

ABACUS MINING & EXPLORATION CORPORATION
Management Discussion & Analysis

FORM 51-102F1

For the Period Ending

March 31, 2005

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 and audited financial statements including the notes thereto for the years ended December 31, 2004 and December 31, 2003, respectively.

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 30th 2005 ("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. These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the 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, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

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

Overall Performance

Abacus Mining and Exploration Corporation (the "Company") is a junior mining and exploration company actively engaged in the acquisition, exploration and development of mineral resource properties. The Company trades on the TSX Venture Exchange under the symbol AME. As at the date hereof, the Company presently holds options on mineral resource properties in the Afton Mine Camp near Kamloops, British Columbia.

During the three month period ending March 31, 2005, the Company received shareholder and court approval for the arrangement to transfer the Company's wholly owned subsidiary, Abacus Alaska Inc. which includes the Niblack property into Niblack Mining Corp. The transfer is recommended to provide greater market awareness and financing opportunities of the Niblack property. Management believes this will be a significant opportunity to increase shareholder value. In addition, the separation of the Niblack property from the Afton property will provide both organizations increased flexibility to utilize and advance their respective assets. Management also feels that by separating its assets into two companies and providing shareholders with proportionate interests in those companies, shareholder value will be further increased.

Under the terms of the arrangement Abacus shareholders will retain their shareholdings in Abacus and receive one Niblack Mining share for every four shares of Abacus held. The effective date for which the new shares will be issued is April 15, 2005. The Company has also loaned \$300,000 to Niblack Mining Corp. As consideration for the loan, the Company will receive 1,000,000 shares of Niblack Mining Corp.

Subsequent to the period ending March 31, 2005, the Company announced resource calculations on the Rainbow and DM/Audra areas and a significant transaction with Teck Cominco Ltd. The Company has entered into a Letter of Intent to acquire Teck Cominco's mill, shop facilities, back-in rights, certain surface rights, tailings pond and associated permits. The Company will issue 18.5 million shares and pay \$10.0 million cash over a two year period. Through June and July 2005, the Company will complete a due diligence review which will include an environmental, structural and equipment

audit.

The acquisition of the mill and infrastructure will provide the Company a significant competitive advantage in the Afton Mine camp. This includes a significant reduction in the timeline to develop the Rainbow and DM/Audra areas as well as reduce costs to develop any new infrastructure.

During the three-month period ending March 31, 2005, the Company did not raise any funds. Administrative expenses, excluding stock-based compensation costs, a non-cash charge, totalled \$155,563. Exploration expenditures on the Afton properties during the period totalled \$63,775. Including exploration amounts from previous periods, the Company has spent over \$3,865,000 on the Afton properties. The plan for 2005 is to conduct a diamond drilling program with a budget similar to last year's budget. The scope of the drilling program will be based on the results and recommendations from the resource study, to expand the known zones of mineralization, and to test new targets identified by geophysical surveys.

Results of Operations

Administrative expenses for the period ending March 31, 2005, including stock-based compensation, total \$301,599. Significant expenditures include stock-based compensation charges of \$144,036, consulting fees of \$49,500, travel costs of \$40,123, salaries and benefits of \$18,200, and regulatory costs of \$14,287. Consulting fees have become a significant cost due to the scope and logistics of Abacus' corporate activity. Travel costs have also become a significant component as the Company attended three investment conferences during the period. Over the same period in 2004, the Company's operating expenses of \$121,857 were significantly lower given the lower level of stock-based compensation charges against the Company (\$31,495). Consultancy and salary costs in 2004, \$14,134 and \$3,066 respectively, were also significantly lower than the same expenses in 2005 as the Company has incurred significant expenses associated with the arrangement to transfer the Niblack property.

Exploration expenditures during the period totalled \$63,775, all of which was spent on the Iron Mask portion (DM/Audra) portion of the Afton properties. Of that amount, most of the costs were associated with wages (\$37,813), travel (\$8,774), and assays (\$8,629). In total, \$3,865,000 has been spent on the Afton area properties.

Afton Properties, Kamloops, B.C.

The Company has a Letter Agreement with Afton Operating Corporation and Teck Cominco Limited (collectively "Teck Cominco") to acquire a 100% interest in all of Teck Cominco's interests in 289 mineral claims and 31 Crown grants in the vicinity of the past producing Afton mine. The Company also signed an agreement with Discovery-Corp. Enterprises Inc. ("Discovery") to earn all of Discovery's interest on the Rainbow portion of the claims.

