



AZIMUT

Azimut Exploration Inc.

MANAGEMENT'S DISCUSSION and ANALYSIS

For the three-month period ended November 30, 2008

Scope of management's financial analysis

This report represents a complimentary addition to the financial statements by providing additional contextual and prospective information. Some statements in this analysis are forward-looking statements and reflect the Company's present assumptions regarding future events. Forward-looking statements involve risks and uncertainties that could cause actual results to differ from current expectations.

Corporate profile and mission

Azimut Exploration Inc. ("Azimut" or the "Company") is a publicly traded Canadian exploration company that specializes in mineral potential assessment and targeting to discover major ore deposits. Azimut conducts its exploration activities by following two main guiding principles. Firstly, the Company maximizes the probability of discovery by using a cutting-edge targeting methodology that reduces exploration risk. Secondly, the Company reduces the business risk by developing partnerships for projects generated by its targeting methodology. Since its reactivation in 2003, Azimut has concluded 21 option agreements on its properties and 3 strategic agreements. To date, 12 of these agreements are active.

The Company holds 47 exploration properties it acquired using the results of its regional-scale mineral potential assessments in Quebec. Azimut owns a 100% interest in all of its properties with the exception of the Eleonore South property where the Company owns a 33.33% interest. These properties, totalling 27,209 claims, are distributed as follows:

- In the Ungava Bay region:
 - 6 uranium properties (North Rae, South Rae, Daniel Lake, Kangiq, George River West and Tasirlaq)
- In the Central Quebec region:
 - 8 uranium properties (North Minto, South Minto, Central Minto, West Minto, South Bienville, West Bienville, Hudson Bay and Kativik)

- In the James Bay region:
 - 4 gold properties in the Opinaca area (Opinaca A and A East, Opinaca B and B North, Eleonore South, and Opinaca D)
 - 1 gold property (Wabamisk) and 1 chromium-platinum-palladium property (Eastmain West) in the Eastmain area
 - the Comptoir gold property
 - 7 other gold properties
- In the North Shore region:
 - the Grenium uranium project, which comprises 3 properties (Havre NW, Chevery and Augustin)
 - the North Havre uranium property, which lies north of the town of Havre St-Pierre
 - 13 nickel properties

The final two properties (one for gold and one for nickel) are located outside of these regions. In addition, Azimut has also formed a strategic agreement with Channel Resources Ltd. (“Channel”) for mineral exploration in Ecuador, South America.

The locations of Azimut’s most significant properties are shown on the attached map of the Province of Quebec.

Overall performance

Summary of activities for the last quarter and subsequent activities

September 2008

- Azimut and Majescor Resources Inc. (“Majescor”) uncover regional-scale uranium potential at West Minto
- Azimut outlines an extensive radioactive zone at Daniel Lake
- Azimut and Everton Resources Inc. (“Everton”) report drill program results at Opinaca A and B

October 2008

- Azimut and NWT Uranium Corp. (“NWT”) mutually agree to further extend to November 6, 2008, the closing date for completing the transaction contemplated in the termination agreement in respect of the North Rae and Daniel Lake properties
- Azimut reports on progress of exploration activities

November 2008

- Azimut and NWT mutually agree to further extend to December 31, 2008, the closing date for completing the transaction contemplated in the termination agreement in respect of the North Rae and Daniel Lake properties

December 2008

- Azimut announces the closing of a \$2,040,000 private non-brokered financing
- Azimut and Silver Spruce report positive results for their Hudson Bay property

January 2009

- Azimut provides an update on the Eleonore South property
- Azimut and Abitex discover uranium mineralization at Central Minto
- Azimut and Abitex discover copper and uranium mineralization at South Bienville

Northern Quebec

Azimut believes northern Quebec has significant potential for large-tonnage uranium deposits related to intrusive rocks in high-grade metamorphic environments. A well-known example of this type is Rössing in Namibia, one of the world's largest uranium mines. Azimut's uranium potential assessment of 640,000 km² in northern Quebec generated many exploration targets.

Azimut has now acquired many of the large uranium targets it identified in the Province of Quebec. The targeted terrain includes parts of the Minto-Bienville subprovinces and the Rae Province. The selected properties have a strong potential for uranium given their geochemical signatures, associations with anatectic granites, and spatial relationships to deep-seated structures. The exploration model is large-tonnage, disseminated uranium mineralization in intrusions and surrounding rocks. Proximal secondary concentrations along late- to post-intrusive brittle or ductile-brittle faults are also considered. These properties share strong similarities with the footprint of several major uranium sites in Quebec, as well as the neighbouring Central Mineral Belt in Labrador, a well-known prospective region for uranium.

The databases used in the targeting process include multi-element lake bottom sediment geochemistry, as well as geophysical, geological and remote sensing data. Many strong uranium targets of regional extent were identified and subsequently acquired by Azimut via map designation.

In northern Quebec, two prospective district-scale targets stand out in the Ungava Bay and Central Quebec regions (see attached map).

Ungava Bay region

Azimut holds six properties in the Ungava Bay region:

- North Rae: 1,853 claims for a total surface area of 827.0 km²; this property was covered by a definitive option agreement with NWT. On July 5, 2008, the Company and NWT concluded an agreement to terminate the option agreements previously granted by the Company to NWT on the North Rae and Daniel Lake properties.
- Daniel Lake: 972 claims for a total surface area of 440.2 km²; this property was covered by a definitive option agreement with NWT (see above).
- South Rae: 2,477 claims for a total surface area of 1,314.9 km²; this property is covered by a letter of agreement with Majescor Resources Inc. ("Majescor")
- Kangiq: 1,743 claims for a total surface area of 788.2 km²; this property is covered by a letter of agreement with Central Uranium Corporation (now Abitex Resources Inc., "Abitex")
- George River West: 576 claims for a total surface area of 262.4 km²
- Tasirlaq: 774 claims for a total surface area of 352.0 km²

The properties are located in an 80 × 220 km area where another uranium company, AREVA, holds 5,093 claims. AREVA reported the discovery of 14 mineralized zones with grades up to 9.34% U₃O₈, most of them hosted in metasedimentary rocks of the Lake Harbour Group. In a report filed with the Ministry of Natural Resources and Wildlife of Quebec in 2007, AREVA describes the Lake Harbour Group as an "important uranium-thorium province". Azimut believes that with its six properties, it controls a large portion of the significant uranium targets in the region. This includes targets located along a 70-km-long contact between the Proterozoic metasedimentary rocks of the Lake Harbour Group and the Archean granitized basement.

