



SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS
FORM 51-102F1

MARCH 31, 2008
FIRST QUARTER

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION AND ANALYSIS

For the three month period ended March 31, 2008

FORWARD LOOKING STATEMENTS

Certain statements contained in this Management Discussion and Analysis (MDA) and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results and performance of achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which are relevant only as of the date the statements were made.

PRELIMINARY INFORMATION

The MDA is an overview of the activities of **SilverCrest Mines Inc.** (the “Company”) for the three month period ended March 31, 2008. The MDA should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2007 and the notes attached thereto which are available on the Company’s website www.silvercrestmines.com and on SEDAR at www.sedar.com.

The effective date of this Management Discussion & Analysis is May 26, 2008.

OVERALL PERFORMANCE

- The focus of SilverCrest’s efforts for Q1 2008 has been on completing the ongoing Santa Elena Pre-Feasibility Study (PFS) with independent qualified persons, permitting the Santa Elena Project, and continued drilling for resource expansion. All work to date has been successful in moving the Company into the near-term junior silver-gold producer status.

SANTA ELENA PROJECT

- All data required for the PFS has been collected and compiled and is under final review by qualified persons prior to release. The study contemplates a 2,500 tonne per day open pit heap leach operation that will produce approximately 35,000 to 50,000 ounces of gold and gold equivalent on 2 to 3 million ounces of silver and silver equivalents.
- An EPCM contract (engineering, procurement, construction, management) for the project is being negotiated.
- A Land Use Change application was submitted in January and approved in April 2008.
- A full Environmental Impact Study (MIA) and Risk Analysis was submitted to the governmental authorities in April 2008.
- Gold and silver mineralization of the Main Zone is relatively consistent over a minimum strike length of about 1,200 metres. The average width of the zone is 15 metres and it extends to a depth of more than 500 metres down dip. The surface trace of the Main Zone is now approximately 1300 metres.
- A high grade zone greater than 50 gram/tonne – metre gold and gold equivalent within the broader Main Zone mineralization has been identified that is at least 800 metres long, approximately 150 metres high and averages approximately 25 metres wide in recent intercepts.
- Resources are currently being defined in the Main Zone that may be amenable to underground mining. This would potentially enable the proposed open pit heap leach operation to transition into an underground mining operation with a conventional mill.
- Reconnaissance work and geophysical surveys have defined several nearby exploration targets that have good potential to result in the discovery of mineralized zones similar to the Main Zone.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three month period ended March 31, 2008

OVERALL PERFORMANCE (continued)

CRUZ de MAYO PROJECT

- No activity was carried out at Cruz de Mayo during this period. A reverse circulation drill program to expand the current silver resource is expected to start in June 2008.

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 Mexico and El Salvador 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 Minera Atlas S.A. de C.V. the Company has established a significant silver resource base and acquired properties with substantial exploration potential in El Salvador. Indicated and inferred resources of 15.8 million ounces of silver and 78.9 million pounds of zinc have been established at El Zapote project in El Salvador. A feasibility study was commenced in June of 2004 at the El Zapote property in El Salvador and is nearing completion. Through its wholly owned subsidiary, Nusantara de Mexico S.A. de C.V., the Company has assembled a substantial land position in Mexico. The Company has been exploring its Silver Angel property and has acquired the Cruz de Mayo and Santa Elena properties in Sonora, Northern Mexico. Indicated and inferred resources of 56.3 million ounces of silver and silver equivalent have been established at Santa Elena. Indicated and inferred resources of 15.2 million ounces of silver have been reported at Cruz de Mayo. Several equity financings have provided sufficient working capital to advance the Company's projects to their next respective stage of exploration.

LIQUIDITY AND CAPITAL RESOURCES

Working capital increased to \$10,474,572 from \$2,762,574 at December 31, 2007 primarily due to the increase in cash of \$8,063,858. During the period gross proceeds of \$9,378,185 were realized from the issuance of capital stock as a result of a private placement and exercise of warrants. \$1,199,183 was incurred on mineral property expenditures during the period.

