Starcore International Mines Ltd.

Consolidated Financial Statements

For the years ended April 30, 2023 and April 30, 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Starcore International Mines Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Starcore International Mines Ltd. (the "Company"), which comprise the consolidated statements of financial position as at April 30, 2023 and 2022 and the consolidated statements of operations and comprehensive income (loss), changes in equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of Impairment Indicators of Mining interest, plant and equipment ("PP&E")

As described in Note 9 to the consolidated financial statements, the carrying amount of the Company's PP&E was $30,230,000 as of April 30, 2023. As more fully described in Note 2 and 9 to the consolidated financial statements, management assesses PP&E for indicators of impairment at each reporting period.

The principal consideration for our determination that performing procedures relating to the assessment of impairment indicators of PP&E is a key audit matter is that there was judgment by management when assessing whether there were indicators of impairment for these capital assets, specifically related to assessing: (i) technological obsolescence of the mining interest, plant and equipment; (ii) significant adverse changes in the business climate or legal factors including changes in gold and silver prices; and iii) internal reporting regarding the economic performance of the PP&E and comparison to historical operations. This in turn led to a high degree of auditor judgment, subjectivity and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to conduct a formal impairment test.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- evaluating management's assessment of indicators of impairment;
- assessing the condition and potential obsolescence of the PP&E;
- assessing significant changes in the expected operating costs, current period cash flow and operating income in comparison to historical operations and budgets;
- considering current and forecasted gold and silver prices through review of external market and industry data;
- assessing the completeness of external or internal factors that could be considered as indicators of impairment; and
- assessing the adequacy of the associated disclosures in the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Stephen Hawkshaw.

Davidson & Company LLP

Vancouver, Canada — Chartered Professional Accountants

July 25, 2023

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

As at	April 30, 2023	April 30, 2022
Assets		
Current		
Cash and cash equivalents (note 5)	**$ 6,443**	$ 8,818
Amounts receivable (note 6)	**1,970**	1,580
Inventory (note 7)	**2,389**	1,535
Prepaid expenses and advances	**366**	472
Investment (note 8)	**639**	492
Total Current Assets	**11,807**	12,897
Non-Current		
Mining interest, plant and equipment (note 9)	**30,230**	29,820
Right-of-use assets (note 11)	**376**	894
Exploration and evaluation assets (note 10)	**5,681**	5,082
Deferred tax assets (note 20)	**2,812**	3,348
Total Non-Current Assets	**39,099**	39,144
Total Assets	**$ 50,906**	$ 52,041
Liabilities		
Current		
Trade and other payables	**$ 3,125**	$ 3,126
Current portion of lease liability (note 11)	**216**	636
Total Current Liabilities	**3,341**	3,762
Non-Current		
Rehabilitation and closure cost provision (note 13)	**2,920**	2,353
Lease liability (note 11)	**168**	262
Deferred tax liabilities (note 20)	**5,701**	5,610
Total Non-Current Liabilities	**8,789**	8,225
Total Liabilities	**$ 12,130**	$ 11,987

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

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

As at		April 30, 2023		April 30, 2022
Equity				
Share capital (note 14)	$	**51,878**	$	50,725
Equity reserve		**11,349**		11,349
Foreign currency translation reserve		**5,010**		2,185
Accumulated deficit		**(29,461)**		(24,205)
Total Equity		**38,776**		40,054
Total Liabilities and Equity	**$**	**50,906**	$	52,041

Commitments (note 16)

Approved by the Directors:

"Robert Eadie" Director ***"Gary Arca"*** Director

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

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

For the year ended April 30,		2023		2022
Revenues				
Mined ore	$	**22,907**	$	25,679
Total Revenues (note 19)		**22,907**		25,679
Cost of Sales				
Mined ore		**(19,034)**		(16,960)
Depreciation and depletion (notes 9 and 11)		**(3,120)**		(3,413)
Total Cost of Sales		**(22,154)**		(20,373)
Earnings from mining operations		**753**		5,306
Financing costs (note 12)		**(141)**		(181)
Foreign exchange		**467**		85
Management fees and salaries (note 16)		**(1,786)**		(1,271)
Office and administration		**(1,584)**		(913)
Professional and consulting fees (note 16)		**(1,150)**		(835)
Pre-exploration costs		**(65)**		(31)
Shareholder relations		**(758)**		(644)
Transfer agent and regulatory fees		**(131)**		(88)
Earnings (loss) before taxes and other losses		**(4,395)**		1,428
Other Income / (Losses)				
Loss on sale of Toiyabe (note 10)		**-**		(40)
Unrealized gain (loss) on investment (note 8)		**197**		(287)
Loss on sale of investments		**(10)**		-
Gain on sale of assets		**25**		-
Sale of royalty (note 10)		**-**		1,600
Total Other Income / (Losses)		**212**		1,273
Earnings (loss) before taxes		**(4,183)**		2,701
Income tax recovery/ (expense) (note 20)				
Current		**(446)**		-
Deferred		**(627)**		(296)
Earnings (loss) for the year		**(5,256)**		2,405
Other comprehensive income (loss) – items that may be subsequently reclassified to profit or loss:				
Foreign currency translation differences		**2,825**		1,369
Comprehensive earnings / (loss) for the year	**$**	**(2,431)**	$	3,774
Basic earnings (loss) per share (Note 18)	**$**	**(0.10)**	$	0.05
Diluted earnings (loss) per share (Note 18)	**$**	**(0.10)**	$	0.05

