STARCORE INTERNATIONAL MINES LTD

MANAGEMENT DISCUSSION & ANALYSIS
For the year ended April 30, 2019

Directors and Officers as at July 25, 2019:

Directors:

Gary Arca
Robert Eadie
Jordan Estra
Salvador Garcia
Tanya Lutzke
Cory Kent
Ken Sumanik
Federico Villaseñor

Officers:

Executive Chairman, Chief Executive Officer & President – Robert Eadie
Chief Operating Officer - Salvador Garcia
Chief Financial Officer – Gary Arca
Corporate Secretary – Cory Kent

***Contact Name**:*	Gary Arca
Contact e-mail address:	garca@starcore.com
TSX Symbol:	SAM

Form 51-102-F1

STARCORE INTERNATIONAL MINES LTD.

MANAGEMENT DISCUSSION & ANALYSIS

For the year ended April 30, 2019

1. Date of This Report

This MD&A is prepared as of July 25, 2019.

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of Starcore International Mines Ltd. ("Starcore", or the "Company") for the year ended April 30, 2019.

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, minesite costs, Altiplano plant costs and other expenses; 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 subsidiaries, Compañia Minera Peña de Bernal, S.A. de C.V. ("Bernal"), which owns the San Martin mine in Queretaro, Mexico and Altiplano GoldSilver S.A. de C.V ("Altiplano"), which owns the gold and silver processing plant in Matehuala, 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 directly and through corporate acquisitions. The Company has interests in properties which are exclusively located in Mexico, USA and Canada.

Financial Highlights for the year ended April 30, 2019 and April 30, 2018:

- Cash and short-term investments on hand is $2.5 million at April 30, 2019 compared to $2.3 million at April 30, 2018;
- Gold and silver sales of $32.8 million for the year ended April 30, 2019 compared to $27.8 million for the prior year ended April 30, 2018;
- Earnings from mining operations of $36 for the year ended April 30, 2019, compared to a loss of $4,928 for the prior year ended April 30, 2018;
- Net loss of $11.8 million for the year ended April 30, 2019 compared to net loss of $12.0 million for the prior year ended April 30, 2018, which includes an impairment charge in 2019 of Mining Interest, Plant and Equipment of $4,804 (2018 - $6,713);
- Equivalent gold production of 16,392 ounces in twelve months ended April 30, 2019 compared to production of 13,189 ounces for the prior year ended April 30, 2018;
- Mine operating cash cost is US$1,061/EqOz for the year ended April 30, 2019 compared to cost of US$1,237/EqOz for the prior year ended April 30, 2018;
- All-in sustaining costs of US$1,336/EqOz for the year ended April 30, 2019 compared to costs of US$1,782/EqOz for the prior year ended April 30, 2018;
- EBITDA(1) of $(24) for the year ended April 30, 2019 compared to $(5,223) for the prior year ended April 30, 2018.

Reconciliation of Net loss to EBITDA

For the year ended April 30,		**2019**		2018
Net loss	**$**	**(11,804)**	$	(12,000)
Loss on disposal of E&E Asset		**82**		1,013
Impairment of Mining Interest, plant and equipment		**4,804**		6,713
Allowance for receivable		**441**		-
Income tax recovery		**2,229**		(5,945)
Interest		**325**		83
Depreciation and depletion		**3,899**		4,913
EBITDA	**$**	**(24)**	$	(5,223)
EBITDA MARGIN(2)		**(0.1)%**		(18.8%)

(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.

