

## **ABCOURT MINES INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THIRD QUARTER ENDED ON MARCH 31, 2011**

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 March 31, 2011, in comparison with the third quarter of the previous year. This report supplements our audited financial statements and should be read in conjunction with our financial statements and the accompanying notes dated June 30, 2010. Our financial statements are prepared in accordance with generally accepted standards in Canada and 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](http://www.sedar.com) , where all the documents filed according to the Law may be found and the Abcourt web site at [www.abcourt.com](http://www.abcourt.com) , where you will find more information.

Our mining activities consist in various exploration work and studies to place our mining properties into production.

#### **RESULTS**

##### **Income**

Our revenues consist essentially in interests received on deposit certificates. The amount received in the third quarter ended on March 31, 2011 was \$10,960.

##### **Administration Expenses**

In the third quarter, administration expenses totalling \$155,684 are similar to those for the third quarter last year (\$162,850).

##### **Operating Loss**

The operating loss (\$144,724) for the third quarter 2011 was also similar to the 2010 operating loss (\$162,562).

##### **Net Profit (Net Loss)**

Following the accounting of future income and mining taxes, a profit of \$200,820 was declared in the March 31, 2011 quarter. In 2010, a loss of \$5,874 was realized.

## **CASH RESOURCES**

### **Operation**

During the third quarter, operating activities, before the variations in the non-cash items of the working capital generated a negative cash flow of \$141,717 in 2011 whereas in the previous year \$109,812 was used. In 2010 and 2011, there were no sales. The non-cash items of the working capital generated \$23,697 in 2011 but generated \$17,319 in 2010.

### **Financing**

This year, during the 3<sup>rd</sup> quarter, the financings completed totalled \$1.8 M whereas in the previous year, there were no financings.

### **Investment**

During the 3<sup>rd</sup> quarter, investments after taking into account the cash reserved for exploration, totalled \$175,014. In 2010, an amount of \$388,735 was invested. During these two periods, the investments were mainly in deferred exploration expenses.

### **Cash at the end of the third quarter**

In the third quarter, the available cash increased by an amount of \$1,463,682. Last year, the cash decreased by an amount of \$481,228. The available cash is sufficient to cover operating activities over the next months.

## **DEFERRED EXPLORATION EXPENSES**

The deferred exploration expenses for the nine-month period ended March 31, 2011, totalled \$1,266,371 compared to \$721,230 in the previous year.

Most of the expenses this year consisted in diamond drilling costs for the Elder and Abcourt-Barvue mines. Last year, costs were related to engineering fees for various technical studies and diamond drilling at Elder mine.

### **Details on the two most important items in deferred expenses for the first six months:**

- 1- The first most important item consist in diamond drilling expenses for an amount of \$1,379,021
- 2- The second most important item consists in engineering expenses related to the drilling program for an amount of \$310,298.

## **BALANCE SHEETS**

The assets on March 31, 2011 totalled \$14,029,581 compared to \$9,485,106 on June 30, 2010.

The \$4.6 M financing realized in December 2010 resulted in the increase in assets noted above.

## NEW ACCOUNTING POLICIES

In the audited annual financial statement of June 30, 2010, some changes in accounting policies were reported.

During the second quarter, there was no additional change in accounting policies.

### *International Financial Reporting Standards (IFRS)*

The CICA and the CSA have enforced the conversion of Canadian generally accepted accounting principles (GAAP) to IFRS over a transitional period ending in 2011. The Company will adopt the IFRS for its interim period ending on September 30, 2011. The Company has hired a consultant to prepare a survey of the situation and to elaborate a transition plan.

### *IFRS Transition Plan*

The following summarizes our progress and expectations with respect to our IFRS transition plan:

Scoping and analysis of the main areas where changes in accounting policies could have a significant impact on the Company's financial statements.	Complete.
Evaluation of potential changes to information systems, business processes and contractual arrangements.	In progress. To be completed in conjunction with the first quarter IFRS financial statements (Q1 2012).
Final determination of accounting policies and the quantitative impact of adopting IFRS on line items in the Company's financial statements, including application of IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> .	In progress. To be completed in conjunction with the first quarter IFRS financial statements (Q1 2012).
Resolution of the accounting policy change implications on information systems, business processes and contractual arrangements.	In progress. To be completed in conjunction with the first quarter IFRS financial statements (Q1 2012).

