

Abcourt Mines Inc.

(ABI – TSX Venture, ABMBF.PK)

Active with 3 exploration / development programs. Pursuing mine development following positive feasibility study at Abcourt-Barvue as well as 2 drilling programs at newly acquired properties. Short term potential significant value "bumps" at all 3 (see p. 2).

The Company

Focused in Quebec prolific Abitibi Greenstone Belt, Abcourt now has several base metal properties and a gold property (all 100% owned).

- ❶ **Abcourt-Barvue Zn-Ag** with past mining and significant exploration / development work. Subject of a recent positive feasibility study on the 500 million lb. Zn, 13+ million ounce Ag orebody – 13 year minelife plus inferred resources & clear exploration potential could result in a long life asset.
- ❷ **Aldermac Zn-Cu** with known resources at the previous mine and undeveloped high grade discovery / resource in 1987 / 88. There is considerable valuable underground development.
- ❸ **Jonpol Cu-Zn-Ag** with known resources and short term exploration potential to add more + the historic target for a large massive sulphide deposit.
- ❹ **Vendome-Barvallee Zn-Cu-Ag-Au, Elder Au**, both properties of merit, but ownership at Vendome-Barvallee needs to be rationalized and the full value for the Elder gold property (43-101 resources, existing infrastructure, successful drill program) might better be realized in another entity.

2007 Programs

Abcourt is now proceeding with a development program at Abcourt-Barvue (permitting, raising financing, etc. through Fall, 2007), readying for a \$300,000 drilling program at Aldermac, with an additional \$300,000 drilling program at Jonpol.

Targets / Potential

The objectives for Abcourt during 2007 is to:

- Advance Abcourt-Barvue to mitigate / reduce preproduction risks (i.e. financing, permitting, personnel, contractual, smelting). We believe the market is now imputing a heavy discount to this asset (see p. 10).
- Confirm historical numbers at Aldermac (i.e. 2 million tons ?). because past drilling was very wide-spaced. Test for additional resources around the known areas with closer spaced drilling (i.e. above the known high grade zone + step out after confirmation drilling). Given the grades, we would expect to see a *significant* difference in its potential value if any resource identified approaches 2+ million tons and above (see p. 13).
- At Jonpol, drilling in and around known resources could establish potential meaningful resource, deep drilling below known rhyolite dome represents blue sky target.
- Given the current somewhat "disjointed" ownership scenario at Vendome-Barvallee, it would be helpful to rationalize this in some way to maximize value for all parties.
- Find a way to realize the value for the Elder gold property (sell it or otherwise monetize its value).

Market Data



Share Data (\$Cdn):

Recent Price:	\$0.43
52-week Price Range:	\$0.44 - \$0.95
Shares Outstanding (June 1, 2007):	45.0 million
Fully Diluted Shares (1):	48.1 million
(1) 3.1 million options / warrants @ \$0.21 - \$1.50.	

Capitalization (\$US):

Market Capitalization:	\$19.4 million
Cash, near cash (June 1, 2007) :	\$2.4 million
Working Capital (June 1, 2007):	\$2.5 million
Long Term Debt:	nil

Corporate Information:

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Investment Considerations (see additional details p.2)

The Upside. With a multifaceted program, there are several possibilities over the coming months.

- Advancing Abcourt-Barvue to a production decision.
- The market is tending to ignore potential impact of recent acquisitions which will be drilled near term.
- Potential to "monetize" the Elder gold asset.

We believe that Abcourt is valued at a significant discount to a "discounted" Abcourt-Barvue value, with virtually no value imputed for its other assets. This could change in 2007 as the company meets its milestones, conducts important drilling programs, and perhaps adds to its property portfolio.

Downside Risks. Need for capital, exploration risk, commodity price risk.

Opinion – Valuation Issues

We see two primary methods of looking at Abcourt, on a price per zinc equivalent basis and on a net asset value basis. Our conclusion is that Abcourt is undervalued in the market for several reasons:

- Perception of high risks associated with putting the Abcourt-Barvue mine in production.
- With its recent acquisitions in 2007, virtually no appreciation of their value.

Zinc Equivalent Basis.

Indicative Market Valuation – Zinc Equivalent Basis (see note below)				
Deposits	Zn (lb.)	Cu (lb.)	Ag (oz.)	Au (oz.)
Abcourt-Barvue	614,708,618		19,643,540	
Aldermac (historical)	104,707,477	38,029,350	1,046,500	
Barvallee	22,778,560	4,906,765	257,387	
Jonpol	52,323,000	60,851,800	2,932,170	
Elder				198,744
Total	794,517,655	103,787,915	23,879,597	198,744
Assumed Price	\$1.00	\$1.50	\$7.50	\$600.00
Zinc equivalent lb	794,517,655	155,681,873	179,096,977	119,246,400
			Total	1,248,542,905
		Market Cap (\$Cdn mil.)		19.4
		EV / Zn Equiv		\$0.0155

Note - The historic resources for Aldermac, Barvallee, and Jonpol were all prepared before the introduction of National Instrument 43-101 and would today be considered as resources of various categories. No additional information is available at this time and the historical resources have not been verified and should not be relied upon. However, Abcourt has stated that these estimates were prepared by competent persons.

The general level of \$0.01 - \$0.02 per Zn-equivalent lb. is for exploration companies with known resources. For companies in production, EV / Zn. Equiv. amounts tend to increase to about Cdn \$0.04 - \$0.09. These values, of course, account for the Abcourt-Barvue property, but fail to account for other properties. Given that Abcourt has a completed Feasibility Study for its Abcourt-Barvue deposit, one may argue that the value for this asset is being discounted to more of a value associated with an early stage asset.

Net Asset Basis.

1 meter = 3.28 ft.
 1 oz/ ton = 34.3 grams / tonne
 1 metric tonne = 1.1023 ton

As detailed on p. 10, we have used information from the Feasibility Study to investigate illustrative values for the orebody at different stages in its future development cycle. These would obviously be ① its value when finally in production, ② its value when construction is ready to begin and much of the preproduction risk is taken out of the project (i.e. financing has been raised, permitting in place, personnel in place, smelter contract, etc.), and ③ how much should these future values be discounted to in order to reward investors that invest in Abcourt today. We have employed two methodologies – an adjusted *Discounted Cash Flow* (as was done in the Feasibility Study by using a higher 8% discount rate), and P / EBITDA (also a fairly standard measure of value for producing mining companies). For an additional discussion, see p. 10.

The table of results is given on the next page. What we see essentially is that Abcourt seems to be trading at a slightly lower value than what might be indicated by this analysis. In addition, because of this discount, it seems unlikely that if any meaningful value is imputed into Abcourt's current market cap, that the value of the Abcourt-Barvue orebody would be discounted even more. Another way to explain this would be to assume that the market is factoring in longer term zinc commodity prices that are significantly lower than either today's price level (~US \$1.50/lb) or that assumed in the base case of the Feasibility Study(i.e. US \$1.15) and used in this analysis – and if this is one's view on zinc markets perhaps other sectors of the market might be more appropriate to focus on. We present the case based on the view as presented in the Feasibility Study which shows a price that has a "healthy" discount to today's pricing.

We see similar results and potential upside with this approach as with the EV / Zn equivalent approach.

Illustrative Financial Potential – Abcourt – Barvue only			
		5 x EBITDA (ave. life of mine)	NPV @ 8% (approx.)
A Current			
Assumed Value When in Production (000s)		\$116,129	\$131,931
Assumed Capital Costs (000s)		\$50,000	\$50,000
Net Value – when ready to build (000s) (i.e. Permits, contracts, fin. in place, etc.)		\$66,129	\$81,931
Discount to today – 50% (000s)		\$33,064	\$40,966
Shares Outstanding – fully diluted (mil.)		48.1	
Illustrative Value Today		\$0.69	Average \$0.85 \$0.77
B Future Value – Production Decision (i.e. eliminate uncertainties - financing, permitting, contracts, personnel)			
Net Value – when ready to build (000s) (i.e. Permits, contracts, fin. in place, etc.)		\$66,129	\$81,931
Discount to today – 25% (000s)		\$49,596	\$61,448
Shares Outstanding – fully diluted (mil.)		48.1	
Illustrative Value (later in 2007 ?) Increase from A to B, <1 year period		\$1.03	Average \$1.28 \$1.15 50.0%
C Future Value – Financing Raised (\$30 million Ag Forward sale, \$10 million debt) Assume equity financed at "B" Value Above			
Gross Future Value (000s)		\$116,129	\$131,931
- Net Debt, Forward Sales (000s)		\$40,000	\$40,000
Net Future Equity Value (000s)		\$76,129	\$91,931
Shares Outstanding – Today		48.1	
+ New Shares Req'd (\$12 mill @ value above)		10.4	
New Total		58.5	
Illustrative Value – in production Increase from B to C, 1 year period Increase from A to C, 1-2 year period		\$1.30	Average \$1.57 \$1.44 24.4% 86.7%

Note – the figures above do **not** include any value for Abcourt's other properties (which one should of course include in a total company amounts – we expect that current drilling programs at Aldermac and Jonpol will make much more clear what general amounts should be in 2007. Other corporate activities could place additional values on Vendome-Barvallee and Elder.

Conclusion

- Our analysis would indicate that the market is underestimating the value of the Abcourt-Barvue property.
- The market does not appear to impute any meaningful values for the other Abcourt assets.

We see strong potential for this to change in 2007.

