



MANAGEMENT DISCUSSION & ANALYSIS
For the period ended January 31, 2025

Directors and Officers as at March 13, 2025:

Directors:

Gary Arca
Robert Eadie
Jordan Estra
Salvador Garcia
Federico Villaseñor

Officers:

Executive Chairman, President and Chief Executive Officer – Robert Eadie
Chief Operating Officer - Salvador Garcia
Chief Financial Officer – Gary Arca
Corporate Secretary – Cory Kent
Vice-President, Corporate Affairs – Krista Tau-Martinez

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TSX Symbol: SAM

Form 51-102-F1

STARCORE INTERNATIONAL MINES LTD.

MANAGEMENT DISCUSSION & ANALYSIS

For the period ended January 31, 2025

1. **Date of This Report**

This MD&A is prepared as of March 13, 2025.

This Management Discussion and Analysis (“MD&A”) should be read in conjunction with the unaudited consolidated financial statements of Starcore International Mines Ltd. (“Starcore”, or the “Company”) for the period ended January 31, 2025.

Monetary amounts throughout this MD&A are shown in thousands of Canadian dollars, unless otherwise stated.

This MD&A includes certain statements that may be deemed “forward-looking statements”. Such statements and information include without limitation: statements regarding timing and amounts of capital expenditures and other assumptions; estimates of future reserves, resources, mineral production and sales; estimates of mine life; estimates of future mining costs, cash costs, mine site costs; estimates of future capital expenditures and other cash needs, and expectations as to the funding thereof; statements and information as to the projected development of certain ore deposits, including estimates of exploration, development and production and other capital costs, and estimates of the timing of such exploration, development and production or decisions with respect to such exploration, development and production; estimates of reserves and resources, and statements and information regarding anticipated future exploration; the anticipated timing of events with respect to the Company’s minesite and; statements and information regarding the sufficiency of the Company’s cash resources. Such statements and information reflect the Company’s views as at the date of this document and are subject to certain risks, uncertainties and assumptions, and undue reliance should not be placed on such statements and information. Many factors, known and unknown could cause the actual results to be materially different from those expressed or implied by such forward looking statements and information. Such risks include, but are not limited to: the volatility of prices of gold and other metals; uncertainty of mineral reserves, mineral resources, mineral grades and mineral recovery estimates; uncertainty of future production, capital expenditures, and other costs; currency fluctuations; financing of additional capital requirements; cost of exploration and development programs; mining risks, risks associated with foreign operations; risks related to title issues; governmental and environmental regulation; and the volatility of the Company’s stock price. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.

2. Overall Performance

Description of Business

Starcore is engaged in exploring, extracting and processing gold and silver through its wholly-owned subsidiary, Compañía Minera Peña de Bernal, S.A. de C.V. (“Bernal”), which owns the San Martin mine in Queretaro, Mexico. The Company is a public reporting issuer on the Toronto Stock Exchange (“TSX”). The Company is also engaged in acquiring mining related operating assets and exploration assets in North America and West Africa directly and through corporate acquisitions. The Company has interests in properties which are exclusively located in Mexico, Canada and Côte D’Ivoire.

Financial Highlights for the period ended January 31, 2025:

- Cash and cash equivalents is \$2.3 million and working capital is \$3.4 million at January 31, 2025 compared to \$5.3 million and \$5.7 million, respectively, at April 30, 2024
- Gold and silver sales of \$22.8 million for the period ended January 31, 2025 compared to \$19.0 million for the period ended January 31, 2024. Gold and silver sales of \$9.0 million for the three months ended January 31, 2025 compared to \$6.8 million for the three months ended January 31, 2024;
- Income from mining operations of \$3,878 for the period ended January 31, 2025 compared to income of \$243 for the period ended January 31, 2024. Income from mining operations of \$2.1 million for the three months ended January 31, 2025 compared to income of \$0.8 million for the three months ended January 31, 2024;
- Loss of \$1.4 million for the period ended January 31, 2025 compared to loss of \$2.9 million for the period ended January 31, 2024. Income of \$0.3 million for the three months ended January 31, 2025 compared to a loss of \$0.2 million for the three months ended January 31, 2024;
- Equivalent gold production of 6,574 ounces in the period ended January 31, 2025 compared to production of 6,852 ounces in the period ended January 31, 2024. Equivalent gold production of 2,268 ounces in the three months ended January 31, 2025 compared to production of 2,514 ounces in the three months ended January 31, 2024;
- Mine operating cash cost is US\$1,873/EqOz for the three months ended January 31, 2025 compared to cost of US\$1,674/EqOz for the three months ended January 31, 2024;
- All-in sustaining costs of US\$2,505/EqOz for the nine months ended January 31, 2025, compared to costs of US\$2,156/EqOz for the nine months ended January 31, 2024;
- EBITDA⁽¹⁾ of \$1,668 for the nine months ended January 31, 2025, compared to (\$620) for the nine months ended January 31, 2024.

Reconciliation of Net Income to EBITDA⁽¹⁾

For the period ended January 31,	2025	2024
Net loss	\$ (1,397)	\$ (2,890)
Gain on sale of assets	-	(37)
Unrealized loss on investment	-	329
Interest revenue, net of interest expense	19	53
Income tax expense (recovery)	492	36
Depreciation and depletion	2,554	1,889
EBITDA	\$ 1,668	\$ (620)
EBITDA MARGIN⁽²⁾	7.3%	(3.3%)

(1) EBITDA (“Earnings before Interest, Taxes, Depreciation and Amortization”) is a non-GAAP financial performance measure with no standard definition under IFRS. It is therefore possible that this measure could not be comparable with a similar measure of another Corporation. The Corporation uses this non-GAAP measure which can also be helpful to investors as it provides a result which can be compared with the Corporation market share price.

(2) EBITDA MARGIN is a measurement of a company’s operating profitability calculated as EBITDA divided by total revenue. EBITDA MARGIN is a non-GAAP financial performance measure with no standard definition under IFRS. It is therefore possible that this measure could not be comparable with a similar measure of another Corporation. The Corporation uses this non-GAAP measure which can also be helpful to investors as it provides a result which can be compared with the Corporation market share price.

Recent Events

Starcore Enters into Share Purchase Agreement to Acquire Côte d’Ivoire Projects

Subsequent to the period ending January 31, 2025, the Company entered into a Share Purchase Agreement to acquire all of the issued and outstanding shares of K Mining SARL (“K Mining”), a private Ivorian gold exploration company in Abidjan, Côte d’Ivoire that holds seven gold permit applications covering a total of 1,393 km², including the Kimoukro Project of 14.47 km². As a result, the payments required per the Option Agreement (*see Section 4.2 – Property Activity - The Kimoukro Gold Project - Ivory Coast*) were replaced by the purchase agreement requirements below.

In consideration of \$500, the Company acquired all of the issued and outstanding shares of K Mining from its sole shareholder, SPAM SRL (the “Shareholder”). The Agreement is subject to acceptance by the ministerial authorities in Cote d’Ivoire. Upon such acceptance, the Company will issue a Promissory Note to the Shareholder, which shall bear interest at the rate of 2.0% per annum and mature three years from the date of issue.

The Agreement provides for additional payments to be made by the Company to the Shareholder, on the occurrence of the following events:

- (a) Upon receipt by the Company of a NI 43-101 compliant report containing a resource estimate of at least 500,000 ounces of gold or gold equivalent on any portion of the exploration permits, the Company will pay to the Shareholder the sum of US\$500,000.
- (b) Upon receipt by the Company of a preliminary positive feasibility report on any portion of the exploration permits, the Company will pay to the Shareholder an additional sum of US\$500,000.

Pursuant to the Agreement, and in accordance with IFRS 3 – *Business Combinations*, the acquisition will result in the consolidation of K Mining into the Company’s financial statements. Consequently, the Option ceases to have legal or economic substance, and is therefore nullified effective February 3, 2025.

3. Selected Annual Information

The highlights of financial data for the Company for the two most recently completed financial years are as follows:

<i>Twelve Months Ended,</i>	April 30, 2024	April 30, 2023
Revenues	\$ 28,327	\$ 22,907
Cost of Sales	(25,922)	(22,154)
Income from mining operations	2,405	753
Administrative Expenses	(4,100)	(5,148)
Gain (loss) on investment	(310)	197
Loss on sale of investments	-	(10)
Gain on sale of assets	37	25
Income tax (expense) recovery	3,601	(1,073)
Total income (loss)		
(i) Total income (loss)	\$ 1,633	\$ (5,256)
(ii) Income (loss) per share – basic	\$ 0.03	\$ (0.10)
(iii) Income (loss) per share – diluted	\$ 0.03	\$ (0.10)
Total assets	\$ 51,973	\$ 50,906
Total long-term liabilities	\$ 7,186	\$ 8,789

4. Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the consolidated financial statements of the Company and notes attached thereto for the period ended January 31, 2025.

4.1 San Martín Mine, Queretaro, Mexico

The San Martin Mine, located approximately 50 km east of the City of Queretaro, State of Queretaro, Mexico, consists of mining concessions covering 13,077 hectares and includes seven underground mining units and four units under exploration. Luismin (now “Newmont Mining Corporation”) operated the mine from 1993 to January, 2007, when it was purchased by the Company. The Company expects to continue to operate the mine based on the current expected conversion of known resources, and exploration is able to maintain proven and probable reserves replacing those mined with new reserves, such that the total resource remains relatively constant from year to year.

Starcore has staked additional claims near its principal producing gold property, the San Martin gold mine, in Querétaro, Mexico. The geology department has completed a staking initiative that includes new claims to the west of the current mineral rights of the San Martin mine on private property, that holds exploration and development upside.

Reserves

The Company released its updated NI 43-101 reserve and resource estimates as at April 30, 2024 for its San Martin Mine, located in Queretaro State, Mexico as filed on September 23, 2024, prepared by Erme Enriquez. (the “Technical Report”) has been filed on SEDAR+ and is also available on the Company’s website www.starcore.com. All assumptions are listed at the bottom of the reserve and resource table below.

