

SilverCrest Mines Inc. (SVL-TSX)

Recent Price: \$1.10 Recommendation: Speculative Buy

Target Price: \$2.20 Potential Upside: 100%



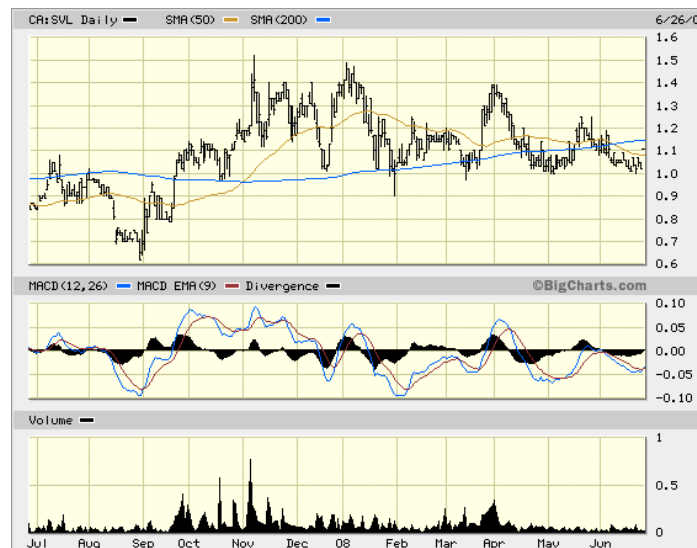
Robust Prefeasibility Results Move Santa Elena Another Step Closer to Production

Event: Prefeasibility Study released for Santa Elena project.

Highlights of Prefeasibility Study

Santa Elena Property, Sonora State, Mexico.

- The Base Case economics (US\$800oz gold and US\$12 - \$14oz silver for the first 3 years and \$750oz of gold and \$11.5 per ounce of silver for the life of mine) show a pre-tax IRR of 100% and a pre-tax cash flow of US\$103.7 million. Initial capex is estimated at US\$20 million with payback of approximately 12 months.
- Proven and Probable Reserves total 6.54Mt at 1.61g/t gold, 56.7g/t silver. Represents 339,600oz of gold and 11.92 million oz. of silver. Additional indicated and inferred resources total 198,200oz gold and 11.93 million oz. of silver. An updated resource estimate is being completed.
- Proposed as an initial open pit heap leach operation, ore will be processed at a rate of 2,500tpd and is expected to produce an average of 30,000oz of gold and 500,000oz of silver per year for an estimated mine life of 8 years. Potential for later underground mine development and conventional mill operation being evaluated.
- Sustaining capital costs are estimated at US\$3.7 million over the 8 year openpit mine life. Cash operating costs are estimated at US\$328oz of gold equivalent. Cash operating costs for the first 2 years of production average less than US\$250 per ounce of gold equivalent.
- Management have committed to long lead time equipment such as a 3-stage crusher, a Merrill Crowe recovery plant and gensets for power generation. Mine permitting is progressing ahead of schedule and construction could commence in early Q4 2008. The company has the objective of achieving commercial production during the first half of 2009.



Source: Bigcharts.com

52-Week Range	\$0.62 - \$1.52
Basic Shares O/S	34.73 million
Fully Diluted Shares O/S	44.7 million
Market Capitalization	\$49.6 million
Fiscal Year End	December 31
Cash (April 2008)	\$11.3 million

Stock Ownership	Shares (mm)	%Total
Institutional	9.0	20
Management	7.1	16
Public Float	28.6	64
Total	44.7	100

All figures in Canadian dollars, unless otherwise stated

SilverCrest Mines Inc. is a silver exploration company with properties in northern Mexico and El Salvador. The company is headquartered in Vancouver, Canada.

Recommendation

We maintain a **SPECULATIVE BUY** on SVL shares and have a 12 month target price of \$2.20 per share.

June 26, 2008
Michael Corey, P. Geo
Senior Mining Analyst
www.tollcross.ca

IMPORTANT DISCLOSURES

Analyst's Certification

All of the views expressed in this report accurately reflect the personal views of the responsible analyst(s) about any and all of the subject securities or issuers. No part of the compensation of the responsible analyst(s) named herein is, or will be, directly or indirectly, related to the specific recommendations or views expressed by the responsible analyst(s) in this report. The particulars contained herein were obtained from sources which we believe to be reliable but are not guaranteed by us and may be incomplete.

TCSI compensates its research analysts from a variety of sources. The research department is a cost centre and is funded by the business activities of TCSI including, institutional equity sales and trading, retail sales, and corporate and investment banking. Since the revenues from these businesses vary the funds for research compensation vary. No one business line has greater influence than any other for research analyst compensation.

