

Form 51-102F1
Management Discussion and Analysis
For
Abitibi Mining Corp.

For the Year Ended May 31, 2008

The following management discussion and analysis has been prepared as of September 23, 2008. The selected financial information set out below and certain comments which follow are based on and derived from the audited financial statements of Abitibi Mining Corp. (the “Company” or “Abitibi”) for the year ended May 31, 2008 and should be read in conjunction with them.

Forward Looking Information

Certain statements contained in the following Management’s Discussion and Analysis constitute forward looking statements. Such forward looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results and achievements expressed or implied by such forward looking statements. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date the statements were made. Readers are also advised to consider such forward looking statements while considering the risks set forth below.

General

Abitibi is a Canadian listed public company with its shares traded on the TSX Venture Exchange under the symbol “ABB”.

Abitibi is a junior exploration company with no revenues from mineral producing operations. Activities include acquiring mineral properties and conducting exploration programs. The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer to a major mining company the opportunity to acquire an interest in a property in return for funding by the major mining company, of all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company does not use long term debt. Rather, it depends on the issue of shares from the treasury to investors. Such stock issues in turn depend on numerous factors, important among which are a positive mineral exploration climate, positive stock market conditions, a company’s track record and the experience of management.

Overall Performance

The Company has a portfolio of properties at the grass roots stage of development. Preliminary work will be completed on the properties and based on results, work programs will be developed in order to further explore these properties. The Company completed the process to graduate to the TSX Venture Exchange from the NEX Exchange in October 2007 and has since acquired numerous properties and continues to look at others.

In order to meet Tier 2 Maintenance Requirements the Company completed the following:

- ? The acquisition of the Legris Lake Property.
- ? A private placement of \$928,000 through the sale of 11,600,000 units was completed. The financing consisted of flow-through and non flow-through units priced at \$0.08 per unit. Each of the units consists of one common share and one non-transferable share purchase warrant entitling the holder to purchase one additional common share for a period of one year at a price of \$0.10 per share.
- ? A shares for debt settlement in the amount of \$510,000 at a price of \$0.15 per share for a total of 3,400,000 shares was completed.

The philosophy of management is to build a portfolio of diverse properties in prolific mining areas in order to maximize value and opportunity for Shareholders.

Risks and Uncertainties

The Company's business is highly uncertain and risky by its very nature. Success is totally dependent on the knowledge and expertise of its management and employees and their ability to identify and advance attractive exploration projects and targets from grass roots to more advanced stages. The Company is fortunate to have attracted highly qualified individuals with superior track records through a number of exploration successes.

The Company's future financial success will be dependent upon the ability to raise additional capital from the issue of shares or the discovery and development of a body of commercial ore. Such discovery and development may take years, if at all, to complete and the amount of resulting income, if any, is impossible to determine. The Company does not expect to receive significant income from any of its properties in the foreseeable future.

Regulatory standards continue to change making the review process longer, more complex and therefore more expensive. Even if an ore body is discovered, there is no assurance that it will ever reach production. While it is impossible to eliminate all of the risks associated with exploration and mining, it is management's intention to manage its affairs, to the extent possible, to ensure that the Company's assets are protected and that its efforts will result in increased shareholder value.

Legris Lake Property, Ontario

In April 2007 the Company announced it had entered into an option agreement to acquire a 100% interest in the Legris Lake Property, located approximately 85 km north of Thunder Bay, Ontario. Consideration for the Property consists of \$175,000 payable over five years, 200,000 shares payable over two years and a work commitment of \$750,000 over 5 years. There is a 2% net smelter return payable, of which half may be purchased for \$1,000,000. Advance royalty payments of \$20,000 per year will commence on April 16, 2013.

The Property is accessible by road and is approximately 8 km southeast of North American Palladium Ltd.'s Lac des Iles open pit PGE (Platinum Group Element) mine which has a total reserve of 159 million tonnes, grading 1.55g/t Pd, 0.17 g/t Pt, 0.12 g/t Au and 0.05% Ni.

