ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended on June 30, 2012

ABCOURT MINES INC.

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This management's discussion and analysis provides an analysis of our exploration results and our financial situation which will enable the reader to evaluate important variations in exploration results and in our financial situation for the period ended June 30, 2012, in comparison with the previous period. This report supplements our audited financial statements and should be read in conjunction with our financial statements and the accompanying notes. As a consequence of the adoption of the International Accounting Standards Board's ("IASB") standards and interpretations and the replacement of Canadian Generally Accepted Accounting Principles ("GAAP") by International Financial Reporting Standards ("IFRS") for publicly accountable enterprises, financial statements for the year ended June 30, 2012 were prepared in accordance with the applicable international accounting system. All monetary values included in this report are in Canadian dollars, unless it is indicated otherwise. Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our exploration results and our financial situation.

You are invited to consult the SEDAR web site at www.sedar.com, where all the documents filed according to the applicable Canadian security Laws may be found and the Abcourt web site at www.abcourt.com, where you will find a description of the mining properties.

INCORPORATION AND NATURE OF OPERATIONS

Abcourt Mines Inc. (the "Company" or "Abcourt") was incorporated by letters patent of amalgamation dated January 11, 1971 pursuant to Part 1 of the *Companies Act* (Quebec) and continued its existence under Part 1A of the same Act by certificate of continuation dated March 6, 1981. On February 14, 2011, the Company was continued automatically pursuant to the *Business Corporation Act* (Québec), following the coming into force of such Act. The Company is primarily engaged in the exploration of mining properties with a view to commercial production. It does not currently have any mines in production. The current Company's portfolio comprises only mining properties located in Abitibi, Province of Quebec, Canada.

FORWARD LOOKING STATEMENTS

Some statements contained in this MD&A constitute forward looking statements including, without limitation, anticipated developments in the Company's operations in future periods and other events or conditions that may occur in the future. These statements are about the future and are inherently uncertain and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those mentioned herein under heading "RISKS AND UNCERTAINTIES". Management believes that the expectations reflected in those statements are reasonable but no assurance can be given that these expectations will prove to be correct. It is recommended not to place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur.

GLOBAL PERFORMANCE OF THE 2012 FISCAL YEAR

During the 12-month period ended June 30, 2012, the Company issued 13,084,705 shares and 4,640,000 warrants for a total value of $1,438,000, including 10,555,000 flow-through units, for a value of $1,230,500. On June 30, 2012, an amount of $1,050,000 received for flow-through shares was reserved for exploration and evaluation. The exploration and evaluation expenses were incurred mostly on Abcourt-Barvue (diamond drilling) and Elder (dewatering) properties. Smaller amounts were spent for diamond drilling on the Vendôme, Jonpol and Vezza properties.

STATEMENT OF NET LOSS

Income

Our revenues consist essentially in interests received on certificates of deposit. In comparison with the previous year, our revenues increased from $38,479 to $91,999 as a higher amount was invested in certificates of deposit over a longer period of time.

Administrative Expenses

The administrative expenses decreased from $1,283,651 in 2011 to $641,088 in 2012. The largest decrease was in share-based compensation from $742,100 in 2011 to $36,000 in 2012. In 2011 and 2012, options were granted to directors and officers of the Company.

Loss before income tax

The operating loss before income tax decreased from $1,245,152 in 2011 to $539,209 in 2012. The interest income was higher and the administrative expenses were lower as explained above.

Net Loss and comprehensive loss

The net loss and comprehensive loss decreased from $1,004,002 in 2011 to $503,109 in 2012. The administrative expenses were lower and the income taxes and deferred taxes were also lower. The loss per basic and diluted share decreased from $0.01 in 2011to $0.00 in 2012.

RESULTS FOR THE FOURTH QUARTER

Income

As noted above, our revenues consist mainly of interests received on certificates of deposit. For the 4th quarter, the amount was $20,036.

Administrative expenses

During the 4th quarter, the administrative expenses totalled $145,598.

Net Profit (Net Loss)

After the deferred income and mining taxes, the net loss for the 4th quarter was $103,359.

STATEMENT OF CASH FLOWS

Operating Activities

Operating activities before the variations in the non-cash items of the working capital generated a negative cash flow of $1,004,002 in 2011 and $503,109 in 2012. The non-cash items of the working capital generated $27,202 in 2012 and $516,043 in 2011.

Financing

Financings by the issue of shares and warrants, net of financing costs, amounted to $10,341,357 in 2011 and $1,084,524 in 2012. These amounts and our cash position were more than sufficient to cover our deferred exploration and evaluation expenses, the Aldermac option payment, the purchase of claims for Abcourt-Barvue and our general administrative expenses.

Investment

In 2012 and 2011, the largest investment was the acquisition of exploration and evaluation assets for about $3.2M in both years. The term deposit and cash reserved for exploration and evaluation affected the investing activities by adding $1,035,000 in 2011 and subtracting $1,050,000 in 2012. Tax credits and mining duties received were important in 2012 with an amount of $553,853 received.

Cash and cash equivalents at the end of the year

The cash and cash equivalents on June 30, 2012 was $4,475,798 compared to $7,268,300 in 2011.

EXPLORATION AND EVALUATION ASSETS

Mining properties

During the 2012 period, an addition of $87,887 was made by the purchase of 80 claims which were added to the Abcourt-Barvue property.

Also in 2012, a $300,000 option payment in shares and cash was made to complete the purchase of the Aldermac claims.

Exploration and evaluation expenses

In 2012, the exploration and evaluation expenses before mining duties and tax credits totaled $3,013,199, compared to $3,119,239 in 2011. In both years, these expenses were reduced by tax credits and receivable mining duties. In 2012, these credits amount to $517,942.

The tax credits are given by the Quebec provincial government for exploration expenses incurred in Quebec when these expenses are not financed by flow-through shares sold in Quebec.

Details on the two most important items in the June 30, 2012 deferred expenses:

In 2012, we spent $2,007,359 on the dewatering and the rehabilitation of the Elder mine. This was the most important item in deferred expenses.

The second most important item was diamond drilling, including $587,005 on Abcourt-Barvue, $105,762 on Vendôme, $205,263 on Jonpol and $107,310 on Vezza. These costs include associated costs like assays, engineers and technicians and general expenses. More details are given with the description of properties.

