

AZIMUT EXPLORATION INC.

(An exploration company)

Balance Sheets

	May 31, 2008 \$ (unaudited)	August 31, 2007 \$ (audited)
ASSETS		
Current Assets		
Cash and cash equivalents	1,782,038	1,356,649
Amounts receivable	609,816	1,158,978
Prepaid expenses	133,675	20,668
	<u>2,525,529</u>	<u>2,536,295</u>
Long-term investments (quoted bid price of \$676,250 as at August 31, 2007)	560,900	738,950
Property, plant and equipment (less accumulated depreciation of \$29,092 ; \$15,014 as at August 31, 2007)	90,064	38,730
Intangible assets (less accumulated amortization of \$1,242)	9,796	-
Deferred charges (note 8)	192,437	-
Mining properties (note 2)	661,742	459,524
	<u>4,040,468</u>	<u>3,773,499</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities		
Related parties (note 5)	2,109	19,893
Others	555,428	533,023
	<u>557,537</u>	<u>552,916</u>
SHAREHOLDERS' EQUITY		
Share capital (note 3)	7,943,186	7,924,286
Stock options (note 4)	1,725,142	1,128,367
Accumulated other comprehensive loss (note 6)	(451,083)	-
Deficit	(5,734,314)	(5,832,070)
	<u>3,482,931</u>	<u>3,220,583</u>
	<u>4,040,468</u>	<u>3,773,499</u>

Subsequent events (note 8)

The accompanying notes are an integral part of these interim financial statements.

AZIMUT EXPLORATION INC.

(An exploration company)

Deficit

For the nine (9) month period ended May 31, 2008 and 2007 (unaudited)

	2008	2007
	\$	\$
Balance - Beginning of period	5,832,070	5,697,197
Net (earnings) loss for the period	(97,756)	625,546
Balance - End of period	5,734,314	6,322,743

Statements of mining properties

For the three (3) month and nine (9) month period ended May 31, 2008 and 2007 (unaudited)

	2008	2007	2008	2007
	3 months	3 months	9 months	9 months
	\$	\$	\$	\$
Balance - Beginning of period	647,857	608,953	459,524	652,296
Expenses incurred during the period				
Claims and permits	44,571	361,160	305,421	542,504
Geological surveys	32,093	12,415	131,032	32,505
Geochemical surveys	-	-	-	2,531
Administration and others	1,258	7,040	2,575	7,040
	<u>77,922</u>	<u>380,615</u>	<u>439,028</u>	<u>584,580</u>
Option payments	(35,556)	(820,266)	(185,617)	(1,067,574)
Credit on duties refundable for losses and refundable tax credit relating to resources	(28,481)	(14,641)	(51,193)	(14,641)
	<u>(64,037)</u>	<u>(834,907)</u>	<u>(236,810)</u>	<u>(1,082,215)</u>
Balance - End of period	661,742	154,661	661,742	154,661

The accompanying notes are an integral part of these interim financial statements.

AZIMUT EXPLORATION INC.

(An exploration company)

Statements of Earnings and Comprehensive Loss

For the three (3) month and nine (9) month period ended May 31, 2008 and 2007 (unaudited)

	2008	2007	2008	2007
	3 months	3 months	9 months	9 months
	\$	\$	\$	\$
Revenue				
Interest income	7,716	13,953	30,773	25,666
Gain on sale of options on mining properties	808,490	591,134	1,309,412	897,626
Management fees	44,825	-	87,650	32,495
Gain on sale of long-term investments	6,559	43,371	14,833	53,543
Other income	-	30,000	-	60,000
	<u>867,590</u>	<u>678,458</u>	<u>1,442,668</u>	<u>1,069,330</u>
Expenses				
Salaries and fringe benefits	109,948	79,133	349,556	172,693
Professional and maintenance fees	(2,944)	38,409	122,322	77,626
Management fees and office expenses	52,022	62,787	146,976	229,627
Travelling and entertainment	15,542	25,755	84,820	75,407
Interests and bank charges	582	644	1,797	1,559
Depreciation of property, plant and equipment	7,914	2,444	14,080	5,905
Amortization of intangible assets	590	87	1,242	263
Search for properties	17,122	91,165	53,916	165,962
Credit on duties refundable for losses and refundable tax credit relating to resources	(26,833)	(27,875)	(33,472)	(37,239)
Written off properties	-	14,641	-	14,641
Part XII.6 Tax	-	-	-	852
Stock options	256,914	987,580	603,675	987,580
	<u>430,857</u>	<u>1,274,770</u>	<u>1,344,912</u>	<u>1,694,876</u>
Net earnings (loss) for the period	<u>436,733</u>	<u>(596,312)</u>	<u>97,756</u>	<u>(625,546)</u>
Change in value of long-term investments (note 1)	(103,209)	-	(388,383)	-
Comprehensive income (loss) for the period	<u>333,524</u>	<u>(596,312)</u>	<u>(290,627)</u>	<u>(625,546)</u>
Basic net earnings (loss) per share	<u>0.026</u>	<u>(0.036)</u>	<u>0.006</u>	<u>(0.038)</u>
Diluted net earnings (loss) per share	<u>0.025</u>	<u>(0.036)</u>	<u>0.006</u>	<u>(0.038)</u>
Basic and diluted weighted average number of shares outstanding (note 7)				

