

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS – FORM 51-102F1
For the Three Month Period ended March 31, 2005

DATE

The Management Discussion and Analysis (MDA) is an overview of the activities of SilverCrest Mines Inc. (the “Company”) for the three-month period ended March 31, 2005 and incorporates certain information from the fiscal year ended December 31, 2004. The MDA should be read in conjunction with the Company’s unaudited consolidated financial statements for the period ended March 31, 2005 and the notes attached thereto. The effective date of this Management Discussion & Analysis is May 20, 2005.

OVERALL PERFORMANCE

SilverCrest Mines Inc. is an active exploration and development company with its prime focus on the acquisition of high grade, low cost silver resources with expansion potential and properties with substantial exploration potential. 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 El Salvador and Mexico and has a substantial reported silver resource base.

Since the reactivation of the Company in May, 2003 there has been considerable progress towards the stated goals of the Company. Through the acquisition of NorCrest Silver Inc. and Minera Atlas S.A de C.V the Company has established a significant silver resource base and acquired properties with substantial exploration potential in Honduras and El Salvador. Through its wholly owned subsidiary, Nusantara de Mexico S.A. de C.V., the Company acquired a substantial land position in Mexico. A feasibility study was commenced in June of 2004 at the El Zapote property in El Salvador and is nearing completion. A drill program is under way in El Salvador and drilling is about to commence in Mexico. Several equity financings have provided sufficient working capital to advance the Company’s projects to their next respective stage of exploration.

In 2004, the Company received an administrative resolution issued by La Dirección Ejecutiva de Fomento a la Minería (DEFOMIN) of Honduras which purported to cancel the Metallic Mineral Concession “El Ingenio” granted in January, 2003 by DEFOMIN to the Company’s Honduran wholly owned subsidiary Compania Minera Maverick S.A. de C.V.(Maverick). DEFOMIN is the department of the government of Honduras responsible for the administration of the country’s mineral resources. The principal reasons cited in the resolution for the supposed cancellation of the rights granted under the Concession were that a) the Concession lies within the “Guisayote” biological reserve and b) the Company defaulted on its obligations with respect to the Concession by amending its work program without the prior authorization of DEFOMIN.

The Company believes strongly that DEFOMIN’s contentions are unfounded and is contesting any attempts to expropriate its rights to the El Ingenio Concession and the 20 million ounces El OCote silver deposit that lies within its boundaries. The Company’s Honduran legal counsel filed the appropriate opposition to DEFOMIN’s resolution refuting its administrative decision to cancel the concession. The Company received notification during the period that its appeal had been rejected by DEFOMIN. The Company has since filed suit under the Honduran civil judicial system to have DEFOMIN’s administrative resolution declare null and void. The Company also received a second administrative resolution from DEFOMIN purporting to cancel the Company’s concession application covering the 200 hectares Arena Blanca project in the Department of Yoro in west-central Honduras. The Company is reviewing the purported cancellation of its application. The Company’s property activities in Honduras have been put on hold until such time as the legal and political issues encountered can be resolved to the satisfaction of the Company.

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LIQUIDITY AND CAPITAL RESOURCES

The Company is currently in a strong financial position with working capital of \$3,394,680 including cash and short term investments of \$3,448,210. Planned property expenditures for the remainder of the fiscal year are estimated at \$1,295,969 which management believes can be met from existing cash resources

However, as a junior mineral exploration company the Company is reliant upon equity financings to fund its exploration activities. There can be no assurance that the Company will be successful in obtaining additional future financing.

SUMMARY OF PLANNED RESOURCE EXPENDITURES

El Zapote Project, El Salvador	\$920,067
Silver Angel Project, Mexico	375,902
Total	\$1,295,969

The planned amounts for the balance of the fiscal year may not all be incurred in the current fiscal year, are subject to management discretion and may change depending on the circumstances encountered.

FINANCIAL SUMMARY

Three months ended March 31, 2005

The loss for the three months ended March 31, 2005 was \$(193,002) comprised of general and administrative expenses of \$143,417, stock based compensation of \$71,740 less interest income of \$22,155. This compares to a loss of \$(460,572) comprised of general and administrative expenses of \$109,153, stock based compensation of \$365,692 less interest income of \$14,273 for the three months ended March 31, 2004.