BALANCE SHEETS

The assets on June 30, 2012 totalled $20,720,267 compared to $19,592,087 on June 30, 2011. Financings realized during the fiscal year increased the value of the asset by $1.1M.

MODIFICATIONS TO OUR ACCOUNTING POLICIES

As indicated previously, we have adopted the IASB accounting policies.

CHANGES IN ACCOUNTING POLICIES

As a consequence of the adoption of the International Accounting Standards Board's ("IASB") standards and interpretations and the replacement of Canadian Generally Accepted Accounting Principles ("GAAP") by International Financial Reporting Standards ("IFRS") for publicly accountable enterprises, financial statements for the year ended June 30, 2012 were prepared in accordance with the applicable international accounting standards.

Comparative financial information has been prepared in accordance with the IFRS that are applicable at June 30, 2012 and in compliance with IFRS 1 on first-time adoption of IFRS. The impacts of this change in accounting standards for equity, as at the comparative year end and comprehensive loss for the comparative year end and year to date, are presented in Note 18.

The financial statements do not take into account:

- draft standards that are still at the exposure draft stage with the International Accounting Standards Board (IASB);

- standards published and approved by the IASB, but with an application date post June 30, 2012.

Certain new standards, interpretations and amendments to existing standards have been published and are mandatory for accounting year beginning on or after January 1st, 2012 or later year. The Company has not early adopted these standards. Those which are considered to be relevant to the Company's operations are as follows:

IFRS 9, Financial Instruments

IFRS 9 is the first phase of the IASB's three phase project to replace IAS 39 Financial Instruments: Recognition and Measurement. It is applicable to financial assets and requires classification and measurement in either the amortized cost or the fair value category. IFRS 9 is applied prospectively with transitional arrangements depending on the date of application. The Standard is not applicable until annual periods beginning on or after January 1st, 2015, but is available for early adoption. The Company has not begun assessing the impact of adopting IFRS 9; however, it anticipates that its impact will be limited.

On May 12, 2011, IASB issued the final standards - Consolidated Financial Statements (IFRS 10), Joint Arrangements (IFRS 11) and Disclosure of Interests in Other Entities (IFRS 12) as well as amendments adopted consequently to IAS 27 newly entitled "Separate Financial Statements" and to IAS 28 newly entitled "Investments in Associates and Joint Ventures". IASB also issued IFRS 13 "Fair Value Measurement" at the same date. The effective date scheduled by the IASB for these new standards and the amended standards concern reporting periods beginning on January 1st, 2013.

IFRS 11, *Joint Arrangements*
IAS 28, *Investments in Associates and Joint Ventures*

The new IFRS 11 cancels and replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities" – Non-Monetary Contributions by Venturers". IFRS 11 introduces new accounting requirements for joint arrangements. The option to apply the proportional consolidation method when accounting for jointly controlled entities, that allows the parent company to record in its consolidated financial statements (statement of financial position and comprehensive income) its interest's prorata is removed. The equity method of accounting now applies to joint ventures. The IAS 28 as amended in 2011 now entitled "Investments in Associates and Joint Ventures" supersedes the current IAS 28 "Interests in Joint Ventures". IAS 28 is amended to conform with changes adopted based on the issuance of IFRS 10, IFRS 11 and IFRS 12. The Company has not completed its evaluation of the impact of the adoption of these new standards but expects that its impact will be limited.

IFRS 13, Fair Value Measurement

IFRS 13 explains how to determine the fair value when its application is already required or permitted by other standards within IFRS. It doesn't produce supplementary fair value evaluations. The requirements included in IFRS 13 provide a precise definition of fair value and a single source of fair value measurement and disclosures requirements for use across IFRS. The

Company has not completed its evaluation of the impact of the adoption of IFRS 13 but expects that its impact will be limited.

SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These financial statements of Abcourt Mines Inc. were prepared by management in accordance with IFRS, as issued by the IASB. Abcourt Mines Inc.'s results and financial position are presented under IFRS and the current financial statements were prepared in accordance with IFRS 1, *First-time Adoption of IFRS*. Those accounting policies are based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing the opening IFRS statement of financial position as at July 1st, 2010 for the purposes of the transition to IFRS, unless otherwise indicated.

Financial Statements and Functional Currency

The financial statements were prepared in accordance with IFRS. The reporting currency and the currency of all operations of the Company is the Canadian dollar, since it represents the currency of the primary economic environment in which the Company operates.

Cash and Cash Equivalents

The Company presents cash and term deposits with original maturities of three months or less from acquisition date in cash and cash equivalents. Term deposits may be cashed in any time, thus they are presented in cash and cash equivalents.

Tax Credit Related to Resources and Mining Taxes Credit

The Company is entitled to a tax credit related to resources of 35% on eligible exploration expenses incurred in the province of Quebec. In addition, the Company is entitled to a mineral tax credit equal to 15.5% of 50% of eligible exploration expenditures, reduced of tax credit related to resources. These amounts are based on estimates made by management and provided that the Company is reasonably certain that they will be received. At that time, tax credit related to resources and mining tax credit are recorded as a reduction of exploration and evaluation expenses.

Term deposit reserved for Exploration and Evaluation

Funds reserved for exploration and evaluation represent proceeds of financing not yet incurred in exploration and evaluation. The Company must use these funds for mining exploration and evaluation activities in accordance with restrictions imposed by those financing. As at June 30, 2012 funds reserved for exploration and evaluation amount to $1,050,000. As at June 30, 2011, the Company had no funds reserved for exploration and evaluation.

Exploration and Evaluation Assets

Expenditures incurred before the entity has obtained the legal rights to explore a specific area are recognized as expenses. Expenditures related to the development of mineral resources are not recognized as exploration and evaluation assets. Expenditures related to the development are accounted as an asset only when the technical feasibility and commercial viability of a specific area are demonstrated and when recognition criteria of IAS 16 *Property, Plant and Equipment* or IAS 38 *Intangible Assets* are fulfilled.

All costs associated with property acquisition and exploration and evaluation activities are capitalized as exploration and evaluation assets. Costs that are capitalized are limited to costs related to acquisition and exploration and evaluation activities that can be associated with the discovery of specific mineral resources, and do not include costs related to production (extraction costs), and administrative expenses and other general indirect costs. Exploration and evaluation expenditures are capitalized when the following criteria are satisfied:

- they are held for use in the production of mineral resources;

- the properties have been acquired and expenses have been incurred with the intention of being used on a continuing basis; and

- they are not intended for sale in the ordinary course of business.

