

Starcore International Mines Ltd.
Condensed Interim Consolidated Financial Statements
For the nine months ended April 30, 2015
(Unaudited)

**NOTICE TO READER OF THE UNAUDITED CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

The unaudited condensed interim consolidated financial statements for the nine months ended April 30, 2015 have been prepared by and are the responsibility of the Company's management. These financial statements have not been reviewed or audited by the Company's auditors.

Starcore International Mines Ltd.
Condensed Interim Consolidated Statements of Financial Position
(in thousands of Canadian dollars) – (Unaudited)

As at	April 30, 2015	July 31, 2014
Assets		
Current		
Cash	\$ 2,715	\$ 5,454
Short-term investments (note 4)	3,036	4,324
Amounts receivable (note 5)	3,769	3,409
Inventory (note 6)	2,035	2,464
Prepaid expenses and advances	673	891
Total Current Assets	12,228	16,542
Non-Current		
Mining interest, plant and equipment (note 7)	47,218	44,488
Exploration and evaluation assets (note 8)	3,110	-
Reclamation deposits (note 3 and 8)	43	-
Deferred tax assets	3,866	4,064
Total Non-Current Assets	54,237	48,552
Total Assets	\$ 66,465	\$ 65,094
Liabilities		
Current		
Trade and other payables	\$ 2,028	\$ 3,252
Non-Current		
Rehabilitation and closure cost provision (note 10)	1,166	1,128
Deferred tax liabilities	13,574	13,167
Total Non-Current Liabilities	14,740	14,295
Total Liabilities	\$ 16,768	\$ 17,547
Equity		
Share capital (note 12)	\$ 45,354	\$ 44,023
Equity reserve	11,164	11,213
Foreign currency translation reserve	2,569	(915)
Accumulated deficit	(9,390)	(6,774)
Total Equity	49,697	47,547
Total Liabilities and Equity	\$ 66,465	\$ 65,094

Commitments (notes 10 and 14)
Subsequent event (note 18)

Approved by the Directors:

“Robert Eadie” Director

“Gary Arca” Director

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Starcore International Mines Ltd.
Condensed Interim Consolidated Statements of Operations and Comprehensive Income
(in thousands of Canadian dollars except per share amounts) – (Unaudited)

	For the three months ended		For the nine months ended	
	April 30,		April 30,	
	2015	2014	2015	2014
Revenues				
Mined ore	\$ 7,227	\$ 8,267	\$ 21,707	\$ 25,394
Purchased concentrate	-	-	332	-
Total Revenues	7,227	8,267	22,039	25,394
Cost of Sales (notes 6, 10 and 12)				
Mined ore	(5,153)	(4,798)	(15,554)	(13,491)
Purchased concentrate	-	-	(306)	-
Depreciation and depletion	(1,700)	(1,512)	(5,141)	(4,441)
Total Cost of Sales	(6,853)	(6,310)	(21,001)	(17,932)
Earnings from mining operations	374	1,957	1,038	7,462
Financing costs (net)	(24)	(23)	(68)	(266)
Foreign exchange gain (loss)	39	(79)	1,199	703
Professional and consulting fees	(216)	(56)	(924)	(295)
Management fees and salaries (note 12)	(200)	(367)	(733)	(1,250)
Office and administration (note 12)	(419)	(390)	(1,080)	(1,208)
Other income	82	-	82	-
Shareholder relations	(32)	(38)	(82)	(201)
Impairment on investment (note 3)	-	-	(175)	-
Write-down for obsolete equipment and impairment	-	(2)	-	(123)
Earnings (Loss) before taxes	(396)	1,002	(743)	4,822
Income tax recovery (expense)				
Current	(45)	237	309	313
Deferred	(7)	-	740	-
Earnings (loss) for the period	(448)	1,239	306	5,135
Other comprehensive income				
Foreign currency translation differences	(2,120)	(682)	3,484	1,913
Comprehensive income for the period	\$ (2,569)	\$ 557	\$ 3,790	\$ 7,048
Basic income (loss) per share (Note 17)	\$ (0.00)	\$ 0.01	\$ 0.00	\$ 0.03
Diluted income (loss) per share (Note 17)	\$ (0.00)	\$ 0.01	\$ 0.00	\$ 0.03

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Starcore International Mines Ltd.
Condensed Interim Consolidated Statements of Cash Flows
(in thousands of Canadian dollars) – (Unaudited)

