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Vol 6, Issue 6 Valuation Note; Abcourt Mines at 90% of Material for 1800tpd Ag-Zn Mine Feb 22/08

## Mining Sector Advisory Update as Abcourt Mines Sets Up for Silver-Zinc Production

*“ABI presents an exceptional risk-reward scenario; resource rich with 750 Million lbs Zinc, 20+ Million Oz Silver, & 220k+ Oz Gold, plus they possess a 13 year Ag-Zn mine life that is wide open for expansion, yet have only 45 Million shares outstanding and are trading under US\$0.50 per share – Now with [news](#) Abcourt has ~90% of all the material needed for the construction of an 1800-tonne per day mill at their silver-zinc Abcourt-Barvue project. It appears shares of ABI.V are primed for upside valuation adjustment.”*

Greg Thompson  
Precious Metals Review

### Opportunity Presents Itself in Abcourt Mines

**Abcourt Mines Inc.** is a TSX Venture Exchange listed advanced stage development and exploration mining company (ticker symbol [ABI.V](#)), US listing (ABMBF) and Frankfurt & Berlin listing (ISIN - CA00288E3005). Abcourt is extremely undervalued at its current valuation. They have the resources to put into production and are currently forging ahead with progress towards taking the open pit Abcourt-Barvue Silver-Zinc Project back into production. The Company is in possession of an optimized feasibility report that gives the green light to proceed and have recently facilitated the purchase of additional equipment & machinery towards forwarding their goal of reopening the mine and exploiting their large resource base. This large resource base may be extended/expanded well beyond the initial 13 year mine life as area miners such as Agnico Eagle, IAMGold, Richmond, Breakwater and Xstrata share the same geological model and are currently mining at much greater depths than what Abcourt initially has planned.

With Abcourt's news of the purchase of mill equipment coupled with their existing infrastructure & equipment from their once producing silver-zinc mine, it appears near-term production is imminent and with significantly improved metrics. Now is the time to pay attention to ABI.V shares as the current valuation should

make upward adjustments to reflect forward discounted future revenues of Abcourt as a silver-zinc producer with a solid expandable resource base in a mining friendly region. ABI.V's latest purchase of equipment once owned and used by Barrick Gold Corp. eliminates a 24 month wait for new equipment and is a major savings. The latest equipment purchase is only 10-12 yrs old and includes flotation and grinding mill equipment plus accessories. This with the already purchased and the existing facilities on the mine site covers close to 90% of all the material needed for the construction of an 1800-tonne per day mill at their silver-zinc Abcourt-Barvue project. The purchase of mill equipment is described by Abcourt's management "a major step towards a production decision"; a target production date will be clearer after dismantling and shipping of the mill equipment to ABI's mine site, after the spring thaw. Additional cost savings considerations are available such as staking a new open pit on the Abcourt-Barvue deposit, next to the existing open-pit.

Abcourt also plans on reopening their past producing (1947 - 1966) Elder gold mine located 60 miles from their silver-zinc project. Similarly to the Abcourt-Barvue mine, Elder gold mine has a substantial amount of well maintained and upgraded equipment & infrastructure in place with a geological model the Company believes holds potential for 1.5M tones of ore grading approx. 0.2 oz of gold per ton at the Elder gold property. ...continued page 2



*ABI is undervalued with minimal downside & large upside potential.*

Quote Source: [Mining Market Watch Journal](#)

**NY Spot Close Feb 21, 2008; Gold: \$946.60, Silver: \$17.85, Platinum: \$2169, Palladium: \$511, Copper: \$3.76, Lead: \$1.50, Zinc: \$1.12, Nickel: \$12.91, Aluminum: \$1.30 prices in USD**

### **Summary of observations made by qualified analyst:**

An analyst report from Q3/07 ([copy available here \[PDF\]](#)) has identified Abcourt Mines Inc as significantly undervalued with its five key projects being heavily discounted at current share price valuation of under CDN\$0.50. The Abcourt-Barvue silver-zinc deposit alone has significant resources valued at over one billion US dollars which the Company's independent feasibility report indicates as economically mineable with a 13 year mine life. This one project alone is significantly discounted with the market capitalization of Abcourt Mines Inc. under CDN\$21M; Abcourt Mines has 278,830 metric tons of zinc resources and 19,644,354 ounces of silver at the Abcourt-Barvue project, they also have 198,744 ounces of gold at it's Elder Gold Project. Additionally Abcourt Mines owns infrastructure and equipment which estimated value exceeds its current market-cap. The Analyst provides a compelling risk-reward picture for inventors, explaining how Abcourt will realize a multiple expansion (p / Zn equiv.) as Abcourt is currently undervalued at between a mere \$0.01 - \$0.02 per Zn-equivalent lb found at the Abcourt-Barvue project alone, a level at the low end generally attributed to earlier stage exploration companies with resources. The current share price is only attributing value to the in-ground zinc resources at the Abcourt-Barvue project - ignoring its large silver resources, other properties and the significant infrastructure the Company possesses from when it was a past producer at the silver-zinc operation and the Elder Gold mine sites.

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Abcourt now has active programs at several base metal properties and a gold property, all located in Quebec's prolific Abitibi Greenstone Belt:

**1. The Abcourt-Barvue Zinc-Silver property (100% ABI)** unifies two past producers with significant exploration/development work. It has been the subject of a recent optimized feasibility study on a >500 million lb. Zn, 13+ million ounce Ag orebody over a 13 year minelife. Additional inferred resources and clear exploration potential could result in a long life asset. Abcourt is continuing with a development program at Abcourt-Barvue (permitting, raising financing, etc.)

**2. Elder Gold Property (100% ABI).** Plans now are to re-open the 43-101 compliant 200,000+ ounce gold resource following a successful drill program completed in 2006. This project is a past producing gold mine with significant infrastructure in place. A 2,600 foot existing shaft is developed on 14 levels to 2,000 feet. Production plans include exploration and development of levels 15 and 16. The resource is open at depth.

**3. The Jonpol Copper-Zinc-Silver property** A \$300,000, 2,500 meter drill program has recently been completed and initial drill results released November 26, 2007 revealed good silver values.

**4. The Aldermac Zinc-Copper property,** has known historical resources at this past producing property and a high grade resource was discovered in 1987/88. There is considerable underground development in place. Abcourt proceeded with a \$300,000 exploration drill program at this property in January 2008. See website for drill results.

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