MANAGEMENT DISCUSSION & ANALYSIS
FORM 51-102F1

MARCH 31, 2009
FIRST QUARTER

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A 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 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, 2009. The MDA should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2008 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, 2009.

OVERALL PERFORMANCE

SANTA ELENA PROJECT HIGHLIGHTS

- On January 15, a new resource was announced for Santa Elena with a supporting NI 43-101 Technical Report.
- Additional work was completed for the Santa Elena Project which optimized mine design, production schedule and revised economics with capital and operating cost to a feasibility level of confidence. Economic analysis show improved rate of return and net present value with this additional work.
- During the quarter, the operations blasting permit was received for the Santa Elena Project.
- Acquisitions of water rights are nearing completion for the Santa Elena Project. A minimum of 150,000 cubic metres per year is required to provide adequate supply for the open pit heap leach operation.
- Vegetation removal program for the Santa Elena operations permit (MIA – SEMARNART) compliance was completed with over 3,000 plants retrieved and transplanted into the projects designated botanical garden. These plants were removed from the proposed pit, waste dump, and leach pad areas and will be utilized for revegetation upon mine closure.
- Contractor bid lists and packages are being assembled for project work for the Santa Elena Project.
- Final revisions by Vector Engineering for detailed engineering drawings were completed with emphasis on optimizing pad and ponds for the Santa Elena Project.
- Metcon column-percolation testing was finalized for Santa Elena and the data was compiled. Results are consistent with previous recovery percentages reported by Scott Wilson Roscoe Postle and Associates in the Technical Report dated August 11, 2008.
- Four priority exploration targets have been defined at Santa Elena with follow up work anticipated in mid-2009.
- Payments totaling CDN $4.3 million have been made for the purchase of a 3 stage Cedar Rapids crusher system and a Merrill Crowe zinc precipitate processing plant to be used at Santa Elena. The crusher is completed and awaiting transport.
- The Company announced on March 12 that it entered into a letter of intent with Sandstorm Resources Ltd. whereby Sandstorm will provide US$12 million in upfront development financing and 3.5 million shares of Sandstorm to acquire 20% of the future life of mine gold production from the Santa Elena project. The Company will also receive an additional US$350 per ounce upon delivery. A Prospectus for this transaction has been filed on SEDAR.

LIQUIDITY AND CAPITAL RESOURCES

Working capital decreased by $928,652 in the quarter to $2,714,060 as a result of incurring $979,806 of mineral property expenditures, on a cash basis.

The Company has commitments in 2009 to make an option payment of $600,000 US pursuant to the Santa Elena project agreement and to pay $689,188 US upon substantial completion of a heap leach processing plant and refinery.

Subsequent to the March 31, 2009 the Company entered into a definitive gold purchase agreement with Sandstorm Resources Ltd. ("Sandstorm") whereby they agreed to purchase 20% of the life of mine gold production from the Santa Elena project. The agreement calls for:

(a) a $12 million US upfront cash payment plus

(b) the lesser of $350 US and the prevailing market price of gold for each ounce of gold for each ounce of gold produced and

(c) 3,500,000 common shares of Sandstorm.

Refer to Subsequent Events for a description of a preliminary short form prospectus filed by the Company.

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

The following table contains selected financial information of the Company's liquidity:

		March 31, 2009		December 31, 2008
Working capital	$	2,714,060	$	3,642,712
Deficit	$	(12,509,800)	$	(12,265,327)

FINANCIAL SUMMARY

The net loss for the three months ended March 31, 2009 decreased by $662,948 to $244,473 compared to the comparative quarter. The largest difference is the decrease in stock-based compensation of $613,687 as no stock options were granted in the first quarter. Other differences of note are the following:

- Investor relations and travel increased by $37,284 due to increased investor relations activities and web based advertising.
- Interest on long term debt amounted to $30,176 compared to $Nil as the Macquarie Bank loan was in place for the quarter.
- Interest income declined by $30,895 to $4,367 during the period as the Company maintained the majority of its cash in US dollars and received a low market rate of interest compared to the comparative period.
- Foreign exchange gains increased to $98,692 from a loss of $43,142 in the comparative period as a result of changes in currency valuations.

