Azimut Exploration Inc.

MANAGEMENT'S DISCUSSION and ANALYSIS

For the periods of six (6) months ended February 28, 2005

CORPORATE PROFILE AND MISSION

Exploration Azimut Inc. ("Azimut") is a mineral exploration company developing cutting-edge geoscience data processing methods that improve exploration targeting with the objective of discovering major ore deposits.

The company was reactivated in June 2003 following the appointment of a new president. Since then, the company has acquired five exploration properties based on the results of regional-scale mineral potential assessments in Quebec:

- In the James Bay area:
  - Opinaca project (gold)
  - Eastmain project (gold)

- In the Labrador Trough area:
  - Retty project (Cu-Ni-PGE)
  - Gillet Lake project (PGE)
  - De Romer project (polymetallic: Cu, Zn, Ag, Au, Ni)

A strategic agreement with Kennecott Exploration Company ("Kennecott") covers an additional 500 000 km^2 elsewhere in Quebec.

Azimut conducts its exploration activities by following two guiding principles. First, the company maximizes the probability of discoveries by utilizing a cutting-edge targeting methodology that reduces the exploration risk. Second, the company develops partnerships for projects generated by its targeting methodology to reduce the business risk.

OVERALL PERFORMANCE

Summary of activities

- Azimut acquires additional properties near the Eleonore gold discovery in the James Bay region of Quebec from September to November 2004.

- Azimut closes a $100 000 private financing deal and converts a $100 000 debenture into shares in November 2004.

- Everton Resources Inc. ("Everton") signs two partnership agreements with Azimut in December 2004 that cover four claim blocks on the Opinaca property (James Bay area) for which Azimut holds a 100% interest.

- Azimut closes a $100 000 flow-through private financing deal in December 2004.

- Azimut holds a booth at the Vancouver Resource Investment Conference in January 2005.

- Azimut acquires the West Block of its Eastmain property (James Bay area) and enlarges its East Block in January and February 2005 (confirmed by the MNRWP in March and April 2005).

- Azimut presents the company's most recent developments and its 2005 objectives at the general annual meeting held on February 22nd, 2005.

Summary of projects

Opinaca

The Opinaca property is located in the James Bay area, 320 kilometres from Matagami or Chibougamau on the northeast side of the Opinaca reservoir. The property consists of 6 claim blocks:

A Block:	283 claims for a total area of 147.44 km^2
A-East Block:	43 claims for a total area of 22.4 km^2
B Block:	168 claims for a total area of 87.93 km^2
B-North Block:	52 claims for a total area of 27.16 km^2
C Block:	166 claims for a total area of 86.92 km^2
D Block:	174 claims for a total area of 90.7 km^2, 14 additional claims were confirmed by the MNRWP in March and April 2005.

The acquisition of the Opinaca gold exploration project began in November 2003 following Azimut's regional modeling of the gold potential in the James Bay region.

Geologically, the property is located in the central part of the Superior province at the contact between the Opinaca (metasedimentary) and La Grande (volcanoplutonic) subprovinces. Paragneisses, amphibolites and rare conglomerate beds are generally folded along an east-west axis. Pre- to syn-tectonic intrusions (diorites to monzodiorites) and late intrusions (granodiorites and granites) are also found on the property. The geological context is similar to that of the Eleonore property where a significant gold deposit has been discovered by Virginia Gold Mines. The Opinaca property covers targets that follow the along-strike extension of the Eleonore mineralized corridor, or are adjacent to the corridor but display comparable geochemical signatures. Strong arsenic anomalies associated with metasediments are found on all the Opinaca claim blocks.

Azimut and Everton signed two letters of agreement regarding claim blocks A, A-East, B and B-North in December 2004.

For the A and A-East blocks, Everton can acquire a 50% interest from Azimut during the next five years by paying a total of \$180 000 and spending \$2 800 000 in exploration work. Everton may acquire an additional 15% interest upon delivery of a bankable feasibility study.

For the B and B-North blocks, Everton can acquire a 50% interest from Azimut during the next five years by paying a total of \$160 000 and spending \$2 000 000 in exploration work. Everton may acquire an additional 15% interest upon delivery of a bankable feasibility study.