For the nine months ended April 30,	2015	2014
Cash provided by		
Operating activities		
Earnings for the period	\$ 306	\$ 5,135
Items not involving cash:		
Depreciation and depletion (note 7)	5,095	4,470
Share-based compensation (note 12)	135	326
Interest revenue (note 4)	(11)	(5)
Interest on long-term debt	-	33
Unwinding of discount on long-term debt	-	104
Legal fees paid on financing settlement	-	64
Employee profit sharing provision	-	(188)
Rehabilitation and closure cost accretion (note 10)	61	65
Write-down for obsolete equipment	-	123
Impairment on investment (note 3)	175	-
Income tax recovery	(1,049)	(313)
Cash generated by operating activities before working capital changes	4,712	9,814
Change in non-cash working capital items		
Prepaid expenses and advances	308	1,229
Amounts receivable	24	(961)
Inventory	685	(137)
Trade and other payables	(1,255)	663
Cash provided by operating activities	4,474	10,608
Financing activities		
Cash acquired on acquisition of AJC (note 3)	31	-
Dividends issued (note 12)	(2,922)	-
Share issuances (note 12)	386	19
Repayment of loan payable (note 7)	-	(3,583)
Interest paid	-	(33)
Financing costs	-	(64)
Cash outflows for financing activities	(2,505)	(3,661)
Investing activities		
Purchase of short-term investments	-	2,700
Sale of short-term investments (note 4)	1,369	(4,462)
Interest received	3	4
Investment in subsidiary (note 3)	(2,188)	-
Purchase of mining interest, plant and equipment	(2,782)	(4,742)
Cash outflows for investing activities	(3,598)	(6,500)
Total increase (decrease) in cash	(1,629)	447
Effect of foreign exchange rate changes on cash	(1,110)	(836)
Cash, beginning of year	5,454	5,638
Cash, end of year	\$ 2,715	\$ 5,249

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Starcore International Mines Ltd.**Condensed Interim Consolidated Statements of Changes in Equity for the nine months ended April 30, 2015 and 2014
(in thousands of Canadian dollars, except for number of shares) – (Unaudited)**

	Number of Shares Outstanding	Share Capital	Equity Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	Total
Balance, July 31, 2013	143,390,465	\$ 43,752	\$ 10,754	\$ (2,542)	\$ (9,739)	\$ 42,225
Issued for cash pursuant to:						
Exercise of stock options - at \$0.15	125,000	26	(7)	-	-	19
Share-based compensation	-	-	326	-	-	326
Foreign currency translation	-	-	-	1,913	-	1,913
Earnings for the period	-	-	-	-	5,135	5,135
Balance, April 30, 2014	143,515,465	\$ 43,778	\$ 11,073	\$ (629)	\$ (4,604)	\$ 49,618
Deferred tax effect of share issue costs	-	245	-	-	-	245
Share-based compensation	-	-	140	-	-	140
Foreign currency translation	-	-	-	(286)	-	(286)
Earnings for the period	-	-	-	-	(2,170)	(2,170)
Balance, July 31, 2014	143,515,465	44,023	11,213	(915)	(6,774)	47,547
Issued for cash pursuant to:						
Exercise of stock options - at \$0.15	2,575,000	570	(184)	-	-	386
Acquisition of AJC - at \$0.13	5,856,382	761	-	-	-	761
Dividends issued	-	-	-	-	(2,922)	(2,922)
Share-based compensation	-	-	135	-	-	135
Foreign currency translation	-	-	-	3,484	-	3,484
Earnings for the period	-	-	-	-	306	306
Balance, April 30, 2015	151,946,847	\$ 45,354	\$ 11,164	\$ 2,569	\$ (9,390)	\$ 49,697

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless stated otherwise) – (Unaudited)

April 30, 2015

1. Corporate Information

Starcore International Mines Ltd. is the parent company of its consolidated group (the “Company” or “Starcore”) and was incorporated in Canada with its head office located at Suite 750 – 580 Hornby Street, Vancouver, British Columbia, V6C 3B6.

Starcore is engaged in extracting, processing and exploring for gold and silver in Mexico. On February 1, 2007, the Company acquired Compañía Minera Peña de Bernal, S.A. de C.V. (“Bernal”), which owns the San Martin mine in Queretaro, Mexico, from Luismin S.A. de C.V. (“Luismin”), a wholly owned subsidiary of Goldcorp, Inc. (the “Acquisition”). Pursuant to the Acquisition, the Company paid US\$24 million or \$28.2 million and issued 4,729,600 common shares to Luismin at a fair value of US\$2 million or \$2,365 based upon the Toronto Stock Exchange (“TSX”) trading value of the Company’s shares at the date of the Agreement. The San Martin mine has been in operation since 1993 producing gold and silver and is a self-sustaining mining operation in Mexico. Bernal is the Company’s sole source of operating cash flows.

The Company is also engaged in acquiring exploration assets in North America directly and through corporate acquisitions.

2. Basis of Preparation

a) Statement of Compliance

These unaudited condensed interim consolidated financial statements for the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements, for the nine months period ended April 30, 2015, have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting, and do not include all the information required for full annual financial statements.

These condensed interim financial statements should be read in conjunction with the Company’s 2014 annual financial statements.

