INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(*Unaudited – Prepared by Management*)

SEPTEMBER 30, 2008
THIRD QUARTER

Notice of no Auditor review of Financial Statements.

The accompanying unaudited 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 financial statements by an entity's auditor.

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

	September 30, 2008	December 31, 2007 (audited)
ASSETS		
Current		
Cash and cash equivalents	$ 7,584,940	$ 3,008,558
Amounts receivable	108,814	55,490
Value added tax receivable	325,339	200,641
Prepaid expenses	23,577	13,050
	8,042,670	3,277,739
Equipment (note 3)	15,828	20,551
Mineral properties (note 4)	13,600,636	8,720,165
Deposits on mining equipment	2,490,083	-
Deferred finance charges (note 5)	1,019,442	-
	$ 25,168,659	$ 12,018,455
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 192,946	$ 515,165
Long term debt (note 6)	3,000,000	-
	3,192,946	515,165
Shareholders' equity		
Capital stock (note 7)	25,250,963	14,706,589
Contributed surplus (note 7)	4,050,385	2,107,021
Deficit	(7,325,635)	(5,310,320)
	21,975,713	11,503,290
	$ 25,168,659	$ 12,018,455

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.
CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
GENERAL AND ADMINISTRATIVE EXPENSES				
Administrative services	$ 13,500	$ 12,200	$ 49,525	$ 36,890
Amortization	1,574	750	4,723	2,249
General exploration	-	-	-	16,689
Investor relations and travel	126,616	25,448	209,100	176,258
Management fees (note 9)	87,500	51,000	226,000	153,000
Office and miscellaneous	34,673	24,039	77,140	60,943
Professional fees	43,956	3,094	123,061	28,182
Regulatory and transfer agent fees	2,247	1,669	37,927	21,665
Rent and telephone	11,631	9,628	31,994	27,605
Shareholder communications	12,927	5,543	44,220	21,689
Stock-based compensation (note 7)	545,125	10,000	1,261,625	30,000
Trade shows and conferences	7,896	5,497	44,944	31,532
Loss before other items	(887,645)	(148,868)	(2,110,259)	(606,702)
Other items				
Interest income	51,965	44,488	153,827	157,480
Foreign exchange gain (loss)	29,699	54,968	(7,911)	19,462
Amortization of deferred finance charges (note 5)	(50,972)	-	(50,972)	-
Net and comprehensive loss for the period	(856,953)	(49,412)	(2,015,315)	(429,760)
DEFICIT, beginning of the period	(6,468,682)	(4,875,371)	(5,310,320)	(4,495,023)
DEFICIT, end of the period	$ (7,325,635)	$ (4,924,783)	$ (7,325,635)	$ (4,924,783)
Basic and diluted loss per share	$ (0.02)	$ (0.00)	$ (0.05)	$ (0.01)
Weighted average number of common shares outstanding	45,499,489	34,736,175	42,360,622	34,732,191

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

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

	Three Months Ended September 30, 2008	Three Months Ended September 30, 2007	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period:	$ (856,953)	$ (49,412)	$ (2,015,315)	$ (429,760)
Items not affecting cash:				
Amortization	1,574	750	4,723	2,249
Stock-based compensation	545,125	10,000	1,261,625	30,000
Accrued interest income	-	(21,851)	-	(110,691)
Amortization of deferred finance charges	50,972	-	50,972	-
Changes in non-cash working capital items:				
Amounts receivable	22,717	(11,312)	(53,324)	(41,749)
Deposit on drilling contract	-	(8,150)	-	(106,628)
Value added tax receivable	138,398	-	(124,698)	-
Prepaid expenses	(6,627)	13,876	(10,527)	13,375
Accounts payable and accrued liabilities	(58,802)	(7,508)	(185,695)	(47,198)
	(163,596)	(73,607)	(1,072,239)	(690,402)
FINANCING ACTIVITIES				
Issuance of capital stock for cash	-	-	10,566,285	8,750
Share issuance and finder costs, net of non cash items	-	-	(240,172)	-
Redemption of short term investments	-	750,000	-	2,400,000
Long term debt proceeds	3,000,000	-	3,000,000	-
	3,000,000	750,000	13,326,113	2,408,750
INVESTING ACTIVITIES				
Mineral properties and deferred costs	(1,816,278)	(561,687)	(5,016,995)	(1,568,152)
Deposits on mining equipment	(1,351,699)	-	(2,490,083)	-
Deferred finance charges, net of non cash item	(170,414)	-	(170,414)	-
	(3,338,391)	(561,687)	(7,677,492)	(1,568,152)
CHANGE IN CASH AND CASH EQUIVALENTS, during the period	(501,987)	114,706	4,576,382	150,196
CASH AND CASH EQUIVALENTS, beginning of the period	8,086,927	266,214	3,008,558	230,724
CASH AND CASH EQUIVALENTS, end of the period	$ 7,584,940	$ 380,920	$ 7,584,940	$ 380,920

Supplemental disclosure with respect to cash flows (Note 11)

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

1. NATURE OF OPERATIONS

SilverCrest Mines Inc. (the "Company") is incorporated under the jurisdiction of the Province of British Columbia, Canada pursuant to the British Columbia Business Corporations Act.

