MANAGEMENT DISCUSSION & ANALYSIS
For the nine months ended April 30, 2007

Directors and Officers as at June 15, 2007:

Directors:

Gary Arca
Robert Eadie
Gary Hawthorn
Charles Jeannes
Cory Kent
Hugh McPherson
Juan Carlos Galvan Pastoriza
Ken Sumanik
Federico Villasenor

Officers:

Chairman, President & Chief Executive Officer – Robert Eadie
Chief Financial Officer – Gary Arca
Chief Operating Officer – Hugh (Bert) McPherson

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TSX Ventures Exchange Symbol:	SAM

Form 51-102-F1

STARCORE INTERNATIONAL VENTURES LTD.

MANAGEMENT DISCUSSION & ANALYSIS

For the Nine Months Ended April 30, 2007

1. Date of This Report

This MD&A is prepared as of June 15, 2007.

This Management Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited consolidated interim financial statements of Starcore International Ventures Ltd. ("Starcore", or the "Company") for the nine months ended April 30, 2007. **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". All statements in this discussion, other than statements of historical facts, that address future mine production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing and general economic, market or business conditions. 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 International Ventures Ltd. (the "Company" or "Starcore") is engaged in exploring, extracting and processing gold and silver through the February 1, 2007 acquisition of Compañia 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") (*see section 4.1*). The Company became a gold and silver producer as a result of the acquisition and has graduated to Tier 1 of the TSX Venture Exchange as a public reporting issuer. The Company is also engaged in owning, acquiring, exploiting, exploring and evaluating mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company has interests in properties which are exclusively located in Mexico.

3. Selected Annual Information

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

	July 31, 2006	July 31, 2005	July 31, 2004
Net sales	**-**	-	-
Loss before extraordinary items			
(i) Total loss	**$890**	$679	$245
(ii) Loss per share - basic	**$0.07**	$0.07	$0.11
(iii) Loss per share - diluted	**$0.07**	$0.07	$0.11
Net loss			
(i) Total loss	**$890**	$679	$245
(ii) Loss per share - basic	**$0.07**	$0.07	$0.11
(iii) Loss per share - diluted	**$0.07**	$0.07	$0.11
Total assets	**$8,700**	$2,021	$753
Total long-term liabilities	**-**	-	-
Cash dividends declared per-share	**N/A**	N/A	N/A

4. Results of Operations

Discussion of Acquisitions, Operations and Financial Condition

The following should be read in conjunction with the unaudited interim consolidated financial statements of the Company and notes attached hereto.

4.1 San Martín Mine, Queretaro, Mexico

Acquisition

Effective February 1, 2007, the Company completed the Acquisition of Bernal, the owner of the San Martin Mine in Queretaro, Mexico, from Luismin, a wholly-owned subsidiary of Goldcorp Inc. In connection with the Acquisition, the Company paid US$24 million and issued 4,729,000 common shares to Luismin, which are subject to a hold period expiring June 1, 2007. Bernal became a subsidiary of the Company's subsidiary, Starcore Mexicana, S.A. de C.V. with the completion of the Acquisition and Starcore is now, through its wholly-owned subsidiary, the owner of producing mining assets in Mexico.

The Acquisition was funded, in part, through a private placement of 37,400,000 subscription receipts (each a "Subscription Receipt") at a price of $0.50 per Subscription Receipt for gross proceeds of $18,700 (the "Offering"). With the completion of the Acquisition, the conditions to the conversion of the Subscription Receipts were satisfied and each Subscription Receipt was deemed to have been converted into one common share and one-half of one share purchase warrant (a "Warrant"). Each full Warrant is exercisable into one additional common share of the Company for a period of three years from the closing of the Offering at an exercise price of $0.80. The Warrants include an early expiry feature which may be triggered should the common shares close above $2.50 over a minimum period of forty-five calendar days. 22,173,200 of the Common Shares were subject to a hold period expiring May 19, 2007. Pursuant to the

Offering, the Company incurred cash commissions of $833, issued 447,144 common shares which were subject to a four month hold period expiring June 1, 2007 and granted 879,840 agents warrants entitling the holder to acquire one share at $0.80 for one year with the same early expiry provisions as the warrants issued in the Offering.