North Rae property

The North Rae property is located east of Ungava Bay in Northern Quebec, about 20 km from the coast and 160 km east of the town of Kuujuaq.

The property is a uranium exploration project covering a strong geochemical uranium anomaly in lake-bottom sediments. The geological environment is favourable for uranium deposits hosted by intrusions and their surrounding rocks (presence of felsic intrusions, pegmatites, leucocratic gneisses and metasediments).

The 2006 exploration program at North Rae comprised a detailed lake bottom sediment survey, prospecting and a helicopter-borne radiometric survey. The prospecting work identified 10 distinct uranium showings. The radiometric survey identified 14 priority anomalies on the property, each of which is at least 1 km in length, thus demonstrating the significant exploration potential at the project scale.

Seven distinct mineralized zones with significant lateral extents were discovered during the course of the 2006 and 2007 surface prospecting programs. Assay results obtained to date from 825 rock grab samples clearly demonstrate the uranium potential of the North Rae property, more specifically for the:

- Aqqiq Zone (1 km long): grades up to 1.75% U_3O_8
- Jonas Zone (0.7 km long): grades up to 3.30% U_3O_8
- Ilaluga Zone (1.1 km long): grades up to 0.54% U_3O_8
- Amittujaq Zone (3.5 km long; previously called the Rae-1 Zone): grades up to 0.57% U_3O_8
- Tasialuk Zone (1 km long): grades up to 0.58% U_3O_8
- Tasik Zone (0.9 km long): grades up to 0.41% U_3O_8
- Torrent Zone (1.7 km long): grades up to 0.70% U_3O_8

Uranium mineralization is hosted by granitic pegmatites and gneissic rocks. The presence of uraninite, a uraniferous mineral from which uranium is easily recovered, was confirmed by electron microprobe analysis.

A review of the results from the surface rock sampling and ground-based radiometric surveys, as well as the geological and structural data, suggests significant lateral and depth continuity for the mineralized zones. The September 2007 limited drilling program (8 holes totalling 562 m) was completed before the results for the surface rock samples were received. On the basis of Azimut's interpretation of these rock results, the Company believes that important surface targets remain untested by drilling. Drilling results included intersections of 220 ppm U_3O_8 over 6.0 m (hole NR 07-02), 170 ppm U_3O_8 over 6.5 m (hole NR 07-03), and 410 ppm U_3O_8 over 2.5 m (hole NR 07-05).

On July 5, 2008, Azimut and NWT concluded an agreement to terminate the option agreements previously granted by the Company to NWT on the North Rae and Daniel Lake properties. The extension of the termination agreement expired on December 31, 2008, and the current option agreements remain valid and enforceable.

During 2008, Azimut carried out an exploration program based on the encouraging results from the 2006 and 2007 programs. The work included extensive follow-up prospecting with rock sampling and ground radiometric surveys. Azimut recognized the Cirrus Zone by surface prospecting along a 2.4-km-long trend within a 100- to 250-m wide envelope. The estimated cost of the 2008 program is \$1.07 million. Results are pending.

Daniel Lake property

The Daniel Lake property, adjacent to North Rae, was flown over its entirety by a helicopter-borne geophysical survey in 2007. Results indicate several quality radioactive targets. Last year's short field reconnaissance program has already confirmed the presence of uranium mineralization with the discovery of a first showing grading up to 0.65% U_3O_8 . The 2008 work program, operated by Azimut, mainly included comprehensive prospecting and preliminary drill testing. Azimut recognized the Puqila Zone by surface prospecting along a minimum 6.0-km long trend within a 200- to 500-m-wide trending envelope. The estimated cost of the 2008 program is \$0.45 million. Results are pending.

South Rae property

The South Rae property is located on the eastern side of the Ungava Bay region of northern Quebec, approximately 130 km southeast of the town of Kuujuaq. At least 12 well-defined targets with a cumulative

length of 56 km have been identified. These targets are located in three sectors that form a prospective trend at least 30 km long. Mineralized facies are pegmatitic dykes and granitic gneisses that are generally conformable to the regional foliation.

Assay results for 128 rock samples include:

- 37 samples with values higher than 0.05% U_3O_8 , including 18 samples with values above 0.1% U_3O_8
- 57 samples with values between 0.01% and 0.05% U_3O_8
- 34 samples with values less than 0.01% U_3O_8

On the basis of the results obtained in 2007, a comprehensive follow-up program was carried out during the summer of 2008. Assay results from the 2008 prospecting work and preliminary drilling are pending.

Majescor has informed Azimut that it is withdrawing from its option to earn a 50% interest. About \$1,890,000 has already been spent by Majescor, resulting in the definition of significant exploration targets. Azimut believes that the uranium potential of this property is good.

Kangiq property

Kangiq is adjacent to Azimut's North Rae and Daniel Lake properties and to one of AREVA's claim blocks. At Kangiq, 1,932 line-km of helicopter-borne spectrometric and magnetic surveying in 2007 delineated five sharply defined uranium targets with a cumulative length of 18 km. An additional 3,048 line-km was flown during the summer of 2008 to cover the rest of the property, and this was followed by a prospecting program. The results obtained from 472 lake-bottom sediment samples show a strong spatial correlation with the uranium targets identified by the helicopter-borne survey. Prospecting results are pending.

