

ABACUS Mining of Vancouver and Europe's second largest copper producer KGHM

A Partnership of Relative Strengths

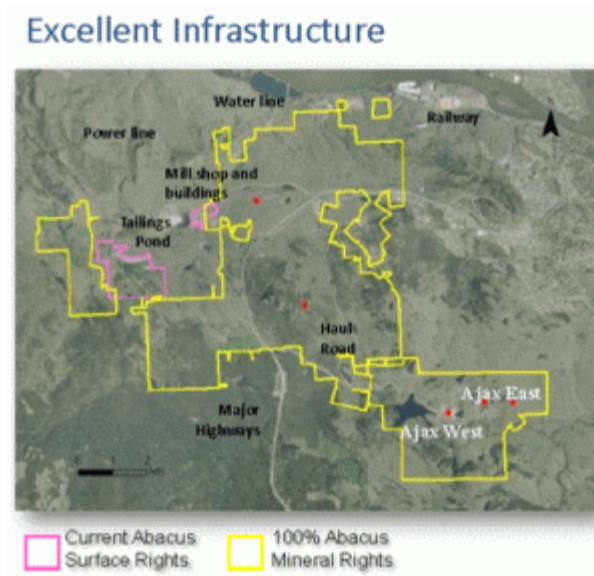
On May 4, 2010, [Abacus Mining & Exploration Corp.](#) of Vancouver confirmed market speculation that its wholly-owned Afton-Ajax copper-gold project near Kamloops, B.C. had been identified by Europe's second largest copper producer and the world's third largest silver producer, KGHM Polska Miedz S.A., as meeting the criteria to be their first significant investment outside of Poland. KGHM, a relatively unknown name outside of Europe, announced that it was looking to expand its current copper production of 500,000 tonnes to 700,000 tonnes per annum over the next decade, its own production subject to rising costs with mining at increasing depths.



Abacus' Afton-Ajax project, three past producing open-pit operations producing 45 million tonnes of 0.46 to 1.0% copper and 0.34 to 0.6 g/t gold between 1978 and 1997, was purchased by Abacus in 2002 from Teck Resources, followed by the Afton mill, shop facilities, tailings area, and water rights which the Company purchased in 2005. The 8,000 hectare project is blessed with some of the best operating conditions in the world – readily available water, low cost dependable power, freeway and rail access, and just a short distance from the city of Kamloops with a population of approximately 100,000, airport and the Coquihalla Highway in proximity to the Ajax property.



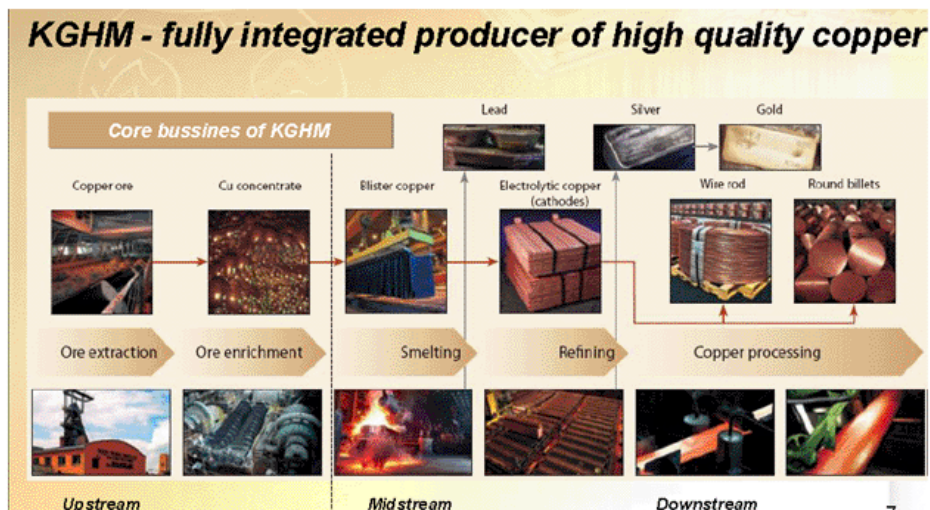
In June 2009 Abacus completed a positive preliminary economic analysis (PEA) of the Ajax mine after a series of drill programmes from 2005-2008 culminating in some 170,000 metres of diamond drilling at a cost of over \$20 million. The Measured and Indicated resources were brought to 442 million tonnes at an average grade of 0.30% copper and 0.19 g/t gold, with an additional 80.6 million tonnes of inferred resources at 0.22% copper and 0.16 g/t gold. This would support a 60,000 tonne-per-day operation for an estimated annual production of 110 million pounds of copper (50,000 tonnes) and 100,000 ounces of gold over a 23 year mine life.



