

Azimut Exploration Inc

Unaudited Condensed Interim Financial Statements
May 31, 2013 and 2012
(expressed in Canadian dollars, except share amounts)

Azimut Exploration Inc
Interim Statements of Financial Position
(in Canadian dollars)
(Unaudited)

	May 31, 2013	August 31, 2012
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	1,791,052	1,402,610
Amounts receivable - Others (note 4)	1,308,168	2,670,013
Prepaid expenses	15,282	26,046
	<u>3,114,502</u>	<u>4,098,669</u>
Non-current assets		
Mining rights receivable	130,587	205,685
Investments (note 5)	62,748	207,224
Property and equipment (note 6)	290,354	311,917
Intangible assets (less accumulated amortization of \$16,227; \$13,997 as at August 31, 2012)	7,681	9,910
Exploration and evaluation assets (note 7)	7,634,804	8,439,383
	<u>8,126,174</u>	<u>9,174,119</u>
Total assets	<u>11,240,676</u>	<u>13,272,788</u>
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities - Related parties	5,922	76,747
Accounts payable and accrued liabilities	142,386	304,060
Current portion of debentures payable	90,800	100,000
	<u>239,108</u>	<u>480,807</u>
Non-current liabilities		
Debenture payable	-	77,000
Asset retirement obligations	243,822	241,278
	<u>243,822</u>	<u>318,278</u>
Total liabilities	<u>482,930</u>	<u>799,085</u>
Equity		
Share capital	20,456,111	20,456,111
Warrants (note 8)	-	426,308
Stock options (note 9)	959,401	1,436,434
Contributed surplus	3,062,728	2,159,387
Deficit	(13,720,729)	(11,990,713)
Accumulated other comprehensive loss	235	(13,824)
	<u>10,757,746</u>	<u>12,473,703</u>
Total equity	<u>10,757,746</u>	<u>12,473,703</u>
Total liabilities and equity	<u>11,240,676</u>	<u>13,272,788</u>

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

Azimut Exploration Inc
Interim Statements of Comprehensive Loss
(in Canadian dollars)
(Unaudited) For the three- and nine-month periods ended May 31, 2013 and 2012

	Three-month period ended May 31,		Nine-month period ended May 31,	
	2013	2012	2013	2012
Expenses				
General and administrative (note 10)	134,639	335,160	378,176	642,668
General exploration (note 10)	3,586	13,811	29,337	38,948
Impairment of exploration and evaluation assets	337,800	102,637	1,266,630	102,637
Cost of warrants extension	-	89,414	-	89,414
Operating loss	476,025	541,022	1,674,143	873,667
Financing cost, net				
Interest income	(12,169)	(6,476)	(24,440)	(23,870)
Interest on debentures	15,177	15,176	60,578	37,283
Interest and bank charges	277	359	1,091	1,432
Unwinding of discount on asset retirement obligations	851	-	2,544	-
	4,136	9,059	39,773	14,845
Other gains and losses				
Gain on option payments on exploration and evaluation assets	-	-	57,957	26,729
Other gain	52,640	-	52,640	-
Management fees	-	-	7,521	-
Gain on sale of available-for-sale investments	-	(690)	7,817	13,441
Other than temporary write-down on available-for-sale investment	(69,035)	-	(142,035)	-
	(16,395)	(690)	(16,100)	40,170
Loss for the period	(496,556)	(550,771)	(1,730,016)	(848,342)
Other comprehensive income (loss)				
Unrealized loss on available-for-sale investments	(72,622)	(76,775)	(135,793)	(151,565)
Reclassification of other than temporary write-down on available-for-sale investments to statement of loss for the period	69,035	-	142,035	-
Reclassification of the loss on sale of available-for-sale investments to statement of loss for the period	-	-	7,817	-
	(3,587)	(76,775)	14,059	(151,565)
Comprehensive loss for the period	(500,143)	(627,546)	(1,715,957)	(999,907)
Basic and diluted loss per share	(0.014)	(0.015)	(0.047)	(0.024)
Basic and diluted weighted average number of shares outstanding	36,470,328	36,470,328	36,470,328	35,972,938

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

Azimut Exploration Inc

Interim Statements of Changes in Equity

(in Canadian dollars)

