AZIMUT EXPLORATION INC

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the fiscal year ended August 31, 2013

INDEX

SCOPE OF MANAGEMENT'S FINANCIAL ANALYSIS

This report represents a complementary addition to the annual financial statements by providing additional contextual and prospective information on Azimut Exploration Inc. ("Azimut" or the "Company") financial position and operating performance for the years ended August 31, 2013 and 2012. This report should be read in conjunction with the Company's annual financial statements as of August 31, 2013, which were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). All figures are in Canadian dollars unless otherwise noted.

CORPORATE PROFILE AND MISSION

Azimut is a publicly traded Canadian exploration-stage company specializing in mineral potential assessments and targeting to discover major ore deposits. Azimut conducts its exploration activities by following two main guiding principles. First, the Company maximizes the probability of discovery by using a cutting-edge targeting methodology that reduces exploration risk. Second, the Company reduces the business risk by developing partnerships for projects generated by its targeting methodology.

As at December 17, 2013, Azimut holds fifteen (15) exploration properties comprising 11,744 claims (15 properties and 11,792 claims as at August 31, 2013 ("Fiscal 2013"). The properties were acquired based on the Company's regional-scale assessments of Quebec's mineral potential. Azimut owns a 100% interest in all but four (4) of its properties: Eleonore South for which it holds an interest of 26.0%; Opinaca A and Opinaca B for which it holds interests of 50% each; and Wabamisk for which it holds an interest of 49%. As at December 17, 2013, the Company's properties are as follows (Figure 1):

In Nunavik, northern Quebec:

- 3 copper-gold-silver-tungsten rare earth properties (Rex, Rex South and NCG)
- 1 copper-nickel-cobalt-rare earth property (Diana)
- 1 uranium property (North Rae)
- 3 copper-gold properties (Qassituq, Kovik and Tasinga, listed under "Others, Copper-gold properties" in the financial statements)
- 1 gold property (Nantais)

In the James Bay region:

- 4 gold properties in the Opinaca area (Opinaca A, Opinaca B, Eleonore South and Opinaca D)
- 1 gold property (Wabamisk) in the Eastmain area
- 1 chromium-platinum-palladium property (Eastmain West), also in the Eastmain area

Jean-Marc Lulin, geologist, president, chief executive officer and director of Azimut Exploration Inc, is a qualified person under NI 43-101 and has reviewed the technical disclosures presented in subsequent sections. All claim totals, surface areas, and property descriptions are effective as at December 17, 2013.

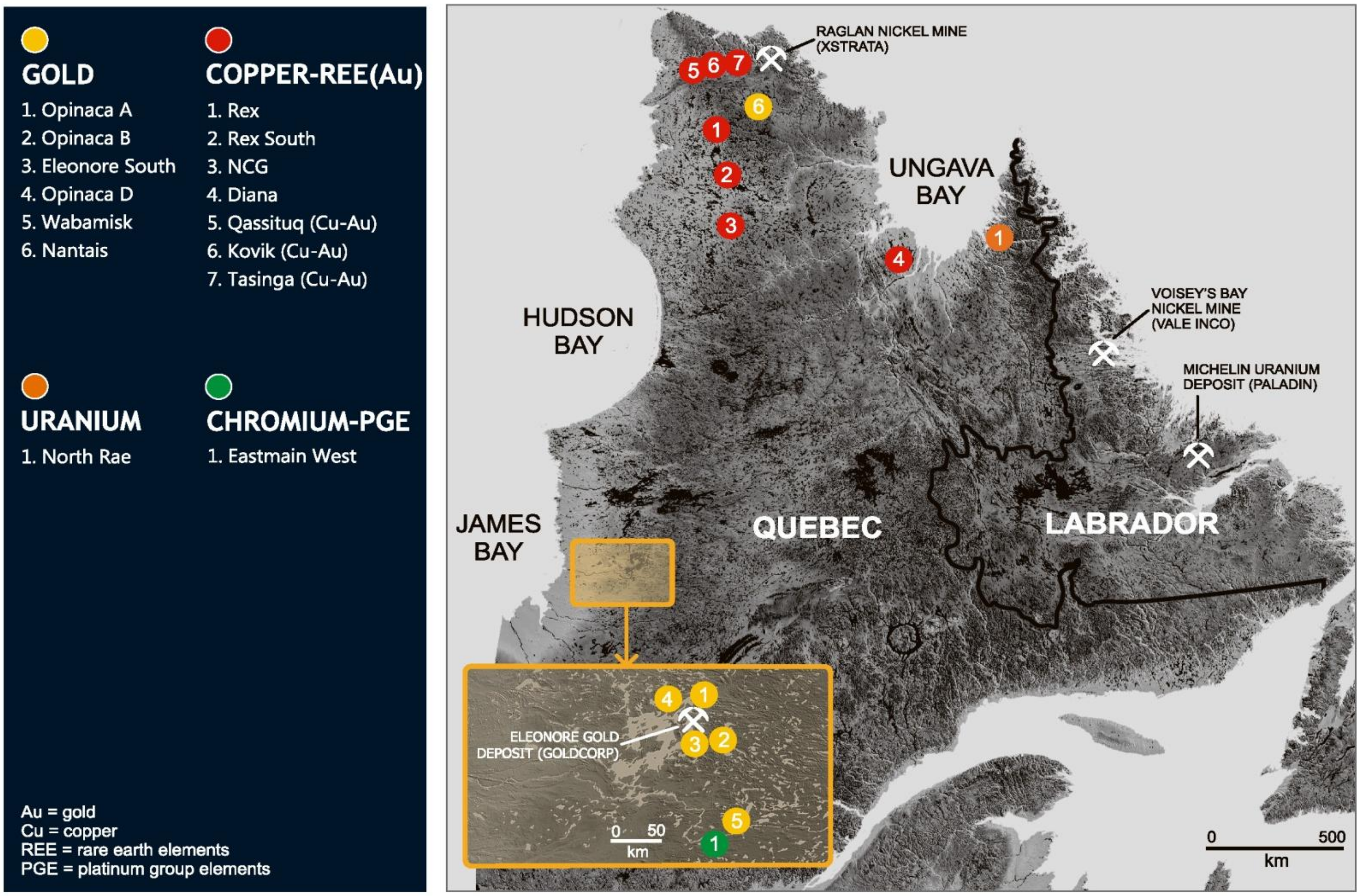

Figure 1: Azimut property location map.

OVERALL PERFORMANCE

Summary of activities for the last quarter and subsequent activities:

July 2013

- Azimut grants 710,000 stock options to its directors, officers, employees and consultants.

November 2013

- Azimut's partner Hecla Quebec Inc. ("Hecla", formerly Aurizon Mines Ltd or "Aurizon") renews its option on the Opinaca A & B gold properties in the James Bay region of Quebec

Highlights for Fiscal 2013:

- Azimut ended the fiscal year with a working capital of $2,564,293 (2012 - $3,617,862). Management believes it has sufficient funds to pay its ongoing general and administrative expenses, to pursue its budgeted exploration and evaluation expenditures, and to meet its liabilities, obligations and existing commitments for at least the next twelve (12) months.
- Azimut continued its technical evaluation, including data interpretation on identified targets, for the Rex, Rex South, NCG and Nantais properties.
- Azimut focused its efforts on seeking new partners for the available properties.
- Azimut is focused on the preservation of its assets and it has taken measures to control its overall expenses.

- Azimut agreed to open and close the NCG Camp prior to and following the field-based summer 2013 program of Rio Tinto Canada Diamond Exploration Inc. The Company has received a gross amount of $65,000 for the services rendered.

EXPLORATION AND EVALUATION ASSETS ("E&E" ASSETS)

During fiscal 2013, the Company incurred exploration expenditures totalling $459,000 (2012 - $1,543,000). The work was conducted mainly on the Rex and Rex South properties located in the Nunavik region.

Exploration and evaluation assets for fiscal 2013 are detailed in the tables on the following pages. All mining properties are located in the Province of Quebec.

NUNAVIK REGION

Azimut believes the Nunavik region has significant potential for large-scale deposits of copper, gold, silver, tungsten, rare earth elements (REE), and uranium. The results of Azimut's mineral potential assessment covering 640,000 km^2 in northern Quebec generated many quality exploration targets in Nunavik, several of them quite large. The information used in the targeting process included data from multi-element lake-bottom sediment geochemistry, geophysics, geology and remote sensing. Azimut's current land position consists of eight (8) properties covering polymetallic, copper-gold or gold-only projects, and one (1) uranium project.

NUNAVIK – POLYMETALLIC

Azimut identified very large and very strong geochemical footprints for copper and REE in Nunavik, northern Quebec, and began acquiring the most significant targets in western Nunavik (between Hudson Bay and Ungava Bay) in November 2009. These targets now form the 100%-owned Rex, Rex South, Nunavik Copper Gold ("NCG") and Diana polymetallic properties.

The extensive Rex, Rex South and NCG properties (collectively 8,372 claims; 3,622.8 km^2) provide a commanding position over **The Rex Trend** (Figure 2), considered by Azimut's management to be a new mineral province with a potential for hosting large-scale deposits, including iron oxide copper-gold ("IOCG") deposits, intrusion-related polymetallic deposits, and sediment-hosted gold deposits. The Rex Trend is largely defined by a strong 330-km-long copper anomaly in lake-bottom sediments coupled with a strong 100-km-long REE anomaly (press releases of March 31 and July 22, 2011), and presents similarities with the Carajás Mineral Province in Brazil (see press release of April 4, 2012). Work performed to date on the three Rex Trend properties comprises 21,379 line-km of airborne geophysics, 6,226 in-fill lake-bottom sediment samples, 7,628 rock samples from prospecting, and 7,070 m of rotary and reverse circulation drilling (82 holes), giving Azimut a key exploration edge in the region.

		Mining properties	Exploration costs									
Exploration properties	**As at August 31, 2012 $**	**Claims and permits $**	**Geological surveys $**	**Geophysical surveys $**	**Drilling $**	**Depreciation of property & equipment and other $**	**Cost incurred during the period $**	**Option payments $**	**Proceeds received on sale of camps materials**	**Credit on duties refundable for loss and refundable tax credit for resources $**	**Impairment of E&E assets $**	**As at August 31, 2013 $**
Nunavik												
Rex	4,651,028	14,134	130,274	11,615	40,951	(1,528)	195,446	-	-	5,204	(607,944)	4,243,734
Rex South	147,502	37,014	124,835	7,637	-	24,308	193,794	-	(18,900)	(57,824)	-	264,572
NCG	1,495,536	113,696	32,804	-	-	13,804	160,304	-	-	18,081	(463,670)	1,210,251
Diana	69,296	8,624	4,609	6,361	-	-	19,594	-	-	(4,163)	(25,425)	59,302
Nantais	64,695	13,790	18,074	993	-	-	32,857	-	-	(8,306)	(33,332)	55,914
Others, Copper-gold	-	50,132	1,850	-	-	-	51,982	-	-	(808)	-	51,174
Total – Copper-gold-silver-cobalt-rare earth properties	6,428,057	237,390	312,446	26,606	40,951	36,584	653,977	-	(18,900)	(47,816)	(1,130,371)	5,884,947
North Rae	1,214,385	17,433	17,858	-	-	-	35,291	-	(59,250)	(6,941)	(477,523)	705,962
Daniel Lake	597,837	-	4,830	-	-	-	4,830	-	-	(2,108)	(600,558)	-
Kangiq	5,653	-	-	-	-	-	-	-	-	-	(5,652)	-
Total – Uranium properties	1,817,875	17,433	22,688	-	-	-	40,121	-	(59,250)	(9,049)	(1,083,733)	705,962
Total – Nunavik	8,245,932	254,823	335,134	26,606	40,951	36,584	694,098	-	(78,150)	(56,865)	(2,214,106)	6,590,909
James Bay												
Opinaca A, A East	-	-	3,928	-	-	-	3,928	(1,022)	-	(1,677)	-	1,229
Opinaca B, B North	-	-	3,178	-	-	-	3, 178	(1,022)	-	(1,386)	-	770
Eleonore South	5,728	-	3,050	-	-	-	3,050	-	-	(1,317)	-	7,462
Opinaca D	14,151	14,145	1,526	-	-	-	15,671	-	-	(460)	-	29,362
Wabamisk	9,931	-	-	-	-	-	-	-	-	125	-	10,055
Eastmain West	163,641	5,663	1,641	6,546	-	-	13,850	-	-	(1,615)	(902)	174,974
Total – James Bay	193,451	19,808	13,323	6,546	-	-	39,677	(2,044)		(6,330)	(902)	223,852
Total – Mining properties	8,439,383	274,631	348,457	33,152	40,951	36,584	733,775	(2,044)	(78,150)	(63,195)	(2,215,008)	6,814,761