The Property covers the Legris Lake mafic to ultramafic intrusive complex. Exploration by Avalon Ventures Ltd and others during the period 2000 to 2002 identified five Cu-Ni-PGE showings. Numerous mineralized zones were encountered and do not appear to have been fully

tested. One drill hole intersected 2.04 g/t Pd, 0.41 g/t Pt, 0.013% Ni and 0.42% Cu over a core length of 9.95 m. (true width of the zone is not known).

The property was written off during the year ended May 31, 2008, as no further exploration work was planned on the property. On July 28, 2008, upon the Optionors' request the Company agreed to return the Legris Lake property and to pay a total of \$50,000 for the termination and settlement of its agreement. On August 1, 2008, the Company paid 50% of the settlement and the other 50% was paid August 22, 2008.

Cranbrook Area Properties, British Columbia

The Company has an agreement with Klondike Gold Corp., a company with common directors, for Klondike Gold to acquire a 50% interest in several parcels of land in southeastern British Columbia. The agreement was approved by the independent directors of the Company and Klondike Gold, and the TSX Venture Exchange.

In order to earn a 50% interest in any parcel of the property, Klondike Gold has agreed to incur exploration expenditures equal to the expenditures incurred to date by the Company. Upon incurring these expenditures a joint venture will be formed.

Due to limited future work being conducted or planned on the Company's ground, the property was written off during the year ended May 31, 2007.

Chapleau Diamond Project, Ontario

In November 2005, the Company announced the acquisition of approximately 12,700 acres of prospective kimberlite ground in the Chapleau area of Ontario. Abitibi Mining has paid for the staking costs to earn a fifty (50%) percent working interest in the property. Recent staking has covered numerous zones with kimberlitic indicator minerals in sediments and till samples, and a series of circular airborne magnetic anomalies on strike with the discovery ground. The Company will further explore these anomalies and their magnetic pipe-like features.

Exploration work in the area by joint venture partner, Chalice Diamond Corp. (formerly Golden Chalice Resources Inc.), has confirmed the presence of a kimberlite dyke southeast of the Company's property. Historical data from government assessment files refer to a thin section analysis which indicates the discovery dyke is indeed kimberlitic. This acquisition follows a six month in-house compilation programme by Golden Chalice Resources Inc., followed by field work to explore for diamonds in Ontario. Compilation of geological, geochemical, geophysical, assessment file and other data held or prepared by the Ministry of Northern Development of Mines, Ontario Geological Survey, Natural Resources Canada and the Geological Survey of Canada led to the discovery.

Meridian Bay, Ontario

The Company acquired an option to earn a 100% interest in the Meridian Bay Property, located in Line Lake Township, Kenora Mining Division, approximately 35 km southwest of Dryden, Ontario. Consideration for the Property consists of \$71,000 payable over four years and 70,000 shares, payable over two years. There is a 1.5% net smelter return payable, half of which (.75%) may be purchased for \$500,000.

The property is accessible by logging roads. According to an Ontario Geological Survey summary report, a zone of massive sulphide mineralization 450m long and 60m wide occurs within a northeast striking shear zone in granodiorite that is intruded by siliceous felsite dikes. The massive sulphides (less than 50%) consist predominantly of pyrite, pyrrhotite, chalcopyrite

and magnetite. The granodiorite is weakly chloritized, carbonatized and sericitized. Various rock grab samples of sulphide rich material have been reported to assay 0.20 and 0.45 ounces per ton (opt) gold, 3.0 opt silver, 0.9-4.22% copper, and 0.5-1.0% nickel. Abitibi Mining will complete a compilation of existing geological data to assess the size potential of existing zones and identify new targets for testing by geophysics and geochemistry prior to trenching and/or drilling.

