



**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

For the third quarter ended on March 31, 2020

ABCOURT MINES INC.

MANAGEMENT’S DISCUSSION AND ANALYSIS FOR THE THIRD QUARTER ENDED ON MARCH 31, 2020

This management’s discussion and analysis 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 March 31, 2020, in comparison with third quarter of the previous period. This report supplements our audited financial statements and should be read in conjunction with our audited financial statements and the accompanying notes of June 30, 2019. Our audited financial statements are prepared in accordance with the applicable international accounting system. All monetary values included in this report are in Canadian dollars, unless it is indicated otherwise. Our financial statements and the management’s discussion and analysis are intended to provide a reasonable base for the investor to evaluate our exploration, evaluation and exploitation results and our financial situation.

You are invited to consult the Sedar web site at www.sedar.com, where all the documents filed according to the applicable Canadian security Laws may be found and our web site at www.abcourt.com, where you will find additional informations.

INCORPORATION AND NATURE OF OPERATIONS

Abcourt Mines Inc. (the “Company” or “Abcourt”) was incorporated by letters patent of amalgamation dated January 11, 1971 pursuant to Part 1 of the *Companies Act* (Quebec) and continued its existence under Part 1A of the same Act by certificate of continuation dated March 6, 1981. On February 14, 2011, the Company was continued automatically pursuant to the *Business Corporation Act* (Québec), following the coming into force of such Act. The Company is primarily engaged in the exploration, valuation and exploitation of mining properties. The current Company’s portfolio of properties comprises only mining properties located in Abitibi, Province of Quebec, Canada.

FORWARD LOOKING STATEMENTS

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

Impact of COVID-19 on the Company's Business and Operations

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in Wuhan, China and has spread around the world, with resulting business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19, and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Further, the extent and manner to which COVID-19, and measures taken by governments, the Company or others to attempt to reduce the spread of COVID-19, cannot be predicted with certainty.

In response to an order by the Government of Quebec, issued on March 23, 2020 to close all non-essential businesses as a result of the COVID-19 pandemic, the Company took steps to temporarily stopped its operations. The Quebec Order was part of the Quebec government's response to the COVID-19 pandemic. On April 15, 2020, the Government of Quebec lifted the restrictions on mining operations. During the period, the operations were placed on temporary suspension, and minimal work took place. On April 15, 2020, the Company took steps to restart operations with the plan to increase production gradually over a period of time.

As a result of the COVID-19 pandemic, the Company took action to help prevent the spread of the outbreak at its sites and protect its employees, contractors and the communities in which it operates. The enhanced health and safety measures included screening employees and contractors entering the Company's sites for potential symptoms of COVID-19, increased cleaning and disinfection services in lunchrooms, change areas and workplaces, modification of mining sites to facilitate physical distancing and change shift rotation of its employees.

There are significant uncertainties with respect to future developments and impact to the Company related to the COVID-19 pandemic, including the duration, severity and scope of the outbreak and the measures taken by governments, the Company and others to contain the pandemic.

GLOBAL PERFORMANCE FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

The company reports an income of \$5.6M which is slightly lower than \$6.0M in 2019. In 2020, the income received from the sale of gold and silver was \$5.6M, a 3% drop compared to \$5.8M for 2019. In 2020, other income received from other sources was \$3K compared to \$234K in 2019.

The average price received for the sale of gold was \$2,158 (US \$1,999) per ounce in 2020, in comparison with \$1,730 (US \$1,309) per ounce in 2019. The Company sold 2,585 ounces of gold in the third quarter of 2020 compared to 3,322 ounces in 2019, a drop of about 28%.

The Company reports an adjusted net profit of \$638,624 for the nine-month period ended on March 31, 2020, compared to \$2,130,036 for the same period in 2019. Explanations are given on pages 5 and 10.

In the third quarter, the cash cost per ounce of gold sold was \$1,844 (US \$1,366) and the all-in sustaining cost per ounce was \$2,129 (US \$1,577) compared to a cash cost per ounce of \$1,105 (US \$837) and an all-in sustaining cost per ounce of \$1,362 (US \$1,031) in 2019. An increase of 56% for the cash costs and the all-in sustaining costs compared to 2019. During the quarter, the tonnes extracted decreased by 8% but grade was 2% higher.

The Company reported a net loss of \$98K in the third quarter terminated on March 31, 2020, compared to a net profit of \$1.4M in 2019. The reduction in profit is due to a modification of the accounting convention

concerning the depletion of mining assets. In 2019, the depletion was \$528K whereas in 2020, it was \$717K for an increase of 36%.

During the 3rd quarter, the cash flow from operating activities in 2020 decrease by \$(629K) compared to a decrease of \$(356K) in 2019. At the end of the March 2020 period, the Company had \$2.1M in cash compared to \$1.6M in 2019, for an increase of \$500K.

The Company has no debt. It finances itself mainly by revenues generated by its operations.

Total assets on June 30, 2019, and March 31, 2020, remained about the same at \$42.2M. Total equity increased slightly from \$31M in June 30, 2019, to \$31.2M in March 31, 2020.

An update of the Abcourt-Barvue feasibility study (43-101) was completed in the 2018 period. The economic analysis indicates a net present value after taxes of \$59.8M and an internal rate of return of 20.5%, with a discount rate of 5%. See pages 30 to 34 of this report for more information.

An update of the Elder mine 43-101 resources and economic analysis was prepared in 2019. Results of the economic analysis indicate a net present value after taxes of \$3,5M with a discount rate of 8%. See pages 17 to 22 of this report for more information.

An update of the 43-101 resources calculations for the Sleeping Giant mine was completed in 2019. According to that update, there are 175,562 ounces of gold in measured and indicated resources and 35,474 ounces of gold in the inferred resources.

A feasibility study 43-101 was prepared for the Sleeping Giant mine in 2019. The economic analysis indicates a net present value after taxes of \$24.6M and an internal rate of return of 184% with a discount rate of 8%. See pages 23 to 27 of this report for more information. The after-tax project recovery period is less than a year.

PRINCIPAL ANNUAL INFORMATIONS (audited)

Periods ended on June 30

	2019	2018	2017
Statement of comprehensive income	\$	\$	\$
Revenues	25,667,846	26,078,354	22,295,739
Net profit (Net loss)	161,561	1,415,608	(906,486)
Net profit (Net loss) per share diluted	0.00	0.01	(0.00)
Adjusted net profit	3,209,710	4,794,602	739,152
Statement of financial position			
Cash	2,796,149	2,531,099	1,289,470
Total assets	42,176,397	41,507,032	37,458,247
Decommissioning provisions for mining sites	4,247,751	5,851,259	5,911,000
Mining exploration			
Exploration and evaluation assets	8,912,534	7,941,199	7,416,692

QUARTERLY INFORMATION (non-audited)

RESULTS	2020 March	2019 March	2019 December	2018 December	2019 September	2018 September	2019 June	2018 June
Statement of comprehensive income	\$	\$	\$	\$	\$	\$	\$	\$
Revenues	5,582,186	5,979,168	6,866,514	6,988,852	7,167,886	5,346,880	7,344,131	9,107,145
Interests and other revenues	(1,524)	513	2,518	3,590	912	836	2,454	1,168
Net profit (loss)	(97,604)	1,417,794	86,630	236,614	(61,668)	970,982	(2,463,829)	152,471
Gold ounces solds vendues	2,585	3,322	3,524	3,673	3,624	3,191	4,137	5,409
Average gold price received (\$/oz)	2,158	1,730	1,949	1,646	1,978	1,573	1,765	1,681
Net profit (net loss) adjusted:								
Operating results	(81,391)	1,549,901	48,461	161,088	(62,203)	1,123,971	(3,294,417)	2,803,759
Interests and penalties on taxes	16,887	49,914	15,812	3,776	14,755	415	21,197	148,780
Amortization and depletion	717,325	528,204	926,672	579,477	935,331	388,588	2,087,997	577,461
Amortization	2,016	2,017	2,160	2,017	2,314	2,017	3,602	1,234
Sub-total	736,228	580,135	944,644	585,270	952,400	391,020	2,112,796	727,475
Net profit (net loss) adjusted	654,837	2,130,036	993,105	746,358	890,197	1,514,991	(1,181,621)	3,531,234
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	2,103,276	1,637,377	3,660,844	3,085,311	2,685,918	2,489,744	2,796,149	2,531,099
Total assets	4,223,095	43,381,331	43,974,296	42,919,326	41,669,892	42,436,244	42,176,397	41,507,032
Mining exploration								
Exploration and evaluation expenditures net of credits	44,856	82,012	727,437	695,714	44,537	135,144	34,699	111,155

STRATEGY AND OUTLOOK

The company is focussing on the exploitation of the Elder mine. Level 4 to the east and level 10 to the west are being developed to have access to new resources. Also, ventilation and escape raises between levels 10 and 13 are being rehabilitated to have access to resources on these levels.

