

Starcore International Mines Ltd.

Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2014

(Unaudited)

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

The unaudited condensed interim consolidated financial statements for the three months ended October 31, 2014 have been prepared by and are the responsibility of the Company's management. These financial statements have not been reviewed or audited by the Company's auditors.

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

As at	October 31, 2014	July 31, 2014
Assets		
Current		
Cash	\$ 2,824	\$ 5,454
Short-term investments (note 3)	4,469	4,324
Amounts receivable (note 4)	3,798	3,409
Inventory (note 5)	2,562	2,464
Prepaid expenses and advances	1,282	891
Total Current Assets	14,935	16,542
Non-Current		
Mining interest, plant and equipment (note 6)	45,427	44,488
Deferred tax assets	4,156	4,064
Total Non-Current Assets	49,583	48,552
Total Assets	\$ 64,518	\$ 65,094
Liabilities		
Current		
Trade and other payables	\$ 3,060	\$ 3,252
Non-Current		
Rehabilitation and closure cost provision (note 8)	1,148	1,128
Deferred tax liabilities	13,156	13,167
Total Non-Current Liabilities	14,304	14,295
Total Liabilities	\$ 17,364	\$ 17,547
Equity		
Share capital (note 10)	\$ 44,592	\$ 44,023
Equity reserve	11,101	11,213
Foreign currency translation reserve	287	(915)
Accumulated deficit	(8,826)	(6,774)
Total Equity	47,154	47,547
Total Liabilities and Equity	\$ 64,518	\$ 65,094

Commitments (notes 10 and 12)
Subsequent event (note 16)

Approved by the Directors:

“Robert Eadie” Director

“Gary Arca” Director

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

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

For the three months ended October 31,	2014	2013
Revenues		
Mined ore	\$ 7,337	\$ 8,749
Purchased concentrate	332	-
Total Revenues	7,669	8,749
Cost of Sales (note 5)		
Mined ore	(5,231)	(4,043)
Purchased concentrate	(306)	-
Depreciation and depletion	(1,681)	(1,589)
Total Cost of Sales	(7,218)	(5,632)
Earnings from mining operations	451	3,117
Financing costs (net) (note 7)	(22)	(226)
Foreign exchange gain	274	11
Professional and consulting fees	(188)	(81)
Management fees and salaries (notes 10 and 12)	(268)	(284)
Office and administration	(290)	(340)
Shareholder relations	(5)	(64)
Write-down for obsolete equipment	-	(119)
Earnings (Loss) before taxes	(48)	2,014
Income tax recovery		
Current	439	-
Deferred	479	282
Earnings for the period	870	2,296
Other comprehensive income		
Item that may subsequently be reclassified to (loss) income		
Foreign currency translation differences	1,201	588
Comprehensive income for the period	\$ 2,071	\$ 2,884
Basic earnings per share (note 15)	\$ 0.01	\$ 0.02
Diluted earnings per share (note 15)	\$ 0.01	\$ 0.02

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

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

For the three months ended October 31,	2014	2013
Cash provided by		
Operating activities		
Earnings for the period	\$ 870	\$ 2,296
Items not involving cash:		
Depreciation and depletion	1,791	1,541
Share-based compensation (note 10)	71	67
Interest revenue	(5)	(8)
Interest on long-term debt	-	33
Unwinding of discount on long-term debt (note 7)	-	104
Rehabilitation and closure cost accretion (note 8)	22	20
Write-down for obsolete equipment	-	119
Income tax recovery	(918)	(282)
Cash generated by operating activities before working capital changes	1,831	3,890
Change in non-cash working capital items		
Prepaid expenses and advances	(352)	1,276
Amounts receivable	(260)	101
Inventory	(11)	(349)
Trade and other payables	191	121
Cash provided by operating activities	1,399	5,039
Financing activities		
Dividends issued	(2,922)	-
Share issuances	386	-
Repayment of loan payable (note 7)	-	(3,583)
Interest paid	-	(33)
Cash outflows for financing activities	(2,536)	(3,616)
Investing activities		
Purchase of short-term investments	-	(1,395)
Sale of short-term investments	-	2,700
Interest received	2	10
Purchase of mining interest, plant and equipment	(1,120)	(1,465)
Cash outflows for investing activities	(1,118)	(150)
Total increase (decrease) in cash	(2,255)	1,273
Effect of foreign exchange rate changes on cash	(375)	(163)
Cash, beginning of year	5,454	5,638
Cash, end of year	\$ 2,824	\$ 6,748

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

Starcore International Mines Ltd.**Condensed Interim Consolidated Statements of Changes in Equity for the three months ended October 31, 2014 and 2013****(in thousands of Canadian dollars, except for number of shares) – (Unaudited)**

