



SILVERCREST MINES INC.
MANAGEMENT DISCUSSION & ANALYSIS
FORM 51-102F1

MARCH 31, 2007

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results and performance of achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which are relevant only as of the date the statements were made.

PRELIMINARY INFORMATION

The Management Discussion and Analysis (MDA) is an overview of the activities of **SilverCrest Mines Inc.** (the “Company”) for the three month period ended March 31, 2007. The MDA should be read in conjunction with the Company’s audited consolidated financial statements for the year ended December 31, 2006 and the notes attached thereto which are available on the Company’s website www.silvercrestmines.com and on SEDAR at www.sedar.com.

The effective date of this Management Discussion & Analysis is May 18, 2007.

OVERALL PERFORMANCE

1st Quarter Highlights

- 27 reverse circulation drill holes totalling 2,907 metres of drilling were completed at Cruz de Mayo project, Mexico.
- 6 representative samples were collected for bottle roll metallurgical test work at Cruz de Mayo.
- Environmental baseline work continued at Santa Elena.
- Underground sampling and preparation of a bulk sample to complete detailed metallurgical work at Santa Elena.
- SGS Mineral Services of Durango Mexico and Lakefield Ontario engaged to complete the metallurgical Santa Elena test work over the next 3 months.
- The preliminary assessment for Santa Elena being completed by Sol y Abode, Ingenieros Asociados, S.A. de C.V. of Hermosillo, Mexico.
- Aerial flights completed at both Cruz de Mayo and Santa Elena projects for detailed contour map generation.

SilverCrest Mines Inc. is an active exploration and development company with its prime focus on the acquisition of high grade, low cost silver resources with expansion potential and properties with substantial exploration potential. The Company’s immediate initiative is to become a significant silver asset based company by acquiring and developing substantial silver resources and ultimately to operate high grade silver mines throughout North, Central and South America. The Company is currently active in El Salvador and Mexico and has a substantial reported silver resource base.

Since the reactivation of the Company in May, 2003 there has been considerable progress towards the stated goals of the Company. Through the acquisition of Minera Atlas S.A. de C.V. the Company has established a significant silver resource base and acquired properties with substantial exploration potential in El Salvador. Indicated and inferred resources of 15,451,000 ounces of silver have been established at El Zapote project in El Salvador. This property also has approximately indicated and inferred resources of 71.4 million pounds of zinc. Through its wholly owned subsidiary, Nusantara de Mexico S.A. de C.V., the Company has assembled a substantial land position in Mexico. A feasibility study was commenced in June of 2004 at the El Zapote property in El Salvador and is nearing completion. In Mexico the Company has been exploring its Silver Angel property and has acquired the Cruz de Mayo and Santa Elena properties in Sonora, Northern Mexico. Indicated and inferred resources of 33,114,000 million ounces of silver and silver equivalent have been established at Santa Elena. Several equity financings have provided sufficient working capital to advance the Company’s projects to their next respective stage of exploration.

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LIQUIDITY AND CAPITAL RESOURCES

The Company is in a strong financial position with working capital of \$5,576,273 including cash and short-term investments of \$5,754,864. Exploration expenditures for the first three months were \$638,197 and for the remainder of the fiscal year are estimated at \$1,250,000 which management believes can be met from existing cash resources.

The planned amounts may not all be incurred in the current fiscal year, are subject to management discretion and may change depending on the circumstances encountered.

The Company has entered into an option agreement with respect to the Santa Elena project that involves cash and/or shares of the Company. Refer to Results of Operations (B) (iii) for further details of the option terms.

As a junior mineral exploration company the Company is reliant upon equity financings to fund its exploration activities. There can be no assurance that the Company will be successful in obtaining additional future financing.

FINANCIAL SUMMARY

The loss for the three months ended March 31, 2007 was \$101,664 comprised of general and administrative expenses of \$137,866, stock-based compensation of \$10,000, foreign exchange loss of \$14,040 less interest income of \$60,242.

Exclusive of stock-based compensation, general and administrative expenses decreased by \$8,284 for the three month period ended March 31, 2007 compared to 2006. There was no material change from the comparative period. Interest income increased by \$53,594 as the Company had the benefit of interest income on its short term investments for the entire three month period.