(Unaudited) For the nine-month periods ended May 31, 2013 and 2012

	Share capital		Warrants		Stock options		Equity component of debenture	Contributed surplus	Deficit	Accumulated other comprehensive loss	Total
	Number	\$	Number	\$	Number	\$	\$	\$	\$	\$	\$
Balance as at September 1, 2012	36,470,328	20,456,111	2,666,664	426,308	2,220,000	1,436,434	-	2,159,387	(11,990,713)	(13,824)	12,473,703
Loss for the period	-	-	-	-	-	-	-	-	(1,730,016)	-	(1,730,016)
Other comprehensive loss	-	-	-	-	-	-	-	-	-	14,059	14,059
Comprehensive loss for the period	-	-	-	-	-	-	-	-	(1,730,016)	14,059	(1,715,957)
Stock options expired/forfeited	-	-	-	-	(370,000)	(477,033)	-	477,033	-	-	-
Warrants expired	-	-	(2,666,664)	(426,308)	-	-	-	426,308	-	-	-
Balance as at May 31, 2013	36,470,328	20,456,111	-	-	1,850,000	959,401	-	3,062,728	(13,720,729)	235	10,757,746
Balance as at September 1, 2011	34,438,351	18,837,579	4,573,217	735,046	2,205,000	2,198,030	47,889	1,087,042	(10,595,287)	(7,393)	12,302,906
Loss for the period	-	-	-	-	-	-	-	-	(848,342)	-	(848,342)
Other comprehensive loss	-	-	-	-	-	-	-	-	-	(151,565)	(151,565)
Comprehensive loss for the period	-	-	-	-	-	-	-	-	(848,342)	(151,565)	(999,907)
Issuance of units for payment of interest on convertible debentures	12,542	13,129	6,271	1,073	-	-	-	-	-	-	14,202
Conversion of debentures	500,000	301,257	250,000	42,750	-	-	(47,889)	-	-	-	296,118
Warrants exercised	1,439,435	1,208,488	(1,439,435)	(246,580)	-	-	-	-	-	-	961,908
Warrants expired	-	-	(723,389)	(195,395)	-	-	-	195,395	-	-	-
Warrants extended	-	-	-	89,414	-	-	-	-	-	-	89,414
Stock options exercised	80,000	101,280	-	-	(80,000)	(48,480)	-	-	-	-	52,800
Stock options granted	-	-	-	-	495,000	-	-	-	-	-	-
Stock options expired	-	-	-	-	(400,000)	(876,950)	-	876,950	-	-	-
Stock-based compensation costs	-	-	-	-	-	162,862	-	-	-	-	162,862
Share issue expenses	-	(5,622)	-	-	-	-	-	-	-	-	(5,622)
Balance – May 31, 2012	36,470,328	20,456,111	2,666,664	426,308	2,220,000	1,435,462	-	2,159,387	(11,443,629)	(158,958)	12,874,681

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

Azimut Exploration Inc

Interim Statements of Cash Flows

(in Canadian dollars)

(Unaudited) For the nine-month periods ended May 31, 2013 and 2012

	2013 \$	2012 \$
Cash flows used in operating activities		
Net loss for the period	(1,730,016)	(848,342)
Items not affecting cash		
Depreciation of property and equipment	6,624	9,143
Amortization of intangible assets	2,229	3,185
Gain on sale of available-for-sale investments	(7,817)	-
Other than temporary write-down on available-for-sale investment	142,035	-
Impairment of exploration and evaluation assets	1,266,630	102,637
Allowance for doubtful accounts	-	40,282
Gain on option payments on exploration and evaluation assets	(57,957)	(26,729)
Credit on duties refundable for losses and refundable tax credit for resources	(20,700)	(26,900)
Accretion expense on debentures	13,800	13,800
Stock-based compensation costs	-	162,861
Shares issued for interest payment on debentures	-	14,203
Cost of warrants extension	-	89,414
Unwinding of discount on asset retirement obligations	2,544	-
	<u>(382,628)</u>	<u>(466,446)</u>
Net change in non-cash working capital items		
Amounts receivable	317,472	337,404
Prepaid expenses	10,764	14,969
Accounts payable and accrued liabilities	(231,443)	(678,675)
	<u>96,793</u>	<u>(326,302)</u>
	<u>(285,835)</u>	<u>(792,748)</u>
Cash flows from financing activities		
Payment on debenture payable	(100,000)	(100,000)
Issuance of share capital, net of share issue expenses	-	1,009,085
Payments of obligation under finance lease	-	-
	<u>(100,000)</u>	<u>909,085</u>
Cash flows used in investing activities		
Proceeds from sale of investments	24,317	-
Additions to exploration and evaluation assets	(581,696)	(1,945,475)
Proceeds from sale of options on exploration and evaluation assets	60,000	50,000
Tax credit received	1,271,656	-
	<u>774,277</u>	<u>(1,895,475)</u>
Net change in cash and cash equivalents	388,442	(1,779,138)
Cash and cash equivalents - Beginning of period	1,402,610	3,834,831
Cash and cash equivalents - End of period	<u>1,791,052</u>	<u>2,055,693</u>
Additional information		
Interest received	24,440	23,870
Interest paid	57,326	40,572
Acquisition of exploration and evaluation assets included in accounts payable and accrued liabilities	1,056	47,073
Depreciation of property and equipment included in exploration and evaluation assets	53,835	80,826
Changes in estimated useful life of the camp under finance lease included in exploration and evaluation assets	(35,194)	-
Credit on duties refundable for loss and refundable tax credit for resources presented as a reduction in exploration and evaluation assets	131,485	452,400