In 2018, a calculation of resources (43-101) for the Sleeping Giant mine was filed on Sedar. Measured and indicated resources are 486,500 tonnes with a grade of 11.20 g/t of gold. See press release of September 2018. In addition, a feasibility study (43-101) was prepared by Mining Services PRB inc. of Val-d'Or, Québec. Mineral reserves of the Sleeping Giant mine are estimated at 85,690 ounces of gold. This report indicates that one year of preparation is needed at a cost of \$4.6M. followed by three years of production. The economic study indicates an excellent rate of return. See press release dated August 7, 2019. In the Fall of 2019, some rehabilitation work was done. Work was re-started in May 2020.

With favorable market conditions for zinc and the exchange rate of the US \$ into CDN \$, an update of the 2007 feasibility study was completed in January 2019 for the Abcourt-Barvue property. See press release of February 8, 2019.

On the exploration front a 7,000-meter diamond drilling program on the Aldermac and Abcourt-Barvue properties (base metals), was realized in the second quarter of fiscal 2020.

In the future, our objective will be to use the full capacity of the mill to treat mineralization from Elder and Sleeping Giant mines.

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

STATEMENT OF COMPREHENSIVE INCOME

Our revenues come mainly from the sale of gold and silver. In the third quarter, ended on March 31, 2020, income totaled \$5.6M compared to \$6.0M in 2019. See details below:

	2020		2019	
	3 months	9 months	3 months	9 months
	\$	\$	\$	\$
Sale of gold and silver	5,579,186	19,575,690	5,745,652	16,810,212
Custom milling	-	-	-	1,031,000
Other income	3,000	40,896	233,516	473,690
	<u>5,582,186</u>	<u>19,616,586</u>	<u>5,979,168</u>	<u>18,314,902</u>

Costs of sales

The costs of sales in the third quarter, including mining extraction, royalties and amortization totaled \$5.5M in 2020 compared to \$4.2M in 2019.

The difference is explained in part by the loss of production following the closure of the mine due to Covid-19 on March 19, 2020. In the 3rd quarter of 2020, there were only 78 days of production instead of the usual

90 days, that is a drop of 13%. The mine was reopened on April 15 with about 75% of the man-power. We are gradually replacing those who have not reported to work.

Salaries were lower, but amortization and depletion increased by \$1M. In addition, the costs of the assay office and mine rescue were higher at the Sleeping Giant mine.

CASH FLOW FOR 3 AND 9 MONTHS ENDING ON MARCH 31, 2020 AND 2019

	Notes	2020		2019	
		3 months \$	9 months \$	3 months \$	9 months \$
OPERATING ACTIVITIES					
Net earnings (net loss) and comprehensive income		(97,604)	(72,642)	1,417,794	2,625,390
Non-cash items:					
Accretion expense		17,737	48,313	19,020	39,409
Share-based compensation		-	-	-	32,000
Depreciation, Amortization and depletion		719,341	2,585,818	530,221	1,502,320
Deferred taxes		-	(51,000)	(9,400)	(154,900)
		<u>639,474</u>	<u>2,510,489</u>	<u>1,957,635</u>	<u>4,044,219</u>
Net change in non-cash operating working capital items	5	<u>(1,268,630)</u>	<u>347,583</u>	<u>(2,314,453)</u>	<u>(1,825,793)</u>
		(629,156)	2,858,072	(356,818)	2,218,426
FINANCING ACTIVITIES					
Units issuance		-	259,000	-	120,000
Flow-through units issuance		-	469,000	-	-
Flow-through shares issuance		-	-	-	718,487
Units and shares issuance costs		(3,145)	(30,656)	(8,716)	(40,174)
		<u>(3,145)</u>	<u>697,344</u>	<u>(8,716)</u>	<u>798,313</u>
INVESTING ACTIVITIES					
Deposit for restoration of Elder mine			-	-	(16,900)
Acquisition of property, plant and equipment		(880,411)	(3,426,095)	(993,034)	(2,966,037)
Acquisition of exploration and evaluation assets		(44,856)	(822,194)	(89,366)	(927,524)
		<u>(925,267)</u>	<u>(4,248,289)</u>	<u>(1,082,400)</u>	<u>(3,910,461)</u>
NET CHANGE IN CASH		(1,557,568)	(692,873)	(1,447,934)	(893,722)
CASH BEGINNING OF YEAR		<u>3,660,844</u>	<u>2,796,149</u>	<u>3,085,311</u>	<u>2,531,099</u>
CASH END OF YEAR		<u>2,103,276</u>	<u>2,103,276</u>	<u>1,637,377</u>	<u>1,637,377</u>

Comments on investments, for the nine-month periods ending on March 31, 2020 and 2019

In 2020, investments in property, plant and equipment were as follows;

- Excavation of drifts at the Elder mine totaled \$2,004,145
- At the Sleeping Giant mine, mine development totaled \$1,421,950
- Total investment of \$3,426,095

In 2019, investments in property, plant and equipment were as follows:

- At the Elder mine, for the excavation of drifts \$1,815,009
- At the Sleeping Giant mine, mine development, \$1,151,028
- Total investment of \$2,966,037

In 2020, exploration and evaluation costs were as follows:

- Mining properties, \$5,364
- Exploration and evaluation costs mainly for the Abcourt-Barvue and Aldermac properties totaled \$816,830
- Total investment of \$822,194

In 2019, for comparison, exploration and evaluation costs were as follows;

- Mining properties \$14,654
- Exploration and evaluation costs mainly for the Abcourt-Barvue and Dormex properties were \$912,870
- Total investment of \$927,524

EXPLORATION AND EVALUATION ASSETS

Details on exploration and evaluation assets for each property

The exploration and evaluation assets are given in note 9 of the financial statements. See table below:

	Balance as at June 30, 2019	Addition (9 months)	Balance as at March 31, 2020
	\$	\$	\$
Abcourt-Barvue, Qc	5,239,172	727,451	5,966,623
Vendôme, Qc	205,932	125	206,057
Aldermac, Qc	842,152	72,367	914,519
Discovery-Flordin, Qc	481,535	16,887	498,422
Dormex	178,681	-	178,681
Others (variable %)	5,902	-	5,902
	<u>6,953,374</u>	<u>816,830</u>	<u>7,770,204</u>

Details on different types of exploration and evaluation expenses

For the nine-month periods ended March 31, 2020 and 2019, the following expenses, associated to the discovery of mineral resources, have been included in the cost of exploration and evaluation expenses.

	2020	2019
	\$	\$
Drilling	619,761	410,731
Assays	29,644	18,612
Fees and engineers expenses	132,681	454,867
General exploration and evaluation expenses	<u>34,744</u>	<u>28,660</u>
Total	<u>816,830</u>	<u>912,870</u>
Balance, beginning of year	<u>6,953,374</u>	<u>6,005,805</u>
Balance, end of period	<u>7,770,204</u>	<u>6,918,675</u>

The following royalties are payable on the production of the Company's properties:

<u>Property</u>	<u>Royalty</u>
Elder	2 to 3% NSR
Barvue	-
Vendome	2% NSR on Xstrata claims
Abcourt	-
Tagami	1 to 2% NSR
Jonpol	2.5% NSR
Aldermac	\$2.00/t for 1.5 M tonnes
Aldermac West	2% NSR
Sleeping Giant	\$5.00 / tonne for 350,000 tonnes

REVENUES, ADMINISTRATION AND PROFITS (LOSS)

		2020		2019	
	Notes	3 months \$	9 months \$	3 months \$	9 months \$
Revenues	16	5,582,186	19,616,586	5,979,168	18,314,902
Operating mining cost		4 635 859	16,025,068	3,586,094	13,098,036
Royalties		130 943	449,640	130,463	345,080
Amortization and depletion		717 325	2,579,328	528,204	1,496,269
Costs of sales		5 484 127	19,054,036	4,244,761	14,939,385
GROSS PROFIT		<u>98 059</u>	<u>562,550</u>	<u>1,734,407</u>	<u>3,375,517</u>
ADMINISTRATIVE CHARGES					
Part XII.6 & III.14 taxes		-	10,125	4,512	4,512
Professional fees		32 132	194,530	37,118	140,287
Interest and penalties on taxes		16 887	47,454	49,914	54,105
Bank charges		1 319	2,958	3,893	5,429
Salaries and payroll charges		58 962	193,552	23,373	145,607
Insurance costs		4 897	13,283	2,987	8,870
Office expenses and other charges		22 615	80,371	15,954	60,150
Shareholders and investor relations		40 622	108,920	44,738	83,546
Share-based compensation		-	-	-	32,000
Depreciation of property, plant and equipment		2 016	6,490	2,017	6,051
Total administrative charges		<u>179 450</u>	<u>657,683</u>	<u>184,506</u>	<u>540,557</u>
OPERATING EARNINGS (LOSS)		<u>(81,391)</u>	<u>(95,133)</u>	<u>1,549,901</u>	<u>2,834,960</u>
REVENUES AND FINANCE COSTS					
Interest income		(1,524)	(4,954)	(513)	(4,939)
Accretion expense		17,737	48,313	19,020	39,409
		<u>16,213</u>	<u>43,359</u>	<u>18,507</u>	<u>34,470</u>
EARNINGS (LOSS) BEFORE TAXES		<u>(97,604)</u>	<u>(138,492)</u>	<u>1,531,394</u>	<u>2,800,490</u>
Income taxes and deferred taxes recovery		-	(65,850)	113,600	175,100
NET EARNINGS AND TOTAL COMPREHENSIVE INCOME		<u>(97,604)</u>	<u>(72,642)</u>	<u>1,417,794</u>	<u>2,625,390</u>
NET EARNINGS PER SHARE					
Basic		(0.00)	(0.00)	0.00	0.00
Diluted		(0.00)	(0.00)	0.00	0.00
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
Basic		307,967,171	304,703,186	295,201,731	290,845,486
Diluted		307,967,171	304,703,186	296,634,731	292,278,486

As indicated previously, the gross profit and the net profit (net loss) were affected negatively by the loss of 14 days of production due to Covid-19, by the decision of not including an inventory of broken muck in stopes and the increase of amortization and depletion costs.

