UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark one)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2008

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______

GOLD CREST MINES, INC.

(Exact name of registrant as specified in its charter)

Nevada	**000-52392**	**82-0290112**
(State or other jurisdiction of incorporation or organization)	Commission file number	(IRS Employer Identification Number)

10807 E Montgomery Dr. Suite #1 **Spokane Valley, WA**	**99206**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(509) 893-0171**

Indicate by check mark whether the registrant (1) has filed all documents and reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filings for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company.

Large accelerated filer	☐		Accelerated filer	☐
Non-accelerated filer	☐	(Do not check if a smaller reporting company)	Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date: At November 12, 2008, 83,772,995 shares of the registrant's common stock were outstanding.

GOLD CREST MINES, INC.
FORM 10-Q
For the Quarter Ended September 30, 2008

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PART I

FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

GOLD CREST MINES, INC.
(AN EXPLORATION STAGE COMPANY)
Consolidated Balance Sheets (Unaudited)

		September 30, 2008		December 31, 2007
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	19,876	$	778,696
Miscellaneous receivable		24,872		-
Interest receivable, current		621		893
Prepaid expenses		28,129		94,085
Deposits, current		3,682		4,104
Total Current Assets		77,180		877,778
Note receivable, non-current		-		120,000
Interest receivable, non-current		-		3,920
Deposits, non-current		-		50,000
Equipment, net of accumulated depreciation of $37,625 and $23,994, respectively		79,525		110,977
Royalty interest in mineral properties		272,000		-
Mineral properties		186,000		188,175
Investment in Golden Lynx LLC, at cost		54,575		-
TOTAL ASSETS	$	669,280	$	1,350,850
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	$	102,673	$	341,930
Total Current Liabilities		102,673		341,930
Total Liabilities		102,673		341,930
Commitments and contingencies				
STOCKHOLDERS' EQUITY				
Preferred stock; no par value; 10,000,000 shares authorized, none issued or outstanding		-		-
Common stock; $0.001 par value; 500,000,000 shares authorized; 83,882,995 and 77,416,328 shares issued and outstanding, respectively		83,883		77,417
Common stock subscribed		(22,000)		(132,500)
Additional paid-in capital		9,352,154		8,511,183
Accumulated deficit during exploration stage		(8,847,430)		(7,447,180)
Total Stockholders' Equity		566,607		1,008,920
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$	669,280	$	1,350,850

The accompanying notes are an integral part of these consolidated financial statements.

GOLD CREST MINES, INC.
(AN EXPLORATION STAGE COMPANY)
Consolidated Statements of Operations
(Unaudited)

	Three Months Ended		Nine Months Ended		From Inception January 11, 2005 to
	September 30, 2008	September 30, 2007	September 30, 2008	September 30, 2007	September 30, 2008
REVENUES	$ -	$ -	$ -	$ -	$ -
OPERATING EXPENSES:					
Exploration expenditures	16,233	1,935,230	155,404	2,918,040	4,300,494
Settlement of drilling contract	-	-	161,814	-	161,814
Abandonment of mineral lease	83,600	-	83,600	-	83,600
Impairment of mineral properties and royalty interest	192,000	-	192,000	-	192,000
Legal and accounting expenses	32,569	58,445	137,154	170,055	455,025
Directors' fees	-	-	40,000	214,000	844,000
General and administrative	122,416	239,921	628,343	592,666	2,867,400
TOTAL OPERATING EXPENSES	446,818	2,233,596	1,398,315	3,894,761	8,904,333
LOSS FROM OPERATIONS	(446,818)	(2,233,596)	(1,398,315)	(3,894,761)	(8,904,333)
OTHER INCOME (EXPENSE):					
Interest income	378	17,897	5,852	59,932	79,463
Interest expense	-	-	(7,787)	-	(22,560)
TOTAL OTHER INCOME (EXPENSE)	378	17,897	(1,935)	59,932	56,903
LOSS BEFORE TAXES	(446,440)	(2,215,699)	(1,400,250)	(3,834,829)	(8,847,430)
INCOME TAXES	-	-	-	-	-
NET LOSS	$ (446,440)	$ (2,215,699)	$ (1,400,250)	$ (3,834,829)	$ (8,847,430)
NET LOSS PER COMMON SHARE - BASIC AND DILUTED	(0.01)	$ (0.03)	$ (0.02)	$ (0.05)	
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING, BASIC AND DILUTED	83,049,191	72,671,002	79,746,432	71,430,892	

The accompanying notes are an integral part of these consolidated financial statements.

GOLD CREST MINES, INC.
(AN EXPLORATION STAGE COMPANY)
Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30, 2008	Nine Months Ended September 30, 2007	From Inception January 11, 2005 to September 30, 2008
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	$ (1.400,250)	$ (3,834,829)	$ (8,847,430)
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation	18,798	16,939	42,792
Common stock and options issued for services	10,000	-	1,368,976
Equity compensation for management and directors	147,437	228,000	1,187,234
Interest paid with common shares	-	-	12,500
Settlement of drilling contract (see Note 4)	161,814	-	161,814
Abandonment of mineral lease (see Note 5)	83,600	-	83,600
Impairment of mineral properties and royalty interest (see Note 5 and Note 6)	192,000	-	192,000
Changes in operating assets and liabilities:			
Change in interest receivable	(2,968)	-	(6,888)
Change in miscellaneous receivable	(24,872)	(4,165)	(24,872)
Change in prepaid expenses and deposits	44,378	(73,228)	26,188
Change in accounts payable and accrued liabilities	(239,257)	278,880	102,674
Net cash used by operating activities	(1,009,320)	(3,388,403)	(5,701,412)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Cash received in reverse merger	-	-	7,456
Note receivable issued	-	(200,000)	(200,000)
Interest receivable	-	(3,534)	-
Purchase of royalty interest in mineral property	(400,000)	-	(400,000)
Purchase of mineral properties	(150,000)	(55,000)	(388,175)
Purchase of equipment	-	(95,730)	(134,971)
Net cash used by investing activities	(550,000)	(354,263)	(1,115,690)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowings under line of credit	-	-	250,000
Payments of line of credit	-	-	(250,000)
Payments received on stock subscriptions	110,500	-	110,500
Proceeds from the issuance of stock on the exercise of warrants	90,000	-	90,000
Sale of common stock, net of issuance costs	600,000	2,181,665	6,636,478
Net cash provided by financing activities	800,500	2,181,665	6,836,978
Net change in cash and cash equivalents	(758,820)	(1,561,001)	19,876
Cash and cash equivalents, beginning of period	778,696	2,183,027	-
Cash and cash equivalents, end of period	$ 19,876	$ 662,026	$ (19,876)
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Interest paid	$ -	$ -	$ 2,273
Taxes paid	$ -	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES			
Land contributed in exchange for investment in Golden Lynx LLC	$ 54,575	$ -	$ 54,575
Note receivable forgiven in connection with settlement agreement (see Note 4)	$ 120,000	$ -	$ 120,000
Equipment relinquished in connection with settlement agreement (see Note 4)	$ 12,654	$ -	$ 12,654

The accompanying notes are an integral part of these consolidated financial statements.