Elliot Lake Uranium Project, Ontario

The Company has assembled a large land position including ground which has been optioned and ground which has been staked within and around the Elliot Lake Uranium Camp and surrounding area in Ontario. This land package has been built based on historical drill records that intersected uranium mineralization similar in style to former Elliot Lake deposits. In addition, land positions within 40 kilometres of the Elliot Lake Camp have been acquired based on government airborne radiometric highs that are coincident with elevated uranium in lake sediments. The following four properties have been optioned along with over 16,000 acres (6400 hectares) of staked land.

Redden Uranium Property – An option to acquire a 100% interest in the Redden Uranium Property, located in Redden, Prescott, Teasdale and Strain Townships, Sudbury Mining Division, approximately 40 km northeast of Elliot Lake. Consideration for the Property consists of \$179,100 payable over four years and 100,000 shares, payable over three years. There is a 2% net smelter return payable, half of which (1%) may be purchased for \$1,000,000.

Elliot Lake Property – An option to acquire a 100% interest in the Elliot Lake Property, located in Gunterman Township, within the Elliot Lake Camp of the Sault Ste. Marie Mining Division. Consideration for the Property consists of \$60,000 and 200,000 shares, payable over three years, and a work commitment of \$150,000 over three years. There is a 2% net smelter return payable, half of which (1%) may be purchased for \$1,000,000.

Bolger Property – An option to acquire a 100% interest in the Bolger Property, located in Bolger Township, within the Elliot Lake Camp of the Sault Ste. Marie Mining Division. Consideration for the Property consists of \$60,000 and 200,000 shares, payable over three years and a work commitment of \$150,000 over three years. There is a 2% net smelter return payable, half of which (1%) may be purchased for \$1,000,000.

Langlois Uranium Property – An option to earn a 100% interest in the Langlois Uranium Property, located in Langlois Township, Porcupine Mining Division, approximately 100 km northwest of Elliot Lake, Ontario. Consideration for the property consists of \$45,000 and 250,000 shares, payable over three years. There is a 2% net smelter return payable, half of which (1%) may be purchased for \$1,000,000.

Monmouth and Trovhill Uranium Properties, Ontario

This large land package covers historical uranium occurrences as well as large areas with government airborne radiometric highs that are coincident with elevated uranium in lake sediments. Abitibi plans to compile existing data prior to using prospecting, mapping, geophysics and geochemistry to identify uranium targets for trenching and drilling.

Monmouth Uranium Property – An option to earn a 100% interest in the Monmouth Uranium Property, a five-unit claim located in Monmouth Township, Southern Ontario Mining Division, Ontario. Consideration for the Property consists of the payment of \$60,000, issuing 170,000 shares, and incurring \$45,000 in exploration expenditures, all over a period of three years. There is a 2% net smelter return payable, half of which (1%) may be purchased for \$1,000,000.

Troyhill Uranium Property – An option to earn a 100% interest in the Troyhill Uranium Property, located in Monmouth Township, Southern Ontario Mining Division, Ontario. Consideration for the Property consists of \$25,000 and either an additional \$25,000 in cash or the issuance of the equivalent value of common shares of the Company, payable over two years. There is a 2% net smelter return payable, half of which (1%) may be purchased for \$250,000.

Centre Fire Lake Property, Ontario

The Company acquired an option to earn a 100% interest in the Centre Fire Lake Property, located in Lomond and McIlraith Townships, Patricia Mining Division, approximately 38 km northeast of Dryden, Ontario. Consideration for the Property consists of \$67,500 and 260,000 shares, payable over four years, and a work commitment of \$265,000 over four years. There is a 3% net smelter return payable, half of which (1.5%) may be purchased for \$1,000,000, and a further 0.5% for an additional \$1,000,000.

