



**MANAGEMENT DISCUSSION & ANALYSIS OF
FINANCIAL CONDITIONS & RESULTS OF OPERATIONS
PERIOD FROM INCORPORATION ON
JUNE 23, 2015, TO DECEMBER 31, 2015**

This Management's Discussion and Analysis ("MD&A") is an overview of the activities of SilverCrest Metals Inc. (the "Company" or "SilverCrest Metals") for the three months period ended December 31, 2015, and for the period from incorporation on June 23, 2015, to December 31, 2015. The MD&A is intended to help the reader understand the Company's operations, financial performance, and present and expected future business environment. The MD&A should be read in conjunction with the audited consolidated financial statements for the period ended December 31, 2015, and the related notes contained therein which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. 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 MD&A is April 7, 2016. This MD&A contains forward looking information. Reference to the risk factors described on pages 7 to 9 and in the Cautionary Statement on page 9 of this MD&A is advised.

DESCRIPTION OF BUSINESS

SilverCrest Metals Inc. was incorporated under the Business Corporation Act (British Columbia) on June 23, 2015, under the name 1040669 B.C. Ltd. Articles of amendment were filed on August 11, 2015 to change the name of the Company to SilverCrest Metals Inc. From the period of incorporation to September 30, 2015, SilverCrest Mines Inc. ("SilverCrest Mines") was the Company's only shareholder.

On October 1, 2015, SilverCrest Metals, SilverCrest Mines and First Majestic Silver Corp. ("First Majestic") completed a plan of arrangement (the "Arrangement") under the Business Corporation Act (British Columbia) effected pursuant to an arrangement agreement dated July 26, 2015, as amended. Under the Arrangement, 19,952,024 SilverCrest Metals Shares were issued to SilverCrest Mines for distribution to the former shareholders of SilverCrest Mines (at an exchange ratio of 0.1667 of a SilverCrest Metals Share for one common share of SilverCrest Mines), and 2,192,727 SilverCrest Metals Shares were issued to First Majestic. As a result, on October 1, 2015, there were a total of 22,144,751 outstanding SilverCrest Metals Shares owned as to 90.1% by former shareholders of SilverCrest Mines and as to 9.9% by First Majestic. The completion of the Arrangement established SilverCrest Metals as a separate company spun off from SilverCrest Mines.

In consideration for the issuances of the SilverCrest Metals Shares under the Arrangement, SilverCrest Mines transferred to SilverCrest Metals the concession rights of the Cruz de Mayo, Las Chispas, Angel de Plata, Huasabas and Estacion Llano exploration properties located in northern Mexico, as well as approximately \$5.25 million in cash and certain other assets owned by SilverCrest Mines, and First Majestic transferred to SilverCrest Metals its Guadalupe exploration property located in Durango, Mexico. In addition, pursuant to the Arrangement, outstanding SilverCrest Mines options were exchanged for SilverCrest Metals replacement stock options. A total of 1,593,635 stock options were issued by the Company at an exercise price of \$0.06 per share and expiry dates ranging from November 7, 2015, to December 10, 2019.

The directors of SilverCrest Metals were previously either directors or officers of SilverCrest Mines immediately prior to the completion of the Arrangement. N. Eric Fier is President and Chief Executive Officer and Barney Magnusson is Chief Financial Officer of SilverCrest Metals.

On October 1, 2015, the Company entered into management consulting agreements with Maverick Mining Consultants Inc. ("Maverick"), a company wholly-owned by Mr. Fier and Adapa Management Ltd. ("Adapa"), a company wholly-owned by Mr. Magnusson to provide executive, managerial and consulting services to the Company. In consideration for the services of Maverick and Adapa, the Company has agreed to pay Maverick an initial annual base rate of \$60,000 and Adapa an initial annual base rate of \$45,000, subject to change by the Company's directors. The Maverick and Adapa agreements each includes a termination clause which provides for payment of 1.5 times the applicable annual base rate, bonus and benefits if terminated without cause or 2 times of the applicable annual base rate, bonus and benefits if the Company undergoes a change in control (as defined in the agreement).

