



British Columbia Securities Commission

QUARTERLY AND YEAR END REPORT

BC FORM 51-901F
(previously Form 61)

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ISSUER DETAILS		FOR QUARTER ENDED			DATE OF REPORT				
NAME OF ISSUER					Y M D				
SILVERCREST MINES INC. (formerly Strathclair Ventures Ltd.)		03 06 30			03 08 27				
ISSUER ADDRESS									
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CONTACT PERSON				CONTACT'S POSITION				CONTACT TELEPHONE NO.	
Barney Magnusson				Director				604-691-1730	
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CERTIFICATE

The six schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE		PRINT FULL NAME			DATE SIGNED		
"J. Scott Drever"		J. Scott Drever			Y M D		
					03 08 27		
DIRECTOR'S SIGNATURE		PRINT FULL NAME			DATE SIGNED		
"Barney Magnusson"		Barney Magnusson			Y M D		
					03 08 27		

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SCHEDULE A: FINANCIAL INFORMATION

See attached unaudited financial statements for the six month period ended June 30, 2003.

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Analysis of expenses and deferred costs: See attached unaudited financial statements for the six month period ended June 30, 2003.
2. Related party transactions: See attached Note 8 of the attached financial statements for the six month period ended June 30, 2003.
3. a) Summary of securities issued during the six month period ended June 30, 2003:

Date of Issue	Type of Security	Type of Issue	Number	Price	Total Proceeds	Type of Consideration	Commission Paid
Feb. 20, 2003	Common Shares	Exercise of warrants	100,000	\$ 0.11	\$ 11,000	Cash	N/A
May 20, 2003	Units	Prospectus	2,070,000	0.33	683,100	Cash	\$58,063
May 20, 2003	Agent's units	Prospectus	50,000	0.33	16,500	Service	N/A
May 20, 2003	Common Shares	Asset Acquisition	5,000,000	0.15	750,000	Assets	N/A
Jun. 19, 2003	Common Shares	Exercise of warrants	20,000	0.35	7,000	Cash	N/A

Date of Issue	Type of Security	Number	Exercise Price	Expiry Date
May 23, 2003	Warrants	1,060,000	\$ 0.35	May 23, 2004
May 23, 2003	Warrants	414,000	0.33	May 23, 2004
	if unexercised, then at		0.38	Nov. 23, 2004

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b) Options granted during the six month period ended June 30, 2003:

Date of Grant	Name of Optionee	No. of Optioned Shares	Exercise Price	Expiry Date
	J. Scott Drever	200,000	\$0.45	Jun. 16, 2008
	N. Eric Fier	200,000	0.45	Jun. 16, 2008
	Barney Magnusson	200,000	0.45	Jun. 16, 2008
	William MacNeill	100,000	0.45	Jun. 16, 2008
	Graham C. Thody	100,000	0.45	Jun. 16, 2008
	Bernard Poznanski	50,000	0.45	Jun. 16, 2008
	Mike Free	50,000	0.45	Jun. 16, 2008
	Bernard Free	50,000	0.45	Jun. 16, 2008
	George Sanders	50,000	0.45	Jun. 16, 2008
	Gary Freeman	100,000	0.45	Jun. 16, 2008
	Fred Cooper	50,000	0.45	Jun. 16, 2008

4. Summary of securities as at the end of the reporting period:

- a) Authorized: 100,000,000 common shares without par value
- b) Issued and outstanding: 11,344,046 common shares
- c) Options and warrants outstanding at June 30, 2003:

Summary of options outstanding:

Number	Exercise Price	Expiry Date
1,150,000	\$0.45	June 16, 2008

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Summary of warrants outstanding:

Number	Exercise Price	Expiry Date
50,000	\$0.11	Feb. 6, 2004
1,040,000	0.35	May 23, 2004
414,000	0.33	May 23, 2004
if unexercised , then at	0.38	Nov. 23, 2004

Summary of Series A Special Warrants outstanding:

During the year ended December 31, 2002, the Company issued 2,500,000 Series A special warrants at a price of \$0.13 per Series A special warrant for gross proceeds of \$325,000. Each Series A special warrant is exchangeable, at no additional consideration, for one unit. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at \$0.26 per common share for a period of one year. Any Series A special warrant not exchanged will be deemed exchanged on the expiry date.