The balance of the funding was provided by a US$13 million bank financing (the "Loan") from Investec Bank (UK) PLC ("Investec"). The loan matures on January 31, 2013 and bears interest at LIBOR plus 3%. In connection with the Loan, the Company issued to Investec detachable warrants (the "Loan Warrants") exercisable to acquire common shares in the capital of the Company (each a "Warrant Share") as follows: 12,442,000 Warrant Shares at a price of Cdn$0.76 (or US$0.643) per share exercisable until January 31, 2011; and 6,794,000 warrants exercisable until January 31, 2012 at a price of Cdn$0.87 (or US$0.736), and for a further period of one year if any of the Loan remains outstanding at a price equal to the greater of Cdn$0.87 (or US$0.736) and 160% of the volume weighted average trading price of the Company's common shares for the five business days before January 31, 2012.

The Loan warrants were determined to have a fair value of $5,436 using the Black-Scholes fair value pricing model, which represents a non-cash charge to the statement of operations during the period and which are included as Warrants in shareholder's equity. In addition, the Company incurred cash transaction costs of the Loan financing of $1,177, which were charged to the statement of operations.The Loan Warrants and any Warrant Shares issued upon exercise of the Loan Warrants are subject to a four-month hold period expiring June 1, 2007.

The Loan 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. The sales of approximately 1,135 ounces per month will occur over the period of the Loan from February 28, 2007 to January 31, 2013.

In connection with the Acquisition, effective February 1, 2007, Federico Villaseñor, a Director of Bernal, and Charles Jeannes, Executive Vice President of Goldcorp, have been appointed directors of the Company.

The Company also announced that Hugh (Bert) McPherson has joined the Company as a Director and Chief Operating Officer in charge of Starcore's mining interests, including the San Martin Mine in Queretaro, Mexico. Along with the responsibility of managing the operations, exploration and expansion of San Martin, Mr. McPherson will be involved in the evaluation of future projects and acquisitions.

Under the terms of the Acquisition, Luismin will continue to operate the San Martin mine on behalf of the Company for up to one year. The Company will pay all costs incurred by Luismin plus fees for services and overhead. Also, the Company has agreed to grant Goldcorp a security interest over the Bernal mining properties as collateral to ensure that Bernal maintains an agreement to sell all silver produced from the mine to Goldcorp until October, 2029, at the prevailing spot market rate at the time of sale.

Reserves

The San Martin Mine, an ISO 9001 certified facility located approximately 50km east of the City of Queretaro, State of Queretaro, Mexico, consists of mining concessions covering 12,992 hectares and includes two underground mines, San Jose and San Martin as well as an additional exploration property, San Pedrito, located 50 km west of San Martin.. Luismin has been operating the mine since 1993 and Starcore intends to continue operating the mine. Mining at San Martin over the past eight years has been at a rate of about 267,000/tonnes per year. Exploration is able to maintain approximately three years reserves replacing those mined with new reserves. Reported production during 2006 was 266,039 tonnes grading 2.82 g Au/t and 52 g Ag/t, resulting in 22,004 oz of gold and 235,805 oz of silver.

As of December 31, 2006, reserves and resources at San Martin as reported in "A Technical Review of the San Martin Project for Starcore International Ventures Ltd." dated September 27, 2006, and revised March 23, 2007, prepared by Watts, Griffis & McOuat Limited (the "Technical Report"), were as follows:

Classification	Tonnes (000's)	Gold (g/t)	Silver (g/t)	Gold (000's of oz)	Silver (000's of oz)	Gold Equiv. (000's of oz)
Reserve:						
San Martin Mine						
Proven	320	3.26	33	34	340	41
Probable	713	3.85	48	88	1,100	110
Total Reserve	**1,033**			**122**	**1,440**	**151**
Resource:						
San Martin Mine						
Inferred	1,881	3.75	58	227	3,508	297
San Pedrito						
Inferred	1,125	0.63	221	23	7,994	183
Total Resource	**3,006**			**250**	**11,502**	**480**

- Total Proven and Probable Mineral Reserves estimated are 1,032,767 tonnes at a grade of 43 g Ag/t and 3.66 g Au/t, yielding approximately 44,574 kg of Ag and 3,784 kg of Au., using cut-off grades based on total operating costs of US$30.18/t and cut off values for silver of US$7.00 per troy ounce and for gold of US$450 per troy ounce;

- The total Inferred Mineral Resources estimated and not included in the Mineral Reserves stated above are about 1.88 million tonnes at an approximate grade of 60 g Ag/t and 3.75 g Au/t;

- In addition to the Mineral Reserves and Mineral Resources disclosed above, the total Inferred Mineral Resources estimated for San Pedrito are about 1.125 million tonnes at an approximate grade of 221 g Ag/t and 0.63 g Au/t; and

- A 50:1 silver to gold equivalency ratio was used to calculate gold equivalent ounces.

