



SilverCrest
METALS

Environmental, Social and Governance (“ESG”) Report

Reporting Year 2022



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About this Report

This is the foundational ESG report for SilverCrest Metals Inc ("SilverCrest" or the "Company"). SilverCrest is reporting on the following guidelines:

CDP – Carbon Disclosure Project

GRI – Global Reporting Initiative

GRI – Mining and Metals Supplement

ICMM – The International Council on Mining and Metals

ONYEN – Institutional and Investor Questions

SASB – Sustainability Accounting Standards Board

UNGC – United Nations Global Compact

Unless otherwise noted, all data contained in this report covers the following period: From 2022-01-01 to 2022-12-31. This ESG Report is connected to SilverCrest's financial reporting period.

The primary focus of this report is SilverCrest's ESG information related to its Las Chispas Operation (the "Las Chispas Operation"), located in Sonora, Mexico. As startup of processing at the Las Chispas Operation occurred in Q2, 2022 and commercial production was declared in November 2022, the ESG information may not be representative of a mature mining operation.

Audit Status: Self-Declared

Affiliations: GRI-2-5

About Us



SilverCrest is headquartered in Vancouver, BC, Canada, and is an emerging silver and gold producer operating near Arizpe, Sonora, Mexico. Sonora is one of the most prolific mining states in Mexico. The announcement of commercial production at our Las Chispas Operation in November of 2022 marks the second time that the SilverCrest team has taken an asset all the way from discovery to production in the same region. Through our predecessor company, our team entered the region with the Santa Elena project in 2005 and we are fortunate to be able to enjoy and continue the relationships started almost 20 years ago.

The Las Chispas Operation is a high-grade silver-gold project. Our strong understanding of the robust regional geology, combined with our successful construction efforts during COVID-19 has led to a significant reduction of risk as we ramp up operations during our first full year of production. Our team has an enviable track record of success in the discovery, development and production phases of the business while showing a strong commitment to improving the well-being of those living in the communities in which we operate.

Our successes would not have been possible without the support from a very long list of stakeholders. In return, our objective is to provide a healthy and strong social, economic and environmental impact to that same long list of stakeholders and more. In addition, we truly believe that the production of silver and gold provides a necessary alternative to fiat currencies for wealth preservation in addition to the well-known attributes of silver in the critical energy transition process.

We are proud of what we have accomplished alongside our outstanding partners, and we are excited to tackle the next set of challenges and opportunities in front of us.

Map of Company's Assets



2022 Performance



Freshwater consumed
(thousand cubic litres)

232,358

GHG Emissions (tonnes of carbon
dioxide equivalent ("tCO₂e"))

Scope 1: 11,137 Scope 2: 8,098

Total energy consumed,
electricity and hydrocarbons
(GJ)

220,758

Percentage of females in the
organization (includes employees,
officers and directors of SilverCrest)

21% female

Number of work-related fatalities

Employees: 0 Contractors: 0

Lost Time Injury Frequency Rate

Employees: 0.00 Contractors: 0.62

Total Recordable Injury
Frequency Rate

Employees: 2.05 Contractors: 4.33

All-Incident Rate

Employees: 5.0 Contractors: 14.0

Near Miss
Frequency Rate

Employees: 7.40 Contractors: 19.47

Average hours of health, safety,
and emergency response training

Employees: 18.20 Contractors: 24.36

President's Message



Christopher Ritchie

President

At SilverCrest, we recognize that the path to sustainable mining is one of continuous improvement. As we navigate the complexities of the mining industry, we remain guided by our commitment to responsible mining practices, robust health and safety systems, environmental stewardship, and social responsibility. We were proud to announce, in November of 2022, that the Las Chispas Operation successfully achieved commercial production, ahead of schedule and under budget, which was in no small part made possible by our commitment to these principles. We constantly strive to innovate and adapt in order to meet, and where possible to exceed, the expectations of our stakeholders and the communities in which we operate.

