



INTERIM MANAGEMENT DISCUSSION & ANALYSIS

QUARTERLY HIGHLIGHTS

SEPTEMBER 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 nine months ended September 30, 2016. The Interim MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 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 November 10, 2016. This Interim MD&A contains forward-looking information. Reference to the "Cautionary Statement and Forward-Looking Statement Disclaimer" on page 6 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" or the "Property"). 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 recent concession additions in 2016, the Property now consists of 20 concessions totaling approximately 1,365 hectares. Las Chispas is in a prolific mining area with nearby precious metal producers. Historical reports indicate the presence of 19 veins in the district, of which only three veins (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 2016 drilling campaign. As of the date hereof, the Company has located 17 of these 19 historical veins and also located two additional veins near the Babicanora area.

In early 2016, SilverCrest completed initial general exploration activities on Las Chispas, including mapping, sampling and geochemical analysis. As a result of the initial work, the Company began its Phase I exploration program, estimated to cost approximately \$2.35 million (as disclosed in the Q2, 2016 Interim MD&A, expanded from \$1.2 million), which includes the rehabilitation of several historic silver-gold mines at Las Chispas (covering an area of 11.5 kilometres) and a surface drilling program (for over 6,000 metres). Since September 2016, the Company has completed its surface drilling program and received an underground drilling permit for Las Chispas, including the permission to mine a 100,000-tonne bulk sample for testing and processing off-site. With these permits, the Company commenced in November 2016 its Phase II exploration program.

Summaries of the underground rehabilitation, surface drill and Phase II exploration programs are set out below. For additional information on Las Chispas, please refer to a technical report prepared for the Company in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101"), by James Barr, P. Geo, Senior Geologist at Tetra Tech EBA Inc. titled, "Technical Report on the Las Chispas Property, Sonora, Mexico" (the "Technical Report"). The Technical Report is dated October 26, 2016, with an effective September 15, 2016, and is available on the Company's website at www.silvercrestmetals.com or under the Company's SEDAR profile at www.sedar.com.

Summary of underground rehabilitation

- To date, the Company has rehabilitated approximately 7 kilometres of the 11.5 kilometres of historic underground workings, with rehabilitation work continuing over the remainder of 2016.
- Rehabilitation work consists 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 total cost in 2016 is \$430,000 (increased from \$350,000, as previously announced), of which \$350,000 has been spent to date.
- 2,055 underground rock chip/channel samples have been collected and assayed, with 301 sample results grading above a cutoff grade of 150 grams per tonne ("gpt") silver equivalent ("AgEq", based on 75:1 Ag: Au and 100% metallurgical recovery); averaging 4.35 gpt gold and 331.6 gpt silver or 658 gpt AgEq.
- While removing material to gain access to the working, there is ongoing sampling of underground backfill, surface dump and surface rock, which will be considered in upcoming resource estimation.

Summary of surface drill program

- The Company completed its Phase I surface drill program, which consisted of 22 holes. Nineteen 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 6,400 metres. Please refer to the Company's website or news releases dated August 2, September 7 and September 14 for more details on the drilling results.
- Estimated cost is \$2.0 million for 2016, of which \$1.4 million has been spent to date.
- All drill holes have intersected quartz stockwork veinlets, veining and/or breccia.

- The drilling has defined several discoveries and confirmed high grade continuity with resultant multiple drill intercepts greater than 2,000 gpt AgEq. The corridor is potentially 750 metres wide, and high grade mineralization appears to extend to a depth of at least 300 metres from the surface.
- Some of the more significant core drilling results for the Las Chispas Vein include:
 - drill hole LC16-05: 4.6 metres in true width of 4.56 gpt gold and 621.5 gpt silver, or 963 gpt AgEq;
 - drill hole LC16-08: 7.2 metres in true width grading 2.41 gpt gold and 311.5 gpt silver, or 492 gpt AgEq; and
 - drill hole LC16-18: 1.0 metre grading 1.55 gpt gold and 706.0 gpt silver, or 822 gpt AgEq.
- Most notable core drilling results for the William Tell Vein are:
 - drill hole LC16-03: 2.3 metres in true width grading 1.63 gpt gold and 583.6 gpt silver, or 705 gpt AgEq;
 - drill hole LC16-13: 0.8 metres in true width grading 4.79 gpt gold and 364.0 gpt silver, or 723 gpt AgEq;
 - drill hole LC16-15: 1.3 metres in true width grading 1.94 gpt gold and 352.0 gpt silver, or 494 gpt AgEq; and
 - drill hole LC16-16: 0.9 metres in true width grading 6.57 gpt gold and 395.0 gpt silver, or 888 gpt AgEq.

