British Columbia Securities Commission

QUARTERLY AND YEAR END REPORT
BC FORM 51-901F
(previously Form 61)

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ISSUER DETAILS

NAME OF ISSUER	FOR YEAR ENDED			DATE OF REPORT Y	M	D
SILVERCREST MINES INC. (formerly Strathclair Ventures Ltd.)	03	12	31	04	05	12

ISSUER ADDRESS				
405 – 1311 Howe Street				
CITY/	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
Vancouver	BC	V6Z 2P3	604-691-1761	604-691-1730

CONTACT PERSON	CONTACT'S POSITION	CONTACT TELEPHONE NO.
Barney Magnusson	Director	604-691-1730

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CERTIFICATE

The six schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED Y	M	D
"J. Scott Drever"	J. Scott Drever	04	05	14
"Barney Magnusson"	Barney Magnusson	04	05	14

SCHEDULE A - FINANCIAL INFORMATION

See attached audited consolidated financial statements for the year ended December 31, 2003.

SCHEDULE B - SUPPLEMENTARY INFORMATION

1. Analysis of expenses and deferred costs: See attached audited consolidated financial statements for the year ended December 31, 2003.
2. Related party transactions: See attached Note 8 of the attached audited consolidated financial statements for the year ended December 31, 2003.
3. a) Summary of securities issued during the year ended December 31, 2003

Date of Issue	Type of Security	Type of Issue	Number	Price	Total Proceeds	Type of Consideration	Commission Paid
February 2003	Common Shares	Exercise of warrants	100,000	$ 0.11	$ 11,000	Cash	N/A
May 2003	Units	Prospectus	2,070,000	0.33	683,100	Cash	$ 62,981
May 2003	Agent's units	Prospectus	50,000	0.33	16,500	Finance Fee	N/A
May 2003	Common Shares	Asset Acquisition	5,000,000	0.15	750,000	Assets	N/A
June 2003	Common Shares	Exercise of warrants	20,000	0.35	7,000	Cash	N/A
July 2003	Common Shares	Exercise of warrants	38,000	0.35	13,300	Cash	N/A
August 2003	Common Shares	Exercise of warrants	419,250	0.35	146,737	Cash	N/A
August 2003	Units (1)	Private Placement	1,900,000	0.50	950,000	Cash	$ 26,875
August 2003	Units (1)	Private Placement	88,750	0.50	44,375	Agents Commission	N/A
September 2003	Common Shares	Exercise of warrants	135,750	0.35	47,513	Cash	N/A
September 2003	Common Shares	Exercise of warrants	281,600	0.33	92,928	Cash	N/A
September 2003	Common Shares	Exercise of warrants	50,000	0.11	5,500	Cash	N/A
September 2003	Common Shares	Exercise of Series A Special Warrants	400,000	0.13	52,000	Special Warrants	N/A
September 2003	Common Shares	Exercise of warrants	300,000	0.26	78,000	Cash	N/A
October 2003	Common Shares	Exercise of warrants	96,000	0.33	31,680	Cash	N/A
October 2003	Common Shares	Exercise of warrants	106,500	0.35	37,275	Cash	N/A
October 2003	Common Shares	Exercise of stock option	25,000	0.45	11,250	Cash	N/A
November 2003	Common Shares	Exercise of warrants	6,400	0.33	2,112	Cash	N/A
November 2003	Common Shares	Exercise of Series A Special Warrants	500,000	0.13	65,000	Special Warrants	N/A
December 2003	Common Shares	Exercise of warrants	10,000	0.33	3,300	Cash	N/A
December 2003	Common Shares	Exercise of warrants	55,000	0.35	19,250	Cash	N/A
December 2003	Common Shares	Exercise of warrants	16,000	0.61	9,760	Cash	N/A
December 2003	Common Shares	Exercise of Series A Special Warrants	1,600,000	0.13	208,000	Special Warrants	N/A
December 2003	Units (2)	Private Placement	1,431,927	1.25	1,789,909	Cash	$ 88,908
December 2003	Units (2)	Private Placement	9,630	1.25	12,038	Agents Commissions	N/A

3. a) Summary of securities issued during the year ended December 31, 2003: (cont.)

(1) Each unit consists of one common share and one-half share purchase warrant. Commissions of 7.5% of the gross proceeds were $71,250 of which $44,375 was paid by issuing an additional 88,750 units. The share purchase warrants are exercisable at $0.61 per share until August 29, 2004 and if not then exercised, at $0.70 per share until August 29, 2005.