In December 2005, the Company entered into an option agreement with respect to the Santa Elena project that involves cash and/or shares of the Company. Refer to Results of Operations (B) (iii) for further details of the option terms.

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.

FINANCIAL SUMMARY

The loss for the three months ended March 31, 2008 increased by \$805,757 to \$907,421 compared to the comparative period. Stock based compensation increased by \$664,500 as 1,350,000 stock options were granted during the period. Investor relations and travel expense increased by \$37,673 related to travel and presentation expenses and web and print based advertising campaigns to increase investor awareness of the Company.

Trade shows and conferences expense increased by \$17,611 as the Company presented at the Cambridge Precious Metal conferences in Vancouver and Phoenix and at the PDAC Convention in Toronto.

On February 29, 2008, the Company announced an agreement for US\$3.0 million Feasibility Finance Facility ("Finance Facility") with Macquarie Bank Limited; and a C\$5.5 million Non-Brokered Private Placement. The Finance Facility is to fund expenditures in relation to the completion of feasibility studies at the Company's Santa Elena Project in Mexico.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three month period ended March 31, 2008

FINANCIAL SUMMARY (continued)

The Finance Facility will bear interest at the U.S. dollar LIBOR rate plus 2.75% per annum. Outstanding amounts under the Finance Facility will be repayable by the earlier of May 29, 2009 and when financing arrangements are made for the development of the Santa Elena Project. Security for the Finance Facility will include a general security agreement and guarantees from the Company's subsidiaries holding the Santa Elena Project. Drawdowns under the facility will be subject to the terms and conditions of a definitive feasibility finance facility agreement to be entered into, including various due diligence conditions and other customary lending conditions.

In consideration for the provision of the Finance Facility, the Company has agreed to pay Macquarie certain fees customary for such a facility and to issue 2,307,692 warrants on closing, each warrant exercisable to purchase one common share of the Company for a period of three years at a price of C\$1.30. The proceeds of any warrant exercise are to be firstly applied to repay any outstanding amounts under the Finance Facility. In addition, the Company has agreed to grant Macquarie the exclusive mandate (the "Macquarie Mandate") for an initial six-month period (subject to extension) to provide a financing package for mine development at Santa Elena on commercial terms.

On March 13, 2008, the Company completed a first closing on a non-brokered private placement for gross proceeds of \$3,489,838. The Company issued 3,172,580 Units at a price of \$1.10 per Unit, each Unit consisting of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of \$1.40 per share until September 12, 2009.

On March 20, 2008, the Company completed a second and final closing of the Private Placement for gross proceeds of \$2,628,597. In the second closing, the Company issued 2,389,634 Units, of which 1,818,180 Units were issued to Macquarie Bank Limited ("Macquarie") in connection with its commitment to make a \$1.99 million equity investment in the Company. Each Unit consisted of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable for one common share of the Company at a price of \$1.40 per share until September 19, 2009.

The Company paid finders' fees on a portion of the Private Placement of 6% payable in cash plus share purchase warrants equal to 6% of Units purchased. Each finder's warrant is exercisable to purchase one common share of the Company at a price of \$1.40 for a period of 18 months.

Total finders' fees of \$144,072 were paid and 130,974 finder's warrants were issued by the Company in connection with the private placement.

The Company has adopted effective January 1, 2008 several accounting policy changes that are detailed under "New Accounting Pronouncements".

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, short term investments, accounts receivable, value added tax receivable, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair market value of these financial instruments, approximate their carrying values unless otherwise noted.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION AND ANALYSIS

For the three month period ended March 31, 2008

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 and receives minor income from interest on cash balances.

