
SILVERCREST MINES INC.
INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

MARCH 31, 2005
FIRST QUARTER

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the company have been prepared by and are the responsibility of the company's management.

The company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

SILVERCREST MINES INC.
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited - Prepared by Management)

	March 31, 2005	December 31, 2004 (audited)
ASSETS		
Current		
Cash and equivalents	\$ 328,532	\$ 328,830
Short term investments (Note 3)	3,119,678	3,917,296
Receivables and advances	98,045	51,699
Prepaid expenses and deposits	<u>16,539</u>	<u>32,931</u>
	3,562,794	4,330,756
Equipment (Note 4)	43,904	42,718
Mineral properties (Note 5)	<u>2,478,061</u>	<u>2,005,030</u>
	<u>\$ 6,084,759</u>	<u>\$ 6,378,504</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ <u>168,114</u>	\$ <u>459,930</u>
Shareholders' equity		
Capital stock (Note 6)	7,347,057	7,144,759
Contributed surplus (Note6)	1,530,440	1,469,665
Share subscriptions	-	72,000
Deficit	<u>(2,960,852)</u>	<u>(2,767,850)</u>
	5,916,645	5,918,574
	<u>\$ 6,084,759</u>	<u>\$ 6,378,504</u>

Nature of operations (Note1)

On behalf of the Board:

“J. Scott Drever” Director

“Barney Magnusson” Director

The accompanying notes are an integral part of these consolidated financial statements.

SILVERCREST MINES INC.
INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited - Prepared by Management)

	Three Months Ended March 31,	
	2005	2004
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative services	\$ 29,775	\$ 15,250
Amortization	1,218	945
Consulting	-	2,000
Foreign exchange	1,997	(469)
General exploration	1,737	5,580
Investor relations	17,777	4,804
Management fees	45,000	35,000
Office and miscellaneous	15,808	10,669
Professional fees	5,354	5,544
Regulatory and transfer agent fees	5,538	10,647
Rent and telephone	8,978	8,121
Shareholder communications	5,615	4,890
Stock-based compensation	71,740	365,692
Trade shows and conferences	4,620	6,172
Loss before other item	<u>(215,157)</u>	<u>(474,845)</u>
OTHER ITEM		
Interest income	<u>22,155</u>	<u>14,273</u>
Loss for the period	<u>(193,002)</u>	<u>(460,572)</u>
Deficit, beginning of the period	<u>(2,767,850)</u>	<u>(1,030,193)</u>
Deficit, end of the period	<u>\$ (2,960,852)</u>	<u>\$ (1,490,765)</u>
Basic and diluted loss per share		
	\$ (0.01)	\$ (0.02)
Weighted average number of shares outstanding		
	25,769,284	19,813,892

The accompanying notes are an integral part of these consolidated financial statements.

SILVERCREST MINES INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited - Prepared by Management)

	Three Months Ended March 31,	
	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period:	\$ (193,002)	\$ (460,572)
Items not affecting cash:		
Amortization	1,218	945
Stock-based compensation	71,740	365,692
Changes in non-cash working capital items:		
(Increase) decrease in receivables and advances	(46,346)	7,761
(Increase) decrease in prepaid expenses and deposits	16,392	(1,995)
Increase (decrease) in accounts payable and accrued liabilities	(291,816)	7,583
Net cash used in operating activities	<u>(441,814)</u>	<u>(80,586)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of capital stock	195,290	515,852
Share issuance costs	(3,957)	-
Share subscriptions	(72,000)	-
Short-term investments (Note 3)	797,618	-
Net cash provided by financing activities	<u>916,951</u>	<u>515,852</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of cash on purchase of subsidiary	-	(2,066)
Acquisition of capital assets	(4,749)	
Mineral properties and deferred costs	(470,686)	(185,610)
Net cash used in investing activities	<u>(475,435)</u>	<u>(187,676)</u>
Increase (decrease) in cash during the period	(298)	247,590
Cash and equivalents, beginning of the period	<u>328,830</u>	<u>2,802,185</u>
Cash and equivalents, end of the period	<u>\$ 328,532</u>	<u>\$ 3,049,775</u>

Supplemental disclosure with respect to cash flows (Note 9)

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

The Company is engaged in the acquisition and exploration of mineral properties in El Salvador, Mexico and Honduras. To date, the Company has not earned significant revenues and is considered to be in the exploration stage.