Gold Crest Mines, Inc.
(An Exploration Stage Company)
Notes to Unaudited Consolidated Financial Statements

NOTE 1. Basis of Presentation

Gold Crest Mines, Inc. and its subsidiaries ("Gold Crest" and "the Company") is a Nevada corporation originally incorporated on August 20, 1968, as Silver Crest Mines, Inc., an Idaho corporation.

On August 1, 2006, Gold Crest acquired 100% of the issued and outstanding shares of Niagara Mining and Development Co., ("Niagara"), an Idaho corporation formed on January 11, 2005, and its wholly-owned subsidiary, Kisa Gold Mining, Inc. ("Kisa"), an Alaskan corporation formed on July 28, 2006. On June 20, 2008, 100% of the issued and outstanding shares of Kisa were transferred from Niagara to the Company.

The interim Consolidated Financial Statements of the Company and its subsidiaries are unaudited. In the opinion of management, all adjustments and disclosures necessary for a fair presentation of these interim statements have been included. All such adjustments are, in the opinion of management, of a normal recurring nature. The results reported in these interim Consolidated Financial Statements are not necessarily indicative of the results that may be reported for the entire year. These interim Consolidated Financial Statements should be read in conjunction with the Company's Consolidated Financial Statements included in its Annual Report on Form 10-KSB for the year ended December 31, 2007.

Certain amounts in prior period financial statements have been reclassified to conform to the 2008 presentation.

NOTE 2. Summary of Significant Accounting Policies

This summary of significant accounting policies is presented to assist in understanding the financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Accounting for Investments

The Company uses the cost method to account for its investments in companies that we do not control and for which the Company does not have the ability to exercise significant influence over operating and financial policies. Marketable equity securities are categorized as available for sale and carried at fair market value. Realized gains and losses on the sale of securities are recognized on a specific identification basis. Unrealized gains and losses are included as a component of accumulated other comprehensive income (loss), unless a permanent impairment in value has occurred, which would then be charged to current period net income (loss).

Adoption of New Accounting Principles

Effective January 1, 2008, we adopted the provisions of SFAS No. 157, "Fair Value Measurements", for our financial assets and financial liabilities without a material effect on our results of operations and financial position. The effective date of SFAS No. 157 for non-financial assets and non-financial liabilities has been deferred by FSP 157-2 to fiscal years beginning after November 15, 2008, and we do not anticipate the impact of adopting SFAS 157 for non-financial and non-financial liabilities to have a material impact on our results of operations and financial position.

SFAS No. 157 expands disclosure requirements to include the following information for each major category of assets and liabilities that are measured at fair value on a recurring basis:

a. The fair value measurement;
b. The level within the fair value hierarchy in which the fair value measurements in their entirety fall, segregating fair value measurements using quoted prices in active markets for identical assets or liabilities (Level 1), significant other observable inputs (Level 2), and significant unobservable inputs (Level 3);
c. For fair value measurements using significant unobservable inputs (Level 3), a reconciliation of the beginning and ending balances, separately presenting changes during the period attributable to the following:
    1) Total gains or losses for the period (realized and unrealized), segregating those gains or losses included in earnings (or changes in net assets), and a description of where those gains or losses included in earnings (or changes in net assets) are reported in the statement of income (or activities);
    2) The amount of these gains or losses attributable to the change in unrealized gains or losses relating to those assets or liabilities still held at the reporting period date and a description of where those unrealized gains or losses are reported;

3) Purchases, sales, issuances, and settlements (net); and
4) Transfers in and/or out of Level 3.

The Company's cash and cash equivalents are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices.

We also adopted the provisions of SFAS No. 159, "The Fair Value Option for Financial Liabilities", effective January 1, 2008. SFAS No. 159 permits entities to choose to measure many financial assets and financial liabilities at fair value. The adoption of SFAS No. 159 has not had a material effect on our financial position or results of operations as of and for the nine months ended September 30, 2008.

New Accounting Pronouncements

In May 2008, the FASB issued Statement of Financial Accounting Standards No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS 162"). SFAS 162 identifies a consistent framework, or hierarchy, for selecting accounting principles to be used in preparing financial statements that are presented in conformity with U.S. generally accepted accounting principles for non-governmental entities. SFAS 162 is effective 60 days following the Securities and Exchange Commission's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Presenting Fairly in Conformity with Generally Accepted Accounting Principles." The Company is assessing the impact of the adoption of SFAS 162 and believes there will be no material impact on its consolidated financial statements.

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161, "Disclosures about Derivative Instruments and Hedging Activities - an amendment of FASB Statement No. 133" ("SFAS 161"). SFAS 161 requires enhanced disclosures about an entity's derivative and hedging activities. This Statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. The Company does not expect the adoption of SFAS 161 to have a material effect on our financial position or results of operations.

In December 2007, FASB issued Statement of Financial Accounting Standards No. 160 "Non Controlling Interests in Consolidated Financial Statements - an amendment of ARB 51" ("SFAS 160") which is effective for fiscal years and interim periods within those years beginning on or after December 15, 2008. SFAS No. 160 amends ARB 51 to establish accounting and reporting standards for the non controlling ownership interest in a subsidiary and for the deconsolidation of a subsidiary. The Company does not expect the adoption of SFAS 160 to have a material effect on our financial position or results of operations.

In December 2007, FASB issued SFAS No. 141 (R) "Business Combinations". This standard is effective for transactions where the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. SFAS No. 141 (R) will change the accounting for assets acquired and liabilities assumed in a business combination. These changes include:

- Acquisition costs will generally be expensed as incurred;
- Non controlling interests will be valued at fair value at the acquisition date;
- Acquired contingent liabilities will be recorded at fair value at the acquisition date and subsequently measured at either the higher of such amount or the amount determined under existing guidance for non acquired contingencies;
- In-process research and development will be recorded at fair value as an indefinite-lived intangible asset at the acquisition date;
- Restructuring costs associated with a business combination will generally be expensed subsequent to the acquisition date; and
- Changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally will affect income tax expense.

The adoption of SFAS No. 141 (R) is not expected to have a material effect on the Company's financial statements. Any future business combination occurring on or after the beginning of the first annual reporting period beginning on or after December 15, 2008 will be accounted for in accordance with this guidance.

Basic and Diluted Net Loss Per Share

Net loss per share was computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Diluted net loss per share for the Company is the same as basic net loss per share, as the inclusion of common stock equivalents would be antidilutive. At September 30, 2008 the common stock equivalents consisted of 6,150,000 options exercisable at prices ranging from $0.28 to $0.53 per share and 4,397,500 common stock warrants exercisable at $0.30 per share. At September 30, 2007 the common stock equivalents consisted of 5,920,000 options exercisable at prices ranging from $0.28 to $0.53 per share.

Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the amounts reported in those statements and accompanying notes. Actual results could differ from those estimates.