The results released to date for North Rae and the progress made on the Daniel Lake, Kangiq and South Rae properties, in addition to AREVA's discoveries on their CAGE project, provide further evidence that the eastern part of the Ungava Bay region has the potential to become a new uranium district in Canada.

Total work expenditures in 2008 on Azimut's properties in the Ungava Bay region are estimated at \$3.89 million.

Central Quebec region

Azimut holds eight properties in the Central Quebec region:

- North Minto: 2,272 claims for a total surface area of 1,040.5 km²; this property is covered by a letter of intent with Rukwa Uranium Ltd. ("Rukwa")
- South Minto: 1,609 claims for a total surface area of 751.3 km²; this property is covered by a letter of intent with Rukwa
- Central Minto: 1,146 claims for a total surface area of 535.3 km²; this property is covered by a letter of intent with Abitex
- South Bienville: 1,929 claims for a total surface area of 935.1 km²; this property is covered by a letter of intent with Abitex
- West Minto: 952 claims for a total surface area of 431.7 km²; this property is covered by a letter of intent with Majescor
- West Bienville: 288 claims for a total surface area of 141.7 km²; this property is covered by a letter of intent with Channel
- Hudson Bay: 661 claims for a total surface area of 311.8 km²; this property is covered by a letter of intent with Silver Spruce Resources Inc. ("Silver Spruce")
- Kativik: 1,861 claims for a total surface area of 899.9 km²; this property is covered by a letter of intent with Kativik Resources Inc. ("Kativik")

The four Minto properties and the South Bienville property are aligned along an extensive, regional-scale, lake-bottom sediment uranium anomaly referred to by Azimut as the “Central Quebec Uranium Lineament”. This roughly north-south geochemical trend measuring 350 km long by 10 to 30 km wide correlates well with late Archean intrusions and crustal-scale structures. The Kativik and West Bienville properties are also characterized by strong uranium lake-bottom sediment anomalies in addition to other favourable geochemical, geophysical, geological and structural parameters. The region has seen little exploration in the past, but there are strong indications that it has significant uranium potential. Fission Energy’s Dieter Lake deposit, 40 km east of the South Bienville property, is hosted by Paleoproterozoic sediments and has inferred resources of 11,000 tonnes U_3O_8 @ 0.063% U_3O_8 according to an estimate in 2007.

At the West Minto property, a total of 71 priority uranium targets have been defined from helicopter-borne geophysics and form 17 distinct kilometric-scale target areas. Assay results for the 55 grab rock samples collected in 2008 are as follows:

- 19 samples with values above 0.05% U_3O_8 , including 10 samples with values above 0.1% U_3O_8 . The best values are 0.90% U_3O_8 from an outcrop, and 0.32% U_3O_8 , 0.28% U_3O_8 , 0.25% U_3O_8 and 0.15% U_3O_8 from boulders;
- 17 samples with values between 0.01% and 0.05% U_3O_8 ;
- 19 samples with values less than 0.01% U_3O_8 .

Majescor has informed Azimut that it is withdrawing from its option on the West Minto property. Work expenditures to date on the property are approximately \$650,000. Results are encouraging and Azimut is of the opinion that the uranium potential of this property remains good.

At West Bienville, Azimut had identified areas with potential for intrusion-related uranium deposits based on the presence of regional anomalies in lake-bottom sediments. Channel completed a helicopter-borne geophysical survey in 2007 and conducted follow-up prospecting during 2008. The results of these investigations showed only marginal potential for West Bienville to host significant uranium mineralization and consequently Channel has informed Azimut that it is withdrawing from the option agreement. No further work is planned on the property.

At the Hudson Bay property, positive uranium results were obtained following the 2008 prospecting program that assessed target areas previously defined by anomalous uranium values (up to 1,950 ppm) in lake-bottom sediments and radiometric anomalies from helicopter-borne geophysics. A total of 94 samples have been collected from outcrops and have returned assays up to 3.01% U_3O_8 (66.3 lbs/t), as well as 3 boulder samples with assays up to 0.027% U_3O_8 . While the mineralization discovered to date appears to be limited in extent, the initial results and favourable geological and structural settings are encouraging for further work in the unexplored areas of the property. Silver Spruce has advised Azimut that due to a number of factors, including the current economic context, it is terminating its option on the property.

At the Central Minto property, uranium mineralization has been discovered in 2008 during follow-up prospecting of two strong targets with a cumulative length of 30 km, previously recognized during the 2007 program. Uranium results for the 15 grab rock samples are as follows:

- 4 samples with values above 0.05% U_3O_8 , including: 0.65% U_3O_8 , 0.17% U_3O_8 , 0.11% U_3O_8 and 0.059% U_3O_8 ;
- 6 samples with values between 0.01% and 0.05% U_3O_8 ;
- 5 samples with values less than 0.01% U_3O_8 .

This prospect is considered to be a very attractive target. Data interpretation is nearly complete and a follow-up program will be defined.

At the South Bienville property, a prospecting program during the summer of 2008 assessed target areas that were previously defined using the positive results obtained from the 2007 exploration work, which included

anomalous uranium values (up to 841 ppm U) in lake-bottom sediments, helicopter-borne geophysics, and ground-based prospecting. In 2007 and 2008, a total of 138 samples were collected from outcrops (51) and boulders (87). A showing of chalcocite (a copper-bearing mineral), discovered in a granite outcrop, yielded an assay value greater than 40% Cu and 12 g/t Ag. Abundant hematite veinlets and lesser amounts of disseminated pyrite and pyrrhotite were also observed as well as silicification. The showing is located in an area underlain by a major structure that correlates with a multi-kilometre copper anomaly in lake-bottom sediments, with values up to 316 ppm. This target is considered highly attractive.