General and administrative expenses, net of stock based compensation, increased by \$34,264 in the three months ended March 31, 2005. The main reason for the increase in expenses was the increased activity at the Company's El Zapote and Silver Angel Projects. Administrative services expenses increased by \$14,525, investor relations increased by \$12,973 and management fees increased by \$10,000. Stock-based compensation decreased by \$293,952 during the period to \$71,740 from \$365,692 in the comparative period. The stock-based compensation for 2004 is attributable to 750,000 stock options granted on March 24, 2004.

During the period \$441,831 was utilized in operating activities, \$119,333 was realized from the issuance of share capital net of share issuance and previously received private placement proceeds and \$797,618 was received from utilizing short term investment funds resulting in net cash provided by financing activities of \$916,951. \$470,686 was incurred on mineral property expenditures and \$4,749 was incurred acquiring capital assets resulting in a reduction in net cash used in investing activities of \$475,435. The net decrease in cash during the period was \$298.

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SELECTED ANNUAL INFORMATION

The consolidated financial statements for December 31, 2004 and 2003 are those of the Company. Comparative financial information for December 31, 2002 is for NorCrest Silver Inc.

	December 31, 2004	December 31, 2003	December 31, 2002
(a) Total revenues	Nil	Nil	Nil
(b) Loss before discontinued operations and extraordinary items in total and on a per-share and diluted per-share basis	(\$1,737,657) per-share (\$0.08)	(\$689,668) per-share (\$0.07)	(\$2,200) per share (\$0.00)
(c) Net loss in total and on a per-share and diluted per-share basis	(\$1,737,657) per-share (\$0.08)	(\$689,668) per-share (\$0.07)	(\$2,200) per-share (\$0.00)
(d) Total assets	\$6,378,504	\$3,202,704	\$25,847
(e) Long-term financial liabilities	Nil	Nil	Nil
(f) Cash dividends declared per-share for each class of share	Nil	Nil	Nil

The increases in the net loss and total assets for 2004 and 2003 are a result of the reactivation of the Company and exploration activities in El Salvador and Mexico.

SUMMARY OF QUARTERLY RESULTS

The Company is an exploration company and has no operations from which to derive revenues. It raises equity capital through the sale of its common shares. It receives minor income from interest on cash balances.

Summary Financial Information for the eight Quarters ended March 31, 2005

	Period	Revenues	Net Loss	Net Loss per Share ⁽¹⁾
	1 st Quarter 2005	Nil	(\$193,002)	(\$0.01)
	4 th Quarter 2004	Nil	(\$909,504)	(\$0.04)
	3 rd Quarter 2004	Nil	(\$233,206)	(\$0.01)
	2 nd Quarter 2004	Nil	(\$211,146)	(\$0.01)
	1 st Quarter 2004	Nil	(\$474,845)	(\$0.02)
	4 th Quarter 2003	Nil	(\$524,136)	(\$0.03)
	3 rd Quarter 2003	Nil	(\$80,898)	(\$0.01)
	2 nd Quarter 2003	Nil	(\$84,634)	(\$0.01)

⁽¹⁾ Calculated on a basic and fully diluted per share basis.

The increases in quarterly losses are reflective of the increased activity levels at the Company's El Zapote and Silver Angel Projects, increased stock-based compensation charges and for the fourth quarter of 2004 the write down of mineral properties of \$300,367. The increases in the net loss and total assets for 2003 are a result of the reactivation of the Company and the closing of the reverse take-over transaction on May 23, 2003.

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OUTSTANDING SHARE DATA

The Company has 100,000,000 common shares without par value authorized. As of March 31, 2005 there were 25,825,269 shares issued. As of the date of this report, the Company had 25,825,269 common shares issued and outstanding. There are no other classes of shares. As of the date of this report, the Company also had 4,046,732 warrants and 1,770,000 share purchase options outstanding at various exercise prices and future dates. If all these securities were exercised, a total of 31,642,001 shares would be issued and outstanding.

During the period the Company issued the following securities:

- a) On January 18, 2005 the Company issued 191,111 units at a price of \$.90 per unit for gross proceeds of \$172,000. 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 \$1.20 expiring January 18, 2007.
- b) The Company issued 25,000 shares for proceeds of \$11,250 pursuant to the exercise of stock options.
- c) The Company issued 17,200 shares for proceeds of \$12,040 pursuant to the exercise of warrants.

PROPOSED TRANSACTIONS

In the normal course of business, the Company evaluates property acquisition transactions and, in some cases, makes proposals to acquire such properties. These proposals, which are usually subject to Board, regulatory and, sometimes, shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of this date, the Company has a number of possible transactions that it is examining. Management is uncertain whether any of these proposals will ultimately be completed.

