

Azimut Exploration Inc.

Unaudited Condensed Interim Financial Statements
May 31, 2025

Azimut Exploration Inc.

Statements of Financial Position (in Canadian dollars)

	As at May 31, 2025 Unaudited \$	As at August 31, 2024 Audited \$
Assets		
Current assets		
Cash and cash equivalents (Note 3)	14,878,475	11,766,113
Amounts receivable (Note 4)	432,152	1,811,076
Prepaid expenses	106,936	101,260
	<u>15,417,563</u>	<u>13,678,449</u>
Non-current assets		
Tax credit and mining rights receivable (Note 6)	2,012,549	-
Investments	439,911	931,242
Property and equipment (Note 5)	1,249,086	1,507,074
Intangible assets (less accumulated amortization of \$35,000; \$34,421 as at August 31, 2024)	8,395	1,930
Right-of-use assets	5,059	50,513
Exploration and evaluation assets (Note 6)	45,601,514	41,493,946
	<u>49,316,514</u>	<u>43,984,705</u>
Total assets	<u>64,734,077</u>	<u>57,663,154</u>
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	1,761,967	3,392,355
Advances received for exploration work	1,673,127	687,111
Lease liabilities	5,299	50,673
Flow-through shares premium liability (Note 8)	-	442,314
	<u>3,440,393</u>	<u>4,572,453</u>
Non-current liabilities		
Asset retirement obligations (Note 7)	2,033,511	1,977,549
Deferred income tax liabilities	1,351,318	1,351,318
	<u>3,384,829</u>	<u>3,328,867</u>
Total liabilities	<u>6,825,222</u>	<u>7,901,320</u>
Equity		
Share capital (Note 8)	73,849,854	65,200,783
Underwriters' options (Note 9)	-	52,464
Stock options (Note 10)	4,918,664	4,533,469
Contributed surplus	5,190,098	5,039,601
Deficit	(26,049,761)	(25,064,483)
Total equity	<u>57,908,855</u>	<u>49,761,834</u>
Total liabilities and equity	<u>64,734,077</u>	<u>57,663,154</u>
Subsequent events (Note 16)		

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

Approved by the Board of Directors

(s) Vanessa Laplante Director

(s) Jean-Marc Lulin Director

Azimut Exploration Inc.

Interim Statements of Net Loss and Comprehensive Loss

For the three and nine-month periods ended May 31, 2025 and 2024

(in Canadian dollars, except number of common shares)

	Three-month period ended		Nine-month period ended	
	May 31,	May 31,	May 31,	May 31,
	2025	2024	2025	2024
	\$	\$	\$	\$
Revenues				
Operator income (Notes 6a, b, e, f and i)	96,668	76,695	208,745	269,954
Expenses				
General and administrative (Note 11)	179,976	436,007	1,399,038	2,118,904
General exploration (Note 11)	54,883	(18,897)	56,150	1,301
Impairment of exploration and evaluation assets	-	-	-	100,925
Operating expenses	234,859	417,110	1,455,188	2,221,130
Financing cost (income), net				
Interest income	(51,628)	(120,873)	(220,655)	(325,351)
Interest and bank charges	1,066	3,742	3,409	5,958
Part XII.6 tax	-	48,600	(34,253)	48,600
Unwinding of discount on asset retirement obligations	13,805	18,560	43,432	55,229
Interest on lease liabilities	475	2,242	2,768	7,886
	(36,282)	(47,729)	(205,299)	(207,678)
Other losses (gains)				
Change in fair value – Investments	58,509	44,330	507,045	45,788
Gain on option payments on exploration and evaluation assets	-	(33,831)	(120,597)	(239,950)
Gain on sale of assets	-	(1,693,689)	-	(1,693,689)
	58,509	(1,683,190)	386,448	(1,887,851)
Loss (earnings) before income taxes	160,418	(1,350,504)	1,427,592	(144,353)
Deferred income tax expense (recovery)	-	(703,199)	(442,314)	(1,480,316)
Net loss (earnings) and comprehensive loss (income) for the period	160,418	(2,093,703)	985,278	(1,624,669)
Basic net loss (earnings) per share	0.002	(0.025)	0.011	(0.019)
Diluted net loss (earnings) per share	0.002	(0.024)	0.011	(0.019)
Weighted average number of shares outstanding	88,189,187	85,393,644	86,496,281	85,130,493

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

Azimut Exploration Inc.

Interim Statements of Changes in Equity

For the nine-month periods ended May 31, 2025 and 2024

(in Canadian dollars, except number of common shares)