Accounts payable and accrued liabilities

	March 31, 2020	June 30, 2019 (audited)
	\$	\$
Accounts payable	1,201,589	1,580,408
Royalties payable	902,136	877,183
Salaries and holidays payable	514,652	821,940
Payable to governments	1,398,043	1,374,467
	<u>4,016,420</u>	<u>4,653,998</u>

The reduction is in accounts payable and in salaries payable following the closure of the mine on March 19, 2020.

Other Liabilities

	March 31, 2019	June 30, 2019 (audited)
	\$	\$
Balance, beginning of year	51,000	154,900
Increase of the period	167,000	51,000
Decrease related to expenses incurred	(51,000)	(154,900)
Balance, end of period	<u>167,000</u>	<u>51,000</u>

Off balance sheet arrangements

The Company did not enter into any arrangement off balance sheet.

PROVISIONS FOR RESTORATION OF MINING SITES

The following table sets forth the variation in the provisions for restoration of mining sites:

	March 31, 2020	June 30, 2019 (audited)
	\$	\$
Balance, beginning of period	4,247,751	5,851,259
Changes to estimates	70,072	(1,660,720)
Accretion expense	48,313	57,212
Balance, end of period	<u>4,366,136</u>	<u>4,247,751</u>

The rate used to determine the future value is 2.20% (2.20% as at June 30, 2019), while the rate reflecting the current market assessments used to determine the present value of the provisions is 1.33% (1.41% as at June 30, 2019). The payments schedule was determined by taking into account the measured and indicated resources, the estimated annual production level and the estimated mine life. The changes to estimates was accounted for as property, plant and equipment.

In relation with the Sleeping Giant mine rehabilitation and restoration plan of 2013 (« the 2013 plan »), the Company was required to make guarantee payments to the Ministry of Energy and Natural Resources (« the Ministry ») according to the following schedule: \$671,121 by August 17, 2016 and two other payments of \$335,638 were required for August 17, 2017 and 2018. The 2013 plan estimated the restoration costs at \$5,370,214. To date an amount of \$4,027,817 has been paid to the Ministry. A new rehabilitation and restoration plan (“the new plan”) was prepared by a consultant and submitted to the Ministry in October 2018. The new plan is presently under review. The restoration costs of the new plan are estimated at \$3,625,865. The Elder mine tailings are basic and will be used to cover the Sleeping Giant mine tailings this will reduce considerably the future restoration costs of the mine site. If the new plan is accepted, the Company won’t have to disburse any additional amount

The following table sets forth the estimated undiscounted cash flows of future retirement costs used in the calculation of the asset retirement obligations as at March 31, 2020 and 2019.

	<u>Anticipated cash flows payment schedule for 2026</u>
	\$
Elder mine	497,570
Sleeping Giant mine	3,625,865
	4,123,435

FINANCIAL SITUATION STATEMENT

Total assets remained the same at \$42.2M on June 30, 2019 and \$42.2M on March 31, 2019.

Total equity increased from \$30.8M on June 30, 2019 to \$31.2M on March 31, 2020.

INCORPORATION AND ACTIVITIES

Shares are trading on TSX Venture Exchange under the symbol ABI, on the Berlin Stock Exchange under the symbol AML-BE and on the Frankfurt Exchange under the symbol AML-FF. The address of the Company’s head office is 475 Ave de l’Eglise, Rouyn-Noranda (Evain), Québec. J0Z 1Y1.

BASIS OF PRESENTATION AND COMPLIANCE DECLARATION

These financial statements of Abcourt Mines Inc., were prepared by management in accordance with the International Financial Reporting Standards (“IFRS”), as issued by the IASB.

For additional information concerning the accounting policies, please consult notes 2 and 3 of the annual audited, financial statements dated June 30, 2019.

BASIS OF MEASUREMENT

The financial statements have been prepared according to historical costs.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS

The Corporation provides information on its exploration and evaluation assets in its financial statements on note 9.

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

The Corporation has no research and development expenses other than those related to mining activities.

CONTRACTUAL OBLIGATIONS

Long-term debt

The Company has no long-term debt.

Environment

Two environment studies (ESEE) were done for the Elder and Sleeping Giant mines at a cost of about \$140,000. Those studies are required by the by-laws concerning the effluents of metal mines. In addition, different reports requested by the Ministry were provided.

CAPITAL STOCK, OPTIONS AND WARRANTS

All information concerning capital stock, options and warrants are given in the March 31, 2020 Financial Statements on pages 13 to 17.

Segment information

The Company operates a gold mine in Quebec as well as several exploration and evaluation properties in the area. These operating sites are managed separately. The Company assesses the performance of each segment based on earnings before taxes. Accounting policies for each segment are the same as those used for the preparation of the financial statements.

There was no difference in the March 31, 2020, compared to the March 31, 2019 financial statements on the basis of evaluation of segment results.

Convertible securities

None

Escrowed shares

None

Subsequents events

As of March 31, 2020, there were no subsequent events.

Contingent liabilities

The Company is partly financed by the issuance of flow-through shares. However, there is no guarantee that the funds spent by the Company will qualify as Canadian exploration expenses, even if the Company is committed to take all the necessary measures for this purpose. Refusal of certain expenses by tax authorities would have negative tax consequences for the Company or for the investors. In the past, the Company has respected all its obligations under the flow-through share agreements signed. During the reporting period ended December 31, 2019, the Company received \$469,000 (\$718,487 for the period ended December 31, 2018) following flow-through placements for which the Company renounced tax deductions to investors as at December 31, 2019. Management is required to fulfil its commitments within the stipulated deadline of one year from this date.

As at March 31, 2020, the product of unspent funding related to flow-through financings totaled \$469,000 to be spend before December 31, 2020.

Commitments

As of the date of this report, there is no commitment, except for the restoration plans of the Elder and Sleeping Giant mine sites and the agreement with Auramet for the sale of gold and silver.

Related party transactions

All details are given in the Financial Statements on pages 17 and 18.

INFORMATION CONCERNING CAPITAL

The Company's capital management objective is to have sufficient capital to be able to meet its exploration and evaluation plan in order to ensure the growth of its activities. It has also the objective to have sufficient cash to finance its operations, the exploration and evaluation expenses, the investing activities and the working capital requirements. The company considers its capital as equity.

The company manages its capital and make adjustments according to the above-mentioned objectives and after taking into account changes in economic conditions and underlying risks. To maintain or adjust its capital, the company may buy-back its shares to cancel them in a public offer to buy-back shares in the normal course of its activities, issue new shares, incur debts, acquire or sell assets. The company has no obligation concerning its capital.

There was no significant change in the Company's approach to capital management during the nine-month period ended March 31, 2020.

Financial instrument risks

Objectives and policies concerning the management of risks

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarised in Note 3 of the annual Financial instruments of June 30, 2019. The main types of risks are market risks, credit risks and liquidity risks.

The Company manages its risks at its head office, in collaboration with its Board. The objective is to ensure that the cash flow near term and middle term is sufficient and avoid an exposition to capital markets. Long-term placements are managed to receive lasting yields.

The Company does not actively engage in the trading of financial assets for speculative purposes and does not sell options. The main significant financial risks to which the Company is exposed are described below.

The management report was approved by directors on May 30, 2020.

MINING PROPERTIES

Abcourt Mines Inc. owns the following properties:

- A gold mine in operation on the Elder property located at Rouyn-Noranda, Quebec, Canada;
- An advanced silver-zinc project on the Abcourt-Barvue and Vendome properties located at Barraute, near Val-d'Or, Quebec, Canada;
- The Aldermac property located near Rouyn-Noranda, Quebec, Canada, an underground mine with historical resources in copper – zinc – silver - gold.
- The Jonpol property located near Amos, Quebec, Canada with historical resources in copper – zinc – silver - gold.
- The Tagami property with gold resources, located north of the Elder mine.