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, 2009:

Period	Revenues (S)	Net Loss (S)	Net Loss per Share [1]
1st Quarter 2009	Nil	($244,473)	($0.01)
4th Quarter 2008	Nil	($4,939,692)	($0.11)
3rd Quarter 2008	Nil	($856,953)	($0.02)
2nd Quarter 2008	Nil	($250,941)	($0.01)
4th Quarter 2008	Nil	($907,421)	($0.02)
1st Quarter 2007	Nil	($385,537)	($0.01)
3rd Quarter 2007	Nil	($49,412)	($0.00)
2nd Quarter 2007	Nil	($278,684)	($0.01)

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

The fluctuations in the Net Losses per quarter are generally a result of stock-based compensation expenses. For the fourth quarter of 2008 the difference is also due to transaction costs and the write-off of a mineral property.

SHARE CAPITAL

	Number of Shares	Capital Stock	Contributed Surplus	Total
Authorized Unlimited number of common shares without par value Unlimited number of preferred shares without par value (none outstanding)				
Balance at December 31, 2007	35,070,675	14,706,589	2,107,021	16,813,610
Warrants exercised	4,066,600	4,124,926	(37,076)	4,087,850
Private placement	5,562,214	6,118,435	-	6,118,435
Finder's fees	-	(144,072)	-	(144,072)
Share issuance costs and finders' warrants	-	(133,315)	37,215	(96,100)
Stock options exercised	800,000	578,400	(218,400)	360,000
Stock-based compensation	-	-	1,172,955	1,172,955
Fair value of warrants	-	-	900,000	900,000
Balance at December 31, 2008	45,499,489	$ 25,250,963	$ 3,961,715	$ 29,212,678
Stock based compensation	-	-	60,813	60,813
Balance at March 31, 2009	45,499,489	25,250,963	4,022,528	29,273,491

Stock Options

At March 31, 2009 stock options outstanding are summarized as follows:

Number of Shares	Exercise Price	Expiry Date
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
850,000	$1.03	July 14, 2013
200,000	$0.45	January 8, 2014
3,455,000		

SHARE CAPITAL (continued)

Warrants

At March 31, 2009 the number of warrant s outstanding are as follows:

Number of Shares	Exercise Price	Expiry Date
1,690,144	$1.40	September 12, 2009
1,221,937	$1.40	September 19, 2009
2,307,692	$1.30	May 28, 2010
5,219,773		

Fully diluted shares as of the date of this report:

Common shares issued	45,499,489
Stock options outstanding	3,455,000
Warrants outstanding	5,219,773
	54,174,262

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 entered into the following transactions with related parties:

a) Paid or accrued $87,500 (2008 - $51,000) for management fees to companies controlled by two directors.

b) Paid or accrued $43,750 (2008 - $25,500) for project management fees to an officer of the Company which are included in mineral property expenditures.

c) Paid or accrued $9,019 (2008 - $59,671) for legal fees which were included in professional fees paid to a law firm of which an officer of the Company is a partner.

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

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

INVESTOR RELATIONS

Management currently performs all investor relation services and there were no external investor relation contracts or commitments during the year. Investor relations activities consist mainly 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. During the year the Company presented at five trade shows: Vancouver (2), Toronto, Coeur d'Alene, and San Francisco. Management also makes presentations 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.

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.

RESULTS OF OPERATIONS

A.1 SANTA ELENA PROJECT - Sonora, Mexico

The Company has significantly exceeded its initial target for the Santa Elena Project of developing a 500,000 ounce gold equivalent resource by increasing the strike length and depth of the deposit and developing resources in a previously untested footwall zone and defining mineralization to depth and to the east in the main zone. As of March 31, 2009, the Company has completed a total of 98 core holes (15,8791 m), four geotechnical core holes (1,163 metres) and 21 reverse circulation drill holes (4,308 metres) to upgrade and expand the resources.