d) Shares held in escrow at June 30, 2003:

Included in issued capital stock are 4,792,500 common shares that are subject to the time release escrow provision of the TSX Venture Exchange. An additional, 50,480 common

shares are subject to another escrow agreement and may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

Number of shares subject to a pooling agreement: None

5. Directors and officers as at June 30, 2003:

J. Scott Drever, President and Director
Barney Magnusson, Chief Financial Officer and Director
N. Eric Fier, Chief Operating Officer
William MacNeill, Director
Graham Thody, Director
Bernie Poznanski, Corporate Secretary

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

For the Six Month Period ended June 30, 2003

The management discussion and analysis (MDA) is an overview of the activities of SILVERCREST MINES INC. (the "Company") for the six month period ended June 30, 2003. The MDA should be read in conjunction with the Company's unaudited financial statements and notes attached thereto.

Corporate Developments

Effective May 23, 2003 the Company concluded the reverse takeover with NorCrest Silver Inc. (formerly 4023307 Canada Inc.), changed its name to SilverCrest Mines Inc. and closed a short form prospectus financing of 2,070,000 Units to raise \$683,100 in gross proceeds. Each Unit consisted of one common share of the Company ("Common Share") and one-half of one Common Share purchase warrant. Each whole warrant entitles the holder to acquire one Common Share at a price of \$0.35 until May 23, 2004.

The Units were sold through Bolder Investment Partners, Inc. ("Bolder"). The Company paid Bolder a cash commission of 8.5% of the gross proceeds from the sale of Units under the offering and issued 414,000 agent's warrants exercisable for a period of 18 months from the closing of the offering at \$0.33 in the first year and at \$0.38 during the balance of the term. The Company also issued Bolder 50,000 Units as a corporate finance fee.

Concurrent with the closing of the reverse takeover three new directors were appointed to office and new officers appointed as detailed above in item 5 of Schedule B.

Acquisition of NorCrest Silver Inc. (formerly 4023307 Canada Inc.)

On May 23, 2003 the Company acquired all of the issued shares of NorCrest Silver Inc. (NorCrest) from its shareholders: J. Scott Drever of West Vancouver, B.C., N. Eric Fier of Mission, B.C., and Barney Magnusson of West Vancouver, B.C. As consideration to the shareholders of NorCrest, the Company issued 5,000,000 common shares of its capital stock and paid \$75,000 on regulatory approval, with \$75,000 to be paid after cumulative exploration and development expenditures of \$1,000,000 and \$225,000 to be paid on the completion of a positive feasibility study. The assets of NorCrest comprise four mineral properties located in Honduras, Central America and are more fully described below.

Legally the Company is the parent of NorCrest, however as a result of the share exchange described above, control of the combined companies passed to the former shareholders of

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NorCrest. This type of share exchange, referred to as a “reverse takeover” (“RTO”), deems NorCrest to be the acquirer for accounting purposes. Accordingly the net assets of NorCrest will be included in the balance sheet at book values and the deemed acquisition of the Company is accounted for by the purchase method with the net assets of the Company recorded at fair market value at the date of acquisition. The cost of an acquisition should be based on the fair value of the consideration given, except where the fair value of the consideration given is not clearly evident. In such a case, the fair value of the net assets acquired is used.

Due to the number of shares exchanged and the possible effects of price fluctuations it was impossible to estimate the actual market value of the 5,000,000 common shares. Therefore, the cost of the acquisition, \$524,715 has been determined by the fair value of the Company’s net assets.

The total purchase price of \$524,715 was allocated as follows:

Current assets	\$ 613,789
Capital assets	5,898
Current liabilities	<u>(94,972)</u>
	<u>\$ 524,715</u>

Honduran Property Summary

a) **El Ocote** has indicated resources estimated at 1.9 million tonnes grading 181 g/t silver containing 11 million ounces of silver based on a 30 g/t silver cut-off grade. Contained within this resource is a high-grade portion estimated at 1 million tonnes at a grade of 282 g/t silver that is considered potentially amenable to open cut mining during the initial years of production. Inferred Resources are estimated at 1.4 million tonnes grading 118 g/t silver containing 5.2 million ounces of silver. Accordingly, the El Ocote property contains an estimated resource of 16 million ounces of silver with the potential to increase to over 20 million ounces.

