

Starcore International Mines Ltd.

Condensed Interim Consolidated Financial Statements

For the nine months ended January 31, 2019

(Unaudited)

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

The unaudited condensed interim consolidated financial statements for the nine months ended January 31, 2019 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	January 31, 2019	April 30, 2018
Assets		
Current		
Cash	\$ 1,416	\$ 2,321
Short-term Investments (note 3)	1,265	-
Amounts Receivable (note 4)	3,343	3,348
Inventory (note 5)	1,555	3,499
Prepaid Expenses and Advances	410	355
Total Current Assets	7,989	9,523
Non-Current		
Mining Interest, Plant and Equipment (note 6)	36,047	41,476
Exploration and Evaluation Assets (note 7)	5,364	5,177
Reclamation Deposits	165	165
Deferred Tax Assets	7,868	8,110
Total Non-Current Assets	49,444	54,928
Total Assets	\$ 57,433	\$ 64,451
Liabilities		
Current		
Trade and Other Payables	\$ 3,115	\$ 4,774
Current Portion of Loan Payable (note 8)	1,450	-
Total Current Liabilities	4,565	4,774
Non-Current		
Rehabilitation and Closure Cost Provision (note 9)	1,134	1,162
Long term Portion of Loan Payable (note 8)	3,111	1,334
Deferred Tax Liabilities	8,612	8,113
Total Non-Current Liabilities	12,857	10,609
Total Liabilities	\$ 17,422	\$ 15,383

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

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

As at	January 31, 2019	April 30, 2018
Equity		
Share Capital (note 10)	\$ 50,725	\$ 50,725
Equity Reserve	11,178	11,178
Foreign Currency Translation Reserve	2,101	1,234
Accumulated Deficit	(23,993)	(14,069)
Total Equity	40,011	49,068
Total Liabilities and Equity	\$ 57,433	\$ 64,451

Commitments (note 12)

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	
	January 31,		January 31,	
	2019	2018	2019	2018
Revenues				
Mined Ore	\$ 6,523	\$ 3,403	\$ 20,176	\$ 14,069
Purchased concentrate	41	1,949	5,722	5,785
Total Revenues	6,564	5,352	25,898	19,854
Cost of Sales (notes 6 and 9)				
Mined ore	(5,602)	(4,903)	(16,952)	(14,762)
Purchased concentrate	(157)	(1,989)	(5,861)	(5,947)
Depreciation and depletion	(936)	(1,033)	(2,924)	(3,451)
Total Cost of Sales	(6,695)	(7,925)	(25,737)	(24,160)
Earnings (loss) from mining operations	(131)	(2,573)	161	(4,306)
Financing costs (net) (note 8)	(145)	27	(124)	(5)
Foreign exchange gain (loss)	(256)	(506)	(62)	55
Professional and consulting fees	(46)	(277)	(491)	(879)
Management fees and salaries (note 12)	(476)	(402)	(1,115)	(1,285)
Office and administration	(233)	(266)	(932)	(1,066)
Shareholder relations	(49)	(40)	(210)	(125)
Property investigation costs	-	-	(53)	-
Transfer agent and regulatory fees	(13)	(32)	(67)	(132)
Loss before taxes and other losses	(1,349)	(4,069)	(2,893)	(7,743)
Other Losses				
Allowance for receivables (note 6)	-	-	(441)	-
Impairment of plant and equipment (note 6)	-	-	(5,943)	-
Disposal of E&E assets (note 7)	-	-	(82)	-
Total Other Losses	-	-	(6,466)	-
Income tax recovery (expense)				
Deferred	(68)	(556)	(565)	849
Loss for the period	(1,417)	(4,625)	(9,924)	(6,894)
Other comprehensive income (loss)				
Foreign currency translation differences	280	954	867	(2,903)
Comprehensive loss for the period	\$ (1,137)	\$ (3,671)	\$ (9,057)	\$ (9,797)
Basic loss per share (Note 14)	\$ (0.03)	\$ (0.09)	\$ (0.20)	\$ (0.14)
Diluted loss per share (Note 14)	\$ (0.03)	\$ (0.09)	\$ (0.20)	\$ (0.14)