The financial statements were authorized for issue by the Board of Directors on June 11, 2015.

b) Basis of Measurement

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except certain financial instruments, which are measured at fair value.

The condensed interim consolidated financial statements are presented in Canadian dollars, which is also the parent Company’s functional currency, and all values are rounded to the nearest thousand dollars, unless otherwise indicated.

The preparation of the condensed interim consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4 of the Company’s July 31, 2014 year-end consolidated financial statements.

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless otherwise stated) – (Unaudited)

April 30, 2015

2. Basis of Preparation – (cont'd)

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and all of its subsidiaries, which are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from the entity's activities. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposal or loss of control. The Company's wholly-owned subsidiary, Compañía Minera Peña de Bernal, S.A. de C.V. ("Bernal"), along with various other subsidiaries carry out their operations in Mexico and in Canada.

All intra-group transactions, balances, income and expenses are eliminated, in full, on consolidation.

3. Acquisition of Subsidiaries

Acquisition of Creston Moly Corp

On February 19, 2015, the Company entered into an agreement to acquire all of the shares of Creston Moly Corp. ("Creston" or "Creston Moly") from Deloitte Restructuring Inc, in its capacity as trustee in bankruptcy of Mercator Minerals Ltd. (the "Trustee"), at a purchase price of CDN \$2,013 (the "Transaction").

The Supreme Court of Canada discharged Creston Moly from bankruptcy which was formerly a wholly-owned subsidiary of Mercator Minerals, who acquired Creston Moly in 2011 in a cash-and-shares deal valuing Creston Moly at approximately \$194 million. Creston Moly is a British Columbia company that owns, through its wholly-owned subsidiaries, a 100% interest in three molybdenum-copper projects (see Note 8):

- The El Creston Project in Sonora, Mexico;
- The Ajax Project in British Columbia, Canada; and
- The Molybrook Project in Newfoundland, Canada.

The acquisition represents an asset acquisition and all identifiable assets acquired and liabilities assumed are measured at cost which is an assigned carrying amount based on their relative fair values at the acquisition date. All acquisition related costs are capitalized to the assets.

Acquisition of Mexican subsidiary

During the period ended April 30, 2015, the Company acquired a subsidiary, which owns a Mexican company that has significant Mexican tax assets, including Mexican VAT tax benefits. The Company acquired this subsidiary for \$175 payable consisting of \$145 on signing the agreement and the remainder when liabilities have been settled.

This acquisition was accounted for using the purchase method of accounting. Under this method, the consideration paid is allocated to the fair value of the net assets acquired.

During the period ended April 30, 2015, the Company determined that the net assets acquired were fully impaired and \$175 was written off to the statement of operations.

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless otherwise stated) – (Unaudited)

April 30, 2015

3. Acquisition of Subsidiaries – (cont'd)

Acquisition of American Consolidated Minerals Corp.

On November 20, 2014, the Company announced the approval of the proposed acquisition of American Consolidated Minerals Corp (“AJC”) by the AJC shareholders pursuant to a plan of arrangement (the “Transaction”).

The Transaction was completed on December 1, 2014 upon the satisfaction of all of the conditions set out in the arrangement agreement entered into by AJC and the Company on October 1, 2014, including approval by the Supreme Court of British Columbia.

AJC shareholders received one common share of the Company (a “Starcore Share”) for three (3) common shares of AJC (the “AJC Shares”) held by such AJC shareholder (the “Exchange Ratio”). In addition, each holder of the outstanding stock options and common share purchase warrants of AJC (the “AJC Options”) received replacement options or warrants of the Company (the “Starcore Options”) based upon the Exchange Ratio, and the exercise price of the replacement Starcore Options was adjusted based upon the Exchange Ratio.

Prior to the acquisition, there were 17,569,191 AJC Shares, Nil AJC Options and 1,671,416 common share purchase warrants outstanding. In connection with the Transaction, the Company issued 5,856,382 Starcore Shares, and 557,135 common share purchase warrants. Following completion of the Transaction, former AJC shareholders hold less than 4% of the outstanding Company shares and AJC has been de-listed from the TSX Venture Exchange.

The acquisition represents a business combination and has been accounted for using the acquisition method. The fair value of the total consideration transferred and the acquisition fair value of each major class of consideration is as follows:

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Assets		
Cash	\$	31
Reclamation deposits		43
Exploration and evaluation assets		1,057
<hr/>		
Total assets		1,131
Less: Liabilities		
- Trade and other payables		331
- Rehabilitation and closure cost		39
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Total liabilities		370
Net assets		761
Consideration:		
Shares (5,856,382 shares issued at \$0.13 per share)	\$	761
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Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless otherwise stated) – (Unaudited)

April 30, 2015

4. Short-term Investments

At April 30, 2015, the Company held a Guaranteed Investment Certificate (“GIC”) denominated in United States Dollars (“USD”) with a market value of \$3,036 (July 31, 2014 - \$3,924), earning interest income at 0.2% per annum and maturing on November 5, 2015. The Company no longer holds any GIC’s denominated in Mexican Pesos (July 31, 2014 - \$400).

