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## Press Release

### Azimut: Strategic Update

Longueuil, Quebec – Azimut Exploration Inc. (“**Azimut**” or “**the Company**”) (TSXV: **AZM**) is pleased to provide the following strategic update on the Company. Azimut’s management believes 2018 will yield new positive steps in the Company’s development:

- Key properties will be actively advanced through diamond drilling programs, including the **Eleonore South gold project** (Azimut-Eastmain-Goldcorp JV) near Goldcorp’s Eleonore mine, and the **Eastmain West chromium-platinum-palladium-nickel project** (100% Azimut) that shares many geological characteristics with the Ring of Fire district in Ontario.
- Azimut uses its core expertise in Big Data analytics as an edge to generate quality targets and optimize discovery odds. The Company holds one of the largest gold and base metal property portfolios in Quebec, comprising 27 properties (6,427 claims or 3,134 km<sup>2</sup>) (**Figure 1**, [see link below](#)).

[http://www.azimut-exploration.com/en/presentations/PR\\_20180116\\_Figures-p.pdf](http://www.azimut-exploration.com/en/presentations/PR_20180116_Figures-p.pdf)

### Business model

Azimut’s core business is centred on target generation, alongside partnership development:

- **Target generation** is performed using a pioneering **proprietary expert system** built on the power of Big Data analytics, enhanced by extensive exploration know-how. Azimut’s processing of large multi-source databases has yielded a portfolio of high-potential properties focused on selected major mineral deposit types.
- **Partnership development** has led to 30 strategic and option agreements with senior and junior companies since 2003. During this time, partners have invested \$57.3 million in exploration work on the Company’s properties while Azimut’s net expenditures amounted to \$9.6 million, representing an overall Partner : Company financial leverage of about 6 to 1.

This dual approach is an efficient and effective way to reduce the systemic risk faced by early-stage explorers while minimizing share dilution and, in the case of a discovery, maximizing the per-share value.

Azimut has strictly maintained this financial strategy throughout the mining cycles of the past 14 years. Azimut has 48.5 million shares outstanding, with 62% held by large Quebec-based financial institutions, insiders and a few other major investors. The share structure has never been consolidated since Azimut’s founding in 1986. The Company has \$3.3 million in working capital and no debt.

### Big Data analytics that works

The effectiveness of Azimut’s expert system has been extensively validated and continuously improved through multiple major exploration programs conducted at the scale of the province. The value of a predictive methodology is proven by its high conversion rate with substantial field mineral discoveries. Azimut has gained rare knowledge on the application of predictive methodologies (including artificial intelligence) to the challenge of country-scale mineral exploration.

Azimut's most significant accomplishments, from **initial predictive modelling** to the **discovery stage**, are the following:

#### **Eleonore South JV Gold Property** – James Bay region (**Figure 2**)

- 2003: Staking of the initial Opinaca C claim block recognized as a highly prospective area, with no previously known gold prospects, based on the Company's regional-scale predictive modelling covering 85,000 km<sup>2</sup>;
- 2004: Discovery by Virginia Gold Mines of the Roberto Prospect (now the Eleonore gold mine) 10 kilometres north of the Eleonore South Property;
- 2006: Discovery of the JT Prospect on the Property;
- 2016-2017: Discovery of the high-grade Moni Prospect, part of a highly prospective gold-bearing corridor on the Property.

#### **North Rae, Daniel Lake, Kangiq, South Rae Uranium Properties** – Nunavik region

- 2005-2007: Staking of extensive properties over highly prospective areas with no known uranium prospects, based on the Company's regional-scale predictive modelling covering 1,245,800 km<sup>2</sup>;
- 2006-2008: Discovery of about 150 uranium prospects with grades ranging from 0.05% to 3.30% U<sub>3</sub>O<sub>8</sub>, including 12 zones with a cumulative strike length of 17 kilometres. The region is now considered a new uranium province.

#### **Rex Property (Cu, Au, Ag)** – Nunavik region (**Figure 3**)

- 2009-2010: Staking of a large property with very limited previous exploration, based on the Company's predictive modelling for copper, gold and rare earths covering 1,247,900 km<sup>2</sup>;
- 2010-2013: Discovery of extensive copper (IOCG type) and copper-gold mineralization. The main prospective corridor is 30 kilometres long and includes numerous high-grade copper, gold, silver and tungsten prospects.