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 January 31,	2019	2018
Cash provided by		
Operating activities		
Loss for the period	\$ (9,924)	\$ (6,894)
Items not involving cash:		
Depreciation and depletion (note 6)	2,991	3,556
Discount on long-term debt (note 8)	(41)	-
Disposal of E&E asset (note 7)	82	-
Interest on long-term debt (note 8)	237	56
Income recovery expense	565	(849)
Interest revenue	(15)	-
Allowance for receivables (note 6)	441	-
Rehabilitation and closure cost accretion (note 9)	63	61
Share-based payments (note 10)	(41)	(31)
Impairment of plant and equipment (note 6)	5,444	-
Cash outflow by operating activities before working capital changes	(198)	(4,101)
Change in non-cash working capital items		
Amounts receivable	(1,695)	(680)
Inventory	1,877	(319)
Prepaid expenses and advances	(62)	(158)
Trade and other payables	(1,492)	1,399
Cash outflow for operating activities	(1,570)	(3,859)
Financing activities		
Repayment of current loan payable	-	(1,213)
Advance on long-term loan payable (note 8)	3,000	1,283
Interest paid	-	(311)
Cash inflow (outflow) for financing activities	3,000	(241)
Investing activities		
Investment in exploration and evaluation assets (note 7)	(245)	(390)
Interest received from sale of San Pedrito	159	86
Purchase of mining interest, plant and equipment (note 6)	(1,837)	(2,633)
Proceeds from disposition of San Pedrito (note 6)	1,037	832
Purchase of short-term investments (note 3)	(1,250)	-
Sale of short-term investments (note 3)	-	4,022
Cash inflow (outflows) for investing activities	(2,136)	1,917
Total decrease in cash	(706)	(2,183)
Effect of foreign exchange rate changes on cash	(199)	(340)
Cash, beginning of period	2,321	5,558
Cash, end of period	\$ 1,416	\$ 3,035

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 periods ended January 31, 2019 and 2018
(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, April 30, 2017	49,146,851	\$ 50,605	\$ 11,173	\$ 5,209	\$ (2,069)	\$ 64,918
Foreign currency translation differences	-	-	-	(6,112)	-	(6,112)
Loss for the period	-	-	-	-	(6,894)	(6,894)
Balance, January 31, 2018	49,146,851	50,605	11,173	(903)	(8,963)	51,912
Issued for cash pursuant to:						
- Private placement at \$0.25 (Note 10)	500,000	120	5	-	-	125
Foreign currency translation differences	-	-	-	2,137	-	2,137
Loss for the period	-	-	-	-	(5,106)	(5,106)
Balance, April 30, 2018	49,646,851	50,725	11,178	1,234	(14,069)	49,068
Foreign currency translation differences	-	-	-	867	-	867
Loss for the period	-	-	-	-	(9,924)	(9,924)
Balance, January 31, 2019	49,646,851	\$ 50,725	\$ 11,178	\$ 2,101	\$ (23,993)	\$ 40,011

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

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

January 31, 2019

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 exploring, extracting and processing gold and silver through its wholly-owned subsidiaries, Compañía Minera Peña de Bernal, S.A. de C.V. (“Bernal”), which owns the San Martin mine in Queretaro, Mexico and Altiplano GoldSilver S.A. de C.V (“Altiplano”), which owns the gold and silver concentrate processing plant in Matehuala, Mexico.

The Company is also engaged in acquiring mining related operating assets and 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 unaudited condensed interim consolidated financial statements, for the nine month period ended January 31, 2019, 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 statement.

These condensed interim financial statements should be read in conjunction with the Company’s April 30, 2018 audited annual financial statements.

The financial statements were authorized for issue by the Board of Directors on March 13, 2019.

b) Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis, except certain financial instruments, which are measured at fair value, as explained in the Company’s accounting policies discussed in note 3 of the Company’s April 30, 2018 audited annual financial statements.

The 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 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 April 30, 2018 audited annual financial statements.

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

January 31, 2019

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 subsidiaries, Bernal and Altiplano, along with various other subsidiaries, carry out their operations in Mexico, U.S.A. and in Canada.

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

3. Short-term Investments

At January 31, 2019, the Company held a Guaranteed Investment Certificate ("GIC") with a market value of \$1,265 (April 30, 2018 - \$Nil), earning interest income at 1.72% per annum and maturing on June 19, 2019.