The entrance of a leading global copper and precious metals producer, KGHM, is a partnership that many junior aspires to attract, with several positive implications for Abacus and the development of its Afton-Ajax Project. Besides being Europe's #2 copper producer, KGHM or 'Copper Smelting-Mining Combine' is the 9th largest copper producer in the world at 500,000 tonnes per year or almost 3% of the world's copper production. It's also the world's 3rd largest silver producer with almost 39 million ounces per year or 7% of global silver production, as well as some 28,000 ounces of gold. Fully integrated with mines, copper smelters, ore enrichment plants and hydrotechnical facilities, the Group has a 50-year long tradition of mining and processing copper and produces high quality copper in cathodes, wire rods, oxygen-free copper and silver-bearing copper rods and billets. It employs over 27,000 people, has a market capitalization approximating US\$7 billion, and trades on the Warsaw Stock Exchange.

Total tonnes mined (000's tonnes)	1,344,670
Ore tonnes (000's tonnes)	502,206
Waste tonnes (000's tonnes)	842,464
Strip ratio	1.67:1
Mine life	23 years
Copper grade (%)	0.268
Gold grade (gpt)	0.171
Copper Eq. grade (%)*	0.362
Contained copper (000's lbs)	2,968,036
Contained gold (000's ozs)	2,672
Contained Copper Eq. (000's lbs)*	4,007,147
Recovered copper (000's lbs)	2,422,499
Recovered gold (000's oz)	2,195
Average Copper Production/year (LOM)	110M lbs Cu
Average Gold Production/year (LOM)	100,000 oz Au

Following an initial \$4.5 million private equity placement in Abacus at a 36% premium to the then market price, KGHM has committed to a \$37 million cash investment upon the closing of the Joint Venture expected shortly. This provides the funding for the Project's development through BFS (bypassing the pre-feasibility stage), earning KGHM a 51% interest in the Joint Venture. Abacus will retain 49% and operate the joint venture company. A further commitment by KGHM to pay up to US\$35 million for an additional 29% interest in the Project upon completion of a positive BFS, and funding provisions for its proportionate share of 80% of the project capex and even Abacus' proportionate share of 20% of the project capex on commercially reasonable terms, greatly reduces the risk associated with financing the project's capital to build the mine. And the benefits extend beyond the development of the Ajax deposit – to funding exploration targets elsewhere on the property to grow the resource base – and forging a strategic partnership to jointly identify and develop other global targets leveraging Abacus' mineral exploration expertise and KGHM's financial strength and operational expertise.



The preliminary analysis on Ajax underscores the potential for a robust mining operation. Using metal prices of US \$2.00 per pound copper and US \$700 per ounce gold, on a base case scenario, the Project has a net present value of \$192.7 million discounted at 8%, a return on initial capital of 40.4%, average life of mine cash costs of \$1.17 per pound of copper net of gold credit at \$700 per ounce, and a 6.5 year payback. Using metal prices approximating today's values of US \$3.00 per pound copper and US \$1,000 per ounce gold, the Project's NPV jumps to US \$1.46 billion at 8% discount, average cash costs over the 23-year life of mine of less than \$1.00 per pound of copper and a 2-year payback. Even on an eventual 20% interest basis, the mine is projected to generate free cash flow of US \$40 million per year with a pre-tax NPV at 8% equivalent to \$1.62 per Abacus share.

