



# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the 1<sup>st</sup> quarter ended on September 30, 2015**

**ABCOURT MINES INC.**

## **ABCOURT MINES INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FIRST QUARTER ENDED ON SEPTEMBER 30, 2015**

This management's discussion and analysis provides an analysis of our exploration and valuation results and of our financial situation which will enable the reader to evaluate important variations in exploration and valuation results and in our financial situation for the quarter ended September 30, 2015, 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. 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 and valuation results and our financial situation.

You are invited to consult the SEDAR web site at [www.sedar.com](http://www.sedar.com), where all the documents filed according to the applicable Canadian security Laws may be found and our web site at [www.abcourt.com](http://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. It does not currently have any mines in production. The current Company's portfolio comprises only mining properties located in Abitibi, Province of Quebec, Canada.

#### **FORWARD LOOKING STATEMENTS**

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

## GLOBAL PERFORMANCE OF THE 1<sup>ST</sup> QUARTER ENDED ON SEPTEMBER 30, 2015

During the quarter ended on September 30, 2015 no share was issued. The exploration and valuation expenses were incurred mostly on the Elder property. Small amounts were spent on the Aldermac and Abcourt-Barvue properties.

### PRINCIPAL ANNUAL INFORMATIONS (audited)

#### Periods ended on June 30

	2015	2014	2013
<b>Statement of comprehensive income</b>			
Other revenues	20,361	-	7,374
Interests	6,035	17,391	55,100
Net loss	1,013,091	331,967	354,316
Net loss per share diluted	(0.005)	(0.002)	(0.000)
<b>Statement of financial position (\$)</b>			
Cash and term deposits	897,372	934,486	1,370,990
Total assets	23,577,441	22,648,536	21,086,078
Long-term debt	252,646	229,678	208,798
<b>Mining exploration (\$)</b>			
Exploration and evaluation assets	17,035,740	15,951,740	14,361,612

### QUARTERLY INFORMATION (non-audited)

	2015 Sept.	2014 Sept.	2015 June	2014 June	2015 March	2014 March	2014 Dec.	2013 Dec.
<b>Statement of comprehensive income (\$)</b>								
Other revenues	15,113	9,000	11,361	-	-	-	-	-
Interests	1,093	908	3,230	9,748	933	(6,930)	964	1,548
Net profit (net loss)	(102,849)	(77,546)	(684,043)	34,101	(104,459)	(140,638)	(147,043)	(149,094)
Net profit (net loss) per share diluted	(0.00)	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.00)
<b>Statement of financial position (\$)</b>								
Cash and term deposit	2,111,615	415,445	897,372	934,486	472,702	418,785	1,047,389	1,225,619
Total assets	23,385,685	23,214,629	23,577,441	22,648,536	24,571,459	22,580,814	23,934,531	22,288,413
Long-term debt.	258,738	235,216	252,646	229,678	0.00	224,270	240,888	218,989
<b>Mining exploration (\$)</b>								
Exploration and evaluation expenditures net of mining duties, tax credits and production value of gold and silver ingots	(1,304,333)	570,419	(648,362)	752,054	460,659	910,473	701,284	(1,218,597)

## INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

For the three-month period ended September 30, 2015 and September 30, 2014:

	<b>2015</b>	<b>2014</b>
	<b>3 months at</b>	<b>3 months at</b>
	<b>September 30</b>	<b>September 30</b>
<b>(unaudited)</b>		
	<b>\$</b>	<b>\$</b>
<b>EXPENSES</b>		
Professional fees	32,968	18,806
Restoration of the Abcourt-Barvue site	23,396	7,945
Salaries and fees	13,611	15,216
Interest and penalties	11,540	-
Various	7,140	5,499
Accretion expense	6,092	5,538
Software and Internet	3,883	3,493
Insurances	3,122	3,123
Payroll burden	2,836	3,452
Bank expenses	2,640	235
Registration, listing fees and shareholders' information	1,918	8,469
Equipment and supplies	405	-
Financing costs	-	2,799
Forest expenses	-	752
Consultant fees	-	20,000
Amortization of property, plant and equipment	1,658	1,627
	111,209	96,954
<b>REVENUE</b>		
Other income	15,113	9,000
Interest income	1,093	908
	16,206	9,908
<b>LOSS BEFORE INCOME TAXES</b>	<b>(95,003)</b>	<b>(87,046)</b>
Income taxes and deferred taxes	(7,846)	9,500
<b>NET LOSS AND COMPREHENSIVE LOSS</b>	<b>(102,849)</b>	<b>(77,546)</b>
<b>BASIC AND DILUTED NET LOSS PER SHARE</b>	<b>0.00</b>	<b>0.00</b>

