



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

**SEPTEMBER 30, 2007**  
**THIRD QUARTER**

## **FORWARD LOOKING STATEMENTS**

Certain statements contained in this Management Discussion and Analysis (MDA) 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 MDA is an overview of the activities of **SilverCrest Mines Inc.** (the “Company”) for the three month period ended September 30, 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](http://www.silvercrestmines.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

The effective date of this Management Discussion & Analysis is November 19, 2007.

## **OVERALL PERFORMANCE**

- New Corporate resource estimates increases total gold and silver resources by 117%.

### **SANTA ELENA PROJECT**

- 17 core holes drilled for 1,685 metres with positive results for resource expansion.
- Continued positive results from ongoing metallurgical test work.
- Environmental baseline studies indicate no significant risk for project area.
- Updated resource estimate announced November 15, 2007.

### **CRUZ de MAYO PROJECT**

- New resource estimate reported with NI 43-101 report to be filed.

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 Mexico and El Salvador 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 15.8 million ounces of silver and 78.9 million pounds of zinc have been established at El Zapote project in El Salvador. A feasibility study was commenced in June of 2004 at the El Zapote property in El Salvador and is nearing completion. Through its wholly owned subsidiary, Nusantara de Mexico S.A. de C.V., the Company has assembled a substantial land position 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 56.3 million ounces of silver and silver equivalent have been established at Santa Elena. Indicated and inferred resources of 15.2 million ounces of silver have been reported at Cruz de Mayo. Several equity financings have provided sufficient working capital to advance the Company’s projects to their next respective stage of exploration.

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

For the three month period ended September 30, 2007

---

**LIQUIDITY AND CAPITAL RESOURCES**

The Company has working capital of \$3,964,326 including cash and short-term investments of \$4,144,236. Exploration expenditures for the three month period ended September 30, 2007 were \$874,747 and for the nine month period were \$1,943,547. For the remainder of the fiscal year mineral property expenditures are estimated to be \$725,000 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.

In December 2005, the Company 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 September 30, 2007 decreased by \$374,832 to \$49,512 compared to the comparative period. Stock based compensation decreased by \$339,500 as no new stock options were granted during the period. Investor relations and travel expense increased by \$18,519 as the Company conducted several website and print advertising campaigns. Foreign exchange income increased by \$70,870 due to Mexican Peso currency transactions.

The loss for the nine months ended September 30, 2007 decreased by \$262,009 to \$429,760 compared to the comparative period. Stock based compensation decreased by \$347,801 as no new stock options were granted during the period. Interest income on the Company's cash and short term investments increased by \$74,804 for the period. Investor relations and travel expense increased by \$138,085 as Company personnel traveled to Europe to update shareholders and potential investors with numerous presentations on the Company's activities.

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.

**SILVERCREST MINES INC.**  
**MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1**  
For the three month period ended September 30, 2007

**SUMMARY OF QUARTERLY RESULTS** (continued)

Summary Financial Information for the eight Quarters ended September 30, 2007:

<b>Period</b>	<b>Revenues</b>	<b>Net Loss</b>	<b>Net Loss per Share <sup>(1)</sup></b>
3 <sup>rd</sup> Quarter 2007	Nil	(\$49,412)	(\$0.00)
2 <sup>nd</sup> Quarter 2007	Nil	(\$278,684)	(\$0.01)
1 <sup>st</sup> Quarter 2007	Nil	(\$101,664)	(\$0.00)
4 <sup>th</sup> Quarter 2006	Nil	(\$141,002)	(\$0.01)
3 <sup>rd</sup> Quarter 2006	Nil	(\$424,244)	(\$0.01)
2 <sup>nd</sup> Quarter 2006	Nil	(\$137,257)	(\$0.00)
1 <sup>st</sup> Quarter 2006	Nil	(\$130,268)	(\$0.01)
4 <sup>th</sup> Quarter 2005	Nil	(\$151,997)	(\$0.00)

<sup>(1)</sup> Calculated on a basic and fully diluted per share basis.

The fluctuations in Net Losses are primarily due to variations in stock-based compensation charges.