At the date of these interim consolidated financial statements, the Company has identified mineral deposits on three of its properties that have yet to be proven commercial. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints, which may hinder the successful development of the property.

These interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations and exploration programs.

2. SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The consolidated financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality. These interim consolidated financial statements should be read in conjunction with the most recent annual financial statements. The significant accounting policies follow that of the most recently reported annual financial statements.

Cash and short-term investments

Cash and equivalents include highly liquid investments with original maturities of three months or less.

Short-term investments comprise highly liquid Canadian dollar denominated guaranteed investment certificates with terms to maturity greater than ninety days, but not more than one year, that are readily convertible to contracted amounts of cash.

Short-term investments are carried at the lower of cost or recoverable amount.

3. SHORT-TERM INVESTMENTS

Short-term investments comprise highly liquid Canadian dollar denominated guaranteed investment certificates with term to maturity of greater than ninety days but not more than one year, that are readily convertible to contracted amounts of cash.

SILVERCREST MINES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2005

4. EQUIPMENT

	March 31, 2005			December 31, 2004		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Equipment and furniture	\$ 24,915	\$ 6,374	\$ 18,541	\$ 22,665	\$ 4,968	\$ 17,697
Computer hardware	11,521	3,338	8,183	9,021	2,573	6,448
Computer software	2,597	2,597	-	2,597	2,597	-
Automotive	28,453	11,273	17,180	28,453	9,880	18,573
	<u>\$ 67,485</u>	<u>\$ 23,581</u>	<u>\$ 43,904</u>	<u>\$ 62,736</u>	<u>\$ 20,018</u>	<u>\$ 42,718</u>

5. MINERAL PROPERTIES

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing except as otherwise disclosed.

	El Zapote, El Salvador	Silver Angel, Mexico	Total
Balance , December 31, 2004	\$ 1,612,754	\$ 392,276	\$ 2,005,030
Amortization	2,345	-	2,345
Assays	45,475	2,339	47,814
Casual labour	3,445	-	3,445
Concession and statutory	-	14,630	14,630
Drilling	62,690	-	62,690
Engineering consulting	72,591	-	72,591
Environmental consulting	36,706	-	36,706
Field supplies	10,377	140	10,517
Geological services	17,215	16,097	33,312
IVA taxes	6,352	-	6,352
Land, rental and storage	-	9,546	9,546
Metallurgical testing	2,536	-	2,536
Miscellaneous	8,200	4,273	12,473
Office and communications	9,173	729	9,902
Professional fees	41,189	9,452	50,641
Project management	15,000	7,500	22,500
Rent and supplies	42,350	-	42,350
Travel and accommodation	23,998	5,690	29,688
Vehicles	2,291	702	2,993
	<u>401,933</u>	<u>71,098</u>	<u>473,031</u>
Balance, March 31, 2005	\$ 2,014,687	\$ 463,374	\$ 2,478,061

SILVERCREST MINES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2005

5. MINERAL PROPERTIES (con't...)

	Four Projects, Honduras	El Zapote, El Salvador	Silver Angel, Mexico	Total
Balance December 31, 2003	\$ 242,191	\$ -	\$ 61,485	\$ 303,676
Amortization	1,997	8,460	-	10,457
Assays	-	38,585	33,909	72,494
Casual labour	790	20,655	-	21,445
Concession and statutory	369	25,020	4,108	29,497
Drilling	-	581,828	76,592	658,420
Drill contractor expense	17,230	-	-	17,230
Engineering consulting	-	316,529	-	316,529
Environmental consulting	-	211,101	-	211,101
Field supplies	-	27,039	1,675	28,714
Geological consulting	-	16,368	-	16,368
Geological services	14,838	67,653	97,975	180,466
IVA taxes	-	39,363	-	39,363
Land, rental and storage	667	9,017	12,029	21,713
Maps and photos	9	7,606	1,472	9,087
Metallurgical testing	-	18,715	-	18,715
Miscellaneous	3,012	22,095	4,378	29,485
Office and communications	4,483	16,816	389	21,688
Professional fees	3,760	39,514	29,262	72,536
Project management	-	50,000	35,000	85,000
Rent and supplies	4,877	29,195	-	34,072
Travel and accommodation	4,169	45,712	31,709	81,590
Vehicles	1,975	21,483	2,293	25,751
	<u>58,176</u>	<u>1,612,754</u>	<u>330,791</u>	<u>2,001,721</u>
Less write-down	(300,367)	-	-	(300,367)
Balance, December 31, 2004	\$ -	\$ 1,612,754	\$ 392,276	\$ 2,005,030