Proven and Probable mineral reserves are estimated to contain approximately 96,298 ounces of gold and 710,435 ounces of silver for a total of 104,962 ounces of Au equivalent. Measured and indicated mineral resources are estimated to total approximately 97,396 ounces of gold and 720,623 ounces of silver for a total of 106,185 ounces of gold equivalent. Inferred mineral resources are estimated to total approximately 47,972 ounces of gold and 355,856 ounces of silver giving a total of 52,312 ounces of gold equivalent. The updated mineral reserves and mineral resources estimates are reported net of the production from the San Martin property (see Tables below).

Mineral Reserves as of April 30, 2024

Category	Tonnage	Grade			Contained Metal		
		Au (g/t)	Ag (g/t)	Au-Eq (g/t)	Au (Oz)	Ag (Oz)	Au-Eq (Oz)
Proven	545,373	2.39	19	2.61	41,845	325,003	45,809
Probable	712,987	2.38	17	2.58	54,453	385,432	59,154
Proven + Probable	1,258,360	2.38	18	2.59	96,298	710,435	104,962

Mineral Resources as of April 30, 2024

Category	Tonnage	Grade			Metal Content		
		Au (g/t)	Ag (g/t)	Au-Eq (g/t)	Au (Oz)	Ag (Oz)	Au-Eq (Oz)
Measured	510,754	2.60	20	2.85	42,731	329,724	46,752
Indicated	646,559	2.63	19	2.86	54,665	390,899	59,432
Measured + Indicated	1,157,312	2.62	19	2.85	97,396	720,623	106,185
Inferred	728,433	2.05	15	2.23	47,972	355,856	52,312

1. The effective date of the mineral resources estimate is April 30, 2024.
2. Estimation and reporting of mineral resources were carried out in accordance with Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") guidelines.
3. Mineral resources have been classified into measured, indicated and inferred confidence categories.
4. Inferred Mineral Resources are considered too speculative geologically to have economic considerations applied to them to enable them to be categorized as Mineral Reserves.
5. Mineral resources have reasonable prospects for eventual economic extraction demonstrating sufficient spatial continuity of mineralization constrained within a potentially mineable shape. Mineral resources that are not mineral reserves do not have demonstrated economic viability.
6. Prices used to report mineral resources were: \$1,891 per ounce of gold and \$23.06 per ounce of silver.
7. Resource and reserve cut-off grades are based on a 1.29 g/t gold equivalent.
8. This mineral resource and reserve estimate was prepared under the supervision of, or was reviewed by, Erme Enriquez, MSc, CPG, independent consultant, who is a Qualified Person as that term is defined in NI 43-101.
9. Grades are shown as contained metal before mill recoveries are applied. The Company has undertaken a verification process with respect to the data disclosed in this news release.
10. A total of 441 diamond drill holes with a total length of 52,605 metres and 5,427 channel samples were used in the geological interpretation and resource estimate. Several old historic drill holes were included in the modeling.

For 2024, 104,962 ounces of gold equivalent are reported in mineral reserves, an increase of 27% in reserves compared to the estimate for 2022, where 82,562 ounces of gold equivalent were reported. In this update, a carbonaceous mineral (as referred to in previous press releases) is reported that corresponds to 49,539 of the total reserves included. The metallurgical research and testing completed over the past year by Kappes Cassiday and Associates of Reno, Nevada USA, have been very positive and has achieved recoveries of approximately 70% for Gold and 65% for Silver. With this strong technical support, we believe we are able to include this carbonaceous ore, which contains a gold grade of approximately 3.1 gr/ton and 20 gr/ton of Silver, as an economic ore. This type of material is significant as it is an indication of the existence of enormous potential and supports exploration at depth and in lateral extensions to increase resources and reserves in the short and medium term. In 2024, Starcore plans to complete over 6,000 metres of drilling across its main mine of San Martin, focused on near-mine exploration for mineral reserve replacement.

Erme Enriquez C.P.G., BSc., MSc., is an independent consultant to the Company. He is a qualified person on the project as required under NI 43-101 and has prepared this technical information.

Production

The following table is a summary of mine production statistics for the San Martin mine for the three and nine months ended January 31, 2025 and for the previous year ended April 30, 2024:

<i>(Unaudited)</i>	<i>Unit of measure</i>	<i>Actual results 3 months ended 31-Jan-25</i>	<i>Actual results 9 months ended 31-Jan-25</i>	<i>Actual results 12 months ended 30-Apr-24</i>
Mine production of gold in dore	<i>thousand ounces</i>	2.2	6.2	9.4
Mine production of silver in dore	<i>thousand ounces</i>	8.2	34.1	58.0
Total mine production – equivalent ounces	<i>thousand ounces</i>	2.3	6.6	10.1
Silver to Gold equivalency ratio		87.3	82.6	84.9
Mine Gold grade	<i>grams/tonne</i>	1.74	1.59	1.50
Mine Silver grade	<i>grams/tonne</i>	11.1	13.7	15.82
Mine Gold recovery	<i>percent</i>	82.4%	83.0%	87.0%
Mine Silver recovery	<i>percent</i>	49.1%	53.0%	50.9%
Milled	<i>thousands of tonnes</i>	46.7	144.5	224.3
Mine development, preparation and exploration	<i>meters</i>	1,291	3,186	5,956
Mine operating cash cost per tonne milled	<i>US dollars/tonne</i>	91	89	76
Mine operating cash cost per equivalent ounce	<i>US dollars/ounces</i>	1,873	1,953	1,686
Number of employees/contractors at minesite		266	266	266

During the quarter ended January 31, 2025, the mill operated at a rate of approximately 508 (January 31, 2024 – 573) milled tonnes/day. Gold and silver grades during the quarter ending January 31, 2025 were 1.74 g/t and 11.1 g/t, respectively, against comparable quarter ended January 31, 2024 grades of 1.58 g/t and 14.6 g/t, respectively. Overall equivalent gold production from the mine during the period ending January 31, 2025 of 6,574 equivalent ounces was lower than the prior period's production of 6,852 equivalent ounces, however, production for the quarter ended January 31, 2025 of 2,268 equivalent ounces at 1.58 g/t, was higher than the previous quarter ended October 31, 2024 of 1,466 equivalent ounces at 1.10 g/t, whereby the mine was not operating for approximately two months and the plant processing was limited to low grade stockpiles to maintain limited operations.

Overall development meters have decreased in the current period, to 3,186 meters, compared to 4,572 meters in the prior period ended January 31, 2024. The development has been consistent with the current calendar period production tonnage budgeted.

Production cash costs of the mine for the nine-month period ended January 31, 2025 were higher at US\$1,953/EqOz compared to US\$1,815/EqOz in the comparable period ending January 31, 2024 due mainly to the 2 month mining closure resulting in higher per ton costs in the current period. Overall cost per tonne averaged US\$89/t, compared to US\$74/t in the prior period due mainly to the mining closure resulting in fixed costs remaining despite processing fewer tonnes contained in stockpiles, coupled with higher input costs for labour, electricity and fuel in the current period and higher development costs per meter. The cash costs this quarter of US\$1,873/Eq Oz were lower than the previous quarter ended October 31, 2024, of US\$2,743/EqOz, again, due to the mining closure in the prior period and significantly lower ounces produced in the previous quarter. Cash costs per tonne of \$US91/t were, however, higher this quarter compared to the previous quarter of US\$83/t.

The mine plan has been developed to ensure the mine is properly developed and mined so as to ensure a constant supply of ore in accordance with currently planned production capacity and ore grades. Changes to the plan that may involve production and capital investment are continually being assessed by management. Currently, the Company is continuing underground exploration in order to identify higher grade ore zones and has allocated an adequate budget to support year-long exploration.

During the quarter ended January 31, 2025, the Company incurred approximately US\$737 in mine capital expenditures, which includes mine development drifting and drilling, machinery and equipment leases and purchases, and construction and tailings dam remediation, compared to US\$415 in the prior comparable quarter ending January 31, 2024.

4.2 Property Activity

1. The Company continues exploration for the April 2025 year end with a budget of approximately US\$2 million which has mainly been allocated for the San Martin Mine concession with the following objectives:
 - a. To search for the extension of the 30 West target (implicated structures of high grade of gold) area of the mine;
 - b. Explore and identify the base or level of the mineralization at depth in San Martin Area.; and,
 - c. Recent reprocessed aeromagnetic data has highlighted three significant anomalies, prompting targeted prospecting on the anomalies corresponding to the extensions of the main mineralization of the San Martin mine.

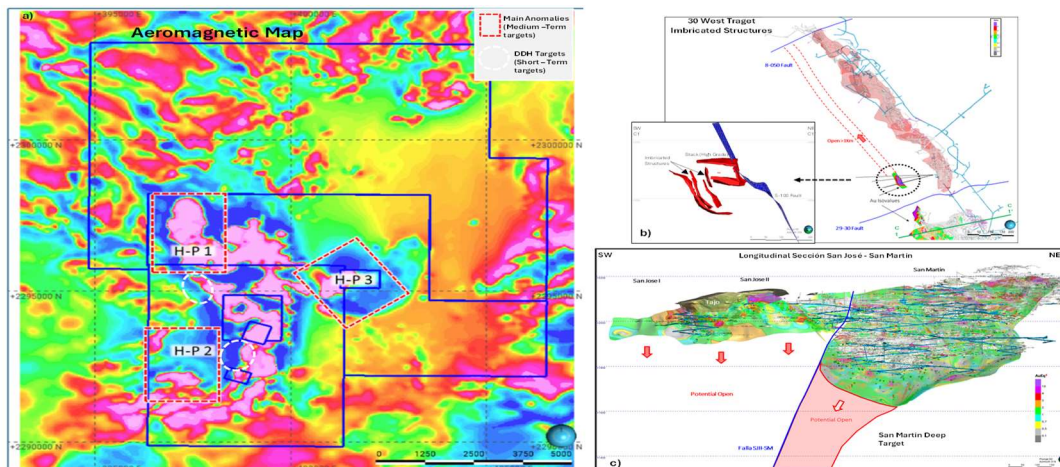


Fig 1 (a) Regional aeromagnetic map with three main anomalies (b) Area 3 has been discovered as a continuation of the high-grade structures to the west of the mined areas. (c) Potential at depth in San Martin Area

2. The balance of the exploration budget will be allocated towards new opportunities where Starcore has been invited to participate in potential joint ventures. Exploration continues in the Sierra Gorda, Queretaro, and the exploration team is compiling reports on surface samples.

