MINES
ABCOURT
MINES INC.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

For the First Quarter Ended on September 30, 2014

ABCOURT MINES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FIRST QUARTER ENDED ON SEPTEMBER 30, 2014

This management's discussion and analysis provides an analysis of our exploration and development results and our financial situation which will enable the reader to evaluate important variations in exploration and development results and in our financial situation for the period ended September 30, 2014, in comparison with the first quarter of the previous year. This report supplements our audited financial statements and should be read in conjunction with our financial statements and the accompanying notes dated June 30, 2014. Our financial statements are prepared in accordance with the applicable International Accounting Standard (IFRS). 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 development results and our financial situation.

You are invited to consult the SEDAR web site at www.sedar.com, where all the documents filed according to the applicable Canadian security Laws may be found and the Abcourt web site at www.abcourt.com, where you will find a description of the mining properties.

INCORPORATION AND NATURE OF OPERATIONS

Abcourt Mines Inc. (the "Corporation" 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 Corporation was continued automatically pursuant to the *Business Corporation Act* (Québec), following the coming into force of such Act. The Corporation is primarily engaged in the exploration of mining properties with a view to commercial production. It does not currently have any mines in production. The current Corporation'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 Corporation'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 Corporation 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 FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014

During the 3-month interim period ended on September 30, 2014, the Corporation issued 13,991,300 common shares and 6,045,500 warrants for a total value of $941,135, including 1,900,300 flow-through shares, for a value of $152,025. The exploration and evaluation expenses were mostly incurred on the Elder property (mine development and diamond drilling).

PRINCIPAL ANNUAL INFORMATION (audited)

Period ended June 30,	2014	2013	2012
Statement of comprehensive income			
Interests	17,391	55,100	91,999
Net loss	331,967	354,316	503,109
Net loss per share diluted	0.00	0.00	0.01
Statement of financial position ($)			
Cash and term deposits	934,486	1,370,990	4,475,798
Total assets	22,648,536	21,086,078	20,720,267
Long-term debt	229,678	208,798	--
Mining Exploration ($)			
Exploration and evaluation assets	15,951,740	14,361,612	11,182,075

QUARTERLY INFORMATION (non-audited)

	2014 Sept.	2013 Sept.	2014 June	2013 June	2014 March	2013 March	2013 Dec.	2012 Dec.
Statement of comprehensive income ($)								
Other income	9,000	-	-	-	-	-	-	-
Interests	908	13,025	9,748	16,542	(6,930)	9,503	1,548	13,824
Net profit (net loss)	(77,546)	(76,336)	34,101	(156,455)	(140,638)	59,514	(149,094)	(183,912)
Net profit (net loss) per share diluted	0.00	0.00	0.00	0.00	(0.00)	0.00	0.00	0.00
Statement of financial position ($)								
Cash and term deposit	415,445	1,138,364	934,486	1,400,705	418,785	2,694,903	1,225,619	2,721,087
Total assets	23,214,629	22,249,533	22,648,536	21,086,078	22,580,814	20,791,927	22,288,413	20,932,165
Long-term debt	235,216	213,833	229,678	208,798	224,270	0.00	218,989	0.00
Mining exploration ($)								
Exploration and evaluation expenditures net of mining duties, tax credits and production value of gold and silver ingots	570,419	1,116,919	752,054	1,178,107	910,473	386,933	(1,218,597)	836,801

INTERIM STATEMENTS OF NET LOSS AND COMPREHENSIVE LOSS

Interest and other Income

Our revenue consists essentially in interest received on certificates of deposit and other income. The amount received during the first quarter ended on September 30, 2014 was $9,908 compared to $13,025 during the 2013 first quarter.

Expenses

For the first quarter ended September 30, 2014, expenses totaled $96,954. They were lower than those for 2013 ($138,751). The main difference is in the amortization of property, plant and equipment (-$29,949), in the restoration of a mining site (-$17,903) and in financing costs ($8,057). Details follow:

	2014	2013
(unaudited)		
	$	$
EXPENSES		
Part XII 6 taxes	-	-
Amortization of property, plant and equipment	1,627	31 576
Professional fees	18,806	16 251
Consultant fees	20,000	-
Restoration of the Abcourt-Barvue site	-	17 903
Advertising	-	4 031
Payroll burden	3,452	3 302
Software and Internet	3,493	2 265
Salaries and fees	15,216	14 870
Restoration of the Vendôme site	7,945	10 370
Insurances	3,123	6 579
Taxes, licences and permits	-	209
Financing costs	2,799	10 856
Bank expenses	235	105
Accretion expenses	5,538	5 035
Various	5,499	5 223
Registration, lising fees and shareholders' information	8,469	10 176
Forest expenses	752	-
Share-based compensation	-	-
	96,954	138 751

Loss before Income Tax

The loss before income taxes and deferred taxes ($87,046) compared to the loss of the previous period ($125,726) was lower as revenues were lower and expenses were at $96,954 ($138,751 in 2013).

Net Loss and Comprehensive Loss

The net loss and comprehensive loss for the first quarter is $77,546 compared to $76,336 for the quarter ended September 30, 2013.

STATEMENT OF CASH FLOWS

Operating Activities

During the first quarter, operating activities before the variations in the non-cash items of the working capital used an amount of $77,546 while in 2013, for the same period, $76,336 were used. In 2014, liquidities of $966,587 were used for the operations compared to $133,220 in 2013. The net change in non-cash working capital items was $886,706 in 2014 and $44,105 in 2013. The main elements of these non-cash items were the difference in the subscriptions deposits of $280,000, the variation in receivable taxes of $107,012 and of mining duties of $106,842.

Financing Activities

In 2014, during the first quarter, financing activities totaled $1,007,895, net of financing costs. In 2013, financing activities totaled $1,143,275, net of financing costs.

Investing Activities

During the first quarter, investing activities totalled $506,349. In 2013, an amount of $1,242,681 was invested. In 2013 and 2014, the main investment was in plant and equipment and in evaluation and exploration assets, mainly related to mine development activities at the Elder mine, net of the sale of gold and silver ingots.

Cash and Cash Equivalent at the end of the First Quarter

At the end of the 2014 first quarter, the cash and cash equivalent totaled $415,445 whereas in 2013, they totaled $1,138,364. The available cash and cash equivalent at the end of the first quarter and the near term sale of gold bullion should be adequate to cover our planned operating expenses over the next few months.