The property is accessible by road. In the late 1960s, Phelps Dodge Corp. intersected wide zones of low grade copper mineralization such as 270 feet averaging 0.16% copper from limited drilling. Anomalous gold and nickel values were also encountered in the thick sequences of mafic flows that locally contain semi massive to massive sulphide pods within intensely silicified and/or carbonate altered zones. No further work has been carried out on the property. Abitibi plans to complete compilation work on the property and conduct an airborne VTEM survey to locate potential volcanogenic massive sulphide bodies containing copper, zinc, silver or gold.

Kerr Addison North Property, Ontario

The Company acquired an option to earn a 100% interest in the Kerr Addison North Property, located in Ossian Township, Larder Lake Mining Division, approximately 6 km north of the Virginiatown, Ontario. Consideration for the property consists of \$30,000 and 150,000 shares, payable over two years. There is a 2% net smelter return payable, half of which (1%) may be purchased for \$1,000,000.

The property consists of four mining claims totaling 56 units or 2,240 acres located approximately 6 miles north of the world class historical Kerr Addison Mine in Virginiatown. The Kerr Addison mine produced more than 10 million ounces of gold. The property is accessible via an all weather access road and a series of logging roads.

Geology of the property consists of Intermediate Volcanic rocks and Mafic Intrusive rocks. Gold mineralization occurs within quartz veins found via trenching in 1939. No significant work has been conducted over these showings since that time. A historical copper showing is also located on the property. Abitibi plans to complete ground geophysics and prospecting to help outline the size and strike of the gold bearing quartz veins, prior to trenching and drilling.

Contact Bay and Line Lake Properties, Ontario

The Company acquired the Contact Bay and Line Lake properties in northwestern Ontario. Both properties have numerous historical nickel-copper occurrences hosted within mafic to ultramafic intrusives. Exploration targets for the properties include magmatic hosted nickel-copper deposits with platinum and palladium potential. Contact Bay and Line Lake are road accessible and are located approximately 12 kilometres southeast and 42 kilometres southwest of Dryden, Ontario, respectively. Abitibi plans to fly Geotech's B-field VTEM airborne system over the property.

The Contact Bay property consists of eight claims (119 units) located in the Contact Bay Township, Kenora Mining Division, Ontario. Consideration for the property consists of \$75,000

and 100,000 shares, payable over three years. There is a 2% net smelter return payable, half of which may be purchased for \$1,000,000.

The Line Lake property consists of four claims (39 units) located in the Line Lake Township, Kenora Mining Division, Ontario. Consideration for the property consists of \$75,000 and 100,000 shares, payable over three years. There is a 2% net smelter return payable, half of which may be purchased for \$1,000,000.

Murphy Property, British Columbia

The Company has an agreement with Kootenay Gold Inc., a company with a common director, for Abitibi to acquire a 60% interest in the Murphy property, located in the Nelson Mining District of southeastern British Columbia, approximately 10 km due north of Rossland Au-Cu camp. Consideration for the property consists of 400,000 shares, payable over three years, and a further 250,000 shares upon commencement of commercial production on the property. The Company must also incur an aggregate of \$2,000,000 in exploration expenditures on the property over a period of four years.

Operator's fees will be payable as to 15% of all exploration costs, 1% of all construction costs and subsequent to the completion date, 3.5% of all operating costs.

The property is underlain by deformed late Paleozoic metasediments that are intruded by a variety of granitic sills and stocks. Exposures are very limited, but a number of old pits expose generally north-west trending veins that grab samples have returned values of up to 38 g/tonne Au in southern showings and 30 g/tonne in vein showings 3 km to the north.

Selected Annual Information

The following table sets forth selected information of the Company at May 31 for each of the last three fiscal years prepared in accordance with Canadian Generally Accepted Accounting Principles. The selected financial information should be read in conjunction with the Audited Financial Statements of the Company.