Our Las Chispas Operation is located in Sonora, Mexico. Water scarcity is a critically high risk in Mexico that will only worsen without substantial investment. In 2022, we conducted a Task Force for Climate-Related Financial Disclosures ("TCFD") climate risk analysis, not only for Las Chispas, but also for the surrounding area which identified water scarcity as the main climate risk in the region. In addition, a recent report on 'Water Scarcity Across Mining Operations in the Americas', from the Bank of Nova Scotia,

identified that in Mexico 74% of water is used for agriculture compared to less than 1% that is used for mining. Given our close contact and involvement with the community, we are aware that a strong majority of the local community relies on farming and ranching for its livelihood. We viewed this as an opportunity to address this critical risk and to add value to the communities in which we operate. As such, SilverCrest has developed and started to implement its Water Stewardship Plan which will invest US\$1.5 million into local water infrastructure projects over a five-year period (from 2022 – 2026). The positive impacts gained by improving water related infrastructure projects in the community will be significantly greater than any water-saving measures that we could introduce at site. These water infrastructure projects, which are designed to conserve and improve water quality and access, are expected to lead to greater economic stability and climate resilience in the local communities.

In this inaugural ESG Report, we highlight the strides we have made to establish and integrate the systems required to minimize our environmental footprint, engage and support the local communities, and pave the way for a more sustainable and resilient future for all.

President's Message



Our Sustainability Journey So Far

This inaugural ESG Report marks our first significant effort to disclose our ESG performance, however this is not our first sustainability disclosure, nor the beginning of our sustainability journey. This report is the culmination of many years of hard work building trust with our community stakeholders, collecting ESG data, understanding our environmental impact through assessments and creating the processes to track and disclose this work. We resisted the temptation to publish a sustainability report sooner, simply for the sake of quick disclosure and instead focused on establishing the right processes and frameworks necessary for creating a strong sustainability program that is beneficial to key stakeholders and to SilverCrest. The community has already started to see the benefits to this approach and we believe will continue to do so on a go forward basis.



Highlights from our sustainability journey so far are as follows:

- A Social Baseline Study was commissioned in early 2019 to understand local community concerns and needs, revealing a desire for job creation, infrastructure improvement, and concerns surrounding water.
- In May 2019, the Safety, Environmental and Social Sustainability (“SESS”) committee was established by the Board of Directors to oversee ESG risks and opportunities.
- In early 2020, a Materiality Assessment was completed with third-party consultants to identify key ESG issues, which reinforced the findings of the social baseline study.
- The findings from these studies informed the development of SilverCrest’s five-pillar ESG strategy framework which focuses on the topics of: Environment, Social Capital, Human Capital, Leadership and Governance, and Business Resilience.
- In 2021, we worked with third-party consultants to conduct a physical and transitional climate risk assessment which identified drought, flooding, and extreme heat as the primary physical climate risks. We published the findings from those assessments in our first TCFD report in 2022 which can be viewed [here](#).

- In 2022, we committed to invest US\$1.5 million over five years to significantly improve local water infrastructure, in response to the identified physical risks. The details of this plan are described in the ICMC-aligned Water Stewardship Report released at the end of 2022 which can be viewed [here](#).

- During 2022, the Company invested over US\$0.4 million on water infrastructure projects. This included the revitalization of water intake pipes supplying approximately 360 hectares of agricultural land, repair of sewage systems used by an estimated 1,700 people in Arizpe and the installation of concrete aqueducts for agricultural use in Bamori. We plan to allocate approximately US\$0.3 million in 2023 towards further improvements to agricultural aqueducts and sewage systems.

- At the end of 2022, we worked with third-party consultants to establish a robust ESG data collection and tracking system to measure and validate key ESG metrics going forward.

- In May 2023, we were recognized with the 2022 Empresa Socialmente Responsable (ESR) Socially Responsible Company Distinction by the Mexican Center for Philanthropy (CEMEFI) for 'the areas of Quality of Life in the Company, Ethics and Corporate Governance, Links with the Community and Care and Preservation of the Environment'.

Improving the Livelihoods for the Communities in Which We Operate

At SilverCrest, we are committed to improving the lives of those who live in the local communities in the Sonora River Valley surrounding our operation. As a responsible corporate citizen, we strive to create viable working opportunities, provide a safe place to live and work, and ensure access to essential resources such as water.