**SHARE CAPITAL**

	<b>Number of Shares</b>	<b>Capital Stock</b>	<b>Contributed Surplus</b>	<b>Total</b>
Authorized unlimited common shares without par value				
<b>Balance at December 31, 2005</b>	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)
<b>Balance at December 31, 2006</b>	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	-	-	20,000	20,000
<b>Balance at September 30, 2007</b>	34,736,175	\$ 14,364,899	\$ 2,107,961	\$ 16,472,860

***Stock Options***

At September 30, 2007, stock options were outstanding, enabling holders to acquire common shares as follows:

<b>Number of Shares</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
800,000	\$0.45	June 16, 2008
625,000	\$1.41	March 24, 2009
505,000	\$0.75	June 1, 2010
100,000	\$0.96	August 15, 2011
737,500	\$0.70	September 28, 2011
<b>2,767,500</b>		

**SILVERCREST MINES INC.**  
**MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1**  
For the three month period ended September 30, 2007

---

**SHARE CAPITAL (continued)**

***Warrants***

At September 30, 2007, the Company had share purchase warrants outstanding enabling holders to acquire common shares as follows:

<b>Number of Shares</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
3,837,600	\$1.00	March 24, 2008
1,515,600	\$1.00	April 4, 2008
1,500,000	\$1.25	December 12, 2008
168,000	\$1.09	December 12, 2008
7,021,200		

***Fully Diluted Share Capital, as of the date of this report***

Common shares issued	34,798,675
Stock options outstanding	2,755,000
Warrants outstanding	6,971,200
	44,524,875

**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 three month period ended September 30, 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.

### **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 on an ongoing basis 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.

**SILVERCREST MINES INC.**  
**MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1**  
For the three month period ended September 30, 2007

**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 Silver and Gold Resources										
Property	Resource Category <sup>1</sup>	Tonnes	Ag gpt	Au gpt	Tons	Ag opt	Au opt	Contained Silver Ounces	Contained Gold Ounces	Contained Silver & Silver Equiv. Ounces <sup>3</sup>
Santa Elena <sup>2</sup>	Indicated	7,378,300	74.20	1.81	8,133,200	2.16	0.053	17,600,900	428,700	43,327,100
	Inferred	2,608,000	73.06	1.37	2,874,800	2.13	0.040	6,125,700	114,800	13,016,700
Cruz de Mayo <sup>2</sup>	Indicated	1,141,000	64.15	RP	1,257,700	1.87	RP	2,353,400	RP	2,353,400
	Inferred	6,065,000	66.50	RP	6,685,500	1.94	RP	12,967,100	RP	12,967,100
El Zapote <sup>2</sup>	Indicated	1,925,200	177.70	0.19	2,122,200	5.20	0.006	11,036,000	13,000	11,816,000
	Inferred	1,086,400	101.60	0.18	1,197,500	3.00	0.005	3,593,000	6,000	3,953,000
Total Indicated Resources								30,990,400	441,700	57,496,500
Total Inferred Resources								22,685,800	120,800	29,936,800

<sup>1</sup> Conforms to NI 43-101, 43101CP and current CIM definitions for resources. All numbers are rounded. Measured resources included in Indicated.

<sup>2</sup> Cutoff grade for Santa Elena and El Zapote is 30 gpt Ag equivalent (0.5 gpt Au equivalent). Cutoff for Cruz de Mayo is 30 gpt Ag.

<sup>3</sup> Conversion of gold to silver based on 60:1 silver to gold ratio, Assumes 100% metal recovery. This does not include zinc resource at El Zapote.

RP= results pending

The Qualified Person, as defined by National 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., P.Eng. 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	11,036,000	49,660,000
Inferred **	1,086,420	1,197,561	101.6	3.0	0.18	1.22	3,593,000	29,220,000

\* 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 contain a significant amount of zinc. The Indicated Resources contain 49.6 million pounds of zinc and Inferred Resources contain 29.2 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.

Detailed metallurgical results show positive results for cyanide leach. Column testing is ongoing.

**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. 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 35 kilometers long by 3 kilometers wide with major structural features that host six past producing, high grade silver-gold deposits.

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. There was no significant work carried out during the period.

**ii. Cruz de Mayo Project - 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 fourth quarter of 2005. Drill results are provided in MDA annual 2005. Subsequent to this initial drilling, a Phase I - 20 core hole program was completed totaling 1,813 metres (MDA December 31, 2006).

The Company completed a Phase II drill program in the first quarter of 2007 which included a 27 reverse circulation (RC) drill hole program totalling 2,907 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 provided the basis for a Technical Report and NI 43-101 resource estimate the results of which were announced on November 15, 2007 and are shown in the following table:

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

For the three month period ended September 30, 2007

**RESULTS OF OPERATIONS** (continued)

**B. MEXICO** (continued)

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

Cruz de Mayo Silver Resources										
Property	Resource Category <sup>1</sup>	Tonnes	Ag gpt	Au gpt	Tons	Ag opt	Au Opt	Contained Silver Ounces	Contained Gold Ounces	Contained Silver Equiv. Ounces <sup>3</sup>
Cruz de Mayo <sup>2</sup>	Indicated	1,141,000	64.15	RP	1,257,700	1.87	RP	2,353,400	RP	2,353,400
	Inferred	6,065,000	66.50	RP	6,685,500	1.94	RP	12,967,100	RP	12,967,100

<sup>1</sup> Conforms to NI 43-101, 43101CP and current CIM definitions for resources. All numbers are rounded. Measured resources included in Indicated.