Exploration properties	As at August 31, 2011 $	Mining properties Claims and permits $	Exploration costs Geological surveys $	Geochemical surveys	Geophysical surveys $	Drilling $	Administration and others	Cost incurred during the period $	Option payments $	Credit on duties refundable for loss and refundable tax credit for resources $	Impairment of E&E assets $	As at August 31, 2012 $
Nunavik												
Rex	3,875,165	397,684	362,017	35,450	16,195	237,140	73,889	1,122,375	-	(291,240)	(55,272)	4,651,028
Rex South	-	11,319	185,028	-	1,984	-	35,184	233,515	-	(86,013)	-	147,502
NCG	1,133,382	91,183	341,387	133,822	-	-	15,208	581,600	-	(206,582)	(12,864)	1,495,536
Diana	28,322	37,823	5,561	-	-	-	-	43,384	-	(2,410)	-	69,296
Nantais	20,582	10,780	62,563	8,986	-	-	85	82,414	-	(31,049)	(7,252)	64,695
Other, Copper-gold-silver-cobalt-rare earth	53,213	10,976	5,281	-	-	-	-	16,257	-	(2,288)	(67,182)	-
Total – Copper-gold-silver-cobalt-rare earth properties	5,110,664	559,765	961,837	178,258	18,179	237,140	124,366	2,079,545	-	(619,582)	(142,570)	6,428,057
North Rae	1,185,195	25,030	7,342	-	-	-	-	32,372	-	(3,182)	-	1,214,385
Daniel Lake	688,737	-	-	-	-	-	-	-	-	-	(90,900)	597,837
Kangiq	5,653	-	-	-	-	-	-	-	-	-	-	5,653
North Minto	15,943	-	-	-	-	-	-	-	-	-	(15,943)	-
Central Minto	15,194	-	-	-	-	-	-	-	-	-	(15,194)	-
South Minto	18,894	-	-	-	-	-	-	-	-	-	(18,894)	-
Kativik	58,155	-	-	-	-	-	-	-	-	-	(58,155)	-
Others, Uranium	47,905	763	-		-	-	-	763	-	-	(48,668)	-
Total – Uranium properties	2,035,676	25,793	7,342	-	-	-	-	33,135	-	(3,182)	(247,754)	1,817,875
Total – Nunavik	7,146,340	585,558	969,179	178,258	18,179	237,140	124,366	2,112,680	-	(622,764)	(390,324)	8,245,932
James Bay												
Opinaca A, A East	11,721	-	1,825	-	-	-	916	2,741	(13,670)	(791)	-	-
Opinaca B, B North	7,076	-	725	-	-	-	766	1,491	(8,252)	(314)	-	-
Eleonore South	4,508	-	2,152	-	-	-	-	2,152	-	(932)	-	5,728
Opinaca D	3,868	8,979	2,302	-	-	-	-	11,281	-	(998)	-	14,151
Wabamisk	7,434	-	4,366	-	-	-	43	4,409	-	(1,912)	-	9,931
Eastmain West	162,046	-	2,042	-	610	-	-	2,652	-	(1,057)	-	163,641
Total – James Bay	196,653	8,979	13,412	-	610	-	1,725	24,726	(21,922)	(6,004)	-	193,451
Total – Mining properties	7,342,993	594,537	982,591	178,258	18,789	237,140	126,091	2,137,406	(21,922)	(628,768)	(390,324)	8,439,383

Rex property (copper-gold-silver-REE)

The wholly-owned polymetallic Rex property (4,275 claims in 3 claim blocks; 1,824.6 km^2) forms the northern segment of the 330-kilometre Rex Trend that includes the Rex South and NCG properties. Since announcing the initial copper discovery at Rex (press release of October 13, 2010), Azimut has identified more than 20 other copper or polymetallic (copper-gold-silver-cobalt-tungsten) prospects on this 100-km-long property. Drilling results, supported by prospecting, geological, structural and geochemical data, have confirmed several multi-kilometre IOCG-type targets. Azimut is also investigating the property's potential for other mineralization types, including diamonds. The main zones and target types are summarized below.

The two main zones on the Rex property, RBL and CM, were discovered during Azimut's initial exploration program in the summer of 2010.

The **RBL Zone** is at least 3 km long by 50 to 200 m wide with a maximum grade to date of 11.3% Cu (grab sample). The 2011 drilling program (1,764 m in 23 short holes: 21 rotary, 2 reverse circulation) yielded the following best grades: 0.34% Cu over 4.58 m, 0.13% Cu over 9.14 m, 0.14% Cu over 13.72 m, 0.64% Cu over 1.52 m and 0.17% Cu over 6.10 m (press release of February 9, 2012). The envelope of mineralization and alteration is recognizable over the entire zone, and the drilling program revealed that copper values are frequently associated with anomalous values in cobalt and tungsten within a wide (up to 200 m) envelope containing anomalous barium, manganese, phosphorus and iron.

The **CM Zone** measures at least 2.5 km long by 50 to 100 m wide with a maximum grade to date of 4.3% Cu (grab sample; press release of October 13, 2010). The envelope of mineralization and alteration is recognizable over the entire zone at surface, and the 2011 drilling program (6 short holes, 408 m: 4 rotary, 1 reverse circulation) revealed a 150-metre-wide strong alteration system with anomalous values in copper, cobalt, tungsten, molybdenum, barium, manganese, phosphorous and iron (press release of February 9, 2012).

The mineralization of both zones is present as breccias hosted by migmatitic gneisses. The breccias contain chalcopyrite, bornite and pyrite (± covellite) and networks of magnetite and/or hematite with or without quartz veins/veinlets. Alteration is dominated by strong potassic alteration and pervasive silicification with local albite, chlorite and epidote. The press release of October 13, 2010 announced anomalous values in gold (up to 0.16 g/t Au at RBL), silver (up to 5.0 g/t Ag at RBL; up to 9.0 g/t Ag at CM) and cobalt (up to 1,130 ppm Co) for surface grab samples collected during the 2010 program.

The geological context of the RBL and CM zones (large alteration and breccia systems spatially associated with regional-scale structures) may indicate significant depth to the systems, and both show excellent potential for extensions based on their strong magnetic signatures and geochemical footprints in lake-bottom sediments. Azimut considers both to be significant IOCG-type targets. Furthermore, the two zones, spaced 27 km apart, demonstrate the regional scale of mineralization at Rex.

The 1.5-km-long copper-molybdenum **Robinson Zone** was discovered by prospecting in the summer of 2011 (press release of July 22, 2011). The Robinson Zone has been recognized over a strike length of 1.5 km and a width of 30 to 130 m, and remains open in all directions. Mineralization, mostly represented by chalcopyrite, molybdenite and pyrite, is hosted in biotite-rich granite with porphyritic and pegmatitic facies. The dominant alteration type is silicification. Prospecting work during the 2011 summer program indicates that the Robinson Zone is part of a 30-km trend in the northern part of Rex that contains four (4) other prospects. Results along this trend include 20 rock samples with copper values higher than 0.1% and up to 0.38% Cu, and 10 samples with molybdenum values ranging from 204 ppm to 0.32% Mo (press release of February 9, 2012).

A number of other prospects on the property, several of them kilometre-scale, have also yielded significant grades for copper (up to 4.4 % Cu), gold (up to 16.2 g/t Au and 580.0 g/t Au), silver (up to 196.0 g/t Ag), tungsten (up to 0.87% W), molybdenum (up to 0.65% Mo), rhenium (up to 0.91 g/t Re) and bismuth (up to 285 ppm Bi) (press releases of February 9, 2012 and October 12, 2010). In addition, results in the southern part of Rex revealed a 4-km trend defined by anomalous barium values (up to 11.95% Ba) and a copper showing (0.67% Cu) within a strong,

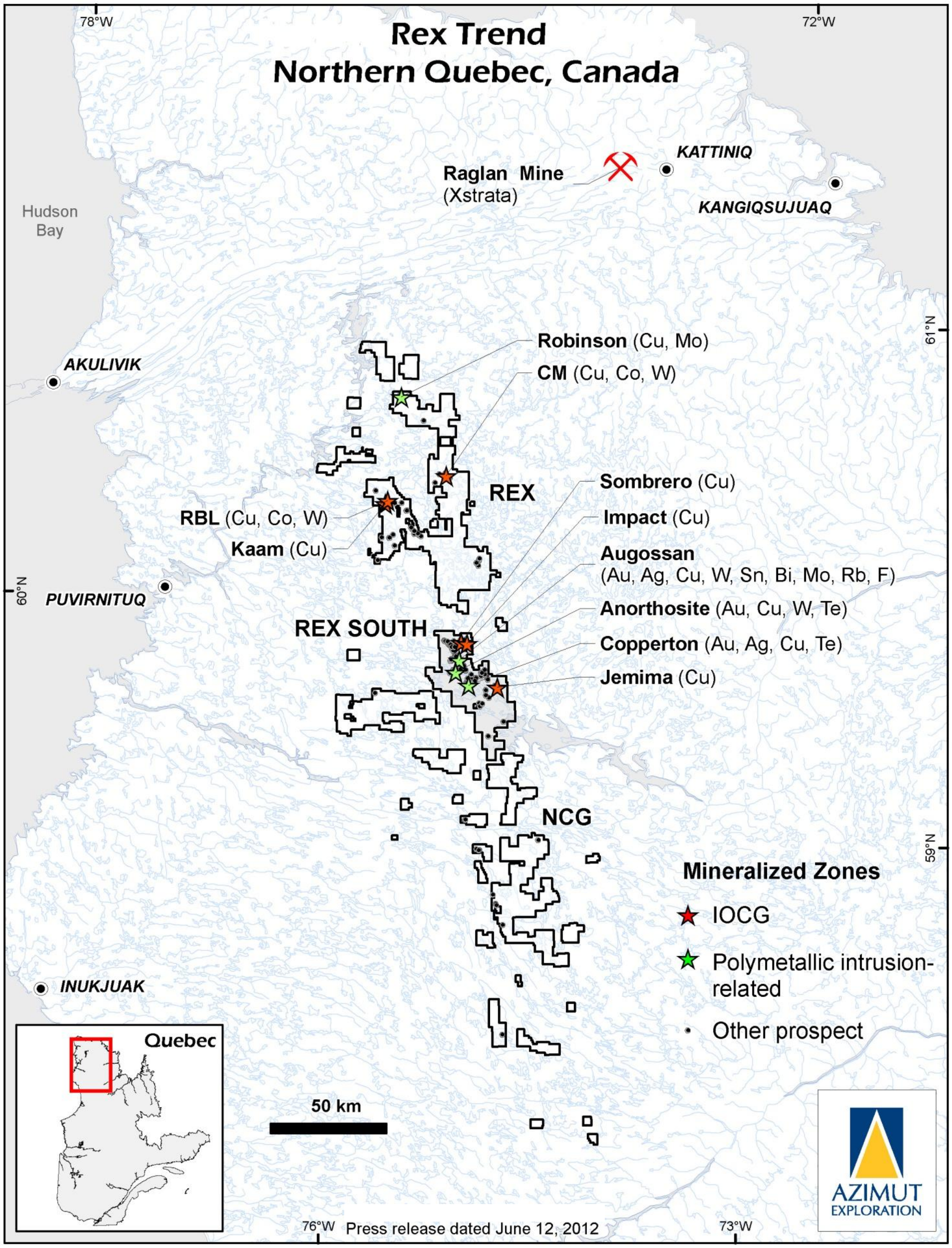

Figure 2: Distribution of Azimut's wholly-owned Rex, Rex South and NCG properties along the Rex Trend, a newly recognized mineral belt in Northern Quebec.

13-km copper-molybdenum-cobalt-REE-manganese footprint in lake-bottom sediments. This area represents a top-priority IOCG target.

Azimut's management is of the opinion that the Rex property, with a strike-length of more than 100 km, has the potential to become an important metal district in northern Quebec. Field work and analytical results to date validate Azimut's assessment of the Rex property as highly prospective for IOCG-type deposits. The IOCG deposit-type encompasses a wide spectrum of ore bodies, often polymetallic and of significant size, which may notably produce iron, copper, gold, uranium, silver, cobalt and REE. The best known IOCG example is Olympic Dam in Western Australia, one of the largest known deposits in the world. Other prospective zones on the property may be related to deposit types typical of Archean greenstone belts, such as copper-gold mineralization in shear zones and volcanogenic massive sulphides. In addition, data from the 2010-2011 programs reveal a strong exploration potential for diamonds. The ongoing assessment is taking into account in-fill multi-element lake-bottom sediment results, a detailed aeromagnetic survey, a structural interpretation, and prospecting results for newly discovered ultramafic intrusive rocks and carbonatite dykes (press release of February 9, 2012). The Rex, Rex South and NCG properties cover a deep-seated structural corridor (the "Allemand-Tasiat Zone"), which has been previously recognized by the Ministry of Natural Resources of Quebec as being prospective for diamonds.

The 2011 exploration program was part of Azimut's self-funded $3.9-million combined exploration program for the Rex and NCG properties. The program comprised ground-based geophysical surveys (49.2 line-km of IP and 122.3 km of magnetics) to better define drilling targets on the RBL and CM zones, in-fill lake-bottom sediment sampling (614 samples) to further define targets in the western part of the project, 1,116 grab rock samples from outcrops and boulders during property-wide prospecting, and 2,172 metres of reconnaissance drilling. The drilling program consisted of 29 short holes (2,113 m of standard rotary percussion drilling in 26 holes ("rotary"), and 59 m of reverse ("RC") circulation drilling in 3 holes), from which 1,382 drill samples were sent for analysis. Results were published in the press release of February 9, 2012 and are summarized in the descriptions above.

In 2012, Azimut's self-funded $765,000 Nunavik program, which included the Rex property, was designed to increase the sampling density on already known quality mineralized zones and perform reconnaissance prospecting on newly defined targets. A total of 175 rock grab samples were collected on the Rex property.

For the fiscal period ended August 31, 2013, Azimut disbursed $14,000 ($397,000 – 2012) in claim renewals and $183,000 ($656,000 – 2012) in exploration work for technical evaluation and data interpretation. Azimut may elect to pursue its assessment of the Rex project in 2014 through partnership or by itself if the financial conditions are adequate.

Rex South property (gold-copper-silver-tungsten)

The wholly-owned polymetallic Rex South property (2,051 claims, 893.3 km^2; 1 block) forms the middle segment of the 330-kilometre Rex Trend that also includes the Rex and NCG properties. In May 2010, Azimut announced the signing of a letter of intent with Aurizon Mines Ltd ("Aurizon") in which Aurizon could acquire an initial 50% interest in the Rex South project by performing $5.0 million in exploration work over a five (5)-year period, including 5,000 meters of diamond drilling, and an additional 15% interest upon delivery of a bankable feasibility study. Aurizon has since withdrawn from its option to earn an interest on the Rex South property (Azimut press release of June 12, 2012).