The GIC is cashable at the Company's option and are considered to be highly liquid. The Company's short-term investment is held at one financial institution and as such the Company is exposed to the risks of that financial institution.

4. Amounts Receivable

	January 31, 2019	April 30, 2018
Taxes receivable	\$ 2,301	\$ 1,941
San Pedrito sale (note 6)	-	1,359
Trades receivable	803	-
Other	239	48
	\$ 3,343	\$ 3,348

5. Inventory

	January 31, 2019	April 30, 2018
Carrying value of inventory:		
Doré	\$ 558	\$ 955
Goods in transit	-	376
Work-in-process	203	662
Concentrate	-	595
Stockpile	38	118
Supplies	756	793
	\$ 1,555	\$ 3,499

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

January 31, 2019

6. Mining Interest, Plant and Equipment

	Mining Interest	Plant and Equipment Mining	Plant and Equipment Altiplano	Corporate Office Equipment	Total
Cost					
Balance, April 30, 2017	\$ 73,048	\$ 23,699	\$ 7,005	\$ 677	\$ 104,429
Additions	902	2,720	78	15	3,715
Impairment write-down	(5,000)	(1,925)	-	-	(6,925)
Effect of foreign exchange	(4,592)	(1,318)	(429)	-	(6,339)
Balance, April 30, 2018	64,358	23,176	6,654	692	94,880
Additions	1,003	726	90	18	1,837
Impairment write-down	-	-	(6,201)	(2)	(6,203)
Effect of foreign exchange	1,791	726	(19)	-	2,498
Balance, January 31, 2019	\$ 67,152	\$ 24,628	\$ 524	\$ 708	\$ 93,012
Depreciation					
Balance, April 30, 2017	\$ 39,657	\$ 11,190	\$ 228	\$ 433	\$ 51,508
Depreciation for the year	2,887	1,621	434	90	5,032
Impairment write-down	-	(212)	-	-	(212)
Effect of foreign exchange	(2,232)	(680)	(12)	-	(2,924)
Balance, April 30, 2018	40,312	11,919	650	523	53,404
Depreciation for the period	1,434	1,375	115	67	2,991
Impairment write-down	-	-	(759)	-	(759)
Effect of foreign exchange	817	518	(6)	-	1,329
Balance, January 31, 2019	\$ 42,563	\$ 13,812	\$ -	\$ 590	\$ 56,965
Carrying amounts					
Balance, April 30, 2018	\$ 24,046	\$ 11,257	\$ 6,004	\$ 169	\$ 41,476
Balance, January 31, 2019	\$ 24,589	\$ 10,816	\$ 524	\$ 118	\$ 36,047

Impairment of Mining Interest

The Company considered that the carrying amount of its assets being higher than market capitalization of the Company at April 30, 2018 was an indicator of impairment. In determining the recoverable amounts of the Company's mining interests, the Company's management makes estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs to sell the mining properties and the appropriate discount rate. The projected cash flows are significantly affected by changes in assumptions about gold's selling price, future capital expenditures, changes in the amount of recoverable reserves, resources, and exploration potential, production cost estimates, discount rates and exchange rates. Based on the calculation, at April 30, 2018, management has decided to record an impairment of \$5,000 on the San Martin Project. The key assumptions used for assessing the recoverable amount are gold price of USD \$1,300/oz and a discount rate of 9%.

Management also determined that the CIL plant constructed in 2016 is no longer useful in the operations of the San Martin mine in Queretaro, Mexico. While this plant has a value as a functioning carbon leach plant and has operated to process third party carbon concentrates, the Company cannot guarantee its usefulness in the future or the ability to attract third party carbon concentrates for processing. As a result, management decided to write down the plant to \$nil value and record an impairment of the book value of \$1,713 to the Statements of Operations and Comprehensive Income (Loss) during the prior year ended April 30, 2018.