El Ocote Project, Arena Blanca Project, Opoteca Project, La Pochota Project, Honduras

The Company acquired a 100% interest in certain properties located in Honduras by concession application. Due to title uncertainty, the Company has decided to write down the carrying values of the Honduran mineral property expenditures. The Company has filed a claim against the government of Honduras, amongst others, to protect its legal and property interests.

Silver Angel Project, Mexico

The Company acquired a 100% interest in mineral properties located in the Northern Sierra Madre range in Mexico by concession applications.

SILVERCREST MINES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. MINERAL PROPERTIES (con't...)

El Zapote Project, El Salvador

The Company acquired a 100% interest in the properties located in El Salvador by acquiring 100% of the share capital of Minera Atlas S.A. de C.V. ("Atlas") an El Salvadoran corporation which owns the 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 and a sliding scale royalty, payable from production, varying from US\$0.20 per ounce of silver equivalent to US\$0.60 per ounce depending on the silver price. The transaction has been accounted for as an asset purchase since Atlas is not considered a business. The Company is also required to complete environmental impact and preliminary feasibility studies to satisfy concession work requirements as defined by El Salvador mining law.

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock	Contributed Surplus	Total
Authorized 100,000,000 common shares without par value				
Balance at May 23, 2003	4,204,046	\$ 30	\$ -	\$ 30
Common shares issued pursuant to acquisition of NorCrest (Note 4)	5,000,000	-	-	-
Short-form prospectus Warrants exercised	2,070,000 774,500	552,827 366,260	130,273 (95,185)	683,100 271,075
Finders' fees				
Cash	-	(62,981)	-	(62,981)
Non-cash	50,000	(38,735)	55,235	16,500
Finders' warrants exercised	394,000	182,587	(52,567)	130,020
Private placement	1,900,000	721,317	228,683	950,000
Finders' fees				
Cash	-	(26,875)	-	(26,875)
Non-cash	88,750	(20,493)	64,868	44,375
Finders' warrants exercised	16,000	13,612	(3,852)	9,760
Private placement	1,431,927	1,378,489	411,420	1,789,909
Finders' fees				
Cash	-	(88,908)	-	(88,908)
Non-cash	9,630	1,370	10,668	12,038
Share issuance costs	-	(236,050)	-	(236,050)
Stock-based compensation	-	-	273,041	273,041
Conversion of special warrants	2,500,000	325,000	-	325,000
Warrants exercised	350,000	83,500	-	83,500
Stock options exercised	25,000	11,250	-	11,250
Balance at December 31, 2003	18,813,853	3,162,200	1,022,584	4,184,784
Warrants exercised	3,160,605	1,275,323	(195,452)	1,079,871
Stock options exercised	117,500	89,973	(34,298)	55,675
Stock-based compensation	-	-	583,283	583,283
Private placements	3,500,000	3,150,000	-	3,150,000
Finders' fees for cash	-	(214,200)	-	(214,200)
Share issuance costs	-	(318,537)	93,548	(224,989)
Balance at December 31, 2004	25,591,958	\$ 7,144,759	\$ 1,469,665	\$ 8,614,424

SILVERCREST MINES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2005

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (cont'd...)