In 2012, Azimut completed a self-financed $360,000 exploration program in Nunavik that included infill grab sampling on two large zones of the Rex South property. Results were published in press releases dated September 13, 2011 and October 4, 2012 (see below for details). In 2011, Azimut and Aurizon jointly designed a comprehensive exploration program, operated by Aurizon, comprising ground-based geophysical surveys (53.9 line-km of IP and 149.5 km of magnetics), 257 infill lake-bottom sediment samples, 2,530 prospecting samples, 145.35 metres of channel samples (149 samples from 16 channels), and 4,934 metres of drilling in 53 holes on two zones (4,467 m of rotary and 467 m of RC; total of 3,171 samples). Results were published in press releases dated October 31, 2011 and April 4, 2012 (see below for details). In 2010, Azimut was the operator of an exploration program that included property-wide airborne geophysics (5,410 line-km), a detailed lake-bottom sediment geochemical survey (765 samples), and prospecting.

More than 30 mineralized zones and prospects have been discovered at Rex South to date (Figure 3). The gold-silver-copper-tungsten-tin **Augossan Zone** is the largest known mineralized zone and is of particular interest for its tungsten content given the surge in tungsten price in recent years. It represents the first reported occurrence of significant tungsten grades in the Nunavik region. Other commodities of interest are bismuth, tantalum, beryllium, rubidium, molybdenum, rhenium, tellurium and lithium.

The Augossan Zone represents a large polymetallic envelope at the contact between a fluorite-topaz-bearing granitic intrusion (the **Qalluviartuuq Intrusive Complex**) and volcano-sedimentary rocks. It is 7,000 metres long and 100 to 350 metres wide as defined by drilling, channelling and prospecting data. It remains open in all directions, notably toward the intrusion.

A total of 78 grab rock samples were collected along this zone in 2012, mostly from outcrops. The best grades include:

Copper (%)	Tungsten (%)	Gold (g/t)	Silver (g/t)	Sample #
0.84	1.03	-	31.4	L253840
1.71	0.02	1.3	17.9	L253842
1.27	0.18	-	45.1	L253839
0.37	0.21	0.6	62.3	L253836
0.09	1.35	0.4	-	L253803
1.08	0.02	0.6	9.0	L253849

The results for all 788 grab rock samples collected from this zone from 2010 to 2012 can be summarized as follows:

- Copper: 136 samples returned grades higher than 0.1% Cu, including 25 samples with grades ranging from 0.5% to 2.56% Cu
- Tungsten: 71 samples returned grades higher than 0.05% W, including 49 samples with grades ranging from 0.1% to 4.62% W
- Gold: 141 samples returned grades higher than 0.1 g/t Au, including 28 samples with grades ranging from 1.0 g/t to 23.3 g/t Au
- Silver: 209 samples returned grades higher than 1.0 g/t Ag, including 49 samples with grades ranging from 10.0 g/t to 90.0 g/t Ag

Channel sampling highlights from 2011 included: 13.75 g/t Au, 15.8 g/t Ag and 0.23% Cu over 1.1 m; 3.15% W over 1 m; and 0.64% W over 3 m. Channels were cut at 90 degrees to the apparent orientation of mineralization. Drilling highlights from 2011 include: 0.14% W over 15.24 m with an interval of 4.20 g/t Ag, 893 ppm Bi, 0.12% W, 0.35% Cu over 7.62 m; 1.28 g/t Au, 8.41 g/t Ag, 0.12% Cu over 6.1 m; 1.10 g/t Au, 2.60 g/t Ag over 9.14 m; 0.56% W, 2.84 g/t Ag, 0.11% Cu over 1.52 m. True widths of the drilling intervals were estimated to be approximately 75% to 100% of core length.

The gold-copper-tungsten **Anorthosite Zone** was also discovered in 2010 (press release of November 8, 2010), several kilometres south of the Augossan Zone. A few reconnaissance holes and prospecting data have outlined, in a preliminary manner, a 4-km-long by 200-m-wide mineralized envelope with Au, Ag, Cu, W and Te mineralization.

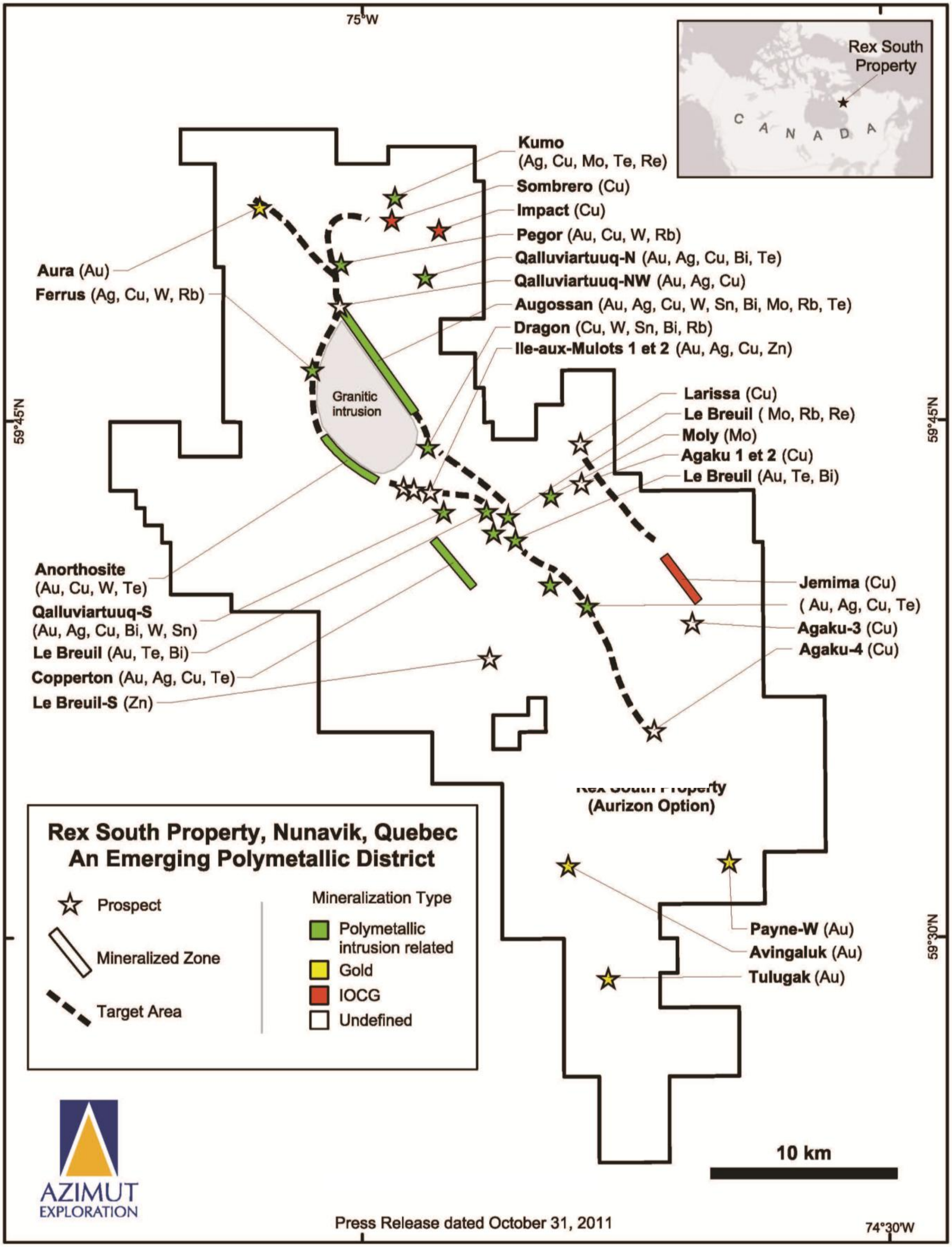

Figure 3: Main mineralized zones on the wholly-owned Rex South polymetallic (Au-Cu-Ag-W) property, one of three Azimut properties covering the Rex Trend in Northern Quebec.

The **Copperton Zone**, discovered about 5 km southeast of the Anorthosite Zone, is 3,500 metres long by 20 to 100 metres wide. The zone's characteristic chalcopyrite and pyrite mineralization occurs as disseminations, veinlets and massive sulphide lenses hosted in a variably sheared, steeply dipping feldspathic intrusion, as well as amphibolites and gneissic metasediments. Results from the 2012 infill sampling program reveal consistent copper-gold-silver grades within the known envelope. The best grades among the 218 grab rock samples include:

Copper (%)	Gold (g/t)	Silver (g/t)	Sample #
7.37	3.86	56.9	L253563
2.17	9.56	31.4	L253585
1.19	1.96	11.5	L253742
0.74	4.62	4.46	L253549

The results for all 273 samples collected from this zone in 2011 and 2012 can be summarized as follows:

- Copper: 91 samples returned grades higher than 0.1% Cu, including 32 samples with grades ranging from 0.5% to 9.28% Cu
- Gold: 89 samples returned grades higher than 0.1 g/t Au, including 19 samples with grades ranging from 1.0 g/t to 9.56 g/t Au
- Silver: 77 samples returned grades higher than 1.0 g/t Ag, including 14 samples with grades ranging from 10.0 g/t to 82.7 g/t Ag

Several samples returned significant tellurium (up to 38.4 g/t Te) and cobalt values (up to 500 ppm Co).

The 2-km-long **Aura–Pegor Zone** is characterized by disseminated pyrite and strong alteration, including tourmaline in veinlets or stockworks accompanied by silica and albite. Grab sample assays include 15 samples with grades ranging from 0.5 g/t Au to 11.75 g/t Au. In addition, this zone presents anomalous values in copper (up to 0.37% Cu), tungsten (up to 0.06% W), bismuth (up to 0.14% Bi) and tellurium (up to 34 g/t Te).

The **Jemima Zone** forms a mineralized corridor 2 kilometres long by 30 to 100 metres wide, characterized by disseminated to semi-massive chalcopyrite and bornite associated with hematite-magnetite in veins, veinlets or as breccia cement, accompanied by strong pervasive potassic alteration, silica, chlorite and epidote. Mineralization and associated alteration are related to a brittle structure that clearly crosscuts the Archean gneissic country rocks. Assays for 15 grab samples ranged from 0.5% to 2.86% copper, up to 0.17% molybdenum and up to 0.422 g/t rhenium).

The Rex South property demonstrates evidence for two types of district-scale mineralized systems:

1. A system mainly emplaced around the 15 km x 5 km ovoid-shaped, fluorite-topaz-bearing Qalluviartuuq Intrusive Complex, that includes the Augossan, Anorthosite and Copperton zones, and the Pegor, Ferrus, Dragon and Le Breuil prospects. Considerable additional exploration potential exists along the 30-km-long contact between the intrusion and the volcano-sedimentary host rocks, as well as within the intrusion itself. This 30-km prospective trend is marked by a linear magnetic anomaly around the intrusion. The Aura-Pegor and Le Breuil zones, both characterized by abundant tourmaline and lesser fluorite, may represent a less eroded part of the system (roof zones?) along the NW and SE extensions of the Augossan trend.
2. IOCG mineralization associated with brittle structures and characterized by copper-dominant values accompanied by hematite and pervasive potassic alteration, represented by the Jemima Trend and the Sombrero and Impact prospects. The Larissa, Agaku-1, Agaku-2, Agaku-4 prospects may also represent IOCG mineralization.

A comparison can be made between the context of the Rex Trend (i.e., the Rex, Rex South and NCG projects) and the world-class Carajás Mineral Province in Brazil. The latter hosts several large IOCG deposits (Sossego, Salobo, Alemao, Gameleira and Cristalino) and intrusion-related Cu-Au-(W-Bi-Sn) and W deposits (Breves, Aguas Claras) associated with anorogenic granite intrusions. The ages for the Carajás IOCG deposits range from Archean

(2.77 Ga) to Paleoproterozoic (1.73 Ga), and the intrusion-related Breves deposit is Paleoproterozoic (1.88 Ga). The Breves deposit (50 Mt @ 1.22% Cu, 0.75 g/t Au, 2.4 g/t Ag, 0.12% W, 70 ppm Sn, 175 ppm Mo, and 75 ppm Bi) has a number of features in common with the Qalluviartuuq mineralized system at Rex South, particularly the presence of fluorite, tourmaline, chalcopyrite, pyrite, arsenopyrite, wolframite, cassiterite, bismuthinite and native bismuth.

For the fiscal year ended August 31, 2013, Azimut disbursed $37,000 ($11,000 – 2012) in claim renewals and $132,000 ($199,000 – 2012) in exploration work for technical evaluation and data interpretation. Azimut may elect to pursue its assessment of the Rex South project in 2014 through partnership or by itself if the financial conditions are adequate. Airborne geophysics, prospecting and drilling are planned to follow up on previous drilling intersections and to test new targets, with particular focus on the Copperton, Augossan and Jemima zones.

NCG property (copper-gold)

The NCG property (2,046 claims in 13 blocks; 904.9 km^2) forms the southern segment of the 330-kilometre Rex Trend that also includes the Rex and Rex South properties. The claim blocks are spread over a distance of about 210 km in a roughly north-south direction. Several attractive targets with comparable footprints to the Rex and Rex South mineralized zones were the focus of an intense field reconnaissance program in the summer of 2011 and a small program in 2012. The property-wide program in 2011 produced 2,584 in-fill lake-bottom sediment samples and 746 rock grab samples, mostly from outcrops or slightly displaced boulders (see press release of May 8, 2012). The results are presented below.

The most notable prospecting results were for gold (63 samples returned grades higher than 0.1 g/t Au, including 21 samples ranging from 1.0 g/t to 26.1 g/t Au), silver (36 samples returned grades from 1.0 g/t to 33.8 g/t Ag) and copper (21 samples returned grades from 0.1% to 0.66% Cu). In addition, elevated tungsten (up to 0.77% W), molybdenum (up to 0.68% Mo) and rhenium values (up to 0.27 g/t Re) were also obtained.

