

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1
For the Three Month Period ended September 30, 2004

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 September 30, 2004 and incorporates certain information from the 2003 fiscal year ended December 31, 2003. The MDA should be read in conjunction with the Company's unaudited consolidated financial statements for the period ended September 30, 2004 and the notes attached thereto. The effective date of this Management Discussion & Analysis is November 26, 2004.

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 Mexico, El Salvador, Honduras and Guatemala 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 and has made applications for a concession in Guatemala through its subsidiary Compania Maverick de Guatemala. An agreement in principle has been reached with respect to a property in Idaho with due diligence expected to be completed by mid September. A feasibility study has been commenced at the El Zapote property in El Salvador and drill programs are under way in both El Salvador and Mexico. Subsequent to the period the company completed a drill program on the Idaho property. Several equity financings have provided sufficient working capital to advance the Company's projects to their next respective stage of exploration.

During the period 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 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 has filed the appropriate opposition to DEFOMIN's resolution refuting its administrative decision. The Company has 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 contesting the purported cancellation of its application.

ACQUISITION OF NORCREST SILVER INC. (NORCREST)

Effective May 23, 2003, the Company acquired all of the issued and outstanding common shares of NorCrest. As consideration, the Company issued 5,000,000 common shares which were placed in escrow in accordance with the policies of the TSX Venture Exchange ("TSX-V"). In addition, the Company paid \$75,000 and is also required to pay \$75,000 after a cumulative \$1,000,000 has been expended on exploration and development of the properties acquired through the acquisition of NorCrest and is required to pay a further \$225,000 upon receipt of a bankable feasibility study on any of the acquired properties.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1
For the Three Month Period ended September 30, 2004

ACQUISITION OF NORCREST SILVER INC. (NORCREST) (cont'd....)

To date, the Company has neither expended the required balance on exploration and development of the acquired properties nor received a bankable feasibility study on any of the acquired properties that would require the above-mentioned amounts to be paid.

Legally, the Company is the parent of NorCrest. However as a result of the share exchange described above, control of the combined companies passed to the former shareholders of NorCrest. This type of share exchange is referred to as a "reverse takeover". A reverse takeover involving a non-public enterprise and a non-operating public enterprise with nominal net non-monetary assets is a capital transaction in substance, rather than a business combination. That is, the transaction is equivalent to the issuance of shares by NorCrest for the net liability of the Company, accompanied by a recapitalization of NorCrest. The net liability of the Company was charged to the consolidated deficit.

The assets of NorCrest included four mineral properties in Honduras that provided the company with substantial silver resources and properties with significant exploration potential.

ACQUISITION OF MINERA ATLAS S.A. de C.V.

On March 17, 2004 the Company announced it had completed the acquisition of Minera Atlas, S.A. de C.V. ("Atlas"), an El Salvadoran subsidiary of Intrepid Minerals Corporation. The principal asset of Atlas is the 5,000 hectare Aldea El Zapote Exploration Concession ("El Zapote") located in the Department of Santa Ana in northern El Salvador.

The consideration paid for Atlas was US \$15,000, to reimburse the vendor for 2004 concession fees, plus a sliding scale royalty varying from US \$0.20 per ounce of silver equivalent to US \$0.60 per ounce based on the price of silver ranging from under US \$10 per ounce to over US \$20 per ounce respectively. The Company is required to complete environmental impact and preliminary feasibility studies to satisfy concession work requirements as defined by El Salvadoran mining law.

Acquisition of Atlas established the Company's corporate presence in El Salvador and provides an advanced stage project that adds low cost silver resources to its current silver resource in neighboring Honduras. The El Zapote concession, is strategically located approximately 40 kilometres from the Company's El Ocote silver deposit in Honduras and 20 kilometres from its 15,000 hectare Concepcion Concession application in Guatemala.

LIQUIDITY AND CAPITAL RESOURCES

The Company is currently in a strong financial position with working capital of \$1,931,040 including cash resources of \$2,154,561. Planned property expenditures for the remainder of the fiscal year are estimated at \$662,000 which management believes can be met from existing cash resources.

Cash outflows have increased in subsequent quarters as exploration activities for planned work programs on the Company's projects have been put into effect. The Company believes it has sufficient working capital on hand to fund its activities for the current fiscal year. 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.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1
For the Three Month Period ended September 30, 2004

LIQUIDITY AND CAPITAL RESOURCES (cont'd....)

