

MATERIAL CHANGE REPORT
51-102F3

Item 1 Name and Address of Company

Abacus Mining & Exploration Corporation (the "Company")
615 – 800 West Pender Street
Vancouver, BC V6C 2V6

Item 2 Date of Material Change

December 21, 2011

Item 3 News Release

The news release was disseminated on December 21, 2011, to the TSX Venture Exchange as well as through various other approved public media and was SEDAR filed with the British Columbia, Alberta, Manitoba, Saskatchewan, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland Securities Commissions.

Item 4 Summary of Material Change

The Company announced the results of the Feasibility Study for the Ajax Copper-Gold Project (the "Ajax Project") located southwest of Kamloops, B.C. The Ajax Project is being developed through KGHM Ajax Mining Inc., owned 49% by the Company and 51% by KGHM Polska Miedź S.A. The NI 43-101 Technical Report will be available on the Company's website (www.amemining.com) and on SEDAR (www.sedar.com).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Please see attached news release of December 21, 2011 for further details.

5.2 Disclosure for Restructuring Transactions

Not applicable

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable

Item 7 Omitted Information

Not applicable

Item 8 Executive Officer

James D. Excell, President & CEO, Telephone No.: (604) 682-0301

Item 9 Date of Report

December 21, 2011

TSX.V Symbol: AME

News Release

Abacus announces robust Feasibility Study results for Ajax Copper-Gold Project in B.C.

Average Annual production estimated at 109 million lbs Cu & 99,000 oz Au over 23 years
Proven & probable reserves estimated at 3 billion lbs Cu and 2.7 million ozs Au

Vancouver, British Columbia – December 21, 2011. Abacus Mining & Exploration Corporation (TSXV: AME "Abacus") is pleased to announce the results of the Feasibility Study ('FS') for the Ajax Copper-Gold Project (the "Ajax Project") located southwest of Kamloops, B.C. The Ajax Project is being developed through KGHM Ajax Mining Inc. ("KGHM Ajax"), owned 49% by Abacus and 51% by KGHM Polska Miedz S.A. ("KGHM"). The NI 43-101 Technical Report will be available on the Company's website (www.amemining.com) and on SEDAR (www.sedar.com).

Base Case Highlights: (all economic figures in US\$)

- Total proven and probable mineral reserves of 3 billion lbs Cu and 2.7 million ozs Au at 0.27% Cu and 0.17 g/t Au based on \$2.50 Cu and \$1,085 Au
- 23 year mine life at a processing rate of 60,000 t/d or 21.9 million t/a at a LOM stripping ratio of 2.4:1
- LOM production of 2.5 billion lbs Cu and 2.28 million ozs Au in concentrate
- Initial capital costs of \$795 million, including contingency of \$87 million
- Cash cost per lb of copper of \$1.28 net of gold credits

Economic Analysis:

The base case economic analysis produced by Wardrop, a Tetra Tech Company (Tetra Tech) projects that the Ajax Project will have a pre-tax net present value of \$416 million (@ 8% discount rate) and internal rate of return of 14.5% based on pre-tax 100% equity financing. The pre-tax economic results for the base case and additional case scenarios are presented in the following table.

Table 1: Summary of Ajax Project Pre-Tax Economic Results

	Base Case Scenario	Alternate Case Scenario1	Alternate Case Scenario2
Cu US\$/lb	\$2.75	\$3.00	\$ 3.50
Au US\$/oz	\$1,085	\$1,300	\$1,700
Exchange Rate (US\$:C\$)	0.92	0.94	0.98
Pre-tax Internal Rate of Return	14.5%	19.5%	30.3%
Cash Cost per lb Cu (net of gold credits)	\$1.28	\$1.11	\$0.79
Pre-Tax Net Present Value (8% discount rate)	\$416 million	\$818 million	\$1,601 million
Payback Years	7.8	3.8	2.2

James D. Excell, President & CEO of Abacus commented, "The FS confirms the economic viability of the Ajax Project at long term copper and gold prices, and demonstrates the leverage to increases in metal prices. At recent market prices the Project is very robust and the NPV nearly quadruples from the base case with an associated 2.2 year payback of initial capital.