3. Selected Annual Information

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

		Twelve months ended April 30, 2019		Twelve months ended April 30, 2018		Twelve months ended April 30, 2017
Revenues	**$**	**32,795**	$	27,807	$	27,228
Cost of Sales		**(32,759)**		(32,735)		(26,402)
Earnings from mining operations		**36**		(4,928)		826
Sale of San Pedrito		**-**		-		7,128
Administrative Expenses		**(4,284)**		(5,291)		(3,593)
Allowance for receivables		**(441)**		-		-
Impairment of Mining Interest, plant and equipment		**(4,804)**		(6,713)		-
Loss on disposal of E&E asset		**(82)**		(1,013)		-
Income tax recovery (expense)		**(2,229)**		5,945		2,861
Total earnings						
(i) Total earnings (loss)	**$**	**(11,804)**	$	(12,000)	$	7,222
(ii) Earnings (loss) per share – basic	**$**	**(0.24)**	$	(0.24)	$	0.15
(iii) Earnings (loss) per share – diluted	**$**	**(0.24)**	$	(0.24)	$	0.15
Total assets	**$**	**57,005**	$	64,451	$	82,096
Total long-term liabilities	**$**	**13,063**	$	10,609	$	13,036

4. Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the audited consolidated financial statements of the Company and notes attached thereto for the year ended April 30, 2019.

4.1 San Martín Mine, Queretaro, Mexico

Reserves

The San Martin Mine, located approximately 50km east of the City of Queretaro, State of Queretaro, Mexico, consists of mining concessions covering 15,316 hectares and includes seven underground mining units and four units under exploration Luismin (now "Goldcorp Mexico") operated the mine from 1993 to January, 2007, when it was purchased by the Company. The Company expects to continue to operate the mine over an expected mine life of over 10 years 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.

The Company completed a Resource estimate "RESERVES AND RESOURCES IN THE SAN MARTIN MINE, MEXICO AS OF APRIL 30, 2018", dated April 30, 2018, prepared by Erme Enriquez. (the "Technical Report"), which is also available on the Company website www.starcore.com.

The most important assumptions used as the basis of the estimate include:

- A gold price of $1,300 per ounce.
- A silver price of $16.00 per ounce.
- First quarter 2018 operating costs of US$69.41 per metric dry tonne.
- Average metallurgical recoveries of 88% for gold and 55% for silver.
- Using the above price and cost assumptions the resultant calculated cutoff grade is approximately 1.66 g/t Au equivalent.
- Specific gravity of 2.6 g/cm3 has been applied to all calculated mineralized volumes.

Category	Tonnes	Grade		Total Contained oz		
		(g Au/t)	(g Ag/t)	(oz Au)	(oz Ag)	(oz Au Eq)
Reserve:						
Proven	409,879	2.57	60	33,910	765,096	52,952
Probable	1,241,439	1.96	24	78,049	934,112	101,429
Total Proven and Probable	**1,651,318**	**2.11**	**33**	**111,958**	**1,699,208**	**154,382**
Resource:						
Inferred	1,339,370	1.87	24	86,917	1,047,943	99,814
Indicated	156,442	2.56	27	12,883	136,711	13,109
Total Inferred and Indicated	**1,495,812**	**1.94**	**25**	**99,800**	**1,184,654**	**112,924**

Total Proven and Probable Mineral Reserves at the San Martin mine as of April 30, 2018 estimated by mine staff and reviewed by Erme Enriquez CPG, are 1,651,318 tonnes at a grade of 2.11 g Au/t and 33 g Ag/t. This total includes Proven reserves of 409,879 tonnes grading 2.57 g/t Au and 60 g/t Ag along with Probable reserves of 1,241,439 tonnes grading 1.96 g/t Au and 24 g/t Ag. The Carbonaceous material has been included in the Reserves.

Production

The following table is a summary of mine production statistics for the San Martin mine for the three months and year ended April 30, 2019 and for the previous year ended April 30, 2018.

