

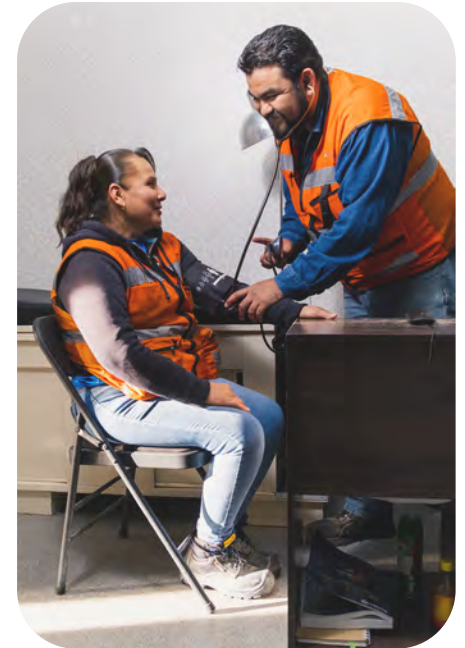


2023 ESG Report

Our Common Sense Approach to Sustainability



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About this Report

This Environmental, Social, Governance (“ESG”) report for SilverCrest Metals Inc. (“SilverCrest”, “SIL”, “we”, “our” or the “Company”) outlines the Company’s commitment to ESG principles and has been developed to transparently share its progress on sustainability. This disclosure covers SilverCrest’s ESG strategy, an analysis of material ESG issues, its approach to managing ESG issues and the Company’s performance in 2023. SilverCrest is striving to create long-term value for all its stakeholders, and believes that ESG plays an important role in achieving this objective.

In this report, we use the three pillars of Environment, Social and Governance to present our 2023 sustainability performance.

Reporting Period

The SilverCrest 2023 ESG Report reflects activities, initiatives and data that occurred from January 1, 2023 to December 31, 2023 and connected to SilverCrest’s financial reporting period.

Content and Scope of Report

Unless stated otherwise, the content disclosed in this 2023 ESG report covers the activities of SilverCrest and its main asset, Las Chispas, operated by its principal subsidiary Compañía Minera La Lllamarada, S.A. de C.V. (“Lllamarada”, together with SilverCrest, the “Companies”).

All financial data presented in this report are consistent with figures published in SilverCrest’s **2023 Annual Information Form**.

Unless otherwise indicated, all dollars (\$) stated in this 2023 ESG report refer to United States dollars.

Reporting Principles and Frameworks

The 2023 ESG report references the following internationally recognized sustainability reporting frameworks:

- **CDP** - Carbon Disclosure Project
- **GRI** - Global Reporting Initiative
- **GRI** - Mining and Metals Supplement
- **ICMM** - The International Council on Mining and Metals
- **SASB** -Sustainability Accounting Standards Board
- **UNGC** – United Nations Global Compact
- **ONYEN** - Institutional Investors Questions

Other Reports

The Company references additional reports previously published, which can be found at the following links.

- Las Chispas Operation Technical Report, dated September 5, 2023, with an effective date of July 19, 2023 (the “**2023 Technical Report**”)
- **SilverCrest 2023 Modern Slavery Report**
- **SilverCrest 2022 ESG Report**
- **SilverCrest 2022 Task Force for Climate-Related Financial Disclosures (“TCFD”) Report**
- **SilverCrest 2022 Water Stewardship Report**
- **Scotiabank Report - ESG Meets Reality, Water Scarcity Across Mining Operations in Americas, dated June 15, 2022** (the “Scotiabank 2022 Water Scarcity Report”)

Feedback

We are committed to regularly disclosing our ESG related performance. If you have any feedback or comments about this report, please send us an email at sustainability@silvercrestmetals.com. We are always looking to improve our disclosures and your views support us in achieving that goal.

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About Us

SilverCrest is headquartered in Vancouver, BC, Canada, and is a producer of gold and silver, which are key commodities for the energy transition.

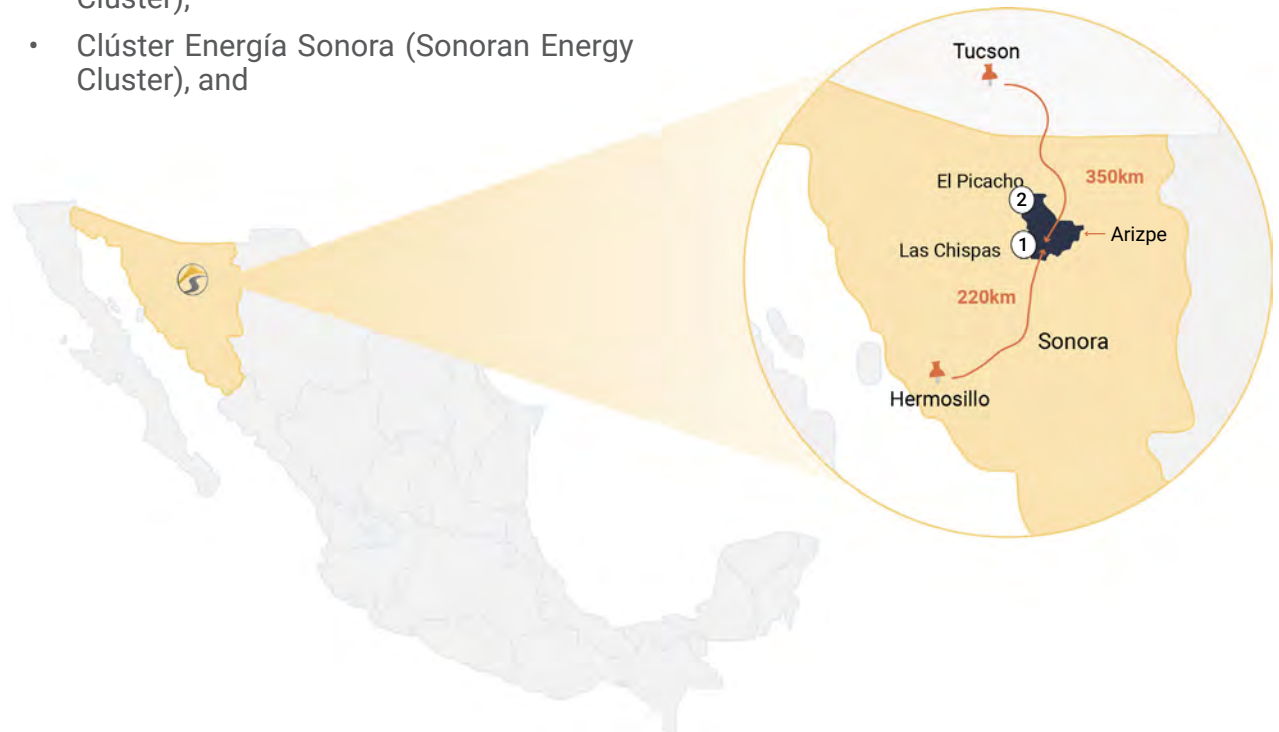
The Company's Las Chispas Operation, located in Arizpe, Sonora, Mexico, is a high-grade silver-gold project and second asset that the SilverCrest team has taken all the way from discovery to production in the same region. Our strong understanding of the robust regional geology, combined with our efficient construction efforts laid the groundwork for a successful ramp up period towards commercial production. This 2023 ESG report will be the first report after a full year of production at Las Chispas and we are excited to share the progress we have made over that time. Our team has a track record of success in the discovery, development and production phases of the business while showing a strong commitment to improving the wellbeing of those living in the communities in which we operate. 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 the continuity of relationships with key community partners started almost 20 years ago.

We are members of the mining associations listed below, whereby we participate on these associations' conference calls and presentations about different topics such as security, safety, and social responsibility CAMIMEX (Mexican Mining Chamber),

- Clúster Minero de Sonora (Sonoran Mining Cluster),
- Clúster Energía Sonora (Sonoran Energy Cluster), and

- AIMMGM (Association of Mining Engineers, Metallurgists and Geologists of Mexico).

As owners of the Bavicanora Ranch located within the Las Chispas site, we are also a member of the Livestock Association of Arizpe A.C.



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2023 Performance

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0
Number of notifications of non-compliance in 2023

81%
Percentage of water recycled

55%
Reduction of the scope 1 and scope 2 greenhouse gas ("GHG") emissions intensity ratio¹ relative to 2022

Sustainability Governance

0
Number of work stoppages involving 1,000 or more workers lasting one full shift or longer

27
Average H&S training hours for the total combined workforce

0
Number of fatalities as a result of work-related injury

38%
Executive management gender diversity

Environmental

Social

\$400,000
Money invested in community projects in 2023 (US\$)

43%
Board of Directors gender diversity

CEMEFI Award 2023
Awarded by El Centro Mexicano para la Filantropía, A.C. (CEMEFI), the Mexican Centre for Philanthropy, for 2023 Empresas Socialmente Responsables (ESR) Distinction.

Governance

¹ Scope 1 and 2 GHG emissions intensity ratio is determined by taking metric tonnes of CO2 equivalent ("tCO2e") divided by gold equivalent ounces ("GEO"). GEO represents the amount of GEO recovered by the Company by converting silver metal recovered to GEO using the gold to silver equivalent ratio of 79.51:1.



President's Message



Introduction

2023 was the first full year of production at Las Chispas and we are extremely proud of what we've achieved alongside all of our stakeholders. We beat guidance on sales and costs, repaid 100% of our debt in the first seven months of production and set ourselves apart from our peers by starting to hold bullion on our balance sheet. At the same time, we made significant strides with our local partners that we are equally proud to share. We advanced our water stewardship projects during the year which allowed for greater water accessibility and resilience through an improved sewage system and the

creation of a second planting season for key parts of the agricultural land in the community which creates an opportunity to increase the income for farmers. We advanced work to apply for water concessions which would allow our local partners to access further funding for more water infrastructure. We also progressed our work to obtain solar power for our operation which, when consummated, will potentially decrease our greenhouse gas ("GHG") emissions by approximately 70% while saving us money and protecting against energy grid insecurity.

Central to our business strategy and core values, we have continued to strengthen the relationships fostered with community and government stakeholders that we have worked with for many years. We take great pride in the positive impact SilverCrest has had on the communities we operate within, from simple local community initiatives to the significant efforts made in developing local water infrastructure and economic resilience for the local community. We continue to capitalize on what we have learned by listening to our key stakeholders and through the findings of our in-depth TCFD climate risk analysis conducted in 2022. While categorized as ESG initiatives, we view our efforts as sensible, common sense, good business decisions.

Our Approach to ESG

Our approach to ESG is guided by our commitment to responsible mining practices, robust health and safety systems, environmental stewardship, social responsibility, strong community partnerships and common sense.

Similar to how we run our day-to-day business, we also apply a strategic, best business practice lens to ESG, allocating capital to the highest impact projects, tackling issues that are priorities and key economic drivers for our stakeholders. We believe that such an approach will allow us to create positive environmental and social impacts while also capturing economic benefits and reducing risk. This approach is most evident in our approach to water resilience and our push to support and procure renewable energy.

Improving Water Resilience in Our Communities

Conclusions of a physical and transition climate risk assessment conducted by third party consultants in 2022, highlighted water scarcity as one of the main climate risks for the region. Sonora, Mexico is a region under severe water stress, which is forecasted to get worse. It was identified that operational water withdrawal and consumption at Las Chispas is only a fraction of what is being used in our local communities (roughly 12 litres per second at site compared to 2,100 litres per second in the communities). A focus on water related projects, therefore, has the potential to greatly impact the livelihoods of members of the community that rely on farming and ranching, while simultaneously strengthening our relationships with our communities and government stakeholders. With this in mind, we committed \$1.5 million towards a 5-year Water Stewardship Plan to improve local water infrastructure which will deliver greater access and resilience.

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Both the Company and the community are extremely pleased with the results of the program to date. In 2022, we invested over \$0.4 million into a range of water infrastructure repair and development projects across several communities local to Las Chispas. More details about these projects can be found in our **Water Stewardship Report**. We are proud to say that these improvements have provided year-round access to water for 57 landowners and a total of 231 hectares of agricultural land, allowing for the opportunity of multiple planting seasons in a single year, something previously not possible. This can potentially add additional income for farmers while also providing the opportunity for farmers to grow feed for cattle instead of buying it which is a significant economic benefit.

In 2023, we built on this momentum investing \$0.3 million of the earmarked funds into further sewer, aqueduct repairs and electrification of well pumps (an ad hoc project based on direct feedback from the community). We plan to continue investing in water resilience projects in our local communities in 2024.

