

Azimut Exploration Inc.

Unaudited Condensed Interim Financial Statements
November 30, 2025

Azimut Exploration Inc.

Statements of Financial Position (in Canadian dollars)

	As at November 30, 2025 Unaudited \$	As at August 31, 2025 Audited \$
Assets		
Current assets		
Cash and cash equivalents (Note 3)	7,389,146	13,639,750
Amounts receivable (Note 4)	841,532	364,134
Prepaid expenses	71,295	137,927
Tax credits and mining rights receivable	3,699,596	3,699,596
Asset available for sale (Note 6)	-	1,550,000
	<u>12,001,569</u>	<u>19,391,407</u>
Non-current assets		
Tax credits and mining rights receivable (Note 9)	645,335	-
Investments (Note 7)	3,035,012	725,155
Property and equipment (Note 5)	1,129,698	1,151,630
Intangible assets	40,290	30,773
Right-of-use assets (Note 8)	1,155,600	316,785
Exploration and evaluation assets (Note 9)	<u>46,570,957</u>	<u>44,271,194</u>
	<u>52,576,892</u>	<u>46,495,537</u>
Total assets	<u>64,578,461</u>	<u>65,886,944</u>
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	2,741,576	3,120,995
Advances received for exploration work	1,201,094	3,044,929
Lease liabilities (Note 11)	<u>303,898</u>	<u>66,386</u>
	<u>4,246,568</u>	<u>6,232,310</u>
Non-current liabilities		
Lease liabilities (Note 11)	243,227	253,941
Asset retirement obligations (Note 10)	2,063,220	2,033,120
Deferred income tax liabilities	<u>860,249</u>	<u>860,249</u>
	<u>3,166,696</u>	<u>3,147,310</u>
Total liabilities	<u>7,413,264</u>	<u>9,379,620</u>
Equity		
Share capital (Note 12)	73,979,181	73,933,931
Stock options (Note 13)	4,930,761	4,926,650
Contributed surplus	5,190,098	5,190,098
Deficit	<u>(26,934,843)</u>	<u>(27,543,355)</u>
Total equity	<u>57,165,197</u>	<u>56,507,324</u>
Total liabilities and equity	<u>64,578,461</u>	<u>65,886,944</u>

Subsequent events (Note 19)

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.

Statements of Net Earnings (Loss) and Comprehensive Income (Loss)

For the three-month period ended November 30, 2025 and 2024

(in Canadian dollars, except number of common shares)

	2025 \$	2024 \$
Revenues		
Operator income	122,566	64,835
Expenses		
General and administrative (Note 14)	333,432	356,107
General exploration (Note 14)	6,827	11,400
Operating expenses	340,259	367,507
Financing cost (income), net		
Interest income	(75,033)	(99,737)
Interest, bank charges and other	19,774	14,346
Unwinding of discount on asset retirement obligations (Note 10)	13,099	16,078
	(42,160)	(69,313)
Other losses (gains)		
Change in fair value – investments (Note 7)	(759,857)	293,525
Gain on option payments on exploration and evaluation assets (Note 9)	(43,658)	(19,024)
Loss on sale of assets (Note 6)	19,470	-
	(784,045)	274,501
Earning (Loss) before income taxes	608,512	(507,860)
Deferred income tax recovery	-	427,250
Net earnings (loss) and comprehensive income (loss) for the period	608,512	(80,610)
Basic and diluted net earnings (loss) per share (Note 16)	0.006	(0.001)
Weighted average number of shares outstanding (Note 16)	100,579,035	85,593,644

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

Azimut Exploration Inc.

