



Jean-Marc Lulin President & CEO

Azimut Exploration uses an innovative methodology to analyze existing data, which enables the company to identify footprints of mineral deposits. This technical focus attracts major and junior companies who recognize Azimut's ability to generate high quality exploration targets. President and CEO, Jean-Marc Lulin speaks with resourceINTELLIGENCE reporter Katherine Young about this cutting-edge company.



Resource Intelligence: Azimut operates on a prospect generator business model; could you tell us a little bit about that model?

Jean-Marc Lulin: A company working with a prospect generator model must offer a highly competitive edge on the generative side. At Azimut, we believe the quality of initial targeting is the most critical factor for success in mineral exploration. We use this targeting capability to reduce the technical risk at the initial exploration stage and to develop partnerships, which in turn reduces the business risk.

RI: Azimut often does joint venture projects. Could you tell us about the wisdom behind using the joint venture model?

JL: In six years, Azimut has signed twenty-five option agreements and regional-scale strategic alliances with majors (including 3 with Rio Tinto and 2 with Gold-

corp), as well as juniors. These deals already represent \$30 million in partner-funded work which led to the discovery of more than 200 new mineralized prospects. This approach provides mutual risk reduction.

RI: Could you say a little bit more about your data analysis capability at Azimut?

JL: Azimut combines capabilities in three related fields: The ability to manage large and complex country-scale databases, a proprietary processing methodology and practical exploration knowledge. This has positioned the company as one of the leading generative companies on the exploration scene. Our methodology allows us to recognize, in a very efficient way, footprints of already known mineral deposits and new targets with comparable footprints.

RI: Could you comment on some of the people on your team and their expertise?

JL: Azimut operates under a long-term agreement with computer scientists and geoscientists. This expertise is combined with the management's international know-how in mineral potential assessment and business practice. Even if it's a small team, our vision and understanding of exploration challenges is global. My passion and background as a geologist is project generation through regional-scale modelling. As president, I really like sharing this approach with partners and investors.

RI: Azimut seems to be reporting on several projects over the last several months. Where is Azimut focusing at the moment?

JL: We are focusing our activities on two main regions in Quebec. In the James Bay region, where we are active with our partners Goldcorp, Everton and Eastmain, Azimut has a strategic land position in the emerging Eleonore mining camp where Goldcorp is now reporting resources of 9.4 million ounces of gold. In Nunavik, the Ungava Bay region is emerging as a new uranium district. When we started exploring this area in 2006, there were no known uranium showings. Today, there are about 200. And our REX property—an entirely new play for rare earth elements and copper—covers a giant IOCG footprint recognized by Azimut.

RI: What's next for Azimut on these projects?

JL: Drilling. New drilling programs are being planned for our main gold and uranium properties.

RI: You were able to access better quality data in Quebec?

JL: Yes. Not only is Quebec regularly ranked as the top jurisdiction for exploration and mining, but it has one of the best geoscientific databases in the world. This allows us to experiment with our mineral potential modelling and validate the results through exten-

sive fieldwork. At some point, Azimut will expand its activities outside Quebec toward other data-rich parts of the world.

RI: Where should investors begin to understand the value of Azimut as a potential investment?

JL: Azimut has two main drivers: Its technical expertise in targeting, and its ability to successfully develop ventures with a large number of partners. By retaining royalties on all properties, Azimut may evolve as a royalty company. Azimut is also dilution adverse and characterized by a small number of outstanding shares (24.6 million).

RI: I imagine working on so many projects brings some stability to Azimut's value. Would that be fair to say?

JL: As the largest landholder in Quebec, exploring many projects concurrently in different regions, with different partners, and for a variety of commodities (gold, uranium, rare earths, copper...), does indeed mitigate the risk and increase our probability of discoveries.

RI: We've seen some decline in the uranium price the last couple of years...how does the uranium price affect Azimut's plans?

JL: We have a long-term approach based on the planet's dramatic energy requirements as well as the need to reduce the carbon footprint. Better uranium prices will come back. For the short term, we are pragmatic. Azimut will continue advancing its most prospective uranium properties.

RI: And what about the gold price?

JL: A sustained gold price is certainly good for us, but we are not strictly driven by short-term commodity prices when defining our strategy. We are mostly driven by the ability to recognize extremely attractive targets. Emerging regions with the potential for large discoveries can create, by themselves, sustainable attractiveness and value creation for shareholders.

RI: What about cash flow?

JL: Cash flow arises from payments related to our option and strategic agreements. Since 2004, Azimut has received about \$1 million per year in cash and share considerations, which covers most of our internal expenditures. We currently have \$4 million in working capital, some of which was raised to conduct work on our new rare earth REX property—which looks like a world-class target—and to advance our main uranium projects. The objective is to maintain this approach: a combination of project generation and joint venturing with some properties being explored solely by Azimut.