ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended on June 30, 2016

ABCOURT MINES INC.

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ANNUAL MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis provides an analysis of our exploration, valuation and exploitation results and our financial situation which will enable the reader to evaluate important variations in exploration, valuation and exploitation results and in our financial situation for the period ended June 30, 2016, 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. Financial statements for the year ended June 30, 2016 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, valuation and exploitation 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 our web site at www.abcourt.com, where you will find a description of our 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, valuation and exploitation of mining properties. The current Company's portfolio of mining properties 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 2016 FISCAL YEAR

During the 12-month period ended June 30, 2016, the Company issued 26,425,500 shares and 7,232,000 warrants for a total value of $1,511,160, including 4,934,500 flow-through shares, for a value of $296,070. The exploration and valuation expenses were incurred mostly on Elder. Smaller amounts were spent on the Abcourt-Barvue, Vendôme and Aldermac properties. The Elder mine reached commercial production on January 1, 2016, and the value of the assets increased from $23,577,441 in 2015 to $33,574,141 in 2016, that is a 42% increase.

PRINCIPAL ANNUAL INFORMATIONS (audited)

Periods ended on June 30	2016	2015	2014
Statement of comprehensive income			
Other revenues	11,536,126	20,361	-
Interests	11,175	6,035	17,391
Net profit (Net loss)	1,733,592	(1,013,091)	(331,967)
Net profit (Net loss) per share diluted	0.01	(0.005)	(0.002)
Statement of financial position ($)			
Cash and term deposits	2,550,474	897,372	934,486
Total assets	33,574,141	23,577,441	22,648,536
Decommissioning provisions for mining sites	5,939,350	252,646	229,678
Mining exploration ($)			
Exploration and evaluation assets	7,023,883	17,035,740	15,951,740

QUARTERLY INFORMATION (non-audited)

	2016 June	2015 June	2016 March	2015 March	2015 Dec.	2014 Dec.	2015 Sept.	2014 Sept.
Statement of comprehensive income ($)								
Revenues and other revenues	6,919,465	11,361	4,587,823	-	20,957	-	15,113	9 000
Interests	4,879	3,230	3,141	933	2,831	964	1,093	908
Net profit (net loss)	1,537,118	(684,043)	479,130	(104,459)	(179,807)	(147,043)	(102,849)	(77,546)
Net profit (net loss) per share diluted	0.01	0.00	0.00	0.00	0.00	0.00	0.00	(0.00)
Statement of financial position ($)								
Cash and near cash	2,550,474	897,372	2,241,900	472,702	3,534,274	1,047,389	2,111,615	415,445
Total assets	33,574,141	23,577,441	25,600,237	24,571,459	24,922,108	23,934,531	23,385,685	23,214,629
Decommissioning provisions	5,939,350	252,646	271,637	0.00	264,977	240,888	258,738	235,216
Mining exploration ($)								
Exploration and evaluation expenditures net of mining duties, tax credits and production value of gold and silver ingots	13,844	(648,362)	145,518	460,659	2,632,000	701,284	(1,304,333)	570,419

STATEMENT OF NET LOSS AND COMPREHENSIVE LOSS

Income

Our revenues consist essentially in the sale of gold and silver. As we were not in commercial production in 2015, there are no comparable results. Revenues from the sale of gold and silver for a six-month period from January to June 2016, (that is during the commercial production period), were $11,500,992. Other revenues totaled $46,309.

	2016 $	2015 $
EXPENSES		
Part XII.6 taxes	1,359	-
Amortization of property, plant and equipment	7,098	8,321
Professional fees	250,681	145,194
Restoration of mining sites	36,002	27,622
Interest, penalties and bank expenses	38,609	60,090
Taxes, licences and permits	749	746
Advertising	1,300	1,000
Software and internet	4,479	15,478
Salaries and administrative fees	74,540	76,419
Payroll charges	10,502	10,920
Insurance	12,417	12,660
Fees and financing costs	-	14,256
Office expenses	46,645	45,443
Forestry expenses	-	862
Accretion expense	25,265	22,968
Registration, listing fees and shareholder's information	42,421	50,315
Share-based compensation	-	6,400
Impairment of exploration and evaluation assets	-	725,184
	552,067	1,223,878

In 2015, the impairment of evaluation and exploration assets, for a total of $725,184, increased the expenses considerably. If we subtract that amount, expenses in 2015 and 2016 are about the same.

However, with the purchase of Aurbec Mines Inc assets, professional fees were higher than in 2015.

Net profit (loss) and comprehensive profit

The net profit and comprehensive profit for 2016 was $1,733,592 compared to a loss of $1,013,091 in 2015.

Net profit (loss) and comprehensive profit per share were $0.01 in 2016 compared to a loss of $0.005 in 2015.

RESULTS FOR THE FOURTH QUARTER ENDING ON JUNE 30, 2015

Income

As noted above, our revenues come mainly from the sale of gold and silver. For the 4th quarter, the amount was $6,924,736.

Administrative expenses

During the 4th quarter, the administrative expenses totalled $106 105, mainly in professional fees related to the purchase of the Aurbec assets.

Production costs including royalties, write-offs and expenses, before income taxes

Production costs, before taxes, were $5,261,569, that is $163.94 per tonne, and $1,130 CAN per ounce or $879 US per ounce of gold produced.

Net profit

After mining taxes, a net profit of $1,563,167 was realized in the 4th quarter.

STATEMENT OF CASH FLOWS

Operating Activities

During the financial period ended on June 30, 2016, operating activities before the variations in the non-cash items of the working capital produced an amount of $1,986,365. In 2015, an amount of $434,609 was used. The net change in non-cash operating working capital uses $105,870 and $2,594,052 in 2016.

Financing

In 2016, financing activities provided $1,502,587 net of financing costs compared to $1,997,131 net of financing costs in 2015.

Investment

Investing activities in 2016 and 2015 are summarized as follows:

	2016	2015
	$	$
Tax credit related to resources and mining duties received	5,997	456,850
Cash reserved for exploration and evaluation	17,000	(146,000)
Deposit for restoration of Elder mining site	(120,168)	(240,336)
Acquisition of property, plant and equipment	(2,442,378)	(160,624)
Acquisition of exploration and evaluation assets	(9,914,050)	(14,889,285)
Gold and silver sales	13,211,801	13,485,248
	(758,202)	(1,494,147)

Please note that the tax credits related to resources and mining duties are received. In 2015, a first deposit ($240,336) was made for the restoration of the Elder mine site. The acquisition of property, plant and equipment costed $160,624 in 2015 compared to $2,442,378 in 2016. The amount spent on exploration and valuation assets was $14,889,285 in 2015 compared to $9,914,050 in 2016. The sale of gold and silver, in 2016, has more than compensated the increase in costs.

