



MANAGEMENT DISCUSSION & ANALYSIS
FORM 51-102F1

SEPTEMBER 30, 2005
THIRD QUARTER

SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS – FORM 51-102F1
For the Three Month Period ended September 30, 2005

DATE

The Management Discussion and Analysis (MDA) is an overview of the activities of SilverCrest Mines Inc. (the “Company”) for the three-month period ended September 30, 2005 and incorporates certain information from the fiscal year ended December 31, 2004. The MDA should be read in conjunction with the Company’s unaudited consolidated financial statements for the period ended September 30, 2005 and the notes attached thereto. The effective date of this Management Discussion & Analysis is November 18, 2005.

OVERALL PERFORMANCE

SilverCrest Mines Inc. is an active exploration and development company with its prime focus on the acquisition of high grade, low cost silver resources with expansion potential and properties with substantial exploration potential. The Company’s immediate initiative is to become a significant silver asset based company by acquiring and developing substantial silver resources and ultimately to operate high grade silver mines throughout North, Central and South America. The Company is currently active in El Salvador and Mexico and has a substantial reported silver resource base. 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. See “Results of Operations” for disclosure title issues related to the Honduras properties and resources.

Since the reactivation of the Company in May, 2003 there has been considerable progress towards the stated goals of the Company. Through the acquisition of NorCrest Silver Inc. and Minera Atlas S.A de C.V the Company has established a significant silver resource base and acquired properties with substantial exploration potential in Honduras and El Salvador. Through its wholly owned subsidiary, Nusantara de Mexico S.A. de C.V., the Company acquired a substantial land position in Mexico. A feasibility study was commenced in June of 2004 at the El Zapote property in El Salvador and is nearing completion. The drill program at El Zapote in El Salvador is complete and drilling has commenced in Mexico. 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

The Company is in a strong financial position with working capital of \$2,080,856 including cash and equivalents of \$2,176,398. Exploration expenditures for the first nine months were \$1,505,119 and for the remainder of the fiscal year are estimated at \$340,000 which management believes can be met from existing cash resources.

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

SUMMARY OF PLANNED RESOURCE EXPENDITURES

El Zapote Project, El Salvador	\$85,000
Silver Angel Project, Mexico	180,000
Regional exploration, Chile	75,000
Total	\$340,000

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

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FINANCIAL SUMMARY

Three months ended September 30, 2005

The loss for the three months ended September 30, 2005 was \$148,288 comprised of general and administrative expenses of \$161,097, less interest income of \$12,809. This compares to a loss of \$211,146 comprised of general and administrative expenses of \$212,709, stock-based compensation of \$20,478 and less interest income of \$12,041 for the three months ended September 30, 2004.

General and administrative expenses, net of stock based compensation, decreased by \$51,612 in the three months ended September 30, 2005. The largest declines were experienced in general exploration \$10,394, professional fees \$10,831 and trade shows and conferences \$27,521. Investor relations expense increased by \$12,773 compared to the previous period.

The most significant financial events during the quarter were the cash used in operating activities of \$146,822 and the expenditures of \$425,663 on exploration activities leading to an over-all decline in cash and short-term investments of \$563,156.

Nine months ended September 30, 2005

The loss for the nine months ended September 30, 2005 was \$742,405 comprised of general and administrative expenses of \$464,808, stock-based compensation of \$328,254 less interest income of \$50,657. This compares to a loss of \$671,718 comprised of general and administrative expenses of \$311,862, stock-based compensation of \$386,170 and interest income of \$26,314 for the nine months ended September 30, 2004.

Exclusive of stock-based compensation, general and administrative expenses increased by \$152,946 to \$464,808 in the nine months ended September 30, 2005 compared to \$311,862 for comparative period ended September 30, 2004. Notable increases in expenses are administrative services increasing by \$35,183, investor relations increasing by \$41,862 and management fees increasing by \$55,000. Trade shows and conferences expense declined by \$19,368 on a comparative basis.