These GICs are cashable at the Company’s option and are considered to be highly liquid. The Company’s short-term investments are held at two financial institutions and as such the Company is exposed to the risks of those financial institutions.

The Company redeemed USD \$1.1 GIC’s in relation to the acquisition of Creston (Note 3).

5. Amounts Receivable

	April 30, 2015	July 31, 2014
Taxes receivable	\$ 3,535	\$ 2,856
Trade receivables	-	351
Other	234	202
	\$ 3,769	\$ 3,409

6. Inventory

	April 30, 2015	July 31, 2014
Carrying value of inventory:		
Doré	\$ 944	\$ 1,141
Work-in-process	145	190
Stockpile	77	238
Supplies	869	895
	\$ 2,035	\$ 2,464

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless otherwise stated) – (Unaudited)

April 30, 2015

7. Mining Interest, Plant and Equipment

	Mining Interest	Plant and Equipment	Corporate Office Equipment	Total
Cost				
Balance, July 31, 2013	\$ 49,358	\$ 11,685	\$ 325	\$ 61,368
Additions	3,464	2,503	-	5,967
Write-down of equipment	-	(253)	-	(253)
Effect of foreign exchange	3,037	958	-	3,995
Balance, July 31, 2014	55,859	14,893	325	71,077
Additions	1,702	940	140	2,782
Effect of foreign exchange	6,316	1,712	-	8,028
Balance, April 30, 2015	\$ 63,877	\$ 17,545	\$ 465	\$ 81,887
Depreciation				
Balance, July 31, 2013	\$ 14,634	\$ 4,417	\$ 239	\$ 19,290
Depreciation for the year	5,012	1,041	33	6,086
Write-down of equipment	-	(129)	-	(129)
Effect of foreign exchange	933	409	-	1,342
Balance, July 31, 2014	20,579	5,738	272	26,589
Depreciation for the period	4,222	842	31	5,095
Effect of foreign exchange	2,310	675	-	2,985
Balance, April 30, 2015	\$ 27,111	\$ 7,255	\$ 303	\$ 34,669
Carrying amounts				
Balance, July 31, 2014	\$ 35,280	\$ 9,155	\$ 53	\$ 44,488
Balance, April 30, 2015	\$ 36,766	\$ 10,290	\$ 162	\$ 47,218

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless otherwise stated) – (Unaudited)

April 30, 2015

8. Exploration and evaluation assets

Pursuant to the acquisition of AJC (note 3), the Company has acquired the right to 3 properties which it has valued at \$1,057 based on the acquisition consideration allocated to properties at the acquisition date (\$1,097 at April 30, 2015 after exchange adjustment) as follows:

a) Lone Ranch, U.S.A.

The Company has acquired the right to a 100% undivided interest, subject to a 3% net smelter royalty (“NSR”), in 73 mining claims located in Ferry County, Washington State, United States of America (“Lone Ranch”) from MinQuest Inc. (“MinQuest”). Consideration to be paid for the interest is US\$410, and the Company must incur total exploration expenditures of US\$1,225 (\$175 incurred) on the property, by the third anniversary of the “New Effective Date” as agreed by MinQuest.

The New Effective Date shall be the earlier of October 15, 2018 or the date the Company enters into a joint venture agreement over the property or the date that the Company completes a bankable feasibility study on the property.

The optionor has also granted the Company the right to purchase up to one-half of the NSR (or 1.5%) on the basis of US\$1,500 per each 1% of the royalty. If the Company does not incur the exploration expenditures as specified, the unpaid portions may be paid to the optionor to maintain the option.

b) Toiyabe, U.S.A.

The Company has the right to acquire a 100% undivided interest, subject to a 3% NSR, in 165 mining claims located in Lander County, Nevada, United States of America (“Toiyabe”) from MinQuest. Consideration to be paid for the interest is US\$900 and the Company must incur total exploration expenditures of US\$1,025 (US\$1,025 incurred) on the property, by the fifth anniversary of the “New Effective Date” as agreed by MinQuest.

The New Effective Date shall be the earlier of October 15, 2018 or the date the Company enters into a joint venture agreement over Toiyabe or the date that the Company completes a bankable feasibility study on the property.

The optionor has also granted the Company the right to purchase up to one-half of the NSR (or 1.5%) on the basis of US\$2,000 per each 1% of the royalty. If the Company does not incur the exploration expenditures as specified, the unpaid portions may be paid to the optionor to maintain the option.

c) Sierra Rosario, Mexico

The Company acquired a 50% interest in the 500-hectare Sierra Rosario Property, located in the state of Sinaloa, Mexico (“Sierra Rosario”). During the period ended April 30, 2015, the Company acquired the remaining 50% interest from the optionor for \$25 and a 1% NSR over the entire property.

