



SilverCrest Mines Inc.

Gold Production Payments and Convertible Loan to Finance Development of the Santa Elena Project, Mexico

TSX-V: SVL

For Immediate Release

VANCOUVER, B.C. March 12, 2009 – SilverCrest Mines Inc. (the “Company”) is pleased to announce that it has entered into a letter of intent with Sandstorm Resources Ltd. (Sandstorm) whereby Sandstorm will provide US\$12 million in development financing (“up front payment”) by acquiring 20% of the future life of mine gold production from SilverCrest’s Santa Elena project (the “Santa Elena Project”) located in Mexico and, at SilverCrest’s option, debt financing of up to \$US6 million. The capital to bring the Santa Elena Project into production is estimated at US\$20 million.

The Company entered into a letter of intent with Sandstorm pursuant to which Sandstorm has agreed to purchase 20% of the gold produced over the life of mine of the Santa Elena Project (“payable gold”) for an upfront payment of US\$12 million plus a further payment upon delivery of the gold equal to the lesser of (a) US\$350 and (b) the then prevailing market price per ounce of gold. The payments will increase at 1% per annum commencing on the third anniversary of the date that the Santa Elena Project begins commercial production. The Company estimates that approximately 50,000 ounces of gold will be provided to Sandstorm over the life of the current open pit plan or approximately 6,250 ounces per year. The terms of the letter of intent do not affect the estimated 4.88 million ounces of silver recoverable over the life of the initial open pit heap leach operation.

Sandstorm’s President and Chief Executive Officer, Nolan Watson and one of its Directors, David Awram are formerly executive officers of Silver Wheaton Corp., a mining company listed on both the Toronto and New York stock exchanges. Through Silver Wheaton, Messrs. Watson and Awram were involved in the successful execution and financing of approximately US\$1 billion worth of metal streaming transactions over the past five years.

UPFRONT PAYMENT: The upfront payment is subject to (i) Sandstorm having received a final receipt for its short form prospectus in respect of an equity financing of \$60 million (ii) SilverCrest having received all necessary permits to build, operate and commercially extract gold from the Santa Elena Project and (iii) SilverCrest having obtained sufficient financing, including appropriate working capital and contingencies, to build and operate the Santa Elena Project.

SilverCrest will provide Sandstorm with a completion guarantee such that, if within 30 months from the date that Sandstorm makes the upfront payment, the Santa Elena Project has not produced a minimum of 7,500 ounces of payable gold in a consecutive three month period, then Sandstorm will have the option to require SilverCrest to return that percentage of the upfront payment which is equal to that portion of the underproduction of gold relative to SilverCrest’s internal estimate.

Sandstorm will not be required to contribute to capital or exploration expenditures in respect of the mining operations of the Santa Elena Project. In the event that SilverCrest completes a positive technical report on an underground portion of the Santa Elena Project, Sandstorm will have the right to purchase 20% of the payable gold from the Santa Elena Underground Mine for an upfront payment that is equal to 20% of the upfront capital expenditures made by SilverCrest, adjusted pro rata for the gold to gold equivalent ratio of silver, plus ongoing per ounce payments equal to the lesser of (a) US\$450 and (b) the then prevailing market price per ounce of gold. The subsequent payment will increase at 1% per annum commencing on the third anniversary of the date that the Santa Elena Project begins commercial production.



CONVERTIBLE LOAN: Concurrently with the upfront payment of US\$12 million being made to SilverCrest, at the option of SilverCrest, Sandstorm will advance to SilverCrest, by way of a senior secured convertible loan (the “Convertible Loan”), US\$6 million to be used to advance the Santa Elena Project. The Convertible Loan will be outstanding for a period of three years and will bear interest at the rate of 7%. Fifty percent of the amount outstanding under the SilverCrest Convertible Loan will be convertible at any time and at Sandstorm’s option, into shares of SilverCrest at a price of Cdn\$0.80 per share. The remaining fifty percent of the amount outstanding under the Convertible Loan will be convertible at any time, and at Sandstorm’s option, into ounces of gold at a price of US\$1,000 per ounce. The Convertible Loan will be fully secured against the Santa Elena Project.

J. Scott Drever, President stated; “We are obviously excited at the opportunity to be able to secure funding of this nature to finance the construction and development of our Santa Elena Project. The combination of the US\$12 million upfront payment and the \$6 million debenture will enable us to stay on track with our development schedule for initial metal production by the end of this year. More importantly, this arrangement will fund a major portion of the capital requirements for the project which will keep our equity requirements and hence our share dilution to a minimum. This financial structure will leave 100% of the silver production and 80% of our gold production unencumbered and provides us with considerable flexibility as to how we structure our total corporate financial requirements. With Santa Elena in production and with the cash flow that this project will produce, we will be well positioned to carry out our objectives for corporate growth.”

The completion of the transactions contemplated remains subject to the execution of definitive agreements, completion of satisfactory due diligence, completion of the Sandstorm’s equity offering and receipt of all necessary regulatory and other approvals, including acceptance by the TSX-V.

SilverCrest Mines Inc. is a “Silver Focused” exploration and development company with a portfolio of high grade silver and gold deposits and exploration properties located in Mexico and El Salvador. This property portfolio, which includes reported indicated and inferred silver resources and substantial exploration potential, provides an important base from which SilverCrest can develop its corporate objective of becoming a significant silver asset based company. The Company’s immediate initiative is to acquire and develop substantial silver resources and ultimately to operate high grade silver mines throughout North, Central and South America.

This news release contains forward-looking statements, which address future events and conditions, which are subject to various risks and uncertainties. The Company’s actual results, programs and financial position could differ materially from those anticipated in such forward-looking statements as a result of numerous factors, some of which may be beyond the Company’s control. These factors include: the availability of funds; the timing and content of work programs; results of exploration activities and development of mineral properties, the interpretation of drilling results and other geological data, the uncertainties of resource and reserve estimations, receipt and security of mineral property titles; project cost overruns or unanticipated costs and expenses, fluctuations in metal prices; currency fluctuations; and general market and industry conditions.

Forward-looking statements are based on the expectations and opinions of the Company’s management on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

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