized \$21,948 and \$41,646, respectively, on the statement of financial position under exploration and evaluation assets and \$nil and \$2,192, respectively, on the statement of comprehensive loss related to remuneration for technical services to an employee who is an immediate family member of the Chief Executive Officer of the Company. During the three and six months ended June 30, 2016, the Company recognized \$5,234 in remuneration paid for administrative services to a former employee who is an immediate family member of the Chief Financial Officer of the Company.

On October 1, 2015, the Company entered into an allocation of costs agreement with Goldsource, a company related by common directors and a common officer, whereby the Company shares salaries, administrative services and other reimbursable expenses. During the three and six months ended June 30, 2016, the Company allocated to Goldsource \$46,332 and \$96,625, respectively, for its share of these expenses, of which \$18,522 (December 31, 2015 – \$78,565) was receivable from Goldsource at June 30, 2016.

CAUTIONARY STATEMENT AND FORWARD-LOOKING DISCLAIMER

Risk factors

Readers of this Interim MD&A are encouraged to read the "Risk Factors" contained in the Company's Annual MD&A dated April 7, 2016, available on www.silvercrestmetals.com and under the Company's SEDAR profile on www.sedar.com. Important risk factors to consider among others are:

- No history of operations or earnings
- No mineral production
- Global financial conditions
- Commodity markets
- Insurance and uninsured risks
- Foreign mineral properties
- Surface rights
- Additional Capital and Financing Risks

As of the date hereof, the Company also considers Key Employees a risk factor in addition to the previously reported risk factors outlined in the Annual MD&A. The Company is dependent on the services of its key executives, in particular, the Company's Chief Executive Officer and Chief Financial Officer as well as other highly skilled and experienced executives and personnel. Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in acquisition, exploration, development and

operation of mining properties is limited and competition for such persons is intense. The departure of any of its key executives and failure of the Company to replace any key executives or employees could impair the efficiency of its operations and have an adverse impact on the Company's future development.

Forward-looking statement

This Interim MD&A contains "forward-looking statements" within the meaning of Canadian securities legislation. These include, without limitation, statements with respect to: the Company's outlook, the strategic plans, timing and expectations for the Company's exploration, rehabilitation and drilling programs of the Las Chispas Project; information with respect to high grade areas and size of veins projected from underground sampling results and drilling results; the accessibility of future mining at the Las Chispas Project; and expectations regarding the Company's ability to manage capital resources and meet working capital requirements. Such forward-looking statements or information are based on a number of assumptions, which may prove to be incorrect. Assumptions have been made regarding, among other things: the conditions in general economic and financial markets; availability of skilled labour; timing and amount of expenditures related to rehabilitation and drilling programs; and effects of regulation by governmental agencies. The actual results could differ materially from those anticipated in these forward-looking statements as a result of risk factors including: the timing and content of work programs; results of exploration activities; the interpretation of drilling results and other geological data; receipt, maintenance and security of permits and mineral property titles; environmental and other regulatory risks; project cost overruns or unanticipated costs and expenses; the timing of Mr. Fier's temporary leave; and general market and industry conditions. Forward-looking statements are based on the expectations and opinions of the Company's management on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. The Company undertakes no obligation to update or revise any forward-looking statements included in this Interim MD&A if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

QUALIFIED PERSON

Technical information contained in this Interim MD&A has been prepared by or under the supervision of N. Eric Fier, CPG, P.Eng, and President and Chief Executive Officer for the Company, who is a 'Qualified Person' for the purpose of NI 43-101.

ABOUT THE COMPANY

SilverCrest is a Canadian precious metals exploration company headquartered in Vancouver, BC, that is focused on new discoveries, value-added acquisitions and targeting production in Mexico's historic precious metal districts. The Company is led by a proven management team in all aspects of the precious metal mining sector, including the pioneering of a responsible "phased approach" business model taking projects through discovery, finance, on time and on budget construction, and production with subsequent increased value to shareholders.