In addition to our Water Stewardship Plan, we have found other avenues to support the local community. One of the most important ways has been the ongoing process of helping community members secure water concessions in the municipality of Arizpe. This has been a focus because Arizpe is one of the only communities in Sonora that does not have access to water concessions, which requires government approval. If completed this would mark a monumental shift for Arizpe. As a result, we have been working hard for the last two years with the community and local governments to get water concessions approved, which would

help the community access government funding to finance water related infrastructure projects for generations to come. We have also been in discussions with the local Arizpe community about illuminating the main road into Arizpe, a measure to improve safety. The first section of this road illumination project was completed at the end of 2023 with the second stage to be completed in early 2024. Finally, we have been developing a strategy for recapturing a labour tax of approximately \$20,000 per month. The Ministry of Agriculture and Rural Development, known as Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación (“SAGARPA”), has announced an arrangement that allows this tax to be redirected directly to qualified drip irrigation projects that benefit community members. The Scotiabank 2022 Water Scarcity Report detailed that drip irrigation reduces water consumption by 60% and can increase yields by up to 90%. We have already identified and are progressing projects that qualify for this arrangement and plan to implement the strategy in 2024.

Climate and GHG Emissions

Alongside our intentional focus on addressing acute water related issues facing the region and local communities, we have continued to monitor other environmental and climate related issues, namely GHG emissions. At the end of 2022 and beginning of 2023, we took the practical steps of investing to enhance our ESG data tracking and management systems, including climate data and management. We did this to establish a Scope 1 and 2 GHG emissions baseline and to track emissions for subsequent years so that useful data is available when we come to assess our performance and introduce potential reduction initiatives in future years.

In 2023, the company also began exploring opportunities to procure its electricity from renewable sources. The same factors that cause Sonora to be so dry also makes it a great





source of solar energy with almost 300 sunny days per year. Alongside reducing a significant proportion of our Scope 2 emissions, transitioning to solar energy would allow us to hedge against rising energy costs given that such contracts are done on a fixed price basis while energy prices in Mexico have risen at approximately 7% per year over time. As a result, in 2023, we examined many solar energy providers to find a viable option for Las Chispas. A major focus in 2024 will be to further advance our efforts to integrate the use of renewable solar power at Las Chispas .

Renewable energy is not possible without mining which makes us part of the energy transition. We are excited to be able to advance this transition while reducing our costs and protecting ourselves against inflation.

Track Record of Health and Safety (“H&S”)

Protecting the wellbeing of all our employees and contractors by providing a safe and inclusive working environment has always been a top priority. To date we have experienced zero personnel fatalities throughout the operation of Las Chispas. We owe our strong H&S performance to the robust risk identification and management process we have established, the dedicated managers and safety personnel that continue to promote a culture of H&S in the Company through regular training, and all the employees at site that remain vigilant.

In 2023, we continued to build on strong H&S performance in 2023 through our “Promise

to Return Home” safety and leadership training program aimed at further developing a culture of H&S. The program was attended by 740 employees and contractors in 2023. We also became one of the first mining companies in Mexico to implement new self-rescue oxygen generator technology at Las Chispas which provides a critical lifeline for miners in the event of an emergency in the mine. Finally, we began the process of working towards obtaining the internationally recognized ISO45001 certification for H&S.

Looking Ahead

In 2024 and beyond, we will remain committed to continuing to reduce the impacts of our operations. We are excited to further explore how solar investments in Mexico will contribute to our decarbonization pathway, while also supporting the transition to a lower carbon economy. We will continue to invest our time and money in addressing challenges that directly impact our communities including the continued struggle with water scarcity.

We were extremely pleased to be recognized for our ESG initiatives in 2023 through the ESR Socially Responsible Company distinction, awarded by the Mexican Centre for Philanthropy (CEMEFI). The award has re-emphasized to all of us at SilverCrest that we are on the right track. The common-sense approach to ESG that we have taken is starting to see positive impact in the places that need it most.



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SilverCrest conducted an in-depth stakeholder materiality assessment in partnership with third-party experts in 2020. This assessment was a strategic exercise to identify, refine, and evaluate the ESG issues that are most important to SilverCrest’s stakeholders. While the assessment acknowledged numerous topics as pertinent to stakeholders, it distilled these down to a core list of priorities that now shape our strategic planning, capital allocation, and reporting processes. The materiality matrix that follows illustrates these key issues and their respective levels of importance.

Since we conducted the materiality assessment, and throughout 2023, we have continued to maintain regular communications with our different stakeholder groups to assess and anticipate changes in materiality. We did this to maintain an accurate and up-to-date understanding of the priority issues for each group and to identify any new ESG issues as they arise. SilverCrest regularly meets with the various local community and government stakeholder groups proximal to Las Chispas, as part of our annual stakeholder management plan, to understand their challenges and concerns. The outcomes of these meetings are reported monthly to corporate head office and is incorporated into SilverCrest’s ESG and broader business strategy.

The 2023 ESG report covers material topics relating to the most significant actual and potential impacts, both positive and negative, that SilverCrest has on the economy, environment,

communities, and people. Within each of the material topics expanded upon below, we discuss related topics that are particularly relevant to us and our industry context. We discuss each topic with a priority for transparency. Our

process to define report content is guided by the Global Reporting Initiative (GRI) Standards and Sustainability Accounting Standards Board (SASB) material topics for our sector.

SilverCrest Materiality Matrix





Strategy

After completing our formal materiality assessment in 2020, SilverCrest established a stakeholder aligned ESG Strategy Framework based on the most material issues identified. The ESG strategy is centred around five pillars: Environment, Social Capital, Human Capital, Leadership & Governance, and Business Resilience, which represent the most material ESG issues for the Company to manage. This strategy, along with the Company's ESG policies, formalizes our commitment to a practical approach to ESG management and serves as a cornerstone for making strategic decisions that support the success of our operations and business.

Within each pillar, we have identified specific focus areas. There are 23 focus areas across the five pillars that reflect the various issues that our stakeholders deemed important to our long-term operation success. Our strategy framework pillars, visions and focus areas can be seen in the framework image.

At SilverCrest, we continue to use this framework as a guide for our ESG management approach, however for the ease of reading and to better align with global best practices for reporting, we have structured the sustainability disclosures in this report under the headings of "Environment", "Social" and "Governance". This difference in formatting does not have an impact on the scope and transparency of our disclosures in this 2023 ESG Report, as all our material topics are disclosed in full detail.



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Sustainability Governance

Governance Structure

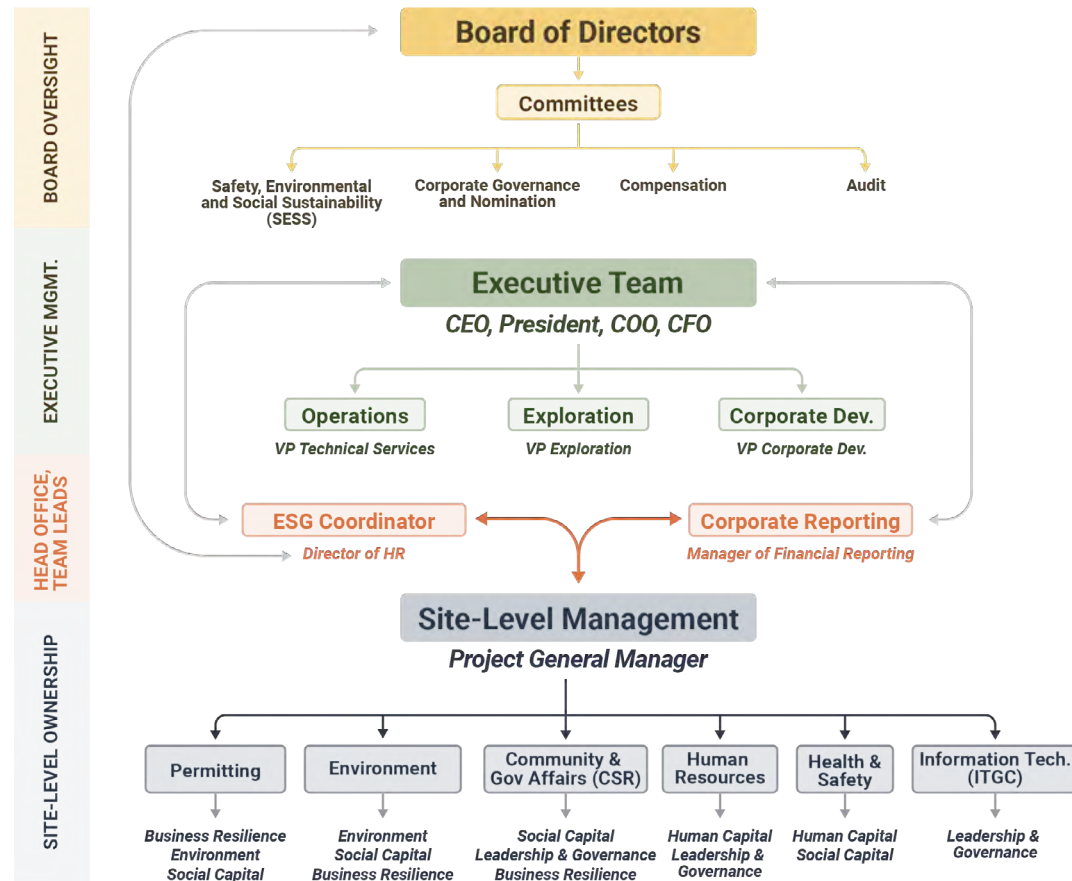
SilverCrest’s organizational and management structure can be broadly categorized into three groups: the Board of Directors, Executive Management and Site Level Management. Sustainability is embedded into our long-term vision for the business, with oversight of sustainability issues starting at the Board level, through the Safety, Environmental and Social Sustainability (“SESS”) Committee, established in May 2019. Our Executive Management team headed by the Company President, drives the direction of our ESG strategy and planning, reporting regularly to the SESS Committee on progress, while also working closely with the Mexico General Manager and Site Managers at Las Chispas who are implementing the ESG initiatives. The Mexico General Manager is ultimately responsible for all ESG initiatives and data reported at Las Chispas.

Accountability for our sustainability programs cascade from the Board level down to the site level and is clearly defined internally. This clear chain of accountability ensures that all ESG risks are tracked, understood, discussed, and addressed at all levels within the organization. This is the foundation and internal management structure for enabling ESG-related information to be efficiently communicated up and down the organization.

In 2023, SilverCrest set up an internal ESG taskforce comprising of department heads at Las Chispas site and individuals from various

departments at corporate head office, including members of senior management. The taskforce meets monthly to discuss progress on various ESG initiatives, ongoing and prospective,

providing a critical communication channel to further bolster accountability for ESG management, engagement, and disclosure.



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Board of Directors

There are seven directors that serve on SilverCrest’s Board of Directors, including the Company’s Chief Executive Officer (“CEO”), as of the end of 2023. Six of the seven Board members are independent directors. The Board is responsible for overseeing the business affairs of SilverCrest and meet at least quarterly, including annually without the presence of non-independent directors. More details about the role of the Board can be found in the **Board Mandate**. There are four board committees: Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee, and SESS Committee.

The Audit Committee meets quarterly and is responsible for the oversight of SilverCrest’s financial reports and internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes.

The Compensation Committee meets bi-annually and is responsible for reviewing and determining executive compensation. The Committee is made up entirely of independent directors.

The Corporate Governance and Nominating Committee meets annually and is responsible for maintaining good corporate governance practices and supporting the Board in fulfilling its responsibility to shareholders.

The SESS Committee meets quarterly and is responsible for the oversight of corporate performance relating to safety including occupational health, environmental including climate change and social sustainability matters. The

SESS Committee also assesses the effectiveness of Company policies and practices, monitor compliance with laws, rules, and regulations, and assess ESG related novel risks and opportunities that impact the Company as they arise.

Executive Management Team

The Executive Management of SilverCrest includes all executive officers of the company. During 2023, this consisted of the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, President, Vice President (“VP”) Operations (previously VP of Technical Services), VP Corporate Development, VP Exploration and VP Financial Reporting. This team is responsible for managing programs, initiatives, and performance related to health and safety, environmental, communities, social

and human capital. They also actively dictate SilverCrest’s ESG strategy and approach, often directly involved in the execution of large ESG projects. Executive Management updates the SESS Committee on a quarterly basis.

Site Managers

Site managers and department heads at Las Chispas are responsible for managing the teams that are implementing ESG programs and initiatives related to health and safety, environment, community and government affairs, human resources, permitting and information technology. Each of the site managers or department heads report directly to the Mexico General Manager who is responsible for overseeing mine operations and ESG programs.