A geological study covering all Opinaca claim blocks was completed during the last quarter. The focus of the study was to provide more detailed geological information for the targets defined by the regional modeling program.

Everton will spend a minimum of \$500 000 in exploration work on claim blocks A, A-East, B and B-North during the upcoming quarters.

Azimut has optioned, in March 2005, the C and D claim blocks on this property to Eastmain Resources Inc.

The Opinaca project incurred a total of \$17 697 in exploration-related expenses during the six-month period covered by this report.

Eastmain

The Eastmain property is located in the James Bay area, 290 kilometres north of Chibougamau. It consists of two claim blocks:

East Block: 218 claims for a total area of 115.4 km^2, 450 additional claims were confirmed by the MNRWP in March and April 2005.
West Block: 167 claims for a total area of 88.63 km^2, confirmed by the MNRWP in March and April 2005.

The acquisition of this gold exploration project began in November 2003 following Azimut's regional modeling of the gold potential in the James Bay area.

Geologically, the property is located in the central part of the Superior province at the contact between the Opinaca (metasedimentary) and La Grande (volcanoplutonic) subprovinces. Paragneisses, basalts and granitic intrusions are the dominant lithologies of the property. A large E-W-oriented syncline crosses the East Block. Local and regional NW- and NE- trending faults are also found on the property. Both the geological context and the geochemical signature are comparable to the Eleonore property where Virginia Gold Mines discovered a major gold deposit. A large section of Azimut's property is characterized by a very strong arsenic anomaly associated with metasediments.

A geological study covering the claim blocks of the Eastmain property was completed during the last quarter. The focus of the study was to provide a better understanding of the geological context of the targets defined by Azimut's regional modeling program.

A letter of agreement was signed in April 2005 with Cambior on the West block of the property.

The Eastmain project incurred $7 173 in exploration-related expenses during the six-month period covered by this report.

Retty

The Retty property is located 95 kilometres northeast of Schefferville. It consists of 198 contiguous claims for a total area of 96.45 km^2.

Geologically, the Retty project is located in the Proterozoic Labrador Trough volcanosedimentary belt. Numerous Cu-Ni±Co±Pd±Pt sulphide deposits have been discovered in the Trough in mafic and ultramafic sills intruding sedimentary and volcanic rocks. Similar environments on the Retty property were targeted for copper, nickel and platinum exploration.

Property acquisition began in August 2003 following Azimut's regional modeling of the nickel-copper-platinum potential in the Labrador Trough region. The property contains a 20-km long prospective zone related to an ultramafic sill combined with strong nickel, copper and cobalt lake bottom sediment geochemical anomalies.

Exploration work on this property was performed from late June to mid-July 2004. It consisted of sampling a 1-km wide sector that crosses the property from northeast to southwest. A total of 206 rock samples were taken and analyzed for gold, platinum, palladium, copper, cobalt, nickel, zinc and sulphur.

Abundant disseminated sulphides were observed on the property, mainly as disseminated pyrrhotite and traces of chalcopyrite in peridotite outcrops, pyroxenite blocks and sulphide-enriched argillites. The best results were from the peridotite body in the centre of the property, southeast of Nemo Lake. Grades were fairly low, with maximum values of 0.4% Cu, 0.2% Ni and 0.2 g/t of precious metals. An increase in conductivity is also observed for this area. Two other conductors in the northwest sector of the property have not yet been evaluated. Detailed exploration work is proposed for this sector in order to better define the mineral potential of the conductors.

The Retty project incurred a total of $9 938 in exploration-related expenses during the six-month period covered by this report.

Gillet Lake

The Gillet Lake property is located 300 kilometres northwest of Schefferville, or 100 kilometres southwest of Kuujjuaq. It consists of 87 contiguous claims for a total area of 41.50 km^2.

Geologically, the Gillet Lake PGE exploration project is located in the Proterozoic Labrador Trough volcanosedimentary belt. Numerous Cu-Ni±Co±Pd±Pt sulphide deposits have been discovered in mafic and ultramafic sills that intrude the sedimentary and volcanic rocks of the Trough.

Property acquisition began in November 2003 following Azimut's regional modeling of the nickel-copper-platinum potential in the Labrador Trough region. The Gillet Lake property covers a 11-km long prospective zone associated with a mafic intrusion that coincides with lake bottom sediment nickel, copper and cobalt anomalies.