Other outcrop samples returned assays up to 0.67% U₃O₈ and boulder samples yielded assays up to 0.77% U₃O₈. Uranium-bearing rock samples are spatially related to multi-kilometre helicopter-borne radiometric anomalies and lake-bottom sediment anomalies. Uranium results are as follows:

- 8 samples with values above 0.05% U₃O₈, including: 0.67% U₃O₈ and 0.065% U₃O₈ from outcrops, and 0.77% U₃O₈, 0.097% U₃O₈ and 0.087% U₃O₈ from boulders;
- 39 samples with values between 0.01% and 0.05% U₃O₈;
- 91 samples with values less than 0.01% U₃O₈.

The exploration results obtained to date generally confirm the strong uranium potential of Azimut's properties in this region and validate the Company's initial regional targeting. Additional exploration results from the 2008 programs will continue to be released during the coming months.

Total work expenditures in 2008 on Azimut's properties in the Central Quebec region are estimated at \$4.76 million.

James Bay region - Opinaca sector

The Opinaca sector is located northeast of the Opinaca reservoir in the James Bay region, 320 km from Matagami or Chibougamau. This sector is underlain by the volcano-plutonic La Grande Subprovince and the metasedimentary Opinaca Subprovince. Conglomeratic metasedimentary sequences are unconformably deposited above mafic volcanic rocks in the upper part of the La Grande stratigraphy. Metamorphic grade increases gradually from the La Grande Subprovince towards the Opinaca Subprovince. There appears to be at least three generations of structures in this sector.

In 2004, Virginia Gold Mines Inc. discovered and delineated the major Roberto gold deposit on their Eleonore project. The definition was made both at surface and in drill holes over a lateral distance of roughly 1,900 m and to a depth of more than 1,100 m. Goldcorp has since acquired the Eleonore project and undertaken a feasibility study. In its third quarter report dated September 30, 2008, Goldcorp declared an indicated gold resource of 2.5 million ounces at an average grade of 7.2 g/t Au and an inferred gold resource of 1.2 million ounces at an average grade of 6.6 g/t Au. They also stated that high grade drill results outside the resource boundary point to significant expansion potential at Eleonore. The Roberto deposit straddles the contact between the volcano-plutonic La Grande Subprovince and the metasedimentary Opinaca Subprovince. Gold mineralization is disseminated within metasedimentary rocks with pervasive microcline-quartz-tourmaline alteration. Mineralized zones appear to be associated with a major structure.

Azimut acquired extensive holdings before and after the Roberto discovery and, as a result, gained one of the leading property positions in the area. The geological setting of Azimut's properties is comparable to that of the Eleonore property hosting the Roberto discovery. Azimut claim blocks are divided into four properties:

Agreement with Everton – two properties:

- Opinaca A and A East 497 claims for a total area of 258.8 km²
- Opinaca B and B North 220 claims for a total area of 115.1 km²

Agreement with Eastmain Resources Inc. (“Eastmain”):

- Opinaca D 188 claims for a total area of 98.0 km²

Three-party agreement with Eastmain and Goldcorp for the Eleonore South property:

- Eleonore South 282 claims for a total area of 147.6 km² (includes the 166 claims of the Opinaca C property previously covered by an agreement with Eastmain)

Azimut began acquiring these claim blocks in November 2003 based on the targeting results of its regional-scale gold potential modeling of the James Bay region.

Opinaca A, A East, B and B North Blocks

Surface prospecting results received at the end of 2005 for the A Block revealed a 1.7-km-long trend of gold showings now referred to as the Inex Zone. Everton’s follow-up work in 2006 consisted of a soil sampling program (1,552 samples), a ground-based induced polarization (IP) survey (31.5 line-km), and a six-hole drilling program (632 m) to test specific targets along the zone. This work demonstrated a strong correlation between IP anomalies, gold soil anomalies and outcrops with gold values up to 50.9 g/t Au. Drilling confirmed that the IP anomalies coincide with biotite-rich horizons containing up to 5% pyrite-pyrrhotite in metasedimentary rocks. Mineralization is also locally associated with silicified garnetiferous bands, and several specks of visible gold were observed in drill core. The best results were obtained from Hole OP-06-03 where an intersection grading 1.5 g/t Au over 4.0 m.

During the summer of 2007, follow-up prospecting work led to the discovery of the Charles Target in the central part of Opinaca A. This zone represents a corridor 1.3 km long. Everton collected 161 surface rock samples from this target area, and results yielded gold values up to 35.9 g/t Au. Both the Charles Target and Smiley Target (where coinciding IP and soil anomalies have been identified) were drill tested. A total of 11 holes (1,248 m) were drilled on the A Block. All drill holes intersected altered metasedimentary rocks containing variable amounts of sulphide mineralization. The most recent interpretation of the Charles Target suggests a possible extension further south. The most significant results were obtained from hole AC-07-01 where an intersection graded 0.8 g/t Au over 9.0 m, including 2.7 g/t Au over 2.0 m.

Previous work on the Opinaca B Block revealed a major NE-SW-trending gold-bearing system with possible extensions for at least 11 km. The Claude Target is located in the middle of this trend, and Everton’s Manuel showing (12.0 g/t Au over 4.6 m in a channel sample) lies 8 km northeast of the Claude Target. The Eleonore South property, where a strong gold potential has also been recognized (see below), lies 9 km west of the Claude Target.

During the winter of 2007, a nine-hole 2,142-metre diamond drill program was completed at the Claude Target on Opinaca B. The objective was to follow up on the extensions of a mineralized zone that was identified in the initial drill-test hole, OP-06-07. Assay results from this initial hole had revealed an intersection grading 221 ppb Au over 186.5 m, including 1.0 g/t Au over 21.5 m, within an arsenopyrite-mineralized silica alteration zone. The lateral extensions of Hole OP-06-07 have now been tested over a strike length of 350 metres to an average depth of 100 m.