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

Azimut Exploration Inc
Notes to Condensed Interim Financial Statements
(in Canadian dollars)
(Unaudited) For the three- and nine-month periods ended May 31, 2013 and 2012

1 Nature of operations and general information

Azimut Exploration Inc. (the “Company”), incorporated under the Québec Corporations Act, is in the business of acquiring and exploring mining properties. The Company's registered office is located at 110 De La Barre Street, Suite 214, Longueuil, Quebec, Canada. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable mining operations.

Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration properties. It has not yet been determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and evaluation of its properties and profitable sale of the exploration and evaluation assets.

Although management has taken steps to verify title to mining properties in which the Company has an interest, in accordance with industry standards for the current stage of exploration and evaluation of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliant with regulatory requirements.

To date, the Company has not earned significant revenues and is considered to be in the exploration and evaluation stage.

As at May 31, 2013, the Company had working capital of \$2,875,393 (2012 – \$4,097,327) including cash and cash equivalents of \$1,791,052 (2012 – \$2,055,693) and accumulated deficit of \$13.7 million (2012 – \$11.4 million), and had incurred a loss of \$1,730,016 (2012 – \$848,342) for the nine-month period then ended.

Management of the Company believes that it has sufficient funds to pay its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments for the ensuing twelve (12) months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve (12) months from the end of the reporting period. To continue its exploration and evaluation program on its properties and its operation beyond May 31, 2013, the Company will periodically have to raise additional funds through the issuance of new equity instruments, the exercise of stock options or warrants and the search of partners to sign option agreements on certain of its mining properties, 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 or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company.

The Company's financial year ends on August 31. The unaudited condensed interim financial statements were approved for issue by the Board of Directors on July 24, 2013.

Azimut Exploration Inc
Notes to Condensed Interim Financial Statements
(in Canadian dollars)
(Unaudited) For the three- and nine-month periods ended May 31, 2013 and 2012

2 Summary of significant accounting policies

Basis of preparation and adoption of International Financial Reporting Standards (“IFRS”)

The Company applies International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The unaudited condensed interim financial statement should be read in conjunction with the most recent annual financial statements as at and for the year ended August 31, 2012. Any subsequent changes to IFRS that are given effect in the Company’ annual financial statements for the year ending August 31, 2013 could result in restatement of these condensed interim financial statements.

New standards not yet adopted and interpretations issued but not yet effective

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent annual financial statements as at and for the year August 31, 2012.

3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These condensed interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended August 31, 2012.

Estimates and assumptions are continually evaluated and are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Azimut Exploration Inc
Notes to Condensed Interim Financial Statements
(in Canadian dollars)
(Unaudited) For the three- and nine-month periods ended May 31, 2013 and 2012

4 Amounts receivable

	As at May 31, 2013 \$	As at August 31, 2012 \$
Tax credit and current mining rights receivable	1,235,048	2,279,421
Commodity taxes	12,104	91,200
Trade accounts receivable	61,016	299,392
	<u>1,308,168</u>	<u>2,670,013</u>