Cash and cash equivalents, end of the year

The cash and cash equivalents was $2,550,474 in 2016 compared to $897,372 in 2015. The available cash on June 30, 2016, ($2,550,474 and the cash received for exploration $129,000) added to future sales of gold should cover all our operating needs over the next months.

EXPLORATION AND VALUATION ASSETS

Mining properties

During the 12-month period ended on June 30, 2016, the value of mining properties barely changed except for the transfer of $217,771 from the Elder mine to property, plant and equipment.

Summary of exploration and valuation

Details of exploration and valuation expenses are given in note 8 of the financial statement. See a summary below:

	Balance as at June 30, 2015	Addition 2016	Tax credits adjustment	Transfer	Gold and silver ingots	Balance as at June 30, 2016
	$	$	$	$	$	$
Abcourt-Barvue, Qc	3,874,302	369,885	-	-	-	4,244,187
Vendôme, Qc	203,841	335	-	-	-	204,176
Elder, Qc (1)	10,187,243	9,581,435	-	(7,335,617)	(12,433,061)	-
Aldermac, Qc	676,715	25,857	-	-	-	702,572
	14,942,101	9,977,512	-	(7,335,617)	(12,433,061)	5,150,935

(1) Royalties of 1% and 2% are payable on the Elder project and are recorded in exploration and evaluation expenses. The 2% royalty is paid to a related company (see Note 18).

In 2016, exploration and evaluation expenses, before tax credits related to mining duties, totaled $9,977,512 compared to $15,053,211 in 2015. For each of these years, these expenses were reduced by the sale of gold and silver and, in 2016, by a transfer of $7,335,617 to property, plant and equipment.

Details on exploration and valuation expenses

As the status of the company changed on January 1, 2016, the following table compares exploration and valuation expenses mainly incurred over a six-month period, from July to December 2015 of the 2016 period with a period of 12 months, from July 2014 to June 2015, of the 2015 period.

	2016	**2015**
	$	$
Works at surface :		
Drilling	192,842	122,460
Assays	18,419	9,410
Electricity and phone	15,388	19,282
Insurance, taxes and permits	9,226	(903)
Fees and engineers expenses	127,522	80,734
General exploration and evaluation expenses	32,680	27,567
Subtotal	396,077	258,550
Underground works:		
Exploration and evaluation expenses of Elder project	9,150,179	14,241,472
Royalties	349,713	374,566
Amortization of equipment	81,543	178,623
Gold and silver ingots	(12,433,061)	(13,299,693)
Subtotal	(2,851,626)	1,494,968
Increase (decrease) of exploration and evaluation expenses (at surface and underground)	(2,455,549)	1,753,518
Tax credits adjustment	-	40,969
Impairment	-	(668,523)
Mining duties and tax credit related to resources	-	-
Transfer in property, plant and equipment of Elder Mine **(a)**	(7,335,617)	-
Balance, beginning of year	14,942,101	13 ,816,137
Balance, end of year	5,150,935	14,942,101

(a) Transfer done after reaching commercial production on January 1, 2016.

Details on the two most important items of deferred expenses for the year ended June 30, 2016:

In 2016, we spent $9,150,179 for exploration and valuation at the Elder property, mainly to rehabilitate old drifts, to excavate new drifts, to extract gold mineralization from stopes, to transport and treat this mineralization in a custom mill. Details are given at note 8 of the financial statements.

The most important expenditure was the salaries and social benefits for a total of $3,883,810.

The second most important expenditure was incurred with the transport and milling of the ore for a total of $2,593,437.

Note 1 – These expenditures do not include expenses incurred at Elder in the second half of the 2016 period.

STATEMENT OF FINANCIAL POSITION

Total assets increased substantially from $23,477,441 at June 30, 2015, to $33,574,141 at June 30, 2016. This increase appears first in the current assets with $897,372 in cash in 2015 and $2,550,474 in 2016 and with stocks increasing from $778,740 in 2015 to $3,663,835 in 2016. In the non-current assets, we see an increase of $5,361,102 mainly in deposits for the restoration of mining sites and in the value of property, plant and equipment following the purchase of Aurbec Mines Inc. In addition, financings realized in 2016 ($1,010,697) net of issuing costs and the exercise of warrants ($491,890) were used to pay for some expenses and to increase the value of assets.

The cash position increased from $897,372 in 2015 to $2,550,474 in 2016.

The exploration and valuation assets decreased from $17,035,740 in 2015 to $7,023,883 in 2016, following the transfer of $7,335,617 to property, plant and equipment (re: Elder) and a reduction of these assets by the value of the gold sold less expenses related to the gold production.

The liabilities increased from $1,597,500 in 2015 to $8,432,039 in 2016, mainly with provisions for the decommissioning of the Elder and Sleeping Giant mines at a cost of $5,939,350.

INCORPORATION, ACTIVITIES AND CONTINUITY OF EXPLOITATION

Abcourt Mines Inc. was constituted by letters patent of amalgamation in January 1971 and continued its existence under Part 1A of the Quebec Companies Act in March 1981. On February 14, 2011, the Company was automatically continued under Business Corporations Act (Quebec) following the entry into force of this law. The Company is engaged in the acquisition and exploration of mining properties in Canada. Its shares are trading on TSX Venture Exchange under the symbol ABI, on the Berlin Stock Exchange under the symbol AML-BE and on the Frankfurt Exchange under the symbol AML-FF. The address of the Company's head office is: 506 des Falaises, Mont-St-Hilaire, (Quebec) J3H 5R7.

The Company has economical ore reserves on the Abcourt-Barvue property and the Elder Mines has been producing gold for some years. The exploration and valuation of mineral deposits involves nevertheless significant financial risks. The success of the Company depends on a number of factors, including exploration, valuation and exploitation risks, regulatory issues, environmental regulations and other regulations.

In the past, at Elder Mine, the Company proceeded with an underground evaluation of the mineralization and achieved commercial production on January 1, 2016. In the past, the Company recorded losses year after year and the Company accumulated a deficit of $22,571,162 as at December 31, 2015. During the semester ended June 30, 2016, the Company recorded a net profit of $1,733,592. Previously, the Company depended on its ability to obtain funds to meet its commitments and future liabilities. Having reached commercial production, management believes that Abcourt will, in the future, be able to auto-finance its current operations. However, an increase of production will, at least in part, require outside financings.

Although management has engaged a qualified person to verify titles of the mining properties in which the Company has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's property title. Property title may be subject to unregistered prior agreements and non-compliant with regulatory requirements. There is no indication to date that these situations may exist.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and liquidation of liabilities during the normal course of operations and do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and statement of financial position classifications that would be necessary if the going concern assumption would not be appropriate. These adjustments could be material.

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These financial statements were approved by the Board of Directors on October 28, 2016.

BASIS OF PRESENTATION AND COMPLIANCE DECLARATION

The current annual audited financial statements of Abcourt Mines Inc., were prepared by management in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the IASB and in accordance with IAS 34, *Interim Financial Reporting*.

