Abcourt Mines Inc. (TSXV: ABI) – High-grade Hits at Sleeping Giant and Barvue Drilling Add Exploration Upside; Maintain Buy

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Investment Highlights

- Abcourt Mines Inc. (TSX: ABI) ("Abcourt" or the "Company") is a gold exploration and development company operating in Quebec, Canada. Its primary development asset is the Sleeping Giant mine and mill, complemented by its key exploration project, Flordin.
- High-grade drilling strengthens resource upside: Recent off-target intersections of up to 170.9 g/t Au over 0.8 metres demonstrate that Sleeping Giant remains open for high-grade discoveries. With over 40,000 metres drilled, a third rig being added, and a resource update planned, we see scope for resource growth and mine-life extension.
- Flordin drilling targets higher-potential western corridor: Initial eastern drilling confirmed gold mineralization, highlighted by 1.7 g/t Au over 12.0 metres (including 15.2 g/t Au over 1.0 metre), but management is now shifting the remaining 20,000-metre drill campaign toward the higher-grade western corridor, where it aims to connect multiple mineralized zones and unlock greater resource growth potential.
- Barvue adds a second exploration catalyst: Abcourt has commenced its first drill program at the historical Abcourt-Barvue silver-zinc mine, targeting untested high-grade mineralization below the former open pit. With a historical resource of 8.08 Mt at 55.45 g/t Ag and 3.06% Zn and past production of 6.7 Moz silver and 320 Mlb zinc, successful drilling could unlock meaningful long-term optionality beyond Sleeping Giant.
- **We update our fair value estimate to $0.28 per share (earlier $0.27) and maintain our BUY rating.**

Key financial data (YE Ended June)		2026 - Q3		2025 - FY
Cash	$	14,834,664	$	2,578,587
Working capital	$	22,406,763	$	2,952,725
Mineral assets	$	18,013,816	$	8,387,241
Total assets	$	57,845,517	$	21,408,153
Net income (loss) for the period	$	(7,710,739)	$	(4,664,000)
EPS	$	(0.01)	$	(0.00)

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Current Price C$*	$0.08
Fair Value	$0.28
Projected Upside	274%
Action Rating	BUY
Perceived Risk	VERY HIGH
Shares Outstanding	1,193,348,721
Market Cap.	$89,501,154
P/E	NM
P/B	46.9
YoY Return	50.0%
YoY TSXV Return	21.6%

* Note: all $ amounts are C$ unless otherwise stated

TSXV: ABI Price and volume history


Source: Company website

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Overview

Recent high-grade drilling results, including off-target intersections of up to 170.9 g/t Au over 0.8 metres, demonstrate that Sleeping Giant remains open for resource expansion. Having completed more than 40,000 metres of drilling and with a third underground drill rig being added, we believe the upcoming resource update has the potential to extend mine life and enhance the long-term value of the operation.

Beyond Sleeping Giant, Flordin represents a meaningful exploration catalyst. While initial drilling confirmed the continuity of gold mineralization, management has redirected the balance of its 20,000-metre drill program toward the higher-priority western corridor, where stronger mineralization has previously been identified. We believe this strategic shift improves the likelihood of resource growth and reinforces Flordin's potential as a future satellite deposit capable of supplying the Sleeping Giant mill.

Abcourt also offers additional upside through the historical Abcourt-Barvue silver-zinc project. The maiden drill program is testing high-grade mineralization beneath the former open pit, where a historical resource of 8.08 Mt grading 55.45 g/t silver and 3.06% zinc and past production of 6.7 Moz silver and 320 Mlb zinc highlight the project's potential. Successful drilling could establish Barvue as a second long-term value driver alongside Sleeping Giant. We reiterate our Buy rating on Abcourt Mines.