SilverCrest Metals received final approval for the listing of the common shares of SilverCrest Metals on the TSX Venture Exchange ("TSX-V") with trading commencing on October 9, 2015, under the symbol "SIL". Material transaction documents relating to the Arrangement and the TSX-V Form 2B Listing Application are also available under SilverCrest Metals' profile at www.sedar.com.

EXPLORATION PROPERTIES

As described above, SilverCrest Mines transferred to SilverCrest Metals the concession rights of its Las Chispas, Huasabas, Cruz de Mayo, Angel de Plata, and Estacion Llano exploration properties, and First Majestic transferred to SilverCrest Metals its Guadalupe exploration property as part of the Arrangement.

Las Chispas

The Las Chispas property is located approximately 180 kilometres northeast of Hermosillo, Sonora, Mexico. The community of Arizpe (estimated population 2,000) is located approximately 12 kilometres to the north of the property. The property consists of 17 concessions totaling 1,327 hectares.

During 2015, SilverCrest Metals conducted general exploration including mapping, sampling and geochemical analysis on the Las Chispas property. As a result of the initial work conducted in 2015 and early 2016, the Company announced on March 2, 2016, that it will start rehabilitation of several historic silver-gold mines at its Las Chispas Project. Please refer to the Company's news release dated March 2, 2016, available on www.silvercrestmetals.com and under the Company's SEDAR profile on www.sedar.com.

In 2016, the plans are to access and evaluate most of the estimated six kilometres of historic underground workings at Las Chispas. Currently, about two kilometres of these workings are easily accessible with good ground conditions. 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 program is \$150,000 to \$200,000. In conjunction with underground rehabilitation, a surface drilling program of approximately 3,000 metres began in March 2016, which will be followed by a 2,000-metre underground drilling program later in the year. This initial drilling will test; 1) near surface targets, 2) underground lateral extensions of previously mined areas, and 3) deeper extensional targets of potential mineralization below the historical workings. Estimated all-in cost for this initial drilling is \$1 million.

In addition to the rehabilitation and drill program in 2016, the Company is scheduled to make property payment totaling US\$105,000 in the next twelve months.

Huasabas

The Huasabas property is located approximately 190 kilometres northeast of Hermosillo, Sonora, Mexico. The community of Huasabas (estimated population 1,000) is located approximately 15 kilometres to the southeast of the property. The property consists of one concession totalling 800 hectares.

During 2015, the Company conducted general exploration including mapping, sampling and geochemical analysis on the Huasabas property.

In early 2016, the Company completed approximately 1,091 metres of drilling 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.

Cruz de Mayo

The Cruz de Mayo property is located in the State of Sonora, Mexico, approximately 22 km northwest of the town of Cumpas and 163 km north east of Hermosillo. The project is located 35 km directly northeast, and approximately 150 km total distance when travelled by paved road, of the Santa Elena mine. The Cruz de Mayo Property consists of two mineral concessions, Cruz de Mayo 2 and El Gueriguito, combining for a total area of 452 hectares. Through its wholly-owned subsidiary, SilverCrest Metals has 100% ownership of the Cruz de Mayo 2 and El Gueriguito concessions. The El Gueriguito concession is subject to a 2.5% NSR, to a maximum of US\$1,000,000, of which US\$195,000 had been paid by SilverCrest Mines before the Arrangement and a further US\$25,000 was paid by the Company in 2015. In 2016, the Company is scheduled to pay US\$25,000 towards this concession.

A technical report entitled "Mineral Resource Estimate for the Cruz de Mayo Property, Sonora, Mexico" effective August 15, 2015, as amended September 15, 2015, was prepared in compliance with NI 43-101 for SilverCrest Mines and SilverCrest Metals by Tetra Tech EBA Inc. It can be accessed from the Company's website www.silvercrestmetals.com or under SilverCrest Metals' profile on SEDAR at www.sedar.com.

During 2015, and to the date hereof, the Company did not conduct significant exploration or development work on the Cruz de Mayo property. For the next twelve months, the Company does not plan to conduct work on Cruz de Mayo. Management will assess whether to focus its efforts on the Cruz de Mayo property after reviewing the 2016 drilling results from the Las Chispas property.

