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Vol 7, Issue 35 Abcourt Mines Presents Exceptional Risk-Reward Scenario as it Advances Toward Gold Production at Elder

Exposure to Precious Metals Fredrick William, BA Ec.

Abcourt Mines Inc. (TSX-V:ABI)

Abcourt Mines Inc. (TSX-V: ABI) (OTC: ABMBF) (Frankfurt: AML) this week provided an update on its efforts to ready the Elder Gold Mine for reopening (see related April 17, 2012 news release entitled "[Abcourt Mines: Update on Elder](#)"); this Q2 2012 both dewatering of the mine and a new resource calculation are expected to be complete and within ~1 month thereafter a Preliminary Economic Assessment (PAE) is expected. Subject to favorable PAE findings it is conceivable that by year end ABI.V could begin stockpiling ore destined for local custom milling (~135,000 tonnes per year with an average grade around 6+ g/T). Elder is an advanced stage past producing underground gold mine project with equipment and infrastructure in place, **from 1944 to 1964 the Elder Gold Mine produced 350,000 ounces of gold.**



Figure 1. Elder Gold Project: 2,600-ft shaft, 16 levels, with functional surface buildings and underground equipment near-ready to go.

Currently the established resource at Elder is 215,758 ounces gold in all categories (Measured and Indicated resources of 805,028 tonnes @ 6.5 g/T. Au with a 3.8 g/T Au cut off grade, and Inferred resources of 237,289 tonnes @ 6.1 g/T). The upcoming resource calculation should be noticeably higher as it will incorporate a lower cut-off grade and include recent drilling, including 36 holes drilled on the north-eastern half of the West gold zone which indicates a potential of 225,000 tonnes with a grade of 8.12 grams of gold per tonne above a depth of 150 meters. It is expected Abcourt will begin first by extracting ore from the limit of the old 5th, 6th, 7th, 8th and 9th levels of the mine where the bulk of the ore is. Infrastructure is assumed to be well preserved and only nominal development costs (~\$10M possibly) to access the new ore at these levels and begin cash flowing may be required. The soon to be complete dewatering, new resource calc., and PEA costs are pegged at \$1.6M. The upcoming changes and projected cash flow metrics will position shares of ABI.V as an improved quality of equity for investors; the PEA is expected to affirm 22,500+ oz gold per annum for close to a decade with a cash cost of ~US\$650 per oz. Elder is currently developed to ~2000 feet and



ABI.V appears dramatically undervalued as it advances towards taking back into production two past producing mines in mining-friendly Quebec

ABI.V has a market cap under \$17M CAD, ~\$6M in the bank (as of March 18, 2012), and possesses resources of significance with large growth potential that appear to position it as grossly undervalued.

Shares outstanding: 153,284,772 (231,284,772 fully diluted) -- The current share price is only attributing minimal value to the in-ground zinc resources at the Abcourt-Barvue project alone (currently trading at less than \$0.03 per Zn lb found at the Abcourt-Barvue project alone, a level generally attributed to earlier stage exploration companies with resources), ignoring 1) its large ~20M oz silver resources, 2) the 215K+ oz gold resources at Elder, 3) large resource growth potential, 4) its other properties, and 5) the significant infrastructure the Company possesses from when it was a past producer at the silver-zinc operation and the Elder Gold mine sites -- a share price over \$0.60 per share would seem a more appropriately discounted trading price.

has large resource expansion potential; it is open at depth and along strike, plus 2011 drilling revealed a new gold zone just under the old one. Greenstone belts run deep, there are mines at 8,000 – 10,000+ feet and statistically over the life of the mine the average produces ~8+ times the original estimates.

Abcourt Mines' other project is the Abcourt-Barvue Silver-Zinc Project which has a sizeable economically recoverable resource deposit (~20M oz Silver & 615M lbs Zinc in all categories) that Abcourt's two newest directors (both of which were instrumental in the sale of Canadian Royalties Inc. to Jilin Jien of China) will become helpful in advancing to fruition. The Abcourt-Barvue project is an advanced past producing open pit silver-zinc mine project with infrastructure in place and a resource of 19,644,354 ounces Silver, 278,820 Metric Tonnes Zinc. A feasibility study is in place on a 500 million lb. Zn, 13+ million ounce Ag orebody over a 13 year minelife based on a 650,000 TPY (tonnes per year) operation -- Abcourt has plans to improve on the this to 1 million TPY operation.

With significant resources contained within two past producing projects (both with near-term production potential) shares of ABI.V (now trading at ~11.5 cents, under \$17M market cap) appear to present an exceptional risk-reward scenario. ###

[CLICK HERE](#) for additional insight on Abcourt Mines Inc.

NY Spot April 19, 2012; Gold: \$1,638.90/oz Silver: \$31.69/oz