### *Other New Standards*

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

## PRINCIPAL ANNUAL INFORMATIONS (AUDITED)

### Periods ended June 30

Result (\$)	2010	2009	2008
Interests	4,464	17,992	95,329
Net profit (net loss)	(45,101)	(483,258)	(285,702)
Net profit (net loss) per share diluted	(0,00)	(0,01)	(0,01)

### Balance Sheets (\$)

Cash and cash equivalent	1,050,000	350,000	827,113
Total assets	9,485,106	7,666,516	7,317,524
Long-term debt	--	--	--

### Mining Exploration (\$)

Exploration expenses net of subsidies	995,684	655,173	977,106
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## QUATERLY INFORMATIONS (NOT AUDITED)

	2011 March	2010 March	2010 Dec.	2009 Dec.	2010 Sept.	2009 Sept.	2010 June	2009 June
<b>Results (\$)</b>								
Interests	10,960	613	1,219	1,434	833	1,827	590	7,843
Net profit (net loss)	200,820	(5,874)	(148,767)	(137,506)	(189,671)	(186,523)	284,802	(125,383)
Net profit (net loss) per share diluted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Balance Sheets (\$)</b>								
Cash and cash equivalent	2,672,962	1,665,377	2,264,768	2,146,605	650,000	300,000	1,050,000	350,000
Total assets	14,029,581	9,633,486	13,560,719	9,560,760	9,423,279	7,655,218	9,485,106	7,666,516
Long-term debt.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Mining Exploration (\$)</b>								
Exploration expenses	827,938	368,667	1,060,419	229,969	305,226	122,594	274,454	(16,309)

## CONTRACTUAL OBLIGATIONS

### Long-term Debt

The Company has no long-term debt.

### Royalties

<u>Property</u>	<u>Royalty</u>	<u>Property</u>	<u>Royalty</u>
Elder	2 to 3% NSR	Jonpol	2.5% NSR
Tagami	1 to 2% NSR	Aldermac	\$2.00/t for 1.5 M t
Abcourt and Vendome	0		
Barvue	\$0.25 per short ton		

## **Environment**

So far, the Company has spent \$514,208 on the restoration of a former settling basin at Abcourt-Barvue. A small water treatment plant has to be built at a cost of approximately \$100,000. A certificate of authorization has been received from “le Ministère du Développement durable, de l’Environnement et des Parcs” for this plant.

## **TRANSACTIONS WITH RELATED PARTIES**

Between June 30, 2010 and March 31, 2011, an amount of \$23,740 was paid to a related party for the use of automobile vehicles. This related party is a company controlled by Mr. Renaud Hinse, president of Abcourt.

## **AUTHORIZED AND ISSUED CAPITAL STOCK AS AT DECEMBER 31, 2010**

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	113,496,374	\$28,897,275
Preferred	To determine	Unlimited	None	0

## **SHARES ISSUED DURING THE THIRD QUARTER ENDED DECEMBER 31, 2010:**

<b><u>Description</u></b>	<b><u>Number</u></b>	<b><u>Price</u></b>
Warrants	2,080,182	\$0.17
Broker’s options	200,000	\$0.13
Purchase of property	1,170,020	\$0.20
Private placement - common	663,936	\$0.135
Private placement – flow through	<u>1,077,090</u>	<u>\$0.145</u>
Total	5,191,228	\$0.165

## **OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES AS AT MARCH 31, 2011**

<b>Description :</b>	<b>Number</b>	<b>Price</b>	<b>Expiry date</b>
<b>Options</b>	200,000	\$0.10	September 30, 2014
	400,000	\$0.10	December 4, 2014
	350,000	\$0.10	February 3, 2015
	100,000	\$0.16	February 3, 2015
	<u>1,250,000</u>	\$0.10	August 2, 2015
Total :	2,300,000		

## OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES AS AT MARCH 31, 2011 (cont'd)

<b>Warrants Outstanding</b>		<b>Price</b>	<b>Expiry Date</b>
Private plac. – June 2009	685,000	\$0.15	June 2011
Northern & priv. plac. com)	3,731,121	\$0.17	December 2011
Northern & priv. plac. (f.t.)	4,677,726	\$0.19	December 2011
Northern & priv. plac. (com.)	576,000	\$0.17	December 2011
Northern & priv. plac. (f.t.)	407,191	\$0.19	December 2011
Prospectus (com.)	17,230,000	\$0.175 (1)	December 2012
Prospectus (com.)	4,500,000	\$0.175 (1)	December 2012
Prospectus (com.)	2,515,787	\$0.175 (1)	December 2012
Private plac. (com.)	<u>3,986,821</u>	\$0.25 (2)	December 2012
	<u>38,309,646</u>		

(1) In December 2011, the warrants will be exercisable at \$0.195 per share.

