



Form 51-102-F1 Management Discussion & Analysis for the period ending
March 31, 2009

ABACUS MINING & EXPLORATION CORP.
Management Discussion & Analysis

FORM 51-102F1

For the Period Ending

March 31, 2009

The following management discussion and analysis of the financial position of Abacus Mining & Exploration Corp. ("Abacus" or the "Company") and results of operations of the Company should be read in conjunction with the unaudited financial statements including the notes thereto for the periods ending March 31, 2009 and March 31, 2008.

The accompanying unaudited financial statements and related notes are presented in accordance with Canadian generally accepted accounting principles. These statements, together with the following management's discussion and analysis dated May 27, 2009 ("Report Date"), are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as forward-looking statements relating to the potential future performance. The information in the MD&A may contain forward-looking statements.

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Overall Performance

Abacus Mining & Exploration Corp. (the "Company") is a mineral exploration and development company engaged in the acquisition, exploration and development of mineral resource properties. The Company is a Tier One issuer that trades on the TSX Venture Exchange under the symbol AME. As at the date hereof, the Company holds a 100% interest in five mineral resource properties and a 60% interest in one mineral property in the Afton Mine Camp ("Afton") near Kamloops, British Columbia. The Company also holds the right to earn a 100% interest in mining infrastructure and related permits in the Afton area.

Activity of the Company is generally dependent on the sources of capital and access to funding in the capital markets. While the Company has maintained an aggressive approach to the exploration program at Afton, events in the financial and commodity markets in the latter part of fiscal 2008 has had a significant impact on the activity and performance of the Company.

Exploration at Afton focused on the Ajax area where \$778,790 of the \$805,651 in exploration expenditures was allocated. This represents a significant reduction when compared to the same period last year (\$2,900,377), given the Company's shift from exploration drilling to scoping studies and a preliminary economic assessment. While the Company expects to maintain a similar level of exploration activity over the second quarter of 2009, additional exploration and condemnation drilling may be conducted as part of a planned prefeasibility study. In total, the Company has spent \$49,725,071 on the Afton properties.

In early 2009, the Company announced the new resource estimation on the Ajax area to support a preliminary economic analysis ("PEA") that contemplates a 60,000 tonne per day operation. It is anticipated the PEA will be completed by the second quarter of 2009.

Cutoff Copper Equivalent (%)*	Tonnes (mt)	Copper (%)	Gold (g/t)	Copper (^{'000} lbs.)	Gold (ozs.)
Measured					
0.10	241.2	0.28	0.17	1,480,000	1,333,800
0.20	197.6	0.31	0.19	1,365,000	1,232,700
0.30	133.4	0.37	0.23	1,092,000	1,003,800
0.40	81.4	0.44	0.28	784,000	740,100
0.50	46.5	0.51	0.34	521,000	503,800

Indicated					
0.10	202.2	0.28	0.18	1,240,000	1,136,000
0.20	167.4	0.31	0.20	1,147,000	1,054,800
0.30	112.2	0.37	0.24	915,000	851,700
0.40	68.0	0.44	0.28	656,000	621,400
0.50	39.0	0.51	0.34	439,000	421,800
Measured + Indicated					
0.10	443.0	0.28	0.17	2,721,000	2,469,800
0.20	365.0	0.31	0.20	2,512,000	2,287,500
0.30	246.0	0.37	0.24	2,006,000	1,855,500
0.40	149.0	0.44	0.28	1,441,000	1,361,500
0.50	85.0	0.51	0.34	959,000	925,600
Inferred					
0.10	50.4	0.21	0.14	230,000	225,600
0.20	38.0	0.24	0.16	198,000	195,100
0.30	17.7	0.30	0.20	116,000	112,300
0.40	4.9	0.43	0.26	46,000	40,900
0.50	2.1	0.53	0.35	25,000	23,400

* $CuEq = ((\% Cu)(Cu \text{ recovery})(22.0462)(2.5) + (g/t \text{ gold})(\text{gold recovery})(1/31.1035)(750)) / ((Cu \text{ recovery})(22.0462)(2.5))$
 $Cu \text{ recovery} = 43.619 \times (\% Cu) + 63.002$, max value = 92% $Au \text{ recovery} = 33.871 \times (g/t \text{ gold}) + 75.29$, max value = 90%
Copper equivalent cutoff grades and pit shells were established using metal prices of \$2.50 US per pound copper and \$750 US per ounce gold.

