

Azimut Exploration Inc

Unaudited Condensed Interim Financial Statements
February 28, 2013 and 2012
(expressed in Canadian dollars, except share amounts)

Azimut Exploration Inc
Interim Statements of Financial Position
(in Canadian dollars)
(Unaudited)

	February 28, 2013	August 31, 2012
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	1,398,026	1,402,610
Amounts receivable (note 4)	1,854,951	2,670,013
Prepaid expenses	19,180	26,046
	<u>3,272,157</u>	<u>4,098,669</u>
Non-current assets		
Mining rights receivable	216,796	205,685
Investment (note 5)	135,370	207,224
Property and equipment (note 6)	310,507	311,917
Intangible assets (less accumulated amortization of \$15,843; \$13,997 as at August 31, 2012)	8,424	9,910
Exploration and evaluation assets (note 7)	7,863,023	8,439,383
	<u>8,534,120</u>	<u>9,174,119</u>
Total assets	<u>11,806,277</u>	<u>13,272,788</u>
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities - Related parties	93,651	76,747
Accounts payable and accrued liabilities, advances received for exploration work and others	122,726	304,060
Current portion of debentures payable	86,200	100,000
	<u>302,577</u>	<u>480,807</u>
Non-current liabilities		
Debenture payable	-	77,000
Asset retirement obligations	242,971	241,278
	<u>242,971</u>	<u>318,278</u>
Total liabilities	<u>545,548</u>	<u>799,085</u>
Equity		
Share capital	20,456,111	20,456,111
Warrants (note 8)	426,308	426,308
Stock options (note 9)	1,427,401	1,436,434
Contributed surplus	2,168,420	2,159,387
Deficit	(13,221,333)	(11,990,713)
Accumulated other comprehensive loss	3,822	(13,824)
	<u>11,260,729</u>	<u>12,473,703</u>
Total equity	<u>11,260,729</u>	<u>12,473,703</u>
Total liabilities and equity	<u>11,806,277</u>	<u>13,272,788</u>

Azimut Exploration Inc
Interim Statements of Comprehensive Loss

(in Canadian dollars)

(Unaudited) For the three- and six-month periods ended February 28, 2013 and 2012

	Three-month period ended February 28,		Six-month period ended February 28,	
	2013	2012	2013	2012
Expenses				
General and administrative (note 10)	141,234	171,449	243,537	307,509
General exploration (note 10)	13,379	14,700	22,911	25,137
Impairment of exploration and evaluation assets	928,830	-	928,830	-
Operating loss	1,083,443	186,149	1,195,278	332,646
Financing cost, net				
Interest income	(4,372)	(8,347)	(12,271)	(17,394)
Interest on debentures	15,177	13,609	45,401	22,107
Interest and bank charges	472	591	814	1,073
Unwinding of discount on asset retirement obligations	848	-	1,693	-
	12,125	5,853	35,637	5,786
Other gains and losses				
Gain on option payments on exploration and evaluation assets	-	26,729	57,957	26,729
Management fees	-	3,148	7,521	14,135
Gain on sale of available-for-sale investments	-	-	7,817	-
Other than temporary write-down on available-for-sale investment	(73,000)	-	(73,000)	-
	(73,000)	29,877	295	40,864
Loss for the period	(1,168,567)	(162,125)	(1,230,620)	(297,570)
Other comprehensive income (loss)				
Unrealized loss on available-for-sale investments	(26,812)	26,060	(63,171)	(74,791)
Reclassification of other than temporary write-down on available-for-sale investments to statement of loss for the period	73,000	-	73,000	-
Reclassification of the loss on sale of available-for-sale investments to statement of loss for the period	-	-	7,817	-
	46,188	26,060	17,646	(74,791)
Comprehensive loss for the period	(1,122,379)	(136,065)	(1,212,974)	(372,361)
Basic and diluted loss per share	(0.032)	(0.004)	(0.034)	(0.008)
Basic and diluted weighted average number of shares outstanding	36,470,328	36,470,328	36,470,328	35,721,510

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

Azimut Exploration Inc
Interim Statements of Changes in Equity

(in Canadian dollars)

