

AZIMUT EXPLORATION INC.

(An exploration company)

Balance Sheets

	November 30, 2006	August 31, 2006
	\$	\$
	(unaudited)	(audited)
ASSETS		
Current Assets		
Cash and cash equivalent	58,517	229,428
Amounts receivable	200,937	385,922
Prepaid expenses	133,117	127,615
	<u>392,571</u>	<u>742,965</u>
Long-term investments (quoted value \$160,750 ; \$124,600 as at August 31, 2006)	90,550	90,550
Property, plant and equipment		
(less accumulated amortization of \$7,148 ; \$5,418 as at August 31, 2006)	22,696	24,426
Intangible assets (less accumulated amortization of \$416 ; \$329 as at August 31, 2006)	1,082	1,170
Mining properties (note 2)	713,177	652,296
	<u>1,220,076</u>	<u>1,511,407</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities		
Related companies (note 5)	--	1,746
Others	63,412	409,488
	<u>63,412</u>	<u>411,234</u>
SHAREHOLDERS' EQUITY		
Share capital (note 3)	6,222,644	6,022,948
Stock options (note 4)	772,776	774,422
Deficit	(5,838,756)	(5,697,197)
	<u>1,156,664</u>	<u>1,100,173</u>
	<u>1,220,076</u>	<u>1,511,407</u>

AZIMUT EXPLORATION INC.

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Deficit

For the three (3) months period ended November 30, 2006 and 2005 (unaudited)

	2006	2005
	\$	\$
Balance - Beginning of period	5,697,197	4,802,480
Net loss for the period	141,559	162,224
Balance - End of period	<u>5,838,756</u>	<u>4,964,704</u>

Statements of deferred exploration expenses

For the three (3) months period ended November 30, 2006 and 2005 (unaudited)

	2006	2005
	3 months	3 months
	\$	\$
Balance - Beginning of period	652,296	138,934
Expenses incurred during the period		
Claims and permits	58,552	10,130
Geological surveys	709	31,483
Geochemical surveys	1,620	--
	<u>60,881</u>	<u>41,613</u>
Mining properties written off	--	(7,300)
Credit on duties refundable for losses and refundable tax credit relating to resources	--	(14,514)
	<u>--</u>	<u>(21,814)</u>
Balance - End of period	<u>713,177</u>	<u>158,733</u>

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Statements of Earnings

For the three (3) months period ended November 30, 2006 and 2005 (unaudited)

	2006	2005
	3 months	3 months
	\$	\$
Revenue		
Interest income	1,143	4,821
Management fees	35,870	6,489
	<u>37,013</u>	<u>11,310</u>
Expenses		
Salaries and fringe benefits	44,893	46,552
Professional and maintenance fees	9,614	47,796
Management fees and office expenses	58,485	29,852
Travelling and entertainment	17,794	2,355
Interests and bank charges	430	119
Amortization of property, plant and equipment	1,730	385
Amortization of intangible assets	88	22
Search for properties	44,796	50,854
Credit on duties refundable for losses and refundable tax credit relating to resources	--	(11,701)
Written off properties	--	7,300
Part XII.6 Tax	742	--
	<u>178,572</u>	<u>173,534</u>
Net loss for the period	<u>(141,559)</u>	<u>(162,224)</u>
Basic and diluted net loss per share	<u>(0.009)</u>	<u>(0.011)</u>
Basic and diluted weighted average number of shares outstanding	<u>16,178,964</u>	<u>14,813,170</u>

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Statements of Cash Flows

For the three (3) months period ended November 30, 2006 and 2005 (unaudited)

	2006	2005
	3 months	3 months
	\$	\$
Cash flows from operating activities		
Net loss for the period	(141,559)	(162,224)
Items not affecting cash and cash equivalent		
Amortization of property, plant and equipment	1,730	385
Amortization of intangible assets	88	22
Cost of mining properties abandoned	--	7,300
Stock options	--	68,439
	<u>(139,741)</u>	<u>(86,078)</u>
Change in non-cash working capital items		
Amounts receivable	184,983	156,524
Prepaid expenses	(5,502)	(40,066)
Accounts payable and accrued liabilities	(347,823)	131,167
	<u>(168,342)</u>	<u>247,625</u>
	<u>(308,083)</u>	<u>161,547</u>
Cash flows from financing activities		
Variation in exploration funds	--	75,842
Issuance of share capital	198,053	24,200
	<u>198,053</u>	<u>100,042</u>
Cash flows from investing activities		
Variation of mining properties	<u>(60,881)</u>	<u>(41,613)</u>
Net change in cash and cash equivalent	(170,911)	219,976
Cash and cash equivalent - Beginning of period	<u>229,428</u>	<u>784,131</u>
Cash and cash equivalent - End of period	<u><u>58,517</u></u>	<u><u>1,004,107</u></u>
Additional information		
Interests cashed (net of interest paid)	1,133	6,143
Credit on duties refundable for losses and refundable tax credit relating to resources applied against mining properties	--	(14,514)