Net change in non-cash working capital items

	September 30, 2014	September 30, 2013
	$	$
Interests receivable	(556)	(10,482)
Taxes receivable	(245,310)	(138,298)
Other receivables	(41,609)	(90)
Mining duty and tax credit related to resources receivable	(167,499)	(60,657)
Gold and silver ingots	(79,547)	-
Prepaid expenses	8,109	6,836
Accounts payable and accrued liabilities	(80,294)	158,586
Subscriptions deposits	(280,000)	-
	(886,706)	(44,105)

Items not affecting cash and cash equivalents:

	September 30, 2014	September 30, 2013
	$	$
Acquisition of exploration and evaluation assets by issuance of capital stock	-	12,000
Decommissioning provisions for mining sites computed to exploration and evaluation assets	5,538	5,035

Term deposits

	September 30, 2014	June 30, 2014
	$	$
Term deposit, bearing interest at 1.06% (1.1% in 2013), maturing in April 2015, redeemable at any time	208,360	208,360
	208,360	208,360

INTERIM CHANGES IN EQUITY

The total equity as at September 30, 2014, totaled $21,851,335 compared to a total of $21,139,088 for the period ended September 30, 2013. The increase in the assets is due to the financing realised in the period.

NATURE OF ACTIVITIES AND GOING CONCERN

The Corporation is engaged in the acquisition and exploration of mining properties in Canada. Its common 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 Corporation's head office is 506 des Falaises, Mont-St-Hilaire, (Quebec) J3H 5R7. The Corporation has economical ore reserves on the Abcourt-Barvue property. In addition, the Corporation presently extracts from the Elder mine, material mineralized with gold to be processed at a mill in the province of Quebec. The exploration and development of mineral deposits involves significant financial risks. The success of the Corporation will be influenced by a number of factors, including exploration and extraction risks, regulatory issues, environmental regulations and other regulations.

As at September 30, 2014, the Corporation has a loss of $77,546 ($76,336 in 2013). In the past, the Corporation had to finance its operations through the issuance of shares and the exercise of share purchase options and warrants. At this moment, the management has a reasonable expectation that the milling of the mineralized material in the coming months will generate sufficient revenues to enable the Corporation to continue its operations for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Although management has engaged a qualified person to verify titles of the mining properties in which the Corporation has an interest, in accordance with industry standards for the current stage of exploration of such properties. These procedures do not guarantee the Corporation'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.

APPLICATION OF NEW ACCOUNTING POLICIES

The Corporation has adopted the IFRS accounting rules in 2012.

New and revised standards that are effective since July 1st, 2013

IFRS 13, Fair Value Measurement

The Corporation adopted IFRS 13 on July 1st, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Corporation to measure fair value and did not result in any measurement adjustments at that date.

IFRS 12 Disclosure of Interests in Other Entities

The Corporation has adopted the amendments to IFRS 12 effective on July 1st, 2013. These amendments prolong existing disclosures and also introduce significant additional disclosure that address the nature of, and risks associated with, an entity's interests in other entities. These changes did not result in additional disclosures as the Corporation does not have an interest in a subsidiary, in partnership and associated entities or in structured entities that are not controlled by the Corporation.

IFRS 11 Joint Arrangements

IFRS 11 replaces IAS 31, Interests in Joint Ventures, and requires joint arrangements to be classified either as a partnership or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For a partnership, a Corporation recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in IAS 28, Investments in Associates and Joint Ventures. On July 1st, 2013, the adoption of IFRS 11 did not affect the financial statements of the Corporation.

IFRS 10 Consolidated Financial Statements

IFRS 10 replaces the guidance on control and consolidation in IAS 27, Consolidated and Separate Financial Statements and SIC-12, Consolidation - Special Purpose Entities. IFRS 10 requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The accounting requirements for consolidation have remained largely consistent with IAS 27. The Corporation assessed its consolidation conclusions on July 1st, 2013 and determined that the adoption of IFRS 10 did not result in any change for the Corporation since it holds no participation giving it the control of another entity.

Amendments to IFRS 7, Disclosures – Offsetting Financial Assets and Financial Liabilities

Qualitative and quantitative disclosures have been added to IFRS 7 Financial Instruments: Disclosures relating to gross and net amounts of recognized financial instruments that are (a) set off in the statement of financial position and (b) subject to enforceable master netting arrangements and similar agreements, even if not set off in the statement of financial position.

The required disclosures should be provided retrospectively. The amendments are effective for annual periods beginning on or after July 1st, 2013. Management's analysis is that these amendments did not have a material impact on the financial statements of the Corporation.

New and revised IFRS issued but not yet effective

IFRS 9 Financial Instruments

IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition. When IFRS 9 will be effective, earlier application will be permitted. The Corporation has not yet started assessing the impact of adopting IFRS 9; however, it expects that this effect will be limited.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities and the related disclosures

The amendments to IAS 32 are not effective until annual periods beginning on or after January 1st, 2014, with retrospective application required. Management anticipates that future adoption of amendments to IAS 32 will have no significant impact for the Corporation.

SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements of the Corporation for the three months ended September 30, 2014 were prepared by management in accordance with IFRS. The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated.

Functional Currency
The reporting currency and the currency of all operations of the Corporation is the Canadian dollar, since it represents the currency of the primary economic environment in which the Corporation operates.

Currency Conversion

The financial statements of the Corporation are reported in Canadian currency, which is the functional currency. Transactions in foreign currencies are translated at the exchange rates prevailing at the time they are made. At each closing date, assets and liabilities denominated in foreign currencies are converted at closing. Exchange differences resulting from transactions are recorded in the income statement for the period. Exchange differences relating to operating activities are recorded in operating income for the period; exchange differences related to financing transactions are recognized in loss or in equity.

Cash and Cash Equivalents

The Corporation presents cash and term deposits with original maturities of three months or less from acquisition date and term deposits redeemable in any time in cash and cash equivalents.

Tax Credit Related to Resources and Mining Duties Credit

The Corporation is entitled to a tax credit related to resources of 35% (28% since June 5, 2014) on eligible exploration and evaluation expenses incurred in the province of Quebec. In addition, the Corporation is entitled to a mining duties credit equal to 16% of 50% of eligible exploration and evaluation expenditures, reduced of tax credit related to resources. These amounts are based on estimates made by management and the Corporation is reasonably certain that they will be received. At this time, tax credit related to resources and mining duties credit are recorded as a reduction of exploration and evaluation expenses.

Gold and Silver Ingots in Inventory

Gold and silver inventories are recorded at net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less any applicable estimated selling expenses. The selling price of metals is the price of gold and silver on the financial market as at the time of sale. These products are in transit, being refined or on deposit at the Royal Canadian Mint, waiting to be sold as at September 30, 2014.

Funds Reserved for Exploration and Evaluation

Funds reserved for exploration and evaluation represent proceeds from flow-through financings not yet spent on exploration and evaluation. The Corporation must use these funds for mining exploration and evaluation activities in accordance with restrictions imposed by those financings. As at September 30, 2013 and as at September 30, 2014, the Corporation had no funds reserved for exploration and evaluation.