5 Investments

	Number of shares	Market price \$	Fair Value \$	Cost \$
Eastmain Resources Inc.	20,000	0.330	6,600	11,782
NWT Uranium Corp.	350,000	0.011	3,981	234,500
Majescor Resources Inc.	196,000	0.015	2,940	428,850
Silver Spruce Resources Inc.	300,000	0.010	3,000	253,000
Channel Resources Inc.	150,000	0.030	4,500	24,000
Abitex Resources Inc.*	50,000	0.055	2,750	200,000
Nemaska Exploration Inc.	209,272	0.180	37,669	104,143
Monarques Resources Inc.	10,464	0.125	1,308	2,825
			<u>62,748</u>	<u>1,259,100</u>

* Changed to "ABE Resources Inc." and securities of the Company were consolidated on the basis of one new security for ten existing securities.

Unrealized gains and losses on available-for-sale securities resulted from fluctuations in market prices. As at May 31, 2013, the Company reclassified to loss an amount of \$142,035 for the other than temporary impairment previously recognized in accumulated other comprehensive loss.

Azimut Exploration Inc

Notes to Condensed Interim Financial Statements

(in Canadian dollars)

(Unaudited) For the three- and nine-month periods ended May 31, 2013 and 2012

6 Property and equipment

	Office furniture \$	Office equipment \$	Computer equipment \$	Specialist equipment \$	Camp \$	Camp under finance lease \$	Vehicles \$	Total \$
At August 31, 2012								
Cost	20,542	20,081	36,597	56,250	337,970	281,560	-	753,000
Accumulated depreciation	<u>(15,100)</u>	<u>(13,523)</u>	<u>(25,291)</u>	<u>(46,117)</u>	<u>(59,492)</u>	<u>(281,560)</u>	<u>-</u>	<u>(441,083)</u>
Net book amount	<u>5,442</u>	<u>6,558</u>	<u>11,306</u>	<u>10,133</u>	<u>278,478</u>	<u>-</u>	<u>-</u>	<u>311,917</u>
Period ended May 31, 2013								
Opening net book amount	5,442	6,558	11,306	10,133	278,478	-	-	311,917
Additions	-	-	-	-	-	35,194 *	3,702	38,896
Depreciation for the period	<u>(816)</u>	<u>(984)</u>	<u>(2,544)</u>	<u>(2,280)</u>	<u>(44,619)</u>	<u>(8,799)</u>	<u>(417)</u>	<u>(60,459)</u>
Closing net book amount	<u>4,626</u>	<u>5,574</u>	<u>8,762</u>	<u>7,853</u>	<u>233,859</u>	<u>26,395</u>	<u>3,285</u>	<u>290,354</u>

* The useful life-of-camp has been revised and is expected to be depreciated over a thirty-six-month (36-month) period using the straight-line method.

7 Exploration and evaluation assets

All mining properties are located in the Province of Quebec.

Azimut Exploration Inc

Notes to Condensed Interim Financial Statements

(in Canadian dollars)