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 pursuant to management services agreements entered into in May, 2003. During the three month period ended March 31, 2005 each company was paid \$22,500. The management of the Company's exploration activities is conducted by a company, owned by the Chief Operating Officer pursuant to a management services agreement entered into in May, 2003, which was paid \$22,500 during the period for services rendered. This latter amount has been capitalized as deferred exploration expenditures. These transactions are in the normal course of operations and the consideration has been established and agreed to by the related parties.

INVESTOR RELATIONS

Management currently performs investor relation services and there were no external investor relation contracts or commitments during the period. Shareholder communications comprises communicating with existing shareholders, broadcasting news releases, printing, production work for the Company's website, and direct website expenses. The Company attends trade shows to present the affairs and merits of the Company to potential investors.

INDUSTRY AND ECONOMIC FACTORS AFFECTING PERFORMANCE

Certain factors affect the Company's ability to finance and to carry on normal business. These include precious metal prices, competition amongst exploration firms for attractive mineral properties, the interest of investors in providing high-risk equity capital to exploration companies, and the availability of qualified staff and drilling equipment to conduct exploration. For the Company, which is focus almost exclusively on exploration and development of silver resources, silver prices, and the availability of equity funds are important factors.

RISK FACTORS

Mineral exploration and development involves a high degree of risk and few properties are ultimately developed into producing mines. Several of the Company's properties have silver resources; however, substantial expenditures will be required to confirm sufficient reserves required to commercially mine its current properties and to obtain the environmental approvals and permitting required to commence commercial operations. Should any resource be defined on other properties there can be no assurance that the mineral resources can be commercially mined or that the metallurgical processing will produce economically viable, saleable products.

ENVIRONMENTAL RISKS AND OTHER REGULATORY REQUIREMENTS

Future operations, if any, of the Company, including development activities and commencement of production on its properties, will require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the construction of any mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

MANAGEMENT

The Company is dependent on three key personnel, the loss of any of whom could have an adverse effect on the Company's performance and its ability to achieve its stated goals.

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RESULTS OF OPERATIONS

The Company currently holds mineral property interests in El Salvador, Mexico, and Honduras. On May 17 2004, the Company updated its resource estimation for its properties and the results are set out in the following table. The new estimates categorize the resources as Indicated and Inferred and have not broken out Measured Resources in any of the calculations. The El Zapote resources are expected to be revised upon the completion of the drill program currently underway (See disclosure below for title issues related to the Honduras properties).

SilverCrest Silver Resources

Property	Resource Category*	Tonnes	Ag gpt	Tons	Ag opt	Contained Silver Ounces
El Zapote	Indicated	2,285,648	163.4	2,519,470	4.80	12,007,378
	Inferred	743,243	95.8	819,273	3.10	2,288,007
El Ocote	Indicated	2,263,418	233.0	2,494,966	6.80	16,954,714
	Inferred	295,663	307.4	325,909	9.00	2,922,281
Opoteca	Indicated	1,298,955	123.2	1,431,838	3.59	5,147,280
	Inferred	1,739,907	125.5	1,917,900	3.66	7,022,266
Total	Indicated	5,848,021	181.4	6,446,274	5.31	34,109,372
Total	Inferred	2,778,813	136.9	3,063,082	4.08	12,232,554

*conforms to NI 43-101, 43-101CP, and current CIM definitions for resources, cut off grade at 34 g/t Ag, numbers are rounded

The El Zapote resource estimate was prepared by Tim Sadler-Brown, P.Geo, Independent Qualified Person and N. Eric Fier, CPG, P. Eng, Qualified Person and Chief Operating Officer (COO) of the Company. Details of the El Zapote resource were set out in a news release dated April 6, 2004 and are supported by a detailed Technical Report dated April 6, 2004 that was filed on SEDAR on May 6, 2004. The El Zapote property is located in El Salvador, CA.

The original El Ocote and Opoteca resource estimates were prepared by C. Stewart Wallis, P.Geo, Independent Qualified Person and N. Eric Fier, CPG, P. Eng, Qualified Person and COO of the Company and are detailed in a Technical Report filed January 17, 2003 on SEDAR. El Ocote and Opoteca are located in Honduras, CA.