During the year ending December 31, 2008, the Company raised net proceeds of \$3,220,212 by the issuance of 11,500,666 flow-through units in a private placement and a further \$122,360 by issuance of 1,145,000 shares for the exercise of incentive stock options. With respect to the private placement, 11,500,666 flow-through units were issued at a price of \$0.30 per flow-through unit. Each flow-through unit consisted of one flow-through common share and one-half of one non-transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase one non-flow-through common share at a price of \$0.50 per share for a period of eighteen months until March 10, 2010.

Administrative costs during period ending March 31, 2009 totalled \$555,760 including stock-based compensation, a non-cash charge of \$87,155. Other significant expenses include contract wages (\$154,359), consulting (\$101,989), and travel and promotional costs (\$95,585) Administrative costs during the period ending March 31, 2009 represent a 23.4% increase over the same period last year as the Company has sustained increased costs with respect to legal, regulatory, rent and investor relations. While the Company has incurred increased general and administrative costs over the first quarter, it expects to reduce the level of spending for the remaining fiscal 2009.

Results of Operations

Expenses for the three month period ending March 31, 2009 total \$555,760, representing a \$105,749 increase over the same period in 2008. The greatest difference stems from expenditures associated with legal, regulatory, rent and investor relations. Similarly, costs associated with consultants have increased as the Company transitions to a development oriented organization. Stock-based compensation, a non-cash charge, increased costs by \$87,155 (2008 - \$118,625). In addition, offsetting interest income is significantly lower (\$1,400) compared to the same period in 2008

(\$71,073). Interest income is derived from funds invested in Guaranteed Investment Certificates (GICs) and Bankers Acceptances. The Company has no exposure to Asset Backed Commercial Paper.

Afton Properties, Kamloops, B.C.

The Company holds a 100% interest in 41 mineral claims and 31 Crown grants in the vicinity of the past producing Afton mine. The properties were purchased from Afton Operating Corporation and Teck Cominco, and from Discovery-Corp. Enterprises Inc. on the Rainbow portion of the claims. The Company has an asset purchase agreement with Teck Cominco Limited ("Teck Cominco") to acquire the mill buildings, shop facilities, tailings dam, associated land, permits and back-in rights at the past producing Afton mine. Under the terms of the agreement with Teck Cominco, the Company will acquire the assets for a total price of \$28.5-million by issuing 18.5 million shares and paying \$10-million cash. The Company has issued 13.5 million shares to Teck Cominco and has paid \$8.0 million cash. The remaining cash payment and shares due on or before November 26, 2007, have been extended to July 31, 2009.

Upon completion of all share issuances and cash payments, Teck Cominco will transfer title (the "Transfer Date") to the assets to the Company, subject to any additional consideration. The final consideration is subject to a price adjustment clause. If the ten day weighted average closing price of the Company's common shares issued to Teck Cominco, is less than \$18,500,000, the Company will pay Teck Cominco additional consideration equal to 81.1% of the difference between \$18,500,000 and the weighted average closing price of the Company's common shares. Any reclamation liabilities that may be attributable to the assets acquired will be assessed and recorded on the transfer date.

Teck Cominco has retained 1.5-per-cent net smelter royalty with respect to each of the Rainbow and DM/Audra agreements, which can be purchased for \$3-million per agreement.

The Company also holds a 60% interest in mineral claims surrounding the Ajax pits pursuant to a Joint Venture Agreement (the "JV Agreement") with New Gold Inc. Under the terms of the JV Agreement, the Company must deliver a PEA by July 25, 2010 and in the event of commercial production, the Company would hold a 60% interest in, and be the operator of, any open pit operation (to a maximum pit depth not exceeding 500 metres), while New Gold would hold a 60% interest in, and be the operator of, any underground mining operation.