Summary of Phase II exploration program

- Commenced in November 2016, the Company's Phase II exploration program includes an underground core drilling program of 2,000 metres and a minimum surface core drill program of 6,000 metres.
- Underground drilling includes 5 to 10 core holes at the Babicanora Vein, to initially test the historic mine area and multiple parallel veins. As with the Las Chispas and William Tell veins, the Babicanora Vein has not been previously drilled.
- Additional surface and underground drilling will be conducted at the Las Chispas and William Tell veins, focusing on infill drilling for resource estimation and step out drilling to test the possible southern and northern vein extensions of these veins.
- Phase II drilling will also include initial drilling of other targets on the Company's concessions.
- Phase II exploration program as recommended by the Technical Report is estimated to cost US\$3.3 million and will be completed by early Q2, 2017, with the results to be incorporated into a maiden resource estimate for the Las Chispas project in late Q2, 2017.
- The underground drill program will also focus on the delineation of a large bulk sample. A bulk sample is a large sample, in many cases, thousands or hundreds of tonnes, and is generally a composite of material from development drifts and raises. It is also used to define metallurgical characteristics. With continued success, the Company expects to begin with its bulk sample in late 2017. Arrangements for processing the bulk sample off site are required.

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 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. 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.

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 ("CEO"), Mr. Magnusson as Chief Financial Officer ("CFO"), Michael Rapsch as Vice President, Corporate Communications and Bernard Poznanski as Corporate Secretary.

Management update

On October 19, 2016, the Company announced the appointment of Nicholas Campbell as Vice President, Business Development. In his new position, Mr. Campbell will initially be working part-time and be responsible for developing, implementing and executing all aspects of SilverCrest's business development opportunities designed to accelerate the Company's growth and enhance its shareholder's value.

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 in August 2016. Mr. Dunham Craig, a director of the Company, has been appointed Interim CEO. 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 nine months ended September 30, 2016, the Company issued 462,414 common shares at \$0.06 per share and issued 75,000 common shares at \$0.16 per share for gross proceeds of \$39,746, related to the exercise of stock options. In addition, the Company issued 650,000 common shares at \$0.20 per share for gross proceeds of \$130,000, related to the exercise of warrants.

Subsequent to September 30, 2016, the Company issued 15,000 common shares at \$0.16 per share for gross proceeds of \$2,400, related to the exercise of stock options and issued 1,449,996 common shares at \$0.20 per share for gross proceeds of \$290,000, related to the exercise of warrants.

RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

During the three and nine months ended September 30, 2016, comprehensive loss was \$358,952 and \$1,093,033, respectively, compared to \$343,934 for the three months ended June 30, 2016 ("Q2, 2016"). The significant variations between the three months ended September 30, 2016 ("Q3, 2016") and Q2, 2016 included the following:

- Exploration expenditures decreased to \$23,737 (Q2, 2016 – \$44,044) during Q3, 2016, for a total of \$75,648 in the first nine months of 2016, as the Company conducted research and due diligence on various other properties located throughout Mexico during Q2, 2016.
- Unrealized foreign exchange loss increased to \$31,399 (Q2, 2016 – \$7,169) during Q3, 2016, for a total unrealized loss of \$163,917 in the first nine months of 2016, from weakening of the Canadian dollar compared to the US dollar since Q4, 2015. As at September 30, 2016, the Company is primarily exposed to foreign currency risks through holding US dollar cash and cash equivalents of \$1.1 million Canadian dollar equivalents (December 31, 2015 – \$2.4 million).
- Interest income decreased to \$10,041 (Q2, 2016 – \$15,717) during Q3, 2016, for a total of \$36,636 in the first nine months of 2016, as the Company redeemed its interest bearing cash equivalents to provide working capital.
- Professional fees increased to \$62,850 (Q2, 2016 – \$38,971) during Q3, 2016, for a total of \$132,133 in the first nine months of 2016, due to added legal and accounting services at head office as well as in Mexico, as compared to Q2, 2016.
- Regulatory and transfer agent fees decreased to \$4,538 (Q2, 2016 – \$13,862) during Q3, 2016, for a total of \$22,398 in the first nine months of 2016, as the Company incurred costs related to annual filing fees from the submission of its year-end financial statements in Q2, 2016, as well as regulatory filing fees for the Company's stock option plan.
- Share-based compensation decreased to \$1,971 (Q2, 2016 – \$3,721) during Q3, 2016, for a total of \$12,791 in the first nine months of 2016 as fewer stock options vested during the period.
- Shareholder and investor relations decreased to \$45,042 (Q2, 2016 – \$50,114) during Q3, 2016, for a total of \$122,122 for the first nine months of 2016, primarily due from the preparation, printing and distribution of material for the Company's AGM held during Q2, 2016, in addition to vendors and services related to website, advertising and investor relations.
- Technical consultants increased to \$12,621 (Q2, 2016 – \$3,230) during Q3, 2016, for a total of \$26,921 in the first nine months of 2016, as the Company engaged an additional consultant during Q3, 2016 to perform due diligence on potential mineral property acquisitions.
- Tradeshow and travel decreased to \$25,404 (Q2, 2016 – \$39,964) during Q3, 2016, for a total of \$102,580 in the first nine of 2016, as the Company had increased corporate travel activity to attend trade shows within North America during Q2, 2016.