The accompanying notes are an integral part of these interim financial statements.

AZIMUT EXPLORATION INC.

(An exploration company)

Statements of Cash Flows

For the three (3) month and nine (9) month period ended May 31, 2008 and 2007 (unaudited)

	2008	2007	2008	2007
	3 months	3 months	9 months	9 months
			\$	\$
Cash flows from operating activities				
Net earning (loss) for the period	436,733	(596,312)	97,756	(625,546)
Items not affecting cash and cash equivalents				
Depreciation of property, plant and equipment	7,914	2,444	14,080	5,905
Amortization of intangible assets	590	87	1,242	263
Cost of mining properties abandoned	-	14,641	-	14,641
Gain on sale of options on mining properties	(808,490)	(591,134)	(1,309,412)	(897,626)
Gain on sale of long-term investments	(6,559)	(43,370)	(14,833)	(53,543)
Stock options	256,914	987,580	603,675	987,580
	<u>(112,898)</u>	<u>(226,064)</u>	<u>(607,492)</u>	<u>(568,326)</u>
Change in non-cash working capital items				
Amounts receivable	(117,257)	(121,741)	652,355	(246,412)
Prepaid expenses	(101,094)	(202,906)	(113,007)	(359,988)
Accounts payable and accrued liabilities	286,044	91,757	4,621	(279,837)
	<u>67,693</u>	<u>(232,890)</u>	<u>543,969</u>	<u>(886,237)</u>
	<u>(45,205)</u>	<u>(458,954)</u>	<u>(63,523)</u>	<u>(1,454,563)</u>
Cash flows from financing activities				
Issuance of share capital net of share issue expenses	-	139,400	12,000	1,802,410
	<u>-</u>	<u>139,400</u>	<u>12,000</u>	<u>1,802,410</u>
Cash flows from investing activities				
Increase in mining properties	(77,922)	(380,613)	(439,028)	(584,579)
Proceeds from sale of options on mining properties	766,496	880,200	1,147,879	1,360,000
Addition to deferred charges	(192,437)	-	(192,437)	-
Addition on property, plant and equipment	(42,931)	(6,683)	(65,414)	(6,683)
Addition to intangible assets	(2,350)	-	(11,038)	-
Proceeds from sale of long-term investments	13,950	50,578	36,950	62,843
	<u>464,806</u>	<u>543,482</u>	<u>476,912</u>	<u>831,581</u>
Net change in cash and cash equivalents	419,601	223,928	425,389	1,179,428
Cash and cash equivalents - Beginning of period	1,362,437	1,184,928	1,356,649	229,428
Cash and cash equivalents - End of period	<u>1,782,038</u>	<u>1,408,856</u>	<u>1,782,038</u>	<u>1,408,856</u>
Additional information				
Tax credit and mining rights receivable applied against mining properties	(28,481)	-	(51,193)	-
Interest cashed (net of interest paid)	6,040	17,925	28,976	24,650
Shares received in consideration of the sale of mining properties	129,550	531,200	347,150	605,200
Cash proceeds from sale of options on mining properties included in amounts receivable	-	-	100,000	-

The accompanying notes are an integral part of these interim financial statements.

AZIMUT EXPLORATION INC.

(An exploration company)

Notes to Interim Financial Statements (unaudited)

1 Summary of significant accounting policies

Interim financial information

The financial information as at May 31, 2008 and for the periods ended May 31, 2008 and 2007 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 for the year ended August 31, 2007.

Accounting changes

Effective September 1, 2007, the Company adopted the new recommendations of the CICA relating to financial instruments, under CICA Handbook Section 1530, Comprehensive Income, Section 3251, Equity, Section 3855, Financial Instruments; Recognition and Measurement and Section 3861, Financial Instruments; Disclosure and Presentation. These new Handbook sections provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting.