See the Technical Report, available on SEDAR, for further information on the San Martin Mine.

Production

The quarter ended April 30, 2007, represents the Company's first quarter of mining operations and San Martin's 14th year of production. Management of Luismin is operating San Martin under an Interim Services Agreement ("ISA") for up to one year as deemed necessary by Starcore management. Within the first year, Starcore will work to assume responsibility for mine management, operating and capital cost management, revenue arrangements and renegotiating refining agreements and all other activities required in the operation of the mine with a view to a complete handover of mine operations before the end of the 2007 calendar year. Under the terms of the ISA, Luismin will charge cost plus a 10% fee for services of Mine management and will charge for services of administrative personnel with responsibility over revenue and refinery arrangements, land matters, corporate services and all other services provided.

Starcore will operate the mine using the provisional budget forecasts provided by Luismin with a view to updating production, cost and capital expenditures on an ongoing basis as Starcore management becomes familiar with the San Martin mine operations.

The following table is a summary of mine production statistics for the San Martin mine for the first fiscal quarter of operations under Starcore:

(Unaudited)	***Unit of measure***	**Actual results for 3 months ended April 30, 2007**
Production of Gold	*thousand ounces*	**6.7**
Production of Silver	*thousand ounces*	**61.3**
Equivalent ounces of Gold*	*thousand ounces*	**7.9**
Gold grade	*grams/tonne*	**3.93**
Silver grade	*grams/tonne*	**58**
Gold recovery	*percent*	**94.7**
Silver recovery	*percent*	**59.2**
Mined	*thousands of tonnes*	**60.2**
Milled	*thousands of tonnes*	**55.5**
Mine development, preparation and exploration	*meters*	**1,280**
Operating Cost per tonne milled	*US dollars/tonne*	**35**
Operating Cost per Equivalent Ounce	*US dollars/tonne*	**244**
Lost time accidents	*days*	**0**
Number of employees and contractors at minesite		**235**

* assuming a 50:1 silver to gold equivalency ratio

During the quarter ended April 30, 2007, the mine operated at an average capacity of 660 milled tonnes/day operating for 84 days in the quarter. This represents a decrease in milled tonnes/day over 2006 rates of approximately 770 tonnes/day and is due mainly to management's efforts to control ore grades and operating costs while achieving the same or better production targets. Gold and silver grades, as a result, were much higher at 3.93 g/t and 58 g/t, respectively, compared with the 2006 grades of 2.82 g/t and 52 g/t. The Company is targeting increased production of approximately 32,000 equivalent ounces as compared to approximately 26,500 equivalent ounces reported in 2006. *All 2006 amounts were calculated from the amounts reported in the Technical Report referred to above.*

Production costs of the mine were US$35/tonne, or US$244/EqOz. Of gold produced. 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 over the next 3 years. The mine is meeting or exceeding targeted development meters in order to ensure future production. Changes to the plan that may involve increased production and capital investment have not been fully assessed by Starcore management and, as such, budgeted figures are not presented for the mine.

During the period ended April 30, 2007, the Company incurred approximately US$845 in mine capital expenditures, including US$790 in mine development drifting and drilling, US$48 in machinery and equipment purchases and US$7 on tailings dam remediation.

San Martin has agreements to purchase concentrate ore from two surrounding mines and charges a processing and marketing fee as a reduction of purchase price paid based on assays of the concentrate. These agreements are not binding and may be cancelled or renegotiated based on changing operating conditions.

Sales of Metal produced by the milled ore from the mine, along with purchased ore concentrate, approximated 9,000 ounces of gold and 136,000 ounces of silver sold at average prices in the quarter of US$667 and US$13.62 per ounce, respectively. In addition, the Company realized an additional US$175 for the sale of 3,345 ounces of gold pursuant to existing gold sales contracts which are fixed at US$731 per ounce, payable based on the month end London spot gold price.