#### **Rex South Property (Cu, Au, Ag, Te, Bi, W, Sn)** – Nunavik region (**Figure 4**)

- 2009-2010: Staking of a large property with limited past exploration, based on the Company's predictive modelling for copper, gold and rare earths covering 1,247,900 km<sup>2</sup>;
- 2010-2013: Discovery of 18 mineralized zones (intrusion-related and IOCG types). The prospective target zones outline a cumulative length of roughly 60 kilometres. The **Rex Trend** (comprising the Rex and Rex South properties), covering a 300-kilometre-long region, is now described as a new polymetallic province that shares many similarities with the world-class Carajás Mineral Province in Brazil.

## **Progress in James Bay**

Azimut holds 20 properties (4,133 claims, 2,148 km<sup>2</sup>) in the James Bay region (**Figure 5**).

The **Eleonore South Property** (Azimut-Eastmain-Goldcorp JV) represents the best short-term leverage for the Company. Significant gold results were obtained on the project in 2016 and 2017, including the discovery of the high-grade **Moni Prospect**. The main target area is a prospective corridor 4 kilometres long by 500 metres wide (**Figure 6**). A new drilling phase of 3,600 m will commence in early 2018 to follow up on the 2017 results. Azimut is operator of the current program (see press releases of May 2, May 30, October 17, November 16 and December 12, 2017).

The **Eastmain West Property** (100% Azimut) displays a well-identified target zone for massive chromite mineralization related to a 4-kilometre-long ultramafic intrusion (see press releases of January 19 and May 8, 2017). Azimut will soon undertake a core drilling program to test the best targets. Highlights include:

- Location in a highly accessible region with major infrastructure nearby;
- Positive working environment established with local Cree communities;
- No chromite producers in North America and favourable market environment;
- Chromite mineralization associated with a prospective horizon characterized by a strong magnetic and electromagnetic footprint. The best channel results to date returned 17.2% Cr<sub>2</sub>O<sub>3</sub> over 7.54 m, including 33.2% Cr<sub>2</sub>O<sub>3</sub> over 3.55 m (**Figure 7**);

- A ground gravity survey identified a continuous anomaly 1.2 kilometres long, up to 200 metres wide and open along strike. The anomaly is spatially associated with outcropping massive to semi-massive chromite mineralization;
- Mineralogical studies indicate very coarse chromite grains that could be easily liberated;
- A geological context and chromite mineralization that share many features with the **Ring of Fire** chromite-bearing intrusions in Ontario. In addition to chromite, the project also has exploration potential for massive sulphide Ni-Cu-PGE mineralization (**Eagle's Nest** type).

The **Strategic Alliance with SOQUEM** covers 176,300 km<sup>2</sup> in the James Bay region (**Figure 5**). This agreement enables the partners to assess prospective gold targets following mineral potential predictive modelling performed by Azimut. To date, **11 properties** have been subject to exploration work: detailed lake-bottom geochemical surveys on nine projects, a geophysical survey on one, and preliminary prospecting on five. SOQUEM funded all work programs. Azimut is manager of the Strategic Alliance. Results are currently being compiled and will be reported on a timely basis (see press releases of March 14, July 11, July 13 and November 1, 2017).

Other active gold properties include **Opinaca D** (100% Azimut), **Opinaca A** (50% Azimut, 50% Everton), **Opinaca B** (50% Azimut, 50% Everton, Hecla option), and **Wabamisk** (49% Azimut, 51% Goldcorp). All properties are at the drilling stage.

## Strategic positioning in Nunavik

Azimut holds seven properties (2,294 claims, 986 km<sup>2</sup>) in the Nunavik region. The Company believes these properties reflect the footprint of potential mineral districts. These projects will be advanced through future partnerships or by Azimut alone, depending on the financial context.

As reported above, the Rex Trend encompasses two properties with well-defined targets:

- **Rex Property (Cu, Au, Ag)**
- **Rex South Property (Cu, Au, Ag, Te, Bi, W, Sn)**

The next exploration steps will consist of additional prospecting, airborne geophysics and core drilling.

The **Nantais Property (Au, Ag, Cu, Zn)**, which completely covers a 20-kilometre-long underexplored greenstone belt, presents excellent potential for gold-rich volcanogenic massive sulphides. Extensive electromagnetic anomalies represent a cumulative length of 18.4 kilometres. This includes a gold-polymetallic corridor 3 kilometres long by 200 metres wide (**Figure 8**). The next exploration phase will consist of additional prospecting and core drilling.

**Azimut Exploration** is a mineral exploration company with its core business centred on target generation and partnership development. Azimut's predictive methodology can be applied to other jurisdictions with comprehensive databases. This press release was prepared by geologist Jean-Marc Lulin acting as Azimut's Qualified Person under National Instrument 43-101.

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