(Unaudited) For the six-month periods ended February 28, 2013 and 2012

	Share capital		Warrants		Stock options		Equity component of debenture	Contributed surplus	Deficit	Accumulated other comprehensive loss	Total
	Number	\$	Number	\$	Number	\$	\$	\$	\$	\$	\$
Balance as at September 1, 2012	36,470,328	20,456,111	2,666,664	426,308	2,220,000	1,436,434	-	2,159,387	(11,990,713)	(13,824)	12,473,703
Loss for the period	-	-	-	-	-	-	-	-	(1,230,620)	-	(1,230,620)
Other comprehensive loss	-	-	-	-	-	-	-	-	-	17,646	17,646
Comprehensive loss for the period	-	-	-	-	-	-	-	-	(1,230,620)	17,646	(1,212,974)
Stock option forfeited	-	-	-	-	(110,000)	(9,033)	-	9,033	-	-	-
Balance as at February 28, 2013	36,470,328	20,456,111	2,666,664	426,308	2,110,000	1,427,401	-	2,168,420	(13,221,333)	3,822	11,260,729
Balance as at September 1, 2011	34,438,351	18,837,579	4,573,217	735,046	2,205,000	2,198,030	47,889	1,087,042	(10,595,287)	(7,393)	12,302,906
Loss for the period	-	-	-	-	-	-	-	-	(297,570)	-	(297,570)
Other comprehensive loss	-	-	-	-	-	-	-	-	-	(74,791)	(74,791)
Comprehensive loss for the period	-	-	-	-	-	-	-	-	(297,570)	(74,791)	(372,361)
Issuance of units for payment of interest on convertible debentures	12,542	13,129	6,271	1,073	-	-	-	-	-	-	14,202
Conversion of debentures	500,000	301,257	250,000	42,750	-	-	(47,889)	-	-	-	296,118
Warrants exercised	1,439,435	1,208,488	(1,439,435)	(246,580)	-	-	-	-	-	-	961,908
Warrants expired	-	-	(723,389)	(195,395)	-	-	-	195,395	-	-	-
Stock options exercised	80,000	101,280	-	-	(80,000)	(48,480)	-	-	-	-	52,800
Stock options granted	-	-	-	-	100,000	-	-	-	-	-	-
Stock options expired	-	-	-	-	(80,000)	(155,630)	-	155,630	-	-	-
Stock-based compensation costs	-	-	-	-	-	1,944	-	-	-	-	1,944
Share issue expenses	-	(3,765)	-	-	-	-	-	-	-	-	(3,765)
Balance – February 29, 2012	36,470,328	20,457,968	2,666,664	336,894	2,045,000	1,993,920	-	1,438,067	(10,892,857)	(82,184)	13,253,752

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

Azimut Exploration Inc

Interim Statements of Cash Flows

(in Canadian dollars)

(Unaudited) For the six-month periods ended February 28, 2013 and 2012

	2013 \$	2012 \$
Cash flows used in operating activities		
Net loss for the period	(1,230,620)	(297,570)
Items not affecting cash		
Depreciation of property and equipment	4,416	6,096
Amortization of intangible assets	1,486	2,123
Gain on sale of available-for-sale investments	(7,817)	-
Other than temporary write-down on available-for-sale investment	73,000	-
Impairment of exploration and evaluation on assets	928,830	-
Gain on option payments on exploration and evaluation assets	(57,957)	(26,729)
Credit on duties refundable for losses and refundable tax credit relating to resources	(13,500)	(17,800)
Accretion expense on debentures	9,200	9,200
Stock-based compensation costs	-	1,944
Shares issued for interest payment on debentures	-	14,202
Unwinding of discount on asset retirement obligations	1,693	-
	<u>(291,269)</u>	<u>(308,534)</u>
Net change in non-cash working capital items		
Amounts receivable	339,737	412,164
Prepaid expenses	6,866	(8,867)
Accounts payable and accrued liabilities, advances received for exploration work and others	(193,764)	(1,782,486)
	<u>152,839</u>	<u>(1,379,189)</u>
	<u>(138,430)</u>	<u>(1,687,723)</u>
Cash flows from financing activities		
Payment on debenture payable	(100,000)	(100,000)
Issuance of share capital, net of share issue expenses	-	1,014,708
Payments of obligation under finance lease	-	(3,765)
	<u>(100,000)</u>	<u>910,943</u>
Cash flows used in investing activities		
Proceeds from sale of investments	24,317	-
Additions to exploration and evaluation assets	(414,055)	(379,986)
Proceeds from sale of options on exploration and evaluation assets	60,000	50,000
Tax credit received	563,584	-
	<u>233,846</u>	<u>(329,986)</u>
Net change in cash and cash equivalents	(4,584)	(1,106,766)
Cash and cash equivalents - Beginning of period	1,402,610	3,834,831
Cash and cash equivalents - End of period	<u>1,398,026</u>	<u>2,728,065</u>
Additional information		
Interest received	12,271	17,394
Interest paid	57,385	40,549
Acquisition of exploration and evaluation assets included in accounts payable and accrued liabilities	91,900	74,671
Depreciation of property and equipment included in exploration and evaluation assets	35,890	80,826
Changes in estimated useful live of the camp under finance lease affected in exploration and evaluation assets	35,194	-
Credit on duties refundable for loss and refundable tax credit for resources presented as a reduction in exploration and evaluation assets	85,870	309,400

