

AZIMUT EXPLORATION INC.

(An exploration company)

Balance Sheets

	November 30, 2007	August 31, 2007
	\$	\$
	(unaudited)	(audited)
ASSETS		
Current Assets		
Cash and cash equivalent	1,499,538	1,356,649
Amounts receivable	419,766	1,158,978
Prepaid expenses	14,774	20,668
	<u>1,934,078</u>	<u>2,536,295</u>
Long-term investments (quoted value \$692,400 as at August 31, 2007)	576,850	738,950
Property, plant and equipment (less accumulated amortization of \$17,774 ; \$15,013 as at August 31, 2007)	49,849	38,730
Mining properties (note 2)	624,789	459,524
	<u>3,185,566</u>	<u>3,773,499</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities		
Related companies (note 5)	48,969	19,893
Others	187,695	533,023
	<u>236,664</u>	<u>552,916</u>
SHAREHOLDERS' EQUITY		
Share capital (note 3)	7,924,286	7,924,286
Stock options (note 4)	1,365,760	1,128,367
Accumulated other comprehensive loss	(210,100)	-
Deficit	(6,131,044)	(5,832,070)
	<u>2,948,902</u>	<u>3,220,583</u>
	<u>3,185,566</u>	<u>3,773,499</u>

The accompanying notes are an integral part of these interim financial statements

AZIMUT EXPLORATION INC.

(An exploration company)

Deficit

For the three (3) months period ended November 30, 2007 and 2006 (unaudited)

	2007	2006
	\$	\$
Balance - Beginning of period	5,832,070	5,697,197
Net loss for the period	298,974	141,559
Balance - End of period	6,131,044	5,838,756

Statements of deferred expenses

For the three (3) months period ended November 30, 2007 and 2006 (unaudited)

	2007	2006
	3 months	3 months
	\$	\$
Balance - Beginning of period	459,524	652,296
Expenses incurred during the period		
Claims and permits	256,074	58,552
Geological surveys	50,884	709
Geochemical surveys	-	1,620
	306,958	60,881
Option payments	(118,981)	-
Credit on duties refundable for losses and refundable tax credit relating to resources	(22,712)	-
	(141,693)	-
Balance - End of period	624,789	713,177

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AZIMUT EXPLORATION INC.

(An exploration company)

Statements of Earnings and Comprehensive Loss

For the three (3) months period ended November 30, 2007 and 2006 (unaudited)

	2007	2006
	\$	\$
Revenue		
Interest income	13,909	1,143
Gain on sale of options of mining properties	101,019	-
Management fees	39,225	35,870
	<u>154,153</u>	<u>37,013</u>
Expenses		
Salaries and fringe benefits	93,778	44,893
Professional and maintenance fees	26,842	9,614
Management fees and office expenses	53,945	58,485
Travelling and entertainment	29,782	17,794
Interests and bank charges	580	430
Amortization of property, plant and equipment	2,761	1,730
Amortization of intangible assets	-	88
Search for properties	14,685	44,796
Credit on duties refundable for losses and refundable tax credit relating to resources	(6,639)	-
Part XII.6 Tax	-	742
Stock options	237,393	-
	<u>453,127</u>	<u>178,572</u>
Net loss for the period	<u>(298,974)</u>	<u>(141,559)</u>
Change in value of listed shares held for trading	<u>(210,100)</u>	<u>-</u>
Comprehensive loss for the period	<u>(509,074)</u>	<u>(141,559)</u>
Basic and diluted net loss per share	<u>(0.018)</u>	<u>(0.009)</u>
Basic and diluted weighted average number of shares outstanding	<u>16,771,755</u>	<u>16,178,964</u>

The accompanying notes are an integral part of these interim financial statements

AZIMUT EXPLORATION INC.

