

Abacus announces positive feasibility study update on Ajax Cu-Au-Ag project in B.C.

Vancouver, BC – January 13, 2016. Abacus Mining & Exploration Corporation (“**Abacus**” or the “**Company**”) (TSXV:AME) is pleased to announce the results of an updated Feasibility Study (the “updated FS”) for the Ajax copper-gold-silver deposit located south of the City of Kamloops, B.C. The Ajax Project is 100% owned by KGHM Ajax Mining Inc. (“KGHM Ajax”), a joint venture company owned by Abacus (20%) and KGHM Polska Miedz SA (KGHM) (80%). The updated FS supersedes the Feasibility Study of January 6, 2012 and incorporates an updated reserve and significantly updated engineering. The updated FS was prepared in accordance with Canadian National Instrument 43-101 by a consortium of independent consultants under the direction of M3 Engineering and Technology Corp., a recognized global provider of design and construction services.

Several significant changes were introduced to the project scope and layout which yielded positive economic, processing and environmental parameters for the Ajax Project.

Economic Highlights (In US\$ unless otherwise indicated)

- Total proven and probable mineral reserves of 426 million tonnes containing 2.7 billion lbs Cu, 2.6 million oz Au, and 5.3 million oz Ag, at an average life of mine (LOM) head grade of 0.29% Cu, 0.19 g/t Au and 0.39 g/t Ag.*
- 18 year mine life at an average nominal processing rate of 65,000 tonnes per day (t/d) at an overall stripping ratio of 2.65:1
- Average annual production of copper and gold in concentrate of 58,000 tonnes Cu and 125,000 oz Au
- Average mine operating costs of \$1.50/t; average process operating costs of \$4.31/t
- Initial capital expenditures of \$1.307 billion
- Pre-tax NPV (8%) = \$429.4 M Pre-tax NPV (5%) = \$872.5 M
- Pre-Tax IRR 13.4%; payback (years) 6.5

*Based on LOM metal prices of Cu: US\$3.21/lb, Au: US\$1,200/oz, Ag: US\$17/oz

The NI 43-101 technical report entitled "Ajax NI 43-101 Feasibility Study Update Technical Report" prepared by the Qualified Persons mentioned in this report will be filed on Sedar (www.sedar.com) and the Company's website (www.amemining.com) within 45 days of this release.

Key changes from the January 2012 Feasibility Study include:

- Project site relocation from the north to the south side of the mine pit
- Change in tailings technology to thickened tailings
- Change in mining plans from 60,000 t/d to 65,000 t/d, and the replacement of the in-pit semi-mobile crushing stations with a single, fixed primary crushing station
- Addition of a fine ore stockpile
- Adjustments to the site water management plan to accommodate facility relocation and tailings storage facility redesign
- Further definition of mineral resources and mineral reserves

Mine Plan

The proposed mine plan is a conventional truck-and-shovel, open-pit operation. The pit design has been developed to comprise seven phases. The longest spans of the pit will be approximately 2.7 km in an east-west direction and approximately 1.3 km in a north-south direction.

The mine plan incorporates a revised throughput from 60,000 t/d to 65,000 t/d, an updated block model that includes increased geological interpretations, recent drilling results and metallurgical testwork, outcomes of three trade-off studies, and updated economic factors.

The mine plan is based on the extraction of 426 Mt of ore containing 0.29% Cu, 0.19 g/t Au and 0.39 g/t Ag. This compares to the 2012 Feasibility Study of a reported 503 Mt of reserves containing 0.27% copper and 0.17 g/t of gold. Mine life is calculated to be 18 years at an average nominal processing rate of 65,000 t/d and an overall stripping ratio of 2.65:1, waste to ore. Based on the contained metal content of 1.2 Mt (2.7 billion lbs) of copper, 2.6 million oz of gold and 5.3 million oz of silver, average annual production is estimated to be 58,000 tonnes of copper and 125,000 ounces of gold in concentrate.

FINANCIAL HIGHLIGHTS (In US\$ unless otherwise indicated)**Financial Results using 5% and 8% discount rate with KGHM price deck***

Financial Indicators before Taxes

| | |
|-----------------|-----------|
| NPV @ 5% | \$872.5 M |
| NPV @ 8% | \$429.4 M |
| IRR % | 13.4% |
| Payback (years) | 6.5 |

Financial Indicators after Taxes

| | |
|-----------------|-----------|
| NPV @ 5% | \$543.0 M |
| NPV @ 8% | \$215.6 M |
| IRR % | 11.1% |
| Payback (years) | 6.7 |

** Based on LOM long term metal prices of Cu (with higher short term Cu prices): US\$3.21/lb, Au: US\$1,200/oz Ag: US\$16/oz*

Initial Capital Expenditures

Capital expenditures, estimated at US\$1.307 billion, reflect changes to the general arrangement of the Project whereby the facilities have been moved farther from the Kamloops community, several important technological changes aimed at increasing metals recovery during processing, decreasing operating costs and reducing the environmental impact (e.g. changes in preliminary milling and ore transport systems, technological solutions at the processing plant and in the tailings storage system). The C1 cash cost has been calculated at US\$1.37/lb. Mine construction is expected to take 2.5 years.

| | |
|---------------------------|------------------|
| Mine | \$279.4 |
| Process | \$910.1 |
| G&A | \$85.3 |
| Subtotal | \$1,274.8 |
| Capitalized Mill Turnover | \$32.4 |
| Total | \$1,307.2 |

Note 1. Numbers in millions US\$.