The Company recognizes all of its financial assets and liabilities in the balance sheet according to their classification. Any adjustment made to a previous carrying amount will be recognized as an adjustment to the classification. Any adjustment made to a previous carrying amount will be recognized as an adjustment to the balance of deficit at that date or as the opening balance of a separate item in "Accumulated other comprehensive loss", net of income taxes, if any.

The difference between the carrying amount and the fair value of investments classified as available for sale will be recognized as an adjustment to the opening balance of "Accumulated other comprehensive loss", net of income taxes, if any.

As a result of the adoption of these new standards, the Company has classified its long-term investments as available-for-sale on September 1, 2007. The difference between the fair value determined using the bid price as at August 31, 2007 and the cost base of the Company's long-term investments of \$62,700 is recognized as an adjustment to the opening balance of "Accumulated other comprehensive loss".

Cash and cash equivalents are classified as assets held for trading, are recognized at fair value at each balance sheet date and any changes in fair value is reflected in net earnings in the period during which these changes take place. At May 31, 2008, the recorded amount approximates fair value.

Amounts receivable are classified under "Loans and receivables", accounts payable and accrued liabilities are classified under "Other financial liabilities". "Loans and receivables" and "Other financial liabilities" are measured at amortized cost using the effective interest method. Interest income or expense are included in net earnings over the expected life of the financial instrument. At May 31, 2008, the recorded amount approximates fair value.

AZIMUT EXPLORATION INC.

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

As at May 31, 2008, the following claims were in good standing,

	Undivided participation %	Balance as at August 31, 2007 \$	Costs incurred \$	Option payments, Write-off, credit on duties refundable for losses, refundable tax credit relating to resources \$	Balance as at May 31, 2008 \$
James Bay					
Opinaca A, A East (497 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	6,635	(6,635)	-
		-	6,635	(6,635)	-
Opinaca B, B North (220 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	5,138	(5,138)	-
		-	5,138	(5,138)	-
Eleonore South (282 claims)					
Mining property	33.33	-	-	-	-
Exploration costs		-	14,918	(14,918)	-
		-	14,918	(14,918)	-
Opinaca D (188 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	1,383	(1,383)	-
		-	1,383	(1,383)	-
Eastmain West (167 claims)					
Mining property	100	-	-	-	-
Exploration costs		661	8,260	(3,535)	5,386
		661	8,260	(3,535)	5,386
Wabamisk (755 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	6,832	(6,832)	-
		-	6,832	(6,832)	-
Comptoir (796 claims)					
Mining property	100	59,450	-	-	59,450
Exploration costs		15,024	4,060	(1,872)	17,212
		74,474	4,060	(1,872)	76,662
Gold (2,277 claims)					
Mining property	100	-	229,490	-	229,490
Exploration costs		-	3,090	(1,382)	1,708
		-	232,580	(1,382)	231,198
Total James Bay		75,135	279,806	(41,695)	313,246

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, 2007 \$	Costs incurred \$	Option payments, Write-off, credit on duties refundable for losses, refundable tax credit relating to resources \$	Balance as at May 31, 2008 \$
Ungava Bay					
North Rae (1,853 claims)					
Mining property	100	-	-	-	-
Exploration costs		2,726	19,329	(22,055)	-
		<u>2,726</u>	<u>19,329</u>	<u>(22,055)</u>	<u>-</u>
South Rae (2,854 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	11,041	(9,653)	1,388
		<u>-</u>	<u>11,041</u>	<u>(9,653)</u>	<u>1,388</u>
Daniel Lake (972 claims)					
Mining property	100	-	(2,754)	(3,264)	(6,018)
Exploration costs		-	2,059	(1,046)	1,013
		<u>-</u>	<u>(695)</u>	<u>(4,310)</u>	<u>(5,005)</u>
Kangiq (1,743 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Others (1,043 claims)					
Mining property	100	28,520	40,407	-	68,927
Exploration costs		312	1,212	(558)	966
		<u>28,832</u>	<u>41,619</u>	<u>(558)</u>	<u>69,893</u>
Total Ungava Bay		<u>31,558</u>	<u>71,294</u>	<u>(36,576)</u>	<u>66,276</u>
Central Quebec					
North Minto (2,272 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	5,093	(5,093)	-
		<u>-</u>	<u>5,093</u>	<u>(5,093)</u>	<u>-</u>
South Minto (1,609 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	5,330	(5,330)	-
		<u>-</u>	<u>5,330</u>	<u>(5,330)</u>	<u>-</u>
Central Minto (1,146 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(forward)		<u>-</u>	<u>10,423</u>	<u>(10,423)</u>	<u>-</u>

AZIMUT EXPLORATION INC.