Summary Financial Information for the eight Quarters ended March 31, 2008:

Period	Revenues	Net Loss	Net Loss per Share ⁽¹⁾
1 st Quarter 2008	Nil	(\$907,421)	(\$0.02)
4 th Quarter 2007	Nil	(\$385,537)	(\$0.00)
3 rd Quarter 2007	Nil	(\$49,412)	(\$0.00)
2 nd Quarter 2007	Nil	(\$278,684)	(\$0.01)
1 st Quarter 2007	Nil	(\$101,664)	(\$0.00)
4 th Quarter 2006	Nil	(\$141,002)	(\$0.01)
3 rd Quarter 2006	Nil	(\$424,244)	(\$0.01)
2 nd Quarter 2006	Nil	(\$137,257)	(\$0.00)

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

The fluctuations in Net Losses are primarily due to fluctuations in stock-based compensation charges.

SHARE CAPITAL

	Number of Shares	Capital Stock	Contributed Surplus	Total
Authorized unlimited common shares without par value				
Balance at December 31, 2006	34,723,675	\$ 14,353,399	\$ 2,090,711	\$ 16,444,110
Warrants exercised	322,000	330,190	(8,910)	322,000
Stock options exercised	25,000	23,000	(5,500)	17,500
Stock-based compensation	-	-	30,000	30,000
Balance at December 31, 2007	35,070,675	\$ 14,706,589	\$ 2,107,021	\$ 16,813,610
Warrants exercised	3,241,000	3,286,270	(26,520)	3,259,750
Private placement	5,562,214	6,118,435		6,118,435
Finder's fees for cash	-	(144,072)		(144,072)
Share issuance costs	-	(128,800)	37,215	(91,585)
Stock-based compensation	-	-	674,500	674,500
Balance at March 31, 2008	43,873,889	\$ 23,838,422	\$ 2,792,216	\$ 26,630,638

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION AND ANALYSIS

For the three month period ended March 31, 2008

SHARE CAPITAL (continued)

Stock Options

At March 31, 2008, stock options were outstanding, enabling holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
800,000	\$0.45	June 16, 2008
625,000	\$1.41	March 24, 2009
505,000	\$0.75	June 1, 2010
100,000	\$0.96	August 15, 2011
725,000	\$0.70	September 28, 2011
225,000	\$1.39	January 7, 2013
850,000	\$1.27	March 27, 2013
300,000	\$1.27	March 27, 2010
4,130,000		

Warrants

At March 31, 2008, the Company had share purchase warrants outstanding enabling holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
1,130,600	\$1.00	April 4, 2008
1,425,000	\$1.25	December 12, 2008
168,000	\$1.09	December 12, 2008
1,690,144	\$1.40	September 12, 2009
1,221,937	\$1.40	September 19, 2009
5,635,681		

Fully Diluted Share Capital, as of the date of this report

Common shares issued	44,899,489
Stock options outstanding	3,930,000
Warrants outstanding	4,495,081
	<hr/>
	53,324,570

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

The Company completed the following transactions with related parties during the three months ended March 31, 2008:

- a) Paid or accrued \$51,000 (2007 - \$51,000) for management fees to two companies each of which is controlled by an officer and director of the Company.
- b) Paid or accrued \$25,500 (2007 - \$25,500) for project management fees to a company controlled by an officer of the Company which are included in deferred exploration costs.
- c) Paid or accrued \$59,671 (2007 - \$1,533) for legal fees paid to a law firm in which an officer of the Company is a Partner and which were included in professional fees and share issuance 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 under related management contracts.

INVESTOR RELATIONS

On March 28, 2008 the Company engaged StrataStar Marketing Group LLP ("SMG") a Colorado incorporated consulting company specializing in strategic marketing and communications. SMG will review the Company's investor relations materials and methods of communicating with its shareholders, analysts, brokers and other professionals in the financial services industry as well as markets not generally considered by the junior resource industry. SMG will prepare a comprehensive marketing plan incorporating newly developed promotional materials including the Company's website and presentation materials for various industry meetings, conferences and trade shows. SMG's engagement is for a 6-month period, subject to renewal by mutual agreement of the parties. The Company will pay SMG a monthly fee of \$5,000 and reimburse SMG for all reasonable expenses incurred in connection with the fulfillment of its obligations up to \$2500 per month, with any expenses in excess thereof being subject to the Company's prior approval. In addition, the Company granted SMG an incentive stock option to acquire up to 300,000 common shares of the Company at an exercise price of \$1.27 per share for a term of two years subject to the terms of the Company's option plan.

