



March 23, 2011

TSX: SAM

## Cancellation of Security Interest

**Vancouver, B.C. – Starcore International Mines Ltd.** (“Starcore” or the “Company”) is pleased to present corporate highlights for the first three months of 2011.

- The Company is pleased to report that Goldcorp Inc. has cancelled the subordinated security interest it held over our mining properties and we are no longer required to sell our silver production to Goldcorp Inc. Pursuant to the acquisition in 2007 of the San Martin Mine in Queretaro, Mexico, the Company had granted Goldcorp Inc. a subordinated security interest over our mining properties as collateral to ensure that the Company’s subsidiary would maintain its agreement to sell all silver produced from the mine to Goldcorp Inc. until October, 2029, at the prevailing spot market rate at the time of the silver sale. Starcore’s silver production remains unhedged and is not subject to the hedging requirements of the Loan Facility Agreement.
- As at January 31, 2011, the Tranche A Loan from Investec Bank (U.K.) Limited (“Investec”) for US\$8 million, which was made to the Company pursuant to the acquisition of the San Martin Mine, was paid in full. In connection with the Tranche A Loan, we had issued 12,442,000 detachable warrants (“Loan warrants”) to the lender, exercisable to acquire common shares of the Company at a price of \$0.76 per share until January 31, 2011. The Loan warrants expired on January 31, 2011, unexercised.
- Tranche B of the Loan Payable to Investec, originally for US\$5million due by January 31, 2013, has a balance remaining at January 31, 2011 of US\$4.16 million.
- The Loan agreement also required that the Company enter into a forward sales agreement for the sale of 81,876 ounces of gold at a price of US\$731 per ounce. As at April 1, 2011, 25,888 ounces will remain under forward sales contracts to be settled over the next 22 months to January 31, 2013.
- For the quarter ended January 31, 2011, Starcore had earnings from mining operations of \$3.4 million, and net income for the period of \$1.45 million. This profitable trend has continued into February as the Company has produced 2,030 equivalent ounces of gold for February from mine operations, excluding purchased concentrate production of an additional 1,208 equivalent ounces of gold. The metal production exceeded budgeted estimates due mainly to higher ore grades, which averaged 2.40 g/t and 44 g/t for gold and silver, respectively.

The Company expects ore grades to continue to increase over the next few months. Additionally, exploration efforts are ongoing to increase reserves of resources and to find higher grade deposits. Management expects to provide an update on the results of its exploration efforts in April 2011.

Shareholders are encouraged to stay in touch with the Company and discuss management’s ongoing programs to improve earnings and cash flow from our operations at San Martin. As we wind down our loan payable and the gold hedge, and as exploration efforts head towards uncovering additional resources, the direction for your

Company is clearly on an uptrend. We wish to thank all of our shareholders for their continued support and patience, and reassure you of our commitment to build a strong asset base and increase the value of your investment in the Company.

Full financial statements are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on Starcore's website at [www.starcore.com](http://www.starcore.com).

**ON BEHALF OF STARCORE INTERNATIONAL  
MINES LTD.**

*Signed "Robert Eadie"*

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Robert Eadie, Chief Executive Officer and Director

FOR FURTHER INFORMATION PLEASE CONTACT INVESTOR RELATIONS

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*The Toronto Stock Exchange has not reviewed nor does it accept responsibility for the adequacy or accuracy of this press release.*