For additional information concerning the accounting policies, please consult notes 2 and 3 of the annual, audited, financial statements dated June 30, 2016.

BASIS OF MEASUREMENT

The financial statements have been prepared according to historical costs.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

The Corporation provides information on its deferred exploration and valuation assets in its interim financial statements for the twelve-month period ending on June 30, 2016.

The Corporation has no deferred expenses other than mining properties and deferred exploration and valuation assets.

The Corporation has no research and development expenses.

CONTRACTUAL OBLIGATIONS

Long-term Debt

The Company has no long-term debt, other than the provision for the restoration of the Elder and Sleeping Giant mine sites when operations will be terminated.

PROVISIONS FOR DECOMMISSIONING MINING SITES:

	2016	**2015**
	$	$
Balance, beginning of year	252,646	229,678
Changes to estimates (1)	207,439	-
Provision related to the Sleeping Giant assets (2)	5,454,000	
Accretion expense	25,265	22,968
Balance, end of year	5,939,350	252,646

(1) At the time of its recognition, during the year ended June 30, 2013, the obligation amounted to $480,670 and represented the estimated future restoration costs of the Elder mining site. The rate used to determine the future value is 1.2% (1.2% in 2015), while the rate reflecting the current market assessments used to determine the actual value is 1.12% (10% in 2015). The downward revision of the discount rate resulted in an adjustment to the provision in the amount of $207,439.

(2) Under the assets purchased agreement of the Sleeping Giant mine, the Company assumed the asset retirement obligation in accordance with the 2013 restoration plan accepted by the Québec Ministry of Energy and Natural Resources. The future costs of restoration of the Sleeping Giant mine were estimated at $5,370,214. The rate used to determine the future value is 1.2 %, while the rate reflecting the current market assessments used to determine the actual value is 0.55%.

Royalties

Property	Royalty
Elder	2 to 3% NSR
Barvue	$0.25 per short ton on former Barvue property and 1 to 1.5% NSR on some other claims
Vendome	2% NSR on Xstrata claims
Abcourt	0
Tagami	1 to 2% NSR
Jonpol	2.5% NSR
Aldermac	$2.00/t for 1.5 M t
Aldermac West	2% NSR
Sleeping Giant	$5.00 / tonne for 350,000 tonnes

Environment

A settling pond on the Abcourt-Barvue property was restored during the 2005-2010 years. We also installed a water treatment plant to treat a small leachate produced by the restored basin. Restoration expenses were $14,388 in 2014 and $27,622 in 2015.

As indicated in note 13 of the Financial Statements, some non-conformity notices were received in 2015 for the open pit effluent and for the north and south drainage canals of the Abcourt-Barvue settling basin. Corrective work is now being done.

OFF BALANCE SHEET ARRANGEMENTS

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

CAPITAL STOCK

Authorized

Unlimited number of preferred shares without par value which may be issued in one or more series; the privileges, rights, conditions and restrictions will be determined by the Board of Directors (none are outstanding).

Unlimited number of subordinate class “A” shares, without par value, non-voting (none outstanding).

Unlimited number of class “B” shares, without par value, voting.

Changes in Company class “B” capital stock were as follows:

	2016		2015	
	Number	Amount $	Number	Amount $
Balance, beginning of year	220,655,219	38,082,322	182,332,419	36,024,060
Paid in cash (1)	14,464,000	679,416	22,323,000	1,271,752
Flow-through shares(2)	4,934,500	222,052	15,999,800	786,510
Warrants exercised (3)	7,027,000	534,433	-	-
Balance, end of year	247,080,719	39,518,223	220,655,219	38,082,322

As at June 30, 2016 and as at June 30, 2015, shares are issued and fully paid.

(1) Value of capital stock paid in cash is presented net of the fair value of warrants amounting to $43,784 ($86,218 in 2015).

(2) Value of flow-through shares is presented net of premium related to the sale of tax deductions amounting to $74,018 ($220,985 in 2015).

(3) Value of capital stock issued from the exercise of warrants include an amount of $42,543 which represent the fair value of the warrants exercised.

Year ended June 30, 2016

In December 2015, the Company closed a private placement constituted of 14,464,000 units at a price of $0.05 per unit. Each unit consists of one class « B » share and half warrant, each warrant entitling its holder to purchase one share at a price of $0.07 over a 12 month period. The total gross proceeds of $723,200 was presented net of the fair value of warrants amounting to $43,784.
In December 2015, the Company closed a flow-through private placement of 4,934,500 flow-through shares at $0.06 per share. The total gross proceeds of $296,070 was presented net of a premium on flow-through shares of $74,018.

In May 2016, 7,027,000 warrants, issued in the December 2015 private placement at a price of $0.07, were exercised for a total proceed of $491,890. An amount of $42,543 representing the fair value of those warrants was accounted for as capital stock.

Year ended June 30, 2015

In July 2014, the Company closed a private placement constituted of 12,091 units at a price of $70 per unit. Each unit consists of 1,000 class « B » shares and 500 warrants, each warrant entitling its holder to purchase one share at a price of $0.10 over a 12 month period. The total gross proceeds of $846,370 was presented net of the fair value of warrants amounting to $57,260.

In July 2014, the Company closed a private placement constituted of 1,900,300 flow-through shares at $0.085 per share. The total gross proceeds of $161,525 was presented net of a premium on flow-through shares of $9,500.

In December 2014, the Company also closed a private placement constituted of 11,789,833 flow-through shares at $0.06 per share. The total gross proceeds of $707,390 was presented net of a premium on flow-through shares of $176,840.

In addition, in December 2014, the Company closed a private placement constituted of 2,309,667 flow-through shares at $0.06 per share. The total gross proceeds of $138,580 was presented net of a premium on flow-through shares of $34,645.

In January 2015, the Company closed a private placement constituted of 10,232,000 units at price of $0.05 per unit. Each unit consists of one class « B » share and one-half warrant, each whole warrant entitling its holder to purchase one share at a price of $0.07 over a 12 month period. The total gross proceeds of $511,600 was presented net of the fair value of warrants amounting to $28,958.

SHARE PURCHASE OPTIONS AND WARRANTS

The shareholders of the Company approved a stock option plan (the " plan ") whereby the Board of Directors may grant to employees, officers, directors and suppliers of the Company, share purchase options to acquire shares in such numbers, for such terms and at such exercise price as may be determined by the Board of Directors. It was originally adopted in October 1996 and approved by shareholders of the Company on December 1st, 1997, and has subsequently been modified several times with the approval of shareholders in December 2001 and December 2012. The exercise price cannot be lower than the market price of the shares at the time of grant.

The plan provides that the maximum number of shares in the capital of the Company that can be reserved for issuance under the plan shall be equal to 14,500,000 shares. The maximum number of shares that can be reserved for issuance of option to any one person may not exceed 5% of the outstanding shares at the time of grant and the maximum number of shares which may be reserved for issuance to an investor relations representative, a consultant or a supplier may not exceed 2% of the outstanding shares at the time of grant.