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Notes to Interim Financial Statements (unaudited)

1 Summary of significant accounting policies

Interim financial information

The financial information as at November 30, 2006 and for the periods ended November 30, 2006 and 2005 are unaudited ; however, in the opinion of management, all adjustments necessary to present fairly the results of these periods have been included. The adjustments made were of a normal recurring nature. Interim results may not necessarily be indicative of results anticipated for the year.

These interim financial statements are prepared in accordance with generally accepted accounting principles in Canada and use the same accounting policies and methods used in the preparation of the Company's most recent annual financial statements. All disclosures required for annual financial statements have not been included in these financial statements. These interim financial statements should be read in conjunction with the Company's most recent annual financial statements.

AZIMUT EXPLORATION INC.

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Notes to Interim Financial Statements (unaudited)**2 Mining properties**

As at November 30, 2006, the following claims were in good standing.

	Undivided participation %	Balance as at August 31, 2006 \$	Costs incurred \$	Written off, credit on duties refundable for losses, refundable tax credit relating to resources \$	Balance as at November 30, 2006 \$
James Bay					
Opinaca A, A East (463 claims)					
Mining property	100	--	--	--	--
Exploration costs		--	1,718	--	1,718
			1,718	--	1,718
Opinaca B, B North (220 claims)					
Mining property	100	--	--	--	--
Exploration costs		--	1,122	--	1,122
			1,122	--	1,122
Opinaca C (166 claims)					
Mining property	100	--	--	--	--
Exploration costs		--	776	--	776
			776	--	776
Opinaca D (188 claims)					
Mining property	100	--	1,320	--	1,320
Exploration costs		--	1,287	--	1,287
			2,607	--	2,607
Eastmain West (167 claims)					
Mining property	100	--	--	--	--
Exploration costs		--	730	--	730
			730	--	730
Wabamisk (755 claims)					
Mining property	100	--	906	--	906
Exploration costs		--	--	--	--
			906	--	906
Comptoir (796 claims)					
Mining property	100	57,560	--	--	57,560
Exploration costs		14,988	--	--	14,988
		72,548	--	--	72,548
Obamsca (39 claims)					
Mining property	100	1,872	--	--	1,872
Exploration costs		1,221	--	--	1,221
		3,093	--	--	3,093
		75,641	7,859	--	83,500

AZIMUT EXPLORATION INC.

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Notes to Interim Financial Statements (unaudited)

2 Mining properties - Cont'd

	Undivided participation %	Balance as at August 31, 2006 \$	Costs incurred \$	Written off, credit on duties refundable for losses, refundable tax credit relating to resources \$	Balance as at November 30, 2006 \$
Northern Quebec					
North Rae (1,043 claims)					
Mining property	100	--	4,900	--	4,900
Exploration costs		--	9,360	--	9,360
		--	14,260	--	14,260
South Rae (1,050 claims)					
Mining property	100	95,060	33,026	--	128,086
Exploration costs		--	73	--	73
		95,060	33,099	--	128,159
North Minto (1,072 claims)					
Mining property	100	105,056	--	--	105,056
Exploration costs		--	32	--	32
		105,056	32	--	105,088
South Minto (645 claims)					
Mining property	100	63,210	--	--	63,210
Exploration costs		--	32	--	32
		63,210	32	--	63,242
Central Minto (337 claims)					
Mining property	100	33,026	--	--	33,026
Exploration costs		--	32	--	32
		33,026	32	--	33,058
West Minto (660 claims)					
Mining property	100	64,680	--	--	64,680
Exploration costs		--	--	--	--
		64,680	--	--	64,680
South Bienville (1,045 claims)					
Mining property	100	102,410	--	--	102,410
Exploration costs		--	32	--	32
		102,410	32	--	102,442
Hudson Bay (355 claims)					
Mining property	100	34,790	--	--	34,790
Exploration costs		--	--	--	--
		34,790	--	--	34,790
Daniel Lake (479 claims)					
Mining property	100	--	19,306	--	19,306
Exploration costs		368	577	--	945
		368	19,883	--	20,251
Retty (101 claims)					
Mining property	100	29,460	--	--	29,460
Exploration costs		34,983	--	--	34,983
		64,443	--	--	64,443
		563,043	67,370	--	630,413

