



## MANAGEMENT'S DISCUSSION AND ANALYSIS

**For the three and nine months ended May 31, 2021**

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## SCOPE OF MANAGEMENT'S FINANCIAL ANALYSIS

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This management discussion and analysis (“MD&A”) represents a complementary addition to the unaudited condensed interim financial statements of Azimut Exploration Inc. (“Azimut” or the “Company”) by providing additional contextual and prospective information on the Company’s financial position and operating performance for the three and nine months ended May 31, 2021 (“Q3 2021”). This report should be read in conjunction with the Company’s unaudited condensed interim financial statements for the three and nine months ended May 31, 2021, and the annual financial statements for the year ended August 31, 2020, which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Unless otherwise noted, all figures are in Canadian dollars, the functional and presentation currency of the Company.

## CORPORATE PROFILE AND MISSION

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Azimut is a publicly traded Canadian exploration-stage company specializing in mineral potential assessments and targeting to discover major ore deposits. It conducts its exploration activities by following two main guiding principles. First, the Company maximizes the probability of discovery by using AZtechMine™, a proprietary, cutting-edge targeting methodology that reduces exploration risk. Second, the Company reduces business risk by entering into partnerships for the projects it generates. Properties are acquired based on the results of the Company’s regional-scale assessments of Quebec’s mineral potential.

As at July 23, 2021, the Company holds an exploration portfolio of twenty-nine (29) exploration properties comprising 11,806 claims (11,811 claims – May 31, 2021) (Figure 1). The portfolio properties are grouped below by region:

James Bay:

- 20 gold or gold-copper properties
  - 5 in the Elmer Discovery Sector (Elmer, Elmer South, Pilipas and Wapatik; option on Munischiwan)
  - 8 in the Trans-Taiga Road Sector (Corvet, Dalmas, Galinée, Kaanaayaa and Kukamas; options on Pikwa, Pontois and Desceliers)
  - 5 in the Eleonore Gold Camp (Eleonore South, Opinaca A, Opinaca B, Opinaca D and Synclinal)
  - 1 in the Eastmain Reservoir Sector (Wabamisk)
  - 1 in Eastern James Bay (Valore)
- 2 base metal properties (Corne and Mercator)
- 1 chromium property (Chromaska)

Nunavik:

- 4 gold-polymetallic properties (Rex-Duquet, Rex South, Nantais and NCG)
- 1 copper property (Doran)
- 1 uranium property (North Rae)

Azimut owns a 100% interest in nineteen (19) of the properties in its portfolio and a partial interest in six (6): Eleonore South (23.77%), Wabamisk (49%), Opinaca B (25%), and Opinaca A, Dalmas and Galinée (50% each). The Company has a back-in option to regain a 50% interest in four (4) properties belonging to SOQUEM Inc. (“SOQUEM”): Munischiwan, Pikwa, Pontois and Desceliers. Azimut will issue a notice in the fourth quarter to advise SOQUEM that the Company has fulfilled its obligations to exercise said option on each of these properties.

Jean-Marc Lulin, P.Geol., Azimut’s President, CEO and Director, is a qualified person under National Instrument 43-101 and has reviewed the technical disclosures presented in subsequent sections. All claim totals, surface areas and property descriptions are effective as at July 23, 2021.

## OVERALL PERFORMANCE

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Summary of exploration activities for the current quarter and subsequent activities:

- Azimut completed a 15,135-metre (67 holes) diamond drilling program on its wholly-owned Elmer gold property in the James Bay region of Quebec (press release (“PR”) of June 22, 2021). The published results for fifteen (15) drill holes, which yielded numerous wide high-grade intervals in the Patwon gold zone, include 4.21 g/t Au over 39.5 m (PR of July 20, 2021), 24.0 g/t Au over 18 m (PR of June 22, 2021) and 6.43 g/t Au over 40.6 m (PR of May 19, 2021). Multiple holes encountered visible gold (PR of June 2, 2021). Assay results are pending for the remaining 52 holes.

- Azimut reported positive results from initial metallurgical testwork on coarse rejects from drill holes on the Patwon Zone on the Elmer Property. The results indicate potentially excellent gold recoveries through a gravity circuit and cyanide leaching (PR of May 4, 2021). Additional metallurgical tests are underway on drill core composites.
- Azimut commenced an extensive exploration program on two wholly-owned properties, Elmer and Wapatik, covering 60 kilometres of favourable geological strike in the greenstone belt that hosts the Patwon gold discovery (PR of June 28, 2021).

Financial and corporate highlights for the nine months ended May 31, 2021:

- Azimut completed a bought deal private placement financing for total gross proceeds of \$28,749,245, consisting of 3,463,900 flow-through shares at a price of \$3.32 per share and 9,078,472 common shares at a price of \$1.90 per share (PR of July 16, 2021).
- Azimut appointed Krista Muhr to the Board of Directors (PR of March 19, 2021).
- Azimut completed a private placement of 3,333,335 common shares at a price of \$1.80 per share for aggregate proceeds of \$6.0 million<sup>1</sup> (PR of September 3, 2020).
- Azimut received \$300,000 during the period from Mont Royal Resources Limited (“Mont Royal”) for an exploration program on the Wapatik Property.
- Azimut ended the period with working capital of \$4.0 million (\$5.4 million – Q3 2020). Management believes it has sufficient funds to pay its ongoing general and administration (“G&A”) expenses and to meet its liabilities, obligations and existing commitments for at least twelve (12) months after Q3 2021.
- Azimut incurred \$6.7 million in exploration and evaluation (“E&E”) expenditures on its own during the period, and \$2.1 million on behalf of partners that was charged back to the partners.

## **HEALTH & SAFETY, ENVIRONMENT AND STAKEHOLDER RELATIONS**

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The Company is dedicated to carrying out exploration activities safely while minimizing environmental impacts and respecting local communities. Efforts are deployed to maintain and continuously improve internal management systems.

In Q3 2021, the following actions were taken to promote harmonious stakeholder relations and ensure that environmental and health & safety practices complied with industry standards and applicable regulations:

### ***Health and safety***

- Special protocols addressing the health risks from COVID-19 were maintained and adjusted as required.
- Some of the Company’s standards regarding personal protective equipment were upgraded to address the cold working conditions encountered during the winter drilling program on the Elmer Property.

### ***Environment stewardship***

- All the necessary permits were obtained before carrying out any work to ensure adherence to environmental laws.

### ***Community relations***

- Letters were sent to communities to make them aware of the Company’s exploration activities in compliance with provincial law.
- A local Inuit business was hired to provide logistical support for the Nunavik exploration programs.

## **EXPLORATION AND EVALUATION ASSETS**

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In Q3 2021, Azimut incurred E&E expenditures of \$6.7 million (\$3.4 million – Q3 2020). The majority were incurred in the James Bay region on the Elmer Property (100% Azimut) and the Pikwa Property (a property under a strategic alliance with SOQUEM).

Tables 1 and 2 detail the type of work done and paid for by the Company on its E&E assets for the period. All properties are located in the Province of Quebec, Canada.

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<sup>1</sup> For ease of reading and comparison, dollar amounts in the text of this MD&A are rounded to the nearest thousand for amounts over \$1,000 (or to one decimal place for millions) and to the nearest hundred otherwise, except for equity prices and exercise prices. For exact amounts, refer to the tables in this MD&A and to the accompanying financial statements.

## Azimut-SOQUEM

### James Bay Strategic Alliance

Munischwan (Au-Cu-Ag)

Pikwa (Au, Cu, Co, Mo)

Pontois (Au)

Dalmas (Au)

Galinée (Au)

Desceliers (Au, Cu)

### 100% Azimut

Elmer (Au, Ag, Cu, Zn)

Elmer South (Au)

Pilipas (Au)

Kukamas (Cu-Au)

Opinaca D (Au)

Chromaska (Cr)

Corvet (Au-Cu)

Kaanaayaa (Cu-Au, Cu-Ni)

Corne (Cu-Au)

Synclinal (Au)

Valore (Au)

Mercator (Cu, Cu-Ni-Co)

NCG (Cu, Au, Ag, W, REE)

North Rae (U)

Doran (Cu)

## Azimut-SOQUEM

### Nunavik Strategic Alliance

Rex-Duquet (Au, Ag, Cu, REE)

Rex South (Au, Ag, Cu, W, REE)

Nantais (Au, Ag, Cu, Zn)

### Other JVs

Opinaca A (Au)

Opinaca B (Au)

Eleonore South (Au)

Wabamisk (Au)

Wapatik (Au)

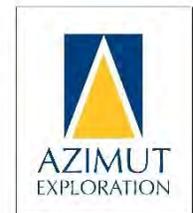
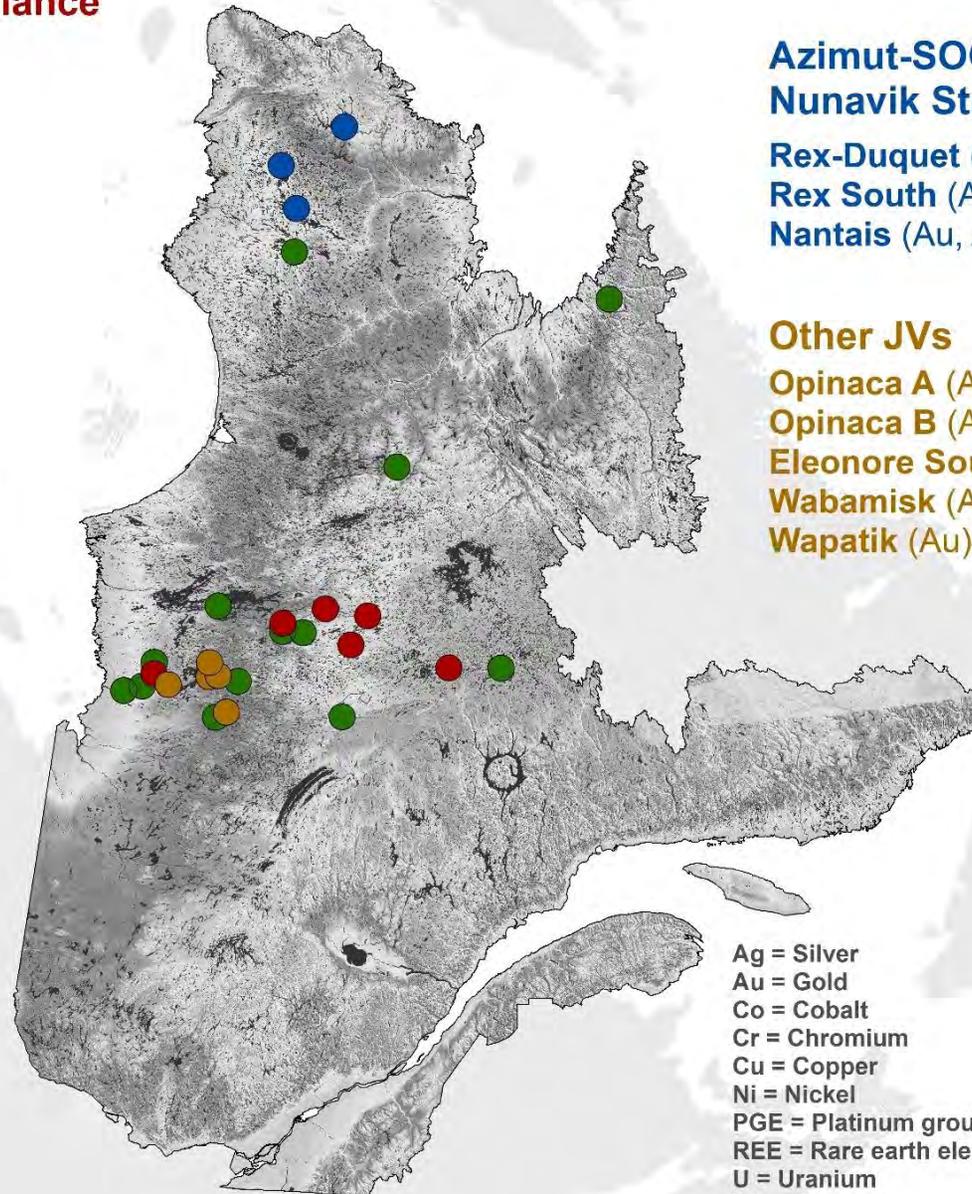


Figure 1: Map of Azimut's exploration property portfolio in Quebec.

**Table 1: Change in E&E assets Q3 2021**

Mineral property	Net book value as at August 31, 2020 \$	Acquisition costs		Exploration costs					Depreciation of property and equipment \$	Cost incurred during the period \$	Credit on duties refundable for loss and refundable tax credit for resources \$	Impairment \$	Net book value as at May 31, 2021 \$
		Claims & permits \$	Geochem. surveys \$	Geol. surveys \$	Geoph. surveys \$	Drilling \$	Stripping \$	Admin. and others \$					
<b>James Bay</b>													
Elmer	4,467,334	(6,006)	80,932	520,332	566,460	4,047,646	(8,094)	24,351	399,104	5,624,725	(1,591,000)	-	8,501,059
Duxbury	202,074	-	-	6,660	-	-	-	-	-	6,660	(1,000)	-	207,734
SOQUEM	1,205,857	2,340	6,736	42,449	20,761	841,867	-	-	-	914,153	(34,650)	-	2,085,360
Dalmas	48,503	-	319	1,089	-	-	-	-	-	1,408	-	-	49,911
Galinée	76,578	-	9,603	27,806	-	-	-	-	-	37,409	(15,800)	-	98,187
Eleonore South	1,625,627	-	175	3,034	-	4,500	-	-	-	7,709	(3,050)	-	1,630,286
Opinaca A	69,489	-	-	-	-	-	-	-	-	-	-	(59,361)	10,128
Opinaca B	6,547	1,850	-	80	-	-	-	-	-	1,930	-	-	8,477
Opinaca D	304,129	-	-	92	-	-	-	-	-	92	-	(290,306)	13,916
Wabamisk	30,806	-	-	415	-	-	-	-	-	415	-	-	31,221
Corvet	72,314	-	-	2,467	-	-	-	-	-	2,467	(1,000)	-	73,781
Kukamas	92,162	-	1,440	1,860	-	-	-	-	-	3,300	(1,350)	-	94,112
Wapatik	44,934	-	-	-	-	-	-	11,023	-	11,023	-	-	55,957
Pilipas	21,730	-	-	10,572	-	-	-	-	-	10,572	(2,250)	-	30,052
Kaanaayaa	71,702	-	-	5,500	-	-	-	-	-	5,500	(1,090)	-	76,112
Others	16,225	6,006	-	-	-	-	-	-	-	6,006	-	(1,855)	20,376
<b>Total – Gold</b>	<b>8,356,011</b>	<b>4,190</b>	<b>99,205</b>	<b>622,356</b>	<b>587,221</b>	<b>4,894,013</b>	<b>(8,094)</b>	<b>35,374</b>	<b>399,104</b>	<b>6,633,369</b>	<b>(1,651,190)</b>	<b>(351,521)</b>	<b>12,986,669</b>
Chromaska	-	-	-	350	616	-	-	-	-	966	-	(966)	-
<b>Total – Chromium-PGE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>350</b>	<b>616</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>966</b>	<b>-</b>	<b>(966)</b>	<b>-</b>
Mercator	59,392	-	-	4,628	-	-	-	-	-	4,628	(750)	-	63,270
Corne	34,453	-	-	3,800	-	-	-	-	-	3,800	(700)	-	37,553
Other	4,446	-	-	-	-	-	-	-	-	-	-	(822)	3,624
<b>Total – Base Metal</b>	<b>98,291</b>	<b>-</b>	<b>-</b>	<b>8,428</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,428</b>	<b>(1,450)</b>	<b>(822)</b>	<b>104,447</b>
<b>Total – James Bay</b>	<b>8,454,302</b>	<b>4,190</b>	<b>99,205</b>	<b>631,134</b>	<b>587,837</b>	<b>4,894,013</b>	<b>(8,094)</b>	<b>35,374</b>	<b>399,104</b>	<b>6,642,763</b>	<b>(1,652,640)</b>	<b>(353,309)</b>	<b>13,091,116</b>
<b>Nunavik</b>													
Rex	1,124,470	-	-	-	-	-	-	-	-	-	-	-	1,124,470
Duquet	16,057	-	-	-	-	-	-	-	-	-	-	-	16,057
Rex South	552,477	-	-	-	-	-	-	-	57	57	-	-	552,534
Nantais	196,162	-	-	-	-	-	-	-	-	-	-	-	196,162
NCG	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total – Gold</b>	<b>1,889,166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57</b>	<b>57</b>	<b>-</b>	<b>-</b>	<b>1,889,223</b>
Doran	-	59,732	-	3,320	-	-	-	-	-	63,052	-	-	63,052
<b>Total – Base Metal</b>	<b>-</b>	<b>59,732</b>	<b>-</b>	<b>3,320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,052</b>	<b>-</b>	<b>-</b>	<b>63,052</b>
North Rae	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total - Uranium</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total – Nunavik</b>	<b>1,889,166</b>	<b>59,732</b>	<b>-</b>	<b>3,320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57</b>	<b>63,109</b>	<b>-</b>	<b>-</b>	<b>1,952,275</b>
<b>Total – E&amp;E assets</b>	<b>10,343,468</b>	<b>63,922</b>	<b>99,205</b>	<b>634,454</b>	<b>587,837</b>	<b>4,894,013</b>	<b>(8,094)</b>	<b>35,374</b>	<b>399,161</b>	<b>6,705,872</b>	<b>(1,652,640)</b>	<b>(353,309)</b>	<b>15,043,391</b>

**Change in E&E assets – Q3 2020**

	Net book value as at August 31, 2019 \$	Acquisition costs		Exploration costs					Depreciation of property and equipment \$	Cost incurred during the period \$	Tax credit \$	Impairment \$	Net book value as at May 31, 2020 \$
		Claims & permits \$	Geochem. surveys \$	Geol. surveys \$	Geoph. surveys \$	Drilling \$	Stripping \$	Admin. and others \$					
<b>Mineral property</b>													
<b>James Bay</b>													
Elmer	220,518	57,288	828	164,062	579,458	1,304,520	146,440	3,270	-	2,555,866	(428,700)	-	2,047,684
Duxbury	112,263	-	297	4,484	86,260	-	-	-	-	91,041	(1,200)	-	202,104
SOQUEM	436,819	8,778	215,683	294,575	215,335	25,029	55,147	-	-	814,547	(273,500)	-	977,866
Dalmas	25,366	847	10,366	27,587	-	-	680	-	-	39,480	(11,900)	-	52,946
Galinée	47,358	10,530	19,413	5,576	-	-	-	-	-	35,519	(4,800)	-	78,077
Eleonore South	1,553,228	19,420	-	1,254	-	6,595	-	3,509	26,241	57,019	(3,500)	-	1,606,747
Opinaca A	68,999	-	-	757	-	-	-	-	-	757	(250)	-	69,506
Opinaca B	5,855	-	-	1,228	-	-	-	-	-	1,228	(500)	-	6,583
Opinaca D	303,616	-	-	760	-	-	-	-	-	760	(250)	-	304,126
Wabamisk	26,910	-	3,200	1,035	-	-	-	-	-	4,235	(1,800)	-	29,345
Corvet	63,771	1,080	319	6,702	76	-	-	-	-	8,177	(500)	-	71,448
Kukamas	83,196	-	637	5,956	1,856	-	-	-	-	8,449	(500)	-	91,145
Wapatik	-	33,880	280	13,380	700	-	-	-	-	48,240	-	-	48,240
Pilipas	-	20,790	68	-	-	-	-	-	-	20,858	-	-	20,858
Kaanaayaa	65,507	-	554	4,994	76	-	-	-	-	5,624	(390)	-	70,741
Synclinal	-	-	-	85	-	-	-	-	-	85	(40)	(45)	-
Others	15,853	-	76	424	-	-	-	-	-	500	(90)	-	16,263
<b>Total – Gold</b>	<b>3,029,259</b>	<b>152,613</b>	<b>251,721</b>	<b>532,859</b>	<b>883,761</b>	<b>1,336,144</b>	<b>202,267</b>	<b>6,779</b>	<b>26,241</b>	<b>3,392,385</b>	<b>(727,920)</b>	<b>(45)</b>	<b>5,693,679</b>
Chromaska	-	-	-	2,443	-	3,325	-	-	-	5,768	(1,700)	(1,037)	3,031
<b>Total – Chromium-PGE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,443</b>	<b>-</b>	<b>3,325</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,768</b>	<b>(1,700)</b>	<b>(1,037)</b>	<b>3,031</b>
Mercator	53,908	-	455	4,195	76	-	-	-	-	4,726	(280)	-	58,354
Corne	27,633	-	379	5,783	76	-	-	-	-	6,238	(300)	-	33,571
Other	3,624	-	-	-	-	-	-	-	-	-	-	-	3,624
<b>Total – Base Metal</b>	<b>85,165</b>	<b>-</b>	<b>834</b>	<b>9,978</b>	<b>152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,964</b>	<b>(580)</b>	<b>-</b>	<b>95,549</b>
<b>Total – James Bay</b>	<b>3,114,424</b>	<b>152,613</b>	<b>252,555</b>	<b>545,280</b>	<b>883,913</b>	<b>1,339,469</b>	<b>202,267</b>	<b>6,779</b>	<b>26,241</b>	<b>3,409,117</b>	<b>(730,200)</b>	<b>(1,082)</b>	<b>5,792,259</b>
<b>Nunavik</b>													
Rex	1,122,956	-	-	-	-	-	-	-	1,137	1,137	-	-	1,124,093
Duquet	16,057	-	-	-	-	-	-	-	-	-	-	-	16,057
Rex South	550,722	-	-	-	-	-	-	-	1,317	1,317	-	-	552,039
Nantais	196,162	-	-	-	-	-	-	-	-	-	-	-	196,162
NCG	120	-	-	-	-	-	-	-	-	-	-	-	120
<b>Total – Gold</b>	<b>1,886,017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,454</b>	<b>2,454</b>	<b>-</b>	<b>-</b>	<b>1,888,471</b>
North Rae	-	-	-	120	-	-	-	-	-	120	(50)	(70)	-
<b>Total – Uranium</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>(50)</b>	<b>(70)</b>	<b>-</b>
<b>Total – Nunavik</b>	<b>1,886,017</b>	<b>-</b>	<b>-</b>	<b>120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,454</b>	<b>2,574</b>	<b>(50)</b>	<b>(70)</b>	<b>1,888,471</b>
<b>Total – E&amp;E assets</b>	<b>5,000,441</b>	<b>152,613</b>	<b>252,555</b>	<b>545,400</b>	<b>883,913</b>	<b>1,339,469</b>	<b>202,267</b>	<b>6,779</b>	<b>28,695</b>	<b>3,411,691</b>	<b>(730,250)</b>	<b>(1,152)</b>	<b>7,680,730</b>

## JAMES BAY REGION

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The Eeyou Istchee James Bay Territory (the “James Bay region”) has been one of the most active gold exploration areas in Canada since early 2000. It benefits from major infrastructure, including paved access roads, a hydroelectric power grid and airports. Azimut performed its initial mineral potential modelling of the James Bay region in 2003, and it continues to be a strategic priority for the Company. Azimut’s current James Bay portfolio (Figure 2) comprises thirteen (13) wholly-owned properties, six (6) JV projects, and four (4) properties held by SOQUEM for which the Company is exercising its back-in option. The list below groups these properties by location, showing commodity of interest and ownership.

### Elmer Discovery Sector

Elmer (gold-polymetallic)	100% Azimut
Elmer South (gold)	100% Azimut
Munischawan (gold-polymetallic)	100% SOQUEM; Azimut is exercising its option to regain a 50% interest under the back-in option
Pilipas (gold)	100% Azimut
Wapatik (gold)	100% Azimut; under option to Mont Royal; agreement of September 21, 2020

### Trans-Taiga Road Sector

Corvet (gold-copper)	100% Azimut
Dalmas (gold)	50% Azimut; JV with SOQUEM
Kaanaayaa (copper-gold)	100% Azimut
Kukamas (copper-gold)	100% Azimut
Pikwa (gold-polymetallic)	100% SOQUEM; Azimut is exercising its option to regain a 50% interest under the back-in option
Pontois (gold)	100% SOQUEM; Azimut is exercising its option to regain a 50% interest under the back-in option

### Eleonore Gold Camp

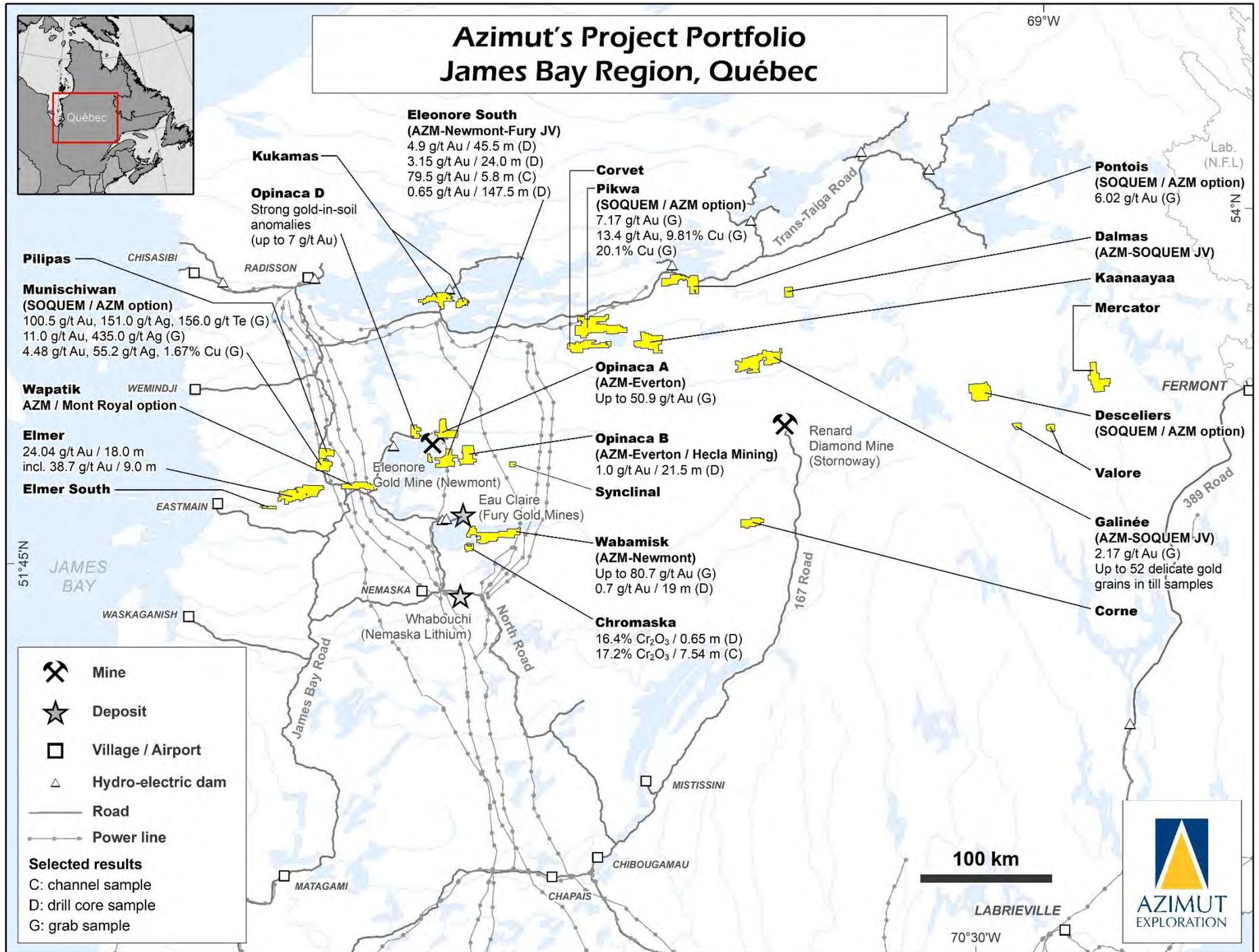
Eleonore South (gold)	23.77% Azimut; three-party agreement with Fury Gold Mines Ltd (“Fury Gold”) and Les Mines Opinaca Ltée, a wholly-owned subsidiary of Newmont Corporation (“Newmont”)
Opinaca A (gold)	50% Azimut; agreement with Everton Resources Inc. (“Everton”)
Opinaca B (gold)	25% Azimut; agreement with Everton and Hecla Québec Inc. (“Hecla”)
Opinaca D (gold)	100% Azimut
Synclinal (gold)	100% Azimut

### Eastern James Bay

Galinée (gold)	50% Azimut; JV with SOQUEM
Desceliers (gold-copper)	100% SOQUEM; Azimut is exercising its option to regain a 50% interest under the back-in option
Mercator (copper-polymetallic)	100% Azimut
Valore (gold)	100% Azimut
Corne (copper-gold)	100% Azimut

### Eastmain Reservoir Sector

Chromaska (Cr-PGE-Ni)	100% Azimut
Wabamisk (gold)	49% Azimut; agreement with Newmont



**Figure 2:** The Company's project portfolio in the James Bay region showing key results.

## **AZIMUT-SOQUEM JAMES BAY ALLIANCE**

On September 26, 2016, Azimut announced a four-year strategic alliance with SOQUEM covering 176,300-km<sup>2</sup> in the James Bay region (the “James Bay Alliance”). The objective was to identify gold targets and explore the most prospective targets after converting them into properties. Under the terms of the original agreement, Azimut provided SOQUEM with a report that identified major targets. SOQUEM selected four (4) targets to convert into properties at SOQUEM’s cost for an initial 50% ownership (Munischiwan, Pikwa, Pontois and Desceliers; the “SOQUEM Properties”). Under the agreement, SOQUEM was granted the option to acquire Azimut’s interest in these properties by investing a total of \$3 million in exploration work over four (4) years, including diamond drilling. At that stage, Azimut would retain a 2% net smelter return (“NSR”) royalty, of which 0.8% could be bought back for \$800,000 in cash. On any additional targets, SOQUEM was granted the option to acquire Azimut’s interest by spending \$750,000 per target over four (4) years. At such stage, Azimut would benefit from the same royalty interest, as described above. If SOQUEM does not complete its minimum investment for a given target, the agreement stipulates that said target would become a JV project. On any proposed target not retained by SOQUEM, Azimut would have the right to explore the target alone or with third parties.

On October 3, 2018, Azimut and SOQUEM announced an agreement to add Dalmas and Galinée as JV projects (the “SOQUEM JV Properties”) to the James Bay Alliance, with Azimut as the operator (PR of October 3, 2018).