All nine holes encountered several intense alteration zones varying from several metres to 20 m thick. These zones are characterized by strong silica alteration and low sulphide contents, which makes the alteration context at the Claude Target comparable to that of Goldcorp’s Roberto deposit. Six of the nine holes encountered gold mineralization over intervals of at least 1 metre. The last drill hole, OP-07-20, tested the Claude Target to a vertical depth of 200 m. The results were encouraging and included visible gold at two locations, as well as very strong alteration.

During the summer of 2007, several rock samples collected along the Claude-Manuel corridor returned significant gold values up to 6.1 g/t Au over a strike length of 3 km, including a new mineralized zone that trends parallel to the northern edge of the main Claude Target. The mineralization contains up to 5% pyrite and

is associated with silicified and chloritized metasedimentary rocks hosting quartz and pegmatite veins. Three holes were drilled (3 holes, 402 m), but no significant results obtained.

During the winter of 2008, Everton completed the following program:

- A geophysics component consisting of 160 line-km of induced polarization (IP) and magnetic ground surveys.
- A 1,600-metre drill program based on the results of the geophysical surveys (Opinaca A: Charles, Smiley and Lola targets; Opinaca B: Dominic Target).

Results include 4.2 g/t Au over 1 m and 0.4 g/t Au over 1 m in Hole OS-08-04A at the Smiley Target on Opinaca A, and 0.6 g/t Au over 0.3 m and 0.6 g/t Au over 1.2 m in Hole DB-08-01 at the Dominic Target on Opinaca B. Azimut and its partner Everton are currently integrating the new results with the regional dataset in order to prepare the next round of exploration work on Opinaca A and B. Everton has renewed its options for 2009.

Eleonore South and Opinaca D

The Eleonore South property, which includes the old Opinaca C property, is now covered by a three-party agreement between Azimut (33.33%), Goldcorp (33.33%) and Eastmain (33.34%). As project operator, Eastmain conducted major prospecting, geophysical and trenching work during the 2006 and 2007 field seasons.

A total of 35 trenches have been channel sampled, and 5,063 one-metre samples were collected. The most significant result is a mineralized channel section from the JT Target area that assayed 5.3 g/t Au over 8 m. This target is hosted by altered, sulphide-bearing sedimentary rocks that are comparable to the mineralized sedimentary rocks of Goldcorp's Roberto deposit 12 km to the northwest.

At Eleonore South, several significant multi-kilometre gold-arsenic soil anomalies were identified, forming a property-wide trend were identified. During 2006 and 2007, surveying included 194 line-km of gradient IP (induced polarization) and 49 line-km of dipole-dipole IP. On the basis of the trenching results, soil anomalies and IP survey results, a first-phase 3,250-metre drill program was completed earlier in 2008 with a budget of \$1.1 million to test a number of high priority targets. Altered and mineralized sedimentary rocks in the JT Target area have been intersected. Results are pending.

In 2008, 16 drill holes totalling 3,129 m tested a variety of exploration targets based on geochemical, geophysical and geological criteria. Seven of the 16 drill holes were collared in the JT Target area to test for the depth extension of gold mineralization previously identified through trenching, which had exposed a highly prospective zone more than 400 m wide. Gold-bearing metasedimentary rocks associated with disseminated arsenopyrite and aluminous rock alteration were intersected in each of the seven JT drill holes. The gold-bearing intervals are of a similar geological character to that observed at the Roberto gold deposit. Assays from these holes include:

- 10.8 g/t Au over 0.5 m and 1.54 g/t Au over 5.7 m in hole ES08-08
- 0.70 g/t Au over 10 m in hole ES08-09
- 0.49 g/t Au over 7.5 m in hole ES08-11
- 7.06 g/t Au over 0.5 m in ES08-12
- 10.4 g/t Au over 0.5 m and 0.46 g/t Au over 8.2 m in hole ES08-13

Azimut considers the results of this initial drilling phase to be encouraging.

Goldcorp has terminated its right to increase its interest by 6.67% in the Eleonore South property in favour of proceeding with future exploration as a joint venture. As a final option payment on the property, Azimut will receive deposits totalling \$100,000. As operator and manager of the joint venture, Eastmain will propose and carry out a new 2009 exploration program that will include diamond drilling. The approved program will require funding by all partners in order to maintain their ownership.

On the Opinaca D property, reconnaissance geological mapping and prospecting covered a number of exploration targets defined by VTEM and/or soil geochemistry anomalies. Soil geochemistry surveys confirmed a broad trend of gold, arsenic and antimony anomalies associated with a band of biotite paragneiss in the western portion of the property. This band yielded the maximum value obtained for Au (7,320 ppb), as well as the maximum values for As (447 ppm) and Sb (2.3 ppm). These peak values were for samples from the southern portion of the biotite paragneiss band. Strong gold-arsenic-antimony soil anomalies remain to be tested.

Eastmain has informed Azimut that it is withdrawing from its option on Opinaca D. About \$980,000 has already been spent by Eastmain, resulting in the definition of drill targets. Azimut believes that this property has good exploration potential.

James Bay region - Eastmain sector

The Eastmain sector (Wabamisk and Eastmain West properties) lies 290 km north of Chibougamau in the James Bay territory. It straddles the contact between the Opinaca (metasedimentary) and La Grande (volcano-plutonic) subprovinces. The dominant rock types are paragneiss, basalt and granitic intrusions. Azimut's properties consist of one claim block each:

- Eastmain West 167 claims for a total area of 88.6 km²
- Wabamisk 755 claims for a total area of 399.5 km²

Azimut began acquiring these properties in November 2003 based on targeting results from its regional-scale gold potential modeling of the James Bay territory.

Eastmain West

IAMGOLD conducted work on the Eastmain West property during the summer of 2005 and confirmed the presence of geochemical gold anomalies and a series of electromagnetic conductors in the northern sector of the property.

