SilverCrest Mines Inc.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(*Unaudited – Prepared by Management*)

MARCH 31, 2006
FIRST QUARTER

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, 2006	December 31, 2005 (audited)
ASSETS		
Current		
Cash	$ 3,545,038	$ 170,336
Short term investments (note 3)	977,425	1,472,828
Receivables	97,334	58,781
Prepaid expenses	10,191	19,054
	4,629,988	1,720,999
Equipment (note 4)	22,569	46,220
Mineral properties (note 5)	4,623,565	3,817,865
	$ 9,276,122	$ 5,585,084
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 527,621	$ 128,679
Shareholders' equity		
Capital stock (note 6)	9,993,298	7,365,311
Contributed surplus (note 6)	1,831,723	1,753,346
Share subscriptions (note 10)	716,000	-
Deficit	(3,792,520)	(3,662,252)
	8,748,501	5,456,405
	$ 9,276,122	$ 5,585,084

Nature of operations (note 1)
Subsequent events (note 10)

On behalf of the Board:

"J. Scott Drever" Director

"Barney Magnusson" Director

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

	Three Months Ended March 31, 2006	2005
GENERAL AND ADMINISTRATIVE EXPENSES		
Administrative services	$ 13,500	$ 29,775
Amortization	3,151	1,218
General exploration	-	1,737
Investor relations	16,700	17,777
Management fees	45,000	45,000
Office and miscellaneous	11,720	15,808
Professional fees	7,125	5,354
Regulatory and transfer agent fees	7,918	5,538
Rent and telephone	8,571	8,978
Shareholder communications	7,691	5,615
Stock-based compensation (note 7)	28,301	71,740
Trade shows and conferences	8,206	4,620
Loss before other items	(157,883)	(213,160)
OTHER ITEMS		
Interest income	6,648	22,155
Foreign exchange gain (loss)	20,967	(1,997)
LOSS FOR THE PERIOD	(130,268)	(193,002)
DEFICIT, beginning of period	(3,662,252)	(2,767,850)
DEFICIT, end of period	$ (3,792,520)	$ (2,960,852)
Basic and diluted loss per common share	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding	26,175,786	25,769,284

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, 2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period:	$ (130,268)	$ (193,002)
Items not affecting cash:		
Amortization	3,151	1,218
Stock-based compensation	28,301	71,740
Accrued interest	4,597	-
Changes in non-cash working capital items:		
Increase in receivables	(38,553)	(46,346)
Decrease in prepaid expenses	8,863	16,392
Increase (decrease) in accounts payable and accrued liabilities	67,961	(291,816)
	(55,948)	(441,814)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of capital stock for cash	2,980,000	195,290
Share issuance costs	(301,937)	(3,957)
Share subscriptions	716,000	(72,000)
Redemption of short-term investments (note 3)	490,806	797,618
	3,884,869	916,951
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of capital assets	-	(4,749)
Mineral properties and deferred costs	(454,219)	(470,686)
	(454,219)	(475,435)
Increase (decrease) in cash during the period	3,374,702	(298)
Cash, beginning of period	170,336	328,830
Cash, end of period	$ 3,545,038	$ 328,532

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

SilverCrest Mines Inc. (the "Company") was incorporated under the laws of the province of Ontario on May 22, 1973 and effective May 15, 1998 was continued into the jurisdiction of the Province of British Columbia pursuant to the British Columbia Business Corporations Act.

The Company is engaged in the acquisition and exploration of mineral properties in Mexico and Central America. At the date of these financial statements, the Company has not identified a known body of commercial grade ore on any of its properties. 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.

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.

Mineral properties

The Company capitalizes all acquisition, exploration and development costs related to exploration and development of mineral properties on a property-by-property basis. The costs of abandoned properties are charged to income in the year of abandonment or when it is determined that potential for discovery of economic mineralization is limited.

The costs of producing properties are amortized using the unit of production method based upon estimated reserves. The amounts recorded as mineral properties represent costs to date and do not necessarily reflect present or future values.

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.

4. EQUIPMENT

	March 31, 2006			December 31, 2005
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment and furniture	$ 17,534	$ 6,409	$ 11,125	$ 17,925
Computer hardware	8,711	3,758	4,953	6,639
Computer software	19,906	13,415	6,491	8,655
Automotive	-	-	-	13,001
	$ 46,151	$ 23,582	$ 22,569	$ 46,220

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**	**Santa Elena, Mexico**	**Total**
Additions	$	$	$	$
Acquisition costs	-	-	66,478	66,478
Exploration costs				
Assays	4,929	-	10,098	15,027
Drilling	-	56,040	394,464	450,504
Engineering and geological services	39,310	11,444	35,778	86,532
Exploration and general	71,983	44,386	36,229	152,598
Professional fees	21,417	6,572	6,572	34,561
	137,639	118,442	549,619	805,700
Balance , December 31, 2005	2,998,096	808,109	11,660	3,817,865
Balance, March 31, 2006	$ 3,135,735	$ 926,551	$ 561,279	$ 4,623,565

5. MINERAL PROPERTIES

2005	**El Zapote, El Salvador**	**Silver Angel, Mexico**	**Santa Elena, Mexico**	**Total**
	$	$	$	$
Additions				
Acquisition costs	-	-	11,660	11,660
Deferred exploration costs				
Assays	75,232	10,577	-	85,809
Drilling	303,044	171,467	-	474,511
Engineering and geological services	564,211	94,103	-	658,314
Exploration and general	346,057	97,509	-	443,566
Professional fees	96,798	42,177	-	138,975
	1,385,342	415,833	11,660	1,812,835
Balance, December 31, 2004	1,612,754	392,276	-	2,005,030
Balance, December 31, 2005	$ 2,998,096	$ 808,109	$ 11,660	$ 3,817,865

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 properties are subject to 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 was 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.