The acquisition conditions of share purchase options are without restriction. However, the options granted to investor relations representatives will be acquired at a rate of 25% per quarter. These options will expire no later than five years after being granted.

During the previous year, the fair value of options granted in accordance with the plan was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: estimated duration of 5 years, risk-free interest rate of 1.51 %, share price at the time of grant of $0.06, exercise option price at the time of grant of $0.07, dividend yield of 0% and expected volatility rate of 68%.

Changes in Company share purchase options were as follows :

Share Purchase Options

	2016		2015	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Balance, beginning of year	9,250,000	0.11	10,500,000	0.115
Granted	-	-	200,000	0.07
Cancelled and expired	(8 450 000)	0.12	(1,450,000)	0.11
Outstanding and exercisable, end of year	800 000	0.09	9,250,000	0.11

	2016	**2015**
	$	$
Weighted average fair value of options granted	-	0,032

The following tables summarize the information related to the share purchase options granted under the plan.

Options Outstanding as at June 30, 2016	Weighted average remaining contractual life	Exercise price $
300,000	1.4 year	0.10
300,000	2.7 year	0.10
200,000	3.3 year	0.07
800,000		

Options Outstanding as at June 30, 2015	Weighted average remaining contractual life	Exercise price $
7,200,000	1 year	0.12
1,250,000	0.2 year	0.10
300,000	2.4 years	0.10
300,000	3.7 years	0.10
200,000	4.3 years	0.07
9,250,000		

Warrants

During the year, the Company granted warrants to investors through private 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 (1 year in 2015), risk-free interest rate of 0.44% (1% in 2015), share price at the time of grant of $0.05 ($0.06 in 2015), exercise warrants price of $0.07 ($0.09 in 2015), dividend yield of 0% (0% in 2015) and expected volatility rate of 68% (58% in 2015).

Changes in Company warrants were as follows:

	2016		**2015**	
	Number	Weighted average exercise price $	Number	Weighted average exercise price $
Balance, beginning of year	11,161,050	0.09	6,731,000	0.11
Granted	7,232, 000	0.07	11,161,500	0.09
Exercised	(7,027,000)	0.07	-	-
Expired	(11,161,500)	0.09	(6,731,000)	0.11
Outstanding and exercisable, end of year	205,000	0.07	11,161,500	0.09

	2016	2015
	$	$
Weighted average fair value of warrants granted	0.006	0.01

The following tables summarize the information related to the warrants.

Warrants Outstanding as at June 30, 2016	Exercise price $	Expiry Date
205 000	0,07	Janvier 2017 / January 2017

Warrants Outstanding as at June 30, 2015	Exercise price $	Expiry Date
6,045,500	0.10	July 2015
5,116,000	0.07	January 2016
11,161,500		

Options to brokers and intermediaries

During the year ended June 30, 2015, the Company granted options to brokers and intermediaries through private placements. The fair value of options was estimated using the Black-Scholes pricing model considering the following weighted average assumptions: estimated duration of 1 year, risk-free interest rate of 0.98%, share price at the time of grant of $0.05, exercise option price at the time of grant of $0.08, dividend yield of 0% and expected volatility rate of 61%.

Changes in Company brokers and intermediaries options were as follows:

	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Balance, beginning of year	589,492	0.08	-	-
Granted	-		589,492	0.08
Expired	(589,492)	0.08	-	-
Outstanding and exercisable end of year	-	-	589,492	0.08

	2016	2015
	$	$
Weighted average fair value of brokers and intermediaries options granted	-	0.002

The following table summarizes the information related to brokers and intermediaries options.

Brokers and Intermediaries Options Outstanding as at June 30, 2015	Exercise price $	Expiry Date
589,492	0.08	December 2015
589,492	0.08	

Convertible securities

None

Escrowed shares

None

SUBSEQUENT EVENTS

On July 6, 2016, the Company granted 7,500,000 shares purchase options to officers and directors pursuant to its stock options incentive plan, at an exercise price of $0.125 for a 5 years period.

On August 9, 2016, the Company closed a private placement constituted of 23,810,000 units at a price of $0.10 per unit for a total amount of $2,381,000. Each unit consists of one class « B » share and a half warrant, each full warrant entitles its holder to purchase one share at a price of $0.13 for a 12 month period.

In connection with the private placement, 382,200 options were issued to an intermediary. Each option entitles its holder to purchase one unit at a price of $0.10 per unit for a 12-month period. Each unit consists of one class « B » share and a half warrant, each full warrant entitles its holder to purchase one share at a price of $0.13 for a 12 month period.

The milling agreement with Camflo ended on June 30, 2016. All Elder ore produced after July 1, 2016, will be treated at the Sleeping Giant mill.

RELATED PARTY TRANSACTIONS

The tables below show related party transactions and balances payable for each of the Company's related party. The amounts payable are usually settled in cash.

	2016 $	2015 $
Transactions with a company controlled by the Chief Executive Officer and President of the Company (Décochib inc.) and transactions with the President of the Company		
Fees included in exploration and evaluation expenses and in administrative costs:		
Services as engineer and at financing meeting	280,000	287,000
Expenses incurred and thereafter reinvoiced to the Company		
Amount included in exploration and evaluation expenses and included in operating mining costs	61,384	67,819
Payments of a 2% NSR royalty on the Elder property which was acquired from ''Canuc Resources Company'' in 2001	461,955	250,172
Amounts payable :		
Balance included in accounts payable and accrued liabilities as at June 30	261,117	95,387

	2016 $	2015 $
Directors and key management personnel		
Salaries and administrative fees	4,480	5,200
Director's fees	12,300	6,600
Professional fees	42,833	47,117
Share issuance expenses	1,695	12,251
Fees included in exploration and evaluation expenses	-	9,620
Share-based compensation	-	6,400
Registration, listing fees and shareholders' information	3,624	12,253
Amounts payable:		
Balance included in accounts payable and accrued liabilities as at June 30	13,798	5,989

These transactions are measured at the value of the consideration paid or received, which was established and agreed by the related parties.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities are exposed to the following financial risks: market risk, credit risk, etc.

a) Market risk

i) Fair value

Fair value estimates are made at the statement of financial position date, based on relevant market information and other information about the financial instruments. Fair value of cash, cash reserved for exploration and evaluation, other receivables and accounts payable and accrued liabilities approximate carrying value due to their short-term.

ii) Fair value hierarchy

Cash and cash reserved for exploration and evaluation are measured at fair value and they are categorized in level 2. This valuation is based on valuation techniques based on inputs other than quote prices in active markets that are either directly or indirectly observable.

iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The management of the Company considers minimal its interest rate risk. The other financial assets and liabilities of the Company do not represent interest rate risk because they are without interest. The Company does not use financial derivatives to decrease its exposure to interest risk.