Since June 17, 2016, Abcourt also owns the following properties in Abitibi, Quebec, Canada:

- The Sleeping Giant mine located half-way between Amos and Matagami, and a gold mill with a 700 to 750 tonnes per day capacity, an underground mine with NI 43-101 measured, indicated and inferred gold resources and reserves;
- Two properties at an advance stage of exploration and valuation, the Discovery and the Flordin properties, located near Quevillon, Quebec, Canada with measured, indicated and inferred gold resources previously reported that have not been checked by Abcourt and cannot be published;
- Several other properties.

Here are some information on each property. They are regrouped into two sections, first: the gold properties, second: the zinc properties.

GOLD PROPERTIES

THE ELDER MINE AND THE TAGAMI PROPERTY

The Elder mine is owned 100% by Abcourt. This property is conveniently located inside the mining community of Rouyn-Noranda, Quebec. This property comprises 24 contiguous claims, two mining leases and a mining concession covering an area of 403 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. Mining equipment is available on the property and all the facilities are in place.

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

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

From 1995 to 2018, 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 Tagami property includes 10 claims in Duprat township for a total of 289 hectares, adjacent to the north of the Elder property.

ELDER UPDATE OF RESOURCES, ACCORDING TO THE NI43-101 STANDARDS

An update report of resources on the Elder mine and the Tagami property was prepared in 2018 by Mr. Jean-Pierre Bérubé, engineer in geology. Mr. Bérubé is an independent consultant. In this report, Mr. Renaud Hinse, mining engineer, prepared an update of the Preliminary Economic Assessment (PEA) report prepared originally by Roche, Consulting-group in 2012. An independent PEA was not required as there has not been a 100% increase in the mineral resource estimate. Mr. Bérubé and Mr. Hinse are both designated as “qualified persons” according to NI 43-101, each one of them has pertinent experience in his domain. This report is available on SEDAR.

Below is a cross-section of the Elder mine.

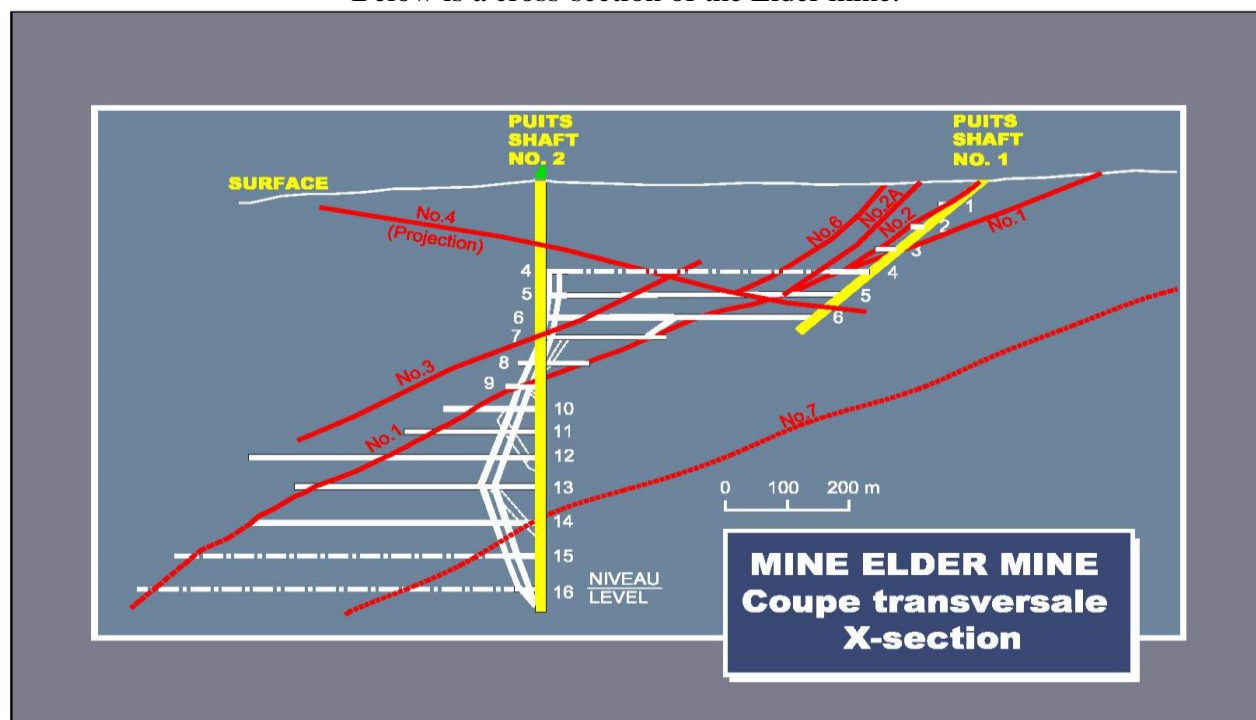


TABLE OF RESOURCES AND PARAMETERS USED

As of May 31, 2018, mineral resources in the measured and indicated categories were as follows:

ZONE	MEASURED		INDICATED		MEASURED+ INDICATED		GOLD OUNCES (OZ)
	TONNES	GRADE	TONNES	GRADE	TONNES	GRADE	
	(metric)	(g/t)	(metric)	(g/t)	(metric)	(g/t)	
ELDER							
VEIN 1	32,607	5.09	159,502	6.91	192,109	6.60	40,755
VEIN 2	5,343	5.36	75,957	6.39	81,300	6.32	16,516
VEIN 3	0	0.00	15,321	6.27	15,321	6.27	3,088
VEIN 4	18,181	6.35	104,176	6.26	122,357	6.28	24,691
VEIN 6	0	0	52,739	6.53	52,739	6.53	11,077
SUB-TOTAL	56,131	5.52	409,695	6.57	463,826	6.45	96,126
TAGAMI	0	0.00	174,258	6.22	174,258	6.22	34,848
TOTAL:	56,131	5.52	581,952	6.47	638,083	6.38	130,974

Elder and Tagami Measured and Indicated Resources

The technical parameters used for the calculation of measured and indicated resources were:
 Density: 2.70 t/m³, minimum thickness: 1.8 m
 Lower cutting grade = 3.45 g/t Au
 Higher cutting grade = 31.1 g/t Au

The total measured and indicated resources for Elder and Tagami is 638,083 tonnes with a grade of 6,38 g/t Au.

In addition, the inferred resources total 547 746 tonnes with a grade of 5,48 g/t Au. See below:

ZONE	INFERRED		GOLD OUNCE S
	TONNES	GRADE	
	(metric)	(g/t)	
ELDER			
VEIN 1	119,276	5.41	20,749
VEIN 2	75,051	5.70	13,755
VEIN 3	43,847	5.37	7,571
VEIN 4	102,169	7.89	25,920
VEIN 6	39,808	5.36	6,877
SUB-TOTAL	380,251	6.12	74,872
TAGAMI	167,495	5.48	29,510
TOTAL:	547,746	5.93	104,382

Inferred resources

The technical parameters used for the calculation of the inferred resources were the same as those used for the calculation of the measured and indicated resources.

RESOURCES WITH A REASONABLE PROSPECT FOR EVENTUAL ECONOMIC EXTRACTION

	MINERAL RESOURCES MEASURED AND INDICATED		RECOVERABLE MINERAL RESOURCES 85%		40% DILUTION		RESOURCES AS DESCRIBED ABOVE	
	TONNES	GRADE g/t	TONNES	GRADE g/t	TONNES	GRADE g/t	TONNES	GRADE g/t
MEASURED	56,131	5.52	47,711	5.52	19,084	0.0	66,795	3.94
INDICATED	407,695	6.57	346,541	6.57	138,616	0.0	485,157	4.69
TOTAL	463,826	6.45	394,252	6.32	157,700	0.0	551,952	4.51

Here is the CIM definition of resources:

“ A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.”

Dilution factor during the mining

From July 2018 to March 2020, a total of 189,000 metric tonnes were mined with a grade of 4.13 g/t of gold (car samples). About 50% of these tonnes were extracted outside the resource blocks.

The eventual conversion of inferred resources into measured or indicated resources and the extension of new

veins will prolong the life of the mine. Several exploration targets remain to be explored. In addition, the Tagami resources will eventually be exploited.