Exploration and Evaluation Assets

Expenditures incurred before the entity has obtained the legal rights to explore a specific area are recognized as expenses. Expenditures related to the development of mineral resources are not recognized as exploration and evaluation assets. Expenditures related to the development are accounted as an asset only when the technical feasibility and commercial viability of a specific area are demonstrated and when recognition criteria of IAS 16 *Property, Plant and Equipment* or IAS 38 *Intangible Assets* are fulfilled.

All costs associated with property acquisition and exploration and evaluation activities are capitalized as exploration and evaluation assets. Costs that are capitalized are limited to costs related to acquisition and exploration and evaluation activities that can be associated with the discovery of specific mineral resources, and do not include costs related to production (extraction costs), and administrative expenses and other general indirect costs. Exploration and evaluation expenditures are capitalized when the following criteria are satisfied:

- they are held for use in the production of mineral resources;

- the properties have been acquired and expenses have been incurred with the intention of being used on a continuing basis; and

- they are not intended for sale in the ordinary course of business.

Costs related to the acquisition of mining properties and to exploration and evaluation expenditures are capitalized by property until the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. When the technical feasibility and commercial viability of extracting a mineral resource are demonstrated, exploration and evaluation assets are reclassified as mining assets under development and are amortized once it is established that the asset has reached its production stage. Exploration and evaluation assets are assessed for impairment before reclassification, and any impairment loss is recognized. Sales of ingots of gold and silver are recorded as a reduction of the Elder exploration and evaluation expenses.

The Corporation reconsiders periodically facts and circumstances in IFRS 6 that require testing exploration and evaluation assets for impairment. When facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount, the asset is tested for impairment. The recoverable amount is the higher of fair value less costs for sale and value in use of the asset (present value of the future cash flows expected). When the recoverable amount of exploration and evaluation assets is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount by recording an impairment loss. The carrying amount of exploration and evaluation assets do not necessarily represents present-time or future value.

The prior years recognized impairment for exploration and evaluation asset and for mining assets under development is reversed if there is an increase of the economic potential of asset, resulting from its use or sale since the last time an impairment has been recorded for this asset. If any, the carrying value of this asset is increased up to its recoverable amount, without being higher than it would have been recorded (net of amortization) like if the impairment had never been recognized for this asset in the prior years.

Impairment of Long-lived Assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The recoverable amount is the higher of its fair value less costs for sale and its value in use (present value of the future cash flows expected). An impairment loss is recognized when their carrying value exceeds the recoverable amount. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its recoverable amount.

Property, Plant and Equipment

Property, plant and equipment are accounted for at historical cost less accumulated amortization and accumulated impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost can be measured reliably.

Amortization of property, plant and equipment is calculated using declining method and at the following rates:

Vehicle	30%
Equipment and furniture	20%

The mill equipment, the water treatment plant and tailings pond are not amortized because they are not available for use.
Gains or losses on disposal of property, plant and equipment are determined by comparing the net proceed with the net carrying amount of the asset and are included in the statement of net loss and comprehensive loss.

Financial Instruments

Financial assets are initially recognized at fair value and their subsequent measurement is dependent on their classification in the following categories: held-to-maturity investments, available-for-sale, loans and receivables and at fair value through profit or loss ("FVTPL"). Their classification depends on the purpose, for which the financial instruments were acquired or issued, their characteristics and the Corporation's designation of such instruments. Transaction date accounting is used.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Corporation's management has the intention and ability to hold to maturity. After initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment loss. The Corporation has no held-to-maturity investment.

Available-for-sale

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale, or that are not classified as loans and receivables, held-to-maturity or at FVTPL. Available-for-sale financial assets are carried at fair value with unrealized gains and losses included in accumulated other comprehensive loss until realized; the cumulative gain or loss is then transferred to profit or loss statement. The Corporation has no available-for-sale investment.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are not held for trading purposes or available for sale. These assets are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. Cash and cash equivalents, term deposit, and other receivables are classified as loans and receivables.

Financial asset at FVTPL

Financial assets at FVTPL include financial assets held by the Corporation for short-term profit, derivatives not in a qualifying hedging relationship and assets voluntarily classified in this category, subject to meeting specified criteria. These assets are measured at fair value, with any resulting gain or loss recognized in the profit or loss statement. The Corporation has no financial asset classified as FVTPL.

Other liabilities

Other liabilities are initially recognized at fair value less transaction costs directly attributable. Thereafter, they are measured at amortized cost using the effective interest method and other liabilities include all financial liabilities, other than derivative instruments. Bank overdraft and accounts payable and accrued liabilities are classified as other liabilities.

Transaction costs

Transaction costs related to financial asset at FVTPL are recognized as expenses as incurred. Transaction costs related to available-for-sale financial assets, to held-to maturity investment and loans and receivables are added to the carrying value of the asset and transaction costs related to other liabilities are netted against the carrying value of liability. They are then recognized over the expected life of the instrument using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset/liability and of allocating interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash flows (including transaction costs) through the expected life of the financial asset/liability, or, if appropriate, a shorter period.

Decommissioning Provisions for Mining Sites

The Corporation is subject to environmental laws and regulations enacted by federal and provincial authorities. As of the reporting date, management believes that the Corporation's operations are in compliance with current laws and regulations. To take into account the estimated cash flows required to settle its obligations arising from environmentally acceptable closure plans (such as dismantling and demolition of infrastructures, removal of residual matter and site restoration), provisions are recognized in the year, when the Corporation has an actual restoration mining sites obligation and it is likely that an outflow will be required in settlement of the obligation and the obligation is reasonably determinable.

These provisions are determined on the basis of the best estimates of future costs, based on information available on the reporting date.

Future costs are discounted using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the liability. A corresponding asset is recognized in the related mining asset when establishing the provision. The provision is reviewed annually to reflect changes in the estimated outflow of resources as a result of changes in obligations or legislation, changes in the current market-based discount rate or an increase that reflects the passage of time.

The accretion of the liability to its fair value as a result of the passage of time is charged to earnings while changes resulting from the revisions to either the timing or the amount of the original estimate of the undiscounted cash flows are accounted for as part of the carrying amount of the related long-lived asset. Costs of restoration of mining sites are deducted from the provision when incurred. The management of the Corporation determined that decommissioning provisions for the Elder mining site are amounting to $235,216 as at September 30, 2014 ($229,678 as at June 30, 2014). No other provision is needed in relation with the other properties of the Corporation.

Share-based Compensation

The Corporation accounts for stock-based compensation over the vesting period of the rights to stock options. Share purchase options granted to employees and directors and the cost of services received are evaluated and recognized on fair value basis using the Black-Scholes option pricing model.