<sup>2</sup> Cutoff for Cruz de Mayo is 30gpt Ag. RP=Results Pending

<sup>3</sup> Conversion of gold to silver based on 60:1 silver to gold ratio, Assumes 100% metal recovery.

The resource estimate for Cruz de Mayo was completed N. Eric Fier, CPG, P.Eng and reviewed by C. Stewart Wallis, P.Geo., independent qualified person (QP) from Scott Wilson Roscoe Postle and Associates of Toronto, Ontario. A Technical Report adhering to the disclosure requirements of NI 43-101 will be filed on SEDAR, by December 30, 2007. Mr. Fier is the Chief Operating Officer and QP for the Company.

The oxidized stockwork zone that contains the silver mineralization at Cruz de Mayo has been drill delineated over a minimum strike length of 1,700 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 800 metres of strike length that requires initial drilling.

**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 (paid)
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
<b>TOTAL</b>	<b>US \$</b>	<b>\$3,000,000</b>

**SILVERCREST MINES INC.**  
**MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1**  
For the three month period ended September 30, 2007

**RESULTS OF OPERATIONS (continued)**

**B. MEXICO (continued)**

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

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. As of late July, the Company commenced drilling an additional 40 holes (4,000m) to upgrade and expand the currently stated resources.

Based on the results of a total 40 drill holes and extensive underground sampling, the results of an up-date resource estimate were released on November 15, 2007 and are shown in the following table:

Santa Elena Silver and Gold Resources										
Property	Resource Category <sup>1</sup>	Tonnes	Ag gpt	Au gpt	Tons	Ag opt	Au opt	Contained Silver Ounces	Contained Gold Ounces	Contained Silver & Silver Equiv. Ounces <sup>3</sup>
Santa Elena <sup>2</sup>	Indicated	7,378,300	74.20	1.81	8,133,200	2.16	0.053	17,600,900	428,700	43,327,100
	Inferred	2,608,000	73.06	1.37	2,874,800	2.13	0.040	6,125,700	114,800	13,016,700

<sup>1</sup> Conforms to NI 43-101, 43101CP and current CIM definitions for resources. All numbers are rounded. Measured resources included in Indicated.

<sup>2</sup> Cutoff grade for Santa Elena is 30 gpt Ag equivalent (0.5 gpt Au equivalent).

<sup>3</sup> Conversion of gold to silver based on 60:1 silver to gold ratio, Assumes 100% metal recovery.

The most significant results from drilling up to October 18, 2007 are as follows:

Weighted Average Grades									
Drill Hole	From (m)	To (m)	Interval (m)	Interval (ft)	Au gpt	Ag gpt	Au gpt equiv*	Ag opt equiv*	Target
SE07-22	81.15	94.00	12.85	42.15	4.92	205.2	9.02	13.16	in-fill
includes	83.30	89.20	5.90	19.35	7.41	253.9	12.49	18.21	
SE07-23	71.90	82.00	10.10	33.13	6.53	218.7	10.90	15.90	in-fill
includes	71.90	76.00	4.10	13.44	11.19	381.4	18.82	27.44	
SE07-24	67.00	76.00	9.00	29.52	4.90	147.4	7.85	11.44	in-fill
includes	70.00	75.40	5.40	17.71	7.39	215.8	11.71	17.07	
SE07-25	64.85	71.60	6.75	22.14	4.10	105.6	6.21	9.06	Expansion
includes	67.00	71.60	4.60	15.09	5.91	144.1	8.79	12.82	
SE07-27	7.00	16.00	9.00	29.52	0.50	43.6	1.37	68.53	in-fill
SE07-28	60.40	68.45	7.10	23.29	0.59	76.4	2.12	105.92	in-fill
SE07-29	28.00	32.05	4.05	13.28	0.69	28.6	1.26	63.10	in-fill
SE07-30	16.00	23.86	7.86	25.78	2.90	45.0	3.80	190.00	in-fill
includes	19.00	20.67	1.67	5.48	7.38	58.9	8.56	427.90	

**SILVERCREST MINES INC.**  
**MANAGEMENT DISCUSSION & ANALYSIS - FORM 51-102F1**  
For the three month period ended September 30, 2007