We are pleased to announce that our operation have generated significant employment opportunities in the area. At the end of 2022, there were approximately 350 direct unionized and non-unionized employees at the Las Chispas Operation (including on-site and off-duty personnel) with approximately 90% from Sonora, and 99% from Mexico.

We have engaged more than 60 local businesses to support our work at Las Chispas. This has had a positive impact on the local economy and has further bolstered the already strong relationship we have with the local communities. As we continue to grow, we aim to increase the number of local business relationships.

Safety is a core value of our company. During the COVID-19 pandemic, we took extensive measures to protect the health of our employees and the wider community. These measures included rigorous safety protocols, regular testing, and establishing a dedicated quarantine camp located at our site, with over 500 housing units, so that we reduced the risk of exposure to those living in nearby communities. While these precautions

President's Message



resulted in significant costs, we believe that the safety of our community continues to be worth the investment.

Our focus on water was an easy decision to make. Through engagement with local community stakeholders, and reviewing the results from the climate study, it was clear to us that water is a major issue in the area in which we operate. To begin addressing the issue, SilverCrest has committed to invest US\$1.5 million over a five-year period to drastically improve local water infrastructure. This investment will go towards completely revitalising the existing river water intake valves, repairing and replacing up to 24 kilometres of old gravel agricultural aqueducts with concrete in order to ensure reliable access to water and improving the sewage system in Arizpe. We are now in the second year of this five-year project and have started to see greater community and government agency buy-in and contribution towards these projects. Their support and collaboration have been instrumental in our efforts to create a sustainable water supply thus far and we hope to grow these relationships over time to have an even greater positive impact.



Next Steps for SilverCrest

ESG remains an important focus and our goal is to seamlessly integrate beneficial ESG principles into our everyday business operations. By leveraging the tools and frameworks we have developed, we aim to run a stronger, more transparent, and increasingly sustainable business that benefits all stakeholders. We are committed to consistently reporting our ESG progress in accordance with internationally recognized standards. However, we will continue to prioritize and pursue opportunities that yield disproportionately large positive impacts for our local community stakeholders, even if these sustainability benefits are not equally acknowledged by the current standards.

As we look towards the future, we are committed to building on our progress and addressing the challenges ahead. We recognize that there is still a significant amount of work to do to increase the efficiency of community-wide water usage and help the community become more resilient against the potential impacts of climate change. Our ongoing water infrastructure projects and stewardship initiatives will be central to these efforts.

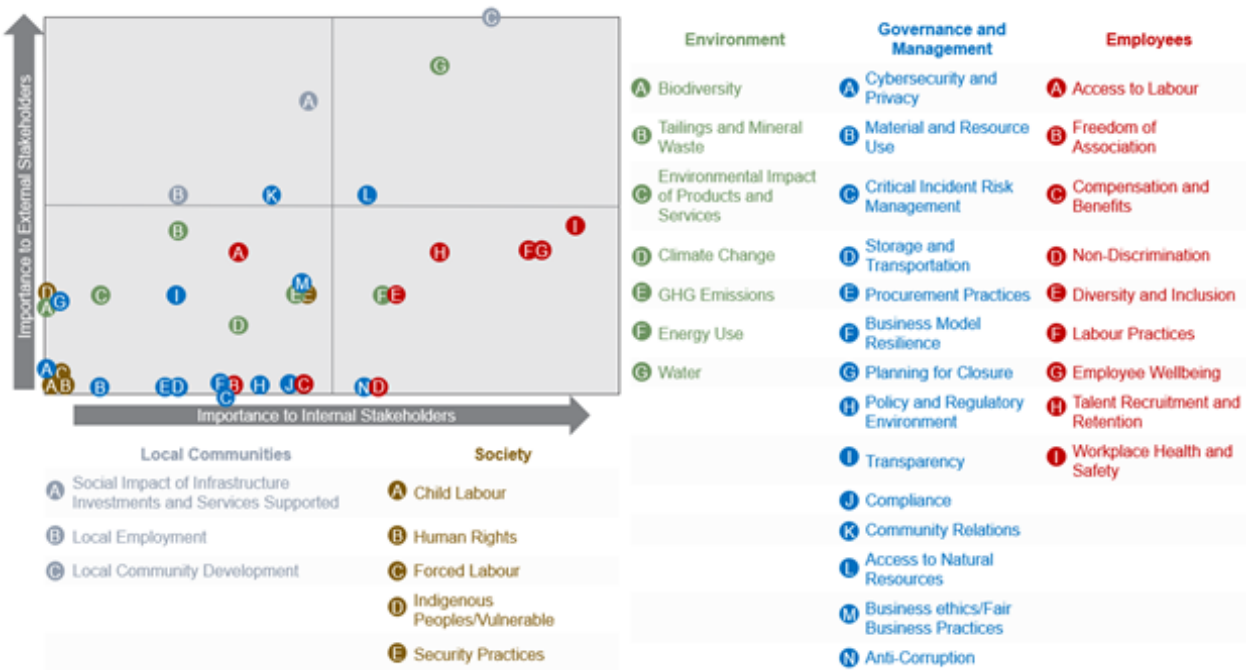
We will continue to listen, engage, learn, and evolve our efforts to best support the local community. By maintaining an open dialogue and fostering strong relationships with community members, we can better understand their needs and respond effectively when appropriate. We also hope to foster more positive relationships with regulatory stakeholders and industry peers as we are confident the positive impacts will be exponentially larger with combined efforts.

