



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended May 31, 2022

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SCOPE OF MANAGEMENT’S DISCUSSION AND ANALYSIS

This management discussion and analysis report (“MD&A”) represents a complementary addition to the unaudited condensed interim financial statements of Azimut Exploration Inc. (“Azimut” or the “Company”) for the three and nine months ended May 31, 2021 (“Q3 2022”) by providing additional contextual and prospective information on the Company’s financial position and operating performance for the same periods. This MD&A should be read in conjunction with the Company’s Q3 2022 financial statements and the audited annual report for the year ended August 31, 2021 (“Fiscal 2021”), which were prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). Unless otherwise noted, all figures are in Canadian dollars, the functional and presentation currency of the Company.

NATURE OF ACTIVITIES

Azimut is a publicly-traded Canadian exploration-stage company with a solid reputation for target generation and partnership development. The Company uses a pioneering approach to big data analytics (the proprietary AZtechMine™ expert system), enhanced by extensive exploration know-how. Azimut’s competitive edge is based on systematic regional-scale data analysis and concurrently active projects. The Company holds one of the largest mineral property portfolios in the province of Quebec (Canada), which is recognized as a leading mining jurisdiction globally. Azimut maintains rigorous financial discipline and a strong balance sheet and has 82.2 million shares issued and outstanding as at July 12, 2022.

The Company is listed on the TSX Venture Exchange (“TSXV”) under the symbol AZM and trades on the OTCQX® Best Market under AZMTF.

EXPLORATION PORTFOLIO

As at July 12, 2022, the Company holds an exploration portfolio of 12,253 claims in Quebec (11,806 claims – May 31, 2021), representing twenty-nine (29) properties (**Figure 1, Table 1**), summarized below by region and commodity of interest:

James Bay:

- 19 gold or gold-copper properties
 - 5 in the Elmer Discovery Sector (Elmer, Elmer South, Pilipas, Wapatik, Munischiwan)
 - 8 in the Trans-Taiga Road Sector (Corvet, Dalmas, Galinée, Kaanaayaa, Kukamas, Pikwa, Pontois, Desceliers)
 - 4 in the Eleonore Gold Camp (Eleonore South, Opinaca A, Opinaca B, Opinaca D)
 - 1 in the Eastmain Reservoir Sector (Wabamisk)
 - 1 in Eastern James Bay (Valore)
- 2 base metal properties (Corne and Mercator)
- 1 chromium property (Chromaska)
- 1 nickel project (James Bay Nickel or “JBN”)

Nunavik:

- 3 gold-polymetallic properties (Rex-Duquet, Rex South, Nantais)
- 1 copper property (Doran)
- 1 uranium property (North Rae)
- 1 diamond property (Diamrex)

The Company owns a 100% interest in nineteen (19) properties and partial interests in ten (10) (**Table 1**).

This report describes the progress or material changes in the Company’s property portfolio since September 1, 2020. For additional details on individual projects, the reader is invited to consult that Company’s website and previous MD&A reports.

Jean-Marc Lulin, P.Geo., Azimut’s President, CEO and Director, and a qualified person under *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* (“NI 43-101”), has reviewed the technical disclosures presented herein. All claim totals, surface areas and property descriptions are effective as at July 12, 2022.

