



For immediate release

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Press Release

Azimut and Channel form Strategic Alliance for Ecuador

Longueuil, Quebec - Azimut Exploration Inc. (“Azimut”) and Channel Resources Ltd. (“Channel”) have signed an Agreement forming a Strategic Alliance for mineral exploration in Ecuador, South America. Under the terms of this Agreement, Azimut is to supply a report based on its country-wide mineral potential assessment aimed at identifying major exploration targets, thereby assisting Channel in assembling a portfolio of projects with the best potential for hosting large scale mineral deposits.

Azimut’s assessment is being conducted using rigorously screened, regional scale, proprietary and publicly available geoscientific databases including multi-element geochemistry, airborne magnetics, gravimetry, digital topography data as well as structural models. The potential for the discovery of gold and other commodities is assessed using advanced proprietary data processing methodologies.

The Target Report (“Report”), funded by Channel, has already been completed and a number of areas of interest have been identified and are under review.

Under the terms of the Strategic Alliance during the initial six month period following the delivery of the Report, Channel has the exclusive right and option to acquire any of the targets identified in the Report. Upon acquisition of its first such project, Channel will grant to Azimut:

- 250,000 common shares of Channel;
- 250,000 common share purchase warrants exercisable for two years at the market price on the date of issuance of the warrants;
- a 1% net smelter return (NSR) royalty on any and all target properties acquired as a result of the information outlined in the Report.

For the subsequent nine month period, both Channel and Azimut have the right to acquire properties based on the recommendations of the Report. For any target identified by Azimut for acquisition during this period, Channel will have a 30-day right of first refusal (the “Right”) to acquire such project by assuming all acquisition costs and by granting Azimut a 1% NSR royalty thereon. If Channel does not exercise the Right and if Azimut then acquires such project Azimut will grant Channel a 1% NSR royalty thereon.

Between fifteen and sixty months following delivery of the Report, both Channel and Azimut may each pursue mineral rights on any target recommended in the Report subject only to Channel granting Azimut a 1% NSR royalty on any such projects acquired.

This Agreement is subject to approval of the TSX Venture Exchange.

Channel is an exploration stage company that is earning a majority interest in a gold project in Ecuador (the Mozo Project) as well as holding interests in two exploration stage projects in Burkina Faso, West Africa.

Azimut is a mineral exploration company using cutting-edge targeting methodologies to discover major ore deposits.

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