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Notes to Interim Financial Statements (unaudited)

2 Mining properties - Cont'd

Central Quebec (continued)	Undivided participation %	Balance as at August 31, 2007 \$	Costs incurred \$	Option payments, Write- off, credit on duties refundable for losses, refundable tax credit relating to resources \$	Balance as at May 31, 2008 \$
(brough forward)		-	10,423	(10,423)	-
West Minto (952 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	7,570	(7,570)	-
		-	7,570	(7,570)	-
South Bienville (1,929 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	-	-	-
		-	-	-	-
Hudson Bay (661 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	2,182	(2,182)	-
		-	2,182	(2,182)	-
West Bienville (288 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	8,839	(3,467)	5,372
		-	8,839	(3,467)	5,372
Kativik (1,861 claims)					
Mining property	100	126,024	(7,747)	(118,277)	-
Exploration costs		258	826	(1,084)	-
		126,282	(6,921)	(119,361)	-
Quutsuki (19 claims)					
Mining property	100	1,862	-	-	1,862
Exploration costs		-	-	-	-
		1,862	-	-	1,862
Total Central Quebec		128,144	22,093	(143,003)	7,234

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, 2007 \$	Costs incurred \$	Option payments, Write-off, credit on duties refundable for losses, refundable tax credit relating to resources \$	Balance as at May 31, 2008 \$
North Shore					
Manitou (301 claims)					
Mining property	100	45,439	-	-	45,439
Exploration costs		516	627	(268)	875
		<u>45,955</u>	<u>627</u>	<u>(268)</u>	<u>46,314</u>
Mont Merry (46 claims)					
Mining property	100	3,000	-	-	3,000
Exploration costs		130	-	-	130
		<u>3,130</u>	<u>-</u>	<u>-</u>	<u>3,130</u>
Grenium (347 claims)					
Mining property	100	8,480	44,705	(6,496)	46,689
Exploration costs		(243)	12,624	(5,400)	6,981
		<u>8,237</u>	<u>57,329</u>	<u>(11,896)</u>	<u>53,670</u>
North Havre (260 claims)					
Mining property	100	-	-	-	-
Exploration costs		-	7,879	(3,372)	4,507
		<u>-</u>	<u>7,879</u>	<u>(3,372)</u>	<u>4,507</u>
Nickel (1,896 claims)					
Mining property	100	167,340	-	-	167,340
Exploration costs		25	-	-	25
		<u>167,365</u>	<u>-</u>	<u>-</u>	<u>167,365</u>
Total North Shore		<u>224,687</u>	<u>65,835</u>	<u>(15,536)</u>	<u>274,986</u>
		<u>459,524</u>	<u>439,028</u>	<u>(236,810)</u>	<u>661,742</u>

3 Share Capital

Authorized

Unlimited number of commons shares, without par value, voting and participating

Issued and fully paid

	2008		2007	
	9 months		9 months	
	Shares	\$	Shares	\$
Balance - Beginning of period	16,771,755	7,924,286	16,121,755	6,022,948
Private placements	-	-	418,000	1,711,200
Stock options exercised (1)	50,000	18,900	232,000	265,128
Shares issue expenses	-	-	-	(74,990)
Balance - End of period*	<u>16,821,755</u>	<u>7,943,186</u>	<u>16,771,755</u>	<u>7,924,286</u>

* no shares (72,392 in 2007) were held in escrow.

(1) Representing a cash consideration of \$12,000 (\$166,200 in 2007) upon their exercise and a fair value of stock options exercised of \$6,900 (\$98,928 in 2007).

AZIMUT EXPLORATION INC.

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Notes to Interim Financial Statements (unaudited)**4 Stock Options**

The following tables present the stock option activity since September 1, 2007 and summarize information about fixed stock options outstanding and exercisable as at May 31 :

	3 months	9 months	Weighted average exercise price	
	Number	Number	3 months	9 months
			\$	\$
Outstanding - Beginning of period	1,545,000	1,595,000	2.25	2.19
Exercised	--	(50,000)	-	0.24
Granted	360,000	360,000	3.03	3.03
Outstanding - End of period	1,905,000	1,905,000	2.40	2.40
Exercisable - End of period	1,346,000	1,346,000	1.97	1.97

Exercise prices	Options outstanding	Options exercisable	Weighted average remaining contractual life
	Number	Number	(years)
\$0.30	290,000	290,000	0.79
\$0.64	30,000	30,000	2.07
\$0.86	105,000	105,000	2.30
\$1.50	50,000	50,000	2.73
\$1.55	300,000	300,000	2.75
\$1.75	150,000	150,000	2.79
\$1.80	20,000	20,000	2.89
\$3.03	360,000	36,000	4.86
\$3.85	300,000	150,000	3.77
\$4.30	300,000	215,000	3.78
	1,905,000	1,346,000	3.14

AZIMUT EXPLORATION INC.