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless otherwise stated) – (Unaudited)

April 30, 2015

8. Exploration and evaluation assets – (cont'd)

Pursuant to the acquisition of Creston (Note 3), the Company has acquired the right to 3 properties which it has valued at \$2,013 based on the acquisition consideration allocated to properties at the acquisition date as follows:

d) El Creston Project, Mexico

The Company acquired 100% interest in the El Creston molybdenum property. The property, centered 145 kilometres northeast of Hermosillo, State of Sonora, Mexico near the village of Opodepe, hosts several zones of porphyry-style molybdenum/copper mineralization including the Main and Red Hill Zones. The mineral concessions are subject to a 3% net profits interest retained by the vendors.

A Preliminary Economic Assessment was prepared on this property indicating that the property is viable based on initial capital cost of approximately US\$650 million with payback of 4 years, based on metal prices of \$15/lb Mo and \$2.60/lb Cu.

e) Ajax Project, Canada

Ajax Molybdenum Property is comprised of 11,718 hectares and is located 13 km north of Alice Arm, British Columbia. The Ajax Property occupies a surface area of approximately 600 by 650 meters and is in the advanced stage of exploration.

The Company maintains a 100% interest in six mineral claims known as the Ajax Claims in B.C.

f) Molybrook Project, Canada

The Company now owns 100% of 27 mineral claims of the Moly Brook molybdenum property, located 2.5 km from the Hamlet of Grey River on the southern coast of Newfoundland, pursuant to the acquisition of Creston Moly Corp. The Moly Brook property is subject to a 2% net smelter royalty ("NSR"), of which 1.5% can be purchased by the Company for \$1.5 million. In addition, the Company acquired:

- The Moly Brook Extension property, which consists of 4 mineral claims and adjoins the southern boundary of the Company's Moly Brook molybdenum property. The extension property is subject to a 2% NSR, of which 1.5% can be purchased by the Company for \$1,500.
- The Grey River Gold property immediately to the east of the Moly Brook molybdenum property. The property consists of 5 mineral claims is subject to a 2% NSR, of which 1% can be purchased back for \$1,500.
- The Grey River West property, which consists of 40 mineral claims. The property is subject to a 2% NSR, of which 1% can be purchased back for \$1,500,000.
- The Moly Brook North which consists of 18 claims which border on the northern side of the Moly Brook Property, and borders the Grey River West property. The property will be subject to a 2% NSR of which 1% can be purchased by the Company for \$1,500. The Company also owned 100% of 51 mineral claims north of the Moly Brook North property. To date, almost all exploration has been completed on the Molybrook Zone where a large porphyry molybdenum deposit has been outlined.

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless otherwise stated) – (Unaudited)

April 30, 2015

9. Loan payable

During the year ended July 31, 2012, the Company secured an \$11 million credit facility (the “Facility”) with Sprott Resource Lending. The facility was used to settle the hedge liability originally entered into with Investec Bank PLC pursuant to a Loan Facility entered into on purchase of the mine in 2007. On August 30, 2013, the Company paid the remaining \$3,583 of the Facility, settling its obligation in full and without penalty. The Company made payments consisting of \$3,583 in repayment of principal and \$33 of interest. In the quarter ended October 31, 2013, the remaining \$104 of the Discount was recognized as a financing cost in the Company’s total earnings and the Company paid \$69 in legal fees pursuant to the settlement of the Facility which were recognized in the Consolidated Statements of Operations and Comprehensive Income as incurred.

10. Rehabilitation and Closure Cost Provision

The Company’s asset retirement obligations consist of reclamation and closure costs for the mine. At April 30, 2015, the present value of obligations is estimated at \$1,166 (July 31, 2014 - \$1,128) based on expected undiscounted cash-flows at the end of the mine life of 19,866,000 Mexican pesos (“MP”) or \$1,566 (July 31, 2014 - \$1,693), which is calculated annually over 5 to 10 years. Such liability was determined using a discount rate of 8% (July 31, 2014 – 8%), an inflation rate of 3.5% (July 31, 2014 – 3.5%).

During the period ending April 30, 2015, the Company added rehabilitation and closure cost provision related to the exploration and evaluation assets acquired through the acquisition of AJC (note 3) in the amounts of \$39. Significant reclamation and closure activities include land rehabilitation, demolition of buildings and mine facilities, closing portals to underground mining areas and other costs.

Changes to the reclamation and closure cost balance during the period are as follows:

	April 30, 2015	July 31, 2014
Balance, beginning of year	\$ 1,128	\$ 1,053
Accretion expense	61	84
Addition (note 3)	39	-
Foreign exchange fluctuation	(62)	(9)
	\$ 1,166	\$ 1,128

11. Other Long – Term Liabilities

Under Mexican tax laws, the Company’s Mexican subsidiary is required to remit 10% of taxable income to employees as statutory profit-sharing. The provision for profit-sharing is based on accounting income and the amounts are payable based on the Company’s Mexican subsidiary earning taxable income.