## **COMMENTS**

### **Income**

Our revenues consist essentially in the sale of options, scrap and waste rock.. In comparison with the previous year, our revenues increased from \$9,000 to \$15,113.

### **Administrative Expenses**

The administrative expenses increased slightly from \$96,954 in 2014 to \$111,209 in 2015. The main increase was in professional fees (audit and legal), in the restoration of the Abcourt-Barvue site and in interest and penalties paid.

The interests and penalties were paid for statements of offense received from the CSST.

### **Loss before income tax**

The loss before income taxes remained about the same, passing from \$87,046 in 2014 to \$95,003 in 2015.

### **Net Loss and comprehensive loss**

The net loss and comprehensive loss increased from \$77,546 in 2014 to \$102,849 in 2015. In 2015, the income taxes and deferred taxes totaled \$7,849 (\$9,500 in 2014). The basic and diluted net loss per share remained the same at \$0.00 from one year to the other.

## **STATEMENT OF CASH FLOWS**

### **Cash and cash equivalent at the quarter ended on September 30, 2015**

The cash and cash equivalents increased substantially from \$937,486 in 2014 to \$2,111,615 in 2015. The available cash on September 30, 2015 (\$2,111,615 plus \$116,000 reserved for exploration) and the sale of gold should cover all our operating cost for the 2015 – 2016 fiscal period.

### **Operating Activities**

For the quarter ended on September 30, 2015, our operating activities, before the net change in non-cash working capital, used \$102,628 whereas in the previous year, the net change in non-cash working capital had used \$79,881. Regarding the net change in non-cash working capital, \$114,298 were generated in 2015, but \$886,706 were used in 2014.

### **Financing**

In the 1<sup>st</sup> quarter ending on September 30, 2015, there were no financing activities but in 2014, \$1,007,895, net of financing costs, were raised.

Net change in non-cash working capital items:

	<b>September 30 2015</b>	<b>September 30 2014</b>
	\$	\$
Interests receivable	-	(556)
Taxes receivable	(355,443)	(245,310)
Other receivables	(9,315)	(41,609)
Mining duty and tax credit related to resources receivable	-	(167,499)
Gold and silver ingots in inventory	778,740	(79,547)
Prepaid expenses	(212,214)	8,109
Accounts payable and accrued liabilities	(87,470)	(80,294)
Prepaid subscription	-	(280,000)
	<hr/> 114,298	<hr/> (886,706)

Items not affecting cash and cash equivalents:

	<b>2015 September 30</b>	<b>2014 September 30</b>
	\$	\$
Decommissioning provisions for mining sites computed to expenses	6,092	5,538
Amortization of equipment accounted for in exploration and evaluation assets	39,223	-

## **Investment**

Financing activities for the quarter ending on September 30 in 2015 and 2014 are summarized as follows:

	<b>2015</b>	<b>2014</b>
<b>INVESTING ACTIVITIES</b>	\$	\$
Tax credit received	5,997	-
Deposit for restoration of Elder mining site	(120,168)	-
Cash reserved for exploration and evaluation	30,000	-
Acquisition of exploration and evaluation assets	(3,905,665)	(530,109)
Gold and silver ingots	5,214,360	-
Acquisition of property, plant and equipment	(21,951)	(30,240)
	<u>1,202,573</u>	<u>(560,349)</u>

Please note that in 2015, the credits for the sale of gold and silver are higher than the investments and produced a surplus of \$1,196,576 whereas in 2014, the investments needed an addition of funds totaling \$560,349.