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

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

For the years ended April 30,		**2023**		2022
Cash provided by				
Operating activities				
Earnings (loss) for the year	**$**	**(5,256)**	$	2,405
Items not involving cash:				
Depreciation and depletion (note 9)		**3,322**		3,470
Income tax expense		**627**		296
Sale of royalty (note 10)		**-**		(1,600)
Lease accretion (note 11)		**53**		81
Loss on sale of investments		**10**		-
Gain on sale of assets		**(25)**		-
Loss on sale of Toiyabe (note 10)		**-**		40
Rehabilitation and closure cost accretion (note 13)		**200**		160
Deferred and restricted share payments (note 14)		**157**		140
Unrealized loss (gain) on investment (note 8)		**(197)**		287
Cash generated (used) by operating activities before working capital changes		**(1,109)**		5,279
Change in non-cash working capital items				
Amounts receivable		**(463)**		(450)
Inventory		**(925)**		183
Prepaid expenses and advances		**84**		(118)
Trade and other payables		**96**		939
Cash inflow (outflow) from operating activities		**(2,317)**		5,833
Financing activities				
Share issuance (net)		**1,153**		-
Lease payments (note 11)		**(600)**		(611)
Cash inflow (outflow) from financing activities		**553**		(611)
Investing activities				
Investment in exploration and evaluation assets (note 10)		**(465)**		(905)
Purchase of mining interest, plant and equipment (note 9)		**(1,047)**		(1,846)
Cash received from sale of assets		**40**		-
Sale of royalty (note 10)		**-**		1,600
Cash received from reclamation deposit		**-**		134
Cash outflow from investing activities		**(1,472)**		(1,017)
Total increase (decrease) in cash and cash equivalents		**(3,236)**		4,205
Effect of foreign exchange rate changes on cash and cash equivalents		**861**		221
Cash and cash equivalents, beginning of year		**8,818**		4,392
Cash and cash equivalents, end of year	**$**	**6,443**	$	8,818

Non-cash transactions for year ended April 30, 2023:

a) Capitalized $218 (2022 - $195) in asset retirement obligations to Mining Interests.

b) Capitalized $nil (2022 - $518) in Right of use assets and $nil (2022 - $440) in lease liabilities (less deposit of $nil) (2022 - $78).

c) The Company paid $258 (2022 –$ nil) in taxes and paid $188 (2022 - $nil) in interest.

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

Starcore International Mines Ltd.

Consolidated Statements of Changes in Equity for the years ended April 30, 2023, 2022 and 2021
(in thousands of Canadian dollars except for number of shares)

	Number of Shares Outstanding	Share Capital	Equity Reserve	Foreign Currency Translation Reserve	Accumulated Deficit	Total
Balance, April 30, 2021	49,646,851	$ 50,725	$ 11,349	$ 816	$ (26,610)	$ 36,280
Foreign currency translation differences	-	-	-	1,369	-	1,369
Earnings for the year	-	-	-	-	2,405	2,405
Balance, April 30, 2022	49,646,851	50,725	11,349	2,185	(24,205)	40,054
Private Placement	6,000,000	1,200	-	-	-	1,200
Share issue costs		(47)	-	-	-	(47)
Foreign currency translation differences	-	-	-	2,825	-	2,825
Net loss for the year	-	-	-	-	(5,256)	(5,256)
Balance, April 30, 2023	**55,646,851**	**$ 51,878**	**$ 11,349**	**$ 5,010**	**$ (29,461)**	**$ 38,776**

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

1. Corporate information

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

Starcore is engaged in exploring, extracting and processing gold and silver through its wholly-owned subsidiary, Compañia Minera Peña de Bernal, S.A. de C.V. ("Bernal"), which owns the San Martin mine in Queretaro, Mexico.

The Company is also engaged in acquiring mining related operating assets and exploration assets in North America directly and through corporate acquisitions. In management's judgment, the Company has adequate working capital and cash for the upcoming twelve months.

The ongoing COVID-19 pandemic, political conflicts in other regions, and alike global issues have adversely affected workplaces, economic and financial markets, and supply channels globally. It is not possible for the Company to predict the scale and extent of the adverse impacts of these issues on the Company's business operations at this time.

2. Basis of preparation

a) Statement of compliance

These consolidated financial statements for the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the Board of Directors on July 21, 2023.

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except certain financial instruments, which are measured at fair value, as explained in the Company's accounting policies discussed in note 3. These consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. The consolidated financial statements are presented in Canadian dollars, which is also the parent company's functional currency, and all values are rounded to the nearest thousand dollars, unless otherwise indicated.

The preparation of consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and all of its subsidiaries, which are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from the entity's activities. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposal or loss of control. The Company's wholly-owned

2. Basis of preparation – (cont'd)

c) Basis of consolidation – (cont'd)

subsidiary Bernal, along with various other subsidiaries, carry out their operations in Mexico, U.S.A. and in Canada.

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

3. Summary of significant accounting policies

The accounting policies set out below were applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

a) Foreign Currency Translation

The functional currency of Starcore, the parent, is the Canadian dollar ("CAD") and the functional currency of its subsidiaries is the United States dollar ("USD") (collectively "Functional Currency"). Foreign currency accounts are translated into the Functional Currency as follows:

- At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the Functional Currency by the use of the exchange rate in effect at that date. At the period end date, unsettled monetary assets and liabilities are translated into the Functional Currency by using the exchange rate in effect at the period end.

Foreign exchange gains and losses are recognized in net earnings and presented in the Consolidated Statement of Operations and Comprehensive Income (Loss) in accordance with the nature of the transactions to which the foreign currency gains and losses relate, except for foreign exchange gains and losses from translating investments and marketable securities which are recognized in other comprehensive income as part of the total change in fair values of the securities. Unrealized foreign exchange gains and losses on cash balances denominated in foreign currencies are disclosed separately in the Consolidated Statements of Cash Flows.

b) Foreign Operations

The assets and liabilities of foreign operations with Functional Currencies differing from the presentation currency, including fair value adjustments arising on acquisition, are translated to CAD at exchange rates in effect at the reporting date. The income and expenses of foreign operations with Functional Currencies differing from the presentation currency are translated into CAD at the year-to-date average exchange rates.