	Number of Shares	Capital Stock	Contributed Surplus	Total
Warrants exercised	17,200	16,180	(4,140)	12,040
Stock options exercised	25,000	18,075	(6,825)	11,250
Stock-based compensation	-	-	71,740	71,740
Private placements	191,111	172,000	-	172,000
Share issuance costs	-	(3,957)	-	(3,957)
Balance at March 31, 2005	25,825,269	\$ 7,347,057	\$ 1,530,440	\$ 8,877,497

Escrow shares

Included in issued capital stock are 2,396,250 common shares of the Company that are subject to the time release escrow provisions of the TSX-V. In addition 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.

7. STOCK OPTIONS AND WARRANTS

Stock options

The Company has a stock option plan under which it is authorized to grant stock options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The exercise price of each option equals the market price of the Company's stock as calculated on the date of the grant. The options can be granted for a maximum term of 5 years and certain options to employees and consultants vest over periods of time, determined by the board of directors.

At March 31, 2005, the Company had outstanding stock options, enabling holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
20,000	\$ 1.02	October 28, 2005
1,000,000	\$ 0.45	June 16, 2008
750,000	\$ 1.41	March 24, 2009

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at December 31, 2004	1,795,000	\$ 0.86
Issued	-	-
Exercised	(25,000)	0.45
Balance, March 31, 2005	1,770,000	\$ 0.86

SILVERCREST MINES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2005

7. STOCK OPTIONS AND WARRANTS (cont'd...)

Stock-based compensation

The stock-based compensation expense recognized based on vesting for the period was \$71,740 (2004 - \$365,692) leaving an unamortized balance of \$Nil (2004 - \$47,850).

Warrants

Warrant transactions for the periods ended March 31st are summarized as follows:

	2005	2004
Balance, beginning of period	3,968,377	5,174,982
Issued	95,555	-
Exercised	<u>(17,200)</u>	<u>(1,266,077)</u>
Balance, end of period	<u>4,046,732</u>	<u>3,908,905</u>

At March 31, 2005, the Company had outstanding share purchase warrants, enabling holders to acquire shares as follows:

Number of Shares	Exercise Price	Expiry Date
531,170	\$ 0.70	August 29, 2005
24,450	1.25	June 18, 2005
1,379,557	1.40	June 18, 2005
62,000	1.40	June 30, 2005
1,550,000	1.20	December 3, 2006
186,000	0.95	December 3, 2006
200,000	1.20	December 22, 2006
18,000	0.95	December 22, 2006
<u>9</u>	1.20	January 18, 2007
<u>4,046,732</u>		

SILVERCREST MINES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2005

8. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- a) Paid or accrued \$45,000 (2004 - \$35,000) for management fees to two companies controlled by two officers and directors of the Company.
- b) Paid or accrued \$22,500 (2004 - \$17,500) for project management fees to an officer of the Company which are included in deferred exploration costs.
- c) Recorded \$Nil (2004 - \$358,698) for stock-based compensation expense on stock options granted to directors and officers.
- f) Paid or accrued \$5,354 (2004 - \$3,544) for legal fees which were included in professional fees.

Included in accounts payable and accrued liabilities at March 31, 2005 is \$3,191 (2004-\$8,270) due to a law firm of which an officer of the Company is a partner.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2005	2004
Cash paid during the year for interest	\$ -	\$ -
Cash paid during the year for income taxes	\$ -	\$ -

The significant non-cash transaction for the three month period ended March 31, 2005 consisted of the Company recording stock based compensation expense of \$71,740 (2004 - \$358,693).

SILVERCREST MINES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2004

10. SEGMENTED INFORMATION

The Company operates in one business segment which is the exploration of mineral properties.

Geographical information is as follows:

	Canada	Honduras	Mexico	El Salvador	Total
2005					
Capital assets	-	-	-	-	-
Equipment	\$ 17,716	\$ -	\$ -	\$ 26,188	\$ 43,904
Mineral properties and deferred exploration costs	-	-	463,374	2,014,687	2,478,061
2004					
Capital assets					
Equipment	\$ 10,870	\$ 30,104	\$ -	\$ -	\$ 40,974
Mineral properties and deferred exploration costs	-	242,191	61,485	-	303,676