## **COMPLEMENTARY INFORMATIONS RELATED TO CASH FLOWS**

Net change in non-cash working capital items:

	<b>September 30 2015</b>	<b>September 30 2014</b>
	\$	\$
Interests receivable	-	(556)
Taxes receivable	(355,443)	(245,310)
Other receivables	(9,315)	(41,609)
Mining duty and tax credit related to resources receivable	-	(167,499)
Gold and silver ingots in inventory	778,740	(79,547)
Prepaid expenses	(212,214)	8,109
Accounts payable and accrued liabilities	(87,470)	(80,294)
Prepaid subscription	-	(280,000)
	<u>114,298</u>	<u>(886,706)</u>

Items not affecting cash and cash equivalents:

	<b>2015</b> <b>September 30</b>	<b>2014</b> <b>September 30</b>
	\$	\$
Decommissioning provisions for mining sites computed to expenses	6,092	5,538
Amortization of equipment accounted for in exploration and evaluation assets	39,223	-

## EXPLORATION AND VALUATION ASSETS

	<b>2015</b> <b>September 30</b>	<b>2015</b> <b>June 30</b>
	\$	\$
Mining properties	2,098,391	2,093,639
Exploration and evaluation expenses	13,667,877	14,942,101
	<u>15,766,268</u>	<u>17,035,740</u>

As at September 30, 2015, on Elder mine site and at the Camflo mill site, the Company had a stockpile of approximately 6,730 tonnes of mineralized material at the surface. The stockpile will be processed in the coming months at the Camflo mill.

### Mining properties

#### Exploration and valuation expenses

During the quarter ended on September 30, 2015, the additions were more than compensated by credits received. See details below:

	Balance as at June 30, 2015	Addition 3 month at September 30 2015	Mining duties and tax credits	Gold and silver ingots	Balance as at September 30, 2015
	\$	\$		\$	\$
Abcourt – Barvue, Qc	3,874,302	28,746	-	-	3,903,048
Vendôme, Qc	203,841	232	-	-	204,073
Elder, Qc (1)	10,187,243	3,910,027	-	5,214,360	8,882,910
Aldermac , Qc	676,715	1,131	-	-	677,846
	<u>14,942,101</u>	<u>3,940,136</u>	<u>-</u>	<u>5,214,360</u>	<u>13,667,877</u>



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 14).

During the 1<sup>st</sup> quarter ended on September 30, 2015, the sale of gold and silver (\$5,214,360) was greater than the exploration and valuation expenses (\$3,940,136).

Details on the two most important exploration and valuation expenses, as indicated below, were salaries with fringe benefits and transportation of gold mineralization, milling and refining.

The exploration and valuation costs at the Elder project, for the 1<sup>st</sup> quarters in 2014 and 2015 were as follows:

	<b>2015</b>	<b>2014</b>
	<b>3 months at September 30,</b>	<b>3 months at September 30,</b>
	<b>\$</b>	<b>\$</b>
Salaries and fringe benefits	1,391,066	-
Contractors fees (Engineers, technicians and others)	312,689	1,858
Assays	43,953	1,781
Drilling and support supplies	230,486	-
Mining goods and supplies	148,360	-
Energy and explosives	151,756	-
Phone and electricity	116,503	-
Insurance, taxes and permits	13,042	-
Maintenance and repairs	66,191	300
Transportation of mineral, milling and refining	1,117,433	-
Rails	44,266	11,044
Elder mine Dewatering	-	2,879,812
General exploration and evaluation expenses at the Elder project	55,501	8,311
	<b>3,691,246</b>	<b>2,903,106</b>

## **STATEMENT OF FINANCIAL POSITION**

On September 30, 2015, the assets totalled \$23,385,685 compared to \$23,577,441 on September 30, 2014.

The cash increased considerably from \$897,732 on June 30, 2015 to \$2,111,615 plus \$116,000 reserves for exploration on September 30, 2015.

Liabilities decreased from \$1,597,500 on June 30, 2015, to \$1,508,593 on September 30, 2015.

## **NATURE OF ACTIVITIES AND GOING CONCERN**

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 Berlin Stock Exchange under the symbol AML-BE and on 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. In addition, at Elder mine, for nearly two years, the Company proceeds with an underground evaluation of the mineralization. The exploration and evaluation of mineral deposits involves significant financial risks. The success of the Company depends on a number of factors, including exploration and extraction risks, regulatory issues, environmental regulations and other regulations.