(Unaudited)	*Unit of measure*	Actual results for 3 months ended 30-Apr-19	Actual results for 12 months ended 30-Apr-19	Actual results for 12 months ended 30-Apr-18
Mine production of gold in dore	*thousand ounces*	**3.6**	**13.7**	**11.9**
Mine production of silver in dore	*thousand ounces*	**37.7**	**224.5**	**102.1**
Total mine production – equivalent ounces	*thousand ounces*	**4.1**	**16.4**	**13.2**
Silver to Gold equivalency ratio		**84.9**	**81.9**	**78.20**
Mine Gold grade	*grams/tonne*	**1.83**	**1.63**	**1.62**
Mine Silver grade	*grams/tonne*	**29.9**	**39.6**	**21.3**
Mine Gold recovery	*Percent*	**86.0%**	**86.2%**	**84.5%**
Mine Silver recovery	*Percent*	**54.4%**	**58.4%**	**55.2%**
Milled	*thousands of tonnes*	**72.0**	**301.9**	**269.6**
Mine development, preparation and exploration	*meters*	**1,817**	**8,977**	**9,089**
Mine operating cash cost per tonne milled	*US dollars/tonne*	**61**	**58**	**61**
Mine operating cash cost per equivalent ounce	*US dollars/ounces*	**1,081**	**1,061**	**1,237**
Number of employees and contractors at mine site		**336**	**336**	**339**

During the quarter ended April 30, 2019, the mill operated at a rate of approximately 809 milled tonnes/calendar day. Gold and silver grades during the quarter ending April 30, 2019 were 1.83 g/t and 29.9 g/t, respectively, compared to the quarter ending April 30, 2018 of 1.69 g/t and 40.6 g/t, respectively. Overall equivalent gold production from the mine during the year ending April 30, 2019 of 16,392 ounces was higher than the previous year's production of 13,189 due to higher grade and recovery in addition to the higher overall production tonnage of 301,911 tonnes compared to 269,611 during the prior year ended April 30, 2018.

Overall development meters increased in the last current year ended April 30, 2019, to 8,977 meters compared to 9,089 meters in the prior year ended April 30, 2018. This has resulted in an increasing milled tonnage through the plant and a significantly improved Resource estimate, as indicated above in *Section 4.1 – Reserves*.

Production cash costs of the mine for the current year ending April 30, 2019 were US$1,061/EqOz. This was lower than the prior comparable year amount of US$1,237/EqOz. The decrease in production cash costs were largely due to higher metal production from higher tonnage processed and higher overall ore grade while keeping costs in line with budgets.

Operating cash costs for the year ended April 30, 2019 of US$58/t were slightly lower than the prior year ended April 30, 2018 of US$61/t. The Company maintained costs incurred in mine development and exploitation combined with more efficiency in cost control despite higher input costs such as fuel, electricity, chemicals and labour. 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 increased production and capital investment are continually being assessed by management. On an ongoing basis, the Company continues underground exploration in order to identify higher grade ore zones and has allocated an adequate budget to support year-long exploration.

During the year ended April 30, 2019, the Company incurred approximately US$2,222 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$2,069 in the prior comparable period ending April 30, 2018. The increase is largely due to management efforts to increase mine development in order to find higher grades and amounts of ore, although a larger amount of the development is being expensed as current costs if it leads to immediate production.

4.2 Property Activity

San Martin properties – Queretaro, Mexico

The San Martin mine properties are comprised of mining concessions covering 12,992 hectares. In addition to the ongoing mine exploration and development that is currently being performed in development of the mine, management is continually assessing the potential for further exploration and development of the San Martin properties and continually modifying the exploration budget accordingly.

The mine operates three underground and one surface drill rigs to provide information to assist with mine planning in addition to exploration, with the intent of increasing the reserves and resources on the property, and the Company is budgeting targets of approximately 10,000 metres of underground exploration drilling in calendar 2019.

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.

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. Based on the calculation, at April 30, 2018, management decided to record an impairment of $5,000 on the San Martin Project.

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

San Pedrito

On March 21, 2017, the Company finalized the sale of its San Pedrito Property, a non-core asset located in Queretaro, Mexico for Mexican Pesos ("MXN$") 192,784,331. The San Pedrito property was part of Starcore's original acquisition in 2007, when the Company acquired the San Martin Mine from Goldcorp for US$26 million. The disposition of San Pedrito was recorded during the year ended April 30, 2017 and a gain of $7,128 was reported on the Statement of Operations and Comprehensive Income (Loss).