	Number of Shares Outstanding	Share Capital	Equity Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	Total
Balance, July 31, 2013	143,390,465	\$ 43,752	\$ 10,754	\$ (2,542)	\$ (9,739)	\$ 42,225
Share-based compensation	-	-	67	-	-	67
Foreign currency translation	-	-	-	588	-	588
Earnings for the period	-	-	-	-	2,296	2,296
Balance, October 31, 2013	143,390,465	43,752	10,821	(1,954)	(7,443)	45,176
Issued for cash pursuant to:						
Exercise of stock options - at \$0.15	125,000	26	(7)	-	-	19
Deferred tax effect of share issue costs	-	245	-	-	-	245
Share-based compensation	-	-	399	-	-	399
Foreign currency translation	-	-	-	1,039	-	1,039
Earnings for the period	-	-	-	-	669	669
Balance, July 31, 2014	143,515,465	44,023	11,213	(915)	(6,774)	47,547
Issued for cash pursuant to:						
Exercise of stock options - at \$0.15	2,575,000	569	(183)	-	-	386
Dividends	-	-	-	-	(2,922)	(2,922)
Share-based compensation	-	-	71	-	-	71
Foreign currency translation	-	-	-	1,202	-	1,202
Earnings for the period	-	-	-	-	870	870
Balance, October 31, 2014	146,090,465	\$ 44,592	\$ 11,101	\$ 287	\$ (8,826)	\$ 47,154

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

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

October 31, 2014

1. Corporate Information

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

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

2. Basis of Preparation

a) Statement of Compliance

These unaudited condensed interim consolidated financial statements for the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements, for the three months period ended October 31, 2014, have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting, and do not include all the information required for full annual financial statement.

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

The financial statements were authorized for issue by the Board of Directors on November 21, 2014.

b) Basis of Measurement

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

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

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

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

October 31, 2014

2. Basis of Preparation – (cont'd)

c) Basis of consolidation

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

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

3. Short-term Investments

At October 31, 2014, the Company held a Guaranteed Investment Certificate ("GIC") denominated in United States Dollars ("USD") with a market value of \$4,065 (July 31, 2014 - \$3,924), earning interest income at 0.2% per annum and maturing on November 5, 2014. The Company also holds a GIC denominated in Mexican Pesos with a market value of \$404 (July 31, 2014 - \$400) earning interest income at 2.50% per annum on a month to month basis.

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

4. Amounts Receivable

	October 31, 2014	July 31, 2014
Taxes receivable	\$ 3,619	\$ 2,856
Trade receivables	-	351
Other	179	202
	\$ 3,798	\$ 3,409

5. Inventory

	October 31, 2014	July 31, 2014
Carrying value of inventory:		
Doré	\$ 1,447	\$ 1,141
Work-in-process	136	190
Stockpile	116	238
Supplies	863	895
	\$ 2,562	\$ 2,464

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

October 31, 2014

6. Mining Interest, Plant and Equipment

	Mining Interest	Plant and Equipment	Corporate Office Equipment	Total
Cost				
Balance, July 31, 2013	\$ 49,358	\$ 11,685	\$ 325	\$ 61,368
Additions	3,464	2,503	-	5,967
Write-down of equipment	-	(253)	-	(253)
Effect of foreign exchange	3,037	958	-	3,995
Balance, July 31, 2014	55,859	14,893	325	71,077
Additions	358	755	7	1,120
Effect of foreign exchange	1,945	542	-	2,487
Balance, October 31, 2014	\$ 58,162	\$ 16,190	\$ 332	\$ 74,684
Depreciation				
Balance, July 31, 2013	\$ 14,634	\$ 4,417	\$ 239	\$ 19,290
Depreciation for the year	5,012	1,041	33	6,086
Write-down of equipment	-	(129)	-	(129)
Effect of foreign exchange	933	409	-	1,342
Balance, July 31, 2014	20,579	5,738	272	26,589
Depreciation for the period	1,399	383	9	1,791
Effect of foreign exchange	667	210	-	877
Balance, October 31, 2014	\$ 22,645	\$ 6,331	\$ 281	\$ 29,257
Carrying amounts				
Balance, July 31, 2014	\$ 35,280	\$ 9,155	\$ 53	\$ 44,488
Balance, October 31, 2014	\$ 35,517	\$ 9,859	\$ 51	\$ 45,427

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
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October 31, 2014

7. Loan payable

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

	Principal	Discount	Total
Balance, July 31, 2013	\$ 3,583	\$ (104)	\$ 3,479
Payments made during the year	(3,583)	-	(3,583)
Unwinding of discount	-	104	104
Balance, July 31, 2014 & October 31, 2014	\$ -	\$ -	\$ -

8. Rehabilitation and Closure Cost Provision

The Company’s asset retirement obligations consist of reclamation and closure costs for the mine. At October 31, 2014, the present value of obligations is estimated at \$1,148 (July 31, 2014 - \$1,128) based on expected undiscounted cash-flows at the end of the mine life of 20,564,000 Mexican pesos (“MP”) or \$1,719 (July 31, 2014 - \$1,693), which is calculated annually over 5 to 10 years. Such liability was determined using a discount rate of 8% (July 31, 2014 – 8%), an inflation rate of 3.5% (July 31, 2014 – 3.5%).