The Company is engaged in the acquisition and exploration of mineral properties in Mexico and Central America. 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 development costs and to resolve any environmental, regulatory or other constraints, which may hinder the successful development of the property.

These 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 accounting policies followed by the Company are set out in Note 2 to the audited consolidated financial statements for the year ended December 31, 2007 and have been consistently followed in the preparation of these consolidated interim financial statements except that the company has adopted the following CICA standards effective for the Company's first quarter commencing January 1, 2008.

i) Assessing Going Concern (Section 1400)

The Accounting Standards Board (AcSB) amended the Section 1400, to include requirements for management to assess an entity's ability to continue as a going concern and to disclose material uncertainties related to events or conditions that may cast doubt upon the entity's ability to continue as a going concern. The adoption of this standard did not have an impact on these financial statements.

ii) Capital Disclosures (Section 1535)

This new pronouncement establishes standards for disclosing information about an entity's capital and how it is managed. Section 1535 also requires the disclosure of any externally-imposed capital requirements, whether the entity has compiled with them, and if not, the consequences (See Note 10).

iii). Financial Instruments – Disclosure (Sections 3862) and Presentation (Section 3863)

These new standards require additional disclosures to enable users to evaluate the significance of financial instruments for an entity's financial position and performance. In addition, qualitative and quantitative disclosures are provided to enable users to evaluate the nature and extent of risks arising from financial instruments (See Note 10).

iv). Determining whether a contract is routinely denominated in a single currency

This new standard considers 1) how the term "routinely denominated" in Section 3855.A34(d) should be interpreted, and 2) what factors can be used to determine whether a contract for the purchase or sale of a non-financial item such as a commodity is routinely denominated in a particular currency in commercial transactions around the world. The adoption of this standard did not have impact in these financial statements.

Effective January 1, 2009, the Company is required to adopt the following accounting standards update issued by the CICA:

i). Goodwill and intangible assets (Section 3064)

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Other Intangible Assets". This new standards provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the adoption of this standard, EIC 27, "Revenue and Expenditures in the Pre-operating Period", will be withdrawn. The impact of this new accounting standard on future financial statements is currently being assessed.

3. EQUIPMENT

			September 30, 2008	December 31, 2007
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment and furniture	$ 17,534	$ 11,164	$ 6,370	$ 7,494
Computer hardware	18,020	8,877	9,143	11,797
Computer software	22,426	22,111	315	1,260
	$ 57,980	$ 42,152	$ 15,828	$ 20,551

4. 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.

4. MINERAL PROPERTIES (continued)

	EL SALVADOR	MEXICO			September 30
2008	**El Zapote**	**Santa Elena**	**Silver Angel**	**Cruz de Mayo**	**Total**
Additions					
Option payments	$ -	$ 512,067	$ -	$ -	$ 512,067
Deferred exploration costs					
Assays	-	40,262	-	6,806	47,068
Drilling	-	2,124,392	-	137,626	2,262,018
Technical consulting and services	88,217	906,831	-	-	995,048
Exploration and general	73,520	762,517	38,376	1,422	875,835
Professional fees	40,733	130,554	-	-	171,287
	202,470	4,476,623	38,376	145,854	4,863,323
Deferred interest expense	-	17,148	-	-	17,148
Balance, December 31, 2007	3,666,710	3,024,075	910,063	1,119,317	8,720,165
Balance, September 30, 2008	$ 3,869,180	$ 7,517,846	$ 948,439	$ 1,265,171	$ 13,600,636

	EL SALVADOR	MEXICO			2007
2007	**El Zapote**	**Santa Elena**	**Silver Angel**	**Cruz de Mayo**	**Total**
Additions					
Option payments	$ -	$ 114,510	$ -	$ -	$ 114,510
Deferred exploration costs					
Assays	-	27,958	-	64,661	92,619
Drilling	-	1,243,698	-	356,707	1,600,405
Technical consulting and services	87,939	433,503	-	109,094	630,536
Exploration and general	123,012	296,780	50,518	20,778	491,088
Professional fees	76,572	55,569	-	19,530	151,671
	287,523	2,172,018	50,518	570,770	3,080,829
Balance, December 31, 2006	3,379,187	852,057	859,545	548,547	5,639,336
Balance, December 31, 2007	$ 3,666,710	$ 3,024,075	$ 910,063	$ 1,119,317	$ 8,720,165

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 certain concessions 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 was accounted for as an asset purchase since Atlas was not considered a business.

