INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(*Unaudited – Prepared by Management*)

SEPTEMBER 30, 2006
THIRD QUARTER

Notice to Reader:

The accompanying unaudited interim financial statements of the company have been prepared by and are the responsibility of the company's management.

The company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

SILVERCREST MINES INC.
INTERIM CONSOLIDATED BALANCE SHEETS
(Unaudited - Prepared by Management)

	September 30, 2006	December 31, 2005 (audited)
ASSETS		
Current		
Cash	$ 396,559	$ 170,336
Short term investments (note 3)	3,608,011	1,472,828
Receivables	91,826	58,781
Prepaid expenses	37,102	19,054
	4,133,498	1,720,999
Equipment (note 4)	16,267	46,220
Mineral properties (note 5)	5,386,096	3,817,865
	$ 9,535,861	$ 5,585,084
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 156,696	$ 128,679
Shareholders' equity		
Capital stock (note 6)	11,713,655	7,365,311
Contributed surplus (note 6)	2,019,531	1,753,346
Deficit	(4,354,021)	(3,662,252)
	9,379,165	5,456,405
	$ 9,535,861	$ 5,585,084

Nature of operations (note 1)

On behalf of the Board:

"J. Scott Drever" Director *"Barney Magnusson"* Director

The accompanying notes are an integral part of these consolidated financial statements

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

	Three Months Ended September 30, 2006	Three Months Ended September 30, 2005	Nine Months Ended September 30, 2006	Nine Months Ended September 30, 2005
GENERAL AND ADMINISTRATIVE EXPENSES				
Administrative services	$ 1,800	$ 18,124	$ 38,000	$ 64,348
Amortization	3,151	1,389	9,452	3,638
General exploration	-	25,327	-	31,766
Investor relations	6,929	19,375	38,173	53,268
Management fees	45,000	45,000	135,000	135,000
Office and general	18,860	12,153	48,616	42,450
Professional fees	878	7,114	18,628	20,968
Regulatory and transfer agent fees	4,149	2,940	19,026	17,684
Rent and telephone	8,961	8,435	26,179	26,297
Shareholder communications	2,494	3,370	23,385	32,922
Stock-based compensation	349,500	-	377,801	328,254
Trade shows and conferences	6,661	1,551	42,325	15,876
	448,382	161,097	776,585	793,062
Loss before other items	(448,382)	(161,097)	(776,585)	(793,062)
Other items				
Interest income	40,040	12,809	83,036	50,657
Foreign exchange gain (loss)	(15,902)	(16,319)	1,780	(20,591)
LOSS FOR THE PERIOD	(424,244)	(148,288)	(691,769)	(742,405)
DEFICIT, beginning of the period	(3,929,777)	(3,361,967)	(3,662,252)	(2,767,850)
DEFICIT, end of the period	$ (4,354,021)	$ (3,510,255)	$ (4,354,021)	$ (3,510,255)
Basic and diluted loss per share	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.03)
Weighted average number of shares outstanding	31,432,642	25,834,796	29,620,415	25,810,646

The accompanying notes are an integral part of these consolidated financial statements.

SILVERCREST MINES INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

	Three Months Ended September 30, 2006	Three Months Ended September 30, 2005	Nine Months Ended September 30, 2006	Nine Months Ended September 30, 2005
OPERATING ACTIVITIES				
Loss for the period:	$ (424,244)	$ (148,288)	$ (691,769)	$ (742,405)
Items not affecting cash:				
Amortization	3,151	1,389	9,452	3,638
Stock-based compensation	349,500	-	377,801	328,254
Accrued interest	(33,748)	26,472	(56,183)	7,175
Changes in non-cash working capital items:				
(Increase) decrease in receivables and advances	24,105	(1,464)	(33,045)	8,126
(Increase) decrease in prepaids and deposits	(3,741)	(1,207)	(18,047)	11,511
Increase (decrease) in accounts payable and accrued liabilities	(20,236)	(20,425)	(25,435)	(94,201)
	(105,213)	(143,523)	(437,226)	(477,902)
FINANCING ACTIVITIES				
Redemption (purchase) of short term investments	450,000	2,603,175	(2,079,000)	3,910,121
Issuance of capital stock for cash	108,750	11,834	4,615,050	208,874
Share issuance costs	-	-	(378,322)	(3,957)
Share subscriptions	-	-	-	(72,000)
	558,750	2,615,009	2,157,728	4,043,038
INVESTING ACTIVITIES				
Capital assets acquired	-	(2,505)	-	(7,255)
Mineral properties and deferred costs	(172,896)	(425,663)	(1,547,731)	(1,505,119)
Change in accounts payable and accrued liabilities relating to mineral property expenditures	(52,149)	23,173	53,452	(205,194)
	(225,045)	(404,995)	(1,494,279)	(1,717,568)
INCREASE (DECREASE) IN CASH during the period	228,492	(2,066,491)	226,223	(1,847,568)
CASH AND EQUIVALENTS, beginning of the period	168,067	109,907	170,336	328,830
CASH AND EQUIVALENTS, end of the period	$ 396,559	$ 2,176,398	$ 396,559	$ 2,176,398