IAMGOLD conducted additional work in 2006 that consisted of ground-based geophysical surveys, prospecting (84 rock samples), detailed geological mapping, and till and boulder sampling. This program resulted in the discovery of significant chromium-platinum-palladium mineralization associated with an ultramafic sill. The sill appears to be at least 4 km long and 500 m thick. The best results from surface grab samples are 18.5% Cr, 0.44 g/t Pd and 0.1 g/t Pt (sample F-266111). The best nickel results are two samples grading 0.24% Ni (F-266103 and F-266104). The Cr-Pt-Pd-Ni potential of the property is still largely underexplored and now constitutes a priority target in addition to the initial focus on gold.

IAMGOLD terminated the option agreement on the property in 2007 following its decision to cease regional exploration activities in Quebec. Azimut is currently reviewing its plans for the Eastmain West property.

Wabamisk

A large east-west oriented syncline crosses the Wabamisk property. Local and regional northwest- or northeast-trending faults are also present. A large part of the property is marked by a very strong arsenic anomaly associated with metasedimentary rocks. The geological context and the geochemical signature are comparable to those of the Eleonore property hosting the Roberto deposit.

The 2005 work conducted by Goldcorp on the Wabamisk property identified several major gold bearing targets. Most historic gold showings in the area are found in these target zones.

The targets clearly extend laterally for several kilometres and were under-explored until now. Prospecting along reconnaissance traverses spaced 2 km apart revealed four new outcropping gold showings. A showing that

assayed 8.2 g/t Au is hosted by metasedimentary rocks. This geological context underscores the potential of the Wabamisk property for gold deposits associated with metasedimentary rocks.

The results of the 2006 soil geochemistry survey, which consist of 2,644 samples collected over a 2.5×11.5 km area, indicate several strong, multi-kilometre arsenic-antimony anomalies. The follow-up program in 2007 consisted of prospecting, geological mapping, soil sampling (1,904 samples) and rock sampling (108 samples), and further extended and delineated gold exploration targets.

At Wabamisk, a \$1.10 million exploration program, including drilling, is currently underway under Goldcorp's supervision.

James Bay region - Comptoir property

The Comptoir property is located 330 km north of Matagami in the James Bay region.

As with other Azimut properties in this region, it straddles the boundary between the Opinaca (metasedimentary) and La Grande (volcano-plutonic) subprovinces. The main lithological units on the property are paragneiss, amphibolite and late granodioritic to granitic intrusions.

Comptoir is a gold exploration project. Azimut began to acquire the claim block in July 2005 based on targeting results from its regional-scale gold potential modeling of the James Bay territory.

IAMGOLD's 2006 exploration program included geochemical surveys (138 lake bottom samples), prospecting (124 rock samples) and till sampling. Till assay values up to 10 g/t Au, associated with arsenic anomalies in lake-bottom sediments, delineate several significant gold target zones. The targets are spatially related to regional-scale structures.

IAMGOLD terminated the option agreement on the property in 2007 following its decision to cease regional exploration activities in Quebec. Azimut is currently reviewing its plans for the Comptoir property.

Exploration programs on gold properties in the James Bay region were conducted during 2008 with a total budget of \$3.25 million funded by Azimut's partners.

North Shore region

Azimut's uranium properties in the North Shore region comprise 703 claims. Three properties totalling 494 claims (Augustin, Chevery and Havre NW) are referred to as the Grenium project. Arianne Resources Inc. ("Arianne") has been exploring, pursuant to an option agreement with Azimut, the North Havre property which consists of four claim blocks comprising 209 claims. Outside Azimut's properties, but in the same region, uranium mineralization has been discovered at Johan-Beetz Bay along the shore of the Gulf of Saint-Lawrence (historical resource estimate of 93 million tonnes at 0.025% U_3O_8 and 0.025% Y, as stated in a technical report dated May 31, 2006, prepared for Uracon Resources Ltd. ["Uracon"]). In July, 2008, Uracon announced an inferred resource estimate for its Double S zone of 74 million tonnes at 0.012% U_3O_8 based on a 0.009% U_3O_8 cutoff. Key results obtained during the 2006 and 2007 exploration programs on Azimut's properties validated the Company's regional targeting and are as follows:

- Grenium: A detailed lake-bottom sediment survey confirmed high uranium contents in lakes, with peak values up to 1,310 ppm U in the sediments. A helicopter-borne survey also identified several strong kilometre-scale uranium anomalies. Follow-up surface prospecting led to the discovery of several radioactive zones and samples yielded values up to 0.33% U_3O_8 .

- North Havre: A subhorizontally dipping pegmatite with an average thickness of 5 m was discovered by surface prospecting and returned values up to 0.43% U₃O₈ and >4% REE, in addition to high values in gallium, yttrium, niobium and zirconium. This showing coincides with a 1 × 5 km strong helicopter-borne uranium anomaly.

Arianne performed a prospecting program totalling \$0.11 million during the summer of 2008. No additional significant results were obtained and Arianne terminated the option agreement.

Azimut is currently reviewing its plans for its North Shore properties.

North Shore region – Nickel properties

In November 2006, Azimut and Kennecott (a subsidiary of the Rio Tinto Group) signed an agreement for the exploration of nickel deposits in Quebec. The agreement included the delivery to Kennecott of a target report covering a 222,000-km² region in the North Shore region of the geological Grenville Province, with the goal of identifying high-quality nickel targets. Within the framework of this alliance, Azimut acquired 13 nickel properties comprising 1,896 claims in 14 claim blocks covering 1,010 km². Kennecott conducted an assessment program on the nickel targets during the summer of 2007 with the objective of confirming and selecting nickel targets. Due to a revision of its strategy, Kennecott decided not to pursue exploration for nickel in the North Shore region in 2008.

Ecuador - Strategic Alliance with Channel

Under the framework of a Strategic Alliance for mineral exploration in Ecuador, South America, Azimut has performed a country-wide mineral potential assessment aimed at identifying major exploration targets, thereby assisting Channel in assembling a portfolio of targets with the best potential for hosting large-scale mineral deposits. A number of areas of interest were identified and reviewed by Channel. Channel and Azimut agreed to extend the term of the initial target acquisition period to January 9, 2009. However, in light of the current stock market downturn and the less than positive investment environment in Ecuador brought about by recent government actions, it is unlikely that the Strategic Alliance will proceed.

