



**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

For the 1st quarter ended on September 30, 2016

ABCOURT MINES INC.

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FIRST QUARTER ENDED ON SEPTEMBER 30, 2016

This management's discussion and analysis provides an analysis of our exploration, evaluation and exploitation results and of our financial situation which will enable the reader to evaluate important variations in exploration, evaluation and exploitation results and in our financial situation for the quarter ended September 30, 2016, in comparison with the previous first quarter. This report supplements our audited financial statements and should be read in conjunction with our financial statements and the accompanying notes of June 30, 2016. Our financial statements are 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, evaluation 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 and valuation of mining properties with a view to commercial production. On September 30, 2016, the Company was exploiting the Elder mine. The current Company's portfolio comprises only mining properties located in Abitibi, Province of Quebec, Canada.

FORWARD LOOKING STATEMENTS

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

GLOBAL PERFORMANCE OF THE 3rd QUARTER ENDED ON MARCH 31, 2016

During the quarter ended on March 31, 2016, the mining operations at the Elder mine produced a net profit of \$479,130. An amount of \$141,267 was spent for 1,656-meter surface drilling program at the Abcourt-Barvue site.

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 loss per share diluted	0.01	(0.005)	(0.002)
Statement of financial position (\$)			
Cash and term deposits	2,679,474	1,043,372	934,486
Total assets	33,574,141	23,577,441	22,648,536
Decommissioning provision	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 Sept.	2015 Sept.	2016 June	2015 June	2016 March	2015 March	2015 Dec.	2014 Dec.
Statement of comprehensive income (\$)								
Revenues and other revenues	3,809,123	15,113	6,919,465	11,361	4,587,823	-	20,957	-
Interests	1,492	1,093	4,879	3,230	3,141	933	2,831	964
Net profit (net loss)	(1,206,159)	(102,849)	1,537,118	(684,043)	479,130	(104,459)	(179,807)	(147,043)
Net profit (net loss) per share diluted	0.00	0.00	0.01	0.00	0.00	0.00	0.00	0.00
Statement of financial position (\$)								
Cash and near cash	1,776,442	2,111,615	2,550,474	897,372	2,241,900	472,702	3,534,274	1,047,389
Total assets	36,228,483	23,385,685	33,574,141	23,577,441	25,600,237	24,571,459	24,922,108	23,934,531
Decommissioning provisions	5,930,203	258,738	5,939,350	252,646	271,637	0.00	264,977	240,888
Mining exploration (\$)								
Exploration and evaluation expenditures net of mining duties, tax credits and production value of gold and silver ingots	40,062	(1,304,333)	13,844	(648,362)	145,518	460,659	2,632,000	701,284

INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

For the three-month periods ended September 30, 2016 and September 30, 2015:

LOSS BEFORE OTHER REVENUES	(1 193 258)	(111 209)
OTHER REVENUES		
Interest income	1 492	1 093
Other income	9 607	15 113
	<hr/> 11 099	<hr/> 16 206
LOSS BEFORE INCOME TAXES	(1 182 159)	(95 003)
Income taxes and deferred taxes	24 000	7 846
NET LOSS AND COMPREHENSIVE LOSS	<hr/> (1 206 159) <hr/>	<hr/> (102 849) <hr/>

LOSS PER SHARE

Basic and diluted	(0,0)	(0,0)
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WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING

Basic and diluted	249 705 678	220 655 219
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COMMENTS

Revenues

Our revenues come from the sale of gold and silver ingots. For the three-month period ended on September 30, 2016, our revenues from the sale of gold and silver were \$3,799,516 and our other revenues were \$11,099.

Expenses

The cost of sales for the three-month period ended on September 30, 2016, was \$4,153,424. The others expenses totaled \$830,350 compared to \$111,209 for the same period in 2015.

The main increase was in share-based compensation resulting from the issue of options to management.

Following the purchase of the Sleeping Giant mine, the cost of insurances increased considerably.

Professional fees increased from \$32,968 in 2015 to \$63,448 in 2016.

See the Management's discussion and analysis report on page 18 for additional information.

Profit (loss) before income tax

The loss before income tax for the quarter ending on September 30, 2016 was \$1,182,159. In 2015, a loss of \$95,003 was recorded.

Net profit (net loss) and comprehensive earnings

For the 3-month period ended on September 30, 2016, the net loss and comprehensive earnings were \$1,206,159. The basic and diluted net profit per share was \$0.00.

INTERIM STATEMENTS OF CHANGES IN EQUITY

During the three-month period terminated on September 30, 2016, shareholder equity increased by \$1,751,324, with a placement of units for an amount of \$2,381,000 and options granted to management, which resulted in an addition of \$582,000 in capital even after a loss of \$1,206,159.