The Silver Angel Property

The Silver Angel property is located approximately 165 kilometres northeast of Hermosillo, Sonora, Mexico. The community of Arizpe (estimated population 2,000) is located approximately 25 kilometres to the west of the property. The property consists of one concession totalling 619 hectares.

At this time, SilverCrest Metals has no plan to perform any work on the Silver Angel property. Future payments, obligations or known future taxes payable in respect of the Silver Angel property are expected to total approximately US\$10,000 per year.

The Estacion Llano Property

The Estacion Llano property is located approximately 140 kilometres north of Hermosillo, Sonora, Mexico. The community of Estacion Llano (estimated population 1,000) is located approximately 8 kilometres to the east of the property. Also, Timmins Gold's San Francisco mine is adjacent to the property. The property consists of one concession totalling 2,379 hectares.

At this time, SilverCrest Metals has no plan to perform any work on the Estacion Llano property. This property is currently subject to litigation and, depending on the outcome, may not be transferable to SilverCrest Metals. As a result, there are no known future payments, obligations or known future taxes payable in respect of the Estacion Llano property except for concession payments of approximately US\$25,000 per year.

The Guadalupe Property

The Guadalupe Property is located approximately 110 kilometres northwest of Durango City, Durango, Mexico. The community of Gavilanes (estimated population 145) is located adjacent to the property and San Miguel de Cruces (estimated population 1,800) is located approximately 25 kilometres north. The property consists of one concession totalling 4,762 hectares.

At this time, SilverCrest Metals has no plan to perform any work on the Guadalupe property. Future payments, obligations or known future taxes payable in respect of the Guadalupe property are expected to total approximately US\$50,000 per year.

RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Selected Annual Information

The following financial data has been prepared in accordance with IFRS:

	2015	
Revenues	\$	Nil
Comprehensive loss for the period	\$	(577,795)
Loss per share - basic and diluted	\$	(0.02)
Total assets	\$	8,132,735
Total current liabilities	\$	(117,531)
Total non-current liabilities	\$	Nil
Shareholder's equity	\$	(8,015,204)

Summary of Quarterly Results

The following financial data is selected information for the Company for the three most recently completed financial quarters, prepared in accordance with IFRS:

	Q4	Q3	Q2
	December 31,	September 30,	June 30,
	2015	2015	2015
Revenues	\$	Nil	Nil
Comprehensive loss for the period	\$	(546,735)	(31,060)
Loss per share - basic and diluted	\$	(0.02)	n/a
Total assets	\$	8,132,735	5,221,912
Total liabilities	\$	(117,531)	(846)
Shareholder's equity	\$	(8,015,204)	(5,221,066)

Comprehensive loss for the three months ended September 30, 2015 and December 31, 2015

During the three month ended September 30, 2015, comprehensive loss was \$31,060, which resulted primarily from the payment of \$30,000 in regulatory fees for the Company's TSX-V listing application.

During the three months ended December 31, 2015, comprehensive loss was \$546,735. Significant amounts incurred included:

- \$23,675 in general exploration expenditures and due diligence work on potential mineral properties;
- \$26,250 in management fees for the CEO and CFO, pursuant to their management agreements;
- \$97,614 in professional fees, of which \$69,136 was for legal fees related to incorporation, listing the Company on the TSX-V, stock option grants and other corporate matters in Canada and in Mexico, and \$15,000 was accrued for the Company's year-end audit and tax;
- \$78,888 in remuneration for five employees;
- \$33,095 in rent for the Company's head office lease in Vancouver; and
- \$376,998 in share-based compensation, of which \$191,543 was for stock options exchanged under the Arrangement and \$185,455 was for the 2,340,000 stock options granted in December, 2015.

The expenditures incurred during the three months ended December 31, 2015, were offset by a foreign exchange gain of \$111,760, which resulted from the weakening of the Canadian dollar compared to US dollar from the time of depositing US\$1,500,000 in US demand and short-term deposit accounts in October, 2015, to December 31, 2015.

CASH FLOWS

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.

	2015
Cash-flows from (used in):	
Operating activities	\$ (293,819)
Investing activities	(2,239,306)
Financing activities	7,774,906
Net increase in cash and cash equivalents	5,241,781
Cash and cash equivalents, beginning of the period	-
Cash and cash equivalents, end of the period	\$ 5,241,781

Operating activities

Refer to "Results of Operation and Financial Condition" section above for discussion on changes in comprehensive loss.