Materiality



In 2020, the Company began the process to formally create an ESG strategy. This process is ongoing and SilverCrest is constantly working to find ways to improve it. This strategy, along with the associated ESG policies, formalizes the Company's commitment to ESG and aids in making informed business decisions to ensure sustainable future operations. The ESG strategy played a crucial role in shaping the broader business strategy by incorporating sustainability aspects throughout 2022. As SilverCrest enters its first full year of production in 2023, the ESG strategy will continue to be refined and integrated into all levels of the Company.

To develop an ESG strategy aligned with stakeholder interests, the Company engaged third-party consultants in 2020 to perform a comprehensive materiality assessment. A materiality assessment is a process used to identify, refine, and evaluate the most significant environmental, social, and governance issues that could impact the Company and its stakeholders. While all issues included in the materiality assessment were considered important by stakeholders, a prioritized list of the most critical issues is used to guide strategy, targets, and reporting. The materiality assessment matrix displayed below illustrates the top issues and their relative importance.



Strategy



In response to the critical issues identified by the materiality assessment, SilverCrest and its third-party consultants devised an ESG Strategy Framework. This ESG strategy is built upon five key pillars: Environment, Social Capital, Human Capital, Leadership and Governance, and Business Resilience. These pillars not only represent the most significant ESG issues for the Company to address but also serve as a framework for maintaining long-term sustainable operations. The graphic below outlines the corporate commitments associated with each pillar.

Within each of the five pillars, the Company pinpointed specific focus areas. In total, there are 23 focus areas spanning the pillars, each with associated performance measures. SilverCrest worked with third-party consultants to establish an ESG data tracking system and to validate the data already being collected for some of these performance measures. Establishing the systems underpinning sustainability efforts has given

confidence in the data disclosed and with which decisions are made. Additionally, these measures enable the Company to track progress over time and enhance both corporate and operational performance. Focus areas for each pillar are listed in the graphic below.

In this ESG Report, SilverCrest has chosen to present activities under the universally recognized three-pillar ESG model to ensure accessibility and clarity for all its stakeholders. Despite this, internal business decision-making and strategy will continue to be guided by the Company’s distinct five-pillar ESG strategy. The Company believes this approach provides a comprehensive perspective on the operations while ensuring the report’s content remains straightforward and easy to comprehend for a diverse range of audiences.