During the current year ending April 30, 2019 the Company received MXN$ 15,000,000 ($1,027 CAD) and interest of MXN$ 2,300,000 ($159 CAD) on 6 ha of the remaining 14 ha of parcels to be paid. The Company does not anticipate receiving any additional funds for the sale of this property and therefore has made an allowance for the remaining receivable of $441 to the Statements of Operations and Comprehensive Income (Loss).

Altiplano Processing Plant, Matehuala, Mexico

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

During the year ended April 30, 2019, management determined that the capital requirements of the Altiplano facility for inventory and operations, despite improving cash flow, did not justify the continuation of these operations until the Company had sufficient excess working capital to support the operations of Altiplano.

Subsequent to the year ending April 30, 2019, the Company received and accepted an offer to purchase 100% of the shares of Altiplano for US$1.6 million. The stock purchase agreement, dated July 5, 2019, requires the payment of the $1.6 million in installments to May, 2020. As a result, management has decided to write down the plant and land to US $1,600, less estimated selling costs of CAD $100. The Company has recorded an impairment of $4,804 (2018 - $Nil; 2017 - $Nil) to the Statements of Operations and Comprehensive Income (Loss) during the year ended April 30, 2019.

American Consolidated Minerals Corp.

On December 1, 2014, the Company, by plan of arrangement, acquired American Consolidated Minerals Corp. ("AJC"). Pursuant to the acquisition of AJC, the Company acquired the right to 2 of its properties as follows:

Toiyabe, Nevada, USA

The Company has the right to acquire a 100% undivided interest, subject to a 3% net smelter royalty ("NSR"), in 165 mining claims located in Lander County, Nevada, United States of America ("Toiyabe") from MinQuest Inc. ("MinQuest").

Consideration to be paid for the interest is USD$900 (payable over 5 years commencing October 19, 2018) and the Company must incur total exploration expenditures of USD$1,025 on the property (incurred) as agreed by MinQuest. Annual payments commencing October 19, 2018 are $60 (paid), $80, $100, $120, $140 and $400 respectively.

The optionor has also granted the Company the right to purchase up to one-half of the NSR (or 1.5%) on the basis of US$2 million per each 1% of the royalty.

During the period ending October 31, 2016, the Company completed Phase 1 drilling on the Toiyabe property. A total of 3,011 meters of RC/core were drilled in 15 holes. Shallow RC drill holes have identified a possible extension of the near-surface resource and the first deep core hole has identified high-grade gold mineralization (1.5 m of 12.9 g/t Au) at depth.

Reverse Circulation (RC) drilling, including two pre-collar holes, consisted of fifteen holes for a total footage of 2,537 meters. Core drilling totalled 474 meters in two holes. A summary of assay results received to date and a map of drill hole locations can be found on the Company website [https:// www.starcore.com](https://www.starcore.com) .

Assays from T-1601C, the first deep core hole, show a broad mineralized zone from 254 to 294 meters (40 m) which averages 1.3 g/t Au. This zone includes 3 meters of 7.7 g/t Au (255.4-258.4 m) or 1.5 meters of 12.9 g/t Au (255'4-256.9 m). The mineralized intervals coincide closely with highly altered breccia within broad fault zones.

The RC program targeted a combination of resistivity high anomalies as well as offsets and extensions to mineralization associated with the Courtney fault zones. A near-surface NI43-101 resource of 173,562 contained ounces of gold was published in 2009. Fifteen of the initially proposed RC holes were completed for a total drilling footage of 2,537 meters. Seven of the fifteen RC holes were lost short of targeted horizons. Even with these drilling limitations, fourteen of the fifteen RC holes encountered anomalous gold values as shown in the table above.

Richard Kern, Certified Professional Geologist (#11494) is the Qualified Person who has prepared and reviewed the technical information on the Toiyabe property in accordance with NI 43-101 reporting standards.