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

Azimut Exploration Inc
Notes to Condensed Interim Financial Statements
(in Canadian dollars)
(Unaudited) For the three- and six-month periods ended February 28, 2013 and 2012

1 Nature of operations and general information

Azimut Exploration Inc. (the “Company”), incorporated under the Québec Corporations Act, is in the business of acquiring and exploring mining properties. The Company registered office is located at 110 De La Barre Street, Suite 214, Longueuil, Quebec, Canada. The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and development programs will result in profitable mining operations.

Until it is determined that properties contain mineral reserves or resources that can be economically mined, they are classified as exploration properties. It has not yet been determined whether its properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the exploration and evaluation of its properties and profitable sale of the exploration and evaluation assets.

Although management has taken steps to verify title to mining properties in which the Company has an interest, in accordance with industry standards for the current stage of exploration and evaluation of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to unregistered prior agreements and non-compliant with regulatory requirements.

To date, the Company has not earned significant revenues and is considered to be in the exploration and evaluation stage.

As at February 28, 2013, the Company had working capital of \$2,969,580 (2012 – \$4,627,092) including cash and cash equivalents of \$1,398,026 (2011 – \$2,728,065) and accumulated deficit of \$13.2 million (2012 – \$10.9 million), and had incurred a loss of \$307,443 (2012 – \$297,570) for the six-month period then ended.

Management of the Company believes that it has sufficient funds to pay its ongoing general and administrative expenses and to meet its liabilities, obligations and existing commitments for the ensuing twelve (12) months as they fall due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve (12) months from the end of the reporting period. To continue its exploration and evaluation program on its properties and its operation beyond February 28, 2013, the Company will periodically have to raise additional funds through the issuance of new equity instruments, the exercise of stock options or warrants and the search of partners to sign option agreements on certain of its mining properties, and while it 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 for the Company or that they will be available on terms which are acceptable to the Company.

The Company’s financial year ends on August 31. The unaudited condensed interim financial statements were approved for issue by the Board of Directors on April 24, 2013.

Azimut Exploration Inc
Notes to Condensed Interim Financial Statements
(in Canadian dollars)
(Unaudited) For the three- and six-month periods ended February 28, 2013 and 2012

2 Summary of significant accounting policies

Basis of preparation and adoption of International Financial Reporting Standards (“IFRS”)

The Company applies International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, interim Financial reporting.

The unaudited condensed interim financial statement should be read in conjunction with the most recent annual financial statements as at and for the year ended August 31, 2012. Any subsequent changes to IFRS that are given effect in the Company’ annual financial statements for the year ending August 31, 2013 could result in restatement of these condensed interim financial statements.

New standards not yet adopted and interpretations issued but not yet effective

There are no relevant changes in accounting standards applicable to future periods other than as disclosed in the most recent annual financial statements as at and for the year August 31, 2012.

3 Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These condensed interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended August 31, 2012.