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Notes to Interim Financial Statements (unaudited)**2 Mining properties - Cont'd**

	Undivided participation %	Balance as at August 31, 2006 \$	Costs incurred \$	Written off, credit on duties refundable for losses, refundable tax credit relating to resources \$	Balance as at November 30, 2006 \$
North Shore					
Manitou (2,520 claims)					
Mining property	100	(47)	1,027	--	980
Exploration costs		4,968	--	--	4,968
		<u>4,921</u>	<u>1,027</u>	<u>--</u>	<u>5,948</u>
Aguanish (102 claims)					
Mining property	100	--	--	--	--
Exploration costs		443	945	--	1,388
		<u>443</u>	<u>945</u>	<u>--</u>	<u>1,388</u>
Baskatong (107 claims)					
Mining property	100	--	--	--	--
Exploration costs		453	945	--	1,398
		<u>453</u>	<u>945</u>	<u>--</u>	<u>1,398</u>
Mont Merry (46 claims)					
Mining property	100	--	--	--	--
Exploration costs		262	944	--	1,206
		<u>262</u>	<u>944</u>	<u>--</u>	<u>1,206</u>
Grenium (2,230 claims)					
Mining property	100	8,480	--	--	8,480
Exploration costs		(947)	(18,209)	--	(19,156)
		<u>7,533</u>	<u>(18,209)</u>	<u>--</u>	<u>(10,676)</u>
		<u>13,612</u>	<u>(14,348)</u>	<u>--</u>	<u>(736)</u>
		<u>652,296</u>	<u>60,881</u>	<u>--</u>	<u>713,177</u>

3 Share Capital

Authorized

Unlimited number of commons shares, without par value, voting and participating
16,221,755* shares issued and fully paid

*144,784 shares are subject to escrow and will gradually be released by July 14, 2007.

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Notes to Interim Financial Statements (unaudited)**4 Stock Option Plan**

The following tables present the stock option activity since September 1, 2006 and summarize information about fixed stock options outstanding and exercisable as at November 30 :

	<u>3 months</u>	
	Number	Weighted average exercise price \$
Outstanding - Beginning of period	1,227,000	0.99
Cancelled	--	--
Exercised	(7,000)	0.30
Granted	--	--
	<hr/>	<hr/>
Outstanding and exercisable - End of period	1,220,000	0.99

Exercise prices	Number	Weighted average remaining contractual life (years)
\$0.18	35,000	3.15
\$0.24	100,000	1.56
\$0.30	340,000	2.27
\$0.64	30,000	3.57
\$0.86	135,000	3.79
\$1.50	50,000	4.23
\$1.55	300,000	4.25
\$1.75	210,000	4.28
\$1.80	20,000	4.39
	<hr/>	<hr/>
	1,220,000	3.39

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Notes to Interim Financial Statements (unaudited)

5 Related party transaction

During the period the Company entered into the following transaction with a company owned by a director:

	2006
	\$
Office expenses	321

These transactions took place in the normal course of operations and are established using an exchange value, representing an amount of compensation determined and accepted to by the related parties.

6 Comparative figures

Certain comparative figures have been reclassified to conform with the current year presentation.

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CORPORATE INFORMATION

Board of Directors

Jacques Bonneau, Eng., M.Sc., Chairman of the Board (Quebec City)

Jean-Marc Lulin, Ph.D., geologist, Director (Montreal)

Jean-Charles Potvin, B.Sc., M.B.A., Director (Toronto)

Louis P. Salley, B.A., LL.B., Director (Vancouver)

Dennis Wood, Director (Montreal)

Management

Jean-Marc Lulin, President and Chief Executive Officer

Normand Champigny, Executive Vice President

Moniroth Lim, Secretary and Treasurer

Legal Counsel

Pothier Valiquette (Montreal)

Auditors

PricewaterhouseCoopers LLP (Quebec)

Transfer Agent

Trust CIBC Mellon Company (Montreal)

Listing

TSX Venture

Symbol: AZM

Contact and information

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