Statements of Changes in Equity

For the three-month period ended November 30, 2025 and 2024

(in Canadian dollars, except number of common shares)

	Share capital		Underwriters' options	Stock options	Contributed surplus	Deficit	Total
	Number	\$	\$	\$	\$	\$	\$
Balance as at September 1, 2025	100,554,310	73,933,931	-	4,926,650	5,190,098	(27,543,355)	56,507,324
Net earnings and comprehensive income for the period	-	-	-	-	-	608,512	608,512
Stock options exercised (Note 13)	75,000	45,250	-	(20,750)	-	-	24,500
Stock-based compensation (Note 13)	-	-	-	24,861	-	-	24,861
Balance as at November 30, 2025	100,629,310	73,979,181	-	4,930,761	5,190,098	(26,934,843)	57,165,197
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	-	-	-	-	-	(80,610)	(80,610)
Stock-based compensation	-	-	-	26,260	-	-	26,260
Balance as at November 30, 2024	85,593,644	65,200,783	52,464	4,559,729	5,039,601	(25,145,093)	49,707,484

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

Azimut Exploration Inc.

Statements of Cash Flows

For the three-month period ended November 30, 2025 and 2024

(in Canadian dollars)

	2025 \$	2024 \$
Cash flows (used in) from operating activities		
Net earnings (loss) for the period	608,512	(80,610)
Items not affecting cash		
Depreciation of property and equipment (Note 5)	9,209	11,288
Amortization of intangible assets	-	579
Depreciation of right-of-use assets (Note 8)	13,031	15,151
Change in fair value, investments (Note 7)	(759,858)	293,525
Gain on option payments on exploration and evaluation assets (Note 9)	(43,658)	(19,024)
Loss on sale of exploration property (Note 6)	19,470	-
Stock-based compensation cost (Note 13)	6,254	9,750
Unwinding of discount on asset retirement obligations (Note 10)	13,099	16,078
Recovery of deferred income taxes	-	(427,250)
	<u>(133,941)</u>	<u>(180,513)</u>
Changes in non-cash working capital items		
Amounts receivable	(845,358)	32,970
Prepaid expenses	66,632	13,755
Accounts payable and accrued liabilities	(1,843,835)	639,202
Advances received for exploration work	553,931	141,940
	<u>(2,068,630)</u>	<u>827,867</u>
	<u>(2,202,571)</u>	<u>647,354</u>
Cash flows from financing activities		
Stock options exercised (Note 13)	24,500	-
Repayment of lease liabilities (Note 11)	(475,833)	(14,677)
	<u>(451,333)</u>	<u>(14,677)</u>
Cash flows from (used in) investing activities		
Additions to property and equipment (Note 5)	(14,700)	-
Additions to intangible assets	(9,517)	-
Additions to exploration and evaluation assets	(3,572,483)	(3,101,749)
Option payments on E&E assets	-	75,000
	<u>(3,596,700)</u>	<u>(3,026,749)</u>
Net change in cash and cash equivalents	<u>(6,250,604)</u>	<u>(2,394,072)</u>
Cash and cash equivalents – Beginning of the period	<u>13,639,750</u>	<u>11,766,113</u>
Cash and cash equivalents – End of the period	<u>7,389,146</u>	<u>9,372,041</u>
Additional information		
Interest received	75,033	99,759
Interest paid	(19,267)	(1,371)
Additional cash flow information (Note 17)		

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

Azimut Exploration Inc.

Notes to Financial Statements

For the three-month period ended November 30, 2025

(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 applied in previous fiscal years unless otherwise stated. The Company’s Board of Directors approved these financial statements for issue on January 21, 2026.

3 Cash and cash equivalents

As at November 30, 2025, the Company’s cash and cash equivalents of \$7,389,146 (\$13,639,750 – August 31, 2025) included \$5.2 million of high-interest savings accounts bearing interest at 2.81% (\$9.1 million bearing interest at 3.48% – August 31, 2025), cashable at any time without penalty.

4 Amounts receivable

	As at November 30, 2025	As at August 31, 2025
	\$	\$
Commodity taxes	740,629	338,230
Amounts receivable	100,903	25,904
Amounts receivable - Current	<u>841,532</u>	<u>364,134</u>

Azimut Exploration Inc.