On May 15, 2019, Azimut and SOQUEM announced they had amended the terms of the James Bay Alliance to include a 50% back-in option for Azimut to regain a 50% interest in the SOQUEM Properties by conducting \$3.3 million in exploration work over three (3) years (PR of May 15, 2019). Azimut retains a 2% NSR royalty until it completes the earn-in. The investment represents the same amount of SOQUEM’s cumulative work expenditures on the SOQUEM Properties and the SOQUEM JV Properties. The amended agreement stipulates that Azimut and SOQUEM each retain a 50% interest in the SOQUEM JV Properties (Galinée and Dalmas), and SOQUEM relinquishes its exclusive rights to acquire an interest in four other properties wholly owned by Azimut (Corvet, Duxbury, Kukamas and Synclinal).

As at May 31, 2021, Azimut had cumulatively invested \$3,317,000 in work expenditures (\$2,005,000 – May 31, 2020) and has thus met its obligations to regain a 50% interest in the SOQUEM Properties (Munischiwan, Pikwa, Pontois and Desceliers) under the back-in option.

## **ELMER DISCOVERY SECTOR**

Azimut’s portfolio includes a group of properties in the Elmer Discovery sector. This area became a strategic priority for the Company after it announced a significant drilling discovery on the Elmer Property (PR of January 14, 2021). The group of properties comprises four wholly-owned projects (Elmer, Elmer South, Pilipas and Wapatik) and the Munischiwan Property for which Azimut is exercising its back-in option with SOQUEM to regain a 50% interest. The area is serviced by roads, electric power and airport infrastructure. All four projects are located near the James Bay Road, a paved 620-kilometre all-season highway running from the mining town of Matagami in the south to Radisson in the north.

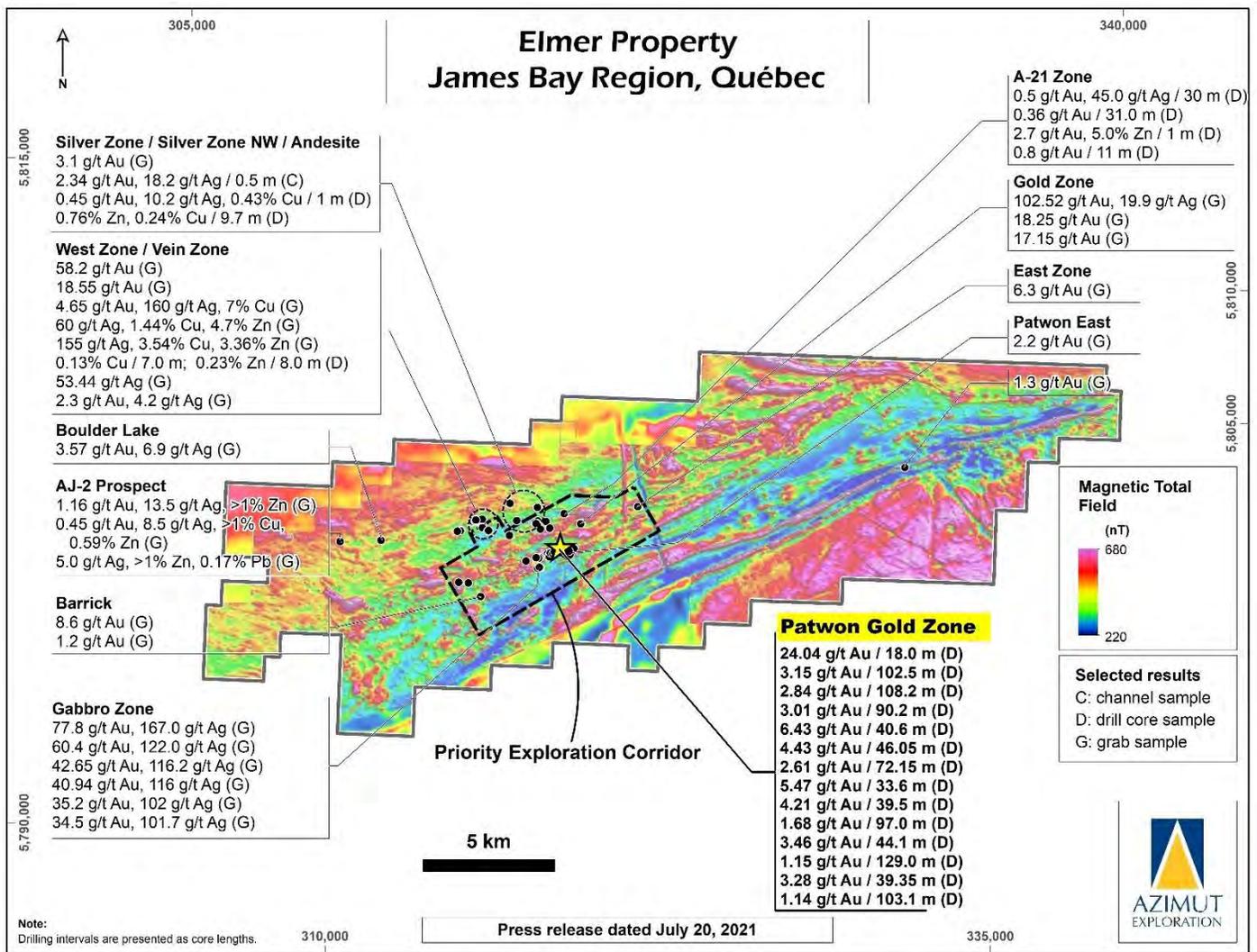
### **Elmer Property**

The wholly-owned Elmer Property (515 claims, 271.3 km<sup>2</sup>) (Figure 3) is a gold-polymetallic (Au-Ag-Cu-Zn) project located 5 kilometres west of the James Bay Road. The property is 60 kilometres from the Cree community of Eastmain on the east coast of James Bay. It provides a controlling position over a 35-kilometre-long gold corridor known as the **Elmer Trend**, in the underexplored Lower Eastmain greenstone belt of the La Grande Subprovince.

On January 14, 2020, Azimut announced a substantial drilling discovery during the Company’s maiden 2019 diamond drilling program on the property, with a highlight of 102.0 metres grading 3.12 g/t Au, including 10.1 g/t Au over 20.5 m. Several drilling programs quickly followed with excellent results (see below for details). Management considers the **Patwon Zone** to be one of the largest gold discoveries in the James Bay region since the discovery of the Éléonore deposit in 2004.

The most recent drilling program, completed in June 2021, further confirms the robustness and strong growth potential of the gold zone (see below for details). The initial metallurgical tests yielded positive results and additional testwork is underway (see below for details). The Company is also conducting an extensive exploration program covering 60 kilometres of favourable geological strike in the Lower Eastmain greenstone belt (Elmer and Wapatik properties; PR of June 28, 2021). The belt is considered highly prospective for shear-zone hosted and intrusion-related gold deposits. The work consists of systematic till sampling followed by detailed prospecting on both properties.

In Q3 2021, the Company incurred \$2.8 million (\$2.2 million – Q3 2020) in exploration work for drilling, prospecting, channel sampling and geophysics, but did not incur any claim acquisition expenditures (\$57,000 – Q3 2020).



**Figure 3:** Magnetic map of the Elmer Property showing salient historical and recent exploration results and the location of the Patwon Zone in the priority exploration corridor.

**Key facts and features (PRs of May 19, June 22 and July 20, 2021)**

- The Patwon Zone is a consistent, steeply dipping, gold-bearing zone that has been traced over a strike length of 500 metres (Figure 4) and to a minimum depth of 450 metres where the system remains robust and open, with a possible gold grade increase with depth. The average estimated true width is about 35 metres based on the published results from 44 drill holes. True widths can reach up to 80 metres.
- Patwon shows an impressive central core that extends from surface to a minimum depth of 450 metres, with an estimated true width of 50 metres and a grade x thickness factor ranging from 50 to 412 (based on true widths; Figure 5). The core zone appears to widen to the west and with depth. It correlates spatially with a vertically dipping felsic intrusion, indicating a strong possibility for kilometre-scale vertical extent.
- The mineralization is mainly related to quartz-vein networks and their wall rock alteration haloes, with pyrite as the dominant sulphide, occurring as fine to coarse disseminations, cross-cutting stringers and semi-massive to massive lenses. Native gold grains are frequent. Alteration comprises pervasive silica, feldspar, sericite, chlorite, carbonate and tourmaline.
- The NW-SE mineralized envelope dips an average of 75° to the north and is subparallel to the schistosity. It appears geometrically simple, with no internal folding or crosscutting barren dykes.
- The preliminary geometry supports the concept of an initial open pit mining operation. The consistent high-grade component in most holes also suggests the potential for an underground mining component as well.
- The intensity of quartz veining may be partly controlled by rheologic contrasts between host lithologies (felsic intrusives, felsic volcanics and mafic rocks) within an extensive shear zone.
- Initial metallurgical tests indicate potentially excellent gold recoveries through a gravity circuit and cyanide leaching (see below for details). Patwon is a gold-only system with no deleterious elements, such as arsenic or bismuth.

- Patwon is an orogenic gold-bearing system in a 3-kilometre-thick sequence of felsic volcanics with porphyritic intrusions, mafic volcanics, polymictic conglomerates and gabbroic sills. This deposit type classically has the potential for kilometre-scale vertical extension. One of the possible geologic analogs is the Goldex mine, owned and operated by Agnico Eagle (see below for details).

### ***Diamond drilling programs and significant results***

On January 14, 2020, Azimut announced frequent high-grade intervals and visible gold in all seven (7) holes of the Company's maiden diamond drilling program (996 m of oriented core). The highlight was an interval of 102.5 metres grading 3.15 g/t Au, including 10.1 g/t Au over 20.5 m (hole ELM19-002).

In March 2020, Azimut had to temporarily suspend a new diamond drilling program due to government restrictions in response to the COVID-19 pandemic (PR of March 25, 2020). The Company resumed work in May (PR of May 26, 2020), and by late fall 2020 had drilled 55 holes (10,515 m), successfully expanding the Patwon Zone on strike and at depth (PR of November 30, 2020). Drill targets were supported by detailed induced polarization ("IP") (51.9 line-km) and magnetic ("Mag") (56.6 line-km) surveys over the discovery area and its vicinity (PR of March 18, 2020). A convincing relationship between IP-chargeability and gold mineralization was illustrated in hole ELM 19-007 with an intersection grading 1.93 g/t Au over 82.0 m, including 3.46 g/t Au over 44.1 m (PR of March 18, 2020). Drilling results were reported in the PRs of July 27, September 15 and November 30, 2020.

A new drilling program commenced in January 2021 within the 3-kilometre by 8-kilometre priority exploration corridor (PR of January 27, 2021). The objectives were to expand the Patwon Zone and test 10 new nearby targets. Targets were defined by combining IP data (105 line-km; PR of March 18, 2021), high-resolution heliborne magnetics, detailed prospecting and till results (PR of January 19, 2021), and property-scale structural interpretations. The program ended in June 2021 with 67 holes drilled totalling 15,135 metres. Delineation drilling on the Patwon Zone was done on systematic 50-metre centres to expand the zone. Drilling results were reported in the PRs of May 19, June 2, June 22 and July 20, 2021. Assay results are still pending for 52 holes from this program.

The following figures show the traces of all holes drilled to date along the priority corridor (Figure 4), a longitudinal section through the mineralized zone showing gold grade-thickness (Figure 5), two cross-sections (Figures 6 and 7), and photographs of drill core (Figure 8). Table 3 presents significant drill intervals from the Company's diamond drilling programs to date. Grades are not capped and intervals are presented as core lengths. Estimated true widths are reported in Table 3.

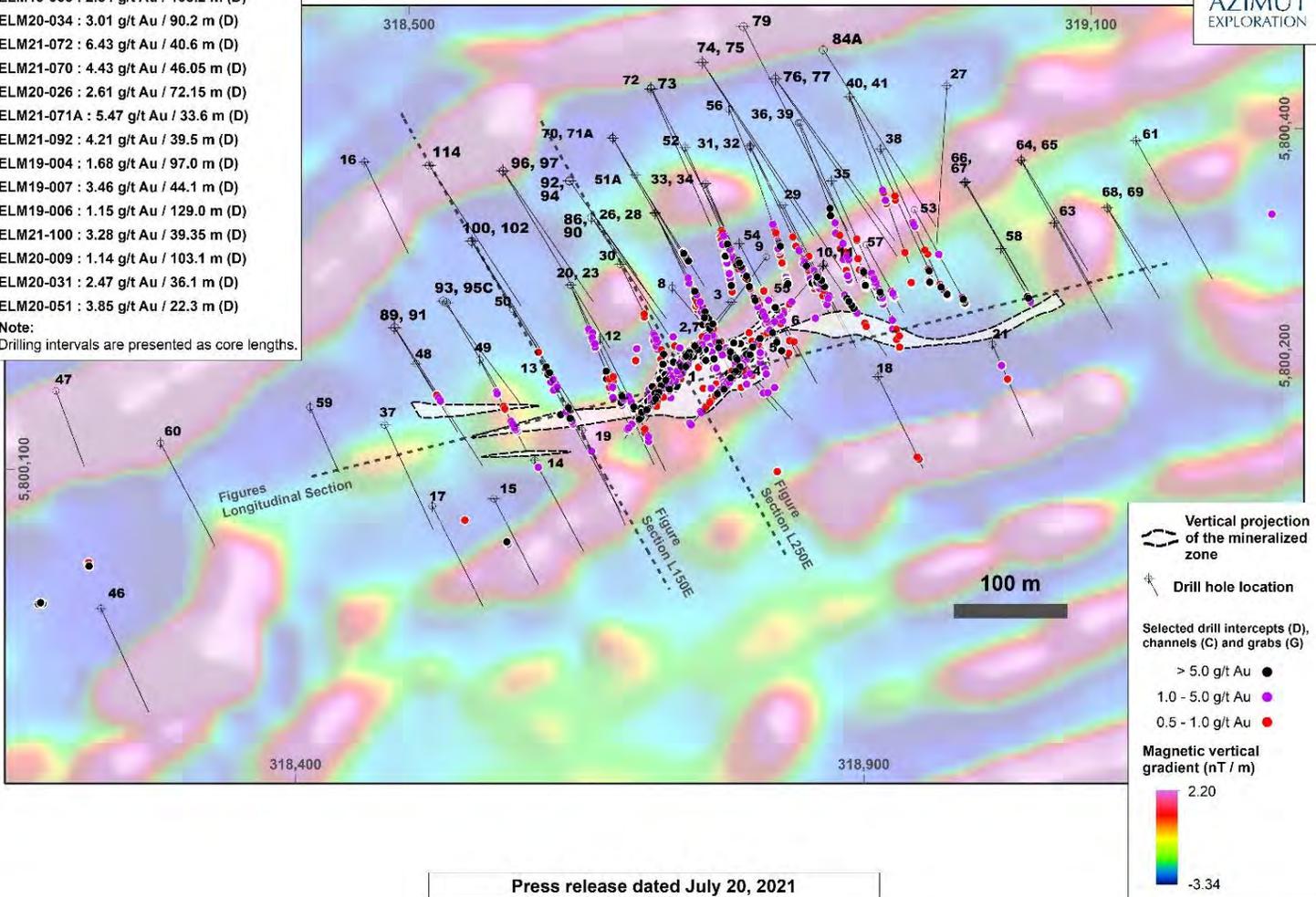
# Elmer Property, Patwon Gold Zone James Bay Region, Québec



**Significant drilling results**

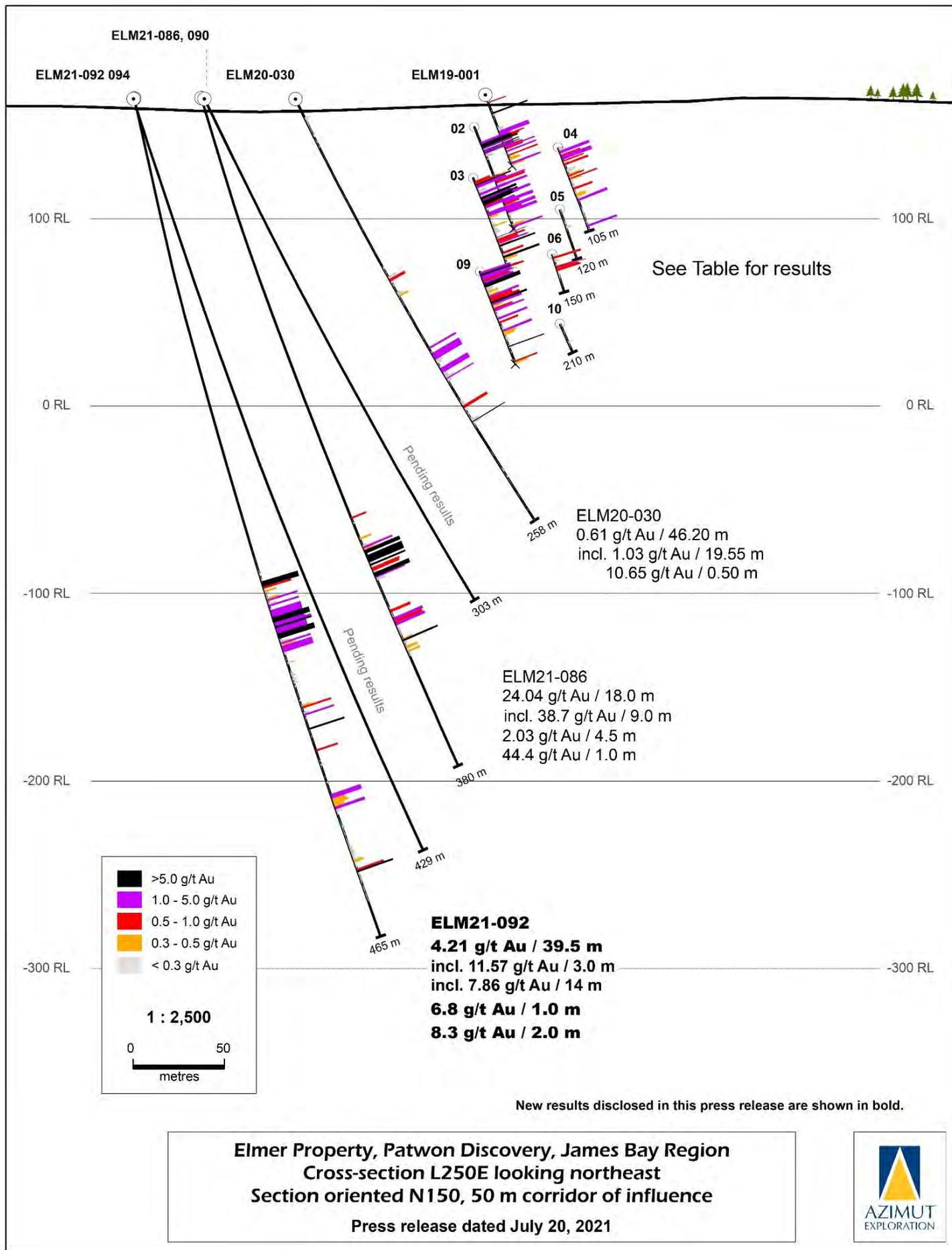
- ELM21-086 : 24.04 g/t Au / 18.0 m (D)
- ELM19-002 : 3.15 g/t Au / 102.5 m (D)
- ELM19-003 : 2.84 g/t Au / 108.2 m (D)
- ELM20-034 : 3.01 g/t Au / 90.2 m (D)
- ELM21-072 : 6.43 g/t Au / 40.6 m (D)
- ELM21-070 : 4.43 g/t Au / 46.05 m (D)
- ELM20-026 : 2.61 g/t Au / 72.15 m (D)
- ELM21-071A : 5.47 g/t Au / 33.6 m (D)
- ELM21-092 : 4.21 g/t Au / 39.5 m (D)
- ELM19-004 : 1.68 g/t Au / 97.0 m (D)
- ELM19-007 : 3.46 g/t Au / 44.1 m (D)
- ELM19-006 : 1.15 g/t Au / 129.0 m (D)
- ELM21-100 : 3.28 g/t Au / 39.35 m (D)
- ELM20-009 : 1.14 g/t Au / 103.1 m (D)
- ELM20-031 : 2.47 g/t Au / 36.1 m (D)
- ELM20-051 : 3.85 g/t Au / 22.3 m (D)

Note:  
Drilling intervals are presented as core lengths.

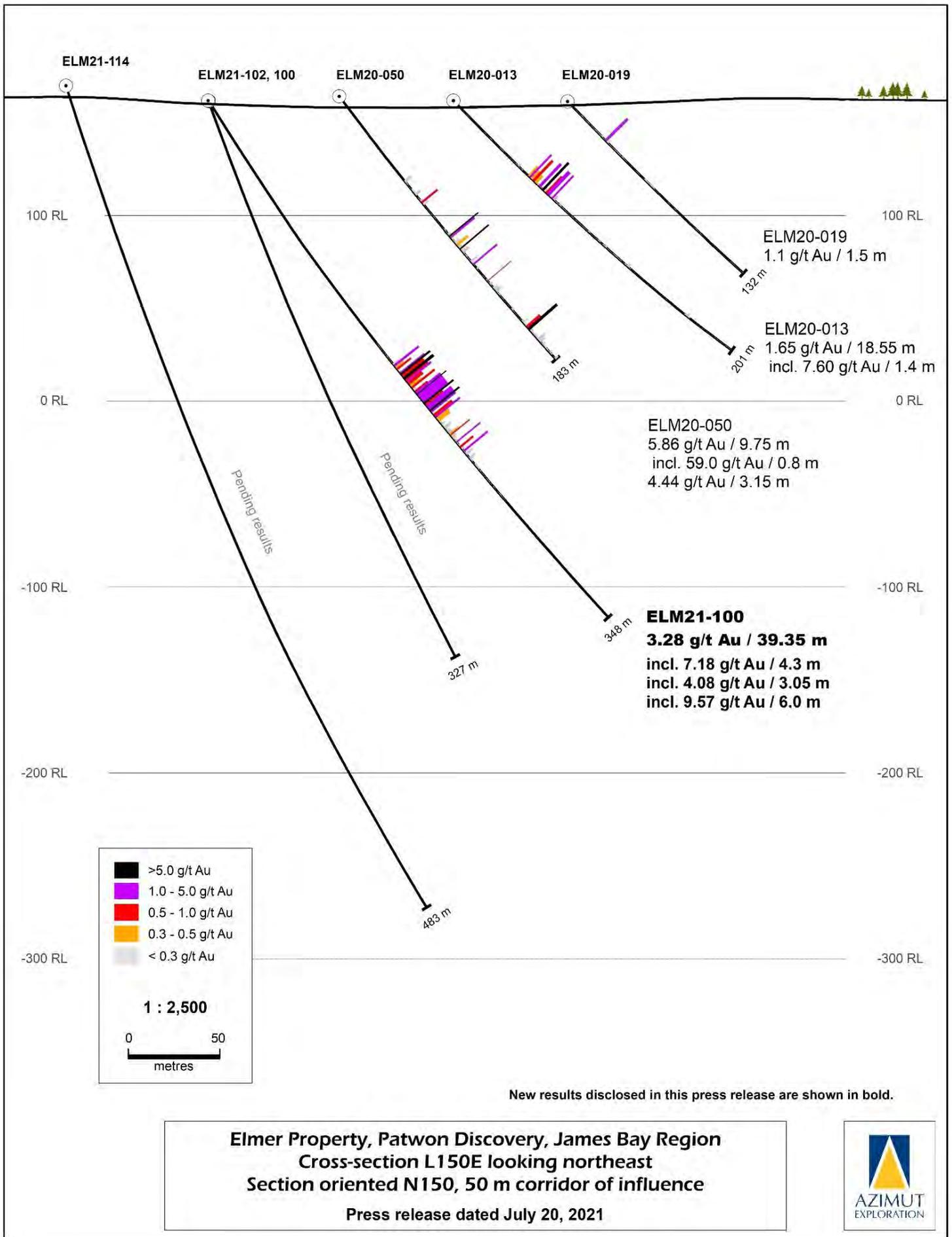


**Figure 4:** Close-up of the priority corridor on the Elmer Property showing drill hole traces, significant results and the vertical projection of the mineralized zone. The locations of the longitudinal section and cross-sections in the following figures are also indicated.

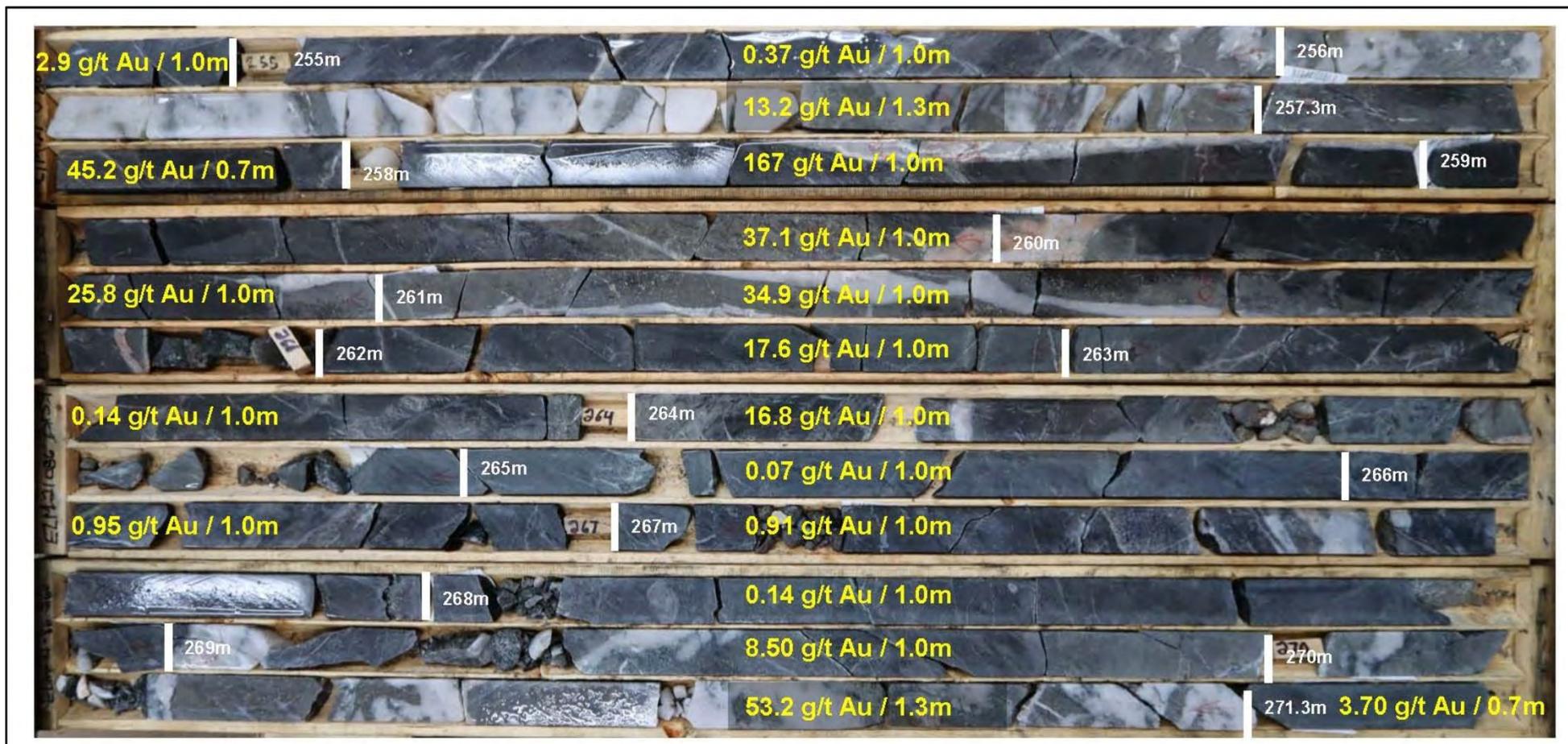




**Figure 6:** Cross section L315E through the Patwon Zone (looking NE).



**Figure 7:** Cross section L250E through the Patwon Zone (looking NE).



**Figure 8:** Photograph of drill core from hole ELM21-086: interval grading 38.7 g/t Au over 9.0 m (from 256 m to 265 m) within an interval of 24.04 g/t Au over 18.0 m (from 254 m to 272 m) (PR of June 22, 2021).