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ESG Management Approach

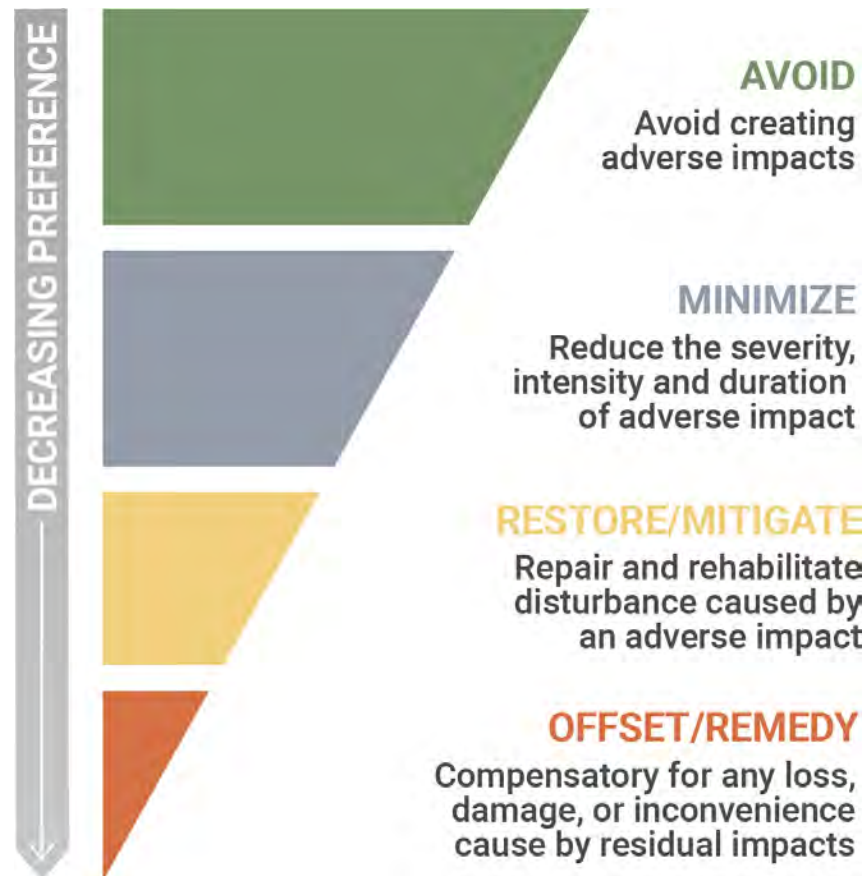
At SilverCrest, we are dedicated to being responsible miners through the implementation of best practices throughout the lifecycle of our operations. We leverage industry-leading standards, systems, and technologies to minimize our environmental impact, prioritize the health and safety of our workforce, and foster positive relationships with our stakeholders. Simultaneously, we recognize the need to be practical in our approach to manage ESG issues, prioritizing the most material issues and allocating capital to the highest impact projects to maximize the positive environmental and social impacts of our work.

Our approach to ESG management is guided by this philosophy of prioritizing and maximizing positive impact, but on a practical level is made a reality through our policies and commitments on ESG topics, the international standards and compliance guidelines we seek to meet or exceed, and the robust management systems we have developed to track key performance indicators ("KPI"s) and that ensures accountability for ESG activities throughout the organization.

In addition, at each stage of the mine life cycle we have strived to minimize our negative social and environmental impact. We do this by applying the principles of the mitigation hierarchy, a tool widely used to limit the negative social and environmental impacts from developmental projects, in our decision making. We make sure to conduct thorough due diligence before commencing each stage of exploring, developing and running a mining operation, including conducting studies and engaging relevant

stakeholders for their concerns and opinions. These precautionary steps enable us to make the optimal business decision whilst limiting our negative impacts.

Mitigation Hierarchy Diagram



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ESG Performance Monitoring

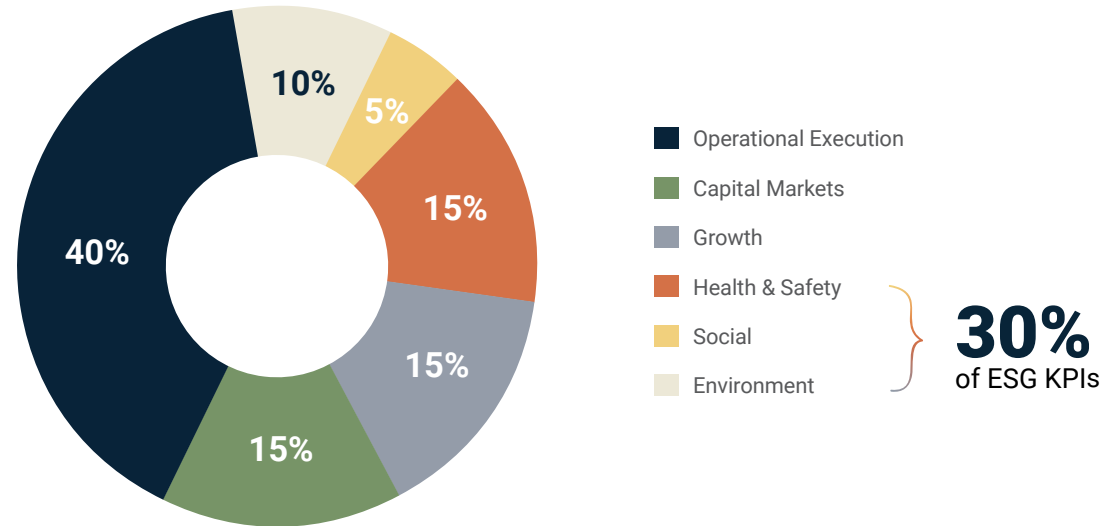
ESG Data Tracking

We track our sustainability performance on a wide range of topics, going beyond what is required for compliance with local regulations. Each of the focus areas outlined in our ESG strategy framework correspond to an internal KPI we track for monitoring performance in that specific focus area. We also track and disclose many ESG data points in addition to those internal KPIs. Important environmental and social data tracked at Las Chispas is reported to corporate head office every month in an integrated report. All other ESG data not included in this monthly report is uploaded by the site managers responsible at Las Chispas to an internal ESG data tracking system, which the Executive Management team at head office have access to.

Executive Management Performance Based Compensation

In 2023, SilverCrest’s annual performance-based compensation plan for Executive Management included compensation incentives tied directly to achieving short-term corporate and operational objectives. ESG related objectives made up 30% of the compensation incentive criteria. These incentives are approved by the Board of Directors and can be seen on the right.

Executive Management 2023 Performance Based Compensation



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Environmental

2023 Performance Highlights

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Notifications of non-compliance

55%

Reduction of the GHG emissions intensity ratio (tCO₂e/GEO)

Sustainability Governance

149,303

Total energy consumed (in gigajoules ("GJ"))

370,827

Water withdrawal (in cubic metres ("m³"))

Environmental

81%

Percentage of water recycled

\$300,000

Community water improvement spend (US\$)

Social

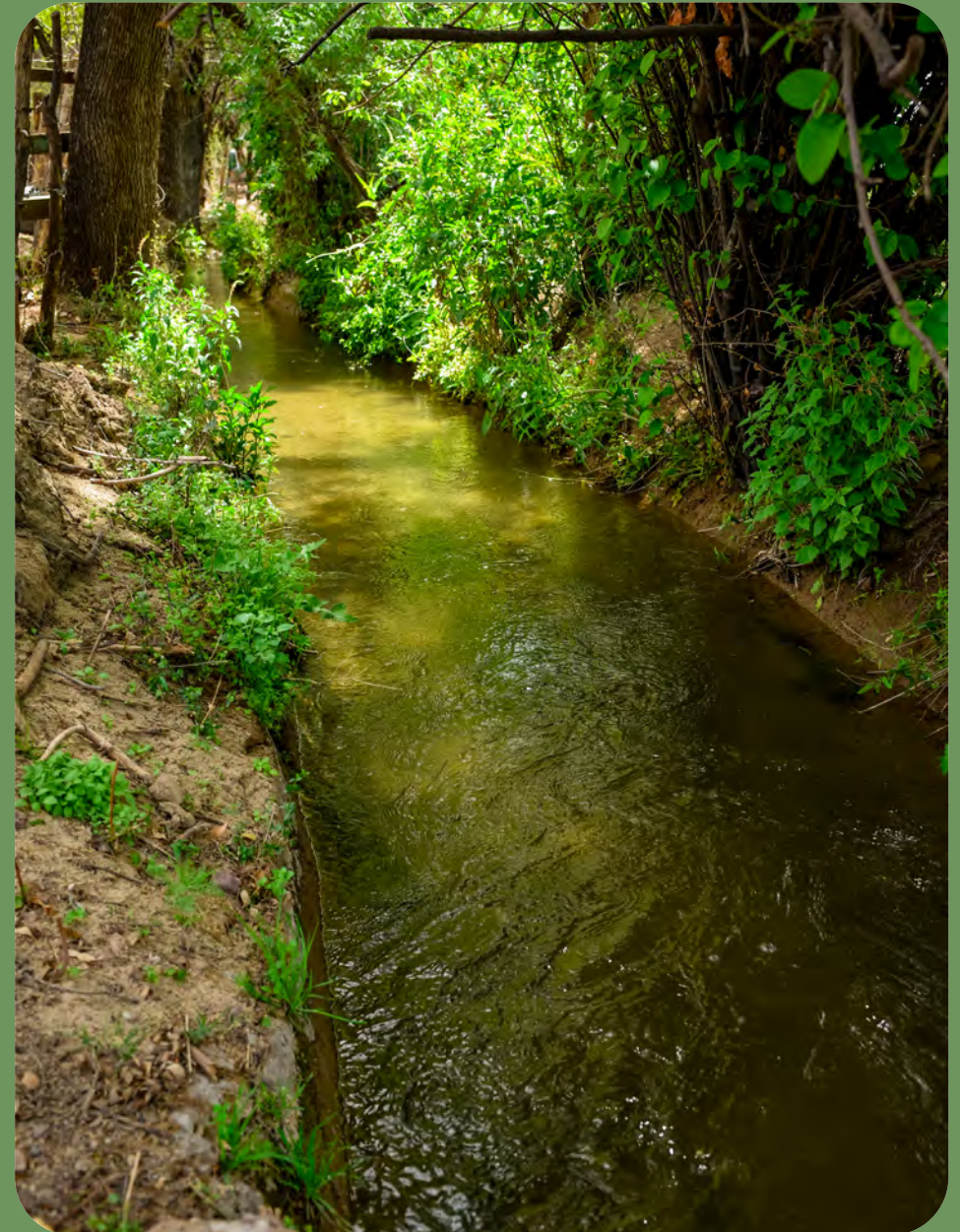


Exploring renewable energy procurement opportunities



Working towards securing renewable electricity for Las Chispas

Governance





Environmental Management

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To fulfill our commitment of being a responsible miner and supplier of critical metals necessary for the transition to a low carbon economy, we have implemented robust environmental management plans with the appropriate governance structures to track environmental performance and ensure accountability throughout the organization. The Head of Environment and Permits at Las Chispas is responsible for managing the environmental programs at site, including our comprehensive Environmental Monitoring Program which tracks a wide range of environmental data, such as GHG emissions. We are currently preparing our Water Management Plan. It summarizes our current practices and the plan aims at addressing our operational water use practices. The Environmental Monitoring Program includes routine studies on environmental noise, air quality, ground and surface water quality, drinking water analysis, and heavy metals in sediments. Reports of these findings are presented annually to the Ministry of Environment and Natural Resources of Mexico, known as Secretaría del Medio Ambiente y Recursos Naturales (“SEMARNAT”). We also have an Air Quality Management Plan that includes a program to mitigate suspended dust caused by traffic, with measures like quarterly dust sampling, road irrigation, speed control, and preventive maintenance for mobile equipment, all of which is also reported to SEMARNAT.

The environmental data is monitored and tracked according to an internally developed timeline that ensures all data is collected on time and with reliable data in accordance with local regulation.

This crucial environmental data is reported to corporate head office on a monthly basis in the form of an integrated report. Other environmental issues are communicated to senior management through internal communication channels and face-to-face meetings, as necessary. The Head of Environment and Permits is responsible for ensuring that SilverCrest maintains compliance with all required environmental permits and applicable regulations. An annual program of obligations required to maintain permits and the deadline for each obligation is used to ensure all necessary permits for operations continue to be valid.

The Head of Environment and Permits at site also works with the HR department to ensure regular training for personnel at site including contractors on environmental topics. Roughly one to two hours of training on different environmental issues, including waste manage-

ment topics, are held per month for employees and contractors. In addition, every two weeks, orientation training on environmental topics is held for new employees and contractors. These training sessions and talks are given by environmental staff at site.

In 2023, SilverCrest set up an internal ESG taskforce comprising of department heads at Las Chispas and individuals from various departments at corporate head office, including members of senior management. The taskforce meets monthly to discuss progress on various ESG initiatives, including those related to decarbonisation. For larger initiatives related to decarbonisation, senior management, the Mexico General Manager, and third-party consultants are directly involved in the strategy, planning and execution. The SESS Committee maintains oversight of all ESG activities and is updated on a quarterly basis by senior management.