Source: Company website

Grade Drill Results Support Future Resource Growth

On June 17, 2026, Abcourt reported a series of previously unpublished high-grade gold intersections from its ongoing "Convert to Produce" drilling campaign at the Sleeping Giant mine, reinforcing the project's resource expansion potential. Highlights included 170.9 g/t Au over 0.8 m (Zone 3A3B), 138.5 g/t Au over 0.5 m (Zone A-HW), 107.7 g/t Au over 0.5 m (Zone 15), and 73.3 g/t Au over 0.5 m (Zone 20), all encountered outside the original drill targets during development and definition drilling. Management noted that these unexpected intersections may, in some cases, prove more prospective than the primary zones being drilled, highlighting the potential for additional high-grade mineralization beyond the current resource model.

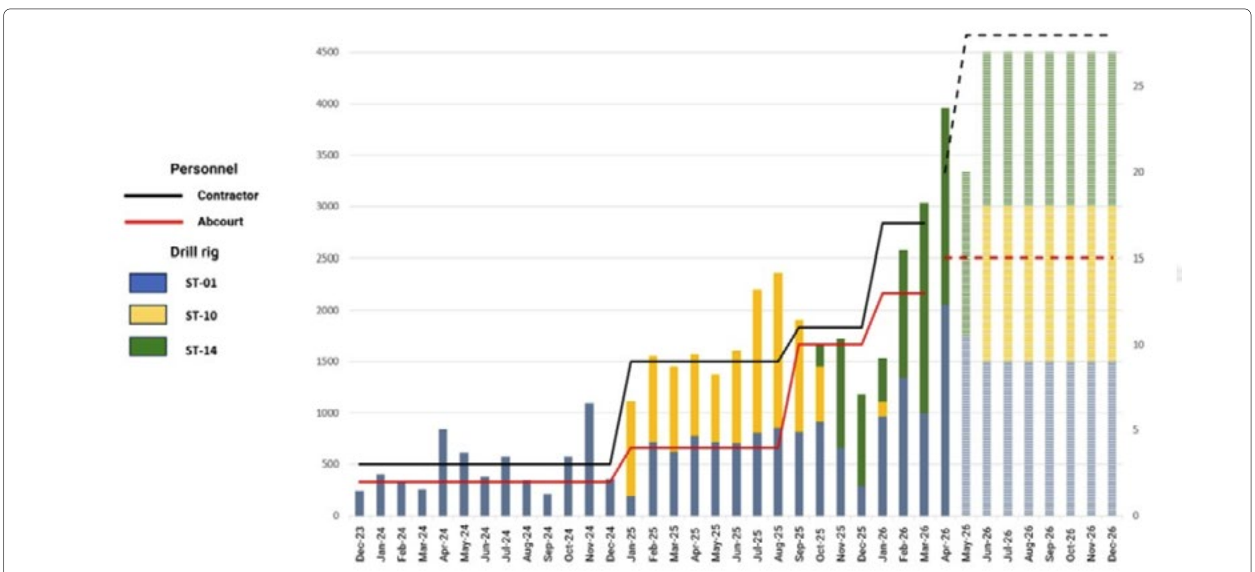
Table 1: Significant Intersections at Sleeping Giant

Zone	Hole ID	Interval (m)	Grade (Au g/t)
3A3B	23-561	0.8	170.9
A(HW)	14-127	0.5	138.5
Zone 15	29-310	0.5	107.7
Zone 20	23-583	0.5	73.3

Source: Company filings

Since December 2023, the Company has completed 40,632 metres across 370 drill holes, including 15,371 metres in 2026, and plans to accelerate drilling by adding a third rig to increase activity to approximately 4,500 metres per month. Of the total campaign, 27,418 metres has been allocated to development drilling (converting inferred to indicated resources), 9,368 metres to definition drilling (stope design optimization), and 3,846 metres to exploration drilling (depth and lateral extensions).

Figure 1: Drilling rate at Sleeping Giant Mine



Source: Company filings

These results, together with recently completed LiDAR and geophysical surveys, are expected to support mine-plan optimization, guide the next phase of deep exploration, and form part of a comprehensive mineral resource update. We flag that no updated NI 43-101 mineral resource estimate has yet been published incorporating this drilling.