**Table 3: Significant gold results from Elmer diamond drilling programs (PR of July 20, 2021).**

Hole #	Au (g/t) <sup>(1)</sup>	Intercepts (m)				Grade Thickness g/t Au x m
		Length <sup>(2)</sup>	From	To	True Width <sup>(3)</sup>	
ELM19-001	0.63	101.32	13.48	114.80	60.05	37.83
ELM19-002	3.15	102.50	33.50	136.00	62.58	197.14
ELM19-003	2.84	108.23	34.27	142.50	63.75	181.04
ELM19-004	1.68	97.00	5.00	102.00	57.83	97.16
ELM19-005	1.54	54.09	28.41	82.50	33.22	51.16
ELM19-006	1.15	129.00	5.00	134.00	73.34	84.34
ELM19-007	2.19	71.50	31.50	103.00	56.32	123.34
ELM20-008	0.81	58.80	77.20	136.00	46.98	38.05
ELM20-009	1.14	103.10	121.20	224.30	60.20	68.63
ELM20-010	0.71	78.00	78.00	156.00	45.60	32.38
ELM20-011	3.66	22.75	45.75	68.50	18.26	66.84
ELM20-012	0.97	20.80	72.00	92.80	16.86	16.36
ELM20-013	1.65	18.55	56.45	75.00	15.55	25.66
ELM20-020	0.72	47.90	129.75	177.65	39.28	28.28
ELM20-023	0.52	31.45	158.00	189.45	29.02	15.09
ELM20-026	2.61	72.15	122.20	194.35	58.61	152.98
ELM20-028	1.44	58.20	156.30	214.50	54.11	77.92
ELM20-029	1.50	30.50	96.00	126.50	25.18	37.77
ELM20-030	0.61	46.20	150.00	196.20	43.46	26.51
ELM20-031	2.47	36.10	172.50	208.60	29.22	72.18
ELM20-032	0.94	30.35	191.65	222.00	27.12	25.50
ELM20-033	0.75	42.45	175.35	217.80	34.29	25.72
ELM20-034	3.01	90.20	151.30	241.50	82.71	248.97
ELM20-035	1.24	34.75	127.25	162.00	28.83	35.75
ELM20-036	0.67	21.70	190.30	212.00	17.55	11.76
ELM20-038	4.55	8.00	186.00	194.00	6.37	28.98
ELM20-039	0.49	31.50	219.50	251.00	28.52	13.97
ELM20-040	3.93	4.55	239.00	243.55	3.60	14.14
ELM20-041	0.40	5.70	169.30	175.00	5.19	2.08
ELM20-048	1.20	11.00	48.00	59.00	9.17	11.00
ELM20-049	1.05	10.90	103.10	114.00	9.62	10.10
ELM20-050	5.86	9.75	95.25	105.00	8.51	49.89
ELM20-051A	3.85	22.35	198.15	220.50	20.26	77.98
ELM20-052	1.38	48.05	230.80	278.85	45.89	63.33
ELM20-053	3.36	6.75	129.00	135.75	5.60	18.81
ELM20-055	0.97	23.20	6.80	30.00	19.64	19.05
ELM20-056	1.29	40.55	247.55	288.10	36.26	46.77
ELM20-057	2.41	7.00	92.00	99.00	5.82	14.03
ELM20-058	5.70	8.30	68.20	76.50	6.92	39.43
ELM21-063	0.44	2.75	79.85	82.6	0.71	0.31
ELM21-064	0.66	1.1	27.3	28.4	0.28	0.19
ELM21-065	0.24	1.35	32.95	34.3	0.35	0.08
ELM21-066	7.84	9.8	142.8	152.6	2.54	19.89
ELM21-067	0.2	3.5	160	163.5	0.91	0.18
ELM21-068	NSR	NSR	NSR	NSR	0.00	0.00
ELM21-069	NSR	NSR	NSR	NSR	0.00	0.00
ELM21-070	4.43	46.05	265.25	310.5	11.92	52.80
ELM21-071A	5.47	33.6	329.4	363	8.70	47.57
ELM21-071A	4.08	18.6	410.5	429.1	3.00	12.24

Hole #	Au (g/t) <sup>(1)</sup>	Intercepts (m)				Grade Thickness g/t Au x m
		Length <sup>(2)</sup>	From	To	True Width <sup>(3)</sup>	
ELM21-072	6.43	40.6	287.9	328.5	10.51	67.57
ELM21-063	0.44	2.75	79.85	82.6	2.29	1.01
ELM21-064	0.66	1.1	27.3	28.4	0.93	0.61
ELM21-065	0.24	1.35	32.95	34.3	1.24	0.3
ELM21-066	7.84	9.8	142.8	152.6	8.06	63.19
ELM21-067	0.2	3.5	160	163.5	3.23	0.65
ELM21-070	4.43	46.05	265.25	310.5	42.62	188.81
ELM21-071A	5.47	33.6	329.4	363	32.05	175.3
ELM21-071A	4.08	18.6	410.5	429.1	3	12.24
ELM21-072	6.43	40.6	287.9	328.5	38.24	245.91
ELM21-073	1.44	66.00	407.30	473.30	65.61	86.40
ELM21-074	3.61	5.00	389.50	394.50	4.68	16.90
ELM21-086	24.04	18.00	254.00	272.00	17.12	411.50
ELM21-092	4.21	39.50	266.00	305.50	37.91	159.62
ELM21-100	3.28	39.35	173.00	212.35	34.54	113.28

Notes:

(1) Assays are not capped.

(2) Intervals are presented as core lengths; true widths are calculated with the intercept angle between the DDH orientation at the mineralized interval midpoint and the mineralized zone oriented N256/75.

(3) Grade x thickness is based on true widths.

### ***Metallurgical test results***

Azimut contracted AGAT Laboratories (“AGAT”; Mississauga, Ontario) to conduct metallurgical tests on coarse rejects from diamond drill holes on the Patwon Zone (PR of May 4, 2021). AGAT ran tests on thirteen (13) coarse rejects from three (3) holes. Each sample was split into two 1-kg samples for the following work:

- Cyanide leach tests to assess the potential cyanide extraction efficiency for gold; and
- Metallic screening to determine the accuracy of the fire assay method to detect coarse gold.

The cyanide leaching results are very encouraging and suggest that high recoveries will be achieved with optimization of the grind size and leach time. Samples were ground to 80% passing 140 mesh (105 microns) and leached for 12 hours. When compared to the fire assay results, the average recovery is 83.6% for all samples submitted and 90.5 % for the two high-grade samples (>10 g/t Au). The metallic screening results indicate acceptable accuracy compared to the fire assay results, yielding an average of 18% of the gold in the coarse fraction. This suggests there is good potential to recover some of the gold at Patwon through a gravity circuit.

SGS Canada Inc. is currently conducting additional metallurgical tests in Quebec City (Quebec) on two representative drill core composite samples of 15 kg each. The objective is to characterize the Patwon mineralized material and gather more information on the gold recovery potential. The work comprises the following components:

- Mineralogical study
- Chemical analysis by size fraction and metallic screen
- Comminution test using a ball mill to determine the Bond work index (BWI)
- Direct cyanide leaching
- Gravity separation tests (Knelson/Mozley) and cyanide leaching at different grind sizes and leach times.

### ***Prospecting and channeling results***

Surface prospecting and channel sampling results were reported in the PRs of November 20, 2018, and July 16, September 19, October 22 and November 28, 2019. In addition to the high-grade samples collected from Patwon, the Company obtained significant grades from other areas of the property:

#### **Isolated occurrences:**

58.20 g/t Au and 18.55 g/t Au (2.6 km NW of Patwon)  
18.25 g/t Au and 17.15 g/t Au (1.5 km NE of Patwon)  
8.60 g/t Au and 6.73 g/t Au (about 3.5 km SW of Patwon)

**Gabbro Zone:** hematized and boudinaged quartz veins with traces of pyrite hosted in sheared gabbro; 11 samples including 4 samples with grades above 1.0 g/t Au:

7.98 g/t Au, 18.43 g/t Ag over 0.55 m (channel)  
77.8 g/t Au, 167.0 g/t Ag (grab)  
60.4 g/t Au, 122.0 g/t Ag (grab)  
6.11 g/t Au, 9.49 g/t Ag (grab)

**Gold Zone:** quartz-ankerite veins with pyrite, pyrrhotite and chalcopyrite hosted in sericitized mafic metavolcanics; 7 samples including 2 with grades above 1.0 g/t Au:

8.56 g/t Au (grab)  
1.28 g/t Au, 0.158% Cu (grab)

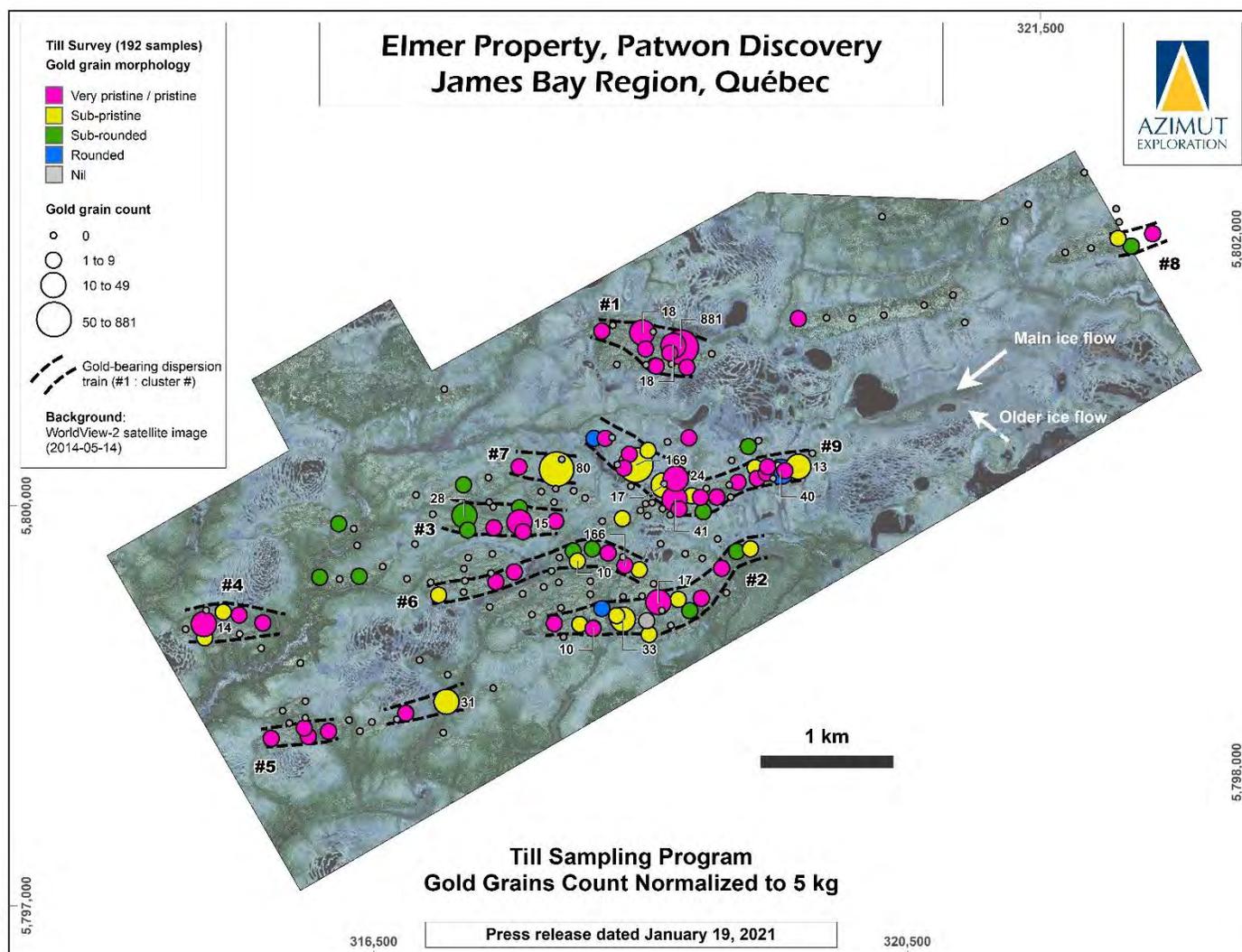
### ***Till sampling survey***

A high-density till sampling survey over the Patwon Zone and its vicinity included a best result of 881 gold grains in one sample (PR of January 19, 2021). Nine (9) distinct gold-bearing clusters were identified within the high-priority exploration corridor (Figure 9).

Of the 192 till samples, 98 returned gold grains: 22 with very pristine grains, 31 pristine, 25 sub-pristine, 17 sub-rounded and 3 rounded; 80% of the samples contained very pristine to sub-pristine gold grains. Gold grain counts have been normalized to 5 kilograms of sieved material.

Six (6) clusters correlate spatially with high-grade gold prospects, including one directly over the Patwon discovery that appears to be the direct footprint of this significant mineralized zone in glacial sediments. Using the Patwon footprint for reference, the other significant gold-bearing clusters suggest the presence of multiple mineralized zones within the priority corridor.

Swamps limited the sampling program in certain parts of the corridor. Several gold-bearing clusters remain open along strike due to these sampling constraints.



**Figure 9:** Close up of the priority exploration corridor (dashed outline in Figure 3) showing nine (9) gold-bearing till clusters on and near the Patwon Zone.

### ***Possible analog and potential of the Elmer Trend***

Comparing already known deposits with the features of a new discovery is a key step in supporting the exploration hypothesis and envisioning the upside potential of the discovery, even if each deposit is ultimately different. Key features of the Goldex deposit (Agnico Eagle Ltd.) are presented for comparison with Patwon. Goldex is a multi-million-ounce gold mine located on the west side of Val-d'Or in the Abitibi region of Quebec. The steeply dipping mineralized body has a horizontal length of about 450 metres and is known down to 1.8 kilometres.

The Goldex deposit is principally hosted by a large table-shaped felsic intrusion (a quartz-diorite body) surrounded by a sequence of intermediated, mafic and ultramafic volcanic rocks. The orebody is defined by the intensity of stockwork veins and gold grades rather than by individual veins. Most of the gold occurs as microscopic particles associated with pyrite, while the rest occurs as coarse native gold grains. Several zones contain gold-bearing quartz-tourmaline-pyrite veins and veinlets.

The mineral reserve and resource statement for the Goldex deposit as of December 31, 2020, comprises proven and probable reserves of 1.1 million ounces of gold (22.1 Mt at 1.57 g/t Au), measured and indicated resources of 1.7 million ounces (31.6 Mt at 1.66 g/t Au) and inferred resources of 1.2 million ounces (24.8 Mt at 1.5 g/t Au). (Agnico Eagle website).

### **Elmer South Property**

The wholly-owned Elmer South Property (39 claims, 20.6 km<sup>2</sup>) is a gold project located 45 kilometres west of the James Bay Road and 15 kilometres north of the Eastmain Road. The property represents a small block of claims that was partitioned off from the Elmer Property in July 2021. The property is 35 kilometres from the Cree community of Eastmain on the east coast of James Bay. It covers part of the contact between two geological subprovinces: La Grande and Opinaca. The property's gold potential is related to this major lithostructural transition.

## Munischiwan Property

The Munischiwan Property (167 claims, 87.6 km<sup>2</sup>) is a gold-polymetallic (Au-Cu-Ag) project held 100% by SOQUEM. Azimut has fulfilled its obligations to exercise its back-in option to regain a 50% interest in the property. Munischiwan lies about 85 kilometres from the Cree community of Eastmain on the east coast of James Bay. The James Bay Road passes through the property. The project partly covers a well-defined As-Ag-Bi-Cu-Sb anomaly in lake-bottom sediments (“LBS”) within the La Grande Subprovince, accompanied by favourable geophysical, geological and structural criteria. Target deposit types are intrusion-related and shear zone-hosted. There were no known showings on Munischiwan before Azimut began exploring the property.

### *Exploration highlights*

A SOQUEM-funded, multi-property exploration program in 2018 led to the discovery of the **InSight Prospect**, an outcropping Au-Cu-Ag zone roughly 600 metres by 150 metre at surface. The zone dips about 30° east, is open in all directions and is coincident with a 300-metre by 1,000-metre IP anomaly striking NNW-SSE. Mineralization consists of disseminated chalcopyrite and quartz veins or veinlets hosted in foliated metasediments affected by strong biotite alteration. An additional gold showing 600 metres to the south (2.42 g/t Au) might be an extension of the prospect.

Grab samples from outcrops returned the following highlights during the 2017 and 2018 programs (PRs of October 25 and December 5, 2018; Figure 10):

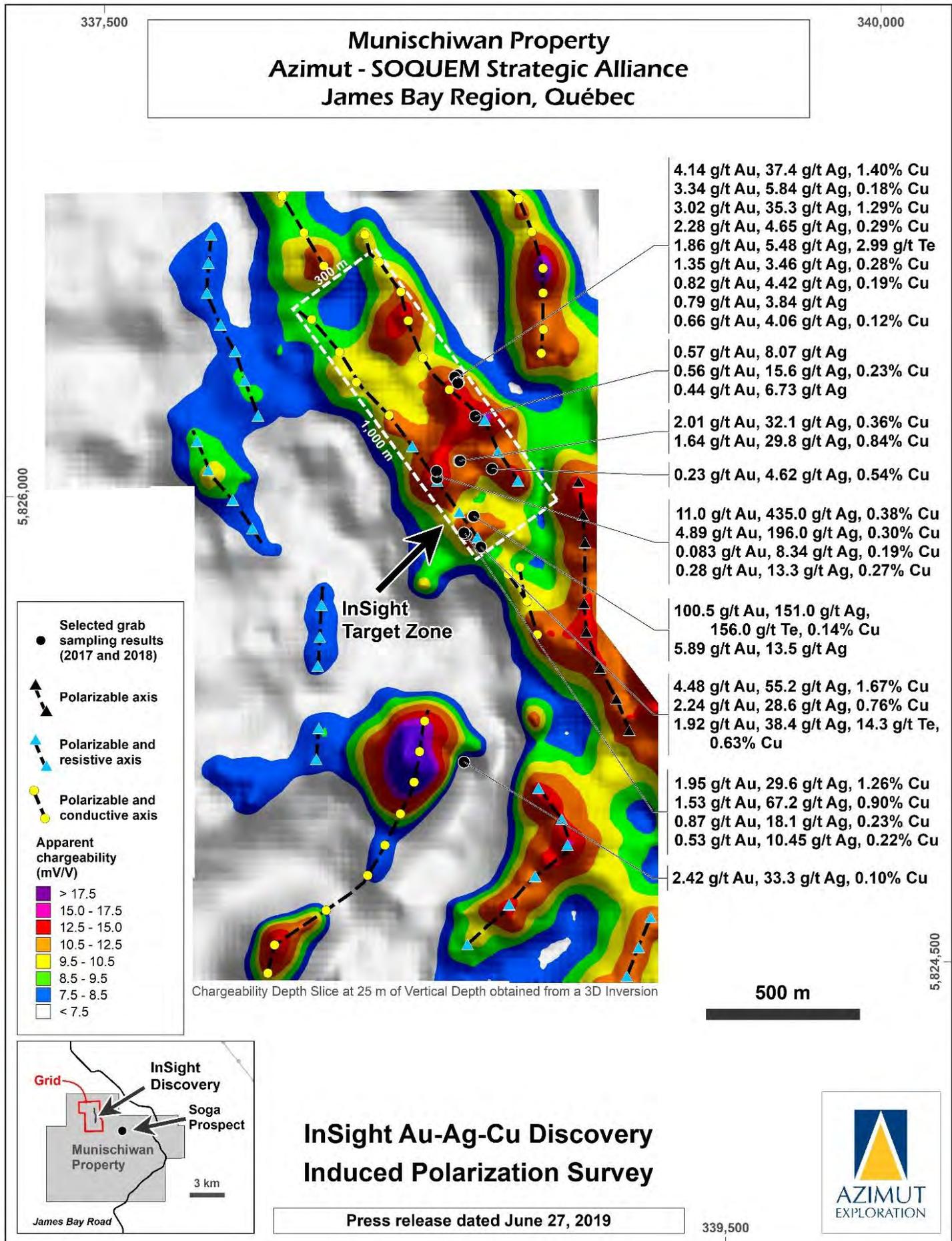
- 100.5 g/t Au, 151.0 g/t Ag, 156.0 g/t Te, 0.14% Cu
- 4.89 g/t Au, 196.0 g/t Ag, 0.30% Cu
- 2.28 g/t Au, 4.65 g/t Ag, 0.29% Cu
- 1.92 g/t Au, 38.4 g/t Ag, 14.3 g/t Te, 0.63% Cu
- 1.86 g/t Au, 5.48 g/t Ag, 2.99 g/t Te
- 1.64 g/t Au, 29.8 g/t Ag, 0.84% Cu
- 1.35 g/t Au, 3.46 g/t Ag, 0.28% Cu
- 11.0 g/t Au, 435.0 g/t Ag, 0.38% Cu
- 5.89 g/t Au, 13.5 g/t Ag, 0.05% Cu
- 4.48 g/t Au, 55.2 g/t Ag, 1.67% Cu
- 4.14 g/t Au, 37.4 g/t Ag, 1.40% Cu
- 3.34 g/t Au, 5.84 g/t Ag, 0.18% Cu
- 3.02 g/t Au, 35.3 g/t Ag, 1.29% Cu
- 2.24 g/t Au, 28.6 g/t Ag, 0.76% Cu
- 2.01 g/t Au, 32.1 g/t Ag, 0.36% Cu
- 1.95 g/t Au, 29.6 g/t Ag, 1.26% Cu
- 1.53 g/t Au, 67.2 g/t Ag, 0.90% Cu

In 2019, Azimut and SOQUEM completed a 70-line-kilometre Mag-IP ground survey (PR of April 30, 2019) and commenced detailed surface sampling on the InSight Prospect to prepare for a maiden diamond drilling program (PR of June 27, 2019). The survey grid is about 3.1 kilometres by 2 kilometres, with 100-metre line spacing. Multiple IP anomalies, subparallel to and/or on strike with the InSight Prospect, constitute highly prospective targets within a trend at least 3 kilometres long by 1 kilometre wide. Target definition is strengthened by the correlation between IP anomalies and heliborne magnetic data.

Previous exploration by Azimut consisted of an 838 line-kilometre heliborne Mag-VTEM™ Plus survey and a reconnaissance program (249 grabs) (PR of November 2, 2017). This work led to the discovery of several showings, including the **Soga Prospect** (up to 2.53% Cu, 9.0 g/t Ag in grabs).

## Pilipas Property

The wholly-owned Pilipas Property (135 claims, 70.7 km<sup>2</sup>) is a gold project adjacent to the north of the Munischiwan Property. The James Bay Road passes through the centre of the property. The project is located along the immediate potential extensions of the kilometre-scale InSight Prospect (Au-Ag-Cu) on Munischiwan, where an IP survey indicates it may extend onto Pilipas.



**Figure 10:** Map showing selected grab sample results from the InSight Prospect, Munischivan Property.

## **Wapatik Property**

The wholly-owned Wapatik Property (220 claims, 115.7 km<sup>2</sup>) is under option to Mont Royal (PR of November 18, 2020). It is a 24-kilometre-long gold project located 13 kilometres to the east of the Elmer Property, along the same geological trend in the Lower Eastmain greenstone belt within the La Grande Subprovince. It covers a geological-structural context similar to that of Elmer. The James Bay Road crosses the western end of the property.

Past exploration appears very limited in this part of the Lower Eastmain greenstone belt. Azimut and Mont Royal have commenced a \$600,000 gold exploration campaign on the property (PR of June 28, 2021) following a preliminary target assessment (PR of November 18, 2020). The work, fully funded by Mont Royal with Azimut as the operator, will consist of an initial systematic till sampling survey followed by detailed prospecting. It is part of Azimut's extensive exploration program on its Wapatik and Elmer properties, covering 60 kilometres of favourable geological strike in the greenstone belt (PR of June 28, 2021).

## **TRANS-TAIGA ROAD SECTOR**

Azimut's portfolio includes a group of properties near the Trans-Taiga Road in the northern part of the James Bay region: three wholly-owned properties (Corvet, Kaanaayaa, and Kukamas), the two SOQUEM JV Properties (Dalmas and Galinée), and two of the SOQUEM Properties (Pikwa and Pontois) for which Azimut is exercising its back-in option to regain a 50% interest. The infrastructure in the area includes permanent roads, power grids and airport facilities. The Trans-Taiga Road is an east-west 582-kilometre gravel highway that connects to the James Bay Road. It was built as an access road to the hydroelectric generating stations of Hydro-Québec along the La Grande River and Caniapiscau River.

## **Corvet Property**

The wholly-owned Corvet Property (340 claims in 2 blocks, 174.8 km<sup>2</sup>) lies south of the Pikwa Property, to the west of Lac de la Corvette. This gold-copper project is located 55 kilometres southwest of the La Grande-4 airstrip next to the Trans-Taiga Road and 225 kilometres east-southeast of Radisson. The western part of the project (formerly known as Masta-2) was amalgamated in May 2020. The property straddles the La Grande–Opinaca boundary and displays a strong spatial association between Ag-As-Bi-Cu-Sb in LBS (PR of July 8, 2019).

In Q3 2021, the Company did not incur any claim renewal expenditures (\$1,000 – Q3 2020) but did incur \$2,000 (\$7,000 – Q3 2020) in exploration expenditures for data interpretation.

A reconnaissance program in 2017 produced 53 grab samples. The results included anomalous values in gold (0.111 g/t Au), copper (0.12% Cu) and arsenic (668 ppm As) within a target area measuring 7 kilometres by 1.5 kilometres. In 2018, Azimut carried out reconnaissance and prospecting (123 grabs) as part of a SOQUEM-funded multi-property exploration program (PR of June 6, 2018) before SOQUEM relinquished its rights to the property.

## **Dalmas Property**

The Dalmas Property (88 claims, 44.9 km<sup>2</sup>) is a 50/50 JV gold project with SOQUEM, located 25 kilometres south of the Trans-Taiga Road. The property covers a sheared greenstone belt in the La Grande Subprovince with a strong arsenic-bismuth-copper-antimony footprint in LBS. The target deposit type is shear zone-hosted gold.

In Q3 2021, the JV partners have cumulatively invested \$198,000 (\$186,000 – May 31, 2020) in work expenditures, of which Azimut's share is \$99,000 (\$93,000 – May 31, 2020). The expenditures cover prospecting and till sampling.

A SOQUEM-funded, multi-property assessment program in 2018 included an LBS survey on Dalmas and an initial prospecting phase that identified a 3-kilometre trend of anomalous gold, arsenic and copper in grab samples (PR of May 31, 2018). The JV-funded (SOQUEM-Azimut) 2019 program included prospecting and till sampling.

## **Galinée Property**

The Galinée Property (607 claims, 313.3 km<sup>2</sup>) is a 50/50 JV gold project with SOQUEM. It is located about 50 kilometres north-northwest of the Renard mine (Stornoway Diamond Corp.) and 60 kilometres south of the Trans-Taiga Road. The 36-kilometre-long property provides a controlling position over an extensive LBS anomaly marked by a strong arsenic-bismuth-antimony footprint, accompanied by favourable geophysical, geological and structural criteria. The property is underlain by the La Grande Subprovince, about 15 kilometres north of the contact with the Opinaca Subprovince. No historical showings are known on the property. Target deposit types are shear zone-hosted and intrusion-related.

In Q3 2021, the JV partners have cumulatively invested \$354,000 (\$277,000 – May 31, 2020), of which Azimut's share is \$177,000 (\$138,500 – May 31, 2020). The work expenditures covered prospecting, LBS geochemistry, soil geochemistry and till sampling.

A SOQUEM-funded, multi-property assessment program in 2018 included fieldwork on the Galinée Property, which led to the discovery by prospecting of the sub-cropping, tonalite-hosted **Gamora Prospect** (up to 2.17 g/t Au), recognized over an area of 130 metres by 30 metres. Twenty-six (26) grab samples yielded values above 0.1 g/t Au, including six (6) samples returning values from 0.53 g/t Au to 0.84 g/t Au and one (1) sample returning 2.17 g/t Au (PR of November 13, 2018). About 5 kilometres to the west, a gold grain dispersal train in till yielded a sample containing 52 delicate gold grains, suggesting a proximal common source. A very unusual multi-kilometre cluster of LBS gold values was also identified (PR of May 31, 2018). The Company intends to conduct till sampling and follow-up prospecting.

### **Kaanaayaa Property**

The wholly-owned Kaanaayaa Property (390 claims, 200.5 km<sup>2</sup>) is a copper-gold and copper-nickel project situated 35 kilometres south of the Trans-Taiga Road and a Hydro-Québec powerline, and 42 kilometres south of the LG-4 airport. It is located just east of the Corvet and Pikwa properties.

In Q3 2021, the Company incurred \$5,000 (\$6,000 – Q3 2020) in exploration expenditures for data interpretation but did not incur any claim acquisition expenditures (\$Nil – Q3 2020).

Kaanaayaa has the following notable features (PRs of March 28 and July 8, 2019):

- Strong regional-scale LBS footprint combining bismuth, silver, molybdenum, copper and tungsten.
- Favourable geology marked by metasediments and mafic to intermediate volcanics crosscut by several small granitic intrusions. A multi-kilometre fold may control the location of some of these intrusions. The fertile nature of these intrusions is suggested by the polymetallic footprint on the project.

Historical exploration on the project is limited. An adjacent property, jointly held by Osisko Exploration James Bay and Newmont, hosts several significant gold prospects. These prospects, about 5 kilometres southwest of Kaanaayaa, include the Marco Prospect (1.07 g/t Au over 27.0 m and 10.1 g/t Au over 5.2 m) and the Contact West Zone (11.82 g/t Au over 4.7 m).

### **Kukamas Property**

The wholly-owned Kukamas Property (376 claims, 190.7 km<sup>2</sup>) is a copper-gold project located 4 kilometres north of the Trans-Taiga Road and LG-3 airstrip (Km 100), along an access road leading to the LG-3 hydroelectric generating station just north of the property. The nearest town is Radisson, 80 kilometres to the north-northwest. The project is located within the La Grande Subprovince, about 7 kilometres north of the Opinaca Subprovince. The geology is characterized by sheared metasediments, including iron formation and metavolcanics surrounding granitic intrusions. The project's 36-kilometre strike covers strong Ag-As-Bi-Cu-Sb anomalies in LBS and several historical gold and copper prospects (up to 1.21 g/t Au and up to 20.7% Cu) (PR of July 8, 2019). Several other gold showings are found nearby (Tour Elle: 18.1 g/t Au; Girard-Dupras: 3.6 g/t Au over 1.0 m (channel); La Guiche Zone: 2.72 g/t Au; and Dune Zone: 2.2 g/t Au, 4.3% Cu).

In Q3 2021, the Company incurred \$3,000 (\$8,000 – Q3 2020) in exploration expenditures but did not incur any claim renewal or acquisition expenditures (\$Nil – Q3 2020).

### **Pikwa Property**

The Pikwa Property (703 claims, 360.4 km<sup>2</sup>) is a gold-polymetallic (Au-Cu-Co-Mo) project held 100% by SOQUEM. Azimut has fulfilled its obligations to exercise its back-in option to regain a 50% interest in the property. Pikwa is located 2 kilometres south of the Trans-Taiga Road, 40 kilometres east of the LG-3 hydroelectric generating station, and 303 kilometres east of the Cree community of Wemindji.

The project is adjacent to the Mythril Property where Midland Exploration Inc. announced the discovery of a mineralized zone, which appears to be on strike with the main target zone on Pikwa (based on publicly available information). The Pikwa Property covers a regional As-Bi-Cu anomaly in LBS and a 20-kilometre-long magnetic high in the La Grande Subprovince. The target deposit types are intrusion-related and shear zone-hosted.

### **Exploration highlights**

Azimut conducted LBS sampling and prospecting campaigns on the property in 2017 and 2018 as part of a multi-property SOQUEM-funded exploration program, followed in 2019 by a self-funded prospecting, soil geochemistry and ground geophysics program (see details below; PRs of July 11, 2017; June 6, November 6 and November 27, 2018; March 20,

April 15, October 16, October 23 and December 9, 2019; and April 27, 2020). On October 6, 2020, Azimut and SOQUEM announced that a drilling program had commenced on a 10-kilometre-long copper-gold target (Copperfield East; see details below). The results of the ongoing drilling compilation and interpretation will be divulged when completed.

Exploration highlights include the following spatially correlated features:

- A continuous IP corridor 10 kilometres long and up to 400 metres wide, characterized by moderate to strong chargeability anomalies generally well-correlated with magnetic highs.
- Two electromagnetic (“EM”) conductors that correlate well with IP anomalies in the western part of the target (VTEM survey).
- A strong polymetallic (copper-gold-silver-molybdenum) soil anomaly.
- Mineralized outcrops and an extensive mineralized boulder field with grades reaching:
  - up to 9.8% Cu, 13.45 g/t Au, 37.6 g/t Ag, and 1% Mo (from outcrops); and
  - up to 20.1% Cu, 2.99 g/t Au, 58 g/t Ag and 0.24% Mo (from boulders).