(Unaudited) For the three- and nine-month periods ended May 31, 2013 and 2012

Exploration properties	Undivided interest	Cost as at August 31, 2012	Additions	Option payments	Tax credit	Cost as at May 31, 2013	Accumulated impairment at August 31, 2012	Impairment	Accumulated impairment at May 31, 2013	Net book amount as at May 31, 2013
Nunavik	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
Rex (4,301 claims)	100									
Mining properties		945,724	13,134	-	-	958,858	(55,272)	(96,600)	(151,872)	806,986
Exploration costs		3,760,580	116,200	-	(54,900)	3,821,880	-	-	-	3,821,880
		<u>4,706,304</u>	<u>129,334</u>	<u>-</u>	<u>(54,900)</u>	<u>4,780,738</u>	<u>(55,272)</u>	<u>(96,600)</u>	<u>(151,872)</u>	<u>4,628,866</u>
Rex South (2,077 claims)	100									
Mining properties		11,319	30,314	-	-	41,633	-	-	-	41,633
Exploration costs		136,183	101,493	-	(37,700)	199,976	-	-	-	199,976
		<u>147,502</u>	<u>131,807</u>	<u>-</u>	<u>(37,700)</u>	<u>241,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,609</u>
NCG (2,064 claims)	100									
Mining properties		616,815	113,596	-	-	730,411	(12,864)	(397,551)	(410,415)	319,996
Exploration costs		891,585	38,854	-	(7,580)	922,859	-	-	-	922,859
		<u>1,508,400</u>	<u>152,450</u>	<u>-</u>	<u>(7,580)</u>	<u>1,653,270</u>	<u>(12,864)</u>	<u>(397,551)</u>	<u>(410,415)</u>	<u>1,242,855</u>
Diana (479 claims)	100									
Mining properties		52,211	8,624	-	-	60,835	-	-	-	60,835
Exploration costs		17,085	9,236	-	(3,950)	22,371	-	-	-	22,371
		<u>69,296</u>	<u>17,860</u>	<u>-</u>	<u>(3,950)</u>	<u>83,206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>83,206</u>
Nantais (242 claims)	100									
Mining properties		31,036	13,790	-	-	44,826	(7,252)	-	(7,252)	37,574
Exploration costs		40,910	19,859	-	(9,000)	51,769	-	-	-	51,769
		<u>71,946</u>	<u>33,649</u>	<u>-</u>	<u>(9,000)</u>	<u>96,595</u>	<u>(7,252)</u>	<u>-</u>	<u>(7,252)</u>	<u>89,343</u>
Others, Copper-gold (510 claims)	100									
Mining properties		-	50,132	-	-	50,132	-	-	-	50,132
Exploration costs		-	2,220	-	(955)	1,265	-	-	-	1,265
		<u>-</u>	<u>54,352</u>	<u>-</u>	<u>(955)</u>	<u>51,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,397</u>
Total Copper-gold-silver-cobalt-rare earth properties		<u>6,503,448</u>	<u>517,452</u>	<u>-</u>	<u>(114,085)</u>	<u>6,906,815</u>	<u>(75,388)</u>	<u>(494,151)</u>	<u>(569,539)</u>	<u>6,337,276</u>

Azimut Exploration Inc

Notes to Condensed Interim Financial Statements

(in Canadian dollars)

(Unaudited) For the three- and nine-month periods ended May 31, 2013 and 2012

Exploration properties (cont'd)	Undivided interest	Cost as at August 31, 2012	Additions	Option payments	Tax credit	Cost as at May 31, 2013	Accumulated impairment at August 31, 2012	Impairment	Accumulated impairment at May 31, 2013	Net book amount as at May 31, 2013
Nunavik (cont'd)	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
North Rae (373 claims)	100									
Mining properties		519,296	17,433	-	-	536,729	-	(477,520)	(477,520)	59,209
Exploration costs		695,087	17,578	-	(7,660)	705,005	-	-	-	705,005
		<u>1,214,383</u>	<u>35,011</u>	<u>-</u>	<u>(7,660)</u>	<u>1,241,734</u>	<u>-</u>	<u>(477,520)</u>	<u>(477,520)</u>	<u>764,214</u>
Daniel Lake (57 claims)	100									
Mining properties		386,590	-	-	-	386,590	(90,900)	(289,306)	(380,206)	6,384
Exploration costs		302,146	4,830	-	(2,000)	304,976	-	-	-	304,976
		<u>688,736</u>	<u>4,830</u>	<u>-</u>	<u>(2,000)</u>	<u>691,566</u>	<u>(90,900)</u>	<u>(289,306)</u>	<u>(380,206)</u>	<u>311,360</u>
Kangiq*	100									
Mining properties		5,450	-	-	-	5,450	-	(5,450)	(5,450)	-
Exploration costs		203	-	-	-	203	-	(203)	(203)	-
		<u>5,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,653</u>	<u>-</u>	<u>(5,653)</u>	<u>(5,653)</u>	<u>-</u>
Total Uranium properties		<u>1,908,772</u>	<u>39,841</u>	<u>-</u>	<u>(9,660)</u>	<u>1,938,953</u>	<u>(90,900)</u>	<u>(772,479)</u>	<u>(863,379)</u>	<u>1,075,574</u>
Total Nunavik		<u>8,412,220</u>	<u>557,293</u>	<u>-</u>	<u>(123,745)</u>	<u>8,845,768</u>	<u>(166,288)</u>	<u>(1,266,630)</u>	<u>(1,432,918)</u>	<u>7,412,850</u>

* Property abandoned in the period ended May 31, 2013.