Three of the main prospects identified to date are located in the central part of the NCG property along a 48-km long gold-(copper-tungsten) trend. From north to south, they are:

- Nico Prospect (H Block): 6 samples with grades ranging from 0.73 g/t Au to 3.42 g/t Au; hosted by felsic volcanics
- NCG West Prospect (L Block): 4.69 g/t Au, 33.8 g/t Ag, 0.61% Cu and 192 ppm Mo in one sample, and tungsten values of 0.3% W and 0.12% W in two other samples; hosted by felsic and mafic volcanics
- R Block Prospect: 7 samples with grades ranging from 1.48 g/t Au to 26.1 g/t Au; associated with pyrite in banded iron formations
- Fortin Prospect (B Block): anomalous gold (up to 0.4 g/t Au) and copper values (up to 0.31% Cu) associated with a strongly silicified pyrite-rich rock along a zone 650 metres long; this area in the northern part of the property represents evidence of a newly recognized late-stage mineralized event in the region and warrants additional work
- Historical PNAR Prospect (Q Block): 5 samples with grades ranging from 0.52 g/t Au to 12.65 g/t Au from a magnetite iron formation and an intermediate volcanic unit (historical grades up to 7.9 g/t Au)

In-fill lake-bottom sediment geochemistry (average sampling density of 1 sample/km^2) confirmed and outlined the giant copper anomaly previously identified by the Company using government data from a regional-scale survey (see press release dated March 31, 2011). The new multi-element geochemical results, combined with regional geologic and magnetic data, were used to characterize 33 quality targets within 22 different areas, including some containing 2 or 3 different targets. A few targets correspond to known prospects discovered during Azimut's previous exploration program (see descriptions above), but most remain unexplored. The main target types are as follows:

- 7 copper-only
- 6 copper-molybdenum, copper-molybdenum-cobalt, or copper-molybdenum-rare earths
- 7 gold-only or copper-gold

- 14 nickel-copper or nickel-copper-cobalt

Several high metal peaks are noticeable within these targets, including values in copper up to 791 ppm Cu, gold up to 472 ppb Au, nickel up to 663 ppm, rare earths up to 2,323 ppm REE, and molybdenum up to 423 ppm Mo.

In 2012, Azimut's self-funded $360,000 program, was designed to increase the sampling density on already known quality mineralized zones and to perform reconnaissance prospecting on newly defined targets. A total of 61 rock grab samples were collected on the NCG property. For the fiscal year ended August 31, 2013, Azimut disbursed $114,000 ($91,000 – 2012) in claim renewals and $33,000 ($476,000 – 2012) in exploration work for technical evaluation and data interpretation. Azimut may elect to pursue its assessment of the NCG project in 2014 through partnership or by itself if the financial conditions are adequate.

Diana property (copper-nickel-cobalt-REE)

Azimut acquired the Diana property in east Nunavik by map-staking in 2009. The property comprises five (5) separate claim blocks totalling 424 claims over a surface area of 192.0 km^2. It is defined by a strong, 45-km-long, multi-element geochemical footprint in lake-bottom sediments and is considered to be a major copper, nickel, cobalt and REE exploration project. The property is well positioned, just 40 km northwest of the town of Kuujjuaq and about 50 km southwest of the Ungava Bay shoreline.

Initial exploration work was carried out in the summer of 2010 by Azimut's partner at the time, Valencia Ventures Inc ("Valencia"). Work included airborne magnetic and spectrometric surveys, detailed lake-bottom sediment geochemistry, and intensive prospecting. Six target areas were identified, four of which show strong to very strong combined copper-nickel-cobalt anomalies in lake-bottom sediments. The largest target has a strike length of 16 km and largely coincides with a trend of magnetic highs that may correspond to a previously unrecognized mafic to ultramafic layered intrusive complex.

For the fiscal year ended August 31, 2013, Azimut disbursed $9,000 ($38,000 – 2012) in claim renewals and $11,000 ($6,000 - 2012) in exploration work for technical evaluation and data interpretation. Azimut may elect to pursue its assessment of the Diana project in 2014 through partnership or by itself if the financial conditions are adequate.

NUNAVIK – COPPER-GOLD

Qassituq, Kovik and Tasinga properties

In the fall of 2012, Azimut acquired three copper-gold properties in northern Nunavik based on the company's systematic data processing of the region (press release of January 17, 2013). The three wholly-owned properties—Qassituq (132 claims, 54.4 km^2), Kovik (361 claims, 148.1 km^2) and Tasinga (17 claims, 6.9 km^2)—all lie north of the Cape Smith Belt, ranging in distance from 60 to 70 km south of the Inuit village of Salluit on the Arctic Ocean and 70 to 140 km west of Xstrata's world-class Raglan mine.

The properties display very strong geochemical anomalies in lake-bottom sediments, notably in arsenic and/or copper. They comprise several historical mineralized prospects (grab samples) including:

- 3 prospects with values up to 1.7% Cu and 0.54 g/t Au on Qassituq;
- 2 prospects with values up to 1.5% Cu on Tasinga.

In addition, the Kovik property covers the possible western extension of an 11-km-long copper and gold system recently identified on the Gerfaut property by Corvus Gold Inc. This project hosts significant historical prospects, including 3.0 g/t Au over 10.5 m (drill hole) and up to 1.52% Cu (grab sample). Results reported by Corvus Gold in 2012 include grab samples with up to 23.6 g/t Au and 3.8% Cu.

NUNAVIK – GOLD-ONLY

Nantais property

The wholly-owned Nantais gold property (242 claims; 101.3 km^2) is located about 80 km south of Xstrata's Raglan nickel mine and 115 km southwest of the Inuit village of Kangiqsujuaq. Azimut conducted its first prospecting program in the summer of 2011, producing 24 grab samples mostly from outcrops, and followed up in 2012 with another 128 samples. To date, mineralization has been recognized along a 3-kilometre-long prospective trend, open in all directions, which includes three historical prospects. Mineralization is hosted within a steeply dipping north-trending unit of mafic and felsic volcanic rocks belonging to the Nantais Complex of the Minto Block, a geological division of the Archean Superior Province. The results and geological context indicate an excellent potential for gold-rich polymetallic volcanogenic massive sulphide deposits.

The best results from the 2012 program are as follows (see press release dated September 18, 2012):

Gold (g/t)	Silver (g/t)	Copper (%)	Sample #
15.15	31.30	0.86	J351726
15.50	4.53	0.10	J351722
9.98	9.26	0.06	J351723
2.21	66.10	0.80	J351728
1.83	41.50	0.45	J351717

Many samples also returned anomalous zinc (up to 2.26% Zn) and lead values (up to 1.29% Pb). Highlights in 2011 included the discovery of two new gold prospects: 16.7 g/t Au from an outcrop and 26.1 g/t Au from a near-source boulder (see press release of April 19, 2012). The results for all 152 samples collected from this property in 2011 and 2012 can be summarized as follows:

- Gold: 31 samples returned grades higher than 0.1 g/t Au, including 14 samples ranging from 1.0 g/t to 26.10 g/t Au
- Silver: 93 samples returned grades higher than 1.0 g/t Ag, including 15 samples ranging from 10.0 g/t to 99.30 g/t Ag
- Copper: 17 samples returned grades from 0.1% to 0.86% Cu

For the fiscal year ended August 31, 2013, Azimut disbursed $14,000 ($11,000 – 2012) in claim renewals and $19,000 ($72,000) in exploration work for technical evaluation and data interpretation. Azimut may elect to further assess the Nantais property's potential in 2014 through partnership or by itself if the financial conditions are adequate. In such case, the program would comprise airborne geophysics, prospecting and possibly drilling.

NUNAVIK – URANIUM

Azimut considers Nunavik to be highly prospective for large-tonnage uranium deposits related to intrusive rocks in high-grade metamorphic environments. The Company's uranium properties in Nunavik have a strong potential given their geochemical signatures, associations with anatectic granites, and spatial relationships to deep-seated structures. The exploration model is large-tonnage, disseminated uranium deposits in intrusions and their host rocks. A well-known example of this type is Rössing in Namibia, one of the world's largest uranium mines. Proximal secondary concentrations along late- to post-intrusive brittle or ductile-brittle faults are also considered. These properties share strong similarities with the footprint of several major uranium sites in Quebec and the neighbouring Central Mineral Belt in Labrador, a well-known prospective region for uranium. Azimut holds one (1) uranium property in Nunavik.

North Rae property

Azimut's uranium project is in eastern Nunavik, collectively covering more than 150.8 km^2 in the Ungava Bay region, which is considered by the Company to be Canada's newest uranium province. AREVA Inc., a major uranium company, also holds a large land position in the same area.

The North Rae property (335 claims; 150.8 km^2) roughly measures 50 km long by up to 40 km wide, and lies about 20 km from the east coast of Ungava Bay and the town of Kangiqsualujjuaq and 160 km northeast of the town of Kuujjuaq. From 2006 to 2009, at least twelve (12) mineralized zones were discovered at surface on the North Rae property and its vicinity, over a cumulative length of 17 km and grades up to 3.3% U_3O_8. These zones show an excellent spatial correlation with uranium anomalies identified by geophysical surveys flown over the two properties. Many targets have yet to be field-tested and many mineralized zones remain open.

Azimut believes that its North Rae project covers a significant portion of the significant uranium targets in the region, including those along a 70-km-long contact between the Proterozoic metasedimentary rocks of the Lake Harbour Group and the Archean granitized basement. AREVA drilled more than 10,000 m on its CAGE property in 2009 and reported the discovery of 14 mineralized zones with grades up to 9.34% U_3O_8, most of them hosted in metasedimentary rocks of the Lake Harbour Group, which it called "an important uranium-thorium province" in a report filed with the Quebec government in 2007. Since 2009 no major work had been performed on the property, following the volatility in the uranium market and the major nuclear incident in Fukushima in March 2011. For the fiscal year ended August 31, 2013, Azimut disbursed \$17,000 (\$25,000 – 2012) in claim renewals and \$18,000 (\$7,000) in exploration work for technical evaluation and data interpretation.

The Company's Ungava Bay project benefits from several strategic advantages, notably its potential for a large and shallow resource base amenable to open pit mining, and the position of the property only a short distance from port facilities on the Ungava Bay coast, near deep sea water, and close to a permanent airport and other infrastructure.

JAMES BAY REGION

The James Bay territory was the initial focus of Azimut's mineral potential modelling methodology in 2003. The Company's current holdings are concentrated in the Opinaca Reservoir (Eleonore Gold Camp) area and the Eastmain River area. Azimut owns interests in five (5) gold properties and one (1) property for chromium and platinum group elements (PGE).

OPINACA RESERVOIR AREA (ELEONORE CAMP) – GOLD

The Opinaca area is northeast of the Opinaca Reservoir in the James Bay region, 320 km from Matagami or Chibougamau. In 2004, Virginia Mines Inc discovered the major Roberto gold deposit on their Eleonore project, since acquired by Goldcorp Inc ("Goldcorp"). The mine, currently in development, is on target for first production in 2014. The deposit has been defined at surface and in drill holes over a lateral distance of roughly 1,900 m and to a depth of more than 1,100 m. In 2011, Goldcorp announced a 43-101 compliant resource estimate of 12.48 Mt of probable reserves at 7.56 g/t Au for 3,030,000 ounces gold, 1.36 Mt of measured and indicated resources at 10.95 g/t Au for 480,000 ounces gold, and 12.25 Mt of inferred resources at 10.60 g/t Au for 4,170,000 ounces gold (Goldcorp press release of Feb. 9, 2011). The Eleonore mine is expected to produce more than 600,000 ounces of gold per year over a 15-year mine life with life-of-mine cash costs below \$400 per ounce.

Azimut acquired extensive holdings both before and after the 2004 Eleonore discovery based on the targeting results of the Company's regional-scale gold potential modeling of the entire James Bay region. As a result, it gained one of the leading property positions in the area. Several exploration targets on Goldcorp's Eleonore property are located in close proximity to Azimut's project boundaries.