The Company has recorded losses year after year and the Company has accumulated a deficit of \$22,391,355 as at September 30, 2015 (\$21,263,448 in September 2014). In fact, the Company depends on its ability to raise funds in order to discharge its commitments and liabilities in the normal course of business. Despite the fact that the sale of gold and silver from the Elder project generates revenues, management regularly seeks additional forms of financing through the issuance of shares to meet its liquidity needs to continue its operations. In spite of the success obtained in the past, there is no guarantee of success for the future.

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.

These financial statements were approved by the Board of Directors on November 30, 2015.

**Basis of presentation and compliance declaration**

These unaudited interim condensed 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*.

The condensed interim financial statements do not include all the information and notes required for the purpose of methods used are the same as those used for the purpose of auditing the annual financial statements for the year ended June 30, 2015, prepared in accordance with the (“IFRS”) as published by the International Accounting Standards Board (“IASB”). Consequently, these unaudited condensed interim financial statements and the notes thereto should be read in conjunction with the audited annual financial statements for the period ended June 30, 2015.

**Basis of Measurement**

The financial statements have been prepared joint the historical method.

**Main accounting estimates, assumptions and judgments**

To prepare condensed interim financial statements, the management of the Corporation has to make estimates and make hypothesis pertaining to the application of the methods and the amount presented in the assets and liabilities as well as in the revenue and expenses. The estimates and the related hypothesis are based on empirical evidence and other different factors that are believed reasonable under the circumstances and for which results constitute the basis of judgments made on the accounting values of the assets and liabilities that are not easily obvious from other sources. The real results could differ from these estimates. The main accounting estimates, assumptions and judgments are the same as those in the most recent annual financial statements.

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS**

The Corporation provides information on its deferred exploration and evaluation assets in its interim financial statements for the period of three-month ending on September 30, 2015.

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

The Corporation has no research and development expenses.

## DECOMMISSIONING PROVISIONS FOR ELDER MINE SITE

	September 30, 2015	June 30, 2015
	\$	\$
Balance, beginning of year	252,646	229,678
Accretion expense	6,092	22,968
Balance, end of year	258,738	252,646

At the time of its recognition, during the year ended June 30, 2013, the amount of the obligation is amounting to \$480 670 and represents the estimate of Elder mining site restoration costs. This amount has been capitalized for a period of ten years with an inflation rate of 1.2% and was subsequently updated at a 10% rate. Its current value is therefore amounted to \$258,738 as at September 30, 2015.

### Royalties

<u>Property</u>	<u>Royalty</u>
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% 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

### 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 \$23,396 in 2015 and \$7,945 in 2014.

As indicated in note 12 of the Financial Statements, some non-conformity notices were received in November 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 are outstanding.

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

### AUTHORIZED AND ISSUED CAPITAL STOCK AS AT SEPTEMBER 30, 2015

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	220,655,219	\$38,082,322
Preferred	To determine	Unlimited	None	0

As of the date of this report, the Company has 220,655,219 class B share (common) issued and outstanding.

### SHARES AND WARRANTS ISSUED IN THE FIRST QUARTER ENDED ON SEPTEMBER 30, 2015

During the 1<sup>st</sup> quarter ended on September 30, 2015, no option was granted, no share and no warrant were issued and no option was granted to brokers and intermediaries.

For more details, please see the Financial Statements for the 1<sup>st</sup> quarter terminated on September 30, 2015.

#### Convertible securities

None

#### Escrowed shares

None

## **CONTRACTUAL OBLIGATIONS**

### **Long-term Debt**

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

## **CONTINGENT LIABILITIES**

- a) During the quarter ended on September 30, 2015 no notice of environmental non-conformity were received. However, in November 2015, two notices of environmental non-conformity for a sample taken in April 2015 with zinc and iron exceeding the norms on the Abcourt-Barvue site and again for one sample taken in May 2015 with excess iron and one taken in June 2015 with excess copper, again on the Abcourt-Barvue site. Some work was done in the summer and additional work is currently being done to correct the situation.
- 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) The Company is currently subject to a verification by Revenu Québec relating to the eligibility of certain expenses as exploration and evaluation expenses used to calculate tax credits related to resources for the years ended June 30, 2012 and 2013. If the admissibility of some expenses is denied, the Company may have to repay tax credits received. At this time, it is not possible to estimate the outcome of this verification. Any resulting payment will be accounted for in the year in which it will be possible to estimate the amount.