Estimates and assumptions are continually evaluated and are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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Notes to Condensed Interim Financial Statements
(in Canadian dollars)
(Unaudited) For the three- and six-month periods ended February 28, 2013 and 2012

4 Amounts receivable

	As at February 28, 2013 \$	As at August 31, 2012 \$
Tax credit and current mining rights receivable	1,804,096	2,279,421
Commodity taxes	30,239	91,200
Trade accounts receivable	20,616	299,392
	<u>1,854,951</u>	<u>2,670,013</u>

5 Investments

	As at February 28, 2013 \$	As at August 31, 2012 \$
Eastmain Resources Inc.	14,200	17,800
NWT Uranium Corp.	14,350	28,000
Majescor Resources Inc.	8,820	28,420
Silver Spruce Resources Inc.	4,500	10,500
Channel Resources Inc.	7,500	13,500
Abitex Resources Inc.	2,500	14,000
Nemaska Exploration Inc.	81,615	81,615
Dynasty Gold Corp.	-	12,500
Monarques Resources Inc.	1,885	889
	<u>135,370</u>	<u>207,224</u>

Unrealized gains and losses on available-for-sale securities resulted from fluctuations in market prices. As at February 28, 2013, the Company reclassified to loss an amount of \$73,000 for the impairment other than temporary loss previously recognized in accumulated other comprehensive loss.

Azimut Exploration Inc
Notes to Condensed Interim Financial Statements
(in Canadian dollars)
(Unaudited) For the three- and six-month periods ended February 28, 2013 and 2012

6 Property and equipment

	Office furniture \$	Office equipment \$	Computer equipment \$	Specialist equipment \$	Camp \$	Camp under finance lease \$	Vehicles \$	Total \$
At August 31, 2012								
Cost	20,542	20,081	36,597	56,250	337,970	281,560	-	753,000
Accumulated depreciation	<u>(15,100)</u>	<u>(13,523)</u>	<u>(25,291)</u>	<u>(46,117)</u>	<u>(59,492)</u>	<u>(281,560)</u>	<u>-</u>	<u>(441,083)</u>
Net book amount	<u>5,442</u>	<u>6,558</u>	<u>11,306</u>	<u>10,133</u>	<u>278,478</u>	<u>-</u>	<u>-</u>	<u>311,917</u>
Period ended February 28, 2013								
Opening net book amount	5,442	6,558	11,306	10,133	278,478	-	-	311,917
Additions	-	-	-	-	-	35,194 *	3,702	38,896
Depreciation for the period	<u>(544)</u>	<u>(656)</u>	<u>(1,696)</u>	<u>(1,520)</u>	<u>(29,746)</u>	<u>(5,866)</u>	<u>(278)</u>	<u>(40,306)</u>
Closing net book amount	<u>4,898</u>	<u>5,902</u>	<u>9,610</u>	<u>8,613</u>	<u>248,732</u>	<u>29,328</u>	<u>3,424</u>	<u>310,507</u>

*The useful life-of-camp has been revised and is expected to be depreciated over a thirty-six-month (36-month) period using the straight-line method.

7 Exploration and evaluation assets

All mining properties are located in the Province of Quebec.

Azimut Exploration Inc

Notes to Condensed Interim Financial Statements

(in Canadian dollars)

(Unaudited) For the three- and six-month periods ended February 28, 2013 and 2012