Canadian Dollars	2008	2007	2006
Other Income	Nil	Nil	Nil
Net loss	1,239,205	821,772	521,590
Net loss per share	0.03	0.02	0.02
Total assets	1,348,469	341,277	576,961
Long term debt	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

Results of Operation

For the year ended May 31, 2008, the Company incurred a loss of \$1,239,205 compared to a loss of \$821,772 in the prior year. This increase from the previous year is mainly related to a non cash charge of \$321,000 for stock based compensation in 2008. The stock based compensation expense related to the Company granting options in the second quarter and is required to expense the options when they are granted according the Black & Scholes Option Pricing Model. While all the options were granted at the market price, the Option Pricing Model called for the \$321,000 expense.

The other significant change was an increase of \$166,615 in office administration related to the Company graduating to the TSX Venture Exchange and commencing an aggressive property acquisition program.

As of May 31, 2008, deferred expenditures on mineral properties totalled \$832,553, compared to \$249,223 at May 31, 2007. Additions to the deferred expenditures during the year relate to work on the Murphy project and for other property acquisitions.

A private company controlled by one of the directors charged \$409,000 for the year ended May 31, 2008 (2007: \$240,000), in respect of office administration costs on behalf of the Company. See "*Transactions with Related Parties*" below.

Summary of Quarterly Results

The following table sets forth selected quarterly financial information for each of the last eight (8) quarters with the figures for each quarter in Canadian dollars.

Quarter Ending	Revenue	Net Loss (Income)	Net Loss per Share
May 31, 2008	Nil	457,619	0.01
February 29, 2008	Nil	165,864	0.01
November 30, 2007	Nil	506,302	0.01
August 31, 2007	Nil	109,420	0.00
May 31, 2007	Nil	539,462	0.01
February 28, 2007	Nil	64,283	0.00
November 30, 2006	Nil	111,883	0.00
August 31, 2006	Nil	106,144	0.00

NOTE: There were no discontinued operations or extraordinary items on the Company's financial statements during the above mentioned periods. The large increase in November 2007 relates largely to increased stock based compensation charges.

Liquidity and Capital Resources

The Company has financed its operations almost exclusively through the sale of its common shares to investors and will be required to continue to do so for the foreseeable future.

Working capital was \$330,783 as at May 31, 2008 compared to (\$659,113) (working capital deficiency) as at May 31, 2007. The increase in working capital is a result of a financing completed in October and December and the conversion of \$510,000 in debt into shares at a price of \$0.15 per share.

A private placement of \$928,000 through the sale of approximately 11,600,000 units was completed in October 2007. The financing consisted of flow-through and non flow-through units priced at \$0.08 per unit. Each of the units consist of one common share and one non-transferable share purchase warrant entitling the holder to purchase one additional common share for a period of one year at a price of \$0.10 per share.

In April 2008, the Company completed a private placement of 11,023,571 units comprised of 1,456,071 flow-through units priced at \$0.14 per unit and 9,567,500 non flow-through units priced at \$0.10 per unit. Each unit consists of either one flow-through or non flow-through common share and one non-transferable share purchase warrant entitling the holder to purchase one additional common share for a period of two years at a price of \$0.15 per share.

The Company believes it does not have sufficient working capital to meet its obligations for the next 12 months. The Company has a very large portfolio of exploration properties and has entered into several option agreements which provide for significant work expenditures. Additional capital will be required to meet the obligations of the option agreements and to continue work on its other properties and to meet the working capital requirements.

Capital Resources

The Company has raised funds from the issuance of flow-through common shares whereby the Company has agreed to incur those funds on Canadian Exploration Expenses (CEE”) and renounce, to the shareholders, the tax benefits associated with CEE incurred. As of May 31, 2008, the Company was committed to spend approximately \$145,000 on qualifying CEE.

Other than for CEE expenditures, the Company does not have any capital resource commitments.

Transactions with Related Parties

Related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to related parties are unsecured with no specific terms for repayment.