Lone Ranch, Washington, USA

The Company acquired the right to a 100% undivided interest, subject to a 3% net smelter royalty ("NSR"), in 73 mining claims located in Ferry County, Washington State, United States of America from MinQuest. During the period ending April 30, 2019, the Company decided to abandon the property and all costs associated with this property have been written off in the Consolidated Statements of Operations and Comprehensive Income.

Sierra Rosario, Mexico

The Company acquired a 100% interest in the 978-hectare Sierra Rosario Property, over 2 claims that are located in the state of Sinaloa, Mexico ("Sierra Rosario"). During the year ended April 30, 2019, the Company completed the sale of the Sierra Rosario property for proceeds of $128 ($100 USD). The excess of property costs over the recovered amount of $1,013 (2018 - $Nil; 2017 - $Nil) was recognized as a loss in the Statement of Profit or Loss and Other Comprehensive Income (Loss) in the year ended April 30, 2018.

Creston Moly

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. At that time, the Board of Directors of Creston Moly, after receiving the recommendation of its special committee and consultation with its financial and legal advisors, unanimously supported the arrangement whereby Mercator would acquire all of the issued and outstanding common shares of Creston.

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] Creston shareholders voted in favour of the acquisition. 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"). On September 5, 2014, pursuant to the *Bankruptcy and Insolvency Act (Canada*), Mercator and Creston Moly were deemed to have filed assignments in bankruptcy. Creston Moly is a British Columbia company that owned, through its subsidiaries, a 100% interest in the following properties:

[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.

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

***Ajax, British Columbia, Canada*[2]**

Ajax Molybdenum Property is comprised of 11,718 hectares and is located 13 km north of Alice Arm, British Columbia. The Ajax 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.

***Molybrook, Newfoundland, Canada*[3]**

Creston's Molybrook molybdenum property located on the south coast of Newfoundland. During the year ended April 30, 2019, the Company decided to abandon the property and all costs associated with this property have been written off in the Consolidated Statements of Operations and Comprehensive Income.

***El Creston Project, Sonora, Mexico*[4]**

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 which has completed a Preliminary Economic Assessment on the property based on zones of porphyry-style molybdenum ("Mo")/Copper ("Cu") mineralization. In 2010, a PEA was prepared on the project 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;

- ***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;

- ***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.

---

[2] 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.

[3] Technical information in this report relating to the Moly Brook property is based on the technical report entitled "Technical Report, Moly Brook Property, Grey River Area, Newfoundland, Canada", dated June 15, 2009, filed under the Tenajon Resources Corp. issuer profile on SEDAR.

[4] 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.. 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.

4.3 Results of Operations

The Company recorded a loss for the year ended April 30, 2019 of $11,804 compared with loss of $12,000 for the comparative year ended April 30, 2018. The details of the Company's operating results and related revenues and expenses are as follows:

For the year ended April 30,	2019	2018	Variance
Revenues			
Mined ore	**$ 27,053**	$ 21,005	$ 6,048
Purchased concentrate	**5,742**	6,802	(1,060)
Total Revenue	**32,795**	27,807	4,988
Cost of Sales			
Mined ore	**(22,975)**	(20,672)	(2,303)
Purchased concentrate	**(5,891)**	(7,150)	1,259
Depreciation and depletion	**(3,893)**	(4,913)	1,020
Total Cost of Sales	**(32,759)**	(32,735)	(24)
Earnings (Loss) from mining operations	**36**	(4,928)	4,964
Financing costs	**(311)**	(61)	(250)
Foreign exchange gain (loss)	**(125)**	193	(318)
Management fees and salaries	**(1,405)**	(1,514)	109
Office and administration	**(1,250)**	(1,908)	658
Professional and consulting fees	**(781)**	(1,204)	423
Property investigation costs	**(54)**	(433)	379
Transfer agent and regulatory fees	**(112)**	(166)	54
Shareholder relations	**(246)**	(198)	(48)
Loss before taxes and other losses	**(4,248)**	(10,219)	5,971
Other Losses			
Allowance for receivables	**(441)**	-	(441)
Impairment of Mining Interest, Plant and Equipment	**(4,804)**	(6,713)	1,909
Disposal of Exploration and Evaluation Asset	**(82)**	(1,013)	931
Total Other Losses	**(5,327)**	(7,726)	2,399
Loss before taxes	**(9,575)**	(17,945)	8,370
Income tax recovery (expense)			
Deferred	**(2,229)**	5,945	(8,174)
Loss for the year	**$ (11,804)**	$ (12,000)	$ 196