The IP anomalies cut across the entire survey grid and correlate well with the other features. Most IP-chargeable anomalies correspond to resistivity highs or are located along the contacts of more resistive units (probably more silica-rich). The anomalies are subcropping, continuous at depth, and generally have moderate to steep dips to the south. See the section on *Prospecting Results* below for details on the outcrop and boulder samples.

### ***Copperfield Trend***

The main area of interest, the **Copperfield Trend** (Figures 11 to 13), is a 20-kilometre-long copper-gold exploration target comprising East and West segments, each 10 kilometres long. The results acquired to date point to a major copper-gold system centred on the 10-kilometre-long Copperfield East target. It is interpreted as a porphyry system emplaced along the margins of an intrusion and subsequently sheared during regional-scale tectonic events (PR of October 6, 2020).

To date, the mineralization is characterized as follows:

- The main host rock is biotite-rich gneiss (interpreted as altered metadiorite or granodiorite).
- The dominant copper mineral is chalcopyrite occurring as disseminations or semi-massive veins and veinlets accompanied by frequent bornite and chalcocite and lesser amounts of malachite and occasional azurite.
- Other sulphides include molybdenite and, less frequently, pyrite and pyrrotite.
- Host rocks show varying degrees of alteration composed of biotite and potassium feldspar (potassic alteration), sericite, epidote, chlorite and magnetite.
- Mineralization generally occurs along foliation planes, often associated with quartz veinlets.
- Foliation strikes ENE-WSW and dips on average 50° to 60° to the south.

**Copperfield East** is defined as the spatial association of:

- A strong regional-scale copper LBS anomaly centred over the property. The footprint also includes polymetallic components (molybdenum, silver, bismuth, tungsten).
- A strong copper soil anomaly with a polymetallic footprint comparable to the LBS anomaly defined above. The anomaly forms a well-delineated target 5.5 kilometres long by 500 metres wide (locally up to 750 m) within the contours of the LBS anomaly. Peak values are 294 ppm for copper, 0.161 ppm for gold, 0.584 ppm for silver and 42.1 ppm for molybdenum.
- A 10-kilometre-long corridor of IP-chargeable anomalies of moderate to strong amplitudes superimposed on the copper soil anomaly. Most IP-chargeable anomalies correspond to resistivity highs or occur along the contacts of more resistive units (probably more silica-rich units). The anomalies are subcropping, continuous at depth, and generally dip moderately to steeply to the south.
- Two 500-metre-long VTEM conductors that correlate with IP anomalies. In this context, the VTEM anomalies represent attractive targets for massive to semi-massive sulphide mineralization despite the weak soil geochemistry footprint due to thick glacial sediment cover.
- A significant mineralized boulder field of mostly angular to slightly rounded boulders that follows the long axis of the soil anomaly. The best grades from 141 sampled boulders were 20.1% Cu, 2.99 g/t Au, 58 g/t Ag and 0.24% Mo.
- Several high-grade mineralized outcrops within the soil anomaly in the eastern part of the target where glacial sediment cover is thinnest. The best grades are 9.81% Cu, 13.45 g/t Au and 37.6 g/t Ag (grab A0366271).

Collectively, the IP anomalies, copper-in-soil footprint and mineralized boulder field are best explained by a major Cu-Au-Ag-Mo mineralized system in the bedrock of the Property (already partly identified in mineralized outcrops).

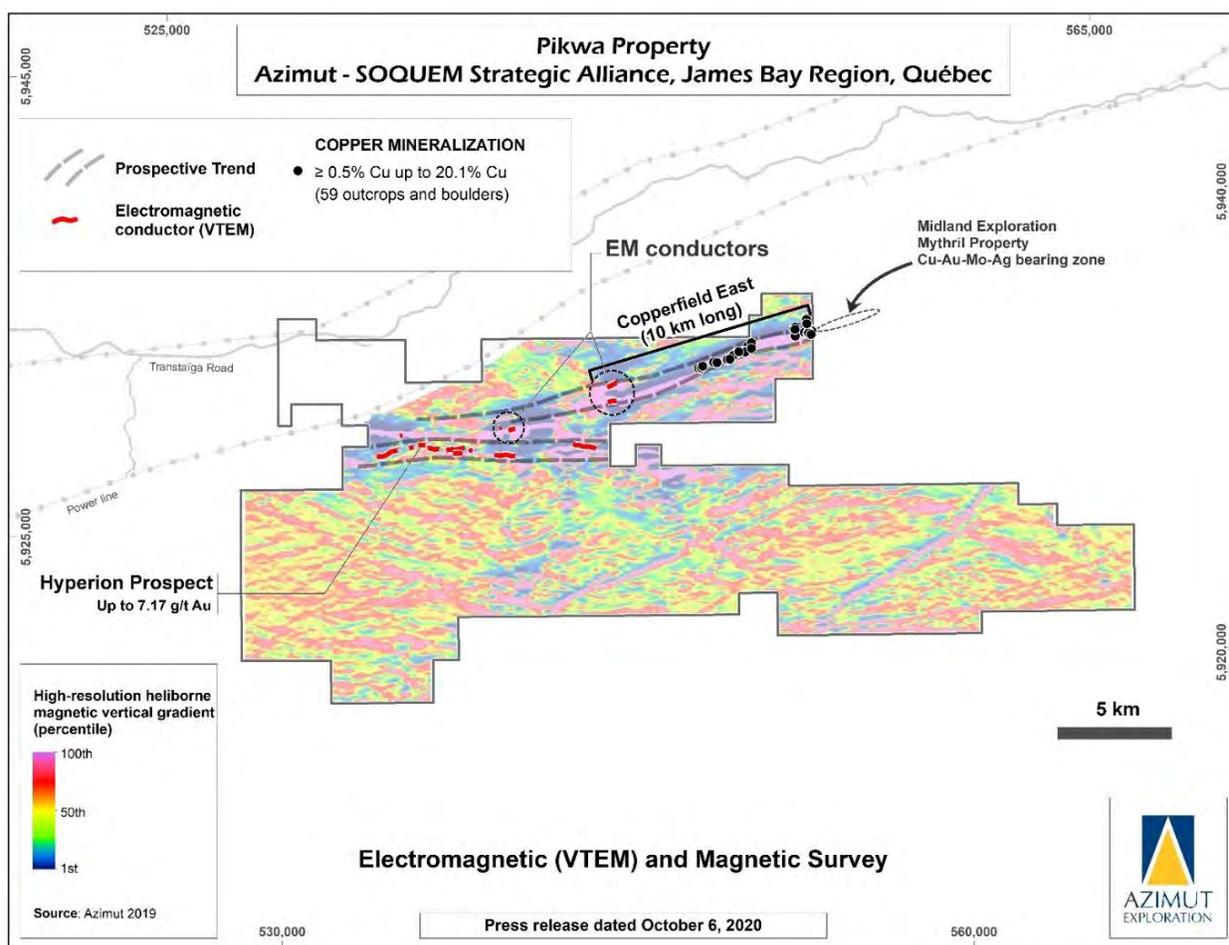
**Copperfield West** is the westward strike extension of Copperfield East, and its interpretation is supported by strong copper anomalies in LBS and the same magnetic pattern (linear magnetic high). Little exploration work has been conducted to date in this part of the trend.

### Prospecting results

A total of 268 grabs have been collected from the Copperfield Trend, comprising 141 from boulders and 127 from outcrops. Outcrop exposure on the main soil anomaly is generally poor. The key results were presented in the PR of December 9, 2019:

- Copper: 80 samples returned grades above 0.2% Cu, including 17 samples from 0.5% Cu to 1.0% Cu, and 40 samples above **1.0% Cu up to 20.1% Cu**.
- Gold: 41 samples returned grades above 0.2 g/t Au, including 12 samples from 0.5 g/t Au to 1.0 g/t Au, and 11 samples above **1.0 g/t Au up to 13.45 g/t Au**.
- Silver: 40 samples returned grades above 5.0 g/t Ag, including 15 samples from 10 g/t Ag to 20.0 g/t Ag, and 16 samples above **20 g/t Ag up to 58 g/t Ag**.
- Molybdenum: 18 samples returned grades above 0.05% Mo, including 12 samples higher than **0.1% Mo up to 1.0% Mo**.

Of the 268 grab samples, the last batch of 169 from the 2019 program yielded excellent results. The most significant results are presented in Table 4.



**Figure 11:** Geophysical signature of the Copperfield Trend on the Pikwa Property.

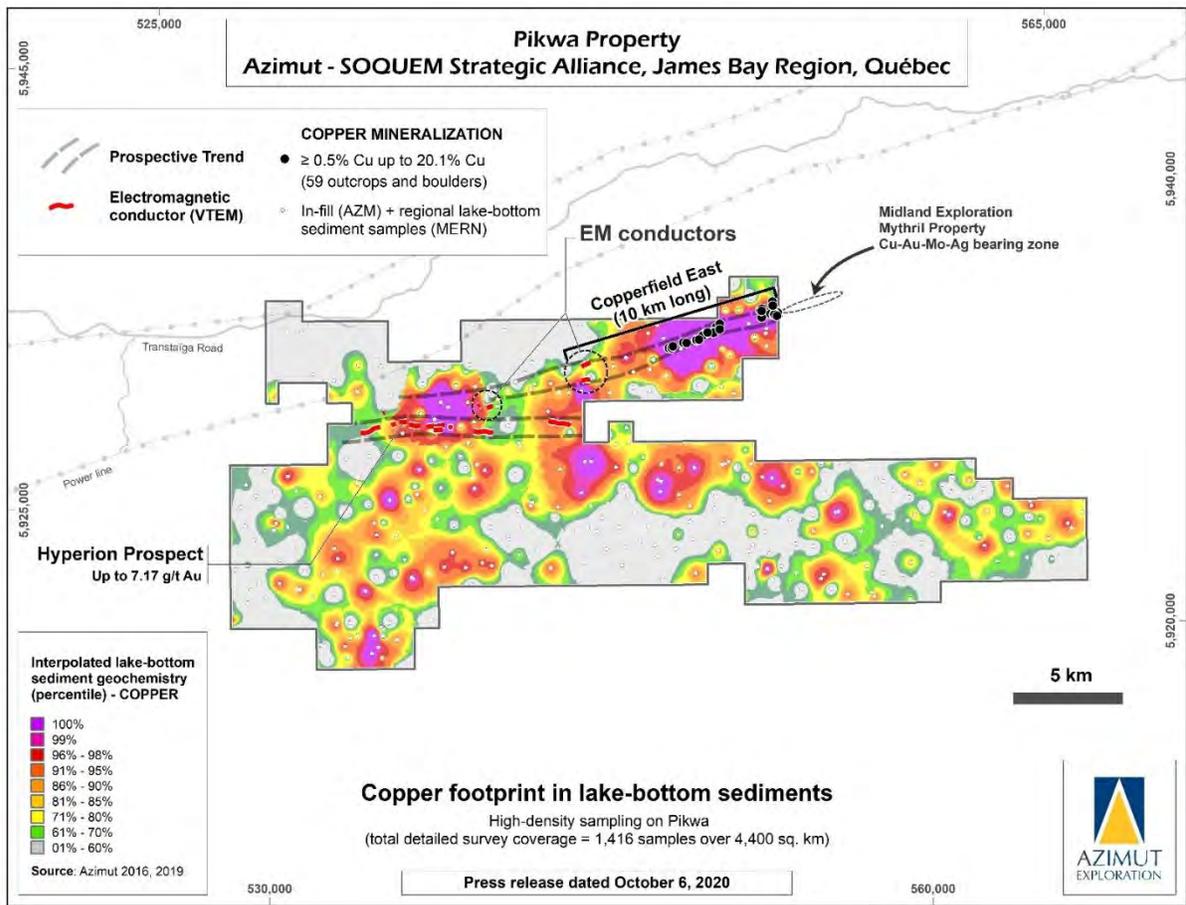


Figure 12: Copper LBS footprint of the Copperfield Trend on the Pikwa Property.

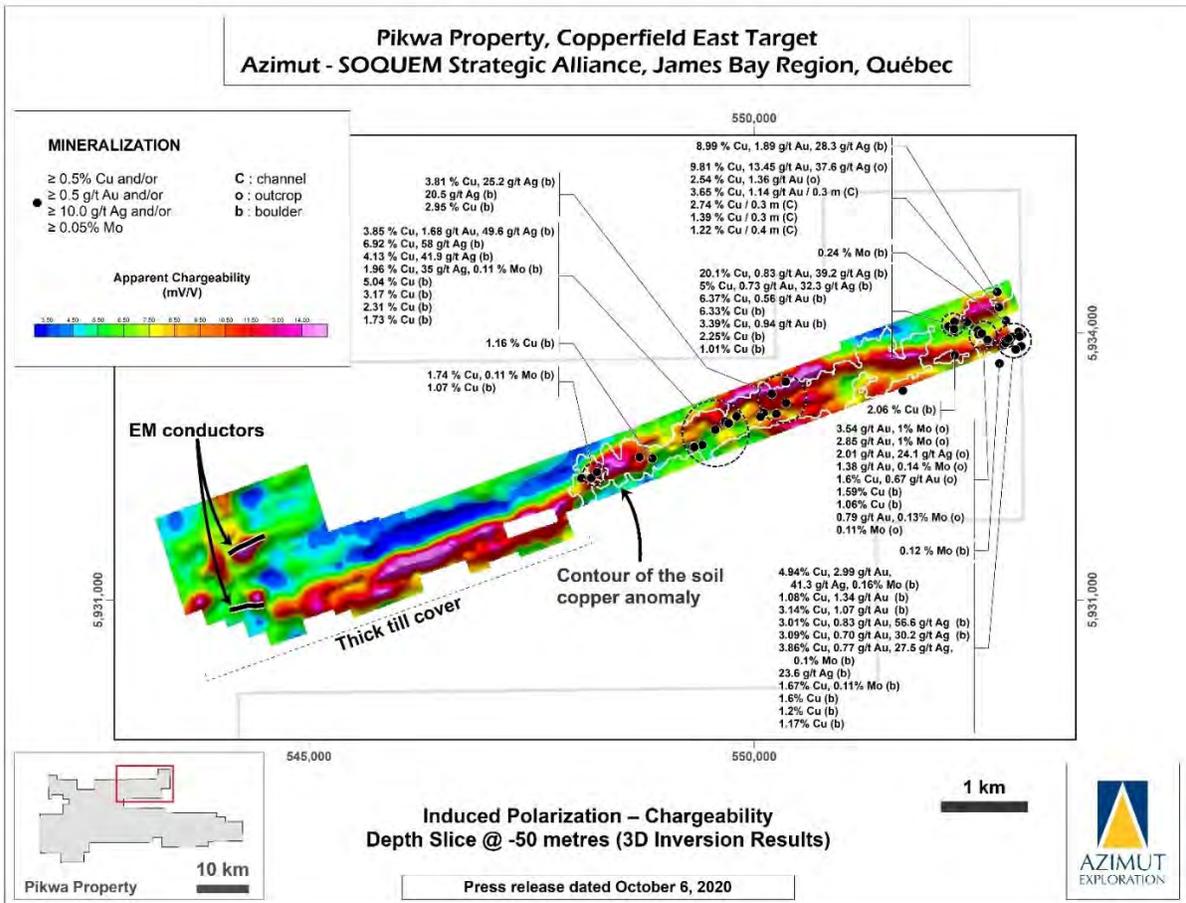


Figure 13: IP-chargeability footprint of the Copperfield East Target on the Pikwa Property.

**Table 4:** The best 30 prospecting samples from outcrops (o) and boulders (b) on the Pikwa Property (PR of December 9, 2019)

Copper (%)	Gold (g/t)	Silver (g/t)	Molybdenum (%)	Sample #
<b>20.1</b>	<b>0.83</b>	<b>39.2</b>	0.012	A0366572 (b)
<b>8.99</b>	<b>1.89</b>	<b>28.3</b>	-	A0366518 (b)
<b>5.04</b>	<b>0.16</b>	9.34	<b>0.040</b>	A0366597 (b)
<b>5.00</b>	<b>0.73</b>	<b>32.3</b>	<b>0.047</b>	A0366447 (b)
<b>4.13</b>	<b>0.42</b>	<b>41.9</b>	<b>0.060</b>	A0366701 (b)
<b>3.86</b>	<b>0.77</b>	<b>27.5</b>	<b>0.106</b>	A0366531 (b)
<b>3.85</b>	<b>1.68</b>	<b>49.6</b>	0.002	A0366702 (b)
<b>3.81</b>	<b>0.43</b>	<b>25.2</b>	0.010	A0366714 (b)
<b>3.14</b>	<b>1.07</b>	<b>12.1</b>	-	A0366532 (b)
<b>3.09</b>	<b>0.70</b>	<b>30.2</b>	0.014	A0366533 (b)
<b>3.01</b>	<b>0.83</b>	<b>56.6</b>	<b>0.012</b>	A0366530 (b)
<b>2.25</b>	<b>0.11</b>	4.22	-	A0366575 (b)
<b>1.96</b>	<b>0.51</b>	<b>35.0</b>	<b>0.115</b>	A0366589 (b)
<b>1.74</b>	<b>0.15</b>	<b>12.9</b>	<b>0.111</b>	A0366659 (b)
<b>1.67</b>	<b>0.23</b>	<b>13.9</b>	<b>0.119</b>	A0366659 (b)
<b>1.60</b>	<b>0.67</b>	<b>11.4</b>	0.007	A0366443 (o)
<b>1.60</b>	<b>0.26</b>	<b>16.2</b>	0.001	A0366524 (b)
<b>1.59</b>	<b>0.28</b>	<b>11.9</b>	0.020	A0366444 (b)
<b>1.20</b>	<b>0.20</b>	<b>12.9</b>	<b>0.043</b>	A0366528 (b)
<b>1.17</b>	<b>0.15</b>	6.8	0.001	A0366521 (b)
<b>1.16</b>	0.08	3.6	-	A0366657 (b)
<b>1.08</b>	<b>1.34</b>	5.5	0.004	A0366523 (b)
<b>1.07</b>	<b>0.14</b>	<b>10.4</b>	<b>0.033</b>	A0366663 (b)
<b>1.06</b>	<b>0.142</b>	8.73	0.002	A0366446 (b)
<b>0.91</b>	0.05	1.9	-	A0366448 (b)
<b>0.56</b>	<b>2.01</b>	<b>24.1</b>	0.019	A0366440 (o)
<b>0.50</b>	<b>1.38</b>	2.2	<b>0.145</b>	A0366571 (o)
0.43	<b>3.54</b>	<b>13.0</b>	<b>&gt;1.0</b>	A0366570 (o)
0.37	<b>0.79</b>	4.6	<b>0.135</b>	A0366442 (o)
0.20	<b>2.85</b>	<b>11.0</b>	<b>&gt;1.0</b>	A0366441 (o)

#### *Comparison with the Aitik Porphyry Deposit in Sweden*

As reported in the Company's press release of October 16, 2019, several features of the Copperfield Trend suggest it may represent an Archean analogue to Sweden's giant Paleoproterozoic Aitik porphyry deposit (Cu-Au-Ag-Mo). In production since 1968, Boliden's Aitik mine is the largest open pit operation in northern Europe.

The relevant geological features of the Aitik deposit are the following:

- The geological context is characterized by foliated and metamorphosed dioritic and volcano-sedimentary rocks of the Fennoscandian Shield.
- Host rocks are biotite gneisses, quartz-muscovite-(sericite) schists and diorite.
- The main sulphide minerals are disseminated chalcopyrite, pyrite and pyrrhotite and trace amounts of molybdenite, local bornite and chalcocite.
- Alteration is mostly characterized by biotite, sericite and potassic alteration; epidote-calcite-chlorite-quartz assemblages occur mainly along fault zones; quartz stockworks are present along the margins of the intrusion.
- Foliation is well developed in the host rocks, dipping about 50° to the west. Mineralization is mainly structurally controlled, and the entire rock package has been metamorphosed to amphibolite grade.

The Aitik mine provides valuable parameters regarding geometry, size and grades that could optimize the exploration strategy at Copperfield:

- The main open pit (Aitik) measures 4 kilometres by 1.1 kilometre at the surface and reaches 450 metres deep. A second pit (Salmijärvi) measures 0.9 by 0.6 kilometre and reaches 165 metres deep. The deposits average about 500 metres wide.
- In 2018, mineral reserves (proven and probable) were estimated at 1.148 billion tonnes at 0.22% Cu, 0.14 g/t Au and 1.2 g/t Ag. Total historical ore production from 1968 to 2018 is 821 million tonnes at 0.29% Cu, 0.17 g/t Au and 1.8 g/t Ag (Boliden Summary Report 2018).
- A cut-off grade of 0.06% Cu is used for reserves and resources in the Aitik pit. The historical stripping ratio (waste/ore) is 0.95.

## **Pontois Property**

The Pontois Property (394 claims, 200.7 km<sup>2</sup>) is a gold project held 100% by SOQUEM. Azimut has fulfilled its obligations to exercise its back-in option to regain a 50% interest. The property is situated several kilometres south of the LG-4 hydroelectric generating station and is crossed by the Trans-Taiga Road (Km 316). The project covers an underexplored sheared greenstone belt and corresponds to a strong As-Sb-W signature in LBS. The volcano-sedimentary rocks and iron formations of the La Grande greenstone belt, the bounding tonalitic intrusions, and the distribution of several regional faults and shear zones collectively provide a favourable geological and structural setting. No historical showings are known on the property.

### ***Exploration highlights***

In 2018, Azimut conducted a prospecting program on the Pontois Property as part of a multi-property SOQUEM-funded exploration program. The main result was the discovery of the Black Hole Prospect. The best gold results were 6.02 g/t Au, 2.56 g/t Au and 0.90 g/t Au in grab samples from outcrops (PR of Nov. 8, 2018). Other values included silver (up to 2.61 g/t Ag) and tellurium (up to 23.7 g/t Te). Significant copper values (up to 0.18% Cu) were obtained 2 kilometres from the prospect, along the same geological trend. Gold is hosted in mafic metavolcanics and intrusive dykes carrying quartz veins, near a sheared contact with metasediments. The intrusive facies contains disseminated fine pyrite. The 40 by 20-metre prospect area is open along strike in both directions. This was followed by the 2019 exploration program, funded and operated by Azimut, which consisted of prospecting and a detailed LBS survey. Previous work by Azimut included prospecting in 2017 (225 grabs; PR of June 6, 2018) and an LBS survey (237 samples).

## **ELEONORE GOLD CAMP**

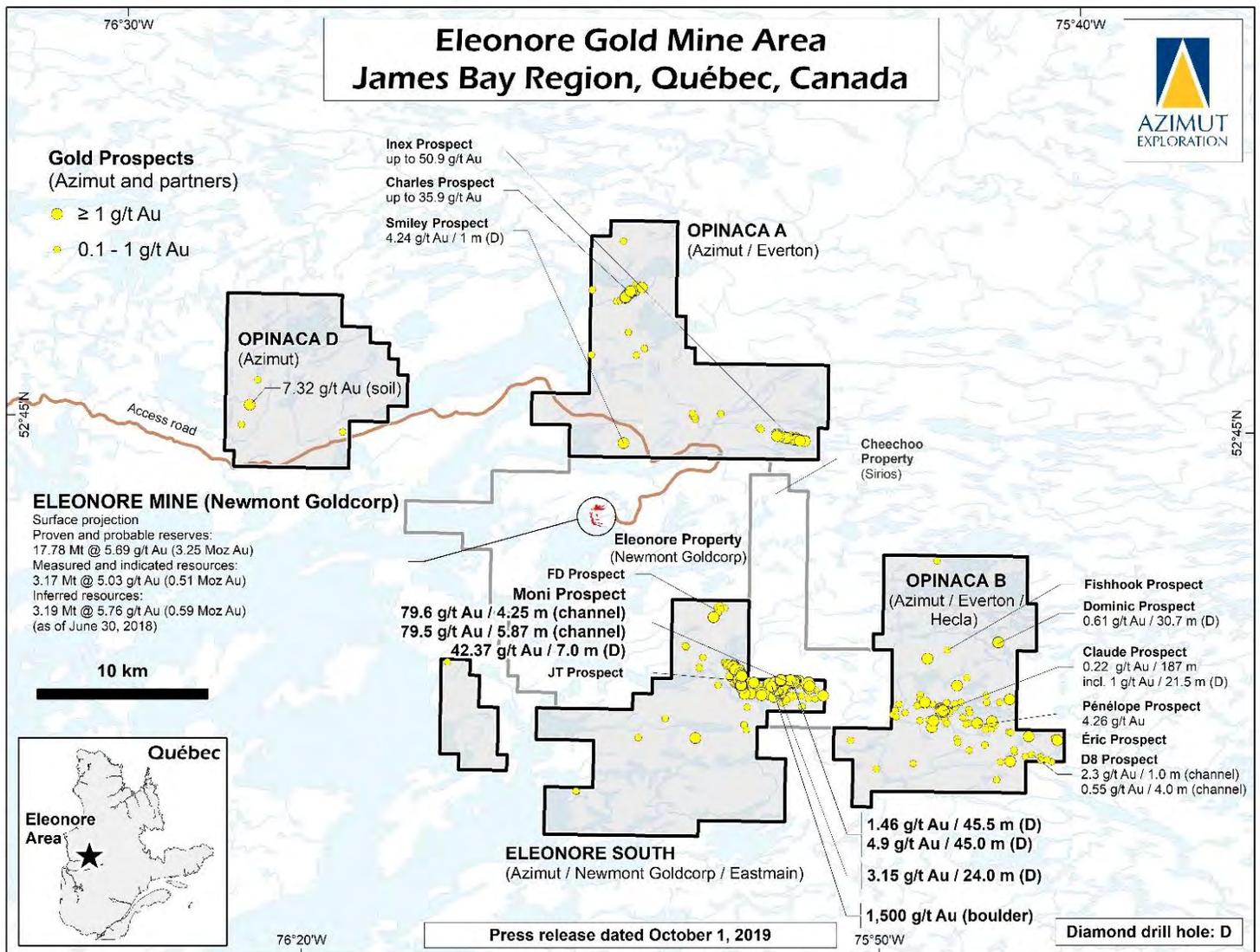
Azimut's portfolio contains five properties in the Eleonore Gold Camp (Eleonore South, Opinaca A, Opinaca B, Opinaca D and Synclinal). The Company acquired extensive holdings both before and after the Eleonore gold discovery in 2004 based on the targeting results of its gold potential modelling of the entire James Bay region. As a result, Azimut gained one of the leading property positions in the area (Figure 14).

The origins of the Eleonore Gold Camp date back to the 2004 discovery of the Roberto deposit by Virginia Mines Inc. (now Osisko Exploration James Bay Inc.), near the shore of the Opinaca Reservoir. Goldcorp Inc. (now Newmont) acquired the project in 2006 and began development on the mine. The first gold bar was poured on October 1, 2014, and commercial production was achieved on April 1, 2015. Eleonore is one of the largest gold mines in Quebec and considered a world-class state-of-the-art facility.

The deposit is marked by complex folding and faulting and is still open down plunge. The ore is mined from four horizons using sill and stope techniques, then processed onsite using a conventional circuit that includes crushing, grinding, gravity, flotation and cyanidation. Overall gold recoveries are 92%. Annual gold production is 270 attributable Koz as of December 31, 2020 (Newmont website). Proven and probable reserves stand at 7.80 Mt at 5.00 g/t Au for 1.26 Moz of gold, measured and indicated resources stand at 3.00 Mt at 4.51 g/t Au for 0.44 Moz of gold, and inferred resources stand at 2.50 Mt at 5.65 g/t Au for 0.46 Moz of gold (NI 43-101 compliant estimate as of December 31, 2020; Newmont PR of Feb. 10, 2021).

## **Eleonore South Property**

The Eleonore South Property (282 claims in 2 blocks, 147.6 km<sup>2</sup>) is a gold project located in a highly prospective part of the Eleonore mining camp, about 10 kilometres south of Newmont's Eleonore gold mine. The property is under a three-party agreement between Azimut, Les Mines Opinaca Ltée (a wholly-owned subsidiary of Newmont) and Fury Gold (formerly Eastmain Resources Inc.). Part of the property (116 claims, 60.3 km<sup>2</sup>) is subject to a royalty payable to Newmont, Les Mines Opinaca Ltée and Osisko Exploration James Bay Inc.



**Figure 14:** Azimut’s gold properties in the Eleonore Gold Camp, James Bay region.

The ownership of the Eleonore South Property is Azimut 23.77%, Newmont 38.11% and Fury Gold 38.12% following Azimut’s decision not to contribute to the 2019 winter program. Fury Gold is the JV manager.