Significant reclamation and closure activities include land rehabilitation, demolition of buildings and mine facilities, closing portals to underground mining areas and other costs.

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

	October 31, 2014	July 31, 2014
Balance, beginning of year	\$ 1,128	\$ 1,053
Accretion expense	22	84
Foreign exchange fluctuation	(2)	(9)
	\$ 1,148	\$ 1,128

9. Other Long – Term Liabilities

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

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

October 31, 2014

10. Share Capital

a) Common Shares

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

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

During the period ended October 31, 2014, the Company issued:

- 2,575,000 shares pursuant to the exercise of stock options at \$0.15 per share for proceeds of \$386. The fair value of the options as determined on the date of issuance, being \$183, was transferred to the Company's share capital from equity reserve on exercise.

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

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

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

b) Warrants

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

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

	Number of warrants	Weighted average exercise price	Equity reserve Amount
Outstanding at July 31, 2013	4,505,000	\$ 0.35	\$ 821
Warrants exercised	(4,505,000)	0.35	(821)
Outstanding at July 31, 2014 & October 31, 2014	-	-	-

c) Share-based Payments

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

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

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

October 31, 2014

10. Share Capital – (cont'd)

c) Share-based Payments - (cont'd)

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

A summary of the Company's outstanding options at October 31, 2014 and July 31, 2014 and the changes during the period then ended is presented below:

	Number of Shares	Weighted Average Exercise Price
Balance at July 31, 2013	13,180,000	\$0.23
Granted	5,645,000	\$0.22
Exercised	(125,000)	\$0.15
Forfeited/expired	(100,000)	\$0.15
Balance at July 31, 2014	18,600,000	\$0.23
Exercised	(2,575,000)	\$0.15
Forfeited/expired	(500,000)	\$0.15
Balance, October 31, 2014	15,525,000	\$0.24
Exercisable at October 31, 2014	12,253,333	\$0.24

A summary of the Company's outstanding options at October 31, 2014 is as follows:

Number Outstanding	Weighted Average Price	Weighted Average Life
3,140,000	\$0.15	0.02
100,000	\$0.15	0.06
500,000	\$0.21	0.19
400,000	\$0.15	0.40
150,000	\$0.15	1.51
400,000	\$0.20	2.21
1,940,000	\$0.25	2.24
3,250,000	\$0.37	2.45
800,000	\$0.25	3.81
275,000	\$0.20	3.81
200,000	\$0.23	3.85
200,000	\$0.25	3.87
4,170,000	\$0.22	4.21
15,525,000	\$0.24	2.38

During the period ended October 31, 2014, the Company had share-based compensation expense of \$71 (October 31, 2013: \$67), which has been recorded in the statement of comprehensive income and credited to equity reserve. These amounts have been expensed as follows:

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

October 31, 2014

10. Share Capital – (cont'd)

c) Share-based Payments – (cont'd)

For the period ended October 31,	2014	2013
Cost of Sales – Mined ore	\$ 9	\$ 7
Management fees and salaries	55	52
Office and administration	7	3
Shareholder relations	-	5
\$	71	\$ 67

Subsequent to the period ended October 31, 2014, 3,140,000 stock options exercisable at \$0.15 expired unexercised.

d) Dividend Paid and Declared

During the period ended October 31, 2014, the Board of Directors declared the first annual dividend in the Company's history. A dividend of \$0.02 per share (total of \$2,922) was paid on the Common Shares of the Company on September 30, 2014 to shareholders of record.

11. Financial Instruments

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

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

Currency Risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At October 31, 2014, the Company had the following financial assets and liabilities denominated in Canadian dollars (CDN) and denominated in Mexican Pesos (MP):

In '000 of	CDN Dollars	Mexican Pesos (MP)
Cash & Cash Equivalents	\$ 330	MP 8,293
Other working capital amounts - net	\$ 160	MP 35,073

At October 31, 2014, US dollar amounts were converted at a rate of \$1.127 Canadian dollars to \$1 US dollar and Mexican Pesos were converted at a rate of MP13.48 to \$1 US Dollar. A 10% increase or decrease in the US dollar exchange may increase or decrease annual earnings from mining operations by approximately \$154. A 10% increase or decrease in the MP exchange rate will decrease or increase annual earnings from mining operations by approximately \$87.

