



**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FIRST QUARTER**

Quarter ended September 30, 2023

ABCOURT MINES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis ("MD&A") provides an analysis of our exploitation and exploration, evaluation and results of our financial situation which will enable the reader to evaluate important variations in exploitation results and exploration, evaluation in our financial situation for the quarter ended September 30, 2023, in comparison with same period of the previous year. This report supplements our audited financial statements and should be read in conjunction with our annual financial statements for the year ended June 30, 2023, which were prepared in accordance with the applicable international accounting system. All monetary values included in this report are in Canadian dollars, unless indicated otherwise. Our financial statements and the management's discussion and analysis are intended to provide a reasonable basis for investors to evaluate our exploration, evaluation and operation results and our financial situation.

This MD&A is dated as of November 29, 2023 and contains updated information, unless indicated otherwise.

You are invited to review the Company's profile on SEDAR+ at www.sedarplus.ca, where you will find all the documents filed pursuant to the applicable Canadian securities laws as well as our website: www.abcourt.com where additional information will be found.

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 FACTORS". 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.

HIGHLIGHTS FOR THE QUARTER AS AT SEPTEMBER 30, 2023

- Revenues of \$255,000 for the quarter ended September 30, 2023, mainly from the sale of waste from the Elder Mine site.
- A net loss of \$2,449,243, compared to a net income of \$1,110,358 for the quarter ended September 30, 2022.
- Cash of \$1,060,390, compared to \$963,974 as at June 30, 2023. Company's working capital of (\$5,069,466) compared to (\$4,476,223) as at June 30, 2023.
- On July 12, the Company announced the appointment of Mr. Robert Gagnon, geologist, as Vice-President, exploration of the Company. As part of his new tasks, Mr. Gagnon will manage all exploration activities for mining properties, including the evaluation of partnerships to accelerate the development of some of the Company's properties. Mr. Robert Gagnon holds a bachelor's degree in Geology from

the University of Quebec in Chicoutimi and is a member of the Order of Geologists of Quebec. Mr. Gagnon has extensive experience in the management of exploration projects and in the evaluation of deposits. He was President of Corporation Pershimex Resource from 2013 up to its merger with the Company in May 2023 and as such, he has very good knowledge of the mining properties acquired from Pershimex.

- On July 19, 2023, the Company announced the publication of the technical report and the preliminary economic assessment report for the Sleeping Giant Project (“PEA”) in accordance with *Regulation 43-101 on information regarding mining projects*.

PEA Highlights

**Base Case Scenario : Gold Price : 1800 \$ US/oz,
Exchange Rate : 1.00 USD = 1.30 CAD, Discount Rate : 5%**

| | |
|---|---------|
| ▪ NPV _{5%} after taxes and mining duties (CAD M) | 53.4 |
| ▪ IRR after taxes and mining duties (%) | 32.8 |
| ▪ Initial capital costs (preproduction) M CAD) | 42.1 |
| ▪ Average annual production (oz) | 30,600 |
| ▪ Mill Net recovery (%) | 96.7 |
| ▪ Average diluted gold grade (g/t Au) | 8.10 |
| ▪ Life of mine (excluding preproduction) (years) | 5.8 |
| ▪ Mineralized material extracted (t) | 720,000 |
| ▪ Gold produced (oz) | 181,300 |
| ▪ All in sustaining cost (USD/oz) | 1,156 |
| ▪ Total unit operating cost (CAD/tonne milled) | 321 |
| ▪ Gross revenues (M CAD) | 424 |
| ▪ Operating cash flows | 178 |
| ▪ Pre-production period (years) | 1.5 |