The Company's foreign currency differences are recognised and presented in other comprehensive income as a foreign currency translation reserve ("Foreign Currency Translation Reserve"), a component of equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of six months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

3. Summary of significant accounting policies – (cont'd)

d) Revenue Recognition

Revenue from the sale of metals is recognized when the significant risks and rewards of ownership have passed to the buyer, it is probable that economic benefits associated with the transaction will flow to the Company, the sale price can be measured reliably, the Company has no significant continuing involvement and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenues from metal sales are subject to adjustment upon final settlement of metal prices, weights, and assays as of a date that may be up to two weeks after the shipment date. The Company records adjustments to revenues monthly based on quoted forward prices for the expected settlement period. Adjustments for weights and assays are recorded when results are determinable or on final settlement. Accounts receivable for metal sales are therefore measured at fair value.

e) Inventory

Finished goods and work-in-process are measured at the lower of average cost and net realizable value. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and long-term metal prices less estimated future costs to convert the inventories into saleable form and estimated costs to sell.

Ore extracted from the mines is processed into finished goods (gold and by-products in doré). Costs are included in work-in-process inventory based on current costs incurred up to the point prior to the refining process, including applicable depreciation and depletion of mining interests, and removed at the average cost per recoverable ounce of gold. The average costs of finished goods represent the average costs of work-in-process inventories incurred prior to the refining process, plus applicable refining costs.

Supplies are measured at average cost. In the event that the net realizable value of the finished product, the production of which the supplies are held for use in, is lower than the expected cost of the finished product, the supplies are written down to net realizable value. Replacement costs of supplies are generally used as the best estimate of net realizable value. The costs of inventories sold during the year are presented in the Company's profit and loss.

f) Mining Interest, Plant and Equipment

Mining interests represent capitalized expenditures related to the development of mining properties and related plant and equipment.

Recognition and Measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

3. Summary of significant accounting policies – (cont'd)

f) Mining Interest, Plant and Equipment – (cont'd)

Recognition and Measurement – (cont'd)

Mining expenditures incurred either to develop new ore bodies or to develop mine areas in advance of current production are capitalized. Mine development costs incurred to maintain current production are included in the consolidated statement of operations and comprehensive income (loss). Exploration costs relating to the current mine in production are expensed to net income as incurred due to the immediate exploitation of these areas or an immediate determination that they are not exploitable.

Borrowing costs that are directly attributable to the acquisition and preparation for use, are capitalized. Capitalization of borrowing costs begins when expenditures are incurred and activities are undertaken to prepare the asset for its intended use. The amount of borrowing costs capitalized cannot exceed the actual amount of borrowing costs incurred during the period. All other borrowing costs are expensed as incurred.

The capitalization of borrowing costs is discontinued when substantially all of the activities necessary to prepare the qualifying asset for its intended use or sale are complete. Capitalized borrowing costs are amortized over the useful life of the related asset.

Major Maintenance and Repairs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Company's profit or loss during the financial year in which they are incurred.

Subsequent Costs

The cost of replacing part of an item of equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its costs can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of equipment are recognized in the Company's profit or loss as incurred.

Leased Equipment

Leases are recognized as a right-to-use asset with a corresponding liability at the date at which the leased asset is available for use. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

3. Summary of significant accounting policies – (cont'd)

f) Mining Interest, Plant and Equipment – (cont'd)

Depreciation and Impairment

Mining interest, plant and equipment are subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not depreciated. Depletion of mine properties is charged on a unit-of-production basis over proven and probable reserves and resources expected to be converted to reserves. Currently the depletion base is approximately 10 years of expected production. Depreciation of plant and equipment and corporate office equipment, vehicles, software and leaseholds is calculated using the straight-line method, based on the lesser of economic life of the asset and the expected life of mine of approximately 10 years. Where components of an asset have different useful lives, depreciation is calculated on each separate part. Depreciation commences when an asset is available for use. At the end of each calendar year estimates of proven and probable gold reserves and a portion of resources expected to be converted to reserves are updated and the calculations of amortization of mining interest, plant and equipment is prospectively revised.

The Company reviews and evaluates its mining interests, plant and equipment for impairment at least annually or when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the recoverable value of a cash generating unit is less than the carrying amount of the assets. An impairment loss is measured and recorded based on the greater of the cash generating unit's fair value less cost to sell or its value in use versus its carrying value. In assessing value in use, future cash flows are estimated based on expected future production, commodity prices, operating costs and capital costs discounted to their present value.

Mining interests, plant and equipment that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized in the consolidated statement of operations and comprehensive income (loss).

g) Rehabilitation and Closure Cost Provision

The Company records a provision for the estimated future costs of rehabilitation and closure of operating and inactive mines and development projects, which are discounted to net present value using the risk-free interest rates applicable to the future cash outflows. Estimates of future costs represent management's best estimates which incorporate assumptions on the effects of inflation, movements in foreign exchange rates and the effects of country and other specific risks associated with the related liabilities. The provision for the Company's rehabilitation and closure cost obligations is accreted over time to reflect the unwinding of the discount with the accretion expense included in finance costs in the Consolidated Statement of Operations and Comprehensive Income (Loss). The provision for rehabilitation and closure cost obligations is re-measured at the end of each reporting period for changes in estimates and circumstances. Changes in estimates and circumstances include changes in legal or regulatory requirements, increased obligations arising from additional mining and exploration activities, changes to cost estimates and changes to risk free interest rates.

3. Summary of significant accounting policies – (cont'd)

g) Rehabilitation and Closure Cost Provision – (cont'd)

Rehabilitation and closure cost obligations relating to operating mines and development projects are initially recorded with a corresponding increase to the carrying amounts of related mining properties. Changes to the obligations are also accounted for as changes in the carrying amounts of related mining properties, except where a reduction in the obligation is greater than the capitalized rehabilitation and closure costs, in which case, the capitalized rehabilitation and closure costs is reduced to nil and the remaining adjustment is included in production costs in the Consolidated Statement of Operations and Comprehensive Income (Loss). Rehabilitation and closure cost obligations related to inactive mines are included in production costs in the Consolidated Statement of Operations and Comprehensive Income (Loss) on initial recognition and subsequently when re-measured.

h) Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation ("E&E") expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying and sampling costs, drilling costs, payments made to contractors, geologists, consultants, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to E&E activities, including general and administrative overhead costs, are expensed in the period in which they occur.