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

January 31, 2019

6. Mining Interest, Plant and Equipment – (cont'd)

San Pedrito

On March 21, 2017, the Company finalized the sale of its San Pedrito Property, a non-core asset located in Queretaro, Mexico for Mexican Pesos (“MXN\$”) 192,784,331. The San Pedrito property was part of Starcore’s original acquisition in 2007, when the Company acquired the San Martin Mine from Goldcorp for US\$26 million. The disposition of San Pedrito was recorded during the prior year ended April 30, 2017 and a gain of \$7,128 was reported on the Statement of Operations and Comprehensive Income (Loss). At April 30, 2017, the Company had recorded an allowance for MXN\$10.0 million for amounts that management deemed uncertain for collectability.

During the prior year ending April 30, 2018, the Company received MXN\$ 12,500,000 and interest of MXN\$ 1,270,833 on 5 ha of the remaining parcels to be received. During the current period ending January 31, 2019 the Company received MXN\$ 15,000,000 and interest of MXN\$ 2,300,000 on 6 ha of the remaining 14 ha of parcels to be paid. The Company does not anticipate receiving any additional funds for the sale of this property and therefore has made an allowance for the remaining receivable of \$441 to the Statements of Operations and Comprehensive Income (Loss).

Altiplano Facility

On August 5, 2015, the Company acquired Cortez Gold Corp. (“Cortez”) (TSXV: CUT) in an all-share transaction completed pursuant to a court approved Plan of Arrangement under the Business Corporations Act (British Columbia). Pursuant to the acquisition, the purchase price was allocated based on management’s best estimates and assumptions, after taking into account all relevant information available. As a result, apart from working capital allocations, \$6,094 was allocated to plant, machinery and equipment for the Altiplano Plant, which is a facility which processes third party gold and silver concentrate in Matehuala, Mexico.

During the quarter period ended January 31, 2019, management determined that the capital requirements of the Altiplano facility for inventory and operations, despite improving cash flow, did not justify the continuation of these operations. The operations were placed on a maintenance status in the second quarter and remaining inventories were processed and sold accordingly. While this plant has a value as a functioning plant and has operated to process third party concentrates, management is currently assessing the best use of the assets of Altiplano and is considering sale of the facility.

As a result, management has decided to write down the plant and land, consisting of over 50 ha, to \$400 value. The Company has recorded an impairment of \$5,943 to the Statements of Operations and Comprehensive Income (Loss) during the period ended January 31, 2019.

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

January 31, 2019

7. Exploration and Evaluation Assets

	AJC Properties	Creston Properties	Total
Acquisition costs:			
Balance, April 30, 2017	\$ 1,214	\$ 2,001	\$ 3,215
Property Disposition	(970)	-	(970)
Recovery on disposal of E&E Asset	(128)	-	(128)
Effect of foreign exchange	(80)	-	(80)
Balance, April 30, 2018	\$ 36	\$ 2,001	\$ 2,037
Effect of foreign exchange	(1)	-	(1)
Balance, January 31, 2019	\$ 35	\$ 2,001	\$ 2,036
Exploration costs:			
Balance, April 30, 2017	\$ 1,712	\$ 1,028	\$ 2,740
Exploration cost	23	-	23
Drilling	18	-	18
Geological	31	13	44
Legal fees	-	15	15
Maintenance	62	274	336
Property disposition	(37)	-	(37)
Effect of foreign exchange	-	1	1
Balance, April 30, 2018	\$ 1,809	\$ 1,331	\$ 3,140
Exploration cost	-	-	-
Geological	22	1	23
Maintenance	121	133	254
Property Disposition	(82)	-	(82)
Recovery of property cost	(32)	-	(32)
Foreign Exchange	22	3	25
Balance, January 31, 2019	\$ 1,860	\$ 1,468	\$ 3,328
Total Exploration and Evaluation Assets			
Balance, April 30, 2018	\$ 1,845	\$ 3,332	\$ 5,177
Balance, January 31, 2019	\$ 1,895	\$ 3,469	\$ 5,364

a) American Consolidated Minerals (“AJC”) properties

Pursuant to the Acquisition of AJC, the Company has acquired the rights to three exploration properties as follows:

i) *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 USD\$900 (payable over 5 years commencing October 19, 2018) and the Company must incur total exploration expenditures of USD\$1,025 on the property by October 19, 2018 (incurred) as agreed by MinQuest.