**RESULTS OF OPERATIONS (continued)**

**B. MEXICO (continued)**

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

Drill Hole	From (m)	To (m)	Interval (m)	Interval (ft)	Weighted Average Grades				Target
					Au gpt	Ag gpt	Au gpt equiv*	Ag opt equiv*	
SE07-31	9.00	19.29	10.29	33.75	1.11	19.1	1.49	74.57	in-fill
SE07-32	26.70	32.70	6.00	19.68	1.59	46.8	2.53	126.27	Expansion
SE07-33	128.55	139.40	10.85	35.59	3.29	139.4	6.08	303.88	Expansion
includes	130.00	136.00	6.00	19.68	5.29	171.0	8.71	435.50	
SE07-34	160.65	182.00	21.35	70.03	2.21	171.7	5.64	282.21	Expansion
includes	179.00	182.00	3.00	9.84	9.86	320.0	16.26	813.00	
SE07-35	97.00	118.20	21.20	69.54	2.84	101.1	4.86	243.07	Expansion
includes	97.00	100.00	3.00	9.84	12.65	203.0	16.71	835.50	
SE07-37	125.1	140.5	15.4	50.5	0.51	59.8	1.71	85.30	in-fill
SE07-38	51.8	92.2	42.9	140.7	0.85	61.9	2.10	104.57	in-fill
includes	59.3	65.0	5.7	18.7	1.61	224.4	6.10	304.79	
includes	88.0	95.6	7.6	24.9	1.82	79.9	3.41	170.74	
SE07-39	105.6	139.5	33.9	111.2	1.15	94.4	2.72	137.14	in-fill
includes	109.0	128.0	19.0	62.3	1.61	110.8	3.83	191.65	
SE07-40	108.0	159.4	51.4	168.8	1.53	126.9	4.07	203.42	Expansion
includes	108.0	138.6	30.6	100.3	2.50	195.9	6.42	321.16	
includes	111.4	124.8	13.4	43.9	3.80	342.1	10.64	531.92	
includes	118.7	124.8	6.1	20.0	5.12	646.0	18.04	902.17	

\*ratio of 1:50 Au:Ag, 100% metal recovery

Hole number SE07-36 was lost due to down-hole problems and has been re-drilled as SE07-36B with an 18m wide intercept of mineralization. All sample analysis was completed at ALS-Chemex in Hermosillo Mexico and N. Vancouver BC.

A preliminary feasibility study with project economics, detailed metallurgical work and environmental baseline studies was implemented in the fourth quarter of 2006. These studies have been ongoing throughout 2007. The completion of the prefeasibility study is anticipated in the fourth quarter. A production decision on Santa Elena is anticipated for late 2007.

Metallurgical test work continues at SGS in Durango, Mexico with 7 column-percolation tests being carried out. Initial results show positive gold recoveries and mixed silver recoveries. Recovery projects suggest 60 to 70% for gold and 30 to 40 % for silver. These tests were completed in November with the results to be incorporated into the pre-feasibility study.

Environmental baseline work continued throughout the quarter with all aspects for the study showing no significant risk to the outlined area of impact. Further water quality and quantity sampling is anticipated in the fourth quarter. The land use change and MIA permits for proposed operations are in the works with submission in the fourth quarter and/or first quarter 2008.

**RESULTS OF OPERATIONS** (continued)

**B. MEXICO** (continued)

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

**For the reporting period, the following significant highlights for the Santa Elena Project were:**

- 17 core holes drilled for 1,685 metres with positive results for resource expansion.
- Continued positive results from ongoing metallurgical test work.
- Environmental baseline studies indicate no significant risk for project area

***Future Developments - Mexican Projects***

Results to date from the Mexican Projects are encouraging and management believes that the concession areas have considerable potential. Preliminary metallurgical results show positive results for heap leach ability for both the Cruz de Mayo and Santa Elena Projects. SGS Mineral Services continued column percolation tests in the fourth quarter 2007 for the Santa Elena Project.

**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 possible legal and political remedies. 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 activities in Honduras have been halted until such time as the legal and political issues encountered can be resolved to the satisfaction of the Company.

**MANAGEMENT'S RESPONSIBILITY AND CORPORATE DISCLOSURE**

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information and has determined that such controls are working effectively.

There have been no changes in the issuer's internal controls with respect to financial reporting during the period.

**SUBSEQUENT EVENTS**

Subsequent to September 30, 2007 12,500 common shares were issued pursuant to the exercise of stock options for proceeds of \$8,750 and 50,000 common shares were issued pursuant to the exercise of warrants for proceeds of \$50,000.

### **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.

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](http://www.sedar.com) and at the Company's website [www.silvercrestmines.com](http://www.silvercrestmines.com).