When a project is determined to no longer have commercially viable prospects to the Company, E&E expenditures in respect of that project are deemed to be impaired. As a result, those E&E expenditures, in excess of estimated recoveries, are written off to the Company's profit or loss.

The Company assesses E&E assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". E&E assets are tested for impairment before the assets are transferred to development properties.

Any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

i) Financial Instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

3. Summary of significant accounting policies – (cont'd)

i) Financial Instruments – (cont'd)

Recognition – (cont'd)

All of the Company's financial instruments are classified into one of the following categories based upon the purpose for which the instrument was acquired or issued. All transactions related to financial instruments are recorded on a trade date basis. The Company's accounting policy for each category is as follows:

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets are classified according to the following measurement categories:

i) those to be measured subsequently at fair value, either through profit or loss ("FVTPL") or through other comprehensive income ("FVTOCI"); and,

ii) those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting period. All other financial assets are measured at their fair values at each subsequent reporting period, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

i) amortized cost; or

ii) FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives)

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at fair value through profit or loss are expensed in profit or loss.

The Company's financial assets consist of investments, which are classified and measured at FVTPL, with realized and unrealized gains or losses related to changes in fair value reported in profit or loss, and cash and cash equivalents and amounts receivable, which are classified at amortized cost. The Company's financial liabilities consist of trade and other payables which are classified and measured at amortized cost using the effective interest method. Interest expense is reported in profit or loss.

Impairment

The Company assesses all information available, including on a forward-looking basis, the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

3. Summary of significant accounting policies – (cont'd)

i) Financial Instruments – (cont'd)

Fair value hierarchy

Financial instruments recognized at fair value on the consolidated balance sheets must be classified into one of the three following fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted observed in active markets) for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1, that are observable for the asset or liability;

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

j) Income Taxes

Current tax and deferred taxes are recognized in the Company's profit or loss, except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive loss/income.

Current income taxes are recognized for the estimated taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the period end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilised. At the end of each reporting period, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

k) Share Capital

Financial instruments issued by the Company are classified as equity, only to the extent that they do not meet the definition of a financial liability or asset. The Company's common shares, share warrants and share options are classified as equity instruments.

Incremental costs, directly attributable to the issue of new shares, warrants or options, are shown in equity as a deduction, net of tax, from proceeds.

3. Summary of significant accounting policies – (cont'd)

l) Earnings or Loss per Share

Basic earnings or loss per share is computed by dividing the Company's earnings or loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings or loss per share is computed by dividing the Company's earnings or loss applicable to common shares, by the sum of the weighted average number of common shares outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted at the beginning of the period.

m) Share-based Payments

Where equity-settled share options are awarded to employees or non-employees, the fair value of the options at the date of grant is charged to the Company's profit or loss over the vesting period. The number of equity instruments expected to vest at each reporting date, are taken into account so that the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modifications, is charged to the Company's profit or loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in the Company's profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the Company's profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for effects of non-transferability, exercise restrictions and behavioural considerations. All equity-settled share based payments are reflected in equity reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in equity reserve is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and immediately recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent that the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

3. Summary of significant accounting policies – (cont'd)

m) Share-based Payments – (cont'd)

Where vesting conditions are not satisfied and options are forfeited, the Company reverses the fair value amount of the unvested options which had been recognized over the vesting period.

n) New and Revised Accounting Standards

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

- IAS 1 "Presentation of Financial Statements"

4. Critical accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments 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 estimates and judgments 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 next financial year are discussed below:

Estimates

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) Units of Production Depletion and Depreciation

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

4. Critical accounting estimates and judgments – (cont'd)

Estimates – (cont'd)

c) Rehabilitation Provisions

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs, which will reflect the market condition at the time that the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provision may be higher or lower than currently provided.

The inflation rate applied to estimated future rehabilitation and closure costs is 6.90% and the discount rate currently applied in the calculation of the net present value of the provision is 10% (note 13).

d) 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.

Judgments

a) Impairments

The Company assesses its mining interest, plant and equipment and exploration and evaluation 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.

(in thousands of Canadian dollars unless otherwise stated)

4. Critical accounting estimates and judgments – (cont'd)

Judgments – (cont'd)

b) 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.

5. Cash and cash equivalents

		April 30, 2023		April 30, 2022
Cash	**$**	**2,684**	$	8,818
GIC's	**$**	**3,759**	$	-
	$	**6,443**	$	8,818

At April 30, 2023, the Company held various Guaranteed Investment Certificates ("GIC's") with a market value of $3,759. These GIC's are held in US dollars in various denominations maturing from May 2 to July 31, 2023 at interest rates between 3.20% and 5% and are cashable at the Company's option. The Company held no GIC's as at April 30, 2022.

The Company's GIC's are held at two financial institutions and as such the Company is exposed to the risks of these financial institutions.

6. Amounts receivable

		April 30, 2023		April 30, 2022
Taxes receivable	**$**	**1,165**	$	1,113
Trades receivable		**480**		315
Other		**325**		152
	$	**1,970**	$	1,580

(in thousands of Canadian dollars unless otherwise stated)

7. Inventory

		April 30, 2023		April 30, 2022
Carrying value of inventory:				
Doré	**$**	**1,297**	$	353
Goods in transit		**21**		42
Work-in-process		**81**		80
Stockpile		**40**		14
Supplies		**950**		1,046
	$	**2,389**	$	1,535

8. Investment

Marketable securities

The Company held a FVTPL investment in Westward Gold Inc. (formerly IM Exploration Inc.) ("WG"). At April 30, 2023, the Company held 3,872,000 (April 30, 2022 – 4,100,000) common shares valued at $0.165 for $639 representing a $197 unrealized gain for the year ended April 30, 2023 (April 30, 2022 - $287 unrealized loss from the original cost, valued at $492). The fair value of WG has been determined by reference to published price quotations in an active market.