Environmental Performance



Compliance

Report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by (GRI 2-27-a):	0
Number of instances for which fines were incurred:	0
Number of instances for which non-monetary sanctions were incurred:	0

Greenhouse Gas (“GHG”) Emissions

Gross global Scope 1 greenhouse gas (GHG) emissions to the atmosphere of the seven GHGs covered under the Kyoto Protocol (tonne CO ₂ -e) (SASB EM-MM-110a.1.1):	11,137
Gross global Scope 2 greenhouse gas (GHG) emissions to the atmosphere (tonne CO ₂ -e) (GRI 305-2-a):	8,098

SilverCrest’s Scope 1 and Scope 2 GHG quantification follows the guidelines provided by the GHG Protocol. For consolidating the GHG data, SilverCrest has selected the Operational Control approach to set the organizational boundaries. Scope 1 emissions include all direct emissions associated with fossil fuel combustion by on-site equipment, vehicles, and office buildings. Scope 2 emissions account for all indirect emissions associated with grid electricity consumption in Mexico and Canada. Location-based method is used for Scope 2 emissions quantification.

In 2022, SilverCrest worked with third-party consultants to create a robust data collection and tracking system to manage its ESG data for future disclosures. As part of this process, Scope 1 and 2 GHG emissions were quantified for the first time. The Company will continue to monitor and disclose GHG emissions as well as make efforts to reduce its carbon footprint.

Environmental Performance



Energy Management

Total energy consumed in aggregate, in gigajoules (GJ) (hydrocarbons and electricity) (SASB EM-MM-130a.1.1):	220,758
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Calculations for total energy consumed were based on total fuel consumption and electricity usage during the reporting period.

Water Management

Amount of water that was consumed from freshwater sources (in thousands of cubic meters) (SASB EM-MM-140a.1.2):	232,358
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Total number of instances of non-compliance, including violations of a technology-based standard and exceedances of quality-based standards (SASB EM-MM-140a.2.1):	0
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The Company uses government-approved consumption sources including two underground wells concessioned by the federation for mining operations, which means that water is available in the quantity and quality authorized and does not compromise the availability of water for other uses. The volumes of water that are destined for operations are counted daily by area, in order to determine the use that is assigned to it. In the 2022 reporting period, the Las Chispas Operation used 38% of the volume of water under its concession. In addition, the Las Chispas Operation is designed as a zero-discharge facility. The operation has water retention ponds structures in place in case of an emergency.

The Las Chispas Operation is located in a region of high baseline water stress according to the World Resource Institute's

Aqueduct Water Risk Atlas and Mexico's National Water Commission (CONAGUA). This was later confirmed by a climate risk assessment commissioned by SilverCrest to assess physical and transition risks facing the Company which identified water scarcity as a key climate risk. Although the Company does not expect operational disruptions related to water shortages to occur throughout the life of mine, it is expected that water scarcity and droughts will have a major impact on the surrounding communities that rely on water for their livelihoods and well-being. SilverCrest is committed to supporting the local community on these water issues as discussed earlier in this report, and further details on this can be found in its Water Management Policy and Water Stewardship Report.

Environmental Performance



Waste and Hazardous Material Management

Total amount of tailings waste generated from mining activities by the entity during the reporting period (tonne) (SASB EM-MM-150a.5): **181,147**

Total weight of hazardous waste generated that was recycled (tonne) (SASB EM-MM-150a.8): **170.6**

Provide a summary of the tailings management systems used to monitor and maintain the structural integrity of tailings facilities and to minimize the risk of a catastrophic failure (SASB EM-MM-540a.2.1):

The Las Chispas Operation tailings storage facility is a dry-stack and fully lined facility. It is carried out in full compliance with the Operation, Maintenance and Surveillance Manual developed specifically for this facility by highly trained personnel and is based on engineering design to make the tailings storage process functional in a safe manner, minimizing the risk of failure, while indicating the contingency measures to be taken in the event of any occurrence that could jeopardize the safety of the environment, the Company's employees and neighbouring communities.



Social Performance



Scale of the Organization

For the purpose of this reporting period, the operation includes SilverCrest's corporate activities in Canada, its Las Chispas Operation in Sonora, Mexico, and its exploration activities at its El Picacho property in Sonora, Mexico.

The Company's principal focus is its Las Chispas Operation. As a result, the data in this 2022 ESG Report covers ESG matters primarily for the Las Chispas Operation in Mexico.

Report the total number of operations (GRI 102-7): **1**

Unless otherwise specified, for the purposes of this ESG Report, the Company reports on the number of the employees and contractors at Compañía Minera La Lllamarada, S.A. de C.V. at its operations in Mexico.