iv) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Most of the Company's transactions are carried out in Canadian dollars. Exposure to currency risk arises from gold and silver ingots sales that are realized in U.S. dollars because the prices of gold and silver are established in U.S. dollars. For the twelve-month period ended June 30, 2016, the sales amounted to $23,934,053 ($13,299,693 in 2015). The Company did not enter into any arrangements to hedge its foreign exchange risk.

v) Commodity price risk

The commodity price risk is the risk of the fluctuation of gold price. The Company does not provide to use hedging contract to reduce its exposure to the fluctuation of gold and silver price.

b) Credit risk

Credit risk is the risk that a party to a financial instrument fails to discharge an obligation and causes the other party to incur a financial loss. Financial instruments which potentially expose the Company to credit risk mainly consist of cash, cash reserved for exploration and evaluation and other receivables. The credit risk on cash and cash reserved for exploration and evaluation is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. Consequently, the Company does not expect any treasury counterparties to fail in respecting their obligations. Credit risk on other receivables is low. The carrying value of cash, cash reserved for exploration and evaluation and other receivables represents the Company's maximum exposure to credit risk and there has been no significant change in credit risk since prior years.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet the obligations associated with its financial liabilities. Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has sufficient financing sources. The Company establishes budgets to ensure it has the necessary funds to fulfill its obligations. On June 30, 2016, the Company's cash amounted to $2,550,474 plus $129,000 reserved for exploration and valuation of mining projects. In addition, the Company's working capital amounted to approximately $4,603,186 as at June 30, 2016. Taking into account its available cash, management considers that the funds are sufficient to meet its financial liabilities and future financial liabilities for its commitments.

POLICIES AND PROCESSES FOR MANAGING CAPITAL

On June 30, 2016, the equity totaled $25,142,102. The objective in managing the capital of the Company is to ensure that enough capital is available to meet its commitment for its mining development plan and for the exploration needed to ensure the growth of its activities. Also, its objective is to ensure that it has enough cash to cover its prospection, valuation and exploitation expenditures, its investments and its working capital.

There has not been any significant change in its policies concerning the management of capital in the 12-month period ended on June 30, 2016. The Company is bound to respect regulations regarding the use of funds that have to be spent for admissible prospection and valuation expenses. In the past, the Company has always respected the regulation. The Company does not have a policy concerning dividends.

MINING PROPERTIES

Abcourt Mines Inc. owns the following properties:

- A gold mine in operation on the Elder and Tagami properties located near Rouyn-Noranda, Quebec, Canada;
- An advanced silver-zinc project on the Abcourt-Barvue and Vendome properties located at Barraute, near Val-d'or, Quebec, Canada;
- The Aldermac property located near Rouyn-Noranda, Quebec, Canada, an underground mine with historical resources in copper – zinc – silver - gold.
- The Jonpol property located near Amos, Quebec, Canada with historical resources in copper – zinc – silver - gold.

Since June 17, 2016, Abcourt owns also the following properties in Abitibi, Quebec, Canada:

- The Sleeping Giant mine located half-way between Amos and Matagami, with a gold mill with a 700 to 750 tonnes per day capacity and an underground mine with historical, measured, indicated and inferred gold resources;
- Two properties at an advance stage of exploration and valuation, the Discovery and the Flordin properties, located near Quevillon, Quebec, Canada, with measured and indicated and inferred gold resources.

Here is some information on each property:

THE ELDER-TAGAMI PROJECT

The Elder-Tagami project is owned 100% by Abcourt. This project is conveniently located inside the mining community of Rouyn-Noranda, Quebec, just six miles (ten km) northwest from the town center. The property comprises 34 contiguous claims and a mining concession covering an area of 876 hectares. Royalties of 2% to 3% are payable 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. Almost all of the mining equipment is available and all the facilities are in place.

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 metric 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 and almost all mining equipment was sold, except important pieces of equipment like the hoist, compressors and the electrical distribution system.

From 1995 to 2012, several surface drilling programs were completed and results obtained were used to revise the 43-101 resources. Also, all the old historic data were converted to the metric system. The revision of resources was completed by Mr. Jean-Pierre Bérubé, P. Eng. Mr. Bérubé is a qualified, independent person. This report is available on SEDAR.

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**	**288,945**

Table 1b – Inferred resources at Elder and Tagami

ZONE	TONNES	GRADE	WIDTH	GOLD OUNCES
	(metric)	**(g/t)**	**(m)**	
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	**638,300**	**5.70**	**1.85**	**116,826**

Based on the new resources estimate (NI 43-101), a preliminary economic assessment report (PEA) was prepared to determine if additional exploration work was needed to increase resources before considering mine development before production, or not. This report is available on SEDAR.

The NI 43-101 preliminary economic assessment report on the Elder gold mine project prepared by Roche Ltd., Consulting Group (Roche) and independent consultants, indicates a total cash flow of $138 M over a 10.4-year initial period of mine life, a before-tax Net Present Value (NPV) of $81.8 M at a discount rate of 8%, a before-tax Internal Rate of Return (IRR) of 140.5% and a payback period of 1.1 years.

The P.E.A. includes approximately 130,000 tonnes of inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary assessment will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The qualified persons responsible for this 43-101 report are Pierre Casgrain, Eng., Garand Gagnon, Eng., Alain Dorval, Eng., and Martin Magnan, Eng., of Roche Ltd., Consulting Group and Lise Chénard, Eng., Michel Bilodeau, Eng., and Jean-Pierre Bérubé, Eng., independent consultants.

During the July 1 – December 31, 2015 period, the underground exploration and valuation program was continued and the following results were obtained:

Results obtained during the 1st and 2nd quarters and for the six-month period ended on December 31, 2015:

Description	**3 months to Septembre 30, 2015**	**3 months to Decembre 30, 2015**	**6 months to Decembre 30, 2015**
Tonnes treated	23,202	31,506	54,708
Tonnes broken in stopes	28,804	30,105	58,909
Extracted tonnes	24,132	24,867	48,999
Gold ounces produced	3,507.5	4,805	8,312.5
Silver ounces produced	494	630	1,124
Gold recovery at mill	95.58	95.40	95.52
Revenues received from the sale of waste rock, gold and silver	$5,214,360	$7,218,700	$12,433,060
Price of gold sold, per ounce	$1,484 ($1,126 US)	$1,496 ($1,098 US)	$1,491 ($1,109.80 US)
Exploration and valuation costs, royalties and write-off	$3,910,027	$5,671,409 $	$9,581,436
Positive margins (1)	$1,304,333	$1,547,291	$2,851,624

(1) Positive margins produced by the revenue from the sale of mineralized material less the associated costs of producing this material.

Following these positive results, the Elder mine was declared in commercial production, starting on January 1, 2016.