(2) In December 2011, the warrants will be exercisable at \$0.30 per share.

## SHARE PURCHASE OPTIONS AND WARRANTS

The following table summarizes the information relating to share purchase options as at March 31, 2011.

### Options to brokers and Intermediaries' outstanding

	<b>Number</b>	<b>Weighted average exercise price</b>
Balance, as at June 30, 2010	1,119,833	\$0.14
Granted	2,405,879	\$0.17
Exercised	(406,341)	-
Expired	<u>(57,000)</u>	\$0.26
Balance, as at March 31, 2011	<u>3,062,371</u>	\$0.16

**SHARE PURCHASE OPTIONS AND WARRANTS (cont'd)**

<b>Options to brokers and Intermediaries' outstanding</b>	<b>Price \$</b>	<b>Expiry Date</b>
656 492	0.13	Dec. 2011
1 749 750	0.14	Dec. 2012
138 888	0.14	Dec. 2012
<u>517 241</u>	0.15	Dec. 2012
<u>3 062 371</u>		

During the first quarter, 1,100,000 warrants, at a price of \$0.26 per share, and 2,279,000 warrants, at a price of \$0.30 per share, expired. During the 2<sup>nd</sup> quarter, 400,000 warrants, at a price of \$0.30 per share, expired. During the third quarter, 75,000 warrants, at a price of \$0.20 per share, expired.

**SHARES IN ESCROW OR SUBJECT TO POOLING AS AT  
DECEMBER 31, 2010**

None

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## **MINING PROPERTIES**

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

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

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:

### **THE ELDER 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 24 contiguous claims and a mining concession covering an area of 587 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 762 meters (2,500 feet) by two shafts and several drifts on 14 levels. Most of the mining equipment is available and all the facilities are in place. The mine could be re-opened rapidly at a minimal cost.

The ore is found in several quartz veins generally striking N-40°-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° to the south-east, with the exception of the no 4 vein which is striking north-south and dipping 22° to the east.

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 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> 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 1998, the mine was dewatered to a depth of 509 m (1,670 feet) and 16 surface holes were drilled for a total of 2,496 meters. This development program was interrupted in the fall of 1998 by a drop in the price of gold; the pumps were removed and the mine was allowed to flood.

## **Resources**

In 2009, a revision of the Elder property resources was completed by an independent qualified person, Mr. Jean-Pierre Bérubé, P. Eng., consultant for MRB & Associates of Val d'Or, Quebec, Canada. This revision was made according to NI 43-101 Standards.

Here is a summary of the non-diluted resources:

<i>Cutt-off grade</i>	<i>0.10 oz./s.t. Au</i>			<i>0.15 oz./s.t. Au</i>		
<i>Description</i>	Tons (s.t.)	Au (oz/s.t.)	Ounces	Tons (s.t.)	Au (oz/s.t.)	Ounces
Measured	442,515	0.189	83,635	282,017	0.226	63,736
Indicated	443,016	0.193	85,502	316,026	0.226	71,422
Measured + ind.	885,531	0.191	169,137	598,043	0.226	135,158
Inferred	261,018	0.179	46,722	175,675	0.211	37,067

The average width of the mineralized zones is 6.75 feet.

In 2005/2006, 35 surface holes were drilled for a total of 7,001 meters. Twenty-seven (27) of these holes were drilled at the eastern and western limits of the mine to confirm or to extend the main zone. Four holes were drilled in #4 vein and intersected a mineralized zone over 1.5 to 7.0 meters. In addition, four holes were drilled about 300 meters west of the mine area. One of these holes intersected a strong fault zone and one vein above and another vein below the fault. These veins assayed 2.39 g/t over 2.0 meters and 17.40 g/t over 1.03 meter. This discovery indicates that new veins may be found along the extension of Elder mine main ore structure.