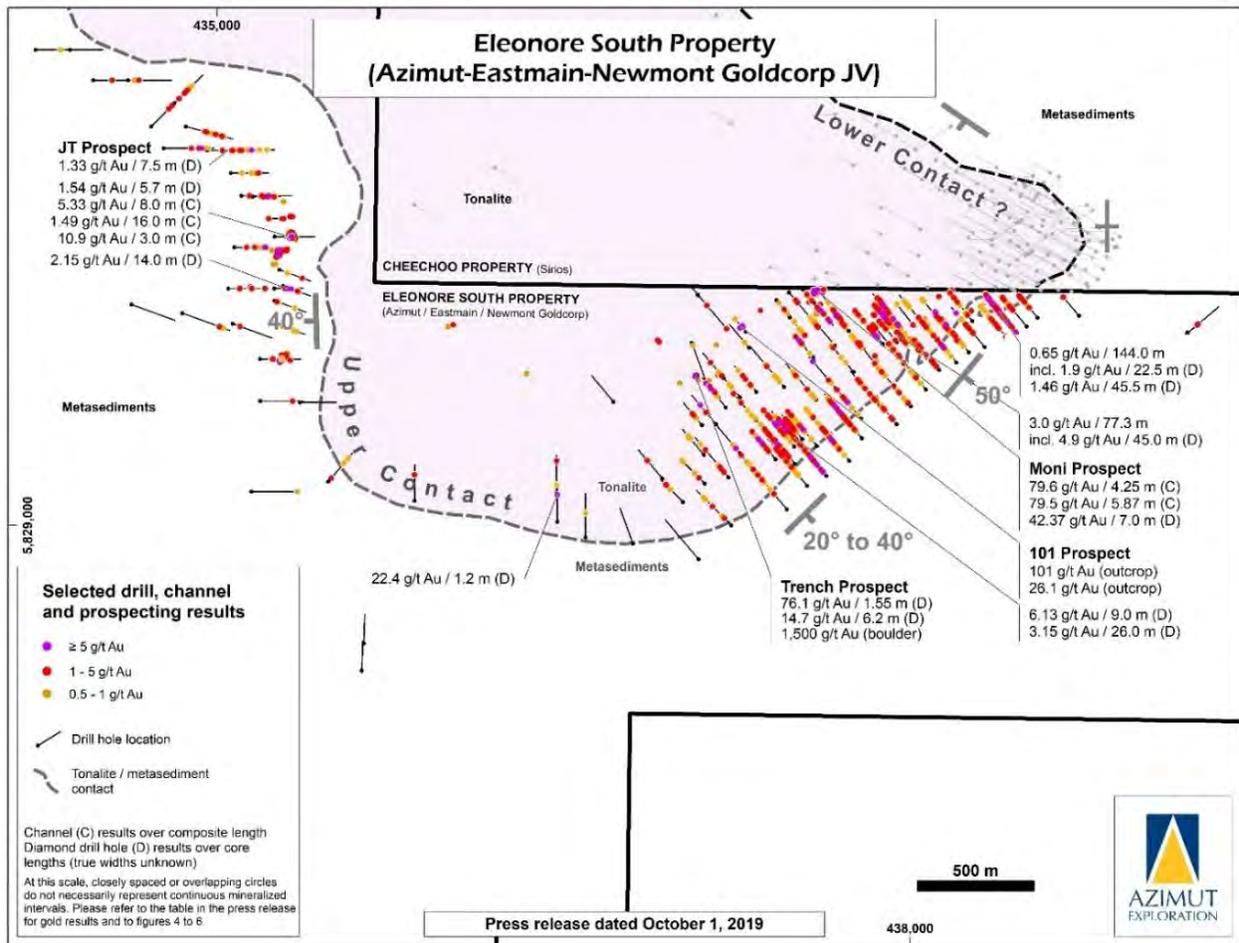
### **Exploration highlights**

The property has been the subject of three major joint exploration programs from 2016 to 2019, totalling \$8.4 million. Figures 15 to 17 show the highlights of the drilling, prospecting and channelling results from these programs.

The Fall 2018–Winter 2019 program comprised the following work (PR of October 1, 2019):

- 2,000 metres of mechanized trenching to expose gold mineralization and alteration in the tonalite intrusion and along the intrusion-metasediment contact (1,250 m of trenching), and the southwestern extensions of the high-grade Moni Prospect (750 m of trenching).
- A 2-month helicopter-supported mapping, prospecting and soil geochemistry program to develop additional targets in the southern and central parts of the property, as well as other targets in metavolcanics in the western part.
- 7,365 metres of diamond drilling in 26 holes (see highlights in Table 5) focusing on the Cheechoo tonalite over a 1.3-kilometre strike length, testing the southern and western extensions of gold mineralization along the Contact and Moni trends.

Since 2016, exploration work has included 76 diamond drill holes for 15,134 metres, along with detailed prospecting, stripping, channel sampling (Figure 18), LBS geochemistry and a high-definition heliborne magnetic survey (980 line-km at 25-m line spacing) (PRs of June 16, 2016; August 9, 2017; February 27, July 18 and September 11, 2018).



**Figure 15:** Map of the tonalite-metasedimentary contact on the Eleonore South Property showing selected drill, channel and prospecting results on the Moni and Contact trends (right) and the JT Prospect (left).

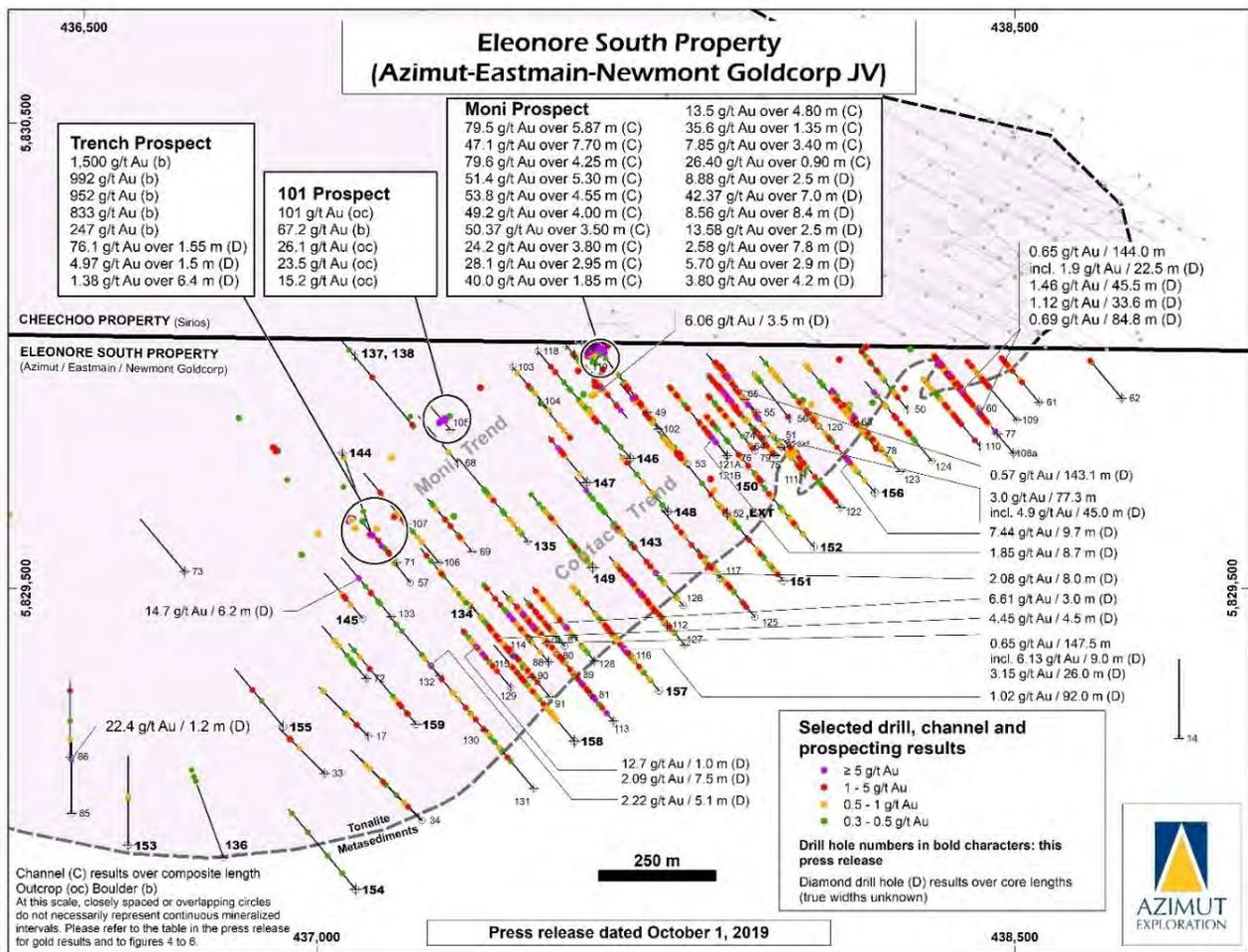


Figure 16: Details of the Moni and Contact trends showing selected drill, channel and prospecting results.

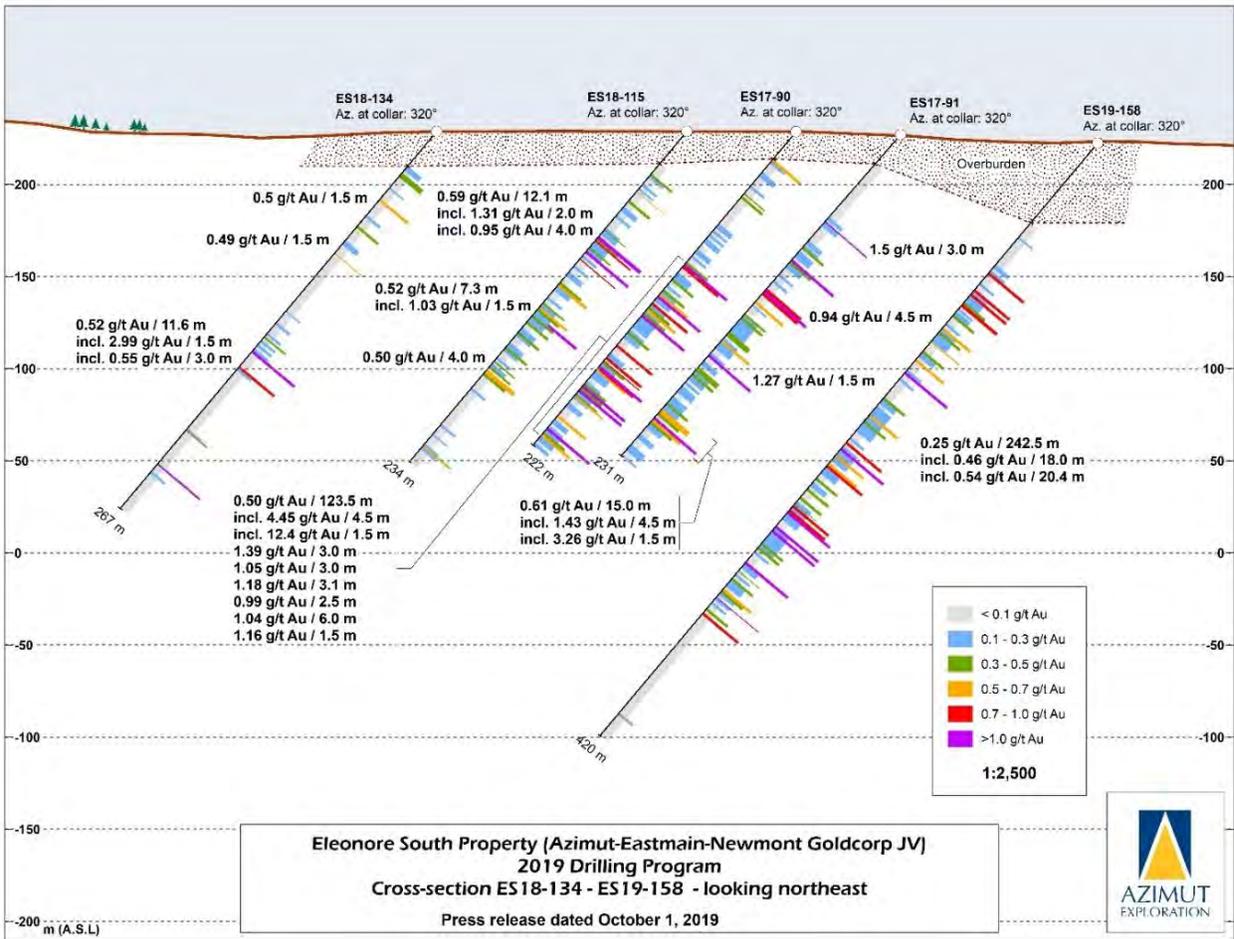
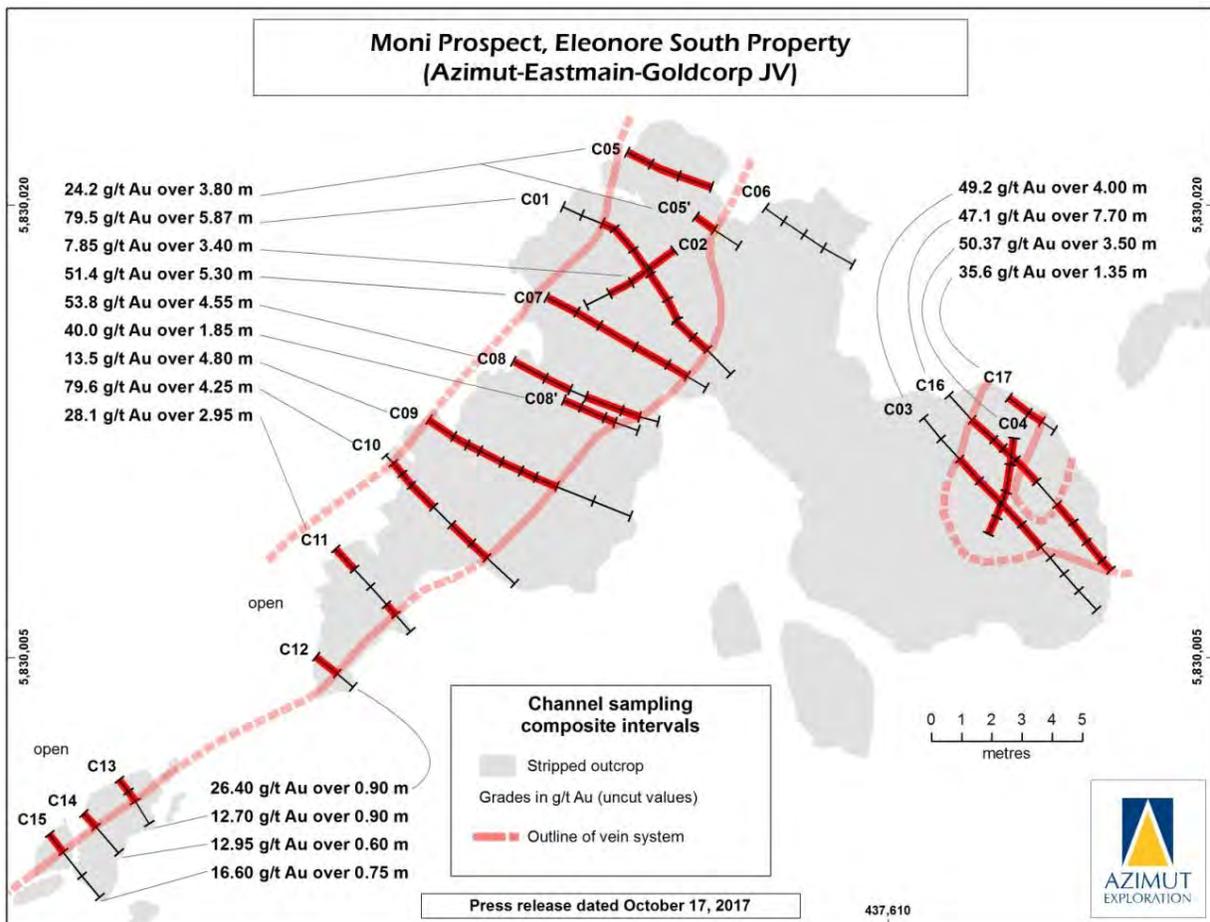
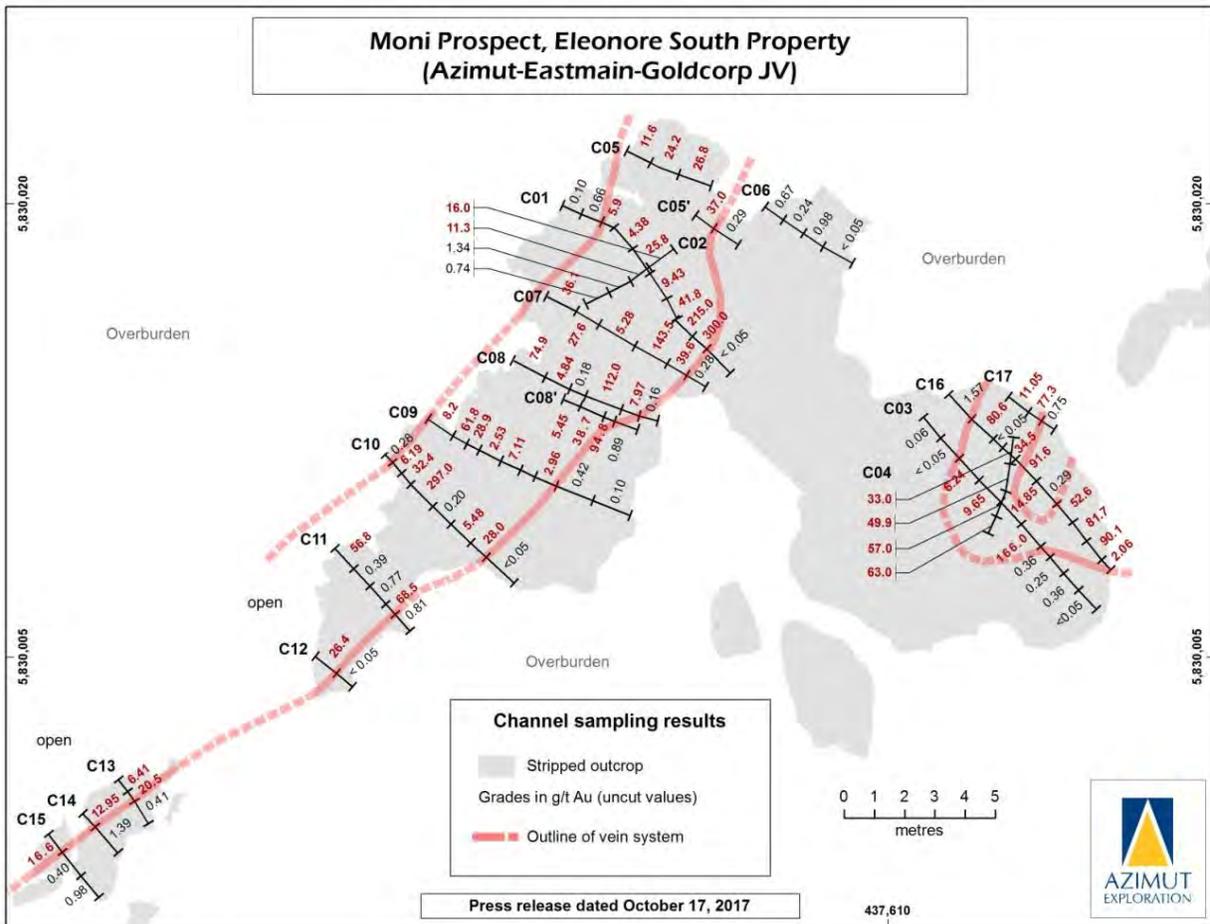


Figure 17: Cross-section showing diamond drill holes on the Eleonore South Property.



**Figure 18:** Map of the Moni Prospect showing individual channel sample results (top) and composite intervals (bottom).

## ***Gold mineralization***

Since 2016, surface exploration work and diamond drilling have focused on a large tonalite-hosted gold-bearing system in the eastern part of the property. The gold corridor is at least 2 kilometres long by 600 to 700 metres wide within the Cheechoo tonalite intrusion and up to its contact with the surrounding metasedimentary rock. Mineralization extends to the northeast towards a discovery by Sirios Resources Ltd (“Sirios”) on its adjacent Cheechoo Property and remains open to the southwest. The corridor is characterized by consistent anomalous gold values (>0.5 g/t Au), several networks of quartz veins and veinlets, strong sodic alteration, very low sulphide concentrations (<0.5%) and frequent native gold grains. Two higher-grade trends within the mineralized envelope (the Contact and Moni trends) are described in detail below.

The JT Prospect to the west (described below; see Figure 14) is hosted in a metasedimentary sequence near the intrusive-metasedimentary contact. Previous drill results indicate that the Cheechoo tonalite is also mineralized in this area. This suggests a potential extension of the Contact Trend to form a semi-ring shape approximately 5.5 kilometres long.

### ***Moni Trend***

This 1.8-kilometre-long NE-striking trend is about 500 metres from the metasedimentary contact and includes the Moni, 101 and Trench prospects. It is characterized by a system of pegmatitic quartz-feldspar veins and quartz-dominant veins with interstitial feldspar, carrying native gold and very low sulphide contents. The vein systems within the trend remain open at depth and laterally.

#### *Moni Prospect*

This outcropping high-grade quartzofeldspathic vein system is hosted in strongly altered tonalite and has been drill-tested to a vertical depth of 40 metres along a 60-metre strike length.

Mineralized facies vary laterally from grey or black quartz veins to a quartzofeldspathic pegmatite carrying traces to 1-2% of sulphide minerals (mostly arsenopyrite with lesser pyrite, pyrrhotite) and small amounts of tourmaline and scheelite. Alteration minerals are silica, albite, biotite and chlorite. To date, 345 native gold grains have been observed in 42 of the 82 channel samples and more than 20 drill holes. The tonalite is pervasively altered (albite, silica) and displays a network of regularly spaced quartz veins and veinlets of variable widths, with feldspathic selvages (sheeted veins). The system is oriented NE-SW, shows evidence of folding, and is roughly parallel to the trend of steeply dipping foliation.

Closely spaced drill holes on the Moni Prospect reveal a pegmatitic vein with good geometric continuity. Gold values generally reflect the presence of native gold. The information from these holes suggests that other Moni-type gold-bearing veins may show similar continuity.

#### *101 Prospect*

This prospect is located 400 metres to the southwest of the Moni Prospect. Mineralization is related to a network of quartz-feldspar pegmatitic veins and veinlets carrying native gold in strongly altered tonalite, striking NE-SW with a subvertical dip. Previous outcrop sampling returned up to 101 g/t Au. In 2017, a prospecting program yielded high-grade grab samples from the 101 Prospect (PR of November 16, 2017), including four (4) with grades above 15 g/t Au (15.2 to 67.2 g/t Au). Grab samples are selective by nature and unlikely to represent average grades.

#### *Trench Prospect*

The Trench Prospect is 650 metres southwest of the Moni Prospect (250 m southwest of the 101 Prospect). The very high-grade samples (up to 1,500 g/t Au) were collected from angular boulders of quartz-feldspar-(biotite) pegmatitic veins with native gold. These samples may correspond to a larger dismantled boulder. Mineralized tonalite boulders with arsenopyrite are also found nearby. Previous prospecting returned 247 g/t Au from a boulder in the same area, which is marked by a strong gold-arsenic soil anomaly. It is believed these mineralized boulders come from a nearby source. In 2017, a prospecting program yielded high-grade grab samples from the Trench Prospect (PR of November 16, 2017), with four (4) grading above 800 g/t Au (833 to 1,500 g/t Au).

### ***Contact Trend***

This mineralized and altered envelope of variable thickness in tonalite ranges from several tens of metres to over 100 metres thick in core length, with continuous intervals of anomalous gold values. Drilling confirms the presence of consistent gold mineralization along a zone at least 1.4 kilometres long and 150 to 300 metres wide, adjacent to the contact with the surrounding metasedimentary rocks. Results show reasonably good geometric continuity to the gold mineralization and zones remain open down dip and along strike. Mineralization is characterized by clusters of quartz-albite-biotite stockworks accompanied by arsenopyrite, pyrrhotite, pyrite, scheelite and native gold.

The intrusive shows evidence of foliation and folding, and the injections of mafic dykes (described as lamprophyres) are also deformed.

### ***JT Prospect***

This gold prospect is located 2.5 to 3 kilometres to the west of the Contact and Moni trends. The sedimentary sequences in this area display comparable characteristics with the stratigraphy hosting the Eleonore gold mine located 12 kilometres to the northwest. At the JT Prospect, gold was identified in the metasedimentary rocks above the tonalite-metasedimentary contact. Results from some historical drill holes indicate that the Cheechoo tonalite is also mineralized in this area (including 2.15 g/t Au over 14.0 m in hole ES08-12). Gold intersections in tonalite near the intrusive-metasedimentary contact may be an extension of the Contact Trend to form a semi-ring shape approximately 5.5 kilometres long.

### ***2018-2019 Drilling Results***

The most recent drilling program tested the southern and western extensions of the Contact and Moni trends. Highlights include 7.44 g/t Au over 9.7 m, incl. 63.3 g/t Au over 0.8 m (hole ES19-156, Contact Trend) and 1.02 g/t Au over 92.0 m, incl. 7.36 g/t Au over 8.2 m (hole ES19-157, Contact Trend). The descriptions below and the results in Table 5 were taken from the PR of October 1, 2019.

#### ***Drilling along the Contact Trend***

Nine (9) holes (ES19-150 to ES19-152 and ES19-154 to ES19-159) tested the Contact Trend to establish continuity.

Hole ES19-156 intersected a section grading 7.44 g/t Au over 9.7 m. Gold mineralization in this interval is distributed in altered tonalite (12.2 g/t Au from 140.3 m to 141.1 m), lamprophyre (63.2 g/t Au from 144.7 m to 145.5 m) and pegmatite (3.86 g/t Au from 141.1 m to 142 m).

Hole ES19-157 returned 1.02 g/t Au over 92.0 m in altered tonalite cut by several units of altered pegmatite and lamprophyre. This mineralized section includes an interval of 7.36 g/t Au over 8.2 m related to deformed and altered lamprophyre dykes with quartz veining. Similar intersections of mineralized and altered tonalite intruded by pegmatites have been reported in most of the holes drilled in this sector.

#### ***Drilling along the Central Tonalite (between the Moni and Contact trends)***

Nine (9) holes (ES18-134, ES18-135, ES18-143, ES18-145 to ES19-149 and ES19-155) and one (1) extension (ES19-052 EXT) tested the relatively undrilled section of the Cheechoo tonalite between the Moni and Contact trends.

Holes ES18-143 and ES19-147 were drilled along a section northwest of hole ES18-128 to test the extension of the Contact Trend to the north. Each hole intersected a high-grade interval at depth: 8.12 g/t Au over 1.5 m (ES18-143) and 16.7 g/t Au over 1.5 m (ES19-147).

#### ***Drilling along the Western Tonalite Contact and the JT Prospect***

Three (3) holes (ES18-136, ES19-153 and ES19-154) tested the western extension of the Contact Trend approximately 500 metres west of hole ES17-90 (0.5 g/t Au over 123.5 m). The holes encountered moderately altered tonalite with locally strong foliation but did not intersect significant anomalous gold mineralization.

Holes ES18-139 to ES18-142 investigated the JT Prospect about 3 kilometres west of the Contact and Moni trends. These holes tested the Cheechoo tonalite by drilling through the JT meta-sedimentary package in the vicinity of historical hole ES08-12 (2.15 g/t Au over 14 m). The best intercept is 28.3 g/t Au over 0.5 m (ES18-140) related to a narrow sulphide vein hosted in meta-greywacke close to a pegmatitic contact.

**Table 5:** Significant diamond drilling results on the Eleonore South Property (PR of October 1, 2019)

Hole	Zone	From (m)	To (m)	Length <sup>(1)</sup> (m)	Grade <sup>(2)</sup> (g/t Au)	Vertical Depth <sup>(3)</sup> (m)
<b>2019 Program</b>						
ES19-052EXT	Central Tonalite	239.0	264.5	25.5	0.61	192
		incl. 239	245.0	6.0	1.14	
ES19-147	Central Tonalite	130.5	138.1	7.6	1.03	103
		incl. 137.1	138.1	1.0	2.32	
		150.0	151.5	1.5	15.7	
ES19-149	Central Tonalite	14.1	105.0	90.9	0.23	45
ES19-150	Contact Trend	11.5	29.0	17.5	0.53	15

Hole	Zone	From (m)	To (m)	Length <sup>(1)</sup> (m)	Grade <sup>(2)</sup> (g/t Au)	Vertical Depth <sup>(3)</sup> (m)
		incl. 11.5	13.6	2.1	2.50	
		277.5	292.0	14.5	0.45	218
ES19-152	Contact Trend	91.5	124.5	33.0	0.45	83
		incl. 103.5	105.0	1.5	2.84	
ES19-156	Contact Trend	<b>140.3</b>	<b>150.0</b>	<b>9.7</b>	<b>7.44</b>	111
		incl. 140.3	141.1	0.8	12.2	
		<b>incl. 144.7</b>	<b>145.5</b>	<b>0.8</b>	<b>63.2</b>	
		385.5	400.5	15.0	0.84	301
		incl. 394.5	396.0	1.5	4.83	
ES19-157	Contact Trend	<b>157.0</b>	<b>249.0</b>	<b>92.0</b>	<b>1.02</b>	155
		<b>incl. 179</b>	<b>187.2</b>	<b>8.2</b>	<b>7.36</b>	
ES19-158	Contact Trend	91.5	334.0	242.5	0.25	162
		incl. 211.5	229.5	18.0	0.46	
		<b>incl. 255.1</b>	<b>275.5</b>	<b>20.4</b>	<b>0.54</b>	
<b>2018 Program</b>						
ES18-134	Contact Trend	47.5	49.0	1.5	0.50	37
		66.5	68.0	1.5	0.49	52
		144.9	156.5	11.6	0.52	115
		incl. 155.0	156.5	1.5	2.99	
		166.0	169.0	3.0	0.55	125
		235.0	236.0	1	3.16	180
ES18-135	Central Tonalite	46.3	47.1	0.8	0.84	36
		75.3	76.5	1.2	0.96	58
		96.1	99.0	2.9	0.77	75
		178.5	183.0	4.5	0.66	138
ES18-138	Moni-101 Trend	90.1	91.5	1.4	1.36	70
		297.5	299.0	1.5	1.20	228
ES18-139	JT Prospect	60.0	61.5	1.5	0.89	47
		163.5	165.0	1.5	2.44	126
ES18-140	JT Prospect	57.4	57.9	0.5	28.3	44
		95.8	107.7	11.9	0.43	78
		incl. 104.7	107.7	3.0	0.97	
ES18-141	JT Prospect	17.5	18.9	1.4	2.35	14
		23.2	24.4	1.2	0.88	18
		143.1	144.5	1.4	0.67	110
ES18-142	JT Prospect	16.0	17.3	1.3	0.63	13
		60.0	61.5	1.5	0.73	47
		72.0	73.5	1.5	0.48	56
		137.0	138.5	1.5	0.53	106
		162.5	164.0	1.5	0.64	125
ES18-143	Contact Trend	48.5	49.3	0.8	0.75	37
		62.4	76.8	14.4	0.32	53
		incl. 73.5	76.8	3.3	0.76	
		203.0	204.5	1.5	0.45	156
		219.5	221.0	1.5	0.5	169
		238.5	240.0	1.5	8.12	183
ES18-144	Moni-101 Trend	206.5	207.7	1.2	0.41	159
ES18-145	Central Tonalite	60.0	63.0	3.0	0.61	47
		86.8	100.5	13.7	0.37	72
		incl. 86.8	90.6	3.8	0.67	
		incl. 97.0	100.5	3.5	0.63	
		106.8	108.0	1.2	0.78	82

Notes:

- (1) Intervals represent core lengths. True widths have not yet been determined;
- (2) Assays are not capped;
- (3) Vertical depth is measured from surface to the mid-point of the reported interval.

### ***Exploration model***

Several key factors point toward a reduced intrusion-related deposit for the gold-bearing system on the Eleonore South Property (PR of July 18, 2018). The Fort Knox mine in Alaska (Kinross Gold Corporation) and the Côté Lake Project in Ontario (IAMGOLD) are useful examples of large-scale intrusion-related gold deposits. In this scenario, assessing the geometry of the intrusion and the surrounding metasedimentary rock is critical, given that the tops of the intrusions are typically viewed as highly prospective.