Climate and GHG Emissions



Importance

At SilverCrest, we recognize that climate change and GHG emissions are critical environmental issues that need to be addressed to transition to a low carbon economy. This transition towards a low-carbon future presents both challenges and opportunities for the mining sector.

Our operations, like many industrial activities, are carbon intensive and contribute to global GHG emissions. Despite being a low environmental footprint mine compared to our peers, we understand the importance of further reducing this impact. To this end, we are actively working to reduce our environmental footprint by tracking our emissions in detail, exploring renewable energy sources, and continually optimizing our processes to decrease our GHG footprint.

On the other hand, the green economy will be heavily reliant on specific precious metals and mined products. Electric vehicles, solar panels, wind turbines, and energy storage solutions all require critical minerals like the gold and silver we mine, amongst other critical metals. SilverCrest is committed to playing a responsible role in supplying these essential materials for the green transition.

Our Approach

At SilverCrest, we are committed to taking a practical approach to managing our environmental impact through the minimization and mitigation of negative impacts over the operational life-cycles of our mines. More details on this can be found in our **Environmental Policy**. This applies to all facets of our environmental footprint including our GHG emissions and actions around climate change.

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Climate Risk Management (TCFD) and GHG Reduction

In 2021, SilverCrest engaged third party consultants to conduct a physical and transition risk assessment for Las Chispas and our communities in line with the requirements of the Task Force for Climate Related Financial Disclosures (“TCFD”) framework, the findings of which were published in a stand-alone **TCFD Report** in 2022. The physical climate risk assessment found that drought, flood and extreme heat were the most material physical climate risks expected to impact the Las Chispas site and our communities. This was later confirmed by several research papers published by financial institutions, including the Scotiabank 2022 Water Scarcity Report, highlighting the serious issue of water stress in Latin America in the context of mining. These studies and the insights gained from them have been foundational to our understanding of what climate change means for us and our communities. They have also deeply influenced how SilverCrest approaches environmental issues and makes decisions around capital allocation with respect to ESG initiatives.

As a result of these findings, environmental considerations were made during mine construction and ramp up in 2021 to reduce GHG emissions. The first of these initiatives was to construct an internal powerline to connect the Las Chispas site to the Mexican national power grid. This powerline once completed in 2022, reduced SilverCrest’s reliance on relatively inefficient diesel combustion engines for electricity generation on site, and instead allowed us to begin procuring electricity directly from the national power grid that generates

electricity mainly through combined cycle power plants, a relatively cleaner energy source. This resulted in a decrease in our Scope 1 emissions but an increase in our Scope 2 emissions.

To begin assessing the performance of our environmental initiatives, we invested in the creation of an internal ESG data tracking system at the beginning of 2023. Simultaneously, we engaged a third-party consultant at the same time to calculate environmental metric baselines to measure our future progression against. This was a critical step in our sustainability journey as it will allow us to monitor our performance over time and assess the effectiveness of future environmental initiatives and programs we implement. It will also enable us to begin the process of setting ambitious but realistic climate-related targets which we hope to do in the near future.

In 2023, SilverCrest started to explore opportunities to procure electricity from renewable energy, specifically solar. Sonora is one of the best places not only in Mexico, but also in the world, for solar energy production due to the number of sunny days per year the region receives. So far, we have conducted detailed due diligence into the economic, regulatory and environmental implications of procuring solar energy from various methods. We have also started to engage various solar energy providers to better understand the market. Following this research, we have concluded that the best option would be to purchase our energy from a solar energy producer which, once implemented, could potentially result in

a 70% reduction in our Scope 2 emissions if we are able to execute. This is because natural gas is required to fill the energy demand requirements when solar energy is not available such as at night or on cloudy days. This is an extremely promising opportunity that we are excited about and working to make a reality.

Looking ahead, in 2024, we are planning on formally registering with the Federal Attorney for Environmental Protection in Mexico, known as Procuraduría Federal de Protección al Ambiente (“PROFEPA”) to obtain the Clean Industry Certification. We have started preparing for this process by engaging an accredited third-party specialist to conduct a ‘pre-audit’ to identify areas for improvement to align with the certification requirements.

GHG Emissions Performance

2023 was SilverCrest’s second year of collecting and disclosing our Scope 1 and 2 GHG emissions, allowing us to observe our year-on-year change as a company. As can be seen below, from 2022 to 2023, SilverCrest’s Scope 1 and 2 emissions increased by 49%. This increase in emissions can be explained by the fact that the Company was still ramping up to full production in 2022 and thus the data only reflected a partial year of production, compared to 2023 being a full baseline year at full operating rate. As such, a significantly greater amount of energy was required to conduct our ore mining, moving, and processing operations which led to a 66% increase in our energy consumption in 2023. This shift to full production and the subsequent

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increased energy requirements also resulted in a roughly four times increase in metal production at Las Chispas in 2023 compared to 2022. This outsized increase in metal production relative to energy consumption has resulted in a significant decrease in our Scope 1 and 2 emissions on an intensity basis (Scope 1 and 2 metric tonnes of CO2 equivalent/Gold Equivalent Ounces Recovered) of 55%.

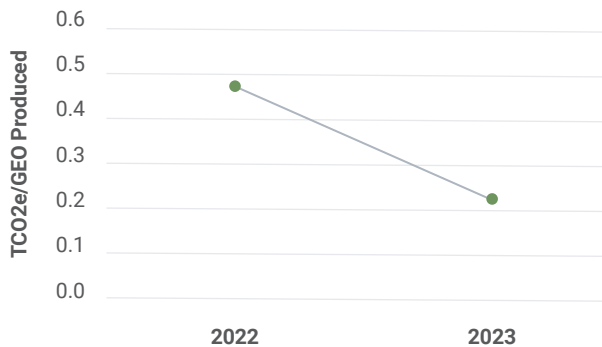
The simultaneous decrease in our Scope 1 emissions by 25% and increase in our Scope 2 emissions by 151% were driven mainly by two factors. The first of these being the completion of the internal powerline in 2022, which allowed SilverCrest to transition away from onsite electricity generation where possible resulting in a 94% reduction in energy consumed from onsite sources thus reducing Scope 1 emissions. This coincided with the production ramp up which led to a significant increase in our general energy consumption but also our purchased energy consumption by 116% for ore movement and processing activities, causing our Scope 2 emissions to increase. The grid energy we purchase has a lower carbon footprint than onsite generated energy.

GHG Emissions Table

	2022	2023	% Change
Absolute Scope 1 Emissions (tCO2e)	11,137	8,347	(-) 25%
Absolute Scope 2 Emissions (tCO2e)	8,098	20,365	(+) 151%
Absolute Scope 1 and 2 Emissions (tCO2e)	19,235	28,712	(+) 49%
Scope 1 and 2 Emissions Intensity (tCO2e/GEO)	0.485	0.219	(-) 55%

1) Gold Equivalent Ounces (GEO) represents the amount of GEO recovered by the company and is calculated by converting silver metal recovered to GEOs using the gold to silver equivalent price ratio of 79.51:1.

GHG Emissions Intensity (tCO2e/GEO)



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.

Energy Consumption

	2022	2023	% Change
Energy Consumed from Onsite Production (GJ)	21,219	1,216	(-)94%
Energy Consumed from Purchased Electricity (GJ)	68,634	148,087	(+)116%
Total Energy Consumption (GJ)	89,853*	149,303	(+)66%

* This data was restated compared to the information disclosed in the SilverCrest Metals 2022 ESG Report to reflect improvements in data gathering and calculation methodology.



Water Stewardship

Importance

Water is one of the most critical material ESG issues to SilverCrest stakeholders, especially for our local communities. In fact, 74% of those living and working in our local communities work in agriculture and therefore require water for their livelihoods. We know this thanks to our ongoing engagement with our community stakeholders, which started well before we began to operate Las Chispas. These concerns were validated through the TCFD-aligned physical climate risk studies we conducted in 2021, which identified drought to be one of the major climate risks facing Sonora and is likely only to worsen in the coming years. Furthermore, the Scotiabank 2022 Water Scarcity Report found that water stress in Mexico is a serious issue resulting from severe water scarcity, lack of long-term planning, and underinvestment in water infrastructure.

This combination of factors, in addition to the fact that Arizpe is one of the only communities in Sonora without agricultural water concessions, paints a distressing water scenario in the region that needs immediate action to be addressed. As such water stewardship has been a major pillar of our ESG strategy.

We understand that responsible water management is not just an environmental imperative, but also a social and economic one. Our mining operations require water for various processes, and we are committed to using this vital resource efficiently and sustainably, while

investing in practical water projects to substantially improve the water resilience of our local communities.

Our Approach

Las Chispas is already a very low water footprint operation with low to medium impact on operations from water shortages anticipated to occur during the life of the mine. However, it is expected that water shortages due to drought will impact our surrounding communities that rely on water from their livelihoods and well-being.

We strive to be efficient and responsible users of water, as well as reduce any potential negative impacts we may have on water resources, but we also want to be true water stewards in our area, reducing water related risks for all the stakeholders in our community that rely on this valuable resource. Our commitments to water stewardship are outlined in our **Water Management Policy**.



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Operational Water Management Initiatives

We have implemented water management practices at Las Chispas that optimizes water usage to the maximum practical extent, by utilizing all possible sources of water within the operational area of the mine. This involves collecting and managing site precipitation runoff, utilizing ground water from the underground mine dewatering system, using treated grey water for dust suppression and irrigation, and maximizing the recycling of water used in different processes throughout the operation most notably through filtered tailings.

In addition to these various sources, SilverCrest uses government-approved consumption sources of fresh water including two underground wells concessioned by the federation for mining operations meaning that water is available in the quantity and quality authorized whilst not compromising the availability of water for other users. Water is critical for several of our operational processes from chemical processing of ore, to drilling, to suppression of dust, to cooling systems. Our site level water withdrawal and consumption are closely monitored by water balances daily by area. In 2023, we engaged a third-party specialist to update our water balance to improve the accuracy of data being tracked, enabling us to optimize our withdrawal and consumption of this valuable resource. The Head of Environment and Permits is responsible for reporting these figures to site management on a daily basis and to head office monthly. In 2023, the Las Chispas operation used 99% of the volume of water under its concession.

The Las Chispas operation is designed as zero discharge facilities, most of which are based on operations, meaning that the operation produces dry stack tailings and associated infrastructure because wastewater used during the mining process is extracted out and recycled. We recycle roughly 81% of water through this tailings dewatering system. This closed-circuit system is what allows Las Chispas to achieve its low water footprint, consuming between 8 and 12 litres per second (“L/s”) during operation compared to estimate 2,100L/s in the surrounding community for agricultural purposes. Despite being designed as a zero-discharge facility, we still monitor water quality up and downstream from Las Chispas on a regular basis to ensure that no harmful leakage

or discharge from the mine into the surrounding water systems and ecosystem is occurring.

SilverCrest has conducted several baseline water studies starting in 2019 to measure flow and quality of water that would be used by Las Chispas. We conducted subsequent studies in 2021 and 2023. These studies were conducted to understand water availability, the potential impact of mine operations on surrounding water resources as well as the water usage requirements of the mine. The findings from these studies influenced the design of the mine with regards to its water usage to ensure that other water users would not be affected by the mine’s water consumption.



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Community Water Stewardship Programs

As mentioned, water is a crucial resource for SilverCrest and our local stakeholders. We are deeply aware of the increasing severity of water scarcity in the region and the potential impacts of drought on the local community. The extensive due diligence on this topic has made this abundantly clear to us. Simultaneously, due to the low to medium anticipated water impact of Las Chispas, we are confident that operational disruptions due to water scarcity are unlikely. Due to these circumstances, we believe that investing in improving the water resilience of our local communities is a much higher impact use of our capital compared to marginal reductions or efficiency gains in our direct water consumption. It also has the bonus of strengthening our social licence to operate. As a result, in 2022, SilverCrest initiated a five-year water stewardship plan to improve community water infrastructure. The plan had \$1.5 million earmarked for a variety of water infrastructure projects including, sewer system repairs, water intake valve construction and aqueduct improvements. It also involves helping these communities in the process of obtaining water concessions which would make them eligible to access state and federal funding for further water infrastructure improvements. To date, the community of Sinoquipe has submitted the necessary paperwork to apply for the concessions. More details about the 5-year water stewardship plan can be found in our ICMM aligned 2022 **Water Stewardship Report**.

In 2022, we spent approximately \$0.4 million on a variety of water infrastructure projects, while also progressing community water concession applications. These projects were chosen

according to a framework we devised internally that involved identifying the current exposure, vulnerability of ongoing reliance on current water infrastructure and the size of the impact that we could have from on water resilience through prospective water infrastructure projects. This led us to the decision to prioritize the upgrade of the main river water intake valve in Arizpe that had to be rebuilt multiple times per year. We also began the repair of sewage systems in Arizpe and started to install concrete aqueducts in Bamori.