## **Major exploration and development program currently being done and preparation work for the re-opening of the Elder mine is also being done now.**

From February to December 2010, excellent results up to 2.7 meters grading 13.71 grams of gold per tonne in hole T-10-14 and 2.00 meters grading 17.27 grams of gold per tonne in hole E-10-13 have been obtained. This drilling has confirmed the continuity of good values over good mining widths in the existing system at the eastern and western ends of the mine and at depth. Consequently, additional funds have been committed for a new 10,000-meter drilling program for the 2011 calendar year. See press releases dated May 25, September 14, October 8, November 4, 2010 and January 14, 2011.

At the west end of the Elder mine, twenty-one holes have given good results indicating an extension of the mineralized zone beyond the western limit of the mine and at depth.

**BEST INTERSECTIONS AT WEST END OF ELDER MINE**

<b>Hole No.</b>	<b>From M</b>	<b>To M</b>	<b>Length Meters</b>	<b>Gold Grams/tonne</b>
E10-07	287.95	290.97	3.02	10.01
inc	288.56	289.79	1.23	20.86
E10-08	305.14	307.65	2.51	4.90
E10-09	298.36	299.86	1.50	6.73
E10-10	259.00	260.50	1.50	3.85
inc	260.05	260.36	0.31	18.63
E10-11	245.15	249.41	4.26	9.12
E10-13	226.50	228.50	2.00	17.27
E10-14	289.50	291.63	2.13	6.50
E10-15	191.67	193.17	1.50	8.61
E10-16	197.08	198.58	1.50	5.21
inc	197.08	198.08	1.00	7.12
E10-18	202.25	203.90	1.65	6.05
E10-19	115.20	117.20	2.0	11.99
E10-29	151.00	153.740	2.7	2.10
	161.10	162.70	1.6	2.83
E10-30	138.90	140.40	1.5	4.58
E10-31	41.20	42.00	0.8	6.65
	123.50	124.30	0.8	2.66
E10-32	25.50	26.30	0.8	6.03
	135.20	136.20	2.7	2.41
E10-33	68.70	70.50	1.8	4.07
	115.80	117.30	1.5	5.16
E10-35	52.10	53.10	1.0	3.59
	99.10	99.40	0.3	55.40
E10-38	99.50	102.30	2.8	6.03
E10-39	82.80	88.90	6.1	2.73
inc	82.80	85.00	2.2	4.62
E10-40	47.00	48.50	1.5	4.73
	91.50	93.40	1.5	5.15
E10-41	169.50	180.40	10.9	6.07
inc	177.20	180.40	3.2	12.65

At the east end of the Elder mine, seven holes have confirmed the eastern extension of no. 1 vein beyond the mine workings and have also given excellent results. Here is a list of the best intersections.

### BEST INTERSECTIONS AT EAST END OF ELDER MINE

<b>Hole No</b>	<b>From M</b>	<b>To M</b>	<b>Length Meters</b>	<b>Gold Grams/tonne</b>
E10-01	134.15	135.15	1.00	4.86
	175.17	176.04	0.87	5.82
E10-02	186.47	187.70	1.23	7.60
	199.50	201.87	2.37	8.24
E10-20	175.86	177.36	1.50	4.97
E10-22	44.90	46.40	1.50	6.30
E10-23	28.25	32.11	3.86	6.54
E10-24	51.48	54.96	3.48	6.30
	59.16	60.88	1.72	4.46
E10-27	86.53	88.88	2.35	8.41

### **THE TAGAMI PROPERTY**

Abcourt's 100% owned Tagami property consists of 10 claims covering 329 hectares in Duprat Township, at the northern limit of the Elder Mine and 10 kilometres northwest of Rouyn-Noranda.

In 1996-1997, a diamond drill program consisting of 2,900 meters (9,500 feet) in 21 holes outlined an exceptionally high grade gold-bearing zone on the West Gold showing of the property. The geological setting of this area is similar to that of the Elder mine.

The holes, spaced 38 to 46 meters (125 to 150 feet) apart, indicate a continuous high grade mineralization with an average grade of 0.532 ounce of gold per m.tonne over a width of 1.62 meter (5.3 feet). Two of the drill holes assayed more than **ONE OUNCE** of gold per tonne over widths of 2.35 and 1.71 meters (7.7 and 5.6 feet).