4.2 Property Activity

San Martin properties – Queretaro, Mexico

The San Martin mine properties are comprised of mining concessions covering 12,992 hectares, including the San Pedrito property located approximately 50km west of the San Martin mine. In addition to the ongoing mine exploration and development that is currently being performed in development of the mine, management is currently assessing the potential for further exploration and development of the San Martin properties. Exploration plans are expected to be determined over the next quarter with a view to determining specific targets and an exploration budget.

Mineral Property – Cerro de Delores

The Company entered into an option agreement effective December 15, 2003, with Wheaton River Minerals Ltd. and two of Wheaton's subsidiaries, Luismin and Compañia Minera Astumex, S.A. de C.V. (collectively, "Goldcorp") for the acquisition of up to an 80% interest in the Cerro de Dolores property (the "Agreement") subject to a 3% net smelter return royalty.

In order to exercise an initial option and acquire a 51% interest in the property, the Company must issue a total of 250,000 post consolidation common shares and incur US$1.4 million in exploration expenditures on the property over a four year period as follows:

- 100,000 common shares upon TSX Venture Exchange (the "Exchange") acceptance of the Agreement on June 23, 2004 (issued at $0.50);
- an additional 50,000 common shares (issued at $0.50) and US$300 in exploration expenditures on or before June 23, 2005 (incurred);
- an additional 50,000 common shares and US$300 in exploration expenditures on or before June 23, 2006;
- an additional 50,000 common shares and US$300 in exploration expenditures on or before June 23, 2007; and
- the final US$500 in exploration expenditures on or before June 23, 2008.

The Company is in default of the requirements under the agreement for the period ended June 23, 2006 and 2007, and is currently renegotiating the terms of agreement with Goldcorp.

In November 2004, the Company announced the acquisition, through staking, of additional exploration ground contiguous to its 697 hectare Cerro de Dolores property in the Guerro/Puebla States in Mexico. The newly acquired land (2,344 hectares) extends north-easterly from the boundary of the existing land position and covers the known extension (about 15 km) of the structural corridor hosting silver-lead-zinc mineralization in the target area. The zones have not been subjected to modern exploration techniques and represent targets for resource expansion for the Company.

Proposed Exploration Program

The Company engaged Orequest Consulting to prepare the technical report. Orequest recommended that the Company expend US$315,700 on exploration of the property, including a 1500m drilling program.

Developments and Future Plans

Since acquiring the Cerro Delores property, the Company has completed the following tasks:

- commissioned and received a NI 43-101 Report;
- compiled the data and map base in electronic format and entered critical data in SURPAC development software;
- received two independent cost estimates for mining activity at the project;
- selected sites for water access, processing and tailings disposal;
- conducted bench scale metallurgical testing of underground samples;
- sourced and costed out key process equipment;

- ascertained that the existing underground workings into the mineralization are accessible;
- initiated environmental studies;
- obtained term sheets from smelters and estimated transportation costs;
- conducted internal production and financial models for the possible mining and processing of the El Transito Deposit to monitor financial viability and identify critical variables.

In June, 2005, the Company announced that it had completed the surface sampling and short hole percussion drilling program. 332 surface samples were taken and 1136 meters were drilled in 87 holes.

The work program was divided between the El Transito deposit and the investigation of “outside targets” which had been identified by previous operators but never subjected to modern exploration. At El Transito, 25 surface samples were taken and 32 short holes drilled in an effort to locate and evaluate the mineralization along strike to the northeast. Samples from this program will also be used for metallurgical testing. The existing resource at El Transito has been estimated by previous operators at 479,897 tonnes grading 147 grams per tonne silver, 1.9% lead and 5.9% zinc. This is an historical estimate and is not compliant with NI 43-101. Drilling during Phase 1 at El Transito was restricted by rig capability to the upper zinc-rich portions. Several of the prospects tested demonstrated sufficient grade and strike and depth continuity to represent legitimate targets for diamond drilling. The majority are in east-west structural zones in limestone overlying phyllitic rocks similar to those which host the El Transito Deposit and may represent important “leakage anomalies” caused by buried replacement-style mineralization.

This work program was designed primarily to guide the 2,000 meter diamond drill program (Phase II). This program which will focus on expanding the resource base at El Transito and testing selected outside targets for additional lead, zinc silver and gold mineralization at Cerro Dolores.

Surface samples were sent to the ALS Chemex facility in Guadalajara, Mexico for preparation and forwarding to Vancouver, B.C. for assaying. All percussion drill samples were forwarded directly to EcoTech Laboratories in Kamloops, B.C. for preparation and assaying. The work program was designed and supervised by Robert Sibthorpe, B.Sc. (Geology), M.B.A.