Equity-settled Share-based Compensation Transactions

For transactions with parties other than employees, the Corporation measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. When the Corporation cannot estimate reliably the fair value of the goods or services received, it measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

Flow-through Shares

The Corporation considers that the issue of flow-through shares is in substance an issue of common shares and the sale of tax deductions. The sale of tax deductions is measured using the residual method. At the time the flow-through shares are issued, the sale of tax deductions is deferred and presented as other liability in the statement of financial position. When eligible expenditures are incurred (as long as there is the intention to renounce them), the sale of tax deductions is recognized in the income statement as a reduction of deferred tax expense and a deferred tax liability is recognized for the taxable temporary difference that arises from the difference between the carrying amount of eligible expenditures capitalized as an asset in the statement of financial position and its tax base.

Warrants

In connection with financings, the Corporation may grant warrants. A warrant entitles its holder to purchase one share at a price determined at grant for a certain period of time. Proceeds from the sale of units are allocated between shares and warrants issued using the relative fair value method. The Corporation uses the Black-Scholes pricing model to determine the fair value of warrants issued.

Share Issuance Expenses

Share issuance expenses are recorded as an increase of the deficit in the year in which they are incurred.

Basic and Diluted Loss per Share

The basic loss per share is calculated using the weighted average of shares outstanding during the year. The diluted loss per share, which is calculated with the treasury method, is equal to the basic loss per share due to the anti-dilutive effect of share purchase options and warrants.

Revenue Recognition

Investment transactions are accounted for using the accrual basis and interest income is accrued based on the number of days the investment is held during the year.

Revenue from the sale of gold and silver of Elder project are considered to be directly attributable to the development of the project and are recorded as a reduction of exploration and evaluation expenses of Elder project. Revenue is recognized when the Corporation has transferred to the buyer the significant risks and rewards incidental to ownership of the metals. The amount of revenue can be measured reliably and it is probable that the economic benefits associated the transaction will flow to the Corporation.

Mining Properties Option Agreements

Options on interests in mining properties acquired by the Corporation are recorded at the value of the consideration paid, including other benefit given up but excluding the commitment for future expenditures. Commitment for future expenditures does not meet the definition of a liability and thus are not accounted for. Expenditures are accounted for only when incurred by the Corporation.

When the Corporation sells interests in a mining property, it uses the carrying amount of the property before the sale of the option as the carrying amount for the portion of the property retained, and credits any cash consideration received and also fair value of other financial assets against the carrying of this portion (any excess is recognized as a gain in the profit or loss statement).

NSR Royalties

The NSR royalties are generally not accounted for when acquiring the mining property since they are deemed to be a contingent liability. Royalties are only accounted for when probable and can be measured with sufficient reliability. Royalties are payable on Elder mining project.

Income Taxes and Deferred Taxes

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes except when deferred income results from an initial recognition of goodwill or from initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they will reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting year and which, expected to apply to taxable income in the years during which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income or loss in the year that includes the enactment date. The Corporation establishes a valuation allowance against deferred income tax assets if, based on available information, it is probable that some or all of the deferred tax assets will not be realized.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be used. At the end of each reporting period of financial information, the Corporation reassesses the tax deferred asset not recognized. Where appropriate, the Corporation records a tax deferred asset that had not been recorded previously to the extent it has become probable that future taxable profits will recover the tax deferred asset.

Segment Disclosures

The Corporation currently operates in a single segment: the acquisition, exploration and development of mining properties. All of the Corporation’s activities are conducted in Canada.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements in accordance with IFRS requires management to use good judgment and to make estimates and assumptions that affect the application of accounting policies as well as the carrying amount of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed regularly. Any revision of accounting estimates is recognized in the period during which the estimate is revised and in future periods affected by these revisions.

Key sources of uncertainty of estimations

a) Impairment of exploration and evaluation assets

Exploration and evaluation assets shall be assessed for impairment when facts and circumstances suggest that their carrying amount may exceed recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Corporation shall measure, present and disclose any resulting impairment loss. Indications of impairment as well as the evaluation of recoverable amount of exploration and evaluation assets require significant judgment. Management considers various factors including, but are not limited to, financial and human resources available, exploration budgets planned, importance and results of exploration work done previously, industry and economic trends and price of minerals.

b) Valuation of credit related to resources and mining duties credit

Credit related to resources and mining duties credit for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their reimbursement.

The calculation of the Corporation's credits necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be determined with certainty until notice of assessments and payments have been received from the relevant taxation authority. Differences arising between the actual results following final resolution of some of these items and the assumptions made could necessitate adjustments to tax credits related to resources and to mining duties credits, exploration and evaluation assets and income tax expenses in future periods.

The amounts recognized in the financial statements are derived from the Corporation's best estimation and management's judgment as described above. However, the inherent uncertainty regarding the outcome of these items means that eventual resolution could differ from the accounting estimates and therefore have an impact on the Corporation's financial position and its cash flows.

c) Share-based Payment

The fair value of share purchase options granted to employees is determined using Black-Scholes pricing model that takes into account the exercise price and expected life of the option, the current price of the underlying stock, its expected volatility, the expected dividends on the stock and the current risk-free interest rate for the expected life of the option. The inputs used to determine the fair value are composed of estimates aim to approximate the expectations that would likely be reflected in a current market or negotiated exchange price for the option.

Critical judgments in applying accounting policies

a) Decommissioning provisions for mining sites

The Corporation assesses its decommissioning provisions for mining sites annually. Determining these obligations requires significant estimates and assumptions due to the numerous factors that affect the amount ultimately payable. Such factors include estimate of the scope and cost of restoration activities, legislative amendments, known environmental impacts, the effectiveness of maintenance and restoration measures and changes in the discount rate. These uncertainties may lead to differences between the actual expense and the allowance. At the date of the statement of financial situation, decommissioning provisions for mining sites represent management's best estimate of the charge that will result when the actual obligations are terminated. The management of the Corporation utilized the estimation included in the "Preliminary Economic Assessment" on the Elder project prepared by the firm "Roche Ltd, Consulting Group".

b) Start of commercial production

Management assesses the stage of advancement of the Elder mine to determine when it will begin commercial production. The Corporation uses its judgments and considers a number of criteria to determine when the mine will enter into commercial production, which will result in a reclassification of all expenses capitalized to Elder Mine in production. Among others, the following criteria are used:

- The achievement of a predetermined level of activities; a production of 150,000 tons of ore per year as used in the ''Preliminary Economic Assessment'' on the Elder project by the firm Roche Ltd, Consulting Group.

- The ability to support a continuous production and achieve constant operating results over a period of time;

- Recovered grade, ore value and significant revenues;

- Stage of completion of development works.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

The Corporation provided information on its deferred exploration and evaluation assets in its interim financial statements for the period ended September 30, 2014. The Corporation has no deferred expenses other than mining properties and deferred exploration and evaluation assets.

The Corporation has no research and development expenses.