Flordin Exploration Advances as Drilling Shifts to Higher-Priority Western Targets

On April 27, 2026, Abcourt completed the eastern phase of its 2026 drilling campaign at the Flordin gold project, with drilling extending from the Cartwright stripping to the eastern property boundary adjoining the Kinebik project (now owned by Vior Gold Corp.). The Company completed 11 drill holes totalling 2,960 metres, bringing drilling to approximately 3,900 metres of the planned 20,000-metre program. The best intercept, from hole FL-26-291, returned 1.7 g/t Au over 12.0 metres, including 15.2 g/t Au over 1.0 metre, demonstrating the continued presence of gold mineralization near the property boundary.

While the eastern extension confirmed mineralization continuity, management indicated that alteration intensity, gold grades, and overall mineralization are less robust than those observed west of the Cartwright stripping. As a result, the exploration program has shifted to the western portion of the property, where Abcourt aims to connect the mineralized zones identified in the 25-01 and 25-02 stripping areas with mineralization intersected in the 2023 drilling campaign before extending work toward the South Zone. The Company expects to maintain a drilling pace of at least 2,000 metres per month using a single drill rig.

We view the eastern drilling as providing valuable geological information rather than a standalone discovery. The strategic decision to redirect drilling toward the western corridor reflects management's prioritization of the project's highest-potential targets, where stronger mineralization and greater resource expansion potential are expected.

New Catalyst: Abcourt-Barvue Silver-Zinc Reactivation

Abcourt is advancing a second potential value driver beyond Sleeping Giant through the re-evaluation of its 100%-owned Abcourt-Barvue silver-zinc project near Barraute, Québec. On March 18, 2026, the Company announced a comprehensive review of historical geological data, highlighting a 2019 historical resource estimate of 8.08Mt (Measured & Indicated) grading 55.45 g/t silver and 3.06% zinc, with historical metallurgical testing indicating silver recoveries of ~77%.

Building on this review, Abcourt commenced its first drilling campaign at Barvue on June 1, 2026. The ~2,000-metre program, comprising four holes of approximately 500 metres each and partly funded through the Company's Glencore financing facility, is designed to test high-grade silver-rich plunge extensions beneath the historical open pit. Previous drilling at Barvue was largely limited to depths of less than 200 metres, leaving deeper mineralization essentially untested.

Barvue has a substantial historical production record, having produced approximately 5.63Mt from both open-pit (1952-1957) and underground (1986-1990) operations, yielding an estimated 6.7 Moz of silver and 320 Mlb of zinc. Management also notes that the historical resource estimate was prepared using a silver price of US$16.50/oz, well below prevailing silver prices in 2026, potentially enhancing the project's long-term economic relevance if additional mineralization is confirmed. Technical work is led by Dr. Mathieu Piché, P.Geo., a specialist in volcanogenic massive sulphide (VMS) deposits who has been with Abcourt for four years. Dr. Piché has over 40 years of experience in mineral exploration.

We view Barvue as a longer-term exploration and optionality catalyst rather than a near-term production driver. While the historical resource and past production underscore the project's geological potential, the current drill program is relatively modest and primarily aimed at validating deeper extensions that could support future resource growth.

Capital Structure

The company currently has just over 1.19 billion shares outstanding, 741.3 million warrants and 94.3 million options. The average exercise price of the warrants is $0.08- $0.09, with the earliest expiries in September 2026 and the longest-dated in January 2031. For warrants to be exercised, the share price would need to rise sufficiently above the exercise price and remain at those elevated levels for warrant holders to exercise their warrants. If all warrants were to be exercised over the coming three years, that would lead to shareholder dilution but would also replenish Abcourt Mines' treasury with $61.3 million in fresh capital. The exercise of all outstanding options would also result in dilution and $8.0 million in additional estimated capital.

Table 2: Capital Structure

Type	Number of Shares
Shares Outstanding	1,193,348,721
Warrants	741,297,894
Options	94,323,467
Total	2,028,970,082

Source: Couloir Capital

Source: Company website

What's Next for Abcourt Mines

With financing in place and the Sleeping Giant restart well underway, Abcourt is now focused on executing its production ramp-up over the next 12 months. Based on our estimates, ore throughput is expected to increase from 12,000 tonnes in the June 2026 quarter to 22,500 tonnes in September 2026, 30,000 tonnes in December 2026, and approximately 37,500 tonnes per quarter by the second half of FY2027, supporting a transition toward commercial production. Underground development, stope preparation and workforce expansion remain key priorities, while the processing plant and tailings facilities are already operational and capable of supporting higher throughput. The company also continues underground drilling aimed at extending mine life and optimizing the production schedule.