Exploration work on the property was performed at the beginning of July 2004. It consisted of sampling the Gillet gabbro unit, which hosts PGE mineralization on the adjacent property (Paladin showing). A total of 65 rock samples were analyzed for gold, platinum, palladium, copper, cobalt, nickel, zinc and sulphur.

The PGE mineralization discovered at the Paladin showing is not present in the gabbro found on the Gillet property. In fact, neither significant nor continuous mineralization was observed anywhere on the property. A few isolated samples revealed maximum grades of 1.6 g/t Au, 0.3% Cu and 0.3 g/t PGE. No additional exploration fieldwork is currently planned for the property.

The Gillet Lake project incurred a total of $2 241 in exploration-related expenses during the six-month period covered by this report.

De Romer

The De Romer property is located 70 kilometres west of Kuujjuaq. It consists of 26 contiguous claims for a total area of 11.84 km^2.

Geologically, the De Romer project is located in the Proterozoic Labrador Trough volcanosedimentary belt. It represents a polymetallic (copper, zinc, silver, gold and nickel) exploration project.

The acquisition of the property began in November 2003 following Azimut's regional modeling of the nickel-copper-platinum potential in the Labrador Trough region. Sulphide minerals in argillites and at the base of a gabbro unit are associated with a 5-km long magnetic high.

Exploration work on this property was performed in early July 2004. Activities were concentrated near the Fort-Chimo showing, which consists of a small mass of massive sulphides at the base of a gabbro body. A total of 21 rock samples were analyzed for gold, platinum, palladium, copper, cobalt, nickel, zinc and sulphur.

The vicinity of the Fort-Chimo showing displays extensive rusty zones, although the massive sulphide horizon is relatively limited in size. The best copper values obtained from this horizon and from mineralized argillites are fairly low: 0.11 to 0.29% Cu. Moreover, there was no indication of significant values for PGE, Zn, Ni, Ag or Au. Additional exploration fieldwork is not planned for the property at this time.

The De Romer project incurred a total of $1 699 in exploration-related expenses during the six-month period covered by this report.

Strategic agreement with Kennecott

In July 2004, Azimut and Kennecott signed a strategic agreement regarding the development of an exploration strategy for gold and base metals over a vast region of Quebec totalling 500,000 km^2.

The agreement includes three main phases:

Phase 1: Azimut will deliver to Kennecott a mineral potential assessment study for the region in question. Kennecott will fund this phase by paying $40 000 CA to Azimut.

Phase 2: For targets that require further appraisal, Kennecott will invest $5 000 to $30 000 per target. Azimut will be the operator.

Phase 3: For each target, Kennecott will have an exclusive right to enter into a joint venture with Azimut by investing $1 000 000 over a four-year period to acquire a 60% interest per selected property. Kennecott will pay a $50 000 bonus to Azimut for each selected property that reaches the drilling stage. In addition, Kennecott will have the option to acquire an additional 20% interest, for a maximum total of 80%, by delivering a feasibility study within a five-year period.

The first phase of this agreement was completed during the last quarter. Azimut successfully defined several targets by conducting precious and base metal predictive modeling across the region.

Exploration fieldwork will be conducted on Kennecott's accepted targets during the upcoming quarters.

Regional modeling and project generation

During the last two quarters, Azimut has pursued mineral potential modeling for several areas in Quebec with the objective of generating and acquiring new gold and base metal projects.

PLANNED EXPLORATION WORK

PROPERTY or PROJECT	WORK PLANNED IN 2005-2006	BUDGET
Opinaca (A, A-East, B, B-North blocks)	By the partner	$500 000
Opinaca (C and D blocks)	By the partner	$450 000
Eastmain West block	By the partner	$200 000
Eastmain East block	By an eventual partner	To be announced
Retty	To be announced; by Azimut	To be announced
Lac Gillet	None planned at this time	N/A
De Romer	None planned at this time	N/A
Agreement with Kennecott	Phase 2	To be announced
Regional modeling and project generation	Target modeling and field verification	$100 000