Most of the intersections were obtained at shallow depths between 46 and 107 meters (150 and 300 feet). The deepest cut was at a depth of 193 meters (632 feet).

The ore is found in quartz veins in altered felsic dykes and in altered (silicified and hematized) diorite or granodiorite rocks in a N-40°-E shear zone dipping 40 to 50° to the east. Additional values are found in flat dipping quartz veins in the foot and hanging walls of the shear zone. So far, the potential indicated is 900 m. tons per 0.30 meter (1.0 foot) vertical.

On this property, in addition to the West Gold showing, there are five other veins with gold values.

### **2010 Diamond Drilling Program**

On the Tagami property, 20 definition holes totalling 3,331 meters on the northern half of the West Gold Zone, combined with results obtained previously, outlined a 400-meter continuous

zone of mineralization in a north-east direction at shallow depth, averaging 8.87 grams of gold per tonne over an average thickness of 2.23 meters. Here is a list of all these intersections.

### **TAGAMI WEST GOLD INTERSECTIONS**

<b>Hole No.</b>	<b>Section</b>	<b>Depth meters</b>	<b>Vertical width meters</b>	<b>Gold grams/tonne</b>
48 DU-19	390 N	62	1.83	3.77
48 DU-17	330 N	60	3.04	5.14
48 DU-16	300 N	44	6.09	2.30
96-18	285 N	46	1.52	4.39
48 DU-18	270 N	79	2.13	6.52
48 DU-15	270 N	58	2.44	4.87
48 DU-12	240 N	72	1.83	8.40
48 DU-11	240 N	58	1.83	9.74
T10-33	240 N	93	1.90	5.58
WG-24	210 N	108	2.13	3.50
48 DU-08	210 N	68	3.05	7.85
T10-30	210 N	55	3.40	5.73
48 DU-07	195 N	91	1.83	8.78
48 DU-05	195 N	70	3.05	14.06
48 DU-03	195 N	64	1.52	5.62
48 DU-13	165 N	59	1.52	5.52
96-26	145 N	67	1.52	11.35
96-23	130 N	132	1.71	5.66
T10-14	110 N	82	2.70	13.71
96-21	120 N	35	1.52	8.44
97-32	90 N	232	1.52	5.04
WG-27	100 N	139	1.65	14.16
96-24	100 N	46	1.52	6.31
		62	1.50	11.07
96-22	80 N	59	2.35	38.50
T10-15	90 N	49	1.75	4.83
96-28	60 N	149	1.52	23.80
96-25	60 N	84	1.52	5.94
97-31	30 N	192	1.52	12.89
96-29	30 N	98	1.95	5.52
97-30	30 N	67	1.52	4.15
T10-18	30 N	52	1.88	7.72
97-34	0 N	152	2.26	6.65
T10-28	10 N	73	2.34	5.38
97-35	10 N	76	2.29	32.07
97-36	25 S	104	2.53	5.18
T10-05	30 S	64	2.25	4.54
<b>Average</b>			2.12	8.87

All intersections are close to true widths.

All assays were done by Techni-Lab S.G.B. Abitibi Inc., an approved laboratory

The Tagami property has excellent exploration targets with the possibility of finding some high grade gold values. We are planning additional drilling on the West Gold and Linaur veins. To complete this programme, a new financing was done in December 2010.

## 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 3,452 hectares with 85 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 until now, several drilling programs, technical and environmental studies were completed or are being done to provide data for a feasibility study and to support our applications for permits. The feasibility study is now completed but we are evaluating different alternatives.

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.

Starting in 2005, Mr Marc Lavigne, P. Eng., with Roche Ltd Consulting Group and later, with Genivar of Quebec City and Mr Florent Baril, P. Eng., with Bumigene of Montréal, have completed a feasibility study which was published in February 2007. Since then, several modifications of plans have been evaluated with the objective of reducing production costs and increasing the yield.