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Notes to Interim Financial Statements (unaudited)

4 Stock Options - Cont'd**Accounting for the stock-based compensation plan**

The fair value of options granted was estimated using the Black-Scholes option pricing model with the following assumptions:

Number of options granted	360,000
Risk-free interest rate	3.50%
Expected volatility	68.53%
Dividend yield	Nil
Weighted average expected life	5 years
Weighted average fair value of options granted	\$1.80

The fair value of option granted during the period amounts to \$648,000. An amount of \$64,800 representing the fair value of options granted and exercisable, has been included in the statement of Earnings and Comprehensive Income (Loss) under items "Stock options" as well as in "Shareholders' Equity" under item "Stock options".

Also during the nine months period ended May 31, 2008, an amount of \$538,875, representing the fair value of an additional 165,000 options which became exercisable, was included in the statement of earnings and Comprehensive Income (Loss). These options were granted during the fiscal year ended August 31, 2007.

5 Related party transactions

During the nine months period ended May 31, 2008, the Company entered into the following transaction with a law firm of which one of the directors is a partner:

	2008	2007
	\$	\$
Professional fees and disbursement of expenses	4,933	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 by the related parties.

6 Accumulated other comprehensive loss

	May 31, 2008
	\$
Cumulative impact of accounting changes relating to financial instrument (note 1)	62,700
Change in value of long-term investments held for sale	388,383
Balance - End of period	451,083

AZIMUT EXPLORATION INC.

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Notes to Interim Financial Statements (unaudited)

7 Net earnings (loss) per share

For the period ended May 31, 2007, the diluted loss per share was the same as the basic loss per share since the dilutive effect of stock options was not included in the calculation; otherwise the effect would have been anti-dilutive. Accordingly, the diluted net loss per share for that period was calculated using the basic weighted average number of shares outstanding.

	Period ended May 31,		Period ended May 31,	
	3 months		9 months	
	2008	2007	2008	2007
Earnings (loss) used in the basic and diluted net earnings (loss) per share calculation	\$436,733	(\$596,312)	\$97,756	(\$625,546)
Basic weighted average number of shares outstanding	16,821,755	16,657,679	16,791,098	16,443,847
Stock options	681,358	1,061,898	739,432	936,112
Diluted weighted average number of shares outstanding	17,503,113	17,719,577	17,530,530	17,379,959
Items excluded from the calculation of the diluted net earnings (loss) per share because the exercise price was greater than the average market price of the common shares - Stock options	600,000	-	300,000	-

8 Subsequent events

Deferred charges consist of expenses incurred in connection with Azimut's proposition for the acquisition of all outstanding shares of a public company. This transaction was aborted in June 2008. The deferred charges of an amount of \$192,437 which were capitalized during the period will be written-off accordingly.

On July 5, 2008, Azimut and NWT Uranium Corp. concluded an agreement to terminate the option agreements previously granted by Azimut to NWT on the North Rae and Daniel Lake properties located in the Ungava Bay region, Quebec. The termination of the option agreements is conditional upon Azimut making a cash payment within 90 days to NWT of \$4,000,000, which Azimut plans to finance by way of an equity financing, and issuing of 1,100,000 common shares of Azimut to NWT.

9 Comparative figures

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

AZIMUT EXPLORATION INC.

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CORPORATE INFORMATION

Board of Directors

Dennis Wood, Chairman of the Board (Montreal)
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)
Pierre Toth, M.Sc., Director (Montreal)

Management

Jean-Marc Lulin, President and Chief Executive Officer
Normand Champigny, Executive Vice President
Sylvain Gu  rard, Vice President Exploration
Moniroth Lim, Secretary and Treasurer

Legal Counsel

Miller Thomson Pouliot (Montreal)

Auditors

PricewaterhouseCoopers LLP (Quebec)

Transfer Agent

Trust CIBC Mellon Company (Montreal)

Listing

TSX Venture
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