The Company has adopted effective January 1, 2007 several accounting policy changes that are detailed under "Changes In Accounting Policies".

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, short term investments, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair market value of these financial instruments, approximate their carrying values unless otherwise noted.

SUMMARY OF QUARTERLY RESULTS

The Company is an exploration company and has no operations from which to derive revenues. It raises equity capital through the sale of its common shares and receives minor income from interest on cash balances.

Summary Financial Information for the eight Quarters ended March 31, 2007:

Period	Revenues	Net Loss	Net Loss per Share ⁽¹⁾
1 st Quarter 2007	Nil	(\$101,664)	(\$0.00)
4 th Quarter 2006	Nil	(\$141,002)	(\$0.01)
3 rd Quarter 2006	Nil	(\$424,244)	(\$0.01)
2 nd Quarter 2006	Nil	(\$137,257)	(\$0.00)
1 st Quarter 2006	Nil	(\$130,268)	(\$0.01)
4 th Quarter 2005	Nil	(\$151,997)	(\$0.00)
3 rd Quarter 2005	Nil	(\$148,288)	(\$0.01)
2 nd Quarter 2005	Nil	(\$401,115)	(\$0.01)

⁽¹⁾ Calculated on a basic and fully diluted per share basis.

The fluctuations in the Net Losses per quarter are due mainly to stock-based compensation charges.

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SHARE CAPITAL

	Number of Shares	Capital Stock	Contributed Surplus	Total
Authorized unlimited common shares without par value				
December 31, 2005	25,844,675	\$ 7,365,311	\$ 1,753,346	\$ 9,118,657
Warrants exercised	334,000	427,348	(93,548)	333,800
Stock options exercised	345,000	311,950	(103,200)	208,750
Stock-based compensation	-	-	387,801	387,801
Private placements	8,200,000	7,010,000	-	7,010,000
Finder's fees for cash	-	(414,960)	-	(414,960)
Share issuance costs	-	(346,250)	146,312	(199,938)
December 31, 2006	34,723,675	\$ 14,353,399	\$ 2,090,711	\$ 16,444,110
Stock options exercised	12,500	11,500	(2,750)	8,750
Stock-based compensation	-	-	10,000	10,000
March 31, 2007	34,736,175	\$ 14,364,899	\$ 2,097,961	\$ 16,462,860

OUTSTANDING SHARE DATA

The Company had an unlimited number of common shares authorized and 34,736,175 common shares issued and outstanding as at March 31, 2007.

As of the date of this report the Company has 34,736,175 common shares issued. There are no other classes of shares. As of the date of this report, the Company had 7,021,200 warrants and 2,917,500 share purchase options outstanding at various exercise prices and future dates. If all these securities were exercised, a total of 44,674,875 shares would be issued and outstanding and would result in additional gross proceeds of \$9,774,070.

PROPOSED TRANSACTIONS

In the normal course of business, the Company evaluates property acquisition transactions and, in some cases, makes proposals to acquire such properties. These proposals, which are usually subject to Board, regulatory and, sometimes, shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of this date, the Company has a number of possible transactions that it is examining. Management is uncertain whether any of these proposals will ultimately be completed.

RELATED PARTY TRANSACTIONS

Two separate companies owned respectively, by the President and Chief Financial Officer of the Company each receive management fees for executive and financial management services rendered pursuant to management services agreements. During the period ended March 31, 2007 each company was paid \$25,500. The management of the Company's exploration activities is conducted by a company, owned by the Chief Operating Officer pursuant to a management services agreement and was paid \$25,500 during the period for services rendered. This latter amount has been capitalized as deferred exploration expenditures. These transactions are in the normal course of operations and the consideration has been established and agreed to by the related parties.

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INVESTOR RELATIONS

Management currently performs investor relation services and there were no external investor relation contracts or commitments during the period. Investor relations activities consist of web-site and print advertising. Shareholder communications comprises communicating with existing shareholders, broadcasting news releases, printing, production work for the Company's website, and direct website expenses. The Company also attends trade shows on a regular basis to present the affairs and merits of the Company to potential investors. Management also makes presentations to certain brokers and fund managers in the investment industry throughout Canada, USA and Europe.