Operating Costs

The LOM mine operations costs were calculated to average \$1.50 per tonne mined.

| Area | Unit Cost (\$/t mined) |
|-------------------|-------------------------------|
| Drilling | 0.07 |
| Blasting | 0.20 |
| Loading | 0.19 |
| Hauling | 0.66 |
| Support | 0.17 |
| Mine General | 0.22 |
| Total Cost | 1.50¹ |

Note 1. Numbers may not add due to rounding.

The process operating costs were calculated to average \$4.31 per tonne ore.

| Area | US\$/tonne ore |
|------------------|-------------------------|
| Maintenance | 0.68 |
| Supplies | 1.72 |
| Consumables | 0.95 |
| Outside Service | 0.19 |
| Salaries & Wages | 0.64 |
| Taxes | 0.12 |
| Total | 4.31¹ |

Note 1. Numbers may not add due to rounding.

Mineral Resources

The Mineral Resource Estimate was generated using drill hole sample assay results and an interpretation of the geologic model. The mineral resource database is a sub-set of the Ajax database and consists of 208,050 metres of drilling in 665 drill holes. The spatial distribution of Au-Ag in relation to Cu shows a reasonably strong correlation among the three metals, allowing Cu-Au-Ag to be grouped in mineralized domains. The Mineral Resource Estimate is summarized as follows:

Mineral Resource Summary – NSR Cut-off of US \$7.10/t Ajax Project

| Classification | Tonnage (Mt) | Cu (%) | Au (g/t) | Ag (g/t) |
|----------------|--------------|--------|----------|----------|
| Measured (M) | 148 | 0.28 | 0.18 | 0.37 |
| Indicated (I) | 420 | 0.25 | 0.18 | 0.35 |
| M + I | 568 | 0.26 | 0.18 | 0.35 |
| Inferred | 29 | 0.13 | 0.09 | 0.17 |

Notes: 1. CIM Definitions were followed for Mineral Resources. 2. Mineral resources are estimated at an NSR cut-off of \$7.10. 3. Mineral resources are estimated at US\$4.00/lb Cu, US\$1800/oz Au, and US\$26/oz Ag. 4. Inferred blocks were included in generating pit shell. 5. Mineral resources are reported inclusive of mineral reserves. 6. Tonnages and grades are rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding. 7. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mineral Reserves

To estimate the mineral reserves, mining and milling parameters along with modifying factors such as mining dilution and mining losses were used. Pit slope design and pit wall depressurization recommendations for the proposed Ajax open pit were incorporated. Mining and processing costs per tonne were estimated and process recoveries were included in the NSR calculation for each of the six common metallurgical zones. The Mineral Reserve Estimate is summarized as follows:

Ajax Project Mineral Reserves Estimate – NSR Cut-off of US\$7.10/t

| Confidence Category | | ROM (Mt) | Average ROM Grades | | | Contained Metal | | |
|------------------------------------|--|----------|--------------------|----------|----------|-----------------|------------|--------------|
| | | | Cu (%) | Au (g/t) | Ag (g/t) | Copper (Mlb) | Gold (koz) | Silver (koz) |
| Proven Mineral Reserves | | 130 | 0.30 | 0.19 | 0.40 | 875 | 791 | 1,677 |
| Probable Mineral Reserves | | 296 | 0.28 | 0.19 | 0.38 | 1,818 | 1,813 | 3,615 |
| Proven & Probable Mineral Reserves | | 426 | 0.29 | 0.19 | 0.39 | 2,693 | 2,605 | 5,292 |

Notes: 1. CIM Definitions were followed for Mineral Reserves. 2. Mineral Reserves are estimated at an NSR cut-off of \$7.10. 3. Mineral Reserves are estimated at initial fluctuating Cu price with US\$3.21/lb Cu long term, US\$1200/oz Au, and US\$17/oz Ag. 4. Inferred blocks were included in generating the pit shell. 5. Process recoveries for the six common metallurgical zones are included in the NSR estimation. 6. Tonnages and grades are rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

Infrastructure

The Ajax Project is situated approximately 3 km south of the City of Kamloops, B.C. The project will be accessed from the Coquihalla Highway via a reconstructed Inks Lake Interchange and upgraded mine access road along the historic haul road, crossing Lac Le Jeune Road to the main gate east of Jacko Lake.