	Undivided	Cost as at	Additions	Option	Tax credit	Cost as at	Accumulated	Impairment	Accumulated	Net book
Exploration properties	interest	August 31,		payments		February 28,	impairment at		impairment at	amount as at
Nunavik	%	2012	\$	\$	\$	2013	August 31,	\$	February 28,	February 28,
							2012		2013	2013
Rex (4,756 claims)	100									
Mining properties		945,724	7,329	-	-	953,053	(55,272)	-	(55,272)	897,781
Exploration costs		3,760,580	60,154	-	(34,200)	3,786,534	-	-	-	3,786,534
		<u>4,706,304</u>	<u>67,483</u>	<u>-</u>	<u>(34,200)</u>	<u>4,739,587</u>	<u>(55,272)</u>	<u>-</u>	<u>(55,272)</u>	<u>4,684,315</u>
Rex South (2,137 claims)	100									
Mining properties		11,319	30,214	-	-	41,533	-	-	-	41,533
Exploration costs		136,183	61,962	-	(23,300)	174,845	-	-	-	174,845
		<u>147,502</u>	<u>92,176</u>	<u>-</u>	<u>(23,300)</u>	<u>216,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,378</u>
NCG (4,476 claims)	100									
Mining properties		616,815	109,696	-	-	726,511	(12,864)	(156,351)	(169,215)	557,296
Exploration costs		891,585	24,880	-	(7,580)	908,885	-	-	-	908,885
		<u>1,508,400</u>	<u>134,576</u>	<u>-</u>	<u>(7,580)</u>	<u>1,635,396</u>	<u>(12,864)</u>	<u>(156,351)</u>	<u>(169,215)</u>	<u>1,466,181</u>
Diana (479 claims)	100									
Mining properties		52,211	-	-	-	52,211	-	-	-	52,211
Exploration costs		17,085	590	-	(230)	17,445	-	-	-	17,445
		<u>69,296</u>	<u>590</u>	<u>-</u>	<u>(230)</u>	<u>69,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,656</u>
Nantais (242 claims)	100									
Mining properties		31,036	13,790	-	-	44,826	(7,252)	-	(7,252)	37,574
Exploration costs		40,910	18,710	-	(9,000)	50,620	-	-	-	50,620
		<u>71,946</u>	<u>32,500</u>	<u>-</u>	<u>(9,000)</u>	<u>95,446</u>	<u>(7,252)</u>	<u>-</u>	<u>(7,252)</u>	<u>88,194</u>
Others, Copper-gold (510 claims)	100									
Mining properties		-	50,132	-	-	50,132	-	-	-	50,132
Exploration costs		-	2,220	-	-	2,220	-	-	-	2,220
		<u>-</u>	<u>52,352</u>	<u>-</u>	<u>-</u>	<u>52,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,352</u>
Total Copper-gold-silver-cobalt-rare earth properties		<u>6,503,448</u>	<u>379,677</u>	<u>-</u>	<u>(74,310)</u>	<u>6,808,815</u>	<u>(75,388)</u>	<u>(156,351)</u>	<u>(231,739)</u>	<u>6,577,076</u>

Azimut Exploration Inc

Notes to Condensed Interim Financial Statements

(in Canadian dollars)

(Unaudited) For the three- and six-month periods ended February 28, 2013 and 2012

Exploration properties (cont'd)	Undivided interest	Cost as at August 31, 2012	Additions	Option payments	Tax credit	Cost as at February 28, 2013	Accumulated impairment at August 31, 2012	Impairment	Accumulated impairment at February 28, 2013	Net book amount as at February 28, 2013
Nunavik (cont'd)	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
North Rae (373 claims)	100									
Mining properties		519,296	15,641	-	-	534,937	-	(477,520)	(477,520)	57,417
Exploration costs		695,087	12,198	-	(5,300)	701,985	-	-	-	701,985
		<u>1,214,383</u>	<u>27,839</u>	<u>-</u>	<u>(5,300)</u>	<u>1,236,922</u>	<u>-</u>	<u>(477,520)</u>	<u>(477,520)</u>	<u>759,402</u>
Daniel Lake (57 claims)	100									
Mining properties		386,590	-	-	-	386,590	(90,900)	(289,306)	(380,206)	6,384
Exploration costs		302,146	4,830	-	(2,000)	304,976	-	-	-	304,976
		<u>688,736</u>	<u>4,830</u>	<u>-</u>	<u>(2,000)</u>	<u>691,566</u>	<u>(90,900)</u>	<u>(289,306)</u>	<u>(380,206)</u>	<u>311,360</u>
Kangiq	100									
Mining properties		5,450	-	-	-	5,450	-	(5,450)	(5,450)	-
Exploration costs		203	-	-	-	203	-	(203)	(203)	-
		<u>5,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,653</u>	<u>-</u>	<u>(5,653)</u>	<u>(5,653)</u>	<u>-</u>
Total Uranium properties		<u>1,908,772</u>	<u>32,669</u>	<u>-</u>	<u>(7,300)</u>	<u>1,934,141</u>	<u>(90,900)</u>	<u>(772,479)</u>	<u>(863,379)</u>	<u>1,070,762</u>
Total Nunavik		<u>8,412,220</u>	<u>412,346</u>	<u>-</u>	<u>(81,610)</u>	<u>8,742,956</u>	<u>(166,288)</u>	<u>(928,830)</u>	<u>(1,095,118)</u>	<u>7,647,838</u>

Azimut Exploration Inc

Notes to Condensed Interim Financial Statements

(in Canadian dollars)

(Unaudited) For the three- and six-month periods ended February 28, 2013 and 2012