(2) Each unit consists of one common share and one share purchase warrant. Commissions and finders fees of 6% of certain proceeds were $100,945 of which $12,038 was paid by issuing an additional 9,630 units. The share purchase warrants are exercisable at $1.40 per share until December 18, 2004 and December 30, 2004.

Date of Issue	Type of Security	Number	Exercise Price	Expiry Date
May 2003	Warrants	1,060,000	$ 0.35	May 23, 2004
May 2003	Warrants	414,000	0.33	May 23, 2004
	if unexercised, then at		0.38	Nov 23, 2004
Aug 2003	Warrants	1,219,475	0.61	Aug 29, 2004
	if unexercised, then at		0.70	Aug 29, 2005
Sept 2003	Warrants	400,000	0.26	Dec 16, 2004
Nov 2003	Warrants	500,000	0.26	Dec 16, 2004
Dec 2003	Warrants	1,600,000	0.26	Dec 16, 2004
Dec 2003	Warrants	24,450	1.25	Dec 18, 2004
Dec 2003	Warrants	1,379,557	1.40	Dec 18, 2004
Dec 2003	Warrants	62,000	1.40	Dec 30, 2004

b) Options granted during the year ended December 31, 2003:

Date of Grant	Name of Optionee	No. of Optioned Shares	Exercise Price	Expiry Date
June 16, 2003	J. Scott Drever	200,000	$ 0.45	Jun. 16, 2008
June 16, 2003	N. Eric Fier	200,000	0.45	Jun. 16, 2008
June 16, 2003	Barney Magnusson	200,000	0.45	Jun. 16, 2008
June 16, 2003	William MacNeill	100,000	0.45	Jun. 16, 2008
June 16, 2003	Graham C. Thody	100,000	0.45	Jun. 16, 2008
June 16, 2003	Bernard Poznanski	50,000	0.45	Jun. 16, 2008
June 16, 2003	Mike Free	50,000	0.45	Jun. 16, 2008
June 16, 2003	Bernard Free	50,000	0.45	Jun. 16, 2008
June 16, 2003	Consultant	50,000	0.45	Jun. 16, 2008
June 16, 2003	Consultant	100,000	0.45	Jun. 16, 2008
June 16, 2003	Consultant	50,000	0.45	Jun. 16, 2008
July 22, 2003	Consultant	17,500	0.61	Jul. 22, 2005

4. Summary of securities as at the end of the reporting period:

   a) Authorized: 100,000,000 common shares without par value
   b) Issued and outstanding: 18,813,853 common shares
   c) Options and warrants outstanding at December 31, 2003

   Summary of options outstanding:

Number	**Exercise Price**	**Expiry Date**
1,125,000	$0.45	June 16, 2008
17,500	0.61	July 22, 2005

   Summary of warrants outstanding:

Number of Shares		**Exercise Price**	**Expiry Date**
285,500		$ 0.35	May 23, 2004
20,000		0.33	May 24, 2004
	if unexercised, then at	0.38	Nov. 23, 2004
1,203,475		0.61	Aug. 29, 2004
	if unexercised, then at	0.70	Aug. 29, 2005
2,200,000		0.26	Dec. 16, 2004
24,450		1.25	Dec. 18, 2004
1,379,557		1.40	Dec. 18, 2004
62,000		1.40	Dec. 30, 2004
Total 5,174,982			

4. Summary of securities as at the end of the reporting period: (cont.)

d) Shares held in escrow at December 31, 2003:

Included in issued capital stock are 3,894,230 common shares that are subject to the time release escrow provision of the TSX Venture Exchange. An additional, 50,480 common shares are subject to another escrow agreement and may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

Number of shares subject to a pooling agreement: None

5. Directors and officers as at December 31, 2003:

J. Scott Drever, President and Director
Barney Magnusson, Chief Financial Officer and Director
N. Eric Fier, CPG, P.Eng., Chief Operating Officer
William MacNeill, Director
Graham Thody, Director
Bernie Poznanski, Corporate Secretary

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS
For the Year ended December 31, 2003

The management discussion and analysis (MDA) is an overview of the activities of SILVERCREST MINES INC. (the "Company") for the year ended December 31, 2003. The MD&A should be read in conjunction with the Company's audited consolidated financial statements and notes attached thereto.

OVERVIEW

SilverCrest Mines Inc. is an active exploration and development company with its prime focus on the acquisition of high grade, low cost silver resources that may be expanded and properties with substantial exploration potential. Other general criteria for acquisition are to own 100%, have minimal acquisition costs and modest work commitments and limited third party payments other than perhaps royalties payable from production.