Stock-based compensation decreased by \$57,916 during the period to \$328,254 from \$386,170 in the comparative nine month period. Stock based compensation includes the granting of new stock options as detailed above and also the vesting of previously granted stock options.

During the nine month period operating activities utilized \$690,281 and exploration expenditures \$1,505,119 leading to an over-all reduction in cash and short-term investments of \$2,069,728.

SELECTED ANNUAL INFORMATION

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

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SELECTED ANNUAL INFORMATION (cont'd....)

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

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

SUMMARY OF QUARTERLY RESULTS

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

Summary Financial Information for the eight Quarters ended September 30, 2005.

Period	Revenues	Net Loss	Net Loss per Share ⁽¹⁾
3 rd Quarter 2005	Nil	(\$148,288)	(\$0.01)
2 nd Quarter 2005	Nil	(\$401,115)	(\$0.01)
1 st Quarter 2005	Nil	(\$193,002)	(\$0.01)
4 th Quarter 2004	Nil	(\$909,504)	(\$0.04)
3 rd Quarter 2004	Nil	(\$233,206)	(\$0.01)
2 nd Quarter 2004	Nil	(\$211,146)	(\$0.01)
1 st Quarter 2004	Nil	(\$474,845)	(\$0.02)
4 th Quarter 2003	Nil	(\$524,136)	(\$0.03)

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

The fluctuations in the Net Losses per quarter are due mainly to stock-based compensation charges and the fourth quarter 2004 write down of mineral properties of \$300,367.

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OUTSTANDING SHARE DATA

Company had an unlimited number of common shares authorized and 25,844,675 common shares issued and outstanding as at September 30, 2005. There are no other classes of shares. As of the date of this report, the Company also had 3,512,562 warrants and 2,420,000 share purchase options outstanding at various exercise prices and future dates. If all these securities were exercised, a total of 31,777,237 shares would be issued and outstanding.

During the nine months ended September 30, 2005 the Company issued the following securities:

- a) Issued 25,000 shares for proceeds of \$11,250 pursuant to the exercise of stock options.
- b) Issued 36,606 shares for proceeds of \$25,623 pursuant to the exercise of warrants.
- c) Issued 191,111 shares for proceeds of \$172,000 pursuant to a private placement of units.

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

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

INVESTOR RELATIONS

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

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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

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

ENVIRONMENTAL RISKS AND OTHER REGULATORY REQUIREMENTS

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

Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the construction of any mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

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

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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, and Honduras. On May 17, 2004, the Company updated its resource estimation for its properties and the results are set out in the following table. The new estimates categorize the resources as Indicated and Inferred and have not broken out Measured Resources in any of the calculations. The El Zapote resources were revised upon the completion of an extensive drill program carried out during the period.

SilverCrest Silver Resources

Property	Resource Category*	Tonnes	Ag gpt	Tons	Ag opt	Contained Silver Ounces
El Zapote	Indicated	1,925,251	177.7	2,111,182	5.2	10,941,333
	Inferred	1,086,420	101.6	1,197,561	3.0	3,550,565
Opoteca**	Indicated	1,298,955	123.2	1,431,838	3.6	5,147,280
	Inferred	1,739,907	125.5	1,917,909	3.7	7,022,266
Total	Indicated	3,224,206	155.7	3,543,020	4.5	16,088,613
	Inferred	2,826,327	166.3	3,115,461	3.4	10,572,831
El Ocote**	Indicated	2,263,418	233.0	2,494,966	6.8	16,954,714
	Inferred	295,663	307.4	325,909	9.0	2,922,281

* 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 original 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 revised El Zapote 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 2.7 was assumed.

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

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

The 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.

PROPERTY SUMMARIES

A. El Salvador - El Zapote Concession

The Company has reported a revised resource estimate for the El Zapote Project (refer to press release dated September 13, 2005 filed on SEDAR for details).

