



SilverCrest Contests Purported Confiscation of El OCote Property

TSX-V: SVL

For Immediate Release

VANCOUVER, B.C. July 9, 2004 – SilverCrest Mines Inc. (the “Company”) has received an administrative resolution issued by La Dirección Ejecutiva de Fomento a la Minería (DEFOMIN) which purports to cancel the Metallic Mineral Concession “El Ingenio” granted in January 2003 by DEFOMIN to the Company’s Honduran wholly-owned subsidiary, Compañía 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 purported 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 considers DEFOMIN’s contentions to be completely unfounded and will contest any attempts to confiscate its rights to the El Ingenio Concession and the 20 million ounce 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 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 intends to pursue all legal and political remedies available to it to protect the value of its shareholders assets.

The “Guisayote” biological reserve is a constitutionally protected area described in Decree 87/87 enacted by the National Congress of Honduras and consists of a “nucleus” within which very limited activities are permitted and a two kilometer “buffer” zone within which more extensive activities, including mining are permitted. There are also provisions in the Decree for grandfathering activities within both zones that existed prior to the establishment of the reserve. At the time of application, there was an issue as to whether a small portion (15.75 hectares) of the Concession might encroach upon the buffer zone and this portion was therefore removed from the Company’s application. Subsequent surveys confirmed that the Concession is outside both the nucleus and the buffer zone of the reserve area.

The application for the Concession was put through two rigorous examinations by the legal, title and technical departments of DEFOMIN before it was finally approved by the Secretary General of DEFOMIN and the final Concession contract signed by the Director of Mines. As recently as December 23, 2003, the Secretary General of DEFOMIN confirmed by a written statement of fact that the Concession was in good legal standing. The Company firmly believes that the Concession is validly issued and that DEFOMIN has capitulated to pressure by externally-funded (including Canadian) Non Governmental Organizations (NGOs) that are opposed to most any development of the resources of Honduras.

The Company’s legal counsel advises that there is no legal requirement to seek authorization to amend its work program, if indeed any such amendment occurred. In fact, the Company’s work program has been on hold since November, 2003 as a result of a request from DEFOMIN

pending completion of the Department's discussions with local governmental authorities regarding local permitting requirements and procedures and other intergovernmental department discussions. DEFOMIN strenuously resisted any suggestions by the Company that it resume its work program when there was no apparent progress by DEFOMIN in resolving its problems.

The Company believes that the El Ocote silver deposit, as with many other deposits through the world, can be developed to the advantage and benefit of the people of Honduras without any serious detriment to the environment. It continues to be prepared to work toward a social contract that will address the needs of all the stakeholders but must be confident that the government of Honduras is prepared to respect the rule of law and support foreign investment in the development of the natural resources of Honduras before committing substantial amounts of its shareholders capital to that end.

This news release contains forward-looking statements that are subject to various risks and uncertainties. The Company's actual results could differ materially from those anticipated in such forward-looking statements as a result of numerous factors that may be beyond the Company's control. These factors include uncertainty of resource estimations, security of mineral property title, issues of political control and the outcome of judicial and extrajudicial processes. Forward-looking statements are based on the expectations and opinions of the Company's management on the date the statements are made.

**On Behalf of the Board of Directors of
SilverCrest Mines Inc.**

"J. Scott Drever"

J. Scott Drever, Director

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The TSX-V has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.