

Quarterly Report FORM 61

ISSUER DETAILS

For Quarter Ended: May 31, 1999

Date of Report: May 31, 1999

Name of Issuer: Abitibi Mining Corp.

Issuers Address: 1000 - 675 West Hastings Street
Vancouver, BC V6B 1N2

Issuer Fax Number: (604) 685-3764

Issuer Phone Number: (604) 685-2222

Contact Person: Dennis Fong

Contact Position: Director

Contact Telephone Number: (604) 685-2222

CERTIFICATE

The *Two* schedules required to complete this Quarterly Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Quarterly Report will be provided to any shareholder who requests it.

Director's Name: **"DENNIS S. FONG"** Date Signed: October 13, 1999

Director's Name: **"RICHARD W. HUGHES"** Date Signed: October 13, 1999

ABITIBI MINING CORP.

QUARTERLY REPORT SUPPLEMENTARY INFORMATION

SCHEDULE "A"

Please refer to the audited financial statements for the year ended May 31, 1999 and the Report of the Auditor enclosed herewith.

SCHEDULE "B"

(INFORMATION CURRENT AT MAY 31, 1999)

1. FOR THE CURRENT FISCAL YEAR-TO-DATE:

This information is included in the Audited Financial Statements.

**BREAKDOWN OF OFFICE AND ADMINISTRATION EXPENSES
FOR THE YEAR ENDED MAY 31, 1999**

	\$
Accounting	71,730
Bank charges	331
Office & miscellaneous	103,080
Printing	1,229
Rent & telephone	74,580
Shareholder communications	<u>50,610</u>
	<u>\$301,560</u>

2. FOR THE QUARTER UNDER REVIEW:

(a) SECURITIES ISSUED DURING THE QUARTER

NO SECURITIES WERE ISSUED DURING THE QUARTER

(b) OPTIONS GRANTED DURING THE QUARTER

NO OPTIONS WERE GRANTED DURING THE QUARTER ENDED MAY 31, 1999

3. AS AT THE END OF THE QUARTER

(a) SHARE CAPITAL

<u>Class</u>	<u>Par Value</u>	<u>Authorized</u>	<u>Number Issued</u>
Common Shares	N.P.V.	100,000,000	23,921,244

(b) OPTIONS, WARRANTS AND CONVERTIBLE SECURITIES OUTSTANDING

<u>Security</u> Options	<u>Number</u> <u>or Amount</u>	<u>Exercise or</u> <u>Convertible Price</u>	<u>Expiry</u> <u>Date</u>
Insiders	240,000	\$0.32	February 16, 2001
	40,000	\$0.32	May 22, 2001
	75,000	\$0.32	July 25, 2002
	75,000	\$0.32	November 12, 2002
	440,000	\$0.15	August 10, 2003
Non- insiders	87,500	\$0.20	May 12, 2000
	271,000	\$0.32	February 16, 2001
	15,000	\$0.32	April 22, 2001
	20,000	\$0.32	June 18, 2002
	10,000	\$0.15	August 10, 2003
	50,000	\$0.32	March 24, 2002
	60,000	\$0.32	July 15, 2002
	20,000	\$0.32	July 12, 2001
	50,000	\$0.32	November 5, 2002
Warrants	600,000	\$0.25	September 18, 1999
Warrants	875,000	\$0.30	June 25, 1999
Warrants	100,000	\$0.15	October 27, 1999
Warrants	1,475,000	\$0.20	October 27, 2000
		\$0.20	April 23, 2000

(c) SHARES IN ESCROW OR SUBJECT TO POOLING AGREEMENT

	<u>Number of Shares</u>
Escrowed	None
Pooling Agreements	None

(d) DIRECTORS OF THE COMPANY

<u>Name of Director</u>	<u>Residence</u>
Richard W. Hughes	West Vancouver, BC
Dennis S. Fong	Coquitlam, B.C.
Darcy W. Hughes	North Vancouver, BC
John (Jack) E. Frost	Houston, Texas
Joseph Montgomery	Vancouver, BC

(e) OFFICERS OF THE COMPANY

<u>Name of Officer</u>	<u>Residence</u>
Richard W. Hughes – President	West Vancouver, BC
Dennis S. Fong – Secretary	Coquitlam, BC
Joseph Montgomery - Vice President of Exploration	Vancouver, BC

SCHEDULE “C”

MANAGEMENT DISCUSSION

ABITIBI MINING CORP.