Costs related to the acquisition of mining properties and to exploration and evaluation expenditures are capitalized by property until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. When the technical feasibility and commercial viability of extracting a mineral resource are demonstrated, exploration and evaluation assets are reclassified as mining assets under development and amortized according to the unit of production method. Exploration and evaluation assets are assessed for impairment before reclassification, and any impairment loss recognized.

The Company reconsiders periodically facts and circumstances in IFRS 6 that require testing exploration and evaluation assets for impairment. When facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount, the asset is tested for impairment. The recoverable amount is the higher of fair value less costs for sale and value in use of the asset (present value of the future cash flows expected). When the recoverable amount of exploration and evaluation assets is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount by recording an impairment loss.

The carrying amount of exploration and evaluation assets do not necessarily represents present-time or future value.

Impairment of Long-lived Assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The recoverable amount is the higher of its fair value less costs for sale and its value in use (present value of the future cash flows expected). An impairment loss is recognized when their carrying value exceeds the recoverable amount. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its recoverable amount.

Property, Plant and Equipment

Property, plant and equipment are accounted for at historical cost less any accumulated impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Amortization of property, plant and equipment is calculated using declining method and at the following rates:

Vehicle	30%
Equipment and furniture	20%

The mill, the water treatment plant and tailings pond are not amortized because they have not been utilized yet. Gains or losses on disposal of property, plant and equipment are determined by comparing the net proceed with the net carrying amount of the asset and are included in the statement of net loss and comprehensive loss.

Financial Instruments

Financial assets are initially recognized at fair value and their subsequent measurement is dependent on their classification in the following categories: held-to-maturity investments, available-for-sale, loans and receivables and at fair value through profit or loss ("FVTPL") and other liabilities. Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Company's designation of such instruments. Transaction date accounting is used.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity. After initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment loss. The Company has no held-to-maturity investment.

Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale, or that are not classified as loans and receivables, held-to-maturity or at FVTPL. Available-for-sale financial assets are carried at fair value with unrealized gains and losses included in accumulated other comprehensive loss until realized; the cumulative gain or loss is then transferred to profit or loss statement. The Company has no investment as available-for-sale.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading purposes or available for sale. These assets are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. Cash and cash equivalents, term deposit reserved for exploration and evaluation and other receivable are classified as loans and receivables.

Financial asset at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL include financial assets held by the Company for short-term profit, derivatives not in a qualifying hedging relationship and assets voluntarily classified in this category, subject to meeting specified criterias. These assets are measured at fair value, with any resulting gain or loss recognized in the profit or loss statement. The Company has no financial asset classified as at FVTPL.

Other liabilities

Other liabilities are initially recognized at fair value less transaction costs directly attributable. Thereafter, they are measured at amortized cost using the effective interest method. Accounts payable and accrued liabilities are classified as other liabilities.

Transaction costs

Transaction costs related to financial asset at fair value through profit or loss are recognised as expenses are incurred. Transaction costs related to available-for-sale financial assets, investments held to maturity, loans and receivables are added to the carrying value of the asset and transaction costs related to other liabilities are netted against the carrying value of liability. They are then recognized over the expected life of the instrument using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including transaction costs or fees, premiums or discounts earned or incurred for financial instruments that form an integral part of the effective interest rate) through the expected life of the financial asset/liability, or, if appropriate, a shorter period.

Provisions

A provision is a liability for which the maturity or the amount is uncertain. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The management of the Company determined that there was no provision required as at June 30, 2012 and as June 30, 2011.

Share-based Payment

The Company accounts for stock-based compensation over the vesting period of the rights to stock options. Share purchase options granted to employees and directors and the cost of services received are evaluated and recognized on fair value basis using the Black-Scholes option pricing model.

Equity-settled Share-based Payment Transactions

For transactions with parties other than employees, the Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. When the Company cannot estimate reliably the fair value of the goods or services received, it measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

Flow-through Shares

IFRS do not specifically address the accounting for flow-through shares or the related tax consequences arising from such transactions. The Company has adopted the view expressed by the Mining Industry Task Force on IFRS created by the Canadian Institute of Chartered Professional Accountants and the Prospectors and Developers Association of Canada.

The Company considers that the issue of flow-through shares is in substance an issue of common shares and the sale of tax deductions. The sale of tax deductions is measured using the residual method. At the time the flow-through shares are issued, the sale of tax deductions is deferred and presented as other liability in the statement of financial position. When eligible expenditures are incurred (as long as there is the intention to renounce them), the sale of tax deductions is recognized in the income statement as a reduction of deferred tax expense and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base. Deferred tax liabilities resulting of the renouncement of expenditures related to flow-through shares can be reduced by the recognition of previously unrecognized deferred tax assets.

Capital Stock

Common shares issued in counterpart of cash are recorded at their selling price.

Fair Value of the Warrants

Proceeds from placements are allocated between shares and warrants issued using the relative fair value method. The Company uses the Black-Scholes pricing model to determine the fair value of warrants issued.

Share Issuance Expenses

Share issuance expenses are recorded as an increase of the deficit in the year in which they are incurred.

Basic and Diluted Loss per Share

The basic loss per share is calculated using the weighted average of shares outstanding during the year. The diluted loss per share, which is calculated with the treasury method, is equal to the basic loss per share due to the anti-dilutive effect of share purchase options and warrants.

Revenue Recognition

Investment transactions are accounted for using the accrual basis and interest income is accrued based on the number of days the investment is held during the year.

Mining properties Options Agreements

Options on interests in mining properties acquired by the Company are recorded at the value of the consideration paid, including other future benefit given up but excluding the commitment for future expenditures. Commitment for future expenditures does not meet the definition of a liability and thus are not accounted for immediately. Expenditures are accounted for only when incurred by the Company.

When the Company sells interest in a mining property, it uses the carrying amount of the interest before the sale of the option as the carrying amount for the portion of the interest retained, and credits any cash consideration received and also fair value of other financial assets against the carrying of this portion (any excess is recognized as a gain in profit or loss).