The revised El Ocote resource estimate used the following key assumptions; silver grades exceeding 1000 g/t were cut to 1000 g/t based on log probability; raw data was composited to statistical relevant lengths of 1 metre; a 5 metre block size was used based on geological constraints and potential future mining method; an inverse distance to the 5th power interpolation method was used to create the silver block model; block models were classified into Indicated and Inferred Resources according to appropriate criteria based on sample sets and search radii; parameters used for resource estimation are 25 metres for Indicated Resources and 100 metres for Inferred Resources; a minimum of three sample points were required to interpolate grade; and a specific gravity of 2.6 was assumed.

The revised El Ocote resource estimate was completed by N. Eric Fier, CPG, P. Eng, Qualified Person and COO of the Company. This new estimate utilized new information including revised geologic interpretations, a topographic survey, the addition of previous RVC drill data, and the addition of prior underground and surface continuous channel sampling results. The revised estimates will be supported by a Technical Report to be filed on or before June 17, 2004.

The Qualified Person, as defined by Material Policy 43-101, responsible for the preparation of the technical information included in this MDA and for supervision of field activities related to the Company's projects is N. Eric Fier, CPG. Mr. Fier is also the Chief Operating Officer for the Company.

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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.

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.

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 were in good legal standing and the concessions covering the La Pochota and Arena Blanca Projects had been accepted as filed in all legal respects and were awaiting final signature from the Director of DEFOMIN. Local opposition to exploration and mining activities, supported and encouraged by various Non Governmental Groups throughout Honduras, was becoming an increasing concern to the Company and the mining industry in general.

In June of 2004, the Company received an administrative resolution issued by La Dirección Ejecutiva de Fomento a la Minería (DEFOMIN) of Honduras which purported to cancel the Metallic Mineral Concession "El Ingenio" granted in January, 2003 by DEFOMIN to the Company's Honduran wholly owned subsidiary Compania Minera Maverick S.A. de C.V. (Maverick). DEFOMIN is the department of the government of Honduras responsible for the administration of the country's mineral resources. The principal reasons cited in the resolution for the supposed cancellation of the rights granted under the Concession are that a) the Concession lies within the "Guisayote" biological reserve and b) the Company defaulted on its obligations with respect to the Concession by amending its work program without the prior authorization of DEFOMIN.

The Company believes that DEFOMIN has acted outside its authority in a capricious and arbitrary manner and has deprived Maverick of any due legal process by failing to grant a right to a hearing or to allow the Company to defend itself against the unilateral actions of this governmental authority. The Company received a second administrative resolution from DEFOMIN purporting to cancel the Company's concession application covering the 200 hectares Arena Blanca project in the Department of Yoro in west-central Honduras. The Company intends to pursue all legal and political remedies available to protect the value of its shareholders assets.

Subsequent to the reporting period, the Company received notification from DEFOMIN that the appeal of the administrative resolution had been denied by DEFOMIN. The Company has filed suit in the civil judicial system of Honduras against DEFOMIN to have the administrative resolution of DEFOMIN declared null and void. This suit states that the concession was legally issued by DEFOMIN in 2003 and that DEFOMIN's purported cancellation is illegal under Honduran law. The Company is seeking reinstatement of its rights under the terms of the concession or in the alternative, restitution of its investments in Honduras plus the estimated value of the El Ocote deposit. The Company's property activities in Honduras have been put on hold until such time as the legal and political issues encountered can be resolved to the satisfaction of the Company.

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PROPERTY SUMMARIES

Complete property summaries for the Honduran projects were provided in the MD&A for the three month period ended March 31, 2004. Further details can be reviewed on the Company's web site and in technical reports filed on SEDAR.

MEXICO

A. SILVER ANGEL CONCESSIONS

Angel de Plata

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 concession was granted by the Mexican government in February, 2004 and encompasses approximately 10,300 hectares.

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 several 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 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 volcanic 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

During the first quarter of 2005, SilverCrest reviewed Angel de Plata targets for further work. Photosat Inc., a Vancouver-based company was contracted to complete landsat review and compilation covering the Company's concession.

Results from landsat work have defined several significant anomalies showing silica, kaolin, alunite, and sericite alteration. Follow up reconnaissance will be completed on these targets in the second quarter of 2005.

Angel de Plata Norte

In December 2004, SVL expanded its Silver Angel concession to the north with the addition of the "Silver Angel Norte" concession. This concession encompasses approximately 7,750 hectares.