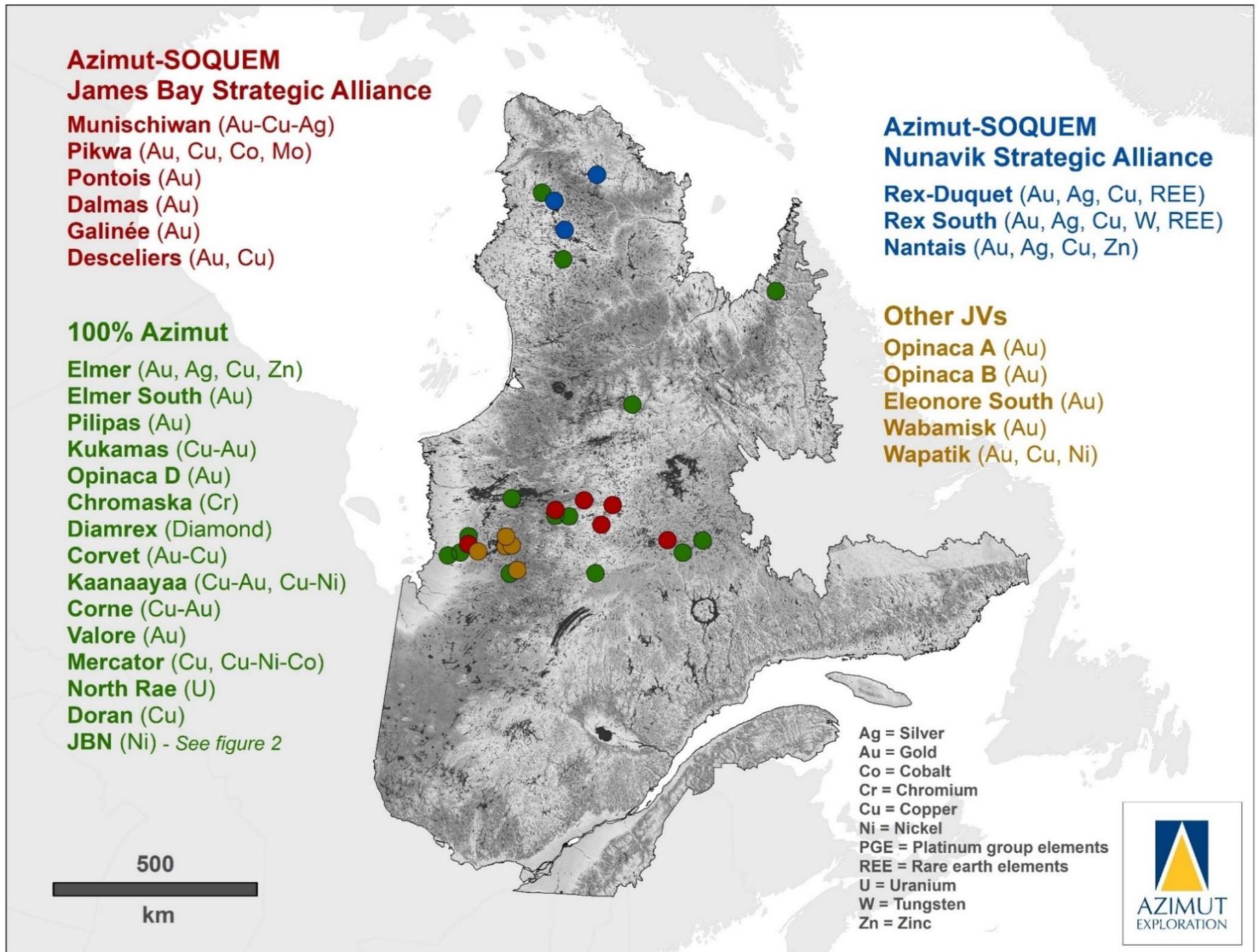


Figure 1: Map of Azimut's exploration property portfolio in Quebec.

Table 1: Azimut's property portfolio (as at July 12, 2022)

JAMES BAY REGION							
Area/Property	Target commodities	Claims	Area (km²)	Undivided interest	JV or option	Current status	Planned 2022 work program
Elmer Discovery Sector							
Elmer	Au-Ag-Cu-Zn	515	271.3	100%	-	Targets identified	Diamond and RC drilling, prospecting, mechanical stripping
Elmer South	Au	39	20.6	100%	-	-	-
Munischawan	Au-Ag-Cu	167	87.6	50%	50% SOQUEM	Targets identified	Diamond drilling 50% funded
Pilipas	Au	135	70.7	100%	-	Tech. assessment	-
Wapatik	Au-Cu-Ni	220	115.7	100%	Option to Mont Royal	Targets identified	Diamond drilling, ground geophysics Partner-funded
Trans-Taiga Road Sector							
Corvet	Au-Cu	340	174.8	100%	-	Reconn.	Heliborne geophysics
Dalmas	Au	88	44.9	50%	50% SOQUEM	-	-
Kaanaayaa	Cu-Au, Cu-Ni	390	200.5	100%	-	Tech. assessment Reconn.	Prospecting
Kukamas	Cu-Au	432	219.3	100%	-	Reconn.	Detailed LBS geochemistry, prospecting
Pikwa	Au-Cu-Co-Mo	509	260.9	50%	50% SOQUEM	-	Prospecting
Pontois	Au	226	115.1	50%	50% SOQUEM	-	-
Eleonore Gold Camp							
Eleonore South	Au	282	147.6	23.77%	38.12% Fury Gold 38.11% Mines Opinaca	Targets identified	Diamond drilling, prospecting Partner-funded
Opinaca A	Au	43	22.4	50%	50% Everton	-	-
Opinaca B	Au	248	129.7	-	25% Everton, 25% Hecla	Targets identified	Drilling stage Partner-funded (program TBD)
Opinaca D	Au	5	2.6	100%	-	-	-
Eastmain Reservoir Sector							
Chromaska	Cr	61	32.3	100%	-	Tech. assessment	-
Wabamisk	Au	369	195.3	49%	51% Newmont	Tech. assessment	Drilling stage Partner-funded (program TBD)

JAMES BAY REGION (cont'd)

Area/Property	Target commodities	Claims	Area (km²)	Undivided interest	JV or option	Current status	Planned 2022 work program
Route 167 Sector							
Corne	Cu-Au	177	93.6	100%	-	Reconn.	Detailed LBS geochemistry
Galinée	Au	562	290.1	50%	50% SOQUEM	Targets identified	Prospecting (program TBD) 50% funded
JBN	Ni	2,063	1,069.7	100%	-	Tech. assessment	Data compilation, data processing
Route 389 Sector							
Desceliers	Au-Cu	271	140.7	50%	50% SOQUEM	-	-
Mercator	Cu, Cu-Ni-Co	351	182.1	100%	-	Reconn.	Detailed LBS geochemistry
Valore	Au	20	10.4	100%	-	-	-

NUNAVIK REGION

Property	Target commodities	Claims	Area (km²)	Undivided interest	JV or option	Current status	Planned 2022 work program
Doran	Cu	436	210.7	100%	-	-	-
Diamrex	Diamonds	427	181.8	100%	-	-	-
Nantais	Au-Ag-Cu-Zn	541	226.6	100%	-	Technical assessment	Data processing (program TBD)
North Rae	U	1	0.5	100%	-	-	-
Rex-Duquet	Au-Ag-Cu-REE	2,041	871.9	100%	Option to SOQUEM	Priority targets identified	Data processing Prospecting (program TBD)
Rex South	Au-Ag-Cu-W-REE	2,193	955.2	100%	Option to SOQUEM	Priority targets identified	Data processing Prospecting (program TBD)

Notes:

See Figure 1 for commodity abbreviations.

See *James Bay Region – Exploration Updates* for full company names.

Reconn. = reconnaissance stage; LBS = lake-bottom sediment; RC = reverse circulation; TBD = to be determined.

OVERALL PERFORMANCE

Summary of exploration activities for the current quarter and subsequent activities:

- Azimut continued to deliver more wide drill intercepts and reached 800 metres deep on the Patwon Gold Zone during its spring 2022 diamond drilling program (36 holes; 19,980 m) on the wholly-owned flagship Elmer Project in the James Bay region (press releases (“PRs”) of April 27 and May 30, 2022). The results will be included in the maiden mineral resource estimate (in progress).
- Azimut and Mont Royal Resources Ltd (“Mont Royal”) reported the discovery of high-grade nickel-copper massive sulphide mineralization (2.68% Ni, 1.30% Cu and 0.09% Co over 3.30 m) during their maiden drilling program on a kilometre-scale ultramafic intrusion (PRs of May 24 and June 29, 2022). A minimum 6-hole (1,050-metre) follow-up program is underway to further delineate the shape and extent of this discovery.
- Azimut nearly doubled the map-designated claims forming the JBN Project, which currently comprises roughly 80 distinct claim blocks covering attractive nickel targets in the James Bay region (PR of July 5, 2022). The Company is implementing efficient in-house exploration protocols to rapidly validate and advance these targets to the drilling stage.