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

January 31, 2019

7. Exploration and Evaluation Assets – (cont'd)

a) American Consolidated Minerals (“AJC”) properties – (cont'd)

i) *Toiyabe, U.S.A – (cont'd)*

Annual payments commencing October 19, 2018 are \$60 (paid), \$80, \$100, \$120, \$140 and \$400 respectively. 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 USD \$2,000 per each 1% of the royalty.

ii) *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”). During the current period ending January 31, 2019, the management has decided to abandon the property and all costs associated with this property have been written off in the Statements of Operations and Comprehensive Income (Loss).

iii) *Sierra Rosario, Mexico*

The Company acquired a 100% interest in the 978-hectare Sierra Rosario Property, over 2 claims that are located in the state of Sinaloa, Mexico (“Sierra Rosario”). During the year ended April 30, 2018, the Company entered into an agreement to sell the claims of the Sierra Rosario property for proceeds of \$128 (\$100 USD). The excess of property costs over the recovered amount of \$1,013 was recognized as a loss in the Statement of Profit or Loss and Other Comprehensive Income (Loss) in the year ended April 30, 2018.

b) Creston Moly (“Creston”) properties

Pursuant to the Acquisition of Creston the Company has acquired the rights to three exploration properties as follows:

i) *El Creston Project, Mexico*

The Company acquired a 100% interest in the nine mineral claims known as the El Creston molybdenum property located northeast of Hermosillo, State of Sonora, Mexico, which has completed a Preliminary Economic Assessment on the property based on zones of porphyry-style molybdenum (“Mo”)/copper (“Cu”) mineralization. The mineral concessions are subject to a 3% net profits interest.

ii) *Ajax Project, Canada*

The Company acquired a 100% interest in six mineral claims known as the Ajax molybdenum property located in B.C.

iii) *Molybrook Project, Canada*

The Company owned 100% of the 44 mineral claims of the Moly Brook molybdenum property, located on the southern coast of Newfoundland. During the current period ending January 31, 2019 the Company decided to let the claims lapse on this property.

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

January 31, 2019

8. Loan Payable

On June 18, 2018, the Company completed a private placement of secured bonds in the aggregate principal amount of \$3,000 (the “Bonds”). The Bonds bear interest at 8% per annum, payable on maturity, and mature on June 18, 2020. The Bonds are secured by a charge over all of the Company’s and its subsidiaries assets.

The Company has issued 3,000,000 warrants to the bond holders, each warrant entitling the bond holders to acquire one share of Starcore at a price of \$0.20, expiring on June 18, 2021.

During the prior year ended April 30, 2018, the Company secured \$1,283 (USD \$1,000) loan (“Loan”) with a lender. The Loan is secured against certain assets of the Company and bears interest at 8% per annum, compounded and paid annually. The full principal plus accrued interest on the loan shall be repayable to the lender on October 25, 2019.

During the year ended July 31, 2015, the Company secured a \$1,305 (USD \$1,000) loan with a lender, bearing interest at 8% per annum, compounded annually. The full principal of \$1,213 plus accrued interest of \$311 for a total of \$1,524 on the loan was repaid to the lender during the year ended April 30, 2018.

Changes to the loan payable balance during the year ending April 30, 2017, April 30, 2018 and the period ending January 31, 2019 are as follows:

	Principal	Interest	Discount	Total
Balance, April 30, 2017	\$ 1,366	\$ 280	\$ -	\$ 1,646
Financing, October 25, 2017	1,283	-	-	1,283
Repayment on debt	(1,213)	(311)	-	(1,524)
Interest accrual	-	83	-	83
Foreign exchange adjustment	(154)	-	-	(154)
Balance, April 30, 2018	1,282	52	-	1,334
Financing, June 18, 2018	3,000	-	-	3,000
Discount	-	-	(41)	(41)
Interest accrual	-	237	-	237
Foreign exchange adjustment	31	-	-	31
Balance, January 31, 2019	\$ 4,313	\$ 289	\$ (41)	\$ 4,561

	January 31, 2019	April 30, 2018
Current	\$ 1,450	\$ -
Non-Current	\$ 3,111	\$ 1,334
	\$ 4,561	\$ 1,334

9. Rehabilitation and Closure Cost Provision

The Company’s asset retirement obligations consist of reclamation and closure costs for the mine. At January 31, 2019, the present value of obligations is estimated at \$1,134 (April 30, 2018 - \$1,162) based on expected undiscounted cash-flows at the end of the mine life of MXN\$18,095 or \$1,248 (April 30, 2018 - \$1,280), which is calculated annually over 5 to 10 years. Such liability was determined using a discount rate of 8% (April 30, 2018 – 8%) and an inflation rate of 3.5% (April 30, 2018 – 3.5%).

