



December 16, 2010

TSX: SAM

## Starcore Reports First Quarter of 2011

**Vancouver, B.C. – Starcore International Mines Ltd.** (the “Company”) has filed the results for the quarter ended October 31, 2010 for the Company and its mining operations from the San Martin Mine, Queretaro, Mexico. Over the first quarter ended October 31, 2010, the Company reports *revenues* of \$6.45 million, *earnings from mining operations* of \$2.67 million and a *net loss* of \$3.36 million, which includes a net \$2.95 million non-cash *unrealized loss on forward sales contracts* and a \$120,000 non-cash stock-based compensation charge on option awards vested in the year. The basic and diluted loss per share for the quarter ended October 31, 2010 was \$0.04.

The following table is a summary of mine production statistics for the San Martin mine for the three and nine months ended October 31, 2010:

<i>(Unaudited)</i>	<i>Unit of measure</i>	<b>Actual results for 3 months ended October 31, 2010</b>	<b>Actual results for 9 months ended October 31, 2010</b>
Production of Gold in Dore	<i>thousand ounces</i>	<b>4.1</b>	<b>11.1</b>
Production of Silver in Dore	<i>thousand ounces</i>	<b>4.97</b>	<b>121.8</b>
Equivalent ounces of Gold *	<i>thousand ounces</i>	<b>4.9</b>	<b>13.0</b>
Gold grade	<i>grams/tonne</i>	<b>2.09</b>	<b>1.99</b>
Silver grade	<i>grams/tonne</i>	<b>34</b>	<b>31</b>
Milled	<i>thousands of tonnes</i>	<b>71.9</b>	<b>203</b>
Operating Cost per tonne milled	<i>US dollars/tonne</i>	<b>37</b>	<b>37</b>
Operating Cost per Equivalent Ounce	<i>US dollars/ounces</i>	<b>555</b>	<b>588</b>

\* assuming a 63:1 silver to gold equivalency ratio for three months and 65:1 for the nine months ended October 31, 2010.

Overall equivalent gold production was 4,900 ounces over the three months ended October 31, 2010, compared to an average of 4,333 per quarter for the previous nine month period. The higher production was due mainly to higher ore grades, which averaged 2.09g/t and 34g/t for gold and silver, respectively, compared to an average of 1.99g/t and 31g/t in the 9 month period. The mine also increased tonnage through the mill to 71,900 tonnes for the quarter compared to 67,670 tonnes per quarter average for the 9 months.

The Company expects higher ore grades over the next quarter and is planning to increase ore grades further over the next year. The mine maintains exploration efforts to increase reserves of resources and to find higher grade deposits. Management also continues efforts to cut mine and administration costs, where possible, to improve earnings and cash flow.

The following table contains selected highlights from the Company’s unaudited consolidated statement of operations for the three months ending October 31, 2010 and 2009 (*all amounts per table and discussion below are stated in thousands of Canadian dollars*):

<i>(unaudited)</i>	<i>(000's)</i>	<b>October 31, 2010</b>	October 31, 2009
<b>Revenues</b>			
Mined ore		\$ 6,398	\$ 5,546
Purchased ore		52	280
		<b>\$ 6,450</b>	<b>\$ 5,826</b>
<b>Cost of Sales</b>			
Mined Ore		3,127	2,386
Purchased ore		52	252
Amortization and depletion and reclamation		606	541
		<b>\$ (3,785)</b>	<b>\$ (3,179)</b>
<b>Earnings from mining operations</b>		<b>2,665</b>	2,647
<b>Net loss</b>			
(i) Net income (loss)		\$ (3,361)	\$ (1,671)
(ii) Income (loss) per share - basic		\$ (0.04)	\$ (0.03)
(iii) Income (loss) per share - diluted		\$ (0.04)	\$ (0.03)

Revenues for the quarter ended October 31, 2010 were higher at \$6,450 compared to 2009 revenues of \$5,826, due mainly to higher metal prices in 2010, despite the lower equivalent metal production of 4,900 ounces compared to 5,400 ounces in the same period in the prior year. Overall revenues were higher but somewhat mitigated by the reduction in purchased concentrate in 2010 as the suppliers reduced operations and, consequently, reduced deliveries of purchased concentrates to San Martin. In addition costs were higher at an average operating cost of US\$555/EqOz for the quarter ended October 31, 2010, compared to an average operating cost of US\$449/EqOz in the quarter ended October 31, 2009. This increase was due mainly to the lower metal production and also to increased mining costs. Net income for the three months ended October 31, 2010, decreased by \$1,690 to a loss of \$3,361 due mainly to the fluctuation in unrealized forward sales contracts. Net realized and unrealized loss on forward contracts for the quarter ended October 31, 2010 was \$6,102 compared to a net loss for 2009 of \$4,150.

The Company also had positive cash flow from operations of \$547 for the three months ended October 31, 2010 compared to \$2,398 for the same period in 2009.

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

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

*Signed "Gary Arca"*

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Gary Arca, Chief Financial Officer and Director

FOR FURTHER INFORMATION PLEASE CONTACT INVESTOR RELATIONS

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