4. MINERAL PROPERTIES (continued)

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

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

Silver Angel Project, Mexico

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

Cruz de Mayo Project, Mexico

The Company purchased a 100% interest in the mineral concessions located in the Northern Sierra Madre range in Mexico in 2004.

5. DEFERRED FINANCE CHARGES

Deferred finance charges relate to fees, expenses and the fair value of warrants incurred to September 30, 2008; long term debt (Note 6) and include the following:

Balance, beginning of the period	$	-
Facility fee (paid)		120,000
Lender's legal expenses (paid)		50,414
Fair value of warrants		900,000
Cumulative amortization		(50,972)
Balance, end of the period	$	1,019,442

The costs are being amortized on a straight-line basis over the term of the facility to May 28, 2010. Amortization for the three and nine month periods ended September 30, 2008 was $50,972.

6. CREDIT AGREEMENT

By agreement dated for reference July 3, 2008 the Company entered into a $3,000,000 Credit Agreement with Macquarie Bank Limited ("MBL"). The loan is secured by the assets of the Company, bears interest at LIBOR ("London Interbank Offered Rate) plus 2.75% and is due May 28, 2010. A facility fee of $120,000 was paid to MBL and 2,307,692 warrants to purchase common shares at $1.30 per share expiring on May 28, 2010. The fair value of the warrants was calculated $900,000 which has been allocated to Deferred Finance Charges, and Contributed Surplus. Proceeds received from any exercise of the warrants will be applied to repayment of the long term debt.

The fair value of the warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Dividend yield	-
Risk free rate	2.56%
Expected volatility	75.32%
Expected life	24 months

7. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Capital Stock	Contributed Surplus	Total
Authorized				
Unlimited number of common shares without par value				
Unlimited number of preferred shares without par value (none outstanding)				
Balance at December 31, 2006	34,723,675	$ 14,353,399	$ 2,090,711	$ 16,444,110
Warrants exercised	322,000	330,190	(8,190)	322,000
Stock options exercised	25,000	23,000	(5,500)	17,500
Stock-based compensation	-	-	30,000	30,000
Balance at December 31, 2007	35,070,675	$ 14,706,589	$ 2,107,021	$ 16,813,610
Warrants exercised	4,066,600	4,124,926	(37,076)	4,087,850
Private placement	5,562,214	6,118,435	-	6,118,435
Finder's fees for cash	-	(144,072)	-	(144,072)
Share issuance costs	-	(133,315)	37,215	(96,100)
Stock options exercised	800,000	578,400	(218,400)	360,000
Stock-based compensation	-	-	1,261,625	1,261,625
Fair value of warrants	-	-	900,000	900,000
Balance at September 30, 2008	45,499,489	$ 25,250,963	$ 4,050,385	$ 29,301,348

On March 13, 2008 the Company issued 3,172,580 Units pursuant to a private placement, at a price of $1.10 per Unit for gross proceeds of $3,489,838. Each Unit consists of one common Share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at a price of $1.40 per share until September 12, 2009.

On March 20, 2008 the Company issued 2,389,634 Units pursuant to a private placement at a price of $1.10 per Unit for gross proceeds of $2,628,597. Each Unit consisted of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable for one common share of the Company at a price of $1.40 per share until September 19, 2009.

7. CAPITAL STOCK AND CONTRIBUTED SURPLUS (continued)

By Special Resolution of the shareholders on June 26, 2008 a class of an unlimited number of Preferred shares without par value was created, issuable in series with such special rights and restrictions as the Board of Directors may determine.

By Ordinary Resolution of the shareholders on June 26, 2008 the shareholders ratified a shareholder rights plan adopted by the Board of Directors May 21, 2008. The Rights Plan has the following main objectives:

- To provide the Board of Directors time to consider value-enhancing alternatives to a take-over bid and to allow competing bids to emerge;
- To ensure that shareholders of the Company are provided equal treatment under a take-over bid; and
- To give adequate time for shareholders to properly assess a take-over bid without undue pressure.

8. 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 options to certain employees and consultants vest over periods of time as, determined by the Board of Directors.