Azimut Exploration Inc

Notes to Condensed Interim Financial Statements

(in Canadian dollars)

(Unaudited) For the three- and nine-month periods ended May 31, 2013 and 2012

Exploration properties (cont'd)	Undivided interest	Cost as at August 31, 2012	Additions	Option payments	Tax credit	Cost as at May 31, 2013	Accumulated impairment at August 31, 2012	Impairment	Accumulated impairment at May 31, 2013	Net book amount as at May 31, 2013
James Bay	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opinaca A-A East (420 claims)	50									
Mining properties		-	-	-	-	-	-	-	-	-
Exploration costs		-	3,623	(1,022)	(1,580)	1,021	-	-	-	1,021
		-	3,623	(1,022)	(1,580)	1,021	-	-	-	1,021
Opinaca B-B North (220 claims)	50									
Mining properties		-	-	-	-	-	-	-	-	-
Exploration costs		-	2,723	(1,022)	(1,180)	521	-	-	-	521
		-	2,723	(1,022)	(1,180)	521	-	-	-	521
Eleonore South (282 claims)	26									
Mining properties		-	-	-	-	-	-	-	-	-
Exploration costs		5,729	3,140	-	(1,350)	7,519	-	-	-	7,519
		5,729	3,140	-	(1,350)	7,519	-	-	-	7,519
Opinaca D (188 claims)	100									
Mining properties		8,979	14,145	-	-	23,124	-	-	-	23,124
Exploration costs		5,172	1,221	-	(530)	5,863	-	-	-	5,863
		14,151	15,366	-	(530)	28,987	-	-	-	28,987
Wabamisk (723 claims)	49									
Mining properties		-	-	-	-	-	-	-	-	-
Exploration costs		9,930	-	-	-	9,930	-	-	-	9,930
		9,930	-	-	-	9,930	-	-	-	9,930
Total Gold properties		29,810	24,852	(2,044)	(4,640)	47,978	-	-	-	47,978
Eastmain West (77 claims)	100									
Mining properties		9,923	5,663	-	-	15,586	-	-	-	15,586
Exploration costs		153,718	7,772	-	(3,100)	158,390	-	-	-	158,390
Total Chromium – PGE property		163,641	13,435	-	(3,100)	173,976	-	-	-	173,976
Total James Bay		193,451	38,287	(2,044)	(7,740)	221,954	-	-	-	221,954
Total mining properties		8,605,671	595,580	(2,044)	(131,485)	9,067,722	(166,288)	(1,266,630)	(1,432,918)	7,634,804

Azimut Exploration Inc

Notes to Condensed Interim Financial Statements

(in Canadian dollars)

(Unaudited) For the three- and nine-month periods ended May 31, 2013 and 2012

The changes in exploration and evaluation assets are as follows:

Exploration properties	Mining properties		Exploration costs					Depreciation of property and equipment	Cost incurred during the period	Option payments	Credit on duties refundable for loss and refundable tax credit for resources	Impairment of exploration and evaluation assets	As at May 31, 2013
	As at August 31, 2012	Claims and permits	Geochemical surveys	Geological surveys	Geophysical surveys	Drilling							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Nunavik													
Rex	4,651,032	13,134	320	85,867	8,907	31,048	(9,943)	129,334	-	(54,900)	(96,600)	4,628,866	
Rex South	147,502	30,314	-	78,066	5,136	60	18,231	131,807	-	(37,700)	-	241,609	
NCG	1,495,536	113,596	-	28,501	-	-	10,353	152,450	-	(7,580)	(397,551)	1,242,855	
Diana	69,296	8,624	-	3,942	5,294	-	-	17,860	-	(3,950)	-	83,206	
Nantais	64,694	13,790	-	18,838	1,021	-	-	33,649	-	(9,000)	-	89,343	
Others, Copper-gold	-	50,132	-	2,220	-	-	-	52,352	-	(955)	-	51,397	
Total Copper-gold-silver-cobalt-rare earth properties	6,428,060	229,590	320	217,434	20,358	31,108	18,641	517,452	-	(114,085)	(494,151)	6,337,276	
North Rae	1,214,383	17,433	-	17,578	-	-	-	35,011	-	(7,660)	(477,520)	764,214	
Daniel Lake	597,836	-	-	4,830	-	-	-	4,830	-	(2,000)	(289,306)	311,360	
Kangiq	5,653	-	-	-	-	-	-	-	-	-	(5,653)	-	
Total Uranium properties	1,817,872	17,433	-	22,408	-	-	-	39,841	-	(9,660)	(772,479)	1,075,574	
Total Nunavik	8,245,932	247,023	320	239,842	20,358	31,108	18,641	557,293	-	(123,745)	(1,266,630)	7,412,850	
James Bay													
Opinaca A, A East	-	-	-	3,623	-	-	-	3,623	(1,022)	(1,580)	-	1,021	
Opinaca B, B North	-	-	-	2,723	-	-	-	2,723	(1,022)	(1,180)	-	521	
Eleonore South	5,729	-	-	3,140	-	-	-	3,140	-	(1,350)	-	7,518	
Opinaca D	14,151	14,145	-	1,221	-	-	-	15,366	-	(530)	-	28,987	
Wabamisk	9,931	-	-	-	-	-	-	-	-	-	-	9,931	
Eastmain West	163,641	5,663	-	1,573	6,199	-	-	13,435	-	(3,100)	-	173,976	
Total James Bay	193,451	19,808	-	12,280	6,199	-	-	38,287	(2,044)	(7,740)	-	221,954	
Total mining properties	8,439,383	266,831	320	252,122	26,557	31,108	18,641	595,580	(2,044)	(131,485)	(1,266,630)	7,634,804	