	<u>Share capital</u>		<u>Underwriters' options</u>	<u>Stock options</u>	<u>Contributed surplus</u>	<u>Deficit</u>	<u>Total</u>
	Number ⁽¹⁾	\$	\$	\$	\$	\$	\$
Balance as at September 1, 2024	85,593,644	65,200,783	52,464	4,533,469	5,039,601	(25,064,483)	49,761,834
Net loss and comprehensive loss for the period	-	-	-	-	-	(985,278)	(985,278)
Common shares private placement (Note 8)	14,520,666	8,712,400	-	-	-	-	8,712,400
Stock options expired (Note 10)	-	-	-	(98,033)	98,033	-	-
Underwriters' options expired (Note 9)	-	-	(52,464)	-	52,464	-	-
Stock options exercised (Note 10)	240,000	88,800	-	(40,800)	-	-	48,000
Stock-based compensation (Note 10)	-	-	-	524,028	-	-	524,028
Share issue expenses	-	(152,129)	-	-	-	-	(152,129)
Balance as at May 31, 2025	<u>100,354,310</u>	<u>73,849,854</u>	<u>-</u>	<u>4,918,664</u>	<u>5,190,098</u>	<u>(26,049,761)</u>	<u>57,908,855</u>
Balance as at September 1, 2023	79,963,844	60,035,081	-	3,747,701	4,857,941	(25,107,078)	43,533,645
Net earnings and comprehensive income for the period	-	-	-	-	-	1,624,669	1,624,669
Common shares private placement	2,082,100	2,186,205	-	-	-	-	2,186,205
Flow-through private placement	2,992,700	6,000,365	-	-	-	-	6,000,365
Less: Premium	-	(3,037,592)	-	-	-	-	(3,037,592)
Stock options exercised	355,000	269,974	-	(122,124)	-	-	147,850
Stock-based compensation	-	-	-	1,088,261	-	-	1,088,261
Share issue expenses	-	(327,250)	52,464	-	-	-	(274,786)
Balance as at May 31, 2024	<u>85,393,644</u>	<u>65,126,783</u>	<u>52,464</u>	<u>4,713,838</u>	<u>4,857,941</u>	<u>(23,482,409)</u>	<u>51,268,617</u>

⁽¹⁾ There were no common shares that were unpaid as at May 31, 2025 (Nil in 2024).

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

Azimut Exploration Inc.

Interim Statements of Cash Flows

For the nine-month periods ended May, 2025 and 2024

(in Canadian dollars)

	Nine-month period ended	
	May 31,	May 31,
	2025	2024
	\$	\$
Cash flows (used in) from operating activities		
Net (loss) earnings for the period	(985,278)	1,624,669
Items not affecting cash		
Depreciation of property and equipment (Note 5)	30,726	54,946
Amortization of intangible assets	4,319	1,694
Depreciation of right-of-use assets	45,454	45,454
Change in fair value, investments	507,045	45,788
Gain on option payments on exploration and evaluation assets (Note 6)	(120,597)	(239,950)
Gain on sale of exploration property	-	(1,693,689)
Stock-based compensation cost (Note 10)	412,977	942,754
Impairment of exploration and evaluation assets	-	100,925
Unwinding of discount on asset retirement obligations (Note 7)	43,432	55,229
Recovery of deferred income taxes (Note 8)	(442,314)	(1,480,316)
	<u>(504,236)</u>	<u>(542,496)</u>
Changes in non-cash working capital items		
Amounts receivable	689,507	235,707
Prepaid expenses	(5,676)	93,792
Accounts payable and accrued liabilities	175,390	197,196
	<u>859,221</u>	<u>526,695</u>
	<u>354,985</u>	<u>(15,801)</u>
Cash flows from financing activities		
Issuance of common shares	8,712,400	2,186,205
Issuance of flow-through shares	-	6,000,365
Share issue expenses	(152,129)	(436,828)
Stock options exercised	48,000	147,850
Repayment of lease liabilities	(45,374)	(40,256)
	<u>8,562,897</u>	<u>7,857,336</u>
Cash flows from (used in) investing activities		
Advance received for exploration work, net	2,963,000	2,742,439
Additions to property and equipment	(3,659)	(7,997)
Additions to intangible assets	(10,784)	(2,270)
Recovery from insurances	-	88,100
Additions to exploration and evaluation assets	(9,847,146)	(5,573,879)
Proceeds from sale of options on E&E assets	100,000	90,000
Proceeds from sale of exploration property	-	500,000
Proceeds from sale of investments	69,286	-
Tax credit and mining rights received	923,783	3,947,804
	<u>(5,805,520)</u>	<u>1,784,197</u>
Net change in cash and cash equivalents	<u>3,112,362</u>	<u>9,625,732</u>
Cash and cash equivalents – Beginning of the period	<u>11,766,113</u>	<u>3,320,226</u>
Cash and cash equivalents – End of the period	<u>14,878,475</u>	<u>12,945,958</u>
Additional information		
Interest received	220,655	325,351
Interest paid	(2,768)	(7,886)
Additional cash flow information (Note 15)		

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

Azimut Exploration Inc.

Notes to Financial Statements

For the three and nine months ended May 31, 2025 and 2024

(in Canadian dollars)

1 Nature of operations and general information

Azimut Exploration Inc. (“Azimut” or the “Company”), governed by the *Business Corporations Act (Quebec)*, is in the business of acquiring and exploring mineral properties. The Company’s registered office is at 110 De La Barre Street, Suite 224, Longueuil, Quebec, Canada. The mining and mineral exploration business involves a high degree of risk, and there can be no assurance that planned exploration and development programs will result in profitable mining operations. The Company’s shares are listed on the TSX Venture Exchange (“TSXV”) under the symbol AZM and on the OTCQX Market (“OTCQX”) under the symbol AZMTF.