As SilverCrest was incorporated on June 23, 2015, and became a reporting issuer on October 1, 2015, the Company's first available interim financials were for the period from June 23, 2016, to September 30, 2015. Consequently, this document provides a comparison of Q3, 2016 with Q2, 2016. Total net loss and comprehensive loss for the period from June 23, 2015, to September 30, 2016, was \$31,060, which included \$1,060 for office and miscellaneous and \$30,000 for regulatory fees.

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. At September 30, 2016, cash and cash equivalents decreased to \$1,528,593 (June 30, 2016 – \$2,914,686; December 31, 2015 – \$5,241,781). The significant factors for the decrease in cash include:

- \$414,721 used in operating activities (see "Results of Operations and Financial Conditions" section above) for Q3, 2016, and \$1,356,978 for the nine months ended September 30, 2016.
- \$1,076,065 used in investing activities, primarily from the payment of \$1,030,151 towards exploration and evaluation expenditures related to its Mexico properties for Q3, 2016 (see "Liquidity and Capital Resources Outlook – Assets" section below) and \$2,525,956 for the nine months ended September 30, 2016.
- \$104,693 provided by the issuance of capital stock related to the exercise of options and warrants for Q3, 2016, and \$169,746 for the nine months ended September 30, 2016.

LIQUIDITY AND CAPITAL RESOURCES OUTLOOK

Assets

At September 30, 2016, the Company held cash and cash equivalents of \$1.5 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 \$61,893 (December 31, 2015 – \$94,467) consists primarily of \$15,998 (December 31, 2015 – \$78,565) due from Goldsource Mines Inc. ("Goldsource") (see "Related Party Transactions" section), interest receivable of \$26,959 and other amounts receivable of \$11,696.

Taxes receivable increased to \$360,979 (December 31, 2015 – \$45,499), which consisted of value added taxes in Mexico of \$330,915 (December 31, 2015 – \$32,975) and goods and services taxes in Canada of \$30,064 (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 \$99,875 (December 31, 2015 – \$50,760) for the purchase of additional office equipment, computer hardware and camp vehicles.

Exploration and evaluation assets increased to \$3,194,122 (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 Q2 and Q3 2016, the Company had incurred an additional \$995,000 and \$1,005,000, respectively, 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 September 30, 2016, accounts payable and accrued liabilities amounted to \$262,055 (December 31, 2015 – \$117,531), which relates to various contractual commitments in the normal course of business.

Liquidity outlook

While SilverCrest currently has no source of revenue, the Company has cash and cash equivalents of \$1.5 million and short-term deposit of \$2.0 million contribute to working capital of \$3.8 million (as of September 30, 2016), which management believes will be sufficient to fund general working capital requirements for the next 12 months. The Company's financial success is dependent on its ability to discover economically viable mineral deposits. In order to plan and complete Phase II exploration program as described in the "Exploration – Las Chispas" section above, 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. 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.

COMMITMENT, EVENTS AND UNCERTAINTIES

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

RELATED PARTY TRANSACTIONS

Legal fees

During the three and nine months ended September 30, 2016, the Company incurred legal fees of \$25,805 and \$38,768, 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 \$23,595 (December 31, 2015 – \$7,625) was payable as September 30, 2016.

Key management compensation

During the three and nine months ended September 30, 2016, the Company paid \$26,250 and \$78,750, respectively in key management compensation to the CEO and CFO 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 nine months ended September 30, 2016, the Company recognized \$21,366 and \$63,012, respectively, on the statement of financial position under exploration and evaluation assets and \$nil and \$2,554, respectively, on the statement of comprehensive loss related to remuneration for technical services to an employee who is an immediate family member of the CEO of the Company. During the three and nine months ended September 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 CFO 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 nine months ended September 30, 2016, the Company allocated to Goldsource \$46,995 and \$143,315, respectively, for its share of these expenses, of which \$15,998 (December 31, 2015 – \$78,565) was receivable from Goldsource at September 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 Information Form dated October 28, 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:

- Risks inherent in the mining business
- No history of operations or earnings
- No mineral production
- Global financial conditions
- Competitive conditions
- Commodity markets
- Insurance and uninsured risks
- Foreign mineral properties
- Surface rights
- Key personnel
- Additional capital and financing risks

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 Las Chispas; 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 Las Chispas; 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 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.