CASH FLOWS**Cash and equivalents at the end of the three-month period ending on September 30, 2016**

Cash and equivalents in the quarter ended on September 30, 2016, decreased by an amount of \$864,032. For the same quarter in 2015, there was an increase of \$1,214,243.

The 2016 decrease in cash is due mainly to the acquisition of real assets (\$800,205) and the amount of \$120,168, deposited for the restoration of Elder.

Funds received from the financing (\$2,381,000) were used mainly to increase inventory (\$2,491,630).

Operating Activities

For the three-month period ended on September 30, 2016, operating activities before the net change in non-cash working capital items, used \$260,406 of cash, compared to a negative cash flow of \$102,628 for the previous year.

The net change in non-cash working capital items used \$2,057,674 in 2016 and generated \$114,298 in 2015.

	<u>2016</u>	<u>2015</u>
	\$	\$
FINANCING ACTIVITIES		
Units issuance	2 381 000	-
Prepaid subscriptions	-	-
Options exercised	14 000	-
Share issuance expenses	(19 517)	-
	<u>2 375 483</u>	<u>-</u>

During the three-month period ended on September 2016, an amount of \$2,381,000 was raised with a private placement. In 2015, there was no financing.

Financing

Net change in non-cash working capital items:
(Note 4 in financial statements)

3-month periods

	September 30 2016	September 30 2015
	\$	\$
Taxes receivable	(478 831)	(355 443)
Prepaid expenses	(990)	(212 214)
Other receivables	(8 388)	(9 315)
Inventory	(2 491 630)	778 740
Accounts payable and accrued liabilities	888 165	(87 470)
Income taxes payable	34 000	-
	<hr/> (2 057 674)	<hr/> 114 298

Items not affecting cash and cash equivalents :

	September 30 2016	September 30 2015
	\$	\$
Fair value of the options exercised accounted for in capital stock	6 400	-
Amortization of equipment accounted for in exploration and evaluation assets	-	39 223
Intermediaries options granted	19 067	-
Decommissioning provision costs for the Sleeping Giant site accounted for as Property, Plant and Equipment	(18 000)	-

Investment

Investing activities for the three-month periods ending on September 30 in 2016 and 2015 are summarized as follows:

	2016	2015
	\$	\$
Tax credit related to resources and mining duties received	-	5 997
Cash reserved for exploration and evaluation	39 000	30 000
Deposit for restoration of Elder mine	(120 168)	(120 168)
Acquisition of property, plant and equipment	(800 205)	(21 951)
Acquisition of exploration and evaluation assets	(40 062)	(3 905 665)
Gold and silver sales capitalized to the exploration and evaluation assets	-	5 214 360
	<u>(921 435)</u>	<u>1 202 573</u>

INVENTORY

	September 30	June 30
	2016	2016
	\$	\$
Gold and silver ingots	2 982 615	1 551 107
Ore stock piles	2 507 860	1 623 738
Mine supplies	664 990	488 990
	<u>6 155 465</u>	<u>3 663 835</u>

EXPLORATION AND VALUATION ASSETS **(see note 8 of Financial Statements)**

During the quarter ended September 30, 2016, there was practically no change in exploration and valuation assets.

FINANCIAL POSITION

Total assets on September 30, 2016, were \$36,228,483 compared to \$33,574,141 on June 30, 2016. The increase was principally in inventories and in property, plant and equipment.

The cash decreased from \$2,550,474 on June 30, 2016 to \$1,686,442 on September 30, 2016.

The exploration and valuation assets remained about the same, \$7,023,884 on June 30, 2016, to \$7,063,946 on September 30, 2016.

Current liabilities increased from \$2,492,689 on June 30, 2016 to \$3,404,854 on September 30, 2016 due to an increase in payable accounts and accrued liabilities.

STATUTE OF INCORPORATION AND NATURE OF ACTIVITIES

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.

These interim financial statements were approved by the Board of Directors on November 29, 2016.

GENERAL INFORMATION AND BASIS OF PREPARATION

These interim financial statements have been prepared by the Company's management in accordance with International Financial Reporting Standards («IFRS»), as established by the International Accounting Standards Board and in accordance with IAS 34 «Interim Financial Reporting». These interim financial statements were prepared using the same basis of presentation and accounting policies outlined in the annual financial statements on June 30, 2016. They do not include all the information required in annual financial statements in accordance with IFRS and must be read in conjunction with the financial statements for the year ended June 30, 2016.

JUDGMENTS, ESTIMATES AND ASSUMPTIONS

When preparing the interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgments, estimates and assumption applied in the interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last annual financial statements for the year ended June 30, 2016.