The deposit is an elliptical breccia pipe that measures 160 meters by 90 meters and is defined to a depth of 100 meters from surface. Silver grades improve upwardly, from approximately 30 g/t at depth to in excess of 400 g/t near surface. The pipe forms a topographic high, making it potentially amenable to low strip ratio, open pit extraction. An initial work program of in-fill and resource expansion drilling is expected to confirm the higher grade surface, starter pit material, and provide information for metallurgical and engineering studies. The work program will transition into a feasibility study.

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b) Opoteca has indicated resources estimated at 1.3 million tonnes grading 123 g/t silver and 0.17 g/t gold containing 5.6 million equivalent ounces of silver based on a 30 g/t silver cut-off grade. Inferred resources are estimated at 1.7 million tonnes grading 126 g/t silver and 0.10 g/t gold, containing 7.4 million equivalent ounces of silver. Accordingly the Opoteca property contains estimated resources of 13 million ounces of silver with the potential to increase to over 20 million ounces.

This deposit is a manto-style, carbonate replacement deposit, with mineralization hosted in folding sediments and higher grade angle faults. An oxidized horizon is measured as 800 meters long, 100 meters wide with an average thickness of 15 and is considered potentially amenable to open pit mining at a low strip ratio. An initial work program of resource expansion drilling should advance this property to the pre-feasibility stage.

c) La Pachota is an epithermal vein system with existing and accessible underground workings. Approximately 250 of exploration drifting exist with only minor stopping. Various previous operators and engineering reports show the vein ranging between 1 to 4 in width. The vein appears to strike along a dip slope for 600 and is measured down dip for 125 meters. Reported average grades vary from 332 g/t to 514 g/t silver with significant gold credits. A drill program will be required to test the strike and depth extensions as well as test several parallel structures.

d) Arena Blanca is an early stage exploration project with high grade potential. The mineralization occurs in a quartz vein/shear zone hosted in granodiorite. The 5 to 6 meter wide quartz vein occurs on a dip slope and has been accessed by an adit and sampled up dip where the zone outcrops on a hilltop. Sample results from a United Nations report yielded grades ranging from 1,945 g/t to 7,600 g/t silver. A modest first phase drill program will test for mineralized continuity between the adit access and the hilltop.

Results of Operations

Reverse takeover accounting principles require that the consolidated statements of operations and deficit and cash flows for the six months ended June 30, 2003 include NorCrest's results from January 1, 2003 to June 30, 2003 (which were nil) and the Company's results of operations and cash flows from May 23, 2003 (date of acquisition) to June 30, 2003. Comparative figures as at December 31, 2003 and for the six month period ended June 30, 2002 are those of NorCrest.

The results of operations are therefore essentially for a five week period from May 23, 2003 (date of acquisition) to June 30, 2003. Expenses for the period were \$ 84,634 (2002 Nil). Stock based compensation for the period was \$ 41,811 and is calculated on the non-employee portion of stock options granted. Management fees were \$ 10,000 and professional fees \$ 10,159 for the period. Shareholder communications cost were \$ 7,133 and largely attributable to the development and start up of the Company's website.

The results of operations for the period from April 1, 2003 to May 23, 2003 as detailed in note 3 of the attached interim financial statements was a loss of \$ 39,933 with management fee expense of \$ 20,000 for the period.

Liquidity and Solvency

At June 30, 2003 the Company had working capital of \$436,303 with cash on hand of \$487,712. This compares to a working capital deficiency of \$(27,987) and cash on hand of \$30 at December 31, 2002. The increase in working capital during the six month period ended June 30, 2003, was due primarily to the short form prospectus financing of \$683,100 which closed on May 23, 2003. In connection with the short form prospectus financing 50,000 units were issued to Bolder Investment Partners Ltd. as a fee. During the period the Company issued 100,000 common shares at \$.11 per share on the exercise of share purchase warrants for proceeds of \$11,000 and issued 20,000 common shares at \$.35 per share on the exercise of warrants for proceeds of \$7,000.

Investor Relations

There were no external investor relation activities undertaken during the period. Management currently performs all investor relation services. Shareholder communications included the design and start up of the Company's website during the period.