- At Abcourt-Barvue, management is very active in executing its plan to put the resource into production – starting construction by Q4 this year. In the meantime, we could see several news announcements that clear the way to making a production decision.
- Other assets. Aldermac and Jonpol are properties with a past exploration / development history and there is something at each property to develop. Over the short term we could see confirmation and other drilling that point to significant potential – at which point we would expect the market to take notice. Given the relatively low valuation level that the market is now attributing to Abcourt (i.e. at around \$Cdn 20 million) such increases could represent very meaningful returns to current shareholders.

For these reasons, we would rate Abcourt as a *speculative buy for risk oriented investors wishing exposure to junior base metal exploration / development companies*. Our justification for this is Abcourt's low current market cap (Cdn \$20 million) combined with several properties that have clear potential to generate news – any one of which we see as having potential to increase the Abcourt market value by a minimum of \$10 - \$20 million (perhaps more for the Abcourt-Barvue orebody – if the property approaches the illustrative "B" status above).

**ABCOURT-BARVUE Zn-Ag OREBODY (100%),
Abitibi Greenstone Belt, Quebec
(3174.71 hectares)**

Summary

- Recent positive Feasibility Study is complete with 500+ million lbs. Zn, 13+ million oz Ag orebody. Roughly 13 years of production + exploration potential for long term mining.
- Now focused on ① permitting and ② raising capital, both of which represent the next major milestones and potential significant ratchet upward in company valuation.

The Property

The Abcourt-Barvue property represents the unification of 2 previously independent projects: *Abcourt* and *Barvue*, which is now comprised of 2 mining concessions and 38 mining claims (all contiguous). It is located in the *Abitibi* area of NW Québec, 37 km east from the town of Amos and 56 km north from the mining community of *Val-d'Or*. It is transected by highway 397 in a N-S direction, and by highway 386 in a E-W direction, linking Barraute to Amos, and is easily reached year round.

In 1990, with the falling price of silver and zinc, the Abcourt-Barvue mine was shut down after five years of underground production. The site is still well provided with useable infrastructures and mine equipment (i.e. Volvo and Caterpillar trucks, jumbo drills, scoops, pumps, ventilators, compressors, etc.), and electricity is available from a power line that supplies the mine site. The proximity of an active mining center such as Val-d'Or guarantees the availability of material and human resources for exploration and mining.

Abcourt-Barvue deposit in production during two periods

1. **1952 – 57.** 5,002,190 tonnes @ 38.74 g/t Ag & 2.98% Zn from an open pit.
2. **1985 – 90.** 632,319 tonnes @ 131.65 g/t Ag & 5.04% Zn from underground production.

Work History

In 1950, a geological survey of the *Quebec Department of Mines* under the supervision of Dr. W.W. Weber discovered zinc mineralization in range VII in Barraute Township. This discovery initiated a widespread prospecting and staking rush.

Date	Abcourt Property	Barvue Property
1950		<ul style="list-style-type: none"> • Discovery of Zn. Gérald Leclerc obtains 3.62% Zn and 188.7 g/t Ag over 6.7 m from a surface trench.
1950 – 51	<ul style="list-style-type: none"> • <u>Surface exploration</u>, 36 DDH (9240 m). The mineralized zone was followed over 900 m to the west of the Barvue property 	<ul style="list-style-type: none"> • <u>Drilling</u> – 100 DDH (1200 m). • <u>Early resource delineation</u> – 17 tonnes @ 3.26% Zn, 39 g/t Ag over 760m, up to 31 m wide and 210 m depth.
1952 - 57	<ul style="list-style-type: none"> • <u>Underground exploration</u> – 17 DDH (375 m). A 3 compartment shaft was sunk to 170 m depth and 225 m of drifts were excavated. 	<ul style="list-style-type: none"> • <u>Open pit production</u>. Daily rate of 3130 tons/day. Total production of 5,514,000 tons @ 3.09% Zn, 1.13 opt Ag. • <u>Open pit</u> – 825 m long, 150 m width, 75m depth.
1957		<ul style="list-style-type: none"> • <u>Underground mining</u>. Drifting of decline between 76 m and 152 m levels, with excavation between levels. Work stops owing to falling Zn price.
1968 – 69	<ul style="list-style-type: none"> • Surface drilling. 54 DDH (coincident with rise of Ag price). 	
1971	<ul style="list-style-type: none"> • <u>Surface drilling</u>. 7 DDH (1144m). 	
1974		<ul style="list-style-type: none"> • <u>NOREX options claims</u>, followed by dewatering underground workings, feasibility study.
1975	<ul style="list-style-type: none"> • <u>Drilling</u>. 18 DDH (5069 m), metallurgical testing. 	

Date	Abcourt Property	Barvue Property
1983 - 84	<ul style="list-style-type: none"> Dewatering, rehabilitation. Major drilling programs. 128 DDH (9678 m), 31 DDH (2824 m), 69 u/g DDH (3037 m) 	<ul style="list-style-type: none"> <u>Abcourt purchases property.</u> Mine dewatered, u/g development & drilling completed. Mining reserves confirmed.
1985 - 90	<ul style="list-style-type: none"> Surface drilling (9 DDH, 1399m) u/g drilling (215 DDH, 6778 m) Barvue mine connected to the Abcourt shaft with an internal ramp. Surface drilling (28 DDH, 2688m), u/g drilling (29 DDH (1122 m). 	<ul style="list-style-type: none"> <u>Production.</u> 697,016 tons @ 5.04% Zn, 3.85 opt Ag (add'l 204 oz. Au recovered from Ag concentrate).
1990 -93	<ul style="list-style-type: none"> <u>NOREX option – multifaceted program</u> including several geophysical surveys (electro-magnetic, magnetic and gravimetric), pedogeochemical survey, and did a total of 9,287 m of diamond drilling. Some gravimetric anomalies and several electro-magnetic conductors (EM) documented by Noranda were not tested by drilling and indicate a potential for mineralization. Norex carried out the following deep diamond drilling programs: <ul style="list-style-type: none"> 1991: 3 holes totaling 1,324 meters 1992: 2 holes totaling 852 meters 1993: 4 holes totaling 2,468 meters. 	
1997 - 2007	<ul style="list-style-type: none"> <u>1998.</u> 1 DDH (167 m), 2140 m of BQ drilled at Barvue (9 holes on mineralized zone 6.9 m wide, 118 m length, 117 m high between a depth of 70 – 187 m. 1 hole in Abcourt sector (3.92 m mineralized zone at a depth of 242 m, still open at depth. <u>1999.</u> 2 DDH (284.75 m) <u>2003.</u> 10 holes (530 m) <u>2004.</u> 24 holes (1169m). Most of the holes in the 2003 / 04 program were drilled near surface in the western part of the deposit to establish the limits of a high-grade silver zone which could be included in a potential open pit. These holes returned high silver values. Another 5 holes were drilled in the walls of the Barvue pit to improve the definition of the mineralized zone. Seven additional holes were drilled in the western part of the Abcourt-Barvue deposit to increase the confidence level in the mineral resources. <u>2005.</u> 46 holes (5879 m). In October 2005, Abcourt initiated a Feasibility study using a combination of Abcourt personnel, GENIVAR and other specialist consultants. In May, 2006 a revised mineral resource estimate was completed as part of a 43-101 Technical Report completed by MRB. In February, 2007, the Feasibility Study was completed. 	

A technical valuation by ROCHE, consulting engineers, documented the Abcourt-Barvue mine facilities and equipment. At that time (1999), the cost to rehabilitate the buildings and surface installations was estimated at \$50,000.

General Geology, Deposit Types

The Abcourt-Barvue property is located within the Abitibi geological Subprovince. With an 85,000 km² surface, **the Abitibi belt is the largest greenstone belt of the world and also one of the richest mining areas.** Locally, **the Abcourt-Barvue and the entire Barraute area is host to a wide range of mineralized deposits:**

- The Canadian Bolduc asbestos chrysotile mine,
- Ni-Cu-PGE occurrences (i.e. Consolidated Mogador),
- Vendôme Volcanic-Hosted Massive Sulphide (VHMS) deposit,
- Swanson syenite-associated disseminated gold deposit,
- Michaud no.1 and no.2 related Cu-Mo-Au porphyry,
- Mo-Bi and Li-Be deposits associated with S-type granitoids (i.e. Québec Lithium mine & Molybdenite Corporation mine), and
- The Bartec orogenic lode gold deposits (e.g.).

In the Abcourt shaft area, the mineralized horizon changes its strike from E-W to SE-NW in the Barvue portion of the deposit. On the property, the units have steep (75°) dips to the north with a well developed E-W regional schistosity. The stratigraphic tops for these units have been documented in the field as being to the north. A marker tuff unit allows good stratigraphic correlation in the Abcourt-Barvue deposit area.

Mineralization

The Abcourt-Barvue mineralized zone has a **thickness ranging from 2 m to 30 m** and a total E-W strike length of **2.2 km**. Thickness of the mineralized horizon tends to increase from west to east, with the most important zones located in the Barvue area. Mineralization is distributed into two sub-parallel horizons and has been delineated by diamond drilling to a maximum vertical depth of **425 m** below the surface. The mineralized horizon is recognized to a vertical depth of 600 m (AB-92-05) in the mine sector and to 160 to 450 m (AB-91-02.-03 and AB-92-04) along the laterals extensions. Mineralized horizons have steep (75°) dips to the north.