These water infrastructure improvements started to pay off in 2023. Last year's repair to the main water intake valve in Arizpe gave year-round access to water for 57 landowners and 231 hectares of land. This means that these farmers can now access two planting seasons each year instead of just one. In the first season they would plant their typical garlic crop, but in the second planting season they could plant sorghum, an animal feed crop to supplement their income. In 2023, only an estimated 20% of farmers utilized this second planting season, but those that did saw a 20% increase in their annual revenue. A community presentation is planned for 2024 to educate local farmers about the benefits of the second planting season and how to make the most of the opportunity.

In 2023, SilverCrest spent a further \$0.3 million of the earmarked \$1.5 million on water stewardship projects in the community. This investment facilitated the repair of approximately 900m of sewer repairs and roughly 100m of aqueduct improvements in Arizpe as well as 450m of

aqueduct repairs in Bamori and the installation of electrified water pumps for wells in Sinoquipe. In addition to this, the company is currently in process of working with federal and local government agencies in Mexico to secure a water concession for Arizpe.

The Company plans to continue investing in water infrastructure improvement projects during 2024, with approximately \$0.3 million earmarked for agricultural aqueduct and sewage repairs.



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Water Performance

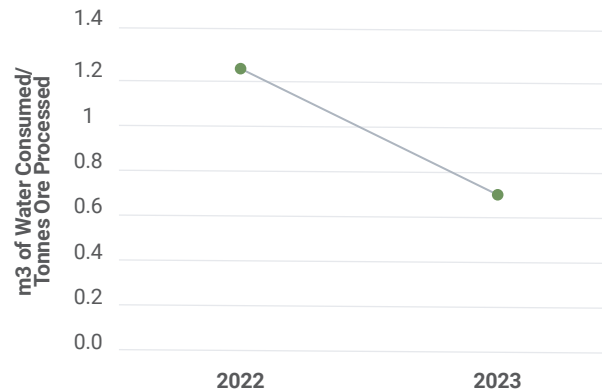
Even with the wide range of water saving and efficiency strategies employed at Las Chispas, absolute water consumption has increased year on year; this is due to 2022 being a ramp up year and 2023 being the first full year of production at Las Chispas. This increase in water consumption was expected, because an increase in production would naturally lead to an increased demand for water that is necessary for ore processing and other operational activities. As such, 2023 would serve as a better baseline year for our water consumption that we hope to make reductions to over time.

On an intensity basis however, SilverCrest significantly reduced its water consumption from 1.24 m³/tonne of ore processed in 2022 to 0.71 m³/tonne of ore processed in 2023. This is due to a more than two times increase in the amount of ore being processed in 2023 compared to the previous year as well as a result of the positive outcomes of the closed loop design of Las Chispas and the efficient recycling of water, both of which help to limit the increase of water consumption despite a substantial increase in production.

Water Consumption and Withdrawal Table

	2022	2023
Water Consumption (m3)	232,358	308,016
Water Withdrawal (m3)	N/A	370,827
Water Intensity (m3 consumed/tonnes ore processed)	1.24	0.71

Water Intensity (m³/ore processed)





Tailings and Waste Management

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Importance

The safe and responsible management of tailings and other waste produced during the mining process is of paramount importance to SilverCrest. Improper management of these materials can pose serious environmental and social risks. Historic disasters caused by the failure of tailings facilities have resulted in devastating consequences to communities, workers, and the surrounding ecosystems, and has resulted in a general distrust in the mining industry. At SilverCrest, we ensure that all of our tailings facilities either meet or exceed regulatory requirements to ensure safety for all stakeholders.

Our Approach

We aim to prevent or mitigate any negative impacts of mining waste through the responsible management and disposal of all our waste. Las Chispas generates waste during the mining process in a variety of forms including tailings, waste rock and other hazardous and non-hazardous by-products. Each category of waste is managed appropriately following site-specific tailing and waste management systems.



Tailings Facilities and Management Programs

SilverCrest actively manages one tailings storage facility at Las Chispas, which is designed to hold up to 1.25 mega tonne (“Mt”) of tailings. This tailings storage facility is a filtered tailings storage facilities (“FTSF”) meaning that the tailings are stored here using the dry stacking method. The dry stacking method is widely considered to be the most sustainable method to store filtered tailings and an important way to minimize environmental risks while also reducing the operational demands for water. The dry stacking method is widely considered to be the most sustainable method to store filtered tailings and an important way to minimize environmental risks whilst also reducing the operational demands for water.

Since the tailings are filtered to remove water, large dam structures are not required to store this type of tailings thus reducing physical stability risks. Once filtered and compacted, filtered tailings have very low permeability reducing the chance of seepage of minerals into the environment. To prevent the risk of seepage due to a heavy precipitation event rehydrating and moving the tailings, the tailings facility was built on sloping gradients with a contact water pond constructed downhill to collect any runoff. There are contact water channels built on either side of the tailings facilities to funnel any tailings water into this contact water pond to significantly reduce the quantity of water that can escape into the environment. There are also non-contact water channels uphill from the FTSF to divert water away from the storage structure.

In addition, there are plans to expand the Eastern FTSF contact water pond in 2024 to a storage capacity of 37,000m³ which will be able to handle the contact water runoff from the active Eastern FTSF during a 1 in a 1,000-year precipitation event.

The tailings at Las Chispas contain significant amounts of clays and are therefore not prone to exfiltration, still the FTSF design includes a foundational geomembrane liner to further control potential exfiltration toward the FTSF contact water pond. The FTSF contact water is captured by way of a central collection drain located at the bottom of the FTSF and a system of collection lined ditches located around the FTSF. All contact water drains to the FTSF contact water pond which is designed with a double geomembrane coupled with a leak detection system. The double layer geomembrane provides peace of mind to control contact water and to avoid potential seepage into the soil below. Water sampling is adjusted according to the need of the operation and peak during the rainy season when it is performed every day. Surface and ground water are also monitored up and downstream using accurate equipment on a schedule dictated by our permit obligations. This sampling will continue to be monitored after the mining activities have stopped.

A significant benefit of this tailing storage method is that the water extracted from the tailings to form the dry tailings for stacking can be recycled for use in mining process once again, reducing our water withdrawal and thus consumption. The tailings dewatering process allows us to recover roughly 81% of water from the tailings slurry.

The Las Chispas FTSF was designed, and the construction overseen by the Engineer of Record (“EoR”) from WSP USA Inc. which used the Global Industry Standard on Tailings Management (“GISTM”) as the facility design criteria guide. The facility is also monitored in full compliance with the Operation, Maintenance and Surveillance (“OMS”) Manual which was developed specifically for the Las Chispas



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site by the EoR, their team and the site team. The EoR regularly inspected the tailings facilities during construction and now inspects the facilities annually at a minimum to check for signs of tailings seepage or structural damage.

Three levels of management at the Las Chispas site are stated in the OMS manual procedures. This is to ensure that tailings stacking operations are consistently performing safely.

As part of the stacking process, tailings material density is monitored daily through laboratory analysis for the amount of tailings produced, moisture content of the cake, moisture content in the tailings tank, level of compaction and cyanide content. Monitoring tailings density allows members at site to ensure that the tailings remain stable when they are stacked. The environmental department at site is responsible for compiling a regular report with tailings and waste related data.

Along with all the pre-emptive design and monitoring measures taken to mitigate the risk of a tailings facility failure, SilverCrest also has an Emergency Preparedness and Response Plan (“EPRP”) in place to ensure adequate emergency preparedness and response to reduce the risk of loss of life and minimize damage in the event of a tailing’s facility failure. The plan defines responsibilities and provides procedures to identify dangerous situations and conditions that could jeopardize the integrity of the tailing’s facility. The EPRP outlines several levels of alertness corresponding to different scenarios as well as the appropriate actions for internal personnel to take in the event of each scenario. The relevant personnel and contractors are trained in the EPRP and are responsible for disseminating, implementing and performing the actions of the plan in emergency situations.

We are continually monitoring our operating environment for any new risks that arise and are ready to adapt our OMS and EPRP accordingly to ensure the safety of our employees and mitigate our impact on the environment.

Other Waste Facilities and Management Programs

Waste rock is the waste generated during the developmental stages of the mine. Las Chispas has two above ground waste rock storage facilities with a combined capacity of 1.0 Mt to temporarily store developmental waste before reusing the material as rock fill in mined out slopes. SilverCrest conducted geochemical studies through a third-party specialist as required by the Mexican Environmental Impact Statement, known as Manifestación de impacto ambiental (“MIA”). These studies indicated no potential for acid rock drainage. The Company is currently conducting additional studies to confirm the initial results and to optimize the waste rock disposal process.

The Las Chispas Operation has been registered with SEMARNAT as a hazardous waste generator since 2019. A warehouse on site is maintained for the management and disposal of waste,

including waste that is produced by contractors, with waste disposal handled by SEMARNAT-authorized suppliers. We follow a hazardous waste management plan when sorting our hazardous waste before disposal, that classifies the different hazardous waste generated by the operation of the processing plant and maintenance services for machinery and equipment, including contractors, providing certainty on the destination assigned to each waste type.

SilverCrest is also registered with the Commission of Ecology and Sustainable Development of the State of Sonora (“CEDES”) as a generator of non-hazardous waste, which is subject to recovery or recycling and is removed by state-authorized companies. We submit a bi-annual report to CEDES on the generation and disposal of this waste.

Waste Management Performance

In 2023, our total generated tailings were 431,403 tonnes and our total waste generated was 782,286 tonnes. We experienced another year of no environmental or safety incidents at our tailing’s facilities due to maintained compliance with our stringent tailings and waste management practices and local regulation. Third party laboratories studies indicated no potential contamination into the environment occurred due to acid rock drainage or metal leaching.

As expected, our waste generations in 2023 increased relative to 2022 as a result of the increased production at Las Chispas.

Tailings and Waste Generation

	2022	2023
Tailings (Tonnes)	181,142	431,403
Rock Waste (Tonnes)	N/A	350,833
Hazardous Waste (Tonnes)	183.4	248.1
Non-hazardous Waste (Tonnes)	248.6	422.4



Biodiversity

Importance

Mining operations inevitably impact the local landscape and the wide range of ecosystems that inhabit it. At SilverCrest, we understand that a thriving natural world underpins the very resources we extract. Healthy ecosystems provide essential services like clean air and water, soil fertility, and natural pest control. These services not only contribute to the well-being of surrounding communities, but also directly impact the long-term viability of our mining operations. By protecting biodiversity, we are investing in the future of our business and the environment too.

Our Approach

At SilverCrest, we prioritize responsible mining practices that minimize our impact on biodiversity. Our biodiversity practices adhere to all relevant legal requirements and industry standards for biodiversity protection. This ensures that our operations meet the highest environmental benchmarks. We actively monitor the constantly evolving best practices and regulatory landscape, such as the recently published recommendations from the Taskforce on Nature-related Financial Disclosures (TNFD). This focus on regulatory compliance forms the foundation for our commitment to responsible biodiversity management.

to its natural state before the operation was constructed. This plan is updated yearly to account for any changing circumstances.

Our approach to biodiversity follows the best practice mitigation hierarchy framework. To this end the Company does not have any operational sites owned, leased, managed or adjacent to protected areas and areas of high biodiversity value outside of protected areas, as declared to the federal authorities in our Environmental Impact Statement. In addition, we have implemented several environmental risk mitigation design features and processes at Las Chispas to reduce any potential negative impacts to biodiversity in and around the site including laboratory analyses on mined materials which concluded no risk of acid rock drainage. Finally, we carry out regular restoration activities at site in line with local environmental regulation as well as having developed a detailed restoration and rehabilitation plan to return the site back



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Biodiversity Initiatives and Performance

In 2020, an environmental baseline study was conducted to establish an environmental baseline for Las Chispas as part of the legally required environmental permitting process for mine construction. As a result of this evaluation and in order to compensate and mitigate for the environmental and ecological impacts of constructing the mine, we were required to carry out the following biodiversity programs:

- 1 Flora and Fauna Rescue and Protection
- 2 Soils Conservation and Protection
- 3 Rehabilitation and Restoration

The aim of these programs is to ensure that regional biodiversity is not compromised.

Subsequently, Biodiversity Management Plans for the Las Chispas Operation were developed by a third-party expert in compliance with the study's conducted that identified the project's potential impacts and risks. The resulting plans are aligned with legal requirements for mitigation of biodiversity impacts, the progress and outcomes of which are regularly reported to SEMARNAT.

These plans involved the systematic surveying of the site, identification of flora and fauna species to be rescued, rescue and transfer of species to proximal transplant sites and finally post-transplant care and monitoring. Reforestation and restoration activities are being carried out within the area of operations, which are coordinated by a forestry expert, in compliance with the permit granted by the federal government to carry out operations. To date, approximately five hectares have been

restored to compensate for the 49 hectares disturbed. In the restored area, the Company has reforested 12,420 plants native to the region at a ratio of 2,484 plants per hectare and continued to conduct replacement and restoration work in 2023 for transplanted plants that did not survive. This data is reported every four months to the federal authority.