A private company controlled by one of the directors charged \$409,000 (2007: \$240,000) for the year ended May 31, 2008 in respect of office accounting and administrative costs on behalf of the Company. The administrative services provided to the Company include supervising and administering the financial requirements of the Company’s business, producing quarterly accounts in accordance with public reporting requirements; communicating with various regulatory authorities in order to ensure compliance with all applicable laws; assisting in the preparation of news releases, professional analysis and planning of exploration programs, promotional materials and other documents required to be disseminated to the public and responding to any requests for information or questions which may be posed by the public; providing access to secretarial services and legal consultation; providing office space, office furniture, boardroom facilities, access to photocopier, fax and such other amenities normally associated with office needs; and providing such other additional instructions and directions as the Company may require.

Directors and officers fess in the amount of \$142,000 (2007: \$90,000) were paid during the year ended May 31, 2008.

The Company has acquired a 50% interest in approximately 12,700 acres in the Chapleau area of Ontario from Chalice Diamond Corp. (formerly held by Golden Chalice Resources Inc.), both are related companies with common directors. The Company must pay all staking or leasing costs,

plus 50% of all exploration costs on an ongoing basis, plus a 15% operator fee on all acquisition and exploration expenses to the related company, to maintain its 50% interest.

The Company completed a shares for debt with a company controlled by a director of the Company in the amount of \$510,000. This debt was converted into shares at a price of \$0.15 per share.

The Company entered into an option agreement to acquire a 60% interest in the Murphy property from a company with a common director.

Included in stock based compensation expense is \$166,034 (2007 - \$Nil) for options issued to directors and officers.

Marketable securities held by the Company include shares of two companies with common directors.

Critical Accounting Estimates

Mineral properties comprise acquisition costs including option payments to maintain mineral property titles in good standing and exploration costs directly incurred on the properties. The Company records its interest in mineral properties and related expenditures at cost or at an ascribed amount if the consideration is common shares, less option payments received. From time to time, the Company acquires or sells property interests pursuant to the terms of option agreements. As options are exercisable entirely at the discretion of the optionee, the related amounts are recorded only upon payment or receipt. Recorded amounts are capitalized until the properties are sold, abandoned, brought into production or inactive for a period of time. Capitalized costs related to sold or abandoned properties are written off in the period of sale or abandonment. Capitalized costs related to producing properties will be depleted over the estimated lives of the ore reserves.

Changes in Accounting Policy

Effective June 1, 2007, the Company adopted the new accounting standards issued by the Canadian Institute of Chartered Accountants (“CICA”) relating to financial instruments under CICA Handbook Section 3855 Financial Instruments – Recognition and Measurement, Section 3861 Financial Instruments -0 Disclosure and Presentation, Section 3865 Hedges and Section 1530 Comprehensive Income. As required by the transitional provisions of these new standards, these new standards have been adopted on a prospective basis with no restatement to prior period financial statements.

CICA Section 3855, *Financial Instruments – Recognition and Measurement*, sets out criteria for the recognition and measurement of financial instruments. This standard requires all financial instruments within its scope, including derivatives, to be included on a Company’s balance sheet and measured either at fair value or, in certain circumstances when fair value may not be considered and most relevant, at cost or amortized cost. Changes in fair value are to be recognized in the statement of operations or accumulated other comprehensive income, depending on the classification of the related instruments.

All financial assets and liabilities are recognized when the entity becomes a party to the contract creating the asset or liability. As such, any of the Company’s outstanding financial assets and liabilities at the effective date of adoption are recognized and measured in accordance with the new requirements as if the requirements had always been in effect. Changes to the fair value of assets and liabilities prior to adoption are recognized by adjusting opening deficit or opening “other accumulated comprehensive income”.