- Favorable felsic volcanoclastic rocks and graphitic shale units have been documented on the property along the Abcourt-Barvue trend but also elsewhere on the property (i.e. North zone area).
- Potential of the Abcourt-Barvue trend extends at depth but also towards the west and to the south-east through the former Bar-Manitou zone.
- Magnetic anomalies located on the north-west and south-west sides of a granodioritic pluton, with some gravimetric anomalies and several electro-magnetic conductors (EM) indicate a potential for mineralization.
- Ankerite and fuchsite have been recognized on surface in the south-western portion of the property. These minerals are found in close association with gold occurrences in the area (e.g. Swanson) and indicated that the Abcourt-Barvue also has a significant gold potential.

Current Program

From 1997 to the last drilling program in 2005, all the exploration work has been carried out by Abcourt with the objective of increasing and improving the quality of the resources likely to be exploited by open pit or underground mining to a depth of 150 meters. A total of 10,170 m of diamond drilling has been completed since 1997, from which an amount of 5,879.2 m was carried out in 2005. This program was successful – in 2005 total resources were estimated at over 6 million tonnes (over 500 million lbs Zn and 10+ million oz. Ag) – which was not only increased with the drilling program but the vast majority of the resource was reclassified as Measured.

March, 2005					
Abcourt-Barvue mineral resources estimate – Summary (undiluted)					
	Tonnes	Ag (g/t)	Zn (%)	Ag (oz.)	Zn (lb.)
Measured resource	3,265,100	68.84	3.96%	7,227,513	285,233,742
Indicated resource	430,908	82.82	3.78%	1,147,505	35,892,086
M & I resources	3,696,008	70.47	3.94%	8,375,018	321,125,828
Inferred resources	2 781 774	122.11	3.27%	10,922,692	200,233,038

The Abcourt-Barvue measured and indicated resources along the mineralized structure span a distance of 2,230 m (1,080 m west of the shaft in an E-W direction, and 1,150 m east of the shaft in a S49°E direction). The dip is 75° to 90° to the north.

In the May, 2005 resource estimate, a phase I drilling program was recommended to: ① upgrade resources to reserves, and ② increase and upgrade the inferred resources to the indicated resources category. This is exactly what has occurred – note below the significant upgrading of reserves to the M&I category – see next page.

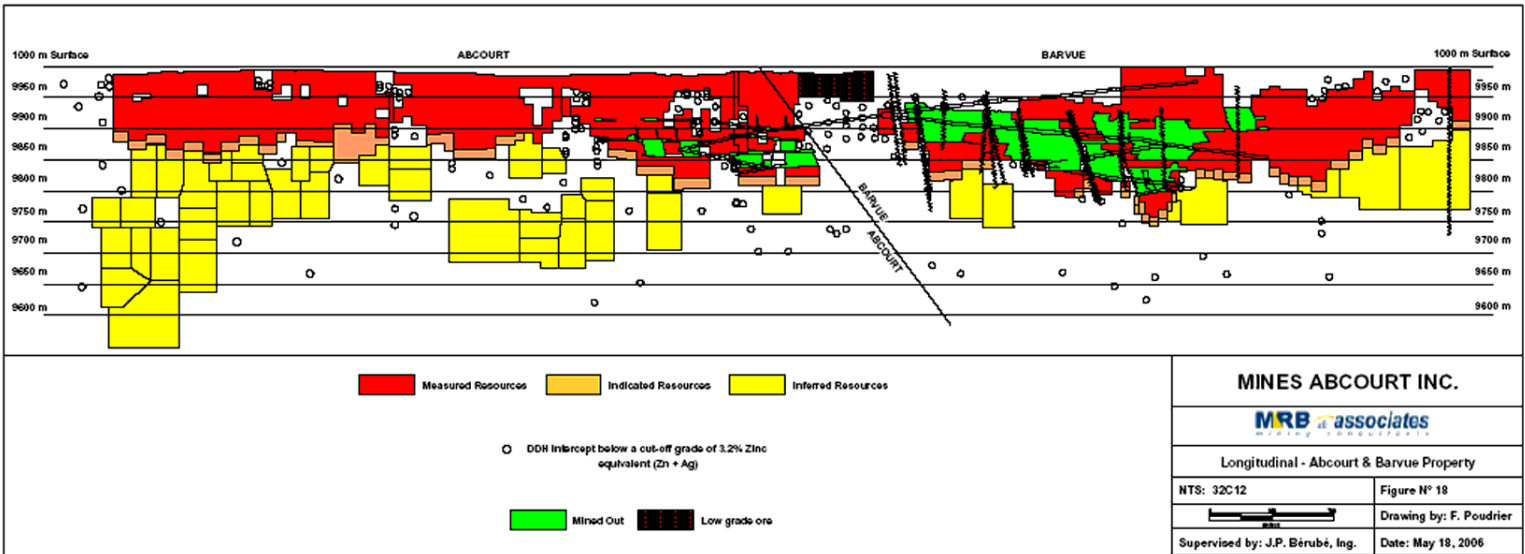
- Favorable Characteristics**
- Lateral and at-depth geological continuity of the mineralization
 - Simple geometry, easily amenable to mining.

Feb - 2007						
Abcourt-Barvue mineral reserves statement						
Mining Method	Class.	Tonnes	Ag (g/t)	Zn (%)	Ag (oz.)	Zn (lb.)
Open Pit	Proven	5,338,731	44.79	3.15	7,687,942	370,751,441
	Underground	1,169,662	105.19	2.87	3,955,723	74,007,636
Underground	Proven	315,139	101.61	3.23	1,029,508	22,440,831
	Probable	1,484,801	104.43	2.95	4,985,231	96,448,467
Open Pit & Underground	Proven	6,508,393	55.64	3.10	11,643,665	444,759,077
	Probable	315,139	101.61	3.23	1,029,508	22,440,831
	Total	6,823,532	57.76	3.11	12,673,173	467,199,908
Open Pit - Proven Marginal Ore		1,151,502	17.65	1.58	653,432	40,110,312

Remaining Resources (undiluted) after the first 10 years of production					
	Tonnes	Ag (g/t)	Zn (%)	Ag (oz.)	Zn (lb.)
Sections 315E to 1185E – under Barvue pit	453,166	71.23	3.52	1,037,794	35,166,912
Sections 5100E – 5280E in Gs, Abcourt, M&I	109,582	71.38	4.74	251,482	11,451,222
Total Remaining Resources	562,748	71.26	3.76	1,289,276	46,618,134
Inferred resources (undiluted)	1,505,687	120.53	2.98	5,834,727	98,918,197

- **Proven ore reserves** are all located between surface and a maximum vertical depth of **160 m** but with the majority of the material being located between the surface and **-75 m** from surface.
- **Probable ore reserves** are located along the fringe of the proven ore reserves.
- **Inferred** resources are presently known to reach a maximum vertical depth of 360 m below surface. Most inferred resources are located in Abcourt area where silver content is higher. The Abcourt-Barvue mineralization remains untested laterally and at depth.

The Abcourt-Barvue mineralization remains untested laterally and at depth.



MINES ABCOURT INC.
MRB associates
 Longitudinal - Abcourt & Barvue Property
 NTS: 32C12 Figure N° 18
 Drawing by: F. Poudrier
 Supervised by: J.P. Bérubé, Ing. Date: May 18, 2006

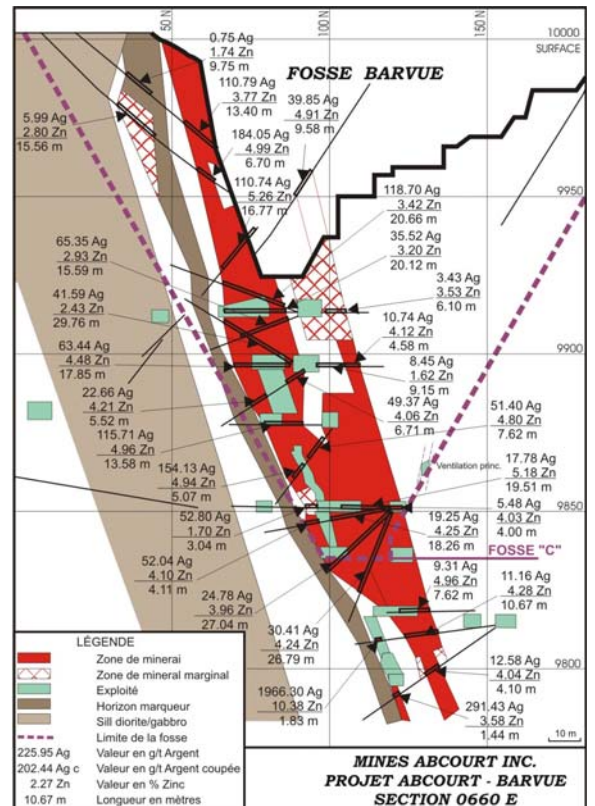
General Mine Plan

About 85 % of the P&P ore reserves are planned to be mined by open pits to a maximum depth of 166 m. The remaining ore reserves and the measured and indicated resources are amenable to production using the underground Avoca cut-and-fill method, later in the 10-year production schedule, with three main declines as access to a maximum depth of 200 m.

In **Barvue**, the ore lays in the south wall of the old pit, at its eastern extremity and below the current pit floor (76 m deep) to a maximum depth of 240 m. The mining proposal for Barvue includes deepening and expanding the pit to the east and at depth to 166 m from surface and underground mining of the remaining ore reserves and measured and indicated resources at depth.