Azimut currently holds four (4) gold properties in the Opinaca area with comparable geological settings to Eleonore (Figure 4):

Agreement with Everton Resources Inc ("Everton") and Hecla Quebec Inc. ("Hecla", formerly Aurizon)

- Opinaca A: 420 claims in 1 block, for a total surface area of 218.7 km^2
- Opinaca B: 220 claims in 2 blocks, for a total surface area of 115.1 km^2

No partnership agreement

- Opinaca D: 225 claims for a total surface area of 117.26 km^2

Three-party agreement with Eastmain Resources Inc ("Eastmain") and Goldcorp

- Eleonore South: 282 claims for a total surface area of 147.6 km^2

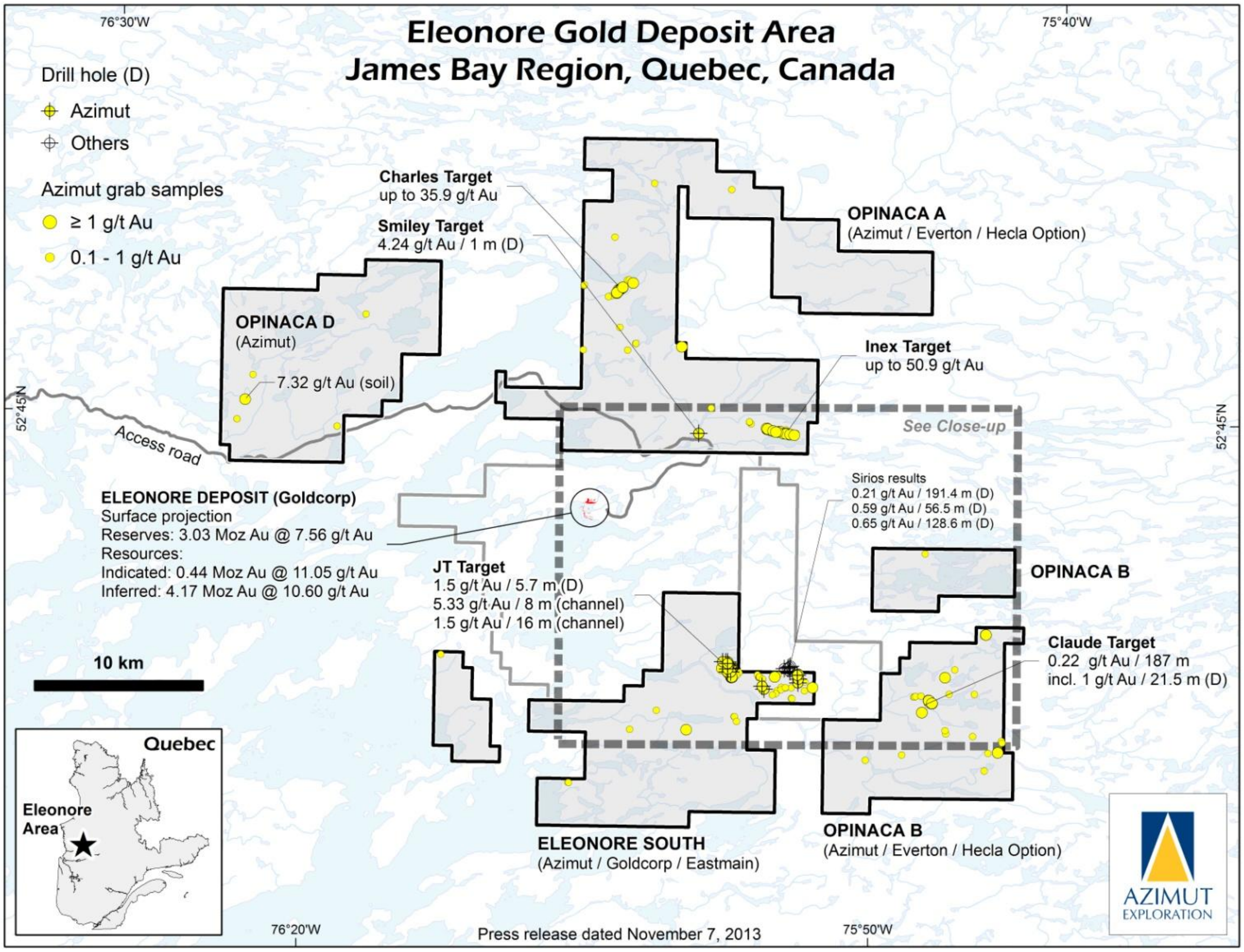

Figure 4: Azimut's gold properties in the vicinity of Goldcorp's Eleonore gold deposit in the Opinaca Reservoir region of Central Québec.

Opinaca A and B properties

The Opinaca A property is adjacent to Goldcorp's Eleonore property, and Opinaca B comprises two claim blocks to the east (Figures 4 and 5). In April 2010, Azimut confirmed that its partner Everton had earned its 50% interest on the Opinaca A and Opinaca B properties. In September 2010, the properties became subject to a three-way agreement between Azimut, Everton and Aurizon (now "Hecla") whereby Hecla has the option to acquire a 50% interest in each of the two properties by incurring $6.0 million in exploration work over a four (4)-year period, and an additional 10% interest upon delivery of a bankable feasibility study. Hecla recently announced it is renewing its option for a second year on the properties (press release of November 19, 2012). On November 15 2013, an amendment was made to extend the work schedule by two additional years. Hecla may also earn an additional interest of 10%, for a total interest of 60%, by making cash payments totalling $300,000 over three (3) years from the election date, incurring expenditures totalling a minimum of $3,000,000 over three (3) years from the election date, and delivering an independent pre-feasibility study on or before the fourth anniversary. The Company will receive 50% of the cash payments of $290,000 on the first option and $150,000 on the second option and its resulting interest will be 20%. In addition, in the event that mineral resources of at least 2,000,000 ounces of gold at an average grade of at least 6 grams of gold per tonne are discovered before the end of the eighth year of the initial option agreement, Hecla shall make a payment of $1,500,000 in Hecla common shares, subject to regulatory approval. The Company will receive 50% of these issued shares.

Exploration on the Opinaca A property began in 2005 when surface prospecting revealed a 1.7-km trend of gold showings with values up to 50.9 g/t Au, now known as the **Inex Zone**. During the summer of 2007, follow-up prospecting work led to the discovery of the **Charles Target** in the central part of Opinaca A and results yielded up to 35.9 g/t Au. That same year, a major gold-bearing system was identified at the **Claude Target** on the Opinaca B property, which appeared to be part of a much larger NE-SW to E-W gold trend extending from the Manuel showing on Everton's adjacent Wildcat property (12.0 g/t Au over 4.6 m in a channel sample) to Azimut's Eleonore South property west of Opinaca B. In the winter of 2007, Everton, as operator, completed two drilling programs totalling 3,390 m on both properties to cover all major targets. Assay results included 0.22 g/t Au over 187 m, including 1.0 g/t Au over 21.5 m at the Claude Target. During the winter programs of 2008, Everton carried out ground geophysics (160 line-km of IP and magnetics) and 1,600 m of follow-up diamond drilling (Charles, Smiley and Lola targets at Opinaca A; Dominic Target at Opinaca B). Drilling results included 4.2 g/t Au over 1 m and 0.4 g/t Au over 1 m on the Smiley Target, and 0.6 g/t Au over 0.3 m and 0.6 g/t Au over 1.2 m on the Dominic Target.

In 2010, Aurizon became project operator according to the terms of the three-way option agreement. In 2011, Aurizon carried out a $1.0 million exploration program consisting of surface sampling, geophysical surveys and 2,000 m of drilling. In 2012, Aurizon followed up with an extensive program comprising 622 line-km of helicopter-borne magnetic-EM surveying, 684 soil samples, 243 rock grab samples, 290 rock channel samples from 258.35 m of channels, and 93 till samples (press release of November 19, 2012). The main results were the discovery of three new outcropping targets on the Opinaca B property. These targets, located along an east-west structure at the boundary between the Opinaca and La Grande geological subprovinces, share geological similarities with the Eleonore deposit. The **D8 Trench** displays a 20-metre-wide sheared and altered sedimentary unit with amphibolite and quartz-tourmaline veinlets. Best channel sampling results include 2.3 g/t Au over 1.0 metre and 0.55 g/t Au over 4.0 metres. This area presents gold anomalies in soil and till. The **Eric Prospect**, less than 1 km north of D8, yielded eight (8) bedrock samples with values above 0.1 g/t Au, including two above 0.5 g/t Au. The gold-bearing samples were collected within a kilometre-scale arsenic-gold soil geochemistry target. Mineralization is related to calc-silicate-altered sediments and arsenopyrite-tourmaline-bearing pegmatites. The **Penelope Prospect**, about 1 km west of the Eric and D8 targets, yielded ten (10) bedrock samples with values above 0.1 g/t Au, including four (4) with values above 0.5 g/t Au and up to 4.26 g/t Au. Mineralization is associated with quartz-tourmaline veins and veinlets.

Eleonore South property

The Eleonore South property (Figures 4 and 5) is covered by a three-party agreement between Azimut, Les Mines Opinaca Ltée (a wholly-owned subsidiary of Goldcorp) and Eastmain Resources. Eastmain is the project operator.

Major exploration programs (prospecting, geophysics, trenching and drilling; funded by Azimut's partners) have mainly focused on the **JT Gold Zone**, which is characterized by altered, sulphide-bearing metasedimentary rocks comparable to those hosting the Roberto gold deposit 12 km to the northwest on Goldcorp's adjacent Eleonore property. Drilling and trenching on the JT Zone have defined a 1.2 km x 100 m auriferous halo, also comparable in nature to the geochemical halo surrounding the Roberto gold deposit.

From 2006 to 2010, thirty-five (35) trenches were excavated on the Eleonore South property and 5,063 one-metre (1-m) channel samples collected. The most significant channel result was 5.3 g/t Au over 8 m on the JT Zone. Diamond drilling programs in 2008, 2009 and 2010 tested several high-priority sediment-hosted gold targets. The most significant result from the 2008 program (16 holes; 3,129 m) was 1.5 g/t Au over 5.7 m in the JT Zone. During the $1.6-million program in 2009 (14 holes; 3,697 m), nine (9) of the twelve (12) holes in the JT area intersected wide intervals of gold-bearing sedimentary rocks along a 1-km-long corridor. The most significant result was 1.40 g/t Au over 10.0 m. The $1.6 million exploration program in 2010-2011 focused on drill-testing the extensions of the JT gold zone with the aim of determining ore grade thicknesses, as well as testing other priority targets elsewhere on the property. A number of attractive areas remain untested by drilling.

As at August 31, 2013, Goldcorp and Eastmain had disbursed $3,600,000 in cumulative work expenditures as part of the joint venture, and ownership of the property is currently as follows: Azimut 26.0%, Goldcorp 37.0% and Eastmain 37.0%. Eastmain, as operator, is currently completing a $250,000 program funded by Goldcorp and Eastmain. Following this phase, a new program will be proposed, including drilling.

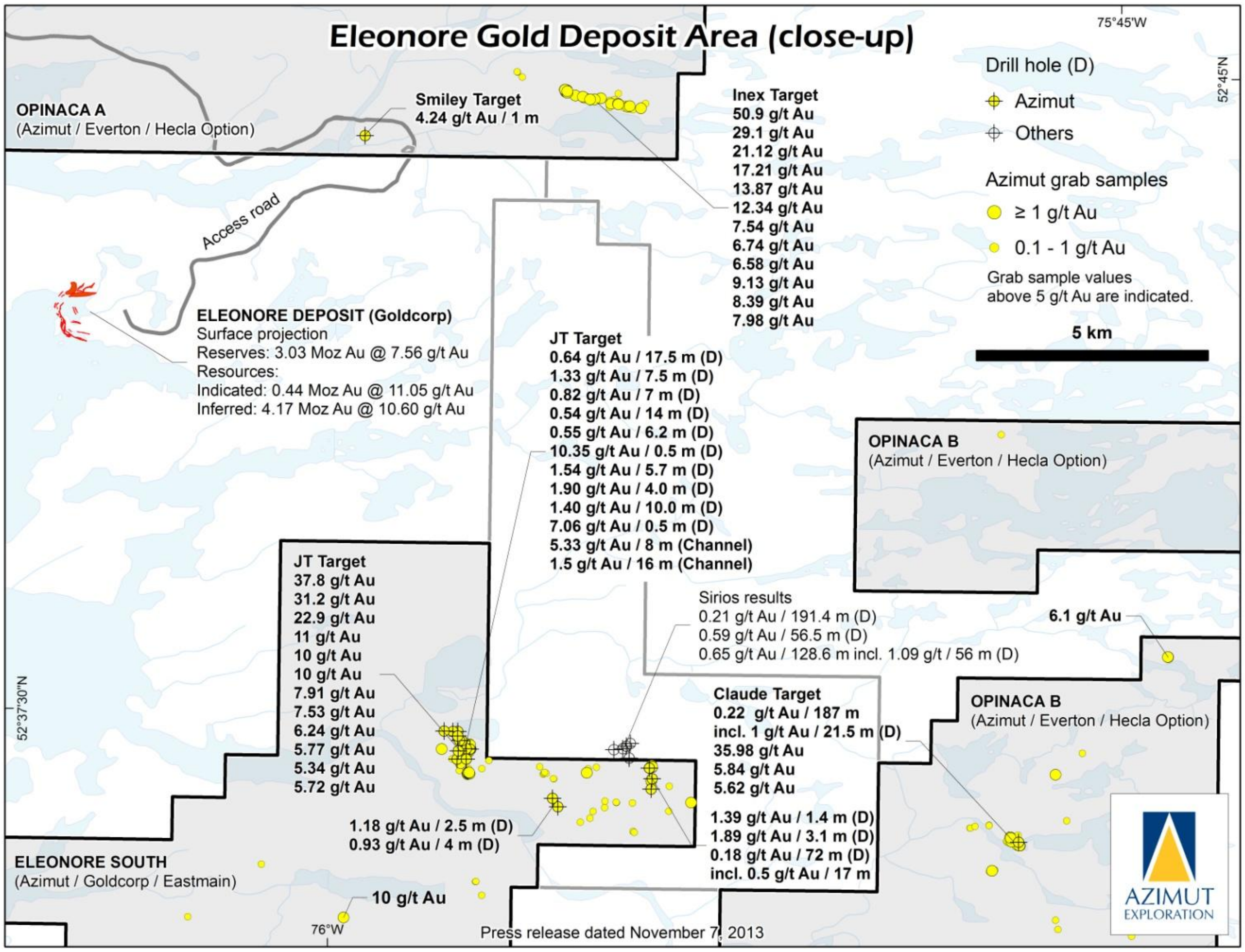

Figure 5: Significant results on Azimut's Opinaca A, Opinaca B, And Eleonore South gold properties in the vicinity of Goldcorp's Eleonore gold deposit in the Opinaca Reservoir region of Central Québec.

Opinaca D property

The Opinaca D project is about 8 km northwest of Goldcorp's Eleonore property. Exploration on the Opinaca D property began in 2005 and has included reconnaissance geological mapping and prospecting over a number of exploration targets defined by VTEM and/or soil geochemistry anomalies. The soil geochemistry surveys confirmed a broad trend of gold, arsenic and antimony anomalies, with maximum values of 7.32 g/t Au for gold, 447 ppm As for arsenic, and 2.3 ppm Sb for antimony. The strong gold-arsenic-antimony soil anomalies have not yet been tested by drilling. Several drill targets have been defined on the project.

