



Company Profile

Azimut Exploration Inc. is a Canadian junior mining company specializing in project generation and whose focus is on discovering gold, copper, uranium and rare earth element metal deposits in the James Bay and Northern Quebec areas. Azimut has developed an innovative targeting methodology, holds a large mineral exploration portfolio and has signed previously 29 strategic or option agreements with senior and junior partners, including Rio Tinto, Goldcorp, IAMGOLD and Aurizon Mines.



Source: BigCharts.com

Market and Company Data

Ticker	AZM-V	Shares O/S (M)	36.5
Rating	Buy (S)	Market Cap (M)	\$21.9
Risk	High	Float O/S (M)	31.0
Price	\$0.60	Float Value (M)	\$18.6
1-Yr Target	\$1.40	Avg Daily Volume (K)	30.0
Dividend	\$0.00	Enterprise Value (M)	\$21.9
Yield (%)	n/a	Control Blocks:	
1-Yr ROR	133%	Mgmt. & Dir.	15%
52 Wk High-Low	\$1.59-\$0.54	Net Debt/Cap	n/a
Valuation	1x NAV sum of the parts	BVPS	\$0.36
Year End	Aug. 31	Next Reporting	Jun-12

Expenditures (M) - Years ending Dec. 31

	2012	2013	2014	2015	2016	2017
Capex	n/a	n/a	n/a	n/a	n/a	n/a
Exploration	\$4.5	Funded by partners		\$3.7		

Resource Estimate	Tonnes	Grade	Contained
	(Mt)	(g/t Au)	Gold (oz.)
n/a			

Source: Company reports; Thomson ONE; LBS.

Results From Rex Sud Project - District-scale Gold-Copper-Tungsten Mineralization

On April 4, 2012, Azimut and partner Aurizon Mines Ltd. reported results from the 2011 exploration program at Rex Sud project in Nunavik, Northern Quebec. Results follow a major summer exploration program (\$4.5 million funded and operated by Aurizon) on the property that uncovered more than 30 mineralized zones and prospects by prospecting, channel sampling and a first-phase reconnaissance drilling totalling 4,934m (53 rotary percussion drill holes).

Impact – Neutral

Polymetallic mineralization being confirmed: The Rex Sud property, part of a 330km-long emerging polymetallic province largely controlled by Azimut, shows evidence of an extensive intrusion-related porphyry/greisen-type gold (Au), silver (Ag), copper (Cu), tungsten (W), tin (Sn) and bismuth (Bi) mineralized system and potential Iron Oxide Copper Gold mineralization. The Rex Sud property is located approximately 145km southeast of the Hudson Bay shoreline and the community of Puvirnituq. Aurizon can acquire an initial 50% interest in the project by performing a minimum of \$5M in exploration work including 5,000m of diamond drilling over a 5 year period. Works on the Augossan Zone returned numerous mineralized intercepts within a large polymetallic envelope at the contact between a granitic intrusion, named the Qalluivartuq Intrusive Complex (QIC), and volcano-sedimentary host rocks. Drilling, channelling and prospecting delineated a 7km-long by up to 400m-wide mineralized trend containing an association of Au-Ag-Cu-W-Sn-Bi, with tantalum (Ta), beryllium (Be), rubidium (Rb), molybdenum (Mo), rhenium (Re), tellurium (Te) and lithium (Li). Select results:

Hole no	Section	From (m)	To (m)	Length (m)	Au (g/t)	Cu (%)	W (%)	Bi (ppm)
RS-11-17	5400E	27.43	38.10	10.67		0.13		
RS-11-20	5000E	19.81	27.43	7.62	0.70			
RS-11-23	4600E	33.53	42.67	9.14	1.10			
RS-11-28	4200E	22.86	28.96	6.10	1.10	0.12		
RS-11-29	4200E	42.67	51.81	9.14		0.1		
RS-11-33	3800E	80.16	84.73	4.57			0.2	
RS-11-40	3000E	6.10	21.34	15.24			0.21	
Including		13.72	21.34	7.62		0.35	0.13	893

Source : Aurizon Mines Ltd.

More works warranted: We understand that the 2012 summer field program is currently being prepared as significant drilling should be required to establish grade and geometry continuity. The geological and mineral context of this area displays, according to management, comparable features with the world-class Carajás Mineral Province in Brazil. We believe more works are justified.

Conclusion – Maintaining Speculative Buy and Target Price

We reiterate our Speculative Buy rating on Azimut shares with a \$1.40 target price. Azimut holds a district scale positioning in Nunavik (over 13,242 claims) with the REX, REX Sud and NCG projects covering a 300km NNW-SSE trend which could be an emerging polymetallic mineralized belt. We continue to believe that this important land position could lead to significant discovery. We highlight Azimut's relatively tight share structure (41M shares F/D) provides leverage to discovery.