While the Company will seek to maximize the proceeds it receives from the sale of its WG Shares, there is no assurance as to the timing of disposition or the amount that will be realized.

9. Mining interest, plant and equipment

		Mining Interest		Plant and Equipment Mining		Corporate Office Equipment		Total
Cost								
Balance, April 30, 2021	$	65,501	$	23,957	$	725	$	90,183
Increase in ARO provision (note 13)		195		-		-		195
Additions		621		1,210		15		1,846
Effect of foreign exchange		3,117		1,251		-		4,368
Balance, April 30, 2022		69,434		26,418		740		96,592
Increase in ARO provision (note 13)		218		-		-		218
Additions		628		292		127		1,047
Disposals		-		-		(78)		(78)
Effect of foreign exchange		4,104		1,503		-		5,607
Balance, April 30, 2023	$	74,384	$	28,213	$	789	$	103,386

(in thousands of Canadian dollars unless otherwise stated)

9. Mining interest, plant and equipment – (cont'd)

Depreciation								
Balance, April 30, 2021	$	(42,664)	$	(17,407)	$	(708)	$	(60,779)
Depreciation for the year		(1,063)		(1,750)		(10)		(2,823)
Effect of foreign exchange		(2,298)		(872)		-		(3,170)
Balance, April 30, 2022		(46,025)		(20,029)		(718)		(66,772)
Depreciation for the year		(1,225)		(1,519)		(26)		(2,770)
Disposals		-		-		78		78
Effect of foreign exchange		(2,577)		(1,115)		-		(3,692)
Balance, April 30, 2023	$	(49,827)	$	(22,663)	$	(666)	$	(73,156)
Carrying amounts								
Balance, April 30, 2022	$	23,409	$	6,389	$	22	$	29,820
Balance, April 30, 2023	**$**	**24,557**	**$**	**5,550**	**$**	**123**	**$**	**30,230**

San Martin
The Company's mining interest, plant and equipment pertain to gold and silver extraction and processing through its San Martin mine.

10. Exploration and evaluation assets

a) Creston Moly ("Creston") properties

The Company has acquired the rights to the following exploration properties:

i) *El Creston Project, Mexico*

The Company acquired a 100% interest in mineral claims known as the El Creston molybdenum property located northeast of Hermosillo, State of Sonora, Mexico, which has completed a Preliminary Economic Assessment on the property based on zones of porphyry-style molybdenum ("Mo")/copper ("Cu") mineralization. The mineral concessions are subject to a 3% net profits interest.

During the year ended April 30, 2022, the Company acquired additional claims from Minera Teocuitla SA de CV of Hermosillo, Sonora, Mexico. The Teocuitla claims are located in Opodepe, Sonora, Mexico beside the El Creston claim in the northwest part of the El Creston property.

ii) *Ajax Project, Canada*

The Company acquired a 100% interest in mineral claims known as the Ajax molybdenum property located in B.C.

iii) *Scottie Claims Royalty, Canada*

The Company acquired a 3% NSR in the Scottie gold claims located in B.C. During the year ended April 30, 2022, the Company sold its 3% NSR to Scottie Resources Corp. for $1,600. As the Scottie gold claims had a net book value of $nil, the full amount is shown as a gain on the consolidated statement of operations and comprehensive income (loss) for the year ended April 30, 2022.

(in thousands of Canadian dollars unless otherwise stated)

10. Exploration and evaluation assets – (cont'd)

b) American Consolidated Minerals ("AJC") properties

Toiyabe, U.S.A

The Company had the rights to a 100% undivided interest in the Toiyabe Gold Project ("Toiyabe"), located in Lander County, Nevada, United States of America. During the year ended April 30, 2021, the Company entered into a binding agreement with WG for the assignment of the Company's option to acquire a 100% interest in Toiyabe from the optionor. The Company transferred all of its rights and WG assumed all property claim and maintenance payments and all obligations under the current option agreement with the optionor. As consideration for the transfer, WG made payments of US$150,000 in cash and 4,100,000 common shares in the capital of WG. The WG shares were valued at fair market value at date of issue of $0.19 per share (see note 8) and are now free trading after a contractual escrow period of twelve (12) months.

The consideration received in cash and shares was valued at $966 and, as a result, the Company recorded a loss on Toiyabe of $1,116, in the Consolidated Statements of Operations and Comprehensive Income (Loss) for the year ending April 30, 2021. During the year ended April 30, 2022, the Company realized a loss of $40 attributable to the disposal of a reclamation bond associated with Toiyabe.

	Creston Properties	AJAX Properties	Total
Acquisition costs:			
Balance, April 30, 2022 and April 30, 2023	**$ 2,001**	**$ -**	**$ 2,001**
Exploration costs:			
Balance, April 30, 2021	$ 2,087	$ -	$ 2,087
Maintenance	491	-	491
Drilling costs	353	61	414
Foreign exchange	89	-	89
Balance, April 30, 2022	3,020	61	3,081
Maintenance	176	-	176
Drilling costs	274	34	308
Foreign exchange	134	-	134
BC Mining Exploration Tax Credit	-	(19)	(19)
Balance, April 30, 2023	**$ 3,604**	**76**	**$ 3,680**
Total Exploration and evaluation assets			
Balance, April 30, 2022	$ 5,021	$ 61	$ 5,082
Balance, April 30, 2023	**$ 5,605**	**$ 76**	**$ 5,681**

(in thousands of Canadian dollars unless otherwise stated)