Comparative table of results for the 3rd quarters ended and nine-month periods ended on March 31, 2020 and 2019

Description		March 31, 2020 3 months	March 31, 2020 9 months	March 31, 2019 3 months	March 31, 2019 9 months
Tonnes treated		23,858	84,799	26,154	74,873
Grade of tonnes treated	g/t Au	3.60	3.72	4.07	4.54
Tonnes extracted		23,754	78,856	25,633	75,881
Grade of tonnes extracted	g/t Au	3.99	3.98	3.92	4.20
Gold ounces sold		2,585	9,732	3,322	10,185
Gold ounces produced		2,542	9,545	4,000	11,109
Gold recovery		95.13%	94.94%	96.19%	97.10%
Revenues from sale of gold and silver	\$	\$5,579,186	\$19,575,690	\$5,745,652	\$16,810,212
Price of gold sold	\$/ounce	2,158	2,012	1,730	1,680
	US\$/ounce	1,599	1,516	1,309	1,272
Cash cost per ounce produced	\$/ounce	1,844	1,692	1,105	1,240
	US\$/ounce	1,366	1,276	837	943
All-in sustaining costs per ounce produced	\$/ounce	2,129	1,998	1,362	1,493
	US\$/ounce	1,577	1,506	1,031	1,134
Gold and silver stock ready to be sold	\$	63,502	63,502	680,563	680,563
Gold and silver inventory in circuit	\$	1,115,621	1,115,621	2,184,521	2,184,521
Total gold and silver inventory	\$	1,179,123	1,179,123	2,865,084	2,865,084
Adjusted net profit	\$	638,624	2,560,630	2,130,036	4,391,385
Net profit (loss) after taxes	\$	(97,604)	(72,642)	1,417,794	2,625,390
Income tax and mining tax	\$	-	-	123,000	330,000
Deferred taxes	\$	-	(65,850)	(9,400)	(154,900)
Cash-flow from operations	\$	(629,156)	2,858,072	(356,818)	2,218,426
Cash at the end	\$	2,103,276	2,103,276	1,637,377	1,637,377

Variations for the nine-month periods ended on March 31, 2019 to 2020:

	2020	2019	
• Tonnes treated	84,799	74,873	• + 13%
• Gold ounces produced	9,545	11,109	• - 14%
• Proceeds form sale of gold and silver	\$19,575,690	\$16,810,212	• + 16%
• Cash cost per ounce of gold produced	\$1,693	\$1,240	• + 37%
• All-in sustaining costs per ounce of gold produced	\$1,998	\$1,493	• + 34%
• Adjusted net profit	\$2,560,311	\$4,391,385	• - 42%

The Elder mine continues to generate an important adjusted net profit.

Broken muck in stopes

On March 31, 2020, there were about 6,000 tonnes of gold mineralization broken in stopes. This represents an investment of more than \$800,000. If this amount had been considered as an inventory, results would have been better by that amount.

Non-GAAP Financial Performance Measures

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

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

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

Calculations of cash cost and sustaining costs

		2020		2019	
		3 months	9 months	3 months	9 months
Cash cost					
Gold ounces sold		2,585	9,732	3,322	10,185
Costs of sales	\$	5,484,446	19,054,355	4,244,761	14,939,385
Custom treatment costs	\$	-	-	528,204	1,496,269
Amortization and depletion	\$	717,325	2,579,328	528,204	1,496,269
Sale costs excluding amortization		<u>4,767,121</u>	<u>16,475,027</u>	<u>3,672,194</u>	<u>12,632,639</u>
Cash cost	(\$/ounce)	1,844	1,692	1,105	1,240
All-in sustaining costs excluding up-keep of Sleeping Giant mine	\$	559,399	2,321,928	668,531	2,037,651
Administration costs	\$	179,450	657,683	184,506	540,557
Amortization of real assets	\$	2,016	6,490	2,017	6,051
All-in sustaining costs	\$	<u>5,503,954</u>	<u>19,448,148</u>	<u>4,523,214</u>	<u>15,204,796</u>
All-in sustaining costs	(\$/ounce)	2,127	1,998	1,362	1,493
Adjusted annual net profit (non GAAP financial performance measure)					
Operating results	\$	(97,604)	(72,642)	1,549,901	2,834,960
Adjustments:					
Interest and penalties on taxes	\$	16,887	47,454	49,914	54,105
Amortization and depletion	\$	717,325	2,579,328	528,204	1,496,269
Amortization	\$	2,160	6,490	2,017	6,051
Sub-total	\$	<u>736,228</u>	<u>2,633,272</u>	<u>580,135</u>	<u>1,556,425</u>
Adjusted net profit	\$	638,624	2,560,630	2,130,036	4,391,385

THE SLEEPING GIANT MINE AND MILL

On June 17, 2016, Abcourt completed the acquisition of the Sleeping Giant mine and mill and several other properties with excellent showings of gold.

Sleeping Giant mine and its mill (the “Property”) is located half way between Amos and Matagami, in Abitibi, Québec, in the territory covered by the Plan Nord of the Quebec government. The property was acquired from Deloitte Restructuring Inc, acting solely as court-appointed receiver (the “Receiver”) for the Aurbec Mines Inc’s assets. The purchase price was \$2,548,727.

Among the assets that Abcourt has acquired, there is a mill with a capacity of 700 to 750 tonnes of ore per day, or 250,000 tonnes per year. This capacity is adequate to treat the Elder and the Sleeping Giant production. The process is carbon in pulp. There are also installations to deposit the mill tailings, underground infrastructures including two shafts and drifts, a mechanical shop, offices, a store, dries and mining equipment, surface installations, an important inventory of parts, five (5) mining leases and forty (40) adjacent cells and several other exploration properties.



Surface plant of the Sleeping Giant mine

Resources

A new calculation of 43-101 resources was recently prepared by Jean-Pierre Bérubé, engineer in geology. A modified report was recently filed with the signature of a new qualified person.

A summary of Measured, Indicated and Inferred Resources is presented in the following table:

Table of mineral resources as estimated in September 2018

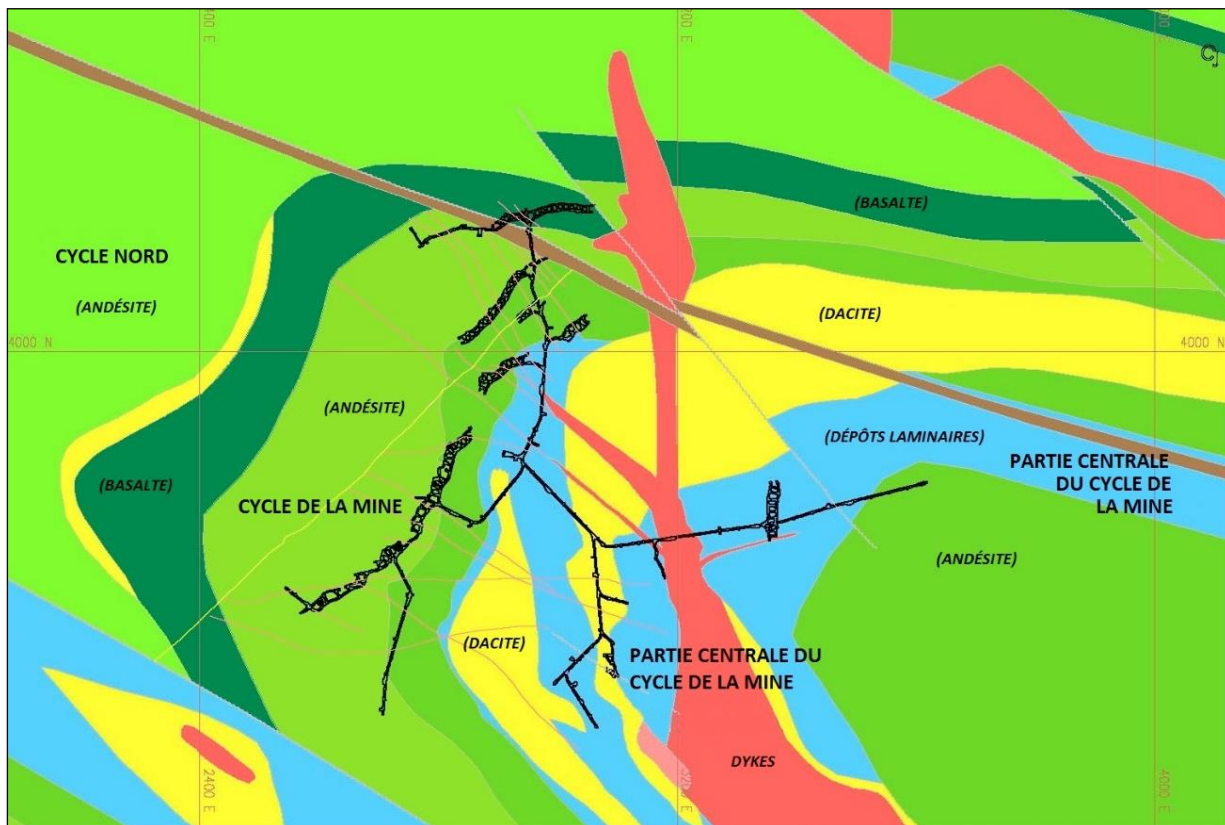
ZONE	MEASURED		INDICATED		MEASURED + INDICATED		INFERRED	
	Tonnes	Grade (g/t)	Tonnes	Grade (g/t)	Tonnes	Grade (g/t)	Tonnes	Grade (g/t)
J			46,802	9.88	46,802	9.88	13,806	5.70
D			37,920	8.64	37,920	8.64	10,948	9.60
2			5,447	13.28	5,447	13.28	1,280	7.80
3			40,510	9.54	40,510	9.54		
6			15,434	8.60	15,434	8.60	18,483	16.64
7			31,199	1.42	31,199	10.42		
8			3,350	6.26	3,350	6.26	3,627	9.87
8 Sig			18,434	9.59	18,434	9.59		
8N	2,993	15.50	11,368	10.44	14,361	11.49		
9			12,297	7.08	12,297	7.08		
15			15,664	13.86	15,664	13.86	13,619	8.07
16			15,816	11.10	15,816	11.10	22,165	15.36
18			9,497	14.33	9,497	14.33	2,096	10.80
20			9,763	10.79	9,763	10.79		
30			8,418	10.09	8,418	10.09		
30 Parc			4,981	10.70	4,981	10.70		
30FW			6,155	8.43	6,155	8.43		
30HW			2,303	6.46	2,303	6.46		
30W			31,532	13.29	31,532	13.29	4,324	14.50
30 Shadow			26,120	8.89	26,120	8.89		
50	2,020	6.93	10,182	10.67	12,202	10.05	1,434	13.40
78H	5,902	12.28			5,902	12.28	1,290	7.00
785N			112,440	14.27	112,440	14.27		
Total	10,915	12.17	475,633	11.17	486,548	11.20	93,073	0.00
Rounded	10,900	12.20	475,625	11.20	486,500	11.20	93,100	11.85