INDUSTRY AND ECONOMIC FACTORS AFFECTING PERFORMANCE

Certain factors affect the Company's ability to finance and to carry on normal business. These include precious metal prices, competition amongst exploration firms for attractive mineral properties, the interest of investors in providing high-risk equity capital to exploration companies, and the availability of qualified staff and drilling equipment to conduct exploration. For the Company, which is focused almost exclusively on exploration and development of silver resources, silver prices and the availability of equity funds are important factors.

RISK FACTORS AND UNCERTAINTIES

Mineral exploration and development involves a high degree of risk and few properties are ultimately developed into producing mines. Several of the Company's properties have silver resources; however, substantial expenditures will be required to confirm sufficient reserves required to commercially mine its current properties and to obtain the environmental approvals and permitting required to commence commercial operations. Should any resource be defined on other properties there can be no assurance that the mineral resources can be commercially mined or that the metallurgical processing will produce economically viable, saleable products.

Future operations, if any, of the Company, including development activities and commencement of production on its properties, will require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the construction of any mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

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RESULTS OF OPERATIONS

The Company currently holds mineral property interests in El Salvador and Mexico. The Company's current NI43-101 compliant resources are stated as follows:

SilverCrest Resources											
Property	Resource Category*	Tonnes	Ag gpt	Au gpt	Tons	Ag opt	Au opt	Contained Silver Ounces	Contained Gold Ounces	Contained Silver Equiv. Ounces	Contained Zinc Pounds
Santa Elena	Indicated	2,458,900	55.7	2.164	2,710,473	1.62	0.063	4,403,000	171,000	14,663,000	-
	Inferred	3,510,000	78.3	1.42	3,869,113	2.28	0.041	8,851,000	160,000	18,451,000	-
El Zapote	Indicated	1,925,251	177.7	0.19	2,122,226	5.20	0.006	10,941,000	10,000	11,541,000	44,995,650
	Inferred	1,086,420	101.6	0.18	1,197,573	3.00	0.005	3,550,000	6,000	3,910,000	26,542,279
Total Indicated Resources								15,344,000	181,000	26,204,000	44,995,650
Total Inferred Resources								12,401,000	166,000	22,361,000	26,542,274

*conforms to NI 43-101, 43-101CP, and current CIM definitions for resources, all figures are rounded.

The Qualified Person, as defined by Material Policy 43-101, responsible for the preparation of the technical information included in this MDA and for supervision of field activities related to the Company's projects is N. Eric Fier, CPG. Mr. Fier is also the Chief Operating Officer for the Company.

A. EL SALVADOR - EL ZAPOTE PROJECT

Detailed drilling has identified 3 silver-zinc deposits, Cerro Colorado III, San Casimiro and Tajado. These three deposits are the most advanced of several known deposits on the El Zapote concession.

The Company currently has reported resource estimate for the El Zapote Project as follows:

Resource Category***	Tonnes metric	Tons short	Ag G/t	Ag oz/t	Au g/t	Zn %	Contained Ag Ounces	Contained Zn Pounds
Indicated*	1,925,251	2,111,182	177.7	5.2	0.19	1.17	10,941,333	44,995,650
Inferred **	1,086,420	1,197,561	101.6	3.0	0.18	1.22	3,550,565	26,542,274

* Indicated includes Measured resources which represents a majority of this category, figures are rounded

** The Tajado resource is currently considered all inferred, figures are rounded

*** Conforms to NI 43-101, 43-101CP, and current CIM definitions for resources, cut off grade at 34 g/t Ag, numbers are rounded

The deposits also contain a significant amount of zinc. The Indicated Resources contain 45 million pounds of zinc and Inferred Resources contain 26.5 million pounds of zinc.

The Feasibility Study continued during the period and focused on continued environmental baseline work, metallurgical test work and collection of data to support the evaluation of the economic viability of the project. A revised Technical Study and EIS are being completed for submission in 2007 to the El Salvador Department of Mines as part of the application for an exploitation concession.