Financial and corporate highlights for Q3 2022:

- On April 13, 2022, Azimut began trading on the OTCQX® Best Market under the symbol “AZMTF”, an upgrade from the Pink® market.
- In December 2021, Mathieu Landry left the position of Vice-President Technology Business Development to become a senior consultant to the Company (PR of December 7, 2021). In January 2022, Glenn Mullan was appointed as Chair of the Board of Directors (PR of January 24, 2022) and the Company retained the services of Lise Chénard to act as a Senior Advisor to the Company to help advance the Elmer Project. In May 2022, Mr. Jonathan Rosset was appointed Vice-President Corporate Development (PR of May 17, 2022) and Ms. Brigitte Dejou as Project Manager (PR of May 25, 2022). On July 1, 2022, Ms. Krista Muhr resigned as a member of the Board of Directors (PR of July 5, 2022).
- Azimut ended Q3 2022 with working capital of \$19.1 million¹ (\$6.7 million – Q3 2021). Management believes it has sufficient funds to pay the Company’s ongoing general and administration (“G&A”) expenses and to meet its liabilities, obligations and existing commitments for at least twelve (12) months beyond Q3 2022.
- Azimut incurred \$11.5 million in exploration and evaluation (“E&E”) expenditures during Q3 2022.

OUTLOOK

In the next quarters, Azimut will continue advancing its flagship Elmer project, along with other wholly-owned properties in the James Bay region (Kaanaayaa, Corne, Corvet, Kukamas, Mercator and JBN) and six JV projects under an alliance with SOQUEM (Pikwa, Munischiwan, Galinée, Desceliers, Pontois, and Dalmas). Drilling will continue on the Wapatik project under option to Mont Royal. Also in the James Bay region, the Company will continue to assess the technical progress made on the Eleonore South Property. In the Nunavik region, data processing will continue to advance the Rex-Duquet and Rex South properties under an alliance with SOQUEM. **Table 1** presents the current status of the Company’s properties and the planned work programs for the remainder of 2022.

Based on industry trends and demand, Azimut will continue to model the mineral potential of several regions in Quebec to generate new projects. The Company may consider opportunities for other commodities or regions. Azimut will also continue to seek new partners for available properties to safeguard the value added to its projects. The Company may require financing for these purposes. The COVID-19 pandemic may continue to create operational uncertainties. Management is monitoring the crisis in Europe to assess its potential impact on the Company.

EXPLORATION AND EVALUATION EXPENDITURES

In Q3 2022, Azimut incurred E&E expenditures of \$6.3 million (\$6.7 million – Q3 2021). The majority were incurred in the James Bay region for exploration on the Elmer Property and the acquisition of the JBN nickel project by staking.

Table 2 and **Table 3** detail the expenditures paid by the Company for work done on its E&E assets for Q3 2022 and Q3 2021, respectively. All properties are located in the province of Quebec.

¹ Dollar amounts in the text of this MD&A, other than equity and exercise prices, are rounded to one decimal place for amounts over \$1,000,000, to the nearest thousand for amounts between \$1,000 and \$1,000,000, and to the nearest hundred for amounts below \$1,000. For the exact amounts, refer to the tables in this MD&A and to the accompanying financial statements.