NOTE 3. Going Concern

As shown in the accompanying financial statements, the Company has had no revenues and incurred an accumulated deficit of $8,847,430 through September 30, 2008. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management intends to seek additional capital from new equity securities offerings and joint venture agreements that will provide funds needed to increase liquidity, fund internal growth and fully implement its business plan. See "Note 5. Mineral Properties - *Golden Lynx, LLC'*, "Note 7. Common Stock and Common Stock Warrants" and "Note 8. Common Stock Subscribed".

The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Should the Company be unable to raise capital through future private placements and/or joint venture agreements, its business, and, as a result, its financial position, results of operations and cash flow will likely be materially adversely impacted. As such, substantial doubt as to the Company's ability to continue as a going concern remains as of the date of these financial statements.

An estimated $500,000 to $1,000,000 is believed necessary to continue operations and increase development through the next twelve months. The timing and amount of capital requirements will depend on a number of factors, including the Company's ability to successfully enter into a joint venture on our Golden Meadows project in Idaho and the Company's future personnel requirements.

NOTE 4. Note Receivable

On January 11, 2007, the Company advanced Diamond Drilling Consultants Con Ag., Inc. ("Diamond Drilling") $150,000 of a $200,000 secured promissory note to finance the construction of a drilling rig for use by the Company. The final $50,000 was advanced during May 2007, when the drilling rig construction was completed. Interest accrued at six percent (6%) per annum, from June 15, 2007, through June 12, 2008. This note, including principal and interest, was payable in full on or before January 15, 2009, or at the termination of the drilling contract between the parties, whichever occurred first. In consideration for the Company providing this note, the Company was to have exclusive use of the drilling rig for two calendar years, which also served as collateral for the note.

Upon successful completion of the contractual obligations of the note, the Company agreed to grant Diamond Drilling a forty percent (40%) reduction in the amount of principal and accrued interest payable. During the third quarter of 2007, the Company determined that the 40% reduction was probable and likely to occur. Therefore 40% of the note receivable, or $80,000, had been recorded as "Prepaid Exploration Costs" and was being amortized over the life of the note receivable. The amortized expense was being charged to exploration expenditures.

As part of the contract with Diamond Drilling for the 2008 drilling season, the Company had a 10,000 foot minimum drilling requirement at a cost of $23.00 per foot for a total potential liability of $230,000 for undrilled footage (the "Diamond Drilling Contract").

During 2008, it became apparent that the Company would not satisfy its minimum drilling requirement under the Diamond Drilling Contract. On June 12, 2008, the Company entered into a settlement agreement with Diamond Drilling (the "Settlement Agreement"). The terms of the Settlement Agreement require Diamond Drilling to release Gold Crest from its obligation to pay the $230,000 drilling commitment in exchange for the following (recorded as $161,814 to settlement of drilling contract in the Company financial statements for the quarter ended June 30, 2008):

1. The forgiveness by the Company of a $120,000 note receivable from Diamond Drilling;

2. The forgiveness by the Company of $7,160 of accrued interest receivable related to the note receivable from Diamond Drilling;
3. The sale to Diamond Drilling for $1 of a water line with a carrying value of $12,654 and miscellaneous tools with zero carrying value; and
4. The write off by the Company of the $22,000 remaining balance in the Prepaid Exploration Costs.

NOTE 5. Mineral Properties

The Company's mineral properties consist of various mining claims in Alaska and Idaho. The Company is in the business of exploration, development, and if warranted the mining of properties containing valuable mineral deposits. The focus of the Company's exploration programs is directed at precious metals, primarily gold. The Company currently controls approximately 22,240 acres of land under State of Alaska jurisdiction, after having transferred 15,320 acres into Golden Lynx, LLC as part of our joint venture with Cougar Gold LLC. See "*Golden Lynx, LLC*". These claims are held under and are subject to the State's mining laws and regulations. In Idaho, the Company controls over 3,930 acres of unpatented mill site and load claims under Federal jurisdiction that are held under and are subject to the Federal mining laws and regulations.

On September 1, 2008, the Company relinquished 43,520 acres of Alaskan property by not making the required annual rental and annual work assessment payments. Additionally, on July 22, 2008, the Company relinquished 26,400 acres by notifying Greatland Exploration, LTD that it had exercised its right to cancel the lease agreement with option to purchase entered into on January 30, 2007. Accordingly, the Company is no longer required to pay $45,000 to Greatland Exploration, LTD by September 1, 2008, to hold the claims for another year. Also, the Company will no longer need to perform $400,000 in work commitments on the property by December 31, 2008. The Kelly Creek mineral lease carrying value of $83,600 was classified under mineral properties on the balance sheet at June 30, 2008, and was recognized as a loss on abandonment of mineral lease in the third quarter of 2008.

Golden Lynx, LLC

On April 18, 2008, the Company, through its wholly-owned subsidiary, Kisa, entered into an agreement with Cougar Gold LLC, a Delaware limited liability company, ("Cougar") under which the two companies formed Golden Lynx, LLC, a Delaware limited liability company ("Golden Lynx"). Pursuant to this agreement, the Company transferred 15,320 acres under State of Alaska jurisdiction into Golden Lynx. The Company accounts for this investment under the cost method of accounting. Accordingly, the carrying value of the contributed property of $54,575 was reclassed from mineral properties to "Investment in Golden Lynx LLC".

Cougar has an initial 55% interest and Kisa has an initial 45% interest in Golden Lynx. Per the agreement the management committee shall consist of one member appointed by Kisa and two members appointed by Cougar. The member with a percentage interest over 50% shall determine the decisions of the management committee. The members appointed Cougar as the manager with overall management responsibility for operations. Cougar is entitled to retain its 55% interest by making the following contributions to Golden Lynx, used to fund exploration expenditures, on the following timetable:

(a) $750,000 on or before the first anniversary of the effective date of the agreement;
(b) An additional $1,250,000 on or before the second anniversary of the effective date of the agreement; and
(c) An additional $1,500,000 on or before the third anniversary of the effective date of the agreement.

Within 30 days after completing the foregoing expenditures, Cougar may elect to purchase an additional ownership interest in Golden Lynx by making capital contributions in the aggregate amount of $2,500,000 which shall also be used to fund exploration expenditures during the two years that follow the third anniversary of the effective date of the agreement. Upon making such capital contributions, Cougar's ownership interest would increase to 80%, and Kisa's ownership interest would decrease to 20%.

Option and Real Property Sales Agreement with JJO, LLC.

On January 24, 2008, the Company entered into an Option and Real Property Sales Agreement with JJO, LLC, an Idaho limited liability company and personal representative of the Estate of J.J. Oberbillig. This option gives the Company the right to acquire approximately 255 acres of patented mining and mill site claims in the Stibnite area from the Oberbillig Estate. These lands have been the subject of several exploration programs over the years, but contain no resources calculated to modern standards. The Company has also acquired access to all the historical data for the district owned by the Oberbilligs. The property has a total purchase price of $435,620. As consideration for entering into the Option Agreement, the Company paid $125,000 which is presented in the caption "Mineral Properties" on the balance sheet.