RESULTS OF OPERATIONS (continued)

A. EL SALVADOR - EL ZAPOTE PROJECT (continued)

Future Developments

Considerable potential for new discoveries exists along the Cerro Colorado III – San Casimiro trend. Several exploration targets of known mineralization, in addition to the Tajado deposit, exist within the concession boundaries. The Company expects that there is potential to expand the current resource and to identify additional mineral deposits at El Zapote. The Company has implemented a surface reconnaissance program within the El Zapote Concession, which will provide initial data on several other exploration targets. Any substantial programs will be contingent upon the permitting process with respect to the application for an exploitation concession and the issue of environmental permits for exploration.

B. MEXICO

i). Silver Angel Project - Sonora, Mexico

The Company incorporated Nusantara de Mexico, S.A de C.V. on November 26, 2003 for the purpose of holding the Silver Angel Project located in the northern Sierra Madre Range in the State of Sonora, Mexico. The concession was granted by the Mexican government in February, 2004 and encompasses approximately 10,300 hectares. In December 2004, the Company expanded its Silver Angel concession to the north with the addition of the “Silver Angel North” concession. This concession encompasses approximately 7,750 hectares for a total concession coverage of over 18,000 hectares at Silver Angel.

The Silver Angel Project contains an area of intense alteration that is approximately 18 kilometers long by 3 kilometers wide with major structural features that host six past producing, high grade silver-gold mines.

Re-assaying of previous drilling at the Murucutachi and Granititas prospects was completed to review potential silver grade increases utilizing a 4 acid digest method. This is the same process that resulted in significant silver grade increases when used at the Cruz de Mayo project. Preliminary results were mixed. Further reconnaissance work is anticipated for 2007 and further review of the effects of their assay program will be undertaken.

ii). Cruz de Mayo Prospect - Sonora, Mexico

The Cruz de Mayo concession was acquired in 2004 and came with an extensive exploration data package. After compilation of the data, the information was used to drill three initial core holes for a total of 379.4 metres in the 4th quarter of 2005. Drill results are provided in MD&A annual 2005. Subsequent to initial drilling, a Phase I program was completed for a total 20 core holes with a total of 1,813 metres drilled (MD & A annual 2006).

The Company completed its Phase II drill program in the first quarter of 2007 which included 27 reverse circulation (RC) drill hole program totalling 2907 metres.

The Phase II drill program was designed to re-confirm the widths and grades of the silver mineralized zone previously encountered in the first phase core drill program as well as to test the overall dimensions of the zone along strike and down dip. The information derived from the two phases of drilling will provide the basis for a NI 43-101 resource estimate. The Technical Report required to support the contemplated resource estimate will be commenced as soon as all assay results from the most recent drilling are received. The Company has submitted approximately 2,000 samples from Cruz de Mayo to ALS-Chemex in Hermosillo, Mexico and North Vancouver, Canada for analyses, for which the turnaround is 6 to 7 weeks. Results from the first four RC holes are presented in the table below. All other results are pending.

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RESULTS OF OPERATIONS (continued)

B. MEXICO (continued)

ii. Cruz de Mayo Prospect - Sonora, Mexico (continued)

The following table shows the correlation of the first 4 RC holes and previous core drill results for both the low and higher grade zones in the southeast area that hosts the original historical resource. The close correlation of the widths and grades is encouraging in that it confirms the original results that were suspect due to lost core and that in this area, silver values commence near the surface.

Twinned Holes - RC Results vs. Core Results – 4 Acid Digest – Low Grade Zone

RC TWIN					CORE				
Hole Number	From (metres)	To (metres)	Interval (metres)	Ag g/t	Hole Number	From (metres)	To (metres)	Interval (metres)	Ag g/t
CM-RC07-24	7.5	33.0	25.5	20.8	CM06-09	7.32	32.67	25.35	19.9
CM-RC07-25	3.0	48.0	45.0	42.8	CM06-06	4.57	40.84	36.27	37.1
CM-RC07-26	4.5	28.5	24.0	44.0	CM06-07	3.67	22.55	18.88	73.9
CM-RC07-27	9.0	28.5	19.5	18.1	CM06-05	9.98	26.53	16.55	37.4

For the Q1 2007, the following significant highlights for the Cruz de Mayo Project were;

- Completion of 27 RC holes 2,907 metres of drilling.
- Completion of an aerial flight by Eagle Mapping of Vancouver, BC. Compilation of data is underway to construct detailed contour maps for exploration and resource estimation.
- Collection of 6 metallurgical samples for bottle roll tests to determine leachability characteristics of the silver minerals.
- Commencement of database compilation and computer modeling of the deposit in preparation for NI 43-101 report.