Prior to March 28, 2008 management performed investor relation services. Investor relations activities consist of web-site and print advertising. Shareholder communications comprises communicating with existing shareholders, broadcasting news releases, printing, production work for the Company's website, and direct website expenses. The Company also attends trade shows on a regular basis to present the affairs and merits of the Company to potential investors. Management also makes presentations on an ongoing basis to certain brokers and fund managers in the investment industry throughout Canada, USA and Europe.

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 focused almost exclusively on exploration and development of silver resources, silver prices and the availability of equity funds are important factors.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION AND ANALYSIS

For the three month period ended March 31, 2008

RISK FACTORS AND UNCERTAINTIES

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.

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.

RESULTS OF OPERATIONS

The Company currently holds mineral property interests in El Salvador and Mexico. The Company's current NI43-101 compliant resources are shown below. The Qualified Person, as defined by National 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., P.Eng. Mr. Fier is also the Chief Operating Officer for the Company.

SilverCrest Silver and Gold Resources

Property	Resource Category ¹	Tonnes	Ag gpt	Au gpt	Tons	Ag opt	Au opt	Contained Silver Ounces	Contained Gold Ounces	Contained Silver & Silver Equiv. Ounces ³
Santa Elena ²	Indicated	7,378,300	74.20	1.81	8,133,200	2.16	0.053	17,600,900	428,700	43,327,100
	Inferred	2,608,000	73.06	1.37	2,874,800	2.13	0.040	6,125,700	114,800	13,016,700
Cruz de Mayo ²	Indicated	1,141,000	64.15	RP	1,257,700	1.87	RP	2,353,400	RP	2,353,400
	Inferred	6,065,000	66.50	RP	6,685,500	1.94	RP	12,967,100	RP	12,967,100
El Zapote ²	Indicated	1,925,200	177.70	0.19	2,122,200	5.20	0.006	11,036,000	13,000	11,816,000
	Inferred	1,086,400	101.60	0.18	1,197,500	3.00	0.005	3,593,000	6,000	3,953,000
Total Indicated Resources								30,990,400	441,700	57,496,500
Total Inferred Resources								22,685,800	120,800	29,936,800

¹ Conforms to NI 43-101, 43101CP and current CIM definitions for resources. All numbers are rounded. Measured resources included in Indicated.

² Cutoff grade for Santa Elena and El Zapote is 30 gpt Ag equivalent (0.5 gpt Au equivalent). Cutoff for Cruz de Mayo is 30 gpt Ag.

³ Conversion of gold to silver based on 60:1 silver to gold ratio, Assumes 100% metal recovery. This table does not include zinc resources at El Zapote. RP= results pending

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three month period ended March 31, 2008

RESULTS OF OPERATIONS (continued)

A. EL SALVADOR - EL ZAPOTE 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 Company currently has reported resource estimate for the El Zapote Project as follows:

Resource Category***	Tonnes metric	Tons short	Ag G/t	Ag oz/t	Au g/t	Zn %	Contained Ag Ounces	Contained Zn Pounds
Indicated*	1,925,251	2,111,182	177.7	5.2	0.19	1.17	11,036,000	49,660,000
Inferred **	1,086,420	1,197,561	101.6	3.0	0.18	1.22	3,593,000	29,220,000

* Indicated includes Measured resources which represents a majority of this category, figures are rounded

** The Tajado resource is currently considered all inferred, figures are rounded

*** 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 deposits contain a significant amount of zinc. The Indicated Resources contain 49.6 million pounds of zinc and Inferred Resources contain 29.2 million pounds of zinc.

The Feasibility Study continued during the period and focused on continued environmental baseline work, metallurgical test work and collection of data to support the evaluation of the economic viability of the project. A revised Technical Study and EIS are being completed for submission in 2008 to the El Salvador Department of Mines as part of the application for an exploitation concession. Detailed metallurgical results show positive results for cyanide leach. Column testing is ongoing with results showing silver recoveries of 25% to 35% over 49 days with a strong upward leaching curve still present.