NSR Royalties

The NSR royalties are generally not accounted for when acquiring the mining property since they are deemed to be a contingent liability. Royalties are only accounted for when probable and can be measured with sufficient reliability.

Income Taxes and Deferred Taxes

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes except when deferred income results from an initial recognition of goodwill or from initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they will reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year and which, expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income or loss in the year that includes the enactment date. The Company establishes a valuation allowance against deferred income tax assets if, based on available information, it is probable that some or all of the deferred tax assets will not be realized.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. At the end of each reporting period of financial information, the Company reassesses the tax deferred asset not recognized. Where appropriate, the Company records a tax deferred asset that had not been recorded previously to the extent that, it has become probable that future taxable profit will recover the tax deferred assets.

Segment Disclosures

The Company currently operates in a single segment: the acquisition, exploration and development of mining properties. All of the Company's activities are conducted in Canada.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires management to use good judgment and to make estimates and assumptions that affect the application of accounting policies as well as the carrying amount of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed regularly. Any revisions to accounting estimates are recognized in the period during which the estimates are revised and in future periods affected by these revisions.

Impairment of Long-lived Assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The recoverable amount is the higher of its fair value less costs for sale and its value in use (present value of the future cash flows expected). An impairment loss is recognized when their carrying value exceeds the recoverable amount. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its recoverable amount.

Provisions and contingent liabilities

The judgment is used to determine whether a past event has created a liability that should be recorded in the financial statements or whether it should be presented as a contingent liability. Quantify these liabilities involves judgments and estimates. These judgments are based on several factors, such as the nature of the claim or dispute, legal procedures and the potential amount to be paid, legal advice obtained, previous experience and the likelihood of the realization of a loss. Many of these factors are sources of uncertainty in estimates. As at June 30, 2012 and 2011, the contingencies of the Company concern environmental impact and flow-through shares.

Share-based payment

The fair value of share purchase options granted to employees is determined using Black-Scholes pricing model that takes into account the exercise price and expected life of the option, the current price of the underlying stock, its expected volatility, the expected dividends on the stock, and the current risk-free interest rate for the expected life of the option. The inputs used to determine the fair value are composed of significant judgements and estimates aim to approximate the expectations that likely would be reflected in a current market or negotiated exchange price for the option. The significant judgment made by the management of the Company concerns the establishment of the volatility percentage and the fair value method used.

Income taxes and deferred taxes

When recording and estimating deferred taxes, management must make judgment in relation with the interpretation of the laws substantively enacted, the income taxes rate used to establish the amounts, the economic and business conditions as well as corporate structure and taxation referred to determine what might be the impacts on the taxable income in future periods. To date, the management of the Company has not recognized any deferred tax assets in excess of existing taxable temporary differences expected to reverse with carry-forward period.

Other New Standards

Other new standards have been published but they should not have a significative impact on the Company's financial statements.

TRANSITION TO IFRS

The Company's financial statements for the year ended June 30, 2012 are the first annual financial statements that comply with IFRS and these financial statements were prepared as described in Note 2.

Reconciliation of Canadian GAAP to IFRS

Adoption of IFRS had no incidence on the total amount of equity as at June 30, 2011 but it reduced the amount of equity as at July 1st, 2010 for an amount of $205,970.

Reconciliation of equity, statement of loss and comprehensive loss as previously reported under Canadian GAAP to IFRS is presented as follows:

Reconciliation of net loss and comprehensive loss

For the year ended	June 30, 2011 $
Net loss and comprehensive loss previously reported under Canadian GAAP	925,872
Adjustment for the change in accounting policy related to flow-through shares	78,350
Net loss and comprehensive loss under IFRS	1,004,002

Reconciliation of Equity

	June 30, 2011 $	**July 1st, 2010** $
Total shareholders' equity under Canadian GAAP	19 283 855	9 212 909
Adjustment for change in accounting policy related to flow-through shares	-	(205 970)
Total Equity under IFRS	19 283 855	9 006 939

Reconciliation of flow-through shares

As noted on page 11**,** the Company has decided to follow the view point published in May 2011 by the Mining Industry Task Force created by the Canadian Institute of Professional Chartered

Accountants and the Prospectors and Developers Association of Canada relatively to the accounting treatment for flow-through shares and the impacts of this change were as follows:

As at July 1st, 2010, the cumulative impact of this change resulted in a $164,574 decrease in capital stock, a $306,423 decrease in contributed surplus, a $243,857 decrease in warrants and a $508,884 decrease of deficit.

As at June 30, 2011, the cumulative impact of this change resulted in a $479,391 increase in capital stock, a $398,252 decrease in contributed surplus, a $831,173 decrease in warrants and a $750,034 decrease of deficit.

For the year ended June 30, 2011, net loss and comprehensive loss was increased of an amount of $78,350 coming from a) the recognition of a deferred creditor tax charge of $241,150 in order to recognize the fulfillment of a portion of the obligation to transfer to investors tax deductions by the Company and b) the reversal of deferred income taxes related to flow-through shares issuance amounting to $319,500.

Except for the change in net loss going from $925,652 to $1,004,002 and the adjustment of income taxes and deferred taxes from operating activities going from $319,500 to $241,150, the statement of cash flows has not undergone any other change for the year ended June 30, 2011.

PRINCIPAL ANNUAL INFORMATIONS (AUDITED)

Periods ended on June 30	**2012**	**2011**	**2010**
Result ($)			
Interests	91,999	38,479	4,464
Net loss	(503,109)	(1,004,002)	(45,101)
Net loss per share diluted	(0.00)	(0.01)	(0.00)
Balance Sheets ($)			
Cash and cash equivalent	4,475,798	7,268,300	(64,421)
Total assets	20,720,267	19,592,087	9,485,106
Long-term debt	--	--	--
Mining Exploration ($)			
Exploration expenses net of mining duties and tax credits	2,495,257	2,672,044	995,684

QUARTERLY INFORMATION (non-audited)

	2012 June	2011 June	2012 March	2011 March	2011 Dec.	2010 Dec.	2011 Sept.	2010 Sept.
Results ($)								
Interests	20,036	25,467	20,217	10,960	24,808	1,219	26,938	833
Net profit (Net loss)	(103,359)	(866,294)	(223,682)	200,820	(125,198)	(148,767)	(50,870)	(189,761)
Net profit (Net loss) per share diluted	(0.00)	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.00)
Balance Sheets ($)								
Cash and cash equivalent	4,475,798	7,268,300	5,405,867	2,672,962	5,809,879	2,264,768	6,751,715	650,000
Total assets	20,720,267	19,592,087	19,691,903	14,029,581	19,650,360	13,560,719	19,475,596	9,423,279
Long-term debt.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Mining Exploration ($)								
Exploration and evaluation expenses net of mining duties and tax credits	(82,386)	478,461	951,854	827,938	947,172	1,060,419	678,617	305,226

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

The Company provided information on its deferred exploration and evaluation assets in note 7 of its annual financial statements for the year ended June 30, 2012 and June 30, 2011. The Company has no deferred expenses other than mining properties and deferred exploration and evaluation assets.