Salvador Garcia, B. Eng., a director of the Company and Chief Operating Officer, is the Company’s qualified person on the projects as required under NI 43-101 and has prepared the technical information contained above.

A. San Martin Mine Activities – Queretaro, Mexico

The mine operations were back to normal operations for the full quarter as compared to the previous quarter where we experienced a two-month suspension of mine operations, resulting in the processing of low-grade stockpiled ore. Our grades and recoveries have returned to normal levels as we produced 2,268 Equivalent ounces of gold, compared to only 1,466 in the previous quarter. We expect results to improve over the next quarters, due to mining of oxide ore coupled with the expected recovery of gold and silver from the carbonaceous ore which has completing testing, amounting to expected reserves of an additional 1 million tonnes with an average grade of 3.1 grams of gold and 20 grams of silver per tonne.

“We are excited with the return to full operations and with the addition of the carbonaceous ore which will begin in the next quarter.” stated Salvador Garcia, the Company’s Chief Operating Officer. “These developments represent an increased mine life and open the landscape to continue exploring the great potential we have at San Martin.”

San Martin Production	<u>Q3 2025</u>	<u>Q2 2025</u>	<u>Q/Q Change</u>	<u>YTD 2025</u>	<u>YTD 2024</u>	<u>Y/Y Change</u>
Ore Milled (Tonnes)	46,730	48,248	-3%	144,482	168,454	-14%
Gold Equivalent Ounces	2,268	1,466	55%	6,574	6,852	-4%
Gold Grade (Grams/Ton)	1.74	1.10	58%	1.59	1.37	16%
Silver Grade (Grams/Ton)	11.08	9.81	13%	13.72	14.56	-6%
Gold Recovery (%)	82.44	80.25	3%	83.09	86.27	-4%
Silver Recovery (%)	49.10	49.16	0%	53.02	48.28	10%
Gold: Silver Ratio	87.30	85.16		82.62	83.80	

Salvador Garcia, Chief Operating Officer, is the Company’s qualified person under NI 43-101, and has reviewed and approved the scientific and technical disclosure on the San Martin Mine disclosed in this MD&A.

B. El Oro Tailings Environmental Rehabilitation Project, Mexico

On May 3, 2024, the Company executed a Memorandum of Understanding (“MOU”) to enter into a joint venture with Kappes, Cassidy & Associates (“KCA”) to launch an environmental rehabilitation project to clean up mine tailings from the municipality of El Oro in Mexico (the “El Oro Tailings”). KCA will provide its expertise and services for the project aimed at rehabilitating the environment and the Company will be responsible for the capital cost to modify the San Martin plant, and will act as operator in processing the El Oro tailings. Net profits generated from the JV will be allocated (i) 100% to the Company until it has recouped its capital costs, and (ii) thereafter on a 70/30 (Starcore/KCA) basis. Per the MOU, the Company assumes the responsibility for 50% of the payments due to Xali Gold by KCA.

It is intended that the MOU will be replaced with a formal JV agreement, subject to: (i) KCA having earned a 100% interest in Xali Gold’s El Oro Tailings Project by making the agreed-upon payments to Xali Gold, subject to royalty payments, (ii) satisfactory drilling and testing of the El Oro Tailings, and (iii) satisfactory arrangements being negotiated with the municipality of El Oro.

Work Program and Recent Activity

The Company reported that together with Xali Gold Corporation and KCA, drilling has begun on the El Oro Mine Tailings at El Oro, Mexico, for the purpose of taking a representative sample which will be used to confirm the process flowsheet. The tailings were the subject of a 43-101 Resource Study in 2014 which concluded the tailings contain 1.27M tonnes at a grade of 2.94 grams per tonne gold and 75.12 grams per tonne silver (3.85 gpt Au equivalent). KCA’s recent work has resulted in a recovery of over 75% of the gold and silver, but these results are on composites which did not access the full depth of the tailings. While the data indicates that the tailings are mineralogically uniform, the new drill program is designed to provide samples to confirm this assumption. The El Oro Mine tailings are situated on land owned by the Municipality of El Oro and are bordered by a stream which flows through developed portions of the municipality. El Oro is one of the named “Pueblo

Magico” localities near Mexico City. Clean-up of these tailings will not only eliminate an environmental risk, but will also release a large block of land which the Municipality can use for further development.

The Company received approval from the Mexican environmental authority, the Direccion General de Impacto y Riesgo Ambiental (DGIRA) (General Deputy for Environmental Control), to extend the term for Starcore’s management of its dry stack tailings at the San Martin Mine in Queretaro, Mexico. The extension of the environmental permit gives Starcore an additional ten years of life expectancy for the Company’s handling of its tailings.

The Company submitted its environmental risk studies to the Mexican authorities, which included technical updates and modifications to its dry stack tailings from the mine operations. Starcore will continue to comply with the DGIRA requirements including mitigation, prevention and compensation as detailed in the Environmental Impact Assessment, Environmental Risk Level 1 study and Preliminary Risk Report as submitted by the Company to the DGIRA. The Company will also continue to comply with the implementation of any corrective measures ordered by the Mexican authorities.

C. The Kimoukro Gold Project - Ivory Coast

Acquisition of EU Gold Mining Inc.

On January 18, 2024, the Company completed the Share Exchange Agreement entered into with EU Gold Mining Inc. (“EU Gold”), a private company holding mineral property interests in Côte d’Ivoire, whereby Starcore acquired all of the issued and outstanding shares of EU Gold in exchange for Starcore shares (“the “EU Share Exchange Transaction”). Before the EU Share Exchange Transaction, EU and Starcore had directors and officers in common.

EU Gold shareholders received two (2) common shares of the Company (the “Starcore Shares”) for three (3) common shares of EU (the “EU” Shares”) held by such EU shareholder (the “Exchange Ratio”). The Company issued 7,883,333 common shares at a fair value of \$0.085 per share for total consideration of \$670. Prior to the acquisition, there were 11,825,000 EU shares outstanding.

With the EU Share Exchange Transaction, EU Gold became a wholly-owned subsidiary of the Company, giving the Company the option (the “Option”) to acquire from K Mining SARL (“K Mining”), an Ivorian gold exploration company in Abidjan, Côte d’Ivoire, all of its right, title and interest in and to the Kimoukro Gold Project (“Kimoukro”). The Option called for the following consideration: (i) payment of \$400 to the K Mining shareholder over 36 months; (ii) issue to K Mining of 8,666,667 shares of Starcore (issued in January, 2024 at a total value of \$737). *On September 24, 2024, the Company repurchased the 8,666,667 shares previously issued from the sole shareholder of K Mining (see Section 4.3 - Buy-back’s, Financings, Principal Purposes & Milestones);* and (iii) incur an aggregate of US\$3,750,000 of expenditures on the Kimoukro (collectively the “Option Price”). *See Section 2 – Recent Events for transaction to acquire K Mining, subsequently cancelling the Option agreement and required payments above.*

The EU Share Exchange Transaction was accounted for as an acquisition of assets in accordance with IFRS 2. The purchase price of \$670 has been allocated to the assets acquired based on their relative fair values on the closing date. The purchase price allocation is a result of management’s best estimates and assumptions after taking into account all relevant information available.

Former EU shareholders held approximately 12.4% of the post-acquisition issued and outstanding shares of Starcore after giving effect to the EU Share Exchange Transaction and the issuance of Starcore shares to K Mining as part of the consideration for The Option Agreement. Included in the Starcore shares issued to EU Gold shareholders were 3,000,000 shares of Starcore issued to current and former management and directors of Starcore who held an interest in EU Gold.

The Kimoukro project is burdened with a 2% Net Smelter Royalty, which Starcore has the right to purchase on the basis of \$1 million for each 1% of royalty.

Project Description

The Company announced the beginning of exploration work on the Kimoukro permit in the central Ivory Coast, some 30 km south of the country's capital, Yamoussoukro. The permit was recently granted to the Ivorian Company, K Mining, on May 22, 2024, with whom Starcore has a mineral property option agreement to explore K Mining's properties (see above).

The Company made the initial visit to the Kimoukro Project by Starcore's exploration team aimed to verify the ground conditions and improve the map of existing mineworks in order to refine Starcore's exploration program and strategy for the project. The reconnaissance confirmed the presence of at least 11 main veins (0.5 to 2 m thick), object of artisanal exploitation. New evidences of mineralization have been found in the southeast part of the permit. Overall, the vein system is recognized over a 1.5 km wide corridor, striking from outside the eastern border of the permit, to the Bandama river. The permit for the west side of the river covers an area that is largely unexplored.

Mineralization at Kimoukro occurs mainly in NW-trending sheeted quartz which cross-cuts granodiorite, microdiorite, and volcanoclastic meta-sediments. Fresh chip rock samples were collected from few accessible shafts and assayed with handheld XRF returning 7 to 22 g/t Au; one quartz vein sample crossing granodiorite returned an average value of 155 g/t Au. The showing and new findings enlarged the existing anomaly zone from surficial soil samples. Samples from termite nests were collected in the part of the permit covered by alluvial deposits and sent for assay at the MSA labs in Yamassoukro, the capital of Côte d'Ivoire; assays returned with no significant values.

The artisanal mining activity within the Kimoukro permit remains fairly intense in the middle-north area, where some 80 people are washing soil and working veins on granitic rocks. A large settlement of artisanal miners is located at the East border of the permit and includes milling and washing facilities, other than trenches and shafts to mine mineralized veins.