The 2.61 Ga Cheechoo tonalite, late in the geological sequence, is interpreted to be a mushroom-shaped intrusion with a roughly tabular top 450 to 500 metres thick, with a shallow to moderate southward dip along its southern contact and a moderate westward dip along its western contact (JT Prospect area). The current interpretation suggests the intrusion has not been overturned. The Contact Trend is interpreted as a decompression stockwork zone close to the top of the intrusion.

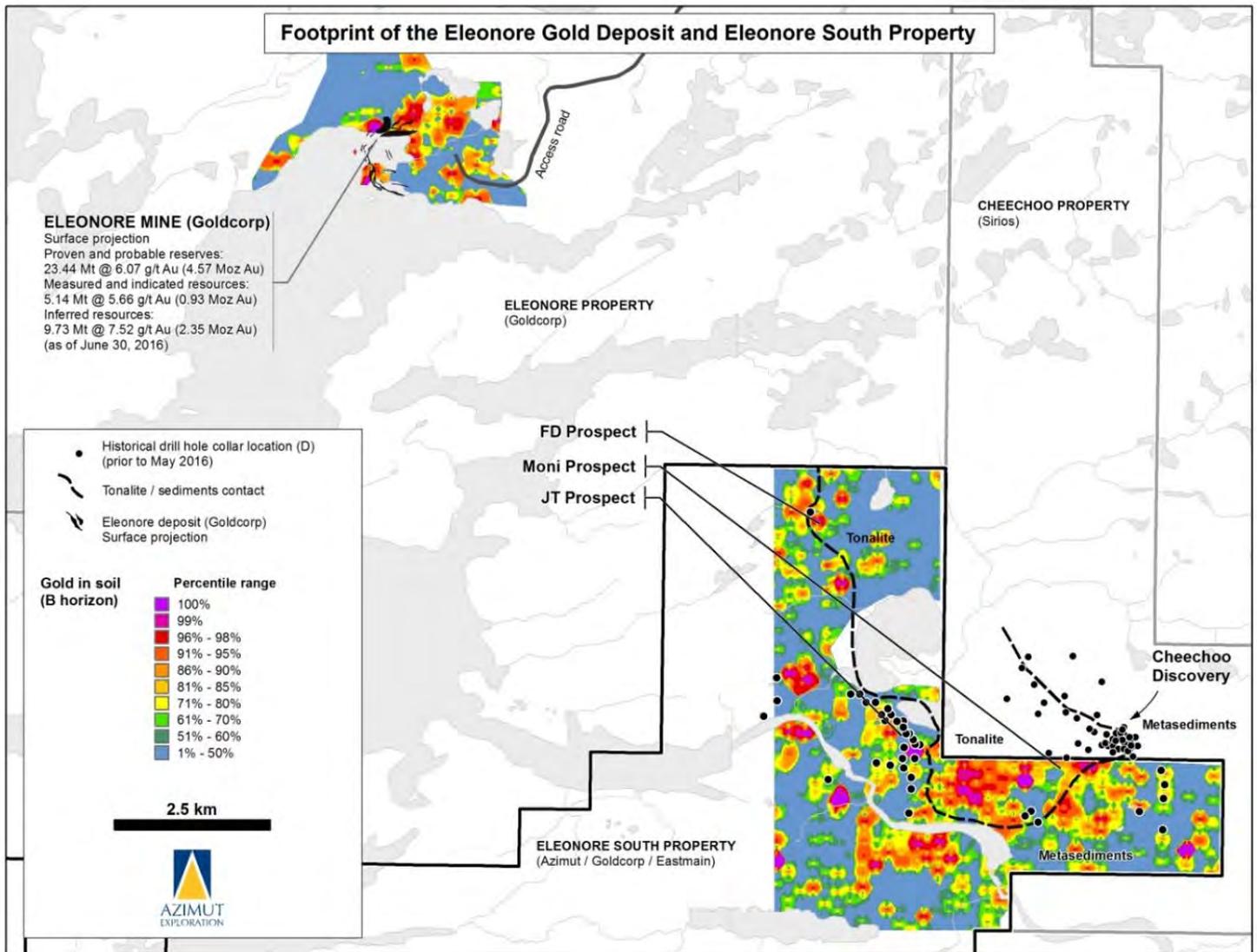
### ***Resource estimate on adjacent property***

The continuation of the Eleonore South mineralized system onto the adjacent Cheechoo Property is strongly supported by the results released by Sirios. Some of the holes drilled by Sirios were collared as close as 12 metres from Azimut's property boundary. In a PR dated November 17, 2020, Sirios announced an in-pit inferred mineral resource estimate of 93.0 million tonnes at an average grade of 0.65 g/t Au for 1.96 million ounces of gold using a 0.25 g/t Au cut-off.

### ***Details of the Eleonore South footprint and targeting approach***

A rigorous interpretation and comparison of the geochemical footprints for Eleonore South and Newmont's Eleonore gold mine were discussed in the PR of March 30, 2016. Extensive, consistent, strong and coincident gold and arsenic anomalies (higher than 90<sup>th</sup> percentile) were outlined in B-horizon soil samples on Eleonore South. In most cases, gold mineralization observed in rock samples, trenches and drill core is spatially related to these soil anomalies (e.g., JT Prospect). Newmont's property and gold mine show comparable features (Figure 19).

The Eleonore mine footprint suggests little to no displacement of the gold-arsenic soil anomalies from their bedrock sources. Consequently, the areas on the Eleonore South Property with unexplored strong geochemical anomalies are considered quality targets for potential near-surface discoveries.



**Figure 19:** Map comparing the gold-in-soil footprint of the Eleonore South Property to the Eleonore mine on the adjacent property belonging to Newmont.

### Opinaca A Property

The Opinaca A Property (247 claims, 128.7 km<sup>2</sup>) is a gold project adjacent to Newmont’s Eleonore mine property. The access road to the mine runs through Opinaca A. In March 2010, Everton earned a 50% interest in the property. In September 2010, Hecla (formerly Aurizon Mines Ltd) signed a three-party agreement with Azimut and Everton on the Opinaca A and B properties (PR of September 16, 2010). The parties amended the agreement on November 14, 2014 to exclude the Opinaca A claims.

In Q3 2021, the Company did not incur any exploration expenditures (\$1,000 – Q3 2020) or claim renewals (\$Nil – Q3 2020). No budgetary provisions have been made due to other regional priorities. Consequently, the property was partially impaired.

### Exploration highlights

A reassessment of the property’s gold potential using previous exploration work and new regional information (PR of July 6, 2017) concluded that two major gold prospects (Charles and Inex; see below) might be linked by a 20-kilometre prospective trend defined by geophysical, geological and geochemical parameters, including till anomalies (Figure 20). This underexplored sector is characterized by the following: a) continuity of the magnetic signature between the two prospects; b) arsenic, antimony and bismuth anomalies in LBS; c) gold anomalies in glacial deposits; and d) local evidence of folding that may act as traps for gold mineralization.

The previous exploration program was a combined \$850,000 program on the Opinaca A and B properties in 2014, funded and operated by Hecla. The program, which followed up on ground geophysics, prospecting and diamond drilling from 2007-2008, included a \$205,000 program on Opinaca A (2,317 m in 9 holes, prospecting, channelling and till sampling), that extended the

Charles Prospect and improved target definition in the area. Salient results are summarized in the descriptions below (PRs of August 9 and December 7, 2007, September 2, 2008, and March 19, 2015).

The **Charles Prospect** is a 1-kilometre-long gold prospect hosted in biotite-rich paragneiss with quartz veins and up to 15% sulphides (pyrite, pyrrhotite). Several high-grade gold grab samples were obtained (up to 42.34 g/t Au). The best drill hole intersection was 2.7 g/t Au over 2.0 m (hole AC-07-01).

The **Inex Prospect** is a 1.7-kilometre-long gold prospect associated with a garnet-biotite-amphibole-silica-rich rock hosted in paragneiss. Gold is free or associated with pyrite and pyrrhotite. The best grab samples returned up to 50.9 g/t Au, and the best drill hole returned 9.03 g/t Au over 0.6 m (hole OP-06-02).

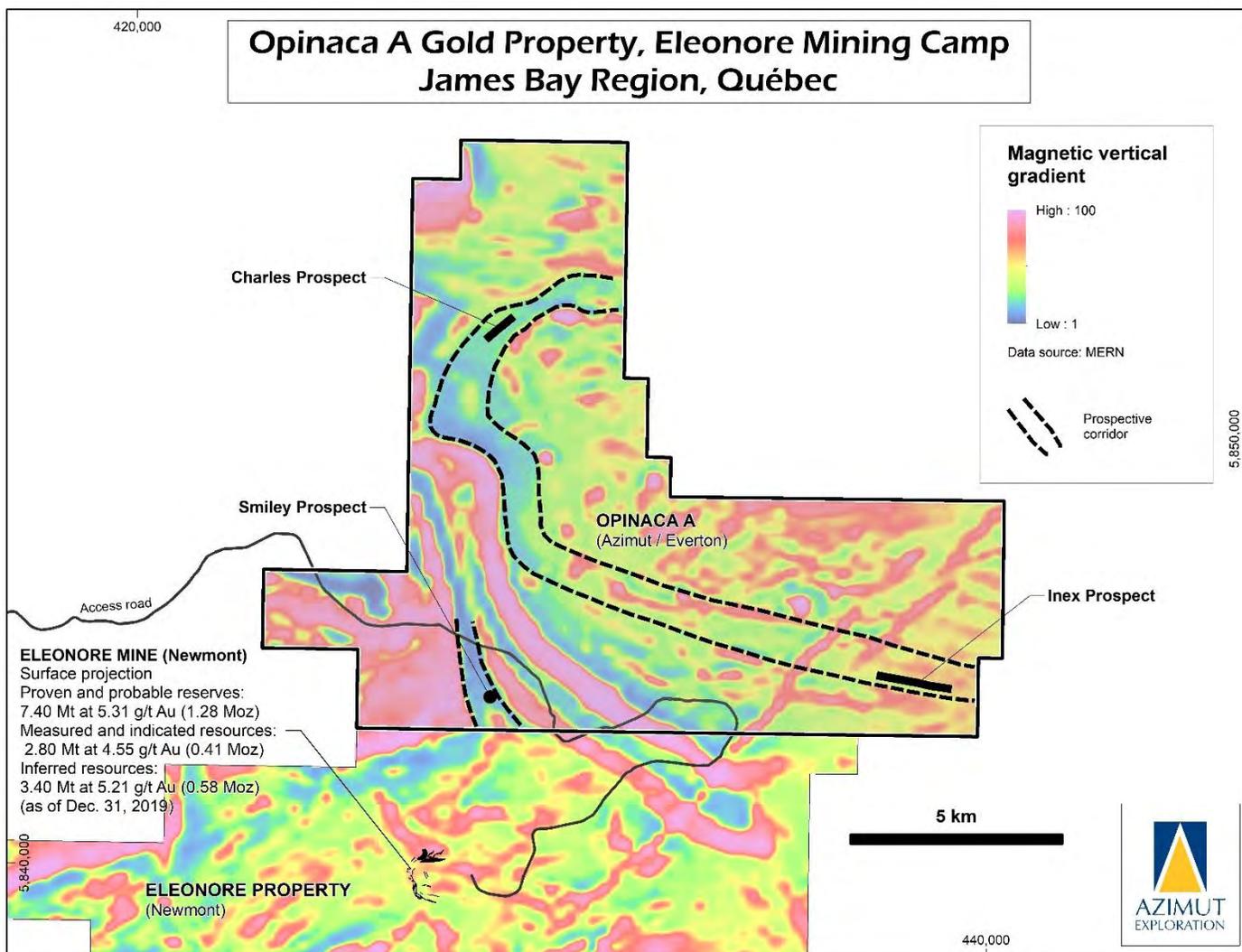
The **Smiley Prospect** (4.24 g/t Au over 1.0 m in hole OS-08-04-A), located 800 metres north of the boundary with the Eleonore mine property, is positioned along an interpreted 2.5-kilometre-long north-trending prospective target supported by magnetic data. It is characterized by a major gold anomaly in till coupled with a gold-arsenic anomaly in soil and by locally intense alteration in greywackes and paragneiss.

## **Opinaca B Property**

The Opinaca B Property (248 claims, 129.7 km<sup>2</sup>) is a gold project adjacent to the Cheechoo Gold Project held by Sirios, approximately 16 kilometres to the east of Newmont's Eleonore mine. The discovery potential of the property has been strengthened by Sirios' announcement of a maiden mineral resource estimate for Cheechoo (see the section on *Resource estimate on adjacent property* under the Eleonore South Property description).

In March 2010, Everton earned its 50% interest in the Opinaca B Property. In September 2010, Hecla signed a three-party agreement with Azimut and Everton on the Opinaca A and B properties (PR of September 16, 2010). The parties amended the agreement on November 14, 2014 to exclude the Opinaca A claims. According to the terms of the amended agreement, Hecla has the option to acquire a 50% interest in the Opinaca B Property by making cumulative cash payments of \$580,000 and incurring a total of \$6 million in exploration work over four (4) years (extended by an additional two (2) years in an amendment on November 15, 2013). Hecla may earn an additional interest of 10%, for a total interest of 60%, by making cumulative cash payments of \$300,000 and incurring at least \$3 million in exploration expenditures over three (3) years from the election date, and by delivering an independent pre-feasibility study on or before the fourth anniversary. The Company has received cash payments of \$290,000 on the first option. Hecla did not elect to proceed with the second option. Azimut owns 25% interest in the property.

In Q3 2021, the Company incurred \$100 (\$1,000 – Q3 2020) in exploration work for data interpretation and \$2,000 (\$Nil – Q3 2020) in claim transfers.



**Figure 20:** Map of magnetic vertical gradient showing prospective trends on the Opinaca A Property and the location of prospects, and Newmont's Eleonore mine (for drill results, see PR of July 6, 2017).

### **Exploration programs**

In 2017 and 2018, Hecla-funded exploration included a 2,945-metre (12-hole) diamond drilling program on multiple gold prospects (Dominic: 4 holes; Fishhook: 4 holes; D8: 2 holes; Eric: 1 hole; and Claude: 1 hole), a heliborne magnetic survey of 1,495 line-kilometres, a soil geochemical survey yielding 483 samples, and ground Mag and EM surveys (PRs of June 19 and November 9, 2017). Detailed results are provided below.

In 2015 and 2016, Hecla-funded exploration included prospecting (1,021 rock or float grab samples; 96 soil samples), mechanized stripping and trenching in six areas, and channel sampling (153 samples in 2015 and 202.2 m in 2016) (PRs of November 25, 2015 and January 23, 2017).

In 2012, fieldwork with a former partner led to the discovery of the D8, Eric and Penelope prospects. The program comprised 622 line-kilometres of magnetic-EM surveys, 684 soil samples, 243 rock grab samples, 290 channel samples from 258.35 metres of channels, and 93 till samples. Earlier exploration work in 2007 and 2008 by partner Everton included IP and magnetic ground surveys, drilling and prospecting at Claude and Dominic, and diamond drilling at Dominic (PRs of August 9 and December 7, 2007, and September 2, 2008).

### **Mineralization and exploration highlights**

The most significant results were from the **Dominic Prospect**, which corresponds to a folded epidote-amphibole-quartz-feldspar vein hosted in metasediments close to a felsic intrusion. Starting in mineralization, hole OP-17-51 intersected 0.61 g/t Au over 30.7 m in a chloritic breccia, including two higher grade intervals: 2.38 g/t Au over 2.0 m and 3.21 g/t Au over 1.7 m. A previous hole yielded 0.6 g/t Au over 1.2 m. Several grab samples from metasedimentary outcrops assayed above 0.1 g/t Au, including a sample of pyritized, silicified and chloritized rock with quartz and pegmatite veins grading

6.1 g/t Au, 4.5 g/t Au and 1.7 g/t Au, and two samples carrying sulphides and/or magnetite grading 1.4 g/t Au and 1.1 g/t Au. Several channel samples returned values above 0.1 g/t Au, including 1.8 g/t Au over 0.75 m and 1.2 g/t Au over 1.0 m.

The **Fishhook Prospect** is a magnetic anomaly related to an iron-rich sedimentary unit. Drill targets correspond to possible alteration zones and faulting. Hole OP-17-49 returned 1.06 g/t Au over 1.5 m in a fault zone.

The **D8 Prospect** is characterized by a 20-metre-wide sheared and altered arsenopyrite-tourmaline-rich shear zone in metasediments (0.55 g/t Au over 4.0 m in a trench), amphibolite-hosted quartz veins (channel sample of 2.3 g/t Au over 1.0 m), and a package of IP anomalies roughly 150 to 200 metres wide. A grab sample from a boulder of chloritized wacke with quartz-feldspar-tourmaline veinlets yielded 3.0 g/t Au.

Mineralization at the **Claude Prospect** is associated with quartz-tourmaline veins and veinlets. Drilling yielded an intersection of 0.22 g/t Au over 187 m (including 1.0 g/t Au over 21.5 m), grab samples returned 5.8 g/t Au and 4.3 g/t Au, and a channel graded 2.4 g/t Au over 0.5 m.

Mineralization at the **Eric Prospect** is related to calc-silicate (altered) sediments and arsenopyrite-tourmaline-bearing pegmatites within a kilometre-scale arsenic-gold soil geochemistry target. Eight (8) grab samples assayed above 0.1 g/t Au, including two above 0.5 g/t Au. Only marginal values were obtained in a single hole in 2017.

The **Penelope Prospect** yielded 10 grab samples with grades above 0.1 g/t Au, including four with values above 0.5 g/t Au up to 4.26 g/t Au. Mineralization is associated with quartz-tourmaline veins and veinlets.

Hecla had earned its 50% interest in the Opinaca B Property by making cumulative cash payments of \$580,000 and incurring \$6 million in work expenditures. Azimut has received \$290,000 in cash payments, reflecting its 50% interest in the property.

## **Opinaca D Property**

The wholly-owned Opinaca D Property (110 claims, 57.3 km<sup>2</sup>) lies about 15 kilometres northwest of Newmont's Eleonore mine. The access road to the mine runs through the property.

In Q3 2021, the Company incurred \$100 (\$800 – Q3 2020) in exploration work for data interpretation but did not incur any claim renewal expenditures (\$Nil – Q3 2020). No budgetary provisions have been made due to other regional priorities. Consequently, the property was partially impaired.

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<sup>TM</sup> and/or soil geochemistry anomalies. Soil geochemistry surveys confirmed a broad trend of strong gold, arsenic and antimony anomalies, with respective maximum values of 7.32 g/t Au, 447 ppm As and 2.3 ppm Sb. The anomalies have not yet been tested by drilling. In 2018, 339 grab samples were collected during a prospecting program. Several drill targets have been defined on the project.

## **Synclinal Property**

The wholly-owned Synclinal Property (32 claims, 16.8 km<sup>2</sup>) is a gold project about 58 kilometres southeast of the Eleonore gold mine. It is underlain by rocks of the Opinaca Subprovince, close to the contact with the La Grande Subprovince. The target is characterized by a Bi-Sb anomaly in LBS. In 2018, 32 rock grab samples were collected during reconnaissance prospecting. In 2017, Azimut carried out a comprehensive LBS geochemical survey as part of a SOQUEM-funded multi-property exploration program (PRs of November 2, 2017 and May 31, 2018).

The claims for the Synclinal Property are still in good standing as at July 23, 2021, but Azimut has elected to no longer pursue its assessment of the project due to other regional priorities. The property was fully impaired in 2019.

## **EASTMAIN RESERVOIR SECTOR**

Azimut has two projects in the Eastmain Reservoir sector: Chromaska (a chromium project) and Wabamisk (a gold project). The area is roughly 260 kilometres northwest of Chibougamau and 60 kilometres southeast of the Eleonore mine. The area is notable for the Eau Claire gold deposit (Clearwater Property) belonging to Fury Gold and the Whabouchi deposit of Nemaska Lithium Inc. The Eau Claire deposit consists of open pit and underground components containing combined measured and indicated resources of 4.294 Mt at 6.18 g/t Au for 853,000 oz Au and combined inferred resources of 2.382 Mt at 6.53 g/t Au for 500,000 oz Au (NI 43-101 compliant estimates, effective February 4, 2018; Fury Gold PR of July 4, 2018).

## Chromaska Property

The wholly-owned Chromaska Property (60 claims, 31.8 km<sup>2</sup>) is a Cr-PGE-Ni project located in a highly accessible region with major infrastructure (permanent roads, power lines, airports), 35 kilometres north of the Whabouchi mining project (Nemaska Lithium Inc.) and the nearby community of Nemiscau.

In Q3 2021, the Company incurred \$1,000 (\$6,000 – Q3 2020) in drilling and prospecting compilations but did not incur any claim renewal expenditures (\$Nil – Q3 2020). No budgetary provisions have been made because the results did not meet the Company's objectives. The property was fully impaired in 2019.

### *Geological context and mineralization*

Chromium mineralization occurs as disseminated to massive chromitite horizons in a well-defined prospective horizon along a 4-kilometre-long ultramafic intrusion. The two main mineralized facies are ultramafic (massive to semi-massive chromite layers) and chromite-rich dykes or sills (PR of May 19, 2011). The main showings are the **Sledgehammer Prospect**, which can be traced at the surface for 100 metres within a magnetic high measuring 200 metres by 900 metres, and the **Dominic Prospect**, which occurs in a magnetic low.

A preliminary mineralogical study indicated very coarse chromite grains in a magnesium-rich aluminosilicate matrix (PR of May 19, 2011). Consequently, a primary grind should be sufficient to easily liberate the chromite from the silicate gangue. A subsequent study on chromite grains indicated a Cr<sub>2</sub>O<sub>3</sub> content of 44.5% and Cr/Fe ratios ranging from 1.63 to 2.4 (PR of January 19, 2017).

The Chromaska Property shares several attractive geological, and geophysical similarities with the Black Thor Intrusive Complex, host to the Black Thor chromite deposit in the Ring of Fire District of Northern Ontario (measured and indicated resources of 137.7 Mt at 31.5% Cr<sub>2</sub>O<sub>3</sub> and inferred resources of 26.8 Mt at 29.3% Cr<sub>2</sub>O<sub>3</sub>; Noront Resources Ltd website). Also, the ages of the two intrusive complexes appear to be very close (Black Thor: 2,734 Ma; Chromaska: 2,739 Ma).

### *Maiden drilling program*

In 2018, Azimut completed a self-funded diamond drilling program consisting of four (4) holes totalling 1,002 metres (PR of May 29, 2018). Holes CHR18-03 and CHR18-04 intersected semi-massive to massive chromite-bearing horizons within a wide, disseminated chromite-bearing envelope. Another three (3) holes (370.5 m) were drilled to further assess the lateral continuity of the chromitite horizons.

### *Geophysics*

In early 2017, a self-funded ground gravity survey (PRs of February 21 and May 8, 2017) investigated the main target zone in the central part of the intrusion where channelling obtained 17.21% Cr<sub>2</sub>O<sub>3</sub> over 7.54 m (see below), to assess the property's potential for Ni-Cu-PGE massive sulphides and to characterize the footprint and extensions of the Dominic and Sledgehammer prospects.

The residual gravity anomaly is 1.2 kilometres long and up to 200 metres wide and remains open to the north and south. The position of the anomaly is stratigraphically high in the intrusion, which is a favourable criterion for chromite sills. Inversion modelling was done to construct subsurface 3D models of possible causative bodies to explain the anomaly. The results suggest a body of significant strike, generally more developed below a depth of 50 metres, possibly a subvertically dipping chromite body of substantial size, or disseminations/thin interdigitations of chromite within high-density host rocks (dunite, harzburgite).

### *Prospecting and channel sampling results*

In late fall 2016, 59 channel samples were collected (cumulative length of 53.10 m in 5 channels) in addition to 14 grab samples (PR of January 19, 2017). The best channel interval was 33.2% Cr<sub>2</sub>O<sub>3</sub> over 3.55 m. Channel lengths were constrained by thick overburden and a creek.

The main highlights are:

- 17.21% Cr<sub>2</sub>O<sub>3</sub> over 7.54 m, including 33.2% Cr<sub>2</sub>O<sub>3</sub> and 0.41 g/t PGE (Pt, Pd) over 3.55 m (Dominic Prospect, channel 3). The best result along this channel is 40.24% Cr<sub>2</sub>O<sub>3</sub> over 1.55 m;
- 5.13% Cr<sub>2</sub>O<sub>3</sub> over 22.49 m, including 23.1% Cr<sub>2</sub>O<sub>3</sub> over 0.55 m, 19.57% Cr<sub>2</sub>O<sub>3</sub> and 0.20 g/t PGE over 2.60 m (Sledgehammer Prospect, channel 1);
- 8.59% Cr<sub>2</sub>O<sub>3</sub> over 6.54 m, including 17% Cr<sub>2</sub>O<sub>3</sub> and 0.22 g/t PGE over 1.18 m, 22.5% Cr<sub>2</sub>O<sub>3</sub> and 0.14 g/t PGE over 0.98 m (Sledgehammer Prospect, channel 2).

## **Wabamisk Property**

The Wabamisk Property (450 claims, 238.2 km<sup>2</sup>) is a gold project located about 70 kilometres south of Newmont's Eleonore gold mine and has a comparable geological context and geochemical signature. In 2011, Azimut announced that Newmont had earned its 51% interest in the property. Later that year, Newmont 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 but this option has since expired. Eight (8) of the claims are subject to a 2.1% NSR payable to Virginia Mines (1.4%; now Osisko Exploration James Bay) and SOQUEM (0.7%), with a buy-back of 1.05% for \$350,000.

In Q3 2021, the Company incurred \$500 (\$4,000 – Q3 2020) for a geological assessment. Newmont is the operator of the property.

### ***Exploration highlights***

Initial exploration in 2005 identified several major gold target areas that included most of the known historical gold showings. A soil geochemistry survey in 2006 was followed in 2007 to 2009 by prospecting (grab sampling), mapping, IP surveys, soil sampling, channel sampling and a maiden diamond drilling program that intersected sulphides and graphite with little or no gold.

In 2010, Newmont completed an 8-hole (2,800 m) diamond drilling program that identified two prospective areas in the western half of the property. The best result from six (6) holes on the GH Prospect was 2.3 g/t Au over 4.3 m within a large envelope defined by 19 m grading 0.7 g/t Au, 0.39% Sb and 0.20% As. This gold-antimony-arsenic zone is associated with a diorite intrusion and metasedimentary rocks. Mineralization is characterized by Sb and As sulphides as disseminations and veinlets accompanied by sericitization and silicification. The target zone is 3.5 kilometres long, outlined by coincident soil (Sb, As) and geophysical (IP) anomalies. The alteration-mineralization footprint indicates strong exploration potential along strike and at depth. The second area, the **Dome-ML Prospect**, is 1.7 kilometres long and yielded 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.

From 2012 to 2015, Newmont funded work programs that included prospecting (651 grab samples), a soil geochemistry survey (3,890 samples), an IP survey over altered shear zones that warranted additional work, and a high-resolution helicopter-borne magnetic survey (3,502 line-km). These programs led to the discovery of a new prospective area in the western part of the property characterized by gold-in-soil anomalies and an assay of 12.45 g/t Au from a quartz vein in a grab sample. Other prospecting results included 2.42% Cu, 0.41 g/t Au and 23.6 g/t Ag (grab sample); 1.42% Cu and 7.1 g/t Ag (grab sample); and 1.01% Cu, 0.67 g/t Au and 9.1 g/t Ag (boulder) (PR of March 19, 2015).

In 2018, a heliborne SkyTEM survey over the property at a line spacing of 100 metres for a total coverage of 3,322 line-kilometres to enhance target definition by delineating high-quality conductors. Newmont funded the survey.

## **EASTERN JAMES BAY SECTOR**

The most notable project in the eastern part of the James Bay region is the Renard diamond mine. The region has benefited from the extension of Route 167, a permanent all-season road, to connect the mine to the provincial highway network via the communities of Mistissini and Chibougamau. The Government of Québec supports other infrastructure development in the region as part of its Plan Nord program.

Azimut's portfolio in Eastern James Bay includes three wholly-owned properties (Corne, Mercator and Valore) and one of the SOQUEM Properties (Desceliers) for which Azimut is exercising its back-in option to regain a 50% interest.

### **Corne Property**

The wholly-owned Corne Property (177 claims, 93.6 km<sup>2</sup>) is a copper-gold project that covers a 17-kilometre strike over a well-marked copper-bismuth-arsenic LBS anomaly. The property is located within the metasedimentary Opinaca Subprovince, close to the boundary with the Opatica Subprovince, and has seen very limited exploration. A small copper-molybdenum-silver intrusion-related deposit is located about 20 kilometres to the northwest (MacLeod, Pointe Richard).

In Q3 2021, the Company incurred \$4,000 (\$6,000 – Q3 2020) in exploration work for data interpretation but did not incur any claim acquisition expenditures (\$Nil – Q3 2020).

### **Desceliers Property**

The Desceliers Property (363 claims, 188.4 km<sup>2</sup>) is a gold-copper project held 100% by SOQUEM. Azimut has fulfilled its obligations to exercise its back-in option to regain a 50% interest. The property is located 175 kilometres east of provincial highway 167, which leads to the Renard mine (Stornoway).

The property is underlain by Archean rocks of the Opinaca Subprovince and is characterized by a strong geochemical signature in Au-As-Cu-W in LBS, accompanied by favourable geophysical criteria. This area has seen minimal exploration in the past, and very little is known about its geology. The nature and size of the geochemical footprint (an especially strong Au-Cu association) and the untested potential of the area make this property highly attractive.

In 2018, a multi-property SOQUEM-funded exploration program included work on the Desceliers Property. A heliborne DIGHEM geophysical survey (1,017 line-km) was followed by a short prospecting program (60 grab samples). Collectively, the work defined robust targets, namely for IOCG and magmatic Ni-Cu deposits. The 2019 program, funded and operated by Azimut, included focused prospecting.