The delivery of the FS is a pivotal milestone for Abacus and advances the Ajax Project along the critical path to production start-up targeted for 2015. The Ajax Mine economics compare very favorably to the leading copper projects being developed around the world given its long-life, location, open-pit mining and conventional processing. The mine also represents a small portion of the 8,000 hectare copper-gold camp. We look forward to developing the Ajax Project with our world class partner, KGHM."

Joint Venture Next Steps

Upon deemed delivery of the FS to KGHM, expected on or about December 31, 2011, KGHM will have a maximum of 90 days to acquire a further 29% in the Joint Venture company for a cash consideration equal to 29% of the Proven and Probable copper equivalent reserve in the FS, to a maximum of US\$35 million, towards use by Abacus for its share of project capital. Thereafter, KGHM will arrange the financing for its (80%) proportionate interest in the project capital, and Abacus has the option to arrange its own financing for its (20%) proportionate interest or elect to have KGHM do so on commercially reasonable terms.

In the event that KGHM chooses not to increase its interest in the joint venture, Abacus then has 90 days to elect to purchase KGHM's 51% interest for US\$37 million, and 90 days thereafter to close on this purchase. Should Abacus choose not to purchase KGHM's interest in its entirety, Abacus' interest in the Joint Venture can be increased to 51% by paying approximately US\$1.5 million to KGHM.

Detailed FS Summary

The independent Ajax Project Feasibility Study which was commissioned in May 2010 in accordance with National Instrument 43-101, supports a 60,000 tonne per day conventional milling plant, producing a copper-gold concentrate containing 25% Cu and 18 g/t Au. The Study was led by Tetra Tech as the project's lead consultant, in conjunction with a team of globally recognized consultants:

Tetra Tech	- overall management, mineral processing, infrastructure, and financial analysis
AMEC Americas Ltd.	- geology, mineral resource estimate, mineral reserve estimate, and mine design
Knight Piésold Ltd.	- environmental studies, permitting, and social or community impact
Golder Associates Ltd.	- tailings handling, thickening and tailings area water management
BGC Engineering Inc.	- pit slope designs and site geotechnical investigation
G&T Metallurgical Services Ltd.	- metallurgical test work
Krupp Polysius	- High Pressure Grinding Rolls (HPGR) pilot test work for the process design

The FS encompasses trade-off studies that were performed to optimize life-of-mine operations since the July 31, 2009 Preliminary Economic Assessment (PEA). Since the PEA level report was issued, further confirmatory metallurgical testing and variability analysis work have been completed. This FS builds on the results and premises of the previous findings, as well as the subsequent test work programs between 2009 and 2011.

Some of the key optimizations from the trade-off studies include crushers and conveyors for in-pit crushing and conveying of both ore and waste, high pressure grinding rolls, and high density tailings

deposition. These methods have had the effect of reducing costs and improving recoveries as well as location logistics to reduce the environmental footprint.

1) Mineral Resource Estimates

Mineral Resources take into account geologic, mining, processing and economic constraints, and have been confined within appropriate LG pitshells, and therefore are classified in accordance with the 2010 CIM Definition Standards for Mineral Resources and Mineral Reserves.

Mineral Resources are reported using a copper price of US \$2.88/lb and a gold price of US\$1,200/oz. AMEC reported the Mineral Resources at a Base Case CuEq grade of 0.20%.

Mineral Resource Estimate at Selected CuEq Cut-offs Effective Date May 26, 2011, Timothy O. Kuhl, SME Registered Member