Azimut Exploration Inc

Notes to Condensed Interim Financial Statements

(in Canadian dollars)

(Unaudited) For the three- and nine-month periods ended May 31, 2013 and 2012

8 Warrants

The following table presents the warrants activity since August 31, 2011 and summarizes the information about warrants outstanding and exercisable as at May 31, 2013:

	May 31, 2013			August 31, 2012		
	Number	Carrying value \$	Weighted average exercise price \$	Number	Carrying value \$	Weighted average exercise price \$
Outstanding – Beginning of period	2,666,664	426,308	1.40	4,573,217	735,046	1.13
Issued	-	-	-	256,271	43,823	0.76
Exercised	-	-	-	(1,439,435)	(246,580)	0.67
Expired	(2,666,664)	(426,308)	1.40	(723,389)	(195,395)	0.95
Extended	-	-	-	-	89,414	1.40
Outstanding – End of period	-	-	-	2,666,664	426,308	1.40

Azimut Exploration Inc

Notes to Condensed Interim Financial Statements

(in Canadian dollars)

(Unaudited) For the three- and nine-month periods ended May 31, 2013 and 2012

9 Stock option plan

The following tables present the stock option activity since August 31, 2011 and summarize the information about stock options outstanding and exercisable as at May 31, 2013:

	May 31, 2013		August 31, 2012	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding – Beginning of period	2,220,000	0.87	2,205,000	1.43
Granted	-	-	495,000	0.53
Exercised	-	-	(80,000)	0.66
Expired / Forfeited	(370,000)	2.36	(400,000)	3.57
Outstanding and Exercisable – End of period	1,850,000	0.57	2,220,000	0.87

Exercise prices	Options outstanding and exercisable	Weighted average remaining contractual life (years)
\$0.34	495,000	5.87
\$0.45	395,000	8.94
\$0.60	80,000	7.15
\$0.66	410,000	6.77
\$0.80	430,000	7.63
\$1.25	40,000	7.84
	1,850,000	6.79

Azimut Exploration Inc

Notes to Condensed Interim Financial Statements

(in Canadian dollars)

(Unaudited) For the three- and nine-month periods ended May 31, 2013 and 2012

10 Expenses by nature

	Nine-month period ended May 31,	
	2013 \$	2012 \$
Salaries and fringe benefits	177,520	148,073
Professional and maintenance fees	40,434	62,476
Administration and office	44,722	44,217
Business development and administration fees	13,309	38,523
Advertising	6,628	39,307
Rent	29,921	29,846
Insurance	17,083	18,467
Travelling and entertainment	39,706	46,288
Depreciation of property and equipment	6,624	9,143
Amortization of intangible assets	2,229	3,185
Allowance for doubtful accounts	-	40,282
Stock-based compensation	-	162,861
General and administrative expenses	378,176	642,668
Salaries for search of properties	50,037	65,848
Credit on duties refundable for loss and refundable tax credit for resources	(20,700)	(26,900)
General exploration	29,337	38,948

11 Related party transactions

Compensation of key management

Key management includes directors, the chief executive officer (“CEO”) and the chief financial officer (“CFO”). The compensation paid or payable for key management service as a salary was \$254,120 for the period ended May 31, 2013 (\$259,670 in 2012).

12 Comparative figures

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