Results obtained in the 3rd and 4th quarters and for the six-month period ended on June 30, 2016:

Description	3 months to Mars 31, 2016	3 months to June 30, 2016	6 months to June 30, 2016
Tonnes treated	20, 167	32,095	52 262
Tonnes broken in stopes	25,189	21,042	48 593
Extracted tonnes	25,465	23,404	48 869
Gold ounces produced	2,742	4,656	7 399
Gold recovery	96.1 %	95.2 %	95,7 %
Revenues from sale of gold, silver and other	$4,622,565 $229.21 / t	$6,924,736 $216.76 / t	11 547 301 $ 220,95 $ / t
Price of gold sold	$1,685 CAN $1,267 US	$1,487 CAN $1,157 US	1 561 $CAN 1 198 $US
Production costs including royalties, write-offs and expenses before taxes	$4,132,620 $204.92 / t $1,507 CAN / on $1,132 US / on	$5,261,569 $163.94 / t $1,130 CAN / on $879 US / on	9 394 189 $ 179,75 $ / t 1 270 $CAN / on 974 $US / on
Net profit after taxes	$404,945	$1,563,167	$1,968,112
Mining taxes Income tax	$85,000 -	$100,000 -	$185,000 -
Cash at end of period	$2,078,900 $	$2,550,474	$2,550,474

Over the sixth-month period ended June 30, 2016, gold was sold at an average price of Can$1,561 (US$ 1,198) per ounce and production costs before taxes were Can$ 1,270 per ounce (US$ 974 per ounce). All ore was treated at the Camflo mill owned by Richmont Mines Inc. During that period, the mill treated an average of 8,710 tonnes per month and the mine produced 8,145 tonnes per month. Our near-term objective is to increase production at the mine to 10,000 tonnes per month. Starting in July 2016, all production will be treated at the Sleeping Giant mine.

With the positive results obtained during the six-month period ending on June 30, 2016, the Company will be able to auto-finance its current operations. However, the acquisition of additional production capacity will need, at least in part, a financing by the issue of shares, or debt, or a participation from an associate.

ACQUISITION OF THE SLEEPING GIANT MINE AND MILL

On June 17, 2016, Abcourt completed the acquisition of the Sleeping Giant mine and mill and several other properties with excellent showings of gold.

Sleeping Giant mine and its mill (the “Property”) is located half way between Amos and Matagami, in Abitibi, Québec, in the territory covered by the Plan Nord of the Quebec government. The property was acquired from Deloite Restructuring Inc, acting solely as court-appointed receiver (the “Receiver”) for the Aurbec Mines Inc’s assets. The purchase price was $2,548,727.

Among the assets that Abcourt will acquire, there is a mill with a capacity of 700 to 750 tonnes of ore per day, that is about 250,000 tonnes per year. This capacity is adequate to treat the Elder and the Sleeping Giant production. The process is carbon in pulp. There are also installations to deposit the mill tailings, underground infrastructures including two shafts and drifts, a mechanical shop, offices, a store, dries and mining equipment, surface installations, an important inventory of parts, four (4) mining leases and sixty-nine (69) adjacent cells and several other exploration properties.

Surface plant of the Sleeping Giant mine

Conditions of the agreement to the benefit of Abcourt

In addition to the usual conditions, in the context of a sale by a court-appointed receiver, the following conditions are added to the benefit of Abcourt:

• All certificates of Authorization concerning the Environment have to be ceded to Abcourt;

• A collective agreement has to be negotiated with the Syndicat des Métallos, to the satisfaction of Abcourt;

• The amount of $4,027,661 already deposited for the restauration of the site by previous owners has to be transferred to Abcourt. An additional amount of $1,342,397 has to be deposited by Abcourt.

Outstanding points of this Agreement

• **Purchase of mill at good value.**
The purchase of this mill with a capacity of 700 to 750 tonnes per days, enabling Abcourt to treat the Elder and Sleeping Giant production, is purchased at a large discount on the replacement cost of this mill including the tailings pond, without taking into account the value of the gold resources of the property.

• **No dilution of the capital stock and no debt.**
This purchase will be done without the issue of any additional share and no debt. All the debts associated with the previous owners will be settled by the bankruptcy of Mines Aurbec Inc.

• **Tailings pond.**
The tailings pond has enough capacity for two years of operation. In 2014, a study was made by Amec Environment & Infrastructure, a division of Amec America Limited (AMEC) for the enlargement of the tailings pond. This study indicates that in the course of the first two (2) years of operation, a dyke has to be built at a cost of $136,000. In the following year, another dyke and an outlet have to be put in place at a cost of $328,000. In the fourth year, a major expense of $2.4 M has to be made to enlarge the pond. For the following five (5) years, an expenditure of about $200,000 annually will suffice.

• Shaft deepened in 2009 – 2011
Mines NAP Québec Ltée deepened the shaft in 2009 – 2011 to open three (3) new levels at depth.

• Historical mineral resources of the Sleeping Giant mine
The historical mineral resources of the Sleeping Giant mine was estimated by InnovExplo in August 2013. These resources were calculated with the following criteria:

Cut-off grade = 6.5 grams / tonne of gold

Specific weight = 2.85 grams / cm3

High values reduced to = 60 grams / tonne of gold in diamond drill holes and
55 grams / tonne of gold for samples taking in the mine.

Historical Resources of the Sleeping Giant mine, August 1, 2013

Zones	**Mesured**		**Indicated**		**Mesured and indicated**		**Inferred resources**	
	Tonnes	**Au (g/t)**	**Tonnes**	**Au (g/t)**	**Tonnes**	**Au (g/t)**	**Tonnes**	**Au (g/t)**
2			29,014	10.5	29,014	10.5	1,280	7.8
3			16,943	9.0	16,943	9.0		
6			56,194	9.9	56,194	9.9	2,361	8.7
8							3,627	9.9
9			5,044	8.2	5,044	8.2		
15			12,268	7.8	12,268	7.8	1,351	10.3
16			9,820	10.8	9,820	10.8	22,588	14.2
18			9,636	14.1	9,636	14.1	2,096	10.8
20			14,986	11.3	14,986	11.3		
30			2,251	10.0	2,251	10.0		
50	2,020	6.9	13,375	10.5	15,935	10.0	1,434	13.4
30W			30,792	12.6	30,792	12.6	3,405	14.5
8N			14,796	13.0	14,796	13.0		
785N			88,950	16.4	88,950	16.4	2,267	7.8
78H							1,290	7.0
Total	**2,020**	**6.9**	**304,100**	**12.4**	**306,100**	**12.3**	**41,700**	**12.4**

In 2015, before the mine was closed, Mines Aurbec Inc excavated a 270-meter access drift on level 1060 m that reached the 30W zone indicated above. Some mining was done between the date of the resources calculations and the date of closing of the mine.

- **Synergy of the Project**

The acquisition of the mill will enable us to reduce the milling costs and its availability will be guaranteed at all times. As the Elder and Géant Dormant ores are compatible, it will be possible to mix them and, consequently, optimize the management of the mill feed and minimize the stock piling of ore at the mines and / or at the mill. This should result in a lessening of working capital needs. We also believe, based on past experience, that the gold recovery will be better particularly at the mill clean-up time.

