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TSX Venture – ABI.V

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## ABCOURT REPORTS HIS FOURTH QUARTER AND YEAR-END RESULTS FOR 2019

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Rouyn-Noranda, Québec, Canada, October 30, 2019

**Abcourt Mines Inc. (TSX-V: ABI, Berlin: AML-BE and Frankfurt Stock Exchanges: AML-FF)** (“Abcourt” or the “Mines Abcourt inc.”) reports his results today for the fourth quarter and fiscal year ended on June 30, 2019. All amounts are in Canadian dollars unless otherwise indicated.

### **Highlights :**

- Fourth quarter revenues of \$ 7.3 M from the sale of 4,137 ounces of gold. Best tonnage mined at Elder mine with an average of 11 813 tonnes per month.
- Net loss in the fourth quarter of \$ 2.5 M brought about by changes in accounting procedures and non-recurrent production interruptions.
- Revenues of \$ 24.1 M for 2019 fiscal period. Net profit of \$ 161,561. Adjusted net profit of \$ 3.2 M.
- Update of Abcourt-Barvue feasibility study for silver-zinc project.
- Resources, reserves and feasibility study completed for Sleeping Giant mine.
- Cash of \$ 2.8 M.
- The Company has no long-term debt. It finances itself with its operating revenues.

### **Recent developments:**

- Drilling programs planned for Elder and Sleeping Giant gold mines and on-going drilling program for Abcourt-Barvue silver-zinc project.
- \$ 728 000 recently raised by private placement for diamond drilling.
- Work started to reopen the Sleeping Giant mine.

We take advantage of the favorable gold price and the exchange rates of the Canadian/US dollars to move forward in our various projects and to increase the value of the company for the benefit of shareholders.

**Comparative table of results for the fourth quarter and the twelve-month period ended on March 31, 2019 and 2018**

Description	3 months June 30-19	12 months June 30-19	3 months June 30-18	12 months June 30-18
Tonnes treated	32,539	107,412	30,647	113,398
Grade of treated tonnes g/t Au	3.88	4.34	4.83	4.38
Tonnes extracted	35,439	111,320	32,466	114,475
Grade of extracted tonnes g/t Au	3.96	4.23	4.22	4.36
Gold ounces sold	4,137	14,322	5,409	15,683
Gold ounces produced	3,959	15,067	4,601	15,380
Gold recovery	95.38%	96.63%	97.10%	96.90%
Revenues from the sale of gold/silver \$	7,300,737	24,110,906	9,094,173	26,044,120
Price of gold sold \$/ounce	1,765	1,684	1,681	1,661
US\$/ounce	1,332	1,270	1,288	1,311
Total cash costs per ounce of produced gold \$/ounce	1,991	1,461	1,264	1,322
US\$/ounce	1,503	1,103	968	1,044
All-in sustaining costs per ounce of produced gold \$/ounce	2,169	1,691	1,388	1,563
US\$/ounce	1,637	1,276	1,064	1,253
Gold and silver stock ready to be sold \$	86,257	86,257	60,900	60,900
Gold and silver inventory in circuit \$	1,205,460	1,205,460	1,064,870	1,064,870
Total gold and silver inventory \$	1,291,717	1,291,717	1,125,770	1,125,770
Profit before interests, taxes and amortization \$	(1,181,621)	3,209,710	2,133,847	4,794,602
Net profit (loss) after taxes \$	(2,463,817)	161,561	152,471	1,415,608
Mining tax \$	(168,750)	161,250	1,262,732	1,402,850
Deferred taxes \$	(677,185)	(832,085)	(18,000)	67,363
Cash flow from operations \$	2,022,540	4,240,966	828,935	5,235,406
Cash at the end \$	2,796,149	2,796,149	2,531,099	2,531,099

**Variations from 2018 to 2019**

• Tonnes treated	• - 5%
• Gold ounces produced	• - 2%
• Proceeds form sale of gold and silver	• - 8%
• Total cash costs per ounce of gold produced	• + 10%
• All-in sustaining costs per ounce of gold produced	• + 6%
• Net profit after taxes	• 2019 = \$ 161 K • 2018 = \$ 1.4 M
• Profit before interests, taxes and amortization	• 2019 = \$ 3.2 M • 2018 = \$ 4.8 M
• Cash at the end of the period	• \$ 2,796,149

## **Comments :**

For the annual period ended on June 30, 2018, the tonnes treated decreased from 113,398 tonnes in 2018 to 107,412 tonnes in 2019. Following an unexpected premature break of a cone crusher, more than one week of milling was lost. This event prevented us from treating a stock-pile of 5,500 tonnes of gold mineralization on surface at the mill site.

At the Elder mine in the fourth quarter, an average of 11,813 tonnes were extracted per month. The best quarterly production ever obtained. Tonnes extracted in the 2019 period totaled 107,412 tonnes compared to 113,398 in 2018.