Investing activities

During the three months ended December 31, 2015, the Company:

- paid deposits of four extra months' rent related to an assignment and assumption of a lease agreement with Goldsource, SilverCrest Mines and the landlord for the head office space;
- paid \$159,284 towards exploration and evaluation expenditures related to its Mexico properties;
- purchased \$40,125 in equipment, vehicle and computers; and
- purchased \$2,000,000 of short-term investments.

Financing activities

During the three months ended December 31, 2015, the Company:

- received \$5.25 million in cash pursuant to the Arrangement;
- received \$64,663 for exercise of 1,077,713 stock options at \$0.06 per share; and
- completed a non-brokered private placement of 16,665,143 units at a price of \$0.15 per unit for gross proceeds of approximately \$2.5 million. Each unit consists of one common share and one-half of one common share purchase warrant of the Company, with each whole warrant being exercisable for one common share of the Company at a price of \$0.20 per share for a term of two years. The Company also incurred \$41,682 in share issuance costs.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2015, the Company had no off-balance sheet arrangements, such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instrument obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

PROPOSED TRANSACTION

As at December 31, 2015 and the date hereof, the Company had no proposed transaction.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, short term investments, amounts receivable, deposits and accounts payable. The carrying value of amounts receivable and accounts payable approximate their fair values due to the short periods until settlement. The Company's cash and cash equivalents and short term investments are measured using level 1 inputs.

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

OUTLOOK

Subsequent to December 31, 2015, the Company aims to complete the rehabilitation and drilling programs on its Las Chispas property. Based on the drilling results, if deemed appropriate by management, the Company may allocate working capital to conduct further work.

LIQUIDITY AND CAPITAL RESOURCES

Assets

As at December 31, 2015, the Company held cash and cash equivalents of \$5.2 million and short term investments of \$2.0 million.

Amounts receivable balance of \$94,467 consists primarily of \$10,900 due from TSX-V for overpayment of listing fees and \$78,565 due from Goldsource Mines Inc. ("Goldsource") (see related party transactions section).

Taxes receivable of \$45,499 are comprised of value added taxes in Mexico of \$32,975 and goods and services taxes in Canada of \$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.

Deposits of \$58,076 consist primarily of the Company's share in five months' rent (totaling \$46,576) related to an assignment and assumption of lease agreement with Goldsource, SilverCrest Mines and the landlord for the head office space.

Equipment increased to \$50,760 for the purchase of office equipment, vehicle and computer hardware. Of the balance, \$14,657 was transferred to the Company as a result of the Arrangement.

Exploration and evaluation assets increased to \$622,721, of which \$407,192 was transferred as a result of the Arrangement and the remainder primarily from expenditures and option payments incurred at Las Chispas, Huasabus and Cruz de Mayo.

Liabilities

As at December 31, 2015, accounts payable and accrued liabilities amounted to \$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 \$5.2 million and working capital of \$7.3 million (as of December 31, 2015), will be sufficient to fund the 2016 exploration work as described in the Exploration Properties – 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 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.

RELATED PARTY TRANSACTIONS

During 2015, the Company entered into the following transactions with related parties:

Legal fees

During 2015, the Company paid or accrued legal fees of \$39,812, which were included in professional fees, and \$27,647 for share issuance costs to Koffman Kalef LLP, a law firm of which an officer of the Company is a partner, of which \$7,625 was payable as December 31, 2015. The Company recognized \$6,207 in share-based payments to this officer.

Key management compensation

	2015
Key management short-term benefits ⁽¹⁾	\$ 26,250
Share-based payments ⁽²⁾	283,082
	<u>\$ 309,332</u>

⁽¹⁾ The Company's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company. Total key management remuneration was recorded in the statements of comprehensive loss and paid to the Chief Executive Officer and Chief Financial Officer of the Company.

⁽²⁾ Share-based payments recorded for all directors and officers of the Company and recognized in the statements of comprehensive loss.