The Company has no research and development expenses and no development costs.

The following table provides details on the general and administrative expenses for the June 30, 2011 and June 30, 2012 fiscal periods:

ADMINISTRATIVE EXPENSES	2012	2011
Part XII.6 taxes	$3,227	$25,000
Amortization of fixed assets	27,302	15,093
Professional fees	199,583	45,804
Consultant fees	111,910	117,559
Restoration of a mining site	64,471	92,898
General administrative expenses	121,134	151,911
Advertising	8,132	19,275
Registration, listing fees and shareholders' information	69,329	74,011
Stock-based compensation	36,000	742,100
	$641,088	$1,283,651

CONTRACTUAL OBLIGATIONS

Long-term Debt

The Company has no long-term debt.

Royalties

Property	Royalty	Property	Royalty
Elder	2 to 3% NSR	Tagami	1 to 2% NSR
Barvue	$0.25 per short ton	Jonpol	2.5% NSR
Vendome	2% on Xstrata claims	Aldermac	$2.00/t for 1.5 M t
Abcourt	0	Aldermac West	2% NSR

Environment

A settling pond on the Abcourt-Barvue property was restored in 2005 and restored again during the periods ended June 30, 2009, June 30, 2010 and June 30, 2011. We also installed a small water treatment plant to treat a small leachate produced by the restored basin. Restoration expenses were $64,471 for 2012 and $92,898 for 2011.

OFF BALANCE SHEET ARRANGEMENTS

The Company did not enter into any arrangements off balance sheet.

TRANSACTIONS WITH RELATED PARTIES

During the year, the Company incurred exploration and evaluation expenses amounting to $278,298 ($258,382 in 2011), administrative fees of $6,422 ($7,215 in 2011), restoration of a mining site $8,807 ($5,143 in 2011), share insuance expenses of $16,000 in 2011, and allocation and rental of vehicles and equipment amounting to $8,560 in 2011 with Decochib inc., a company whose president is also president of Abcourt Mines Inc.

During the year, the Company incurred administrative fees amounting to $4,463 ($23,235 in 2011) and share issuance expenses amounting to $18,822 in 2011 with two directors of Abcourt Mines Inc.

These transactions are in the normal course of operations and are measured at transaction value, which is the amount of consideration established and agreed by the related parties.

AUTHORIZED AND ISSUED CAPITAL STOCK AS AT JUNE 30, 2012

Share Class	Par Value	Authorized Number	Number of shares Issued	Amount Received
Class A (not voting)	None	Unlimited	None	0
Class B (voting)	None	Unlimited	162,034,772	$34,445,765
Preferred	To determine	Unlimited	None	0

As of the date of this report, the Company has 167,019,772 class B share (common) issued and outstanding.

SHARES AND WARRANTS ISSUED IN 2012

During the period ended on June 30, 2012, 13,084,705 shares were issued for an amount of $1,225,688 and 4,640,000 warrants were issued for an amount of $32, 672. The premium on flow-troughs was $206,140. The value of the warrants was calculated according to the Black-Scholes method.

For additional information, see notes 10 and 11 in the audited financial statements for the fiscal period ended on June 30, 2012.

OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES AT JUNE 30, 2012

Options

The following table summarizes the information on the options granted according to the option plan of the Company.

Options Outstanding	**Weighted average remaining contractual life**	**Exercise price $**
7,500,000	4 years	0.12
1,250,000	3.2 years	0.10
600,000	4.4 years	0.10
350,000	2.7 years	0.10
200,000	2.4 years	0.10
200,000	2.2 years	0.10
100,000	2.7 years	0.16
10,200,00		

Warrants

Changes in the Company's warrants were as follows:

	2012		2011	
	Number	**Weighted average exercise price**	**Number**	**Weighted average exercise price**
		$		$
Balance, beginning of year	72,769,875	0.22	14,204,879	0.21
Granted	4,640,000	0.20	64,971,496	0.22
Expired	(9,398,379)	0.18	(4,526,318)	0.27
Exercised	-	-	(1,880,182)	0.17
Balance, end of year	68,011,496	0.23	72,769,875	0.22

The following table summarizes the information relating to the warrants.

Warrants Outstanding	Price $	Expiry Date
265,000	0.15	December 2012
24,245,787	0.195	December 2012
3,986,821	0.30	December 2012
35,138,888	0.26	April 2013
4,375,000	0.20	June 2013
68,011,496		

During the year, the Company granted warrants to investors through private and public placements. The fair value of warrants was estimated using the Black-Scholes pricing model considering the following weighted average assumptions: estimated duration of 1 year, risk-free interest rate of 1%, share price at the time of grant of $0.10, dividend yield of 0% and expected volatility rate of 67.8%.

Options granted to brokers and intermediaries

During the year, the Company granted options to brokers and intermediaries. The fair value of each options granted was estimated using the Black-Scholes options pricing model according to the following weighted average assumptions: estimated duration of 1 year, risk-free interest rate of 1.01%, share price at the time of grant of $0.10, dividend yield of 0% and expected volatility rate of 67%.