The original closing date was to be on or before August 15, 2008, but as of November 12, 2008 the Company has yet to exercise the option due to the unsuccessful attempt to obtain a joint venture partner on the property. The Company is currently in negotiations with the Estate of J.J. Oberbillig to extend the option purchase date and have been informed that they are willing to do so. Gold Crest is proposing more favorable terms then the terms in the original agreement. The Company expects that a six-month extension should be finalized by the end of November 2008. See "Note 10. Subsequent Events – *Extension on both Option and Royalty and Option and Real Property Sales Agreements"*.

Under the original agreement, if the Company decides to continue with the option on the land, the Company will be required to make the following payments. A payment of $100,000 will be required upon the closing date, then the remaining balance of the Purchase Price will be $210,620 and shall be in the form of promissory notes which will accrue interest at the rate of six percent (6%) per annum commencing on the closing date. Commencing one (1) year from the closing date, five (5) annual payments of principal plus accrued interest in the amount of $50,000 will be due on the same day and month as the closing date.

For the quarter ended September 30, 2008, the Company determined that the $125,000 carrying value of the property was impaired and recorded a writedown of $40,000. This is a 32% impairment based on the new proposed terms of the Option and Real Property Sales Agreement received by the estate of J.J. Oberbillig on November 4, 2008. Management of the Company believes that the proposed terms reflect a reasonable basis to estimate the decline in the value of the underlying property. See "Note 10. Subsequent Events – *Extension on both Option and Royalty and Option and Real Property Sales Agreements"*.

Mining Lease and Option to Purchase Agreement with Bradley Mining Company

On March 31, 2008, the Company entered into a Mining Lease and Option to Purchase Agreement with the Bradley Mining Company (the "Bradley Option Agreement"). Pursuant to the terms of the Agreement, the Company has been granted an exclusive option through March 30, 2009 to purchase for $300,000 real property located in the Stibnite mining district, Valley County, Idaho ("the Bradley Property"). The Bradley Property consists of nine patented mining claims comprising approximately 175 acres. As consideration for entering into the Bradley Option Agreement, the Company paid $75,000 which is included in the caption "Mineral Properties" on the balance sheet. If the Company elects to exercise this option on or before March 30, 2009, then there will be another payment due upon closing in the amount of $225,000.

For the quarter ended September 30, 2008, the Company determined that the $75,000 carrying value of the property was impaired and recorded a writedown of $24,000. This is a 32% impairment based on the new proposed terms of the Option and Real Property Sales Agreement received by the estate of J.J. Oberbillig on Novermber 4, 2008. Management of the Company believes that the proposed terms reflect a reasonable basis to estimate the decline in the value of the Bradley property due to its proximity to the Oberbillig property. See "Note 10. Subsequent Events – *Extension on both Option and Royalty and Option and Real Property Sales Agreements"*.

Newmont Venture Agreements

On May 8, 2008, the Company signed three separate joint venture agreements ("the Newmont Agreements") with Newmont North America Exploration Limited, a subsidiary of Newmont Mining Corporation ("Newmont"). The subject claims consist of the Company's AKO and Luna claim groups located in the Kuskokwim region of southwestern Alaska approximately 120 miles south of the Donlin Creek deposit and our Chilly claim group located approximately 50 miles southwest of the Donlin Creek deposit.

Under the terms of the Newmont Agreements, Newmont can earn a 51% interest in the subject claims by expending $3,000,000 in Qualifying Work Expenditures (as defined in the Newmont Agreements) and by completing a minimum of 3,000 meters of drilling on each property on or before December 31, 2011. In addition, Newmont must make cash payments to Gold Crest for each property of $25,000 on or before January 15, 2009, and $50,000 on or before January 15, 2010.

Newmont has the option to increase its interest in the subject claims to 70% by completing an additional $6,000,000 in Qualifying Work Expenditures (as defined in the Newmont Agreements) and by completing a minimum of 3,000 additional meters of drilling on each property on or before December 31, 2015. In the event a decision is made to build a mine on either property, either company may elect to have Newmont provide all the financing for the mine in return for

Newmont receiving an additional 10% interest in that property. The Company would then repay Newmont for the Company's share of the financing from its share of future profits, if any.

Letter of Intent with Cougar

On June 10, 2008, the Company, through its wholly owned subsidiary Niagara, signed a non-binding letter-of-intent with Cougar to enter into a joint venture agreement covering all of the Company's properties in Idaho (the "Proposed JV Agreement"). The Proposed JV Agreement covered the Company's unpatented mining and millsite claims, as well as its patented claims held under mining leases and option agreements. Altogether the subject properties totaled approximately 4,360 acres known as our Golden Meadows Project located in the Stibnite-Yellow Pine Mining District, Valley County, Idaho.

On September 9, 2008, Gold Crest was notified by Cougar that they had decided not to proceed with the Proposed JV Agreement.

The following is a summary of our mineral properties at September 30, 2008 and December 31, 2007.

	At September 30, 2008	At December 31, 2007
Alaska Properties		
Southwest Kuskokwim Project	$ 16,875	$ 71,450
Kelly Creek – Mineral Lease	-	83,600
Idaho Properties		
Golden Meadows Project	169,125	33,125
Total	$ 186,000	$ 188,175

The Company or its joint venture partner is required to perform certain work commitments and pay annual assessments to the States of Alaska and Idaho to hold these claims in good standing. See "Note 9. Commitments and Contingencies"

NOTE 6. Royalty Interest in Mineral Property

On January 24, 2008, the Company entered into an Option and Royalty Sales Agreement with the heirs of the Estate of J.J. Oberbillig (the "Oberbillig Agreement"). Pursuant to the terms of the Agreement, the Company has been granted an exclusive option through August 15, 2008 to purchase a 5% (five percent) net smelter royalty interest ("NSR") in real property located in Valley County, Idaho. This royalty applies to any metal produced from lands sold by the estate of J.J. Oberbillig to Bradley Mining Co. in 1941. The Yellow Pine gold property, now controlled by Vista Gold Corporation and the subject of a December 2006 Canadian National Instrument 43-101 report, is subject to the 5% NSR. The NSR has a total Purchase Price of $1,642,480. As consideration for entering into the Option Agreement, the Company paid $400,000 which is presented as royalty interest in mineral properties on the balance sheet.

The original closing date was to be on or before August 15, 2008, but as of November 12, 2008 the Company has yet to exercise the option due to the unsuccessful attempt to obtain a joint venture partner on the property. The Company is currently in negotiations with the heirs of the Estate of J.J. Oberbillig to extend the option purchase date and have been informed that they are willing to do so. Gold Crest is proposing more favorable terms then the terms in the original agreement. The Company expects that a six-month extension should be finalized by the end of November 2008. See "Note 10. Subsequent Events – *Extension on both Option and Royalty and Option and Real Property Sales Agreements*".

