

Azimut Exploration: Converting targets into world-class discoveries



Jean-Marc Lulin
President & CEO

Combining cutting-edge targeting methodology and field expertise with Quebec's extensive geological database has worked brilliantly for Azimut Exploration in attracting exploration companies that aim to reduce exploration risks and costs. In just eight years, this publicly traded Canadian mineral exploration company specializing in project generation has signed 29 option agreements, representing a value of more than \$90 million in potential investment on Azimut's properties. President and CEO Jean-Marc Lulin talks about the company's track record and why it is well recognized as a "true project generator company".



AZIMUT
EXPLORATION

Resource Intelligence: Azimut is mainly a project generator. What is the share of this part of the business in the overall company and what is the rest?

Jean-Marc Lulin: Our core activity is project generation. This is what we do on a systematic and sustainable basis: process databases looking for the best targets across Quebec and develop new business ventures with quality partners on those targets. This year, money spent by our partners represents 70% of the total exploration budget. We have kept one very good project representing the remaining 30%.

RI: You've signed 29 strategic option agreements with partners over the eight years since the company was born. What's the norm in the industry? And what does this mean to investors?

JL: Those 29 agreements include nine currently active agreements representing at least \$20 million in exploration work for 2011 and beyond. It is well above the industry average and is probably one of the best records in partner-funded exploration in Canada. We think it is based on our track record as a true project generator. As for our shareholders, they recognize that these joint ventures lower the company's financial risk while providing them with exposure to Quebec's largest exploration property portfolio. An advantage of the project generator model is that dilution is kept to a minimum. This means investors will get their fair share when a discovery is made.

RI: What other criteria should investors be evaluating when they look at your company?

JL: By investing in Azimut, an investor will be exposed to a number of world-class targets for various commodities—gold, copper, uranium and rare earths—in one of the best mining jurisdictions in the world. The largest part of our funding is provided by our partners until the bankable feasibility stage. In addition, we have a high share price leverage with only 27 million shares outstanding.

RI: Do you plan to develop projects and partnerships outside of Quebec?

JL: Not immediately. We are often tempted to develop projects elsewhere, but for now we believe that the best way to create value is to use our knowledge of Quebec. New important mining districts can still be found here! We know that past exploration has not been persistent enough in some parts of the province and may have missed major targets. For example, Azimut identified two large regions with huge mineral potential in northern Quebec: one for uranium and the other for gold-silver-copper-tungsten. Province-scale assessments revealed great potential for large-scale targets in those regions, and our ideas were quickly validated by solid field results.

RI: Can you update us on the latest developments of your top properties?

JL: Rex and Rex South are two polymetallic projects that were totally grassroots last year but are now at the drilling stage following the discovery of at least 100 new prospects on both properties. They are set in what appears to be a new district in Nuna-

vik (northern Quebec). The properties represent 160 km of coverage in an area with excellent rock exposure in treeless and relatively flat terrain with potential access to port facilities and geological indications of world-class targets. At Rex South, our partner Aurizon Mines will be funding at least 4,000 metres of drilling this summer, and Azimut will fund its own exploration on the enormous Rex property. On the other side of Nunavik, our North Rae uranium project, a bulk mining target, is also at the drilling stage.

RI: Do the prices of commodities affect the direction you take as a project generator?

JL: That's a very interesting question. We try to adapt as best as possible in terms of the projects we generate, but we don't like to change our minds according to the latest rise in a particular commodity price. We have a long-term vision. We can be very confident about the prices for many commodities and, fundamentally, the need for many commodities is directly and strongly linked to long-term demographic growth.

RI: What are your priorities for this year?

JL: Our priorities are to accelerate the discovery process by drilling our best targets. This includes the copper-gold Rex property, where results from 2010 indicate a substantial potential for iron oxide-copper-gold deposits. On the adjacent Rex South property, our partner Aurizon will undertake an aggressive program on several exciting discoveries, including an extensive gold-silver-copper-tungsten porphyry prospect. In the same region, we will pursue a comprehensive, systematic assessment of other promising areas. This is Azimut's most exciting year so far. We think we may be on the verge of something truly major.

Investor Highlights:

- #1 claim-holder in mining-friendly Quebec
- 32 exploration properties for gold, copper, uranium and rare earths
- World-class targets in new emerging metal districts
- 27 million shares – high share price leverage