EXPLORATION AND EVALUATION ASSETS

The exploration and evaluation assets for the first quarter ended on September 30, 2014, totaled \$3,005,696 compared to \$1,657,453 for the period ended September 30, 2013. Most of the expenses consisted in the mine development of the Elder mine and in payment of royalties and amortization.

Details on the two most important items in exploration and evaluation expenses in the first quarter ended on September 30, 2014:

1. The most important expense was for the mine development of the Elder mine at a cost of \$2,887,340 (\$1,574,434 in 2013);

2. The second most important expense was for amortization of equipment for \$41,560 (\$0 in 2013).

EXPLORATION AND EVALUATION EXPENSES

For the three-month periods ended on September 30, 2014 and 2013, the following expenses associated to the discovery of mineral resources, were included in the cost of exploration and evaluation expenses.

	2014 3 months	2013 3 months
	$	**$**
Drilling	-	605
Analysis	1,781	1,670
Telephone and electricity	1,858	3,274
Insurance, taxes and permits	(7,469)	75
Fees and engineers expenses	-	71,930
Elder mine dewatering	12,733	3,980
Elder mine development	2,887,340	1,574,434
Massicotte expenses	11,044	-
General exploration and evaluation expenses	10,830	1,485
Repairs	300	-
Royalties	30,639	-
Mining properties	1,250	-
Amortization of equipment	41,560	-
Increase of exploration and evaluation expenses	3,005,696	1,657,453
Gold and silver ingots	(2,266,528)	-
Mining duties and tax credit related to resources	(167,499)	(540,534)
Balance, beginning of the period	15,951,740	12,255,288
Balance, end of the period	16,523,409	13,372,207

Here are some details concerning the exploration and evaluation assets:

	September 30, 2014	September 30, 2013
	$	$
Mining properties	2,136,853	2,130,496
Exploration and evaluation expenses	14,386,556	13,372,207
	16,523,409	15,502,703

Exploration and Evaluation Expenses

	Balance as at June 30, 2014	Addition 2014	Mining duties and tax credits	Ingot sales of gold and silver	Balance as at September 30, 2014
	$	$	$	$	$
Abcourt-Barvue, Qc	3,710,381	27,892	-	-	3,738,273
Vendôme, Qc	201,786	1,249	-	-	203,035
Elder, Qc (1)	8,619,574	2,975,304	(167,499)	(2,266,528)	9,160,851
Aldermac, Qc	616,787	1	-	-	616,788
Jonpol, Qc	667,609	-	-	-	667,609
	13,816,137	3,004,446	(167,449)	(2,266,528)	14,386,556

Royalties of 1% and 2% are payable on the Elder property and are recorded in exploration and evaluation expenses. The 2% royalty is paid to a related company.

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 voting class “B” shares, without par value.

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

	Three month period closed September 30, 2014		Year ended June 30, 2014	
	Number	Amount $	Number	Amount $
Balance, beginning	182,332,419	36,024,060	167,019,772	936,391
Paid in cash (1)	12,091,000	789,110	11,720,000	790,934
Flow-through shares (2)	1,900,300	152,025	3,442,647	284,735
Mining properties	-	-	150,000	12,000
Balance, end	196,323,719	36,965,195	182,332,419	36,024,060
Shares to be issued	-	-	-	-
Total	196,323,719	36,965,195	182,332,419	36,024,060

On the date of this report, there were 196,323,719 class B shares issued and outstanding.

Shares, Options and Warrants issued in the First Quarter 2014

Shares

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

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

Options

During the first quarter, there was no change in the options to purchase shares of the Corporation.

Warrants

During the first quarter, the Corporation granted a total of 6,045,500 warrants to investors through private placements. The fair value of these warrants was estimated using the Black-Scholes pricing model considering the following weighted average assumptions: estimated duration of 1 year, risk-free interest rate of 1.01%, share price at the time of grant of $0.08, dividend yield of 0% and expected volatility rate of 56%.

Warrants Outstanding as at September 30, 2014	Exercice Price	Expiry Date
	$	
871,000	0.16	October, 2014
2,150,000	0.10	October, 2014
6,045,500	0.10	July, 2015
9,066,500		

Convertible Securities

None

Escrowed Shares

None

CONTRACTUAL OBLIGATIONS

Long-term Debt

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

Flow-Through Share Financing

In July 2014, there were $161,525 received from the sale of flow-through shares. The Corporation has to spend this amount in exploration and evaluation expenditures before December 31, 2015.

Royalties

Property	Royalty
Elder	2 to 3% NSR
Barvue	$0.25 per short ton on former Barvue property and 1 to 1.5% NSR on some other claims
Vendome	2% 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. In the first quarter ended September 30, 2014, restoration expenses were $0 ($17,903 for the same period in 2013).

Provisions for decommissioning of Elder mine site:

	2014	2013
	$	$
Amount on June 30	229,678	208,798
Addition of the 1st quarter	5,038	5,035
Balance, end of the 1st quarter	235,216	213,833

The amount of the obligation amounts to $480,670 and represents the estimate of Elder mine site restoration costs. This amount has been capitalized for a period of ten years with an inflation rate of 1.2% and was subsequently discounted at a 10% rate. Its present value is therefore $235,216 as at September 30, 2014.

In September 2013, the Ministère des Ressources Naturelles du Québec requested a guaranteed payment amounting to $240,336 before August 22, 2014 in relation with the Elder mining site restoration. In addition, two other payments of $120,168 are required respectively for August 22, 2015 and August 22, 2016. These payments will be held in trust to cover the future restoration cost at the Elder mine. Guaranted payments will be made to comply with the *Règlement modifiant le Règlement sur les substances minérales autres que le pétrole, le gaz naturel et la saumure,* effective as of August 22, 2013. The security now required by *the Direction de la Restauration des sites miniers,* aims to cover all the restoration of the entire mining sites, including the accumulation areas. Management have asked for some payment facilities and is waiting for an answer.

OFF BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

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

	Three-month period ended September 30, 2014	Three-month period ended September 30, 2013
	$	$
Private company controlled by the Chief Executive Officer and President of the Company	79,000	71,000
Fees included in exploration and evaluation expenses and in administration costs:		
Services rendered as engineer and at financing meetings	13,570	10,912
Re-invoiced expenses		
- Royalties	18,783	-
- Restoration of a site	-	1,000
- Salaries fees	1,000	-
- Office supplies	721	-
Balance included in accounts payable and accrued liabilities	121,074	82,912

	Three-month period ended September 30, 2014	Three-month period ended September 30, 2013
	$	$
Directors and key management personnel		
Salaries and administrative fees	800	2,095
Professional fees	806	5,764
Financing costs	2,800	3,600
Balance included in accounts payable and accrued liabilities	7,595	10,164

The transactions are measured at the amount of consideration established and agreed by the related parties.