Notes to Financial Statements

For the three-month period ended November 30, 2025

(in Canadian dollars)

5 Property and equipment

	Office furniture \$	Office equipment \$	Computer equipment \$	Specialized equipment \$	Camp ⁽¹⁾ \$	Vehicles ⁽¹⁾ \$	Total \$
Period ended November 30, 2025							
Opening net book amount	-	-	31,098	122,330	998,202	-	1,151,630
Additions	-	-	-	14,700	-	-	14,700
Change in estimate	-	-	-	-	17,001	-	17,001
Depreciation for the period ⁽¹⁾	-	-	(2,332)	(9,724)	(41,577)	-	(53,633)
Closing net book amount	-	-	28,766	127,306	973,626	-	1,129,698
As at November 30, 2025							
Cost	23,363	29,914	129,967	258,377	2,652,065	3,702	3,097,388
Accumulated depreciation	(23,363)	(29,914)	(101,201)	(131,071)	(1,678,439)	(3,702)	(1,967,690)
Net book amount	-	-	28,766	127,306	973,626	-	1,129,698
Year ended August 31, 2025							
Opening net book amount	596	-	30,238	164,205	1,312,035	-	1,507,074
Additions	-	-	9,839	2,201	-	-	12,040
Change in estimate	-	-	-	-	(2,339)	-	(2,339)
Depreciation for the year ⁽¹⁾	(596)	-	(8,979)	(44,076)	(311,494)	-	(365,145)
Closing net book amount	-	-	31,098	122,330	998,202	-	1,151,630
As at August 31, 2025							
Cost	23,363	29,914	129,967	243,677	2,635,065	3,702	3,065,688
Accumulated depreciation	(23,363)	(29,914)	(98,869)	(121,347)	(1,636,863)	(3,702)	(1,914,058)
Net book amount	-	-	31,098	122,330	998,202	-	1,151,630

(1) Depreciation of property and equipment included in E&E assets in the amount of \$44,424 for the period ended November 30, 2025 (\$325,399 – August 31, 2025)

6 Asset available for sale

On November 12, 2025, Azimut and SOQUEM Inc. (“SOQUEM”) entered into an agreement with PMET Resources Inc. (“PMET”) for the sale of Azimut’s 50% participating interest in the Pikwa joint venture (“Pikwa”) to PMET. In consideration for the sale of its interest in Pikwa, Azimut received 420,958 of PMET’s common shares, representing gross proceeds of \$1,550,000. The transaction closed on November 28, 2025.

Participating interest in Pikwa

Carrying value of the property – August 31, 2025	2,517,132
Impairment of exploration and evaluation assets ⁽¹⁾	(967,132)
Ending balance – August 31, 2025	1,550,000

⁽¹⁾ As at August 31, 2025, Azimut had classified its 50% participating interest in Pikwa as an available-for-sale asset under current assets at the lower of the carrying amount and the fair value less costs to sell.

\$

Azimut Exploration Inc.

Notes to Financial Statements

For the three-month period ended November 30, 2025

(in Canadian dollars)

7 Investments

	<u>November 30, 2025</u>	<u>August 31, 2025</u>
	\$	\$
Fair value through profit or loss investments		
Opening balance	725,155	931,242
Acquisitions	-	85,000
Received from disposal of assets (Note 6)	1,550,000	-
Disposal	-	(69,285)
Change in fair value	759,857	(221,802)
Ending balance	<u>3,035,012</u>	<u>725,155</u>

The investments are mainly held in common shares of Canadian publicly traded companies. The fair value of each investment in common shares is based on the quoted market prices of those shares on a recognized stock exchange at the end of each reporting period.

8 Right-of-use assets

				November 30, 2025
	Office	Vehicle	Exploration camp	Total
	\$	\$	\$	\$
Opening net book amount	251,935	64,850	-	316,785
Additions	-	-	1,029,510	1,029,510
Depreciation for the period	<u>(13,031)</u>	<u>(6,080)</u>	<u>(171,584)</u>	<u>(190,695)</u>
Closing net book amount	<u>238,904</u>	<u>58,770</u>	<u>857,926</u>	<u>1,155,600</u>

In June 2025, the Company extended the lease of the office space until June 2030. Also, a vehicle was leased for 36 months with a residual value of \$1,500. During the three-month period ended November 30, 2025, the Company leased the Wabamisk camp for 12 months, including upfront mobilization payments of \$745,015.

Azimut Exploration Inc.