Following an infill LBS survey in 2016, reconnaissance work in 2017 yielded the following results from 192 grab samples:

- A mineralized boulder field (anomalous Au, Ag, As, Bi, Co and Cu values) within a target area measuring 7 kilometres by 4 kilometres. The bedrock source of the boulders is considered proximal. The best results include:
  - 0.33 g/t Au, 493 ppm Cu
  - 0.2 g/t Au, 1.03 g/t Ag, 173 ppm Co, 562 ppm Cu, 0.14% Zn
  - 5.90 g/t Ag, >1% As, 287 ppm Cu
  - 0.22 g/t Au, 8.36 g/t Ag, >1% As, 551 ppm Cu
- Two mineralized outcrops located 1.7 kilometres apart within a target area measuring 4 kilometres by 3 kilometres. Samples yielded the following results:
  - >500 ppm REE, >500 ppm Y, 377 ppm Zr, >1% P, 619 ppm Mo, 0.32% Pb
  - 140 ppm Cu, 235 ppm Y, >500 ppm Zr

### **Mercator Property**

The wholly-owned Mercator Property (351 claims, 182.1 km<sup>2</sup>) is a copper-polymetallic (Cu-Ni-Co) project measuring 22 kilometres long by 16 kilometres wide. It is located in the Opinaca Subprovince at its boundary with the Ashuanipi Subprovince. The project displays strong geochemical signatures in LBS, including copper, bismuth and molybdenum, as well as, more locally, nickel and cobalt. This area has no record of past exploration.

In Q3 2021, the Company incurred \$5,000 (\$5,000 – Q3 2020) in exploration work for data interpretation but did not incur any claim acquisition expenditures (\$Nil – Q3 2020).

### **Valore Property**

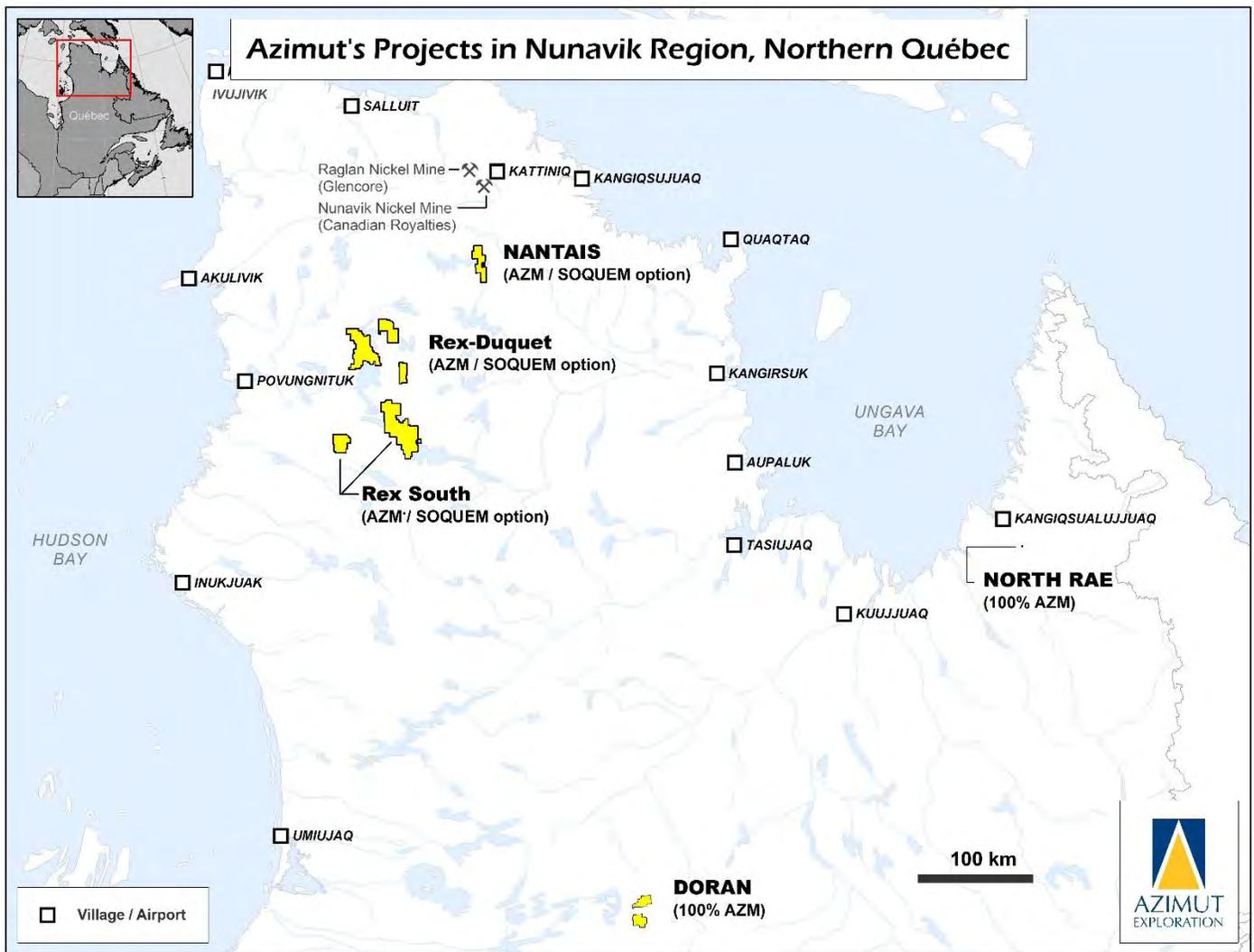
The wholly-owned Valore Property (108 claims in 2 claim blocks, 56.4 km<sup>2</sup>) is a gold project located 185 kilometres east of the Renard mine. Located in an area of the Opatoca Subprovince with poor geological coverage, the property has seen little historical exploration. Azimut carried out a preliminary infill LBS survey in 2008 that identified several strong gold anomalies, including 2.13 g/t Au and 2.12 g/t Au, and a till survey and geological reconnaissance program in late fall 2016.

The claims are still in good standing as at July 23, 2021, but Azimut has elected to no longer pursue its assessment of the project due to other regional priorities. Consequently, the property was partially impaired in 2019.

## **NUNAVIK REGION**

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Azimut holds five (5) properties in Nunavik, the region in Northern Quebec above the 55<sup>th</sup> parallel (Figure 21). Management believes Nunavik has significant potential for large-scale deposits of copper, gold, silver, tungsten, rare earth elements (“REE”) and uranium. The Company’s current gold-polymetallic holdings are the result of copper-gold predictive modelling using the Company’s AZtechMine™ expert system over an area covering 1,247,900 km<sup>2</sup>. These properties may represent district-scale targets as suggested by the initial discovery of at least seven (7) multi-kilometre gold and/or polymetallic zones and more than 200 distinct prospects.



**Figure 21:** Map of Azimut’s Nunavik property portfolio.

On May 15, 2019, Azimut announced that it had signed an agreement with SOQUEM to form a new alliance in Nunavik (the “Nunavik Alliance”) comprising two option phases representing a total investment of up to \$40 million. Under the first option, SOQUEM has the option to earn an initial 50% interest in the Rex-Duquet, Rex South and Nantais properties by investing \$16 million in exploration work over four (4) years, the first two (2) years being a firm commitment of \$4 million each year. Under the second option, SOQUEM may earn an additional 10% interest in each designated property (for a total 60% interest in each such property) by investing \$8 million per designated property over two (2) years and delivering a preliminary economic assessment. Azimut is the operator of the Nunavik Alliance.

The initial \$4-million Nunavik Alliance exploration program ended in spring 2020. A new \$4-million program was scheduled to start in summer 2020 but had to be placed on hold after the Government of Quebec instituted a travel ban that prevented Company employees from entering the region. The travel ban was one of the government's measures to combat the spread of the COVID-19 virus. After the travel ban was lifted, Azimut was able to resume field work in April 2021. All field work will adhere to the required operational rules in the context of the COVID-19 pandemic.

### **NUNAVIK – GOLD-COPPER POLYMETALLIC**

Since 2009, the Company has acquired a controlling land position over a vast underexplored region of Nunavik (the “**Rex Trend**”) through its wholly-owned Rex-Duquet and Rex South properties (Figure 21; collectively 4,383 claims, 1,892.0 km<sup>2</sup>). The Rex Trend is a strong 300-kilometre-long copper anomaly in LBS coupled with a strong 100-kilometre-long REE anomaly (PRs of March 31 and July 22, 2011). Management considers the Rex Trend to be a new mineral province related to a deep-seated structural corridor (the “Allemand-Tasiat Zone”) with the potential to host large-scale deposits. This includes iron oxide copper-gold (“IOCG”) deposits, reduced intrusion-related gold-polymetallic systems, copper-gold mineralization in shear zones, and volcanogenic massive sulphides. The Rex Trend displays common features with the world-class Carajás Mineral Province in Brazil (PR of April 4, 2012).

## **Rex-Duquet Property**

The wholly-owned Rex-Duquet Property (2,040 claims, 871.5 km<sup>2</sup>) is a copper-polymetallic project occupying the northern segment of the Rex Trend. The claim blocks are spread over a distance of 80 kilometres and were formerly two properties before they were amalgamated under the Nunavik Alliance. The project is considered a district-scale polymetallic project for gold, copper, silver, tellurium, molybdenum and tungsten.

Azimut began acquiring claims for the former Rex Property in 2009. The Duquet claims were added in 2015 when they were acquired from joint owners Osisko Gold Royalties Ltd (through the wholly-owned subsidiary Osisko Exploration James Bay Inc.), Newmont Northern Mining ULC and SOQUEM (PR of October 7, 2015). All the rights, titles and interests in the former Duquet Property were transferred to Azimut in consideration of an aggregate 2.25% net smelter return royalty (“NSR”) on those claims, with a 0.75% NSR payable to each of the three previous joint owners.

In Q3 2021, the Company incurred \$15,000 (\$99,000 – Q3 2020) in claim renewal expenditures and \$736,000 (\$732,000 – Q3 2020) in exploration expenditures for ground geophysics and to prepare the 2021 drilling program, all of which was charged back to SOQUEM. Azimut and SOQUEM will continue to assess the project through the Nunavik Alliance program.

### ***Recent exploration programs***

The 2019 work program comprised a heliborne Mag-EM(HELITEM)-spectrometric survey (1,720.7 line-km) as well as detailed prospecting, which led to the discovery of multiple new mineralized zones with grades up to 141 g/t Au and 13.65% Cu (see sections on *Mousquetaires* and *Subtle* below; PR of November 6, 2019).

The Rex-Duquet component of the 2021 Nunavik Alliance exploration program focuses on diamond drilling (2,100 metres) and geophysics to accelerate the assessment of the best mineralized zones on the property.

### ***Mineralized zones***

More than 20 copper or polymetallic (copper-gold-silver-cobalt-tungsten) prospects have been identified since the initial copper discovery was announced in 2010 (Figure 22). Drilling results, supported by prospecting, geological, structural and geochemical data, have confirmed several multi-kilometre IOCG-type targets. The most important are described below (PRs of September 4 and November 6, 2019).

#### ***Mousquetaires Zone***

The *Mousquetaires Zone* corresponds to a copper-bearing brittle fault crosscutting a foliated iron formation, returning grades of up to 13.65% Cu, 0.12% Mo and 25.9 g/t Te. This zone may represent the strike extension of the 3-kilometre-long fault-controlled copper-bearing RBL Zone located 10 kilometres to the NNW, which returned grades of up to 11.6% Cu.

The zone is recognized over a 1,050-metre-long by 80-metre-wide area, striking NNW-SSE with a 70° to 80° NE dip, crosscutting a strongly magnetic iron formation, and largely open along strike. Host rocks are variable: iron formation, gabbro, diorite, mafic and felsic volcanics, and paragneiss. Mineralization is dominated by semi-massive to disseminated chalcopyrite, with pyrite, pyrrhotite, magnetite and some bornite, associated with quartz veins and veinlets in a brittle tectonic context. Alteration is characterized by chlorite, hematite as well as magnetite veinlets proximal to mineralization; by epidote, silica and feldspar more distal to mineralization. The main control on mineralization is a brittle fault with possible significant down-dip extensions.

#### ***Subtle Zone***

The *Subtle Zone* is a shear-hosted high-grade gold system with silver and zinc, returning grades of up to 580 g/t Au (found in 2012) and 141 g/t Au, 915 g/t Ag and 7.87% Zn. This zone appears on strike with a group of 10 prospects located 5 to 12 kilometres further south on the property, returning up to 133.5 g/t Au, 851 g/t Ag, 9.09% Zn, >500 g/t Te, 1.6% Cu and 0.87% W.

The zone is recognized over an area 500 metres long by 150 metres wide, striking NNW-SSE with a subvertical dip and largely open along strike. Host rocks are paragneiss, orthogneiss and amphibolite. Mineralization is dominated by pyrite associated with centimetric to decimetric quartz veins generally subparallel to foliation, accompanied by sphalerite, galena, chalcopyrite, pyrrhotite and arsenopyrite. The zone is marked by high gold grades (up to 580 g/t Au) associated with silver (up to 915 g/t Ag), zinc (up to 7.87% Zn) and, locally, tellurium (up to 11.7 g/t Te), tungsten (up to 0.5% W) and molybdenum (up to 0.25% Mo). Alteration is characterized by silica, chlorite, sericite and hematite. The main control on mineralization is foliation. Isoclinal folding, as suggested by the magnetic pattern, may increase the width of the zone.

### RBL and CM Zones

The RBL Zone is at least 3 kilometres long by 50 to 200 metres wide, with a maximum grade to date of 11.3% Cu (grab sample). The maiden drilling program in 2011 (1,764 m in 23 short holes: 21 rotary + 2 RC) 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 (PR of February 9, 2012). An envelope of mineralization and alteration is recognizable over the entire zone, and drilling results revealed that copper values are frequently associated with anomalous values of cobalt and tungsten in a wide (up to 200 m) envelope containing anomalous barium, manganese, phosphorus and iron.

The CM Zone measures at least 2.5 kilometres long by 50 to 100 metres wide with a maximum grade to date of 4.3% Cu (grab sample; PR of October 13, 2010). An envelope of mineralization and alteration is recognizable over the entire zone at surface, and the 2011 drilling program (408 m in 6 short holes: 5 rotary + 1 RC) revealed a strong alteration system 150 metres wide, containing anomalous copper, cobalt, tungsten, molybdenum, barium, manganese, phosphorous and iron values (PR of February 9, 2012).

Hosted in migmatitic gneisses, the RBL and CM zones are described as extensive late-tectonic brittle hydrothermal systems with veins, veinlets and breccias. Both contain chalcopyrite, bornite and pyrite, as well as intense networks of magnetite and/or hematite with or without quartz veins and veinlets. Alteration is dominated by strong potassic alteration and pervasive silicification locally accompanied by albite, chlorite and epidote. Located 30 kilometres apart, the zones are spatially associated with two major subparallel structures suggesting significant deep-rooted regional-scale systems.

The geological context of the RBL and CM zones (large alteration and breccia systems spatially associated with regional-scale structures) suggest significant depth to the systems. Both zones show excellent potential for extensions based on their strong magnetic signatures and geochemical footprints in LBS. Azimut considers them to be significant IOCG-type targets. Furthermore, the two zones, spaced 27 kilometres apart, demonstrate the regional scale of mineralization on the Rex-Duquet Property.

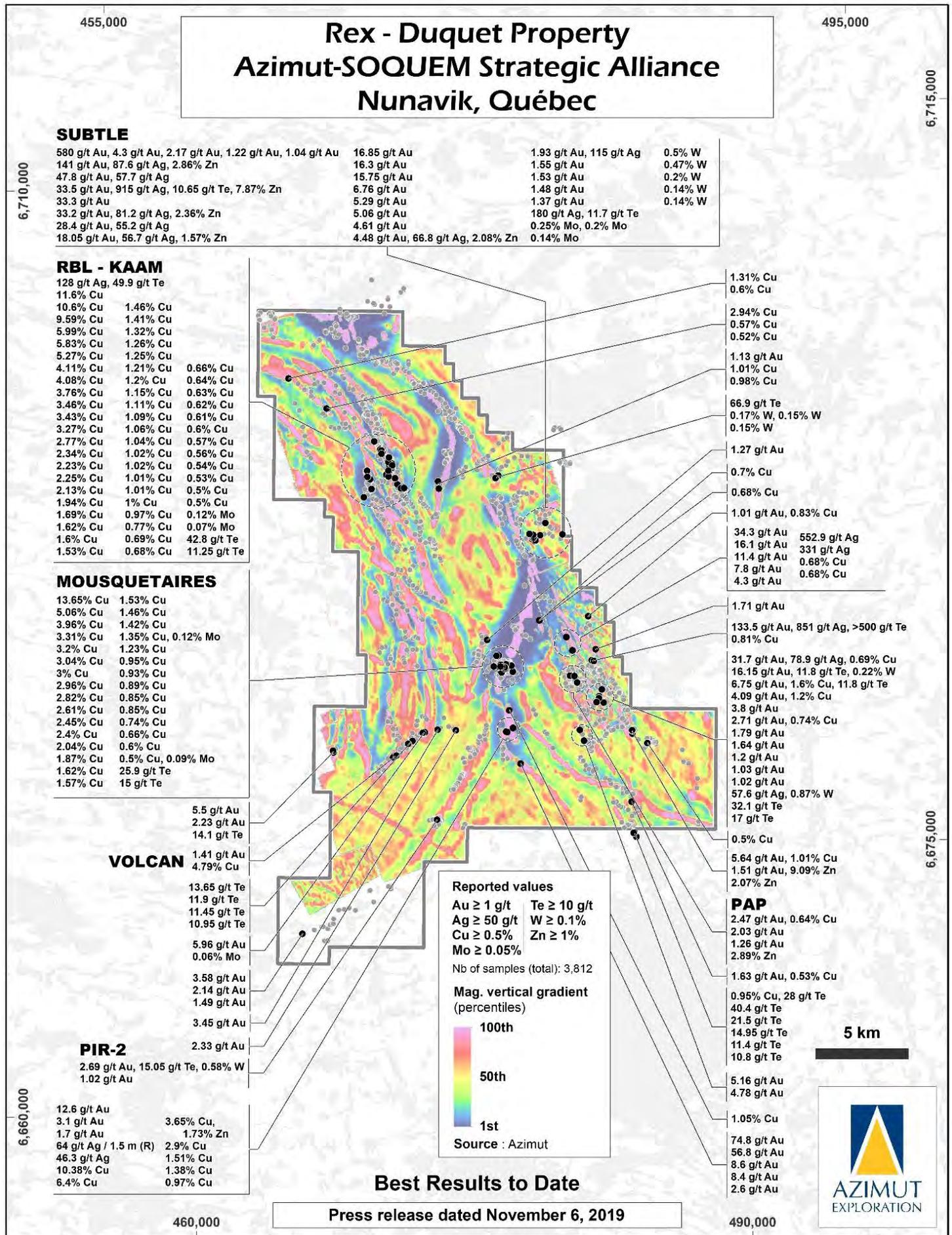


Figure 22: Map of the Rex-Duquet Property (A Block) showing the best grab and channel sample results to date

## **Rex South Property**

The wholly-owned Rex South Property (2,343 claims, 1,020.6 km<sup>2</sup>) occupies the southern segment of the Rex Trend. The project is considered a district-scale polymetallic project for copper, gold and a suite of other commodities (silver, tellurium, molybdenum, tungsten and tin).

In Q3 2021, the Company incurred \$51,000 (\$74,000 – Q3 2020) in claim renewal expenditures and \$976,000 (\$363,000 – Q3 2020) in exploration expenditures for ground geophysics and to prepare the 2021 drilling program, all of which was charged back to SOQUEM. Project assessment requires follow-up prospecting and drilling on several attractive targets, particularly Copperton, Dragon and Lebreuil. Azimut will pursue its assessment of the project through a SOQUEM-funded work program in accordance with required operational rules in the context of the COVID-19 pandemic.

### ***Exploration programs***

The 2019 work program focused on the eastern claim block. A total of 320 grab samples were collected primarily from outcrops, leading to the discovery of a new mineralized zone (Boreal; see below) with grades up to 3.07% Cu, and the extension of previously known zones (PR of November 25, 2019). A heliborne Mag-EM(HELITEM)-spectrometric survey (4,611.7 line-km) was flown over the property. The results of previous programs are presented in the PRs of October 31, 2011, and September 13, October 4 and April 4, 2012.

The Rex South component of the 2021 Nunavik Alliance exploration program is focused on diamond drilling (2,100 m) and geophysics to accelerate the assessment of the best mineralized zones on the property.

### ***Mineralized zones***

The property hosts at least 11 mineralized zones with kilometre-scale extensions, most of them surrounding or in the vicinity of an ovoid fluorite-topaz-bearing granitic intrusion 5 kilometres wide by 15 kilometres long (the “Qalluviartuuq Intrusive Complex” or “QIC”) (Figures 23a, b). The most important are discussed below.

#### ***Boreal Zone***

The Boreal Zone appears as a hydrothermal breccia with angular fragments hosted in felsic orthogneiss. It was identified over an area 300 metres long by 10 metres wide, with a NW-SE trend and a subvertical dip. The zone remains largely open along strike. Mineralization is dominated by chalcopyrite accompanied by lesser pyrite and traces of bornite. Alteration is characterized by abundant epidote, albite and silica. Ten (10) grab samples returned grades above 0.5% Cu, including five (5) samples above 1% Cu with a peak of 3.07% Cu.

#### ***Copperton Zone***

The Copperton Zone, discovered about 5 kilometres southeast of the Anorthosite Zone, is 3,500 metres long by 20 to 100 metres wide. It is hosted in a variably sheared steeply dipping feldspathic intrusion, as well as amphibolites and gneissic metasediments. The mineralized envelope is recognized over a strike length of 3.5 kilometres and a width of 20 to 100 metres. Mineralization is mainly disseminated to semi-massive chalcopyrite and pyrite.

The best grades obtained during the latest prospecting program were 5.0 g/t Au, 1.75% Cu and 4.83 g/t Au, 1.5% Cu, while the best sample from 2012 graded 7.37% Cu, 3.86 g/t Au and 56.9 g/t Ag.

#### ***Dragon Zone***

The Dragon Zone is hosted in foliated mafic and felsic volcanics with a NW-SE strike and a dip to the NE. This zone is approximately 450 metres long by 90 metres wide and appears spatially correlated with a magnetic high. Mineralization is mainly chalcopyrite accompanied by lesser pyrite and magnetite, and the highest values obtained were 4.05% Cu, 0.6% Mo, 2.78% Cu and 0.13% Mo in grab samples. Alteration is marked by silicification.

#### ***Lebreuil Zone***

The Lebreuil Zone is hosted by felsic orthogneiss. Mineralization is in the form of chalcopyrite in quartz veins and veinlets associated with tourmaline. Alteration is marked by epidote and hematite. The best grades from grab samples are 3.67% Cu, 11.2 g/t Au and 48.5 g/t Te. The preliminary strike extent of the Lebreuil Zone is about 2 kilometres, but widths are still undefined.

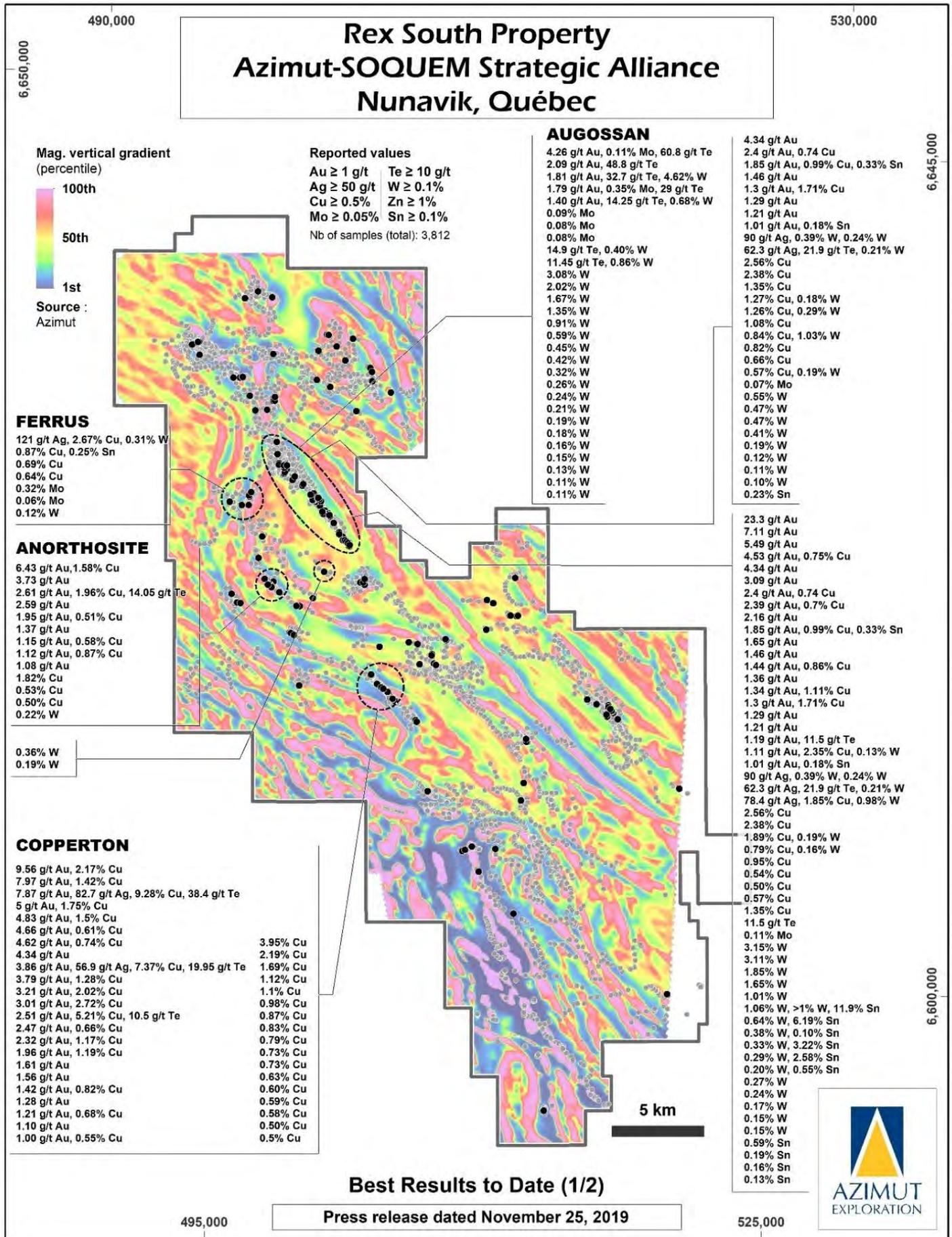


Figure 23a: Map of the Rex South Property showing some of the most significant zones and best grab samples to date (continued in next figure).

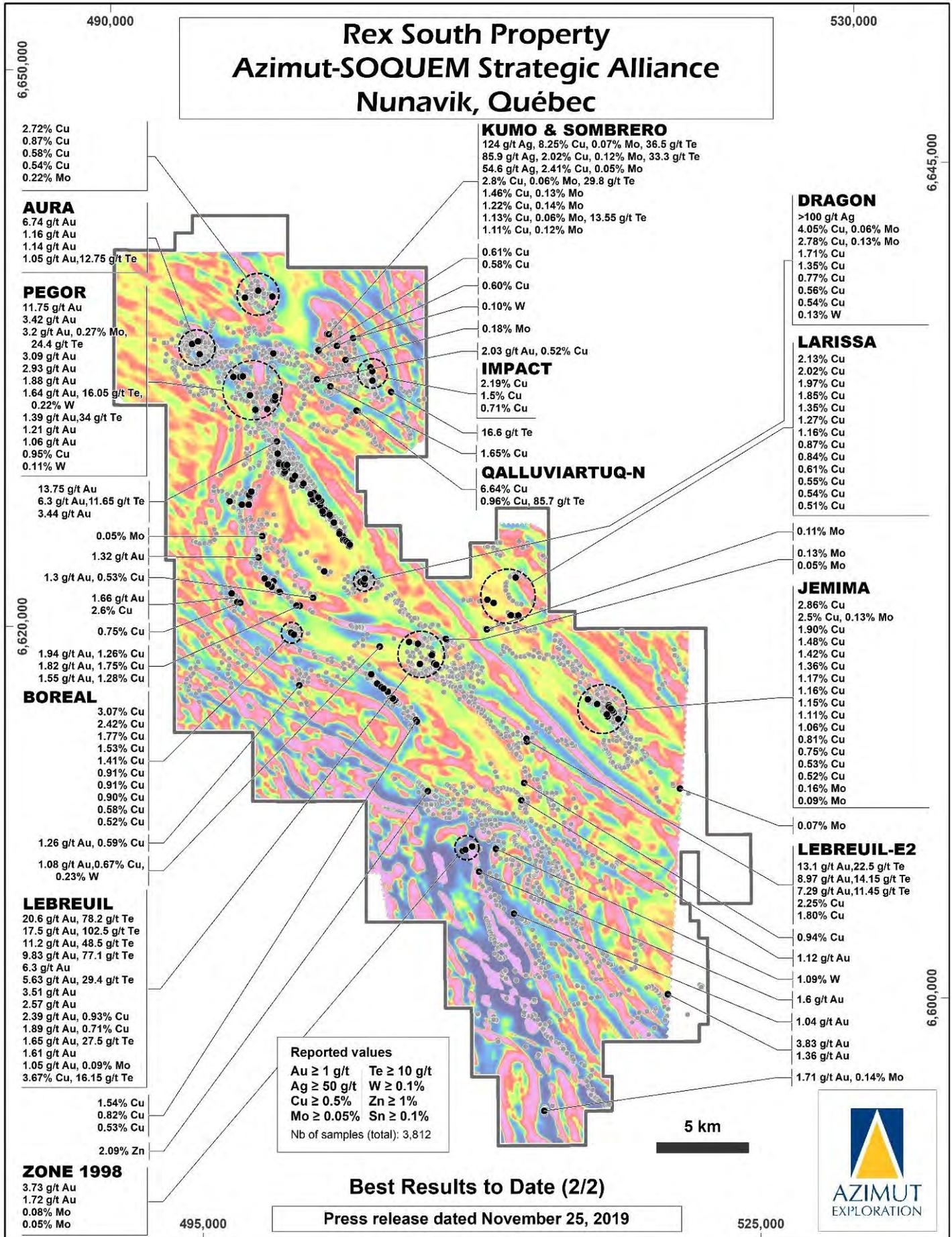


Figure 23b: Map of the Rex South Property showing the remaining zones and best results to date.

### Augossan Zone

The Augossan Zone (gold-silver-copper-tungsten-tin) 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 zone represents a large polymetallic envelope at the contact between the QIC 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.

The results for the 788 grab samples collected in 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 include 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 perpendicular 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 and 0.35% Cu over 7.62 m; 1.28 g/t Au, 8.41 g/t Ag and 0.12% Cu over 6.1 m; 1.10 g/t Au and 2.60 g/t Ag over 9.14 m; 0.56% W, 2.84 g/t Ag and 0.11% Cu over 1.52 m. True widths of the drilling intervals were estimated to be approximately 75% to 100% of core length.