The Company's immediate initiative is to become a significant silver asset based company by acquiring and developing substantial silver resources and ultimately to operate high grade silver mines throughout North, Central and South America. The Company is currently active in Mexico, El Salvador, Honduras and Guatemala and has a substantial reported silver resource base.

Acquisition of NorCrest Silver Inc. (formerly 4023307 Canada Inc.)

Effective May 23, 2003, the Company acquired all of the issued and outstanding common shares of NorCrest. As consideration, the Company issued 5,000,000 common shares which were placed in escrow in accordance with the policies of the TSX Venture Exchange ("TSX-V"). In addition, the Company paid $75,000 and is also required to pay $75,000 after a cumulative $1,000,000 has been expended on exploration and development of the properties acquired through the acquisition of NorCrest and is required to pay a further $225,000 upon receipt of a bankable feasibility study on any of the acquired properties.

To date, the Company has not expended the required balance on exploration and development of the acquired properties or received a bankable feasibility study on any of the acquired properties.

Legally, the Company is the parent of NorCrest. However as a result of the share exchange described above, control of the combined companies passed to the former shareholders of NorCrest. This type of share exchange is referred to as a "reverse takeover". A reverse takeover involving a non-public enterprise and a non-operating public enterprise with nominal net non-monetary assets is a capital transactions in substance, rather than a business combination. That is, the transaction is equivalent to the issuance of shares by NorCrest for the net liability of the Company, accompanied by a recapitalization of NorCrest. The net liability of the Company is charged to the consolidated deficit.

The balance sheet at December 31, 2002 and the statements of operations and cash flows for the year then ended are those of NorCrest. The equity amounts are those of NorCrest, however, the number of shares issued during 2002 and outstanding at December 31, 2002 are the Company's.

The consolidated statements of operations and cash flows include NorCrest's results of operations and cash flows for the year ended December 31, 2003 and the Company's results of operations from May 23, 2003 (date of acquisition) to December 31, 2003.

Honduras Concessions - Summary

Compania Minera Maverick S.A. de C.V. was acquired as a result of the reverse take over of NorCrest Silver Inc. described in detail above and is the corporate vehicle for the Company's activities in Honduras. At the time of the acquisition of NorCrest it held four properties which are described below.

In November 2003, at the request of the Honduran Department of Mines (DEFOMIN), the Company delayed its planned drilling at its 100% owned El Ocote and Opoteca Projects pending completion of DEFOMIN's discussions with local governmental authorities regarding permitting requirements and procedures. This requested delay is ongoing and the Company, in cooperation, is waiting to receive a written response from DEFOMIN regarding the outcome of the discussions and recommendations by DEFOMIN to proceed with proposed work programs.

The Secretary General of DEFOMIN confirmed on December 23, 2003 by a "Constancia", which is a written statement of fact, that the concessions held by the Company covering the El Ocote and Opoteca Projects are in good legal standing and the concessions covering the La Pochota and Arena Blanca Projects have also been accepted as filed in all legal respects and are awaiting final signature from the Director of DEFOMIN.

Local opposition to exploration and mining activities, supported and encouraged by various Non Governmental Groups has become an increasing concern throughout Honduras. A public relations program has been implemented in key local municipalities to address exploration activities with residents and officials.

Property Summaries

A) **El Ocote Project** has indicated resources estimated at 2.26 million tonnes grading 233 g/t silver containing 16.9 million ounces of silver based on a 34 g/t silver cut-off grade. Inferred resources are estimated at 294,700 tonnes grading 307 g/t silver containing 2.9 million ounces of silver. These resources have been restated from previously reported resources and will be detailed in a technical report to be filed within 30 days.

The deposit is an elliptical breccia pipe that measures 160 meters by 90 meters and is defined to a depth of 100 meters from surface. Silver grades improve upwardly, from approximately 30 g/t at depth to in excess of 400 g/t near surface. The pipe forms a topographic high, making it potentially amenable to low strip ratio, open pit extraction. An initial work program of in-fill and resource expansion drilling is expected to confirm the higher grade surface, starter pit material, and provide information for metallurgical and engineering studies.

Exploration Program

In an Offering Memorandum dated August 8, 2003 the Company proposed an exploration program of $660,000 on its Honduran properties. The amount proposed for the El Ocote project was $420,000. The program proposed defining and expanding the current resource, converting inferred resources into indicated resources with infill drilling. In addition the program proposed additional metallurgical test work on a bulk sample, commencement of environmental baseline studies, detailed underground surveying and geologic mapping, systematic channel sampling and mapping of underground workings and conducting area-wide soil sampling.