Selected annual information

	Results as at February 28	Results as at August 31	
	2005	2004	2003
	($)	($)	
	(6 months)	(12 months)	(12 months)
Revenues			
Sales	0	0	16 000
Interest and other	1 877	5 520	1 636
	1 877	5 520	17 636
Charges			
Administrative expenses	137 094	298 938	113 830
Loss on abandonment of mining properties	0	0	563 696
Search for properties	14 752	87 944	39 615
Credit on duties refundable for losses and refundable tax credit relating to resources	(6 554)	(42 170)	(15 822)
Writedown of long-term investment	600	12 000	10 000
Gain on disposal of property, plant and equipment	0	0	(469)
Income tax	(31 020)	0	0
	115 682	356 712	710 850
Net loss	(113 805)	(351 192)	(693 214)
Basic and diluted net loss per share	(0.009)	(0.035)	(0.082)
Other information:			
Total asset	581 904	592 606	137 563
Long-term debt	0	0	0
Shareholders' equity	512 109	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 found 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 $113 805 during the first six months compared to a net loss of $184 171 for the previous comparative period. The wage increase is due to the reduction in the portion capitalized in the mining properties. $75 000, representing the fair value of the options granted in February 2004, were entered in the professional fees of the preceding the comparative period. The increase in the representation and travelling expenses is explained by the increase of 1 to 3 congresses in which 2 representatives of the company took part comparatively to 1 representative for the preceding comparative period. The capitalization of the expenditure of exploration on its new properties as well as the invoicing of certain expenditure of exploration in Kennecott Exploration Company explains the reduction in search for properties. The adoption of the EIC-146 on the flow-through shares in January 2005 generated an income tax creditor of $31 020.

Quarterly information

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

Quarter ended	Total revenues	Net loss	Net loss	
			Basic	Diluted
02-28-2005	1 042	(40 437)	(0.003)	(0.003)
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)

Liquidity

The working capital of the company increased to $242 519 at the end of the period compared to $234 966 at the beginning of the year. The company proceeded to two private placements during the period. One private placement in November 2004 for a total amount of $100 000 and one flow-through private placement in December 2004 for a total amount of $100 000.

Contractual obligations	Payments due by period		
	Total	Less than 1 year	1-3 years
Lease	$38 160	$15 264	$22 896

Capital resources

During the period, the company proceeded to two private placements.

In November 2004, the company issued 238 096 common shares for a total amount of $100 000. This amount will be used for the administrative expenses of the company. 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. In December 2004, the company issued 166 670 common flow-through shares for a total amount of $100 000. This amount will be used to finance a part of the work performed in the fiscal year 2005.

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:

	February 28, 2005	*February 29, 2004*
	$	$
Office expenses	0	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 is reviewed to evaluate their potential. Following this analyse, write-off can be done if needed.

Exploration expenses for the periods of six (6) months ended February 28, 2005 and February 29, 2004 are as follows:

	2005 6 months $	**2004 6 months $**
Balance - Beginning of period	109 369	0
Expenses incurred during the period		
Claims and permits	66 005	42 987
Geology	38 748	610
	104 753	43 597
Payment on options	(90 000)	0
Crédit on duties refundable for losses and refundable tax credit relating to resources	(19 664)	(279)
	(109 664)	(279)
Balance - End of period	**104 458**	**43 318**

Changes in accounting policies

The accounting changes of conventions and the impact of the changes are described in note 1 of interim financial statements. In January 2005, the company adopted the abstract # 146 of the E.I.C. published in March 2004 on the flow-through shares.

Financial instruments

Fair value

Cash and cash equivalent, 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 February 28, 2005 and February 29, 2004, the company's exposure to interest rate risk is summarized as follows:

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

Disclosure of outstanding share data

The company is authorized to issue an unlimited number of common shares, without per value. As of April 27, 2005, 14 442 456 shares were 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 issued and remain unexercised. The exercise price varies from $0.16 to $0.30 and their expiry dates vary from March 28, 2006 to January 24, 2010.

During the months of March and April, the 1 861 906 warrants outstanding and exercisable on February 28, 2005 were exercised.

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 occur during exploration work. The company maintains an environmental management system including operational plans and practices.

Additional information and continuous disclosure

This Management's Discussion and Analysis has been prepared as of April 27, 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	(s) Gaétan Mercier
President and Chief Executive Officer	Secretary - Treasurer