



For immediate release

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Press Release

AZIMUT ANNOUNCES \$8 MILLION BOUGHT DEAL PRIVATE PLACEMENT FINANCING

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Longueuil, Quebec – Azimut Exploration Inc. (TSXV: AZM) (OTCQX: AZMTF) (“**Azimut**” or the “**Company**”) is pleased to announce that it has entered into an agreement with Paradigm Capital Inc. on behalf of a syndicate of underwriters, including Red Cloud Securities Inc. (collectively, the “**Underwriters**”), in connection with a bought deal private placement financing (the “**Offering**”) for total proceeds of \$8,000,000, consisting of 2,442,100 common shares of the Company that qualify as “flow-through shares” (within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) and section 359.1 of the *Taxation Act* (Québec)) (the “**Premium FT Shares**”) at a price of \$2.0475 per Premium FT Share, 550,600 common shares of the Company that qualify as “flow-through shares” (within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) and section 359.1 of the *Taxation Act* (Québec)) (the “**FT Shares**”) at a price of \$1.8165 per FT Share, and 1,904,800 common shares of the Company (the “**Hard Dollar Shares**”) at a price of \$1.05 per Hard Dollar Share (the “**Hard Dollar Issue Price**”).

In addition, the Company has granted the Underwriters an option (the “**Underwriters’ Option**”) to sell that number of additional Hard Dollar Shares at the Hard Dollar Issue Price for additional aggregate gross proceeds of up to \$2,000,000, exercisable 48 hours prior to the Closing Date (as defined below). The term “**Offering**” includes the additional Hard Dollar Shares that may be issued on the exercise of the Underwriters’ Option, if any.

Pursuant to an investor rights agreement between the Company and Agnico Eagle Mines Limited (TSX: AEM) (“**Agnico**”) dated February 26, 2020, as amended, Agnico has indicated that it intends to increase its interest in the Company from a current 10.06% ownership to a *pro-forma* ownership of approximately 12% on a post-Offering basis.

The Company will use an amount equal to the gross proceeds received by the Company from the sale of the FT Shares, pursuant to the provisions in the *Income Tax Act* (Canada) and the *Taxation Act* (Québec), to incur eligible “Canadian exploration expenses” that qualify as “flow-through mining expenditures” as both terms are defined in the *Income Tax Act* (Canada) (the “**Qualifying Expenditures**”). The Company will use an amount equal to the gross proceeds received by the Company from the sale of the Premium FT Shares, pursuant to the provisions in the *Income Tax Act* (Canada), to incur eligible “Canadian exploration expenses” that qualify as “flow-through critical mineral mining expenditures” as such terms are defined in the *Income Tax Act* (Canada) (the “**Critical Minerals Qualifying Expenditures**”). The Company will incur the Qualifying Expenditures and the Critical Minerals Qualifying Expenditures on or before December 31, 2024, and will renounce all such expenditures in favour of the subscribers of the Premium FT Shares and FT Shares, as applicable, effective December 31, 2023. In addition, with respect to Québec resident subscribers of the Premium FT Shares and FT Shares who are eligible individuals under the *Taxation Act* (Québec), the Canadian exploration expenses will also qualify for inclusion in the “exploration base relating to certain Québec exploration expenses” within the meaning of section 726.4.10 of the *Taxation Act* (Québec) and for inclusion in the “exploration base relating to certain Québec surface mining expenses or oil and gas exploration expenses” within the meaning of section 726.4.17.2 of the *Taxation Act* (Québec). The proceeds from the sale of the Hard Dollar Shares will be used for exploration and for general corporate purposes.

Closing is expected to occur on or about September 28, 2023, or other such dates as the Company and the Underwriters may agree (the “**Closing Date**”). The Offering is subject to regulatory approval and all securities issued pursuant to the Offering will have a hold period of four months and one day.

The securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any U.S. state security laws, and may not be offered or sold in the United States without registration under the U.S. Securities Act and all applicable state securities laws or compliance with requirements of an applicable exemption therefrom. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Azimut Exploration Inc.

Azimut is a leading mineral exploration company with a solid reputation for target generation and partnership development. The Company holds the largest mineral exploration portfolio in Quebec. Its wholly owned flagship, the **Elmer Gold Project**, is advancing to the initial resource stage in the James Bay region. Azimut also controls a strategic land position for copper-gold, nickel and lithium.

Azimut uses a pioneering approach to big data analytics (the proprietary **AZtechMine™** expert system) enhanced by extensive exploration know-how. The Company’s competitive edge is based on systematic regional-scale data analysis and concurrently active projects. The Company maintains rigorous financial discipline and a strong balance sheet, with 79.9 million shares issued and outstanding (prior to the Offering).

Contact and Information

Jean-Marc Lulin, President and CEO

Tel.: (450) 646-3015

Jonathan Rosset, Vice President Corporate Development

Tel.: (604) 202-7531

info@azimut-exploration.com

www.azimut-exploration.com

Cautionary Statement

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Toronto Stock Exchange) accepts responsibility for the adequacy or accuracy of this news release.

This News Release includes certain “forward-looking statements” which are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company’s future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as “believes”, “anticipates”, “expects”, “estimates”, “may”, “could”, “would”, “will”, or “plan”. Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management’s expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward-looking information in this news release includes, but is not limited to, the Company’s objectives, goals or future plans, completion of the Offering, use of proceeds of the Offering, renunciation and tax treatment of the FT Shares and Premium FT Shares and the Closing Date. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to the inability to complete the Offering on the terms as announced or at all, changes in equity markets, changes in exchange rates, fluctuations in commodity prices, capital, operating and reclamation costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry, and those risks set out in the Company’s public documents filed on SEDAR. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.