With the feasibility study, almost all the resources were re-classified as proven and probable ore reserves as follows:

### February 2007 - Abcourt-Barvue ore reserves

Mining Methods	Category	Tonnes	Ag g/t	Zn %	Ag ounces	Zn pounds
Open pit	proven	5,338,731	44.79	3.15	7,687,942	370,751,441
Underground	proven	1,169,662	105.19	2.87	3,955,723	74,007,636
	probable	<u>315,139</u>	<u>101.61</u>	<u>3.23</u>	<u>1,029,508</u>	<u>22,440,831</u>
S/T underground		1,484,801	104.43	2.95	4,985,231	96,448,467
Open pit & U/G	proven	6,508,393	55.64	3.10	11,643,665	444,759,077
	probable	<u>315,139</u>	<u>101.61</u>	<u>3.23</u>	<u>1,029,508</u>	<u>22,440,831</u>
Total		<u>6,823,532</u>	<u>57.76</u>	<u>3.11</u>	<u>12,673,173</u>	<u>467,199,908</u>
Open pit						
Marginal ore	proven	1,151,502	17.65	1.58	653,432	40,110,312

In addition, the following non-diluted resources could prolong the life of the mine:

		<b>Tonnes</b>	<b>Ag g/t</b>	<b>Zn %</b>	<b>Ag oz</b>	<b>Zn lbs</b>
Sections 315E to 1185E, under Barvue pit	Measured and indicated	456,166	71.23	3.52	1,037,794	35,166,912
Sections 5100E to 5280E, in Abcourt	Idem	109,582	71.38	4.74	251,482	11,451,222
Total remaining resources	Mesured and indicated	562,748	71.26	3.76	1,289,276	46,618,134
Additional resources	Inferred	1,505,687	120.53	2.98	5,834,727	98,918,197

Several composite samples assayed for gold gave an average grade of 0.138 g/t.

The mining plan involves the extraction of 85% of the ore from an open pit and 15% from underground stopes followed by the treatment of this ore in a mill built on the mine site with a capacity of 1,800 tonnes per day.

<b>Estimate of capital expenditures to bring the mine into production according to Scenario B, revision 2</b>		<b>Estimate of mine operating costs according to Scenario B, revision 2</b>	
<b>\$ Can – 000s</b>			
Mine	\$14, 509	Mining	16.39 \$/t
Mill	24,760	Milling	10.42
Infrastructures	1,862	General adm.	2.22
General expenses	<u>1,930</u>	Royalty	<u>0.18</u>
Pre-prod'n cap. cost	\$43,059	Total	\$29.21/t
Working capital	\$3,070		
Subsequent on-going cap., expenditures for surface, open pit, mill expansion and U/G mine development	\$30,359		

With scenario B, revision 2, the mill will be built with used equipment. At first, silver and zinc will be recovered by a straight flotation. This will be followed by the flotation of sulphides from the tailings and the cyanidation of the latter to recover gold and silver. The final tailings will contain practically no sulphides and will not generate any acid and consequently, the cost of construction of the tailings pond will be reduced considerably.

#### **2010 - 2011 Diamond Drilling Program**

We are currently realizing a 10,000-meter surface diamond drilling program to expand and upgrade resources. Very good results are obtained. See next page:

**DIAMOND DRILLING RESULTS AT ABCOURT-BARVUE**

<b>HOLE No.</b>	<b>SECTION</b>	<b>ZONE</b>	<b>LENGTH meters</b>	<b>SILVER g/t</b>	<b>ZINC %</b>
AB10-01	5730 E	1	2.50	60.12	1.17
AB10-02	5700 E	1	10.50	118.95	2.31
AB10-03	5700 E	1	3.00	61.77	2.84
AB10-04	5670 E	1	2.30	385.24	2.34
AB10-05	5640 E	1	2.90	66.48	1.51
AB10-06	5640 E	1	1.8	190.24	1.41
AB10-07 inc	5310 E	1	7.50 4.50	45.43 61.33	2.40 2.56
AB10-08	5310 E	1	4.60	56.56	2.43
AB10-09 inc	5250 E	1	5.30 1.70 1.80	169.49 388.15 166.65	1.87 1.06 8.74
AB10-10	5250 E	1 2	2.00 4.90	89.65 278.94	2.58 6.15
AB10-11 inc	5190 E	1 2	8.40 3.30 2.30	164.49 354.76 68.76	2.31 3.37 2.66
AB10-12 inc	5190 E	1 2	8.80 5.80 2.10	155.50 215.81 82.06	2.29 2.64 3.02
AB10-13 inc	5190 E	1 2 2	3.20 14.90 3.50	76.42 94.05 376.94	2.02 3.40 7.51
AB10-14 inc	5160 E	1 2 2	2.10 6.30 3.30	62.63 106.46 199.60	1.35 2.05 3.11
AB10-15 inc	5160 E	1 2 2	2.40 14.20 2.00	77.57 24.68 139.40	1.77 2.61 3.59
AB10-16 inc inc	5130 E	1 1 2 2	12.70 5.10 6.00 2.00	152.26 337.02 151.36 464.75	2.56 4.03 3.01 4.85
AB10-17 inc inc inc	5130 E	1 1 2 2	6.90 2.00 15.80 3.00 6.80	128.78 223.60 25.69 87.50 14.05	2.52 2.04 3.55 3.62 5.66
AB10-18	5100 E	2	4.40	45.38	4.57