In the **Abcourt** sector it is proposed to mine the upper part of the ore body by open pit to a maximum depth of 72 m. Mining under the pit will proceed with underground methods using three declines for access and trackless equipment to a depth of 150 to 200 m where Avoca cut-and-fill stopes will be developed.

The main process steps for treating the Abcourt and Barvue ores are ① primary crushing and stockpiling, ② SAG/ball grinding, ③ primary thickening and double stage



cyanidation of the ores, ④ gold/silver solution recovery by double stage filtration and washing, ④ gold/silver solution clarification, ⑤ precipitation of dissolved gold & silver by zinc dust, ⑥ refining of gold/silver precipitates, ⑦ aeration of cyanide tails, ⑧ zinc flotation from aerated cyanide tails, and ⑨ dewatering of a zinc concentrate by thickening and filtration. There is also a pyrite (or sulphide) concentrate produced as the last stage of differential flotation. This pyrite (or sulphide) concentrate is disposed of in a safe sulphide containment cell.

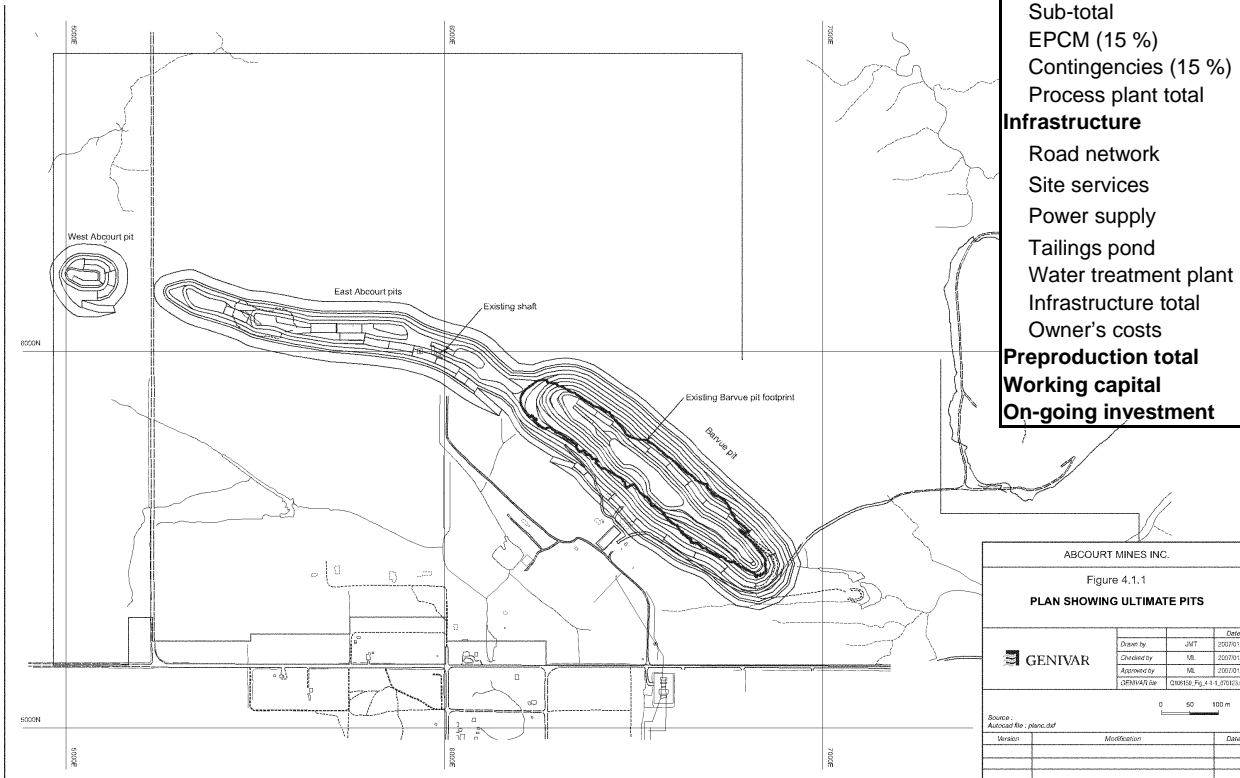
The design criteria used for development of the flowsheet have been based on the test information available and BUMIGEME (metallurgical consultant) in-house experience for similar operations.

Production Schedule

The production schedule was established on a 10-year basis (6,446,000 t) because it was estimated that subsequent years of production have minor influence on the economics of the project. It is noteworthy that *there are slightly more than 3 additional years of production at the same milling rate*. After year 10, this represents a tonnage of about 2 Mt grading 47.88 g/t Ag and 2.43 % Zn for a zinc-equivalent grade of **3.43%**. This *could be extended further with inferred resources* after additional exploration and development.

General Parameters		
Annual ore production	650 000	t
Mill head grade	3.11%	Zn
	54.96 g/t	Ag
Recovery of zinc	96.00%	Zn
Recovery of silver in cyanidation	70.00%	Ag
Distribution of silver in zinc concentrate	18.00%	Ag
Operation schedule	365	d
Daily nominal capacity	1 800	t
Operating time	92	%
Daily design capacity	1 956	t
Milling rate	81.5	t/h
Ore specific gravity	3	t/m ³
Ore bulk density	2.2	t/m ³
Zn concentrate specific gravity	4.25	t/m ³
Zn concentrate bulk density	2.3	t/m ³
Zn concentrate grade	56.00%	Zn
Zn concentrate weight recovery	5.25	%

Capital Cost Estimate (\$Cdn 000s)	
Mine	
Equipment	6,580
Facilities	693
Overburden stripping	4,059
Waste stripping	8,480
Mine total	19,812
Process plant	
Equipment and installation	21,501
General and services	3,213
General steel works	5,920
General concrete works	3,423
Sub-total	34,057
EPCM (15 %)	5,109
Contingencies (15 %)	5,109
Process plant total	44,275
Infrastructure	
Road network	included
Site services	380
Power supply	25
Tailings pond	1,257
Water treatment plant	200
Infrastructure total	1,862
Owner's costs	1,930
Preproduction total	67,879
Working capital	3,376
On-going investment	24,418



Left, from p.73 Feas. Study

Item	First 10-year costs			Unit costs	
	Labour (M\$)	Supplies (M\$)	Total (M\$)	Mining (\$/t)	Milling (\$/t)
Mining	31.23	67.37	98.6	2.77	15.3
Process	17.29	70.13	87.42	2.45	13.46
G&A	5.71	8.59	14.3	0.4	2.22
Royalties	----	1.16	1.16	0.03	0.18
Total	54.23	147.25	201.48	5.65	31.16

Abcourt Mine – Production Schedule

	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
PRODUCTION												
Open Pit												
Waste Mined (000s t)	3,871.5	5,350.0	5,350.0	5,350.0	5,350.0	3,350.0	2,664.0	1,556.9	834.2	354.5	267.1	34,298.2
Ore Mined (000s t)	128.5	550.0	567.5	650.0	650.0	650.0	630.0	534.7	326.0	326.0	326.0	5,338.7
Total Rock Mined (000s t)	4,000.0	5,900.0	5,917.5	6,000.0	6,000.0	4,000.0	3,294.0	2,091.6	1,160.2	680.5	593.1	39,636.9
To (from) stockpile (000s t)	128.5	-46.0	-82.5									
Ending inventory (000s t)	128.5	82.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Underground												
Ore Mined (000s t)							20.0	115.3	324.0	324.0	324.0	1,107.3
Ore Milled (000s t)	0.0	596.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	650.0	6,446.0
Tonnes Concentrate		29.9	32.9	34.2	40.2	40.9	40.2	38.9	37.0	36.5	37.2	367.9
Grades												
Zinc		2.73%	2.76%	2.87%	3.37%	3.43%	3.37%	3.26%	3.10%	3.06%	3.12%	
Silver (g/t)		62.42	58.1	52.42	37.93	34.34	38.95	57.65	69.17	67.46	71.75	
Recovered Amounts (000s) Recoveries												
Zinc (lbs) – from concentrate	96.0%	34,436	37,969	39,482	46,360	47,185	46,360	44,847	42,646	42,096	42,921	424,301
Silver (oz.) - Cyanidation	70.0%	837	850	767	555	502	570	843	1,012	987	1,050	7,973
Silver (oz.) - concentrate	18.0%	215	219	197	143	129	147	217	260	254	270	2,050

Financial There is no detailed cash flow statement given in the Feasibility Study – what we can point to is net revenues (NSR), operating costs, and capital costs for life of mine. In addition to the Net Present Values given, we can use average yearly amounts to generate an EBITDA figure for a second measure of value.

Table 13.2.1 - From Feasibility Study – Results of the cash flow analysis.

