



SilverCrest Mines Producing Silver and Gold and Developing Advanced Properties in Mexico

Company's Future Enhanced by Growing Production Cash Flow, Earnings, Expanding Resources and Huge Exploration Upside

With a strong balance sheet, a high-grade producing silver and gold mine, and two advanced-stage deposits – one that could be world-class in size – SilverCrest Mines Inc. (TSX.V: SVL; OTCQX: STVZF) has deservedly thrust its way into the ranks of precious metals producers.

In just the past year, SilverCrest completed a C\$30-million financing, initiated commercial production at its flagship Santa Elena Silver Mine on schedule and under budget, began paying both its operational and exploration bills out of cash flow, paid off its capital debts, and embarked on a fast-track expansion plan to double production.

The coming year should prove just as momentous for this rising junior mining producer. SilverCrest began to drive a decline ramp to access underground resources, expand reported resources at La Joya and publish a Pre-Feasibility study for open pit operations for Cruz de Mayo and underground mining at Santa Elena.

“SilverCrest has had an excellent year,” says President and CEO J. Scott Drever. “Our goal now is to double production in the next three years.”

Santa Elena in Commercial Production; Pre-Feasibility Underway at Cruz de Mayo

After an astonishingly short five years of exploration and development, SilverCrest brought its 100%-owned Santa Elena Mine to commercial production in July 2011.

The Santa Elena Mine, located in Sonora State, Mexico is a high-grade, epithermal gold and silver deposit with a current estimated mine life of 6.5 years from the open pit portion of the deposit. Production estimates for 2012 from the open-pit heap leach operation are pegged at 33,000 ounces of gold and 435,000 ounces of silver – more than a 20% increase for gold and a 15% hike for silver from 2011 production. Planned expansion of both resources and production capacity over the next three years will extend that mine life by an estimated 5 years.

Continuing exploration at Santa Elena is focused below the operating open pit mine which currently has a probable NI 43-101-compliant

reserve of 9.7-million ounces of silver and 217,800 ounces of gold. To date, underground resources (indicated and inferred) total another 8.6 million ounces of silver and 158,000 ounces of gold and are open both along strike and at depth.

SilverCrest's Cruz de Mayo project, which has the clear potential to become an open pit mine, is only 65 kilometers from Santa Elena. A 50-hole drill program has been completed and is expected to increase and upgrade the 15-million oz. silver resource to a Pre-Feasibility level. High grade ore from the growing Cruz de Mayo silver deposit will be crushed on site and shipped to Santa Elena for processing.

SilverCrest's three-phase plan to



\$2 million monthly precious metals cash flow anticipated from Santa Elena Mine in 2012.

expand the Santa Elena current 2,500 tpd production capacity by building a conventional CCD (Counter Current Decantation) processing mill that will increase throughput to 3,000-3,500 tpd – a capacity capable of processing mill feed from the Santa Elena open pit, ore from future Santa Elena underground operations, eventual re-treatment of heap leach pad materials which are estimated to hold 5 million residual equivalent ounces of silver, and process ore from Cruz de Mayo. Production at Santa Elena would then ramp up significantly and put SilverCrest well on target to double its annual production to about 4-5-million ounces of silver equivalent.

SilverCrest expects to spend C\$18.5 million on operations and about C\$13.5 million on expansion at Santa Elena in 2012. Underground development has commenced with collaring a portal for the decline ramp in early 2102. The CCD conventional mill is expected to begin processing feed from both the open pit and underground mining by 2014.

100+ Million Oz. of Silver Eq at Massive La Joya Project “Tip of the Iceberg”

SilverCrest received welcome news in early January that its La Joya Project may be a world-class silver deposit. The initial inferred resource estimate totaled 101.9 million ounces of silver equivalent using a cutoff grade of 15 gpt Ag Eq. The estimate included 57.9 million tonnes grading 28 gpt silver, 0.18 gpt gold and 0.21% copper and containing about 51.3 million ounces of silver, 333,400 ounces of gold and 270.3 million pounds of copper.

The independent estimate, prepared by EBA Engineering Consultants, a Tetra Tech Company, was based on verified historical and company sources and was the basis of a followin NI 43-101 Technical Report. That report includes resources for lead, zinc, tungsten and molybdenum mineralization, as well. SilverCrest believes the deposit is amenable to conventional flotation processing for copper concentrate with gold and silver components. La Joya has excellent access and infrastructure.

Phase I drilling at La Joya has been relatively widespread over an area of about 1 km by 500 meters. The resource estimate covers only a portion of the overall potential within the Main Mineralized area.