Overall, total revenue from mining operations milled ore increased by $4,988 for the year ended April 30, 2019. Mined ore increased by $6,048 when compared to the comparative year ended April 30, 2018, due mainly to higher metal production from higher ore grades and higher tonnage processed in the current year. Purchased concentrate revenue however decreased $1,060 due to the decreased operations experienced at the Altiplano concentrate processing plant as well as decreased carbon concentrate processed at the San Martin mine.

Sales of metals for mining operations for the twelve months ended April 30, 2019 approximated 13,852 ounces of gold and 229,982 ounces of silver sold at average prices in the period of US$1,280 and US$14.89 per ounce, respectively. This is an increase in sale ounces from the comparative period ended April 30, 2018 where sales of metal approximated 11,782 ounces of gold and 101,377.90 ounces of silver, sold at higher average prices of US$1,293 and US$16.76 per ounce, respectively.

The total cost of sales above includes non-cash expenses for depreciation and depletion of $3,893 compared to $4,913 in the comparable year, 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 year ending April 30, 2019, the Company produced a profit of $36 in from mine operations compared to loss of $4,928 for the year ended April 30, 2018. The profit resulted from an increase in the sale of metal ounces when compared to the prior year.

Costs per ounce for the year ended April 30, 2019 was US$1,061/EqOz, which is lower than the average operating cash cost of US$1,237/EqOz. during the comparable year ended April 30, 2018. Reported mined ore costs were at $22,975 compared to $20,672 in the previous year ended April 30, 2018 due to higher tonnes processed in the current year. Mined ore costs also increased in the current year due mainly to much higher development costs incurred to increase future ore reserves, coupled with increased input costs such as fuel, electricity, chemicals and labour.

The Company also processed purchased concentrate at the Altiplano plant in the twelve months ended April 30, 2019 for revenue of $5,742 and cost of purchasing concentrate of $5,891, for a net loss of $149. The net loss is due mainly to the fixed cost of the facility in light of the facility not achieving a break-even level of production from purchase and processing of concentrates and other materials. During the year ended April 30, 2019, management determined that the capital requirements of the Altiplano facility for inventory and operations, despite improving cash flow, did not justify the continuation of these operations until the Company had sufficient excess working capital to support the operations of Altiplano. The Plant suspended operations in the second quarter of the 2019 fiscal year.

Other Items

Changes in other items for the year ended April 30, 2019 from the year ended April 30, 2018 are as follows:

- Financing costs during the year increased by $250 due to the Company incurring interest on debt of $325. These costs were offset by interest income earned from the sale of San Pedrito property in the current year;
- Office and administration decreased by $658 due lower corporate costs relating to general regulatory administration in the current year.
- Management fees and salaries decreased by $109 primarily due to a decrease in directors and management fees;
- Foreign exchange loss increased by $318 for the year ended April 30, 2019. The increase in the loss relates primarily to the fluctuations of the Mexican peso and Canadian dollar in relation to the US dollar, the functional currency of the mining operations;
- Professional and consulting fees decreased by $423 to $781 primarily due to additional costs relating to the San Pedrito sale in the prior year. Professional fees relate primarily to charges in relations to legal, tax and audit fees;
- Property investigation costs of $54 were incurred during the year compared to $433 in the prior year, to perform the necessary due diligence on new projects;
- Loss on disposal of Exploration and Evaluation Asset of $82 due to the disposition of Lone Ranch in AJC. In the previous year $1,013 resulted directly due to the sale of the Sierra Rosario asset to a third party.
- Deferred Income Tax ("DIT") expense increased by $8,174 due to the Company previously recognizing non-capital loss carry forwards in future periods which were adjusted lower in the current year.
- Impairment of Mining Interest, Plant and equipment $4,804 was incurred in the current year on the Altiplano facility which operations were suspended, as discussed above. In the prior year impairment on CIL Plant led to an adjustment of $1,713 after management determined that the plant is no longer useful in the operations. An additional $5,000 impairment was recorded on the San Martin mine after management determined that future cash flow projects were negatively impacted due to changes in variables such as the amount of recoverable reserves, resources, and exploration potential, production cost estimates, discount rates and exchange rates.