The Silver Angel and Silver Angel Norte Concessions contains an area of intense alteration that is approximately 18 kilometers long by 3 kilometers wide with structural features that hosts six past producing, high grade silver-gold mines. The focal point of the Silver Angel Norte Concession is 2 historic mines ("Murucutachi" and "Gilberto") within the area of intense alteration that extends through the concessions area. The area of alteration includes major structural features that host the 2 past producing, high-grade silver-gold-lead-zinc mines.

Two new targets along this trend include the Mina Murucutachi and the nearby Mina Gilberto. Both targets show significant silver mineralization. Reconnaissance surface sampling identified occurrences of high-grade silver mineralization at Mina Murucutachi over a strike length of 800 metres and silver-lead-zinc at Mina Gilberto over a strike length of 800 metres. Initial sampling results are presented in the following tables.

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PROPERTY SUMMARIES (cont'd....)

Angel de Plata Norte

Murucutachi Samples

Sample Number	Length (Metres)	Ag (gpt)	Ag (opt)	Pb (%)	Zn (%)
341657	2.1	951.0	27.7	0.52	0.09
341658	2.0	25.2	0.7	2.46	1.56
341659	3.7	667.0	19.5	0.19	0.84
341660	2.5	944.0	27.5	0.48	0.29
341661	1.7	328.0	9.6	0.30	0.21
341662	2.3	493.0	14.4	0.11	0.56
341663	2.0	349.0	10.2	0.16	0.42
341664	3.0	3.8	0.1	0.29	0.08
341665	3.0	3.4	0.1	0.08	0.19
341666	1.4	396.0	11.6	0.05	0.20
341667	2.0	1.9	0.1	0.11	0.08
341668	2.0	0.8	0.0	0.00	0.01
341669	1.7	172.0	5.0	0.08	0.24
341670	0.5	0.9	0.0	0.04	0.07
341671	2.0	10.6	0.3	0.52	0.23
341672	1.0	643.0	18.8	0.10	0.41
341673	1.2	228.0	6.7	0.44	0.24

Gilberto Samples

Sample Number	Length (Metres)	Ag (gpt)	Ag (opt)	Pb (%)	Zn(%)
341678	2.0	94.7	2.8	0.46	1.33
341679	2.0	12.2	0.4	0.47	1.36
341680	2.0	100.0	2.9	0.66	1.15
341681	1.5	87.2	2.5	0.50	0.77
341682	1.5	1945.0	56.7	0.46	1.37
341683	dump	942.0	27.5	0.36	0.87

All samples are representative chip/channel samples from surface outcrops and exposed mine workings except for one sample from a dump at Gilberto. Analysis was completed at ALS Chemex in Hermosillo, Mexico and North Vancouver, BC.

Murucutachi is considered a shear zone in Tertiary volcanics up to 100 metres width with a minimum strike length of 800 metres. Within the shear zone at are multiple quartz-sericite veins up to 3 metres wide. Wallrock adjacent to veining exhibits quartz-limonite stockwork.

Mina Gilberto is potentially considered a carbonate-siderite massive sulfide system with a minimum strike length of 800 metres. Mineralized host beds are inter-layered with Tertiary rhyolitic to dacitic volcanic units. Individual silver-lead-zinc rich horizons are up to 15 metres thick.

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PROPERTY SUMMARIES (cont'd....)

A Phase I program was completed during the period and included detailed surface work, trenching, surveying, geologic mapping, rock chip sampling and soil sampling. This program served to define the structural and stockwork relationship to known silver mineralization at Murucutachi as well as the potential continuous massive sulfide mineralization at Gilberto. Specific locations have been detailed and prioritized for initial drill programs in the second quarter 005.

N. Eric Fier, CPG, P.Eng., Chief Operating Officer is Company's Qualified Person that supervised and managed the above exploration program.

Future Developments

The initial results from the Silver Angel Project are encouraging and management believes that the concession areas have considerable potential. Additional land acquisition is being considered proximal to the Silver Angel concession within similar favorable geologic features. The Company has budgeted approximately \$375,000 for follow-up surface work and drilling for the balance of the fiscal year.

Deferred Expenditures for Mexico

	March 31, 2005	December 31, 2004
	Three months ended	Twelve months ended
Drilling	\$ -	\$ 76,592
Geological services	16,097	97,975
Project management	7,500	35,000
Travel and accommodation	5,690	31,709
All other	41,803	89,515
	\$ 71,098	\$ 330,791

EL SALVADOR

A. EL ZAPOTE CONCESSION

The Company has reported a resource estimate for the El Zapote Project (refer to press release dated April 6, 2003 filed on SEDAR for details).