- On August 23, the Company granted 17,500,000 share purchase options to directors, officers, employees and consultants of the Company. Out of the 17,500,000 share purchase options, 13,300,000 were granted to directors, officers and employees and 1,800,000 share purchase options were granted to people offering investor relations services. share purchase options have an exercise price of \$0.05 and a term of 5 years. These options were granted under the stock option plan of the Company, which was amended in order to increase the maximum number of shares that can be issued upon exercise of options to 42,810,000, representing 10% of the outstanding number of issued shares of the Company.
- On August 29, 2023, the Company announced the appointment of Jasmine Hinse as a director of the Company, replacing Renaud Hinse who died in June 2023.
- On August 31, 2023, the Company announces the amendment to the terms of the private placement announced on June 7, 2023. The placement, with maximum gross proceeds of \$3,000,000, will consist of a maximum of 75,000,000 units of the Company at a price of \$0.04 per unit. Each unit will be

composed of one common share of the Company and one warrant. Each warrant will entitle its holder to purchase one common share at a price of \$0.05 for a period of 36 months following the closing date of the placement.

The Company plans to use the placement in a proportion of 60% to advance the exploration activities of the Sleeping Giant gold project and 40% for working capital.

- On September 7, 2023, the Company announced that it had completed a first tranche of an unbrokered private placement announced on August 31, 2023 for gross proceeds of \$1,582,750, consisting of the issuance of 39,568,750 units at a price of \$0.04 per unit. Each unit consists of one common share of the Company and one warrant. Each warrant allows the holder to subscribe for one common share at a price of \$0.05 for a period of 36 months following the closing date of the placement.
- On September 14, 2023, the Company announced that it had completed the transport of the 5,000 tonnes bulk sample from the Pershing Manitou deposit. Having completed the cleaning phase and recovery of gold from the mill, the Company carries out maintenance work required to restart the mill in order to process the 5,000 tonnes coming from Pershing-Manitou. Processing should take between 5 to 6 weeks.

STRATEGY AND OUTLOOK

Following the publication of the Preliminary Economic Assessment (PEA) in June 2023, the mine management team continued to develop the geological model of the Sleeping Giant mine. From the information collected since the June PEA, the Company has decided to start a small underground operation at the Sleeping Giant mine while it continues to develop the geological model in order to update the MRE and prepare for a pre-feasibility study.

During the months of September to November 2023, the Company completed the work required for the restart of the mill operations. Before starting a small-scale operation at the Sleeping Giant mine, the Company plans to process a 5,000-tonne bulk sample from the Pershing-Manitou deposit.

While the Company carries out a small-scale operation from the upper 4 levels of the mine Sleeping Giant, the technical team will convert inferred resources into indicated resources by increasing drilling density in the areas identified in the PEA.

The Company plans to publish an MRE after the drill campaign to convert the inferred resources into indicated resources to support a pre-feasibility study at the end of 2024.

For other assets, the Company plans to complete a drilling campaign at the end of fall 2023 on its Flordin and Discovery deposits. The drilling campaign is underway and the Company plans to complete it by the end December.

After completion of processing of the bulk sample from the Pershing-Manitou deposit at the Sleeping Giant mill, the Company will evaluate the possibility of completing an update of the MRE at Pershing-Manitou.

MAIN CONSOLIDATED FINANCIAL AND OPERATIONAL DATA

| | September 30 2023 | September 30, 2022 | Change |
|---|----------------------|-----------------------|--------|
| Revenue (\$) | 255,000 | 2,396,903 | -89% |
| Costs of sales (\$) | - | 2,322,870 | -100% |
| Gross margin (\$) | 255,000 | 74,033 | 244% |
| Expenses (\$) | | | |
| Administration | 999,740 | 361,486 | 177% |
| Maintenance and care | 873,438 | 638,515 | 100% |
| Exploration and evaluation | 706,771 | (2,078,860) | 134% |
| | 2,579,949 | (1,078,859) | |
| Net income (\$) | (2,449,243) | 1,110,358 | |
| Cash from operating activities, after changes in non-cash working capital items (\$) | (1,526,491) | 909,824 | -268% |
| Cash flows from financing activities | 1,438,606 | 1,274,762 | 13% |
| Cash flows from investing activities | 184,301 | (188,844) | 198% |
| Basic net earnings per share (\$) | (0.01) | 0.00 | - |
| Adjusted net income per share (\$) | (0.01) | 0.00 | - |
| Cash (\$) | 1,060,390 | 2,716,254 | -61% |
| Working capital (\$) | (5,069,466) | (3,057,707) | -66% |
| Total assets (\$) | 16,588,785 | 31,746,946 | -48% |
| Non-current liabilities (\$) | 12,019,323 | 6,757,146 | 78% |
| Equity (\$) | (2,572,054) | 16,408,002 | -116% |
| Revenue from gold sales (\$) | - | 2,364,239 | |
| Sale of gold from the Sleeping Giant property classified as exploration and evaluation expenses in the consolidated statements of comprehensive income. | - | 293,904 | |
| | - | 2,658,143 | |
| Ounces of gold sold | | 1,174 | |
| Average realized price per ounce (\$) | - | 2,264 | |
| Average realized price per ounce (US\$) | - | 1,742 | |
| Average exchange rate CAN\$ / US\$ | - | 1.30 | |