Kimoukro is easily accessible by the A4 paved road, which crosses the property passing from the Kimoukro village; a mid-tension power grid runs parallel to the road. The area is flat. The vegetation is savannah and little forest; cocoa plantations and small-scale agriculture support the local economy. Artisanal mining is widespread in the area and covers over 1 sq km within the property. The geological context is of a Paleoproterozoic greenstone belt, part of the Birimian orogeny of West Africa. The Fetekro-Oumé greenstone belt stretches NNE-SSW for over 170 km, and hosts several gold deposits and prospects, with the northeastern portion of the belt is actively explored (i.e., the Toumodi prospect, 15 km west of the property; the B; a new mine will be in production in 2024 (Lafigué mine of Endeavour Mining, with 2.5 MOz Au reserves).

The gold mineralisation in the Fetekro-Oumé greenstone belt includes examples of shear-hosted lode gold, sheeted veins, intrusion-related veins; supergene mineralisation in regolite and soil is also significant. The Property is actually largely unexplored and untested. Highlights from the available information are:

- The local geology is similar to other mineralised sites nearby. The major contacts between greenstone and gneiss, on the west side, along with the presence of syn- post-deformation intrusive bodies and spatially related brittle-ductile structures, are highly perspective for the mineralisation.
- A 0.5 Km² wide gold anomaly zone in soil exceeding 50 ppb Au, is confirmed in the central part of the Property; the anomaly is part of a broader zone stretching more than 6 Km from the Kokumbo area, and it is open to north and west. Consolidated artisanal mining activity (soil panning) confirms widespread supergene mineralisation.
- Several mineralised veins are being worked by artisanal miners; the mineralised veins are white or smoky, made up by quartz-albite-carbonate; tiny sulphides and free gold have been observed. The veins are present mostly over the granite-granodiorite body in the central part of the Property, however, they cut the other volcano sedimentary units as well. The mylonite zone deforms some early veins and show disseminated sulphides and gold values.

Structure

A general NNW-SSE trend of the lithologic contacts and main foliation (S1) throughout the Property is inferred from the few field data, the IP survey completed in the central part of the Property, and from the regional magnetic map (historic exploration data) and remote-sensing interpretation available to date. The general trend is NNE-SSW and is parallel to the regional setting of the Fetreko-Oumé greenstone belt. The volcanic and volcanoclastic sequence depict a tight syncline fold, which is in contact with the granite-gneiss domain by means of a regional shear zone to the east (the N'Zi-Brabo shear zone), and a

west-verging, steep thrust contact to the west. Splays from the main shear zone crosscut the greenstone belt with inferred sinistral sense of shear. The Kimoukro Property lies on the western flank of the wider syncline fold.

This S1 tectonic grain is deformed by crenulation cleavage (S2) and likely, by large scale gently folding, which in literature, is generally related to strike-slip structures. Some veins seem to be parallel to this foliation; furthermore, the late stages of the deformation are related to brittle-ductile structures (D3 event; S3 planar features), which are mineralised in other deposit of the greenstone belt. These structures, similarly to the brittle-ductile shearing observed in mylonites, are the most prospecting structures for exploration, at the current stage of knowledge.

Mineralisation

The gold mineralisation occurs primary as mineralised quartz veins; several veins are exploited by artisanal miners: the trends of the veins observed in the field are NNW-SSE. The veins have similar mineral assemblage. Quartz+albite+carbonate±sericite±sulphides; veinlets are also present. At the vein edges, alteration haloes are usually limited to cm-size; however, the sericite+carbonate±albite replacement is widespread in all the samples studied under microscope. The SEM study revealed also pyrite, galena and sphalerite, occasional native copper and free gold. The latter is also observed in hand samples. The mineralised veins are found in the cataclastic granitoid (2 mica granodiorite), as well as in the volcanoclastic sequence. Their strike length is unknown, however, a minimum length of few tens of meters is inferred, with potential of more than 100 m. The thickness of the observed exploited veins is between 10 and 50 cm.

Considering the structures inferred from the available geophysics and the mapped veins, the geometry fits a Riedel-type fracturing system related to the mineralisation. The lab assay results on the few mineralised rock samples analysed, range from 10 to over 30 g/t Au; handheld XRF readings overall confirmed the occurrence of gold and the grade range. The supergene mineralization is widespread in the lateritic cover, and the saprolite and saprock, which are the main focus of the artisanal mining. The style of mineralisation is compatible with structurally controlled vein system, likely related to the emplacement and cooling of the granodiorite intrusive. The adjacent Kokumbo deposit, on the other hand, has mineralisation linked to a tonalite intrusive, roughly lying on strike with the Kimoukro mineralisation. A genetic model for the mineralisation at Kimoukro is then not obvious at the current state of knowledge.

The NI 43-101 compliant technical report entitled “Kimoukro Gold Project, Toumodi Department, Côte d’Ivoire” dated July 16, 2023 and authored by Riccardo Aquè and Diego Furesi is filed on www.SEDAR+plus.ca. For more related information please visit: www.starcore.com.

Work Program

Target Description and Previous Exploration

The Kimoukro permit belongs to an area of widespread artisanal mining activity, traditionally linked to the community of nearby Kokumbo. Inside the permit, a number of quartz veins are currently exploited or have been exploited by artisanal miners. At least 11 different gold-mineralised veins were mapped in the field and by trenches. The current interpretation is that the veins are interconnected in a persistent NW-striking shear-extensional system, accompanied by minor structures and veins of higher order. The thickness of the most developed veins seems to range from 0.5 to 1.0 m and their inferred strike length is over 150 m. The bulk of the known mineralised veins extends from surface and is exploited by artisanal miners by means of shafts and trenches to a depth of 10-15m; yet, deeper shafts exist up to +40 m deep, and in this case, explosives are used to progress.

Soil geochemistry was completed by K Mining between 2019 and 2022, thence audited with twin samples and expanded in 2023, highlighted over 65 hectares of soil anomaly >50 ppb. However, the surface samples only reached depths of 0.5 m to 1 m; thus, the actual gold anomaly in the alluvial areas, or where cover is present, was not depicted. The bias is also evident through other evidence including the presence of artisanal work. In fact, the visit to artisanal mineworks led to the clear identification of several NW trending vein systems. Some of the exploited veins are outside the soil anomaly depicted by surface soil samples.

Previous exploration work completed in the Kimoukro permit by K Mining included two separate blocks of IP surveys in 2019 and 2021, covering 0.9 km² and 1.3 km² respectively. Those surveys have been reprocessed and reinterpreted by Dr.

Paolo Costantini, a renowned geophysicist, principal of ArsTerra Exploration GmbH. According to the few existing trenches and the previous geophysical surveys, the depth to rock ranges from 2 to 20 m, with an average of some 10 m. The relation among the mineralised structures and several NW and NE-trending structures were highlighted.

The initial target area for the exploration will be limited to the central part of the permit, east of the Bandama river and north of the paved road A4 and the village of Kimoukro. The majority of the existing exploration data comes from this area.

Exploration Program

The next phase of exploration at Kimoukro will include the following:

1. Geophysical survey to start as soon as possible.
 - Prepare lines: 44 lines, 100 m spaced, oriented N105o, total length of 52 km.
 - IP/Resistivity survey
 - Ground Magnetic survey
2. Preparation of access road and camp
3. Transport of equipment to Kimoukro; build the camp facility.
4. Auger drilling (3000 m initial phase); trenching (2 phases: 600 m + 1000 m).

The initial program will be focused on geochemical sampling with auger drilling and trenching, with the geophysical survey being completed concurrently. SAGAX Afrique sarlu (“Sagax”), has been retained to implement the IP and ground mag program, which is anticipated to be completed by the end of July 2024. Sagax is a highly respected and reputable geophysical contractor led by Mr. Jean David, and has extensive experience on a large variety of mineral systems, including similar Birimian-hosted lode gold deposits throughout West Africa.

GEO-EXPLO SERVICES, an auger drilling supplier company based in Yamoussoukro, will be contracted for an initial 2000m auger drilling program. The company has served many of the major companies conducting exploration activities in the Ivory Coast and West Africa and has either hand-pulled or truck-mounted rigs capable of drilling up to 30 m in saprolite. Camp building, earthworks and trenches will be done by using either a local contractor or K Mining personnel and equipment.

Geophysical survey

The IP program will comprise 50 total line-kilometres of ground IP surveys focused on already identified soil anomaly and a number of mineralised quartz-veins which are being exploited by artisanal works. The ground mag survey will be conducted over the same lines. A total of 50 ha will be covered by the geophysical survey, and the target is up to 150 m depth with sufficient resolution to depict contrasting geological bodies and possible mineralised zones.

The IP data will be acquired using a pole-dipole electrode array with a dipole spacing of 25 m expanded through 4 separations readings (a=4x25; 3x50; 2x75; 1x100). A total of 40 profiles oriented N105°, spaced 100 m apart, will be surveyed for a total of some 50 line-kilometres. The interpretation and 3D modelling of the survey results (chargeability and resistivity) will be conducted by Jean David, the Principal Geophysicist at Sagax. Over the same lines, a ground-magnetic survey will be conducted with continuous reading over a base-station reading period of 20 seconds.

The surveys are designed to provide sufficient understanding of major and minor structures, and distribution of the late granitoids intruding the volcano-sedimentary sequence, as well as depth of the solid rock (saprock), and better understanding of the in-situ shallow gold anomaly.

Auger drilling

An auger drilling campaign of some 2000 m will be performed, in order to better image the gold anomaly in the saprolite, at different depths. The initial auger drilling program aims to test the on-strike continuity of the known mineralised veins, as well as the poorly defined areas, including where exploited artisanal minework indicates the presence of mineralised veins, which should result in wider gold anomaly in-situ soil and saprolite.