Table 2: Change in E&E assets – Q3 2022

Mineral property	Net book value as at August 31, 2021 \$	Acquisition costs	Exploration costs								Depreciation of property and equipment \$	Costs incurred during the period \$	Option payment \$	Net book value as at May 31, 2022 \$	
		Claims & permits \$	Geochem. surveys \$	Geol. surveys \$	Geophys. surveys \$	Drilling \$	Stripping \$	Temporary construction \$	Admin. and others \$	Technical Evaluation \$					
James Bay															
Elmer	10,460,788	11,676	34,108	411,747	91,782	9,978,506	36	220,596	48,812	-	-	10,797,263	-	21,258,051	
SOQUEM	2,251,179	13,848	315	12,654	-	6,275	-	-	-	-	-	33,092	-	2,284,271	
Dalmas	54,434	1,120	-	6	-	-	-	-	-	-	-	1,126	-	55,560	
Galinée	111,326	25,965	1,330	518	-	-	-	-	-	-	-	27,813	-	139,139	
Eleonore South	1,632,245	3,701	-	243	-	800	-	-	44,413	(1,462)	-	47,695	-	1,679,940	
Opinaca A	16,836	-	-	-	-	-	-	-	-	-	-	-	-	16,836	
Opinaca B	8,442	-	-	-	-	-	-	-	-	-	-	-	-	8,442	
Opinaca D	14,680	-	-	94	-	-	-	-	-	-	-	94	-	14,774	
Wabamisk	31,491	-	-	4,931	800	-	-	-	-	-	-	5,731	-	37,222	
Corvet	73,791	12,768	-	19,058	-	-	-	-	-	-	-	31,826	-	105,617	
Kukamas	94,191	16,048	1,725	24,512	1,860	-	-	-	-	-	-	44,145	-	138,336	
Wapatik	55,957	-	-	-	-	-	-	-	-	-	-	-	(20,000)	35,957	
Pilipas	35,874	-	-	15,700	-	-	-	-	-	-	-	15,700	-	51,574	
Kaanaayaa	155,276	-	30,742	15,751	-	-	-	-	-	-	-	46,493	-	201,769	
Others	23,496	3,120	(3,120)	-	-	-	-	-	-	-	-	-	-	23,496	
Total – Gold	15,020,006	88,246	65,100	505,214	94,442	9,985,581	36	220,596	93,225	(1,462)	-	10,050,978	(20,000)	26,050,984	
Chromaska	-	2,738	-	-	-	17	-	-	-	-	-	2,755	-	2,755	
Total - Diamond	-	2,738	-	-	-	17	-	-	-	-	-	2,755	-	2,755	
Mercator	63,348	-	-	23,444	-	-	-	-	-	-	-	23,444	-	86,792	
Corne	37,663	-	-	22,220	-	-	-	-	-	-	-	22,220	-	59,883	
JBN	-	152,422	-	24,072	820	-	-	-	-	-	-	177,314	-	177,314	
Other	3,624	-	-	-	-	-	-	-	-	-	-	-	-	3,624	
Total – Base Metals	104,635	152,422	-	69,736	820	-	-	-	-	-	-	222,978	-	327,613	
Total – James Bay	15,124,641	243,406	65,100	574,950	95,262	9,985,598	36	220,596	93,225	(1,462)	-	11,276,711	(20,000)	26,381,352	
Nunavik															
Rex-Duquet	1,182,722	-	-	-	-	-	-	-	1,287	-	39,673	40,960	-	1,223,682	
Rex South	649,719	-	-	-	-	-	-	-	1,289	-	94,391	95,680	-	745,399	
Nantais	197,289	-	-	-	-	-	-	-	-	-	-	-	-	197,289	
Total – Gold	2,029,730	-	-	-	-	-	-	-	2,576	-	134,064	136,640	-	2,166,370	
Doran	68,638	-	-	17,363	-	-	-	-	-	-	-	17,363	-	86,001	
Total – Base Metals	68,638	-	-	17,363	-	-	-	-	-	-	-	17,363	-	86,001	
North Rae	-	139	-	-	-	-	-	-	-	-	-	139	-	139	
Total - Uranium	-	139	-	-	-	-	-	-	-	-	-	139	-	139	
Diamrex	-	52,948	13,993	-	-	-	-	-	-	-	-	66,941	-	66,941	
Total - Diamond	-	52,948	13,993	-	-	-	-	-	-	-	-	66,941	-	66,941	
Total – Nunavik	2,098,368	53,087	13,993	17,363	-	-	-	-	2,576	-	134,064	221,083	-	2,319,451	
Total – E&E assets	17,223,009	296,493	79,093	592,313	95,262	9,985,598	36	220,596	95,801	(1,462)	134,064	11,497,794	(20,000)	28,700,803	

Table 3: Change in E&E assets Q3 2021

Mineral property	Net book value as at August 31, 2020 \$	Acquisition costs	Exploration costs						Depreciation of property and equipment \$	Cost incurred during the period \$	Credit on duties refundable for loss and refundable tax credit for resources \$	Impairment \$	Net book value as at May 31, 2021 \$
		Claims & permits \$	Geochem. surveys \$	Geol. surveys \$	Geoph. surveys \$	Drilling \$	Stripping \$	Admin. and others \$					
James Bay													
Elmer	4,669,408	(6,006)	80,932	526,992	566,460	4,047,646	(8,094)	24,351	399,104	5,631,385	(1,592,000)	-	8,708,793
SOQUEM	1,205,857	2,340	6,736	42,449	20,761	841,867	-	-	-	914,153	(34,650)	-	2,085,360
Dalmas	48,503	-	319	1,089	-	-	-	-	-	1,408	-	-	49,911
Galinée	76,578	-	9,603	27,806	-	-	-	-	-	37,409	(15,800)	-	98,187
Eleonore South	1,625,627	-	175	3,034	-	4,500	-	-	-	7,709	(3,050)	-	1,630,286
Opinaca A	69,489	-	-	-	-	-	-	-	-	-	-	(59,361)	10,128
Opinaca B	6,547	1,850	-	80	-	-	-	-	-	1,930	-	-	8,477
Opinaca D	304,129	-	-	92	-	-	-	-	-	92	-	(290,306)	13,916
Wabamisk	30,806	-	-	415	-	-	-	-	-	415	-	-	31,221
Corvet	72,314	-	-	2,467	-	-	-	-	-	2,467	(1,000)	-	73,781
Kukamas	92,162	-	1,440	1,860	-	-	-	-	-	3,300	(1,350)	-	94,112
Wapatik	44,934	-	-	-	-	-	-	11,023	-	11,023	-	-	55,957
Pilipas	21,730	-	-	10,572	-	-	-	-	-	10,572	(2,250)	-	30,052
Kaanaayaa	71,702	-	-	5,500	-	-	-	-	-	5,500	(1,090)	-	76,112
Others	16,225	6,006	-	-	-	-	-	-	-	6,006	-	(1,855)	20,376
Total – Gold	8,356,011	4,190	99,205	622,356	587,221	4,894,013	(8,094)	35,374	399,104	6,633,369	(1,651,190)	(351,521)	12,986,669
Chromaska	-	-	-	350	616	-	-	-	-	966	-	(966)	-
Total – Chromium-PGE	-	-	-	350	616	-	-	-	-	966	-	(966)	-
Mercator	59,392	-	-	4,628	-	-	-	-	-	4,628	(750)	-	63,270
Corne	34,453	-	-	3,800	-	-	-	-	-	3,800	(700)	-	37,553
Other	4,446	-	-	-	-	-	-	-	-	-	-	(822)	3,624
Total – Base Metal	98,291	-	-	8,428	-	-	-	-	-	8,428	(1,450)	(822)	104,447
Total – James Bay	8,454,302	4,190	99,205	631,134	587,837	4,894,013	(8,094)	35,374	399,104	6,642,763	(1,652,640)	(353,309)	13,091,116
Nunavik													
Rex	1,124,470	-	-	-	-	-	-	-	-	-	-	-	1,140,527
Duquet	16,057	-	-	-	-	-	-	-	-	-	-	-	16,057
Rex South	552,477	-	-	-	-	-	-	-	57	57	-	-	552,534
Nantais	196,162	-	-	-	-	-	-	-	-	-	-	-	196,162
Total – Gold	1,889,166	-	-	-	-	-	-	-	57	57	-	-	1,889,223
Doran	-	59,732	-	3,320	-	-	-	-	-	63,052	-	-	63,052
Total – Base Metal	-	59,732	-	3,320	-	-	-	-	-	63,052	-	-	63,052
North Rae	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – Uranium	-	-	-	-	-	-	-	-	-	-	-	-	-
Total – Nunavik	1,889,166	59,732	-	3,320	-	-	-	-	57	63,109	-	-	1,952,275
Total – E&E assets	10,343,468	63,922	99,205	634,454	587,837	4,894,013	(8,094)	35,374	399,161	6,705,872	(1,652,640)	(353,309)	15,043,391