Exploration properties (cont'd)	Undivided interest	Cost as at August 31, 2012	Additions	Option payments	Tax credit	Cost as at February 28, 2013	Accumulated impairment at August 31, 2012	Impairment	Accumulated impairment at February 28, 2013	Net book amount as at February 28, 2013
James Bay	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opinaca A-A East (420 claims)	50									
Mining properties		-	-	-	-	-	-	-	-	-
Exploration costs		-	3,048	(1,022)	(1,330)	696	-	-	-	696
		-	3,048	(1,022)	(1,330)	696	-	-	-	696
Opinaca B-B-North (220 claims)	50									
Mining properties		-	-	-	-	-	-	-	-	-
Exploration costs		-	2,268	(1,022)	(990)	256	-	-	-	256
		-	2,268	(1,022)	(990)	256	-	-	-	256
Eleonore South (282 claims)	26.4									
Mining properties		-	-	-	-	-	-	-	-	-
Exploration costs		5,729	930	-	(400)	6,259	-	-	-	6,259
		5,729	930	-	(400)	6,259	-	-	-	6,259
Opinaca D (188 claims)	100									
Mining properties		8,979	14,145	-	-	23,124	-	-	-	23,124
Exploration costs		5,172	1,221	-	(530)	5,863	-	-	-	5,863
		14,151	15,366	-	(530)	28,987	-	-	-	28,987
Wabamisk (723 claims)	49									
Mining properties		-	-	-	-	-	-	-	-	-
Exploration costs		9,930	-	-	-	9,930	-	-	-	9,930
		9,930	-	-	-	9,930	-	-	-	9,930
Total Gold properties		29,810	21,612	(2,044)	(3,250)	46,128	-	-	-	46,128
Eastmain West (77 claims)	100									
Mining properties		9,923	3,899	-	-	13,822	-	-	-	13,822
Exploration costs		153,718	2,527	-	(1,010)	155,235	-	-	-	155,235
Total Chromium – PGE property		163,641	6,426	-	(1,010)	169,057	-	-	-	169,057
Total James Bay		193,451	28,038	(2,044)	(4,260)	215,185	-	-	-	215,185
Total mining properties		8,605,671	440,384	(2,044)	(85,870)	8,958,141	(166,288)	(928,830)	(1,095,118)	7,863,023

Azimut Exploration Inc

Notes to Condensed Interim Financial Statements

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(Unaudited) For the three- and six month periods ended February 28, 2013 and 2012

The changes in exploration and evaluation assets are as follows:

Exploration properties	Mining properties		Exploration costs					Cost incurred during the period	Option payments	Credit on duties refundable for loss and refundable tax credit for resources	Impairment of exploration and evaluation assets	As at February 28, 2013
	As at August 31, 2012	Claims and permits	Geochemical surveys	Geological surveys	Geophysical surveys	Drilling	Depreciation of property and equipment					
Nunavik												
Rex	4,651,032	7,329	320	48,436	3,326	26,432	(18,360)	67,483	-	(34,200)	-	4,684,315
Rex South	147,502	30,214	-	52,667	841	-	8,454	92,176	-	(23,300)	-	216,378
NCG	1,495,536	109,696	-	17,978	-	-	6,902	134,576	-	(7,580)	(156,351)	1,466,181
Diana	69,296	-	-	290	300	-	-	590	-	(230)	-	69,656
Nantais	64,694	13,790	-	17,869	841	-	-	32,500	-	(9,000)	-	88,194
Others, Copper-gold	-	50,132	-	2,220	-	-	-	52,352	-	-	-	52,352
Total Copper-gold-silver-cobalt-rare earth properties	6,428,060	211,161	320	139,460	5,308	26,432	(3,004)	379,677	-	(74,310)	(156,351)	6,577,076
North Rae	1,214,383	15,641	-	12,198	-	-	-	27,839	-	(5,300)	(477,520)	759,402
Daniel Lake	597,836	-	-	4,830	-	-	-	4,830	-	(2,000)	(289,306)	311,360
Kangiq	5,653	-	-	-	-	-	-	-	-	-	(5,653)	-
Total Uranium properties	1,817,872	15,641	-	17,028	-	-	-	32,669	-	(7,300)	(722,479)	1,070,762
Total Nunavik	8,245,932	226,802	320	156,488	5,308	26,432	(3,004)	412,346	-	(81,610)	(928,830)	7,647,838
James Bay												
Opinaca A, A East	-	-	-	3,048	-	-	-	3,048	(1,022)	(1,330)	-	696
Opinaca B, B North	-	-	-	2,268	-	-	-	2,268	(1,022)	(990)	-	256
Eleonore South	5,729	-	-	930	-	-	-	930	-	(400)	-	6,259
Opinaca D	14,151	14,145	-	1,221	-	-	-	15,366	-	(530)	-	28,987
Wabamisk	9,930	-	-	-	-	-	-	-	-	-	-	9,930
Eastmain West	163,641	3,899	-	3	2,524	-	-	6,426	-	(1,010)	-	169,057
Total James Bay	193,451	18,044	-	7,470	2,524	-	-	28,038	(2,044)	(4,260)	-	215,185
Total mining properties	8,439,383	244,846	320	163,958	7,832	26,432	(3,004)	440,384	(2,044)	(85,870)	(928,830)	7,863,023