Notes to Financial Statements

For the three-month period ended November 30, 2025

(in Canadian dollars)

9 Exploration and evaluation assets

All mineral properties are in the Province of Quebec.

Change in E&E assets

Mineral property		Undivided interest	Cost as at August 31, 2025	Additions	Option payments	Tax credit	Cost as at November 30, 2025	Accumulated impairment as at August 31, 2025	Impairment	Accumulated impairment as at November 30, 2025	Net book value as at November 30, 2025
		%	\$	\$	\$	\$	\$	\$	\$	\$	\$
James Bay – Gold											
Elmer (Patwon Zone)	(i)	100									
Acquisition costs			503,023	-	-	-	503,023	-	-	-	503,023
Exploration costs			31,791,872	138,824	-	-	31,930,696	-	-	-	31,930,696
			32,294,895	138,824	-	-	32,433,719	-	-	-	32,433,719
SOQUEM – JB Alliance	(a)	50									
Acquisition costs			37,894	-	-	-	37,894	-	-	-	37,894
Exploration costs			299,702	501	-	-	300,203	-	-	-	300,203
			337,596	501	-	-	338,097	-	-	-	338,097
Opinaca	(c)	25 - 50									
Acquisition costs			169,739	-	-	-	169,739	(166,159)	-	(166,159)	3,580
Exploration costs			288,508	-	-	-	288,508	(286,580)	-	(286,580)	1,928
			458,247	-	-	-	458,247	(452,739)	-	(452,739)	5,508
Wabamisk (Rosa Zone)	(d)	100									
Acquisition costs			95,042	17,619	-	-	112,661	-	-	-	112,661
Exploration costs			468,020	1,602,571	-	(621,500)	1,449,091	-	-	-	1,449,091
			563,062	1,620,190	-	(621,500)	1,561,752	-	-	-	1,561,752
Other		100									
Acquisition costs			56,000	-	-	-	56,000	(56,000)	-	(56,000)	-
Exploration costs			43,839	101	-	-	43,940	(43,839)	-	(43,839)	101
			99,839	101	-	-	99,940	(99,839)	-	(99,839)	101
Total James Bay – Gold			33,753,639	1,759,616	-	(621,500)	34,891,755	(552,578)	-	(552,578)	34,339,177
James Bay – CSM **											
Mercator		100									
Acquisition costs			177,255	-	-	-	177,255	(88,628)	-	(88,628)	88,627
Exploration costs			302,212	4,558	-	(2,250)	304,520	(150,873)	-	(150,873)	153,647
			479,467	4,558	-	(2,250)	481,775	(239,501)	-	(239,501)	242,274
Corne		100									
Acquisition costs			56,817	-	-	-	56,817	(28,408)	-	(28,408)	28,409
Exploration costs			94,384	-	-	-	94,384	(47,092)	-	(47,092)	47,292
			151,201	-	-	-	151,201	(75,500)	-	(75,500)	75,701
JBN		100									
Acquisition costs			716,902	106,758	-	-	823,660	(98,808)	-	(98,808)	724,852
Exploration costs			1,158,092	2,500	-	-	1,160,592	(18,164)	-	(18,164)	1,142,428
			1,874,994	109,258	-	-	1,984,252	(116,972)	-	(116,972)	1,867,280

Azimut Exploration Inc.

Notes to Financial Statements

For the three-month period ended November 30, 2025

(in Canadian dollars)

9 Exploration and evaluation assets (cont'd)

Change in E&E assets (cont'd)