Report the total number of employees (exclude contractors) (GRI 2-7-a): **339**

Report the total number of contractors (GRI 2-7-b-ii): **583**

Female employees as percentage of total employees: **18.0%**



Social Performance



Labour Demographic

Mexican national employees as percentage of total employees:	99.7%
Percentage of total employees from Sonora:	89.4%
Percentage of total employees from the local community (The Sonora River Valley region*):	30.7%

Labour Relations

Percentage of total employees covered by collective bargaining agreements (GRI 102-41-a):	40.4%
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For employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations (GRI 2-30-b):

The employees not governed by the collective bargaining agreements are governed by prevailing labour laws in the jurisdiction.

* The Sonora River Valley region includes the communities of Ures, Baviácora, Aconchi, San Felipe, Huepac, Banámichi, Arizpe, Bacoachi, and Cananea.

Social Performance



Occupational Health and Safety

Injuries - For all employees (GRI 403-9-a):

Injuries - For workers who are not employees but whose work and/or workplace is controlled by the organization (GRI 403-9-b):

Rate of fatalities resulting from work-related injury:	0	Rate of fatalities resulting from work-related injury:	0
Rate of high-consequence work-related injuries (excluding fatalities):	0	Rate of high-consequence work-related injuries (excluding fatalities):	0.61
Total Recordable Injury Frequency Rate:	2.05	Total Recordable Injury Frequency Rate:	4.33
Lost Time Injury Frequency Rate:	0	Lost Time Injury Frequency Rate:	0.62
Average hours of health, safety, and emergency response training for full-time employees:	18.20	Average hours of health, safety, and emergency response training for full-time employees:	24.36

Social Performance



Workers involved in mining operations are subject to many inherent health and safety risks and hazards, including, but not limited to, rock bursts, cave-ins, floods, falls of ground, tailings dam failures, chemical hazards, mineral dust and gases, use of explosives, noise, electricity and moving equipment (especially heavy equipment) and slips and

falls, which could result in occupational illness or health issues, personal injury, and loss of life, and/or facility and workforce evacuation. These risks cannot be eliminated and may adversely affect the Company's reputation, business and future operations.



SilverCrest is actively trying to prevent the occurrence of workplace injuries through the health and safety systems it has developed, which involves regular health and safety

training, regular audit of its health and safety systems and measuring health and safety metrics.

Social Performance



Security, Human Rights and Rights of Indigenous People

Percentage of inferred, indicated and measured resources that are located in or near areas of active conflict (SASB EM-MM-210a.1):	0%
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Percentage of inferred, indicated and measured resources that are located in or near areas that are considered to be indigenous peoples' land (SASB Modified):	0%
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Discuss practices and list procedures while operating in areas of conflict (SASB EM-MM-210a.3.3):

SilverCrest does not operate in areas of conflict.

Number of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site (not controlled by company/unauthorized) (GRI MM Supplement MM8-2.2):	0
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Disclose the total number of site shutdowns or project delays due to non-technical factors (SASBEM-MM-210b.2.1):	0
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Governance