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. As this measure includes only San Martin mining operations coupled with related capital costs, it excludes purchase concentrate operations which are not considered meaningful for purposes of calculating AISC. 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:

(In Canadian Dollars unless indicated)	**Sustaining Costs (in 000's)**		**Sustaining Costs Per Ounce (in $/oz)**	
For the twelve months ended April 30,	**2019**	2018	**2019**	2018
Total cost of sales cash costs[1]	**$ 22,975**	$ 20,672	**$ 1,377**	$ 1,579
Total corporate and administration cash costs[2]	**3,794**	3,908	**227**	298
Foreign exchange gain	**125**	1,514	**8**	115
Reclamation and closure accretion	**90**	64	**5**	5
Sustaining capital expenditures and exploration	**2,393**	3,622	**143**	277
All-in sustaining cash costs	**29,377**	29,780	**1,760**	2,274
Foreign exchange adjustment	**(7,081)**	(6,447)	**(424)**	(492)
All-in sustaining USD cash costs	**$ 22,296**	$ 23,333	**$ 1,336**	$ 1,782
Total equivalent ounces sold	**16,679**	13,095		

[1] Excludes non-cash depletion of $3,893 for the twelve months ended April 30, 2019 (April 30, 2018: $4,913).
[2] Includes share-based compensation of $104 for the year ended April 30, 2019 (April 30, 2018: $64).

Cash Flows

Cash flows spent on operating activities were $8 during the year ended April 30, 2019, compared to cash used of $6,012 for the comparative year ended April 30, 2018. Cash flows from operating activities were determined by removing non-cash expenses from the earnings and adjusting for non-cash working capital amounts. Cash spent for financing activities resulted in an inflow of $2,940 (net of costs) due to the Company receiving cash of $3,000 as part of a new loan agreement that was arranged during the year. Cash outflows from investing activities were $2,341 primarily due to the Company spending $3,152 on investment in mining interest, plant and equipment, $385 on investment in exploration and evaluation assets and received $1,037 from the sale of a parcel of land regarding San Pedrito. Overall cash increased during the year ended April 30, 2019 by $591.

Investor Relations Activities

During the year ended April 30, 2019, the Company responded directly to investor inquiries.

Financings, Principal Purposes & Milestones

During the year ended April 30, 2019, the Company completed a non-brokered private placement of secured bonds for gross proceeds of $3,000 which is repayable by June 18, 2020. During the previous year ending April 30, 2018, the Company secured an additional $1,283 (USD $1,000) loan with a lender. The full principal plus accrued interest on the loan shall be repayable to the lender on October 25, 2019.

5. Summary of Quarterly Results

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

	Q4 30-Apr-19	Q3 31-Jan-19	Q2 31-Oct-18	Q1 31-Jul-18
Total Revenue	$ 6,897	$ 6,564	$ 8,711	$ 10,623
Earnings (loss) from mining operations	$ (125)	$ (131)	$ (381)	$ 673
Earnings (loss) for period	$ (1,880)	$ (1,417)	$ (8,126)	$ (381)
Per share – basic	$ (0.04)	$ (0.03)	$ (0.16)	$ (0.01)
Per share – diluted	$ (0.04)	$ (0.03)	$ (0.16)	$ (0.01)
	Q4 30-Apr-18	**Q3 31-Jan-18**	**Q2 31-Oct-17**	**Q1 31-Jul-17**
Total Revenue	$ 7,953	$ 5,352	$ 6,407	$ 8,095
Earnings (loss) from mining operations	$ (622)	$ (2,573)	$ (1,354)	$ (379)
Earnings (loss) for period	$ (5,106)	$ (4,625)	$ (1,975)	$ (294)
Per share – basic	$ (0.12)	$ (0.09)	$ (0.03)	$ (0.00)
Per share – diluted	$ (0.12)	$ (0.09)	$ (0.03)	$ (0.00)