Summary of Quarterly Results

The selected consolidated information set out below has been gathered from the previous eight quarterly financial statements for each respective financial period and is based on Canadian GAAP (in Canadian dollars):

	Revenue \$	Income (Loss) \$	Income (Loss) per share \$
March 31, 2008	Nil	555,760	(0.01)
December 31, 2008	Nil	215,792	0.01
September 30, 2008	Nil	(675,006)	(0.01)
June 30, 2008	Nil	(848,303)	(0.01)
March 31, 2008	Nil	(501,365)	(0.01)
December 31, 2007	Nil	686,825	0.01
September 30, 2007	Nil	(129,553)	(0.00)
June 30, 2007	Nil	(606,213)	(0.01)



Fluctuations in the Company's expenditures reflect the seasonal variations of exploration and the ability of the Company to raise capital for its projects.

Liquidity

At March 31, 2009, the Company has working capital \$2,101,196 (2008 - \$6,261,522), and an accumulated deficit of \$25,757,714 (2008 - \$25,988,176).

At the period ending March 31, 2009, the Company has 121,295,679 shares outstanding and share capital of \$73,222,032. As at the date hereof, the Company still has 121,295,679 shares outstanding and a share capital of \$73,222,032.

As at March 31, 2009, the Company also had the following share purchase warrants and incentive stock options available for exercise:

Warrants

Outstanding as at December 31, 2008	Exercise Price	Expiry Date	Issued	Exercised	Expired	Outstanding as at March 31, 2009
535,254	\$1.25	January 3, 2009	0	0	(535,254)	0
5,756,332	\$0.50	March 10, 2010	0	0	0	5,756,332
760,246	\$0.30	March 10, 2010	0	0	0	760,246
7,051,832			0	0	(535,254)	6,516,578

Options

Options Outstanding		
Number of Options	Exercise Price	Expiry Date
1,135,000	\$0.16	September 17, 2009
1,450,000	\$0.32	October 23, 2009
800,000	\$0.28	March 4, 2010
500,000	\$0.34	May 20, 2010
1,935,000	\$0.90	April 7, 2011
400,000	\$0.65	March 15, 2012
485,000	\$0.45	January 11, 2013
925,000	\$0.45	February 1, 2013
1,000,000	\$0.43	May 5, 2013
1,650,000	\$0.26	August 29, 2013
840,000	\$0.15	February 20, 2014
300,000	\$0.10	March 3, 2014
11,420,000		

Outstanding obligations include rent of office space, which is in the third year of a six-year lease ending March 31, 2013. The cost of the premises is shared primarily between the Company and four other companies. The Company's proportionate share of minimum annual rental payments under this arrangement is approximately payable as follows: 2009 - \$23,642, 2010 - \$25,858, 2011 - \$26,597, 2012 - \$26,597 and 2013 - \$6,649.

Capital Resources

The Company's primary capital assets are mineral property assets. The company capitalizes all costs related to the mineral properties until the properties are abandoned and written-off.

The Company's Asset purchase agreement with Teck Cominco is a binding purchase and sale agreement whereby the company must issue 18,500,000 shares and pay \$10,000,000 over a two year period. To date, the Company has issued 13,500,000 shares and paid \$8,000,000. The remaining 5,000,000 shares and \$2,000,000 payable to Teck Cominco were due November 26, 2007. By mutual consent the parties have agreed to postpone the payment until July 31, 2009.

Transactions with Related Parties

- (a) The Company conducts the majority of its exploration activities through an exploration services contractor in which a director is a principal. The Company paid that contractor \$511,360 (2008 - \$2,769,632) for exploration costs and \$277,594 (2008 - \$165,048) to reimburse office and administrative costs that include \$7,293 (2008 - \$12,809) of equipment purchased and contract wages of \$154,359 (2008 - \$82,806). As at March 31, 2009, there was \$788,955 (2008 - \$1,207,100) payable to that contractor.
- (b) A management fee of \$nil (2008 - \$1,500) and rent of \$nil (2008 - \$3,014) were paid to a company in which a director is a principal. As at March 31, 2009, there was \$nil (2008 - \$nil) due to that company and included in accounts payable.
- (c) The Company shares office and administrative costs with a company with three directors in common. As at March 31, 2009, \$2,146 (2008 - \$2,146) was due from this company and included in amounts receivable.
- (d) Consulting fees of \$137,705 (2008 - \$30,318) were paid to directors of the Company. As at March 31, 2009, \$34,894 (2008 - \$13,555) was payable to these directors.

Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company.

First Quarter Adjustments

Significant adjustments include the adjustment for stock based compensation of \$87,155.

Outstanding Share Capital

As at May 27, 2009, the Company had the following common shares, stock options and warrants outstanding:

Common shares	121,295,679
Stock options	10,280,000
Warrants	6,516,578
Fully Diluted shares outstanding	138,092,257

Disclosure Controls and Internal Controls Over Financial Reporting

The Company's President & Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company.

In accordance with the requirements of Multilateral Instrument 52-109, Certification and Disclosure in the Company's annual and interim filings, evaluations of the design and operating effectiveness of disclosure controls and procedures and the design effectiveness of internal control over financial reporting were carried out under the supervision of the CEO and CFO as of the end of the period covered by this report.

The CEO and CFO have concluded that the design and operation of disclosure controls and procedures were adequate and effective to provide reasonable assurance that material information relating to the Company would have been known to them and by others within those entities. The CEO and CFO have also concluded that the Company's internal controls over financial reporting are designed effectively, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

While there were no changes that occurred for the most recent fiscal period that have materially affected the Company's internal control procedures, the CEO and CFO will continue to attempt to identify areas to improve controls and intend to incorporate such improvement over the next fiscal period.

International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board of the CICA confirmed that IFRS will replace Canadian GAAP for publicly accountable enterprises for fiscal years beginning on or after January 1, 2011. As a result, the conversion from Canadian GAAP to IFRS will be applicable to the Company's reporting for the first quarter of fiscal 2011 for which current and comparative information will be prepared on an IFRS basis. In light of these requirements, the Company has developed an IFRS transition project plan.

The Company's plan includes four phases: analysis, design and planning, solution development and implementation. The project timeline anticipates completing the analysis phase early in calendar 2009. At this point in the project, the Company is not able to reasonably estimate the financial reporting impact of the transition to IFRS.

Subsequent Events

On April 1, 2009, the Company completed a loan agreement dated March 5, 2009 between the Company and MaxTech Ventures Inc. whereby MaxTech has agreed to lend Abacus \$2.5-million. The loan is repayable no later than 12 months from the date of the advance. Interest is set at a rate of 12% per year, compounded monthly, not in advance.

The Company paid a 10% bonus of 1.25 million common shares at a deemed price of 10 cents per share to MaxTech as consideration for the loan.

The Company also paid a 5% cash finder's fee in the amount of \$125,000 to Grand Peak Capital Corp.

As security for the loan, the Company will grant the lender a security interest in certain Company assets, with the exception of its mineral interests.

Other Requirements

Additional disclosure of the Company's technical reports, material change reports, news releases, and other information can be obtained on SEDAR.

Risks and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical.

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

The Company has no significant source of operating cash flow and no revenues from operations. None of the Company's mineral properties currently have reserves. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish ore reserves.

The property interests owned by the Company, or in which it has an option to earn an interest are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations. Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Company's mineral exploration may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations.

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and

properties in which it has previously had an interest. The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Cautionary Notices

The Company's consolidated financial statements for the period ended March 31, 2009, and this accompanying MD&A contain statements that constitute "forward-looking statements" within the meaning of National Instrument 51-102, *Continuous Disclosure Obligations* of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "targeting" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company's future exploration plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading "RISKS AND UNCERTAINTIES" in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading "RISKS AND UNCERTAINTIES" and to those that may be discussed as part of particular forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

On Behalf of the Board,
ABACUS MINING & EXPLORATION CORP.

Doug Fulcher,
President