Basis of Measurement

The financial statements have been prepared according to historical costs.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

Decommissioning provisions for mining sites

	September 30	June 30
	2016	2016
	\$	\$
Balance, beginning of period	5 939 350	252 646
Changes to estimates	(18 000)	207 439
Provision related to the acquisition of the sleeping Giant assets	-	5 454 000
Accretion expense	8 853	25 265
Balance, end of period	5 930 203	5 939 350

Royalties

<u>Property</u>	<u>Royalty</u>
Elder	2 to 3% NSR plus 1% on the value of the ore at the head of the shaft paid to Quebec Government
Barvue	\$0.25 per short ton on former Barvue property and 1 to 1.5% NSR on some other claims
Vendome	2% on Xstrata claims
Abcourt	None
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 / t 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. There were no restoration expenses at the Abcourt-Barvue site for the three-month period ended on September 30, 2016, and there were \$23,396 in 2015.

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 are outstanding.

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

AUTHORIZED AND ISSUED CAPITAL STOCK AS AT MARCH 31, 2016

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	271,090,719	\$41,672,670
Preferred	To determine	Unlimited	None	0

See note 11 of the Financial Statements for changes in class B capital stock.

In July 2016, the Company closed a private placement constituted of 23,810,000 units at a price of \$0.10 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 proceed of \$2,381,000 is presented net of the fair value of warrants amounting to \$246,953.

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 half warrant, each full warrant entitles its holder to purchase one share at a price of \$0.13 for a 12 month period.

In July 2016, 200,000 share purchase options were exercised for a total proceed of \$14,000. An amount of \$6,400 representing the fair value of those share purchase options was accounted for as capital stock.

As at September, 30 and June 30, 2016, shares issued were fully paid.

Notes referring to changes in class B capital stock, re note 11 of the Financial Statements.

- (1) Value of capital stock paid in cash is presented net of the fair value of warrants amounting to \$246,953. (43 784 \$ on June 30, 2016).
- (2) As at June 30, 2016, value of flow-through shares is presented net of premium related to the sale of tax deductions amounting \$74,018.
- (3) As at June 30, 2016, 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.
- (4) Value of capital stock issued from the exercise of the share purchase options include an amount of \$6,400 which represent the fair value of the share purchase options exercised.

Share purchase options and warrants

See note 12 of the Financial Statements, p.17 to 22.

Convertible securities

None

Escrowed shares

None

CONTRACTUAL OBLIGATIONS

Long-term Debt

The Company has no long-term debt, other than the provisions for the restoration of the Elder and Sleeping Giant mines.

CONTINGENT LIABILITIES

- a) On February 20, 2015, the Company received two notices of infraction for the Abcourt-Barvue site. The alleged facts are, first, not installing a tree-way valve at the water treatment plant and secondly, for exceeding the norms of suspended matter in the drainage ditch. Penalties totaling \$45,222 were received related to those notices and are accounted for in accounts payables and accrued liabilities.

The Company pleaded not guilty and in the opinion of the Company's management, it is unlikely that the Company will pay an amount in relation to above facts.

- b) The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company is committed to take all the necessary measures for this purpose. Refusal of certain expenses by tax authorities would have negative tax consequences for Abcourt Mines Inc. or for investors. In the past, the Company has respected all its obligations under the flow-through share agreements signed.
- c) In 2015, the Company received assessment projects from the Quebec tax authorities, which refused the eligibility of certain expenses as exploration expenditures for the fiscal years 2012 and 2013. The management of the Company is contesting these assessment projects. If the Quebec tax authorities maintain their decision, the Company would have to reimburse tax credits related to resources on disallowed expenses. To date, the Company has not received a new assessment. At this time, it is not possible to estimate the outcome of the contestation. In the opinion of the Company's management, it is unlikely that the Company will have to refund the income tax credits already received, as proposed in the assessment projects.

COMMITMENTS

Our commitments are for the restoration of the Elder and Sleeping Giant mine sites and for the sale of gold with Auramet International LLC of New York, USA.

For more details, see note 14 of the financial statements, pages 23 and 24.

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 three-month period ended September 30, 2016, the sales amount to \$3,799,516. The Company did not enter into 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. Therefore, 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 year.

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. As at September 30, 2016, Company's cash amounts to \$1,686,442 plus \$90,000 reserved for exploration and evaluation of mining projects. In addition, the Company's working capital amounts to approximately \$5,807,458 on September 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 September 30, 2016, the Company equity totaled \$26,893,426. The objective of the Company is to ensure that it has enough capital to satisfy its obligation concerning its exploration and mining development plans for the growth of the Company. Also, enough cash is needed for exploration and valuation projects, for investing activities and for its need in working capital.

There were no significant changes in the Company's approach to capital management during the three-month period ended September 30, 2016. The Company is subject to regulatory requirements related to the use of funds obtained by flow-through shares financing. These funds have to be spent for eligible exploration and valuation expenses. In the past, the Company has respected all of these regulatory requirements. The Company has no dividend policy.

SUBSEQUENT EVENTS

None.