During the fourth quarter, there was a two-week interruption of production to replace 17 meters of timbering in the shaft. This shaft was sunk in 1952. This timbering in the shaft was checked by independent engineers and they established that the structure in the rest of the shaft was in good conditions.

In the 2019 summer, our electrical circuit was struck by lightning and major repairs had to be done. We also had to replace some electrical parts on our hoist on several occasions. Overall, we lost almost one month of production.

On the hoist, we changed all the electrical contacts to prevent any future breakdown and we purchased spare parts to replace failed parts more quickly if necessary. All the 2019 interruptions of production are considered as non-recurrent. Without these interruptions, the mine production would have been much higher and costs lower.

Variations of costs, as indicated previously, results from new accounting procedure.

## **Broken muck in stopes**

On June 30, 2019, there were about 8,000 tonnes of gold mineralization broken in stopes. This represents an investment of about \$ 600,000. If this amount had been considered as an inventory, results would have been better by that amount.

## **Non-GAAP Financial Performance Measures**

This press release presents certain financial performance measures, total cash costs per ounce of gold produced, sustaining costs and all-in sustaining costs per ounce of gold produced which are non-International Financial Reporting Standards (IFRS) performances measures. This data may not be comparable to data presented by other gold producers. Non-GAAP financial performance measures should be considered together with other data prepared in accordance with IFRS.

The adjusted net profit is a measure of performance that members of the direction use to evaluate the performance of activities by the company. Without taking into account the accounting policies, taxation laws and the structure of capital as these elements may potentially give a wrong representation of the capacity of the company to generate cash with its operation. The adjusted net profit excludes interest expenses, taxes and amortization.

The cash costs and all-in sustaining costs are common performance measures in the gold mining industry. The Company reports cash cost per ounce based on ounces produced. Cash cost include operating mining costs, royalties but is exclusive of amortization and depletion and sustaining capital expenditures. The all-in sustaining costs include costs of sales and sustaining capital expenditures and administrative costs but excludes amortization and depletion and accretion expenses. The Company believes that the all-in sustaining costs present a complete picture of the Company's operating performance or its ability to generate free cash flows from its operation.

## **STRATEGY AND OUTLOOK**

Currently, the Company is focussing on stabilizing and increasing the Elder production. Our objective is to produce 12,500 tonnes per month of gold mineralization.

We wish to use the full capacity of the Sleeping Giant mill by opening the Sleeping Giant mine, to reduce the operating cost per tonne treated.

For the long-term, in the gold sector, the Company had a drilling program, in the Fall of 2019, on the Abcourt-Barvue silver and zinc project and the Sleeping Giant gold property where substantial gold mineralization is found.

## **ABOUT ABCOURT MINES INC.**

Abcourt Mines Inc. is a gold producer and a Canadian exploration company with strategically located properties in northwestern Quebec, Canada. The Elder property has gold resources (2018) and a positive P.E.A. study (2012). Abcourt is focusing on the exploitation of the Elder mine.

The Abcourt-Barvue property has silver–zinc reserves (2019). A feasibility study was completed in 2007 by Roche / Genivar. An update was completed in January 2019.

In 2016, Abcourt acquired the Sleeping Giant mine and mill, located half-way between Amos and Matagami, in Abitibi, Quebec, in the territory covered by the Plan Nord of the Quebec government. The mill has a capacity of 700 to 750 tonnes per day. A NI 43-101 resource estimate and feasibility study was recently completed.

To know more about Abcourt Mines Inc. (TSXV: ABI), please visit our web site at [www.abcourt.com](http://www.abcourt.com) and consult our filings under Abcourt's profile on [www.sedar.com](http://www.sedar.com).

This press release was prepared by Mr. Renaud Hinse, Engineer and President of Abcourt Mines Inc. Mr. Hinse is a "Qualified Persons" under the terms of Regulation 43-101. Mr. Hinse has approved the scientific and technical disclosure.

## **FORWARD LOOKING STATEMENTS**

This news release contains forward-looking statements that include risks and uncertainties. When used in this news release, the words "estimate", "project", "anticipate", "expect", "intend", "believe", "hope", "may" and similar expressions, as well as "will", "shall" and other indications of future tense, are intended to identify forward-looking statements. The forward-looking statements are based on current expectations and apply only as of the date on which they are made. Except as may be required by law, the Corporation undertakes no obligation and disclaims any responsibility to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

The factors that could cause actual results to differ materially from those indicated in such forward-looking statements include changes in the prevailing price of gold, the Canadian-United States exchange rate, grade of ore mined and unforeseen difficulties in mining operations that could affect revenue and production costs. Other factors such as uncertainties regarding government regulations could also affect the results. Other risks may be set out in Abcourt' annual and periodic reports. The forward-looking information contained herein is made as of the date of this news release.

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