Under the original agreement, if the Company decides to exercise this option on or before the closing date (the "Closing Date"), then there will be another payment due upon closing in the amount of $400,000. The remaining balance of the Purchase Price, $842,480, shall be in the form of a promissory note which will accrue interest at the rate of six percent (6%) per annum commencing on the closing date. Commencing one (1) year from the closing date, five (5) annual payments of principal plus accrued interest in the amount of $200,000 will be due on the same day and month as the closing date.

For the quarter ended September 30, 2008, the Company determined that the $400,000 carrying value of the royalty interest was impaired and recorded a writedown of $128,000.This is a 32% impairment based on the new proposed terms of the Option and Real Property Sales Agreement received by the estate of J.J. Oberbillig on Novermber 4, 2008. Management of the Company believes that the proposed terms reflect a reasonable basis to estimate the decline in the value of the underlying property. See "Note 10. Subsequent Events – *Extension on both Option and Royalty and Option and Real Property Sales Agreements*".

NOTE 7. Common Stock and Common Stock Warrants

During the first nine months of 2008, the Company had the following issuances of common stock:

1. The Company issued 552,500 shares of restricted common stock upon the payment of promissory notes in the amount of $110,500 issued as part of the November 2007 private placement. See "Note 8. Common Stock Subscribed";
2. The Company issued 300,000 shares of restricted common stock upon the exercise of 300,000 warrants and received gross proceeds in the amount of $90,000;
3. The Company issued 100,000 shares of restricted common stock for $10,000 worth of services performed;
4. The Company issued 400,000 shares of common stock to two newly appointed directors valued at $40,000;
5. The Company issued 1,666,667, 3,000,000 and 1,000,000 shares of restricted common stock for gross proceeds of $250,000, $300,000 and $50,000, respectively.

NOTE 8. Common Stock Subscribed

In November 2007, the Company completed a private placement of 4,697,500 units at a price of $0.20 per unit. Each unit consisted of one share of common stock and one warrant. Each warrant is exercisable for a period of two years to purchase one share of common stock at a price of $0.30 per share.

Of the total units, 662,500 units were subscribed in exchange for promissory notes with a value of $132,500 and due dates extending through September 1, 2008. The $132,500 was recorded under the caption "Common Stock Subscribed" in the Company's 2007 financial statements.

During the 2008 first quarter, the Company received payments on the promissory notes in the amount of $86,500. However, the Company issued only 150,000 units because not all investors paid in full on their promissory notes.

During the 2008 second quarter, the Company received payments of $20,000 which constituted partial payment on certain promissory notes and issued a total of 300,000 units.

During the 2008 third quarter, the Company received payments of $4,000 which constituted partial payment on certain promissory notes and issued a total of 102,500 units.

At September 30, 2008, the balance under the caption "Common Stock Subscribed" was $22,000 for which 110,000 units remain unissued because the Company has not received full payment on certain related promissory notes. See "Note 7. Common Stock and Common Stock Warrants".

NOTE 9. Commitments and Contingencies

Alaska Mineral Property Rent and Assessment Work Commitments

In Alaska, land holdings consist of state mining claims and prospecting sites totaling 37,560 acres of land of which 15,320 acres have been transferred into Golden Lynx, LLC as part of our joint venture with Cougar Gold LLC, and the remaining 22,240 acres are currently included in the Newmont Venture Agreements. The holdings are in good standing until September 1, 2009. The following annual assessment work and annual rental payments will be paid by the corresponding joint venture partners per their agreements unless the joint venture partners terminate their relationship with the Company and give Gold Crest notice before the beginning of the calendar year the payments are due in the case of Newmont and at least six months notice in the case of Cougar Gold before the payments or assessment work is due.

By September 1, 2009 the Company or the Company's joint venture partners will need to have completed $46,800 of assessment work on the claims to the State of Alaska. The Company or the Company's joint venture partners will also be required to pay annual rent amounting to $23,475 to the State of Alaska. See "Note 5. Mineral Properties - *Newmont Venture Agreements" and* "Note 5. Mineral Properties - *Golden Lynx, LLC"*.

Idaho Mineral Property Rent and Assessment Work Commitments

In central Idaho, the Company controls approximately 46 unpatented federal mill site claims and 185 unpatented federal lode claims in the Stibnite District covering approximately 3,930 acres on federally-owned public lands administered by the Payette and Boise National Forests. Mill site claims do not require annual assessment work, but do require annual maintenance payments to DOI Bureau of Land Management which will total $5,750 due by September 1, 2009. The 185 unpatented federal lode claims will require a total of $18,500 worth of assessment work to be performed by September 1, 2008 or in lieu of the work, a one-time payment of $23,125 would satisfy the annual maintenance fee in order to hold the Idaho properties for an additional year. See "Note 5. Mineral Properties - *Letter of Intent with Cougar*".

Option and Real Property Sales Agreement with JJO, LLC

See "Note 5. Mineral Properties - *Option and Real Property Sales Agreement with JJO, LLC*".

Royalty Interest in Mineral Property

See "Note 6. Royalty Interest in Mineral Property".

Mining Lease and Option to Purchase Agreement with Bradley Mining Company

See "Note 5. Mineral Properties - *Mining Lease and Option to Purchase Agreement with Bradley Mining Company*"

Environmental Matters

A predecessor entity to the Company owned mineral property interests on certain public and private lands in Idaho and Montana. Holdings included lands in mining districts designated as "Superfund" sites pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"). The properties were, and are, subject to a variety of federal and state regulations governing land use and environmental matters. A consultant reviewed the potential environmental impact of the prior mineral exploration and development activities, and believes there was substantial compliance with all such regulations, and is unaware of any pending action or proceedings relating to regulatory matters that would affect the financial position of the Company. Management acknowledges, however, that the possibility exists that the Company may be subject to environmental liabilities associated with its prior activities in the unforeseeable future, although the likelihood of such is deemed remote and the amount and nature of the liabilities is impossible to estimate.

NOTE 10. Subsequent Events

Extension on both Option and Royalty and Option and Real Property Sales Agreements

On November 4, 2008 the Company received a letter of understanding from the attorneys for both JJO, LLC, an Idaho limited liability company and personal representative of the Estate of J.J. Oberbillig and the heirs of the Estate of J.J. Oberbillig. The letter stated that they are willing to accept Gold Crest's new proposed terms provided they can get the royalty right holders approval.

Under the new terms for the option and royalty sales agreement, if the Company decides to exercise this option on or before the newly proposed closing date of May 1, 2009 (the "Closing Date"), there will be a payment due upon closing in the amount of $160,000. The remaining balance of the Purchase Price, $558,238 shall be in the form of a promissory note which will accrue interest at the rate of six percent (6%) per annum commencing on the closing date. Commencing one (1) year from the closing date, seven (7) annual payments of principal plus accrued interest in the amount of $100,000 will be due on the same day and month as the closing date.