REVIEW OF CONSOLIDATED FINANCIAL RESULTS

During the quarter, revenue totaled \$255,000, a decrease of 90% from September 30, 2022. Revenue for the quarter consists solely of the sales of waste. For the period ending September 30, 2022, revenues totaled \$2,396,903. These revenues mainly come from the sale of the ounces of gold and silver in inventory as at June 30, 2022 from the production at the Elder Mine and the sale of ounces recovered from the cleaning of the mill at the Sleeping Giant site. The recovery of ounces in circuit continued until early 2023. The Company sold 1,174 ounces of gold during the quarter at an average realized price of \$2,264 (US\$1,742). No sales for the quarter ended September 30, 2023.

Cost of sales for the quarter ended September 30, 2022, totaled \$2,322,870, cost of sales was nil as at September 30, 2023. The cost of sales for the quarter ended September 30, 2022 corresponds to the inventory costs as at June 30, 2022, the milling costs of the last tonnes of the Elder mine and the last tonnes from the rehabilitation work of the Sleeping Giant mine as well as the costs from the work to recover the ounces of gold and silver in the circuit.

Administrative expenses amounted to \$999,740 during the quarter, compared to \$361,486 for the quarter ended September 30, 2022, an increase of \$638,515. The increase is mainly due to the increase in salaries and benefits of management, to the share-based compensation expense attributable to the grant of share purchase options to directors, officers, employees, and consultants engaged in investor relations as well as the increase in the professional fees.

During the quarter, the care and maintenance expenses of the three sites of the Company amounted to \$873,438, compared to \$638,515 for the same period of 2022, representing an increase of 37%. During the quarter ended September 30, 2022 and following the shutdown of operations, all of the Company's sites were placed in care and maintenance mode. Care and maintenance expenses are made up of the costs of work to maintain installations and equipment in good condition. At the Sleeping Giant site, the surface infrastructures, the mill as well as the tailings pound are also in care and maintenance mode. The increase in care and maintenance costs during the quarter is attributable to important repair work done on the mill during the quarter.

During the previous period, the Company revised its accounting policies and those of its subsidiary relating to exploration and evaluation assets. Previously, for the parent company and its subsidiary, the costs related to the acquisition of mining rights as well as expenses related to exploration and evaluation of mining properties less tax credits related to these expenses were recognized as exploration and evaluation assets. The Company has retrospectively adopted the accounting method of recognizing costs related to the acquisition of mining rights and exploration and evaluation expenses in the consolidated statement of comprehensive income. In addition, management has reviewed the current stage of the Sleeping Giant project and determined that the technical feasibility and commercial viability of this project had not yet been demonstrated. This project has been reclassified as an exploration and evaluation project. The expenses of exploration and evaluation of the quarter and previous years have been reclassified in the consolidated statement of comprehensive income. As at September 30, 2022, the proceeds from the sale of the royalty as well as the gold sales of the Sleeping Giant property are recognized in statements of comprehensive income under exploration and evaluation expenses which explains that the total exploration and evaluation expenses for this period presents a credit balance in the amount of \$2,078,860 compared to an expense in the amount of \$706,771 during this quarter. During the quarter, exploration and evaluation expenses are attributable mainly to the processing of the 5,000 tonnes bulk sample from

the Courville property.