## THE VENDÔME-BARVALLÉE PROPERTY

The Vendome-Barvallée property is located 13 kilometres (eight miles) south of the Abcourt-Barvue property. Following the acquisition of X-Strata's interest in 15 half claims, in February 2011, the property now comprises 59 full claims for a total of 2,546 hectares owned 100% by Abcourt.

In the early 1950's, the Vendome deposit was discovered and a three-compartment shaft was sunk to a depth of 160 meters (525 feet) and 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 19,595 meters (64,600 feet). At the same time, two deposits, the **Barvallée** and the **Belfort** were found on strike to the west by surface drilling. In addition, some holes drilled in the Mogador batholith found gold values.

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

In 1998, the Company drilled nine holes for a total of 1,505 meters (4,936 feet) on the Barvallée property of the zone and results were very encouraging. The rock types, the alteration and the widespread sulphide mineralization with significant gold, silver, copper and zinc values that were intersected are characteristic of proximal zones found around volcanogenic massive sulphide ore deposits. The best results were obtained in hole 98-3 with 1.30 m assaying 92.7 g/m.t. of silver, 2.33% of copper and 4.46% of zinc and in hole 98-7 with two intersections: 115.2 g/m.t. silver, 3.05 g/m.t. gold, 0.54% copper and 12.90% zinc over 1.56 m and 32.0 g/m.t. silver, 1.78 g/m.t. gold, 0.44% copper and 4.38% zinc over 2.34 m.

The addition of the Vendome-Barvallée property will be very beneficial to the Abcourt-Barvue project.

## 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:

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

The historical resources around the old mine were calculated by the mine staff before the mine closure. The historical resources for the new orebody to the east were calculated under the direction of Mr W.F. Gilmore, P. Eng., vice-president mines of Wright Engineers Limited of Vancouver, B.C.



These historical resources 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. Here is a list of the best results obtained:

<u>Hole No</u>	<u>From</u>	<u>To</u>	<u>Meters</u>	<u>% Cu</u>	<u>% Zn</u>	<u>g/t Ag</u>	<u>g/t Au</u>
Al 08-11	256.03	279.50	23.47	1.22	5.06	26.30	0.21
Al 08-12	305.00	311.00	6.00	0.37	6.34	11.30	0.03
	327.50	367.80	40.30	1.16	5.42	35.88	0.46
Al 08-13	269.75	301.43	27.05	1.09	3.15	16.70	0.03
Al 08-14	354.08	393.76	39.68	1.94	3.58	28.80	0.48
Al 08-17	254.68	259.00	4.37	0.54	8.99	22.76	0.02
	265.50	272.08	6.58	0.90	18.94	34.06	0.04
Al 08-18	255.26	264.09	8.83	0.49	7.20	22.66	0.13
	294.35	296.03	1.68	3.52	0.04	41.20	0.17
Al 08-20	318.58	323.68	5.10	2.31	13.03	63.90	0.39
Al 08-21	227.20	234.70	7.50	1.86	1.06	29.00	0.23
	277.20	280.84	4.14	1.12	0.01	6.80	0.21

The true widths in these holes, except Al 08-14 and Al 08-21 is approximately 90% of the core lengths. In hole Al 08-14, it is about 50% and in hole Al 08-21, it is approximately 70% of the core lengths. These results have confirmed most of the results obtained previously and have added some extensions to the known zones.

In October and November 2008, eight additional holes totalling 1,842 meters were drilled.