Under the new terms for the option and real property sales agreement, if the Company decides to exercise this option on or before the newly proposed closing date of May 1, 2009 (the "Closing Date"), there will be a payment due upon closing in the amount of $40,000. The remaining balance of the Purchase Price, $139,560 shall be in the form of a promissory note which will accrue interest at the rate of six percent (6%) per annum commencing on the closing date. Commencing one (1) year from the closing date, seven (7) annual payments of principal plus accrued interest in the amount of $25,000 will be due on the same day and month as the closing date.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This Form 10-Q, including in "Management's Discussion and Analysis of Financial Condition and Results of Operations", includes forward-looking statements. Our forward-looking statements include our current expectations and projections about future results, performance, results of litigation, prospects and opportunities. We have tried to identify these forward-looking statements by using words such as "may," "will," "expect," "anticipate," "believe," "intend," "feel," "plan," "estimate," "project," "forecast" and similar expressions. These forward-looking statements are based on information currently available to us and are expressed in good faith and believed to have a reasonable basis. However, our forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Given these risks and uncertainties, readers are cautioned not to place undue reliance on our forward-looking statements. All subsequent written and oral forward-looking statements attributable to Gold Crest Mines, Inc. or to persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Except as required by federal securities laws, we do not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

The safe harbors of forward-looking statements provided by Section 21E of the Exchange Act are unavailable to issuers of penny stock. As we issued securities at a price below $5.00 per share, our shares are considered penny stock and such safe harbors set forth under Section 21E are unavailable to us.

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements included elsewhere in this report, as well as the audited consolidated financial statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in our Annual Report on Form 10-KSB for the year ended December 31, 2007.

Overview and Plan of Operation

As discussed in "Note 3. Going Concern" to our consolidated financial statements, the Company has had no revenues and incurred an accumulated deficit of $8,847,430 through September 30, 2008. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management intends to seek additional capital from new equity securities offerings and joint venture agreements that will provide funds needed to increase liquidity, fund internal growth and fully implement its business plan.

We are in the business of exploration, development, and if warranted the mining of properties containing valuable mineral deposits. We are traded on the over the counter market in the United States and, as is typical with such companies, losses are incurred in the stages of exploration and development, which typically need to be funded through equity or debt financing.

We currently control approximately 22,240 acres of land under State of Alaska jurisdiction after having transferred 15,320 acres into Golden Lynx, LLC as part of our joint venture with Cougar Gold LLC. See "Note 5. Mineral Properties - *Golden Lynx, LLC"* to our consolidated financial statements for further details.

Additionally, we currently control approximately 46 unpatented federal mill site claims and 185 unpatented federal lode claims in the Stibnite District in Central Idaho covering approximately 3,930 acres.

We have been successful in entering into agreements with various unrelated companies under which, we believe, we have the opportunity to implement our business plan. These agreements and the references to further details contained in our consolidated financial statements follow:

1. On January 24, 2008, we entered into an Option and Royalty Sales Agreement with the heirs of the Estate of J.J. Oberbillig. See "Note 6. Royalty Interest in Mineral Property" to our consolidated financial statements for further details.
2. On January 24, 2008, we entered into an Option and Real Property Sales Agreement with JJO, LLC, an Idaho limited liability company and personal representative of the Estate of J.J. Oberbillig. See "Note 5. Mineral Properties - *Option and Real Property Sales Agreement with JJO, LLC*" to our consolidated financial statements for further details.

3. On March 31, 2008, we entered into a Mining Lease and Option to Purchase Agreement with the Bradley Mining Company. See "Note 5. Mineral Properties - *Mining Lease and Option to Purchase Agreement with Bradley Mining Company*" to our consolidated financial statements for further details.
4. On April 18, 2008, we, through our wholly-owned subsidiary, Kisa, entered into an agreement with Cougar Gold LLC under which the two companies formed the Golden Lynx, LLC. See "Note 5. Mineral Properties - *Golden Lynx, LLC"* to our consolidated financial statements for further details.
5. On May 8, 2008, we entered into three separate joint venture agreements with Newmont North America Exploration Limited. See "Note 5. Mineral Properties - *Newmont Venture Agreements"* to our consolidated financial statements for further details.

Board of Directors

On April 22, 2008, Gold Crest received a letter of resignation from Gerald Booth as director effective immediately.

On April 24, 2008 Gold Crest received a letter of resignation from Thomas Loucks as director effective immediately. Mr. Loucks also served on the Audit Committee.

On April 28, 2008, the Board of Directors appointed Dan McKinney as a director by unanimous consent to replace Mr. Booth.

On May 30, 2008 Gold Crest received a letter of resignation from Howard Crosby as director and chairman of the board effective immediately.

On June 5, 2008, the Board of Directors reappointed Howard Crosby as a director and chairman of the board by unanimous consent. Also on June 5, 2008, the Board of Directors appointed John Ryan as a director by unanimous consent.

Comparison of the Three and Nine Months Ended September 30, 2008 and September 30, 2007:

Results of Operations

The following tables set forth certain information regarding the components of our Consolidated Statements of Operations for the three- and nine-months ended September 30, 2008 compared with the three- and nine-months ended September 30, 2007. These tables are provided to assist in assessing differences in our overall performance:

	Three Months Ended			
	September 30, 2008	September 30, 2007	$ Change	% Change
	(Unaudited)			
REVENUES	$ -	$ -	$ -	$ -
OPERATING EXPENSES:				
Exploration expenditures	16,233	1,935,230	(1,918,997)	-99.2%
Settlement of drilling contract	-	-	-	-
Abandonment of mineral lease	83,600	-	83,600	100.0%
Impairment of mineral properties				
And royalty interest	192,000	-	192,000	100.0%
Legal and accounting expenses	32,569	58,445	(25,876)	-44.3%
Directors' fees	-	-	-	-
General and administrative	122,416	239,921	(117,505)	-49.0%
TOTAL OPERATING EXPENSES	446,818	2,233,596	(1,786,778)	-80.0%
LOSS FROM OPERATIONS	(446,818)	(2,233,596)	1,786,778	-80.0%
Interest income	378	17,897	(17,519)	-97.9%
Interest expense	-	-	-	-
TOTAL OTHER INCOME (EXPENSE)	378	17,897	(17,519)	-97.9%
LOSS BEFORE TAXES	$ (446,440)	$ (2,215,699)	$ 1,769,259	$ -79.9%

	Nine Months Ended			
	September 30, 2008	September 30, 2007	$ Change	% Change
	(Unaudited)			
REVENUES	$ -	$ -	$ -	$ -
OPERATING EXPENSES:				
Exploration expenditures	155,404	2,918,040	(2,762,636)	-94.7%
Settlement of drilling contract	161,814	-	161,814	100.0%
Abandonment of mineral lease	83,600	-	83,600	100.0%
Impairment of mineral properties And royalty interest	192,000	-	192,000	100.0%
Legal and accounting expenses	137,154	170,055	(32,901)	-19.3%
Directors' fees	40,000	214,000	(174,000)	-81.3%
General and administrative	628,343	592,666	35,677	6.0%
TOTAL OPERATING EXPENSES	1,398,315	3,894,761	(2,496,446)	-64.1%
LOSS FROM OPERATIONS	(1,398,315)	(3,894,761)	2,496,446	-64.1%
Interest income	5,852	59,932	(54,080)	-90.2%
Interest expense	(7,787)	-	(7,787)	100.0%
TOTAL OTHER INCOME (EXPENSE)	(1,935)	59,932	(61,867)	-103.2%
LOSS BEFORE TAXES	$ (1,400,250)	$ (3,834,829)	$ 2,434,579	$ -63.5%