Until it is determined that a property contains mineral reserves or resources that can be economically mined, it is classified as an exploration and evaluation asset (“E&E asset”). It has not yet been determined whether the Company’s properties contain economically recoverable ore reserves. The recoverability of the amounts shown for E&E assets depends on the existence of economically recoverable reserves, the Company’s ability to obtain necessary financing to complete the exploration and evaluation of its properties, and the profitable sale of the E&E assets.

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

2 Summary of material accounting policies

The material accounting policies used in preparing these financial statements are described below.

Basis of preparation

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). The accounting policies applied to these unaudited condensed interim financial statements are consistent with those used in previous fiscal years unless otherwise stated. The Company’s Board of Directors approved these financial statements for issue on July 14, 2025.

3 Cash and cash equivalents

As at May 31, 2025, the Company’s cash and cash equivalents of \$14,878,475 (\$11,766,113 – August 31, 2024) included \$9.1 million of high-interest saving accounts bearing interest at 3.10% (\$5.5 million bearing interest 4.15% – August 31, 2024), cashable any time without any penalties.

4 Amounts receivable

	As at May 31, 2025 \$	As at August 31, 2024 \$
Tax credit and mining rights receivable	2,136,361	1,047,592
Less: Tax credit and mining rights receivable – Non-current	2,012,549	-
Tax credit and mining rights receivable - Current	123,812	1,047,592
Commodity taxes	(153,864)	510,872
Amounts receivable	462,204	252,612
Current amount receivable	432,152	1,811,076

Azimut Exploration Inc.

Notes to Financial Statements

For the three and nine months ended May 31, 2025 and 2024

(in Canadian dollars)

5 Property and equipment

	Office furniture \$	Office equipment \$	Computer equipment \$	Specialized equipment \$	Camp ⁽¹⁾ \$	Vehicles ⁽¹⁾ \$	Total \$
Period ended May 31, 2025							
Opening net book amount	596	-	30,238	164,205	1,312,035	-	1,507,074
Additions	-	-	3,659	-	-	-	3,659
Change in estimate	-	-	-	-	12,530	-	12,530
Depreciation for the period ⁽¹⁾	(596)	-	(6,708)	(34,246)	(232,627)	-	(274,177)
Closing net book amount	-	-	27,189	129,959	1,091,938	-	1,249,086
As at May 31, 2025							
Cost	23,363	29,914	123,788	241,476	2,649,933	3,702	3,072,176
Accumulated depreciation	(23,363)	(29,914)	(96,599)	(111,517)	(1,557,995)	(3,702)	(1,823,090)
Net book amount	-	-	27,189	129,959	1,091,938	-	1,249,086
Year ended August 31, 2024							
Opening net book amount	1,650	5,606	32,430	256,366	1,241,727	92	1,537,871
Additions	700	-	7,297	51,900	-	-	59,897
Disposition	-	-	-	(88,100)	-	-	(88,100)
Change in estimate	-	-	-	-	356,114	-	356,114
Depreciation for the year ⁽¹⁾	(1,754)	(5,606)	(9,489)	(55,961)	(285,806)	(92)	(358,708)
Closing net book amount	596	-	30,238	164,205	1,312,035	-	1,507,074
As at August 31, 2024							
Cost	23,363	29,914	120,128	241,476	2,637,403	3,702	3,055,986
Accumulated depreciation	(22,767)	(29,914)	(89,890)	(77,271)	(1,325,368)	(3,702)	(1,548,912)
Net book amount	596	-	30,238	164,205	1,312,035	-	1,507,074

(1) Depreciation of property and equipment included in E&E assets in the amount of \$243,452 (\$285,898 – August 31, 2024)

Azimut Exploration Inc.

Notes to Financial Statements

For the three and nine months ended May 31, 2025 and 2024

(in Canadian dollars)

6 Exploration and evaluation assets

All mineral properties are in the Province of Quebec.