The Company has not completed the second year work program or share issuances, and is in default under the agreement. The Company has had discussions with Goldcorp to extend the time for completing the additional work expenditures. There is no guarantee the parties will come to an agreement for the extension of time to complete the work expenditures. Management has estimated that upon successful negotiations with Goldcorp, the Company will incur a minimum of US$500 in exploration expenditures on the property.

Mineral Property – Black Silver

In January, 2005, as amended January 10, 2006, the Company entered into an option agreement to acquire a 100% interest in the Black Silver Property located in southern Arizona. In order to exercise the option, the Company was to pay US$120 (US$10 paid), issue 250,000 shares (25,000 issued) and incur US$500 exploration expenditures.

During the period ended April 30, 2007, Management of the Company has decided to abandon this option and recognized a loss of $239 on the write-off of the Mineral property and related deferred exploration costs.

4.3 Results of Operations

The loss for the period ended April 30, 2007 was $6,872 as compared with a loss of $560 for the period ended April 30, 2006. The details of the Company's operating results and related revenues and expenses are as follows:

	For the nine months ended April 30, 2007	For the nine months ended April 30, 2006	Variance
Revenues			
Mined ore	**$ 6,393**	$ -	**$ 6,393**
Purchased ore	**2,874**	-	**2,874**
	9,267	-	**9,267**
Cost of Sales			
Mined Ore	**(2,654)**	-	**(2,654)**
Purchased ore	**(2,801)**	-	**(2,801)**
Reclamation	**(19)**	-	**(19)**
Amortization and depletion	**(739)**	-	**(739)**
	(6,213)	-	**(6,213)**
Earnings from mining operations	**3,054**	-	**3,054**
Administrative Expenses			
Amortization	**15**	11	**4**
Stock-based compensation	**1,520**	246	**1,274**
Interest on long-term debt	**313**	-	**313**
Financing fees	**6,613**	-	**6,613**
Professional and consulting fees	**197**	89	**108**
Management fees and salary	**134**	25	**109**
Office, travel and miscellaneous	**537**	92	**445**
Shareholder relations	**605**	100	**505**
Transfer agent and regulatory fees	**90**	17	**73**
	(10,024)	(580)	**(9,444)**
Other income (expense) and taxes			
Foreign exchange	**753**	-	**753**
Investment and interest income	**274**	20	**254**
Write-off of mineral property	**(239)**	-	**(239)**
Asset tax	**(33)**	-	**(33)**
Future income tax	**(657)**	-	**(657)**
	98	20	**78**
Net loss for the period	**$ (6,872)**	(560)	**$ (6,312)**

During the first quarter of mining operations, the Company had earnings from mining operations of $3,054. Revenues included sales of gold and silver at spot market prices and based on gold sales contracts as discussed under *section 4.1 - "production"* above. The Company also earned a net profit of $73 from the purchase and sale of ore concentrate from surrounding mines. The cost of sales above include non-cash costs for reclamation, amortization and depletion of $758 which is calculated based on the units of production from the mine calculated 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 (excluding San Pedrito) in accordance with the Company's policy of recognizing Value Beyond Proven and Probable ("VBPP") reserves, as assessed by management.

During the period ended April 30, 2007, the Company incurred significant costs related to the Acquisition of Bernal, including increased Administrative expenditures and costs not necessarily capitalized to the Acquisition consideration. The most significant costs related to the Loan financing fees, which includes cash costs of $1,177, including lender fees of US$415, commissions of US$260 and legal fees of approximately US$365. In addition, the Loan warrants were determined to have a fair value of $5,436 using the Black-Scholes fair value pricing model, which amount represents a non-cash charge to the statement of operations during the period in accordance with Company policy. Total cash and non-cash financing fees charged to the statement of operations was $6,613. The Company also accrued $313 in interest expense related to this loan.

Other cost increases for the period ended April 30, 2007, related to the Acquisition and increased related corporate activity include:

- Office, travel and miscellaneous expenses of $537, an increase of $445 over the prior period;
- Professional and consulting fees of $197 and management fees of $134, increases of $108 and $109, respectively, due to the employment of services of additional officers (CFO and COO) as well as the use of consultants to assist in the transition to mine operations;
- Transfer agent and regulatory fees of $90, an increase of $73 over the prior period; and
- Future income taxes of $657, which are non-cash adjustments at the consolidation level to account for differences between the tax and the accounting base of assets and liabilities. While Bernal is liable for an asset tax and has expensed $33 in relation to this tax, it has not been determined if Bernal will be liable for Mexican income taxes due to existing losses available from prior years and additional temporary taxable deductions available to the company.