The exploration program was recommended in a Technical Report prepared by C. Stewart Wallis, P.Geo. an independent Qualified Person, dated October 29, 2002. Nathan Eric Fier, P.Eng. and Chief Operating Officer (COO) for the Company, supervised the fieldwork and was the Company's Qualified Person on the property.

Reconciliation of Proposed and Actual Expenditures

	Proposed	Actual	Variance
RC Drilling	$90,000	$ -	$(90,000)
Metallurgical testing	50,000	5,344	(44,656)
Geological services	30,000	25,235	(4,765)
Surface work	12,000	3,616	(8,384)
Road improvement	12,000	1,169	(10,831)
Baseline studies	20,000	-	(20,000)
Permitting	13,000	3,668	(9,332)
Other	-	38,843	38,843
Travel & vehicles	-	16,536	16,536
Engineering consulting	-	9,204	9,204
Project management	-	19,083	19,083
Feasibility study	170,000	-	(170,000)
	397,000	122,698	(274,302)
Contingency	23,000	-	(23,000)
Total	420,000	122,698	(297,302)

Much of the planned program expenditures have not been carried out pending resolution of the inter-governmental and local issues.

Exploration Results

Until recently, the mineralized breccia pipe was considered to be well defined by underground sampling and drilling, and had approximate dimensions of 90 metres wide x 160 metres long x 150 metres vertical extent. The 2003 surface exploration program identified a major extension to the El

Ocote breccia pipe. The discovery of the "Rosita Extension" shows the mineralized breccia extending to the southwest, well beyond the previously assumed boundary.

Initial mapping and sampling of the newly discovered exposures has determined that the "Rosita Extension" has an approximate width of at least 60 metres, a current minimum strike length of 60 metres and is open along strike and to depth. The apparent structure within which the mineralization of the Rosita Extension was found continues up-slope for approximately 1000 meters. This area is currently being explored for additional exposures of breccia and silver mineralization to further define the surface strike length and width of the extension. (refer to press release dated September 2, 2003 for details).

The results of metallurgical testing on 3 bulk samples by Westcoast Laboratories of North Vancouver indicate that the silver mineralization will be amenable to standard milling using cyanide leach. Metal recoveries were found to be within a range of 85 to 95% and are grind dependent. Cyanide consumption is considered high due to the presence of copper oxides. Rates of cyanide consumption are estimated at 3 to 4 kilos per tonne but manageable. Further optimization of the process may reduce this consumption rate. Detailed process design will be required during feasibility.

Further Developments

The proposed 2003 work program related to El Ocote has been on hold pending the resolution of the inter-governmental and local issues. The Company, despite repeated requests has not received any official documentation from DEFOMIN as to the nature or status issues. The principal concerns appear to be the proximity of the Concession to a two kilometer buffer zone surrounding a bio-reserve and a conflict between the rights of local and federal Honduran governmental agencies to administer mineral exploration and development in the area.. In addition local opposition to mineral exploration and development activities has been initiated and supported by various non-governmental organizations in the El Ocote region.

The Company is monitoring the situation and examining all its options with respect to access and title. The Company is prepared to complete the originally proposed exploration program when access to the property is available.

B) **Opoteca Project** has indicated resources estimated at 1.3 million tonnes grading 123 g/t silver and 0.17 g/t gold containing 5.1 million ounces of silver based on a 34 g/t silver cut-off grade. Inferred resources are estimated at 1.7 million tonnes grading 126 g/t silver and 0.10 g/t gold, containing 7.0 million ounces of silver. These resources have been restated from previously reported resources due to the removal of a "silver equivalent" gold component.

This deposit is a manto-style, carbonate replacement deposit, with mineralization hosted in folding sediments and higher grade angle faults. An oxidized horizon is measured as 800 meters long, 100 meters wide with an average thickness of 15 and is considered potentially amenable to open pit mining at a low strip ratio.

Exploration Program

In an Offering Memorandum dated August 8, 2003 the Company proposed an exploration program of $660,000 on its Honduran properties. The amount proposed for the Opoteca project was $130,000. The program proposed defining and expanding the current resource, converting inferred resources into indicated resources with infill drilling. In addition the program proposed carrying out preliminary metallurgical test work, commencement of preliminary environmental baseline studies, complete underground surveying, mapping and sampling, systematic channel sampling and mapping of trenching.

The exploration program was recommended in a Technical Report prepared by C. Stewart Wallis, P.Geo. an independent Qualified Person, dated October 29, 2002. Nathan Eric Fier, P.Eng., Chief Operating Officer (COO) for the Company, supervised the fieldwork and was the Company's Qualified Person on the property.