## **COMMITMENTS**

On July 13, 2015, the Company signed with Camflo inc., a wholly owned subsidiary of Richmond Mines Inc., a contract for the milling of gold mineralized material from the Elder mine. This contract is for a period of six months, from July to December 2015, and is renewable. The Company is committed to deliver a minimum of 10,000 tonnes per month of gold mineralized material at the Camflo mill.

In August 2015, the Company made a deposit amounting to \$225,000 to make an offer for the acquisition of a significant asset. This amount is refundable in the event that the Company's required conditions were not fulfilled.

The commitments concerning the issue of flow-through shares and the audit by Revenu Quebec mentioned in the Annual Report dated June 30, 2015, are still in place.

## 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.

	<b>Three month period closed September 30, 2015</b>	<b>Three month period closed September 30, 2014</b>
	\$	\$
<b>Company controlled by the Chief Executive Officer and president of the Company (Décochib inc.) and transactions with the President of the Company</b>		
Engineer fees included in exploration and evaluation	79,000	79,000
Invoiced expenses included in exploration and evaluation expenses	14,051	13,570
Office supplies	621	721
Royalties	119,785	18,783
Salaries fees		1,000
Balance included in payable accounts and accrued liabilities as at September 30	124,430	121,074

	<b>Three month period closed September 30, 2015</b>	<b>Three month period closed September 30, 2014</b>
<b>Directors and key management personnel</b>		
Salaires and administrative fees	1,200	800
Professional fees	6,164	806
Financing costs	-	2,800
Engineering fees included in exploration expenses	4,168	-
Balance included in accounts payable and accrued liabilities as at September 30	9,224	7,595

These transactions were measured at the amount of consideration established and agreed by the related parties.

## **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's activities are exposed to financial risks: market risk, credit risk and liquidity risk.

### **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, 2015, the sales amount to \$5,214,360 (\$2,266,588 in 2014). 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, 2015, Company's cash amounts to \$2,111,615 plus approximately \$116,000 that is reserved for exploration and evaluation of mining projects. In addition, the Company's working capital amounts to approximately \$2,245,000 as at September 30, 2015. Taking into account its available cash situation, the 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**

As at September 30, 2015, the capital of the Company consists of equity amounting to \$21,877,092. The Company's capital management objective is to have sufficient capital to be able to meet its exploration and mining development plan in order to ensure the growth of its activities. It has also the objective to have sufficient cash to finance the exploration and evaluation expenses, the investing activities and the working capital requirements.

There were no significant changes in the Company's approach to capital management during the quarter ended September 30, 2015. 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 evaluation expenses. In the past, the Company has respected all of its regulatory requirements. The Company has no dividend policy.

**SUBSEQUENT EVENTS**

There is no subsequent events to report.

## **MINING PROPERTIES**

Abcourt Mines Inc. (the “Company”) has two projects at an advance stage of exploration and valuation in Abitibi, Quebec, Canada:

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

and two projects with historical resources, also in Abitibi, Quebec, Canada:

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

Here is some information on each property:

### **THE ELDER-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 4<sup>th</sup>, 5<sup>th</sup> 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.

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>
<b>TOTAL ALL</b>	<b><u>512,739</u></b>	<b><u>6.68</u></b>	<b><u>2.20</u></b>	<b><u>848,473</u></b>	<b><u>6.55</u></b>	<b><u>2.10</u></b>	<b><u>1,361,212</u></b>	<b><u>6.60</u></b>	<b><u>2.14</u></b>	<b><u>288,945</u></b>

**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>
<b>TOTAL ALL</b>	<b><u>638,300</u></b>	<b><u>5.70</u></b>	<b><u>1.85</u></b>	<b><u>116,826</u></b>

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.