As to the 20% interest in the Afton-Ajax Mine

Financial model based on PEA mine plan (pre-tax)

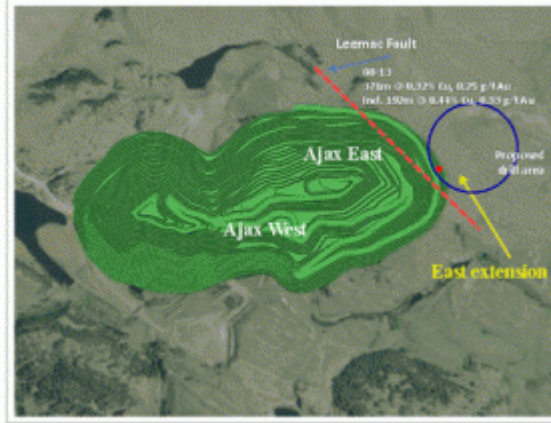
@ \$3.00 lb/Cu and \$1,000 oz/Au	@ consensus \$2.14 lb/Cu and \$914 oz/Au
<ul style="list-style-type: none"> • Two year payback of entire loan • Annual free cash flow of US\$40MM • NPV(-10) US\$248 mil /\$1.45/share • NPV(-08) US\$320 mil /\$1.62/share 	<ul style="list-style-type: none"> • Three year payback • Annual free cash flow of US\$20MM • NPV(-10) = US\$132 mil / \$0.77/share • NPV(-08) = US\$175 mil / \$0.88/share

Cost Per Pound of Copper

Gold Price (\$/ounce)	\$700	\$800	\$900	\$1000
Cash cost (\$/pound of Copper)	\$1.17	\$1.08	\$0.99	\$0.90

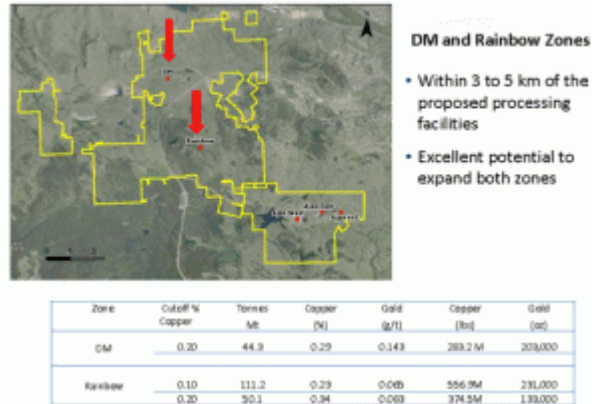
Since completion of the PEA, Abacus has undertaken further drill programs on the property to convert inferred resources to measured and indicated, and to target the near-surface, higher-grade resource east of Ajax that could supply early, higher-grade mill feed, and considerably enhance the economics of the Ajax deposit. The entire Ajax deposit remains open along strike and at depth. Up to \$7 million of KGHM funding has been allocated to exploring and enhancing the Ajax East Extension and also to explore and develop other areas within the property. This includes the Rainbow deposit, a zone about 3.5 kms NW from the past producing Ajax deposit, and along the same structural trend that hosts the previously mined Afton and Ajax ore bodies. The Rainbow deposit was explored by Abacus in 2004 and 2005 and currently contains a mineral inventory of 550 million lbs of copper and approximately 230,000 oz of gold which is not included in the PEA resource estimate. This deposit holds strong potential for expansion, along strike and at depth where it remains open.

Afton-Ajax East Expansion Potential



Abacus' has a world class mining team with a proven track record. Abacus' Chairman, Tom McKeever, has over 40 years experience in senior management for mining and commodity trading with such companies as AMAX Inc., MG plc, and until 2006 as Chairman of Sempra Metals. Jim Excell, Abacus' newly-appointed President and CEO was with BHP Billiton in Canada and internationally, serving as President and COO of BHP Billiton Diamonds Inc. from 1999 to 2003, and as its Chairman to June 2005. A metallurgical engineer, he oversaw the development of the EKATI diamond mine in the NWT and managed copper operations in B.C. Andy Pooler, EVP and COO has over 25 years experience in mining operations and development including six years with Pan American Silver as Senior V.P. Mine Operations where he was in charge of six mines worldwide. He has assembled a top mining team hailing from some of the best known mining consulting firms in North and South America.

Additional Future Potential



The Strategic Joint Venture with KGHM leverages the respective strengths of both companies to create significant potential value ahead and the development of the Afton-Ajax Project appears just the beginning. Abacus is now uniquely positioned to transition from an explorer to a mid-tier producer and beyond.