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

January 31, 2019

9. Rehabilitation and Closure Cost Provision – (cont'd)

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 year are as follows:

	January 31, 2019	April 30, 2018
Balance, beginning of period	\$ 1,162	\$ 1,131
Accretion expense	63	64
Foreign exchange fluctuation	(91)	(33)
	\$ 1,134	\$ 1,162

10. 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 January 31, 2019, the Company did not issue any common shares.

During the year ended April 30, 2018, the Company completed a non-brokered private placement to an officer and director of the Company through the issuance of 500,000 units at a price of \$0.25 per unit for gross proceeds of \$125. Each unit is comprised of one common share of Starcore and one-half of one transferable common share purchase warrant, each whole warrant exercisable for a period of four years from the date of issue to purchase one common share of Starcore at a price of \$0.30 per share. The Company calculated the fair value of the share component to be the lesser of the market price for the shares on the date of grant, which was \$0.24 per share, and the offering price, which was \$0.25 per unit. The shares, therefore, had a market price of \$0.24 per share or \$120 and the fair value of the warrants was calculated as the difference of \$5. As such, share capital was increased by \$120 and equity reserve increased by \$5.

b) Warrants

A summary of the Company's outstanding share purchase warrants is presented below:

Number of Warrants	Exercise Price	Expiry Date
250,000	\$0.30	March 7, 2022
3,000,000	\$0.20	June 18, 2021

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
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10. Share Capital – (cont'd)

b) Warrants – (cont'd)

A summary of the Company's outstanding share purchase warrants at January 31, 2019, April 30, 2018 and 2017 and the changes during the period ended is presented below:

	Number of warrants	Weighted average exercise price
Outstanding at April 30, 2017	-	\$ -
Warrants issued	250,000	0.30
Outstanding at April 30, 2018	250,000	0.30
Warrants issued	3,000,000	0.20
Outstanding at January 31, 2019	3,250,000	\$ 0.21

c) 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 stock outstanding. In January 2014, the Company's shareholders voted to cancel the Company's option plan and, as a result, the Company's Board of Directors may not grant further options.

The following is a summary of changes in options, which are still outstanding, for the periods ending January 31, 2019, April 30, 2018 and 2017:

	Number of Shares	Weighted Average Exercise Price
Balance at April 30, 2017	1,348,750	\$0.90
Forfeited/expired	(400,000)	0.94
Balance at April 30, 2018	948,750	0.88
Forfeited/expired	(948,750)	0.88
Outstanding and Exercisable at January 31, 2019	-	\$ -

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10. Share Capital – (cont'd)

d) Deferred Share Units (“DSU”) & Restricted Share Units (“RSU”)

Effective August 1, 2016, The Board of Directors approved the adoption of a Restricted Share Unit and Deferred Share Unit Plan (the “RSU/DSU Plan”) as part of the Company’s compensation arrangements for directors, officers, employees or consultants of the Company or a related entity of the Company. Although the RSU/DSU Plan is share-based, all vested RSUs and DSUs will be settled in cash. No common shares will be issued.

RSU

The RSU plan is for eligible members of the Board of Directors, eligible employees and eligible contractors. The RSUs vest over a period of three years from the date of grant, vesting as to one-third at the end of each calendar year. In addition to the vesting period, the Company has also set Performance Conditions that will accompany vested RSUs.