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	10,941,333	44,995,650
Inferred **	1,086,420	1,197,561	101.6	3.0	0.18	1.22	3,550,565	26,542,274

*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

The resources set out in the above table are based on the results of SVL and previous operators and include 87 drill holes totaling 8,662.2 metres and 23 trenches totaling 446.9 metres. The revised El Zapote resources are contained 65% in the main Cerro Colorado III deposit, 7% in the San Casimiro satellite deposit, and 29% the Tajado satellite deposit.

Indicated Resources at El Zapote are estimated at 2.11 million tonnes grading 177.7 g/t Ag, 0.19 g/t Au, 1.17% Zn, and contain 10.9 million ounces of silver based on a 34 g/t silver cut-off grade. Inferred Resources are estimated at 1.19 million tonnes grading 101.6 g/t Ag, 0.18 g/t Au, 1.22% Zn and contain 3.55 million ounces of silver. N. Eric Fier, CPG, P.Eng. and QP and Chief Operating Officer for the Company completed the El Zapote resource estimation.

PROPERTY SUMMARIES (cont'd...)

A. El Salvador - El Zapote Concession (cont'd...)

The deposits also contain a significant amount of zinc. The Indicated Resources contain 45 million pounds of zinc and Inferred Resources contain 26.5 million pounds of zinc.

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

The Feasibility Study, which commenced in June, 2004 continued during the period and focused on continued definition drilling, environmental baseline work, detailed surveying, metallurgical test work and collection of data to support the evaluation of the economic viability of the project. Internal scoping studies have been submitted to the El Salvador Department of Mines as part of the application for a mining concession. The final Feasibility Study and Environmental Impact Assessment are projected to be completed by early 2006 with the incorporation of the Tajado resources, metallurgical test work on heap leachability, and a full year of environmental baseline data completed.

As of September, 2005, a total of 8,662.2 metres had been drilled in 87 core holes. These included 50 holes within the Cerro Colorado III deposit, 14 holes within the San Casimiro deposit, and 23 core holes in the Tajado deposit primarily for verification and expansion of current resources and conversion of inferred resources to indicated resources. The deposits are potentially amenable to open pit mining and on the basis of currently available data present considerable potential for resource expansion. An additional 3 core holes in the Mina San Juan area and 2 core holes in CC II were completed to test prospective targets..

The highlights of the drilling program are:

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

The Tajado deposit is located within the El Zapote Concession and is approximately 2.5 kilometres southeast of the Cerro Colorado III deposit.

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

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PROPERTY SUMMARIES (cont'd....)

A. El Salvador - El Zapote Concession (cont'd....)

A zinc-rich zone, that parallels the silver zone, is up to 30 metres wide near the surface and open to depth. This new zone expands the potential combined width of the silver and zinc mineralization at surface to approximately 60 metres.

The holes drilled in Tajado intersected a significant mineralized zone up to thirty metres wide with a strike length over 500 metres and open to depth. Results of the new Tajado drilling completed in the quarter for the following drill holes are:

DH Hole Number	FROM (metres)	TO (metres)	INTERVAL	INTERVAL (feet)	Weighted Average Grades		
					AG g/t	AG opt	Zn %
T05-14	36.0	41.0	5.0	16.4	54.4	1.67	0.56
T05-15	55.0	57.0	2.0	6.5	42.0	1.22	0.42
T05-16	18.0	36.0	18.0	59.0	122.2	3.56	0.34
includes	18.0	26.0	8.0	26.2	176.8	5.15	0.36
T05-17	No significant values	Outside zone					
T05-18	No significant values	Outside zone					
T05-19	9.0	13.0	4.0	13.1	87.1	2.54	0.22
T05-20	29.0	33.0	4.0	13.1	61.8	1.80	0.10
T05-21	No significant values	Outside zone					
T05-22	54.0	85.0	31.0	101.6	72.2	2.10	4.02
includes	54.0	64.0	10.0	32.8	112.5	3.28	7.41
includes	83.0	85.0	2.0	6.5	315.1	9.18	0.55
T05-23	26.0	33.1	7.1	23.2	41.0	1.20	
	53.0	65.0	12.0	39.3	44.8	1.30	

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

The Mina San Juan area is located immediately northwest of Tajado and is considered an extension of the deposit. Geology and mineralization is similar to Tajado.