Overview of Operating Results

Operating Expenses

The decrease in operating expenses during both the 2008 third quarter and first nine months compared with the same periods in the prior year was primarily the result of our entrance into two separate joint venture agreements. Our partners in these joint venture agreements are conducting exploration activities on our behalf as part of the agreements' "earn-in" provisions. These decreases in exploration expenses were partially offset by $161,814 due to the settlement of a drilling contract which occurred in the second quarter of 2008. See "Note 4. Note Receivable" to our consolidated financial statements for further details. The decreases were further offset by $83,600 and $192,000 which corresponded to the abandonment of a mineral lease and the impairment of mineral properties and royalty interest in the third quarter of 2008. See "Note 4. Note Receivable" to our consolidated financial statements for further details. See "Note 5. Mineral Properties – *Option and Real Property Sales Agreement with JJO, LLC*", "Note 5. Mineral Properties – *Mining Lease and Option to Purchase Agreement with Bradley Mining company"and* "Note 6. Royalty Interest in Mineral Property" to our consolidated financial statements for further details.

Also contributing to the decrease in operating expenses during both the 2008 third quarter and first nine months, although to a significantly lesser extent, was a decrease in directors' fees. During the 2008 second quarter we issued 400,000 shares of common stock to two new directors at a price of $0.10 per share. During the 2007 second quarter we issued 200,000 shares of common stock to one new director at a price of $0.53 per share. During the 2007 first quarter we issued an additional 200,000 to a new director at a price of $0.54 per share.

Partially offsetting these positive impacts during the first nine months of 2008 compared with the same period last year was an increase in officer compensation related to amortization of options granted during 2008 and incremental compensation expense related to the hiring of three additional employees since the end of the 2007 first quarter. However, this trend began to reverse itself beginning in the third quarter of 2008 due to a decrease in both employees and time worked.

Overview of Financial Position

At September 30, 2008, Gold Crest had cash of $19,876 and total liabilities of $102,673. During the first nine months of 2008, we received proceeds of $110,500 from the pay off of promissory notes associated with the November 2007 private placement and net proceeds of $90,000 from the exercise of 300,000 warrants by three investors. The proceeds from the payoff of the promissory notes were primarily utilized to fund daily operations. The proceeds from the exercise of the warrants were used to complete the mining lease and option to purchase agreement with the Bradley Mining Company for $75,000 and the remainder was utilized to fund daily operations.

Also during the first nine months ended September 30, 2008, the Company issued 1,666,667, 3,000,000 and 1,000,000 shares of restricted common stock for gross proceeds of $250,000, $300,000 and $50,000, respectively. See "Note 5. Mineral Properties - *Golden Lynx, LLC" and* "Note 5. Mineral Properties - *Letter of Intent with Cougar"* to our consolidated financial statements for further details.

Royalty interest in mineral property

During the nine months ending September 30, 2008, the Company purchased an option and royalty sales agreement for $400,000. In the third quarter the Company decided to impair the $400,000 carrying value of the property by $128,000, recorded as impairment of mineral properties and royalty interest on the statement of operations._ This accounts for the entire increase in Royalty Interest in mineral property from December 31, 2007. See "Note 6. Royalty Interest in Mineral Property" to our consolidated financial statements for further details.

Mineral Properties

The decrease in mineral properties of $2,175 during the first nine months of 2008 was due to the purchase of an option and real property sales agreement with the Oberbillig estate for $125,000and the purchase of a mining lease and option to purchase agreement with the Bradley Mining Company for $75,000. The increase was offset by $83,600 in the third quarter of 2008 when we relinquished 26,400 acres of our Alaskan properties by notifying Greatland Exploration, LTD that we had exercised our right to cancel the lease agreement with option to purchase entered into on January 30, 2007. The increase was further offset by $54,575 due to the agreement entered into with Cougar Gold. Also in the third quarter two other contributing factors in the decrease were the impairment of both the option and real property sales agreement with the Oberbillig estate of $40,000 and the mining lease and option to purchase agreement with the Bradley Mining Company of $24,000. See "Note 5. Mineral Properties – *Option and Real Property Sales Agreement with JJO, LLC"*, "Note 5. Mineral Properties – *Mining Lease and Option to Purchase Agreement with Bradley Mining company" and* "Note 6. Royalty Interest in Mineral Property*"* to our consolidated financial statements for further details.

Accounts Payable and Accrued Liabilities

The decrease in accounts payable and accrued liabilities of $239,257 during the first nine months of 2008 was primarily due to our paying off $242,080 worth of invoices that related to the 2007 drilling season which we were unable to pay by the year ending 2007.

Miscellaneous Receivable

During the first nine months of 2008, the balance in the "Miscellaneous Receivable" caption on the Company's financial statements increased by $24,872. This increase is entirely due to us providing consulting services and purchasing exploration supplies on behalf of Cougar Gold as part of the Golden Lynx LLC we entered into on April 18, 2008. As of the date of this report the entire amount of $24,872 has been reimbursed by Cougar Gold. See "Note 5. Mineral Properties *– Golden Lynx, LLC"* to our consolidated financial statements for further details.

Prepaid Expenses

During the first nine months of 2008, the balance in the "Prepaid Expenses" caption on the Company's financial statements decreased by $65,956. Of this decrease, $40,000 related to amortization of the "Prepaid Exploration Costs" associated with the note receivable from Diamond Drilling. The $40,000 consisted of $18,000 of amortization recorded in the normal course of business during the first nine months of 2008. The remaining $22,000 was written off in connection with Diamond Drilling "Settlement Agreement". See "Note 4. Note Receivable".

The remaining decrease of $25,956 in "Prepaid Expenses" was composed of the following:

1. $15,000 decrease related to a refund of $10,813 and amortization of $4,187 in connection with prepaid transportation costs;
2. $13,741 related to the amortization of prepaid liability and director and officer insurance; and
3. The decrease was offset partially by $2,785 related to the addition to prepaid annual claim rentals

Common Stock Subscribed

The change in common stock subscribed during the first nine months of 2008 was due to the receipt of installment payments of $110,500 owed on promissory notes by investors who participated in the November 2007 private placement. See "Note 8. Common Stock Subscribed" to our consolidated financial statements for further details.