The next most significant expense was the non-cash stock based compensation expense of $1,520 for the period ended April 30, 2007, representing an increase of $1,274 over the prior period. This amount reflects the fair value calculated of the stock options granted and vested during the period. The Company uses the Black-Scholes option valuation model to calculate the fair value of share purchase options at the date of grant. The increase over the prior period was due mainly to the expense recognized on the fair value of 6,005,822 options granted on December 20, 2006, January 22, 2007, and February 2, 2007, which was estimated to be $4,192 amortized over 18 months in accordance with Company vesting policy.

Corporate activity for the period ended April 30, 2007, resulted in the following significant changes from the period ended April 30, 2006 as follows:

- Shareholders' relations of $605, an increase of $505 as the Company undertook extensive promotional activity, including conferences and travel. The Company also entered into an agreement with a consulting firm to conduct institutionally-oriented investor relations programs on behalf of the Company. In consideration, the Company has agreed to pay a monthly retainer of US$7. During the period ended April 30, 2007, this firm incurred over US$225 in mailings of shareholder information relating to the acquisition of the San Martin mine and the related financing;

- Investment and interest income of $274, an increase of $254 as the Company maintained significant funds in escrow pursuant to the financing of the San Martin mine, as well as current cash balances on hand of approximately $7,380, in excess of funds on hand in the previous period; and

- Foreign exchange gain of $753 due mainly to the denomination of the Loan of US$13million in US dollars during a period that the US dollar weakened substantially. This gain is offset somewhat by US dollar cash balances on hand held by the Company during the period ended April 30, 2007.

Investor Relations Activities

During the period ended April 30, 2007, the Company directly responded to investor inquiries. A director of the Company and two consultants acted as spokespersons responding to any shareholder or investor calls. The Company engaged the services of these two consultants specifically for Shareholder communication and marketing services at approximately $8 a month effective September, 2006.

During the period ended April 30, 2007, the Company engaged the firm of Michael Baybak and Company, Inc. ("MBC") to conduct institutionally-oriented investor relations programs on behalf of the Company. Headed by Mr. Michael Baybak, MBC is a long-term institutional and media investor relations specialist in the natural resource sector, with a focus on introducing Canadian resource companies of merit to broader institutional and retail investor audiences. In consideration of the services to be provided, the Company has agreed to pay MBC a monthly retainer of US$7 for a period of one-year, with a right of termination after the first five months. In addition, the Company has allocated to a principal of MBC, incentive stock options in an aggregate amount of 600,000 shares at an exercise price of $1.06 per share.

Financings, Principal Purposes & Milestones

In addition to the financing pursuant to the acquisition of the San Martin mine discussed in *section 4.1*, the Company completed a non-brokered private placement with RMB Australia Holdings Ltd., for the issuance of 1,785,714 units of Starcore (the "Units") at a price of $0.56 per Unit, for gross proceeds of $1,000. Each Unit is composed of one common share of the Company and one-half of one non-transferable common share purchase warrant (the "Warrant"). Each Warrant is exercisable into one additional common share for a period of three (3) years from the closing date of the private placement at an exercise price of $0.80. The warrants will include an early expiry feature which the Company may trigger should the common shares close above $2.50 over a minimum period of forty-five calendar days. The Company paid a cash commission of $60 pursuant to the private placement. All securities issued by the Company pursuant to this private placement are subject to a four month hold period expiring on June 7, 2007.

During the nine months ended April 30, 2007, The Company issued 975,000 shares at $0.40 to $0.68 for proceeds of $404 pursuant to the exercise of share purchase options, and 2,535,332 shares at $0.60 to $0.80 for proceeds of $1,599 pursuant to the exercise of warrants.