Following its first gold pour in September 2025, Sleeping Giant has steadily increased production each quarter. We expect this trend to continue, with quarterly gold production rising from approximately 2.5 koz in the June 2026 quarter to around 4.9 koz, 6.6 koz and nearly 8.2 koz over the subsequent three quarters. Beyond the mine ramp-up, investors should also expect continued exploration updates from the Flordin property and the Abcourt-Barvue silver-zinc project, both of which provide additional upside beyond Sleeping Giant.

Table 3: Projected production increase at Sleeping Giant mine

Sleeping Giant	Sep-25 Q126A	Dec-25 Q226A	Mar-26 Q326A	Jun-26 Q426E	Sep-26 Q127E	Dec-26 Q226E	Mar-27 Q327E	Jun-27 Q427E
Tonnes milled (t)	3,511	5,652	7,445	12,000	22,500	30,000	37,500	37,700
Mill head grade (g/t)	5.88	6.20	5.20	6.50	6.82	6.82	6.82	6.82
Ounces milled (oz)	664	1,127	1,245	2,508	4,934	6,578	8,223	8,266
Recovery (%)	94.90%	96.10%	95.80%	96.50%	96.50%	96.50%	96.50%	96.50%
Ounces produced (oz)	630	1,083	1,197	2,420	4,761	6,348	7,935	7,977

Source: Couloir Capital


Source: Company website

Valuation

Since we published our initial report on November 16, 2023, the gold market has undergone a significant structural re-rating. Gold has appreciated substantially from approximately US$1,980/oz at the time of our initiation and, despite recent volatility following its record highs earlier this year, continues to trade at historically elevated levels of around US$4,100-4,200/oz. While tighter monetary policy expectations have weighed on prices in recent months, the long-term investment case remains compelling, supported by continued central bank purchases, persistent geopolitical uncertainty, elevated sovereign debt levels and ongoing reserve diversification away from the U.S. dollar. Gold companies with a single producing gold asset have high leverage to the gold price, which is reflected in the robust economics from our scenario analysis, as outlined below.

For the valuation of the Company, the same approach was used as in the previous reports, which was based on a cash flow model from the preliminary economic assessment to determine the net present value of the operation. In our scenario analysis, based on the PEA model, we simulate various scenarios by adjusting key valuation metrics, including the discount rate, gold price, production rate, and operating costs.

The gold price scenarios used are US$3,500/oz, US$4,000/oz, US$4,500/oz, and US$5,000/oz. Discount rates vary between 5% and 10%. Production rates are adjusted downward to 80%, and operating costs are adjusted upward to 120% of projections to test the robustness of Sleeping Giants' economics. Even in the most bearish scenario of a US$3,500 gold price, a 10% discount rate (high for a project that has already started producing gold), a 20% production shortfall, and a 20% operating cost overrun, an upside remains for the stock. Using the same input factors as in the previous report for the discount rate (5%), operating costs, and production levels (according to the PEA), and assuming a gold price of US$4,000, the indicated value per share becomes $0.28, implying an upside of 274% at a share price of $0.075.

From the above table, it is evident that the Sleeping Giant project has robust economics, as the stock retains upside even when accounting for numerous potential adverse developments associated with the project, making it resilient. If the project progresses as planned and is further derisked, the upside compared to the selected scenario increases. Additionally, as the firm continues to drill underground to extend its resources, it will extend the mine's life, adding additional upside.