Trenching

Trenches will be cut by using an excavator, initially to test the known higher gold anomaly zones, orthogonal to the main vein system. Trenching will commence at the advanced stages of road building. The initial trench program consists of a total of 1500 m of trenches, 5 m deep, stretching up to 120 m.

Data from the new surveys, corroborated by the improved geochemical sampling from auger drilling and trenching, will help improve the understanding of the known and newly identified prospective areas, and should bring them to a “drill-ready” stage. The Company plans to finalize an initial campaign of diamond drilling right after the rainy season. The diamond drilling will test the mineralised veins and to describe the geological context in this area of generally poor outcrop exposure.

Qualified Person

The foregoing scientific and technical disclosure on the Kimoukro gold project has been supervised and approved by Dr. Riccardo Aquè, Ph.D. Eurogeol., a Qualified Person as that term is defined in NI 43-101. He is independent of the Company.

D. Creston Moly - Mexico

On February 19, 2015, the Company acquired all of the shares of Creston Moly from Deloitte Restructuring Inc. in its capacity as trustee in bankruptcy of Mercator Minerals Ltd. at a purchase price of CDN \$2 Million. In June, 2011, Mercator Minerals Ltd. (“Mercator”), a TSX listed company, acquired Creston Moly in a cash and shares deal valuing Creston Moly at approximately \$194 million. BMO Capital Markets, financial advisor to Creston Moly and its Board, provided a fairness opinion to the effect that the consideration (of \$194 million) was fair, from a financial point of view, to the shareholders of Creston Moly.¹ The most significant asset in this acquisition was the El Creston project in Sonora, Mexico which had been advanced to a completed Preliminary Economic Assessment (“PEA”). Creston Moly is a British Columbia company that owns, through its subsidiaries, a 100% interest in the following properties:

El Creston Project, Sonora, Mexico²

The El Creston molybdenum property is located in the State of Sonora, Mexico, 175 kilometres south of the US Border and 145 kilometers northeast of the city of Hermosillo. In 2010, a PEA was prepared on the property based on zones of porphyry-style molybdenum (“Mo”)/Copper (“Cu”) mineralization by an independent consulting firm. The result of this study indicated that the El Creston molybdenum-copper deposit had a US \$561.9million net present value after tax (using an 8% discount rate). The internal rate of return (after tax) was calculated to be 22.3% and a capital cost payback was calculated to be four years. Other highlights of the report include:

- ***Large moly-copper deposit in a mining-friendly jurisdiction.*** Total Measured and Indicated Resources of 215 million tonnes grading 0.071% Mo and 0.06% Cu, containing 336 Mlbs Mo and 281 Mlbs Cu. Mineral resources that are not mineral reserves do not have demonstrated economic viability; (See updated “*Mineral Resource Estimate*” below);
- ***Initial Capital cost:*** US\$655.9million with payback of 4 years, based on metal prices of \$15/lb Mo and \$2.60/lb Cu. Metal recoveries were estimated at 88% for Mo and 84% for Cu;
- ***Low Operating Cost:*** operating cost of \$US4.12/lb Mo, net of copper credits, 0.84:1 waste to ore strip ratio within an optimized pit containing an additional 7.6 million tonnes of Inferred Resources responsible for \$20M of the NPV;
- ***Excellent infrastructure:*** Road accessible with a 230kV power grid within 50 km;

¹ The information in this report relating to the acquisition of Creston Moly by Mercator has been drawn from documents filed under the Creston Moly Corp. issuer profile on SEDAR, more specifically: Creston’s Management Information Circular dated May 9, 2011 and filed on SEDAR on May 16, 2011, and Creston’s news release of June 6, 2011 as filed on SEDAR on June 7, 2011.

² The technical information in this MD&A relating to the El Creston Project is based on the technical report entitled “Preliminary Economic Assessment, El Creston Project, Opodepe, Sonora, Mexico”, dated December 16, 2010, filed under the Creston Moly Corp. issuer profile on SEDAR on December 20, 2010. Information regarding the effective date of the mineral resources, key assumptions, parameters and methods used to estimate the mineral resources, and known risks that materially affect the mineral resources can be found in the technical report. The PEA provides information on El Creston that is historical and the Company cannot guarantee the accuracy of the data presented therein. The reader is cautioned not to place undue reliance on the historical data or its implications that have been derived from third-party sources. The PEA is referenced herein solely for historic context and background.

- ***Apart from the PEA***, recommendations have been made to test known mineralization below the current pit-limiting “Creston Fault” where results such as drill hole EC08-54 returned 241.4m at 0.083% Mo and 0.059% Cu to a depth of 495m in the Red Hill Deep zone.

David Visagie, P.Geo., an independent consultant, is the Company’s qualified person under NI 43-101, and has reviewed and approved the scientific and technical disclosure on the El Creston Project disclosed in this report.

Current Activities

The Company released its mineral resource estimate and NI 43-101 compliant Technical Report for its El Creston molybdenum project located near Opodepe, Mexico on December 1, 2022. The report entitled “Independent Technical Report for the El Creston Molybdenum Project, Sonora, Mexico” prepared by SRK Consulting (Canada) Inc. (“SRK Consulting”) has been filed on SEDAR and is also available on the Company’s website www.starcore.com. The Technical Report documents a mineral resource statement for the El Creston Project prepared by Dr. Gilles Arseneau, Qualified Person and associate consultant with SRK. It was prepared following the guidelines of the Canadian Securities Administrators’ National Instrument 43-101 and Form 43-101F1. Highlights of the report are outlined below.

Property Description and Ownership

The El Creston Project is located in north-central Sonora State in north-western Mexico. The property is about 145 kilometres (“km”) by road north-northeast of Hermosillo, the capital of Sonora State, 5 km southwest of the village of Opodepe. Access from Hermosillo is via Highway 15 north from Hermosillo 70 km to Carbo junction. From the junction, a paved road is followed east for 52 km to Rayon, then north along a well-maintained gravel road for 21 km to the junction with a secondary unpaved road crossing the San Miguel River 5 km south of Opodepe that leads to the Creston Project. The approximate center of the mineral resources described in Section 14 is 29°53’N latitude and 110°39’W longitude.

The property is comprised of nine concessions covering approximately 11,363 hectares (“ha”) wholly owned by Exploraciones Global, S.A. de C.V., a Mexican subsidiary of Starcore. All concessions are subject to a 3% net smelter return (“NSR”). There are no known environmental liabilities to which the project is currently subjected.

Geology and Mineralization

Regionally, the area is part of the Basin and Range Province which is an extensional terrain of fault-bounded ranges and intervening valleys in the western United States that extends southward from Nevada and Utah southwards into the states of Sonora and Chihuahua, Mexico. In northern Mexico, this province is bifurcated by the Sierra Madre Occidental, a north-northwest-trending mountain range about 1,200 km long and 200 km to 300 km wide that forms the spine of northern Mexico. The Creston property lies in the western or Sonoran portion of the Basin and Range Province, close to the western flank of the Sierra Madre Occidental.

The predominant lithologies known at El Creston include metamorphic rocks of Precambrian and perhaps Paleozoic age, intrusions of various compositions, dikes, and breccias of Paleozoic and Tertiary age, and Recent conglomerate, talus, and landslide deposits. Phyllites, quartzite, gneisses, and metavolcanic rocks were intruded by the Creston granite, which has a weakly developed gneissic texture. The Creston granite has been altered and mineralized, hosting most of the presently defined molybdenum (“Mo”) mineralization in the Main deposit, the older metamorphic rocks intruded by the Creston granite are only locally altered and mineralized.

There are two principal styles of mineralization at the Main deposit: predominantly subvertical quartz-molybdenite-pyrite veinlets hosted by the Creston granite and molybdenite-pyrite within the quartz matrix of magmatic-hydrothermal breccia of the East Breccia body, which cuts the Creston granite. While minor amounts of chalcopyrite accompany the molybdenite mineralization, more significant quantities of copper (“Cu”) occur as chalcocite replacements of pyrite within secondary enrichment blankets that parallel present-day topography. Some chalcocite also occurs below the enrichment blankets, primarily along permeable structural zones such as the Ordoñez fault zone.

The currently defined mineralized area occupies a zone about 1,600 metres (“m”) in an east-west direction, a maximum of 1,200 m in a north-south direction, and 550 m vertically. The Creston and Ordoñez faults terminate the bulk of the molybdenum mineralization at depth, although some mineralization has been intersected in drillholes below the Creston fault at the Red Hill zone to the south. Mineralization at El Creston includes both molybdenum and copper minerals.

Mineral Resource Estimate

The mineral resource model prepared by the QP considers 181 core holes and three reverse circulation holes, Creston Moly Corporation drilled 156 holes during the period of 2007 to 2011, 28 holes were drilled by AMAX between 1974-1975. The resource estimation work was completed by Dr. Gilles Arseneau, P. Geo. (APEGBC #23474) an appropriate “independent Qualified Person” as this term is defined in National Instrument 43-101. The mineral resources have been estimated in conformity with generally accepted CIM “Estimation of Mineral Resource and Mineral Reserves Best Practices” guidelines and are reported in accordance with the Canadian Securities Administrators’ National Instrument 43-101.

GEOVIA GEMs™ Version 6.8.4 was used to construct the geological solids, prepare assay data for geostatistical analysis, construct the block model, estimate metal grades and tabulate mineral resources. Sage2001 was used to model the variography of copper and molybdenum.

The oxide surface was modelled from a hard boundary between the dominantly oxidized zone near surface and the sulphide mineralization below using a 30% molybdenum oxide limit. A wireframe was used to model the molybdenum mineralization with the Creston granite and the copper mineralization was modelled into high-grade and low-grade domains based on statistical analysis of the assay data. Assay data were capped prior to modelling based on statistical analysis. Molybdenum values were capped at 0.70% Mo and copper values in the higher-grade zone were capped at 1.0% Cu and 0.45% Cu in the low-grade copper zone. All assays were composited to 3.0 m length within the modelled domains.