	Scénario 1	Scénario 2	Scénario 3	Base Case	Scénario 4	Scénario 5	Scénario 6
Au (\$US/oz)	370	450	545	560	600	625	650
Ag (\$US/oz)	4.8	8	9.5	9.54	10	11.75	13.5
Zn (\$US/lb)	0.4	0.6	1	1.15	1.4	1.8	2.2
Exchange rate (\$CAN/\$US)	1.33	1.22	1.16	1.15	1.12	1.12	1.12
Total Revenue (NSR)	188,845,900	272,423,400	392,827,900	433,537,500	497,561,000	627,638,300	757,774,100
Total Capital Expenditures	92,296,800	92,296,800	92,296,800	92,296,800	92,296,800	92,296,800	92,296,800
Total Operating Expenditures	200,825,484	200,825,484	200,825,484	200,825,484	200,825,484	200,825,484	200,825,484
FINANCING : 60% DEBT, 40% EQUITY							
Financial Valuation before taxes							
Return on equity (ROE)	N/A	N/A	20.32%	39.66%	45.29%	79.36%	116.28%
NPV (5%)	-78,576,740	-14,671,746	77,574,445	114,704,209	157,859,241	257,477,065	357,139,396
IRR of the project N/A	N/A	N/A	14.76%	25.00%	29.45%	46.22%	62.45%
Payback period (years)	No payback	No payback	6.78	4	3.4	2.16	1.6
Financial Valuation after taxes							
Taxes	0	0	30,140,282	45,783,696	71,722,817	123,573,555	175,860,274
Return on equity (ROE)	N/A	N/A	16.23%	33.12%	38.08%	68.15%	98.69%
NPV (5%)	-78,576,740	-14,671,746	57,835,865	82,575,331	108,335,000	169,382,050	229,458,990
IRR of the project	N/A	N/A	11.59%	20.02%	23.79%	37.66%	50.33%
Payback period (years)	NO PAY BACK	NO PAY BACK	8.63	5	4.2	2.66	1.99
FINANCING : 100% EQUITY							
IRR	N/A	N/A	17.04%	27.54%	31.68%	48.27%	64.18%
NPV (5%) (1)	-94,988,095	-34,126,197	53,727,318	89,088,999	130,189,030	225,063,147	319,979,653
EBITDA (2)	(11,979,584 \$)	71,597,916 \$	192,002,416	232,712,016	296,735,516	426,812,816	556,948,616
Taxes	0	0	-34,435,405	-50,078,820	-76,017,941	-127,868,679	-180,155,397
Bare-Bones Valuation (3)	-11,979,584	71,597,916	157,567,011	182,633,197	220,717,576	298,944,138	376,793,219

1 Non inflation discount rate: 7 % interest rate - 2 % inflation rate = 5 %.

2 EBITDA: earnings before interests, taxes, depreciation and amortization and as per definition, without considering any investment.

3 Bare-Bones Valuation: cash flow evaluations based on constant metal prices, constant dollars, no inflation, no debt, no interest, on a project basis, after tax.

What we have done is to attempt to project what a mine in operation might be worth in the future and discount that back to the present. This is done for the reason that we do not believe, for example, that a mine that is not in production should be discounted at anything close to 5% – there are considerable risks involved and investors choosing to invest in Abcourt would demand much greater returns. However, once a mine is in operation these risks are lowered considerably and more "normal" valuation measures can be employed. That is what we have done – estimated a Net Present Value in the future (@ a more "normal" 8%) and P / EBITDA of 5x) – these amounts would be after the project has been financed and capital spent – so we need to back out some assumed level of financing – in

this case a silver forward sale instrument and some debt to derive a future "equity" value – "C" below. We assume that the equity component required would be raised in the future when critical milestones are met (i.e. permits, contracts, key personnel, smelting contract in place) – "B" below. Note that this figure is actually a discounted figure which represents the total net value of the project pre-financing – the gross value of the project (after capx) which has been discounted by 25%. The value "today" is that same value only discounted by 50% ("A" below).

We note that the value "A" represents a fair premium to today's value of about \$0.50 but excludes any value from Abcourt's other interests. Perhaps even more importantly, we see the value "bump" which is possible over the short to medium term (6 month – 1 year) as the company moves from "A" to "B". Beyond that, as the mining project is constructed we see that investors continue to be rewarded, but at lower rates, which in our view is a reasonable assumption. Beyond that, of course this will be dependent upon what happens with the company's other assets (and importantly – where the zinc price is at).

Illustrative Financial Potential – Abcourt – Barvue only			
		5 x EBITDA (ave. life of mine)	NPV @ 8% (approx.)
A	Current		
	Assumed Value When in Production (000s)	\$116,129	\$131,931
	Assumed Capital Costs (000s)	\$50,000	\$50,000
	Net Value – when ready to build (000s) (i.e. Permits, contracts, fin. in place, etc.)	\$66,129	\$81,931
	Discount to today – 50% (000s)	\$33,064	\$40,966
	Shares Outstanding – fully diluted (mil.)	48.1	
	Illustrative Value Today	\$0.69	\$0.85
			Average \$0.77
B	Future Value – Production Decision (i.e. eliminate uncertainties - financing, permitting, contracts, personnel)		
	Net Value – when ready to build (000s) (i.e. Permits, contracts, fin. in place, etc.)	\$66,129	\$81,931
	Discount to today – 25% (000s)	\$49,596	\$61,448
	Shares Outstanding – fully diluted (mil.)	48.1	
	Illustrative Value (later in 2007 ?)	\$1.03	\$1.28
	Increase from A to B, <1 year period		Average \$1.15 50.0%
C	Future Value – Financing Raised (\$30 million Ag Forward sale, \$10 million debt) Assume equity financed at "B" Value Above		
	Gross Future Value (000s)	\$116,129	\$131,931
	- Net Debt, Forward Sales (000s)	\$40,000	\$40,000
	Net Future Equity Value (000s)	\$76,129	\$91,931
	Shares Outstanding – Today	48.1	
	+ New Shares Req'd (\$12 mill @ value above)	10.4	
	New Total	58.5	
	Illustrative Value – in production	\$1.30	\$1.57
	Increase from B to C, 1 year period		Average \$1.44 24.4%
	Increase from A to C, 1-2 year period		86.7%

It is not difficult to envision a 20+ year minelife which would help Abcourt from a PE perspective.

*Longer
Term Potential*

The Abcourt-Barvue silver-zinc deposit is classified as a *disseminated volcanogenic sulphide deposit*. Exploration tools and guidelines are well established for this type of mineralization and usually implies a multi-disciplinary approach (e.g. geophysics, geochemistry, volcanology).

The composition of volcanic rocks on the Abcourt-Barvue property is similar to those found in highly productive polymetallic areas. The Barraute area is under-represented in terms of tonnes of ore when compared to more "mature" volcanogenic districts such as *Matagami* and *Rouyn-Noranda*. According to Franklin (2001), the Barraute Area has a very good potential for Volcanogenic Massive Sulphide (VMS type) deposits for three reasons;

1. The area has compositions of volcanic rocks similar to those of highly productive camps;
2. Known deposits are smaller than the norm, meaning that mid to giant size deposits still may be found;
3. The area is under-represented in tonnes of ore as compared to "mature" mining districts such as Val-d'Or, Matagami and Detour."

This 2005 study also recommended a phase II program to extend the ore potential beneath the existing resources and to find additional ore along strike, given that "the geological setting of the property has a high potential for new discoveries and for increasing the resources of the Abcourt-Barvue Zn-Ag ore zone." The program recommended included:

- A 16,000 m surface drilling program beneath the existing indicated resources on the Abcourt and Barvue zones:
 - 1) Abcourt zone: ± 30 holes from surface (± 8000 m) to find a potential of 300,000 t,
 - 2) Barvue zone: ± 30 holes from surface (± 8000 m) to find a potential of 300,000 t;
- Lateral exploration drilling on the western extension of the mineralized zone to increase the resources: 8-12 holes (± 2000 m)
- 11 to 15 drill holes on the North Zone (± 4000 m), to find new ore;
- 11 to 15 drill holes on the Bar-Manitou Zone (± 4000 m), to find a new zone;
- In hole pulse survey and interpretation of the new geological information and geophysical anomalies.

"No data located outside the 2170 m east-west strike of the deposit and below a vertical depth of 400 m were incorporated in the resources estimate. The geological interpretation can however easily be extended laterally and at depth as further exploration drilling could lead to substantial findings."

**ALDERMAC Zinc-Copper PROPERTY,
Satellite Property to Abcourt-Barvue, Abitibi, Quebec,
(100% option, 303 hectares)**

Summary

- Known resources at previous mine (at that time zinc served to reduce the value of concentrate so areas / veins with high Zn content would not be pursued / mined leaving considerable material) + undeveloped high grade discovery in 1987 / 88.
- Significant amount of valuable underground development for possibility of low cost future development. In addition, the new discovery is within 30 m of an existing drift (9 level).
- Much potential for new zones / lenses (i.e. focus in 1987 / 88 on deep drilling – while finding new, valuable zones at around 244 m, nothing was tested above these zones). In addition, there are several indications from past programs for massive sulphides.

Recent Acquisition

In January, 2007, Abcourt acquired an option on the Aldermac property, the site of an operating mine from 1936 – 43. Past work points to a meaningful existing resource and good exploration potential. Salient points include:

- **Past production.** Serviced by a 3 compartment, 495 m shaft and drifts on 9 levels.
- **1987 / 88 Program & Resource Calculation.** In 1987, prior to the discovery of the # 7 and # 8 zones, Seadrift International Exploration Ltd. (later becoming Deak Resources Corporation and subsequently A.J. Perron Gold Corporation) estimated ore reserves in the old shaft area at **600,000 tons** grading **1.60% Cu** with low Ag and Au values, as well as an undetermined amount of zinc (see note below for qualification). If this is accurate, this would represent a total of over 20 million lbs. Cu.

Past Production	
2 million tons of massive sulphides	
<ul style="list-style-type: none"> • 1.78% Cu, 0.2 opt Ag, 0.02 opt Au, ~1.5% Zn (not recovered). 	