A C\$3 million, 15,000-meter Phase II drilling program is now underway, focusing on the Main Mineralized Trend that has an overall length of 2.5 km with an average minimum width of 500 meters. Initial drill results from 6 holes were announced recently, and extended the main mineralized trend by approximately 500 meters to the northwest. The La Joya deposit is already significantly larger than Santa Elena and Cruz de Mayo’s combined 58.5 million ounce silver equivalent resource (probable, indicated and inferred).

“Our aggressive and systematic drilling program will focus on further testing of the continuity and grade of mineralization, potentially expanding the current target area and testing several additional targets,” says Drever.

SilverCrest has the right to purchase 100% of the large La Joya polymetallic deposit, located about 75 kilometers southeast of Durango Mexico. The prolific mineralized region supports a number of large mining operations, including Grupo Mexico’s San Martin Mine, Industrias Penoles’ Sabinas Mine, Pan American Silver’s La Colorada Mine and First Majestic Silver’s La Parrilla Silver Mine. The nearby Sabinas Mine has a similar geology and mineralization and is currently producing at an estimated rate of 4,000 tonnes/day and shipping flotation concentrate overseas.

“The Santa Elena mine is remarkable for its high grade and profitability. La Joya will be remarkable for its size and metal content. What we have discovered so far at La Joya is just the tip

Santa Elena Mine

- Open-Pit Reserves: 4.8 Million Tonnes 1.81 g/t Au, 75.9 g/t Ag
- 3 Year Expansion Plan to double production
- 2012 Budget \$19 million operating + \$10 million expansion



of the iceberg,” says Drever.

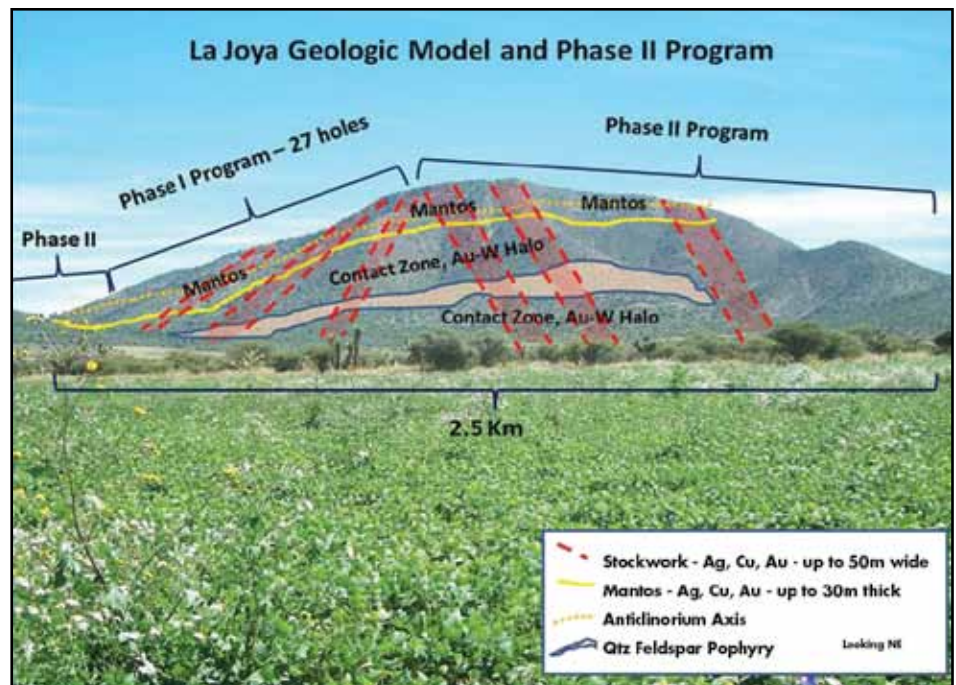
Strong, Well-Balanced Management Team

SilverCrest Mines is led by a uniquely skilled and balanced management team that has accumulated a century's worth of international mining success. President J. Scott Drever is particularly experienced in strategic planning, mergers and acquisitions, as well as mining operations with such major companies as Placer Dome, Blackdome Mining and Goldsource Mines. His two co-founders, N. Eric Fier (COO) and Barney Magnusson (CFO), round out the company's top management. Fier is skilled in project evaluation and management, particularly in Chile, Brazil, Honduras, Mexico and Peru, resource estimation and economic analysis, working with such companies as Pegasus Gold, Newmont and Eldorado Gold. Magnusson served as a senior officer or director for six mining companies that have developed, constructed or operated eight precious metals mines in North and South America.

Other members of the SilverCrest management team include: VP of Operations Brent McFarlane, who has managed all phases of open pit and underground mining projects; VP of Exploration Jed Thomas, who has led exploration programs and technical reviews for investment funds and major mining companies as Newmont, Hecla, and Coeur d'Alene Mines; and VP of Corporate Development Salvador Aguayo Salinas, PhD., who formerly was a Universidad de Sonora professor and served as a consultant to mining companies operating in Mexico.