Change in E&E assets in 2025

Mineral property	Undivided interest	Cost as at August 31, 2024	Additions	Option payments	Tax credit	Cost as at May 31, 2025	Accumulated impairment as at August 31, 2024	Impairment	Accumulated impairment as at May 31, 2025	Net book value as at May 31, 2025
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
James Bay – Gold										
Elmer	100									
Acquisition costs		231,433	25,174	-	-	256,607	-	-	-	256,607
Exploration costs		31,286,155	529,614	-	(156,824)	31,658,945	-	-	-	31,658,945
		31,517,588	554,788	-	(156,824)	31,915,552	-	-	-	31,915,552
SOQUEM – JB Alliance	(a) 50									
Acquisition costs		81,048	29,028	-	-	110,076	-	-	-	110,076
Exploration costs		439,090	4,323	-	(1,511)	441,902	-	-	-	441,902
		520,138	33,351	-	(1,511)	551,978	-	-	-	551,978
Opinaca *	(c) 25 - 100									
Acquisition costs		166,159	3,580	-	-	169,739	(166,159)	-	(166,159)	3,580
Exploration costs		286,580	3,421	-	(1,493)	288,508	(286,580)	-	(286,580)	1,928
		452,739	7,001	-	(1,493)	458,247	(452,739)	-	(452,739)	5,508
Wabamisk	(d) 100									
Acquisition costs		65,418	50,702	-	-	116,120	-	-	-	116,120
Exploration costs		352,173	2,646,218	-	(1,223,451)	1,774,940	-	-	-	1,774,940
		417,591	2,696,920	-	(1,223,451)	1,891,060	-	-	-	1,891,060
Wapatik	(e) 100									
Acquisition costs		-	40,480	-	-	40,480	-	-	-	40,480
Exploration costs		10,230	17,217	-	(7,616)	19,831	-	-	-	19,831
		10,230	57,697	-	(7,616)	60,311	-	-	-	60,311
Kukamas	(f) 100									
Acquisition costs		-	-	-	-	-	-	-	-	-
Exploration costs		55,976	-	(55,976)	-	-	-	-	-	-
		55,976	-	(55,976)	-	-	-	-	-	-
Other	100									
Acquisition costs		103,032	7,176	-	-	110,208	(61,106)	-	(61,106)	49,102
Exploration costs		51,061	31,501	-	(13,188)	69,374	(37,442)	-	(37,442)	31,932
		154,093	38,677	-	(13,188)	179,582	(98,548)	-	(98,548)	81,034
Total James Bay – Gold		33,128,355	3,388,434	(55,976)	(1,404,083)	35,056,730	(551,287)		551,287	34,505,443
James Bay – Chromium-PGE										
Chromaska	100									
Acquisition costs		46,029	4,266	-	-	50,295	(32,929)	-	(32,929)	17,366
Exploration costs		938,742	10,400	-	(4,668)	944,474	(916,580)	-	(916,580)	27,894
Total James Bay – Chromium-PGE		984,771	14,666	-	(4,668)	994,769	(949,509)	-	(949,509)	45,260

Azimut Exploration Inc.

Notes to Financial Statements

For the three and nine months ended May 31, 2025 and 2024

(in Canadian dollars)

6 Exploration and evaluation assets (cont'd)

Change in E&E assets in 2025 (cont'd)

Mineral property	Undivided interest	Cost as at August 31, 2024	Additions	Option payments	Tax credit	Cost as at May 31, 2025	Accumulated impairment as at August 31, 2024	Impairment	Accumulated impairment as at May 31, 2025	Net book value as at May 31, 2025
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
James Bay – Base Metals										
Mercator	100									
Acquisition costs		112,671	64,584	-	-	177,255	-	-	-	177,255
Exploration costs		181,185	125,188	-	-	306,373	-	-	-	306,373
		293,856	189,772	-	-	483,628	-	-	-	483,628
Corne	100									
Acquisition costs		56,817	-	-	-	56,817	-	-	-	56,817
Exploration costs		87,671	6,713	-	-	94,384	-	-	-	94,384
		144,488	6,713	-	-	151,201	-	-	-	151,201
Others	100									
Acquisition costs		680	-	-	-	680	-	-	-	680
Exploration costs		835	-	-	-	835	-	-	-	835
		1,515	-	-	-	1,515	-	-	-	1,515
Total James Bay – Base Metals		439,859	196,485	-	-	636,344	-	-	-	636,344
James Bay – Nickel										
JBN	100									
Acquisition costs		506,280	9,129	-	-	515,409	-	-	-	515,409
Exploration costs		198,638	1,343,421	-	(374,529)	1,167,530	-	-	-	1,167,530
		704,918	1,352,550	-	(374,529)	1,682,939	-	-	-	1,682,939
Total James Bay – Nickel		704,918	1,352,550	-	(374,529)	1,682,939	-	-	-	1,682,939
James Bay – Lithium										
Dalmas & Galinée	(b)	50								
Acquisition costs		88,686	1,516	-	-	90,202	-	-	-	90,202
Exploration costs		2,654,377	179,241	-	(19,494)	2,814,124	-	-	-	2,814,124
		2,743,063	180,757	-	(19,494)	2,904,326	-	-	-	2,904,326
Corvet & Kaanaayaa	(i)	100								
Acquisition costs		-	-	-	-	-	-	-	-	-
Exploration costs		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
Pilipas	(j)	100								
Acquisition costs		-	-	-	-	-	-	-	-	-
Exploration costs		6,800	2,890	(8,429)	(1,261)	-	-	-	-	-
		6,800	2,890	(8,429)	(1,261)	-	-	-	-	-

Azimut Exploration Inc.

Notes to Financial Statements

For the three and nine months ended May 31, 2025 and 2024

(in Canadian dollars)

6 Exploration and evaluation assets (cont'd)

Change in E&E assets in 2025 (cont'd)