The indicated grade at Sleeping Giant is twice as high as the grade at Elder.

Calculation criteria used:

- Cut-off grade of 6.5 g/t Au. Some polygons under this cut-off grade were included to ensure the continuity of the zones,
- Price per ounce of gold at US \$1,225 (3 years average) and an exchange rate of US \$1 = 1.20 Can \$,
- Maximum content: 60 g/t Au for core samples and 55 g/t Au for chip samples. A grade of 32 g/t Au was applied for the polygons generated by the 2013-2014 drilling.
- Specific Gravity: 2.85 g/cm³ as used in previous resource estimates,
- Resources were evaluated from diamond drill samples and face samples using the polygon method applied to inclined longitudinal sections,
- The minimum true thickness of the veins is calculated from its dip; 1.6 metre for veins having more than 50° and 1.8 metres for those having less than 50°,
- The vein content is determined by the drilling intersection and the content of the adjacent material to meet a minimum thickness of 1.6 or 1.8 metre,
- One Troy ounce = 31.1035 grams. The metric system was used for these calculations (metres, tonnes and grams/tonne),
- Calculated tonnes have been rounded to the nearest hundred. Differences in the calculation total are due to rounded figures as recommended by NI 43-101,
- ICM definitions and guidelines were used for this resource calculation.

Plan view of level 665



Plan view of level 665 showing drifts and cross-cuts in known mineralized areas and the geological context

Economic Study

An economic study was prepared by Mining Services PRB inc. This 43-101 report was signed by Mr Paul Bonneville, mining engineer. This report indicates one year of preparation at a cost of \$4.6M followed by three years of production with a grade of 7.9 g/t Au.

The economic study used a gold price of US \$1,200 per ounce and a rate of exchange of 1 US dollar into 1,25 Canadian dollars. The mining plan is for 325,000 tonnes of mineral reserves. The analysis before taxes indicates a cash flow of \$48.1M, a net present value discounted at 8% of \$39.4M and an internal rate of return of 240%. The capital recovery period is 0.6 year. It is more sensitive to revenues than operating costs and capital costs.

Results after taxes indicate a cash flow of \$30M, a net present value discounted at 8% of \$24.6M and an internal rate of return of 184%. The capital recovery period before taxes is 0.7 year. At a gold price of US \$1,397 when the report was written, a rate of exchange of 1 US dollar = 1.31 CDN \$, the net revenue would have been \$144.2M and the net present value would have been \$62M.

Environment, permits, social impacts and closure plan

Mining leases and certificates of authorization are in order. Follow up environmental studies and control tests are made periodically as required by the federal and Quebec ministers of environment. Waste rock at the Sleeping Giant mine are not acid generating and do not leach heavy metals. The re-opening of the Sleeping Giant mine will have a positive economic impact on the region by the creation of about one hundred jobs and by the local purchase of supplies and services. A closing plan was updated and deposited with the ministry of Natural Resources of Quebec in October 2018. The closure and restoration cost of the mine is estimated at \$3.6M. An amount of about \$4.0M has already been deposited in trust with the ministry of Energy and Natural Resources of Quebec. No additional deposit is needed.

Start of work

Rehabilitation work is currently being done.

THE DISCOVERY PROJECT

The Discovery project has 166 cells with a total area of 4,071 hectares. The property is located about 30 km to the north-west of Lebel-sur-Quévillon, Québec. The gold at Discovery is found in quartz-carbonate veins in a deformed and metamorphosed gabbro. The latest calculation of historical resources was made by InnovExplo in 2008. A significant gold mineralization is indicated. As these resources are not considered current by Abcourt, the Company is therefore prohibited under Canadian Securities regulations to publish them.

In 2010, North American Paladium (NAP) drilled 40 additional holes totalling 25,481 meters (G.M. 67103) covering sections 900 to 1600E. The A, B and C zones were intersected in what appears to be a network of quartz veinlets containing 3 to 8% pyrite and pyrrhotite in equal amounts. Some good values were intersected in zones A (B-10-197, 5.81 g/t of gold aver 3.2 m, B-10-198, 4.36 g/t of gold over 11.6 m, B-10-199A, 4.35 g/t of gold over 3.0 m) and C (B-10-178, 10.7 g/t of gold over 4.56 m, 4.00 g/t of gold over 4.5 m). True width is about 70% of core length.

In 2011, NAP drilled 18 holes totaling 7,307.7 meters (GM 67614) on sections 300 to 1500E. Zones A and B were cut over lengths of approximatively one meter B-11-195: 24.5 g/t gold / 1.1 m; B-11-200: 46.0 g/t of gold / 1.0m; B-11-207: 54.4 g/t of gold / 1.0 m: and rarely over more than 3.0 meters, B-11-192: 5.21 g/t of gold over 7.1 m; B-11-200: 48.1 g/t of gold / 4.5 m.

After the 2008 calculations by InnovExplo, NAP drilled 58 additional holes for a total of 32,789 meters. An update of the resources is justified, considering the numerous intersections obtained in the 2011 drilling campaigns. In addition, the 2011 drilling revealed the presence of high values in the 1200 E zone. This sector is open at depth and laterally. The drilling pattern has to be tighter to enhance the degree of confidence in some parts of the Discovery zone which extends over more than 2 km.

The Discovery gold mineralization appears to be important and the possibility of finding an orebody is good.

In the Fall of 2018, 12 holes were drilled for a total of 2,742 meters.

The objective was to verify the extension of the identified zones or the continuity of the high grade results in previous drillings.

The best results were obtained in the following holes:

No of holes	Zone	From meter	To meter	Length meter	Grade g Au / t
D18-218	Zone 30	75,65	78,45	2,80	4,37
D18-223	Zone B	399,15	401,00	1,85	5,29
D18-223	Bone B	414,10	416,25	2,15	5,90
D18-224	Zone B	162,40	165,85	3,45	6,35
D18-224	Zone B	200,00	202,00	2,00	38,20

True width is about 50 to 60% of core length.

FLORDIN PROJECT

The Flordin property is located approximately 25 km to the north of Lebel-sur-Quévillon. It consists of 25 cells covering 149 hectares. In 1987 – 1988, an access to the B zone mineralization with a ramp permitted the extraction of two bulk samples. The milling of these bulk sample at the Bachelor Lake mine gave the following results:

- 5,174 tonnes with a grade of 2.51 g/t of gold in 1987
- 4,053 tonnes with a grade of 4.25 g/t of gold in 1988

In 2011, the project was re-assessed by Cadiscor with an open pit plan. Again, the Company is prohibited to publish these results.

A total of 157 additional holes were drilled subsequently. Any future work at Flordin should include an update of the mineral resources. In its February 2013 report (GM 67662), NAP reports several intersections with values higher than 5 g/t of gold between the Flordin and the Cartwright zones. These new intersections will add some tonnage to the resources calculated by InnovExplo.

Drilling in the Fall of 2018

In December 2018, five holes were drilled for a total of 921 meters.

The best results were obtained in hole Fl 18-254 with two intersections in a new zone, that is from 38.25 to 40.35 m, 2.10 m with a grade of 6.49 g/t of gold and from 47.70 to 51.20 m, 3.50 m with a grade of 22.63 g/t of gold.

The true width is 50 to 55% of core length.

THE TAGAMI PROPERTY

The Tagami property includes 10 claims in Duprat twp for a total of 289 hectares, adjacent to the north of the Elder property. Resources were calculated in 2018 by Jean-Pierre Bérubé an independent engineer in geology, according to N.I. 43-101. The following results were obtained.