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless otherwise stated) – (Unaudited)

April 30, 2015

12. Share Capital

a) Common Shares

The Company is authorized to issue an unlimited number of common shares, issuable in series.

The holders of common shares are entitled to one vote per share at meetings of the Company and to receive dividends, which may be declared from time-to-time. All shares are ranked equally with regard to the Company's residual assets.

During the period ended April 30, 2015, the Company issued:

- 2,575,000 shares pursuant to the exercise of stock options at \$0.15 per share for proceeds of \$386. The fair value of the options as determined on the date of issuance, being \$184, was transferred to the Company's share capital from equity reserve on exercise.
- 5,856,382 shares pursuant to the plan of arrangement at \$0.13 per share whereby the Company acquire all of the outstanding common shares of AJC (note 3).

a) Common Shares – (cont'd)

During the year ended July 31, 2014, the Company issued:

- 125,000 shares pursuant to the exercise of stock options at \$0.15 per share for proceeds of \$19. The fair value of the options as determined on the date of issuance, being \$7, was transferred to the Company's share capital from equity reserve on exercise.

During the prior year ended July 31, 2014, the Company adjusted the deferred tax effect on share issuance costs which resulted in an adjustment of \$245.

b) Warrants

In conjunction with the acquisition of AJC (note 3), the Company issued 557,135 warrants, each warrant entitles the holder to acquire one common share of the Company, at \$0.30 until June 16, 2016.

No warrants were issued during the year ended July 31, 2014.

A summary of the Company's outstanding share purchase warrants at April 30, 2015 and July 31, 2014 and the changes during the period is presented below:

	Number of warrants	Weighted average exercise price
Outstanding at July 31, 2013	4,505,000	\$ 0.35
Warrants exercised	(4,505,000)	0.35
Outstanding at July 31, 2014	-	-
Warrants issued	557,135	0.30
Outstanding at April 30, 2015	557,135	\$ 0.30

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless otherwise stated) – (Unaudited)

April 30, 2015

12. Share Capital – (cont'd)

b) Warrants – (cont'd)

A summary of the Company's outstanding warrants at April 30, 2015 is as follows:

Number Outstanding	Weighted Average Price	Weighted Average Life
557,135	\$0.30	1.13

c) Dividend Paid and Declared

During the period ended April 30, 2015, the Board of Directors declared the first annual dividend in the Company's history. A dividend of \$0.02 per share (total of \$2,922) was paid on the common shares of the Company on September 30, 2014 to shareholders of record.

d) Share-based Payments

The Company, in accordance with the policies of the TSX, was previously authorized to grant options to directors, officers, and employees to acquire up to 20% of the amount of common stock outstanding. Options could be granted for a maximum term of 5 years. Optioned shares will vest and may be exercised in accordance with the vesting provisions set out as follows:

- (a) 1/3 of the options granted will vest six months after the grant date;
- (b) A further 1/3 of the options granted will vest twelve months after the grant date; and
- (c) The remaining 1/3 of the options granted will vest eighteen months after the grant date.

In January 2014, the Company's shareholders voted to cancel the Company's stock option plan and, as a result, the Company's Board of Directors may not grant further options. The Company's management and directors are reviewing alternative compensation arrangements for the Company's employees and directors.

A summary of the Company's outstanding options at April 30, 2015 and July 31, 2014 and the changes during the period is presented below:

	Number of Shares	Weighted Average Exercise Price
Balance at July 31, 2013	13,180,000	\$ 0.23
Granted	5,645,000	0.22
Exercised	(125,000)	0.15
Forfeited/expired	(100,000)	0.15
Balance at July 31, 2014	18,600,000	0.23
Exercised	(2,575,000)	0.15
Forfeited/expired	(4,640,000)	0.16
Balance, April 30, 2015	11,385,000	0.27
Exercisable at April 30, 2015	9,995,000	\$ 0.28

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless otherwise stated) – (Unaudited)

April 30, 2015

12. Share Capital – (cont'd)

d) Share-based Payments – (cont'd)

A summary of the Company's outstanding options at April 30, 2015 is as follows:

Number Outstanding	Weighted Average Price	Weighted Average Life
150,000	\$0.15	1.02
400,000	\$0.20	1.72
1,940,000	\$0.25	1.75
3,250,000	\$0.37	1.95
800,000	\$0.25	3.31
275,000	\$0.20	3.31
200,000	\$0.23	3.35
200,000	\$0.25	3.37
4,170,000	\$0.22	3.71
11,385,000	\$0.27	2.72

During the period ended April 30, 2015, the Company had share-based compensation expense of \$135 (April 30, 2014: \$326), which has been recorded in the statement of comprehensive income and credited to equity reserve. These amounts have been expensed as follows:

For the period ended April 30,	2015	2014
Cost of Sales – Mined ore	\$ 16	\$ 32
Management fees and salaries	111	251
Office and administration	8	43
	\$ 135	\$ 326

13. Financial Instruments

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the consolidated financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Cash and short-term investments are carried at their fair value. There are no other material differences between the carrying values and the fair values of any financial assets or liabilities.