Resources	Resource Category*	Tonnes	Ag gpt	Tons	Ag opt	Contained Silver Ounces
El Zapote	Indicated	2,285,648	163.4	2,519,470	4.80	12,007,378
	Inferred	743,243	95.8	819,273	3.10	2,288,007

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 and Chief Operating Officer for the Company completed the El Zapote resource estimation, details of which can be reviewed in a technical report dated May 6, 2004 filed on SEDAR.

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PROPERTY SUMMARIES (cont'd....)

The Company has retained SRK Consulting (Canada) Inc. ("SRK") to complete a Feasibility Study on the El Zapote Project. SRK is a world leader in providing technical consulting services to the mining industry. The Feasibility Study is intended, among other things, to establish mineable reserves, optimize process design, verify capital and operating costs and evaluate the economic viability of the project. Detailed drilling has identified 3 silver-zinc deposits, Cerro Colorado III, San Casimiro and Tajado. These three deposits are the most advanced of several known deposits on the El Zapote concession.

The Feasibility Study, which commenced in June, 2004 continued during the period and focused on continued definition drilling, environmental baseline work, detailed surveying, metallurgical test work and collection of data to support the evaluation of the economic viability of the project. Internal scoping studies have been submitted to the El Salvador Department of Mines as part of the application for a mining concession. The final Feasibility Study and Environmental Impact Assessment are projected to be completed by mid-2005 once a full year of environmental baseline data has been collected.

As of March 31st, a total of 4,610 metres had been drilled in 49 holes. These included 18 holes within the Cerro Colorado III deposit, 10 holes within the San Casimiro deposit and 21 holes in the Tajado deposit primarily for verification and expansion of current resources and conversion of inferred resources to indicated resources. The deposits are potentially amenable to open pit mining and present considerable potential for resource expansion (see news release dated October 13, 2004). The results of the drilling program are being incorporated into a revised resource estimate that will be reported as soon as it is completed. The highlights of these results are:

- the verification of the high grade silver caps on all three deposits,
- the potential for expansion of resources on the southwest margins of Cerro Colorado III,
- the identification of significant gold zones within the San Casimiro deposit,
- the potential to expand resources down dip and along strike at San Casimiro and Tajado,
- the identification of volcanogenic massive sulphide mineralization in all three deposits,
- the increase in zinc grades at depth at both Cerro Colorado III and San Casimiro and a significant parallel zinc zone at Tajado.

The Tajado deposit is located within the El Zapote Concession and is approximately 2.5 kilometres southeast of the Cerro Colorado III deposit. The results of the Company's initial drill program are presented in the table below.

A resource model has been designed on the basis of the results of this initial drilling of Tajado and will be integrated into the ongoing Feasibility Study for the project. The computer model will assist in better defining mineral zonation, possible high-grade ore shoots and potential inferred resources. The surface expression of Tajado has been traced along a continuous strike length of approximately one kilometre. All intersections are near surface and the mineralization presents a potential initial open pitable target.

Geologically, the Tajado Prospect is located along the sheared contact zone between a Cretaceous granodiorite and volcanics. Silver and gold mineralization appears to be associated with quartz veining, quartz stockwork, and breccia. The silver mineralized zone is up to 30 metres wide at the surface and open to depth.

A zinc-rich zone (**Hole T04-03; 40 metres of 2.54% zinc**), that parallels the silver zone, is up to 30 metres wide near the surface and open to depth. This new zone expands the potential combined width of the silver and zinc mineralization at surface to approximately 60 metres.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS
For the Three Month Period ended March 31, 2005

PROPERTY SUMMARIES (cont'd....)

Geologically, the Tajado Prospect is located along the sheared contact zone between a Cretaceous granodiorite and volcanics. Silver and gold mineralization appears to be associated with quartz veining, quartz stockwork, and breccia. The silver mineralized zone is up to 30 metres wide at the surface and open to depth.

A zinc-rich zone (**Hole T04-03; 40 metres of 2.54% zinc**), that parallels the silver zone, is up to 30 metres wide near the surface and open to depth. This new zone expands the potential combined width of the silver and zinc mineralization at surface to approximately 60 metres.