Classification	Tonnes	Grade g/t Au	Ounces of gold
Indicated	174,258	6.22	34,848
Inferred	167,495	5.48	29,510

OTHER GOLD PROPERTIES

Cameron Shear

The Cameron Shear property is located between the Discovery and Flordin. It is owned jointly with Canadian Royalties. The property is located 30 km to the north of Lebel-sur-Quévillon. Various exploration programs over the past 40 years have found a few showings of gold. The most interesting showing is the Riocanex zone which is probably an extension of the Flordin zone. The NAP participation (possibly 50%) in the Cameron Shear zone was sold to Maudore (Aurbec) on March 23, 2013, hence Abcourt has a participation in that project. According to the agreement realized in 2006 between Cadiscor and Canadian Royalties (C.R.), if the participation of a participant is reduced to less than 10%, a 2% royalty is given and will apply to any future production. The buy-back of 1% of this royalty may be realized with a payment of \$1M.

Laflamme (gold)

The Laflamme project is located approximately 30 km to the west of the town of Lebel-sur-Quévillon, in Abitibi, Québec. The property consists in 631 claims/cells covering an area of approximately 33,470 ha held jointly with Midland Exploration Inc. which does some work every year. A new gold discovery was made in hole La-11-11 which gave 9.7 g/t of gold over 1.0 meter.

In July 2011, Aurbec won a 50% participation in the property but it has not contributed to any exploration work done after December 2012. Consequently, Midland now owns 75.4% and Abcourt owns 24.6%. According to the initial agreement with Cadiscor, if a participant is reduced to 10%, a 2% royalty will apply to any future production from the property. The buy-back of 1% royalty may be made for \$1.5M.

A diamond drilling program will be realized by Midland over the next few months.

Dormex (gold)

The Dormex property lies to the south-east of the Sleeping Giant mine. The property is made up of 68 cells covering an area of 6,189 hectares. In 2010, 4,206 meters were drilled by North American Palladium (NAP) in a reverse circulation program combined with a ground and an aerial survey to generate gold targets in an area often covered with glacial sediments more than 40 meters thick. Good gold values were found in some surface diamond drill holes. Additional drilling is justified.

In December 2017, four holes were drilled for a total of 1,403 meters. No significant value was intersected.

ZINC PROPERTIES

ABCOURT-BARVUE PROJECT

The Abcourt-Barvue property is conveniently located at Barraute, 60 kilometers (35 miles) north the mining community of Val-d'Or, Quebec. It covers 5,123 hectares with 103 cells and two (2) mining concessions held 100% by Abcourt.

In 1950, zinc was discovered on surface on the Barvue claims. The mine was operated from 1952 to 1957 with an open pit by Barvue Mines Limited and from 1985 to 1990 with an underground operation by Abcourt Mines Inc.

From 2002 to 2007, several drilling programs, technical and environmental studies were completed or were done to provide data for a feasibility study and to support our applications for permits. Subsequently, various alternatives were considered to improve the profitability of this project.

An update of the feasibility study was completed in 2019. See details hereafter.

Mineral resources

A mineral resource estimate was produced by Jean-Pierre Bérubé in 2014 titled NI 43-101 Mineral Resources Report for the Abcourt-Barvue Property. The estimate returned measured and indicated resources (M&I) for the Abcourt-Barvue deposit totalling 8,086,000 tonnes grading 3.06% Zn and 55.38 g/t. These resources were used as a basis for the current update of the 2007 feasibility study, completed in January 2019. See details below.

Here is a comparative table of the 2014 resources of all categories compared to those of 2006.

Resources of all categories

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

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 m.

The Bérubé report was filed on Sedar and is available for additional information.

Update of the feasibility study in January 2019

An update of the feasibility study was prepared by Mining Services PRB inc and Bumigene Inc and a report complying with NI 43-101 was filed on Sedar on February 11, 2019.

Mineral reserves

The 2018 mineral reserves estimate, including dilution, are presented in the following table in comparison with the 2007 estimate.

Method of Mining	Classification	2007 Estimate				2018 Estimate			
		Tonnage	Grade			Tonnage	Grade		
			Ag	Zn	Zn EQ		Ag	Zn	Zn EQ
(t)	(g/t)	(%)	(%)	(t)	(g/t)	(%)	(%)		
Open Pit	Proven Mineral Reserves	5,338,731	44.79	3.15	4.03	6,180,510	39.72	2.83	3.61
	Probable Mineral Reserves	0	0.00	0.00	0.00	408,851	43.01	2.36	3.20
	Total Open Pit	5,338,731	44.79	3.15	4.03	6,589,361	39.93	2.80	3.58
Underground	Proven Mineral Reserves	1,169,662	105.19	2.87	4.93	1,169,662	105.19	2.87	4.93
	Probable Mineral Reserves	315,139	101.61	3.23	5.22	315,139	101.61	3.23	5.22
	Total Underground	1,484,801	104.43	2.95	5.00	1,484,801	104.43	2.95	4.99
Open Pit and underground	Proven Mineral Reserves	6,508,393	55.64	3.10	4.19	7,350,172	50.14	2.84	3.82
	Probable Mineral Reserves	315,139	101.61	3.23	5.22	723,990	68.52	2.74	4.08
	Total	6,823,532	57.76	3.11	4.24	8,074,162	51.79	2.83	3.84

Note: 1) Zn Eq grades are calculated with 2018 parameters for this table.
2) Silver zinc equivalence: 0,61% Zn = 1 oz Ag

Mining Plan

A mine plan was developed for the 2018 mineral reserves using the Genivar (now WSP Canada) 2007 pit design and underground mine design. The 2014 mineral resource diluted and recovered produced a total of 8,074,162 tonnes of mill feed grading 2.83% Zn and 51.79 gpt Ag, of which 6,589,361 tonnes (81.6%) will be produced in open pit operations and 1,484,801 tonnes (18.4%) will be produced in underground operations. The life of mine is 13 years. There are good possibilities of increasing the life of mine by converting inferred resources into proven and probable reserves and by finding new reserves with additional exploration.

The open pit operation consists in the expansion and deepening of the Barvue pit and the excavation of the Abcourt East and the Abcourt West pits over a period of 13 years. The pits will be excavated to a depth of 166 m, 72 m, and 42 m respectively. The underground operations consist in the mining of stopes from a depth varying from 150 m to 200 m below surface to the pit bottoms using the Avoca method. The underground work areas will be accessed by excavating declines.

Mineral processing

Historical mineral recoveries during the Barvue production period were over 90% for zinc and 77% for silver. In 2017, metallurgical tests were performed in several laboratories. The cyclic flotation tests realized on the ore of Abcourt-Barvue have shown the possibility to recover 97.5% of the zinc and 77.8% of the silver in a Zn-Ag concentrate assaying 53.4% Zn and 740.6 g/tm Ag.

The processing plant remains at a mill capacity of 650,000 tonnes per year but the circuit was modified by eliminating the cyanidation circuits to produce only a zinc-silver concentrate.

Minor changes were brought to the surface infrastructure such as the installation of new 25kV power line on the site and the relocation of the waste rock stockpiles.

An average of 32,000 tonnes of zinc-silver concentrate grading 52.7% Zn and 768 gpt Ag will be produced annually.

Economic analysis

The project preproduction capital cost is estimated to CA \$ 41.3 M including a working capital of CA \$4.0 M, and the sustaining capital cost is estimated to CA \$ 18.1 M. The average operating cost is estimated to CA \$39.94 per tonne milled. Closure costs are estimated at CA \$3.7 M.

A reduction in the initial capital cost including working capital, from CA \$71.26 M in 2007 to CA \$41.3 M in 2018 was possible after the purchase during the past few years of mill equipment, now on the site, and the rental of pit equipment in 2018 instead of the purchase in 2007 and by eliminating the cyanidation of the ore and of the pyrite concentrate.

Here is a table comparing the results of the 2018 with the 2007 economic analysis for the Abcourt-Barvue silver-zinc project:

For 100% equity financing	2007	2018
	\$	\$
Operating profit	234.3 M	225.4 M
Pre-tax cash flow	138.7 M	170.0 M
After tax cash flow	87,9 M	106,7 M
Pre-tax internal rate of return (IRR)	27.1%	26.1%
After tax internal rate of return (IRR)	21.4%	20.5%
Pre-tax net present value (NPV) 5%	87.6M	100.4 M
After tax net present value (NPV) 5%	53.2 M	59.8 M

In 2018, project revenues were estimated using US \$1.10 per pound of zinc, US \$16.50 per ounce of silver, an exchange rate of CA \$1.25 per US \$, and smelting & refining terms. The average net value of the ore is CA \$67.86 per tonne.

In 2007, project revenues were estimated using US \$1.15 per pound for zinc, US \$9.54 per ounce for silver, and an exchange rate of CA \$1.15 per US \$1.00. The average net value of the ore was CA \$67.51 per tonne.