In the normal course of business, the Company's assets, liabilities and future transactions are impacted by various market risks, including currency risks associated with inventory, revenues, cost of sales, capital expenditures, interest earned on cash and the interest rate risk associated with floating rate debt.

Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At April 30, 2015, the Company had the following financial assets and liabilities denominated in Canadian dollars (CDN) and denominated in Mexican Pesos (MP):

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless otherwise stated) – (Unaudited)

April 30, 2015

13. Financial Instruments – (cont'd)

In '000 of	CDN Dollars		Mexican Pesos (MP)	
Cash & Cash Equivalents	\$	175	MP	1,369
Other working capital amounts - net	\$	72	MP	28,369

At April 30, 2015, US dollar amounts were converted at a rate of \$1.21 Canadian dollars to \$1 US dollar and Mexican Pesos were converted at a rate of MP15.39 to \$1 US Dollar.

A 10% increase or decrease in the US dollar exchange may increase or decrease annual earnings from mining operations by approximately \$65. A 10% increase or decrease in the MP exchange rate will decrease or increase annual earnings from mining operations by approximately \$29.

Interest Rate Risk

The Company's cash earns interest at variable interest rates. While fluctuations in market rates do not have a material impact on the fair value of the Company's cash flows, future cash flows may be affected by interest rate fluctuations. The Company is not significantly exposed to interest rate fluctuations and interest rate risk consists of two components:

- (i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (ii) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk with respect to its cash and short-term investments, the balance of which at April 30, 2015 is \$2,715 (July 31, 2014 - \$5,454) and \$3,036 (July 31, 2014 - \$4,324), respectively. Cash of \$1,356 (July 31, 2014 - \$151) and short-term investments of \$Nil (July 31, 2014 - \$400) are held at a Mexican financial institution, the remainder of \$1,359 (July 31, 2014 - \$5,303) and the short-term investment of \$3,036 (July 31, 2014 - \$3,924) are held at a chartered Canadian financial institution; the Company is exposed to the risks of those financial institutions.

Liquidity Risk

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company accomplishes this by achieving profitable operations and maintaining sufficient cash reserves. As at April 30, 2015, the Company was holding cash of \$2,715 (July 31, 2014 - \$5,454) and short-term investments of \$3,036 (July 31, 2014 - \$4,324).

Obligations due within twelve months of April 30,	2015	2016	2017	2018	2019 and beyond
Trade and other payables	\$ 2,028	\$ -	\$ -	\$ -	\$ -
Reclamation and closure obligations	-	-	-	-	1,566

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless otherwise stated) – (Unaudited)

April 30, 2015

13. Financial Instruments – (cont'd)

Liquidity Risk – (cont'd)

The Company's trade and other payables are due in the short term. Long-term obligations include the Company's reclamation and closure cost obligations, other long-term liabilities and deferred income taxes. Management believes that profits generated from the mine will be sufficient to meet its financial obligations.

14. Commitments

Except as disclosed elsewhere in these consolidated financial statements, the Company has the following commitments outstanding at April 30, 2015:

- a) As at April 30, 2015, the Company has shared lease commitments for office space of approximately \$144 per year, expiring at various dates up to April 2020, which includes minimum lease payments and estimated taxes, but excluded operating costs, taxes and utilities, to expiry.
- b) As at April 30, 2015, the Company has a land lease agreement commitments with respect to the land at the mine site, for \$132 per year until December 2017.
- c) As at April 30, 2015, the Company has management contracts to officers and directors totaling \$600 per year, payable monthly, expiring in January 2017.

15. Capital Disclosures

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company considers the items included in the consolidated statements of changes in equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements.

16. Segmented Information

During the period ended April 30, 2015, 100% of the Company's reportable sales were to a third party. The balance owing from these customers on April 30, 2015 was \$Nil (July 31, 2014 - \$351). The Company operates in two reportable geographical and one operating segment. Selected financial information by geographical segment is as follows:

	April 30, 2015			
	Mexico	Canada	USA	Total
Revenue	\$ 22,039	\$ -	\$ -	\$ 22,039
Earnings (loss) for the period	1,837	(1,520)	(11)	306
Mining interest, plant and equipment	46,970	162	86	47,218
Total assets	\$ 61,749	\$ 3,918	\$ 798	\$ 66,465

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless otherwise stated) – (Unaudited)

April 30, 2015

16. Segmented Information – (cont'd)

	Mexico		Canada	April 30, 2014 Total
Revenue	\$	25,394	\$ -	\$ 25,394
Earnings (loss) for the period		7,509	(2,374)	5,135

	Mexico		Canada	July 31, 2014 Total
Revenue	\$	33,136	\$ -	\$ 33,136
Earnings (loss) for the year		5,859	(2,894)	2,965
Mining interest, plant and equipment		44,429	59	44,488
Total assets	\$	59,020	\$ 6,074	\$ 65,094

17. Earnings per Share

The Company calculates the basic and diluted income (loss) per common share using the weighted average number of common shares outstanding during each period and the diluted income (loss) per share assumes that the outstanding vested stock options and share purchase warrants had been exercised at the beginning of the year.