Investment Considerations

SilverCrest Mines has a strong balance sheet with a growing cash flow capable of carrying planned operational and exploration costs throughout 2012. In 2011, the company paid off its bank debt and is now funding operations with an



Geologic Model and Phase II Drilling Program at La Joya Polymetallic Project in Durango, Mexico.

expected C\$2-C\$2.5 million monthly cash flow in 2012.

The company ended its fiscal year in December with \$14.7 million in cash flow ((\$0.19 per share) from operations, \$41.9 million in revenues and \$24.1 million in working capital – all from just nine months of commercial production.

“Our strong cash position and cash flow assures we can continue with our Expansion Plan to double production at Santa Elena and aggressively explore the La Joya property where the Company has a major new silver-gold - copper discovery,” says Drever.

With nearly C\$30 million in the bank and the clear prospect of future funds from operational profits, SilverCrest is well positioned financially. The company anticipates it will need C\$65-million to complete its expansion plans, including the cost of building a new mill. Drever says a good portion of that anticipated future capital investment needed to reach the company's goal of doubling

gold and silver production at Santa Elena over the next three years – as well as advancing its mineral-rich La Joya Project to pre-feasibility – will be financed from Santa Elena production.

For investors, SilverCrest's mining cost of \$7.79 per ounce of silver equivalent provides the company with substantial profit margins – and offers a highly attractive investment vehicle for precious metals. Several leading research firms and banks say strong underlying fundamentals for silver will not change in 2012. SilverCrest expects to produce 33,000 ounces of gold and 435,000 ounces of silver in 2012.

“From the beginning, SilverCrest's goal was to get to production quickly and we have done that at Santa Elena,” says Drever. “At the same time, we also developed a significant growth portfolio of advanced properties. SilverCrest has clearly established itself at the forefront of junior mining companies and emerging silver producers.”

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Shares Outstanding: 89.7 million
90-Day Trading Avg: 415K

52 Week Trading Range:
Canada: Hi: C\$3.17 • Low: C\$1.07
US: Hi: \$3.19 • Low: \$1.00



Quick **FACTS**

SilverCrest Mines Highlights:

- **Cash flow from current operations:** \$5.1 million in Q3
- **Cash in the bank:** Nearly \$30 million
- **Current Cash operating cost:** \$7.27 per AgEq ounce sold
- **2012 Metal production:** 33,000 oz Au & 435,000 oz Ag
- **Production growth target:** 5 million oz Ag Eq by 2014 -15
- **Exploration potentials:**
 - **La Joya Project**
 - Initial Resource Estimate of 100+ million oz AgEq
 - Ongoing Phase II Drill Program; Resource Update planned late 2012

SilverCrest Mines's flagship, 100%-owned Santa Elena Mine in the State of Sonora, Mexico is a high-grade, epithermal gold and silver deposit, with an estimated life of mine cash cost of \$8 per ounce of silver equivalent. SilverCrest anticipates that the 2,500 tonnes per day facility should recover approximately 4.8 million ounces of silver and 179,000 ounces of gold over the 6.5 year mine life of the initial open-pit heap leach operation.

SilverCrest also has two additional properties, Cruz de Mayo, also in Sonora, Mexico and the La Joya exploration project in Durango, Mexico. Cruz de Mayo is located 65 km from Santa Elena, which makes it possible for the two properties to share facilities and infrastructure. Cruz de Mayo has a current resource of about 15 million ounces Ag and has the potential to become an open pit mine. A 50-hole drill program is expected to increase and upgrade the resources to a Pre-Feasibility level. The La Joya project is located in a prolific mineralized region, which currently supports several mining operations including Grupo Mexico's San Martin Mine, Industrias Penoles' Sabinas Mine, Pan American Silver's La Colorada Mine and First Majestic Silver's La Parrilla Silver Mine. Access and infrastructure near the property is considered excellent. SilverCrest's Phase I drill program has tested approximately 1 km of the exposed strike length of the 2.5-km Main Mineralized Trend.

SilverCrest's multi-phase expansion program for the Santa Elena mine includes installation of a conventional CCD processing mill with a throughput capacity of 3,000 – 3,500 tpd - a capacity capable of processing mill feed from the Santa Elena open pit, ore from future Santa Elena underground operations, retreatment of the material on the heap leach pads to recover estimated 5 million equivalent ounces of silver, and process ore from Cruz de Mayo. This would ramp up production significantly and could potentially double annual production to approximately 5.0 million ounces of silver equivalent.