5. <u>Summary of Quarterly Results</u>

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

	Q3 30-Apr-07	Q2 31-Jan-07	Q1 31-Oct-06	Q4 31-Jul-06	Q3 30-Apr-06	Q2 31-Jan-06	Q1 31-Oct-05	Q4 31-Jul-05
Total Revenue	$ 9,267	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Operating Profit	$ 3,054	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Loss:								
Total	$ 5,985	$ 779	$ 108	$ 330	$ 190	$ 164	$ 206	$ 228
Per share –basic and diluted	$ 0.10	$ 0.06	$ 0.01	$ 0.03	$ 0.01	$ 0.01	$ 0.02	$ 0.02

Discussion

For discussion on the period ended April 30, 2007, please refer to *Section 4.3 "Results of Operations"*.

6. Liquidity

The Company expects to continue to receive income and cash flow from the mining operations at San Martin (*section 4.1*). This, coupled with recent financings, has resulted in sufficient working capital and liquidity to the Company.

A term of the Loan financing requires that the Company fund a Debt Service Reserve Account ("DSRA") at July 31, 2007, which will maintain a balance equal to six months loan principal and interest at all times. The required funding commitment at July 31, 2007, is approximately US$3,640 and reduces in subsequent quarters as principal payments decrease in accordance with the Loan repayment schedule. The Company anticipates that it will have sufficient funds on hand in order to fund the DSRA over the next year in addition to making its loan principal and interest payments. The principal and interest due over the next year ended April 30, 2008 of $4,293 is shown as a current liability on the Company's balance sheet and is included in the working capital of the Company at April 30, 2007.

As at April 30, 2007, the Company had a working capital of $5,076. The Company's historical capital needs have been met by equity subscriptions. The Company may require additional financing to fund future acquisitions and exploration, however, future operating cash flow is expected to be generated from the San Martin mine. The Company anticipates funding future acquisitions, property investigations, exploration programs and anticipated administrative and overhead expenses through operating cash flow and, possibly, through additional equity subscriptions, such as private placements, and through the exercise of warrants and options. In light of the continually changing financial markets, there is no assurance that funding by equity subscriptions will be possible at the times required or desired by the Company.

7. Capital Resources

The capital resources of the Company are the mining interests, plant and equipment as well as the mineral properties, with historical costs of $37,725 and $747 as at April 30, 2007, respectively. 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 cash flow of the mine. In addition, the Company is committed to capital expenditures required to maintain Mineral properties in good standing, as detailed in *Section 4*.2.

8. Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

9. Transactions with Related Parties

There were no material reportable Related Party Transactions as required pursuant *CICA Handbook Section 3840.*

10. Third Quarter

The third quarter results differ significantly from other quarters, due to the commencement of mine operating activity upon the acquisition of the San Martin mine discussed throughout this MD&A.

11. Critical Accounting Estimates

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in Canada. Pursuant to the Acquisition of Bernal, the Company has adopted many accounting policies which were not formerly applicable or material to report. As a result, the unaudited interim consolidated financial statements are presented with all of the significant accounting policies of the Company, including those initially adopted in the current period, which are presented in notes 2, 3 and 11 of the Company's April 30, 2007 unaudited interim consolidated financial statements.

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of these financial statements requires management to make estimates and assumptions. The most significant ones include, but are not limited to: the recoverability of amounts receivable; mining asset economic life and expected life of mine, including estimated recoverable tonnes of ore from the mine; quantities of proven and probable gold reserves; the value of mineralized material beyond proven and probable reserves; future costs and expenses to produce proven and probable reserves; future commodity prices and foreign currency exchange rates; the estimated realizable value of inventories; the future cost of asset retirement obligations; the anticipated costs of reclamation and closure cost obligations; the amounts of contingencies; and assumptions used in the accounting for employee stock options such as volatility, expected term and risk free interest rate. Using these estimates and assumptions, management makes various decisions in preparing the financial statements including:

- The treatment of mine development costs as either an asset or an expense;
- Whether long-lived assets are impaired, and if so, estimates of the fair value of those assets and any corresponding impairment charge;
- The ability to realize deferred income tax assets;
- The useful lives of long-lived assets and the measurement of amortization;
- The fair value of asset retirement obligations;
- The likelihood of loss contingencies occurring and the amount of any potential loss;
- Whether investments are impaired; and

- The amount of stock option expense.
- Financial instruments

As the estimation process is inherently uncertain, actual future outcomes could differ from present estimates and assumptions, potentially having material future effects on the financial statements. The accounting policies of the Company as presented in notes 2, 3 and 11 of the Company's April 30, 2007 unaudited interim consolidated financial statements should be reviewed in conjunction with the critical estimates identified by management above.