Site Closure and Rehabilitation

We are committed to responsible mine closure practices that minimize our long-term environmental impact and promote the restoration of ecosystems at our mining sites. As such we have developed detailed Conceptual Closure Plans including estimated costs and timeline, with the exact purpose of responsibly closing the mine and reclaiming it to pre-mine conditions.

The Conceptual Closure Plan focuses on ensuring the post-mining landscape is safe as well as physically, geochemically, and ecologically stable. The plan ensures that the quality of water resources in the area is protected and that the plan is welcomed by communities and regulators. The optimal performance of reclamation activities heavily depends on stakeholder participation and adequate monitoring of the reclaimed site conditions. The objectives of the Closure Plan include minimizing long-term environmental liabilities, complying with current legislation, and observing international standards and best practices for long-term environmental protection.

The FTSFs pose the greatest challenge for land reclamation in terms of ensuring long term physical and chemical stability of the waste remaining on site post closure, and due to the extensive surface area they occupy. The greatest closure

efforts, starting with progressive reclamation, will be focused on these facilities.

The estimated cost is approximately \$8.0 million as of December 2023 and is updated annually. Closure costs are assumed to be incurred over a period of approximately three years, following the cessation of production and a subsequent period of seven years of monitoring. For more details about our mine closure plans, please see our 2023 **Technical Report**.





Social

2023 Performance Highlights

0.56

Lost Time Injury Frequency Rate ("LTIFR") for the total combined workforce

27

Average H&S training hours for the total combined workforce

0

Fatalities

34

Average training hours per employee

\$400,000

Money invested in community projects in 2023 (US\$)

43%

Board of directors gender diversity

27.6%

Workforce from local Sonora Valley area

39.1%

Direct employees covered by a collective bargaining agreement



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Health and Safety

Importance

The health and safety of our employees and contractors is paramount. In high-risk industries such as mining, workers are exposed to complex and potentially hazardous activities that could cause harm to physical health on a daily basis. At SilverCrest, protecting all our personnel is a top priority. As such, we are committed to creating a safe work environment, preventing accidents and injuries, and continuously improving our H&S practices.

Our Approach

SilverCrest has a zero-accident approach to our health and safety practices. Safe work practices are fundamental to a successful operation and that is why we have implemented a multistage system to ensure the safety of our workers. This system is guided by our **Health and Safety Policy**, which all new employees must review and sign. In addition, we have implemented a range of processes and controls to identify and prevent safety hazards and risks, and we conduct regular training sessions on a variety of health and safety topics. These provisions are here to create and maintain an organization with a strong culture of health and safety that will reduce the incidences of accidents and occupational diseases.



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Operational Health and Safety Programs

SilverCrest follows 24 Mexican Official standards (NOM's) as well as the Occupational Safety and Health Administration ("OSHA") and the Mine Safety and Health Administration for health and safety guidelines, covering a wide range of operational activities. In addition, we also follow the Occupational Health and Safety Self-management Program (PSST), a compliance program based on national and international standards and administered by the Ministry of Labour and Social Welfare. Through these programs and the others listed below, SilverCrest is not only committed to complying with all applicable health and safety regulation, but we also seek to go above and beyond to implement systems that promote the operation of safe and healthy workplaces.

To date we have experienced zero personnel fatalities throughout the operation of Las Chispas which we credit to our strong culture of health and safety, and desire to continuously improve the safety of our processes. To this end, the Company has a robust safety hazard identification system to proactively identify and mitigate any safety risks that arise. Included in this system is a 5-point safety card that is filled out every day by employees in the workplace to identify and assess safety hazards. Additionally, H&S risk analysis for each job position and activity is conducted, as well as at the workplace environment level. Based on these risk analyses, a risk matrix is used to score the magnitude of risk for each job and activity, requiring individuals performing high risk activities to undergo additional training to obtain high risk work permits. Environmental health and

medical studies are also conducted annually to ensure that employees are not receiving excess exposure to harmful chemicals whilst carrying out their work.

To ensure that our H&S systems are functioning as designed, we regularly assess the state and performance of these systems through internal and external audits. The Health and Safety Committee at Las Chispas conducts a monthly internal safety audit which includes an inspection of facilities and processes to identify any unsafe conditions in the work environment. As part of this internal audit process, a joint taskforce formed by the Health and Safety Committee with relevant site managers will conduct in-depth investigations into accidents that occurred that month to identify areas for future improvement. The Company uses a digital platform to track near misses and assist in the accident investigation process called ITRAK. The platform provides a specific procedure for accident reporting and uses systematic cause analysis technique and risk assessments to assist in the investigation process.

SilverCrest also receives an external audit on a quarterly basis that is conducted by an independent third party to review and identify any unsafe working conditions. Both internal and external audits conducted cover the activities and working conditions of both employees and contractors.

Alongside regular audits, SilverCrest has implemented an anonymous inbox for people to specifically report H&S concerns or suggestions without fear of reprisal, as part of its dedication

to consistent improvement of its health and safety systems.

As part of the H&S procedures and standards at Las Chispas, the Company has established a general emergency plan. All personnel working on site will receive training on the emergency plan from site safety managers. This training informs personnel about the risks and dangers of different emergency scenarios that could arise and how to act accordingly in each situation. Regular communication on how to act in an emergency is also provided. Finally, posters of what to do in the event of an emergency are visible at variations around site to ensure all employees and contractors are aware of the procedures.



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In 2023, SilverCrest became one of the first mining companies in Mexico to implement a new self-rescue oxygen generator technology at Las Chispas. In the event of an emergency such as an underground fire, the self-rescue oxygen generator, which is now carried by all personnel, provides miners another line of protection in the event of an emergency underground. The aim of the oxygen generator is to allow for safe escape to the surface in such emergencies, by providing additional crucial minutes of oxygen. These initiatives are effective ways of mitigating the risks faced by workers and reflects the Company's commitment to employee safety.

As well as ensuring the safety of our own direct employees, we are also dedicated to ensuring the safety of our contracted workers through the same systems, programs and training described above. We have a Contractor Management Policy in place that outlines the screening, selection, monitoring, performance, and management of contractors working at Las Chispas. Prior to signing work agreements, our contractors must show a good H&S performance that demonstrates continuous improvement, provide the H&S performance of their subcontractors, and have a publicly available H&S program. Contractors must also show evidence of compliance with H&S regulation and that they have the appropriate qualified personnel, certifications, and own H&S systems to carry out the scope of work requested by SilverCrest in a safe manner.

The Health and Safety Committee at Las Chispas is responsible for co-ordinating and disseminating all plans, procedures and other information related to H&S to all personnel at site. This includes management of the

systems and controls in place to prevent and mitigate accidents, conducting internal audits, and planning and conducting regular training sessions for all personnel. They are also responsible for monitoring any new hazards as they arise, investigating accidents, and ensuring the continual improvement of site H&S systems. Critically, the Committee is responsible for tracking the H&S performance of Las Chispas through several H&S KPI's. In 2023, the Health and Safety Committee prepared weekly reports for Las Chispas site management. Monthly reports are updated and prepared for site

management and COO, with the key H&S information summarized for corporate head office in integrated monthly reports.

In 2023, SilverCrest continued to prepare for evaluation by the Ministry of Labour and Social Welfare to receive certification under the Occupational Health and Safety Self-Management Program. Looking forward to 2024, we plan on beginning the application process to have our H&S program internationally certified by ISO 45001.





Health and Safety Training

At Silver Crest, we have implemented a rigorous training program that is planned at the start of each year with multiple training sessions per week. Each training session is scheduled and disseminated to employees in a training matrix. The matrix enables the H&S team at site to track the training needs of each worker and assign training sessions that are specific to them based on activities they will carry out, time of last training session and other work-related factors. In addition to personnel specific training, the H&S team conducts weekly ongoing safety orientation for new personnel joining the site as well as emergency training for rescue teams every Sunday. The training program covers both SilverCrest employees and contractors.

In 2023, the workforce at Las Chispas operation completed a total of 24,426 hours of health, safety and emergency response training, with our direct employees completing 6,204 hours of H&S training and our contractors completing 18,222 hours of H&S training.

To ensure that our H&S processes are of high quality and all workers are trained to the appropriate level to carry out their job safely, the H&S team keeps a training attendance list. In addition, exams are given to personnel based on the training they receive, with certain higher risk activities requiring workers to obtain certification of their training and competence. All personnel must meet the training hours required and pass necessary training exams in order to be eligible to do their job.

In 2023, the Company implemented a new safety and leadership program called “Prometimos Volver” or “Promise to Return Home”. The

program was designed for all employees and contractors working at Las Chispas and included several workshops with the aim of further developing a culture of health and safety at the site. In total, 707 people attended the workshops including 201 supervisors.

Health and Safety Performance

SilverCrest is proud to continue our streak of no worker fatalities at Las Chispas into 2023. We believe that this success stems from our dedication to creating safe working environments for our workforce as well the robust H&S systems that we continue to improve every year.

In 2023, we recorded a total of seven lost time H&S injuries, including both employees and contractors, resulting in a Lost Time Injury Frequency Rate (“LTIFR”) for the whole workforce of 0.56 per 200,000 work hours. This was a slight increase compared to 0.42 in 2022, but an overall downward trend compared to 0.63 in 2021. This can be further broken down into our direct employees and contractors.

For our direct employees, LTIFR has increased in 2023 compared to 2022 from 0.00 to 1.25 respectively. For our contractors, LTIFR has decreased from 0.62 in 2021 to 0.23 in 2023. This is due to the transition and ramp up to full production at Las Chispas which occurred in 2022. The construction phase of the mine leading up to 2022 was carried out mainly by contractors rather than SilverCrest employees, whereas the production phase is being carried out by both employees and contractor. This also explains why LTIFR was 0.00 for employees up until 2023, when production began and why

LTIFR has fallen for contractors since 2021 as less contractor intensive construction activities are being carried out.

In 2023, the workforce at Las Chispas mine completed a total of 24,426 hours of health, safety and emergency response training, with our direct employees completing 6,204 hours of H&S training and our contractors completing 18,222 hours of H&S training. That equates to approximately 19 hours of training on average for our employees per year in 2023, an increase from 18 hours on average in 2022, and 30 hours of training on average for our contractors per year in 2023, an increase from 24 hours on average in 2022.



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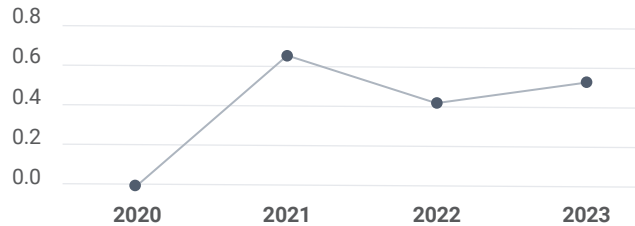
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H&S Performance Total Workforce (Employees and Contractors)

	2020	2021	2022	2023
Fatalities	0	0	0	0
LTIFR	0.00	0.63	0.42	0.56

Workforce LTIFR



0.72
All Incident Rate (AIR)

H&S Performance Employees

	2020	2021	2022	2023
Fatalities	0	0	0	0
LTIFR	0.00	0.00	0.00	1.25
TRIFR	0.00	0.00	2.04	5.24

LTIFR and Total Recordable Injury Frequency Rate ("TRIFR") are calculated using 200,000 work hours.

H&S Performance Contractors

	2020	2021	2022	2023
Fatalities	0	0	0	0
LTIFR	0.00	0.74	0.62	0.23
TRIFR	2.65	4.82	4.33	3.51

LTIFR and TRIFR are calculated using 200,000 work hours.



Community Relationships and Stakeholder Engagement

Importance

Fostering strong relationships with our local communities and actively engaging our stakeholders are critical components for building a long-term sustainable business that delivers value to all stakeholders. Social licence to operate is a serious risk for all mining companies and one that must be managed practically and compassionately.

At SilverCrest, we recognize the potential impacts that mining operations can have on the communities where we operate, both positive and negative. We strive to prevent and mitigate those negative impacts whilst working to amplifying the positive impacts, with the goal of delivering long term value to all our stakeholders.

Our Approach

SilverCrest is dedicated to engaging with our local communities, that are impacted by our operations, regularly and in good faith. Our commitments to building a mutually respectful relationship with our local communities has been outlined in our **Community Policy**.