Work in 2008 will consist of continued discussions with the government on project permitting.

Future Developments

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. Any substantial programs will be contingent upon the permitting process with respect to the application for an exploitation concession and the issue of environmental permits for exploration.

B. MEXICO

i). Silver Angel Project - Sonora, Mexico

This concession encompasses approximately 18,000 hectares. The Silver Angel Project contains an area of intense alteration that is approximately 35 kilometers long by 3 kilometers wide with major structural features that host six past producing, high grade silver-gold deposits. The Silver Angel property package is currently being reviewed for reduction by July 2008 due to increased standard government fees. Priority areas with mineralization will be retained.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION AND ANALYSIS

For the three month period ended March 31, 2008

RESULTS OF OPERATIONS (continued)

B. MEXICO (continued)

ii. Cruz de Mayo Project - Sonora, Mexico

The Cruz de Mayo concession was acquired in 2004 and came with an extensive exploration data package. After compilation of the data, the information was used to drill three initial core holes for a total of 379.4 metres in the fourth quarter of 2005. Drill results are provided in MDA annual 2005. Subsequent to this initial drilling, a Phase I - 20 core hole program was completed totaling 1,813 metres (MDA December 31, 2006). The Company completed a Phase II drill program in the first quarter of 2007 which included a 27 reverse circulation (RC) drill hole program totalling 2,907 metres.

The Phase II drill program was designed to re-confirm the widths and grades of the silver mineralized zone previously encountered in the first phase core drill program as well as to test the overall dimensions of the zone along strike and down dip. The information derived from the two phases of drilling provided the basis for a Technical Report and NI 43-101 resource estimate the results of which were announced on November 15, 2007 and are shown in the following table:

Cruz de Mayo Silver Resources

Property	Resource Category ¹	Tonnes	Ag gpt	Au gpt	Tons	Ag opt	Au Opt	Contained Silver Ounces	Contained Gold Ounces	Contained Silver Equiv. Ounces ³
Cruz de Mayo ²	Indicated	1,141,000	64.15	RP	1,257,700	1.87	RP	2,353,400	RP	2,353,400
	Inferred	6,065,000	66.50	RP	6,685,500	1.94	RP	12,967,100	RP	12,967,100

¹ Conforms to NI 43-101, 43101CP and current CIM definitions for resources. All numbers are rounded. Measured resources included in Indicated.

² Cutoff for Cruz de Mayo is 30gpt Ag. RP=Results Pending

³ Conversion of gold to silver based on 60:1 silver to gold ratio, Assumes 100% metal recovery.

The resource estimate for Cruz de Mayo was completed N. Eric Fier, CPG, P.Eng and reviewed by C. Stewart Wallis, P.Geo., independent qualified person (QP) from Scott Wilson Roscoe Postle and Associates of Toronto, Ontario. A Technical Report adhering to the disclosure requirements of NI 43-101 will be filed on SEDAR, by December 30, 2007. Mr. Fier is the Chief Operating Officer and QP for the Company.

The oxidized stockwork zone that contains the silver mineralization at Cruz de Mayo has been drill delineated over a minimum strike length of 1,700 metres and 200 metres down dip. The zone ranges in thickness from 20 to 45 metres in the southeast to 40 to 60 metres in the central and northwest portion of the deposit. Within the much broader zone of lower grade silver mineralization is a narrower higher grade zone that is 3.0 to 10.5 metres thick which appears to grade between 106.2 g/t (3.1 oz/t) to 393 g/t (11.4 oz/t) silver. The favorable host for stockwork silver mineralization is a rhyolite bed which dips at about 25° to the southwest nearly parallel to the slope of the topography. This “dip slope” makes for potentially low strip ratios for the deposit. The deposit remains open to the north with an additional 800 metres of strike length that requires initial drilling.