For the fiscal year ended August 31, 2013, Azimut disbursed $14,000 ($9,000 – 2012) in claim renewals and $2,000 ($2,000 – 2012) in exploration work for technical evaluation and data interpretation. Azimut may elect to further assess the Opinaca D property's potential in 2014 through partnership or by itself if the financial conditions are adequate. In such case, the program would comprise airborne geophysics, prospecting and possibly drilling.

EASTMAIN AREA – GOLD

The general Eastmain area is 290 km north of Chibougamau and about 80 km southeast of the Opinaca Reservoir. The area contains the Eau Claire (Clearwater) gold deposit belonging to Eastmain Resources Inc, who announced a NI 43-101 compliant resource estimate in October 2012 of measured and indicated resources of 4.87 Mt grading 4.60 g/t Au for 721,000 ounces gold and inferred resources of 6.4 Mt grading 5.45 g/t Au for 1,122,000 ounces gold.

Wabamisk property

Azimut acquired the Wabamisk property in 2004 (644 claims; 340.8 km^2) based on the results of its regional-scale gold-potential modelling of the entire James Bay region. The property is located about 70 km south of Goldcorp's Eleonore property, and has a comparable geological context and geochemical signature.

As Azimut's partner, Goldcorp began exploring the Wabamisk property in 2005 and identified several major gold target areas. Most historical gold showings in the area occur within these areas. A soil geochemistry survey in 2006 was followed by prospecting, geological mapping, soil sampling and rock sampling in 2007. The 2008 program consisted of line cutting, IP geophysical surveying, prospecting, geological mapping and rock sampling. The 2009 program tested several quality gold targets and included soil sampling, prospecting, grab sampling, channel sampling and an initial diamond drilling program that focused on the east half of the property. Drill holes mainly intersected sulphides or graphite with little or no gold.

In 2010, Goldcorp completed an 8-hole (2,800 m) diamond drilling program that identified two main prospective sectors for gold in the west half of the property. At the **GH Prospect**, the best intercept in six (6) drill holes yielded 2.3 g/t Au over 4.3 m within a large envelope of 0.7 g/t Au, 0.39% Sb and 0.20% As over 19 m. This gold-antimony-arsenic zone is associated with a diorite intrusion and metasedimentary rocks. Mineralization is marked by Sb and As sulphides as disseminations and veinlets accompanied by sericitic and silica alteration. The area forms a target zone 3.5 km long, outlined by coincident soil (Sb, As) and geophysical (IP) anomalies, and the alteration and mineralization footprint indicates a strong exploration potential both laterally and at depth. The second prospective sector, the **Dome-ML Prospect**, is 1.7 km long and includes several historical high-grade gold values (up to 80.7 g/t Au) in grab samples taken from sheared and altered mafic volcanic units and a dioritic intrusion.

In 2011, Goldcorp earned its 51% interest in the Wabamisk property. On October 18, 2011, Azimut announced that Goldcorp had elected to pursue its second option on the property, whereby it can earn a 70% interest by funding additional exploration work and completing a bankable feasibility study within ten (10) years. Goldcorp funded and operated an $800,000 exploration program on the project in 2012, comprising a soil geochemistry survey and prospecting work in preparation for the ground geophysics and drilling phase. In summer 2013, Goldcorp conducted a mapping and detailed airborne geophysics program. An amount of $318,000 was disbursed. Results are pending.

EASTMAIN AREA – CHROMIUM-PGE

Eastmain West property

The wholly-owned Eastmain West property (70 claims; 37.1 km^2) is located near the Eastmain River, 25 km south of the Clearwater gold deposit belonging to Eastmain Resources and 290 km north of Chibougamau. Initial programs by Azimut's former partner IAMGOLD focused on the property's gold potential in 2005-2006, but the work uncovered significant chromium (Cr) and platinum group element (PGE) mineralization. Azimut continued exploring the property with a new focus on Cr-PGE after IAMGOLD terminated the option agreement in 2007 following a corporate decision to cease regional exploration activities in Quebec.

On May 19, 2011, Azimut announced the results from its self-funded fall 2010 program, notably the discovery of high-grade chromium mineralization (up to 39% Cr_2O_3) and PGE values up to 1.9 g/t PGE within a 4-km-long ultramafic intrusive body. A total of 50 rock grab samples were collected, and a magnetics-VLF survey was performed over 54 kilometres of lines over the main target zones.

Mineralization occurs as two main rock types: (i) an ultramafic facies with grades ranging from 0.1% to 14.7% Cr_2O_3 and PGE values up to 0.14 g/t Pd+Pt (18 samples); and (ii) a chromite-rich facies in dykes or sills with grades ranging from 17.6% to 39.1% Cr_2O_3 and combined PGE values up to 1.9 g/t (21 samples). Samples of the latter have an average Cr:Fe ratio of 1.24, the highest ratio being 2.20. Two prospects have been identified on the property, each exhibiting both types of mineralization. The **Sledgehammer Prospect** (up to 36.8% Cr_2O_3) can be traced for 100 metres within a 200 x 900 m magnetic high, whereas the **Dominic Prospect** (up to 39.1% Cr_2O_3) occurs in a magnetic low.

A preliminary mineralogical study shows very coarse chromite grains within a magnesium-rich aluminosilicate matrix. According to the study, a primary grind should be sufficient to easily liberate the chromite from the silicate gangue.

REGIONAL MODELLING AND PROJECT GENERATION

Azimut continues to pursue the mineral potential modelling of several regions in Quebec with the objective of generating new projects, most notably for gold and copper. Opportunities in other regions and for other commodities are also considered.

PERSPECTIVE

The status of current work programs on Azimut properties and the planned exploration programs are presented in the following table.

Azimut maintains its conservative business approach by minimizing equity dilution and by preserving its cash position, especially in the current mining industry context. Azimut focuses on the development of new partnerships in Quebec. This strategy will safeguard the value added to Azimut's projects. The Company also continues to assess quality exploration opportunities based on its systematic data processing approach.

The Rex, Rex South and NCG properties (collectively "the Rex Trend") provide to Azimut a commanding position over a new 330-kilometre-long mineral belt containing major polymetallic targets (copper-gold-silver-tungsten-REE). The Company is also maintaining its long-standing exploration focus in the James Bay region with its gold and chromium-PGE properties in the Opinaca and Eastmain areas.

Management believes that the Company has adequate financial resources to keep its properties in good standing and to keep its management team, and does not anticipate having to contribute to work expenditure commitments on its partnered properties to maintain the Company's interest.

NUNAVIK REGION		
Property	**Status**	**2014 planned work program**
Rex (copper, gold, silver, REE)	Priority targets identified	Programs will include airborne geophysics, prospecting, and drilling. These programs will be performed in the framework of a new partnership.
Rex South (gold, silver, copper, tungsten)	Priority targets identified	
NCG (copper, gold)	Priority targets identified	
Nantais (gold)	Priority targets identified	
Diana (copper, nickel, cobalt, REE)	Priority targets identified	To be determined
North Rae (uranium)	Priority targets identified	To be determined
Qassituq, Kovik, Tasinga (copper, gold)	Priority targets identified	To be determined

JAMES BAY REGION		
Property	**Status**	**2014 planned work program**
Opinaca A & Opinaca B (gold)	Technical assessment underway	Drilling stage Partner-funded program to be finalized
Opinaca D (gold)	Targets identified	To be determined
Eleonore South (gold)	Technical assessment underway	Drilling stage Partner-funded program to be finalized
Wabamisk (gold)	Technical assessment underway	Drilling stage Partner-funded program to be finalized
Eastmain West (chromium, platinum, palladium)	Priority targets identified	To be determined

SELECTED FINANCIAL INFORMATION

	August 31,		
	2013 ($)	2012 ($)	2011 ($)
Expenses			
General and administrative	645,483	853,367	948,697
General exploration	56,554	17,528	160,926
Impairment of exploration and evaluation assets	2,215,008	390,324	70,895
Finance costs, net of interest income	49,650	39,175	84,909
	2,966,695	1,300,394	1,265,427
Other (gains) and losses	30,409	5,618	(454,409)
Recovery of deferred income taxes	-	-	(354,986)
Net loss for the year	2,997,104	1,306,012	456,032
Other comprehensive income (loss)	13,439	(6,431)	455
Basic and diluted loss per share	0.08	0.04	0.02

RESULTS OF OPERATIONS

2013 COMPARED TO 2012

Azimut reported a loss of $2,997,104 for Fiscal 2013 compared to $1,306,012 for fiscal 2012. The variations are as follows:

Expenses

General and administrative expenses totalled $645,000 in 2013 compared to $853,000 in 2012. The decrease in 2013 is mainly due to:

- Reduction in salaries by $8,000 following an agreed reduction in compensation by the management team in order to conserve resources for its exploration activities
- Reduction in professional fees and consulting fees relating to business development by $57,000 due to the slowdown in activities.
- Reduction in advertising costs by $35,000 due to the downturn of the current mining industry; management continues to maintain its financial resources by preserving its cash position.
- Stock-based compensation costs of $112,000 compared to $164,000 in 2012, attributable to the fair value of stock options granted and vested. This expense does not affect cash.
- No allowance for doubtful accounts was provided in 2013 ($40,000 in 2012, relating to the receivable from Flemish Gold Corp., formerly Rukwa Minerals Inc, a related company).
- General exploration totalled $56,000 in 2013 compared to $18,000 in 2012. The increase in 2013 is due to Azimut's increased efforts to pursue the mineral potential modelling of several regions in Quebec with the objective of generating new projects for gold, copper and other selected commodities.

- The charge related to the impairment of exploration and evaluation ("E&E") assets for 2013 was $2,215,000 ($390,000 in 2012). A write-off of $697,000 was performed for the uranium properties (Kangiq and Daniel Lake) given that no E&E expenses were budgeted. Write-downs were performed, with impairments as follows, given that no E&E expenses are budgeted and that some claims were abandoned or are not expected to be renewed: the copper-gold-silver-cobalt-rare earth properties for $1,130,000, the uranium property for $478,000, and the chromium-platinum palladium property for $900.
- Finance costs net of interest income increased in 2013 due to interest charged on the unsecured non-convertible debenture of 2008.

Other gains and losses

- Other net gain of $49,000 in 2013 ($Nil in 2012) were realized on opening and closing the NCG Camp prior to and following the field-based summer 2013 program of Rio Tinto Canada Diamond Exploration Inc.
- The impairment on available-for-sale investments of $152,000 in 2013 ($172,000 in 2012) was due to changes in fair value of available-for-sale investments realized upon sale of investments, and additional impairment was recorded following the stock market decline.
- The gain realized on option payments received for the Opinaca A and B properties was $58,000 ($28,000 in 2012).

Other comprehensive income (loss) for Fiscal 2013 was $13,000 compare to a loss in 2012 amounting to $6,000. The variation is due to reclassification of impairment on available-for-sale investment to loss for the year.

OTHER INFORMATION

	August 31,		
	2013	**2012**	**2011**
Cash and cash equivalents	$2,222,226	$1,402,610	$3,834,831
Total assets	$10,167,595	$13,272,788	$14,413,074
Shareholders' equity	$9,602,218	$12,473,703	$12,302,906
Number of shares outstanding	36,470,328	36,097,963	34,438,351
Number of stock options outstanding	2,560,000	2,220,000	2,205,000
Number of warrants outstanding	-	2,666,664	4,573,217

Since its incorporation, the Company has not declared cash dividends on its outstanding common shares. Any future dividend payment will depend on the Company's financial needs for its exploration programs and its future financial growth, and any other factor that the Board of Directors deems necessary to consider in the circumstances. It is unlikely that any dividends will be paid in the near future.

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

Azimut is currently in the exploration and evaluation stage and has not earned significant revenues.

FINANCIAL POSITION

The Company's working capital was $2,564,000 as at August 31, 2013, compared to $3,618,000 as at August 31, 2012. Management is of the opinion that the current cash position is sufficient to meet current commitments on a continuous for a least, the next twelve (12) months. The Company does not anticipate having to contribute to work expenditure commitments on its partnered properties in order to maintain its interest. To continue its exploration program on its Rex, Rex South, NCG, Nantais and North Rae properties and its operations beyond August 31, 2014, the Company will periodically have to raise additional funds through the issuance of new equity instruments, the exercise of stock options and the search for partners to sign option agreements on certain of its exploration and evaluation assets, 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.

At August 31, 2013, the cash and cash equivalents position was higher than at August 31, 2012. The increase is mainly due to refunds received on 2011 and 2012 tax credits, as well the mining rights for 2010 and 2011. Total assets were lower than at August 31, 2012, owing mainly to the write-down on investments and impairment of exploration and evaluation assets. Non-current liabilities consist of the asset retirement obligations assuming that if the Company decides not to continue to explore the Rex, Rex South or NCG properties, the estimated disbursements necessary to settle the obligations would be made in 2015. These non-current liabilities were reduced by $77,000 because no balance is due over more than twelve (12) months on the debenture payable issued in 2008. The change in equity is due to loss and other comprehensive loss for the period.

Operating activities

For the fiscal year ended August 31, 2013, cash flows used in operating activities totaled $484,000 compared to $628,000 for 2012. Net changes in non-cash working capital were $192,000 ($370,000 in 2012); the variation is mainly due to the tax credit and mining rights received in Fiscal 2013 and the decrease in accounts payable explained by a reduced level of activity.

Financing activities

No cash flows were provided from financing activities in 2013 compared to $1,009,000 in 2012. The variation is attributable to the following:

- No warrants were exercised compared to $962,000 in 2012.
- No stock options were exercised compared to $53,000 in 2012.
- Reimbursement of $100,000 ($100,000 in 2012) of the unsecured non-convertible debenture.
- No share issue expenses compared to $6,000 in 2012.