Reconciliation of Proposed and Actual Expenditures

	Proposed	Actual	Variance
RC Drilling	$48,000	$ -	$(48,000)
Metallurgical testing	20,000	-	(20,000)
Geological services	15,000	19,082	4,082
Surface work	11,000	8,950	(2,050)
Road improvement	5,000	737	(4,263)
Baseline studies	10,000	-	(10,000)
Permitting	9,000	11,127	2,127
Other	-	15,644	15,644
Travel & vehicles	-	10,353	10,353
Project management	-	15,917	15,917
	118,000	81,810	(36,190)
Contingency	12,000	-	(12,000)
Total	130,000	81,810	(48,190)

Much of the planned program expenditures have not been carried out pending resolution of the inter-governmental and local issues.

<u>Exploration Results</u>

A program of expanded soil sampling and geologic mapping was completed. This included collection of approximately 150 soil samples using a 50 metre wide grid. This program identified the potential southerly extension of the Opoteca Deposit, which shows a silver anomaly (>10 g/t Ag) with estimated dimension of 400 metres long and 300 metres wide. Further exploration is required in this area. In preparation for drilling, approximately 500 metres of road construction was completed.

Further Developments

As detailed above at the request of DEFOMIN, the Company delayed its planned drilling at its Opoteca Project pending completion of DEFOMIN's discussions with local governmental authorities regarding permitting requirements and procedures. This requested delay is ongoing and the Company, in cooperation, is waiting to receive a written response from DEFOMIN regarding the outcome of the discussions and recommendations to proceed.

C) **La Pochota Project (concession application)** is an epithermal vein system with existing and accessible underground workings. Approximately 250 meters of exploration drifting exist with only minor stopping. Various previous operators and engineering reports show the vein ranging between 1 to 4 meters in width. The vein appears to strike along a dip slope for 600 and is measured down dip for 125 meters. A drill program will be required to determine the dimensions of the system as well as test several parallel structures and to establish representative grades of the mineralization.

Exploration Program

In an Offering Memorandum dated August 8, 2003 the Company proposed an exploration program of $660,000 on its Honduran properties. The amount proposed for the La Pochota project was $90,000. The program proposed defining a resource through systematic surface sampling and drilling and included drilling, trenching, rehabilitation of the La Pochota decline and general reconnaissance.

The exploration program was recommended in a Technical Report prepared by C. Stewart Wallis, P.Geo. an independent Qualified Person, dated October 29, 2002. Nathan Eric Fier, P.Eng., Chief Operating Officer (COO) for the Company, was the Company's Qualified Person on the property.

Exploration Results

The Company has not yet conducted the proposed exploration program on the La Pochota property pending final execution of the concession by DEFOMIN. For the year ended December 31, 2003 the Company had expended $4,855 on legal, filing and general costs.

Further Developments

The Company is prepared to conduct the proposed exploration program when final approval of the concession is granted.

D) **Arena Blanca Project (concession application)** is an early stage exploration project with high grade potential. The mineralization occurs in a quartz vein/shear zone hosted in granodiorite. The 5 to 6 meter wide quartz vein occurs on a dip slope and work by previous operators accessed the vein by an adit and sampled an up dip exposure where the zone outcrops on a hilltop. Sample results from a United Nations report indicated grades ranging from 1,945 g/t to 7,600 g/t silver. The adit is currently inaccessible so these grades have not been verified.

Sampling of dump material outside the mouth of the adit by an Independent Qualified Person returned significantly lower grades (see Technical Report). A modest first phase drill program will test for mineralized continuity between the adit access and the hilltop.

Exploration Program

In an Offering Memorandum dated August 8, 2003 the Company proposed an exploration program of $660,000 on its Honduran properties. The amount proposed for the Arena Blanca project was $20,000. The program proposed basic exploration sampling and mapping to delineate potential drill targets, including soil and rock sampling, trenching, rehabilitation of the adit to carry out sampling and area reconnaissance.

The exploration program was recommended in a Technical Report prepared by C. Stewart Wallis, P.Geo. an independent Qualified Person, dated October 29, 2002. Nathan Eric Fier, P.Eng., Chief Operating Officer (COO) for the Company, was the Company's Qualified Person on the property.

Exploration Results

The Company has not yet conducted the exploration program on the Arena Blanca property pending final execution of the concession by DEFOMIN. For the year ended December 31, 2003 the Company expended $4,854 on legal, filing and general costs.

Further Developments

The Company is prepared to conduct the proposed exploration program when final approval of the concession is granted.