Table 4: Valuation Scenarios

Au Price (US$/oz)	Discount Rate [%]	Production Rate (%)	Operating Costs (%)	Implied Equity ($M)	Imp. Share Price ($)
3500	5	100	100	293.5	0.23
4000	5	100	100	357.4	0.28
4500	5	100	100	421.4	0.33
5000	5	100	100	485.3	0.38
3500	7.5	100	100	271	0.21
4000	7.5	100	100	330.4	0.26
4500	7.5	100	100	389.8	0.31
5000	7.5	100	100	449.2	0.35
3500	10	100	100	250.9	0.20
4000	10	100	100	306.3	0.24
4500	10	100	100	361.7	0.28
5000	10	100	100	417.1	0.33
3500	5	0.8	100	203.9	0.16
4000	5	0.8	100	255.1	0.20
4500	5	0.8	100	306.3	0.24
5000	5	0.8	100	357.4	0.28
3500	7.5	0.8	100	187.8	0.15
4000	7.5	0.8	100	235.3	.18
4500	7.5	0.8	100	282.9	0.22
5000	7.5	0.8	100	330.4	0.26
3500	10	0.8	100	173.4	0.14
4000	10	0.8	100	217.7	0.17
4500	10	0.8	100	262	0.21
5000	10	0.8	100	306.3	0.24
3500	5	0.8	120	181	0.14
4000	5	0.8	120	232.2	0.18
4500	5	0.8	120	283.4	0.22
5000	5	0.8	120	334.5	0.26
3500	7.5	0.8	120	166.4	0.13
4000	7.5	0.8	120	214	0.17
4500	7.5	0.8	120	261.5	0.21
5000	7.5	0.8	120	309.1	0.24
3500	10	0.8	120	153.4	0.12
4000	10	0.8	120	197.7	0.16
4500	10	0.8	120	242	0.19
5000	10	0.8	12	286.4	0.22

Source: Couloir Capital

Conclusion

After accounting for our valuation methodologies, we have arrived at a fair value per share estimate of $0.28 per share. We maintain our BUY rating and expect the following catalysts could materially impact our valuation estimate. The company and its projects have several features that should be supportive of the share price:

- Major infrastructure items are all in place and operational. Additional stopes for ore extraction, underground, are being prepared, and additional housing is being installed to accommodate the growing workforce required on site to ramp up gold production.
- The outlook for gold, Abcourt Mines's core commodity, remains robust. Ongoing geopolitical tensions, central bank buying and economic uncertainty continue to support prices, significantly exceeding the levels commonly applied in mineral resource estimates and feasibility studies.
- Exploration upside remains at Abcourt Mines's Flordin property. The project has an existing MRE in excess of 100koz of gold in M&I, and exploration along a 2 km long corridor continues to demonstrate the presence of gold along strike. The property could become an M&A target in future and possibly become a satellite deposit to supply the Sleeping Giant mill. 20,000 meters of planned drilling on the property in 2026 will provide plenty of news of exploration results, adding to the potential for further upside in the stock.

Risks

The following outlines some of the key risk considerations that investors should keep in mind when evaluating Abcourt as an investment opportunity:

- **Exploration risk:** The results from further exploration efforts, such as exploring additional ounces of gold at Sleeping Giant or any of the other properties, may turn out to be less favourable than anticipated and could put downward pressure on the share price.
- **Production risk:** The production rates, grade of the produced material, production costs, and required capital expenditures to restart operations may differ from the PEA estimates and those used in this report. While these metrics may be lower or higher than expected, their impact on the economics of the project is considerable.
- **Commodity price risk:** The rise and fall of natural resource stocks, including junior mining companies, is usually tied to some degree to the price of the underlying commodity. In the case of Abcourt Mines, the principal underlying commodity is gold, for which we have outlined a long-term price floor in this report. The reader is cautioned, however, that prices may fall well below that level in the short and medium term and that the company is highly levered to the price of gold.
- **Wider market risk:** Like most other equities, Abcourt Mines will be at the mercy of broader market fluctuations and will be affected by the Fed's tapering, changes to the outlook for rate hikes and inflation, and lingering concerns surrounding a potential downturn in economic activity.
- **Dilution of existing shareholders:** If non-dilutive funding options are not available, the company may need to issue additional shares to cover expenditure, which may result in some degree of dilution for existing shareholders. If market developments are favourable the impact may be diminished; if the market developments are adverse the impact may be accentuated.

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