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(Unaudited) For the three- and six month periods ended February 28, 2013 and 2012

8 Warrants

The following table presents the warrants activity since August 31, 2011 and summarizes the information about warrants outstanding and exercisable as at February 28, 2013:

	February 28, 2013			August 31, 2012		
	Number	Carrying value \$	Weighted average exercise price \$	Number	Carrying value \$	Weighted average exercise price \$
Outstanding – Beginning of period	2,666,664	426,308	1.40	4,573,217	735,046	1.13
Issued	-	-	-	256,271	43,823	0.76
Exercised	-	-	-	(1,439,435)	(246,580)	0.67
Expired	-	-	-	(723,389)	(195,395)	0.95
Extended	-	-	-	-	89,414	1.40
Outstanding – End of period	<u>2,666,664</u>	<u>426,308</u>	<u>1.40</u>	<u>2,666,664</u>	<u>426,308</u>	<u>1.40</u>

As at February 28, 2013, a total of 2,666,664 warrants were outstanding with an average exercise price of \$1.40 and all warrants expired on March 19, 2013.

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Notes to Condensed Interim Financial Statements

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(Unaudited) For the three- and six month periods ended February 28, 2013 and 2012

9 Stock option plan

The following tables present the stock option activity since August 31, 2011 and summarize the information about stock options outstanding and exercisable as at February 28, 2013:

	February 28, 2013		August 31, 2012	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding – Beginning of period	2,220,000	0.87	2,205,000	1.43
Granted	-	-	495,000	0.53
Exercised	-	-	(80,000)	0.66
Expired / Forfeited	(110,000)	0.79	(400,000)	3.57
Outstanding and Exercisable – End of period	<u>2,110,000</u>	<u>0.88</u>	<u>2,220,000</u>	<u>0.87</u>

Exercise prices	Options Outstanding and Exercisable	Weighted Average Remaining Contractual Life (years)
\$0.34	495,000	6.12
\$0.45	395,000	9.20
\$0.60	80,000	7.40
\$0.66	410,000	7.03
\$0.80	430,000	7.88
\$1.25	40,000	8.09
\$3.03	260,000 *	0.11
	<u>2,110,000</u>	<u>6.15</u>

* Subsequently expired

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Notes to Condensed Interim Financial Statements

(in Canadian dollars)

(Unaudited) For the three- and six-month periods ended February 28, 2013 and 2012

10 Expenses by nature

	Six-month period ended February 28,	
	2013 \$	2012 \$
Salaries and fringe benefits	110,518	104,962
Professional and maintenance fees	24,128	52,305
Administration and office	80,535	100,061
Travelling and entertainment	22,454	40,018
Depreciation of property and equipment	4,416	6,096
Amortization of intangible assets	1,486	2,123
Stock-based compensation	-	1,944
General and administrative expenses	243,537	307,509
Salaries for search of properties	36,411	42,937
Credit on duties refundable for loss and refundable tax credit for resources	(13,500)	(17,800)
General exploration	22,911	25,137

11 Related party transactions

Compensation of key management

Key management includes directors, the chief executive officer (“CEO”) and the chief financial officer (“CFO”). The compensation paid or payable for key management service as a salary was \$164,227 for the period ended February 28, 2013 (\$173,923 in 2012).

12 Comparative figures

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