The 2018 economic analysis, with metal prices and the rate of exchange indicated previously assuming 100% equity financing, results in a pre-tax cash flow of 170.0 million Canadian dollars and \$106.7 M after taxes. The pre-tax rate of return (IRR) is 26.1% and 20.5% after taxes. The pre-tax net present value (NPV) is 100.4 million Canadian dollars, \$59.9 M after taxes, using a 5% discount rate. The pre-tax payback period is 4.9 years. A sensitivity analysis on revenue, capital cost, and operating cost shows that the project is most sensitive to total revenue, (price of zinc and rate of exchange) followed by operating costs.

In comparison, the Genivar 2007 study's economic analysis, with metal prices and the rate of exchange indicated on the previous page, assuming 100% equity financing, returned a pre-tax cash flow of 138.7 million Canadian dollars, \$87.9 M after taxes. The pre-tax IRR was 27.1%, 21,4% after taxes, and a pre-tax NPV at 5% discount rate of 87.6 million Canadian dollars, \$53.2 M after taxes.

This report has been filed on Sedar.

2019 diamond drilling

A 7,000-meter drilling program was started in October 2019. The objective was to check the extension at depth of the mineralised zone. Funds received in the December 2018 and October 2019 private placements were available for this drilling. Assays are being checked. Results will be reported soon.

THE VENDÔME PROPERTY

The Vendome property is located 11 kilometres (seven miles) south of the Abcourt-Barvue property. It comprises 20 cells and 39 claims for a total of 2,426 hectares owned 100% by Abcourt.

In the 1950's, an 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 Mogador batholith found some gold values.

In 1987, a surface plant was installed and a short (76 meters) ramp was excavated on the Barvallée part of the property.

In 1998, the Company drilled nine holes for a total of 1,505 meters (4,936 feet) in the Barvallée 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 Vendome resources:

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

In February 2011, Abcourt purchased the Xstrata Zinc Canada Division (now Glencore) interest in 15 half claims of the Vendôme property. The purchase of these claims will enable us to add these claims to the Abcourt-Barvue project.

No significant expenditure was done on this property during 2017-2018.

The development of this property will be synchronized with the development of the Abcourt-Barvue project.

The potential to make new discoveries on this property is very good and additional drilling is well justified.

THE ALDERMAC PROPERTY

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

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

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

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

December 2018 Drilling

In December 2018, two additional holes, totalling 793 meters, were drilled. The holes are 394 and 399 meters deep.

The first hole was planned to intersect the eastern extension of a silver-zinc flat zone. This structure was intersected but there was no significant value. However, deeper in the hole, a new chalcopyrite zone was intersected in a basalt flow. It assayed 2.06% Cu and 0.22 g/t of gold over 6.4 meters from 369.15 to 375.55 meters in the hole.

The second hole was drilled in a magnetic anomaly on the western extension of a massive sulfide zone. These massive sulfides zones are generally located in the contact between two rhyolite flows with a different composition. The hole found no explanation for the anomaly and there was no significant value. However, a hematized shear zone with 3 to 5% pyrite was intersected between 317.3 to 320.8 meters.

2019 drilling

Two additional holes were drilled in the fall of 2019 to check the new zone found in 2018. No significant value was intersected.

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.

Several significant gold, silver, copper and zinc 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.

Aur Resources, with whom we had negotiated the first agreement, was amalgamated with Teck-Cominco Limited.

The royalty payable on any future production was sold by Teck to Osisko Royalties.

During the 2015 - 2018, no work was done on this property.

RESPONSIBLE PERSON FOR THE TECHNICAL INFORMATION

The qualified person under National Instrument 43-101 respecting standards of disclosure for mineral projects, who is responsible of the technical information relating to the mining properties of the Company, is Mr. Renaud Hinse, mining engineer, President of Abcourt Mines Inc.

RISKS AND UNCERTAINTIES

RISK FACTORS

In the course of its business and affairs, the Company faces the following risks factors:

Fluctuations in the Market Price of gold and other metals

The profitability of mining operations, and thus the value of the mineral properties of the Company, is directly related to the market price of gold and other metals. The market price of gold and other metals fluctuates and is affected by numerous factors beyond the control of any mining company. If the market price of gold and metals should decline dramatically, the value of the Company's mineral properties could also decrease dramatically and the Company might not be able to recover its investment in those interests or properties. The selection of a property for exploration or development, the determination to construct a mine and place it into production and the dedication of funds necessary to achieve such purposes, are decisions that must be made long before first revenues from production are received. Price fluctuations between the time that such decisions are made and the commencement of production can, drastically, affect the economics of a mine.

Financial Risk

Additional funds will be required in the future to finance the Company's exploration and development work. The Company may have access to funds through the issuance of additional equity and borrowing. There can be no assurance that such funding will be available to the Company. Furthermore, even if such a financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or provide the Company with sufficient funds to meet its objectives, which could adversely affect the Company's business and financial condition.

Exploration and Mining Risks

Mineral resources exploration and development is speculative and involves a high degree of risk, which even a combination of careful evaluation, experience and knowledge may not be able to avoid. 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 mineralization will be discovered by the Company in quantities sufficient to warrant mining operations. There is also no assurance that the mining properties of the Company will be brought into commercial production.** The economic life of a mineral deposit depends on a number of factors, some of which relate to the particular characteristics of the deposit, particularly its size and grade. Other factors include the proximity of the deposit to infrastructure, the production capacity of mining facilities and processing equipment, market fluctuations, possible claims of native peoples and government regulations, including regulations relating to prices, royalties, allowable production, importation and exportation of minerals, environmental protection and the protection of agricultural territory. The effect of these factors cannot be accurately predicted and may prevent the Company from providing an adequate return on investment.

Regulatory Compliance, Permitting Risks and Environmental Liability

Exploration, development and mining activities are subject to extensive Canadian federal and provincial laws and regulations governing exploration, development, production, taxes, labour standards, waste disposal, protection and conservation of the environment, reclamation, historic and cultural preservation, mine safety and occupational health, toxic substances as well as other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing a mine and other facilities in compliance with such laws and regulations is significant. The costs and delays associated with compliance with such laws and regulations could become such that the Company cannot proceed with the development or operation of a mine.

Mining in particular (and the ownership or operation of properties upon which historic mining activities have taken place) is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of mineral exploration and production. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) is not generally available to the Company (or to other companies within the industry) at a reasonable price. To the extent that the Company becomes subject to environmental liabilities, the satisfaction of any such liabilities would reduce funds otherwise available to the Company and could have a material adverse effect on the Company. Laws and regulations intended to ensure the protection of the environment are constantly changing, and are generally becoming more restrictive.

Risks concerning titles to Properties

Although the Company has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to any of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests.

Industry Conditions

Mineral resource exploration and development involves a high degree of risk that even a combination of careful assessment, experience and know-how cannot eliminate. While the discovery of a deposit may prove extremely lucrative, few properties that undergo prospecting ever generate a producing mine. Substantial sums may be required to establish ore reserves, develop metallurgical processes and build mining and processing facilities at a given site. There can be no assurance that the exploration and evaluation programs planned by the Company will result in a profitable mining operation. The economic life of a mineral deposit depends on a number of factors, some of which relate to the particular characteristics of the deposit, particularly its size, grade and proximity to infrastructure, as well as the cyclical nature of metal prices and government regulations, including those regarding prices, royalties, production limits, importation and exportation of minerals, and environmental protection. The impact of such factors cannot be precisely assessed, but may prevent the Company from providing an adequate return on investment.

Outlook

Management will continue to manage its funds rigorously, its primary objective being to optimize return on investment for the Company's shareholders. The Company's development strategy is focused on the discovery of economically-viable deposits that will generate profits from mining and ensure the Company's survival. In applying its development strategy, management will take into account the global exploration context, stock market trends and the prices of gold and other metals.

Competition

The Company competes with major mining companies and other natural resource companies in the acquisition, exploration, financing, development and exploitation of new properties and projects. Many of these companies are more experienced, larger and better capitalized than the Company. The competitive position of the Company depends upon its ability to obtain sufficient funding and to explore, acquire and develop new and existing mineral-resource properties or projects in a successful and economic manner. Some of the factors which allow producers to remain competitive in the market over the long term are the quality and size of an ore body, cost of production and operation generally, and proximity to market. The Company also competes with other mining companies for skilled geologists, engineers and other technical personnel.

Permits and Licenses

The operations of the Company require licences and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licences and permits that may be required to carry out further exploration, development and mining operations at its projects.

Volatility of Stock Price and Limited Liquidity

The common shares of the Company are listed on the TSX Venture Exchange and on the Frankfurt and Berlin Exchanges. The common shares have experienced volatility in price and limited trading volume over the last several years. There can be no assurance of adequate liquidity in the future for the common shares.

Dependence on Key Personnel

The Company is dependent on the services of certain key officers and employees. Competition in the mining exploration industry for qualified individuals is intense and the loss of any key officer or employee if not replaced could have a material adverse effect on the business and operations of the Company.

CERTIFICATE

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

(s) Renaud Hinse

Renaud Hinse

Chief Executive Officer

June 8, 2020