The oxidized stockwork zone that contains the silver mineralization at Cruz de Mayo has been delineated over a minimum strike length of 800 metres and 200 metres down dip. The zone ranges in thickness from 20 to 45 metres in the southeast to 40 to 60 metres in the central and northwest portion of the deposit. Within the much broader zone of lower grade silver mineralization is a narrower higher grade zone that is 3.0 to 10.5 metres thick which appears to grade between 106.2 g/t (3.1 oz/t) to 393 g/t (11.4 oz/t) silver. The favorable host for stockwork silver mineralization is a rhyolite bed which dips at about 25° to the southwest nearly parallel to the slope of the topography. This “dip slope” makes for potentially low strip ratios for the deposit. The deposit remains open to the north with an additional 1.7 kilometres of strike length that requires further testing. The Company expects to be able to complete a NI 43-101 resource estimate in this initial area of focus.

Assay results from the 27 hole RC program have been received and are being compiled as of the date of this report.

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RESULTS OF OPERATIONS (continued)

B. MEXICO (continued)

iii). Santa Elena Project - Sonora, Mexico

On December 8, 2005 the Company entered into an option agreement to acquire the Santa Elena Project located northeast of Hermosillo, Sonora State, Mexico. The Company has the right to acquire a 100% interest in the Santa Elena property by making the following staged option payments totalling U.S. \$3,000,000 over a period of 5 years and by making a final U.S. \$1,000,000 payment conditional upon receipt of a Feasibility Study and all operating and environmental permits relating to the project.

December 8, 2005	US \$	\$10,000 (paid)
February 8, 2006		\$60,000 (paid)
June 8, 2006		\$60,000 (paid)
December 8, 2006		\$60,000 (paid)
June 8, 2007		\$60,000
December 8, 2007		\$50,000
June 8, 2008		\$500,000
December 8, 2008		\$500,000
June 8, 2009		\$600,000
June 8, 2010		\$600,000
December 8, 2010		\$500,000
TOTAL	US \$	\$3,000,000

The payments totalling US \$2.2 million due from December 8, 2008 through December 8, 2010 inclusive, as well as the U.S \$1,000,000 conditional payment are payable, at the Company's option, either wholly in cash or up to 50% of each payment in the common shares of the Company at the average price per share for the previous ten trading days.

There are no applicable work commitments or underlying royalties to the property owners.

The Company's target for the Santa Elena Project was to initially develop a 30 million ounce silver equivalent resource by increasing the strike length and depth of the deposit and developing resources in an untested footwall zone.

The Company completed a Phase I drill program consisting of 19 core holes (2,579 metres) during the first half of 2006 as a first step towards defining the target resource. Based on this drill program and extensive underground and surface sampling, an NI 43-101 compliant resource was completed in October 2006 and is stated in the following table. The full NI 43-101 technical report was filed on SEDAR on November 29, 2006.

Santa Elena Resources										
Property	Resource Category*	Tonnes	Ag gpt	Au gpt	Tons	Ag	Au	Contained Silver Ounces	Contained Gold Ounces	Contained Silver Equiv. Ounces
Santa Elena	Indicated	2,458,900	55.7	2.164	2,710,473	1.62	0.063	4,403,000	171,000	14,663,000
	Inferred	3,510,000	78.3	1.42	3,869,113	2.28	0.041	8,851,000	160,000	18,451,000

Holes SE06-8, 9, 14 and 15 showed no significant values due to lack of mineralization (#8 & 15), intersection of underground workings (9) or loss of hole due to drilling problems (14).