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Azimut is dedicated to conducting exploration activities safely while minimizing environmental impacts and respecting local communities. Efforts are deployed to maintain and continuously improve internal management systems. As part of the Company's environmental, social and governance ("ESG") commitments, the following actions have been taken to ensure it follows best practices for sustainable development, responsible investment, and compliance with industry health & safety practices and applicable regulations.

ECOLOGO certification

- The Company continues its preparation work to obtain UL ECOLOGO® certification, a program that promotes the widespread application of environmental, social and economic best practices in the mineral exploration industry.

Health and safety

- All of the Company's fieldwork activities continue to adhere to operational rules relating to the COVID-19 pandemic.
- The Company upgraded its standards regarding personal protective equipment to address the cold working conditions encountered during winter drilling programs.

Environment stewardship

- The Company routinely obtains all required permits before carrying out its fieldwork activities to ensure compliance with environmental laws.
- After completing exploration programs in Nunavik, the Company ships out scrap metal for recycling.

Community relations

- The Company sends letters to communities to inform them of the Company's exploration activities, in compliance with provincial law.
- The Company engages the services of a local Inuit business to provide logistical support for the Nunavik exploration programs.

REGIONAL ALLIANCES

Azimut has two regional-scale alliances in effect as at July 12, 2022.

JAMES BAY ALLIANCE

On September 26, 2016, Azimut announced a four-year strategic alliance with SOQUEM covering 176,300 km² in the James Bay region (the "James Bay Alliance"). The objective was to identify gold targets and explore the most prospective targets after converting them into properties at SOQUEM's cost. Under the terms of the agreement, SOQUEM selected four (4) targets to convert into properties among those identified in Azimut's target report, with initial 50/50 ownership. These became the Munischiwan, Pikwa, Pontois and Desceliers properties, collectively listed under "SOQUEM" in **Table 2** and **Table 3**). As per the agreement terms, SOQUEM acquired Azimut's interest in these properties by investing \$3 million in exploration work over four (4) years, including diamond drilling. In 2019, the agreement was amended to include a 50% back-in option for Azimut to regain a 50% interest in the properties by conducting \$3.3 million in exploration work over three (3) years. In 2021, Azimut fulfilled this requirement and regained its interest in all four properties. Consequently, these properties became 50/50 JV projects with SOQUEM.

NUNAVIK ALLIANCE

On May 15, 2019, Azimut announced that it had signed a strategic alliance agreement with SOQUEM for the Nunavik region. The Nunavik Alliance comprises two option phases representing a total investment of up to \$40 million. Under the first option, SOQUEM has the option to earn an initial 50% interest in the Rex-Duquet, Rex South and Nantais properties by investing \$16 million in exploration work over four (4) years, the first two (2) years being a firm commitment of \$4 million each year. Under the second option, SOQUEM may earn an additional 10% interest in each designated property (for a total 60% interest in each such property) by investing \$8 million per designated property over two (2) years and delivering a preliminary economic assessment. Azimut is the operator of the Nunavik Alliance.

JAMES BAY REGION - EXPLORATION UPDATES

The Eeyou Istchee James Bay territory of Quebec (the “James Bay region”) has been one of Canada’s most active gold exploration areas since early 2000. It has major infrastructure, including paved access roads, a hydroelectric power grid and airports, as well as several operating mines or mine development projects.

Azimut’s current James Bay portfolio (**Figure 2**, see **Table 1**) comprises thirteen (13) wholly-owned properties and ten (10) JV projects with the following companies: SOQUEM, Newmont Corporation (“Newmont”), Les Mines Opinaca Ltée (“Les Mines Opinaca”, a wholly-owned subsidiary of Newmont), Fury Gold Mines Ltd (“Fury Gold”, formerly Eastmain Resources Inc.), Everton Resources inc. (“Everton”), and Hecla Québec Inc. (“Hecla”).

The following sections describe the James Bay properties on which the Company has been active since September 1, 2020. For additional details, see the Company’s annual MD&A for the year ended August 31, 2021, and the Company’s website (www.azimut-exploration.com).

ELMER DISCOVERY SECTOR

The area known as the Elmer Discovery Sector became a strategic priority for the Company after it announced a significant drilling discovery on the Elmer Property in January 2020. The infrastructure in the area includes permanent roads, power grids and airport facilities. The Billy-Diamond Highway (formerly the James Bay Road), which passes through or near the Company’s projects, is a paved 620-kilometre all-season highway running between the mining towns of Matagami and Radisson.