Mineral property		Undivided interest	Cost as at August 31, 2024	Additions	Option payments	Tax credit	Cost as at May 31, 2025	Accumulated impairment as at August 31, 2024	Impairment	Accumulated impairment as at May 31, 2025	Net book value as at May 31, 2025
		%	\$	\$	\$	\$	\$	\$	\$	\$	\$
James Bay – Lithium (cont'd)											
SOQUEM – JB Alliance	(a)	50									
Acquisition costs			158,467	12,366	-	-	170,833	-	-	-	170,833
Exploration costs			2,564,868	42,785	-	(17,779)	2,589,874	-	-	-	2,589,874
			2,723,335	55,151	-	(17,779)	2,760,707	-	-	-	2,760,707
Wabamisk	(d)	100									
Acquisition costs			-	-	-	-	-	-	-	-	-
Exploration costs			-	507,117	-	(181,766)	325,351	-	-	-	325,351
			-	507,117	-	(181,766)	325,351	-	-	-	325,351
JBL		100									
Acquisition costs			73,448	-	-	-	73,448	-	-	-	73,448
Exploration costs			996,284	96,043	-	(10,115)	1,082,212	-	-	-	1,082,212
			1,069,732	96,043	-	(10,115)	1,155,660	-	-	-	1,155,660
Total James Bay – Lithium			6,542,930	841,958	(8,429)	(230,415)	7,146,044	-	-	-	7,146,044
Total James Bay			41,800,833	5,794,093	(64,405)	(2,013,695)	45,516,826	(1,500,796)	-	(1,500,796)	44,016,030
Nunavik – Gold											
Rex-Duquet	(g & h)	100									
Acquisition costs			1,384,830	41,752	-	-	1,426,582	(1,250,826)	-	(1,250,826)	175,756
Exploration costs			4,235,537	53,172	-	(910)	4,287,799	(3,855,358)	-	(3,855,358)	432,441
			5,620,367	94,924	-	(910)	5,714,381	(5,106,184)	-	(5,106,184)	608,197
Rex South	(h)	100									
Acquisition costs			532,267	23,360	-	-	555,627	(342,053)	-	(342,053)	213,574
Exploration costs			715,504	103,098	-	2,056	820,658	(440,251)	-	(440,251)	380,407
			1,247,771	126,458	-	2,056	1,376,285	(782,304)	-	(782,304)	593,981
Nantais	(h)	100									
Acquisition costs			185,487	-	-	-	185,487	(185,487)	-	(185,487)	-
Exploration costs			326,121	61	-	-	326,182	(326,121)	-	(326,121)	61
			511,608	61	-	-	511,669	(511,608)	-	(511,608)	61
Other		100									
Acquisition costs			738,409	-	-	-	738,409	(738,409)	-	(738,409)	-
Exploration costs			982,241	-	-	-	982,241	(982,241)	-	(982,241)	-
			1,720,650	-	-	-	1,720,650	(1,720,650)	-	(1,720,650)	-
Total Nunavik – Gold			9,100,396	221,443	-	1,146	9,322,985	(8,120,746)	-	(8,120,746)	1,202,239
Nunavik – Base Metals											
Doran		100									
Acquisition costs			126,004	-	-	-	126,004	-	-	-	126,004
Exploration costs			50,190	-	-	-	50,190	-	-	-	50,190
Total Nunavik – Base Metals			176,194	-	-	-	176,194	-	-	-	176,194

Azimut Exploration Inc.

Notes to Financial Statements

For the three and nine months ended May 31, 2025 and 2024

(in Canadian dollars)

6 Exploration and evaluation assets (cont'd)

Change in E&E assets in 2025 (cont'd)

Mineral property	Undivided interest	Cost as at August 31, 2024	Additions	Option payments	Tax credit	Cost as at May 31, 2025	Accumulated impairment as at August 31, 2024	Impairment	Accumulated impairment as at May 31, 2025	Net book value as at May 31, 2025
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
Nunavik – Diamonds										
Diamrex *	100									
Acquisition costs		52,948	-	-	-	52,948	(52,948)	-	(52,948)	-
Exploration costs		8,150	-	-	-	8,150	(8,150)	-	(8,150)	-
Total Nunavik – Diamonds		61,098	-	-	-	61,098	(61,098)	-	(61,098)	-
Nunavik – Uranium										
North Rae *	100									
Acquisition costs		485,129	-	-	-	485,129	(485,129)	-	(485,129)	-
Exploration costs		709,305	-	-	-	709,305	(709,305)	-	(709,305)	-
Total Nunavik – Uranium		1,194,434	-	-	-	1,194,434	(1,194,434)	-	(1,194,434)	-
Total Nunavik		10,532,122	221,443	-	1,146	10,754,711	(9,376,278)	-	(9,376,278)	1,378,433
Total E&E assets		52,332,952	6,015,536	(64,405)	(2,012,549)	56,271,537	(10,877,074)	-	(10,877,074)	45,394,463

* Fully impaired properties for which the Company still holds mining claims.

The commodity reflects the main target of the exploration work performed during the period. This classification may change over time.

	May 31, 2025 \$	August 31, 2024 \$
Acquisition and exploration – Net book value	45,394,463	41,455,881
Prepaid exploration expenses	207,051	38,065
	<u>45,601,514</u>	<u>41,493,946</u>

Azimut Exploration Inc.