11. Leases

Lease liabilities have been measured by discounting future lease payments at the incremental borrowing rate of 8% per annum and represents the Company's best estimate of the rate of interest that it would expect to pay to borrow, on a collateralized basis, over a similar term, an amount equal to the lease payments in the current economic environment. The Company recognized lease liabilities in relation its head office in Canada and machinery in Mexico. The following is a reconciliation of the changes in the lease liabilities and assets:

	Starcore	Bernal	Total
Opening balance, April 30, 2021	$ 223	$ 724	$ 947
Lease accretion	16	65	81
Lease additions	-	440	440
Payments	(66)	(545)	(611)
Foreign exchange	-	41	41
Lease liabilities, April 30, 2022	173	725	898
Lease accretion	12	41	53
Payments	(63)	(537)	(600)
Foreign exchange	-	33	33
Lease liabilities, April 30, 2023	**$ 122**	**$ 262**	**$ 384**

	April 30, 2023	April 30, 2022
Current	**$ 216**	$ 636
Non-Current	**$ 168**	$ 262
Total	**$ 384**	$ 898

	Office	Mining Equipment	Total
Lease asset, April 30, 2021	$ 208	$ 771	$ 979
Amortization	(52)	(595)	(647)
Additions	-	518	518
Foreign exchange	-	44	44
Lease asset, April 30, 2022	156	738	894
Amortization	(52)	(500)	(552)
Foreign exchange	-	34	34
Lease assets, April 30, 2023	**$ 104**	**$ 272**	**$ 376**

12. Financing costs

The Company’s financing costs for the year ended April 30, 2023 and 2022 as reported on its Consolidated Statement of Operations and Comprehensive Income (Loss) can be summarized as follows:

For the year ended April 30,	**2023**	2022
Unwinding of discount on rehabilitation and closure accretion (note 13)	**$ 200**	$ 160
Lease accretion Starcore (note 11)	**12**	16
Bank fees	**11**	9
Interest revenue	**(83)**	(4)
	$ 140	$ 181

(in thousands of Canadian dollars unless otherwise stated)

13. Rehabilitation and closure cost provision

The Company's asset retirement obligations consist of reclamation and closure costs for the mine. At April 30, 2023, the present value of obligations is estimated at $2,920 (April 30, 2022 - $2,353) based on expected undiscounted cash-flows at the end of the mine life of $3,246 (April 30, 2022 - $2,652), which is calculated annually over 5 to 10 years. Such liability was determined using a discount rate of 10% (April 30, 2022 – 10%) and an inflation rate of 6.90% (April 30, 2022 – 7.65%).

Significant reclamation and closure activities include land rehabilitation, demolition of buildings and mine facilities, closing portals to underground mining areas and other costs. Changes to the reclamation and closure cost balance during the period are as follows:

	April 30, 2023	April 30, 2022
Balance, beginning of year	**$ 2,353**	$ 1,952
Accretion expense	**200**	160
Increase in provision	**218**	195
Foreign exchange fluctuation	**149**	46
	$ 2,920	$ 2,353

14. Share capital

a) Common shares

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

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

During the year ending April 30, 2023, the Company completed a non-brokered private placement for $1,200 upon the issuance of 6,000,000 units (the "Units") at a price of $0.20 per Unit. Each Unit is comprised of one common share of the Company and one-half of one transferable common share purchase warrant (the "Warrants"), with each whole Warrant exercisable for a period of four years from the date of issue at a price of $0.30 per share. If after the expiry of all resale restrictions, the closing price of the Company's shares is equal to or greater than $0.40 per share for 20 consecutive trading days, the Company may, by notice to the Warrant holders reduce the remaining exercise period of the Warrants to not less that 30 days following the date of such notice.

The Company paid $47 as a finder's fee for the portion of the financing attributable to the finder's efforts.

b) Warrants

A summary of the Company's outstanding share purchase warrants at April 30, 2023 and April 30, 2022 and the changes during the year ended is presented below:

	Number of warrants	**Weighted average exercise price**
Outstanding at April 30, 2021	3,250,000	$ 0.21
Expired	(3,250,000)	0.21
Outstanding at April 30, 2022	-	-
Granted	3,000,000	0.30
Outstanding at April 30, 2023	**3,000,000**	**$ 0.30**

(in thousands of Canadian dollars unless otherwise stated)

14. Share capital – (cont'd)

b) Warrants – (cont'd)

During the year ending April 30, 2023, 3,000,000 warrants were issued that are exercisable at $0.30 per share expiring July 15, 2026. During the year ending April 30, 2022, no new warrants were issued and 3,250,000 warrants expired unexercised.

c) Share-based payments

The Company, in accordance with the policies of the Toronto Stock Exchange ("TSX"), was previously authorized to grant options to directors, officers, and employees to acquire up to 20% of the amount of stock outstanding. In January 2014, the Company's shareholders voted to cancel the Company's option plan and, as a result, the Company's Board of Directors have not grant further options and there were no options outstanding, for the years ending April 30, 2023 and April 30, 2022.

d) Deferred Share Units ("DSU") & Restricted Share Units ("RSU")

Effective August 1, 2016, The Board of Directors approved the adoption of a Restricted Share Unit and Deferred Share Unit Plan (the "RSU/DSU Plan"). Although the RSU/DSU Plan is share-based, all vested RSUs and DSUs will be settled in cash. No common shares will be issued. The Company may issue no more than the equivalent of 20% of its issued and outstanding common shares as RSU/DSU share incentives.