The Performance Conditions to be met are established by the Board at the time of grant of the RSU. RSUs that are permitted to be carried over to the succeeding years shall expire no later than August 1st of the third calendar year after the year in which the RSUs have been granted and will be terminated to the extent the performance objectives or other vesting criteria have not been met. The RSU share plan transactions during the period were as follows:

	Units
Outstanding at April 30, 2017	757,000
Granted	705,000
Exercised	(178,750)
Cancelled	(42,000)
Outstanding at April 30, 2018	1,241,250
Expired	(58,750)
Exercised	(117,500)
Cancelled	(33,125)
Outstanding at January 31, 2019	1,031,875

Management has determined that 50% of the RSU’s will be deemed payable on the vesting dates based on current performance criteria measures. As such only 50% of the previously granted RSU’s have been valued at fair value of \$0.12 per share. The liability portion for the year ended January 31, 2019 is \$57 which has been included under Trades and Other Payables on the Statement of Financial Position. No RSU’s were granted in the current fiscal year.

DSU

The Company introduced a DSU plan for eligible directors. The DSUs are paid in full in the form of a lump sum payment no later than August 1st of the calendar year immediately following the calendar year of termination of service. DSU Awards going forward will vest on each anniversary date of the grant over a period of 3 years. The DSU share plan transactions during the period were as follows:

	Units
Outstanding at April 30, 2017	600,000
Granted	410,000
Outstanding at April 30 and January 31, 2019	1,010,000

Based on the fair value of \$0.12 per share, the Company has recorded a liability of \$105 under Trades and Other Payable on the Statement of Financial Position. No DSU’s were granted in the current year.

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11. 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 material differences between the carrying values and the fair values of any other 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.

a) 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 January 31, 2019, the Company had the following financial assets and liabilities denominated in CAD and denominated in MXN\$:

	CAD		MXN\$	
Cash	\$	409	\$	7,491
Other working capital amounts - net		1,161		35,736
Long-term liabilities	\$	(3,111)	\$	-

At January 31, 2019, US dollar amounts were converted at a rate of \$1.3142 Canadian dollars to \$1 US dollar and MXN\$ were converted at a rate of MXN\$19.05 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 \$42. A 10% increase or decrease in the MXN\$ exchange rate will decrease or increase annual earnings from mining operations by approximately \$16.

b) 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.

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11. Financial Instruments – (cont'd)

c) 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 January 31, 2019 is \$1,416 (April 30, 2018 - \$2,321) and \$1,265 (April 30, 2018 - \$nil), respectively.

Cash of \$552 (April 30, 2018 - \$974) and short-term investments of \$Nil (April 30, 2018 - \$nil) are held at a Mexican financial institution, cash of \$474 (April 30, 2018 - \$23) is held at a US financial institution and the remainder of \$390 (April 30, 2018 - \$1,324) and the short-term investment of \$1,265 (April 30, 2018 - \$nil) are held at a chartered Canadian financial institution; the Company is exposed to the risks of those financial institutions. Amounts receivable comprised of trade receivables of \$803 (April 30, 2018 - \$148), taxes receivable of Mexican VAT taxes receivable of \$2,287 (April 30, 2018 - \$1,875) and GST receivable of \$13 (April 30, 2018 - \$36), which are subject to review by the respective tax authority.

d) 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 January 31, 2019, the Company was holding cash of \$1,416 (April 30, 2018- \$2,321) and short-term investments of \$1,265 (April 30, 2018 - \$nil).

Obligations due within twelve months of January 31,	2019	2020	2021	2022 and beyond
Trade and other payables	\$ 3,115	\$ -	\$ -	\$ -
Short-term portion of loan payable	-	1,450	-	-
Long-term portion of loan payable	-	-	3,111	-
Reclamation and closure obligations	\$ -	\$ -	\$ -	\$ 1,248

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.

e) Commodity Risk

Mineral prices and marketability fluctuate and any decline in mineral prices may have a negative effect on the Company. Mineral prices, particularly gold and silver prices, have fluctuated widely in recent years. The marketability and price of minerals which may be produced and sold by the Company will be affected by numerous factors beyond the control of the Company. These other factors include delivery uncertainties related to the proximity of its resources to processing facilities and extensive government regulations related to price, taxes, royalties, allowable production land tenure, the import and export of minerals and many other aspects of the mining business. Declines in mineral prices may have a negative effect on the Company. A 10% decrease or increase in metal prices may result in a decrease or increase of \$2,590 in revenue and net income.