### ***Current operations***

Currently, an underground exploration and valuation program is being realized with 95 persons. As we were not able to get the necessary financing to proceed according to the plan used to prepare the PEA study, we had to modify the approach. As soon as we received the Certificate of Authorization from the ministry of Environment and permits to use explosive from the *Sûreté du Québec*, in April 2013, we started with the preparation of stopes and the extraction of ore from stopes.

From July to September 2014, 12,709 tonnes of gold mineralization were treated at the Aurbec Géant Dormant mill and from October 2014 to June 2015, 51,580 tonnes were treated at the QMX Aurbel mill. A total of 9,161 ounces of gold and 2,367 ounces of silver were recovered. In July 2015, a new milling agreement was signed with Usine Camflo Inc, a wholly owned subsidiary of Richmond Mines Inc. It is a six-month agreement, renewable. Our objective is to eventually purchase a mill.

The shortage of funds had as a consequence, a reduction in the advancement of drifts and delayed the opening of stopes.

For Elder-Tagami, the following steps remain to be taken:

- Complete the access drift on level 5 and rehabilitate old drifts on this level;
- Purchase a mill to ensure the continuity of operations or obtain a long term custom milling contract;
- Increase the rate of extraction of the mineralized zone;
- Do a feasibility study to convert resources into reserves;
- Reach commercial production when all the criteria listed at note 3 b) of the financial statement are in place.

Management of the Company estimates that the treatment of gold mineralization in the 2015 – 2016 period will produce enough revenues to cover all the extraction costs.

During the quarter ended on September 30, 2015, the proceeds from the sale of gold and silver were greater than the expenses incurred. This surplus was obtained even if the tonnage treated in the mill represented only 60% of our objective which is to produce 12,500 tonnes per month. Three thousands five hundred seven and one half ounces of gold (3,507.5) and four hundred and ninety-four (494) ounces of silver were sold. The proceeds from the sale of gold and silver totaled \$5,214,360 CAN, that is \$1,485 CAN (\$1,126 US) per equivalent ounce.

During the next quarter, our objective is to produce 5,000 ounces of gold. This should produce a significant cash flow.

Expansion plans and plans to increase productivity are not considered now.

## **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.

***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, principally for diamond drilling on surface and for site restoration.

## 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. Assays were received for two holes only and gave the following results:

<u>HOLE</u>	<u>FROM</u> <u>m</u>	<u>TO</u> <u>m</u>	<u>LENGHT</u> <u>m</u>	<u>Ag</u> <u>g/t</u>	<u>Zn</u> <u>g/t</u>
BB15 - 03	231.0	240.0	9.0	37.1	0.66
	240.0	249.0	9.0	85.9	5.81
BB15 - 05	270.0	281.0	11.0	42.5	0.96
	281.0	286.0	5.0	58.6	5.04
	288.0	291.0	3.0	26.1	2.79

Assays for the other holes are pending.

This drilling was done to upgrade some resources from inferred to indicate category.

## **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 3-month period ending on June 30, 2015 and none is expected for the next period.

## **THE ALDERMAC PROPERTY**

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

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

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

The historical resources 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.

### **Diamond drilling in October 2015**

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



## 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:

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

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

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

<sup>(3)</sup> D. 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.

### **Expenditures during the 1<sup>st</sup> quarter ended on September 30, 2015**

During the 1<sup>st</sup> quarter ended September 30, 2015, no work was done on this property.

### **Impairment of exploration and evaluation expenses on June 30, 2015**

As there was no expense incurred on this property during the 12-month fiscal period ended June 30, 2015, and as a priority was placed on the Elder and Abcourt-Barvue properties, it was decided to write off the value of this property and the related exploration and evaluation assets for an amount of \$725,184.

## **THE VEZZA PROPERTY**

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

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 gold properties. To proceed with this strategy, two private placements were completed in 2014 and the funds received were used to realize an important program of exploration and valuation at the Elder mine. In addition, we are always trying to figure a way or a formula which will allow us to start the development of the Abcourt-Barvue property with substantial silver and zinc resources. Following a substantial decrease of zinc inventory at the London Metal Exchange in 2015, an increase in zinc prices in the coming years is expected.

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

## **CERTIFICATE**

This 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  
2015/11/30

(s) Marc Filion  
Marc Filion  
Chief Financial Officer  
2015/11/30