Grades were estimated by ordinary kriging inside 10 m by 10 m by 12 m blocks. To determine the quantities of material offering “reasonable prospects for eventual economic extraction” by an open pit, the QP used a pit optimizer and reasonable mining assumptions to evaluate the proportions of the block model (Measured, Indicated and Inferred blocks) that could be “reasonably expected” to be mined from an open pit. The optimization parameters were based on experience and benchmarking against similar projects. Blocks within the resource shell were classified as Measured if they were populated using more than eleven samples at an average distance of less than 80 m and where the probability of the grade exceeding cut-off was more than 90%. Blocks were considered Indicated if they were populated by more than eight samples at an average distance of less than 100 m. All other estimated blocks were classed as Inferred. Based on the above parameters, the QP estimated that the El Creston deposit contained 56.3 million tonnes (“Mt”) grading 0.076% Mo and 0.04% Cu in the Measured category, and 142.2 Mt grading 0.067% Mo and 0.08% Cu classified as Indicated mineral resources. There are no blocks classified as Inferred mineral resource within the Whittle optimized pit shell (Table 1.1).

Table 1.1: Mineral Resource Statement at 0.045% Molybdenum Equivalent*, El Creston Molybdenum Project, Sonora Mexico, SRK Consulting, 30 September 2022

Category	Quant	Grade		Metal	
		Mo	Cu	Mo	Cu
	(Mt)	(%)	(%)	(Mlb)	(Mlb)
Open Pit**					
Measured	56.3	0.076	0.04	94.3	49.7
Indicated	142.2	0.067	0.08	210.0	250.8
Measured Plus Indicated	198.5	0.069	0.07	304.4	300.5
Inferred					

Notes:

* Mineral resources are reported in relation to a conceptual pit shell. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

** Open pit mineral resources are reported at a cut-off grade of 0.045% Mo EQ. Cut-off grades are based on a price of US\$9.93 per lb of molybdenum and US\$3.50 for copper, recoveries of 88% for molybdenum and 84% for copper were applied.

Conclusion and Recommendations

The El Creston Molybdenum Project is an advanced staged exploration property located in Sonora State, Mexico.

The molybdenite mineralization occurs as finely disseminated subhedral crystals 0.1 millimetres (“mm”) to 0.8 mm across, embedded in a pervasive, fine-grained quartz-sericite matrix, and as coarsely crystalline molybdenite along the margins of quartz veins. The QP believes that the widely spaced drill sampling is suitably adequate to represent the disseminated and veinlet molybdenum mineralization.

While some molybdenum grades do occur below the Creston fault, the grade estimates were limited to the zone between the oxide boundary and the Creston fault. The QP recommends that Starcore continue to explore the El Creston Project. Specifically, a US\$500,000 exploration surface exploration program is recommended.

“We have always viewed El Creston as an extremely valuable asset, given that it is a copper-moly project,” said Robert Eadie, Starcore’s CEO. “We are happy that the report has been updated and we are now able to advance the project and share SRK Consulting’s findings with our shareholders.”

Mexico Amparo Lawsuits filed

On June 16, 2023, on behalf of Bernal and Exploraciones Global S.A. de C.V., which owns the El Creston project (*see Section 4.2*), the Company filed against certain provisions of the reform to the Mexican Mining Law approved by the Mexican Lower House and the Mexican Senate on May 8, 2023, (the “New Mining Law”) pursuant to which the Company challenged, among other matters: (i) the legislative process for the approval of the New Mining Law and other environmental laws affecting the Mexican mining industry, and (ii) diverse provisions of the New Mining Law harming the fundamental rights of the Company, which may contravene certain provisions and principles of the Mexican Constitution. Management believes that it is crucial to take action and protect the rights and investments of the shareholders as this decree imposes additional burdens and modifies the existing rights of active mining concessions. The enactment of this decree has far-reaching implications for all companies involved in the mining industry and filing an Amparo is necessary to protect the company’s assets. The Amparo is a constitutional remedy that protects individuals and entities against violations of their constitutional rights.

E. Opodepe Project, Sonora State, Mexico

The Company has completed the first phase of exploration on its MEZTLI 4 and TEOCUITLA claims located in Opodepe, Sonora, Mexico. This first stage explored five different veins that were discovered after more than eight months of geological works with more than 2000 samples taken. As reported in its news release of August 17, 2021, the Opodepe project represents a three-dimensional prospect for Starcore with possibilities as a moly deposit, or as a property with gold showings, and thirdly as a project with the potential for copper porphyry at depth. These concessions of 11,364 hectares (the MEZTLI 4 claims) have never been explored for precious metals. With the acquisition of 3,087 hectares northwest of the MEZTLI 4 claims (the TEOCUITLA concessions), Starcore now has a total of 14,451 hectares to explore, with five veins identified thus far for the initial stage of drilling.

Salvador Garcia, B. Eng., a director of the Company and Chief Operating Officer, is the Company’s qualified person on the project as required under NI 43-101 and has prepared the technical information contained above.

F. Ajax, British Columbia, Canada³

Ajax Molybdenum Property is comprised of 11,718 hectares and is located 13 km north of Alice Arm, British Columbia in northwestern B.C.’s well-known mineralized belt, the “Golden Triangle”. The property, measuring 1718.65 hectares in size, was acquired in 2015 through its purchase of Creston Moly Corp. and its subsidiary Tenajon Resources Corp. The Ajax

³ Technical information in this report relating to the Ajax Project is based on the NI 43-101 Resource Estimate Press Release entitled “Tenajon Announces 75% Increase in Indicated Molybdenum Resources at Ajax Project”, dated May 15, 2008 and the technical report entitled “Update of Resource Estimation, Ajax Property, Alice Arm, British Columbia”, dated April 18, 2007, both of which are filed under the Tenajon Resources Corp. issuer profile on SEDAR.

Property, one of North America's largest undeveloped molybdenum deposits occupying a surface area of approximately 600 by 650 metres, is a world class primary molybdenum property in the advanced stage of exploration.

The Ajax property is located approximately 12 km to the southeast of Dolly Varden Silver, 7 km south of Big Bulk and 17 km east of Goliath Resources Golddigger/Surebet property. The Ajax is located within 1 to 3 km of the Triassic - Jurassic contact, termed the Red Line in this area, near which many of the Golden Triangle's mineralized systems occur.

Exploration

The 11,718 hectares Ajax property was acquired by Starcore in 2015 through its purchase of Creston Moly Corp. and its subsidiary, Tenajon Resources Corp. The property hosts the large Ajax molybdenum porphyry developed prospect that has been tested by 48 drill holes, beginning in the mid 1960's. The Ajax property is located approximately 12 km to the south south-east of Dolly Varden Silver, 7 km south of Big Bulk, 17 km east of Goliath Resources Golddigger/Surebet property. The Ajax property is located within 1 to 3 km of the Triassic - Jurassic contact, termed the Red Line in this area, near which many of the Golden Triangle's mineralized systems occur.

2021 Work Program

The Company completed an eight-day prospecting, soil and rock chip sampling program on the Ajax Property which hosts the very large Ajax porphyry molybdenum occurrence that has been tested by 48 drill holes, beginning in the mid 1960's. During Starcore's September, 2021 limited field program, rock and soil sampling have revealed the potential for precious and base metal potential beyond the limits of the known molybdenum mineralization. Three rock samples collected from mineralization exposed in old pits along the south spine of Mt. McGuire, about 1.3 km from the known molybdenum mineralization, assayed up to 4.1 grams per tonne (g/t) silver, 0.23% copper, over limit for analysis method (greater than 100 g/t) tungsten and 794 g/t cobalt. In addition, two quartz veins sampled downslope from these pits assayed over limit (greater than 100 g/t) silver and over limit (greater than 1%) lead and zinc and over limit (greater than 0.2%) bismuth. Mineralization sampled in the vicinity of a documented BC MINFILE occurrence Ida, northeast of Mt. McGuire peak, assayed over limit (greater than 100 g/t) tungsten, 1.1 g/t silver and anomalous molybdenum and copper.

2023 Work Program

Mineralized quartz veins extend upslope approximately 800 metres in elevation above and peripheral to the molybdenum porphyry mineralization. These veins were sampled during the 2023 field program and some resampling of drill core from the 2005 - 2007 drill program also occurred. The drill core is stored in the nearby community of Alice Arm. Twenty-eight sites were sampled and ten assayed "over-limit", above the detection limit for the analytical method, in one or more elements. The over-limit samples were rerun at the Bureau Veritas laboratory in Vancouver using an ore grade analytical method. Gold assayed up to 37.89 grams per tonne (see Table 1) (37892 parts per billion PPB). The over-limit values for silver are reported in PPM (parts per million or equivalent to grams per tonne) and other over-limit samples are reported in % per cent. Some veins assayed with elevated tungsten, antimony and bismuth.

	silver	silver	gold	lead	lead	zinc	zinc	antimony	bismuth	tungsten	tungsten
Sample	PPB	PPM	PPB	PPM	%	PPM	%	PPM	PPM	PPM	%
2948927	413		5.8	3.86		122.2		0.42	0.25	<0.1	
2948928	>100000	148	37892.7	2898.53	0.26	>10000.0	4.07	824.87	178.21	<0.1	<0.001
2948937	>100000	131	5969.4	7971.98	0.83	>10000.0	1.61	>2000.00	0.96	92.5	0.027
2948940	602	<2	8.6	13.04	<0.01	16.1	<0.01	18.46	0.28	>100.0	0.066
2948941	448		4.3	2.94		33.9		0.91	0.37	50.1	
2948942	>100000	299	231.3	6631.94	0.65	3864	0.37	1081.65	611.99	>100.0	0.014
2948943	>100000	176	134.1	5011.56	0.51	380.3	0.04	323.45	414.8	>100.0	0.116
2948603	74764		39.2	1487.15		192.9		300.49	181.47	17.4	
2948604	8217		3351.5	2316.71		3663.2		582.18	13.64	95.2	
2948605	37186		21	979.44		226.7		39.53	74.76	9.5	
2948606	77699	74	2077.8	>10000.00	2.45	>10000.0	2.29	>2000.00	153.71	12.1	<0.001
2948607	>100000	285	262.2	>10000.00	1.02	>10000.0	1.6	1336.77	689.95	>100.0	0.033
2948608	6744	6	36.1	47.21	<0.01	38.3	<0.01	11.98	7.04	7.8	<0.001
2948610	664	<2	2.3	3.91	<0.01	13.8	<0.01	0.47	0.7	>100.0	0.028
2948611	>100000	180	222.5	>10000.00	1.05	9153.4	0.9	268.52	390.82	4.5	<0.001
2948612	2176	2	6.7	25.88	<0.01	27.9	<0.01	2.34	2.41	>100.0	0.106
2948613	>100000	190	90.2	>10000.00	0.97	6857.3	0.69	218.62	399.64	2.6	<0.001

Table 1. Selected samples from 2023 Ajax exploration program

The veins appear to have attracted early exploration to the property, beginning during the mid-1920's, prior to the discovery of the large molybdenum porphyry system. They present an attractive exploration target. Field work planned for 2024 includes detailed mapping of the veins to determine the thicknesses, character and continuity of the mineralized system. Underground workings developed on a vein system in the 1920's will be located and sampled and targets identified through Auracle Geospatial Science Inc.'s 2023 satellite borne radar imaging study will be followed up.