RESULTS OF OPERATIONS (continued)

A.1 SANTA ELENA PROJECT - Sonora, Mexico (continued)

Based on the results of a total 41 Phase 1 drill holes and extensive underground sampling, the results of resource estimate were released on June 26, 2008. The Santa Elena Pre-Feasibility Study was completed on the basis of the Reserves shown in the following table:

Santa Elena Mineable Reserves- August 2008

Reserve Category[1]	Million Metric Tonnes	Au gpt	Ag gpt	Million Short Tons	Au opt	Ag opt	Contained Gold Ounces[2]	Contained Silver Ounces
Probable	6.54	1.61	56.70	7.21	0.047	1.68	339,600	11,927,100

As part of the calculation of the Reserves for the Pre-Feasibility Study, the Indicated and Inferred Resources which lie outside the current open pit plan, were re-stated. The revised resources are shown in the following table:

Santa Elena Indicated and Inferred Resources – August 2008
(Excludes Mineral Reserves)

Resource Category[1]	Million Metric Tonnes	Au gpt	Ag gpt	Million Short Tons	Au opt	Ag opt	Contained Gold Ounces[2]	Contained Silver Ounces
Indicated	1.80	1.32	75.00	1.98	0.039	2.19	76,300	4,334,000
Inferred	2.27	1.67	104.10	2.50	0.049	3.04	121,900	7,596,000

[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).

The Pre-Feasibility Study (PFS) was completed with the statement of reserves and revised resources. Details of the study and drill results are available in press releases on the Company's web site at www.silvercrestmines.com and the NI43-101 Technical Report is filed on SEDAR @ www.sedar.com.

In January 2009, a new indicated and inferred resource was completed, (press release January 15, 2009) and are shown in the following table:

A Technical Report dated February 15, 2009 has been filed on SEDAR for the new resources. The estimated Underground resources have been extracted from the Overall Resources as stated in the table below by applying a cut-off grade of 1.75 g/t. Reserve estimation remained the same as stated in the Pre-Feasibility Study dated August 11, 2008 and filed on SEDAR and is not part of the resource estimation.

Indicated and Inferred Mineral Resources – January 2009 (1) (Excludes Mineral Reserves)

	Category	Tonnes (000s)	Gold Grade (Au g/t)	Silver Grade (Ag)	Contained Gold (ounces)	Contained Silver (ounces)
Santa Elena(2)(3)(4) (Overall)	Indicated	2,161	2.75	170.2	190,666	11,815,600
	Inferred	3,259	1.11	76.2	116,235	7,977,000
Santa Elena(4)(5)(6)(7) ("Underground")	Indicated	1,084	2.10	127.6	73,235	4,448,800
	Inferred	1,350	1.94	121.5	84,057	5,276,300

(1) The mineral resource estimates for the Santa Elena Project set out in the table above have been prepared by Nathan Eric Fier, C.P.G., P.Eng., Chief Operating Officer of SilverCrest, who is a qualified person under NI 43-101. The mineral resources are classified as indicated and inferred and are based on the CIM Standards.
(2) Composites capped at 12 grams of gold per tonne and 300 grams of silver per tonne.
(3) Cut-off grade of 0.5 grams of gold equivalent for the "Overall" resources.
(4) Numbers have been rounded.
(5) "Underground" Mineral Resources are estimated at a cut-off grade of 1.75 g/t Au equivalent at a ratio of 83:1 (Ag:Au) using a 94% Au recovery and 80% Ag recovery and are included in the "Overall" resources.
(6) Mineral Resources are estimated using a long-term gold price of US$850 per ounce, a silver price of US$12 per ounce, and a US$:peso exchange rate of 1:10.58.
(7) Minimum mining width of 2 metres.