Dissemination of Research

TCSI endeavors to make all reasonable efforts to provide research simultaneously to all eligible clients. TCSI equity research is distributed electronically via email and is posted on our proprietary websites to ensure eligible clients receive coverage initiations and ratings changes, targets and opinions in a timely manner. Additional distribution may be done by the sales personnel via email, fax or regular mail. Clients may also receive our research via a third party. Toll Cross Securities Inc. research dissemination policies and procedures may be found on our website, www.tolcross.ca, in the Research Distribution Policy section.

Company Specific Disclosures: 8, 2

See Company Specific Disclosure Key below for explanations.

Company Specific Disclosure Key

TCSI uses the following Company Specific Disclosure Key. Please refer to the **Company Specific Disclosures** section above for specific disclosures applicable to the issuer(s) discussed in this report.

- 1 On the last day of the month preceding the date of this report TCSI and its affiliates held an aggregate of at least 1% of the outstanding shares (of any class of equity securities) of SVL.
- 2 The research analyst(s) and/or associates (or their household members) who prepared this research report directly or beneficially own common stock of SVL.
- 3 TCSI has managed or co-managed an initial public offering of equity or equity-related securities for SVL in the past 12 months, the closing date of which was at least 40 calendar days prior to the issuance of this report.
- 4 TCSI has managed or co-managed a secondary offering of equity or equity-related securities for SVL in the past 12 months, the closing date of which was at least 10 calendar days prior to the issuance of this report.
- 5 TCSI has provided services to SVL for remuneration other than normal course investment advisory or trade execution services during the preceding 12 months.
- 6 TCSI has received compensation for investment banking services from SVL during the preceding 12 months.
- 7 An employee of TCSI (***name of employee***) is an (***officer, director or employee***) of SVL (***or serves in an advisory capacity to the issuer***).
- 8 The research analyst(s) and/or associates who prepared this research report has viewed the material operations of SVL.
- 9 TCSI has been paid or reimbursed by the issuer for the analyst(s) travel expenses to view the material operations of SVL.

Other Disclosures

For Canadian Residents: This report has been approved by Toll Cross Securities Inc. ("TCS"), member IDA and CIPF, which takes responsibility for this report and its dissemination in Canada. Canadian clients wishing to effect transactions in any security discussed should do so through a qualified salesperson of TCS. **For US Residents:** Toll Cross Securities USA Inc., ("TSC USA"), member NASD and SIPC, accepts responsibility for this report and its dissemination in the United States. This report is intended for distribution in the United States only to certain institutional investors. US clients wishing to effect transactions in any security discussed should do so through a qualified salesperson of TCS USA.

Every province in Canada, State in the U.S., and most countries throughout the world have their own laws regulating the types of securities and other investment products which may be offered to their residents, as well as the process for doing so. As a result, some of the securities discussed in this report may not be available to every interested investor. Accordingly, this report is provided for informational purposes only, and does not constitute an offer or solicitation to buy or sell securities discussed herein in any jurisdiction where such would be prohibited. Neither TCS nor its affiliates accepts any liability whatsoever for any loss arising from any use of this report or its contents.



Toll Cross Securities Inc.

1 Toronto St. Suite 200
Toronto, Ontario M5C 2V6

Telephone: (416) 365-1960
Facsimile: (416) 365-1962
Email: toronto@tollcross.ca
Website: www.tollcross.ca

Institutional Sales

Rodger Gray.....rodger.gray@tollcross.ca
Wayne Hansen.....wayne.hansen@tollcross.ca
James Massie.....james.massie@tollcross.ca

Institutional Trading

Tom George.....tom.george@tollcross.ca
Rick Pierog.....rick.pierog@tollcross.ca
Chris Stuchberrychris.stuchberry@tollcross.ca

Institutional Equity Research

Guy Gordon – Petroleum/Special Situations.....guy.gordon@tollcross.ca
Michael Corey – Mining and Metals.....michael.corey@tollcross.ca
Megan Segsworth – Mining and Metals.....megan.segsworth@tollcross.ca
Alex Harbin – Special Situations.....alex.harbin@tollcross.ca
Manish Grigo – Communications/Technology.....manish.grigo@tollcross.ca

Investment Banking

Marc Bouchard – Communications/Technology.....marc.bouchard@tollcross.ca
Tom Hope – Communications/Technology.....tom.hope@tollcross.ca
Don Njegovan – Mining/Metals.....don.njegovan@tollcross.ca
Marc Johnson – Mining/Metalsmarc.johnson@tollcross.ca
Bilguun Ankhbayar- Associate.....bilguun.ankhbayar@tollcross.ca

Private Client Group

Andrew Beach.....andrew.beach@tollcross.ca
Rodger Gray.....rodger.gray@tollcross.ca