Regional modeling and project generation

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

Perspectives

The 16 exploration programs that have taken place in 2008 are included in the table below.

Property		Work in 2008	Estimated Expenditures during 2008 Calendar Year (\$ in millions)
North Rae	Uranium	By Azimut	1.07
Daniel Lake	Uranium	By Azimut	0.45
South Rae	Uranium	By the partner	1.41
Kangiq	Uranium	By the partner	0.96
North Minto	Uranium	By the partner	0.99
South Minto	Uranium	By the partner	0.97
West Minto	Uranium	By the partner	0.39
Hudson Bay	Uranium	By the partner	0.36
Central Minto	Uranium	By the partner	0.71
South Bienville	Uranium	By the partner	0.36
West Bienville	Uranium	By the partner	0.09
Kativik	Uranium	By the partner	0.89
Opinaca A and A East Opinaca B, and B North	Gold	By the partner	1.05
Eleonore South	Gold	By the partner	1.10
Wabamisk	Gold	By the partner	1.10
North Havre	Uranium	By the partner	0.11
Total			12.01

2008 (calendar year)

Total expenditures funded by partners: \$10.49 million.

Total expenditures funded by Azimut: \$1.62 million (including \$0.10 million for regional assessments and project generation).

Azimut continues to carry out regional-scale mineral potential modeling in order to acquire other quality properties and develop partnerships with reputable major and junior companies at an early stage.

Azimut believes that new ventures will be concluded with partners on properties that will be generated or are already held by the Company.

2009

On the basis of existing option agreements, total work expenditure commitments funded by Azimut's partners for 2009 are \$9 million. The fulfilment of these commitments will depend upon the abilities of its partners to secure financing and carry out exploration programs, and on general market conditions. The Company's claims are in good standing. In spite of the current economic downturn, it is anticipated that significant exploration activities will take place on Azimut's properties. The Company does not anticipate having to contribute to work expenditure commitments on its properties with partners in order to maintain its interest, with the exception of the Eleonore South property. Azimut will review the proposed program at Eleonore South and advise in due course.

Azimut will continue to actively develop new partnerships in Quebec and elsewhere.

Selected financial information

	Earnings for		
	November 30,	August 31,	
	2008	2008	2007
	(\$)	(\$)	(\$)
Revenues	19,950	1,927,860	1,244,570
Expenses			
Administration fees	161,681	875,011	767,135
Written-off properties	-	49,531	73,104
Written-off intangible assets	-	-	1,170
Search for properties	29,942	85,681	161,853
Credit on duties refundable for losses and refundable tax credits relating to resources	(12,400)	(29,324)	(76,692)
Professional fees related to the decision of not proceeding with a proposed transaction	162,186	405,864	-
Allowance for bad debt	-	267,734	-
Stock options	165,150	798,525	452,873
	506,559	2,453,022	1,379,443
Loss for the year	(486,609)	(525,162)	(134,873)
Basic and diluted loss per share	(0.029)	(0.031)	(0.008)

Result of operations

The Company reported a net loss of \$486,609 for the current period, compared to a net loss of \$298,974 for the period ended November 30, 2007. This decrease is mainly due to the write-off of professional fees related to the decision to not proceed with the short form prospectus for \$162,186 (\$Nil in 2007) and the absence of sale of mining properties as compared to 2007 when the Company realized a gain on the sale of mining properties for \$101,019.

Other information

	November 30,	August 31,	August 31,
	2008	2008	2007
Cash	2,396,821	1,291,771	1,356,649
Total assets	5,964,379	5,638,573	3,773,499
Shareholders' equity	2,875,753	2,832,196	3,220,583
Number of shares outstanding	17,071,755	16,821,755	16,771,755
Number of stock options outstanding	1,905,000	1,905,000	1,595,000

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

Liquidity and Capital resources

The Company's working capital was \$2,294,540 as at November 30, 2008, compared to \$1,060,605 as at August 31, 2008. This increase is largely attributable to the closing of a private placement of \$2,000,000 during the current period. The Company has unsecured and secured convertible debentures of \$840,064 presented in the financial statements under the liability component, and an equity component of \$559,936.

The Company's principal requirements for cash during the remainder of the year ending August 31, 2009, will be technical work and general and administrative expenses for approximately \$500,000. In addition to ongoing working capital requirements, the Company must secure sufficient funding for its existing commitments to keep its properties in good standing, and for general and administrative costs. Management is evaluating other alternatives to secure the necessary financing so that the Company can continue as a going concern. Nevertheless, there is no assurance that these initiatives will be successful.

The Company's investing activities consist primarily of the generative cost for new properties, additions to mining properties, and an increase in exploration work. The Company is entitled to the refundable tax credit for resources on qualified expenditures that may reach up to 38.75%, and a 12% credit on duties refundable for loss on qualified expenditures incurred.

Quarterly information

The information presented below details the total revenue, the net earnings (net loss), and the net earnings (net loss) per share for the last eight quarters.

Quarter ending	Total revenue	Net earnings (net loss)	Net earnings (net loss) per share	
			Basic	diluted
30-11-2008	19,950	(486,609)	(0.029)	(0.029)
31-08-2008	485,192	(622,918)	(0.037)	(0.037)
31-05-2008	867,590	436,733	0.026	0.025
29-02-2008	420,925	(40,003)	(0.002)	(0.002)
30-11-2007	154,153	(298,974)	(0.018)	(0.018)
31-08-2007	175,240	490,672	0.029	0.027
31-05-2007	678,458	(596,312)	(0.036)	(0.036)
28-02-2007	353,859	112,324	0.007	0.007

Contractual Obligation

The Company has contractual obligations in the form of an operating lease amounting to \$150,051 payable over four years.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements.

