



INTERIM MANAGEMENT DISCUSSION & ANALYSIS

QUARTERLY HIGHLIGHTS

MARCH 31, 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 month period ended March 31, 2016. The Interim MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2016 and 2015, 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 May 26, 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

In 2016, the Company's main focus is the Las Chispas property ("Las Chispas"). Details of the Company's other properties are available on the Company's website, www.silvercrestmetals.com. Las Chispas property is located approximately 180 kilometres northeast of Hermosillo, Sonora, Mexico. The property consists of 18 concessions totaling 1,327 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.

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 rehabilitation of several historic silver-gold mines at its Las Chispas project and a surface drilling program of approximately 3,000 metres. The plans are to access and evaluate most of the estimated six kilometres of historic underground workings at Las Chispas. The Company estimates that this initial rehabilitation will take several months to complete and will 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. Estimated cost of this initial rehabilitation program is \$150,000 to \$200,000 and the all-in cost for the surface drilling program is \$1 million.

Underground rehabilitation update

- Accessed about two kilometres of the estimated six kilometres of underground workings.
- Completed initial detailed underground channel sampling, collecting 36 continuous channel samples at intervals every estimated 2.5 metres across the width of the vein for approximately 75 metres.
- Received sample results averaging 1.1 metres of 2.4 gpt gold and 174.9 gpt silver, or 358.1 gpt silver equivalent (75:1 Au:Ag) (uncut, undiluted) over a 75 metre strike length. All assays were completed by ALS Chemex in Hermosillo, Mexico and North Vancouver, BC. The following table summarizes the 17 most significant results of the 36 samples collected:

William Tell Vein

Sample Type	True Width (m)	Au gpt	Ag gpt	AgEq gpt*
Channel	0.9	24.5	780.0	2,617.5
Channel	0.5	2.0	193.0	341.9
Channel	0.9	2.4	126.0	304.5
Channel	1.1	7.5	116.0	678.5
Channel	0.6	0.1	356.0	361.3
Channel	0.7	6.0	419.0	869.8
Channel	0.7	2.2	188.0	350.0
Channel	1.1	7.4	284.0	842.0
Channel	0.8	3.7	160.0	433.8
Channel	1.2	1.8	225.0	359.3
Channel	0.5	2.5	453.9	640.5
Channel	1.2	0.7	267.0	316.6
Channel	1.2	1.3	327.0	421.9
Channel	0.6	8.5	345.0	984.8
Channel	1.6	1.5	441.0	553.1
Channel	1.2	5.8	84.0	517.5
Channel	0.8	7.9	560.0	1,150.3

*AgEq based on 75:1 Au:Ag

Surface drilling update

- Completed drilling of six holes for a total of 1,500 metres.
- All holes have intersected quartz stockwork and veining, and are currently being logged and sampled.

- Applied for a MIA (Environmental Impact Statement) for an underground drilling program of 2,000 metres to test potential near-surface resource areas and deeper extensional targets of below the historical workings. Minimal underground work is required to begin underground drilling. Depending on permitting, this program is expected to start in the second half of 2016. This permit also includes the extraction of a 100,000-tonne bulk sample for testing and processing off site.

For additional information on the initial rehabilitation and surface drilling programs and underground channel sample results, please refer to the Company's news releases dated March 2, 2016, and April 28, 2016, 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.

Exploration – Huasabas

As previously planned, drilling was completed during the three months ended March 31, 2016, at the Company's 100% owned Huasabas property located in Sonora, Mexico. Approximately 1,091 metres of drilling were completed in 5 core holes. Drill results indicate the presence of a large epithermal system with up to 225 metres of drill intercepted breccias, stockwork veining and banded veins in Tertiary volcanics. Geochemical assay results show that the near surface mineralization is close to the top of the epithermal system with strong Au-Ag-Ba-Sb-As-Hg anomalies. Drill results for the first 5 holes showed multiple intercepts from 5 to 10 metres wide grading 0.1 to 0.3 gpt Au and 5 to 15 gpt Ag. Having established the presence of a large epithermal system, the Company's next steps will be to test the system's extensions to determine the presence of potential economic mineralization. Given the results and the minimal holding cost for the project, the Company's current plan is to maintain the property for future work and currently focus on its Las Chispas Project.

Corporate

Subsequent to March 31, 2016, the Company issued 91,683 common shares at \$0.06 per share and issued 50,000 common shares at \$0.16 per share for gross proceeds of \$13,501, related to the exercise of stock options, and the Company issued 162,500 common shares at \$0.20 per share for gross proceeds of \$32,500, related to the exercise of warrants.

RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

During the three months ended March 31, 2016, comprehensive loss was \$390,147 (December 31, 2015 – \$546,735). The significant variation between the first quarter of 2016 ("Q1, 2016") and the fourth quarter of 2015 ("Q4, 2015") included the following:

- Exploration expenditures decreased to \$7,867 (December 31, 2015 – \$23,675), as the Company's increased due diligence work on potential mineral properties during Q4, 2015.
- Foreign exchange resulted in an unrealized loss of \$125,349 (December 31, 2015 – unrealized gain of \$111,760) from strengthening of the Canadian dollar compared to US dollar during Q1, 2016, from Q4, 2015. As at March 31, 2016, the Company is primarily exposed to foreign currency risks through holding US dollar cash and cash equivalents of \$2.2 million Canadian dollar equivalents (December 31, 2015 – \$2.4 million).
- Professional fees decreased to \$30,312 (December 31, 2015 – \$97,614) for general corporate legal fees in Canada and Mexico and accrual for the Company's 2016 year-end audit and tax. During Q4, 2015, \$69,136 was for legal fees related to stock option grants, incorporation, listing the Company on the TSX-V, and \$15,000 for accrual of the Company's year-end audit and tax fees;
- Regulatory and transfer agent fees decreased to \$3,998 (December 31, 2015 – \$20,374). During Q4, 2015, the Company paid \$20k for its TSX-V listing application.
- Share-based compensation decreased to \$7,099 (December 31, 2015 – \$376,998) for stock options granted in December, 2015, to personnel performing investor relation functions. During Q4, 2015, the Company recorded \$191,543 for stock options exchanged under the plan of arrangement dated October 1, 2015 and \$185,455 for the 2,340,000 stock options granted in December, 2015. Except for stock options granted to personnel performing investor relation services, stock options granted in December 2015 were fully vested on the date of grant.
- Shareholder and investor relations increased to \$26,966 (December 31, 2015 – \$11,875) as the Company increased the number of vendors and services related to website, advertising and investor relations.
- Technical consultants increased to \$11,070 (December 31, 2015 – \$nil) as the Company engaged consultants during Q1, 2016 for performing due diligence work on potential mineral property acquisitions.
- Tradeshaw and travel increased to \$37,212 (December 31, 2015 – \$7,114) as the Company increased travel activities to attend trade shows in North American and evaluate potential mineral properties in Mexico.

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 March 31, 2016, cash and cash equivalents decreased to \$4,347,607 (December 31, 2015 – \$5,241,781). The significant factors for the decrease in cash include:

- \$463,813 used in operating activities (see “Results of Operations and Financial Conditions” section above).
- \$437,114 used in investing activities, primarily from the payment of \$432,881 (December 31, 2015 – \$159,284) towards exploration and evaluation expenditures related to its Mexico properties (see “Liquidity and Capital Resources Outlook – Assets” section below).
- \$6,750 provided by the issuance of capital stock related to the exercise of options.

LIQUIDITY AND CAPITAL RESOURCES OUTLOOK

Assets

As at March 31, 2016, the Company held cash and cash equivalents of \$4.3 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 \$40,056 (December 31, 2015 – \$94,467) consists primarily of \$18,544 (December 31, 2015 – \$78,565) due from Goldsource Mines Inc. (“Goldsource”) (see “Related Party Transactions” section) and interest receivable of 11,601.

Taxes receivable increased to 97,806 (December 31, 2015 – \$45,499), which consisted of value added taxes in Mexico of \$75,210 (December 31, 2015 – \$32,975) and goods and services taxes in Canada of \$22,596 (December 31, 2015 – \$12,524) that the Company has paid and due to be refunded. The Company believes the balance is fully recoverable and has not provided an allowance.

Equipment increased to \$53,476 (December 31, 2015 – \$50,760) for the purchase of additional office equipment and computer hardware.

Exploration and evaluation assets increased to \$1,103,468 (December 31, 2015 – \$622,721), primarily from concession payments on all properties, assays, camp costs, drilling, salaries and remuneration incurred at Las Chispas and Huasabas properties and technical consultant services incurred at the Guadalupe property.

Liabilities

As at March 31, 2016, accounts payable and accrued liabilities amounted to \$130,035 (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, management believes the Company's cash and cash equivalents of \$4.3 million, short-term deposit of \$2 million contributing to working capital of \$6.4 million (as of March 31, 2016), will be sufficient to fund the 2016 exploration work as described in the Exploration Milestones 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 and 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 three months ended March 31, 2016, or which may likely have a material effect going forward.

RELATED PARTY TRANSACTIONS

Legal fees

During the three months ended March 31, 2016, the Company accrued legal fees of \$5,383, 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 \$5,383 (December 31, 2015 – \$7,625) was payable as March 31, 2016.

Key management compensation

During the three months ended March 31, 2016, the Company paid \$26,250 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 months ended March 31, 2016, the Company recognized on the statement of financial position under exploration and evaluation assets \$21,948 in remuneration paid for technical services to an employee who is an immediate family member of the Chief

Executive Officer of the Company. During the three months ended March 31, 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 officers, whereby the Company shares salaries, administrative services and other reimbursable expenses. During the three months ended March 31, 2016, the Company allocated to Goldsource \$46,332 for its share of these expenses, of which \$18,544 (December 31, 2015 – \$78,565) was receivable from Goldsource at March 31, 2016.

CAUTIONARY STATEMENT AND FORWARD-LOOKING DISCLAIMER

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. There have been no major changes from the reported risk factors outlined in the Annual MD&A. 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

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; 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; 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.