

Azimut Exploration inc.

MANAGEMENT'S DISCUSSION and ANALYSIS

For the periods of nine (9) months ended November 30, 2004

Nature of activities

The company, incorporated under Part IA of the Quebec Companies Act, is in the business of acquiring and exploring mining properties. It has not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mining properties is dependent upon the existence of economically recoverable reserves, the ability of the company to obtain necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposal of properties. The company will periodically have to raise additional funds to continue its operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

Selected annual information

	Results as at November 30		Results as at August 31	
	2004		2004	2003
	(\$)		(\$)	
	(3 months)		(12 months)	(12 months)
Revenues				
Sales	---	---	16 000	
Interests and other	835	5 520	1 636	
	835	5 520	17 636	
Charges				
Administrative expenses	61 261	298 938	113 830	
Loss on abandonment of mining properties	---	---	563 696	
Search for properties	23 167	87 944	39 615	
Tax credits and mining rights	(10 825)	(42 170)	(15 822)	
Writedown of long-term investment	600	12 000	10 000	
Gain on disposal of property, plant and equipment	---	---	(469)	
	74 203	356 712	710 850	
Net loss	(73 368)	(351 192)	(693 214)	
Basic and diluted net loss per share	(0.006)	(0.035)	(0.082)	
Other information				
Total asset	548 998	592 606	137 563	
Long-term debt	---	---	---	
Shareholders' equity	483 220	456 395	106 482	

Since its incorporation, AZIMUT EXPLORATION has not paid any cash dividends on its outstanding common shares. Any future dividend payment will depend on the Corporation's financial needs to fund its exploration programs and its future financial growth, and any other factor that the board deem necessary to consider in the circumstances. It is highly unlikely that any dividends will be paid in the near future.

Result of operation

The company reported a net loss of \$ 73 368 for the first quarter, compared to a net loss of \$ 49 315 for the corresponding period of the previous fiscal year. Administrative expenses increase following the increase of the activity of the company.

Quarterly information

The information presented below details the total revenues, overall net income (net loss), and the net profit (net loss) per participating of the last eight quarters.

Quarter ended	Total revenues	Net income (net loss)	Net income (net loss) per share	
			Basic	Diluted
11-30-2004	835	(73 368)	(0.006)	(0.006)
08-31-2004	885	(95 096)	(0.011)	(0.011)
05-31-2004	1 506	(71 925)	(0.060)	(0.060)
02-29-2004	2 644	(134 856)	(0.012)	(0.012)
11-30-2003	485	(49 315)	(0.005)	(0.005)
08-31-2003	200	(83 729)	(0.012)	(0.012)
05-31-2003	306	(19 689)	(0.002)	(0.002)
02-28-2003	16 706	(1 921)	(0.001)	(0.001)

Liquidity

The working capital of the company decreased to \$ 225 361 at the end of the period compared to \$ 234 966 at the beginning of the year. The company proceeded to one private financing in November 2004 for a total amount of \$ 100 000.

Contractual obligations	Payments due by period		
	Total	Less than 1 year	1-3 years
Lease	\$ 41 976	\$ 15 264	\$ 26 712

Capital resources

One private placement has been raised during the first quarter.

In November 2004, the company issued 238 096 common shares for a total amount of \$ 100 000. This amount will be use for administrative expenses. In November 2004, the company paid a \$ 100 000 debenture expiring in March 2005 with an issuance of 555 556 common shares of the company.

Off balance sheet arrangements

The company has no off balance sheet arrangements.

Related party transactions

The company entered into the following transactions with a company owned by a director:

	<i>November 30, 2004</i>	<i>November 30, 2003</i>
	\$	\$
Office expenses	---	495

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Mining properties book values

At the end of each quarter, exploration work done on mining properties are reviewed to evaluate their potential. Following this analyse, write-off are done if the case may be.

Exploration expenses for the periods of three (3) months ended November 30, 2004 and 2003.

	2004	2003
	3 months	3 months
	\$	\$
Balance - Beginning of period	109 369	---
Expenses incurred during the period		
Claims and permits	61 005	9 400
Geology	13 102	---
	<hr/> 74 107	<hr/> 9 400
Tax credits and mining rights	(6 649)	---
	<hr/> (6 649)	<hr/> ---
Balance - End of period	<hr/> 176 827	<hr/> 9 400

Changes in accounting policies

No accounting policies have been modified during the first quarter.

Financial instruments

Fair value

Cash, amounts receivable, exploration funds and accounts payable and accrued liabilities are financial instruments whose fair value approximates their carrying value due to their short-term maturity or to current market rates.

The fair value of convertible debentures could not be determined due to the specific characteristics of these financial instruments.

Interest rate risk

As at November 30, 2004 and 2003, the company's exposure to interest rate risk is summarized as follows:

- Cash	Variable interest rate
- Amounts receivable	Non interest bearing
- Exploration funds	Variable interest rate
- Accounts payable and accrued liabilities	Non interest bearing
- Convertibles debentures	As described in note 3 of interim financial statements

Disclosure of outstanding share data

The company can issue an unlimited number of common shares, without per value. As at January 24, 2005, 12 580 550 shares are issued and allotted.

The company maintains a stock option plan which a maximum of 1 421 685 stock options may be granted. 1 000 000 stock options are presently outstanding. The exercise price varies from \$0.16 to \$0.30 and the expiring date varies from March 28, 2006 to January 24, 2010.

The company has presently 1 861 906 warrants outstanding and exercisable. The exercise price varies from \$0.40 to \$0.52 and their expiring date varies from May 10, 2006 to May 5, 2006

Risk and uncertainties

Financial risk

The company is considered to be in the exploration stage, that it is dependant on obtaining regular financing in order to continue exploration.

Despite previous success in acquiring this financing, there is no guarantee of obtaining any future financing.

Risk on the uncertainty of title

Although the company has taken steps to verify title to mining 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 and non compliance with regulatory requirements.

Environmental risk

The company is subject to various environmental incidents that can incurred during exploration work. The company maintains an environmental management system including operational plans and practices.

Outlook

In 2005, Azimut intends to pursue the evaluation of new regions, to acquire major gold and base metal targets, and to develop new partnerships. Azimut wishes to limit as much as possible the use of stock issuances to generate financing. The management considers the outlook for growth to be excellent.

Additional information and continuous disclosure

This Management's Discussion and Analysis has been prepared as of January 24, 2005. Additional information on the company is available through regular filings of press releases, financial statements and its annual information form on SEDAR (www.sedar.com).

(s) Jean-Marc Lulin

President and Chief Executive Officer

(s) Gaétan Mercier

Secretary - Treasurer