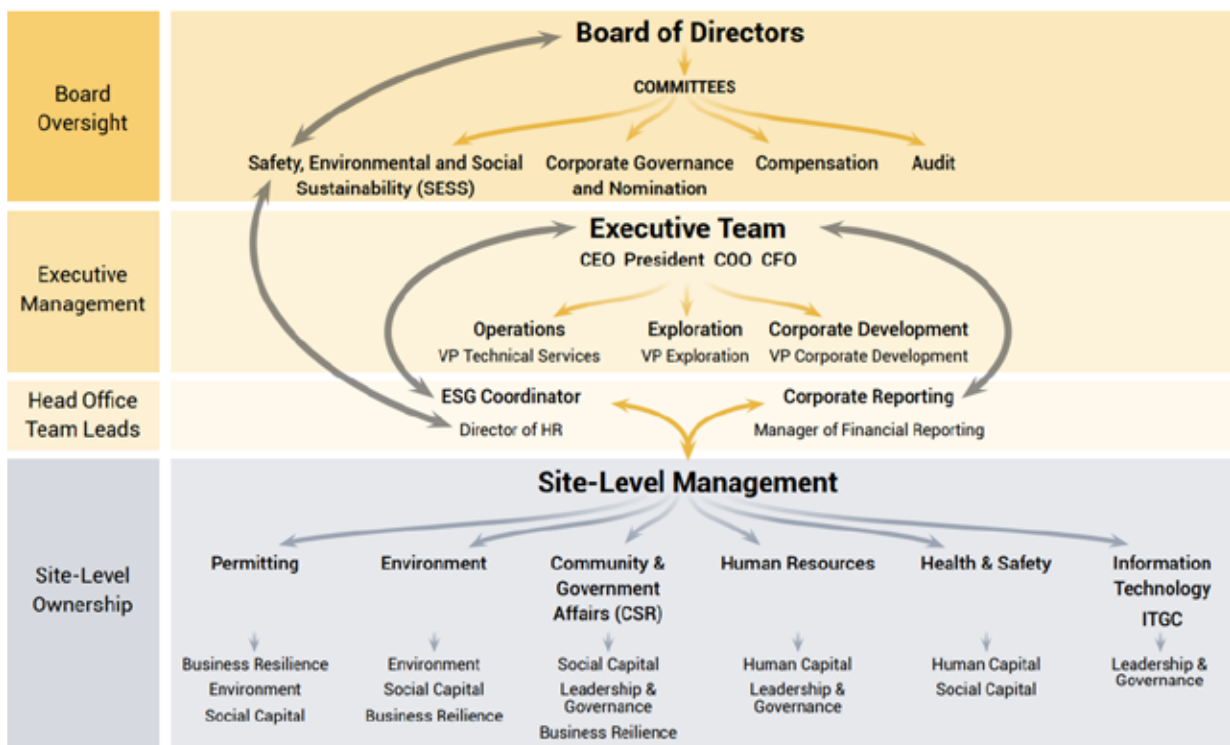


General Disclosure

The Company's Board of Directors is comprised of seven members, and the following four committees:



ESG Governance Structure



Governance



The Board of Directors established the SESS Committee in May 2019 to govern the corporate performance regarding environmental, social and other sustainability matters. The Committee is responsible for overseeing the identification and management of risks and opportunities relating to environmental, social, safety, and climate factors that have an impact on the Company and its stakeholders. The SESS Committee formally meets and reports to

the Board of Directors quarterly, and more frequently when appropriate. A charter outlines the SESS Committee’s mandate and responsibilities and is published on the Company’s website.

Training on ESG topics identified as potentially material to the Company, are offered to the members of the Board of Directors.

Board Composition

At the end of the reporting period, there were seven Board members. The Board’s composition includes three female directors representing 43% of the board seat and one who is a Mexican national.

Report the composition of the highest governance body and its committees by (GRI 102-22):

Total number of Board members:	7
Number of non-executive members:	6
Number of independent members:	6

Governance



Ethics and Integrity

Report net production from activities located in the countries with the 20 lowest rankings in Transparency International's Corruption Perception Index (CPI) (Saleable tonne) (SASB EM-MM-510a.2.2):

0

Ethics and Integrity for 2022

Total percentage of governance body members that have received communication on anti-corruption:

100%

Total percentage of employees that received communication on anti-corruption:

100%

Remuneration

The Company's senior executives have measurable key performance indicators that are linked to environmental, social and governance objectives. During the reporting

period, the Company had a 30% sustainability weighting on its 2022 corporate performance measures.

Disclaimer and Forward-Looking Statements

The information related to the Company's Sustainability documents contain "forward-looking statements" and "forward-looking information" (collectively "forward-looking statements") within the meaning of applicable Canadian and United States securities legislation. These include, without limitation, statements with respect to the timing, costs and completion of the Company's ESG projects between 2023 and 2026. 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 the ESG 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: uncertainty as

to the impact and the timing and content of work programs; environmental and other regulatory risks; project cost overruns or unanticipated costs and expenses; 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 document if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

For more information,
please see the Company's
ESG Scorecard.

ESG Scorecard



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