SUMMARY OF PLANNED RESOURCE EXPENDITURES

El Zapote Project, El Salvador	\$345,000
Silver Angel Project, Mexico	267,000
Blackstone Project, Idaho	50,000
Total	\$662,000

The planned amounts 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 September 30, 2004

The loss for the three months ended September 30, 2004 was \$233,206 comprised of general and administrative expenses of \$230,145, interest income of \$9,277 and a foreign exchange loss of 12,338. This compares to a loss of \$80,898 comprised of general and administrative expenses of \$84,265, interest income of \$5,716 and a foreign exchange loss of \$2,349 for the three months ended September 30, 2003.

General and administrative expenses increased by \$145,880 to \$230,145 in the three months ended September 30, 2004. The main reason for the increase in expenses was the increased activity at the Company's El Zapote and Silver Angel Projects. Consulting and travel expenses increased by \$58,095 and \$33,524 respectively as the Company investigated various sources of project financing to develop its El Zapote Project. Trade shows and conferences expenses amounted to \$12,849 as a result of attending precious metal trade shows.

During the period \$32,768 was utilized in operating activities, \$148,330 was realized from the issuance of share capital and \$771,666 was incurred on mineral property expenditures and capital assets resulting in a reduction in cash of \$656,104 and a reduction in working capital of \$855,306 to \$1,931,040.

Nine months ended September 30, 2004

The loss for the nine months ended September 30, 2004 was \$904,924 comprised of general and administrative expenses of \$542,305, stock-based compensation of \$386,170, interest income of \$35,591 and a foreign exchange loss of \$12,040. This compares to a loss of \$165,532 comprised of general and administrative expenses of \$127,088, stock-based compensation of \$41,811 and interest income of \$5,716 and a foreign exchange loss of \$2,349 for the comparative period. The comparative period is from May 24, 2003 to September 30, 2003 as a result of the reverse-takeover.

Exclusive of stock-based compensation, general and administrative expenses increased by \$415,217 compared to the comparative period ended September 30, 2003. The main reason for the increase in expenses was the increased activity at the Company's El Zapote and Silver Angel Projects. Administrative services increased by \$34,383 to reflect the services provided by the Company's administrative personnel. Consulting and travel expenses increased by \$66,595 and \$33,524 respectively as the Company investigated various sources of project financing to develop its El Zapote Project. General exploration costs increased by \$36,888 due mainly to the Company expensing \$25,107 of Honduran exploration costs effective the second quarter. Management fees increased by \$85,000 due to the shorter time frame of the comparative period resulting from the reverse take over and increased monthly fees as a direct result of increased activity levels. The management fees are paid to two companies controlled by directors of the Company. Office and miscellaneous expenses increased by \$24,051. Trade shows and conferences expense increased by \$47,733 as a result of attending and presenting the Company at precious metal trade shows.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1
For the Three Month Period ended September 30, 2004

FINANCIAL SUMMARY (cont'd....)

Nine months ended September 30, 2004 (cont'd....)

Stock-based compensation increased by \$344,359 during the period to \$386,170 from \$41,811 in the comparative period. \$365,692 of the stock-based compensation is attributable to 750,000 stock options granted on March 24, 2004.

During the period \$284,286 was utilized in operating activities, \$886,185 was realized from the issuance of share capital and \$1,233,381 was incurred on mineral property expenditures and \$16,142 expended on capital assets resulting in a reduction in cash of \$647,624 and a reduction in working capital of \$878,901 to \$1,931,040 compared to the previous fiscal year end.

SELECTED ANNUAL INFORMATION

The consolidated financial statements for December 31, 2003 are those of the Company and for December 31, 2002 are those of NorCrest Silver Inc. Comparative financial information for December 31, 2001 is not available as NorCrest Silver Inc. did not exist at that time.

	December 31, 2003	December 31, 2002	December 31, 2001
(a) Total revenues	Nil	Nil	N/A
(b) Loss before discontinued operations and extraordinary items in total and on a per-share and diluted per-share basis	(\$689,668) per-share (\$0.07)	(\$2,200) per share (\$0.00)	N/A N/A
(c) Net loss in total and on a per-share and diluted per-share basis	(\$689,668) per-share (\$0.07)	(\$2,200) per-share (\$0.00)	N/A N/A
(d) Total assets	\$3,202,704	\$25,847	N/A
(e) Long-term financial liabilities	Nil	Nil	N/A
(f) Cash dividends declared per-share for each class of share	Nil	Nil	N/A

The increases in the net loss and total assets are a result of the reactivation of the Company and the closing of the reverse take-over transaction on May 23, 2003.

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.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1
For the Three Month Period ended September 30, 2004

SUMMARY OF QUARTERLY RESULTS (cont'd....)