Description	Tons	Cu (%)	Zn (%)
Old Workings (125m – 213m depth)	373,480	1.76	Not determined
Shaft Pillar (1 st to 9 th levels)	100,000	1.50 – 2.00	Not determined
1954 Drilling (223m - 343m depth)	150,000	1.11	3.59
	623,480	~ 1.60	Not determined

- **Exploration – new zones.** Subsequently, detailed stratigraphic drilling during 1987 / 88 to the east of the Aldermac mine site resulted in the discovery by Seadrift of 3 new mineralized massive sulphide lenses less than 30 m from an exploration drift on the 9th level. After the initial discovery hole in august of 1987, a total of 25 drill holes totaling some 12,622 m of diamond drilling were collared to delineate these lenses. Historic reports (Wright Engineers) indicate a (non-compliant 43-101) resource of **1.15 million tons @ 1.5% Cu, 4.13% Zn, 0.91 oz / ton Ag, and 0.014 oz / ton Au** (see following note for qualification).

Description – 1988 discovery	Tons	Cu	Zn	Ag
"Proven & Probable"	1,150,000			
Grade		1.50%	4.13%	0.91
Lbs. / oz		38,029,350	104,707,477	1,046,500
Commod. Price (\$US)		\$1.50	\$1.00	\$9.00
Approx. Gross Value (US \$ millions)		\$57.0	\$104.7	\$9.4

(note – as stated in the Abcourt press release, The historic resources were prepared before the introduction of National Instrument 43-101 and would today be considered as resources of various categories. No additional information is available at this time and the historical resources have not been verified and should not be relied upon. That being said, the company believes that these estimates were prepared by competent persons.).

# 8 Zone	# 7 Zone
<ul style="list-style-type: none"> • Lies approximately 300 m east of the shaft to the east of the mine site. • Understood to be an irregularly-shaped pod or lens, dipping at 45° N along an E-W axis on strike with the mine series hosting the ore lenses at the old mine. • Dimensions established to be 91 m along strike, 107 m down-dip, with a thickness of 18 m. • An "upper zone" occurs 30 m up-dip from the # 8 pod. 	<ul style="list-style-type: none"> • May be a faulted extension of the # 8 lens. • Lies about 60 m to the S & E of the main # 8 zone. • Possible to enlarge the zone with further drilling.

The Potential

Exploration. In addition to the potential to expand the # 7 zone (still open), there is significant potential elsewhere.

- **Upper zones.** In locating the new #7 / #8 zones, drilling was angled, focusing on deeper portions – additional lenses may be found closer to surface.
- **Old mine.** As noted, previous operators were actually **penalized by any zinc present**, so any high grade zinc may well have been passed over – we note that historic drilling at depth seemed to indicate some very good zinc values.
- **Noranda-type deposit.** As indicated on the Abcourt website, detailed core logging in 1987 / 88 by Seadrift geologists indicated that the new mineralization clearly represents a classical Noranda type massive sulphide deposit, as evidenced by the crude metal zoning between the copper and zinc mineralization as well as the presence of an underlying hydrothermal vent containing stringer-type copper mineralization (known to be spatially associated with a near-ore environment elsewhere in the Noranda camp). The North Chance tuff is a favorable stratigraphic horizon typical of those in other locations in the camp which have guided exploration geologists towards discovery of massive sulphides. Historical reports indicate that several drill holes from surface and underground intersected massive sulphides in the area NW of the mine.
- **Mining scenario.** What we can say at this point is that:
 - ① we know that there is a shaft and considerable underground development – if usable, this may represent a very real cost saving for mine development (i.e. shaft rehabilitation at a fraction of the cost of a new one, slashing / widening existing drifts vs. completely new development, etc.),
 - ② all the data concerning the old mine is not available – but we do know that all the Zn was not mined and they left sections too high in Zn, several drifts were unmined, etc.
 - ③ existing drifting is within 30 m of the # 7 / # 8 zones.
 - ④ the zones are generally "bulky", which may facilitate efficient long hole mining.

Future Program

In view of these considerations, the future program seem obvious:

- **Confirmation drilling** at the old mine site and at #7/ #8 – drillholes at the latter zones would obviously be angled so as to hit any new overlying structures. It will be interesting to see what kind of zinc values Abcourt finds at the old minesite.
- **Metallurgy.** In a Northern Miner article dated Nov. 5, 1936, it is reported that 100 tons of ore (ave. grade 1.78% Cu) produced 8.8 tons of copper concentrate @ 22% Cu – so mill recovery appears good.

We understand Abcourt plans a \$300,000 drilling program in 2007 – about 10 holes (~3000 m).

Some Blue Sky

In terms of an illustrative scenario, we note that if the current resource for the old mine and #7 / #8 zones are in any way real, one "back of the envelope" scenario might be as follows:

Preliminary tonnage – 2 million tonnes – gross value of (see tables, previous page) say US 150 – US \$250 million (converting this to Cdn @ 1.10 and taking 2/3 of this gross value) – an NSR value of some Cdn \$100 - \$200 million – assuming a 10 year minelife this would imply an annual operating rate of some 200,000 tonnes / yr or some 600 tpd – giving a ballpark figure of about \$25 million for a mill – mine development of some \$5 million, operating costs (comparable ops) of say \$35 - \$40 / tonne (or some \$70 - \$80 million) – gives a net value of a nominal amount up to \$100+ million. Obviously, future value considerations will be directly tied to the ultimate size of any deposit.

We are in no way attempting to place a "value" on this project, or are in any way attempting to give any particular credence to any of the figures above, or whether any resource identified would ever be economic. What we are trying to discover is whether this project might have some merit down the road if what Abcourt is looking for turns out – and if it does what might the short term, quantum level impact might be. This back of the envelope calculation seems to indicate that further work is clearly warranted. Obviously there is considerable upside should Abcourt succeed in finding additional lenses / zones (i.e. above the # 7 / # 8 zones for example). **Bottom line, all these considerations definitely point to a very interesting and important 2007 exploration program.** From a financial perspective, should Abcourt be successful with this program, we could see the market begin to impute a meaningful value for this property – depending on the nature of news of course, but an assumption of at least \$10 - \$15 million just on future speculative value could be imputed later this year (i.e. \$0.20 \$0.30 per share ?). Should there be indications for new material, the impact would clearly be more data specific.

**JONPOL / PARAMOUNT OPTION,
Abcourt-Barvue, Satellite Property
(100% option - 880 hectares,
Aur Resources has right to re-acquire 51%)**

Summary

- Good bluesky potential for very large massive sulphide deposit.
- Past efforts have succeeded in finding small Cu / Zn/Ag resources. The 1979-2006 period was largely focused on unexplored areas. Abcourt's philosophy is to begin at known areas, define & expand these resources – with same ultimate target in mind.

In March, 2007, Abcourt announced that it had acquired a 7 year option on the properties from Aur Resources and Eastern Platinum Limited, located in the Dalquier township near Amos, Quebec. Consideration consists of a series of payments (totaling \$375,000) and work commitments (\$200,000 minimum per year, totaling \$4 million). Aur has a back-in right to re-acquire a 51% interest in these properties upon spending twice the amount already spent by Abcourt, if Abcourt identifies mineral resources equal to 275,000 tonnes or more of contained copper equivalent on the relevant property based on NI 43-101 standards.

These claims cover a distance of **4,700 meters** (2.9 miles) along the most favorable felsic volcanic formation for base metals in the Amos area. There are several mineralized showings in the area.

Past Work

The properties have been the site of repeated exploration efforts for almost 100 years including numerous drill holes and three shafts (the deepest reaching a depth of 152 meters or 500 feet). To date, four mineralized zones have been found, all of which appear to be made of disseminated mineralization and stringers to locally semi-massive pyrite ± sphalerite ± chalcopyrite and silver minerals that **collectively represent a large stringer (feeder) sulphide zone**. These mineralized zones represent part of a large, metal rich, semi-conformable hydrothermal alteration system hosted by a rhyolite dome structure which is developed on a sequence of andesite flows and overlain by felsic pyroclastic and volcanoclastic material. The hydrothermal system appears to terminate to the west along a proposed syn-volcanic fault structure but continues to the east at least as far as the present limit of lithogeochemical sampling on the property.

Considerations

- 1979-2006 efforts did not focus on known resource areas – Abcourt intends to determine potential for resources in and around those deposits (i.e. Main West, Upper & Lower Ag-Zn-Cu) – potential mining scenario.
- Very interesting deep target for massive sulphide target (rock formation, mineralization in place, faults, rhyolite dome.)

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 & milling plant.
 (3) D. Titano, 1983, Getty Canadian Mines Ltd, work summary

(note - 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 and would today be considered as resources of various categories. No additional information is available at this time and 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.

Target

The main target at Jonpol is for a very large massive sulphide deposit, given the geology and existing mineralization. So – when Aur was exploring for this large target, efforts focused in totally new and unexplored areas, staying away from areas which had been the focus on previous programs.

2007 Program

Abcourt is committed to spending \$200,000 on drilling during 2007, but is budgeting \$300,000. There will be an immediate focus on the Lower Ag-Zn-Cu Zone. We understand that this **interesting Lower Ag-Zn-Cu zone** is based on only a few holes and that the resource is situated between 244 m – 610 m depth (open at depth). Apparently the last section drilled showed very high silver and the next hole drilled was about 300' – 400' (91 m -122 m) away. Abcourt intends to conduct additional drilling around this zone and also closer to surface.