Notes to Financial Statements

For the three and nine months ended May 31, 2025 and 2024

(in Canadian dollars)

6 Exploration and evaluation assets (cont'd)

- a) The James Bay Strategic Alliance (the “JB Alliance”) was formed between Azimut and SOQUEM on September 22, 2016, to identify, acquire and explore gold targets in the Eeyou Istchee James Bay Territory (the “James Bay region”) of Quebec. The properties are held as 50/50 joint venture (“JV”) projects, each property subject to a JV agreement between Azimut and SOQUEM. Azimut remains the operator of Munischiwan, Pontois and Desceliers. SOQUEM is the operator of Pikwa.
- b) The Dalmas and Galinée properties are subject to a JV agreement between Azimut and SOQUEM. On April 25, 2019, SOQUEM acquired a 50% interest in the Dalmas Property. Azimut remains the operator.
- c) The Opinaca A and B properties are subject to a JV agreement with the following parties:
- Opinaca A is a 50/50 JV project with Everton Resources Inc. (“Everton”).
 - Opinaca B is a 25/50/25 JV project with Hecla Quebec Inc. (“Hecla”) and Everton.
- d) The Wabamisk Property is 100% owned by Azimut and comprises 544 mining claims. Eight (8) of the property’s claims are subject to a 2.1% NSR payable to Virginia Mines (1.4%, now Osisko Exploration James Bay Inc.) and SOQUEM (0.7%), with a buy-back of 1.05% for \$350,000.
- e) On September 21, 2020, the Company granted Mont Royal Resources Limited (“Mont Royal”) the option to earn a 50% interest in the Wapatik Property by making cash payments to Azimut aggregating \$80,000, funding a minimum of \$4 million in work expenditures over four (4) years and performing a minimum 4,000 metres of diamond drilling. Under the terms of the agreement, Mont Royal may earn an additional 20% interest, for a total interest of 70%, by making an additional cash payment of \$120,000 and incurring an additional \$3 million in work expenditures over three (3) years from the election date, and by delivering a - preliminary economic assessment under National Instrument 43-101 on or before the third anniversary of the election notice. On November 9, 2024, Mont Royal decided to terminate the option after making a cumulative cash payment of \$60,000 and carrying out work expenditures totaling \$2,620,894.
- f) On November 30, 2022, the Company granted KGHM International Ltd (“KGHM”) the option to earn an initial 50% interest (the “first option”) in the Kukamas Property by making cash payments to Azimut aggregating \$250,000, funding a minimum of \$5 million in work expenditures over four (4) years and performing a minimum of 5,000 metres of diamond drilling. Azimut shall act as the operator during the first option phase.
- KGHM may earn an additional 20% interest for a total interest of 70% (the “second option”) by making an additional cash payment of \$225,000 and incurring an additional \$4.2 million in work expenditures over three (3) years from the election date, and by delivering a preliminary economic assessment under National Instrument 43-101 on or before the third anniversary of the election notice. The second option period may be extended by up to three (3) years by incurring work expenditures of \$1,700,000 per extension year and making cash payments to Azimut of \$100,000 per extension year. KGHM will act as the operator during the second option.
- If KGHM elects not to exercise the second option after exercising the first option, it must pay Azimut \$75,000 in cash as a final payment.
- g) The Duquet Property was transferred to Azimut on September 30, 2015, in consideration of an aggregate 2.25% NSR royalty on the property under an agreement reached with SOQUEM, Osisko Exploration James Bay Inc. and Newmont Northern Mining ULC. The Duquet Property was combined with the Rex Property to form a single entity, known as the Rex-Duquet Property, and became subject to the Nunavik Alliance (see *h*).
- h) The Nunavik Strategic Alliance (the “Nunavik Alliance”) was formed between Azimut and SOQUEM on April 25, 2019, under which SOQUEM has the option to earn an initial 50% interest in the Rex (now Rex-Duquet), Rex South and Nantais properties by investing \$16 million in exploration work over four (4) years, of which the first two (2) have a firm commitment of \$4 million per year.

On April 1, 2023, SOQUEM could decide to a) extend the suspension of its financial obligations for a maximum additional period of 1 year, b) pursue the option within the Nunavik Alliance, including assuming the costs incurred by Azimut, or c) abandon the option. SOQUEM decided to extend the suspension of its financial obligations until October 1, 2024, on which date the option was then terminated.

Azimut Exploration Inc.

Notes to Financial Statements

For the three and nine months ended May 31, 2025 and 2024

(in Canadian dollars)

6 Exploration and evaluation assets (cont'd)

- i) On July 7, 2023, the Company signed Option to Joint Venture agreements with Rio Tinto Exploration Canada Inc (“Rio Tinto”) for its wholly owned Corvet and Kaanaayaa lithium properties.

Under the agreements, Rio Tinto can acquire a 50% interest in each property over four (4) years by funding \$1.5 million in exploration expenditures in the first year and \$5.5 million in subsequent years and by making cash payments totalling \$850,000, including \$250,000 per property upon signing. The Company is the operator during this first option phase. Rio Tinto can earn an additional 20% interest over five (5) years with further work expenditures of \$50 million per property. Rio Tinto will act as the operator during this second option phase.

Upon Rio Tinto earning a 70% interest in a property, Azimut will have the option to be funded to production through a secured loan from Rio Tinto in exchange for an additional 5% interest in the property. At this stage, the respective interests in the property will be Azimut 25% and Rio Tinto 75%. If exercised, the loan shall accrue interest at SOFR + 4.5% per annum, to be paid back from 50% of the cash flow from production.