Investing activities

The investing activities mainly consisted of the addition to exploration and evaluation assets. In 2013, net cash flows from investing activities totalled $1,211,000, compared to $2,344,000 used in 2012. The variation is attributable to the following:

- Cash flows received from payments of the 2011 and 2012 tax credit for resources as well the mining rights for 2011 and 2010 related to exploration and evaluation assets amounted to $1,756,000 ($Nil in 2012).
- The option payment received on exploration and evaluation assets was $60,000 for the renewal of options on the Opinaca A and B properties ($50,000 in 2012).
- Proceeds received from sale of investment amounted to $24,000 ($Nil in 2012).
- Proceeds received from sale of camp's material amounted to $74,000 ($Nil in 2012).
- Additions to E&E assets amounted to $703,000 ($2,394,000 in 2012). Significant exploration work was carried out on the copper-gold-silver-rare earth properties (Rex, Rex South, NCG and Nantais) and the Company acquired three new copper-gold properties (Qassituq, Kovik and Tasinga). Advanced exploration of the Company's properties, as well as the ongoing identification of early-stage and major exploration targets, are pursuits that require substantial financial resources. In the past, the Company has been able to rely on its ability to raise financing in privately negotiated equity offerings. There is no assurance that the Company will be successful in raising the additional funds.

QUARTERLY INFORMATION

The information presented below details the total other income (expense), the net earnings (net loss), and the net earnings (net loss) per share for the last eight quarters. The information are based on the financial statements of which have been prepared in accordance with IFRS.

Quarter ended	Other gain (expenses)	Net earnings (Net loss)	Net earnings (Net loss) per share	
			Basic	Diluted
31-08-2013	38,330	*(1,214,449)	(0.033)	(0.033)
31-05-2013	(69,034)	*(552,036)	(0.015)	(0.015)
28-02-2013	(73,000)	*(1,168,567)	(0.032)	(0.032)
30-11-2012	73,295	**(62,052)	(0.002)	(0.002)
31-08-2012	(45,788)	*(457,671)	(0.013)	(0.013)
31-05-2012	(690)	***(550,771)	(0.015)	(0.015)
29-02-2012	29,877	(162,125)	(0.004)	(0.004)
30-11-2011	10,985	(135,445)	(0.004)	(0.004)

* Due to impairment of E&E assets and impairment write-down on investments.
** Due to gain on option payments on E&E assets.
*** Due to impairment of E&E assets and fair value of stock options granted during the period.

FOURTH QUARTER

The Company's net loss for the three-month period ended August 31, 2013 was $1,214,000 compared to $$458,000 in 2012. The change in 2013 was primarily attributable to net effect of the following:

- Impairment on available-for-sale investments of $10,000 ($173,000 in 2012) was reclassified from comprehensive loss to net loss for the period.
- Impairment of E&E assets in 2013 of $948,000 ($288,000 in 2012).
- Other net gain of $49,000 in 2013 ($Nil in 2012) was realized on opening and closing the NCG Camp prior to and following the field-based summer 2013 program of Rio Tinto Canada Diamond Exploration Inc.
- No gain realized upon termination by a partner of an option agreement on E&E asset in 2013 ($111,000 in 2012, following the termination of the option agreement on the Rex South property. The gain represented an estimated net liquidation value of the property and equipment (camp) bequeathed to Azimut by the partner).

CONTRACTUAL OBLIGATIONS

As at August 31, 2013 the Company has contractual obligations payments due by period as follows:

	Less than 1 year $	1-3 years $	4-5 years $	After 5 years $
Operating leases	40,439	23,861	-	-
Debentures	176,234	-	-	-
Asset retirement obligations	-	251,480	-	-
Total contractual obligations	216,673	275,341	-	-

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

EVALUATION AND EXPLORATION (E&E) ASSETS CARRYING VALUES

At the end of each quarter, management reviews the carrying value of its E&E assets to determine whether any write-offs or write-downs are necessary. Based on an impairment analysis performed in 2013, the copper-gold-silver-cobalt-rare earth properties were impaired by $1,130,000 ($143,000 in 2012), the uranium properties by $1,084,000 ($248,000 in 2012), and the chromium-platinum palladium property by $1,000 ($Nil in 2012), representing a total impairment of $2,215,000 ($390,000) because no exploration and evaluation expenses are budgeted and some claims were abandoned or are not expected to be renewed (note 9 in the annual financial statements). Despite the current price of uranium of $36/lb as well as the uncertainty surrounding the uranium industry in Quebec and the decrease of planned exploration and evaluation expenditures, management believes the fundamental outlook for uranium remains good for the near future and therefore, based on those judgments, no additional impairment charge is required for the remaining uranium properties for which the net book amount as at August 31, 2013 is $706,000.

RELATED PARTY TRANSACTIONS

The related parties of the Company include key management and companies owned by the key management team. Key management includes directors, the chief executive officer, and the chief financial officer. The compensation paid or payable for key management services is as follows:

	2013 **$**	**2012** **$**
Salaries	323,769	340,000
Share-based payments	101,120	140,000
	424,889	480,000

An amount of $88,300 ($155,010 in 2012) for salary is capitalized to exploration and evaluation assets.

The Company entered into the following transactions, which were not in the normal course of business, with a director and companies owned by directors:

- In 2012, the Company wrote off the receivable from Flemish Gold Corp., formerly known as Rukwa Minerals Inc., of which the president and director is also a director of the Company by taking an additional allowance for doubtful accounts amounting to $40,282.
- In 2012, the Company extended the expiry date of 111,109 warrants held by a director and companies owned by directors until March 19, 2013 from the original expiry date of March 19, 2012. These warrants were issued under the non-brokered private placement completed in March 2011. All other terms and conditions of the warrants remained unchanged, and they expired accordingly on March 19, 2013.

As at August 31, 2013, accounts payable and accrued liabilities include an amount of $30,535 ($107,370 at August 31, 2012) owed to key management.

In the event that change of control or termination of employment is for reasons other than gross negligence, the CEO will be entitled to receive an indemnity equal to six (6) months' salary. After more than two (2) years of employment, the indemnity will be increased by one (1) month for every additional year of employment. And the CFO will be entitled to receive an indemnity which will be equal to twelve (12) weeks salary and will be increased by one (1) month for every additional year of employment. The indemnity in both cases is subject to a maximum indemnity period of twelve (12) months. In any event, the indemnity paid must not represent more than 10% of the Company's liquidities at such time.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired.

a) **Available-for-sale investments:** Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive income (loss). Available-for-sale investments are classified as non-current, unless the investment matures within twelve (12) months, or management expects to dispose of them within twelve (12) months. Interest on available-for-sale investments, calculated using the effective interest method, is recognized in the statement of comprehensive loss as part of interest income. Dividends on available for sale equity instruments are recognized in the statement of comprehensive loss as part of other gains and losses when the Company's right to receive payment is established. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive loss to the statement of comprehensive loss and are included in other gains and losses. The company's investments are classified within this category

b) **Loans and receivables:** Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment. The company's cash and cash equivalents and amounts receivable are classified within this category.

c) **Financial liabilities at amortized cost:** Financial liabilities at amortized cost include accounts payable and accrued liabilities and debenture payable. Accounts payables and accrued liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce to fair value. Accounts payable and accrued liabilities, are measured at amortized cost using the effective interest method. Debenture payable is recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method.

   Financial liabilities are classified as current liabilities if payment is due within twelve (12) months. Otherwise, they are presented as non-current liabilities.

IMPAIRMENT OF FINANCIAL ASSETS

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

(a) **Financial assets carried at amortized cost:** The loss is the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. Impairment losses are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(b) **Available-for-sale investments:** The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of comprehensive loss. This amount represents the cumulative loss in accumulated other comprehensive loss that is reclassified to loss.

EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation ("E&E") assets comprise deferred exploration and evaluation expenses and exploration properties. Expenditures incurred on activities prior to the exploration and evaluation of mineral resources, being all expenditures incurred prior to securing the legal rights to explore an area, are expensed as incurred and presented under *General exploration* in the statement of comprehensive loss.

E&E assets includes rights in exploration properties, paid or acquired through a business combination or an acquisition of assets, and costs related to the initial search for mineral deposits with economic potential or to obtain more information about existing mineral deposits. Exploration rights are recorded at acquisition cost. Exploration rights and options to acquire undivided interests in exploration rights are depreciated only as these properties are put into commercial production. These costs are impaired when properties are abandoned or when cost recovery or access to resources is uncertain.

From time to time, the Company may acquire or dispose of a property pursuant to the terms of an option agreement. Due to the fact that options are exercisable entirely at the discretion of the option holder, the amounts payable or receivable are not recorded. Option payments are recorded as additions to exploration and evaluation assets when the payments are made or as option payments in reduction of exploration and evaluation assets when payments are received.

Proceeds on the sale of exploration properties are applied by property in reduction of the exploration properties, then in reduction of the exploration costs and any residual is recorded in the statement of comprehensive loss unless there is contractual work required in which case the residual gain is deferred and will be reduced once the contractual disbursements are done. Funds received from partners on certain properties where the Company is the operator, in order to perform exploration work as per agreements, are accounted for in the statement of financial position as advances received for exploration work. These amounts are reduced gradually once the exploration work is performed. The project management fees received when the Company is the operator are recorded in the statement of comprehensive loss.

E&E expenditures for each separate area of interest are capitalized and include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore-like topographical, geological, geochemical and geophysical studies. They also reflect costs related to establishing the technical and commercial viability of extracting a mineral resource identified through exploration or acquired through a business combination or asset acquisition. E&E expenditures include the cost of:

- establishing the volume and grade of deposits through core drilling, trenching and sampling activities in an ore body;
- determining the optimal methods of extraction and metallurgical and treatment processes;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and final feasibility studies.

When a project moves into the development phase, E&E expenditures are capitalized to development costs in property and equipment and are tested for impairment.

E&E expenditures include overhead expenses directly attributable to the related activities.

Cash flows attributable to capitalized E&E costs are classified as investing activities in the statements of cash flows.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Property and equipment and exploration and evaluation assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Exploration and evaluation assets are reviewed by area of interest. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the asset group to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or asset group is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in the statement of comprehensive loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized. A reversal is recognized as a reduction in the impairment charge for the period.

PROVISIONS AND ASSET RETIREMENT OBLIGATIONS

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of economic benefits will be required to settle the obligation, and when the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provisions for asset retirement obligations are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. The discount rate used is based on a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, excluding the risks for which future cash flow estimates have already been adjusted. The increase in the provision due to passage of time is recognized in the statement of comprehensive loss. Changes in assumptions or estimates are reflected in the period in which they occur. The Company also records a corresponding asset amount which is amortized in a logical and systematic manner.

INCOME TAXES

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive loss or in equity, in which case it is recognized in other comprehensive loss or in equity, respectively.

Mining taxes represent Canadian provincial taxes levied on mining operations and are classified as income taxes since such taxes are based on a percentage of mining profits.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regards to previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, providing for temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. A temporary difference is not provided for if it arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred income tax assets and liabilities are presented as non-current and are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Many of the amounts included in the financial statements require management to make judgments and/or estimates and assumptions. These judgments and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Actual results may differ from the amounts included in the financial statements.

Areas of significant estimates and assumptions affecting the amounts recognized in the financial statements include the following:

(a) **Valuation of credit on duties refundable for loss and the refundable tax credit for resources:** Refundable credit on mining duties and refundable tax credit related to resources for the current and prior periods are measured at the amount expected to be recovered from the taxation authorities using the tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Uncertainties exist with respect to the interpretation of tax regulations, including credit on mining duties and tax credit related to resources for which certain expenditures could be disallowed by the taxation authorities in the calculation of credits, and the amount and timing of their collection. The calculation of the Company's credit on mining duties and tax credit related to resources necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until notice of assessments and payments have been received from the relevant taxation authority. Differences arising between the actual results following final resolution of some of these items and the assumptions made, or future changes to such assumptions, could necessitate adjustments to credit on mining duties and tax credit related to resources, exploration and evaluation assets and expenses, and income tax expense in future periods.

The amounts recognized in the financial statements are derived from the Company's best estimation and judgement as described above. However, the inherent uncertainty regarding the outcome of these items means that eventual resolution could differ from the accounting estimates and therefore impact the Company's financial position and its financial performance and cash flows.

(b) **Asset retirement obligations:** Asset retirement obligations arise from the development, construction and normal operation of mining property and equipment as mining activities are subject to laws and regulations governing the protection of the environment. Such costs arising from the decommissioning of site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, as soon as the obligation to incur such costs arises. The discount rate used is based on a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, excluding the risks for which future cash flow estimates have already been adjusted. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. The Company also records a corresponding asset amount which is amortized over the remaining service life of the asset.

Future remediation costs are accrued based on management's best estimate at the end of each period of the undiscounted cash costs expected to be incurred at each site. Changes in estimates are reflected in the period during which an estimate is revised. Accounting for reclamation and remediation obligations requires management to make estimates of the future costs that the Company will incur to complete the reclamation and remediation work required to comply with existing laws and regulations at each site. The Company also estimates the timing of the cash outflow, which is subject to change and is currently estimated to be 2015, and represents a significant accounting estimate by the Company. Actual costs incurred may differ from those estimated amounts. Also, future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to activities for reclamation and remediation.

Areas of significant judgment affecting the amounts recognized in the financial statements include the following:

(a) **Going Concern:** The assessment of the Company's ability to execute its strategy by funding future working capital and exploration and evaluation activities involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Areas of significant judgments in assessing whether the going concern assumption is appropriate relate to the expected timing of collecting the tax credits receivable from the Quebec government as well as to the expected level of exploration and evaluation activities in the future, which is at least but not limited to twelve (12) months from the end of the reporting period and would amount to $440,200 for the year ending August 31, 2014.