**VENDOME-BARVALLE Zinc-Copper-Silver PROPERTY,
11 km S of Abcourt-Barvue, Satellite Property
(100% - 1260 hectares, royalty claims – 300 hectares)**

<i>Summary</i>	<ul style="list-style-type: none"> ● Interesting, but ownership needs to be established to move forward. ● Small resource on 100% owned claims but not significant enough at present to warrant major exploration effort if only focused on that area.
<i>Acquisition</i>	This property is comprised of 24 full claims and 15 half claims (1260 hectares) owned 100% by Abcourt and 15 half claims (300 hectares) on which Abcourt is entitled to receive a \$2 per ton royalty for the first 500,000 tons and a 25% joint venture interest afterwards.
<i>Past Work</i>	<p>The property is the site of past exploration and development. In the 1950s, a small ore body was discovered (royalty claims) and development was as follows:</p> <ul style="list-style-type: none"> ● A 3 compartment shaft was sunk to a depth of 525' (160m).' ● 3 levels were established at 250', 375', and 500' (76 m, 114 m, & 152 m). ● A total of 7000' (2134 m) of drifts and raises were excavated. ● A total of 351 holes were drilled underground (64,600', or 19,700 m). <p>At the same time, two deposits, the <i>Barvallee</i> on the Abcourt (100%) claims and the <i>Belfort</i> (royalty claims) were found on strike to the west by surface drilling.</p> <p>In 1987, a surface plant was installed and a short (76m) ramp was excavated on the Barvallee part of the property. In 1988, the company drilled 9 holes (1505 m) in the Barvallee sector with encouraging results – rock types, alteration, and the widespread sulphide mineralization with significant Au, Ag, Cu, and Zn values intersected are characteristic of proximal zones found around volcanogenic massive sulphide ore deposits.</p> <p>Resources were reported in the Canadian Mines Handbook (1998-99) as follows:</p> <p style="margin-left: 40px;"><u>Barvallee claims</u> 181,000 tonnes @ 5.71% Zn, 1.23% Cu, 44.23 g/t Ag.</p> <p style="margin-left: 40px;"><u>Royalty claims</u> 495,000 tonnes @ 8.07% Zn, 0.48% Cu, 52.46 g/t Ag, 1.20 g/t Au.</p> <p>These were calculated before NI 43-101 was published. For additional discussion concerning these resources, refer to www.abcourt.com/accueil.html.</p>
<i>Future View</i>	Clearly, these two properties have merit. However, in a practical sense, we see these two properties as needing to be consolidated under one corporate ownership (or joint ventured) prior to any serious effort being undertaken.

ELDER Gold PROPERTY
Rouyn-Noranda mining camp, Quebec
(100% - 947 hectares)

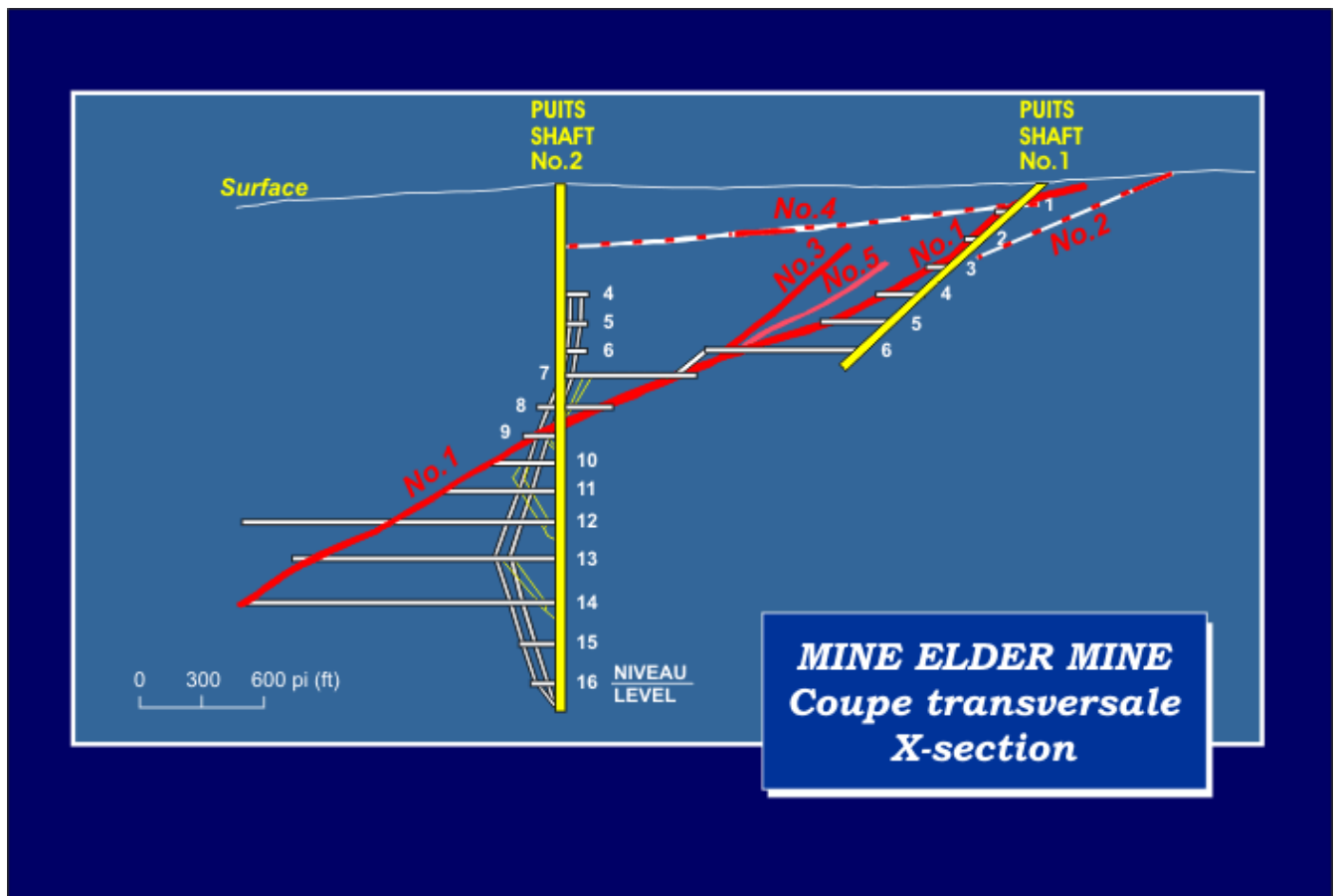
Summary

- Mine not put into production in 1989 when Noranda decided to take gold-bearing quartz material from its own Silidor mine and the venture was unable to raise funds for its own mill.
- Current **200,000 oz.** 43-101 compliant resource.
- Recent **40 hole drill program was successful**. From close-spaced drilling - ① values obtained in new areas at the east and west ends of the mine represent **additions to the known 43-101 resources**, ② several additional intersections may represent **new veins**. From exploration drilling in new territory 300 meters west of the mine area. ③ a **new discovery** indicates that additional veins may be found along strike on the Elder Mine main ore structure.
- The mine site is still well equipped with functional buildings, mining equipment, infrastructure.

History

Following a lengthy history of development, Abcourt purchased (consolidated) the various portions of the current property from 1993 – 98. It is located 10 km NW of Rouyn-Noranda and is easily accessed. The Elder property consists of 604 hectares with the adjacent Tagami property consisting of 343 hectares. The town of Rouyn-Noranda is a very active community with a long mining history that began in the 1920s with the discovery of a large copper and gold deposit. Since 1927, there have been approximately 200 mines that have produced 5 million tonnes of Cu, 6.2 million tonnes of Zn, 1860 tonnes of Au, and 5500 tonnes Ag. Mining continues to play a major role in the local economy as there are currently 3 active mines in the area (Mouska, Doyon, & LaRonde) and Xstrata's Horne Smelter.

There has been considerable development at the Elder mine. From 1947 – 66, the mine produced close to **2.23 million tons** of ore @ **0.155 opt Au** and 71.4% silica for a total of **348,000 ounces Au**.