Mineral property	Undivided interest	Cost as at August 31, 2025	Additions	Option payments	Tax credit	Cost as at November 30, 2025	Accumulated impairment as at August 31, 2025	Impairment	Accumulated impairment as at November 30, 2025	Net book value as at November 30, 2025
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
James Bay – CSM ** (cont'd)										
JBL	100									
Acquisition costs		76,618	-	-	-	76,618	(60,086)	-	(60,086)	16,532
Exploration costs		1,076,579	21,770	-	(10,750)	1,087,599	(372,814)	-	(372,814)	714,785
		1,153,197	21,770	-	(10,750)	1,164,217	(432,900)	-	(432,900)	731,317
Wapatik	100									
Acquisition costs		40,480	-	-	-	40,480	-	-	-	40,480
Exploration costs		20,169	651	-	-	20,820	-	-	-	20,820
		60,649	651	-	-	61,300	-	-	-	61,300
Wabamisk CSM (Fortin Zone)	100									
Acquisition costs		108,787	-	-	-	108,787	(32,929)	-	(32,929)	75,858
Exploration costs		4,057,646	1,009,837	-	-	5,067,483	(916,580)	-	(916,580)	4,150,903
		4,166,433	1,009,837	-	-	5,176,270	(949,509)	-	(949,509)	4,226,761
Dalmas & Galinée	(b) 50									
Acquisition costs		122,678	-	-	-	122,678	-	-	-	122,678
Exploration costs		2,794,114	4,257	-	(2,100)	2,796,271	-	-	-	2,796,271
		2,916,792	4,257	-	(2,100)	2,918,949	-	-	-	2,918,949
SOQUEM CSM	(a) 50									
Acquisition costs		114,431	4,968	-	-	119,399	-	-	-	119,399
Exploration costs		1,320,670	3,456	-	-	1,324,126	(967,132)	-	(967,132)	356,994
		1,435,101	8,424	-	-	1,443,525	(967,132)	-	(967,132)	476,393
Other CSM	100									
Acquisition costs		54,888	-	-	-	54,888	(42,688)	-	(42,688)	12,200
Exploration costs		28,684	4,201	-	(2,075)	30,810	(21,919)	-	(21,919)	8,891
		83,572	4,201	-	(2,075)	85,698	(64,607)	-	(64,607)	21,091
Total James Bay – CSM**		12,321,406	1,162,956	-	(17,175)	13,467,187	(2,846,121)	-	(2,846,121)	10,621,066
James Bay – CSM** – Under option										
Corvet, Kaanaayaa & Wabamisk East	(g) 100									
Acquisition costs		-	-	-	-	-	-	-	-	-
Exploration costs		315	3,115	-	-	3,430	-	-	-	3,430
		315	3,115	-	-	3,430	-	-	-	3,430
Pilipas	(h) 100									
Acquisition costs		-	-	-	-	-	-	-	-	-
Exploration costs		118	-	-	-	118	-	-	-	118
		118	-	-	-	118	-	-	-	118

Azimut Exploration Inc.

Notes to Financial Statements

For the three-month period ended November 30, 2025

(in Canadian dollars)

9 Exploration and evaluation assets (cont'd)

Change in E&E assets (cont'd)

Mineral property	Undivided interest	Cost as at August 31, 2025	Additions	Option payments	Tax credit	Cost as at November 30, 2025	Accumulated impairment as at August 31, 2025	Impairment	Accumulated impairment as at November 30, 2025	Net book value as at November 30, 2025
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
James Bay – CSM** – Under option (cont'd)										
Kukamas	(e)	100								
Acquisition costs		-	-	-	-	-	-	-	-	-
Exploration costs		26,607	4,735	(31,342)	-	-	-	-	-	-
		26,607	4,735	(31,342)	-	-	-	-	-	-
Total James Bay – CSM**– Under option		27,040	7,850	(31,342)	-	3,548	-	-	-	3,548
Total James Bay		46,102,085	2,930,422	(31,342)	(638,675)	48,362,490	(3,398,699)	-	(3,398,699)	44,963,791
Nunavik – CSM**										
Rex-Duquet	(f)	100								
Acquisition costs		1,445,562	1,314	-	-	1,446,876	(1,292,778)	-	(1,292,778)	154,098
Exploration costs		4,331,145	18,484	-	-	4,349,629	(3,855,358)	-	(3,855,358)	494,271
		5,776,707	19,798	-	-	5,796,505	(5,148,136)	-	(5,148,136)	648,369
Rex South		100								
Acquisition costs		583,513	6,278	-	-	589,791	(405,165)	-	(405,165)	184,626
Exploration costs		893,649	19,750	-	-	913,399	(440,251)	-	(440,251)	473,148
		1,477,162	26,028	-	-	1,503,190	(845,416)	-	(845,416)	657,774
Nantais		100								
Acquisition costs		185,487	-	-	-	185,487	(185,487)	-	(185,487)	-
Exploration costs		326,155	-	-	-	326,155	(326,155)	-	(326,155)	-
		511,642	-	-	-	511,642	(511,642)	-	(511,642)	-
Doran		100								
Acquisition costs		126,004	-	-	-	126,004	-	-	-	126,004
Exploration costs		50,190	-	-	-	50,190	-	-	-	50,190
		176,194	-	-	-	176,194	-	-	-	176,194
Total Nunavik – CSM**		7,941,705	45,826	-	-	7,987,531	(6,505,194)	-	(6,505,194)	1,482,337
Nunavik – Gold										
Other		100								
Acquisition costs		738,409	-	-	-	738,409	(738,409)	-	(738,409)	-
Exploration costs		982,241	-	-	-	982,241	(982,241)	-	(982,241)	-
Total Nunavik – Gold		1,720,650	-	-	-	1,720,650	(1,720,650)	-	(1,720,650)	-