(b) **Impairment of non-financial assets:** The Company's recoverable amounts measurement with respect to the carrying amount of non-financial assets are based on numerous assumptions and may differ significantly from actual recoverable amounts. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Company's control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values. The estimated recoverable amounts may differ from actual recoverable amounts and these differences may be significant and could have a material impact on the Company's financial position and result of operations. Assets are reviewed for an indication of impairment at each statement of financial position date. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to, significant negative industry or economic trends, interruptions in exploration and evaluation activities and significant drop in commodity prices.

Based on an impairment analysis performed in 2013, the copper-gold-silver-cobalt-rare earth properties were impaired by $1,130,000 ($143,000 in 2012), the uranium properties by $1,084,000 ($248,000 in 2012) and the chromium-platinum palladium property by $900 (Nil in 2012), representing a total impairment of $2,215,000 ($390,000 – 2012) given that no exploration and evaluation expenses are budgeted and that some claims were abandoned or are not expected to be renewed. Despite the current price of uranium of $36/lb as well as the uncertainty surrounding the uranium industry in Quebec and the decrease of planned exploration and evaluation expenditures, management believes the fundamental outlook for uranium remains good for the near future and therefore, based on those judgments, no additional impairment charge is required for the remaining uranium properties for which the net book amount as at August 31, 2013 is $706,000. The estimation of the impairment charge requires judgment from management.

(c) **Recognition of deferred income tax assets and the measurement of income tax expense:** Periodically, the Company evaluates the likelihood of whether some portion of the deferred tax assets will not be realized. Once the evaluation is completed, if we believe that it is probable that some portion of the deferred tax assets will fail to be realized, the Company records only the remaining portion for which it is probable that there will be available future taxable profit against which the temporary differences can be applied. Assessing the recoverability of deferred income tax assets requires management to make significant judgment. If future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the statement of financial position date could be impacted.

(d) **Impairment of available-for-sale investments:** The Company follows the guidance of IAS 39 to determine when an available-for-sale equity investment is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates, among other factors, whether there is a significant or prolonged decline in the fair value of the investment, considered as evidence of impairment. Significant or prolonged decline is defined respectively as a decrease of at least 50% of its fair value and a decline under its cost for two (2) consecutive fiscal periods. Financial health of short-term business outlook for the investee, including factors such as industry and sector performance and operational and financing cash flow, are also considered by the Company in its evaluation.

NEW ACCOUNTING STANDARDS NOT YET ADOPTED

The IASB issued or amended the following standards which are relevant but have not yet been adopted by the Corporation: IFRS 9, *Financial Instruments*; IFRS 10, *Consolidated Financial Statements*; IFRS 11, *Joint Arrangements*; IFRS 12, *Disclosure of Interests in Other Entities*; IFRS 13, *Fair Value Measurement*; amended IAS 27, *Separate Financial Statements* and IAS 28, *Investments in Associates and Joint Ventures*. Each of the new standards or amendments is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted, except for IFRS 9. In November 2013, the IASB decided to temporarily defer the mandatory effective date of IFRS 9, *Financial Instruments*, however early adoption is still permitted. The Company is monitoring the progress of the IASB's work. Also, there were amendments to IAS 1, *Presentation of Financial Statements*, effective for annual periods beginning on or after July 1, 2012.
The following is a brief summary of the new standards.

IFRS 9 – Financial Instruments – Classification and Measurement

IFRS 9 was issued in November 2009. It addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39, "Financial Instruments: Recognition and Measurement", for debt instruments with a new mixed measurement model with only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends, to the extent not clearly representing a return of investment, are recognized in profit or loss; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 effective date of adoption is temporarily deferred, however early adoption is permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

IFRS 10 – Consolidated Financial Statements

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27, Consolidated and Separate Financial Statements and SIC-12, Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control focusing on the need to have both power and variable returns before control is present. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. The renamed IAS 27 continues to be a standard dealing solely with separate financial statements and its guidance is unchanged.

IFRS 11 – Joint Arrangements

IFRS 11 has changed the definitions of joint arrangements reducing the types of joint arrangements to two: joint operations and joint ventures. The existing policy choice of proportionate consolidation for jointly controlled entities has been eliminated. Equity accounting is mandatory for participants in joint ventures.
Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today.

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 12 sets out the required disclosures for entities reporting under IFRS 10 and IFRS 11. IFRS 12 requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

IFRS 13 – Fair Value Measurement

IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

These standards are required to be applied for accounting periods beginning on or after January 1, 2013. The Company is evaluating the impact of the adoption of these standards on its financial statements.

Amendment to others standards

In addition, there have been amendments to existing standards, including IAS 27, Separate Financial Statements ("IAS 27R"), and IAS 28, Investments in Associates and Joint Ventures ("IAS 28"). IAS 27R addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13. We have assessed that the impact of these amendments on our financial statements is not significant.

Moreover, amendments to IAS 1, *Presentation of Financial Statements* have been made to require entities to group items within other comprehensive income that may be reclassified to net income. We have assessed that the impact of these amendments on our financial statements is not significant.

INFORMATION REGARDING OUTSTANDING SHARES

The Company can issue an unlimited number of common shares, without par value. As at December 17, 2013, there were 36,470,328 issued and outstanding shares and no shares were held in escrow. Also, as at December 17, 2013, no warrants were outstanding.

The Company maintains a stock option plan in which a maximum of 3,300,000 stock options may be granted. There was no change in the stock option plan for fiscal years 2013 and 2012. The exercise price of the options is set at the closing price of the Company's shares on the TSX Venture Exchange, on the day before the grant date. The options have a maximum term of ten years following the granting date; the options are granted fully vested, unless otherwise approved by the Board of Directors. As at December 17, 2013, a total of 2,560,000 stock options were outstanding and vested. Their exercise prices range from \$0.19 to \$1.25 and expiry dates from April 10, 2019 to July 29, 2023.

RISK RELATED TO FINANCIAL INSTRUMENTS

The Company has exposure to various financial risks, such as credit risk, liquidity risk and market risk from its use of financial instruments.

CREDIT RISK

The Company's credit risk is primarily attributable to cash and cash equivalents, trade accounts receivable and investments. Cash and cash equivalents are deposited in Canadian chartered bank accounts or invested in a diversified manner in securities having an investment-grade rating, from which management believes the risk of loss to be minimal.

The credit risk associated with trade accounts receivable from partners arises from the possibility that the partners may not be able to repay their debts. These receivables result from exploration work carried out on properties under option and operated by the Company. No allowance for doubtful accounts was recorded for 2013 (\$40,282 in 2012). The Company closely follows its cash position to reduce its credit risk on amounts receivable.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a general downturn in stock market conditions or related to matters specific to the Company. The Company generates cash flow primarily from its financing activities. As at August 31, 2013, the Company had a cash balance and cash equivalents of $2,222,226 ($1,402,610 as at August 31, 2012) to settle current liabilities of $320,701 ($480,807 as at August 31, 2012). The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

The following are the contractual maturities of financial liabilities, including interest where applicable as at August 31, 2013:

	Carrying amount **$**	**Contractual cash flows** **$**	**0 to 12 months** **$**	**12 to 24 months** **$**	**More than 24 months** **$**
Accounts payable and accrued liabilities	225,300	225,300	225,300	-	-
Debenture payable	95,400	176,234	176,234	-	-

INTEREST RATE RISK

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has not entered into any derivative contracts to manage this risk. The Company's policy as it relates to its cash balances is to invest excess cash in financial instruments held with a Canadian charted bank.

As at August 31, 2013, the Company's exposure to interest rate risk is summarized as follows:

Cash and cash equivalents	Variable interest rate
Amounts receivable	Non-interest bearing
Investments	Non-interest bearing
Accounts payable and accrued liabilities	Non-interest bearing
Debentures payable	See note 10 of the financial statements

Since Cash and cash equivalents are subject to variable interest rates, a fluctuation of interest rate will have no impact on their fair value.

EQUITY RISK

Equity risk is the risk that the fair value of a financial instrument varies due to equity market changes. Changes in fair value of available-for-sale investments are recorded in other comprehensive income (loss) when an impairment was not previously recorded. For the Company's available-for-sale investments, a variation of ±10% of the quoted market prices as at August 31, 2013 would result in an estimated effect in the statement of comprehensive income (loss) of $5,000 ($21,000 for the year ended August 31, 2012) since the investments were previously impaired.

CAPITAL MANAGEMENT

The Company considers the items included in equity as capital components.

In terms of capital management, the objectives of the Company are to maximize its ability to be able to continue as a going concern. Management reviews its capital management approach on an ongoing basis and, as needed, the Company raises funds through private placements.

There were no significant changes in the Company's approach to capital management during the year ended August 31, 2013 and the Company is not subject to any externally imposed capital requirements, unless the Company closes a flow-through placement in which case the funds are reserved in use for exploration expenses. The variation of capital components is explained in the statements of changes in equity.

RISKS AND UNCERTAINTIES

METAL PRICES

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot be accurately predicted.

INDUSTRY CONDITIONS

Mining and milling operations are subject to government regulations. Operations may be affected to varying degrees by government regulations such as restrictions on production, price controls, tax and mining duty increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The Company undertakes exploration in areas that are or could be the subject of native land claims. Such claims could delay work or increase exploration costs. The effect of these factors cannot be accurately determined.

Financial risks

Management believes it has sufficient funds to pay its ongoing general and administrative expenses, to pursue its budgeted exploration expenditures, and to meet its liabilities, obligations and existing commitments for at least the next twelve (12) months as they fall due. The Company will spend its existing working capital and raise additional funds as needed to continue its exploration program on its properties and its operation beyond August 31, 2013. 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 to the Company or that they will be available on terms that are acceptable to the Company.

PROPERTY TITLE RISK

Although the Company has taken steps to verify property titles relating to its mining properties in which it holds an interest, and that those steps are in accordance with industry standards regarding the current exploration stage on the properties, these procedures do not guarantee the Company's right to the property title. The property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

EQUITY PRICE RISK

The Company is subject to market risk related to the market price of the equity of the Company equity, which trades on the TSX Venture Exchange. Historically, the Company has been reliant primarily on equity financings from the sale of its common shares to fund the operations. Movements in the price of the Company's common stock have been volatile in the past and may continue to be volatile in the future. As a result, there is risk that the Company may not be able to complete an equity financing at an acceptable price when required. Also, a prolonged decline in the market price of the Company's common shares or a reduction in the Company's accessibility to global markets may result in its inability to secure additional financing which would have an adverse effect on operations.

ENVIRONMENTAL RISK

The Company is susceptible to various environmental incidents that can occur during exploration work. The Company implements and maintains an environmental risk management system that includes operational plans and practices. The Company is in compliance with the regulatory requirements.

UNINSURED HAZARDS

Hazards, such as unusual geological conditions, are involved in exploring for and developing mineral deposits. The Company may become subject to liability for pollution or other hazards, which cannot be insured against, or against which the Company may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company assets or the insolvency of the Company.

COMPETITION

The mining industry is intensely competitive in all its phases. The Company seeks partners to advance exploration work and continue development of its mining properties and in so doing must compete with many other companies possessing properties that are considered attractive in terms of potential return and investment cost.

CONFLICTS OF INTEREST

Certain directors, proposed directors and officers of the Company are already or may also become directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors and officers of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director involved in the conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider in addition to economic value, the degree of risk to which the Company may be exposed and its financial position at that time.

KEY EMPLOYEES

Management of the Company rests on a few key officers, the loss of any of whom could have a detrimental effect on its operations. Azimut is beneficiary of a $1 million life insurance subscribed for Jean-Marc Lulin.

CANADA REVENUE AGENCY AND PROVINCIAL TAX AGENCIES

No assurance can be made that the Canada Revenue Agency and the provincial tax agencies will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses, or the eligibility of such expenses as Canadian exploration expenses under the *Income Tax Act* (Canada).

OUTLOOK

In the coming year, the Company will continue to focus its efforts on seeking new partners for the available properties. Based on current industry trends and demand, the Company will also continue to pursue the mineral potential modelling of several regions in Quebec with the objective of generating new projects. Financing may be required for this purpose in the upcoming fiscal year.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This Management's Discussion and Analysis report was dated on December 17, 2013, date of the approval by the Board. The Company regularly discloses additional information through press releases and its financial statements on the SEDAR website (www.sedar.com).

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This document contains forward-looking statements, which reflect the Company's current expectations regarding future events. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". The forward-looking statements involve risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. There are many factors which could cause such differences, particularly volatility and sensitivity to market metal prices, impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies, and failure to obtain necessary permits and approvals from government authorities, as well as other development and operating risks. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this document. The Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as result of new information, future events or otherwise, other than as required to do so by applicable securities laws.

(s) Jean-Marc Lulin
President and CEO

(s) Moniroth Lim
Chief Financial Officer

Azimut Exploration Inc.
(An exploration company)
CORPORATE INFORMATION

Board of Directors
Dennis Wood, O.C., Chairman of the Board (Montreal)
Jean-Marc Lulin, P.Geo., PhD., Director (Montreal) [(1)]
Jean-Charles Potvin, MBA., B.Sc., Director (Toronto) [(1)]
Louis P. Salley, B.A., LL.B., Director (Vancouver) [(1)]
Jacques Simoneau, Eng., PhD., Director (Montreal) [(1)]

[(1)] Member of Audit committee

Management
Jean-Marc Lulin, President and Chief Executive Officer
Moniroth Lim, Chief Financial Officer and Secretary

Legal Counsel
XploraMines S.A. (Montreal)

Auditors
PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l. (Montreal)

Transfer Agent
Canadian Stock Transfer Company Inc. (Montreal)

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