Phase III RC drill program is anticipated to begin in June 2008.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION AND ANALYSIS
For the three month period ended March 31, 2008

RESULTS OF OPERATIONS (continued)

B. MEXICO (continued)

iii). Santa Elena Project - Sonora, 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 the following staged option payments totaling U.S. \$3,000,000 over a period of 5 years and by making a final U.S. \$1,000,000 payment conditional upon receipt of a Feasibility Study and all operating and environmental permits relating to the project.

December 8, 2005	US \$	\$10,000 (paid)
February 8, 2006		\$60,000 (paid)
June 8, 2006		\$60,000 (paid)
December 8, 2006		\$60,000 (paid)
June 8, 2007		\$60,000 (paid)
December 8, 2007		\$50,000 (paid)
June 8, 2008		\$500,000
December 8, 2008		\$500,000
June 8, 2009		\$600,000
June 8, 2010		\$600,000
December 8, 2010		\$500,000
TOTAL	US \$	\$3,000,000

The payments totaling US \$2.2 million due from December 8, 2008 through December 8, 2010 inclusive, as well as the U.S \$1,000,000 conditional payment are payable, at the Company's option, either wholly in cash or up to 50% of each payment in the common shares of the Company at the average price per share for the previous ten trading days.

There are no applicable work commitments or underlying royalties to the property owners.

The Company's target for the Santa Elena Project was to initially develop a 30 million ounce silver equivalent resource by increasing the strike length and depth of the deposit and developing resources in an untested footwall zone. The resource estimates currently show a total of 56.3 million silver and silver equivalents. As of late March 2008 the Company continued the expanded drill program of +80 program hole to upgrade and expand the currently stated resources. The program is currently drill hole SE08-87.

Based on the results of a total 40 drill holes and extensive underground sampling, the results of resource estimate were released on November 15, 2007 and are shown in the following table:

Santa Elena Silver and Gold Resources

Property	Resource Category ¹	Tonnes	Ag gpt	Au gpt	Tons	Ag opt	Au opt	Contained Silver Ounces	Contained Gold Ounces	Contained Silver & Silver Equiv. Ounces ³
Santa Elena²	Indicated	7,378,300	74.20	1.81	8,133,200	2.16	0.053	17,600,900	428,700	43,327,100
	Inferred	2,608,000	73.06	1.37	2,874,800	2.13	0.040	6,125,700	114,800	13,016,700

¹ Conforms to NI 43-101, 43101CP and current CIM definitions for resources. All numbers are rounded. Measured resources included in Indicated.

² Cutoff grade for Santa Elena is 30 gpt Ag equivalent (0.5 gpt Au equivalent).

³ Conversion of gold to silver based on 60:1 silver to gold ratio, Assumes 100% metal recovery.

Details of the drill results are available in press releases on the Company's web site at www.silvercrestmines.com and are filed on SEDAR @ www.sedar.com.

RESULTS OF OPERATIONS (continued)

B. MEXICO (continued)

iii). Santa Elena Project - Sonora, Mexico (continued)

Highlights at the Santa Elena Project for Q1 2008 consist of:

Essentially all data required for the Pre-Feasibility Study have been collected and compiled and the study is under final review by qualified persons before release. The most significant elements that are being finalized and confirmed as follows:

- Extensive column-percolation testing from representative bulk samples of the deposit shows gold recoveries of 65 to 70% and silver recoveries of 33 to 37% over a 90 day period. Consumption of both cyanide and lime are low which should be reflected in a low cost per tonne for processing. Leach time is considered good with over 50% of the recoverable metals retrieved within 20 days. The results of these tests confirm that the deposit is amenable to heap leaching.
- Optimization of open pit computer modeling carried out by independent consultants has conceptualized a low cost open pit heap leach operation that will convert 70 to 80% of the current indicated resources to proven and probable reserves.
- General site plans, detailed mine plans and facility drawings have been completed. Quotes from operators and equipment suppliers have been obtained for mining costs and major equipment. Economic models have been developed and project sensitivities have been run.
- Environmental baseline work has been completed and has not identified any significant deterrents to the development of the project. Permitting is on-going with the submission of an application for operations to the Mexican government subsequent to quarter.
- An EPCM contract (engineering, procurement, construction, management) for the project is being negotiated.
- A Land Use Change application was submitted and has been approved in April 2008.
- A full Environmental Impact Study and Risk Analysis are complete and were submitted to the governmental authorities in April 2008. This submission is the second stage for approval for a mine operating permit and usually requires approximately 4 months for government review.