Azimut Exploration Inc.

Notes to Financial Statements

For the three-month period ended November 30, 2025

(in Canadian dollars)

9 Exploration and evaluation assets (cont'd)

Change in E&E assets (cont'd)

Mineral property	Undivided interest	Cost as at August 31, 2025	Additions	Option payments	Tax credit	Cost as at November 30, 2025	Accumulated impairment as at August 31, 2025	Impairment	Accumulated impairment as at November 30, 2025	Net book value as at November 30, 2025
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
Nunavik – Uranium										
North Rae	100									
Acquisition costs		485,129	165	-	-	485,294	(485,129)	-	(485,129)	165
Exploration costs		709,305	-	-	-	709,305	(709,305)	-	(709,305)	-
Total Nunavik – Uranium		1,194,434	165	-	-	1,194,599	(1,194,434)	-	(1,194,434)	165
Total Nunavik		10,856,789	45,991	-	-	10,902,780	(9,420,278)	-	(9,420,278)	1,482,502
Total E&E assets		56,958,874	2,976,413	(31,342)	(638,675)	59,265,270	(12,818,977)	-	(12,818,977)	46,446,293

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

** CSM = critical and strategic minerals

Note that commodities reflect the main target of the exploration work performed during the period. This classification may change over time.

	November 30, 2025	August 31, 2025
	\$	\$
Acquisition and exploration – Net book value	46,446,293	44,139,897
Prepaid exploration expenses	124,664	131,297
	<u>46,570,957</u>	<u>44,271,194</u>

Azimut Exploration Inc.

Notes to Financial Statements

For the three-month period ended November 30, 2025

(in Canadian dollars)

9 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 James Bay region. 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. On November 28, 2025, Azimut and SOQUEM concluded the sale of the Pikwa Property to PMET Resources Inc. (Note 6).
- 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% net smelter return (“NSR”) royalty with a buy-back of 1.05% for \$350,000.
- e) 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 acts 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.

- f) The Duquet Property was transferred to Azimut on September 30, 2015, in consideration of an aggregate 2.25% NSR royalty on the property. The Duquet Property was combined with the Rex Property to form a single entity, known as the Rex-Duquet Property.
- g) On July 7, 2023, the Company signed JV option agreements with Rio Tinto Exploration Canada Inc (“Rio Tinto”) for its wholly owned Corvet and Kaanaayaa lithium properties. The Company amended the agreement with Rio Tinto on July 23, 2025, to include a third property, Wabamisk East.
- Under the revised agreements, Rio Tinto can acquire a 50% interest in each property over four (4) years by funding \$25 million in exploration expenditures before December 31, 2028, and by making cash payments totalling \$1,700,000, including \$500,000 upon signing the initial agreement. 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 \$60 million. Rio Tinto will act as the operator during this second option phase. Rio Tinto has indicated its intent to terminate the option agreements on December 31, 2025.

Azimut Exploration Inc.