Supplemental disclosure with respect to cash flows (Note 9)

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

The Company is engaged in the acquisition and exploration of mineral properties in Mexico and Central America. At the date of these financial statements, the Company has not identified a known body of commercial grade ore on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints, which may hinder the successful development of the property.

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

These interim consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing.

2. SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The consolidated financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality. These interim consolidated financial statements should be read in conjunction with the most recent annual financial statements. The significant accounting policies follow that of the most recently reported annual financial statements.

Mineral properties

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

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

Cash and short-term investments

Cash and equivalents include highly liquid investments with original maturities of three months or less.

Short-term investments comprise highly liquid Canadian dollar denominated guaranteed investment certificates with terms to maturity greater than ninety days, but not more than one year, that are readily convertible to contracted amounts of cash. Short-term investments are carried at the lower of cost or recoverable amount.

3. SHORT-TERM INVESTMENTS

Short-term investments comprise highly liquid Canadian dollar denominated guaranteed investment certificates with term to maturity of greater than ninety days but not more than one year, that are readily convertible to contracted amounts of cash.

4. EQUIPMENT

	September 30, 2006			December 31, 2005
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment and furniture	$ 17,534	$ 7,581	$ 9,953	$ 17,925
Computer hardware	8,711	4,561	4,150	6,639
Computer software	19,906	17,742	2,164	8,655
Automotive	-	-	-	13,001
	$ 46,151	$ 29,884	$ 16,267	$ 46,220

5. MINERAL PROPERTIES

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral properties. The Company has investigated title to all of its mineral properties and, to the best of its knowledge, title to all of its properties are in good standing except as otherwise disclosed.

	El Zapote, El Salvador	Silver Angel, Mexico	Santa Elena, Mexico	Total
Additions	$	$	$	$
Acquisition costs – option payments	-	-	134,153	134,153
Exploration costs				
Assays	5,181	13,980	43,327	62,488
Drilling	-	425,711	353,777	779,488
Engineering and geological services	116,808	58,203	83,802	258,813
Exploration and general	129,390	53,909	64,137	247,436
Professional fees	40,051	22,901	22,901	85,853
	291,430	574,704	702,097	1,568,231
Balance , December 31, 2005	2,998,096	808,109	11,660	3,817,865
Balance, September 30, 2006	$ 3,289,526	$ 1,382,813	$ 713,757	$ 5,386,096

5. MINERAL PROPERTIES

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

El Zapote Project, El Salvador

The Company acquired a 100% interest in the properties located in El Salvador by acquiring 100% of the share capital of Minera Atlas S.A. de C.V. ("Atlas") an El Salvadoran corporation which owns the Aldea El Zapote Exploration Concession located in the Department of Santa Ana in Northern El Salvador. The properties are subject to a sliding scale royalty, payable from production, varying from US$0.20 per ounce of silver equivalent to US$0.60 per ounce depending on the silver price. The transaction has been accounted for as an asset purchase since Atlas was not considered a business. The Company is also required to complete environmental impact and preliminary feasibility studies to satisfy concession work requirements as defined by El Salvador mining law.

Silver Angel Project, Mexico

The Company acquired a 100% interest in mineral properties located in the Northern Sierra Madre range in Mexico by concession applications.

Santa Elena Project, Mexico

On December 8, 2005 the Company entered into an option agreement to acquire the Santa Elena Project located northeast of Hermosillo, Sonora State, Mexico. The Company has the right to acquire a 100% interest in the Santa Elena property by making the following staged option payments totaling U.S. $3,000,000 over a period of 5 years and by making a final U.S. $1,000,000 payment conditional upon receipt of a Feasibility Study and all operating and environmental permits relating to the project.