The denominator for the calculation of loss per share, being the weighted average number of common shares, is calculated as follows:

	For the three months ended April 30,		For the nine months ended April 30,	
	2015	2014	2015	2014
Issued common share, beginning of period,	151,946,847	143,390,465	143,515,465	143,390,465
Weighted average issuances	-	88,483	5,541,602	28,846
Basic weighted average common shares	151,946,847	143,478,948	149,057,067	143,419,311
Effect of dilutive warrants and options	-	6,365,000	-	6,365,000
Diluted weighted average common shares	151,946,847	149,843,948	149,057,067	149,784,311

Vested share purchase options totalling 9,995,000 and unvested share purchase options outstanding of 1,390,000 at April 30, 2015, were not included in the computation of diluted earnings per share.

18. Subsequent Events

Acquisition of Cortez Gold Corp.

On April 28, 2015, the Company signed of a letter of intent with Cortez Gold Corp. (“Cortez or “CUT”) (TSXV: CUT) (the “LOI”) that would see the Company acquire all of the outstanding securities of CUT in an all-share transaction (the “Transaction”) to be completed pursuant to a court approved Plan of Arrangement under the Business Corporations Act (British Columbia). Under the terms of the planned acquisition, each CUT shareholder would receive three Starcore common shares for every one CUT common share held. Cortez owns the Altiplano gold and silver processing plant in Matehuala, Mexico.

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
(in thousands of Canadian dollars unless otherwise stated) – (Unaudited)

April 30, 2015

18. Subsequent Events – (cont'd)

Acquisition Terms

The LOI provides that CUT shareholders will be entitled to receive three (3) common shares of Starcore (a “Starcore Share”) for one common share of CUT (the “CUT Shares”) held by such CUT shareholders (the “Exchange Ratio”), subject to adjustment, pursuant to a plan of arrangement under the Business Corporations Act (British Columbia) (the “Arrangement”). In addition, each holder of the outstanding common share purchase warrants of CUT (the “CUT Warrants”) will receive such number of replacement warrants of Starcore (the “Starcore Warrants”) based upon the Exchange Ratio, and the exercise price of the replacement Starcore Warrants will be adjusted based upon the Exchange Ratio.

Currently, there are 9,555,850 CUT Shares and 2,965,250 CUT warrants outstanding. In connection with the Transaction, Starcore will issue approximately 28,667,550 Starcore Shares to the Cortez shareholders and will issue or make issuable 8,895,750 shares of Starcore to the Cortez warrant holders upon exercise of the Cortez warrants. Following completion of the Transaction, former CUT shareholders would hold approximately 15.87 % of the outstanding Starcore Shares

The Transaction is subject to the execution of a definitive Arrangement Agreement. The definitive agreement will include covenants, representations and warranties customary for transactions such as the Transaction, as well as deal protection measures and provisions for exclusive dealing similar to those contained in the LOI.

Approvals Required

The Transaction will be subject to the approval of the Supreme Court of British Columbia, the TSX and the TSX Venture Exchange. Completion of the Transaction is further subject to the approval of at least two-thirds of the votes cast by the holders of CUT Shares and CUT Warrants voting together as a class and who are present and voting at a special meeting of CUT security holders to be called to consider the Transaction.

Deal Protection Measures

The Letter of Intent includes deal-protection provisions in favour of Starcore, including a non-solicitation covenant from CUT (except for certain unsolicited approaches) and a break fee upon signing the definitive agreement of \$250 if, following an unsolicited superior proposal, CUT wishes to pursue that proposal. If the definitive agreement is terminated by Starcore, a break fee will be due to CUT in the form of Starcore completing a \$250 private placement for common shares of CUT at the minimum subscription price allowed by TSX Venture Exchange policies.

Voting lock-up agreements

Pursuant to the Letter of Intent, CUT has agreed to seek voting agreements from directors, officers and shareholders holding in aggregate a minimum of 25% of the outstanding shares of CUT as a condition to the execution of the definitive Arrangement Agreement.

Board approvals

The Board of Directors of each company has approved the terms of the Transaction. Of the six current directors of CUT, three are also directors of Starcore. CUT has established a special committee comprised of three independent directors.