(An exploration company)

Statements of Cash Flows

For the three (3) months period ended November 30, 2007 and 2006 (unaudited)

	2007	2006
	3 months	3 months
	\$	\$
Cash flows from operating activities		
Net loss for the period	(298,974)	(141,559)
Items not affecting cash and cash equivalent		
Amortization of property, plant and equipment	2,761	1,730
Amortization of intangible assets	-	88
Gain on sale of options of mining properties	(101,019)	-
Stock options	237,393	-
	<u>(159,839)</u>	<u>(139,741)</u>
Change in non-cash working capital items		
Amounts receivable	813,924	184,983
Prepaid expenses	5,894	(5,502)
Accounts payable and accrued liabilities	(359,977)	(347,823)
	<u>459,841</u>	<u>(168,342)</u>
	<u>300,002</u>	<u>(308,083)</u>
Cash flows from financing activities		
Issuance of share capital net of share issue expenses	-	198,053
	<u>-</u>	<u>198,053</u>
Cash flows from investing activities		
Variation of mining properties	(263,233)	(60,881)
Proceeds from sale of options of mining properties	120,000	-
Addition on property, plant and equipment	(13,880)	-
	<u>(157,113)</u>	<u>(60,881)</u>
Net change in cash and cash equivalent	142,889	(170,911)
Cash and cash equivalent - Beginning of period	1,356,649	229,428
Cash and cash equivalent - End of period	<u>1,499,538</u>	<u>58,517</u>
Additional information		
Tax credit and mining rights receivable applied against mining properties	(22,712)	-
Interests cashed (net of interest paid)	13,328	1,133
Shares received in consideration of the sale of mining properties	48,000	-
Acquisition of mining properties included in accounts payable and accrued liabilities	43,725	-
Cash proceeds from sale of options of mining properties included in amounts receivable	100,000	-

The accompanying notes are an integral part of these interim financial statements

1 Summary of significant accounting policies

Interim financial information

The financial information as at November 30, 2007 and for the periods ended November 30, 2007 and 2006 are unaudited ; however, in the opinion of management, all adjustments necessary to present fairly the results of these periods have been included. The adjustments made were of a normal recurring nature. Interim results may not necessarily be indicative of results anticipated for the year.

These interim financial statements are prepared in accordance with generally accepted accounting principles in Canada and use the same accounting policies and methods used in the preparation of the Company's most recent annual financial statements. All disclosures required for annual financial statements have not been included in these financial statements. These interim financial statements should be read in conjunction with the Company's most recent annual financial statements for the year ended August 31, 2007.

Accounting changes

Effective September 1, 2007, the Company adopted the new recommendations of the CICA relating to financial instruments, under CICA Handbook Section 1530 "Comprehensive Income", Section 3251 "Equity", Section 3855 "Financial Instruments - Recognition and Measurement" and Section 3861 "Financial Instruments - Disclosure and Presentation". These new Handbook sections provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting.

The Company recognizes all of its financial assets and liabilities in the balance sheet according to their classification. Any adjustment made to a previous carrying amount will be recognized as an adjustment to the classification. In addition, any adjustment made to a previous carrying amount will be also recognized as an adjustment to the balance of deficit at that date or as the opening balance of a separate item in "Accumulated other comprehensive income", net of income taxes, if any.

The difference between the carrying amount and the fair value of investments classified as available for sale will be recognized as an adjustment to the opening balance of "Accumulated other comprehensive income", net of income taxes, if any.

As a result of the adoption of these new standards, the Company has classified its long-term investments as available-for-sale on September 1, 2007. Since the fair value and the cost base of the Company's long-term investments was a difference of \$46,550 is recognized as an adjustment to the opening balance of "Accumulated other comprehensive income".

AZIMUT EXPLORATION INC.
(An exploration company)
Notes to Interim Financial Statements (unaudited)

2 Mining properties

As at November 30, 2007, the following claims were in good standing,

	Undivided participation %	Balance as at August 31, 2007 \$	Costs incurred \$	Option payments, Written off, credit on duties refundable for losses, refundable tax credit relating to resources \$	Balance as at November 30, 2007 \$
James Bay					
Opinaca A, A East (497 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	2,066	(952)	1,114
		-	2,066	(952)	1,114
Opinaca B, B North (220 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	1,904	(877)	1,027
		-	1,904	(877)	1,027
Opinaca C (166 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	1,605	(709)	896
		-	1,605	(709)	896
Opinaca D (188 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	7	(3)	4
		-	7	(3)	4
Eastmain West (167 claims)					
Mining property	100	-	-	-	-
Exploration costs		661	5,017	(2,147)	3,531
		661	5,017	(2,147)	3,531
Wabamisk (755 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	67	(31)	36
		-	67	(31)	36
Comptoir (796 claims)					
Mining property	100	59,450	-	-	59,450
Exploration costs		15,024	5,327	(2,456)	17,895
		74,474	5,327	(2,456)	77,345
Gold (1,583 claims)					
Mining property	100	-	158,910	-	158,910
Exploration costs		-	216	(92)	124
		-	159,126	(92)	159,034
Total James Bay		75,135	175,119	(7,267)	242,987