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at December 31, 2007	2,755,000	0.81
Issued	2,225,000	1.19
Exercised	(800,000)	0.45
Balance September 30, 2008	4,180,000	1.08
Options currently exercisable	3,917,500	1.06

At September 30, 2008, stock options were outstanding, enabling holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
625,000	$1.41	March 24, 2009
300,000	$1.27	March 27, 2010
505,000	$0.75	June 1, 2010
100,000	$0.96	August 15, 2011
725,000	$0.70	September 28, 2011
225,000	$1.39	January 7, 2013
850,000	$1.27	March 27, 2013
850,000	$1.03	July 14, 2013
4,180,000		

8. STOCK OPTIONS AND WARRANTS (continued)

Stock-based compensation

During the nine months ended September 30, 2008 the Company granted 2,225,000 stock options to directors, officers and consultants. The weighted average fair value of each option granted was calculated using the Black-Scholes option pricing model at the date of each grant using the following assumptions:

	2008	2007
Expected option lives	3.53 years	-
Risk-free interest rate	3.1%	-
Expected dividend yield	0%	-
Expected stock price volatility	74%	-

During the nine months ended September 30, 2008 the amount the Company expensed based on vesting for the period was $1,261,625 (2007 - $30,000) leaving an unamortized balance of $148,125 (2007 - $Nil).

Warrants

Warrant transactions for the nine months ended September 30, 2008 are summarized as follows:

	2008	2007
Balance, beginning of period	6,699,200	7,116,755
Issued	5,219,773	-
Exercised	(4,168,600)	(322,000)
Expired	(947,600)	(95,555)
Balance, end of period	6,802,773	6,699,200

At September 30, 2008, the Company had share purchase warrants outstanding enabling holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
1,415,000	$1.25	December 12, 2008
168,000	$1.09	December 12, 2008
1,690,144	$1.40	September 12, 2009
1,221,937	$1.40	September 19, 2009
2,307,692	$1.30	May 28, 2010
6,802,773		

9. RELATED PARTY TRANSACTIONS

The Company had the following transactions with related parties during the nine months ended September 30, 2008:

a) Paid or accrued $226,000 (2007 - $153,000) for management fees to two companies each of which is controlled by an officer and director of the Company.

b) Paid or accrued $113,000 (2007 - $76,500) for project management fees to a company controlled by an officer of the Company which are included in deferred exploration costs.

c) Paid or accrued $145,718 (2007 - $12,558) for legal fees paid to a law firm in which an officer of the Company is a Partner and which were included in professional fees and share issuance costs.

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

10. FINANCIAL INSTRUMENTS RISK EXPOSURE AND MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, and interest rate risk. Where material these risks are reviewed and monitored by the Board of Directors.

a. Capital Risk Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in the shareholder's equity and long term debt as capital. The Company manages the capital structure and makes adjustment to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets, incur additional debt, or return capital to shareholders.

b. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is considered to be in the exploration stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions and which is available on demand for the Company's programs, and is not invested in any asset backed commercial paper.

c. Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet it contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and equivalents and amounts receivable. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and equivalents with high-credit quality financial institutions.

The majority of the Company's cash and cash equivalents and short term investments are held with major Canadian based financial intuitions.

10. FINANCIAL INSTRUMENTS RISK EXPOSURE AND MANAGEMENT (continued)

d. Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents and fluctuations in the LIBOR rate applicable to its long term debt. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash and cash equivalents as they are generally held with large financial institutions. Interest expense is calculated at a rate of Canadian LIBOR plus 2.75% which currently is approximately 5.75%.

The estimated fair value of financial assets is equal to their carrying values. At September 30, 2008, the Company's financial assets were held in the following currencies:

Stated in Canadian Dollars

Carrying Value	Canadian Dollar	US Dollar	Mexican Peso	Total
Cash and cash equivalents	$ 5,292,668	$ 2,151,626	$ 140,646	$ 7,584,940
Amounts receivable	107,972	-	842	108,814
Value added tax receivable	-	-	325,339	325,339

The estimated fair value of financial liabilities is equal to their carrying values. At September 30, 2008 the Company's financial liabilities are held in the following currencies:

Stated in Canadian Dollars

Carrying Value	Canadian Dollar	US Dollar	Mexican Peso	Total
Amounts payable and accrued liabilities	$ 73,920	$ 100,261	$ 18,765	$ 192,946
Long term debt	3,000,000	-	-	3,000,000

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2008	2007
Cash paid during the period for interest	$ -	$ -
Cash paid during the period for income taxes	$ -	$ -

Cash and equivalents in the interim consolidated financial statements of cash flow:

	Septemb	September 30, 2007
Cash	$ 1,854,139	$ 380,920
Equivalents	5,730,801	3,763,316
	$ 7,584,940	$ 4,144,236

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (continued)

Significant non-cash transactions for the Company for the period ended September 30, 2008 were as follows:

a). Included in mineral properties are $176,748 which relates to accounts payable and accrued liabilities;

b). During the period the Company issued 2,307, 692 warrants to purchase common shares at $1.30 for shares, the fair value of the amounts is $900,000 which was allocated to deferred finance charges and contributed surplus (note 5).