

## NEWS

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### **SilverCrest Mines Less Than A Year Away From Production At Santa Elena**

by Christian Gradley

**This has been a May to remember for Scott Drever and his management team. GoldSource Mines, a company presided over by Mr. Drever, shot up from C\$0.20 in late April to more than C\$6.50 last week. And, SilverCrest Mines, where Mr. Drever also presides, is poised to go in the same direction. While excited about GoldSource, management is thrilled to be within a year of going into production with SilverCrest. "For a junior," Mr. Drever says, "SilverCrest is looking really good!"**

Leading **SilverCrest's** charge towards production is its flagship Santa Elena property. Located 150 kilometres northeast of Hermosillo, in Senora State, Mexico, Santa Elena was acquired by the company in 2005. Since then, **SilverCrest** has drilled more than eighty holes on the property to upgrade and expand the resource. As of late last year the company had developed the property into a NI 43-101 compliant indicated and inferred resource of more than 55 million ounces of silver and silver equivalents, grading approximately 74 g/t silver and 1.5 g/t gold.

With its drill programme at Santa Elena winding down, the company has now turned its full attention towards production. The all important feasibility study is presently in its first draft. And, while the final numbers appear to be slightly up – as is no surprise in today's market – Mr. Drever said that they are still well within the company's expectations. The final report is to be released within the next two weeks. In the meantime the company plans to finalize negotiations on an EPCM (engineering, procurement, construction, management) contract. With all major permit applications presently pending government approval, the company is confident that construction is on track to begin in September. Scheduled to be under construction for six to nine months, Santa Elena should be in full production by mid-2009.

To get Santa Elena into production, **SilverCrest** is presently estimating a cost of C\$18-20 million. With over C\$11 million in the bank and US\$3 million secured through a line of credit, the company is perfectly positioned to move forward with the project. Once operational, Mr. Drever states that Santa Elena will be developed in three phases. First, **SilverCrest** will target the main 800 metre long by 150 metre high by 25 metre wide high-grade silver and gold mineralized strike. This deposit is amenable to a low cost open pit heap leach operation, running at 2,500 tonnes per day.

Although Mr. Drever is the first to admit that this operation is rather modest, the attractiveness of Santa Elena is not in its overall size, but instead in its high grades. Towards the end of phase one's eight to ten year mine life, the company plans to add a conventional mill. Phase two will therefore see **SilverCrest** reprocess the heaps left over from phase one – the company strongly feels that based on internal calculations, there is "significant value left in the heaps, which will

add a number of years of life to the mine." Phase two will also buy time for the company to decide whether or not to proceed with phase three, an underground operation. What is truly exciting for Mr. Drever is that all three phases have been tested down to US\$600/oz for gold and US\$10/oz silver and still look "really good." At present silver and gold prices, the project looks really, really good.

Also looking good are **SilverCrest's** other projects, notably Santa Elena's neighbour to the east, Cruz de Mayo. Acquired in 2004, a November 2007 NI 43-101 estimate revealed an indicated and inferred resource of nearly 15 million ounces of silver, grading approximately 66 g/t silver. Akin to Santa Elena, Cruz de Mayo is also amenable to a low cost open pit heap leach operation. Exploration work, recently halted due to the company's intense focus on Santa Elena, will continue in the coming weeks. With an RC drill soon to be on site, **SilverCrest** is determined to get Cruz de Mayo up to 30-50 million silver ounces. The company also has another 14.5 million silver ounces at its El Salvadoran project, El Zapote. Unfortunately, mining in El Salvador has been on hiatus as the government revises its mining and environmental laws. The company is patiently waiting for approval to proceed, but is not holding its breath.

With the company's flagship, Santa Elena project, just about to the crest the production hill, **SilverCrest** is excited. Understandably so. The company is flush with cash and is stealthily moving forward with a robust project that has a long mine life. And, once in production, it will have the cash flow to pursue other growth opportunities. Things are rolling for **SilverCrest!**

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