Additional Paid-In Capital

The increase in additional paid-in capital during the nine months ending September 30, 2008, was primarily due to the following:

1. stock based compensation of $107,437 related to the vesting of stock options;
2. the issuance of 300,000 shares of restricted common stock upon the exercise of 300,000 warrants and received gross proceeds in the amount of $90,000;
3. the issuance of 100,000 shares of restricted common stock for $10,000 worth of services performed;
4. the issuance of 400,000 shares of common stock to two newly appointed directors valued at $40,000; and
5. the issuance of 1,666,667, 3,000,000 and 1,000,000 shares of restricted common stock for gross proceeds of $250,000, $300,000 and $50,000, respectively. See "Note 5. Mineral Properties - *Golden Lynx, LLC" and* "Note 5. Mineral Properties - *Letter of Intent with Cougar" to our consolidated financial statements for further details.*

Liquidity and Capital Resources

We have limited capital resources and thus have had to rely upon the sale of equity securities for the cash required for exploration and development purposes, for acquisitions and to fund our administration. Since we do not expect to generate any revenues in the near future, we must continue to rely upon the sale of our equity securities to raise capital. There can be no assurance that financing, whether debt or equity, will always be available to us in the amount required at any particular time or for any period or, if available, that it can be obtained on terms satisfactory to us.

We were in the process of private placement for $500,000 related to the letter of intent with Cougar Gold but on September 9, 2008, we were notified by Cougar that they had decided not to proceed with the Proposed JV Agreement. See "Note 5. Mineral Properties – *Letter of Intent with Cougar"* to our consolidated financial statements for further details.

Future Outlook

Based on the current market environment and our low share price it is not likely we will be able to raise money through a private placement of our common stock. We are seeking a joint venture opportunity concerning our Idaho properties known as the Golden Meadows Project. A stipulation of any joint venture we enter would be an upfront cash infusion to cover our operating costs. Also, per our venture agreements with Newmont, if they choose to go forward with the three properties, they will be required to pay us $25,000 per property no later than January 15, 2009. During the third quarter we relinquished our Alaska properties that we were unable to place in joint ventures.

It is also our intent to continue to reduce costs by reducing our employee base. We are currently operating with only two employees with reduced time and pay and we currently intend to rely on the use of outside consultants to provide certain services to the Company. We plan to move to a new office building in February 2009 where the rent and overhead costs will be greatly reduced.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK.

Not Applicable

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

At the end of the period covered by this report, an evaluation was carried out under the supervision of, and with the participation of, the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a – 15(e) and Rule 15d – 15(e)) [and internal control over financial reporting (as defined in Exchange Act rules 13a-15(f) and 15d-15(f))].

Based on that evaluation, the Company's management concluded that as of the end of the period covered by this report, the Company's disclosure controls and procedures were adequately designed and effective in ensuring that information required to be disclosed by the Company in its reports that it files or submits to the SEC under the Exchange Act, is recorded, processed, summarized and reported within the time period specified in applicable rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

As of the end of the period covered by this report, there have been no changes in internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the quarter ended September 30, 2008, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In November 2007, we completed a private placement of units for gross proceeds of $939,500, of which $132,500 remained in the form of promissory notes dated November 20, 2007, with due dates extending through September 1, 2008. In the aggregate, we sold 4,697,500 units at a price of $0.20 per unit which included 662,500 units related to the promissory notes and which were issuable only upon payment of the promissory notes. Each unit consisted of one share of common stock and one full common stock purchase warrant. Each warrant is exercisable for a period of two (2) years from the closing to purchase one share of common stock at a price of $0.30 per share.

On July 25, 2008 and August 1, 2008, we issued 50,000 and 10,000 shares of common stock and warrants for 50,000 and 10,000 shares respectively to Ken Hrycenko for partial payment of $10,000 and $2,000 respectively by him on his outstanding promissory note issued as part of his subscription agreement dated November 20, 2007, to purchase a total of 275,000 units related to the November 2007 private placement mentioned above. Upon receipt of the final payment the remaining 40,000 shares and warrants will be issued.

On July 25, 2008 and August 5, 2008, we issued 20,000 and 10,000 shares of common stock and warrants for 20,000 and 10,000 shares respectively to William Shane McCrorey for partial payment of $4,000 and $2,000 respectively by him on his outstanding promissory note issued as part of his subscription agreement dated November 20, 2007, to purchase a total of 200,000 units as part of the November 2007 private placement mentioned above. Upon receipt of final payment the remaining 45,000 shares and warrants will be issued.

On July 25, 2008, we issued 12,500 shares of common stock and warrants for 12,500 shares to Gregory B. Lipsker for partial payment of $2,500 by him on his outstanding promissory note issued as part of his subscription agreement dated November 20, 2007, to purchase a total of 37,500 units as part of the November 2007 private placement mentioned above. Upon receipt of final payment the remaining 25,000 shares and warrants will be issued.

The shares and warrants above were issued without registration under the Securities Act by reason of the exemption from registration afforded by the provisions of Section 4(2) thereof, as a transaction by an issuer not involving any public offering. Messers Hrycenko, McCrorey and Lipsker were accredited investors at the time of the issuance. They delivered appropriate investment representations with respect to the issuance of the shares and warrants and consented to the imposition of a restrictive legend upon the certificates representing their shares and warrants. They represented that they had not entered into the transaction with us as a result of or subsequent to any advertisement, article, notice, or other communication published in any newspaper, magazine, or similar media or broadcast on television or radio, or presented at any seminar or meeting. They represented that they had been afforded the opportunity to ask questions of our management and to receive answers concerning the terms and conditions of the unit purchase. No underwriting discounts or commissions were paid in connection with these transactions.

ITEM 6. EXHIBITS

Exhibit Number	Description of Document
31.1	Certification of CEO pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act
31.2	Certification of CFO pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act
32.1	Certification of CEO pursuant to 18 U.S.C. Section 1350
32.2	Certification of CFO pursuant to 18 U.S.C. Section 1350

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GOLD CREST MINES, INC.

Date: November 13, 2008

By: /s/ Thomas H. Parker
Thomas H. Parker
President and CEO
(Principal Executive Officer)

Date: November 13, 2008

By: /s/ Matt J. Colbert
Matt J. Colbert
CFO
(Principal Financial Officer)

Exhibit 31.1

Certification pursuant to rules 13a-14(a) and 15d-14(a), as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002

Principal Executive Officer

I, Thomas H. Parker, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Gold Crest Mines, Inc.

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 13, 2008
/s/ Thomas H. Parker
Thomas H. Parker
President and CEO

Exhibit 31.2

Certification pursuant to rules 13a-14(a) and 15d-14(a), as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002

Principal Financial Officer

I, Matt J. Colbert, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Gold Crest Mines, Inc.

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: November 13, 2008

/s/ Matt J. Colbert_____

Matt J. Colbert

Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Thomas H. Parker, President and CEO of Gold Crest Mines, Inc. ("the "Registrant") do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. This quarterly report on Form 10-Q of the Registrant for the period ended September 30, 2008, as filed with the Securities and Exchange Commission (the "report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 13, 2008

/s/ Thomas H. Parker
Thomas H. Parker
President and CEO

Exhibit 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matt J. Colbert, Chief Financial Officer of Gold Crest Mines, Inc. ("the "Registrant") do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. This quarterly report on Form 10-Q of the Registrant for the period ended September 30, 2008, as filed with the Securities and Exchange Commission (the "report"), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Date: November 13, 2008

/s/ Matt J. Colbert
Matt J. Colbert
Chief Financial Officer