	Cutoff CuEq (%)	Tonnes (Mt)	CuEq (%)	Cu (%)	Au (g/t)	NSR (US\$/t)	Contained Metal		
							CuEq (‘000 lb)	Cu (‘000 lb)	Au (oz)
Measured	0.1	322.5	0.38	0.27	0.17	13.83	2,667,000	1,933,000	1,734,600
	0.2	255.8	0.42	0.31	0.19	15.71	2,389,000	1,734,000	1,555,400
Indicated	0.1	336.2	0.36	0.26	0.17	16.7	2,665,000	1,897,000	1,818,100
	0.2	256.2	0.42	0.3	0.2	19.98	2,399,000	1,712,000	1,637,400
Measured	0.1	658.7	0.37	0.26	0.17	15.3	5,331,000	3,830,000	3,552,600
+ Indicated	0.2	512	0.42	0.31	0.19	17.85	4,788,000	3,446,000	3,192,800
Inferred	0.1	115.7	0.3	0.21	0.13	13.39	753,000	538,000	499,200
	0.2	73.7	0.38	0.27	0.17	17.46	613,000	439,000	405,700

Note 1. Mineral Resources are contained within a conceptual Measured, Indicated and Inferred optimized pitshell using the following assumptions: maximum copper recovery of 91.17% and maximum gold recovery of 86.49% based on the following equations: $CuRec = (-74.812 \times (Cu\%^2)) + (85.727 \times Cu\%) + 66.668$ and $AuRec = 92.586 \times Au(g/t)^{0.064}$; assumed throughput rate of 60,000 t/d; Whittle constraining shell slopes between pit slope angles ranging from 38° to 49°, waste and processed material mining costs of US\$1.08/t, fill waste mining costs of US\$0.89/t, total processing costs including reclamation of US\$3.23/t, general and administrative costs of US\$0.52/t, gold price of US\$1,200/oz, and copper price of US\$2.88/lb.

Note 2. Copper equivalency was calculated using the formula $CuEq = ((\%Cu) \times (CuRec) \times (22.0462) \times (\$lbCu) + (g/tAu) \times (AuRec) \times (1/31.1035) \times (\$ozAu)) + ((CuRec) \times (22.0462) \times (\$lbCu))$.

Note 3. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content.

Note 4. Tonnage and grade measurements are in metric units. Contained gold and silver ounces are reported as troy ounces, contained copper pounds as Imperial pounds.

2) Mineral Reserve Estimates

The Proven and Probable Mineral Reserves as of October 31, 2011 consists of 503 million tonnes grading 0.27% Cu and 0.17 g/t Au (0.37% Cu.Eq.) containing approximately 3 billion lbs of copper and 2.7 million ounces of gold.

Mineral Reserve Statement
Effective Date 31 October 2011, R. Mendoza Reyes, P.Eng.

Confidence Category	Cut-Off Grade (US\$/t)	Tonnes (Mt)	Average Grades		Copper Equivalent Cu.Eq. (%)	Contained Metal	
			Cu (%)	Au (g/t)		Copper (M lb)	Gold (k oz)
Proven Mineral Reserve	4.53	279.5	0.27	0.17	0.38	1,680	1,520
Probable Mineral Reserve	4.53	223.5	0.26	0.17	0.37	1,280	1,230
<i>Total Proven & Probable Mineral Reserves</i>	4.53	503.0	0.27	0.17	0.37	2,960	2,750

Note 1. Mineral Reserves are estimated using a cut-off of US\$4.53/t NSR, a copper price of US\$2.50/lb, and a gold price of US\$1,085/oz. The NSR is calculated by adding the NSR attributable to copper to the NSR attributable to gold and then subtracting the freight costs, which include land freight, port charges, ocean freight and miscellaneous costs. The attributable copper is calculated using the metallurgical recovery obtained by the formula: $CuRec (\%) = -74.812 * Cu(\%)^2 + 85.727 * Cu(\%) + 66.668$ with a maximum copper recovery of 91.17%. The attributable gold is calculated using metallurgical recovery obtained by the formula: $AuRec (\%) = 92.586 * Au(g/t)^{0.0649}$ with a maximum gold recovery of 86.49%.

Note 2. Mineral Reserves are constrained within a pit shell, optimized using assumptions of a weighted average mining cost of US\$1.32/t (ranging from US\$0.92/t to US\$2.50/t for the different mining benches); a processing cost of US\$3.38/t plus US\$0.51/t general and administrative costs, and US\$0.05/t allocation for closure costs; and pit slope angles that vary from 40° to 49°.

Note 3. A 0.5% mining loss factor was applied to account for dilution; diluted grades are estimated at 1.7% lower than the in-situ grades.