The Company plans to drill an additional 20 holes (2,500m) as soon as a rig is available to upgrade and expand the current stated resources.

RESULTS OF OPERATIONS (continued)

B. MEXICO (continued)

iii). Santa Elena Project - Sonora, Mexico (continued)

A preliminary assessment with project economics, detailed metallurgical work and environmental baseline studies was implemented in the 4th quarter of 2006. These studies will be ongoing throughout 2007. A production decision on Santa Elena is anticipated for late 2007.

For the Q1 2007, the following significant highlights for the Santa Elena Project were;

- Continuation of environmental baseline work.
- Completion of a detailed underground sampling in preparation for taking bulk samples for extensive metallurgical work.
- Engagement of SGS Mineral Services in Durango, Mexico and Lakefield, Ontario to complete detailed metallurgical work over the next 3 months.
- Continuation of the preliminary assessment being completed by Sol y Abode, Ingenieros Asociados, S.A. de C.V. of Hermosillo, Mexico.
- Finalization of Phase II drill plan.
- Completion of an aerial survey by Eagle Mapping of Vancouver, BC. Data will be compiled in Q2 2007 with detailed contour maps generated for exploration, environmental and engineering work.

Future Developments - Mexican Projects

The initial results from the Mexican Projects are encouraging and management believes that the concession areas have considerable potential. The Company has budgeted approximately \$1.6 million for follow-up surface work, drilling, environmental baseline work, and a preliminary assessment for 2007.

C. HONDURAS PROJECTS

Title Issues

In 2004, the Company 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").

The Company is pursuing all legal and political remedies available to protect the value of its shareholders assets. The Company is seeking reinstatement of its rights under the terms of the concession or in the alternative, restitution of its investments in Honduras plus the estimated value of the El Ocote deposit. The Company's property activities in Honduras have been put on hold until such time as the legal and political issues encountered can be resolved to the satisfaction of the Company.

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SUBSEQUENT EVENTS

The following events occurred subsequent to March 31, 2007:

Subsequent to Q1 2007, the Company completed the bulk sampling program at Santa Elena for detailed metallurgical test work. All results have been received for the Phase II Cruz de Mayo drill program as of May 15, 2007. Results are being compiled and will be presented in May and June. A drill contract has been signed for Santa Elena with a minimum of 2,500 metres. Drilling is anticipated to begin the end of May 2007.

CHANGES IN ACCOUNTING POLICIES

The Company adopted three new accounting standards, effective January 1, 2007, related to financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA"). These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments – Recognition and Measurement (CICA Handbook Section 3855)

In accordance with this new standard, the Company now classifies all financial instruments as either held to-maturity, available-for-sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized costs. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of operations.

The Company has classified its cash equivalents as held to maturity and, therefore, is already carrying its investments at fair market value and no adjustment needs to be recorded. This change in accounting policy had no material effect on the Company's previous financial statements.

Comprehensive Income (CICA Handbook Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company would report a consolidated statement of comprehensive income (loss) and a new category, accumulated other comprehensive income, would be added to the shareholders' equity section of the consolidated balance sheet. The components of this new category would include unrealized gains and losses on financial assets classified as available-for-sale and the effective portion of cash flow hedges, if any. For the three month ended March 31, 2007, there was no comprehensive income (loss) or accumulated other comprehensive income to record.

Hedges (CICA Handbook Section 3865)

The new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed. The company has not designated any hedging relationship.

DISCLAIMER

The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. It should be read in conjunction and in context with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented.

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DISCLAIMER (continued)

Certain statements contained in this document constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance, or achievements expressly stated or implied by such forward-looking statements. Such factors include, among others, the following: silver exploration and development costs and results, fluctuations of silver prices, foreign operations and foreign government regulations, competition, uninsured risks, recovery of reserves, capitalization and commercial viability and requirement for obtaining permits and licences.

Certain data included in this document may be historical in nature and as such may not conform to the requirements of NI- 43-101, may not have been verified by the Company's qualified person and therefore should not be relied upon.

ADDITIONAL INFORMATION

Additional information about the Company is available on SEDAR at www.sedar.com and at the Company's website www.silvercrestmines.com.