Notes to Financial Statements

For the three-month period ended November 30, 2025

(in Canadian dollars)

9 Exploration and evaluation assets (cont'd)

- h) 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. During the year ended August 31, 2025, the Company received \$85,000 in shares of Ophir (Note 7) and \$25,000 in cash.
- i) On July 7, 2025, the Company acquired a 100% interest in 103 claims forming the K2 property from Dios Exploration Inc. ("Dios"), for a cash payment of \$120,000 and the issuance of 200,000 common shares of the Company. K2 lies adjacent to the Elmer Property. Dios will retain a 2.0% NSR royalty on the K2 claims, subject to a 1.0% NSR buydown for \$3,000,000.

10 Asset retirement obligations

The following tables summarize the Company's asset retirement obligations as at November 30, 2025 and August 31, 2025:

	November 30, 2025			August 31, 2025		
	Rex-Duquet, Rex South	Elmer	Total	Rex-Duquet, Rex South	Elmer	Total
	\$	\$	\$	\$	\$	\$
Opening balance	1,268,556	764,564	2,033,120	1,229,011	748,538	1,977,549
Change in estimate	5,620	11,381	17,001	4,129	(6,468)	(2,339)
Unwinding of discount on asset retirement obligations	7,403	5,696	13,099	35,416	22,494	57,910
Ending balance	1,281,579	781,641	2,063,220	1,268,556	764,564	2,033,120

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

	Rex-Duquet, Rex South	Elmer	Total
Estimated undiscounted cash flows to settle obligations	\$1,094,929	\$758,316	\$1,853,245
Weighted average discount rate	2.33%	2.98%	
Estimated number of years before disbursements to settle obligations	1.25 year	7.25 years	

11 Leases liabilities

The Company leases office space, warehouse facilities, a vehicle, an exploration camp and exploration equipment. The office lease is for five (5) years until June 30, 2030. The vehicle lease is for 36 months with a buy-out option. During the three-month period ended November 30, 2025, the Company leased an exploration camp for the Wabamisk project. The lease is for 12 months with a buy-out option at the end. The warehouses and exploration equipment are covered by monthly leases and represent low-value items. The Company has elected not to recognize right-of-use assets or lease liabilities for these leases.

	November 30, 2025 \$
Opening balance	320,327
Addition	1,029,510
Principal repayment for the period	(802,712)
Ending balance	547,125
Less: Current lease liability	303,898
Non-current lease liability	243,227

Azimut Exploration Inc.

Notes to Financial Statements

For the three-month period ended November 30, 2025

(in Canadian dollars)

12 Share capital

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

13 Stock option plan

The number of shares reserved for issuance under the stock option plan is approximately 9.99% of the Company's common shares issued and outstanding. On November 25, 2025, the Company filed for an increase in the number of reserved common shares by 1,862,000 for future issuance under the option plan for a total of 10,052,000, or approximately 9.99% of the Company's 100,629,310 issued and outstanding common shares as at November 11, 2025. The increase in the number of shares reserved under the option plan was approved on December 16, 2025. 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.

The following tables summarize the information about stock options outstanding as at November 30, 2025 and August 31, 2025:

	November 30, 2025		August 31, 2025	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding – Beginning of the period	6,565,000	0.87	6,035,000	0.88
Granted	30,000	0.76	855,000	0.61
Exercised	(75,000)	0.33	(240,000)	0.20
Expired	-	-	(85,000)	1.39
Outstanding – End of the period	6,520,000	0.87	6,565,000	0.87
Vested – End of the period	6,357,000		6,407,000	

Exercise price \$	Weighted average remaining contractual life (years)	As at November 30, 2025	As at August 31, 2025
Between 0.19 and 0.50	2.32	495,000	570,000
Between 0.51 and 1.00	6.09	4,732,000	4,702,000
Between 1.01 and 1.50	4.76	1,285,000	1,285,000
Between 1.51 and 2.00	4.68	8,000	8,000
	5.54	6,520,000	6,565,000

During the three months ended November 30, 2025, the Company granted a total of 30,000 stock options to employees. These options are exercisable for a 10-year period, with 20,000 vesting immediately and 10,000 vesting half immediately and the remaining half after one year.

During the 2025 fiscal year, 855,000 stock options were granted to board members, management, 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 are exercisable for a 10-year period and vest immediately.