- **Restart of mill**

  The overhauling of the mill started as soon as the agreement was signed. The first ore was treated in August 2016.

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.

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. Subsequently, various alternatives were considered to improve the profitability of this project.

Resource calculation and feasibility study 2006 - 2007

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.

The amount needed for the opening of the Abcourt-Barvue mine, according to the scenario proposed in the 2006 feasibility study, is $71M, including working capital. However, we have assessed several other scenarios since that time (not 43-101) with costs between $46M and $70M. Before starting this project, we have to choose the best scenario as a function of metal prices and update the feasibility study. The start of this project depends on the availability of funds and we have no guarantee that we will get the necessary funds in the near term.

New resources calculations in 2014

A 43-101 report on the Abcourt-Barvue resources was prepared by Mr. Jean-Pierre Bérubé, engineer and independent consulting geologist with pertinent experience in this field. This report indicates an increase in indicated and inferred resources in comparison with those of 2006. This report was filed on SEDAR. Here is a comparative table of resources in all categories:

Table 1. Resources of all categories

	2014 Estimate			**2006 Estimate**		
CATEGORY	**TONNES**	**Ag (g/t)**	**Zn (%)**	**TONNES**	**Ag (g/t)**	**Zn (%)**
Measured	**6,284,000**	**43.98**	**3.09**	**6,516,000**	**58.32**	**3.33**
Indicated	**1,799,000**	**95.51**	**2.94**	**503,000**	**98.35**	**3.44**
M + I	**8,083,000**	**55.45**	**3.06**	**7,019,000**	**61.19**	**3.33**
Inferred	**2,037,000**	**114.16**	**2.89**	**1,506,000**	**120.53**	**2.98**

If the open pit outlines designed in 2007 by GENIVAR remain unchanged, it is estimated that 77% of the measured and indicated resources will be extracted from an open pit and 23% from underground operations.

The increase in tonnage between the 2006 estimate and the 2014 estimate was brought about by additional diamond drilling in 2010 and 2011 and by a substantial increase in the price of silver which enabled us to use a lower cut-off grade.

The measured resources are generally extending from surface to a maximum depth of 165 meters. The indicated resources are generally located in the immediate extensions of the measured blocks from elevation -125 to -300 meters.

2014 – 2015 diamond drilling program

During the 2014 – 2015 fiscal period, two holes for a total of 558 meters were drilled on surface in the eastern and western part of the property and at depth on mining concession 393. Low grade mineralization was found. Expenses incurred totaled $165,275 mainly for diamond drilling and for the restoration of the site.

Diamond drilling 2015

During the month of October and November 2015, nine holes were drilled on surface for a total of 2,148 meters. Five holes, AB15-03 to AB15-07 were drilled at depths of about 250 meters in the central part of the Abcourt zone, to upgrade inferred resources into indicated resources. Good values over interesting widths were cut by four out of five holes in this area. Besides, three holes were drilled at depths of about 150 meters at the eastern limit of the Barvue zone to upgrade inferred resources into indicated resources. Again, good values over substantial widths were cut.

The true widths represent about 60 % to 75 % of the core lengths. See table below:

Hole No.	From m	To m	Length m	Ag g/ t	Zn %
AB-15-03	240.0	249.0	9.0	92.01	5.81
AB-15-04	318.0	322.0	4.0	32.92	1.26
AB-15-05	270.0	286.0	16.0	63.18	2.24
AB-15-06	243.0	264.0	21.0	66.46	2.81
AB-15-07	266.0	274.2	8.2	118.19	5.00
AB-15-08	112.0	126.7	14.7	155.23	2.06
AB-15-09	167.0	182.3	15.2	42.45	2.92
AB-15-10	170.3	178.5	8.2	61.75	3.86

2016 drilling

Hole No.	From m	To m	Length m	Ag g/t	Zn %
AB 16-01	365.0	370.0	5.0	200.5 107.8 (c)	1.70
AB 16-02			No signifiant value		
AB 16-03	359.0	370.0	11.0	21.0	0.46
	370.0	373.0	3.0	36.8	2.06
AB 16-04	209.4	210.0	0.6	14.1	9.40
	254.3	257.3	3.0	123.0	1.12
	291.5	293.0	1.5	62.1	0.05
AB 16-05	214.0	222.2	8.2	25.9	2.24

The true width is about 70% of core length.

Holes AB 16-01 to AB 16-3 were drilled at depths of about 300 meters in the central part of the Abcourt body to improve the classification of inferred resources into indicated resources.

Hole AB 16-01 gave good results.

Holes AB 16-04 and AB 16-05 were drilled at the eastern end of the Barvue body, at depths of 175 to 200 meters and both holes gave good results. These holes were drilled in the same area as the 2015 holes. The pyrite mineralization generally associated with the best zinc values remain strong (3 to 8 %) and this indicates that the zone continues at depth and to the east.

Forward-looking statement
The zinc stocks on the London Metal Exchange have been decreasing rapidly lately and the price of zinc is increasing. The exchange rate of the CAN/US dollars is favourable. The possibility of starting the development of the Abcourt-Barvue project in the coming year looks good.

THE DISCOVERY PROJECT

The Discovery project has 124 claims with a total area of 3,371 hectares (33.7 km2). The property is located about 30 km to the north-west of Lebel-sur-Quévillon, Québec. The gold at Discovery is found in quartz-carbonate veins in a deformed and metamorphosed gabbro. The latest calculation of historical resources was made by InnovExplo in 2008. It gave the following results:

> Measured: 3,100 tonnes with a grade of 8.95 g/t Au (895 ounces)
> Indicated: 1,279,000 tonnes with a grade of 5.74 g/t Au (236,180 ounces)
> Inferred: 1,545,500 tonnes with a grade of 5.93 g/t Au (294,500 ounces)

The historical measured and indicated resources contain 237,000 ounces of gold, mostly in zones "B" and "30".

In 2010, North American Paladium (NAP) drilled 40 additional holes totalling 25,481 meters (G.M. 67103) covering sections 900 to 1600E. The A, B and C zones were intersected in what appears to be a network of quartz veinlets containing 3 to 8% pyrite and pyrhotite in equal amounts. Some good values were intersected in zones A (B-10-197, 5.81 g/t of gold aver 3.2 m, B-10-198, 4.36 g/t of gold over 11.6 m, B-10-199A, 4.35 g/t of gold over 3.0 m) and C (B-10-178, 10.7 g/t of gold over 4.56 m, 4.00 g/t of gold over 4.5 m). True width is about 70% of core length.