Three holes have been completed at Mina San Juan. The initial hole, SJ04-01, penetrated an anomalous Zn/Ag zone. Assay results for the remaining holes (SJ05-02, 03) showed anomolus silver and zinc. Follow up work has been recommended.

The Cerro Colorado II target is located southeast of Cerro Colorado III and has similar geology and alteration to the Cerro Colorado III deposit. Initial drill holes showed significant clay alteration but subsequent assay results provided no significant values. No further work recommended at this time.

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PROPERTY SUMMARIES (cont'd....)

A. El Salvador - El Zapote Concession (cont'd....)

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. The Company has implemented a surface reconnaissance program within the El Zapote Concession, which will provide initial data on several other exploration targets.

Exploration Expenditures for El Salvador

	September 30, 2005	December 31, 2004
	Nine months ended	Twelve months ended
Drilling	\$ 300,372	\$ 581,828
Engineering consulting	123,468	316,529
Environmental consulting	166,438	211,101
Geological services	76,633	67,653
Metallurgical testing	67,758	18,715
All other	495,745	416,928
	\$ 1,230,414	\$ 1,612,754

A country-wide reconnaissance program within El Salvador will be under-taken in the fourth quarter of 2005.

B. Mexico - Silver Angel Concessions

The company incorporated Nusantara de Mexico, S.A. de C.V. on November 26, 2003 for the purpose of holding the Silver Angel Concession located in the northern Sierra Madre Range in the State of Sonora, Mexico. The concession was granted by the Mexican government in February, 2004 and encompasses approximately 10,300 hectares.

The focus of the Silver Angel Concession is an area of intense alteration (silicification, limonite, argillic) that covers an area of approximately 8 kilometres long by 3 kilometres wide. This area of alteration includes high grade structures hosting several past producing silver/gold mines.

The deposit type is currently expected to be a combination of high angle epithermal veining and stockwork with subsequent stratigraphically-controlled mineralization (manto) related to a 200 metres thick unit. The manto mineralization is considered a priority exploration target for potential delineation of a large bulk tonnage deposit. Geologically, the area consists of a Cretaceous volcanic package with inter-layering of volcanic units and conglomerates. Evidence of major structural features is prevalent with significant intersecting northwest and northeast trending fault systems within the major zone of alteration.

PROPERTY SUMMARIES (cont'd....)

B. Mexico - Silver Angel Concessions (cont'd....)

Exploration Results

Results from examination of landsat satellite imagery defined several significant anomalies showing silica, kaolin, alunite, and sericite alteration. The most significant targets were field checked in the second quarter with compilation of results pending. Further field work is recommended.

Silver Angel North

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

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

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

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

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

A drill program, consisting of 6 core holes totaling 700 metres, was conducted in the third quarter at the Mina Murucutachi prospect. Final assay results are pending.

Future Developments

The initial results from the Silver Angel Project are encouraging and management believes that the concession areas have considerable potential. The Company has budgeted approximately \$180,000 for follow-up surface work and drilling for the balance of the fiscal year.

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PROPERTY SUMMARIES (cont'd....)