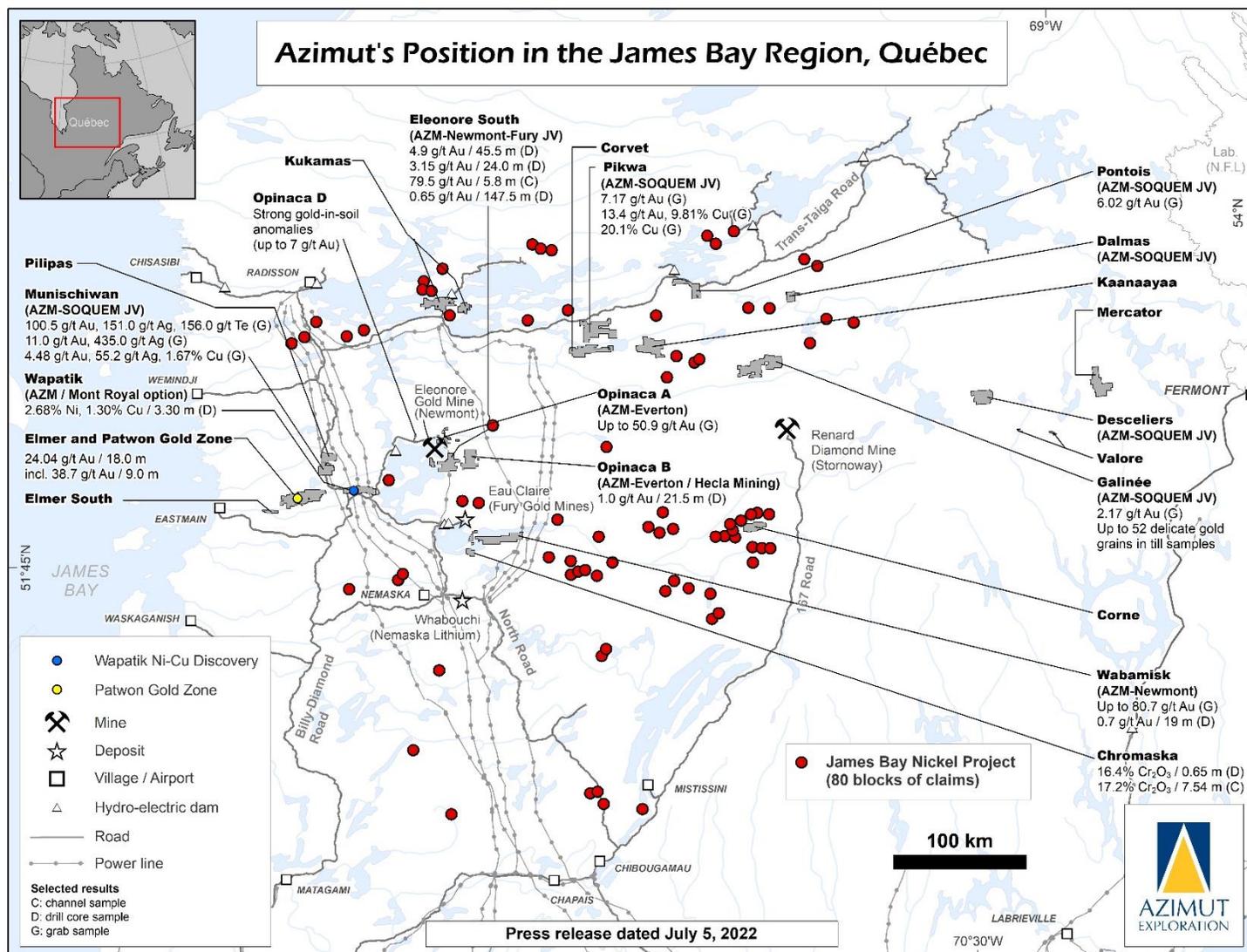


Figure 2: The Company’s project portfolio in the James Bay region showing key results as at July 12, 2022.

Elmer (Au-Ag-Cu-Zn)

The wholly-owned Elmer Property is located 5 kilometres west of the Billy-Diamond Highway and 60 kilometres from Eastmain, a Cree community on the east coast of James Bay. The Property provides a controlling position over a 35-kilometre-long gold corridor known as the **Elmer Trend** in the underexplored Lower Eastmain greenstone belt of the La Grande Subprovince, roughly 10 kilometres north of the boundary with the Opinaca Subprovince. Together, the Elmer and Wapatik properties cover 60 kilometres of favourable geological strike in the belt, which is considered highly prospective for shear-zone hosted and intrusion-related gold deposits.

In early 2020, Azimut announced the discovery of the **Patwon Gold Zone** during the Company's maiden 2019 diamond drilling program on the property (996 m in 7 holes). The highlight was **102.5 metres grading 3.15 g/t Au, including 10.1 g/t Au over 20.5 metres** (PR of January 14, 2020). Subsequent drilling programs have expanded the zone and confirmed the potential for other significant mineralization on the property. Management considers Patwon one of the largest gold discoveries in the James Bay region since the *Éléonore* (Roberto deposit) discovery in 2004.

Azimut has retained InnovExplo to prepare a maiden mineral resource estimate for the zone and a supporting NI 43-101 report (PR of January 27, 2022). The results from the recent delineation drilling program on Patwon will be included in the resource estimate. Azimut also retained the services of Lise Chénard (P.Eng.) as a senior advisor in mining geology to support the Company's progress of the Elmer Project.

The results of the recently completed 36-hole (19,980 m) diamond drilling program and 507-hole (6,681 m) RC drilling program are discussed below. The reader is referred to the Company's annual MD&A of August 31, 2021, for the results from past exploration programs. Significant drilling results were presented in the 2021 PRs of May 19, June 22, July 20, November 4 and November 11, and the 2020 PRs of January 14, July 27, September 15 and November 30.

The figures below show the location of Patwon and other gold targets in the priority exploration corridor (**Figure 3**), a vertical projection of the Patwon Zone with diamond drill hole traces (**Figure 4**), a cross-section through the zone (**Figure 5**), longitudinal sections showing the Patwon gold grade-thickness model (**Figure 6 and Figure 7**), and a geology map of the area showing the RC drill grid (**Figure 8**).