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12. Commitments and Related Party Transactions

Except as disclosed elsewhere in these interim condensed consolidated financial statements, the Company has the following commitments outstanding at January 31, 2019:

- a) As at January 31, 2019, 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 January 31, 2019, the Company has a land lease agreement commitment with respect to the land at the mine site, for \$132 per year until December 2019. The Company also has ongoing commitments on the exploration and evaluation assets of approximately \$220 per year.
- c) As at January 31, 2019, the Company has management contracts to officers and directors totaling \$600 per year, payable monthly, expiring in January 2020 and US\$315 per year, payable monthly, expiring in August 2021.

13. Capital Disclosures

The Company's objective when managing capital is to safeguard the Company's ability to continue as a 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 and there were no changes to the capital management in the period ended January 31, 2019.

14. Earnings per Share

The Company calculates the basic and diluted income per common share using the weighted average number of common shares outstanding during each period and the diluted income 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 income per share, being the weighted average number of common shares, is calculated as follows:

	For the three months ended		For the nine months ended	
	January 31,		January 31,	
	2019	2018	2019	2018
Basic and Diluted weighted average common shares- Beginning and End of period	49,646,851	49,146,851	49,646,851	49,146,851

As at January 31, 2019 and April 30, 2018, all stock options and warrants outstanding were excluded from dilutive weighted average shares outstanding as they were anti-dilutive.

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The Company operates in three reportable geographical and one operating segment. Selected financial information by geographical segment is as follows:

	Mexico				Canada	USA	January 31, 2019 Total
	Bernal	Altiplano	Other	Total			
Revenue							
Mined Ore	\$ 20,160	\$ -	\$ 16	\$ 20,176	\$ -	\$ -	\$ 20,176
Purchase Concentrate	1,628	4,094	-	5,722	-	-	5,722
Cost of sales:							
Mined Ore	(16,952)	-	-	(16,952)	-	-	(16,952)
Purchase Concentrate	(1,545)	(4,316)	-	(5,861)	-	-	(5,861)
Depreciation	(2,809)	(115)	-	(2,924)	-	-	(2,924)
Earnings (loss) from operations	482	(337)	16	161	-	-	161
Impairment of mining assets	-	(5,943)	-	(5,943)	-	-	(5,943)
Mining interest, plant and equipment	35,402	526	1	35,929	118	-	36,047
Non-Current Assets	40,641	526	3,187	44,354	3,030	2,060	49,444
Total assets	\$ 46,423	\$ 722	\$ 3,418	\$ 50,563	\$ 4,784	\$ 2,086	\$ 57,433
	Mexico				Canada	USA	January 31, 2018 Total
	Bernal	Altiplano	Other	Total			
Revenue							
Mined Ore	\$ 14,069	\$ -	\$ -	\$ 14,069	\$ -	\$ -	\$ 14,069
Purchase Concentrate	3,504	2,282	-	5,786	-	-	5,786
Cost of sales:							
Mined Ore	(14,652)	-	(110)	(14,762)	-	-	(14,762)
Purchase Concentrate	(3,406)	(2,541)	-	(5,947)	-	-	(5,947)
Depreciation	(3,123)	(323)	(5)	(3,451)	-	-	(3,451)
Earnings (loss) from operations	(3,609)	(582)	(115)	(4,306)	-	-	(4,306)
Mining interest, plant and equipment	38,781	5,850	1,695	46,326	184	-	46,510
Non-Current Assets	42,893	5,850	4,859	53,602	3,094	2,052	58,748
Total assets	\$ 49,413	\$ 7,431	\$ 5,880	\$ 62,724	\$ 3,795	\$ 2,196	\$ 68,715
	Mexico				Canada	USA	April 30, 2018 Total
	Bernal	Altiplano	Other	Total			
Mining interest, plant and equipment	\$ 35,302	\$ 6,005	\$ 1	\$ 41,308	\$ 168	\$ -	\$ 41,476
Total assets	\$ 48,614	\$ 8,095	\$ 3,930	\$ 60,639	\$ 1,662	\$ 2,150	\$ 64,451

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15. Segmented Information – (cont'd)

During the period ended January 31, 2019, the Company earned all of its revenues from one customer. As at January 31, 2019, the Company does not consider itself to be economically dependent on this customer as transactions with this party can be easily replaced by transactions with other parties on similar terms and conditions. The balance owing from this customer on January 31, 2019 was \$803 (April 30, 2018 - \$nil).