Note 4. The life of mine, waste to ore strip ratio is 2.40. The assumed life-of-mine throughput rate is 60 kt/d.

Note 5. The copper equivalency is calculated using the equation $Cu.Eq. = [(\%Cu) (CuRec)$

$(22.0462) (\$lbCu) + (g/tAu) (AuRec) (1/31.1035) (\$ozAu)] + [(CuRec) (22.0462) (\$lbCu)]$.

Note 6. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content.

Note 7. Tonnage and grade measurements are in metric units. Contained gold ounces are reported as troy ounces; contained copper pounds are Imperial pounds.

The mill copper feed grades generally vary between 0.13% and 0.63% Cu, while the gold grades generally vary between 0.05 g/t and 0.59 g/t Au of the mill feed. The Year 1 to 5 composite plant mill feed estimate was replicated in a sample which was tested during the most recent test program. This sample has a feed grade value of 0.29% Cu and 0.16 g/t Au. These feed values were used as the basis of design for the plant.

3) Life of Mine Plan

The FS supports production of a total of 2.5 billion lbs of copper and 2.28 million ozs of gold in concentrate or an average of approximately 109 million lbs of copper and 99,000 ozs of gold annually. The proposed mine plan envisages a conventional open pit operation extracting 60,000 t/d or 21.9 million t/a of ore. The mine plan is based on the extraction of 503 million tonnes of ore for processing during 23 years of operation at an overall LOM stripping ratio of 2.4:1 waste to ore. Total material movement from the pit during the life of the mine is estimated at 1,701 million tonnes. The average LOM head grade of process feed is 0.27% Cu and 0.170 g/t Au (0.37% Cu.Eq.) which equates to a NSR of \$14.68 per tonne.

Mining will be accomplished using a conventional truck and shovel operation, in conjunction with an in-pit crushing and conveying (IPCC) system. IPCC is a system where the mined material is reduced in size by crushing to make it suitable to be transported by belt conveyors out of the pit. After the PEA, IPCC was identified as a potential cost reduction implementation for the Ajax Project when compared with a truck-haul option only.

4) **Capital and Operating Costs**

The capital and operating cost estimates provided by AMEC, Tetra Tech and Golder indicate an initial estimated capital cost of approximately \$795 million, inclusive of contingency of \$87 million. The operating cost estimate will be \$1.32/t for mining and in-pit crushing and conveying, \$3.46/t milled for processing and tailings disposal and \$0.53/t G&A cost.

Initial Estimated Capital	US\$ '000
Site general and substation	46,280
Mine pre-stripping	34,443
Mining equipment	80,443
Crushing	25,700
Conveying	11,764
Ore storage and HPGR	89,614
Concentrator	144,815
Tailings storage	79,493
Site services & utilities	15,304
Ancillary buildings	18,639
Plant site mobile fleet	4,437
Water supply from Lake	14,805
Total Direct Initial Capital	565,737
Project indirect	107,176
Owners costs	34,500
Contingency	87,570
TOTAL INITIAL ESTIMATED CAPITAL	794,983

Sustaining Capital	US\$ '000
Mining equipment	262,714
Crushing	62,400
Conveying	73,058
Stacking	57,987
Plant site	43,214
Tailings	104,642
TOTAL ESTIMATED SUSTAINING CAPITAL	604,015

Approximately \$200 million is expected to be incurred in year 5 for in-pit crushing and conveying.

Environmental & Permitting

The Project is currently in the early stages of an environmental assessment process involving both federal and provincial government agencies and will be a state-of-the-art operation designed to meet and exceed health, safety and environmental requirements in Canada.

Knight Piésold initiated the environmental studies for the Ajax Project in 2007, including ground and surface water quality and quantity, climatology, fish and fish habitat, wildlife, and vegetation studies. The environmental study suggests that proven mitigation methods will be effective in controlling environmental effects. Acid base accounting was carried out as part of the environmental baseline study, and the results indicate that the waste rock and ore are not acid generating.