During the quarter, the share-based compensation for the directors and key executives of the Company is amounting to 0$ (0$ as at September 2013, 30).

CONTINGENT LIABILITIES

a) The Corporation's operations are governed by governmental laws and regulations regarding environmental protection. Environmental consequences are hardly identifiable, in term of level, impact or deadline. At the present time and to the best knowledge of its management, the Corporation is in conformity with the laws and regulations in effect. Restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at the time.

b) The Corporation is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Corporation will qualify as Canadian exploration expenses, even if the Corporation has committed to take all the necessary measures for this purpose. Refusals of certain expenses by tax authorities would have negative tax consequences for investors, or the Corporation.

COMMITMENTS

The Corporation has leased with an option to purchase a used Ingersoll Rand compressor, for an amount of $40,000 payable in twelve monthly installments of $3,000 and a final one of $4,000.

SUBSEQUENT EVENTS

On November 14, 2014, a milling agreement was signed with QMX Gold Corporation to treat 50,000 tonnes of ore over a six month period starting on October 29, 2014.

On October 28, 2014, the Corporation granted 200,000 stock options to a director, at an exercise price of $0.07 per share, valid for a five-year period, pursuant to the terms of its stock option plan. These options were granted to replace options that expired on October 1, 2014 without being exercised.

MINING PROPERTIES

Abcourt has two mining projects at an advance stage of development 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 advanced exploration projects, 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 MINE

The Elder mine is owned 100% by Abcourt. The mine is conveniently located inside the mining community of Rouyn-Noranda, Quebec, just six miles (ten km) northwest from the town center. The property comprises 34 contiguous claims and a mining concession covering an area of 876 hectares. Royalties of 2% to 3% are payable on different parts of the property.

The surface plant includes an office, a service building, a hoist room and a shaft building. The mine is serviced to a depth of 794 meters (2,606 feet) by two shafts and several drifts on 16 levels. Almost all of the mining equipment is available and all the facilities are in place.

The ore is found in several quartz veins generally striking N-40^o–E on surface but east-west at a depth of 305 meters (1,000 feet) down the mine and dipping on the average at 22^o to the south-east, with the exception of the no 4 vein which is striking north-south and dipping 22^o to the east. The CDR vein is located 4,500 feet (1,377 m) south of vein no. 1.

Between 1984 and 1989, a total of $23 M was spent on this property by the Aunore Resources Inc – Nova Beaucage Mines Limited joint venture. The surface plant was installed and the necessary equipments were purchased. The mine was dewatered, 4,268 meters (14,000 feet) of old drifts were rehabilitated, the shaft was deepened 15 meters (50 feet), new stations were established on three upper levels, in no 2 shaft, that is the 4th, 5th and 6th levels, an ore pass and a waste pass system with loading pockets was established, 142 surface and 75 underground diamond drill holes were drilled, approximately 2,134 meters (7,000 feet) of new drifts were excavated, ventilation raises were driven and a few stopes were started. Approximately 13,200 metric tonnes of ore with a grade of 0.198 oz/mt of gold were extracted. Following a drop in the price of gold, the mine was closed and almost all mining equipment was sold.

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.

Here are the results of the 2012 calculations:

Table 1a – Measured and indicated resources at Elder and Tagami

ZONE	MEASURED			INDICATED			MEASURED + INDICATED			
	TONNES	GRADE	WIDTH	TONNES	GRADE	WIDTH	TONNES	GRADE	WIDTH	GOLD OUNCES
	(metric)	(g/t)	(m)	(metric)	(g/t)	(m)	(metric)	(g/t)	(m)	
ELDER	512,739	6.68	2.20	671,139	6.50	2.16	1,183,878	6.58	2.18	250,341
CDR	-	-	-	4,172	16.49	2.50	4,172	16.49	2.50	2,213
TAGAMI	-	-	-	173,162	6.54	2.10	173,162	6.54	2.10	36,391
TOTAL ALL	**512,739**	**6.68**	**2.20**	**848,473**	**6.55**	**2.10**	**1,361,212**	**6.60**	**2.14**	**288,945**

Table 1b – Inferred resources at Elder and Tagami

ZONE	TONNES	GRADE	WIDTH	GOLD OUNCES
	(metric)	**(g/t)**	**(m)**	
ELDER	412,668	5.76	1.92	76,392
CDR	50,248	5.15	1.83	8,328
TAGAMI	175,384	5.69	1.68	32,106
TOTAL ALL	**638,300**	**5.70**	**1.85**	**116,826**

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

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.

This study is based only on the 43-101 Elder resource calculations made by Mr. Jean-Pierre Bérubé, Eng., listed above and filed on SEDAR on May 9, 2012. It does not include any of the indicated and inferred gold resources located on the adjacent Tagami property, or any new resources that may be found by doing some exploration at the Elder mine.

The PEA report 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.

Here is the economic analysis extracted from the PEA report:

GENERAL

A preliminary economic/financial analysis of the project has been carried out using a cash flow model. The model is constructed using annual cash flows in constant money terms (third quarter 2012). No provision is made for the effects of inflation. As required in the financial assessment of investment projects, the evaluation is carried out on a so-called "100% equity" basis, i.e., the debt and equity sources of capital funds are ignored.

Results are presented on a before-tax basis. The model reflects the base case macro-economic and technical assumptions given in this report.

MACRO-ECONOMIC ASSUMPTIONS

The main macro-economic assumptions used in the base case are given in Table 1 below.

The gold price forecast is based on the average London Fix over the past three-year period. The sensitivity analysis examines a range of gold prices 30% above and below the base case price.

Table 1 – Macro-Economic Assumptions

Item	*Unit*	*Value*
Gold Price	*$US/oz*	*1436*
Exchange Rate	*CAD/USD*	*1.00*
Discount Rate	*% per year*	*8*
Discount Rate Variants	*% per year*	*6 & 10*

Apart from the base case discount rate of 8 %, two variants of 6 and 10 % are used to determine the net present value of the project. These discounts rates represent possible weighted-average costs of capital to the investor.

MINERAL ROYALTIES

The present financial analysis incorporates royalty agreements resulting in three rates of payments that depend on the location of the resources extracted. A 3 % NSR royalty applies to resources extracted from levels 1 to 9, a 2.5 % NSR royalty applies to resources extracted from level 10, and a 2 % NSR royalty applies to resources extracted from levels 11 to 15.