In July 2004, the Company met the terms and conditions of the Agreements signed between the company, Teck Cominco Ltd. and Afton Operating Corp. and earned a 100-per-cent interest in Teck Cominco's interests in the Afton properties near Kamloops.

Subsequent to the period ending March 31, 2004, the Company released resource estimates which were complete by Mr. Gary Giroux, a Qualified Person under NI 43-101 guidelines. The resource

estimates are based on exploration work completed at the Rainbow and the DM/Audra area. The resource calculations are as follows:

RAINBOW RESOURCE MODEL

Indicated Resource

Cut off (% copper)	Tonnes > cutoff	Copper (%)	Gold (g/t)	Million pounds of copper	Million ounces of gold
0.10	100,600,000	0.237	0.066	525.721	0.2135
0.20	47,100,000	0.345	0.084	358.301	0.1272
0.25	31,600,000	0.405	0.094	282.196	0.0955
0.30	21,900,000	0.464	0.106	224.063	0.0746
0.35	14,800,000	0.532	0.119	173.613	0.0566

Inferred Resource

Cut off (% copper)	Tonnes > cutoff	Copper (%)	Gold (g/t)	Million pounds of copper	Million ounces of gold
0.10	10,600,000	0.176	0.051	41.136	0.0174
0.20	3,000,000	0.245	0.064	16.207	0.0062
0.25	1,100,000	0.288	0.071	6.985	0.0025
0.30	300,000	0.335	0.096	2.216	0.0009
0.35	100,000	0.374	0.104	0.825	0.0003

DM/AUDRA RESOURCE MODEL

Drill Indicated Resource

Cut off (% copper)	Tonnes > cutoff	Copper (%)	Gold (g/t)	Million pounds of copper	Million ounces of gold
0.10	59,900,000	0.217	0.116	286.613	0.2234
0.20	28,500,000	0.295	0.153	185.385	0.1402
0.25	16,200,000	0.350	0.188	125.024	0.0979
0.30	10,100,000	0.396	0.219	88.191	0.0711
0.35	6,300,000	0.437	0.246	60.706	0.0498

Inferred Resource

Cut off (% copper)	Tonnes > cutoff	Copper (%)	Gold (g/t)	Million pounds of copper	Million ounces of gold
0.10	48,900,000	0.186	0.081	200.554	0.1273
0.20	15,800,000	0.281	0.124	97.898	0.0630
0.25	9,400,000	0.322	0.153	66.741	0.0462
0.30	5,400,000	0.359	0.174	42.746	0.0302
0.35	2,789,000	0.393	0.180	24.168	0.0161

Niblack Project, Alaska

Subject to a 65% back-in right with Teck Cominco Ltd., 1-3% sliding scale NSR with Barrick Gold, and a 15% NPI with Cook Inlet Region Inc., the Company owns a 100% interest in 47 mineral claims on Prince of Wales Island in southeast Alaska.

In December 2004, the Company agreed to a plan of arrangement to a proposal to transfer Abacus Alaska Inc. and the Niblack property into Niblack Mining Corp. On March 15, 2005 the Company received shareholder approval of the proposal and subsequently received approval from the Supreme Court of British Columbia and the TSX Venture Exchange. The transfer is recommended to provide greater market awareness and financing opportunities of the Niblack property. Management believes this will be a significant opportunity to increase shareholder value. In addition, the separation of the Niblack property from the Afton property will provide both organizations increased flexibility to utilize and advance their respective assets. Management also feels that by separating its assets into two companies and providing shareholders with proportionate interests in those companies, shareholder value will be further increased.

As consideration for the transfer, shareholders of Abacus will receive one share of Niblack Mining Corp. for every four Abacus shares held. To be eligible, shareholders must have been shareholders of record on April 15, 2005. Niblack Mining will apply for a listing on the TSX Venture Exchange and has planned to raise an estimated \$2.5 million brokered and non-brokered. Details of this financing, including agents and prices have not been finalized.

Exploration plans for the Niblack property in 2005 include an \$822,000 exploration program consisting of approximately 5,000 metres of diamond drilling. The recommendations for the Niblack exploration program were made in a 43-101 report by Dr. Giles Peatfield. The report is filed of the Company's SEDAR profile.