MEXICO

Silver Angel (Angel de Plata) Concession

The company incorporated Nusantara de Mexico, S.A. de C.V. on November 26, 2003 for the purpose of holding the Silver Angel Concession located in the northern Sierra Madre Range in the State of Sonora, Mexico. The application consists of 11,000 hectares immediately adjacent to recent concession applications by notable major mining companies.

The focus of the Silver Angel Concession is an area of intense alteration (silicification, limonite, argillic) that covers an area of approximately 8 kilometres long by 3 kilometres wide. This area of alteration includes high grade structures hosting seven past producing silver/gold mines.

The deposit type is currently expected to be a combination of high angle epithermal veining and stockwork with subsequent stratigraphically-controlled mineralization (manto) related to a 200 metres thick conglomerate unit. The manto mineralization is considered a priority exploration target for potential delineation of a large bulk tonnage deposit. Geologically, the area consists of a Cretaceous volcanic package with inter-layering of volcaniclastic units and conglomerates. Evidence of major structural features is prevalent with significant intersecting northwest and northeast trending fault systems within the major zone of alteration.

Exploration Results

Initial reconnaissance by SilverCrest in October of 2003 within the area confirmed the presence of high grade structures. Five channel samples collected from the stockwork veining adjacent to these structures returned silver values of 15.0 - 63.0 g/t silver (0.43 - 1.8 opt) over widths of 5 - 10 metres. This initial work suggested the presence of a large lower-grade stockwork system.

Future Developments

The initial results from the Silver Angel Project are encouraging and management believes that the concession area has considerable potential. The Comapny completed a detailed surface and underground mapping and sampling program in the first quarter of 2004. The results of this program will be used to optimize a drill program planned for the second quarter of 2004.

N. Eric Fier the Company's Qualified Person, has proposed a program with a budget of US$250,000. Initial reverse circulation drilling will include 2,500 metres at a cost of US$100,000. Also budgeted is $150,000 for field/support costs, additional surface exploration within the concession, additional land acquisition and contingencies.

EL SALVADOR

El Zapote Concession

Effective March 4, 2004 the company acquired 100% of Minera Atlas, S.A. de C.V. ("Atlas"), an El Salvadoran corporation. The principal asset of Atlas is the 5,000 hectare Aldea El Zapote Exploration Concession ("El Zapote") in the Department of Santa Ana in northern El Salvador, C.A.

The purchase price for Atlas was US$15,000 plus a royalty of US$0.20 per ounce silver equivalent produced from the Concession until the price of silver reaches US$10 per ounce. The royalty will escalate to US$0.30, US$0.45 and US$0.60 per ounce silver equivalent when the price of silver exceeds US$10, US$15 and US$20 per ounce respectively. The Company will be required to complete environmental impact and preliminary feasibility studies to satisfy concession work requirements.

The Company has recently reported (refer to press release dated April 6, 2003 for details) the completion of a resource estimate for the El Zapote Project. Indicated Resources at El Zapote are estimated at 2.29 million tonnes grading 163.4 g/t Ag, 0.13 g/t Au, 1.35% Zn, 0.36% Pb and contain 12.0 million ounces of silver based on a 34 g/t silver cut-off grade. Inferred Resources are estimated at 743,000 tonnes grading 95.8 g/t Ag, 0.12 g/t Au, 1.44% Zn, 0.37% Pb and contain 2.28 million ounces of silver. Tim Sadlier-Brown, P.Geo., independent Qualified Person (QP) and N. Eric Fier, P. Eng. and QP for the Company have completed the El Zapote resource estimation.

Future Developments

The Company expects that there is considerable potential to expand the current resource and to identify additional potentially economic mineral deposits. The Company plans on completing a feasibility study with a complementary environmental impact study in 2004. The results of this study will be used to determine the economic viability of the current resources and provide development recommendations. A confirmation and expansion drill program of 2,000 metres will be undertaken as soon as permitting is obtained.

N. Eric Fier, the Company's Qualified Person has proposed a program with a budget of US$750,000. Drilling will include 2,000 metres (core and RVC) at a cost of US$150,000. Also budgeted is US$300,000 for the feasibility study by a reputable international consultant, and $300,000 for field/support costs, environmental baseline and EIS work, additional metallurgical work, and additional concession exploration.

GUATEMALA

Concepcion Concession (Application)

The company incorporated Compania Maverick de Guatemala S.A. de C.V. in 2003 for the purpose of holding the Concepcion Concession located in the southern Guatemala. The application consists of 15,000 hectares and is currently being reviewed by the Department of Mines prior to issuance by way of a concession grant or bid process.