Technical Assumptions

*The main technical assumptions used in the base case are given in **Table 2** below.*

Table 2 – Technical Assumptions

Item	*Unit*	*Value*
Total Resources Mined	*K tonnes*	*1488.9*
Design Extraction Rate	*tonnes milled / year*	*150,000*
Life of Mine	*Years*	*10.4*
Average Mill Feed Grade	*g/t Au*	*5.48*(1)
Toll Mill Process Recovery	*%*	*94*
Total Gold Production	*K ounces*	*246.5*
Average Mining Operating Cost	*(CA$ / tonne mined)*	*66.41*
Transport Cost to Toll Mill	*(CA$ / tonne milled)*	*12.50*
Average Process Operating Cost (Toll mill)	*(CA$ / tonne milled)*	*32.73*
General & Administration Cost	*(CA$ / tonne milled)*	*15.34*
Refining Cost	*(CA$ / oz Au)*	*3.00*

(1) 5.48 g/t = 0.176 ounce of gold per tonne

A reduced production of 80,000 tonnes milled in the first year of production provides for a ramp-up to the full capacity of 150,000 tonnes milled per year in the following years.

FINANCIAL MODEL AND RESULTS

*A summary of the base case results is given in **Table 3** below.*

*The cash flow statement for the base case is reproduced in **Table 4** of the PEA report.*

*In **Table 3** and the cash flow statement, the following can be observed:*

A total at-mine revenue of $353.3 M is forecast. This amounts to an average of $237.27 per tonne milled.

The total pre-production capital expenditure is evaluated at $ 2.1 M, excluding working capital, and the total sustaining capital requirement, excluding closure costs, is evaluated at $2.2 M. An initial working capital, equivalent to 6 months of operating expenses in year 1, is provided at start-up, and is reduced to an equivalent of 3 months thereafter. The Spare Parts and Capital Spares entries listed under the indirect capital expenses are included in the initial working capital requirement. The initial working capital outlay is $5.3 M. Additional amounts are injected or withdrawn as total annual operating costs increase or decrease over the life of mine. A total of $0.6 M is provided for closure costs.

The total operating costs are estimated at $200.7 M for the life of the mine or on average $134.83/tonne milled. The total NSR royalty payments are evaluated at $9.8 M or on average $6.56 per tonne milled.

The financial results indicate a total before-tax cash flow of $137.9 M, 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.

Table 3 – Project Evaluation Summary

Items	*Base Case (M CAD $)*
Total At-mine Revenue	*353.276*
Pre-production Capital Expenditures (excludes Spares)	*2.121*
Sustaining Capital Expenditures	*2.228*
Initial Working Capital Requirement	*5.317*
Mine Closure Costs	*0.562*
Total Operating Costs	*200.745*
Total NSR Royalty Payments	*9.766*
Total Before-tax Cash Flow	*137.854*
Before-tax NPV @ 8%	*81.823*
Before-tax NPV @ 6%	*92.562*
Before-tax NPV @ 10%	*72.636*
Before-tax IRR (%)	*140.5*
Before-tax Payback Period (years)	*1.1*

SENSITIVITY ANALYSIS

A sensitivity analysis indicates that, within the level of accuracy of the cost estimates, project viability does not appear to be affected by the under-estimation of capital costs and operating costs, taken individually. The net present value is more sensitive to variations in operating expenses and the price of gold. A gold price of approximately $875 per ounce results in break-even condition i.e. yields an NPV of zero at a discount rate of 8%.

The full report was filed on Sedar under the heading «technical report» and on our website.

This positive economic analysis justifies a mine development program at the Elder mine with the objective of completing a feasibility study and putting the Elder gold mine in production as soon as possible (within the next 6 months).

Current operations

The mine is in a development phase with about 70 persons currently working at the mine. Following the reception of the PEA study. We were not able to get the necessary financing to proceed according to the plan prepared for the PEA study. Hence, 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 the beginning of the mine development period in May 2013 to June 30, 2014, 47,000 tonnes of mineralized material were extracted from the mine and 44,968 tonnes were treated at the Aurbec mill. The treated material had a grade of 4.90 grams of gold per tonne.

In the first quarter ended September 30, 2014, the mine produced 11,278 tonnes with a grade of 4.95 grams of gold per tonne. The mill treated 10,630 tonnes with a grade of 5.32 grams of gold per tonne.

In the first quarter ended September 30, 2013, there were 9,962 tonnes extracted from the mine with a grade of 5.39 grams of gold per tonne. None were treated in a mill.

In the first quarter ended on September 30, 2014, 283 meters of drifts and 16 meters of raise were excavated. In addition, 120 meters of old drifts were rehabilitated.

An agreement was recently signed with QMX Gold Corporation to treat 50,000 tonnes of gold mineralization produced by the development of the Elder mine over a six-month period starting on October 29, 2014. The milling has started and a batch of 5,000 tonnes has already been processed. The availability of the mill will increase gradually and we will be able to increase the tempo of the mine development at the Elder mine to accommodate the available capacity of the mill.

The QMX mill is closer from the Elder mine than the Aurbec Mines' mill used previously and this will enable the Corporation to save about $7.00 per tonne on transportation costs.

Our near term objective is to purchase one of the three mills in the area that are available or will become available soon. This contract gives us six months to negotiate this purchase.

Revenues from the sale of gold and silver in the first quarter totaled about $2,266,000 or $227.50 per tonne treated. In 2013, there was no sale of gold and silver.

The management of the Corporation expects that the treatment of the gold mineralization during the mine development stage will produce enough revenues to cover most but not all future mine development costs. To satisfy all its needs, the Corporation will, as in the past, finance itself by the issue of shares or by debt.

For Elder-Tagami, the following has to be realized:

- Hire additional miners and buy some mine equipment to increase the production rate;
- Realize a mine development program to have access to new stopes;
- Assess other more economical possibilities to treat our material. Several mills in the area are available or have available capacity. However, we are also evaluating the possibility of buying a mill;
- Prepare a feasibility study;
- Decide to go into commercial production as soon as all the necessary elements will be in place;
- Raise $2 to $5M to buy mining equipment, for mine development work and to create an adequate working capital.

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

Our budget for the period 2014 - 2015, will be according to the revenues received from the sale of gold and the financings realized. Our budget for the extraction of about 100,000 tonnes containing about 15,500 ounces of recoverable gold is estimated at about $20 million for that period.

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.

Our objective is to place this property into production. 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. The feasibility study is now completed but various alternatives are considered to improve the profitability of this project. In February 2011, Abcourt purchased the Xstrata Zinc Canada Division interest in fifteen half claims being part of the Vendome property. The purchase of these claims will allow us to add Vendome to the Abcourt-Barvue 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.

We are also evaluating the possibility of increasing the mill capacity to 2,740 tonnes per day, for a total of 1,000,000 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. We also looked at the possibility of spinning off this project into a new company. Before proceeding with this plan, we have to choose the best scenario as a function of metal prices and update the feasibility study. The start of this project depends on the availability of funds and we have no guarantee that we will get the necessary funds in the near term, but the outlook for zinc is good.

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:

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

If the open pit outlines designed in 2007 by GENIVAR remain unchanged, it is estimated that 77% of the measured and indicated resources could 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.