Azimut Exploration Inc.

Notes to Financial Statements

For the three-month period ended November 30, 2025

(in Canadian dollars)

14 Expenses by nature

	Three-month periods ended November 30,	
	2025	2024
	\$	\$
Salaries and fringe benefits	162,585	195,563
Stock-based compensation (Note 12)	6,254	9,750
Professional and maintenance fees	23,684	24,865
Administration and office	10,168	30,246
Business development and administration fees	24,460	3,103
Advertising	438	-
Rent	1,525	5,002
Insurance	21,246	18,367
Conferences and meetings	60,832	42,193
Depreciation of property and equipment (Note 7)	9,209	11,288
Amortization of intangible assets	-	579
Depreciation on right-of-use asset	13,031	15,151
General and administrative expenses	333,432	356,107
Salaries for project generation	165	10,322
Other exploration expenses	13,322	1,078
Credit on duties refundable for loss and refundable tax credit for resources	(6,660)	-
General exploration	6,827	11,400

15 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 (“VPD”) and the Vice-President of Exploration (“VPE”). The compensation paid or payable for services provided by key management was as follows:

	Three-month period ended November 30,	
	2025	2024
	\$	\$
Salaries	265,500	248,750
Director fees	42,500	35,000
Stock-based compensation	8,590	24,753
	316,590	308,503

The amounts of \$151,250 for salaries (\$78,720 in 2025) and \$5,340 for stock-based compensation (\$15,003 in 2025) were capitalized to E&E assets.

As at November 30, 2025, accounts payable and accrued liabilities include \$187,223 (\$129,191 as at August 31, 2025) owed to key management.

Some key management employees are subject to employment agreements that provide for payments on termination of employment without serious reason or following a change of control, providing for payments equivalent up to once or, as applicable, twice an individual’s base salary. The indemnity paid must not represent more than 10% of the Company’s cash and cash equivalents at such time. As at November 30, 2025, the entitled indemnity amounted to a minimum of \$792,846 and a maximum of \$1,549,333.

Azimut Exploration Inc.

Notes to Financial Statements

For the three-month period ended November 30, 2025

(in Canadian dollars)

16 Net loss (earnings) per share

For the three-month period ended November 30, 2024, the diluted loss per share was the same as the basic loss per share since the potential dilutive instruments had an anti-dilutive effect.

For the three-month period ended November 30, 2025, the diluted net earnings per share were calculated using the basic weighted average number of shares outstanding of 100,579,035 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. During the three-month period ended November 30, 2025, there were 467,706 stock options vested with an exercise price lower than the average market price of the Company's shares. As a result, the diluted weighted-average number of shares of 101,046,742 was used to calculate diluted net earnings per share in 2026.

17 Additional cash flow information

	Three-month periods ended November 30,	
	2025	2024
	\$	\$
Acquisition of E&E assets included in accounts payable and accrued liabilities	1,462,909	1,253,830
Repayment of leased camp included in accounts payable and accrued liabilities	326,879	-
Depreciation of property & equipment included in E&E assets	44,424	80,002
Refundable duties credit for losses and refundable tax credit for resources presented as a reduction in E&E assets, net	638,675	328,382
Stock-based compensation included in E&E assets	18,607	16,510

In the year ended August 31, 2025, the Company changed the presentation of the cash flow statement to present advances received for exploration work on a net basis within cash flows from operating activities, as it better reflects the nature of the operations. The comparatives for the 2025 quarters were adjusted accordingly.

18 Financial instruments, financial risks and capital management

The Company's financial instruments as at November 30, 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 November 30, 2025.

19 Subsequent event

The Company and SOQUEM agreed to sell the Galinée project, under which Azimut will sell its 50% interest in the project to LiFT Power Ltd in exchange for 2,000,000 common shares of LiFT. The Company will retain a 1.4% NSR royalty on the property. The agreement is subject to approval from the TSXV.

The Company granted 1,115,000 stock options to directors, officers, employees and consultants, with an exercise price of \$0.79 per share, exercisable for a 10-year period. Of this number, 1,020,000 have been granted to directors and officers and 95,000 to employees and consultants.