### Anorthosite Zone

The gold-copper-tungsten Anorthosite Zone was discovered in 2010 several kilometres south of the Augossan Zone. A few reconnaissance holes and prospecting data outlined a preliminary envelope 4 kilometres long by 200 metres wide with Au, Ag, Cu, W and Te mineralization.

### Aura-Pegor Zone

The Aura-Pegor Zone, 2 kilometres long, 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).

### Jemima Zone

The Jemima Zone is 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 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% Cu, up to 0.17% Mo (molybdenum) and up to 0.422 g/t Re (rhenium).

### ***Evidence of large-scale systems and comparison to other mineral provinces***

Overall, the Rex South Property demonstrates evidence for two types of district-scale mineralized systems:

1. A system mainly emplaced around the QIC. This includes the Augossan, Anorthosite, Copperton, Dragon, Lebreuil and Boreal zones, and the Pegor and Ferrus prospects. Considerable additional exploration potential exists along the 30-kilometre contact between the intrusion and the volcano-sedimentary host rocks, as well as within the intrusion itself. This 30-kilometre 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 (possible roof zones) along the northwest and southeast 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 Zone 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 and the world-class Carajás Mineral Province in Brazil. The latter hosts several large IOCG deposits (Sossego, Salobo, Alemão, 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.

## **Nantais Property**

The wholly-owned Nantais Property (541 claims, 226.6 km<sup>2</sup>) is a Au-Ag-Cu-Zn project about 110 kilometres east of the Rex Trend, about 80 kilometres south of Glencore's Raglan nickel mine and 115 kilometres southwest of the Inuit village of Kangiqsujuaq. The project covers 32 kilometres of an underexplored greenstone belt in the Nantais Complex of the Minto Block, a geological division of the Archean Superior Province.

For Q3 2021, the Company did not incur any claim renewal expenditures (\$12,000 – Q3 2020) but did incur \$5,000 (\$154,000 – Q3 2020) in exploration expenditures to prepare the 2021 field work program, which was charged back to SOQUEM. Azimut and SOQUEM will continue the technical assessment of the property through the Nunavik Alliance program.

### ***Mineralization and target deposit types***

Mineralization (pyrrhotite, pyrite, chalcopyrite, arsenopyrite, sphalerite, galena) is hosted within a steeply dipping north-trending unit of mafic and felsic volcanic rocks. This mineralized corridor correlates well with EM conductors (PRs of August 27 and September 29, 2014).

Target deposit types are gold-rich polymetallic VMS and shear zone-hosted. Historical showings include Nantais-1 (4.7 g/t Au, 5.2 g/t Ag, 0.11% Cu (grab)); Nantais-2 (7.9 g/t Au, 7.2 g/t Ag (grab); 15.9 g/t Au, 7.5 g/t Ag, 0.14 % Cu over 0.2 m; 8.0 g/t Au (grab); 0.15% Cu over 0.6 m (channel)), and Cabane (0.47 g/t Au, 1,600 g/t Ag, 0.15% Sb, 0.12% Cu, 2.48% Zn, 7.00% Pb (grab)).

### ***Exploration results***

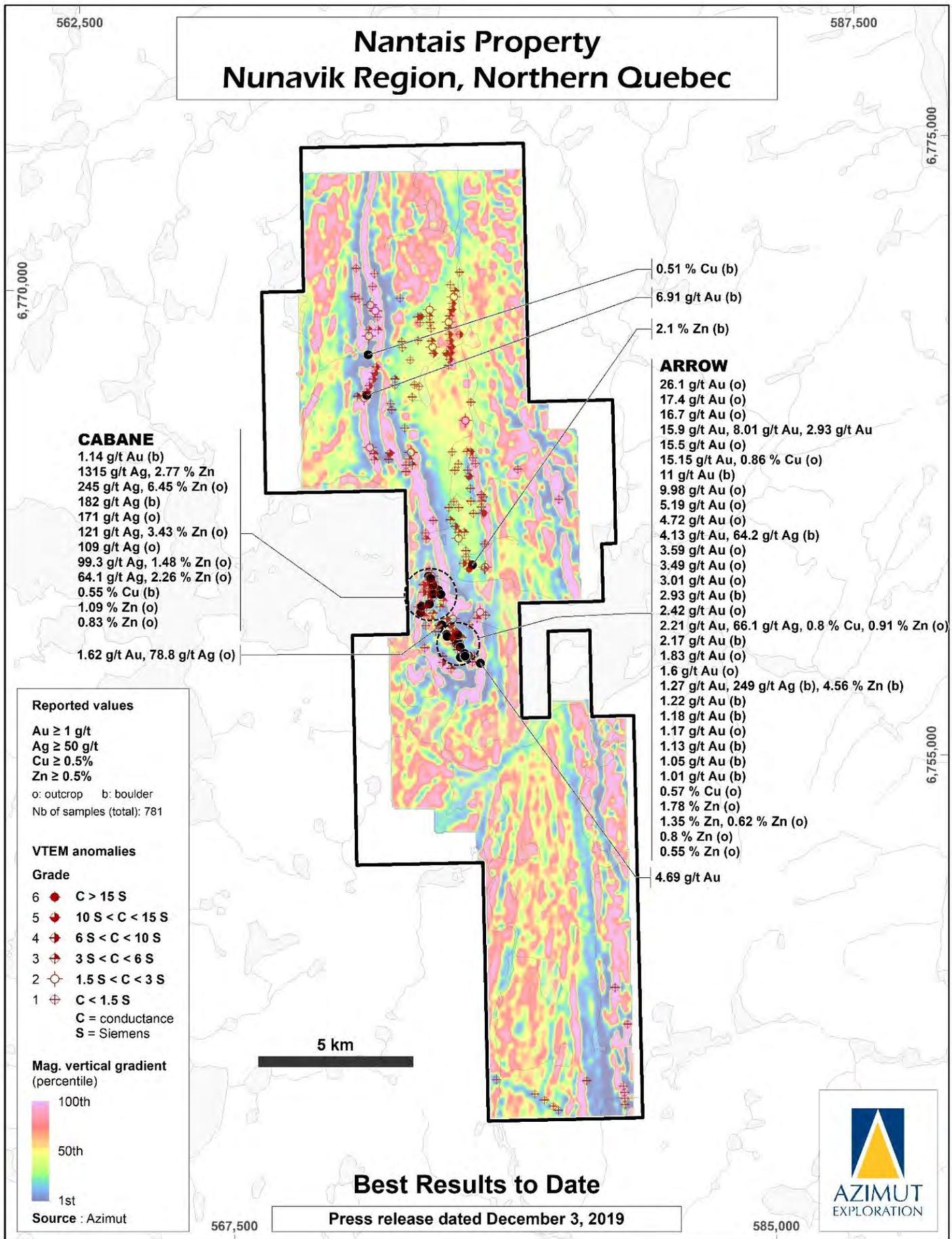
The 2019 work program consisted of systematic prospecting on target areas defined by integrating all previous data from heliborne Mag-EM surveys, remote sensing, LBS geochemical modelling, and prospecting. A total of 518 grab samples were collected primarily from outcrops (PR of December 3, 2019).

The Company also conducted fieldwork in 2011 and 2012 (PRs of September 18 and April 19, 2012), and flew a geophysical survey over the property in 2014.

The highlights of the 2019 program are described below and shown on Figure 24:

- Discovery of a 1.6-kilometre-long gold-bearing area with grades up to 6.91 g/t Au, 16.4 g/t Ag and 0.22% Cu (sample Y90610), spatially associated with a 1.1-kilometre-long EM conductor; grab samples collected in this area, mostly from angular boulders, are composed of sheared mafic volcanics with quartz veins and pyrite.
- Improved definition, through infill prospecting, of a previously recognized polymetallic corridor, 3.1 kilometres long by up to 500 m wide, in the central part of the property (see PRs of April 19 and September 18, 2012). The most significant new grab sample results are presented below from north to south:

245 g/t Ag, 1.62% Pb, 6.45% Zn	(sample Y090060)
121 g/t Ag, 3.43% Zn	(sample Y090165)
0.26 g/t Au, 182 g/t Ag, 0.31% Cu	(sample Y090129)
1.27 g/t Au, 249 g/t Ag, 0.11% Cu, 1.29% Pb, 4.56% Zn	(sample Y090145)
17.4 g/t Au, 8.82 g/t Ag, 0.2% Cu	(sample Y090136)
4.13 g/t Au, 64.2 g/t Ag, 0.3% Cu	(sample Y090256)



**Figure 24:** Map of the Nantais Property showing the main zones and best results to date.

## **NCG Property**

The wholly-owned NCG Property (1 claim, 0.4 km<sup>2</sup>) is a Cu-Au-Ag-W-REE project at the southern end of the Rex Trend.

For Q3 2021, the Company did not incur any expenditures for claim renewals (\$Nil – Q3 2020) or exploration work (\$Nil – Q3 2020). The property was fully impaired after the Company decided to no longer pursue its assessment of the project due to other regional priorities.

## **NUNAVIK – COPPER**

### **Doran**

The focus of the wholly-owned Doran Property (436 claims, 21.1 km<sup>2</sup>) is its copper potential. A showing of chalcocite (a copper-bearing mineral) in a granite outcrop previously yielded >40% Cu and 12 g/t Ag. Abundant hematite veinlets, some silicification, and lesser amounts of disseminated pyrite and pyrrhotite were also observed. The showing is located in an area underlain by a major structure that correlates with a 25-kilometre copper anomaly in lake-bottom sediments (up to 316 ppm Cu).

For Q3 2021, the Company incurred \$60,000 in claim acquisition expenditures (\$Nil – Q3 2020) and \$3,000 in exploration expenditures for data compilation (\$Nil – Q3 2020).

## **NUNAVIK – URANIUM**

Azimut considers Nunavik to be highly prospective for large-tonnage uranium deposits related to intrusive rocks in high-grade metamorphic environments. Management considers part of the eastern Ungava Bay region to be a new uranium province in Canada.

### **North Rae Property**

Azimut's sole uranium property is the wholly-owned North Rae Property (1 claim, 0.5 km<sup>2</sup>).

For Q3 2021, the Company did not incur any claim renewal expenditures (\$Nil – Q3 2020) or exploration work expenditures (\$Nil – Q3 2020). The property was fully impaired since no E&E expenditures had been planned, given the uncertainty surrounding the uranium industry in Quebec.

## **REGIONAL MODELLING AND PROJECT GENERATION**

Azimut will continue to pursue its assessment of the mineral potential of several regions in Quebec to generate new projects, most notably for gold and copper. The Company is also considering opportunities for other commodities and in other regions.

## **EXPLORATION OUTLOOK**

The following tables present the status of the current work programs on Azimut's key properties and the planned exploration programs for 2021. The Company maintains its conservative business approach by minimizing equity dilution.

Azimut is actively advancing the Patwon gold discovery on its 100%-owned flagship Elmer Property in the James Bay region. The Company also remains focused on developing new partnerships in Quebec to safeguard the value added to its projects. The Company continues to assess quality exploration opportunities using its systematic data processing approach.

The Company continues to pursue its long-standing exploration focus in the James Bay region, primarily its gold properties in the Elmer Discovery Sector, the Trans-Taiga Road Sector and the Eleonore Gold Camp. The Company also continues to hold a commanding position in the Rex Trend, a 300-kilometre-long mineral belt in Nunavik containing major gold-polymetallic targets.

Management believes the Company has adequate financial resources to keep its properties in good standing and to pay its ongoing G&A expenses.

Azimut temporarily suspended all its field operations on March 25, 2020, to comply with the travel ban order issued by the Government of Quebec in response to the COVID-19 pandemic. Azimut has since resumed operations in the James Bay and Nunavik regions with strict protective measures after the government reopened the regions to mineral exploration. The COVID-19 pandemic may continue to create operational uncertainties.

<b>JAMES BAY REGION</b>		
<b>Property</b>	<b>Status</b>	<b>2021 planned work program</b>
Elmer (gold)	Target identified	Drilling, till sampling, prospecting
Pikwa (gold-copper)	Technical assessment underway	Compilation and interpretation
Wapatik (gold)	Reconnaissance	Till sampling, prospecting Partner-funded program
Munischiwan (gold-copper)	Targets identified	Drilling
Galinée (gold)	Targets identified	Prospecting, till sampling 50% funded
Opinaca B (gold)	Targets identified	Drilling stage Partner-funded program to be defined
Eleonore South (gold)	Targets identified	Drilling stage, prospecting Partner-funded program to be defined
Wabamisk (gold)	Technical assessment underway	Drilling stage Partner-funded program to be defined
Corvet (gold-copper)	Reconnaissance	Detailed lake bottom geochemistry, prospecting
Kukamas (copper-gold)	Reconnaissance	Heliborne geophysics, prospecting
Mercator (copper-polymetallic)	Reconnaissance	Detailed lake bottom geochemistry, prospecting
Corne (copper-gold)	Reconnaissance	Detailed lake bottom geochemistry, prospecting
Kaanaayaa (gold-copper)	Reconnaissance	Detailed lake bottom geochemistry, prospecting

<b>NUNAVIK REGION</b>		
<b>Property</b>	<b>Status</b>	<b>2021 planned work program</b>
Rex-Duquet (copper, gold, silver, REE)	Priority targets identified	Ground geophysics, drilling Partner-funded program
Rex South (gold, silver, copper, tungsten)	Priority targets identified	
Nantais (gold, silver, copper, zinc)	Technical assessment underway	Data processing Partner-funded program

## SELECTED FINANCIAL INFORMATION

	Three months ended		Nine months ended	
	May 31,	May 31,	May 31,	May 31,
	2021 (\$)	2020 (\$)	2021 (\$)	2020 (\$)
Revenue				
Operator income	103,302	52,915	163,165	181,256
Expenses				
G&A	744,198	775,275	1,143,570	1,192,221
General exploration	92,100	98,323	284,760	158,319
Impairment of E&E assets	353,309	-	353,309	1,152
Interest income, net of finance costs	(4,974)	(12,456)	(11,504)	(26,543)
	1,184,633	861,142	1,770,135	1,325,146
Other loss (gain)	(26,150)	(211,589)	(34,307)	(201,137)
Deferred income tax recovery	-	297,704	881,470	603,799
Net income (loss) for the period	(1,055,182)	(298,934)	(691,194)	(338,957)
Basic and diluted income (loss) per share	(0.015)	(0.005)	(0.010)	(0.006)

## RESULTS OF OPERATIONS

### **Q3 2021 COMPARED TO Q3 2020**

The Company reported a net loss of \$691,000 for Q3 2021 compared to \$339,000 for Q3 2020. The variation is mainly due to the net effect of the non-cash items, consisting of \$881,000 (\$604,000 – Q3 2020) in recovered taxes related to the tax deductions renounced by the Company to flow-through shareholders and the recognition of an income tax expense related to shares issue expenses, and stock-based compensation costs of \$886,000 (\$666,000 – Q3 2020). Other significant variations are detailed below.

#### **Revenue**

The Company reported revenue of \$163,000 (\$181,000 – Q3 2020) in operator income. The decrease was mainly related to the Azimut's delayed resumption of its Nunavik fieldwork programs until Q3 2021 after the Government of Quebec lifted the travel ban preventing the Company's employees from entering the region. The travel ban was one of the government's measures to combat the spread of the COVID-19 virus.

#### **Operating expenses**

G&A expenses amounted to \$1,144,000 in Q3 2021 compared to \$1,192,000 in Q3 2020. The variation is mainly due to: (i) stock-based compensation costs of \$607,000 (\$555,000 – Q3 2020); (ii) \$223,000 incurred for professional fees related to a special mandate pertaining to the gold discovery on the Elmer Property; (iii) a decrease in salary and fringe benefits, \$130,000 in Q3 2021 compared to \$388,000 in Q3 2020, due mainly to \$Nil in bonuses paid to officers (\$155,000 – Q3 2020); (iv) an increase in administration and office expenses, \$69,000 in Q3 2021 compared to \$50,000 in Q3 2020, due to the greater volume of press releases, the Company's membership in an organization to help out with overseas recruitment, and higher annual listing fees related to the increase in capitalization value; and (v) a decrease in conference and meeting costs, \$54,000 in Q3 2021 compared to \$62,000 in Q3 2020, due to conferences and meetings being held online instead of in person.

General exploration expenses were \$285,000 in Q3 2021 compared to \$158,000 in Q3 2020. The increase is mainly due to stock-based compensation costs of \$279,000, compared to \$111,000 in Q3 2020. The stock-based compensation costs resulted from the gradually vesting options granted by the Company. This expense did not affect cash.

## Other gains and losses

The Company reported other gains of \$34,000 for Q3 2021, compared to \$201,000 for Q3 2020. The decrease was mainly due to the net effect of the following:

- The Company had recognized a gain in Q3 2020 related to Newmont not fulfilling its commitments on the second option for the Wabamisk Property (a shortfall in the minimum work committed and non-payment to extend the option period), whereas no such gain was recognized in Q3 2021; and
- The change in the fair value of the Company's investment in Monarch Gold Corp. ("Monarch Gold") following Monarch Gold's arrangement transaction with Yamana Gold Inc. ("Yamana"). Under the arrangement, each former holder of Monarch Gold shares received, in exchange for each Monarch Gold share: (i) 0.0376 of a share of Yamana; (ii) \$0.192 in cash from Yamana; and (iii) 0.2 of a share of Monarch Mining Corp. ("Monarch Mining"). The Company received 393 Yamana shares, \$2,015 in cash and 2,092 Monarch Mining shares.

## OTHER INFORMATION

	May 31	August 31,
	2021	2020
Cash and cash equivalents	\$5,016,473	\$5,827,207
Total assets	\$24,252,213	\$18,306,300
Shareholders' equity	\$20,639,558	\$14,530,680
Number of shares outstanding	69,201,472	65,788,137
Number of stock options outstanding	5,092,000	4,480,000
Number of warrants outstanding	-	-

The Company has not declared cash dividends on its outstanding common shares since its incorporation. Any future dividend payment will depend on the Company's financial needs for its exploration programs and future financial growth or any other factor that the Board of Directors deems necessary to consider under the circumstances. It is unlikely that 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 \$4.0 million as at May 31, 2021, compared to \$5.4 million as at May 31, 2020. Management believes that the Company's current cash position is sufficient to meet current commitments on a continuous basis for at least the next twelve (12) months. To pursue the Company's exploration and evaluation programs and operations beyond May 31, 2022, it will be necessary to periodically raise additional funds through the issuance of new equity instruments and/or the exercise of stock options and warrants and/or the signing of option agreements with partners on the Company's E&E assets. While the Company 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.

As at May 31, 2021, the Company's cash and cash equivalent position was \$5.0 million, a decrease of \$810,000 from its position on August 31, 2020. The variation in the cash position is mainly due to net cash received in the amounts of \$5.8 million from the issuance of shares through a private placement and \$64,000 from the stock option exercised by a director. The Company also received a \$300,000 advance from Mont Royal for exploration work under the Wapatik Property option. The Company used \$7.1 million in cash for E&E assets and \$282,000 for the principal repayment of lease liabilities. The tax credit and mining rights receivable of \$843,000 was received for the 2020 and 2019 refundable tax credit relating to resources.

Total assets amounted to \$24.3 million as at May 31, 2021, compared to \$18.3 million as at August 31, 2020, owing mainly to the increase in E&E costs incurred primarily in the James Bay region on the Elmer Property and one of the SOQUEM Properties (Pikwa). The increase in amount receivable resulted mainly from the \$1.4 million cash call receivable from SOQUEM for the charges back of work expenditures, which was subsequently received. Total liabilities amounted to \$3.6 million as of May 31, 2021, compared to \$3.8 million as at August 31, 2020. The decrease is mainly attributed to the net effect of accounts payables and accrued liabilities of \$3.0 million as of May 31, 2021 compared to \$1.5 million as at August 31, 2020. This

variation was due to the increased activity level on the Elmer Property, off-set by \$450,000 in advances received from partners that was used for exploration work, \$234,000 for the principal repayment of lease liabilities, and \$935,000 under the flow-through shares premium liability. The increase in shareholders' equity is mainly due to the net cash received of \$5.8 million through private placements for the issuance of 3,333,335 shares.

## Operating activities

For Q3 2021, net cash flows used in operating activities amounted to \$386,000 compared to \$443,000 in Q3 2020. The variation is due mainly to costs related to professional fees of \$233,000 (\$28,000 – Q3 2020) incurred for a special mandate pertaining to the discovery on the Elmer Property. The net change in non-cash working capital amounted to \$63,000 (\$1,000 – Q3 2020). The variation in amounts receivable resulted mainly from the \$1.4 million cash call receivable from SOQUEM for the chargeback of work expenditures, which was subsequently received. The variation in accounts payable results from the volume of the Company's activities and the extra diligence with which exploration work had to be carried out during the COVID-19 pandemic.

## Financing activities

The Company completed a non-brokered private placement of 3,333,335 common shares at a price of \$1.80 per share for aggregate proceeds of \$6,000,000 (\$1,430,000 – Q3 2020) and \$64,000 from the stock option exercised by a director. An amount of \$203,000 was paid in Q3 2021 (\$259,000 – Q3 2020) for the share issuance expenses in respect of the offering, and \$282,000 for the principal repayment of lease liabilities.

## Investing activities

Investing activities consisted mainly of additions to E&E assets. In Q3 2021, net cash flows used in investing activities totalled \$6.0 million compared to \$4.0 million in Q3 2020. The variation is attributable to the net effect of the following:

- Additions to E&E assets amounting to \$7.1 million (\$6.0 million – Q3 2020). The Company incurred significant costs in the James Bay region on the Elmer Property and one of the SOQUEM Properties (Pikwa).
- An advance received from Mont Royal of \$300,000 (\$Nil – Q3 2020) to conduct exploration work on the Wapatik Property.
- \$814,000 received for the refundable tax credit relating to resources (\$812,000 – Q3 2020).

Advanced exploration work on the Company's properties and ongoing work to identify major early-stage 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 additional funds in the future.

## QUARTERLY INFORMATION

The information presented below details the total income (expenses), net earnings (loss), and net earnings (loss) per share for the last eight quarters. The information is based on the Company's financial statements prepared in accordance with IFRS.

Quarter ended	Income (expenses) \$	Net earnings (loss) \$	Net earnings (loss) per share	
			Basic (\$)	Diluted (\$)
31-05-2021	129,451	*** (1,055,182)	(0.015)	(0.015)
28-02-2021	53,549	* 181,873	0.003	0.003
30-11-2020	14,472	* 182,115	0.003	0.003
31-08-2020	(193,002)	35,787	0.000	0.000
31-05-2020	264,504	** (298,934)	(0.005)	(0.005)
29-02-2020	51,168	(26,022)	0.000	0.000
30-11-2019	66,721	(14,001)	0.000	0.000
31-08-2019	292,554	*** (714,069)	(0.013)	(0.013)

\* Deferred income tax recovery

\*\* Stock-based compensation

\*\*\* Impairment of E&E assets and stock-based compensation.

## Current quarter

For the three months ended May 31, 2021, the Company reported a net loss of \$1,055,000, compared to \$299,000 for the three months ended May 31, 2020. The change in 2021 was attributable primarily to the net effect of the following:

- Operator income of \$103,000 (\$53,000 in Q3 2020) generated by the Company's 2021 fieldwork programs in Nunavik following its resumption of exploration activities in the region after restrictions related to the COVID-19 pandemic were lifted.
- No income tax recovered (\$298,000 in Q3 2020) related to tax deductions renounced by the Company to flow-through shareholders.
- No bonuses paid to officers (\$155,000 in Q3 2020).
- Impairment of E&E assets amounting to \$353,000 (\$Nil in Q3 2020) given that no E&E expenses were budgeted for some of the James Bay properties and that some claims were abandoned or were not expected to be renewed.
- Stock-based compensation costs of \$607,000 (\$543,000 in Q3 2020) resulting from the gradually vesting options granted by the Company. This expense did not affect cash.

## CONTRACTUAL OBLIGATIONS

As at May 31, 2021, the Company's contractual obligation payments are as follows:

	<b>Less than 1 year</b>	<b>1–3 years</b>	<b>4–5 years</b>	<b>More than 5 years</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Leases	12,518	118,658	-	
Asset retirement obligations	-	-	251,480	-
Total contractual obligations	<u>12,518</u>	<u>118,658</u>	<u>251,480</u>	<u>-</u>

## OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

## CARRYING AMOUNT OF EXPLORATION AND EVALUATION ASSETS

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 the impairment analysis of Q3 2021, the Company decided to impair certain properties in the James Bay region given that no E&E expenses were budgeted and that some claims were abandoned or were not expected to be renewed: three gold properties by \$351,000, the chromium-PGE property by \$1,000, and the base metal property by \$1,000.

The Company has sufficient funds to respect its short-term obligations. The estimation of impairment charges requires judgment from the management.

## 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 ("CEO"), the Vice-President Technology and Business Development ("VP"), and the chief financial officer ("CFO"). The following transactions occurred during the normal course of business.

The compensation paid or payable to key management for services is as follows:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Salaries	413,266	318,222
Bonus	-	155,000
Director fees	34,158	31,038
Stocked-based payment	561,700	581,580
	<u>1,009,124</u>	<u>1,085,840</u>

An amount for salaries of \$253,000 (\$121,000 – Q3 2020) was capitalized to E&E assets in Q3 2021.

As at May 31, 2021, accounts payable and accrued liabilities include an amount of \$315,000 owed to key management (\$108,000 as at May 31, 2020).

If termination of employment is for reasons other than gross negligence, the CEO and the CFO shall be entitled to receive an indemnity equal to twelve (12) months salary. The VP shall be entitled to receive an indemnity equal to twelve (12) weeks salary, which shall be increased by one (1) month for every additional year of employment. The indemnity paid must not represent more than 10% of the Company's liquidities at such time and is subject to a maximum indemnity period of twelve (12) months.

In the event of a change of control or the termination of employment following a change of control, the CEO shall be entitled to receive an indemnity equal to twenty-four (24) months salary, and the CFO an indemnity equal to eighteen (18) months salary.

## **SUBSEQUENT EVENT**

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On July 16, 2021, the Company completed a bought deal private placement financing with a syndicate of underwriters (collectively, the "Underwriters") for total gross proceeds of \$28,749,245, consisting of 3,463,900 flow-through shares at a price of \$3.32 per share and 9,078,472 common shares at a price of \$1.90 per share, which includes the exercise of the Underwriters' option to purchase 1,973,172 additional shares.

The Underwriters received: (a) a cash commission of \$1,380,299 and (b) non-transferable compensation options, representing 4% of the total number of offered shares sold under the offering, each exercisable for one common share of the Company at a price of \$1.90 per share until January 16, 2023.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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A detailed summary of the Company's significant accounting policies is provided in Note 2 of the annual financial statements as at August 31, 2020.

## **NEW ACCOUNTING STANDARDS OR AMENDMENTS**

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A detailed summary of new accounting standards or amendments that the Company adopted in the current year or will adopt in future years is provided in Note 3 of the annual financial statements as at August 31, 2020.

## **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

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A detailed summary of the Company's critical accounting policies and estimates is provided in Note 4 of the annual financial statements as at August 31, 2020.

## **INFORMATION REGARDING OUTSTANDING SHARES**

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The Company can issue an unlimited number of common shares with no par value. As at July 23, 2021, there were 81,743,844 issued and outstanding shares, no shares held in escrow, no outstanding warrants and 501,695 Underwriter compensation options, each exercisable for one common share of the Company at a price of \$1.90 per share until January 16, 2023.

The Company maintained a stock option plan in which a maximum of 5,857,000 stock options may be granted. The exercise price of the options is set at the closing price of the Company's shares on the TSX-V the day before the grant date. The options have a maximum term of ten (10) years following the grant date. If a blackout period is in effect at the end of the term, the expiry date will be extended by ten (10) business days following the end of the blackout period. The options vest immediately unless otherwise approved by the Board of Directors. As at July 23, 2021, a total of 5,095,000 stock options were outstanding, and 4,935,000 were vested. Their exercise prices range from \$0.19 to \$1.67, and the expiry dates range from May 9, 2022 to June 1, 2031.

## OUTLOOK

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In the coming quarters, Azimut will continue advancing its wholly-owned Elmer, Kaanaayaa, Corne, Corvet, Kukamas and Mercator properties and three (3) of the properties under the James Bay Alliance with SOQUEM (Pikwa, Munischiwan and Galinée). The Company will continue to assess the technical progress made on the Eleonore South Property in the James Bay region and will advance the Rex-Duquet and Rex South properties in the Nunavik region under the Nunavik Alliance with SOQUEM.

The Company will continue to seek new partners for available properties. It intends to develop new business opportunities to apply its big data approach to other regional and country-scale settings. Furthermore, based on industry trends and demand, the Company will continue to model the mineral potential of several regions in Quebec to generate new projects. The Company may require financing for this purpose.

## ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

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This MD&A report is dated July 23, 2021, the date on which it was approved by the Board of Directors. The Company regularly discloses additional information through press releases and its financial statements filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

## CAUTION REGARDING FORWARD-LOOKING INFORMATION

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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, they are essentially forward-looking and often identified by words such as “anticipate”, “expect”, “estimate”, “intend”, “project”, “plan” and “believe”. These 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. Many factors could cause such differences, particularly the impact of COVID-19, volatility in and sensitivity to market metal prices, the 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 a 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

CFO and Corporate Secretary

## CORPORATE INFORMATION

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### Azimut Exploration Inc.

#### Board of Directors

Michel Brunet, LL.B., Director (Montreal) <sup>(1)</sup>  
Jean-Marc Lulin, P.Geo., PhD, Director (Montreal)  
Angelina Mehta, Eng., MBA, LL.M., Director (Montreal) <sup>(1)</sup>  
Krista Muhr, Director (Vancouver)  
Glenn Mullan, P.Geo., Director (Val-d'Or) <sup>(2)</sup>  
Jean-Charles Potvin, MBA, B.Sc., Director (Ottawa) <sup>(2)</sup>  
Jacques Simoneau, Eng., PhD, Director (Montreal) <sup>(1) (2)</sup>

<sup>(1)</sup> Member of the Governance and Compensation Committee

<sup>(2)</sup> Member of the Audit Committee

#### Management

Jean-Marc Lulin, President and Chief Executive Officer  
Mathieu Landry, VP Technology and Business Development  
Moniroth Lim, Chief Financial Officer and Corporate Secretary

#### Legal Counsel

Marc Pothier, Fasken (Montreal)

#### Auditors

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

#### Transfer Agent

AST Trust Company Canada (formerly Canadian Stock Transfer Company Inc.) (Montreal)

#### Listing

TSX Venture Exchange (TSX-V)  
Symbol: AZM

#### Contact Information

##### Head Office

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##### Website

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