Key features of the Patwon Zone

- Patwon displays remarkable continuity from surface to a minimum vertical depth of 800 metres (about 900 metres along dip) where it remains open at depth and possibly along strike. The zone has been outlined over a strike length of nearly 600 metres, with an average estimated true width of 35 metres.
- It has a robust and consistent core zone with grade x thickness ("GT") factors above 50 based on estimated true widths. At Patwon, visible gold in drill core is generally a reliable predictor for GT factors close to or higher than 50.
- The zone appears geometrically simple, with no internal complexity due to folding and no cross-cutting barren dykes, potentially creating internal dilution. It is spatially correlated with a vertically dipping felsic intrusion, indicating an excellent possibility for a kilometre-scale vertical extent.
- The mineralization is mainly related to three quartz-vein networks and their wall rock alteration haloes, with pyrite as the dominant sulphide, occurring as fine to coarse disseminations, cross-cutting stringers and semi-massive to massive lenses. Visible gold is frequent. Traces of galena, chalcopyrite and molybdenite are also present. Alteration consists of pervasive silica accompanied by sericite, carbonate, chlorite, feldspar, tourmaline and occasional fluorite.
- The intensity of quartz veining may be partly controlled by rheologic contrasts between host lithologies (felsic intrusives, felsic volcanics and mafic rocks) within an extensive shear zone.
- Patwon is a gold-only system with no deleterious elements, such as arsenic or bismuth. Preliminary metallurgical tests indicate non-refractory free-milling gold mineralization that is potentially easily recoverable by a combination of gravity circuit and conventional cyanide leaching. Combined gold recoveries for gravity and cyanidation reached 94% and 93% for two samples grading 3.92 g/t Au and 2.95 g/t Au, respectively.
- The preliminary geometry supports the concept of an initial open pit mining operation. The consistent high-grade component in most holes also suggests the potential for an underground mining component.
- Patwon is an orogenic gold system in a 3-kilometre-thick sequence of felsic volcanics with porphyritic intrusions, mafic volcanics, polymictic conglomerates and gabbroic sills. This deposit type has the potential for kilometre-scale vertical extension. One possible geologic analog is the Goldex mine, owned and operated by Agnico Eagle.

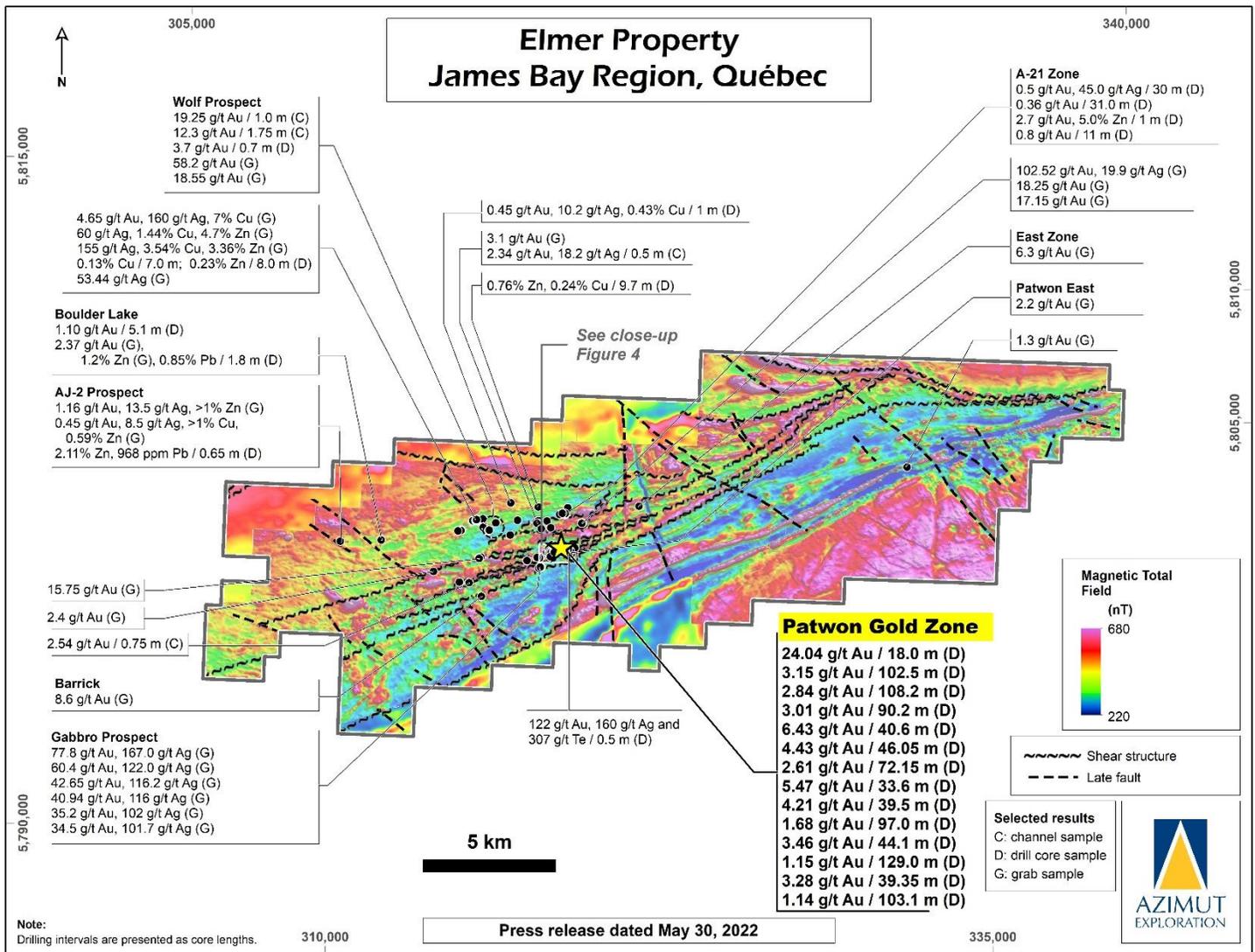


Figure 3: Magnetic map of the Elmer Property showing the location of the Patwon Zone in the priority exploration corridor, along with salient historical and recent exploration results.