Other transactions

Paid \$21,619 in remuneration for technical and administrative services and recognized \$17,610 in share-based payments to two personnel who are immediate family members of individuals who are part of key management personnel.

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 rent, salaries, administrative services and other reimbursable expenses. During 2015, the Company allocated to Goldsource \$114,528 for its share of these expenses, of which \$78,565 was receivable from Goldsource at December 31, 2015.

OUTSTANDING SHARE CAPITAL

Capital stock

- a) Unlimited number of common shares without nominal or par value authorized.
- b) Unlimited number of preferred shares without nominal or par value (none outstanding) authorized.

As at December 31, 2015, the Company had the following common shares, share purchase warrants and options issued and outstanding:

Issued & Outstanding Shares:			39,887,607
	<u>\$ per share</u>	<u>Expiry</u>	
Warrants:	\$0.20	November 19, 2017	8,332,567
Options:	\$0.06 – \$0.16	February 15, 2016 – December 9, 2020	2,830,917
Fully Diluted			<u><u>51,051,091</u></u>

Subsequent to December 31, 2015, 91,677 stock options were exercised for gross proceeds of \$8,001. As of the date hereof, the Company had the following common shares, share purchase warrants and options issued and outstanding:

Issued & Outstanding Shares:			39,979,284
	<u>\$ per share</u>	<u>Expiry</u>	
Warrants:	\$0.20	November 19, 2017	8,332,567
Options:	\$0.06 – \$0.16	August 2, 2016 – December 9, 2020	2,739,240
Fully Diluted			<u><u>51,051,091</u></u>

RISK FACTORS

Risk management is an ongoing exercise upon which the Company spends a substantial amount of time. The following factors are those which are the most applicable to the Company. The discussion which follows is not inclusive of all potential risks.

No History of Operations or Earnings

The Company has no history of operations or earnings. SilverCrest Metals is an exploration stage company, and no operating revenues are anticipated until one of SilverCrest Metals' projects comes into production, which may or may not occur. As such, any future revenues

and profits are uncertain. SilverCrest Metals is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. There is no assurance that SilverCrest Metals will be successful in achieving a return on an investment in SilverCrest Shares and the likelihood of success must be considered in light of its early stage of operations. SilverCrest Metals will require additional financing to further explore, develop, acquire, and achieve commercial production on its property interests and, if financing is unavailable for any reason, SilverCrest Metals may become unable to acquire and retain its property interests and carry out its business plan.

There can be no assurance that any of the Company's properties will be successfully placed into production, produce minerals in commercial quantities or otherwise generate operating earnings. Advancing projects from the exploration stage into development and commercial production requires significant capital and time and will be subject to further technical studies, permitting requirements and construction of mines, processing plants, roads and related works and infrastructure. SilverCrest Metals will continue to incur losses until mining-related operations successfully reach commercial production levels and generate sufficient revenue to fund continuing operations. There is no certainty that SilverCrest Metals will generate revenue from any source, operate profitably or provide a return on investment in the future.

No Mineral Production

SilverCrest Metals does not have an interest in a mineral-producing property. There is no assurance that commercial quantities of minerals will be discovered at any SilverCrest Metals property, nor is there any assurance that any future exploration programs of SilverCrest Metals on any of its properties will yield any positive results. Even where commercial properties of minerals are discovered, there can be no assurance that any property of SilverCrest Metals will ever be brought to a stage where mineral reserves can be profitably produced thereon. Factors which may limit the ability of SilverCrest Metals to produce mineral resources from its properties include, but are not limited to, the price of mineral resources are explored, availability of additional capital and financing and the nature of any mineral deposits.

Global Financial Conditions

Recent global financial conditions have been characterized by increased volatility and access to public financing, particularly for junior mineral exploration companies, has been negatively impacted. These conditions may affect SilverCrest Metals' ability to obtain equity or debt financing in the future on terms favourable to SilverCrest Metals or at all. If such conditions continue, SilverCrest Metals' operations could be negatively impacted.