We consult our local community stakeholders at every stage of the operation lifecycle, with our first engagement with the local community occurring almost 20 years ago when our CEO previously lead the exploration, development and operation of another precious metals mine in the area. For the Las Chispas mine, these engagement activities formally began in March 2019, prior to mine construction, where

we conducted a social baseline study and engaged the various local stakeholder groups on their concerns about Las Chispas and other general concerns for the area. The findings from these consultations were consolidated into a report and included the request for adequate environmental safety and mine closure protocols, the desire for local infrastructure to improve, the desire for more job opportunities in the area and an expressed concern about water scarcity in the region. Since 2019, we have worked closely with the community to address these concerns, developing long term plans to improve local infrastructure, water resilience and provide economic opportunities to the area. SilverCrest has always consulted relevant local stakeholders prior to the initiation of a major project such as, mine construction, powerline construction and water infrastructure construction, and will continue to do so in the future. Additionally, the stakeholder network has allowed SilverCrest to develop community social investment projects with the input and participation of local stakeholders. Once potential social investments are identified, we communicate and work with local, state and federal authorities to design and implement these social investment projects.

There are four main ejido groups that SilverCrest has been engaging with, three of which are being impacted by mining operations (Ejido Bamori, Ejido Arizpe, and Ejido Sinoquipe) and the fourth (Ejido Los Hoyos) by the powerline we constructed in 2022. In addition, we also engage the local communities of Arizpe, Bamori, Banamichi, Sinoquipe, Bacoachi and Tahuichopa

(all in the Mexican state of Sonora). Finally, we are part of the Arizpe Ranching Association. The Company maintains a regular and direct dialogue with each of these groups to understand their changing interests and concerns. SilverCrest has dedicated resources explicitly to manage community initiatives including an office in Arizpe and multiple full-time employees who are solely responsible for community management and upkeep. This includes regular in person meetings with each group.

We are proud to say that due to our commitment and integration with the community that the consultation and communication processes we sought to establish are now two way, with local stakeholders reaching out first to set up meetings to discuss issues as they arise. These open communication channels have enabled us to maintain a firm pulse on the situation in local communities and allows us to adapt quickly to changing circumstances that impact these groups.

An example of this process working to great effect occurred in 2023 during the repair of water infrastructure in Sinoquipe as part of our 5-year Water Stewardship Plan. The initial plan in 2023, was to repair 2km of agricultural aqueducts in Sinoquipe to reduce water loss while transporting water from the river to fields. However, severe drought last year meant that aqueducts would not be utilized effectively even if they were completed, leading to crops dying.

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Instead, the SilverCrest community relations team worked with the community members in Sinoquipe to come up with an alternative solution. Together, it was decided that priority and capital should be shifted towards building electrified water pumps for wells and 2.5km of water pipelines in Sinoquipe. In addition, SilverCrest helped the community submit the proper documentation to the National Water Commission of Mexico, known as Comisión Nacional del Agua (“CONAGUA”) to obtain a

small water concession to use the well water, ultimately saving the season’s crops from dying in Sinoquipe. This ability to adapt quickly to changing conditions for a large community infrastructure project would not be possible if it were not for trust and strong communication channels we have built over time with the local community.

We have developed an internal stakeholder and communication plan that includes communities,

landowners and government officials to systematically manage our community risks and opportunities. This guideline indicates the different local stakeholder groups we must engage, by what communication channel and the cadence of these communication. In addition, it outlines the purpose of engagement and records the most recent actions as well as outstanding actions from both parties. An example of this internal stakeholder management system is depicted below.

Local Stakeholders	Purpose of Engagement	Methods of Communication	Frequency of Communication
Ejido Arizpe	<ul style="list-style-type: none"> Maintain positive relationships and identify risks and opportunities within the community that SIL can help with. 	<ul style="list-style-type: none"> Face to face meetings Official group meeting Official letter Social media (Facebook and Instagram) Phone call Whats App 	<p>Communication is continuous. We meet as often as the community stakeholders require.</p>
Ejido Bamori			
Ejido Sinoquipe			
Ejido Tahuichopa			
Municipality of Arizpe	<ul style="list-style-type: none"> Maintain collaborative relationships and identify risks and opportunities within the community that SIL can assist with. Ensure compliance with state and municipal regulations Participating in federal and state social programs jointly with community leaders 		
Water Associations	<ul style="list-style-type: none"> Maintain collaborative relationships and identify risks and opportunities within the community that SIL can assist with. Support for obtaining agricultural water concessions. 		

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Local Stakeholders	Purpose of Engagement	Methods of Communication	Frequency of Communication
Ranchers Association	<ul style="list-style-type: none"> Maintain positive relationships and identify risks and opportunities within the community that SIL can assist with. 	<ul style="list-style-type: none"> Face to face meetings Official group meeting Official letter Social media (Facebook and Instagram) Phone call Whats App 	Communication is continuous. We meet as often as the community stakeholders require.
Church			
Schools	<ul style="list-style-type: none"> Support educational programs at local schools. 		
Health Centre	<ul style="list-style-type: none"> Support community health risk prevention initiatives, such as COVID 19 hygiene and vaccinations 		
Local Vendors	<ul style="list-style-type: none"> Maintain collaborative relationships and help to develop and grow their business. 		
Comisión Estatal del Agua, (CEA)	<ul style="list-style-type: none"> Ensure compliance with state and federal regulations Assist community with applications for state and federal water related programs. 		
Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación (SAGARPA)			
Comisión Nacional del Agua (CONAGUA)			

We continuously assess the emergence of new local stakeholders. Due to the relatively isolated nature of Arizpe and the surrounding ejidos, we have not observed any changes to our identified list in the past few years. As part of the process for obtaining a permit to construct the powerline into Las Chispas we were required to conduct a stakeholder identification and social impact evaluation in 2022. The findings of this evaluation were compiled in a report that was

shared with the Secretary of Energy in Mexico, known as Secretaría de Energía (“SENER”). No new stakeholder groups were identified.

SilverCrest’s Community Relationship department based in Arizpe is responsible for managing community initiatives and co-ordinating regular communications with our various local stakeholders including the community and government bodies. Each community and stakeholder meeting and

initiative as well as minutes from each meeting of each meeting are tracked and reported to head office. Important information and data related to the community such as novel issues identified and amount of investment towards community activities are also reported monthly to senior management at corporate head office.

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Community Programs and Initiatives

In 2023, SilverCrest continued to establish itself as a positive force in the communities we operate in through a variety of community and social programs, in addition to the ongoing water infrastructure investments being made. During 2023, we invested ~\$0.3 million in water projects alone to repair sewer systems in Arizpe and revitalize agricultural aqueducts in Bamori. Notably we also co-ordinated and managed the process to submit an application to obtain a water concession from CONAGUA on behalf of 300 farmer in Arizpe for irrigation, the outcome of which is still outstanding.

At the end of 2023, we started to develop a strategy for recapturing a labour tax of approximately \$20,000 per month. The state-level water and agriculture body, SAGARPA, has announced a process by which this tax can be redirected towards funding qualified drip irrigation projects that benefit community members. The Scotiabank 2022 Water Scarcity Report has suggested that drip irrigation can reduce water consumption by up to 60% and can increase crop yields by up to 90%. Such technology has the potential the significantly improve the livelihood of farmers that utilize it. We have started to identify projects that qualify for this arrangement and intend to implement the strategy in 2024.

Through ongoing engagement with the Arizpe community, it became apparent that road illumination coming into and out of town was non-existent, causing a safety and navigation hazard. We worked closely with the community to understand their desires for an illumination system, ultimately investing \$50,000 in the construction of a road illumination system.

This project involved the installation of road lighting at the entrances to Arizpe town from the highway, which was completed in late 2023, with an extremely positive response from the community.

Outside of these large social investment projects, SilverCrest is also involved with the community at a more intimate level. We support public services in the Arizpe municipality by contributing monthly fuel support to State Police operating in Arizpe and Arizpe Firefighters.

We also support local child development through regular donations of supplies to schools and by providing the necessary equipment for baseball teams in the area for children aged 7 to 16 years old. We regularly host events in Arizpe to encourage community-company cohesion such as baseball tournaments, festivals and street theatre performances. We are extremely proud to see the positive impacts and hear the positive feedback of our engagements and are committed to continuing our support to these local communities.

While we take a proactive approach to managing community related risks and opportunities, SilverCrest also has a robust grievance mechanism in place for community members to submit complaints anonymously related to Las Chispas operations. This grievance mechanism is operated by ClearView Connects, an independent third party and provides a variety of channels by which community members can submit complaints including: email, phone, physical letter or in person at the SilverCrest Arizpe office. The Community Relationship

department has communicated the existence of the grievance mechanism and how to file a complaint to the community in Spanish through social media, the company website and through physical posters in high-traffic areas. We are proud to say that no community grievances were filed in 2023.

Looking forward to 2024, SilverCrest is in the process of finalizing arrangements to provide internship opportunities to students studying at local universities.



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Community and Social Performance

In 2023, SilverCrest invested \$0.4 million from its committed \$1.5 million in our local communities through infrastructure projects and CSR initiatives. We are confident that the benefits from these investments will be felt by the community for many years to come. The repair of the main water intake valve in Arizpe last year, gave year-round access to water for 57 landowners and 231 hectares of land. Farmers are now able access two planting seasons each year instead of just one, leading to an estimated 14% increase in their annual revenue on average for those farmers that utilized the opportunity. A community presentation is planned for 2024 to educate local farmers on how to make the most of this opportunity with the goal of increasing the utilization rate of this second planting season.

Moreover, the economic impact to the local community through employing local personnel and doing business with local suppliers cannot be understated. Our two main contractors at the Las Chispas Site combined employ more than 125 people from the local Sonora Valley area. They also do business with more than 70 local suppliers. In 2023, the economic impact of these two contractors has been estimated to be more than \$4.0 million.

In 2023, SilverCrest and the Community Relations department held a total of 136 meetings with its community stakeholders as part of our annual stakeholder management plan. We believe that these regular engagements are the key to the strong relationships and trust we have built with the community. We intend on only strengthening these relationships in the years to come.



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Human Capital Development

Importance

A talented, organized and well-trained workforce is the key to success for any business and is a necessity in the mining industry for ensuring the safety of the entire workforce. The mining industry offers generous compensation to workers but has a notoriously high annual turnover rate due to a mixture of factors such as a shrinking talent pool, perceived H&S risk and remote work sites. As such the competition for the best mining talent and leaders is extremely high, and requires an ongoing effort from companies to find, attract and retain the best talent.

At SilverCrest, we pride ourselves on the talented individuals that make up our workforce. Simultaneously, we are cognizant of the fact that in order to continue to attract and retain the best and most qualified talent, we must offer competitive compensation, quality benefits, ongoing training and superior career development opportunities.

Our Approach

Our approach to human capital development includes programs that cover talent attraction, talent management and retention, training and development as well as employee wellbeing. At SilverCrest, we strive to be an employer of choice in the mining industry and devote the necessary resources to ensure that our work environment and career development opportunities reflect that.



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Human Capital Development Programs

SilverCrest has established a range of human capital development initiatives that have been implemented both at site and head office. We are currently in the process of further improving and formalizing these initiatives into internal programs.

Each employee at SilverCrest is entitled to a yearly quota for professional development and training courses to upkeep the credentials required for their roles as well as training opportunities for upskilling. Our skills upgrade program includes training in job specific functions, operation of machinery and equipment, health and safety, environmental stewardship and soft skills such as human rights and diversity. In addition, where applicable the programs incorporate the opportunity to obtain certification for work skills.

The internal training department at Las Chispas is responsible for developing an annual training program for employees, both unionized and non-unionized, as well as contractors. The program is designed using the findings of an internal Training Needs Analysis conducted in coordination with the heads of each department at site and includes learning plans based on training needs. The analysis evaluates the technical and non-technical work skills of each worker and subsequently identifies their training needs in areas of technical work training, soft skills training, environmental training and health and safety training.

In 2024, we plan to expand on our existing training program and introduce a formalized and organization wide growth plans, performance reviews and goal setting for senior positions at SilverCrest, a responsibility previously carried out

at the department level. This annual performance review, training and quantitative target setting tied to compensation already takes place for all members of Executive Management and senior managers.

With regards to talent recruitment, SilverCrest has a careers page on our main website where we post any vacant positions on offer. All job listings use DEI-compliant language, reflecting that we don't hold any prejudice towards specific groups focusing solely on qualifications and fit for the role. We have an applicant tracking system (ATS) to receive, process and manage potential candidates resumes from direct application through job listings as well as from a general call for resumes inbox. We do this to expand the talent pool to select from when recruiting for new positions. Since adding the careers site, we have received over 2,300 applications for roles at SilverCrest head office and Lllamarada.

In 2023, we began to develop a range of benefits and initiatives at Las Chispas to accommodate employees during the family stage of their life including a breastfeeding room in our Hermosillo office. We also planning on rolling out family friendly perks for employees such as subsidies for school supply purchases.