The Company realized a net income for the quarter of \$2,449,243, or a loss per share of \$0.01, compared to a net income of \$1,110,358 or an earnings per share of \$0.00, for the same period in 2022. The result for the quarter ended September 30, 2022 is mainly explained by the sale of the royalty on the Sleeping Giant and Dormex properties recorded in exploration and evaluation expenses in the consolidated statements of comprehensive income for an amount net of transaction costs of \$2,078,860.

Cash from operational activities (after the change in non-cash items of the working capital) for the quarter were (\$1,526,491), compared to \$909,824 for the same period of 2022. The decrease in cash is attributable to the absence of revenue during the quarter.

As at September 30, 2023, the Company's working capital was (\$5,069,466), compared to (\$4,476,223) as at June 30, 2023. Since June 30, 2023, working capital has deteriorated slightly since, despite the increase in cash and the reduction in receivables, short-term liabilities remained comparable which affects working capital downwards.

KEY CONSOLIDATED QUARTERLY FINANCIAL AND OPERATIONAL DATA

| | 2023 Sept. | 2022 Sept. | 2023 June | 2022 June | 2022 Dec. | 2021 Dec. | 2023 March | 2022 March |
|---|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|
| <u>FINANCIAL DATA</u> | | | | | | | | |
| Revenue (\$) | 255,000 | 2,396,903 | - | 3,314,870 | 4,118,938 | 6,244,370 | 493,984 | 4,175,745 |
| Costs of sales (\$) | - | 2,322,870 | - | 5,409,471 | 2,001,514 | 6,648,137 | (46,022) | 4,957,471 |
| Gross margin | - | 74,033 | - | (2,094,601) | 2,117,424 | (403,767) | 540,006 | (781,726) |
| Expenses (\$) | | | | | | | | |
| Administration | 999,740 | 361,486 | 601,379 | 15,209,727 | 706,532 | 278,346 | 458,960 | 237,524 |
| Care and Maintenance | 873,438 | 638,515 | 922,353 | - | 1,013,899 | - | 1,471,572 | - |
| Exploration and evaluation | 706,771 | (2,078,860) | 6,122,904 | 597,823 | 617,440 | 1,209,120 | (3,064,599) | 354,271 |
| Net income (\$) | (2,449,243) | 1,110,358 | (7,611,971) | (17,988,784) | (307,289) | (1,912,442) | 1,471,857 | (1,396,479) |
| Cash generated (used) by operating activities, after changes in non-cash working capital items (\$) | (1,526,491) | 909,824 | (2,275,197) | (1,833,127) | (1,228,947) | 804,445 | 2,514,677 | (721,976) |
| Net income per share basic (\$) | (0.01) | 0.003 | (0.02) | (0.06) | (0.001) | 0.000 | 0.004 | (0.004) |
| Weighted average basic | 398,862,037 | 340,210,870 | 348,814,131 | 317,061,109 | 344,482,609 | 311,539,131 | 339,163,584 | 311,539,131 |
| <u>OPERATING STATISTICS :</u> | | | | | | | | |
| <u>ELDER MINE :</u> | | | | | | | | |
| Ore extracted (tonnes) | - | - | - | 11,651 | - | 16,310 | - | 13,475 |
| Ore milled (tonnes) | - | - | - | 12,296 | - | 17,836 | - | 11,844 |
| Grade of tonnes produced (g/t Au) | - | - | - | 3.4 | - | 3.7 | - | 4.9 |
| Gold recovery (%) | - | - | - | 95.23 | - | 95.86 | - | 96.2 |
| Ounces produced | - | - | - | 1,285 | - | 2,017 | - | 1,791 |
| Revenue from the sale of gold (\$) | - | 2,364,239 | - | 3,179,817 | 4,053,550 | 5,324,517 | 493,984 | 4,159,103 |
| Proceeds from sale of gold Sleeping Giant site | - | 293,904 | 650,190 | 789,729 | - | 903,856 | 5,724,356 | 1,059,419 |
| Ounces sold | - | 2,658,143 | 650,190 | 3,969,546 | 4,053,550 | 6,228,373 | 6,218,340 | 5,235,162 |
| Average realized gold price per ounce (\$) | - | 1,174 | 254 | 1,658 | 1,726 | 2,765 | 2,394 | 2,210 |
| Cash costs per ounce of gold produced | - | 2,264 | 2,555 | 2,394 | 2,353 | 2,253 | 2,597 | 2,369 |
| Total cash costs per ounce of gold produced (\$) | - | - | - | 3,824 | - | 2,197 | - | 2,595 |
| All-in sustaining cost per ounce | - | - | - | 4,311 | - | 2,693 | - | 2,743 |
| Average price realized per ounce (\$/US) | - | 1,742 | 1,927 | 1,870 | 1,750 | 1,796 | 1,926 | 1,880 |
| Production cash costs per ounce (\$/US) | - | - | - | 2,988 | - | 1,752 | - | 1,752 |
| All-in sustaining cost per ounce (\$/US) | - | - | - | 3,368 | - | 2,147 | - | 2,147 |
| Average exchange rate \$CAN / \$US | - | 1.30 | 1.33 | 1.28 | 1.34 | 1.2544 | 1.35 | 1.26 |
| Costs necessary to maintain production | - | - | - | 1,400 | - | 1,095,558 | - | 29,456 |