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.

5. MINERAL PROPERTIES (continued)

Santa Elena Project, Mexico

On December 8, 2005 the Company entered into an option agreement to acquire the Santa Elena Project located northeast of Hermosillo, Sonora State, Mexico. The Company has the right to acquire a 100% interest in the Santa Elena property by making staged option payments of US$4,000,000 over a period of 5 years as follows: on signing US$10,000 (paid), sixty days US$60,000 (paid), six months US$60,000, twelve months US$60,000, eighteen months US$60,000, twenty-four months US$50,000, thirty months US$500,000, thirty-six months US$500,000, forty-two months US$600,000, fifty-four months US$600,000, sixty months US$500,000 and the final USUS$1,000,000 payment is conditional upon receipt of a Feasibility Study and all operating and environmental permits. Approximately 40% of the acquisition costs are payable in common shares at the Company's option.

Honduras Projects

The Company acquired a 100% interest in certain properties located in Honduras by concession applications. During the year ended December 31, 2004, due to title uncertainty, the Company has written down the carrying values of the Honduran mineral property expenditures. The Company has filed a claim against the government of Honduras, amongst others.

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 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
Warrants exercised	36,606	34,433	(8,810)	25,623
Stock options exercised	25,000	18,076	(6,826)	11,250
Stock-based compensation	-	-	299,317	299,317
Private placement	191,111	172,000	-	172,000
Share issuance costs	-	(3,957)	-	(3,957)
Balance at December 31, 2005	25,844,675	$ 7,365,311	$ 1,753,346	$ 9,118,657
Stock-based compensation	-	-	28,301	28,301
Private placement	3,725,000	2,980,000	-	2,980,000
Finders' fees for cash	-	(210,560)	-	(210,560)
Share issuance costs	-	(141,453)	50,076	(91,377)
Balance at March 31, 2006	29,569,675	9,993,298	1,831,723	11,825,021

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS (continued)

Escrow shares

Included in issued capital stock are 768,750 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, 2006, the Company had outstanding stock options, enabling holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
1,000,000	$ 0.45	June 16, 2008
750,000	$ 1.41	March 24, 2009
650,000	$ 0.75	June 1, 2010
100,000	$ 0.70	January 23, 2008
2,500,000		

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at December 31, 2005	2,400,000	$ 0.83
Issued	100,000	$ 0.70
Exercised	-	-
Balance, March 31, 2006	2,500,000	$ 0.83
Options currently exerciseable	2,400,000	$ 0.83

Stock-based compensation

The stock-based compensation expense recognized based on vesting for the period was $28,301 (2005 - $71,740) leaving an unamortized balance of $NIL (2005 - $NIL).

7. STOCK OPTIONS AND WARRANTS

Warrants

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

	2006	2005
Balance, beginning of period	2,049,555	3,968,377
Issued	3,917,600	95,555
Exercised	-	(36,666)
Expired	-	(1,977,771)
Balance, end of period	5,967,155	2,049,555

At March 31, 2006, the Company had outstanding share purchase warrants, enabling holders to acquire shares as follows:

Number of Shares	Exercise Price	Expiry Date
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
95,555	1.20	January 18, 2007
3,917,600	0.80	March 24, 2008
5,967,155		

8. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

a) Paid or accrued $45,000 (2005 - $45,000) for management fees to two companies controlled by two officers and directors of the Company.

b) Paid or accrued $22,500 (2005 - $22,500) for project management fees to an officer of the Company which are included in deferred exploration costs.

c) Recorded $NIL (2005 - $NIL) for stock-based compensation expense on stock options granted to directors and officers.

d) Paid or accrued $16,675 (2005 - $5,354) for legal fees paid to a law firm in which an officer of the Company is an officer, which were included in professional fees and share issue costs.

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

	2006	2005
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

10. SUBSEQUENT EVENTS

(a) On April 4, 2006 the Company issued 1,475,000 units pursuant to a private placement for gross proceeds of $1,180,000. Each unit was comprised of one common share and one share purchase warrant. The warrants are exercisable for a period of two years at a price of $.80 per share. The Company issued 40,600 finders' warrants in connection with the private placement. $716,000 of the gross proceeds of $1,180,000 were received prior to March 31, 2006 and were recorded as share subscriptions.

(b) 256,000 common shares were issued on the exercise of warrants for gross proceeds of $246,700.

(c) 50,000 common shares were issued on the exercise of options for gross proceeds of $22,500.