- j) On December 8, 2023, the Company signed an Option to Joint Venture agreement with Ophir Gold Corp. (now Ophir Metals Corp.; “Ophir”) for its wholly owned Pilipas Property. Under the agreement, Ophir can earn up to a 70% interest in the property from the Company over three (3) years by funding \$4 million in exploration expenditures and making payments totalling 6 million Ophir shares and \$100,000 in cash.

7 Asset retirement obligations

The following tables summarize the Company’s asset retirement obligations as at May 31, 2025 and August 31, 2024:

	May 31, 2025			August 31, 2024		
	Rex-Duquet, Rex South	Elmer	Total	Rex-Duquet, Rex South	Elmer	Total
	\$	\$	\$	\$	\$	\$
Opening balance	1,229,011	748,538	1,977,549	1,006,149	543,775	1,549,924
Change in estimate	12,055	475	12,530	175,791	180,323	356,114
Unwinding of discount on asset retirement obligations	27,131	16,301	43,432	47,071	24,440	71,511
Balance – End of period	1,268,197	765,314	2,033,511	1,229,011	748,538	1,977,549

The following are the assumptions used to estimate the provisions for asset retirement obligation:

	Rex-Duquet, Rex South	Elmer	Total
	\$	\$	\$
Estimated undiscounted cash flows to settle obligations	\$1,094,929	\$758,316	\$1,853,245
Weighed average discount rate	2.56%	3.09%	
Estimated number of years before disbursements to settle obligations	0.75 year	7.75 years	

8 Share capital

An unlimited number of common shares are authorized, without par value, voting and participating.

On May 16, 2025, the Company closed a non-brokered private placement and issued a total of 14,520,666 common shares of the Company at a price of \$0.60 per share for aggregate gross proceeds of \$8,172,400.

Azimut Exploration Inc.

Notes to Financial Statements

For the three and nine months ended May 31, 2025 and 2024

(in Canadian dollars)

Flow-through share premium	May 31 2025 \$
Flow-through share premium – Beginning of period	442,314
Addition	-
Amortization	(442,314)
Flow-through share premium – End of period	-

As at May 31, 2025, all E&E expenditures required under the flow-through financing agreement had been incurred.

9 Underwriters' options

On March 28, 2025, the 152,244 underwriters' options expired.

10 Stock option plan

The number of shares reserved for issuance under the stock option plan was approximately 9.99% of the Company's common shares issued and outstanding. As at April 4, 2022, the Company had filed and received approval for an increase in the stock option plan, at which time the Company's 81,903,844 common shares were issued and outstanding. A maximum of 8,190,000 stock options may be granted. The exercise price of the options is set at the closing price of the Company's shares on the TSXV the day before the grant date. The options have a maximum term of ten (10) years following the grant date. If a blackout period should be in effect at the end of the term, the expiry date will be extended by ten (10) business days following the end of the blackout period. The options vest immediately unless otherwise approved and disclosed by the Board of Directors.

Changes in the stock options during the period were as follows:

	Number	Weighted average exercise price \$
Outstanding – Beginning of period	6,035,000	0.88
Granted	855,000	0.61
Exercised	(240,000)	0.20
Expired	(85,000)	1.39
Outstanding – End of period	<u>6,565,000</u>	<u>0.87</u>
Vested – End of period	<u>6,407,000</u>	

The following tables summarize the information about stock options outstanding as at May 31, 2025 and August 31, 2024:

Exercise price \$	Weighted average remaining contractual life (years)	As at May 31, 2025	As at August 31, 2024
Between 0.20 and 0.50	2.54	570,000	810,000
Between 0.51 and 1.00	6.99	4,702,000	3,857,000
Between 1.01 and 1.50	7.24	1,285,000	1,360,000
Between 1.51 and 2.00	5.18	8,000	8,000
	<u>6.02</u>	<u>6,565,000</u>	<u>6,035,000</u>

On December 17, 2024 and February 20, 2025, the Company granted a total of 855,000 stock options to its directors, officers, employees and consultants. Of this number, 740,000 were granted to its directors and officers and 115,000 to its employees and consultants. These options have a weighted-average exercise price of \$0.61 per share and are exercisable for a 10-year period.

Azimut Exploration Inc.

Notes to Financial Statements

For the three and nine months ended May 31, 2025 and 2024

(in Canadian dollars)

11 Expenses by nature

	Three-month periods ended		Nine-month periods ended	
	May 31,	May 31,	May 31,	May 31,
	2025	2024	2025	2024
	\$	\$	\$	\$
Salaries and fringe benefits	44,725	180,588	551,974	597,611
Stock-based compensation	8,675	73,550	412,977	942,754
Professional and maintenance fees	23,071	22,314	78,282	104,126
Administration and office	23,706	40,432	95,663	87,381
Business development and administration fees	6,904	6,438	31,642	35,302
Advertising	266	-	629	1,851
Rent	1,478	2,895	7,499	6,391
Insurance	18,607	23,114	55,222	69,943
Conferences and meetings	25,391	58,338	84,651	171,451
Depreciation of property and equipment	9,412	12,544	30,726	54,946
Amortization of intangible assets	2,590	643	4,319	1,694
Depreciation on right-of-use asset	15,151	15,151	45,454	45,454
General and administrative expenses	179,976	436,007	1,399,038	2,118,904
Salaries for project generation	54,254	(19,178)	54,254	-
Other exploration expenses	629	281	1,896	1,301
General exploration	54,883	(18,897)	56,150	1,301