FINANCING POSITION

| | September 30, 2023 | June 30, 2023 | Explanation of changes |
|-------------------------|-------------------------------|--------------------------|--|
| Current assets | \$ 2,072,050 | \$ 2,843,065 | The decrease in current assets is attributable mainly to the cash-in of the majority of receivables as at June 30, 2023. |
| Non-current asset | 14,516,735 | 14,557,818 | The non-current asset is due to the depreciation of the year. |
| Total assets | 16,588,785 | 17,400,833 | |
| Current liabilities | 7,141,516 | 7,319,288 | The decrease in non-current liabilities is attributable to the decrease in accounts payable and accrued liabilities during the quarter. The Company used the funds generated by the issuance of common units and the cash-in of receivables to settle supplier accounts. |
| Non-current liabilities | 12,019,323 | 11,949,531 | Comparable. |
| Total liabilities | 19,160,839 | 19,268,819 | Comparable |
| Equity | (2,572,054) | (1,867,936) | Equity decreased due to the increase in the deficit. |

CASH AND SOURCES OF FINANCING

The Company's strategy is to generate cash from operating activities to fund the operations and development of projects and to meet capital requirements from its cash resources. Significant increases or decreases in the Company's cash and capital resources are primarily determined by the success or failure of the Company's mining, exploration and development programs and its ability to issue shares or obtain other sources of funding.

As at September 30, 2023, the Company had cash of \$1,060,390, compared to \$960,974 as at June 30, 2023. Of this amount, \$741,000 is reserved for exploration expenses.

Sources of equity financing

During the quarter, the Company completed a private placement consisting of 39,568,750 units at a price of \$0.04 per unit. Each unit consisted of one Class « B » common share and one warrant. Each whole warrant entitles to purchase one Class « B » common share at an exercise price of \$0.05 for a period of 3 years from the date of issuance of the warrant.

In connection with the offering, the Company paid a cash commission of \$1,800 and issued 45,000 units to an intermediary. Each warrant entitles to purchase one unit at an exercise price of \$0.05 for a period of 3 years from the date of issuance of the warrant. Each unit is composed of one Class « B » common share and

one warrant entitling to subscribe to a Class « B » common share at an exercise price of \$0.05 for a period of 3 years from the date of issuance of the warrant.

CASH FLOWS

| | September 30, 2023 | September 30, 2022 |
|--|-------------------------------|-----------------------|
| | \$ | \$ |
| Cash generated (used) by operating activities, after changes in non-cash working capital items | (1,526,491) | 909,824 |
| Cash flows from financing activities | 1,438,606 | 1,274,762 |
| Cash flows from investing activities | 184,301 | (188,844) |
| | | |
| Increase (decrease) in cash | 96,416 | 1,995,742 |
| | | |
| Cash, at the end of the quarter | 1,060,390 | 2,716,254 |

Operating Activities

During the quarter ended September 30, 2023, cash flow from operating activities used \$1.5M, which is due to the absence of revenues during the quarter.