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, and a gold mill with a 700 to 750 tonnes per day capacity. The underground mine has 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;
- Several other properties.

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°-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. 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			GOLD OUNCES
	TONNES	GRADE	WIDTH	TONNES	GRADE	WIDTH	TONNES	GRADE	WIDTH	
	(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	<u>---</u>	<u>---</u>	<u>---</u>	<u>173,162</u>	<u>6.54</u>	<u>2.10</u>	<u>173,162</u>	<u>6.54</u>	<u>2.10</u>	<u>36,391</u>
TOTAL ALL	<u>512,739</u>	<u>6.68</u>	<u>2.20</u>	<u>848,473</u>	<u>6.55</u>	<u>2.10</u>	<u>1,361,212</u>	<u>6.60</u>	<u>2.14</u>	<u>288,945</u>

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	<u>175,384</u>	<u>5.69</u>	<u>1.68</u>	<u>32,106</u>
TOTAL ALL	<u>638,300</u>	<u>5.70</u>	<u>1.85</u>	<u>116,826</u>

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.

Commercial production started on January 1, 2016 and there are no comparable information for the quarter ended on September 30, 2016. Consequently, the following table with information on the 3rd and 4th quarters and on the first six months of commercial production is given for comparison.

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

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 Richmond 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. To make up for the difference, the Company used ore in inventory. 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 is 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.

Results obtained for the first quarter of the 2017 period, from July 1 to September 30, 2016:

Description	3 months to September 30, 2016
Tonnes treated	18,697
Broken tonnes	21,640
Tonnes extracted	23,398
Gold ounces produced	2,362
Gold mill recovery	94.7 %
Revenu from gold, silver sales and other	3,799,516 \$
	203.22 \$ / t
Price of gold sold per ounces	1,608 \$CAN 1,237 \$US
Value of ore inventory changes on surface and underground	1,071,108 \$
Value of gold inventory change	\$1,420,522
Production cost including royalties, write-offs and administration, before taxes	4,981,675 \$
	212.91 \$ / t
Net profit (net loss)	(1,206,159 \$)
Mining tax	34,000
Income tax	(10,000)
Cash on hand including amount reserved for exploration	1,776,442 \$

From July 1 to August 14, 2016, all ore from the Elder mine was hauled and stockpiled at the Sleeping Giant mill site. During that period, some important repairs were made in the mill and the milling of the Elder ore started on August 15, 2016. As the mill operated only from August 15 to September 30, 2016, the tonnage of ore treated in the mill is lower than it was for the previous quarter ending on June 30, 2016, that is 18,697 tonnes compared to 32,095 tonnes. The repair work in the mill not only delayed the milling of the Elder ore, but increased costs substantially and this was reflected in the results. The delay in the start-up of the mill was not unexpected. The mill was closed for two years following the bankruptcy of the previous owner and the latter did not spend enough on mill maintenance. Now, this mill is running normally and treating the Elder ore. There is some additional work to do, but should not cause any delay in the treatment of the Elder ore. In the coming quarter, results should be much better. As there is normally one month of delay between the mining of the ore and the sale of gold, the proceeds from the sale of gold and silver for the first quarter represented only 78% of the value of mine production. Please note that the inventories increased by \$2,5 M. As the inventories are valued at the lowest of costs or the net value of sale, they do not produce any profits. Administration costs increased substantially, mainly by the value on the options granted to management, mostly to replace options that had expired. This so-called expense which accounts for 50% of the loss is punctual and non-recurring.

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 Deloitte 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 \$2.4M 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 taken 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.

• Restart of mine

Some rehabilitation work has to be done first before restarting the mine. Once these repairs are done, we will be able to re-open the mine.

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 77% 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

CATEGORY	2014 Estimate			2006 Estimate		
	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 - 2016

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:

2015 drilling

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 significant value		
AB 16-03	359.0 370.0	370.0 373.0	11.0 3.0	21.0 36.8	0.46 2.06
AB 16-04	209.4 254.3 291.5	210.0 257.3 293.0	0.6 3.0 1.5	14.1 123.0 62.1	9.40 1.12 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.

Drilling 2016 – 2017

In the course of the next months, a 2000-meter surface drilling program will be completed on the Abcourt-Barvue to upgrade the classification of some resources and to find extensions at depth.

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 pyrrhotite in equal amounts. Some good values were intersected in zones A (B-10-197, 5.81 g/t of gold over 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. It 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:

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

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:

<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>
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.

Drilling in October 2015

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 find 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. Titano, 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.

No expenditure 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.

Veza (gold)

In 2009 and 2010, Abcourt has acquired by staking 85 claims and 19 cells totalling 2,233 hectares in Veza 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
2016/12/01

(s) Marc Fillion
Marc Fillion
Chief Financial Officer
2016/12/01