Commodity Markets

The price of SilverCrest Metals' securities, its financial results, and its access to the capital required to finance its exploration activities may in the future be adversely affected by declines in the price of precious and base metals. Precious metal prices fluctuate widely and are affected by numerous factors beyond SilverCrest Metals' control such as the sale or purchase of precious metals by various dealers, central banks and financial institutions, interest rates, exchange rates, inflation or deflation, currency exchange fluctuation, global and regional supply and demand, production and consumption patterns, speculative activities, increased production due to improved mining and production methods, government regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection, and international political and economic trends, conditions and events. If these or other factors adversely affect the price of precious and base metals, the market price of SilverCrest Metals' securities may decline.

Insurance and Uninsured Risks

SilverCrest Metals' business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, personal injury or death, environmental damage to SilverCrest Metals' properties or the properties of others, delays in the ability to undertake exploration, monetary losses and possible legal liability.

SilverCrest Metals may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to SilverCrest Metals or to other companies in the mining industry on acceptable terms. SilverCrest Metals might also become subject to liability for pollution or other hazards which it may not be insured against or which SilverCrest Metals may elect not to insure against because of premium costs or other reasons. Losses from these events may cause SilverCrest Metals to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Foreign Mineral Properties

SilverCrest Metals' properties are located in Mexico and therefore exposed to various levels of political, economic and other risks and uncertainties which could result in work stoppages, blockades of SilverCrest Metals' business activities and appropriation of assets. Some of SilverCrest Metals' properties are located in areas where Mexican drug cartels may operate. These risks and uncertainties vary from

region to region and include, but are not limited to, terrorism; hostage taking; local drug gang activities; military repression; expropriation; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Local opposition to mine development projects could arise in Mexico, and such opposition could be violent. There can be no assurance that such local opposition will not arise with respect to SilverCrest Metals' foreign operations. If SilverCrest Metals were to experience resistance or unrest in connection with its operations, it could have a material adverse effect on its operations and profitability.

To the extent SilverCrest Metals acquires mineral properties in jurisdictions other than Mexico, it may be subject to similar and additional risks with respect to its operations in those jurisdictions.

Surface Rights

A mineral concession in Mexico does not confer any ownership of surface rights. The majority of SilverCrest Metals' mineral properties are located in remote and relatively uninhabited areas. There are currently no areas of interest within the Company's mineral concessions that are overlain by significant habitation or industrial users, however there are potential overlapping surface usage issues in some areas. Some surface rights are owned by local communities or "Ejidos" and some surface rights are owned by private ranching or residential interests. SilverCrest Metals will be required to negotiate the acquisition of surface rights in those areas where it may wish to develop mining operations. SilverCrest Metals' mineral interests are located on community or private land, and it is necessary to deal with the owners for access and any potential development or exploitation rights. There can be no assurance that SilverCrest Metals will be able to negotiate and acquire surface access rights on terms acceptable to SilverCrest Metals or at all.

Additional Capital and Financing Risks

SilverCrest Metals plans to focus on exploring for minerals and will use its working capital to carry out such exploration. Although SilverCrest Metals received \$5.25 million in cash from SilverCrest Mines, SilverCrest Metals has no source of operating cash flow. The exploration and development of SilverCrest Metals' properties may be dependent upon SilverCrest Metals' ability to obtain financing through equity or debt, and there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of SilverCrest Metals' projects.

CAUTIONARY STATEMENT AND DISCLAIMER

Certain statements contained in this MD&A and elsewhere constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In particular, the MD&A contains forward-looking statements pertaining to the following: outlook, exploration, rehabilitation and drilling plans of the Company 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 exploration and capital expenditures; 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 the risk factors set forth below and elsewhere in this MD&A: the availability of funds; the timing and content of work programs; results of exploration activities of mineral properties; the interpretation of drilling results and other geological data; the uncertainties of resource estimations; receipt, maintenance and security of permits and mineral property titles; environmental and other regulatory risks; project cost overruns or unanticipated costs and expenses; uncertainty as to actual capital costs, operating costs, production and economic returns; operating and hazards risks and limitations on insurance risk; fluctuations in commodity product prices; currency fluctuations; political and economic risks; 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 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 MD&A has been prepared by or under the supervision of N. Eric Fier, CPG, P.Eng, and President and Chief Executive Officer for SilverCrest Metals, who is a 'Qualified Person' for the purpose of NI 43-101.