Ian Webster P.Geo. is the Qualified Person, as defined by National Instrument 43-101, who has reviewed and approved the technical contents of this release.

Impairment of Mining Interest

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.

4.3 Results of Operations

The Company recorded loss for the period ended January 31, 2025 of \$1,397 compared with loss of \$2,890 for the comparative period ended January 31, 2024. The details of the Company's operating results and related revenues and expenses are as follows:

For the nine month period ended January 31,	2025	2024	Variance
Revenues			
Mined ore	\$ 22,791	\$ 18,992	\$ 3,799
Cost of Sales			
Mined ore	(16,471)	(16,896)	425
Depreciation and depletion	(2,442)	(1,853)	(589)
Total Cost of Sales	(18,913)	(18,749)	(164)
Income from mining operations	3,878	243	3,635
Financing costs (net)	(180)	(45)	(135)
Foreign exchange gain (loss)	(87)	299	(386)
Management and director fees and salaries	(1,000)	(878)	(122)
Office and administration	(889)	(1,025)	136
Professional and consulting fees	(1,099)	(747)	(352)
Geological and plant consulting fees	(879)	-	(879)
Shareholder relations	(545)	(324)	(221)
Transfer agent and regulatory fees	(119)	(85)	(34)
Income (loss) before taxes and other losses	(920)	(2,562)	1,642
Other income (losses)			
Unrealized gain (loss) on investment	-	(329)	329
Gain on sale of assets	-	37	(37)
Income taxes			
Current (expense)/recovery	15	(8)	23
Deferred (expense)/recovery	(492)	(28)	(464)
Loss for the period	\$ (1,397)	\$ (2,890)	\$ 1,493

Overall, revenue from mining operations increased by \$3,799 for the period ended January 31, 2025 compared to the comparative period ended January 31, 2024, due mainly to higher metal prices. Sales of metals for mining operations for the period ended January 31, 2025 approximated 6,242 ounces of gold and 34,904 ounces of silver sold at average prices in the period of US\$2,520 and US\$29.92 per ounce, respectively. This is a decrease in sale of gold ounces when compared to the prior comparable period ended January 31, 2024 where sales of metal approximated 6,766 ounces of gold and 41,385 ounces of silver, albeit sold at lower average prices of US\$1,975 per ounce for gold and US\$23.49 per ounce for silver.

The total cost of sales above includes non-cash expenses for depreciation and depletion of \$2,442 compared to \$1,853 in the prior comparable period ending January 31, 2024, which is calculated based on the units of production from the mine over the expected mine production as a denominator. This calculation is based solely on the San Martin mine proven and probable reserves and a percentage of inferred resources in accordance with the Company's policy of recognizing the value of expected Resources which will be converted to Proven and Probable Reserves, as assessed by management.

For the nine-month period ending January 31, 2025, the Company had income from mining operations of \$3,878 compared to income from mining operations of \$243 for the period ended January 31, 2024. The increase was due mainly to higher average prices of gold and silver sold despite less tonnes mined and higher mine operating costs per tonne during this period.

Other Items

Changes in other items for the nine-month period ended January 31, 2025, resulted in the following significant changes from the period ended January 31, 2024:

- Management fees and salaries increased by \$122 due mainly to the accrual of RSU/DSU expenses based on the higher market price applied to allocations in fiscal 2025;
- Foreign exchange loss increased by \$386 for the period ended January 31, 2025, due primarily to the fluctuations of the Mexican peso and Canadian dollar in relation to the US dollar, the functional currency of the mining operations, and may be realized or unrealized at the period end;
- Professional and consulting fees increased by \$352 to \$1,099 for the period ended January 31, 2025. The Company incurred additional legal costs related to the EU Gold acquisition and K Mining agreements for the Ivory Coast project. In addition, the Company incurred additional legal fees related to the mining operations closure noted above;
- Geological fees of \$879 relate to the metallurgical and technical costs related to testing and reconfiguring plant operations to be able to process Carbonaceous ore (*see Section 4.2 - Property Activity - San Martin properties – Queretaro, Mexico* for COO comments);
- Shareholder relations increased by \$221 in the current period due to an increase in marketing expenses associated with European markets;
- Deferred Income Tax ("DIT") expense increased by \$464 due mainly to the difference in asset base of the underlying amounts that determine the temporary differences from year to year and utilization of losses in the prior period against taxable income.

All-in Sustaining Costs

In conjunction with a non-GAAP initiative being undertaken within the gold mining industry, the Company has adopted an "all-in sustaining cash cost" ("AISC") non-GAAP performance measure that the Company believes more fully defines the total costs associated with producing gold; however this performance measure has no standardized meaning. As the measure seeks to reflect the full cost of equivalent gold production from current mining operations, new project capital is not included in the calculation. This measure includes San Martin mining operations coupled with related capital costs. Accordingly it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. The Company reports this measure on a sales basis based solely on sales of metal from the San Martin mining operations:

<i>(In Canadian Dollars unless indicated)</i> For the period ended January 31,	Sustaining Costs (in 000's)		Sustaining Costs Per Ounce (in \$/oz)	
	2025	2024	2025	2024
Total cost of sales cash costs ¹	\$ 16,471	\$ 16,896	\$ 2,474	\$ 2,328
Total corporate and administration cash costs ^{1,2}	4,419	3,024	664	416
Foreign exchange gain/(loss)	(87)	299	(13)	41
Reclamation and closure accretion	260	172	39	24
Sustaining capital expenditures and exploration	2,029	703	305	97
All-in sustaining cash costs	23,092	21,094	3,469	2,906
Foreign exchange adjustment	(6,420)	(5,444)	(964)	(750)
All-in sustaining USD cash costs	\$ 16,672	\$ 15,650	\$ 2,505	\$ 2,156
Total equivalent ounces sold	6,657	7,258		

¹ Excludes non-cash depletion and depreciation of \$2,554 from cost of sales and from corporate and administration costs for the period ended January 31, 2025 (January 31, 2024: \$1,889), and finance costs of \$180 for the period ended January 31, 2025 (January 31, 2024: \$45).

² Includes share-based compensation expense (recovery) of \$26 for the period ended January 31, 2025 (January 31, 2024: (\$187)).

The AISC of US\$2,505/EqOz is higher than the prior period comparable amount of US\$2,156/EqOz due mainly to higher costs of production coupled with higher sustaining exploration costs (as discussed in **Sections 4.3 and 4.1** above). Overall mine costs were also higher averaging US\$91/t, compared to US\$80/t in the prior year quarter due mainly to higher development costs per meter, albeit at lower tonnes mined.

Cash Flows

Cash inflow from operating activities was \$1,082 during the period ended January 31, 2025, compared to a cash outflow of \$204 for the comparative period ended January 31, 2024. Cash flows from operating activities were determined by removing non-cash expenses from income (loss) and adjusting for non-cash working capital amounts. Financing activities resulted in an outflow of \$57 (January 31, 2024 – outflow of \$255). Cash outflow from investing activities was \$4,011 due to the Company spending \$2,120 on investment in mining interest and plant and equipment and \$1,891 on exploration and evaluation assets. Overall cash decreased during the period ended January 31, 2025 by \$2,989 after accounting for the effect of foreign exchange on cash of \$3.

Investor Relations Activities

During the period ended January 31, 2025, the Company responded directly to investor inquiries.

Buy-back's, Financings, Principal Purposes & Milestones

Starcore Buys Back Shares

On September 24, 2024, the Company repurchased 8,666,667 common shares (the “Shares”) previously issued as partial consideration for a Mineral Property Option Agreement with K Mining SARL (“K Mining”), an Ivorian company, regarding various mineral properties in Côte d’Ivoire. The transaction was approved by the Toronto Stock Exchange (“TSX”) effective October 9, 2024. Starcore acquired the Shares from the sole shareholder of K Mining at \$0.10 per share, payable in 12 equal tranches over 33 months.

On June 7, 2024, the Company completed a non-brokered private placement for gross proceeds of \$500. The private placement consisted of 3,333,333 units (the “Units”) at a price of \$0.15 per Unit. Each Unit consisted of one common share of Starcore and one common share purchase warrant (the “Warrants”), each whole Warrant exercisable for a period of two years from the date of issue to purchase one common share of Starcore at a price of \$0.25 per share.

All of the securities issued pursuant to this financing have a hold period expiring four months plus one day after the closing date of June 7, 2024.