Geologically, the area is underlain by a Tertiary volcanic package with rhyolitic to dioritic intrusives. Structurally, the area shows strong northwest trending faults and shear zones, which appear to be related to mineralization. The deposit type of mineralization is expected to occur in a high angle epithermal system consisting of veining, shears and stockwork. The most significant mineralization has been traced along surface for over five kilometres.

Exploration Results

Initial review of government documents concerning exploration potential was completed in 2003. Historical information suggested significant silver mineralization within the area of investigation. Preliminary site investigation by SilverCrest confirmed extensive alteration with subsequent mineralization.

Future Developments

Subject to the granting of the concession, N. Eric Fier, P. Eng. and Company Qualified Person, has proposed a program with a budget of US$50,000 to complete preliminary surface exploration work, This cost includes field/support, surface sampling and mapping, and contingencies.

Related Party Transactions

Companies owned by the President and Chief Financial Officer of the Company each receive management fees for executive and financial management services rendered as set out in a management services agreement. During the year each company received $45,000. The management of the Company's exploration activities is conducted by a company owned by the Chief Operating Officer and received $45,000 during the year for services rendered.

Results of Operations

General & Administrative Expenses (Schedule A)

Reverse takeover accounting principles require that the consolidated statements of operations and deficit and cash flows for the year ended December 31, 2003 include NorCrest's results from January 1, 2003 to December 31, 2003 and the Company's results of operations and cash flows from May 23, 2003 (date of acquisition) to December 31, 2003. Comparative figures as at December 31, 2003 and for the year ended December 31, 2002 are those of NorCrest. The results of operations are therefore for the period from May 23, 2003 (date of acquisition) to December 31, 2003.

Administrative services were performed by individuals under consulting agreements and were expenses related to office management and information technology services. General exploration expenses were comprised of travel and assay costs on projects the company was evaluating but did not acquire during the year. Projects were evaluated in the United States, Mexico, Central America ($22,285) and Asia. Investor relations expenses were incurred for an investor awareness mail-out campaign to potential North American investors, and web based advertising campaigns with Stockgroup Media Inc., the Chinese Investment Club and StoxNetwork Corp. Management fees of $35,000 each were paid to two officers and directors of the Company. An additional $10,000 each was paid as management fees prior to May 23, 2003. Professional fees of $21,200 were paid or accrued for the year end audit and review of quarterly statements by the Company's auditors and $22,200 was paid or accrued to the Company's lawyers for general legal services such as assisting with the preparation of the Company's stock option plan. Additional legal fees of $69,553 were incurred subsequent to May 23, 2003, in the preparation and filing of financing documentation such as the short form prospectus, offering memorandum and subscription agreements, and were allocated to share issuance costs. The Company rents office space on an annual basis and has not entered into a long-term lease. Shareholder communications costs are comprised of costs associated with communicating with existing shareholders, broadcasting news releases, printing, production work for the Company's website, and direct website expenses. Stock based compensation for the period was $ 273,041 and is calculated on stock options granted to Directors, officers, and consultants. During the current year the Company adopted, on a prospective basis, the fair value based method of accounting for all stock based compensation. Trade shows and conferences expense was incurred by attendance at the Gold & Precious Metals Conference held in San Francisco. Travel and related costs were incurred during several administrative trips to Central America. Interest income on the Company's cash and short term investments was $15,304. The net loss for the year of $689,668 compared to the loss of $2,200 recorded on the books of NorCrest for 2002 reflects the increased activity level of the Company following the acquisition of NorCrest.

The results of operations for the period from January 31, 2003 to May 23, 2003 as detailed in note 3 of the attached audited annual financial statements was a loss of $58,064 with the major expense being management fees of $ 20,000 paid to two directors of the company.

Liquidity and Capital Resources

At December 31, 2003 the Company had working capital of $2,809,941 with cash on hand of $2,802,185.

The increase in working capital during the year ended December 31, 2003, was due primarily to the following equity financings:

1. On May 23, 2003 the Company issued 2,070,000 units at a price of $0.33 per unit for gross proceeds of $683,100. Each unit was comprised of one common share and one-half of one non-transferable share purchase warrant. One whole warrant entitles the holder to acquire one

common share at a price of $0.35 expiring May 23, 2004. Finders' fees included the Company paying $62,981, issuing 50,000 shares at a price of $0.33 per share and issuing 414,000 warrants exercisable into additional common shares at $0.33 per share until May 23, 2004 and, if unexercised, at $0.38 per share until November 23, 2004.