In addition to the work related to the Preliminary Feasibility Study the Company has one core drill and one RC drill operating to continue expanding the known resources of the Main zone and to begin testing newly defined adjacent exploration targets. Conclusions and inferences from the continued exploration work are as follows:

- Gold and silver mineralization of the Main Zone is relatively consistent over a minimum strike length of about 1000 metres with an average width of 15 metres and the mineralization extends to a depth of more than 500 metres down dip. The surface trace of the Main Zone is now approximately 1300 metres.
- A high grade zone which is greater than 50 gram-metres gold equivalent within the broader Main Zone mineralization has been identified that is at least 800 metres long, approximately 150 metres high and averages approximately 25 metres wide in recent intercepts.
- Additional resources that are currently being defined in the Main Zone may be amenable to underground mining. This would potentially enable the proposed open pit heap leach operation to transition into an underground mining operation with a conventional mill.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION AND ANALYSIS

For the three month period ended March 31, 2008

B. MEXICO (continued)

iii). Santa Elena Project - Sonora, Mexico (continued)

- Reconnaissance work and geophysical surveys have defined several nearby exploration targets that have good potential to result in the discovery of mineralized zones similar to the Main Zone.

Future Developments - Mexican Projects

Results to date from the Mexican Projects are encouraging and management believes that the concession areas have considerable potential. Metallurgical results show positive results for heap leach ability for both the Cruz de Mayo and Santa Elena Projects. Santa Elena permitting is underway and project construction is targeted to commence in the second half of 2008. The Pre-Feasibility Study at Santa Elena will provide proven and profitable reserve estimate and a new resource estimation is underway with revisions anticipated in the 3rd quarter 2008.

SUBSEQUENT EVENTS

Subsequent to March 31, 2008 warrants to purchase 825,600 common shares were exercised for proceeds of \$828,100 and 315,000 warrants expired.

Stock options were exercised to purchase 200,000 common shares for proceeds of \$90,000.

The EIS/MIA application for a mine operating permit for Santa Elena was submitted to the Mexican government on April 28, 2008. The official review period is 90 business days.

NEW ACCOUNTING PRONOUNCEMENTS

Effective January 1, 2008 the Company is required to adopt the following new Canadian accounting pronouncements:

(i) Assessing going concern – Section 1400

The Accounting Standards Board (AcSB) amended the Section 1400, to include requirements for management to assess an entity's ability to continue as a going concern and to disclose material uncertainties related to events or conditions that may cast doubt upon the entity's ability to continue as a going concern.

(ii) Capital disclosures- Section 1535

This new pronouncement establishes standards for disclosing information about an entity's capital and how it is managed. Section 1535 also requires the disclosure of any externally-imposed capital requirements, whether the entity has complied with them, and if not, the consequences.

(iii) Financial Instruments – Sections 3862 & 3863 – Disclosures and Presentation

These new sections 3862 (on disclosures) and 3863 (on presentation) replace Section 3861, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. Section 3862 complements the principles recognizing measuring and presenting financial assets and financial liabilities in Financial Instruments. Section 3863 deals with the classification of financial instruments, from the perspective of the issuer, between liabilities and equity, the classification of related interest, dividends, losses and gains, and the circumstances in which financial assets and financial liabilities are offset.

NEW ACCOUNTING PRONOUNCEMENTS (continued)

International Financial Reporting Standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada’s own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 31, 2010. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

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.

ADDITIONAL INFORMATION

Additional information about the Company is available on SEDAR at www.sedar.com and at the Company’s website www.silvercrestmines.com.