Abacus submitted a Project Description to the BC Environmental Assessment Office (EAO) and the federal Canadian Environmental Assessment Agency (CEAA) in early 2011. The project description was accepted by EAO on February 25, 2011 and on March 16, 2011 by CEAA.

The provincial Environmental Assessment Office issued an Order under Section 10 of the Environmental Assessment Act on February 25, 2011 indicating that the Project must proceed through the provincial Environmental Assessment review. The CEAA commenced a comprehensive study on May 25, 2011 and posted a Notice of Commencement on the CEAA Registry on May 31, 2011. A federal project agreement was signed on August 17, 2011. The draft Project Application Information Requirements (dAIR) was provided to the EAO and CEAA on August 12, 2011 for distribution to the Technical Working Group. The Proponent Application/ Environmental Impact Statement (EIS) is expected to be submitted in 2012.

Local Resources/Infrastructure

Local resources necessary for the exploration, development, and operation of the Ajax property are located in Kamloops. Kamloops has a resource-based economy and is a transportation hub for the Canadian National Railway (CNR) and Canadian Pacific Railway (CPR). Numerous service and supply companies which service resource industries are established in Kamloops, including several diamond drilling companies, light-to heavy equipment contractors and a metallurgical testing laboratory. Highway 1 services Kamloops and Highway 5 is situated within 6 km of the Ajax property. There is also an airport with daily scheduled flights to Vancouver, Calgary, Kelowna and Prince George.

Exploration/History

Abacus acquired the Afton property in 2002 from Teck Ltd. Historic drilling on the Ajax property was concentrated in the areas of the open pit mines that were in production in the 1980s and 1990s. Afton Mines Ltd., controlled by Teck, commenced production at Ajax East and Ajax West in 1989. Production was suspended in 1991 due to low metal prices. A second period of production began in 1994 and was again suspended in 1997. During the periods of production, it is estimated that 17 Mt was mined and 13 Mt milled.

Abacus undertook drilling campaigns from 2005 to 2010 consisting of diamond drilling, more recently targeting extensions of mineralization along strike and to depth. The approximate drill spacing is 50 x 50 m in the areas of mineralization.

Conference Call Details

A conference call to discuss the results of the Ajax Project Feasibility Study has been scheduled for Wednesday, December 21, 2011 at 4:30pm ET (1:30pm PT). Dial-in numbers for North America are: toll free 1-866-226-1792 or 416-340-2216; for International 1-800-9559-6849. To access the simultaneous webcast, visit Abacus Mining's website at www.amemining.com. A playback version will be available until Friday, January 13, 2012 at 1-800-408-3053 (N.A. toll free) or 905-694-9451 using the pass code 2014266.

Qualified Persons

In May 2010, Abacus commissioned a team of engineering consultants to complete the Ajax Project Feasibility Study in accordance with National Instrument 43-101. Tetra Tech was retained as the lead consultant for the Study.

The mineral resources and reserves for the Ajax Project were estimated by AMEC Americas Ltd. (AMEC) under the direction of Timothy O. Kuhl R.M. and Ramon Mendoza Reyes, P.Eng. Mr. Kuhl as a qualified person for the purposes of National Instrument 43-101, has reviewed and verified the data that pertains to the resources in this press release. Mr. Mendoza Reyes as a qualified person

for the purposes of National Instrument 43-101, has reviewed and verified the data that pertains to the reserves in this press release.

The technical information in this news release has been reviewed and approved by Hassan Ghaffari P.Eng., Senior Engineer with Tetra Tech and overall manager for the Feasibility Study, and by Dave Laudrum, P.Geo., Abacus's Chief Geologist and qualified person for the Ajax Project, both of whom are qualified persons within the meaning of National Instrument 43-101.

The NI 43-101 Technical Report will be available on the Company's website (www.amemining.com) and on SEDAR (www.sedar.com).

On Behalf of the Board,

ABACUS MINING AND EXPLORATION CORPORATION

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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 Mining and Exploration Corp. (the "Company") 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 rate, and ability to obtain required permits on a timely basis including permission from Kinder Morgan to have access to the pipeline right-of-way, exploitation and exploration successes, and 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.