All financial instruments are classified into one of the following five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets, or other financial liabilities. Initial and subsequent measurement and recognition of changes in the value of financial instruments depends on their initial classification as follows: (1) held-for-trading financial instruments are measured at fair value and changes in fair value are recognized in net earnings in the period in which they arise; (2) held-to-maturity investments, loans and receivables, and other financial liabilities are initially measured at fair value and subsequently measured at amortized cost and amortization of premiums or discounts and losses due to impairment are included in current period net earnings; (3) available-for-sale financial assets are measured at fair value and changes in fair value are included in "other comprehensive income" until the gain or loss is recognized in income; (4) all derivative financial instruments are measured at fair value, even when they are part of a hedging relationship and changes in fair value are included in net earnings in the period in which they arise, except for hedge transactions which qualify for hedge accounting treatment in which case gains and losses are recognized as other comprehensive income.

In accordance with this new standard, the Company has classified its cash and equivalents and short-term investments as held-for-trading. Amounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities and due to related parties are classified as other liabilities. Derivatives embedded in other financial instruments must be separated and measured at fair value. The Company currently does not have embedded derivatives.

- i) CICA Section 3861, *Financial Instruments – Disclosure and Presentation*, establishes the requirements for the disclosure and presentation of financial instruments and non-financial derivatives.
- ii) CICA Section 3865, *Hedging*, specifies the circumstances under which hedge accounting is permissible and how hedge accounting may be performed. The Company currently does not have any financial instruments which qualify for hedge accounting.
- iii) CICA Section 1530, *Comprehensive Income*, specifies how comprehensive income is to be reported and presented. Comprehensive income is the change in the Company's shareholder equity that results from transactions and other events from other than the Company's shareholders and includes items that would not normally be included in net earnings, such as unrealized gains or losses on available-for-sale investments. This standard requires certain gains and losses that would otherwise be recorded as part of net earnings to be presented in other comprehensive income until such items are realized.

This standard requires the presentation of comprehensive income, and its components in a separate financial statement that is displayed with the same prominence as the other financial statements. Accumulated other comprehensive income is presented as a new category in shareholders' equity.

As there were no other comprehensive income items, comprehensive loss for the year was equal to the net loss for the year.

Effective June 1, 2007, the Company adopted CICA Section 1506, Accounting Changes, effective for annual and interim periods beginning on or after January 1, 2007. The new standard establishes criteria for changing accounting policies, together with the accounting treatment and disclosure of changes in accounting policies, changes in accounting estimates and the correction

of errors. The disclosure is to include, on an interim and annual basis, a description and the impact on the Company on any new primary source of GAAP that has been issued but is not yet effective. The impact that the adoption of Section 1506 will have on the Company's results of operations and financial condition will depend on the nature of future accounting changes

Financial Instruments and Other Instruments

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. As of the date hereof, the Company's investment in resource properties has full exposure to commodity risk, both upside and downside. As the gold and silver price moves so to does the underlying value of the Company's gold and silver projects.

Outstanding Share Data

The authorized share capital consists of an unlimited number of common shares. As of May 31, 2008, an aggregate of 68,493,149 common shares were issued and outstanding.

The Company has the following warrants outstanding as of May 31, 2008:

<u>Number of shares</u>	<u>Price per share</u>	<u>Expiry Date</u>
11,600,000	\$0.10	October 17, 2008
357,142	\$0.15	December 27, 2009
3,740,000	\$0.15	February 24, 2010
6,855,000	\$0.15	March 12, 2010
71,429	\$0.15	April 15, 2010

The following summarizes information about the stock option outstanding as of May 31, 2008:

<u>Number of options</u>	<u>Price per option</u>	<u>Expiry Date</u>
3,670,000	\$0.10	April 24, 2011
2,030,000	\$0.17	November 1, 2012

Investor Relations

Directors and officers of the Company all participate in a limited investor relations program. The Company also has hired Smartstox at a rate of \$2,750 per month for company interviews, stock coverage, company reports and other advertising.

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with Canadian generally accepted accounting principles.

TSX Venture listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer

in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitation on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in Multinational Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional information relating to the Company can be found on SEDAR at www.sedar.com and also on the Company's website at www.abitibi-mining.com.