Period	Event
Early	<ul style="list-style-type: none"> • Completion of 19 holes (1032 m). Gold-bearing quartz veins were encountered. • Teck-Hughes optioned the property and completed 16 holes (1,152 m).
1944 - 66	<p>Elder Gold Mines acquires the project and undertakes a comprehensive program.</p> <ul style="list-style-type: none"> • 88 holes (8,716 m) • -43° inclined, 3-compartment shaft (number 1) was sunk near vein #1 where 6 levels 99 m apart were opened together with exploration drives on veins #3 (level 3), and #4 (levels 1,3,5). • Production commences 1947. Ore was shipped to Noranda's Horne smelter as a silica flux (this resulted in a mining plan designed to maintain high silica content - >68% - rather than designed to maximize gold content – and is <u>one of the reasons why the "proven and probable reserves" to be mined are still accessible.</u> • A 3-compartment vertical shaft (number 2) was collared 2200' SW of the inclined shaft. Levels opened from 950 (level 7) to 1620' (level 12). • In 1962, production was interrupted – shaft #2 was deepened to 2565' and 2 levels were opened. • In the last years of operation, only limited underground drilling for new ore was carried out. By June, 1966, poorer gold and silica grades from the bottom levels and escalating costs made the operations uneconomical and the mine was closed.
1984 - 89	<p>A joint venture spent a total of \$23 million on the property.</p> <ul style="list-style-type: none"> • The mine was dewatered, the old levels were rehabilitated, shaft # 2 was deepened 50', new stations were established on 3 upper levels (4, 5, 6), and the ore and waste pass system with loading pockets was built. • Considerable surface (142 holes) and underground (75 holes) drilling was carried out – total of 49,000'. • About 7000' of drifting, ventilation raises driven and a few stopes were started. • A surface plant was installed and necessary equipment was purchased. • From April – June, 1989, a total of 14,076 tons was produced (0.189 oz / ton Au) • At that time Proven and Probable Reserves were calculated as 753,000 tons @ 0.17 oz /ton Au. An additional "<u>Possible</u>" tonnage was stated as: 456,000 tons @ 0.17 oz /ton Au.- (note – these calculations were made before the publication of NI 43-101 standards). • The project fell apart when Noranda decided to take gold-bearing quartz material from its own Silidor Mine located in Rouyn-Noranda and the venture was unable to raise the \$8 million for a mill.
1993	<p>Abcourt period – following consolidation of several small additional properties.</p> <ul style="list-style-type: none"> • <u>1996 / 97 – Tagami property</u> – 21 hole drilling program (2,896 m) outlines high grade gold on the West Gold showing. • <u>1995-98 – Elder property</u> – 16 drillholes were completed (2,496 m) which confirmed and increased the mineral resources on the east end of the mine (which was dewatered to the 12th level). • A sharp decline in the price of gold leads to project being put on care & maintenance basis.
2001	<ul style="list-style-type: none"> • Option given on the upper level of the mine – surface drilling of 13 holes – 333 m on #4 vein and 885 m on #1 vein.
2005 -06	<ul style="list-style-type: none"> • Abcourt drilled a total of 386 m in the eastern extension of #1 vein. These holes were not as yet logged when a NI 43-101 compliant resource estimate was completed (released August, 2006).

The 2006 resource estimate was calculated as follows:

Elder mineral resources estimate – Summary (undiluted)						
	0.10 oz / ton Au cut-off			0.15 oz / ton Au cut-off		
	Tons	Au (oz/ton)	Au (oz.)	Tons	Au (oz/ton)	Au (oz.)
Measured resource	440,810	0.183	80,668	263,951	0.226	59,653
Indicated resource	363,810	0.197	71,670	249,040	0.237	59,022
M & I resources	804,620	0.189	152,338	512,991	0.231	118,675
Inferred resources	252,208	0.184	46,406	187,455	0.207	38,803

The mine site is still well equipped with functional buildings and mining equipment. The surface infrastructure consists of the following:

- Three compartment, 110' high head frame
- 50' x 50' x 20' high hoist room equipped with 350 hp 6' diameter double drum 700 tpd / 2700' hoisting capacity, cage and skips.
- Compressor room with 2 compressors (1700 cfm each).
- 80' x 130' warehouse / dry / shop complex.
- 40' x 82' office building.
- Substation.
- Operating equipment (dewatering pumps, transformers, breakers, mobile & mining equipment / spare parts, fans, mine air propane heating system, etc.
- 0.56 hectare settling pond with pump house.

In 2003, Broad Oak Associates stated that the replacement cost estimate for all the surface infrastructures was Cdn **\$7.49 million**.

*Summary
Geology,
Mineralization*

The Elder gold deposit occurs within the south-eastern margin of the Flavrian Batholith. This major intrusive rock also hosts the Eldrich Mine located 6 km to the northwest. In the west part of the mine, gold is mainly associated with the #1 vein, where mineralization is found above, within, and under an altered dioritic dyke, referred to as the "basic dyke" in the mine's terminology, that cross-cut the Flavrian Batholith at low angle. The basic dyke is extensive and attains widths of up to 10 m, although locally it is discontinuous and narrow. Between 1947 – 66, most of the 2.232 million tons of ore were mined from the # 1 vein outside of the basic dyke area as the silica content in that area was too low.

The #1 vein strike N 60° E at surface and about N 80°E on the 13th level and dips southward at an average angle of 25°. This is the dominant structural trend of the mine area and it is also seen in the attitude of the basic dyke as well as the #2 and # 3 veins. Another structural trend observed in the mine is faulting trending northerly to N-N-W and dipping at a shallow angle to the east. The #4 vein, located in both the hanging wall and footwall of the #1 vein, follows this trend.

The # 1 vein is notably consistent and carries economic gold values over 2/3 of its length. By contrast, the other veins have a more erratic gold content.

Other areas. The current mineral resource does not take into account any data located outside the 2700' E-W strike of the deposit. As stated in the August, 2006 study, "the geological interpretation can however easily be **extended laterally and at depth** as further exploration drilling could lead to substantial findings." (p. 35).

In addition, it was noted that the 1996/97 drilling (21 holes) at the **West Gold** showing (Tagami property) outlined a high grade gold bearing zone – with the 125' – 150' spaced holes indicating a continuous high grade mineralization sharing geological similarities with the Elder mine. **An average of the 10 best holes drilled showed an average intersection of 5.3' grading 0.484 opt Au.** Most of the intersections were drilled at shallow depths (150' 350') the deepest cut being 632'. At that time, Abcourt was planning on drilling additional holes in this prospective area.

Successful
Follow Up
Drilling –
2006/07

Beginning in 2005, a **40 hole, 7000 m** drill program was conducted to increase resources and examine the potential in step out areas. Results are shown right.

- Resource Additions.** These holes, except holes 33, 34 and 35, are spaced about 30 meters apart. They were drilled vertically in new areas at the east and west ends of the mine and the values obtained represent additions to the known 43-101 resources previously reported. The main vein was intersected in every hole and **several additional intersections may represent new veins.** (note – holes 13, 16, 17, 20 & 21 were not drilled, holes 14, 15, 18 & 19 were drilled on #4 vein, where values are known to be more erratic).

- In the mine area, the vein has dip of about 22° and the true width represents about 91% of the vertical intercept.

- New Discovery.** Holes 33, 34 and 35, spaced about 100 meters apart, are exploration holes drilled in new territory, approximately 300 meters west of the mine area. These holes intersected a major fault zone not indicated on any regional geological maps. In hole 34, two veins were cuts; one above the fault (2.0 m @ 2.39 g/t Au) and a richer one below the fault (1.03 m @ 17.40 g/t Au). This new discovery indicates that additional veins may be found along strike on the Elder Mine main ore structure. As stated by Abcourt, it certainly enhances the ore making potential of that property.

Conclusion -
Elder

Clearly, the surface plant, the known gold resources, plus the exploration potential of the property should have a fairly substantial market value. However, as management is now focusing its efforts on getting the base metal properties into production, Abcourt might be tempted to monetize these assets in some fashion.

HOLE #	FROM (m)	TO (m)	WIDTH (m)	GOLD (g/t)	
05 – 01	164.10	164.50	0.40	6.69	
	171.70	172.50	0.80	5.45	
	175.50	178.00	2.50	4.14	
	217.27	218.00	0.73	3.34	
06 – 04	135.44	138.00	2.56	9.65	
06 – 04	140.70	141.96	1.09	3.36	
	155.60	156.25	0.85	2.63	
06 – 05	124.70	133.80	9.10	3.87	
	Incl.	124.70	126.70	2.00	4.42
	Incl.	124.70	131.55	6.85	3.74
06 – 06	Incl.	124.70	133.80	9.10	10.23
	139.28	141.50	2.22	3.50	
	185.50	188.00	2.50	3.14	
06 – 07	93.50	95.00	1.50	3.56	
	210.50	212.00	1.50	4.11	
06 – 11	185.78	187.06	1.28	4.19	
06 – 12	137.94	139.84	1.90	9.49	
	188.13	190.22	2.09	40.12	
	193.86	195.00	1.14	5.92	
06 – 22	165.00	167.25	2.25	7.19	
06 – 23	181.50	182.25	0.75	2.23	
06 – 24	113.81	114.80	0.99	10.56	
	145.00	147.50	2.50	2.74	
	163.00	165.64	2.64	7.34	
06 – 25	147.37	148.90	1.53	1.58	
06 – 26	155.06	156.94	1.88	2.84	
	159.00	162.00	3.00	8.17	
06 – 27	128.00	129.00	1.00	2.74	
	144.00	144.46	0.46	4.34	
	146.00	155.37	9.37	2.60	
inc	149.00	152.00	3.00	4.25	
06 – 28	127.14	128.10	0.96	2.94	
	175.48	177.14	1.66	4.00	
06 – 29	157.00	158.70	1.70	5.48	
	170.36	173.20	2.84	6.55	
06 – 30	115.46	117.00	1.54	2.43	
	143.60	144.60	1.00	1.98	
	151.00	154.75	3.75	6.60	
06 – 31	171.57	174.97	3.40	6.24	
06 – 32	169.68	173.00	3.32	13.64	
06 – 33(1)	no significant values				
06 – 34	55.00	57.00	2.00	2.39	
	169.50	170.53	1.03	17.40	
06 – 35(1)	287.50	288.50	1.00	1.58	
06 – 36	180.70	181.70	1.00	1.89	
	185.90	187.00	1.10	2.69	
	191.44	194.53	3.09	6.05	
06 – 37	209.40	211.35	1.95	6.56	
	209.40	213.47	4.07	4.48	
06 – 39	177.96	179.00	1.04	2.01	
06 – 40	137.14	138.62	1.48	4.58	



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