During the year ended April 30, 2024, the Company issued:

- 7,883,333 shares pursuant to the EU Share Exchange Transaction at a fair value of \$0.085 for a total value of \$670, whereby the Company acquired all of the issued and outstanding shares of EU Gold.
- 8,666,667 shares pursuant to the Kimoukro Project Option Price at a fair value of \$0.085 for a total value of \$737. On September 24, 2024, the Company repurchased the 8,666,667 shares previously issued as partial consideration for the Option. The Company acquired the shares from the sole shareholder of K Mining at \$0.10 per share, payable in 12 equal tranches over 33 months. The Toronto Stock Exchange (“TSX”) confirmed the 8,666,667 shares were cancelled effective October 9, 2024. Using a discount rate of 8%, \$239 is recorded as a current liability under Trade and other payables and the remaining \$467 is classified as non-current.

5. Summary of Quarterly Results

The following is a summary of the Company’s financial results for the eight most recently completed quarters:

	Q3 31-Jan-25	Q2 31-Oct-24	Q1 31-Jul-24	Q4 30-Apr-24
Total Revenue	\$ 9,014	\$ 4,900	\$ 8,877	\$ 9,335
Income (loss) from mining operations	\$ 2,125	\$ (380)	\$ 2,133	\$ 2,162
Income (loss) before taxes	\$ 340	\$ (1,972)	\$ 712	\$ 886
Income (loss) for period after taxes	\$ 294	\$ (2,087)	\$ 396	\$ 4,523
Per share – basic and diluted	\$ 0.00	\$ (0.03)	\$ 0.01	\$ 0.06

	Q3 31-Jan-24	Q2 31-Oct-23	Q1 31-Jul-23	Q4 30-Apr-23
Total Revenue	\$ 6,784	\$ 5,975	\$ 6,233	\$ 5,183
Income (loss) from mining operations	\$ 795	\$ 199	\$ (751)	\$ 391
Income (loss) before taxes	\$ (230)	\$ (825)	\$ (1,799)	\$ (92)
Income (loss) for period after taxes	\$ (154)	\$ (1,028)	\$ (1,708)	\$ (963)
Per share – basic and diluted	\$ (0.00)	\$ (0.02)	\$ (0.03)	\$ (0.02)

Discussion

The Company reports an income of \$294 for the quarter ending January 31, 2025 compared to a loss of \$154 in the comparative quarter ended January 31, 2024. For more detailed discussion on the quarterly production results and financial results for the quarter ended January 31, 2025, please refer to **Sections 4.1 and 4.3 under “Results of Operations”**.

6. Liquidity and Commitments

The Company expects to continue to receive income and cash flows from the mining operations at San Martin (**section 4.1**). Management expects that this will result in sufficient working capital and liquidity for the Company for the next twelve months.

As at January 31, 2025, the Company had the following commitments:

- a) The Company has a land rental commitment with respect to the land at the mine site, for MX\$280k per month. The Company also has ongoing concession commitments on the mine site and on exploration and evaluation assets of approximately \$921 per year.
- b) The Company has management contracts to officers and directors totaling \$600 and US\$315 per year, payable monthly, expiring in April 2026.

Obligations due within twelve months of January 31,	2025	2026	2027	2028 and beyond
Trade and other payables	\$ 4,245	\$ -	\$ -	\$ -
Reclamation and closure obligations	\$ -	\$ -	\$ -	\$ 4,031
Share repurchases (undiscounted)	\$ 289	\$ 289	\$ 144	\$ -
Leases liability (undiscounted)	\$ 495	\$ 107	\$ -	\$ -

7. Capital Resources

The capital resources of the Company are the mining interests, plant and equipment, with an amortized historical cost of \$31,295 at January 31, 2025. The Company is committed to further expenditures of capital required to maintain and to further develop the San Martin mine which management believes will be funded directly from the operating cash flows of the mine.

8. Off Balance Sheet Arrangements

The Company has no off-balance sheet transactions.

9. Transactions with Related Parties

The Company paid the following amounts to key management personnel, consisting of the chief executive officer, president, chief financial officer, the chief operating officer and directors in the years:

For the period ended January 31,	2025	2024
Management fees	\$ 964	\$ 838
Legal fees - Professional fees	2	1
Directors fees - Salaries	36	39
Total	\$ 1,002	\$ 878

The Company also accrued \$8 (January 31, 2024 – (\$188)) for DSU's for directors and \$1 (January 31, 2024 – \$1) for RSU's which are not included above. Based on the fair value at January 31, 2025 of \$0.14 (April 30, 2024 - \$0.14) per share, the Company has recorded a liability of \$250 for DSUs (April 30, 2024 - \$297) and \$1 for RSU's (April 30, 2024 - \$13) owed to key management personnel and directors under Trades and Other Payable on the Statement of Financial Position.

During the period ended January 31, 2025, the Company reimbursed, at actual cost, certain office and administration expenses totaling \$107 (January 31, 2024 – \$70) from a company controlled by an officer and director of the Company. As at January 31, 2025, the Company had amounts payable to officers and directors, and a company with a director in common of \$nil (April 30, 2024 – \$45) and an amounts receivable from a company with a director in common of \$23 (April 30, 2024 – \$21).

During the year ended April 30, 2023, the Company issued an advance to a key management personnel for the amount of \$134 (US\$100). As at January 31, 2025, the balance of the advance was \$159 (US\$110) (April 30, 2024 - \$145 (US\$106)) and included interest at the prescribed rates indicated by the Canada Revenue Agency (CRA).

10. Third Quarter

Due to mine operating activity of the San Martin mine discussed throughout this MD&A and as detailed in *Section 4.1*, the operations and activities are similar to previous quarters, which are discussed in *Section 4.3 – Results of Operations*.

11. Proposed Transactions

N/A

12. Critical Accounting Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in accounting estimate is recognized prospectively by including it in the Company's profit or loss in the period of the change, if it affects that period only, or in the period of the change and future periods, if it affects both.

Information about critical judgements in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the current financial period are discussed below:

a) Economic Recoverability and Profitability of Future Economic Benefits of Mining Interests

Management has determined that mining interests, evaluation, development and related costs incurred which have been capitalized are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

b) Rehabilitation Provisions

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs, which will reflect the market condition at the time that the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provision may be higher or lower than currently provided. The inflation rate applied to estimated future rehabilitation and closure costs is 4.55% (April 30, 2024 - 4.55%) and the discount rate currently applied in the calculation of the net present value of the provision is 9.25% (April 30, 2024 - 9.25%).

c) Impairments

The Company assesses its mining interest, plant and equipment assets annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance.

d) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent there are sufficient taxable temporary differences (deferred tax liabilities) relating to the same taxation authority and the same taxable entity against which the unused tax losses can be utilized. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recuperated.

e) Mineral Reserves and Mineral Resource Estimates

Mineral reserves are estimates of the amount of ore that can be economically and legally extracted from the Company's mining properties. The Company estimates its mineral reserve and mineral resources based on information compiled by Qualified Persons as defined by Canadian Securities Administrators National Instrument 43-101 Standards for Disclosure of Mineral Projects. Such information includes geological data on the size, depth and shape of the mineral deposit, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade that comprise the mineral reserves. Changes in the mining reserve or mineral resource estimates may impact the carrying value of mineral properties and deferred development costs, property, plant and equipment, provision for site reclamation and closure, recognition of deferred income tax assets and depreciation and amortization charges.

f) Units of Production Depletion and Depreciation

Estimated recoverable reserves are used in determining the depreciation of mine specific assets. This results in depreciation charges proportional to the depletion of the anticipated remaining life of mine production. Each item's life, which is assessed annually, has regard to both its physical life limitations and to present assessments of economically recoverable reserves of the mine property at which the asset is located. These calculations require the use of estimates and assumption, including the amount of recoverable reserves and estimate of future capital expenditure. Changes are accounted for prospectively.

13. Changes in Accounting Policies

a) New and Revised Accounting Standards

Initial application of new and amended standards in the reporting period

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed.

Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendment was applied effective May 1, 2023 and did not have a material impact on the Company's consolidated financial statements.

New accounting standards issued but not yet effective

The following accounting standards have been issued or amended but are not yet effective. The Company has not early adopted these new and amended standards. The Company continues to evaluate the new standards but currently no material impact is expected as a result of the adoption of these new and amended standards:

- IAS 1 “Presentation of Financial Statements”
- IFRS 16 “Leases”
- IAS 7 “Statement of Cash Flows”
- IFRS 7 “Financial Instruments: Disclosures – Supplier Finance Arrangements”

14. Financial and Other Instruments

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the audited consolidated financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

In the normal course of business, the Company’s assets, liabilities and forecasted 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 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 primary currency the Company exposed to is the United States dollar which is also the functional currency of the San Martin Mine. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At January 31, 2025 the Company had the following financial assets and liabilities denominated in CDN and denominated in Mexican Pesos:

In ‘000 of	CAD\$	MXN\$
Cash	\$ 216	MP 20,235
Other working capital amounts – net	\$ (74)	MP (1,064)

At January 31, 2025, US dollar amounts were converted at a rate of \$1.4466 Canadian dollars to \$1 US dollar and MP were converted at a rate of MP20.6375 to \$1 US Dollar.

15.1 Disclosure of Outstanding Share Capital as at March 13, 2025

	Number	Book Value
Common Shares	66,863,517	\$ 53,048

There are *no options outstanding nor any granted subsequent to January 31, 2025.*

A summary of the Company’s outstanding share purchase warrants are as follows:

	Number of warrants	Weighted average exercise price	Expiry
Outstanding at April 30, 2024	3,000,000	\$ 0.30	July 15, 2026
Granted	3,333,333	0.25	June 7, 2026
Outstanding at January 31, 2025	6,333,333	\$ 0.27	

During the period ended January 31, 2025, 3,333,333 warrants were issued that are exercisable at \$0.25 per share expiring June 7, 2026.

15.2 Disclosure Controls and Procedures

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and forms.

Internal Controls Over Financial Reporting

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of audited consolidated financial statements for external purposes in accordance with IFRS. The Company's controls include policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual consolidated financial statements or interim financial statements.

There has been no material change in the Company's internal control over financial reporting during the Company's period ended January 31, 2025.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.