12. Changes in Accounting Policies Including Initial Adoption

Effective August 1, 2006 the Company adopted the provisions of Section 1530 *comprehensive income*, Section 3831 *non-monetary transactions,* Section 3855 *financial instruments –recognition and measurement,* and Section 3865 *hedges*. Adopting these provisions had no material affect on the financial statements for the period ended April 30, 2007. Other accounting policies of the Company as presented in notes 2, 3 and 11 of the Company's April 30, 2007 unaudited interim consolidated financial statements which have been initially adopted as a result of the Acquisition of Bernal include:

- Revenue recognition
- Inventories and cost of sales
- Foreign currency translation
- Mining interest, plant and equipment
- Reclamation and closure cost obligations

14. Financial and Other Instruments

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the 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 cost of sales, capital expenditures, interest earned on cash and the fair value of fixed rate debts.

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 April 30, 2007 the company had the following financial assets and liabilities:

	In 000's of US Dollars	In 000's of Mexican Pesos (MP)
Cash and equivalents	$ 2,925	MP 3,393
Other working capital amounts - net	$ 188	MP 3,271
Long-term Liabilities	$ 14,816	MP 32,747

At April 30, 2007, US dollar amounts were converted at a rate of 1.1169 Canadian dollars to 1 US dollar and Mexican Pesos were converted at a rate of 10.9305 MP to 1 US Dollar.

The Loan agreement entered into on the Acquisition 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 until January, 2013. These gold sales contracts are excluded from the definition of derivatives because the obligation will be met by the physical delivery of gold and the Company's practices, productive capacity and delivery intentions are consistent with the definition of normal sales contracts in accordance with the Company's Revenue Recognition Policy in Note 2 of the unaudited interim consolidated financial statements. The Mark-to-market value of the gold sales contracts at April 30, 2007 was negative $3,300.

15. Other

15.1 Disclosure of Outstanding Share Capital

	Number	Book Value
Common Shares	**60,590,789**	**$37,711**

There were 6,969,822 incentive stock options outstanding as at April 30, 2007 with an average exercise price of $0.93 per stock option and with expiry dates from March, 2010, to February, 2012.

There were 39,318,697 share purchase warrants outstanding as at April 30, 2007 with an average exercise price of $0.80 per warrant and with expiry dates from August 2009 to February, 2012, with a possibility of the Loan Tranche B warrants being extended to February, 2013.

15.2 Disclosure Controls and Procedures

The Company has disclosure controls and procedures in place to provide reasonable assurance that any information required to be disclosed by the Company under securities legislation is recorded, processed, summarized and reported within the applicable time periods and to ensure that required information is gathered and communicated to the Company's management so that decisions can be made about timely disclosure of that information. The Company's Chief Executive Officer and Chief Financial Officer evaluated the Company's disclosure controls and procedures for the period ended April 30, 2007 and have found those disclosure controls and procedures to be adequate for the above purposes.

There have been no significant changes in the Company's disclosure controls or in other factors that could significantly affect disclosure controls subsequent to the date the Company carried out its evaluation.

During the Company's most recently completed quarter ended April 30, 2007, there were no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to affect, its internal control over financial reporting.

15.3 Additional disclosure

The Company is a venture issuer that has not had significant revenue from operations in either of its last two financial years. The Company has capitalized all expenditures relating to the exploration of its mineral properties. Details of mineral properties and deferred exploration costs for the properties are as follows:

	April 30, 2007	July 31, 2006
Cerro de Dolores - Actual Expenditures		
Acquisition costs	**$ 125**	$ 125
Assaying & sampling	**53**	52
Consulting fees (Geological & Engineering)	**161**	161
Drilling	**113**	113
Equipment & rental	**6**	6
Field work, labour & supplies	**25**	25
General & admin	**88**	71
Labour	**28**	28
Legal fees & licenses	**5**	5
Maps & reports	**3**	3
Property taxes	**18**	18
Road construction	**33**	33
Site visits	**51**	51
Travel & transportation	**38**	28
	747	719
Black Silver - Actual Expenditures		
Acquisition costs	**29**	29
Assaying & sampling	**17**	14
Consulting	**49**	48
Drilling	**114**	114
License fees	**5**	-
Site visits	**7**	7
Staking	**8**	8
Travel & transportation	**10**	
	239	220
Write-off of mineral property	**(239)**	-
Total Mineral Properties and Deferred Exploration Costs	**$ 747**	**$ 939**