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

6. MINERAL PROPERTIES (continued)

Santa Elena Project, Mexico

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

6. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	**Capital Stock**	**Contributed Surplus**	**Total**
Authorized 100,000,000 common shares without par value				
Balance at December 31, 2003	18,813,853	$ 3,162,200	$ 1,022,584	$ 4,184,784
Warrants exercised	3,160,605	1,275,323	(195,452)	1,079,871
Stock options exercised	117,500	89,973	(34,298)	55,675
Stock-based compensation	-	-	583,283	583,283
Private placements	3,500,000	3,150,000	-	3,150,000
Finders' fees for cash	-	(214,200)	-	(214,200)
Share issuance costs	-	(318,537)	93,548	(224,989)
Balance at December 31, 2004	25,591,958	$ 7,144,759	$ 1,469,665	$ 8,614,424
Warrants exercised	36,606	34,433	(8,810)	25,623
Stock options exercised	25,000	18,076	(6,826)	11,250
Stock-based compensation	-	-	299,317	299,317
Private placement	191,111	172,000	-	172,000
Share issuance costs	-	(3,957)	-	(3,957)
Balance at December 31, 2005	25,844,675	$ 7,365,311	$ 1,753,346	$ 9,118,657
Warrants exercised	324,000	417,348	(93,548)	323,800
Stock options exercised	235,000	209,950	(78,700)	131,250
Stock-based compensation	-	-	377,801	377,801
Private placement	5,200,000	4,160,000	-	4,160,000
Finders' fees for cash	-	(255,360)	-	(255,360)
Share issuance costs	-	(183,594)	60,632	(122,962)
Balance at September 30, 2006	31,603,675	$ 11,713,655	$ 2,019,531	$ 13,733,186

Escrow shares

Included in issued capital stock are 25,240 common shares subject to an escrow agreement and may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

7. STOCK OPTIONS AND WARRANTS

Stock options

The Company has a stock option plan under which it is authorized to grant stock options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The exercise price of each option equals the market price of the Company's stock as calculated on the date of the grant. The options can be granted for a maximum term of 5 years and certain options to employees and consultants vest over periods of time, determined by the board of directors.

At September 30, 2006, the Company had outstanding stock options, enabling holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
850,000	$ 0.45	June 16, 2008
675,000	$ 1.41	March 24, 2009
565,000	$ 0.75	June 1, 2010
100,000	$ 0.70	January 23, 2008
100,000	$ 0.96	August 15, 2011
750,000	$ 0.70	September 28, 2011
3,040,000		

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at December 31, 2005	2,400,000	$ 0.83
Issued	100,000	$ 0.70
	100,000	$ 0.96
	750,000	$ 0.70
Exercised	(150,000)	$ 0.45
	(85,000)	$ 0.75
Cancelled	(75,000)	$ 1.41
Balance, September 30, 2006	3,040,000	$ 0.81

Stock-based compensation

Stock-based compensation expense is determined based on the estimated fair value of the options at the grant dates. For options issued in 2006, the fair value was estimated using the Black-Scholes option pricing model with the following assumptions on a weighted average basis: Dividend yield NIL (2005- NIL), expected volatility 79.74% (2005 – 84.64%), risk-free interest rate 3.73% (2005 – 2.45%), and weighted average life of 4.75 years (2005 – 3.5 years).

The stock-based compensation expense recognized based on vesting for the period ending September 30, 2006 was $377,801 (2005 - $328,254) leaving an unamortized balance of $40,000 (2005 - $25,205).

7. STOCK OPTIONS AND WARRANTS

Warrants

At September 30, 2006, the Company had outstanding share purchase warrants, enabling holders to acquire shares as follows:

Number of Shares	Exercise Price	Expiry Date
1,550,000	$ 1.20	December 3, 2006
150,000	$ 1.20	December 22, 2006
95,555	$ 1.20	January 18, 2007
3,847,600	$ 1.00	March 24, 2008
1,515,600	$ 1.00	April 4, 2008
7,158,755		

Warrant transactions for the periods ended September 30, 2006 are summarized as follows:

	2006	2005
Balance, beginning of period	2,049,555	3,968,377
Issued	5,433,200	95,555
Exercised	(324,000)	(36,666)
Expired	-	(1,977,771)
Balance, end of period	7,158,755	2,049,555

8. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

a) Paid or accrued $135,000 (2005 - $135,000) for management fees to two companies controlled by two officers and directors of the Company.

b) Paid or accrued $67,500 (2005 - $67,500) for project management fees to an officer of the Company which are included in deferred exploration costs.

c) Recorded $349,500 (2005 - $256,514) for stock-based compensation expense on stock options granted to directors and officers.

d) Paid or accrued $37,780 (2005 - $16,105) for legal fees paid to a law firm in which an officer of the Company is a partner, which were included in professional fees and share issue costs.

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

9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

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