AZIMUT EXPLORATION INC.
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Notes to Interim Financial Statements (unaudited)

2 Mining properties - Cont'd

	Undivided participation %	Balance as at August 31, 2007 \$	Costs incurred \$	Option payments, Written off, credit on duties refundable for losses, refundable tax credit relating to resources \$	Balance as at November 30, 2007 \$
Ungava Bay					
North Rae (1,853 claims)					
Mining property	100	-	-	-	-
Exploration costs		2,726	10,842	(4,879)	8,689
		<u>2,726</u>	<u>10,842</u>	<u>(4,879)</u>	<u>8,689</u>
South Rae (2,563 claims)					
Mining property	100	-	50,666	-	50,666
Exploration costs		-	7,314	(3,302)	4,012
		<u>-</u>	<u>57,980</u>	<u>(3,302)</u>	<u>54,678</u>
Daniel Lake (913 claims)					
Mining property	100	-	3,264	-	3,264
Exploration costs		-	179	(82)	97
		<u>-</u>	<u>3,443</u>	<u>(82)</u>	<u>3,361</u>
Kangiq (1,743 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
George River West (506 claims)					
Mining property	100	28,520	40,407	-	68,927
Exploration costs		312	245	(113)	444
		<u>28,832</u>	<u>40,652</u>	<u>(113)</u>	<u>69,371</u>
Total Ungava Bay		<u>31,558</u>	<u>112,917</u>	<u>(8,376)</u>	<u>136,099</u>
Central Quebec					
North Minto (2,042 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	67	(31)	36
		<u>-</u>	<u>67</u>	<u>(31)</u>	<u>36</u>
South Minto (1,332 claims)					
Mining property	100	-	2,856	-	2,856
Exploration costs		-	179	(82)	97
		<u>-</u>	<u>3,035</u>	<u>(82)</u>	<u>2,953</u>
Central Minto (1,146 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(forward)		<u>-</u>	<u>3,102</u>	<u>(113)</u>	<u>2,989</u>

AZIMUT EXPLORATION INC.

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Notes to Interim Financial Statements (unaudited)**2 Mining properties - Cont'd**

Central Quebec (continued)	Undivided participation %	Balance as at August 31, 2007 \$	Costs incurred \$	Option payments, Written off, credit on duties refundable for losses, refundable tax credit relating to resources \$	Balance as at November 30, 2007 \$
(brough forward)		-	3,102	(113)	2,989
West Minto (952 claims)					
Mining property	100	-	3,468	-	3,468
Exploration costs		-	4,047	(1,866)	2,181
		-	7,515	(1,866)	5,649
South Bienville (1,929 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	-	-	-
		-	-	-	-
Hudson Bay (537 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	402	(185)	217
		-	402	(185)	217
West Bienville (220 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	506	(233)	273
		-	506	(233)	273
Kativik (1,861 claims)					
Mining property	100	126,024	(7,747)	(118,277)	-
Exploration costs		258	826	(1,084)	-
		126,282	(6,921)	(119,361)	-
Quutsuki (19 claims)					
Mining property	100	1,862	-	-	1,862
Exploration costs		-	-	-	-
		1,862	-	-	1,862
Total Central Quebec		128,144	4,604	(121,758)	10,990

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Notes to Interim Financial Statements (unaudited)**2 Mining properties - Cont'd**