12 Related party transactions

Compensation of key management

Key management consists of the directors, the President and Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”), the Vice-President of Corporate Development (starting May 16, 2022) (“VPD”) and the Vice-President of Exploration (starting April 13, 2023) (“VPE”). The compensation paid or payable for services provided by key management was as follows:

	Nine-month period ended	
	May 31,	May 31,
	2025	2024
	\$	\$
Salaries	855,903	675,000
Director fees	114,834	105,000
Stock-based compensation	428,988	940,314
	1,399,725	1,720,314

The amounts of \$438,692 for salaries (\$420,000 for the period ended May 31, 2024) and \$189,747 for stock-based compensation (\$130,319 for the period ended May 31, 2024) were capitalized to E&E assets.

As at May 31, 2025, accounts payable and accrued liabilities include an amount of \$169,662 (\$56,250 as at August 31, 2024) owed to key management. These amounts are unsecured, non-interest-bearing, and due on demand.

If termination of employment is for reasons other than gross negligence, the CEO and CFO will be entitled to receive an indemnity equal to twelve (12) months of salary, the VPD shall be entitled to receive an indemnity equal to twelve (12) weeks of salary after completing the first year of employment, increasing by four (4) weeks for every additional year of employment to a maximum of one (1) year of salary, and the VPE shall be entitled to receive an indemnity equal to twelve (12) weeks of salary after one (1) year of employment and increasing by four (4) weeks for every additional year of employment to a maximum of one (1) year of salary after two (2) years of employment. The indemnity paid must not represent more than 10% of the Company’s cash and cash equivalents at such time. As at May 31, 2025, the entitled indemnity amounted to \$792,846.

Azimut Exploration Inc.

Notes to Financial Statements

For the three and nine months ended May 31, 2025 and 2024

(in Canadian dollars)

12 Related party transactions (cont'd)

In the event of a change of control or a termination of employment following a change of control, the CEO will be entitled to receive an indemnity of \$750,000, equal to twenty-four (24) months of salary, the CFO will be entitled to receive an indemnity of \$330,000, equal to eighteen (18) months of salary, the VPD will be entitled to receive an indemnity of \$316,000 within the twelve (12) months following the change of control, equal to sixteen (16) months of salary, and the VPE will be entitled to receive an indemnity of \$153,333 within the twelve (12) months following the change of control, equal to eight (8) months of salary.

13 Fair value of financial instruments

The Company's financial instruments as at May 31, 2025, consist of cash and cash equivalents, amounts receivable, investments and accounts payable, accrued liabilities, and advances received for exploration work. The fair value of these financial instruments is either equal to their fair value (investments) or approximates their carrying value due to their short-term maturity or the fact that they bear interest at current market rates.

The Company defines the fair value hierarchy under which its financial instruments are valued as follows: Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities; Level 2 includes inputs other than quoted prices in Level 1 that are observable for assets or liabilities, either directly or indirectly; and Level 3 includes inputs for assets or liabilities that are not based on observable market data. There was no transfer of hierarchy level during the period ended May 31, 2025.

14 Net loss (earnings) per share

For the period ended May 31, 2025, the diluted loss per share was the same as the basic loss per share because the potential dilutive instruments had an anti-dilutive effect. Accordingly, the basic and diluted loss per share for 2025 was calculated using the basic weighted average number of shares outstanding of 86,496,281 in 2025.

For the period ended May 31, 2024, the diluted net earnings per share was calculated using the basic weighted average number of shares outstanding of 85,130,493 adjusted by the potential dilutive instruments of each stock option where the exercise price was lower than the average market price of the Company's share. As a result, the diluted weighted average number of shares of 86,061,389 was used to calculate the diluted net earnings per share.

15 Additional cash flow information

	Nine-month periods ended	
	May 31, 2025	May 31, 2024
	\$	\$
Acquisition of E&E assets included in accounts payable and accrued liabilities	815,022	605,918
Depreciation of property & equipment included in E&E assets	243,452	216,300
Refundable duties credit for losses and refundable tax credit for resources presented as a reduction in E&E assets, net	2,012,549	399,744
Option payment received in shares presented as a reduction in E&E assets	85,000	240,000
Proceeds from sale of exploration property received in shares	-	1,221,000
Stock-based compensation included in E&E assets	111,051	145,507

16 Subsequent events

On June 5, 2025, the Company renewed its operating lease for an additional five (5) year period, which will expire on June 30, 2030.

On July 3, 2025, the Company announced that it had entered into a binding purchase and sale agreement with Dios Exploration Inc. ("Dios") to acquire their K2 Property adjacent to the Elmer Property. Under the agreement, the Company will acquire a 100% interest in the 103 claims forming the K2 Property for a cash payment of \$120,000 and the issuance of 200,000 common shares of the Company. Dios will retain a 2.0% NSR royalty on the K2 claims, subject to a buydown of 1.0% NSR for \$3,000,000.