Changes in Company's options to brokers and intermediaries were as follows:

	2012		2011	
	Number	**Weighted average exercise price**	**Number**	**Weighted average exercise price**
		$		$
Balance, beginning of year	5,037,933	0.17	1,119,833	0.14
Granted	568,750	0.12	4,689,907	0.16
Expired	(348,026)	0.13	(57,000)	0.26
Exerced	-	-	(714,807)	0.13
Balance, end of year	5,258,657	0.15	5,037,933	0.17
Weighted average fair value of options granted to brokers and intermediaries		0.02		0.07

Convertible securities
None

Escrowed shares
None

MINING PROPERTIES

Abcourt Mines Inc. (the "Company") has two mining projects at an advance stage of development in Abitibi, Quebec, Canada:

- A silver/zinc project with the Abcourt-Barvue and Vendome properties north of Val-d'Or Quebec, Canada.
- A gold project with the Elder and Tagami properties near Rouyn-Noranda, Quebec, Canada.

and two advanced exploration projects, also in Abitibi, Quebec, Canada:

- The Aldermac property located near Rouyn-Noranda, Quebec, Canada with historical resources in copper, zinc, silver and gold.
- The Jonpol property located near Amos, Quebec, Canada with historical resources in copper, zinc, silver and gold.

Here is some information on each property:

ABCOURT-BARVUE PROPERTY

The Abcourt-Barvue property is conveniently located at Barraute, 60 kilometers (35 miles) north the mining community of Val-d'Or, Quebec. It covers 5,865 hectares with 139 claims and two (2) mining concessions held 100% by Abcourt.

In 1950, zinc was discovered on surface on the Barvue claims. The mine was operated from 1952 to 1957 with an open pit by Barvue Mines Limited and from 1985 to 1990 with an underground operation by Abcourt Mines Inc.

Our objective is to place this property into production. From 2002 to 2007, several drilling programs, technical and environmental studies were completed or were done to provide data for a feasibility study and to support our applications for permits. The feasibility study is now completed but various alternatives are considered to improve the profitability of this project. In February 2011, Abcourt purchased the Xstrata Zinc Canada Division interest in fifteen half claims being part of the Vendome property. The purchase of these claims will allow us to add Vendome to the Abcourt-Barvue project.

In May 2006, a revision of the Abcourt-Barvue resources was completed by an independent qualified person, Mr. Jean-Pierre Bérubé, P.Eng., consultant for MRB & Associates of Val-d'Or, Québec, Canada. This revision was made according to NI 43-101 Standards. This report is available on SEDAR.

Genivar, Limited Partnership of Quebec City and Bumigeme of Montréal, completed a feasibility study, which was published in February 2007. With this feasibility study, almost all the resources were converted into proven and probable ore reserves. This report is available on SEDAR.

The mining plan involves the extraction of 85% of the ore from an open pit and the treatment of this ore in a mill built on the mine site with a capacity of 1,800 tonnes per day for a total of 650,000 tonnes per year.
We are also evaluating the possibility of increasing the mill capacity to 2,740 tonnes per day, for a total of 1,000,000 tonnes per year. To reach this objective, it is necessary to upgrade some inferred resources at Abcourt-Barvue and to add to the project some historical resources at Vendome. A surface drilling program in the western part of Abcourt-Barvue was realized in 2011-2012 with the objective of upgrading into indicated resources a block of mineralization located at depths of 150 to 200 meters. During the fiscal period ended on June 30, 2012, eighteen (18) holes were drilled (AB11-53 to AB11-71) for a total of 5,857 meters at a total cost of $587,005, that is $100.26 per meter. In general, these holes gave excellent results (see Press Release dated February 15, March 7 and March 22, 2012). The next step will be to revise the resources and reserves in conformity with N.I. 43-101.

THE VENDÔME PROPERTY

The Vendome property is located 11 kilometres (seven miles) south of the Abcourt-Barvue property. It comprises 59 full claims for a total of 2,546 hectares owned 100% by Abcourt.

In the 1950's, a small ore body was discovered and a three-compartment shaft was sunk to a depth of 160 meters (525 feet). Three levels were established at depths of 76 meters (250 feet), 114 meters (375 feet) and 152 meters (500 feet). A total of 2,134 meters (7,000 feet) of drifts and raises were excavated and 351 holes were drilled underground for a total of 66,700 meters (218,776 feet). At the same time, two deposits, the **Barvallee** and the **Belfort** were found on strike to the west by surface drilling. In addition, some holes drilled in the Magador batholith found some gold values.

In 1987, a surface plant was installed and a short (76 meters) ramp was excavated on the Barvallee part of the property.

In 1998, the Company drilled nine holes for a total of 1,505 meters (4,936 feet) in the Barvallee sector of the zone. Results were very encouraging.

In 2011, four holes were drilled to confirm historical resources and excellent results were obtained. See our Press Release dated August 9 last. An evaluation of resources according to NI 43-101 is currently being made.

THE ELDER-TAGAMI MINE

The Elder mine is owned 100% by Abcourt. The mine is conveniently located just six miles (ten km) northwest from the mining community of Rouyn-Noranda, Quebec. The property comprises 34 contiguous claims and a mining concession covering an area of 876 hectares. There are several small royalties to pay on different parts of the property.

The surface plant includes an office, a service building, a hoist room and a shaft building. The mine is serviced to a depth of 794 meters (2,606 feet) by two shafts and several drifts on 16 levels. Most of the mining equipment is available and all the facilities are in place. The mine is now being re-opened.

The ore is found in several quartz veins generally striking N-40^o–E on surface but east-west at a depth of 305 meters (1,000 feet) down the mine and dipping on the average at 22^o to the south-east, with the exception of the no 4 vein which is striking north-south and dipping 22^o to the east. The CDR vein is located 4,500 feet (1,377 m) south of vein no. 1.

Between 1984 and 1989, a total of $23 M was spent on this property by the Aunore Resources Inc – Nova Beaucage Mines Limited joint venture. The surface plant was installed and the necessary equipments were purchased. The mine was dewatered, 4,268 meters (14,000 feet) of old drifts were rehabilitated, the shaft was deepened 15 meters (50 feet), new stations were established on three upper levels, in no 2 shaft, that is the 4th, 5th and 6th levels, an ore pass and a waste pass system with loading pockets was established, 142 surface and 75 underground diamond drill holes were drilled, approximately 2,134 meters (7,000 feet) of new drifts were excavated, ventilation raises were driven and a few stopes were started. Approximately 13,200 m. tonnes of ore with a grade of 0.198 oz/mt of gold were extracted. Following a drop in the price of gold, the mine was closed.

From 1995 to 2011, several surface drilling programs were completed and results obtained were used to revise resources. We also converted all the old historic data to the metric system. The revision of resources was completed by Mr. Jean-Pierre Bérubé, P. Eng. Mr. Bérubé is a qualified person.