	Undivided participation %	Balance as at August 31, 2007 \$	Costs incurred \$	Option payments, Written off, credit on duties refundable for losses, refundable tax credit relating to resources \$	Balance as at November 30, 2007 \$
North Shore					
Manitou (301 claims)					
Mining property	100	45,439	-	-	45,439
Exploration costs		516	192	(65)	643
		<u>45,955</u>	<u>192</u>	<u>(65)</u>	<u>46,082</u>
Mont Merry (46 claims)					
Mining property	100	3,000	-	-	3,000
Exploration costs		130	-	-	130
		<u>3,130</u>	<u>-</u>	<u>-</u>	<u>3,130</u>
Grenium (511 claims)					
Mining property	100	8,480	4,250	-	12,730
Exploration costs		(243)	3,911	(1,674)	1,994
		<u>8,237</u>	<u>8,161</u>	<u>(1,674)</u>	<u>14,724</u>
North Havre (223 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	5,965	(2,553)	3,412
		<u>-</u>	<u>5,965</u>	<u>(2,553)</u>	<u>3,412</u>
Nickel (1,896 claims)					
Mining property	100	167,340	-	-	167,340
Exploration costs		25	-	-	25
		<u>167,365</u>	<u>-</u>	<u>-</u>	<u>167,365</u>
Total North Shore		<u>224,687</u>	<u>14,318</u>	<u>(4,292)</u>	<u>234,713</u>
		<u>459,524</u>	<u>306,958</u>	<u>(141,693)</u>	<u>624,789</u>

3 Share Capital

Authorized

Unlimited number of commons shares, without par value, voting and participating

Issued and fully paid

16,771,755 common shares and no shares are held in escrow.

AZIMUT EXPLORATION INC.
(An exploration company)
Notes to Interim Financial Statements (unaudited)

4 Stock Option

The following tables present the stock option activity since September 1, 2007 and summarize information about fixed stock options outstanding and exercisable as at November 30, 2007 :

	<u>3 months</u>	
	Number	Weighted average exercise price \$
Outstanding - Beginning of period	1,595,000	2.19
Cancelled	--	-
Exercised	--	-
Granted	--	-
Outstanding - End of period	1,595,000	2.19
Exercisable - End of period	1,235,000	1.64

During the period ended November 30, 2007, an amount of \$237,393, representing the fair value of an additional 90,000 options become exercisable , was included in the statement of earnings. These options were granted during the fiscal year ended August 31, 2007.

Exercise prices	Options outstanding Number	Options exercisable Number	Weighted average remaining contractual life (years)
\$0.24	50,000	50,000	0.55
\$0.30	290,000	290,000	1.29
\$0.64	30,000	30,000	2.57
\$0.86	105,000	105,000	2.79
\$1.50	50,000	50,000	3.23
\$1.55	300,000	300,000	3.25
\$1.75	150,000	150,000	3.27
\$1.80	20,000	20,000	3.39
\$3.85	300,000	120,000	4.26
\$4.30	300,000	120,000	4.27
	1,595,000	1,235,000	3.15

AZIMUT EXPLORATION INC.
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Notes to Interim Financial Statements (unaudited)

5 Related party transaction

During the period, the Company entered into the following transaction with a law firm of which one of the directors is a partner:

	2007	2,006
	\$	\$
Professional fees and disbursement of expenses	nil	321

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.

6 Comparative figures

Certain comparative figures have been reclassified to conform with the current period presentation.

AZIMUT EXPLORATION INC.

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CORPORATE INFORMATION

Board of Directors

Dennis Wood, Chairman of the Board (Montreal)
Jean-Marc Lulin, Ph.D., geologist, Director (Montreal)
Jean-Charles Potvin, B.Sc., M.B.A., Director (Toronto)
Louis P. Salley, B.A., LL.B., Director (Vancouver)
Pierre Toth, M.Sc., Director (Montreal)

Management

Jean-Marc Lulin, President and Chief Executive Officer
Normand Champigny, Executive Vice President
Sylvain Guérard, Vice President Exploration
Moniroth Lim, Secretary and Treasurer

Legal Counsel

Miller Thomson Pouliot (Montreal)

Auditors

PricewaterhouseCoopers LLP (Quebec)

Transfer Agent

Trust CIBC Mellon Company (Montreal)

Listing

TSX Venture
Symbol: AZM

Contact and information

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