**Annual Report to Shareholders
Fiscal Year Ended May 31, 1999**

The Board of Directors of Abitibi Mining Corp. (the “Company”) is pleased to present to the shareholders the 1999 Annual Report and review of the Company’s activities, financial statements for the fiscal year ended May 31, 1999 and management’s plans and objectives for the 1999 fiscal year.

OVERVIEW

Abitibi Mining Corp. is a mineral exploration and development company with mineral properties in Ontario, Quebec, British Columbia and the Yukon Territory.

RESULTS OF OPERATIONS

For the year ended May 31, 1999 the Company incurred a net loss of \$1,182,756, compared to a net loss of \$1,395,890 for the year ended May 31, 1998. The decrease in net loss can be attributable to a decrease in the write off of deferred mineral property costs of \$213,640. A total of \$813,132 in deferred mineral costs were written off in 1999 compared to \$1,026,772 in 1998.

The Company increased its office and administration costs, professional fees and travel and promotional fees by \$53,448 in 1999. Office and administration fees were \$301,560 in 1999 compared to \$216,915 in 1998. Professional fees fell to \$5,533 in 1999 from \$16,335 in 1998. Travel and Promotional fees were \$24,603 in 1999 compared to \$44,998 in 1998.

During the year ended May 31, 1999 the Company incurred \$283,698 in mineral property expenditures. Of this amount \$269,780 was spent of the Company’s Cranbrook Project in British Columbia.

LIQUIDITY AND CAPITAL RESOURCES

The Company’s future financial success will be dependent upon the ability to raise additional capital from the issue of treasury 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.

The Company's historical capital needs have been met by equity financing. During the 1998-9 fiscal year the Company completed two private placements raising a total of \$371,250 through the issuance of 2,475,000 shares. Subsequent to the fiscal year end, the Company received \$50,250 from the exercise of 335,000 insider stock options. 125,000 shares were issued valued at \$11,250 as consideration for acquisitioned mineral properties in 1999. During the 1999 fiscal year the Company had issued 2,600,000 shares for consideration of \$382,500 for total issued and outstanding shares of 23,921,244 as at May 31, 1999.

Working capital was (\$900,718) (working capital deficiency) at May 31, 1999. The Company does not have sufficient working capital to meet its general and administrative expenses, property commitments and exploration work programs. Further equity financing will be required in order to meet its financial obligations.

RISKS AND UNCERTAINTIES

The Company operates in the mining industry, and accordingly its success in achieving its objectives is affected by numerous circumstances over which it has no control. In addition, to the risks inherent in the exploration of natural resource properties, the Company faces risks associated with commodity prices and their effect on the valuation of mineral properties and equity issues, as well as risks associated with changes in general economic conditions.

EXPLORATION ACTIVITIES

Cranbrook Project

The Company has accumulated a significant land package in southeastern British Columbia to explore for another Sullivan mine. The Sullivan deposit is one of the largest base metal deposits in the world. It will have produced over 150 million tonnes of ore grading 6.7% lead, 5.8% zinc and 79 grams per tonne silver by the time the mine closes in about 2001. The Sullivan deposit formed by the venting of hydrothermal, metal charged brines onto the sea floor 1.46 billion years ago (Aldridge time). A thermal convective cell was operative over a wide area with local well established discharge points. These discharge points, known as vents, deposited sulfides along with certain accessory minerals from the top of the Lower Aldridge Formation (Sullivan Time) to the upper part of the Middle Aldridge Formation.

For many decades the Sullivan deposit was the only vent found in the area of the Aldridge basin. The Company and Sedex Mining Corp. have discovered 12 new vent discharge points between 1996 and 1999. Drilling the vents to test Sullivan Time has been limited. In 1996 drill hole K97-03 on the Irishman Property, owned by Sedex intersected 2.55 metres of 9.6% zinc, 5.8% lead and 49 grams per tonne silver. It is believed K97-03 may have stopped 200 metres short of Sullivan Time. Only one further drill hole 500 feet south-southwest of the first hole was drilled. Hole K97-04 hosted weak zinc and lead sulphides in fractures. The upper part of hole K97-04 intersected local tourmaline and considerably more zinc and lead sulphides in thin quartz veins and fractures than encountered in K97-03. The discovery on the Irishman Property has not properly been tested and needs more drilling.