Fresh water to the mine site will be pumped from Kamloops Lake to the Project site. The majority of the water used in the process will be reclaimed from the tailing storage facility.

Power will be supplied to the site by a single-circuit 230 kV transmission line from BC Hydro's Jacko Lake substation, located approximately 12 km from the Project site.

Environmental and Permitting

The Environmental Assessment Application/Environmental Impact Statement (the "Application/ EIS") for the Ajax copper-gold-silver Project was submitted provincially to the British Columbia Environmental Assessment Office and federally to the Canadian Environmental Assessment Agency for screening review on September 14, 2015. The

studies contained in the Application/EIS demonstrate the extent to which the Ajax mine has been designed to mitigate potential environmental impacts, while providing the maximum benefit to the community.

As of November 24, 2015 the Application/EIS had passed through the screening review process by both the B.C. Environmental Assessment Office and the Canadian Environmental Assessment Agency and was determined to be acceptable for detailed technical review. KGHM Ajax has since been preparing the document for formal submission. Following formal submission of the Application/EIS, the British Columbia Environmental Assessment Office and the Canadian Environmental Assessment Agency will hold a joint public commenting period. During this period, a number of open houses and other initiatives are planned to enhance understanding of the contents of the Application/EIS, including plain language summaries and fact sheets of key studies.

Technical Report

The NI 43-101 technical report entitled "*Ajax NI 43-101 Feasibility Study Update Technical Report*" prepared by the Qualified Persons is expected to be filed on Sedar (www.sedar.com) and the Company's website (www.amemining.com) within 45 days of this release.

In the opinion of the QPs, knowledge of the deposit settings, lithologies, and structural and alteration controls on mineralization is sufficient to support Mineral Resource and Mineral Reserve estimates. The exploration programs completed to date are appropriate to the style of the deposits and prospects within the Project.

In the opinion of the QPs, sample collection, preparation, analytical and QA/QC data from the Abacus and KGHM Ajax drilling programs were appropriate and meet industry standards. The QPs consider that a reasonable level of verification has been completed during the audits undertaken in 2008-2009, 2010, 2011 and 2014 by MDA, and that no material issues would have been left unidentified from the audit programs undertaken. The data verification programs undertaken on the data collected from the Project adequately support the geological interpretations, the analytical and database quality, and therefore support the use of the data in mineral resource estimation.

In the opinion of the QPs, estimations of mineral resources for the Project conform to industry best practices and meet the requirements of CIM (2010). An economic Lerchs-Grossman (LG) pit shell was used to constrain the estimate and develop a mine design, and appropriate modifying factors were applied to convert Measured and Indicated Mineral Resources to Proven and Probable Mineral Reserves.

The following Qualified Persons have reviewed and approved the scientific, technical, and economic information contained in this news release.

- Keith Dagel, PE and Daniel Roth, PE, P.Eng. of M3 Engineering & Technology – Capital cost, operating costs, and economics
- Sean Ennis, P.Eng of Norwest – Tailings and water management and mine rock storage facilities
- Danny Tolmer, P.Eng of Golder Associates – Mining and Mineral Reserves
- Derek Chubb, P.Eng of ERM – Environmental permitting
- Christopher J. Wild, P.Eng of KGHM – Mineral resource estimation
- Claus Stoiber, P.Eng of KGHM- Mineral Processing and Metallurgical Testing
- Julian Watson, MAusIMM CP (Geotech), RPEQ of KGHM – Geotechnical

On Behalf of the Board,
ABACUS MINING & EXPLORATION CORPORATION

Michael McInnis
Chairman, President & CEO

About Abacus

Abacus is a mineral exploration and mine development company with a 20% interest in the Ajax Project located at the historic Ajax-Afton site southwest of Kamloops, B.C. The Ajax Project is a proposed copper-gold open-pit mine currently in the submission stage of a provincial and federal environmental assessment process. Through KGHM Ajax Mining Inc., a joint venture company between Abacus (20%) and KGHM Polska Miedz S.A. (KGHM) (80%), the mine is being funded in large part by KGHM and operated by its wholly-owned subsidiary, KGHM International Ltd. For the latest reports and information on the Ajax Project, please refer to the Company's website at www.amemining.com.

Forward-Looking Information

This release includes certain statements that are deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address events or developments that Abacus expects to occur, are forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in the forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include changes to commodity prices, mine and metallurgical recovery, operating and capital costs, foreign exchange rates, ability to obtain required permits on a timely basis, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward-looking statements are based on the beliefs, estimates and opinions of the Company's management on the date the statements are made. Except as required by applicable securities laws, the Company undertakes no obligation to update these forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change.

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