2. On August 29, 2003, the Company issued 1,900,000 units at a price of $0.50 per unit for gross proceeds of $950,000. Each unit was comprised of one common share and one-half of one non-transferable share purchase warrant. One whole warrant entitles the holder to acquire one common share at a price of $0.61 expiring August 29, 2004 and, if unexercised, at $0.70 per share until August 29, 2005. Finders' fees included the Company paying $26,875 and issuing 225,100 warrants exercisable into additional common shares at $0.61 per share until August 29, 2004 and, if unexercised, at $0.70 per share until August 29, 2005. The Company also issued 88,750 units at a price of $0.50 per unit totalling $44,375 in finders' fees. Each unit is comprised of one common share and one-half of one non-transferable share purchase warrant. One whole warrant entitles the holder to acquire one common share at a price of $0.61 expiring August 29, 2004 and if unexercised, at $0.70 per share until August 29, 2005.

3. On December 18, 2003, the Company issued 1,431,927 units at a price of $1.25 per unit for gross proceeds of $1,789,909. Each unit was comprised of one common share and one non-transferable share purchase warrant. One whole warrant entitles the holder to acquire one common share at a price of $1.40 expiring December 18, 2004. The share purchase warrants issued as part of this private placement have been recorded at a fair value of $411,420 and are included in contributed surplus. Finders' fees included the Company paying $88,908 and issuing 24,450 warrants exercisable into additional common shares at $1.40 per share until December 18, 2004. The Company also issued 9,630 units at a price of $1.25 per unit totalling $12,038 in finders' fees. Each unit is comprised of one common share and one non-transferable share purchase warrant. One whole warrant entitles the holder to acquire one common share at a price of $1.40 expiring December 18, 2004.

In addition during the year warrants were exercised to acquire 1,534,500 common shares for proceeds of $494,355.

The Company has $21,539 on deposit with a drilling contractor as an advance and has $34,329 in receivables and pre-paid expenses.

During the year the Company spent $9,432 on office equipment and furniture including a booth for attendance at trade shows, $5,419 on computer hardware, $2,596 on computer software and $28,453 on a field exploration vehicle. During the year, as outlined in Note 5 to the audited annual financial statements, the Company expended $277,859 on deferred exploration costs. $216,374 was incurred on the Company's Honduran projects and $61,485 was incurred on the Silver Angel project located in Mexico.

The Company believes it has sufficient working capital on hand to fund its activities for the upcoming fiscal year however as a junior mineral exploration company the Company relies on equity financings to further exploration activities on its properties. There can be no assurance that the Company will be successful in obtaining additional future financings.

Investor Relations

Management currently performs investor relation services and there were no external investor relation contracts or commitments during the year. Specific investor awareness campaigns such as the mail-out of printed material and web based campaigns are contracted on an as needed basis. Shareholder communications comprises communicating with existing shareholders, broadcasting news releases, printing, production work for the Company's website, and direct website expenses.

Subsequent Events

The following events occurred subsequent to December 31, 2003:

a) As more fully described above, by agreement dated March 4, 2004 with Intrepid Minerals Corporation, the Company acquired 100% of Minera Atlas, S.A. de C.V. an El Salvadoran corporation which owns the 5,000 hectare Aldea El Zapote Exploration Concession located in the Department of Santa Ana in northern El Salvador. The purchase price for Atlas was US $15,000 plus a sliding scale royalty varying from US $0.20 per ounce of silver equivalent to US $0.60 per ounce depending on the silver price. The Company will also be required to complete environmental impact and preliminary feasibility studies to satisfy concession work requirements as defined by El Salvadoran mining law.

b) On March 24, 2004 Company granted incentive stock options to directors, officers, employees and consultants to purchase an aggregate of 750,000 common shares at a price of $1.41 per share for a term of five years. Directors and officers have been granted 600,000 stock options and employees and consultants have been granted 150,000 stock options. There will be a total of 1,800,000 stock options outstanding after the grant of these options.

c) The Company issued 1,317,877 shares for proceeds of $503,025 pursuant to the exercise of warrants and received proceeds of $44,425 pursuant to the exercise of 92,500 stock options.

d) The Company increased the management agreements signed with companies controlled by directors and an officer of the Company from $5,000 per month to $7,500 per month.

Disclaimer

The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. It should be read in conjunction and in context with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented.

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: silver exploration and development costs and results, fluctuations of silver prices, foreign operations and foreign government regulations, competition, uninsured risks, recovery of reserves, capitalization and commercial viability and requirement for obtaining permits and licences.

Certain data included in this document may be historical in nature and as such may not conform to the requirements of NI- 43-101, may not have been verified by the Company's qualified person and therefore should not be relied upon.