Summary Financial Information for the eight Quarters ended September 30, 2004

Period	Revenues	Net Earnings (Loss)	Net Earnings (Loss) per Share
3 rd Quarter 2004	Nil	(233,206)	(\$0.01)
2nd Quarter 2004	Nil	(\$211,146)	(\$0.01)
1st Quarter 2004	Nil	(\$474,845)	(\$0.02)
4th Quarter 2003	Nil	(\$524,136)	(\$0.03)
3rd Quarter 2003	Nil	(\$80,898)	(\$0.01)
2 nd Quarter 2003	Nil	(\$84,634)	(\$0.01)
1 st Quarter 2003	Nil	Nil	(\$0.00)
4 th Quarter 2002	Nil	Nil	(\$0.00)

The increases in quarterly losses are reflective of the increased activity levels at the Company's El Zapote and Silver Angel Projects and increased stock-based compensation charges. Due to the requirements of reverse takeover accounting, the periods prior to the second quarter of 2003 are those of NorCrest Silver and not the Company.

OUTSTANDING SHARE DATA

The Company has 100,000,000 common shares without par value authorized. As of September 30, 2004 there were 21,163,730 shares issued and subsequently 175,000 were issued pursuant to the exercise of warrants. As of the date of this report, the Company had 21,338,730 common shares issued and outstanding. There are no other classes of shares. As of the date of this report, the Company also had 2,757,605 warrants and 1,795,000 share purchase options outstanding at various exercise prices and future dates. If all these securities were exercised, a total of 25,901,335 shares would be issued and outstanding.

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 September 30, 2004 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 and was paid \$22,500 during the period for services rendered. This latter amount has been capitalized as deferred exploration expenditures.

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 attended trade shows in Vancouver and London to present the affairs and merits of the Company to potential investors.

SUBSEQUENT EVENTS

The Company issued 175,000 common shares pursuant to the exercise of warrants for proceeds of \$45,500 and granted a stock option to purchase 20,000 common shares at a price of \$1.02 for a term of one year expiring October 28, 2005 subsequent to September 30, 2004 and up to the date of this report.

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.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1
For the Three Month Period ended September 30, 2004

ENVIRONMENTAL RISKS AND OTHER REGULATORY REQUIREMENTS (cont'd....)

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.

RESULTS OF OPERATIONS

The Company currently holds mineral property interests in El Salvador, Mexico, Idaho, Honduras with pending applications for a concession in Guatemala. 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.

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 Ooteca 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 Ooteca 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.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1
For the Three Month Period ended September 30, 2004

RESULTS OF OPERATIONS (cont'd....)

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.

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. This requested delay is ongoing and the Company, in cooperation, is waiting to receive a written response from DEFOMIN regarding the outcome of the discussions and recommendations by DEFOMIN to proceed with proposed work programs.

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 are in good legal standing and the concessions covering the La Pochota and Arena Blanca Projects have also been accepted as filed in all legal respects and are awaiting final signature from the Director of DEFOMIN. Local opposition to exploration and mining activities, supported and encouraged by various Non Governmental Groups has become an increasing concern throughout Honduras.

During the period 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 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 has 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 contesting the purported cancellation of its application.

The Company's Honduran legal counsel will continue to pursue the Company's legal remedies with respect to the DEFOMIN resolutions and administrative decisions. 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.

PROPERTY SUMMARIES

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

MEXICO

A. SILVER ANGEL (ANGEL DE PLATA) CONCESSION

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 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 seven 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 third quarter of 2004, SilverCrest contracted Sonora Minerales., a Mexican-based geologic consulting company, to complete a Phase I drilling program. This program consisted of 11 reverse circulation (RVC) drill holes within a 400m by 400m area in which high-grade silver mineralized structures and lower grade disseminated silver mineralization within receptive andesitic to rhyolitic bedding were previously defined. A total of 1,101.79m was completed by September 30th.

Logging of drill chips has shown a significant area of silicification with intermittent quartz stockwork veining. Supergene enrichment of silver within the oxide zone is possible. All drill samples were submitted to ALS-Chemex in Hermosillo for preparation and shipping for analysis in their North Vancouver, BC facilities. All results are pending as of September 30th.

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 area has considerable potential. Once the sample results have been received and the compilation and interpretation are completed a subsequent phase of exploration will be established. Additional land acquisition is being considered proximal to the Silver Angel concession within similar favorable geologic areas

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1
For the Three Month Period ended September 30, 2004

SILVER ANGEL (ANGEL DE PLATA) CONCESSION (cont'd....)