The best results were as follows:

<u>Hole No</u>	<u>From</u>	<u>To</u>	<u>Meters</u>	<u>% Cu</u>	<u>% Zn</u>	<u>g/t Ag</u>	<u>g/t Au</u>
AL08-23	174.75	177.25	2.50	2.77	4.32	52.50	0.51
	177.25	182.40	5.15	0.79	2.03	16.18	0.26
AL08-24	345.00	346.90	1.90	0.48	7.00	25.16	0.37
AL08-25	366.15	370.15	4.00	0.07	6.40	6.69	0.27
	422.50	436.00	13.50	1.24	0.02	4.08	0.13
AL08-27	23.70	26.70	3.00	1.95	0.05	10.55	0.16
	33.00	35.70	2.70	1.96	0.05	9.34	0.13
	39.15	41.70	2.55	1.66	0.11	6.77	0.11
AL08-28	79.70	88.70	9.00	1.86	0.04	6.91	0.27
	91.10	96.00	4.90	2.75	0.02	5.92	0.20
AL08-30	88.32	91.00	2.68	2.66	0.07	10.30	0.58

Holes AL08-23 to AL08-25 were drilled to outline a north-south band of massive sulphides at the western limit of the mined out area between the 7<sup>th</sup> and 9<sup>th</sup> levels. True widths represent about 50-55% of core lengths. Holes AL08-27, AL08-28 and AL08-30 were drilled to outline additional mineralisation between surface and the second level. True widths represent about 90% of core length.

As most of the earlier plans have been lost or are incomplete, our drilling objectives were first to locate and outline the old underground openings (drifts and stopes), then validate the historical resources and possibly find new one. The results obtained will eventually contribute to the preparation of a NI 43-101 resource report.

The assays were done at Techni-Lab S.G.B. inc., a qualified laboratory.

## 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 <sup>(1)</sup>	20,000	- -	4.0	8.0
Jay Copper	1969	Waisberg	26,000	3.5	- -	1.0
Main West Cu	1974	Kilborn <sup>(2)</sup>	1,946,000	1.04	- -	0.02
Lower Ag-Zn-Cu	1983	Getty <sup>(3)</sup>	815,000	1.25	3.21	3.55

<sup>(1)</sup> S. Waisberg, 1969, Conigo Mines Ltd

<sup>(2)</sup> H.B. Hicks, 1974, Kilborn Engineering Ltd, preliminary feasibility study for 1,000 TPD mining and milling plant

<sup>(3)</sup> 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.

In the Fall of 2007, 22 holes were drilled for a total of 2,630 meters at a cost of \$325,141. Several interesting values in silver, copper and zinc were cut. Additional drilling is planned.

Aur Resources Inc. with whom we had negotiated the first agreement was amalgamated with Teck-Cominco Limited. We have recently re-negotiated this agreement with Teck Cominco Limited and obtained more advantageous conditions.

### **Diamond drilling in the Fall of 2009**

In the fall of 2009, we drilled two holes for a total of 1,329 meters. Interesting values in silver, copper and zinc were intersected. .

### **RISKS AND UNCERTAINTIES**

The mining properties held by Abcourt Mines Inc. are at the exploration stage and mine development is planned. Their long-term profitability depends on the cost and success of exploration programs and subsequently on the cost of mine development which could in its turn be influenced by various factors. Among those factors, the environmental regulations, the attributes of the mine deposits that is the quantity and quality of ore reserves and resources, and the cost of infrastructures for production, financing costs, metal prices, the market value of production and the competitive nature of the industry.

Important investments are necessary to complete exploration programs and to develop ore reserves. Without any cash flow produced by a mining operation, the Company depends on the sale of securities to finance its exploration and development activities. Market conditions and other unpredictable events could have an impact on the capacity of the Company to raise the funds needed for its development.

### **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 in December 2010, we have raised \$4.6 M with a prospectus and private placements. These funds will be used mostly to advance the Elder-Tagami project and to drill at Abcourt-Barvue.

For any additional information, please consult our web site [www.Abcourt.com](http://www.Abcourt.com) and the SEDAR site [www.sedar.com](http://www.sedar.com).

### **CERTIFICATE**

This modified 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 any shareholder who requests it.

(s) Renaud Hinse  
Renaud Hinse  
2011/05/31

(s) Jean-Guy Courtois  
Jean-Guy Courtois  
2011/05/31