Here are the results of the 2012 calculations:

Table 1a – Measured and indicated resources at Elder and Tagami

ZONE	MEASURED			INDICATED			MEASURED + INDICATED			
	TONNES	GRADE	WIDTH	TONNES	GRADE	WIDTH	TONNES	GRADE	WIDTH	GOLD OUNCES
	(metric)	(g/t)	(m)	(metric)	(g/t)	(m)	(metric)	(g/t)	(m)	
ELDER	512,739	6.68	2.20	671,139	6.50	2.16	1,183,878	6.58	2.18	250,341
CDR				4,172	16.49	2.50	4,172	16.49	2.50	2,213
TAGAMI	-	-	-	173,162	6.54	2.10	173,162	6.54	2.10	36,391
TOTAL ALL	**512,739**	**6.68**	**2.20**	**848,473**	**6.55**	**2.10**	**1,361,212**	**6.60**	**2.14**	**288,944**

Table 1b – Inferred resources at Elder and Tagami

ZONE	TONNES (metric)	GRADE (g/t)	WIDTH (m)	GOLD OUNCES
ELDER	412,668	5.76	1.92	76,392
CDR	50,248	5.15	1.83	8,328
TAGAMI	175,384	5.69	1.68	32,106
TOTAL ALL	**637,900**	**5.70**	**1.85**	**116,827**

Based on the new resources estimate, a preliminary economic assessment (PEA) report has been done to determine if additional exploration work is needed to increase resources before considering a start of production, or not. In the affirmative, the exploration program recommended by Jean-Pierre Bérubé in his 43-101 report (2009), will be realized. On the other hand, if the PEA study indicates that there are enough resources and if funds are available, a mine development program will be started with the objective of putting the mine in production as soon as possible.

Dewatering of the Elder mine

During the second half of the June 30, 2011 period, an important amount of work and expenses were needed to inspect, repair and upgrade the surface plant, the hoisting equipment and the shaft before proceeding with the dewatering of the mine. The dewatering and rehabilitation work started in May and was continued during the 2012 period.

Currently, we have more than 20 employees working at the mine.

THE ALDERMAC PROPERTY

In January 2007, Abcourt announced that a 4-year option was signed for 100% of the Aldermac property located in Beauchastel township near Rouyn-Noranda, Quebec, Canada. This 303-hectare property is the site of a former mine, serviced by a 495-meter 3-compartment shaft and nine levels. In the past, it produced two million tons of ore with a grade of 1.78% Cu, 0.2 oz/t Ag, 0.02 oz/t Au and 1.50% ± Zn.

Around the old mine and 300 meters further east, where a new ore body was discovered in 1987, historical resources are as follows:

Description	Short tons	Cu %	Zn %	Ag oz/t
Area around the old mine	620,000	1.60 ±	2.00 ±	0.2
New ore body to the east	1,150,000	1.50	4.13	0.9
Total	1,770,000	1.54	3.38	0.6

The historical resources reported above were prepared before the introduction of National Instrument 43-101 (“43-101”). The historical resources have not been verified and should not be relied upon. This being said, Abcourt believes that these estimates, particularly the ones prepared by Wright Engineers, were estimated by competent persons. This statement is made by Mr. Renaud Hinse, professional engineer, President of Abcourt Mines Inc. Mr. Hinse is a qualified person under 43-101.

A 22-hole drilling program totalling 5,514 meters at a cost of $601,399 was completed during the 2008 winter. Several excellent values over important widths were cut and reported in Press Releases and previous annual reports. See our Web site: www.abcourt.com.

Having placed a priority on Elder-Tagami and Abcourt-Barvue, there was no exploration work done on this property in 2012. However, this property is interesting and additional work will be done as soon as funds become available.

THE JONPOL PROPERTY

In March 2007, Abcourt announced the signature of a 7-year option to purchase 100% of the Jonpol property located in Dalquier township near Amos, Quebec, Canada. This 880-hectare property was subject to several exploration programs in the past and three shafts were sunk, the deepest reaching a depth of 152 meters.

This exploration work outlined the following historical resources:

Zone	Date	Author	Short tons	% Cu	% Zn	oz/t Ag
Upper Ag-Zn	1969	Waisberg (1)	20,000	- -	4.0	8.0
Jay Copper	1969	Waisberg	26,000	3.5	- -	1.0
Main West Cu	1974	Kilborn (2)	1,946,000	1.04	- -	0.02
Lower Ag-Zn-Cu	1983	Getty (3)	815,000	1.25	3.21	3.55

(1) S. Waisberg, 1969, Conigo Mines Ltd
(2) H.B. Hicks, 1974, Kilborn Engineering Ltd, preliminary feasibility study for 1,000 TPD mining and milling plant
(3) D. Titaro, 1983, Getty Canadian Mines Ltd, work summary

In addition, several significant gold intersections were obtained in the drilling.

This information comes from a report by C.M Cooke, senior project geologist for Aur Resources Inc., dated November 1992.

The historical resources reported above were prepared before the introduction of National Instrument 43-101 (“43-101”). The historical resources have not been verified and should not be relied upon. However Abcourt believes that these estimates, particularly the ones prepared by Kilborn and Getty, were estimated by competent persons. This statement is made by Mr. Renaud Hinse, professional engineer, President of Abcourt Mines Inc. Mr. Hinse is a qualified person under 43-101.

Diamond drilling in the first quarter of the 2012 period

During the first quarter of the period ended on June 30, 2012, we drilled nine holes. Eight of these holes were drilled on the western extension of a silver zone indicated by previous drilling. These holes only gave low values. The ninth hole was drilled to intersect a rhyolite-tuff contact. It cut a 1-meter mineralized section averaging 267.50 g/t silver and 0.24 % zinc at an approximate depth of 100 meters.

In September 2012, six additional holes, for a total of 1,466 meters, were drilled. Assays are pending.

THE VEZZA PROPERTY

In 2009 and 2010, Abcourt has acquired by staking 85 claims and 19 cells totalling 2,233 hectares in Vezza Township, Quebec. This property covers about 8 km along the Casa Berardi-Douay-Cameron deformation zone where several gold occurrences have been reported in the past. This new property is currently in the exploration stage and is without a known body of commercial ore or economic deposit.