Rio Algom has optioned the Kitchener Claims, the Yahk Property and the Pyramid Peak Property from the Company. According to the terms of the option agreement Rio Algom has a firm minimum work commitment of \$200,000 during the initial year of the agreement. Rio Algom may earn a 60% interest in each property by carrying out a total of \$7,500,000 in exploration expenditures (\$2,500,000 per property). Each year Rio Algom must elect whether to maintain its option on any property whereby certain minimum work commitments will apply. Rio Algom may earn an additional 10% interest upon bringing any property to a production decision.

Drilling by Rio Algom

Rio Algom has completed one drill hole on the Company's Pyramid Property. The Pyramid claims cover another potential sub-basin similar to that which hosts the Sullivan Mine at Kimberley, B.C. The Sullivan deposit is one of the largest base metal deposits in the world. It will have produced over 150 million tonnes of ore grading 6.7% lead, 5.8% zinc and 79 grams per tonne silver by the time the mine closes in about 2001.

The second drill hole was postponed due to the weather conditions. The completed drill hole is believed to have been drilled to the Sullivan Horizon (the horizon that hosts the Sullivan Mine). This drilling is located 2 km west of a previous drill hole by Cominco Ltd. which indicated anomalous sulphides at the Sullivan Horizon. The predominant current direction in the Sullivan sub-basin was from west to east. Portions of the core have been sent for assays.

Rio Algom has moved the drill to test for Sullivan type mineralization on the Company's Yahk claims.

Clair Option

The Company announced that it has signed an option agreement with Black Bull Resources Inc. for 20 claims located in southeastern British Columbia. Consideration consists of \$28,000. In order for Black Bull to earn a 50% interest in the Property it must incur \$500,000 in exploration expenditures over four years. Black Bull can earn an additional 10% interest by completing a Bankable Feasibility Study and earn an additional 20% by bringing the Property into production.

These claims are located adjacent to Black Bull's Horn claims currently under option by Chapleau Resources Ltd. and southwest of the Sullivan Mine. Drilling is planned to the west by Chapleau. The Property is located in a geological setting believed to be at or near the Sullivan Time Horizon.

YEAR 2000

The Company's principal activity is mineral exploration. The Company's contractors providing equipment used for exploration and such equipment is, in general, mechanical or hydraulic. Certain machinery may have electronic components; however, they do not require the processing of dates for their operations. Accordingly, in general the Company's mineral exploration activities should not be materially affected by the Year 2000 problem.

The Company has retained a management company that has a small staff and relies on personal computers to store and process its data including word processing. The Company's computers operate under a Windows 95 operating system and Microsoft Office software is predominantly used. In other cases off-the-shelf software products are purchased by the Company for more detailed analysis. Such analysis does not require dates to be processed. The Company's management has concluded that provided it, its staff and contractors are mindful of the potential Year 2000 problems, the Company's operations should not be significantly affected by the Year 2000 problem.

If there were major disruptions to essential services (such as power and banking) the Company's exploration activities may be significantly delayed until the disruptions were rectified by the provider/supplier or alternatives found. It is not possible to quantify what other effects, if any, a significant disruption would have on the Company, should it eventuate.

OUTLOOK

The Company has a portfolio of over 40 mineral properties at the grass roots stage of development. Preliminary work is being completed on the properties. Based on results, work programs will be developed in order to further explore the Company's properties.

INVESTOR RELATIONS

Hastings Management Corp., a private company that manages the operations of the Company and five other related VSE companies, has a shareholder communications department. This department provides shareholders, investors and other interested individuals with accurate and timely information about the Company's activities and other related companies with similar interests. In addition, shareholders are encouraged to visit the Company's web site at www.abitibimining.com.

The Directors of the Company wish to point out that this Annual Report is being circulated in this manner to save the expense of the pictures and gloss in other Annual Reports you may have seen have. The reason for this is that these Annual Reports are expensive and the Directors of the Company believe the money is better spent on acquisitions and conducting exploration work on its various properties. Shareholders can direct questions or requests for promotional brochures to the Company directly at (604) 685-2222. The Directors welcome the opportunity to hear from its Shareholders.

ON BEHALF OF THE BOARD OF DIRECTORS,

“RICHARD W. HUGHES”
PRESIDENT