Discussion

The Company reports a loss of $1,880 for the quarter ending April 30, 2019 compared to loss of $5,106 in the comparative quarter ended April 30, 2018 due to the much higher production at higher grades, coupled with lower costs overall and partial impairment on its mining interest in the previous year. Revenue from operations decreased in this quarter to $6,897 from the comparative quarter of $7,953 as a result of lower purchased concentrate revenue. For more detailed discussion on the quarterly production results and financial results for the quarter ended April 30, 2019, 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 insufficient working capital and liquidity for the Company for the next twelve months.

As at April 30, 2019, the Company had the following commitments:

a) As at April 30, 2019, the Company has shared lease commitments for office space of approximately $144 per year, expiring at various dates up to April 2020, which includes minimum lease payments and estimated taxes, but excluded operating costs, taxes and utilities, to expiry.

b) As at April 30, 2019, the Company has a land lease agreement commitment with respect to the land at the mine site, for $132 per year which are currently being renegotiated. The Company also has ongoing commitments on the exploration and evaluation assets of approximately $220 per year increasing over the next 5 years for the AJC properties.

c) As at April 30, 2019, the Company has management contracts to officers and directors totaling $450 per year, payable monthly, expiring in April 2022 and US$236 per year, payable monthly, expiring in August 2021.

Obligations due within twelve months of April 30,	2019	2020	2021	2022 and beyond
Trade and other payables	$ 3,399	$ -	$ -	$ -
Current portion of loan payable	1,507	-	-	-
Non- current portion of loan payable	-	3,081	-	-
Reclamation and closure obligations	$ -	$ -	$ -	$ 1,254

7. Capital Resources

The capital resources of the Company are the mining interests, plant and equipment, with an amortized historical cost of $37,618 as at April 30, 2019. 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

N/A

10. Fourth 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 the change 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 of the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provision may be higher or lower than currently provided for. The inflation rate applied to estimated future rehabilitation and closure costs is 3.5% and the discount rate currently applied in the calculation of the net present value of the provision is 8%.

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

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.

g) Shared-based Payments

The Company measures the cost of equity-settled transactions with employees, and some with non-employees, by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, expected forfeiture rate, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in the notes.

13. Changes in Accounting Policies

The Company continues to evaluate new standards and has adopted IFRS 9 and IFRS 15. Currently no material impact is expected as a result of the adoptions of these new and amended standards detailed in Note 3(p) to the audited consolidated financial statements, and therefore no early adoption has been made.

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 April 30, 2019 the Company had the following financial assets and liabilities denominated in CDN and denominated in Mexican Pesos:

In ‘000 of		**CAD**		**MXN$**
Cash	$	117	MP	3,170
Other working capital amounts - net	$	859	MP	11,738
Long- term liabilities	$	(3,177)	MP	-

At April 30, 2019, US dollar amounts were converted at a rate of $1.3415 Canadian dollars to $1 US dollar and MXN were converted at a rate of MP18.99 to $1 US Dollar.

15. Other

15.1 Disclosure of Outstanding Share Capital as at July 25, 2019

	Number	Book Value
Common Shares	**49,646,851**	**$50,725**

As at July 25, 2019, the following warrants were outstanding and exercisable to purchase one common share for each warrant held:

Number of Warrants	Exercise Price	Expiry Date
250,000	$0.30	March 7, 2022
3,000,000	$0.20	June 18, 2021
3,250,000	**$0.21**	

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 unaudited 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 change in the Company's internal control over financial reporting during the Company's year ended April 30, 2019 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

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.