Financing Activities

During the quarter, cash flow from financing activities generated \$1.4M following the issuance of common units for a total amount of \$1.5M, less share issuance costs and the repayment of long-term debt.

Investing Activities

During the quarter, cash flows from investing activities generated cash in the amount of \$184K, mainly from the cash-in of the tax credit related to resources.

OUTSTANDING SHARE CAPITAL

The following table shows the number of common shares, stock options and warrants of the Company outstanding as of the date of this MD&A:

| | As at November 29, 2023 |
|--|------------------------------------|
| Common shares issued | 488,528,759 |
| Share purchase options (average exercise price: \$0.08) | 27,297,600 |
| Warrants (average exercise price: \$0.15) | 104,680,216 |
| Warrant to intermediaries (average exercise price: \$0.15) | 1,207,500 |

RELATED-PARTY TRANSACTIONS

Key management personnel of the Company are members of the Board, as well as the President and the Chief Financial Officer.

Key management remuneration is as follows:

Remuneration of the senior officers include the following expenses:

| | September 30, 2023 | September 30, 2022 |
|--------------------------|-------------------------------|-----------------------|
| | \$ | \$ |
| Salaries and benefits | 405,877 | 139,369 |
| Share-based compensation | 113,920 | - |
| Total remuneration | <u>519,797</u> | <u>139,369</u> |

Other Related-Party Transactions

In addition to the amounts presented in the note on key management personnel compensation, here are the related party transactions for the quarter:

| | September 30, 2023 | September 30, 2022 |
|--|-------------------------------|-----------------------|
| | \$ | \$ |
| Payment of a royalty (2% NSR on the Elder property) to a company controlled by one of the directors of the Company (CEO and President of the Company as at September 30, 2021) | - | 39,972 |
| Professional fees to a firm in which one of the directors of the Company is an associate. | 68,685 | 21,888 |

As at September 30, 2023, the amount due to related parties amounts to \$81,995 (\$311,161 as at September 30, 2022). These transactions are measured at the value of the consideration paid or received, which was established and agreed by the related parties. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantee was given or received. Outstanding balances are usually settled in cash.

BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

The audited annual financial statements of the Company have been prepared by management in accordance with International Financial Reporting Standards (“IFRS”), as issued by the IASB and in accordance with IAS 34, Interim Financial Reporting.

For more information regarding accounting policies, please refer to Notes 4, 5 and 6 of the audited annual financial statements dated June 30, 2023.

BASIS OF VALUATION

The financial statements have been prepared using the historical cost method.

ADDITIONAL INFORMATION REQUIRED FROM A VENTURE ISSUER

The Company has no deferred costs other than mining properties and deferred exploration and evaluation costs.

The Company has no research and development expenses other than those relating to its mining activities.

OBLIGATIONS AND CONTRACTUAL COMMITMENTS

At as the date of this MD&A, the Company has the following commitments:

- Restoration of the sites of Elder and Sleeping Giant;
- Gold and silver sales contract with Auramet;
- Loan from Royal Bank of Canada
- General insurance and liability insurance premium financings.

Environment

The Company hired a consultant in July 2022 to define the long-term pulp deposition plan in its pulp storage cells at the Sleeping Giant mine. This deposition plan will be used when updating reserves in the spring of 2023.

INFORMATION CONCERNING THE CAPITAL

In terms of capital management, the Company's objectives are to ensure the continuity of operations while maintaining ongoing exploration programs and the development of mining assets, to provide sufficient working capital to meet its current commitments and pursue possible investments.

RISK FACTORS

Risk factors are presented in note 19 of the annual financial statements for the year ended June 30, 2023.

CERTIFICATION

This MD&A has been reviewed by the Audit Committee and approved by the Board of Directors of the Company.

(s) Pascal Hamelin

Pascal Hamelin,

President and CEO

November 29, 2023