PERSON RESPONSIBLE OF TECHNICAL INFORMATION

The qualified person under National Instrument 43-101 respecting standards of disclosure for mineral projects, who is responsible of the technical information relating to the mining properties of the Company, is Mr Renaud Hinse, mining engineer, President of Abcourt Mines Inc.

RISKS AND UNCERTAINTIES

RISK FACTORS

In the course of its business and affairs, the Company faces the following risks factors:

Fluctuations in the Market Price of gold and other metals

The profitability of mining operations, and thus the value of the mineral properties of the Company, is directly related to the market price of gold and other metals. The market price of gold and other metals fluctuates and is affected by numerous factors beyond the control of any mining company. If the market price of gold and metals should decline dramatically, the value of the Company's mineral properties could also decrease dramatically and the Company might not be able to recover its investment in those interests or properties. The selection of a property for exploration or development, the determination to construct a mine and place it into production and the dedication of funds necessary to achieve such purposes, are decisions that must be made long before first revenues from production are received. Price fluctuations between the time that such decisions are made and the commencement of production can, drastically, affect the economics of a mine.

Financial Risk

Additional funds will be required in the future to finance the Company's exploration and development work. The Company may have access to funds through the issuance of additional equity and borrowing. There can be no assurance that such funding will be available to the Company. Furthermore, even if such a financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or provide the Company with sufficient funds to meet its objectives, which could adversely affect the Company's business and financial condition.

Exploration and Mining Risks

Mineral resources exploration and development is highly speculative and involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not be able to avoid. While the discovery of a deposit may prove extremely lucrative, most exploration efforts are not successful in that they do not result in the discovery of mineralization of sufficient quantity or quality to be profitably mined. Substantial sums may be required to establish ore reserves, develop metallurgical processes and build mining and processing facilities at a given site. **There is no assurance that ores will be discovered by the Company in quantities sufficient to warrant mining operations. There is also no assurance that the mining properties of the Company will be brought into commercial production.** The economic life of a mineral deposit depends on a number of factors, some of which relate to the particular characteristics of the deposit, particularly its size and grade. Other factors include the proximity of the deposit to infrastructure, the production capacity of mining facilities and processing equipment, market fluctuations, possible claims of native peoples and government regulations, including regulations relating to prices, royalties, allowable production, importation and exportation of minerals, environmental protection and the protection of agricultural territory. The effect of these factors cannot be accurately predicted and may prevent the Company from providing an adequate return on investment.

Regulatory Compliance, Permitting Risks and Environmental Liability

Exploration, development and mining activities are subject to extensive Canadian federal and provincial laws and regulations governing exploration, development, production, taxes, labour standards, waste disposal, protection and conservation of the environment, reclamation, historic and cultural preservation, mine safety and occupational health, toxic substances as well as other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing a mine and other facilities in compliance with such laws and regulations is significant. The costs and delays associated with compliance with such laws and regulations could become such that the Company cannot proceed with the development or operation of a mine.

Mining in particular (and the ownership or operation of properties upon which historic mining activities have taken place) is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to the Company (or to other companies within the industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. Laws and regulations intended to ensure the protection of the environment are constantly changing, and are generally becoming more restrictive.

Title to Properties

Although the Company has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests.

Industry Conditions

Mineral resource exploration and development involves a high degree of risk that even a combination of careful assessment, experience and know-how cannot eliminate. While the discovery of a deposit may prove extremely lucrative, few properties that undergo prospecting ever generate a producing mine. Substantial sums may be required to establish ore reserves, develop metallurgical processes and build mining and processing facilities at a given site. There can be no assurance that the exploration and development programs planned by the Company will result in a profitable mining operation. The economic life of a mineral deposit depends on a number of factors, some of which relate to the particular characteristics of the deposit, particularly its size, grade and proximity to infrastructure, as well as the cyclical nature of metal prices and government regulations, including those regarding prices, royalties, production limits, importation and exportation of minerals, and environmental protection. The impact of such factors cannot be precisely assessed, but may prevent the Company from providing an adequate return on investment.

Outlook

Management will continue to manage its funds rigorously, its primary objective being to optimize return on investment for the Company's shareholders. The Company's development strategy is focused on the discovery of economically-viable deposits that will generate profits from mining and ensure the Company's survival. In applying its development strategy, management will take into account the global exploration context, stock market trends and the prices of gold and other metals.

Competition

The Company competes with major mining companies and other natural resource companies in the acquisition, exploration, financing and development of new properties and projects. Many of these companies are more experienced, larger and better capitalized than the Company. The competitive position of the Company depends upon its ability to obtain sufficient funding and to explore, acquire and develop new and existing mineral-resource properties or projects in a successful and economic manner. Some of the factors which allow producers to remain competitive in the market over the long term are the quality and size of an ore body, cost of production and operation generally, and proximity to market. The Company also competes with other mining companies for skilled geologists and other technical personnel.

Permits and Licenses

The operations of the Company require licences and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licences and permits that may be required to carry out further exploration, development and mining operations at its projects.

Volatility of Stock Price and Limited Liquidity

The common shares of the Company are listed on the TSX Venture Exchange and on the Frankfurt and Berlin Exchanges. The common shares have experienced volatility in price and limited trading volume over the last several years. There can be no assurance of adequate liquidity in the future for the common shares.

Dependence on Key Personnel

The Company is dependent on the services of certain key officers and employees. Competition in the mining exploration industry for qualified individuals is intense and the loss of any key officer or employee if not replaced could have a material adverse effect on the business and operations of the Company.

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Company for our shareholders and our strategy to obtain this result is to develop our properties. To proceed with this strategy, two placements were completed in 2012. The funds received were used to complete important drilling programs on the Abcourt-Barvue, Vendome, Jonpol and Vezza properties and to dewater the Elder mine. Also, there were some shares issued to purchase mining properties.

For any additional information, please consult our web site www.Abcourt.com and the SEDAR site www.sedar.com.

CERTIFICATE

This management's discussion and analysis has been approved by the Board of directors. A copy of this report will be provided within 10 days to a shareholder who has requested it.

(s) Renaud Hinse
Renaud Hinse
Chief Executive Officer
2012/10/29

(s) Jean-Guy Courtois
Jean-Guy Courtois
Chief Financial Officer
2012/10/29