In 2011, NAP drilled 18 holes totaling 7,307.7 meters (GM 67614) on sections 300 to 1500E. Zones A and B were cut over lengths of approximatively one meter B-11-195: 24.5 g/t gold / 1.1 m; B-11-200: 46.0 g/t of gold / 1.0m; B-11-207: 54.4 g/t of gold / 1.0 m: and rarely over more than 3.0 meters, B-11-192: 5.21 g/t of gold over 7.1 m; B-11-200: 48.1 g/t of gold / 4.5 m.

After the 2008 calculations by InnovExplo, NAP drilled 58 additional holes totaling 32,788.7 meters. An update of resources is clearly justified, considering the numerous intersections obtained by the 2010 and 2011 drilling campaigns. In addition, the 2011 drilling intersected high gold values in the 1200E zone. This zone is open laterally and at depth. The drilling pattern has to be reduced to increase the level of reliability in certain parts of the Discovery zone which extends more than 2 km long

FLORDIN PROJECT

The Flordin property is located approximately 25 km to the north of Lebel-sur-Quévillon. Its consists of 25 cells covering 976 hectares. In 1987 – 1988, an access to the B zone mineralization with a ramp permitted the extraction of two bulk samples. The milling of these bulk sample at the Bachelor Lake mine gave the following results:

5,174 tonnes with a grade of 2.51 g/t of gold in 1987
4,053 tonnes with a grade of 4.25 g/t of gold in 1988

In 2011, the project was re-assesses by Cadiscor with an open pit plan. The InnovExplo calculations gave the following historical resources:

Measured: 116,000 tonnes with a grade of 3.25 g/t of gold (12,120 ounces)
Indicated: 2,680,000 tonnes with a grade of 1.74 g/t of gold (149,902 ounces)
Inferred: 1,916,000 tonnes with a grade of 1.59 g/t of gold (97,651 ounces)

In addition, underground resources, with a cut-off grade of 3.5 g/t of gold are:

Indicated: 27,000 tonnes with a grade of 4.66 g/t of gold (4,100 ounces)
Inferred: 283,000 tonnes with a grade of 4.39 g/t of gold (39,910 ounces)

A total of 157 additional holes were drilled subsequently. Any future work at Flordin should include an update of the mineral resources. In its February 2013 report (GM 67662), NAP reports several intersections with values higher than 5 g/t of gold between the Flordin and the Cartwright zones. These new intersections could add some tonnes to the resources calculated by InnovExplo.

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 153 meters (500 feet). A total of 2,134 meters (7,000 feet) of drifts and raises were excavated and 540 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, 2011. An evaluation of resources according to NI 43-101 was completed by Mr. Jean-Pierre Bérubé, Consulting Engineer, and a report was published on February 12, 2013. Mr. Bérubé is a qualified independent person. This report was filed on SEDAR.

Here are the 43-101 Vendôme resources:

Category	Tonnes	Grade			
		Au g/t	Ag g/t	Cu %	Zn %
Mesured	347,890	1.46	73.97	0.52	9.78
Indicated	364,332	1.00	47.15	0.74	5.33
Total	712,222	1.23	60.11	0.63	7.50
Inferred	305,769	0.99	36.77	0.49	4.30
Total all categories	1,017,991	1.15	53.10	0.59	6.54

No significant expenditure was done on this property during the 12-month period ending on June 30, 2015 and none is expected for the next period.

The development of this property will be synchronized with the development of 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:

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.

<u>Drilling in October 2015</u>

During the month of October 2015, a 360-meter hole was drilled to localize a mineralized zone, without success.

Additional work will be done next year to localise the extension of the base metal mineralization.

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.

Aur Resources, with whom we had negotiated the first agreement, was amalgamated with Teck-Cominco Limited.

Expenditures in the 2015 period

During the 2015 period, no work was done on this property.

COMMENT ON HISTORICAL RESOURCES

Work must be done to upgrade or verify the historical mineral resources as current mineral resources.

A qualified person has not done sufficient work to classify the historical estimate as current mineral resources, and the issuer is not treating the historical estimate as current mineral resources.

OTHER PROPERTIES

Cameron Shear

The Cameron Shear property is located between the Discovery and Flordin. It is owned jointly with Canadian Royalties. The property is located 30 km to the north of Lebel-sur-Quévillon. Various exploration programs over the past 40 years have found a few showings of gold. The most interesting showing is the Riocanex zone which is probably an extension of the Flordin zone. The NAP participation (possibly 50%) in the Cameron Shear zone was sold to Maudore (Aurbec) on March 23, 2013, hence Abcourt has a possible participation in that project. According to the agreement realized in 2006 between Cadiscor and Canadian Royalties (C.R.), if the participation of a participant is reduced to less than 10%, a 2% royalty is given and will apply to any future production. The buy-back of 1% of this royalty may be realized with a payment of $1M. The legal status of the project is therefore undetermined.

Laflamme (gold)

The Laflamme project is located approximately 30 km to the west of the town of Lebel-sur-Quévillon, in Abitibi, Québec. The property consists in 472 cells covering an area of approximately 24,716 ha held jointly with Midland Exploration Inc. A new gold discovery was made in hole La-11-11 which gave 9.7 g/t of gold over 1.0 meter. In July 2011, Aurbec won a 50% participation in the property but it has not contributed to any exploration work done after December 2012. Consequently, Midland now owns 65% of the project and it does some exploration work every year. According to the initial agreement with Cadiscor, if a participant is reduced to 10%, a 2% royalty will be apply to any future production from the property. The buy-back of 1% royalty may be made with a $1.5M payment.

Harricana (gold)

The 93 cells of the Harricana group are located to the north-west of the Géant Dormant property and cover 5,238 ha. They are adjacent to that property, in a similar geological context. Its location is strategic.

Dormex (gold)

The Dormex claims lies to the south of the Géant Dormant mine. The property is made up of 127 cells covering an area of 6,189 hectares (62.9 km2). In 2010, 4,206 meters were drilled by North

American Palladium (NAP) in a reverse circulation program combined with a ground and an aerial surveys to generate gold targets in an area often covered with glacial sediments more than 40 meters thick. Its location adjacent to Géant Dormant is strategic.

Vezza (gold)

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.

In the period ending on June 30, 2013, we drilled four holes (1,011 meters) on the sediment/volcanic contact, usually mineralized with pyrite and some gold. No significant value was intersected. These holes were drilled to renew the claims.

During the period ending on June 30, 2013, the Company decided to write-off the value of the exploration and valuation expenses. In the 2014 - 2015 period, several cells were abandoned.

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.

Risks concerning titles 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. According to this strategy, the Company has over the past few years realized private placements and the funds have been used to realize exploration and valuation programs, mostly at the Elder mine and for reaching commercial production. In addition, the acquisition of the Aurbec Mines Inc assets was completed. We are also looking for a formula which will enable us to start the Abcourt-Barvue project..

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 examined by the Audit Comitee and approved by the Board of directors of the Company.

(s) Renaud Hinse
Renaud Hinse
Chief Executive Officer
2016/10/31

(s) Marc Filion
Marc Filion
Chief Financial Officer
2016/10/31