Summary of Quarterly Results

The selected consolidated information set out below has been gathered from quarterly financial statements for the previous eight quarterly periods:

	Revenue \$	Income (Loss) \$	Income (Loss) per share \$
March 31, 2005	Nil	(299,298)	(0.01)
December 31, 2004	Nil	(474,189)	(0.01)
September 30, 2004	Nil	(235,834)	(0.01)
June 30, 2004	Nil	(283,213)	(0.01)
March 31, 2004	Nil	(90,362)	0.00
December 31, 2003	Nil	(233,793)	0.00
September 30, 2003	Nil	(109,090)	0.00
June 30, 2003	Nil	(53,374)	0.00
March 31, 2003	Nil	(60,541)	(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. In June/September of 2004 and September of

2003, the Company had significant diamond drilling programs on the Afton property which in turn, raises costs associated with promotion, travel and general expenses. The loss during the most recent period is considerably higher due to the size of the Afton exploration program and stock-based compensation expenses.

Liquidity

The consolidated financial statements are prepared on a 'going concern' basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at December 31, 2004, the Company has working capital of \$1,294,441 and an accumulated deficit of \$21,393,061. The Company's ability to continue as a going concern is dependent on the ability of the Company to raise equity financing and the attainment of profitable operations.

The Company also had the following share purchase warrants and incentive stock options at the period ending March 31, 2005 available for exercise:

Warrants

Number Of Shares	Exercise Price	Expiry Date
394,744	\$ 0.24	October 29, 2005

Options

Number of Shares	Exercise Price	Expiry Date
2,500	\$ 0.14	August 16, 2005
225,000	\$ 0.14	June 1, 2006
462,500	\$ 0.20	April 16, 2007
775,000	\$ 0.10	April 4, 2008
750,000	\$ 0.19	September 4, 2008
300,000	\$ 0.36	October 9, 2008
1,500,000	\$ 0.20	September 17, 2009
1,500,000	\$ 0.40	October 23, 2009
200,000	\$ 0.20	December 23, 2009
5,715,000		

The Company has no long-term liabilities. Outstanding obligations include rent of office space, which is in the second year of a six-year lease.

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.

All of the Company's mineral property agreements are non-binding. As previously mentioned, the Company met the terms and conditions of the Agreements signed between the company, Teck Cominco Ltd. and Afton Operating Corp. The Company has now earned a 100-per-cent interest in Teck Cominco's interests in the Afton properties near Kamloops, British Columbia.

Transactions with Related Parties

- (a) The Company conducts the majority of its exploration activities through an exploration services contractor in which two directors are principals. The Company paid that contractor \$63,775(2004 - \$562,878) for exploration costs and \$43,217(2004 - \$65,636) to reimburse office and administrative costs. As at March 31, 2005 the Company had advanced \$145,452 that contractor.
- (b) A management fee of \$4,500(2004 - \$7,500) was paid or was owed to a company controlled by a Company director.
- (c) The Company shares office and administrative costs with a company with three directors in common. As at March 31, 2005, \$2,530 was due from this company.

Proposed Transactions

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

Changes in Accounting Policies including Initial Adoption

Effective January 1, 2002, the Company adopted CICA Handbook Section 3870 "Stock-Based Compensation and Other Stock-Based Payments" which originally encouraged, but now requires, the fair value-based method for measuring all stock options granted. The fair value of stock options granted is measured using the Black-Scholes option pricing model and amortized over any applicable vesting periods. Consideration received for the exercise of stock options is recorded as share capital.

During the fourth quarter of 2003, the Company adopted the November 2003 amendments to CICA Handbook Section 3870 "Stock-Based Compensation and Other Stock-Based Payments" which now requires the fair value-based method for measuring all stock options granted. The Company elected for an earlier adoption of these amendments and has prospectively applied the amendments effective January 1, 2003. Accordingly, compensation cost has been recognized for all stock options granted in 2003.

The Company previously elected to apply the intrinsic value method of accounting for stock options granted to employees including directors, whereby no compensation expense is recognized if the exercise price of the stock options equals or is greater than market value, provided the effects of applying the fair value based method are disclosed in the notes as pro-forma information. Under this election, the fair value based method was applied only to stock options granted to non-employees.

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.

On Behalf of the Board,
ABACUS MINING EXPLORATION CORP.

Doug Fulcher,
President