The holes drilled in Tajado intersected a significant mineralized zone up to thirty metres wide with a strike length over 500 metres and open to depth (see news release dated November 2, 2004). Available results of the Tajado drilling are presented below. Assay results from an additional 10 holes are currently pending.

DH Hole #	From (metres)	To (metres)	Interval (metres)	Interval (feet)	Weighted Average Grades			
					Au g/t	Ag g/t	Ag opt	ZN %
T04-01 R*	2.0	28.0	26.0	85.3	trace	59.0	1.72	0.32
T04-02*	0.0	24.1	24.1	79.0	trace	117.3	3.42	0.06
Includes	9.0	15.0	6.0	19.6	trace	327.9	9.65	0.13
T04-03*	1.0	11.0	10.0	32.8	trace	40.7	1.19	0.04
T04-03	21.0	61.0	40.0	131.2	trace	18.5	0.54	2.54
Includes	22.0	25.0	3.0	9.8	trace	26.3	0.76	12.73
T04-04*	3.0	28.0	25.0	82.0	0.49	145.7	4.25	0.28
Includes	7.0	9.0	2.0	6.5	4.23	445.0	12.98	0.76
Includes	18.0	20.0	2.0	6.5	1.42	798.6	23.03	0.17
	28.0	39.0	11.0	36.1	trace	41.6	1.17	0.05
T04-05	No sampling (caved)							
T04-06	No significant values							
T04-07	55.0	61.0	6.0	19.6	0.10	71.1	2.07	2.67
T04-08	42.2	58.0	15.8	51.8	trace	60.3	1.76	3.28
T04-09	21.8	34.0	12.2	40.0	trace	21.8	0.63	1.30
T04-10	46.2	75.0	29.0	95.1	trace	8.2	0.24	1.86
Includes	56.0	66.0	10.0	32.8	trace	10.5	0.30	3.87
T04-11	28.0	29.0	1.0	3.3	trace	44.0	1.28	0.46
T04-12	30.0	32.0	2.0	6.5	trace	15.0	0.43	0.30
T04-13	25.0	70.0	45.0	147.6	trace	8.4	0.24	0.30

All intersections are near surface and represent a potential initial open pit target. All analytical work on drill samples was completed by CAS de Honduras (a subsidiary of U.S. based Custom Analytical Services Inc.) and ACME Labs in Vancouver.

Drill holes T04-11, 12, and 13 are considered “wild cat” holes to test mineralization at the postulated ends of the one kilometre long strike length of the exposed structure. All three holes intersected the structure with significant alteration and anomalous mineralization.

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PROPERTY SUMMARIES (cont'd....)

Geologically, the Tajado Prospect is located along the sheared contact zone of a Cretaceous granodiorite and volcanics. Silver and gold mineralization appears to be associated with quartz veining, quartz stockwork, and breccia. The surface expression of Tajado has been traced along a continuous strike of over one kilometre. The silver mineralized zone is up to 30 metres wide at the surface and open to depth. A zinc-rich zone has been discovered (hole T04-03 with a true width of approximately 40 metres of 2.54% zinc) that parallels the silver zone and is up to 30 metres wide near the surface and open to depth. This new zone significantly expands the potential width of mineralization at surface to approximately 60 metres (attached section).

Future Developments

Follow-up drilling at Tajado is underway to test the known silver and zinc zones to depth and along strike and to carry out initial drilling at the nearby San Juan deposit.. Considerable potential for new discoveries exists along the Cerro Colorado III – San Casimiro trend. Several exploration targets of known mineralization, in addition to the Tajado deposit, exist within the concession boundaries. The Company expects that there is potential to expand the current resource and to identify additional mineral deposits at El Zapote. The Company has implemented a surface reconnaissance program within the El Zapote Concession which will provide initial data on several other exploration targets.

Deferred Expenditures for El Salvador

	March 31, 2005	December 31, 2004
	Three months ended	Twelve months ended
Drilling	\$ 62,690	\$ 581,828
Engineering consulting	72,591	316,529
Environmental consulting	36,706	211,101
Geological services	17,215	67,653
Travel and accommodation	23,998	45,712
All other	188,733	389,931
	\$ 401,933	\$ 1,612,754

GUATEMALA

Concepcion Concession (Application)

The Company has been informed by the Department of Mines of Guatemala that a bio-reserve has been established over the area for which the Company has made application for an exploration concession. The Company is currently re-assessing its possible activities in this country.

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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.