RSU

The RSU plan is for eligible members of the Board of Directors, eligible employees and eligible contractors. The RSUs vest over a period of three years from the date of grant, vesting as to one-third each year from date of grant. In addition to the vesting period, the Company has also set Performance Conditions that will accompany vested RSUs. The Performance Conditions to be met are established by the Board at the time of grant of the RSU. RSUs that are permitted to be carried over to the succeeding years shall expire no later than the third calendar year after the year in which the RSUs have been granted and will be terminated to the extent the performance objectives or other vesting criteria have not been met. The RSU share plan transactions during the year were as follows:

	Units
Outstanding at April 30, 2021	-
Granted	1,655,000
Outstanding at April 30, 2022	1,655,000
Cancelled	(87,500)
Granted	180,000
Exercised	(397,500)
Outstanding at April 30, 2023	1,350,000

180,000 RSU's were granted in the year ended April 30, 2023 (April 30, 2022 – 1,655,000). The RSU's have been valued at fair value of $0.18 per share as at April 30, 2023 (April 30, 2022 - $0.21), and the total fair value of this liability is recorded at $61 (April 30, 2022 - $53) under Trade and Other Payables on the Statements of Financial Position.

(in thousands of Canadian dollars unless otherwise stated)

14. Share capital – (cont'd)

d) Deferred Share Units ("DSU") & Restricted Share Units ("RSU") – (cont'd)

DSU

The Company introduced a DSU plan for eligible directors. The DSUs are paid in full in the form of a lump sum payment no later than December 31st of the calendar year immediately following the calendar year of termination of service. DSU Awards going forward will vest on each anniversary date of the grant over a period of 3 years. The DSU share plan transactions during the period were as follows:

	Units
Outstanding at April 30, 2021	800,000
Granted	1,725,000
Outstanding at April 30, 2022 and April 30, 2023	2,525,000

Based on the fair value at April 30, 2023 of $0.18 (2022 - $0.21) per share, the Company has recorded a liability of $429 (April 30, 2022 - $279) under Trades and Other Payable on the Statement of Financial Position. No DSU's were granted in the current year ended April 30, 2023 (April 30, 2022 – 1,725,000).

During the year ended April 30, 2023, a total of $157 (April 30, 2022 - $140) was recorded in the statement of profit and loss as share-based payments, included in management fees, wages and consulting.

15. Financial instruments

All significant financial assets, financial liabilities and equity instruments of the Company are either recognized or disclosed in the consolidated financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk. Cash and investments are carried at fair value. There are no material differences between the carrying values and the fair values of any other financial assets or liabilities due to their short-term nature. In the normal course of business, the Company's assets, liabilities and future transactions are impacted by various market risks, including currency risks associated with inventory, revenues, cost of sales, capital expenditures, interest earned on cash and the interest rate risk associated with floating rate debt.

a) Currency risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

A 10% increase or decrease in the CAD dollar exchange may increase or decrease comprehensive income (loss) by approximately $245. A 10% increase or decrease in the MXN$ exchange rate will decrease or increase comprehensive income (loss) by approximately $270.

(in thousands of Canadian dollars unless otherwise stated)

15. Financial instruments – (cont'd)

b) Interest rate risk

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

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

ii) To the extent that changes in prevailing market interest rates differ from the interest rates in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

c) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's maximum exposure to credit risk is with respect to its cash and account receivable, the balance of which at April 30, 2023 is $8,413 (April 30, 2022 - $10,398).

Cash and cash equivalents of $359 (April 30, 2022 - $1,105) are held at a Mexican financial institution, cash and cash equivalents of $5,742 (April 30, 2022 – $5,490) is held in US dollars at Canadian financial institutions and the remainder of $342 (April 30, 2022 - $2,223) are held at chartered Canadian financial institutions; the Company is exposed to the risks of those financial institutions. The taxes receivable are comprised of Mexican VAT taxes receivable of $1,125 (April 30, 2022 - $1,085) and GST receivable of $40 (April 30, 2022 - $28), which are subject to review by the respective tax authority. Trade receivables include $480 (April 30, 2022 - $315) due from one customer.

d) Liquidity risk

Liquidity risk arises from the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company accomplishes this by achieving profitable operations and maintaining sufficient cash reserves. As at April 30, 2023, the Company was holding cash and cash equivalents of $6,443 (April 30, 2022 - $8,818).

Obligations due within twelve months of April 30,	**2023**	**2024**	**2025**	**2026 and beyond**
Trade and other payables	$ 3,126	$ -	$ -	$ -
Reclamation and closure obligations	$ -	$ -	$ -	$ 3,426
Leases liability (undiscounted)	$ 240	$ 174	$ -	$ -

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

(in thousands of Canadian dollars unless otherwise stated)

15. Financial instruments – (cont'd)

e) Commodity risk

Mineral prices and marketability fluctuate and any decline in mineral prices may have a negative effect on the Company. Mineral prices, particularly gold and silver prices, have fluctuated widely in recent years. The marketability and price of minerals which may be produced and sold by the Company will be affected by numerous factors beyond the control of the Company. These other factors include delivery uncertainties related to the proximity of its resources to processing facilities and extensive government regulations related to price, taxes, royalties, allowable production land tenure, the import and export of minerals and many other aspects of the mining business. Declines in mineral prices may have a negative effect on the Company. A 10% decrease or increase in metal prices may result in a decrease or increase of $2,291 in revenue.

16. Commitments and related party transactions

Except as disclosed elsewhere in these consolidated financial statements, the Company has the following commitments outstanding at April 30, 2023:

a) The Company has a land rental commitment with respect to the land at the mine site, for MX$280k per month. The Company also has ongoing concession commitments on the mine site and on exploration and evaluation assets of approximately $800 per year.

b) The Company has management contracts to officers and directors totaling $600 and US$315 per year, payable monthly, expiring in April 2024 and US$400 per year until December 2023. Effective February 1, 2023, management agreed to defer 25% of the amounts payable on these contracts indefinitely. The Company paid the following amounts to key management personnel, consisting of the chief executive officer, president, chief financial officer, the chief operating office and directors in the years:

For the year ended April 30,		**2023**		2022
Management fees	**$**	**1,596**	$	1,141
Legal fees -Professional Fees		**71**		18
Directors fees -Salaries		**53**		54
Total	**$**	**1,720**	$	1,213

The Company also accrued $150 (2022 - $87) for DSU's for directors and $7 (2022 - $40) for RSU's which are not included above.