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

October 31, 2014

11. Financial Instruments – (cont'd)

Interest Rate Risk

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

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk with respect to its cash and short-term investments, the balance of which at October 31, 2014 is \$2,824 (July 31, 2014 - \$5,454) and \$4,469 (July 31, 2014 - \$4,324), respectively. Cash of \$1,733 (July 31, 2014 - \$151) and short-term investments of \$404 (July 31, 2014 - \$400) are held at a Mexican financial institution, the remainder of \$1,091 (July 31, 2014 - \$5,303) and the short-term investment of \$4,065 (July 31, 2014 - \$3,924) are held at a chartered Canadian financial institution; the Company is exposed to the risks of those financial institutions. All trade receivables are owed from one customer and is receivable in US dollars.

Liquidity Risk

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company accomplishes this by achieving profitable operations and maintaining sufficient cash reserves. As at October 31, 2014, the Company was holding cash of \$2,824 (July 31, 2014 - \$5,454) and short-term investments of \$4,469 (July 31, 2014 - \$4,324).

Obligations due within twelve months of October 31,	2014	2015	2016	2017	2018 and beyond
Trade and other payables	\$ 3,060	\$ -	\$ -	\$ -	\$ -
Reclamation and closure obligations	-	-	-	-	1,719

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

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
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October 31, 2014

12. Commitments

Except as disclosed elsewhere in these consolidated financial statements, the Company has the following commitments outstanding at October 31, 2014:

- a) As at October 31, 2014, the Company has shared lease commitments for office space of approximately \$160 per year, expiring at various dates up to September 2017, which includes minimum lease payments and estimated taxes, but excluded operating costs, taxes and utilities, to expiry.
- b) As at October 31, 2014, the Company has a land lease agreement commitments with respect to the land at the mine site, for \$132 per year until December 2017.
- c) As at October 31, 2014, the Company has management contracts to officers and directors totaling \$600 per year, payable monthly, expiring in January 2017.

13. Segmented Information

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

			October 31, 2014	
	Mexico	Canada	Total	
Revenue	\$ 7,669	\$ -	\$ 7,669	
Earnings (loss) for the period	1,213	(343)	870	
Mining interest, plant and equipment	45,376	51	45,427	
Total assets	59,121	5,397	64,518	

			October 31, 2013	
	Mexico	Canada	Total	
Revenue	\$ 8,749	\$ -	\$ 8,749	
Earnings (loss for the period)	2,990	(694)	2,296	

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

14. Capital Disclosures

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

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

Starcore International Mines Ltd.
Notes to the Condensed Interim Consolidated Financial Statements
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October 31, 2014

15. Earnings per Share

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

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

For the period ended October 31,	2014	2013
Issued common share, beginning of year	143,515,465	143,390,465
Weighted average issuances	1,829,620	-
Basic weighted average common shares	145,345,085	143,390,465
Effect of dilutive warrants and options	-	6,990,000
Diluted weighted average common shares	145,345,085	150,380,465

Vested share purchase options totalling 12,253,333 and unvested share purchase options outstanding of 3,271,667 at October 31, 2014, were not included in the computation of diluted earnings per share.

16. Investment in American Consolidated Minerals

Acquisition of American Consolidated Minerals Corp.

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

The Transaction was approved by AJC shareholders at AJC’s Special Meeting held on November 20, 2014.

The Transaction is expected to be completed on or about December 1, 2014 upon the satisfaction or waiver of all of the conditions set out in the arrangement agreement entered into by AJC and the Company on October 1, 2014, including approval by the Supreme Court of British Columbia at a hearing scheduled for December 1, 2014.

AJC shareholders will be entitled to receive one common share of the Company (a “Starcore Share”) for three (3) common shares of AJC (the “AJC Shares”) held by such AJC shareholder (the “Exchange Ratio”). In addition, each holder of the outstanding stock options and common share purchase warrants of AJC (the “AJC Options”) will receive such number of replacement options or warrants of the Company (the “Starcore Options”) based upon the Exchange Ratio, and the exercise price of the replacement Starcore Options will be adjusted based upon the Exchange Ratio. Currently, there are 17,569,191 AJC Shares, Nil AJC Options and 1,671,416 common share purchase warrants outstanding. In connection with the Transaction, the Company will issue approximately 5,856,397 Starcore Shares, and 557,139 common share purchase warrants. Following completion of the Transaction, former AJC shareholders would hold less than 4% of the outstanding Company shares and AJC will be de-listed from the TSX Venture Exchange.