To expand on our track record of providing local internships and local hiring, we are in the process of signing agreements with local universities in Sonora to offer internships to current students looking to start a career in the mining industry. We aim to finalize the details for this program in 2024 with State University of Sonora (UES) Hermosillo, UES Magdalena, University of Sonora (UNISON)

and Hermosillo Technical University (UTH). We hope that the program will provide valuable work experience to local students to kick start their mining career.

We are always trying to improve our business, operations and work environment wherever we can. By listening to our workforce, we can gain invaluable feedback on how to implement such positive changes. In 2024, we plan to conduct a formal trial employee engagement survey at head office, with the aim of further expanding the survey scope to all SilverCrest employees, including those at Las Chispas in 2024. The aim is to conduct the survey bi-annually to get a better sense of employee engagement and sentiment.

SilverCrest also holds a quarterly townhall in which staff are invited to provide input and feedback on any topic they would like. The culture at SilverCrest is very open with most employees feel comfortable sharing their views in an open setting, however, for those less comfortable speaking out in a group, employees are invited to share their feedback privately with HR or their direct managers. Moreover, SilverCrest has a grievance mechanism for workers and external stakeholders to report concerns or provide feedback anonymously. This system is managed by an independent third-party software, ClearView. We regularly invite feedback from our employees on new processes and initiatives being rolled out including the testing and feedback of new processes with smaller interest groups before they are implemented. The goal with all these initiatives is to promote a culture of open feedback within the company.

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Human Capital Development Performance

At the end of 2023, SilverCrest and its subsidiaries (the “SilverCrest Group”) employed a total of 24 full time personnel based in Canada and 322 unionized and non-unionized employees based in Sonora, Mexico as of December 31, 2023. In addition, SilverCrest and its subsidiaries had an estimated 598 contractors at the Las Chispas operation in Mexico as of December 31, 2023. We emphasize the hiring of local, qualified candidates, local to the communities in which we operate in. As such we are proud to disclose that, in 2023 of our 322 Llamarada employees, 27.6% were from the local Sonora River Valley, 88.8% were from Sonora and 98.8% of our workforce were local Mexican citizens.

In 2023, our direct employees completed a total of 10,966 hours of training on a range of different topics. This includes 6,204 hours of training specifically on health, safety and emergency response topics. We are dedicated to the continual development of our workforce in 2024.

At SilverCrest, we respect our employees’ right to unionize and are proud to disclose that 39.1% of our direct employees at Las Chispas are covered by a collective bargaining agreement. When negotiating with unions on the terms of collective bargaining agreements, we do so in good faith and with the goal of achieving a desirable outcome for all parties. Our remaining employees that are not covered by collective bargaining agreements are governed by prevailing labour

laws in their relevant jurisdiction. Moreover, all contractors working at Las Chispas are required to meet Mexican standards and certification for specialized labour.

In 2023, our turnover rate for employees at Las Chispas fell from 25.8% in 2022, to 20.2%. This change can be largely attributed to the transition to full production that occurred at the end of 2022. The transition in 2022, from ramp up to full production and the change in job requirements at site, led to this higher turnover. However, 2023 reflected an entire year in full production phase, which is more stable from a job security perspective, resulting in a lower turnover rate.

Employee Turnover Rate at Llamarada

	2022	2023
Voluntary Turnover Rate	15%	11.8%
Involuntary Turnover Rate	10.8%	8.5%
Total Turnover Rate	25.8%	20.2%

In 2023, Las Chispas mine experienced zero disruptions to operations due to labour related strikes.



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Diversity and Inclusion

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Importance

We recognize the benefit of a workforce made up of diverse individuals with a mix of skills, experience, perspectives, backgrounds and characteristics. Such diversity can lead to a more robust understanding of issues, risks and opportunities, ultimately leading to stronger decision-making. Historically, marginalized groups have been underrepresented in the mining workplace, however this is starting to change at a structural level.

At SilverCrest, we are dedicated to employing people based on the quality of their experience, ability and competency, while providing an inclusive work environment for all to thrive.

Our Approach

At SilverCrest, we are committed to creating a work environment free of discrimination, where all our employees feel safe, respected and included. We believe that diversity of gender, race and other marginalized groups throughout our organization is beneficial for generating long-term value and thus we are dedicated to identifying candidates from diverse backgrounds to join SilverCrest. However, we are also committed to a merit-based system for hiring at all levels of the company including the Board level and will only hire individuals that meet the necessary requirements for their role. For more information on our approach on diversity and inclusion, please see our **Diversity Policy** and **Code of Business Conduct and Ethics**.

Diversity and Inclusion Programs

We aim to hire the best-qualified talent, regardless of gender, sexual orientation, race or any other factor, therefore all of our recruitment initiatives, by definition are designed to embrace and acquire diverse talent. To this end, in 2023, we have revamped the wording in the job listings to be more candidate-forward and culturally attractive as well as to remove any statements that were previously perceived to be discriminatory. In addition, we have worked directly with hiring managers at SilverCrest and Llamarada to eliminate any biases in the hiring process.

At SilverCrest, we conduct training sessions on all of our policies including our Diversity Policy. In 2024, we plan to develop self-service training modules for each of our main policies for our employees to undertake in conjunction with their formal training. The current training reiterates our commitment to promoting a diverse and safe workplace with equal opportunities for all employees. It also emphasizes the Company's intolerance for discrimination on the basis of race, gender, sexual orientation religion, etc. as well as actions that violate equal opportunity for all employees. Employees are trained on how to report any grievances or violations to the Diversity Policy, through our grievance mechanism operated by ClearView Connects. All company employees must sign off on each policy on an annual basis.

Diversity and Inclusion Performance

In 2020, we stated an objective in our **Diversity Policy** of reaching 30% of women throughout the organization. This was accompanied by a time bound target of SilverCrest's Board being composed of 30% women by the annual general meeting in 2023 or sooner. We are proud to say that both our Board of Directors and Executive Management team at the end of 2023 were greater than 30% female by composition, surpassing the target we set.

Although we see women as an invaluable asset in the workplace mining continues to be a male dominated industry. In 2023, women comprised 20% of our organization (excluding contractors), with the majority working in administrative or support roles. We have taken action to make our recruitment process and work environment more inclusive for women and will continue to so in the future.

Gender Diversity 2023

	Male	Female
Llamarada Workforce Gender %	86%	14%
Executive Management Gender %	62%	38%
Board of Directors Gender %	57%	43%
Total organization	80%	20%



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Business Ethics

Importance

Building trust and securing long-term value for all stakeholders hinge on good governance systems. Good governance is especially crucial in the mining industry, where the regulatory, economic, and operational environment is complex and dynamic with projects spanning decades. As such, establishing robust foundational principals are paramount for mining companies trying to ethically navigate this business landscape. Increasingly, governments and other external stakeholders are looking to companies to not only manage and address their own risks related to business ethics but also the impacts and risks stemming from their business relationships too.

At SilverCrest, we are committed to responsible mining. That means conducting all our activities in an ethical and transparent manner. We actively foster an ethical organizational culture whilst implementing the necessary controls to prevent instances of corruption and bribery internally and where possible throughout our supply chain.

Our Approach

Our **Code of Business Conduct and Ethics, Anti-Bribery and Anti-Corruption Policy, Whistleblower Policy, Supplier Code of Conduct, Human Rights Policy** and other main company policies, set the foundational expectations for ethical business practices at SilverCrest for all employees, suppliers and other stakeholders. These policies provide guidance on core business ethics issues.

They meet the standards of securities and jurisdiction regulations we are subjected to as well as being aligned with international best practices and standards.

All company policies are publicly available in both English and Spanish to ensure there is no misunderstanding about our expectations when it comes to operating a business ethically. In addition, all Llamarada employees, at all levels, are required to undergo annual training on Company policies. After taking the training course, employees must sign off on a statement

agreeing to follow the Company’s policies. SilverCrest corporate employees, despite not having to undergo yearly training on Company policies, are required to sign off on Company policies on an annual basis.



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Whistle Blower Program

At SilverCrest, we have established a grievance mechanism which allows employees and other external stakeholders to anonymously report any concerns, complaints of grievances without fear of retaliation. The mechanism is operated by an independent third party provider, ClearView Connects, and is available 24/7 in English and Spanish. This grievance mechanism and the accompanying Whistleblower Policy are regularly communicated through various mediums to our employees and to the local communities that we operate in. All Llamarada employees also receive training on the Whistleblower policy every year. It is a requirement of our Whistleblower Policy that all directors, officers and employees of the Company must report all suspected Corporate Irregularities either directly to the company Audit Committee or anonymously through the grievance mechanism.

SilverCrest’s Audit Committee is primarily responsible for investigating and resolving all reported complaints and allegations concerning Corporate Irregularities with support from the Company’s legal counsel.

In 2023, there were no documented community-related grievances. If instances of community-related grievances were identified, the Company would anticipate 1) documenting the grievance in Clearview Connects, 2) commencing an investigation by dedicated personnel, 3) reviewing findings and an action plan from investigator and 4) completing such action plan.

In 2023, we received three employee-related complaints through the grievance mechanism. All grievances were internally investigated through our formal grievance processing system and resolved.



Anti-Bribery and Anti-Corruption Program

Our Anti-Bribery and Anti-Corruption Policy outlines the expectations of our employees to operate in a fair and ethical manner. It also provides guidance on how to deal with business partners, identify potential corruption or bribery red flags, and the process for reporting violations. Any reports of violations of the policy are presented directly to the CEO and Chair of the Audit Committee where an investigation will be carried out and documented with the assistance of outside counsel, if necessary.

The policy is reviewed annually and periodically updated when appropriate. As with our other main policies, all company employees are required to agree to abide by this policy, renewing this agreement in writing annually. In addition, all employees receive annual training on the topic

of corruption and bribery.

In 2023, SilverCrest started to develop a set of internal self-training materials to complement our annual training program starting with training materials on anti-bribery and anti-corruption. The training materials outline the policy statements, our expectations, and standards as well as a quiz at the end to test employees understanding of the material.



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Starting in May 2023, all supplier contracts signed with Llamarada have required suppliers to adhere to our Code of Business Conduct and Ethics Policy, Anti-Bribery and Anti-Corruption Policy and Whistleblower Policy. Included in our Code of Business Conduct and Ethics Policy is a clause stating that all suppliers must also comply with our Supplier Code of Conduct which outlines standards around labour practices, environment, H&S, corruption and fair business practices. Moreover, we also have specific requirements around H&S performance and compliance that suppliers must provide evidence for, including H&S performance of their subcontractors.

Suppliers are required to report any violations of our Code of Business Conduct and Ethics Policy or Supplier Code of Conduct directly to SilverCrest’s senior management.

Human Rights Management

SilverCrest is committed to respecting human rights across our operations and in our communities and complying with all applicable human rights related regulations. We have aligned our corporate practices to human rights with the global best practices standards and frameworks available including UN Guiding Principles on Business and Human Rights, International Bill of Human Rights and the International Labour Organization Declaration of Fundamental Principles and Rights at Work and Voluntary Principles on Security and Human Rights. For more details about our approach to human rights please see our **Human Rights Policy**. Included in our Human Rights Policy is our commitment to reject any form of slavery,

forced labour or child labour and the contractual requirement of Llamarada suppliers to uphold these standards.

All employees at Las Chispas receive training on our Human Rights Policy as part of our annual training program. They are also required to agree in writing to abide by these commitments on an annual basis. In 2023, 204 hours of human rights training was conducted for relevant personnel, including senior management.

In 2023, SilverCrest participated in regular meetings with Mexico’s national mining chamber, known as Cámara Minera de México (“CAMIMEX”), specifically with its Community Relations and Human Rights Commission. These meetings provided a platform to share our commitment to investing in and upholding human rights within the community, while also gaining insight into the human rights issues currently prioritized by CAMIMEX.

As previously discussed, SilverCrest has a mechanism to receive grievances and complaints about the Company which is operated by an independent third party. The grievance mechanism is set up to receive any kind of grievance from employees and external stakeholders anonymously. We regularly communicate the existence of and how to use the grievance mechanism amongst employees and in the community. In 2023, we are proud to announce that we received no human rights related grievances.

Looking ahead to 2024, we completed the Company’s 2023 Modern Slavery Act Report, in alignment with the requirements of the newly

adopted Modern Slavery Act. The new bill requires SilverCrest to disclose the systems and controls we have in place to prevent, mitigate and manage instances of child and forced labour in our operations and supply chain such as policies, due diligence processes, training and remediation efforts. As part of the process for developing this report, we started to map out the 50 of our largest suppliers by spend for both SilverCrest corporate and Llamarada and identify potential child or forced labour risks that may exist amongst our suppliers based on geographic, industry and company factors. We will continue to expand on the scope of these internal supplier risk assessments and publish our findings in our Modern Slavery Act Report on an annual basis moving forward.



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 2024 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.

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