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Azimut's Project NAV Appraisal

Project	Inferred Mineral Resources (oz. Au)	Potential Mineral Resources (oz. Au)*	Commitments (M)	Historical Works (M)	Acreage Propensity (\$/ha.) (M)	Acreage Value (M)	Mineral Resource Value (75\$/oz) (M)	Mineral Potential Value (10\$/oz) (M)	Location Premium	Mineral Potential Probability	Assessed Total Value (M)
Nunavik											
Rex	0	1,000,000	\$0.0	\$4.3	400	\$97.3	\$0.0	\$10.0	0.5	0.80	\$9.2
Rex Sud	0	3,500,000	\$5.0	\$5.8	500	\$47.1	\$0.0	\$35.0	0.5	0.80	\$12.1
Nunavik Copper	0	1,000,000	\$0.0	\$1.1	367	\$109.1	\$0.0	\$10.0	0.7	0.70	\$6.5
Ungava Uranium	0	0	\$0.0	\$5.9	70	\$8.5	\$0.0	\$0.0	0.9	0.70	\$1.7
Central Quebec U	0	0	\$0.0	\$8.0	50	\$4.0	\$0.0	\$0.0	0.9	0.70	\$2.6
Nunavik Gold	0	350,000	\$0.0	\$0.0	600	\$23.3	\$0.0	\$3.5	0.8	0.50	\$0.8
James Bay											
Opinaca A & B	0	250,000	\$6.0	\$1.0	1100	\$37.2	\$0.0	\$2.5	1.5	0.90	\$5.3
Wabamisk	0	250,000	\$0.0	\$3.1	1000	\$38.3	\$0.0	\$2.5	1.5	0.90	\$4.2
Eleonore South JV	0	1,000,000	\$0.0	\$4.7	1100	\$16.2	\$0.0	\$10.0	1.7	0.80	\$5.3
Opinaca D	0	100,000	\$0.0	\$1.3	500	\$4.9	\$0.0	\$1.0	1.5	0.90	\$2.0
Eastmain West	0	350,000	\$0.0	\$0.6	1000	\$4.1	\$0.0	\$3.5	0.9	0.50	\$1.9
											\$51.6

* Gold equivalent
 Source: Company reports; LBS.

Azimut's NAV Summary

Project	Value (M)	Project	Value (M)
Ungava		James Bay	
Rex	\$9.2	Opinaca A & B (50%)	\$5.3
Rex Sud	\$12.1	Wabamisk (49%)	\$4.2
Nunavik Uranium	\$4.3	Eleonore South JV (27%)	\$5.3
Nunavik Gold	\$0.8	Opinaca D	\$2.0
Nunavik Copper	\$6.5	Eastmain West	\$1.9
Exploration potential goodwill	\$2.5	Total NAV	\$59.1
Exploration database	\$3.0	Shares outstanding (FD)	41.5
Cash	\$2.0	Total NAV per share (FD)	\$1.42
Take-over premium	n/a		

Source: LBS.



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Important Disclosures

Company	Ticker	Disclosures*
Azimut Exploration Inc.	AZM-V	A, V, P

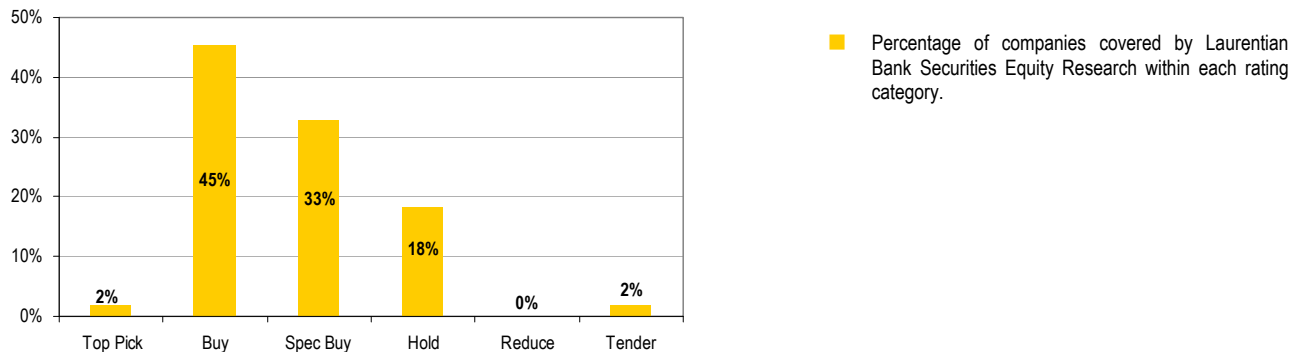
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- V** The Analyst has visited material operations of this issuer, namely HQ in Longueuil, QC and the Rex and Rex-Sud projects in Nunavik.
- P** This issuer paid a portion of the travel-related expenses incurred by the Analyst to visit material operations of this issuer.

Laurentian Bank Securities Equity Research Ratings Distribution



Source: Laurentian Bank Securities

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- Buy** The stock is expected to generate significant risk-adjusted returns over the next 12 months.
- Hold** The stock is expected to generate modest risk-adjusted returns over the next 12 months.
- Reduce** The stock is expected to generate negative risk-adjusted returns over the next 12 months.
- Tender** Analyst is recommending that investors tender to a specific offering for the stock.

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