During the year ended April 30, 2023, the Company issued an advance to a key management personnel for the amount of $134 (US$100). As at April 30, 2023, the balance of the advance was $138 (US$102) (2022 - $nil) and included interest at the prescribed rates indicated by the Canada Revenue Agency (CRA).

17. Capital disclosures

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in the consolidated statements of changes in equity as capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets to reduce debt or return capital to shareholders. The Company is not subject to externally imposed capital requirements and there were no changes to the capital management in the year ended April 30, 2023.

(in thousands of Canadian dollars unless otherwise stated)

18. Earnings (loss) per share

The Company calculates the basic and diluted income per common share using the weighted average number of common shares outstanding during each period and the diluted income per share assumes that the outstanding vested stock options and share purchase warrants had been exercised at the beginning of the year. As at April 30, 2023 and 2022, all warrants outstanding were excluded in the dilutive weighted average shares outstanding as they were anti-dilutive. The denominator for the calculation of income per share, being the weighted average number of common shares, is calculated as follows:

For the years ended April 30,	2023	2022
Issued common share, beginning of year	**49,646,851**	49,646,851
Weighted average shares issued during the year	**4,750,685**	-
Diluted weighted average common shares	**54,397,536**	49,646,851

19. Segmented information

During the year ended April 30, 2023, the Company earned all of its revenues from one customer. As at April 30, 2023, the Company does not consider itself to be economically dependent on this customer as transactions with this party can be easily replaced by transactions with other parties on similar terms and conditions. The balance owing from this customer on April 30, 2023 was $480 (April 30, 2022 - $315). The Company operates in one segment, the revenue is from gold and silver mining generated in Mexico.

The Company operates in three reportable geographical and one operating segment. Selected financial information by geographical segment is as follows:

April 30, 2023	Mexico	Canada	USA	Total
Exploration & evaluation assets	$ 5,605	$ 76	$ -	**$ 5,681**
Right of use assets	272	104	-	**376**
Mining interest, plant and equipment	30,107	123	-	**30,230**
Deferred tax asset	-	2,812	-	**2,812**

April 30, 2022	Mexico	Canada	USA	Total
Exploration & evaluation assets	$ 5,021	$ 61	$ -	**$ 5,082**
Right of use assets	738	156	-	**894**
Mining interest, plant and equipment	29,798	22	-	**29,820**
Deferred tax asset	279	3,069	-	**3,348**

(in thousands of Canadian dollars unless otherwise stated)

20. Income taxes

Current and deferred income tax expenses differ from the amount that would result from applying the Canadian statutory income tax rates to the Company's earnings before income taxes. This difference is reconciled as follows:

For the year ended April 30,		2023		2022
Income (loss) before income taxes	$	(4,183)	$	2,701
Income tax expense (recovery) at statutory rate		(1,130)		729
Difference from higher statutory tax rates on earnings of foreign subsidiaries		(25)		33
Income taxes paid on prior year re-assessments		446		-
Effect of Mexican mining royalty tax (SMD) on deferred income tax liabilities		18		58
Recognition of previously unrecognized non-capital loss carry forward and other deductible tax benefits		1,764		(524)
Income tax (recovery) expense	$	1,073	$	296

The significant components of the Company's deferred income tax assets and liabilities are as follows:

		April 30, 2023		April 30, 2022
Deferred income tax assets (liabilities):				
Mining interest, plant and equipment	$	(6,327)	$	(6,116)
Payments to defer		(48)		(63)
Insurance		(9)		(7)
Reclamation and closure costs provision		1,310		976
Exploration assets		(725)		(550)
Expenses reserve		269		323
Pension-fund reserve		195		124
Deferred mining tax		(1,043)		(1,025)
Non-capital losses and other deductible tax benefits		3,719		4,251
Plant and equipment		125		109
Other		(355)		(284)
Deferred income tax liabilities, net	$	(2,889)	$	(2,262)

The Non-Capital losses are set to expire between 2027 and 2043 while the remaining loss carry forwards have no set expiry date. In accordance with Mexican tax law, Bernal is subject to income tax. Income tax is computed taking into consideration the taxable and deductible effects of inflation, such as depreciation calculated on restated asset values. Taxable income is increased or reduced by the effects of inflation on certain monetary assets and liabilities through an inflationary component.

20. Income taxes – (cont'd)

Mexico Tax Reforms

During December 2013, the 2014 Tax Reform (the "Tax Reform") was published in Mexico's official gazette with changes taking effect January 1, 2014. The Tax Reform included the implementation of a 7.5% Special

Mining Duty ("SMD") and a 0.5% Extraordinary Mining Duty ("EMD"). The Company has taken the position that SMD is an income tax under IAS 12 *Income tax*, as it is calculated based on a form of earnings before income tax less certain specified costs. The EMD is a calculation based on gross revenue and is therefore not considered an income tax. Both the SMD and EMD will be deductible for income tax purposes.

On April 29, 2023, the Mexican Senate approved a new mining reform, which includes the implementation of a 5% profit sharing tax with changes taking effect immediately. The Company has taken the position that the profit sharing tax is an income tax under IAS 12 *Income tax*, as it is calculated based on a form of earnings before income tax less certain specified costs. The profit sharing tax will be deductible for income tax purposes.

Management is currently disputing the SMD and the profit sharing tax, in a joint action lawsuit with other Mexican mining companies, with the applicable Mexican government authority. Management believes that the SMD and profit sharing tax are unconstitutional and should be overturned. In accordance with IFRS reporting standards, however, the estimated effect of the SMD and profit sharing tax has been accrued to the current and deferred income tax provisions as stated above. Should the Company be successful in overturning the SMD and profit sharing tax, in whole or in part, the accrued tax liabilities stated above will be reversed to recovery of income taxes in the applicable period.