2013 – 2014 diamond drilling program

In the Fall of 2013 and in January 2014, seven holes for a total of 1,546 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 as indicated in hole BB13-02, as follow:

FROM	TO	LENGHT METERS	SILVER g/t	ZINC g/t
166.10	171.00	4.90	2.15	0.61
253.00	254.00	1.00	6.30	1.82
268.00	279.60	11.60	6.61	0.48
285.10	287.20	2.10	5.93	3.08

Expenses incurred in the 12-month period ending on June 30, 2014

During the 12-month period ending on June 30, 2014, a total of $258,898 was spent, principally for the revision of the resources and for a 1,546-meter drilling program on surface.

Plan for 2015

Currently, our plan is to keep the Abcourt-Barvue property on care and maintenance. However we are planning to add a few diamond drill holes at the extremities of the property and to start a mine development program as soon as funds become available.

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 Corporation drilled nine holes for a total of 1,505 meters (4,936 feet) in the Barvallee sector of the zone. Results were very encouraging.

In 2011, four holes were drilled to confirm historical resources and excellent results were obtained. See our Press Release dated August 9, 2011. An evaluation of resources according to NI 43-101 was completed by Mr. Jean-Pierre Bérubé, Consulting Engineer, and a report was published on February 12, 2013. Mr. Bérubé is a qualified independent person. This report was filed on SEDAR.

Here are the 43-101 Vendôme resources:

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

No significant expenditure was done on this property during the first quarter ended on September 30, 2014 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:

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

The historical resources reported above were prepared before the introduction of National Instrument 43-101 (“43-101”). The historical resources have not been verified and should not be relied upon. This being said, Abcourt believes that these estimates, particularly the ones prepared by Wright Engineers, were estimated by competent persons. This statement is made by Mr. Renaud Hinse, professional engineer, President of Abcourt Mines Inc. Mr. Hinse is a qualified person under 43-101.

A 22-hole drilling program totalling 5,514 meters at a cost of $601,399 was completed during the 2008 winter. Several excellent values over important widths were cut and reported in Press Releases and previous annual reports. See our Web site: www.abcourt.com.

Having placed a priority on Elder-Tagami and Abcourt-Barvue, no significant expenditures were done on this property on the first quarter ended on September 30, 2014. However, this property is interesting and additional work will be done as soon as funds become available.

THE JONPOL PROPERTY

In March 2007, Abcourt announced the signature of a 7-year option to purchase 100% of the Jonpol property located in Dalquier township near Amos, Quebec, Canada. This 880-hectare property was subject to several exploration programs in the past and three shafts were sunk, the deepest reaching a depth of 152 meters.

This exploration work outlined the following historical resources:

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

(1) S. Waisberg, 1969, Conigo Mines Ltd
(2) H.B. Hicks, 1974, Kilborn Engineering Ltd, preliminary feasibility study for 1,000 TPD mining and milling plant
(3) D. Titaro, 1983, Getty Canadian Mines Ltd, work summary

In addition, several significant gold intersections were obtained in the drilling.

This information comes from a report by C.M Cooke, senior project geologist for Aur Resources Inc., dated November 1992.

The historical resources reported above were prepared before the introduction of National Instrument 43-101 ("43-101"). The historical resources have not been verified and should not be relied upon. However Abcourt believes that these estimates, particularly the ones prepared by Kilborn and Getty, were estimated by competent persons. This statement is made by Mr. Renaud Hinse, professional engineer, President of Abcourt Mines Inc. Mr. Hinse is a qualified person under 43-101.

Aur Resources, with whom we had negotiated the first agreement, was amalgamated with Teck-Cominco Limited. We renegotiated the Agreement with the latter and obtained more advantageous conditions.

Diamond drilling in the first quarter of the 2012 period

During the first quarter of the period ended on June 30, 2012, we drilled nine holes. Eight of these holes were drilled on the western extension of a silver zone indicated by previous drilling. These holes only gave low values. The ninth hole was drilled to intersect a rhyolite-tuff contact. It cut a 1-meter mineralized section averaging 267.50 g/t silver and 0.24 % zinc at an approximate depth of 100 meters.

Diamond drilling in the period ending on June 30, 2013

In September 2012, six additional holes, for a total of 1,466 meters, were drilled. These holes did not produce any significant results.

Expenditures in the 2014 period

During the 2014 period, an amount of $40,805 was spent, essentially for internal geological studies.

Plan for 2015

Our objective in 2015 is to keep the claims in good standing. Additional work will be done as soon as funds become available.

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 Corporation decided to write-off the value of the deferred evaluation expenses. In the 2014 period, 11 cells were abandoned. No exploration work is planned for the 2015 period.

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 Corporation, 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 Corporation 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 Corporation, 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 Corporation’s mineral properties could also decrease dramatically and the Corporation 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 Corporation's exploration and development work. The Corporation 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 Corporation. Furthermore, even if such a financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Corporation or provide the Corporation with sufficient funds to meet its objectives, which could adversely affect the Corporation'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 Corporation in quantities sufficient to warrant mining operations. There is also no assurance that the mining properties of the Corporation 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 Corporation 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 Corporation 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 Corporation (or to other companies within the industry) at a reasonable price. To the extent that the Corporation becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Corporation and could have a material adverse effect on the Corporation. 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 Corporation 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 Corporation'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 Corporation 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 Corporation 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 Corporation's shareholders. The Corporation's development strategy is focused on the discovery of economically-viable deposits that will generate profits from mining and ensure the Corporation'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 Corporation 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 Corporation. The competitive position of the Corporation 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 Corporation also competes with other mining companies for skilled geologists and other technical personnel.

Permits and Licenses

The operations of the Corporation require licences and permits from various governmental authorities. There can be no assurance that the Corporation 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 Corporation 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 Corporation 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 Corporation.

STRATEGY AND OUTLOOK

Our objective is to maximize the value of the Corporation for our shareholders and our strategy to obtain this result is to develop our gold properties. To proceed with this strategy, private placements were completed in the year ended June 30, 2014 and in the first quarter ended on September 30, 2014. The funds received are being used to realize an important development program at the Elder mine. Our objective is to reach full production as soon as possible, i.e. 12,500 tonnes per month and 2,000 ounces per month. In addition, we are always trying to figure a way or a formula which will allow us to start the mine development of the Abcourt-Barvue property with substantial silver and zinc resources.

For any additional information, please consult our web site www.abcourt.com and the SEDAR site www.sedar.com.

CERTIFICATE

This management's discussion and analysis has been examined by the Audit Committee and approved by the Board of directors of the Corporation.

(s) Renaud Hinse	*(s) Marc Filion*
Renaud Hinse	Marc Filion
Chief Executive Officer	Chief Financial Officer
2014/11/28	2014/11/28