RESULTS OF OPERATIONS (continued)

A.1 SANTA ELENA PROJECT - Sonora, Mexico (continued)

Sandstorm Agreement

Sandstorm has agreed to purchase 20% of the life of mine gold production from SilverCrest's Santa Elena Project located in Mexico for US$12 million upfront in cash plus ongoing per ounce payments equal to the lesser of (a) US$350 (which approximates SilverCrest's cash cost of production) (subject to an increase equal to 1% per annum commencing on the third anniversary of the date that the Santa Elena Project begins commercial production), and (b) the then prevailing market price per ounce of gold, and the issuance of 3,500,000 common shares of Sandstorm as part of the upfront consideration. The upfront cash and shares will be released to SilverCrest upon the satisfaction of certain funding conditions. For more detailed information on this transaction please refer to news releases dated March 12 and April 16, 2009 on the Company's web site at www.silvercrestmines.com and the Prospectus filed on SEDAR @ www.sedar.com.

A2. CRUZ DE MAYO PROJECT - Sonora, Mexico

The Cruz de Mayo concession was acquired in 2004 along 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 totaling 2,907 metres.

RC drilling was completed during the period and a total of 10 holes totaling measuring approximately 2,000 metres were drilled to test the Cruz de Mayo mineralization trending to the north-northwest. Compilation of results shows no significant change to current resources. Additional work is planned for 2009 which will include detailed surface mapping, underground mapping and sampling and recon.

A3. EL ZAPOTE PROJECT – El Salvador

The El Zapote Project is on hold until the Salvadoran government is in a position to issue exploration and exploitation permits. The expenses for the country have been written off.

Pacific Rim Inc., a Vancouver-based company has a significant asset in El Salvador for which they have filed a lawsuit in the amount of hundreds of millions of dollars due to a purported breach in permitting regulations by the government. The Company is monitoring the outcome of this lawsuit with respect to the next steps at El Zapote.

SUBSEQUENT EVENTS

The following events occurred subsequent to Mach 31, 2009.

(a) The Company entered into a definitive gold purchase agreement with Sandstorm Resources Ltd. ("Sandstorm") whereby Sandstorm has agreed to purchase 20% of the gold produced (the "produced gold") over the life of the Santa Elena mine for an upfront fee of US$12,000,000 and a payment for each ounce of produced gold of the lesser of US$350 per ounce and the prevailing spot gold market price, subject to an increase equal to 1% per annum beginning on the 3rd anniversary of the date the Santa Elena mine begins commercial production and 3,500,000 common shares of Sandstorm as part of the upfront consideration (the "transaction" or "gold purchase agreement").

    The agreement, among other conditions, required the Company to obtain cash resources from debt or equity sufficient to complete construction of the mine before any draw down of the up front fee.

SUBSEQUENT EVENTS (continued)

(b) The Company has filed a preliminary short form prospectus with the securities regulatory authorities in each of the provinces of British Columbia, Alberta, Ontario and Nova Scotia in connection with an offering of up to 21,428,571 units each, (a "Unit") at a price of $0.70 per Unit (the "Offering Price") to be marketed on a best efforts basis (the "Offering") by a syndicate of agents led by Jennings Capital Inc. and including Paradigm Capital Inc. (together, the "Agents"). Each Unit will consist of one common share of the Company (each, a "Common Share") and one-half of one Common Share purchase warrant (each such whole warrant, a "Warrant"). Each Warrant will entitle the holder to acquire one Common Share at an exercise price of $0.90 per Common Share for a period of 18 months following the closing of the Offering, provided that if, at any time, the closing price of the Common Shares on the TSX Venture Exchange (the "TSX-V") is greater than $1.20 per Common Share for 20 or more consecutive trading days, the Company may give written notice to the holders of the Warrants of such event, and the Warrants will expire on the date that is 20 calendar days after the date the Company issues a news release announcing such event. The Company has granted the Agents an option, exercisable by the Agents in whole or in part at their sole discretion upon written notice to the Company at any time up to 48 hours prior to the time scheduled for the closing of the Offering, to increase the size of the Offering by an additional 2,857,143 Units, to be offered and sold at the Offering Price on a reasonable best-efforts basis.

The net proceeds of the Offering will be used to finance the construction and development of the Santa Elena gold-silver mine in Mexico.

The offering is subject to regulatory approval, including approval by the TSX-V.

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.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

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.

ADDITIONAL INFORMATIION

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