B. Mexico - Silver Angel Concessions (cont'd....)

Silver Angel North

Exploration Expenditures for Mexico

	September 30, 2005	December 31, 2004
	Nine months ended	Twelve months ended
Drilling	\$ 102,718	\$ 76,592
Geological services	41,135	97,975
Project management	18,750	35,000
Travel and accommodation	13,420	31,709
All other	104,796	89,515
	\$ 280,819	\$ 330,791

C. Honduras Concessions

Title Issues

Compania Minera Maverick S.A. de C.V. was acquired as a result of the reverse take over of NorCrest Silver Inc. described in detail above and is the corporate vehicle for the Company's activities in Honduras. At the time of the acquisition of NorCrest it held four properties.

In November 2003, at the request of the Honduran Department of Mines (DEFOMIN), the Company delayed its planned drilling at its 100% owned El Ocote and Opoteca Projects pending completion of DEFOMIN's discussions with local governmental authorities regarding permitting requirements and procedures.

The Secretary General of DEFOMIN confirmed on December 23, 2003 by a "Constancia", which is a written statement of fact, that the concessions held by the Company covering the El Ocote and Opoteca Projects were in good legal standing and the concessions covering the La Pochota and Arena Blanca Projects had been accepted as filed in all legal respects and were awaiting final signature from the Director of DEFOMIN. Local opposition to exploration and mining activities, supported and encouraged by various Non Governmental Groups throughout Honduras, was becoming an increasing concern to the Company and the mining industry in general.

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

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PROPERTY SUMMARIES (cont'd....)

C. Honduras Concessions (cont'd....)

Title Issues

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

In April, 2005 the Company received notification from DEFOMIN that the appeal of the administrative resolution had been denied by DEFOMIN. The Company has filed suit in the civil judicial system of Honduras against DEFOMIN to have the administrative resolution of DEFOMIN declared null and void. This suit states that the concession was legally issued by DEFOMIN in 2003 and that DEFOMIN's purported cancellation is illegal under Honduran law. The Company is seeking reinstatement of its rights under the terms of the concession or in the alternative, restitution of its investments in Honduras plus the estimated value of the El Ocote deposit. The Company's property activities in Honduras have been put on hold until such time as the legal and political issues encountered can be resolved to the satisfaction of the Company.

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

SUBSEQUENT EVENT

Area of Interest Agreement

On November 7, 2005 the Company entered into an Area of Interest Agreement with SAMEX Mining Corp. ("SAMEX") of Vancouver, BC whereby SilverCrest and SAMEX will jointly participate in the identification, exploration and development of certain mining opportunities in Chile. The Area of Interest is located in northern Chile and comprises approximately 70,000 square kilometers.

SilverCrest will pay SAMEX a total of US\$150,000 in staged payments over three years; \$37,500 upon execution, and \$37,500 upon each anniversary date of the Agreement. SilverCrest may acquire a 51% interest in certain properties presented by SAMEX by entering into an Option Agreement and incurring US\$500,000 in exploration expenditures over a three year period. SilverCrest will have a further right to increase its working interest to 70% by paying SAMEX US\$250,000 upon the earlier of six months of earning its 51% working interest, or SAMEX expending \$125,000 as part of its 49% interest. SAMEX may elect to convert its remaining 30% interest into a 3.5% net smelter return royalty ("NSR"), 1.0% of which SilverCrest may purchase for US\$1,000,000. The agreement is for a three year term and renewable by mutual agreement.

Under the terms of the Agreement, SAMEX will also have a back-in right to earn a 25% working interest in any property generated solely by SilverCrest on which it has spent US\$250,000, by paying 25% of SilverCrest's expenses to that point. At SAMEX's discretion, this 25% working interest may be converted to a 2.5% NSR, 1.0% of which SilverCrest may purchase for US\$1,000,000.

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DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. It should be read in conjunction and in context with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented.

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: silver exploration and development costs and results, fluctuations of silver prices, foreign operations and foreign government regulations, competition, uninsured risks, recovery of reserves, capitalization and commercial viability and requirement for obtaining permits and licences.

Certain data included in this document may be historical in nature and as such may not conform to the requirements of NI- 43-101, may not have been verified by the Company's qualified person and therefore should not be relied upon.