Related party transactions

During the periods ended November 30, 2008 and 2007, there were no related party transactions other than the reimbursement of expenses incurred by officers of the Company. These transactions took place during the normal course of activities and were established using an exchange value representing an amount of compensation determined and accepted by the related parties.

Subsequent events

The following partners have terminated their option agreements on Azimut's properties:

- Majescor for the South Rae and West Minto properties
- Channel for the West Bienville property
- Silver Spruce for the Hudson Bay property
- Eastmain for the Opinaca D property
- Arianne for the North Havre property

Goldcorp terminated its right to increase its interest by 6.67% in the Eleonore South property in favour of proceeding with future exploration as a joint venture.

The extension of the termination agreement between the Company and NWT expired on December 31, 2008, and the current option agreements on the North Rae and Daniel Lake remain valid and enforceable.

Mining properties accounting values

At the end of each quarter, management reviews the carrying value of its mining properties to determine whether any write-offs are necessary. Following this analysis, no write-offs were deemed necessary for the period ended November 30, 2008 (\$Nil in 2007).

Summary of significant accounting policies

The significant accounting policies analysis is included with the annual financial statements of Azimut as at August 31, 2008. The accounting policies used for the three-month period ended November 30, 2008, are in accordance with those used in the audited annual financial statements of Azimut, except for the new accounting policies defined in Note 3 to the interim financial statements as at November 30, 2008.

New accounting standards

Changes in Accounting Policies

Effective September 1, 2008, in accordance with the applicable transitional provisions, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) related to going concerns, capital disclosures and financial instruments. These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are fully described in Note 3 to the interim financial statements.

Future accounting changes

Impact of new accounting standards not yet adopted -International Financial Reporting Standards ("IFRS")

In 2007, the Canadian Institute of Chartered Accountants ("CICA") issued an update on the IFRS Implementation Plan in the Canadian GAAP of the AcSB. This plan provides a brief survey of crucial decisions to be made by the CICA in order to harmonize disclosures with the IFRS when implementing the strategic plan. Although the IFRS are based on a conceptual framework similar to that of the Canadian GAAP, important divergences as regards to accounting standards shall be resolved. The CICA confirmed that the transition from the Canadian GAAP to the IFRS will be in effect on January 1, 2011, for publicly accountable companies. During the next periods, the Company will develop its internal implementation plan to meet the guidelines of the future reporting requirements.

Information regarding outstanding shares

The Company can issue an unlimited number of common shares, without par value. As at January 29, 2009, there were 17,071,755 issued and outstanding shares and no shares were held in escrow.

The Company maintains a stock option plan in which a maximum of 2,488,000 stock options may be granted. On March 6, 2007, the Board of Directors decided to increase the number of shares reserved for issuance under the stock option plan to 15% of the shares issued and outstanding. This increase was authorized by the Company's disinterested shareholders at the Annual and Extraordinary meeting of shareholders held on

February 20, 2007, and approved by the TSX Venture Exchange on April 27, 2007. As at January 29, 2009, 1,905,000 stock options were outstanding, of which 1,512,500 were exercisable. Their exercise prices range from \$0.30 to \$4.30, and expiry dates from February 23, 2009 to April 10, 2013.

Risks and uncertainties

Fair value

Cash, amounts receivable, accounts payable and accrued liabilities are financial instruments whose fair value approximates their carrying value due to their short-term maturity or to current market rates.

The fair value of available-for-sale long-term investments is established using the bid price on the most beneficial active market for this instrument that is readily available to the Company. When a bid price is not available, the Company uses the closing price of the most recent transaction on such instrument.

Credit risk

Cash is deposited in bank accounts with Canadian chartered banks or invested in a diversified manner in securities having an investment-grade rating.

The credit risk associated with receivables from partners arises from the possibility that the partners may not be able to repay their debts. These receivables result from option payments and exploration work carried out on properties under option and operated by the Company.

Interest rate risk

As at November, 2008, the Company's exposure to interest rate risk is summarized as follows:

Cash	Variable interest rate
Amounts receivable	Non-interest bearing
Long-term investments	Non-interest bearing
Accounts payable and accrued liabilities	Non-interest bearing
Debentures convertible and non convertible	12%

Financial risk

The Company is considered to be an exploration company. It must therefore regularly obtain financing in order to pursue its activities. Despite previous success in acquiring such financing, there is no guarantee of success in the future.

Property title risk

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

Environmental risk

The Company is susceptible to various environmental incidents that can occur during exploration work. The Company maintains an environmental risk management system that includes operational plans and practices.

Additional information and continuous disclosure

This Management's Discussion and Analysis report was prepared on January 29, 2009. The Company regularly divulges additional information through press releases, financial statements and its annual information form on the SEDAR website (www.sedar.com).

Disclosure controls

The Company's Chief Executive Officer and Secretary Treasurer (the certifying officers) are responsible for establishing and maintaining disclosure controls and procedures which provide reasonable assurance that information required to be disclosed by the Company in reports filed with securities regulatory authorities is recorded and/or disclosed on a timely basis, as required by law, and is accumulated and communicated to the Company's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure. The certifying officers are assisted in this responsibility by the disclosure committee consisting of senior executives of the Company. Based on an evaluation of the Company's disclosure controls and procedures, the Company's certifying officers have concluded that as of November 30, 2008, these disclosure controls and procedures operated effectively to ensure that material information relating to the Company would have been made known to them.

Internal control over financial reporting

Internal control over financial reporting ("ICFR") is designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and its compliance with GAAP in its financial statements. The certifying officers have evaluated whether there were changes to its ICFR during this interim period ended November 30, 2008, that have materially affected, or that are reasonably likely to materially affect its ICFR. No such changes were identified through their evaluation.

(s) Jean-Marc Lulin

President and CEO

(s) Moniroth Lim

Secretary Treasurer