Deferred Expenditures

	September 30, 2004	
	Three months ended	Nine months ended
Drilling	\$ 24,832	\$ 24,832
Geological services	18,936	90,498
Project management	7,500	27,500
Travel & accommodation	4,832	25,825
All other	21,254	61,988
	\$ 77,354	\$ 230,103

EL SALVADOR

A. EL ZAPOTE CONCESSION Effective March 4, 2004 the company acquired 100% of Minera Atlas, S.A. de C.V. ("Atlas"), an El Salvadoran corporation. The principal asset of Atlas is the 4,200 hectare Aldea El Zapote Exploration Concession ("El Zapote") in the Department of Santa Ana in northern El Salvador, C.A.

The purchase price for Atlas was US\$15,000 plus a royalty of US\$0.20 per ounce silver equivalent produced from the Concession until the price of silver reaches US\$10 per ounce. The royalty will escalate to US\$0.30, US\$0.45 and US\$0.60 per ounce silver equivalent when the price of silver exceeds US\$10, US\$15 and US\$20 per ounce respectively. The Company will be required to complete environmental impact and preliminary feasibility studies to satisfy concession work requirements.

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

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, which commenced in June 2004 continues with work during the 3rd quarter focused on continued definition drilling, environmental baseline work, detailed surveying, metallurgical testwork and collection of data to help evaluate the economic viability of the project. The initial study is slated to be completed by the first part of December 2004 with subsequent further work during the 1st quarter 2005.

The drilling program was expanded during the 3rd quarter to include detailed geotechnical drilling for feasibility requirements, further test areas to the southwest of Cerro Colorado III and to test the Tajado prospect.

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1
For the Three Month Period ended September 30, 2004

EL SALVADOR (cont'd....)

As of September 30th, a total of 3125 metres had been drilled in 30 holes. These included 18 holes within the Cerro Colorado III deposit and 7 holes within the San Casimiro deposit primarily for verification and expansion of current resources and conversion of inferred resources to indicated resources. Both the deposits are potentially amenable to open pit mining and present considerable potential for resource expansion (see news release dated October 13, 2004).

An initial five drill holes have been completed at the Tajado prospect for a total of 337.8 metres drilled. The holes drilled 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).

Samples from the drilling holes have been submitted for analysis to CAS de Honduras, a recognized subsidiary of US based Custom Analytical Services Inc. and ACME Labs of Vancouver, BC. Results will be reported in due course.

Results from the drill program received to date show verification of previous results, a potential upgrading of inferred resource to measured and indicated resources, potential expansion of the Cerro Colorado III deposit to the southwest, and identification of a "gold overprint" within both the Cerro Colorado III and San Casimiro deposits.

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

Future Developments

The Company expects that there is considerable potential to expand the current resource and to identify additional mineral deposits at El Zapote. A second stage of drilling is being completed to further test the extent of mineralization at Tajado land carry out initial drilling at the nearby San Juan deposit.

The Company has implemented a surface reconnaissance program within the El Zapote Concession which will review numerous other exploration targets.

Deferred Expenditure for El Salvador Expenditures

	September 30, 2004	
	Three months ended	Nine months ended
Drilling	\$ 271,699	\$ 439,443
Engineering consulting	121,886	121,886
Environmental consulting	107,827	107,827
Geological services	33,841	42,184
Travel & accommodation	19,552	37,844
All other	132,542	202,979
	<hr/>	<hr/>
	\$ 687,347	\$ 952,163

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1
For the Three Month Period ended September 30, 2004

GUATEMALA

Concepcion Concession (Application)

The company incorporated Compania Maverick de Guatemala S.A. de C.V. in 2003 for the purpose of holding the Concepcion Concession located in the southern Guatemala. The application consists of 15,000 hectares and is currently being reviewed by the Department of Mines.

IDAHO

Subsequent to this quarter, an agreement was made with Blackstone Mining Company of Boise Idaho for the lease of the Blackstone Mine located east of Mountain Home, Idaho. This agreement required a payment of US\$25,000 upon commencement of a minimum drill program of 1,600 feet. This drilling will constitute part of the due diligence period which ends March 31, 2005. The Company has the option to pay a further US\$25,000 upon signing of a definitive agreement. Subsequent annual lease payments of US\$50,000 are to be considered advanced royalty payments toward a 3% Net Smelter Royalty. The Company has a further option to purchase 1% of this NSR for US\$1 million.

The Blackstone Mine is a past producer of a minor amount of silver, copper and zinc. Surface work, geophysical testing and previous drilling suggests a large sheared and altered system within Cretaceous and Tertiary intrusives with subsequent mineralization.

A drill program commenced on October 8, 2005 which will test previous drill results and deeper geophysical IP anomalies. A total of 3 core holes for approximately 2,000 feet of drill is proposed. Samples will be sent to ALS-Chemex in Elko, Nevada for analysis.

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

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.