Spring 2022 diamond drilling program

The 2022 diamond drilling program, which expanded the Patwon Zone and assessed additional targets, comprised thirty-six (36) holes for 19,980 m, including thirty-one (31) on Patwon (18,951 m) and five (5) on surrounding targets (1,029 m) (PRs of March 10, April 27 and May 30, 2022). The Company has now attained one of the program’s initial goals by cutting wide mineralized intercepts at a vertical depth of 800 metres or more in several holes on Patwon (ELM22-155, -157A, and -158C; assays pending). Thirteen (13) holes from the spring program displayed visible gold grains (ELM21-125, -127, -128, -129 and ELM22-132, -134, -136, -142, -143, -146A, -148, -151A, and -153).

The mineralized drill intervals reported during Q3 2022 are presented in **Table 4**.

The Patwon delineation program, part of the spring 2022 program, was structured on a systematic spacing of 50-metre centres from surface down to 500 metres and a systematic spacing of 50-metre by 75-metre centres down to 800 metres. RJLL Drilling Inc. of Rouyn-Noranda (Quebec) carried out the operations with a core diameter of NQ. All samples from the spring program were sent to ALS Laboratories in Val-d’Or where gold was analyzed by fire assay, with atomic absorption and gravimetric finishes for grades above 3.0 g/t Au. Samples were also analyzed for a 48-element suite using ICP. Azimut applies industry-standard QA/QC procedures to its drilling programs. All batches included certified reference materials, blanks, and field duplicates.

Table 4: Mineralized intervals from the Patwon Gold Zone reported in Q3 2022

Hole #	Au (g/t) ⁽¹⁾	Intercepts (m)				Grade Thickness (g/t Au x m)
		Length ⁽²⁾	From	To	True Thickness ⁽³⁾	
ELM21-125	1.08	286.90	27.60	314.50	-	-
	1.35	75.00	390.70	465.70	-	-
ELM21-126A	0.88	63.70	576.00	665.70	59.24	52.09
ELM21-127	1.74	56.75	189.25	246.00	51.85	90.22
ELM21-128	3.31	21.01	211.82	232.84	17.23	57.04
ELM21-129	2.57	33.00	263.05	321.30	30.92	81.59
ELM22-132	2.20	30.05	459.95	490.00	25.77	56.69
ELM22-134	2.80	35.05	536.75	571.80	31.46	88.10
ELM22-135B	5.47	1.45	45.80	47.25	1.22	6.69
ELM22-136	1.22	72.40	589.40	661.80	66.19	80.75
ELM22-137	1.42	14.90	150.35	165.25	12.55	17.82
ELM22-138	1.70	48.00	193.50	241.50	44.99	76.48
ELM22-139	0.46	8.90	476.92	485.85	8.31	3.82
ELM22-140	1.56	3.50	135.10	138.60	3.02	4.71
ELM22-142	1.55	33.25	477.75	511.00	30.66	47.52
ELM22-143	1.63	28.65	335.25	363.90	26.86	43.78
ELM22-144	1.55	5.10	588.00	593.10	4.91	7.61
ELM22-146A	1.77	12.75	429.65	442.40	11.61	20.56
	3.45	24.40	457.70	482.08	22.21	76.62
ELM22-147	1.91	2.80	348.20	351.00	2.58	4.94
	1.21	21.00	392.50	413.50	19.33	23.39
ELM22-148	1.22	54.40	486.00	540.40	52.79	64.40
ELM22-149	1.20	26.55	578.45	605.00	24.33	29.19
	1.96	7.35	665.15	672.50	6.73	13.19
ELM22-151A	2.77	8.25	732.25	740.50	7.64	21.17
	2.10	54.90	782.00	836.90	50.49	106.03

RC drilling program

Much of the area surrounding the Patwon Zone is covered by muskeg. To map the unexposed bedrock and identify new gold-bearing zones, Azimut recently completed an extensive RC drilling program (507 holes for 6,681 m) to collect bedrock samples along a 9-kilometre-long highly prospective area (PR of April 6, 2022). This phase of work will be used to prepare for a summer core drilling program to test new exploration targets. The RC drill grid consisted of 44 fences averaging 300 metres apart, with holes spaced 25 metres along the fences. Visual observations of rock chip samples have been encouraging, including numerous pyrite and/or quartz-bearing samples associated with altered felsic intrusive and volcanic rocks. These findings suggest that several sectors display features comparable to Patwon. So far, at least three kilometre-scale priority targets in the vicinity of Patwon warrant follow-up core drilling based on the results of the RC drilling program (**Gabbro, 881 and Wolf**; see below).

Elmer Property, Patwon Gold Zone James Bay Region, Québec

Best Drilling Results

ELM21-086 : 24.04 g/t Au / 18.0 m (D)
ELM19-002 : 3.15 g/t Au / 102.5 m (D)
ELM19-003 : 2.84 g/t Au / 108.2 m (D)
ELM20-034 : 3.01 g/t Au / 90.2 m (D)
ELM21-072 : 6.43 g/t Au / 40.6 m (D)
ELM21-070 : 4.43 g/t Au / 46.05 m (D)
ELM20-026 : 2.61 g/t Au / 72.15 m (D)
ELM21-071A : 5.47 g/t Au / 33.6 m (D)
ELM21-092 : 4.21 g/t Au / 39.5 m (D)
ELM19-004 : 1.68 g/t Au / 97.0 m (D)
ELM19-007 : 3.46 g/t Au / 44.1 m (D)
ELM19-006 : 1.15 g/t Au / 129.0 m (D)
ELM21-100 : 3.28 g/t Au / 39.35 m (D)
ELM20-009 : 1.14 g/t Au / 103.1 m (D)
ELM20-031 : 2.47 g/t Au / 36.1 m (D)
ELM20-051 : 3.85 g/t Au / 22.3 m (D)

Note:
Drilling intervals are presented as core lengths.

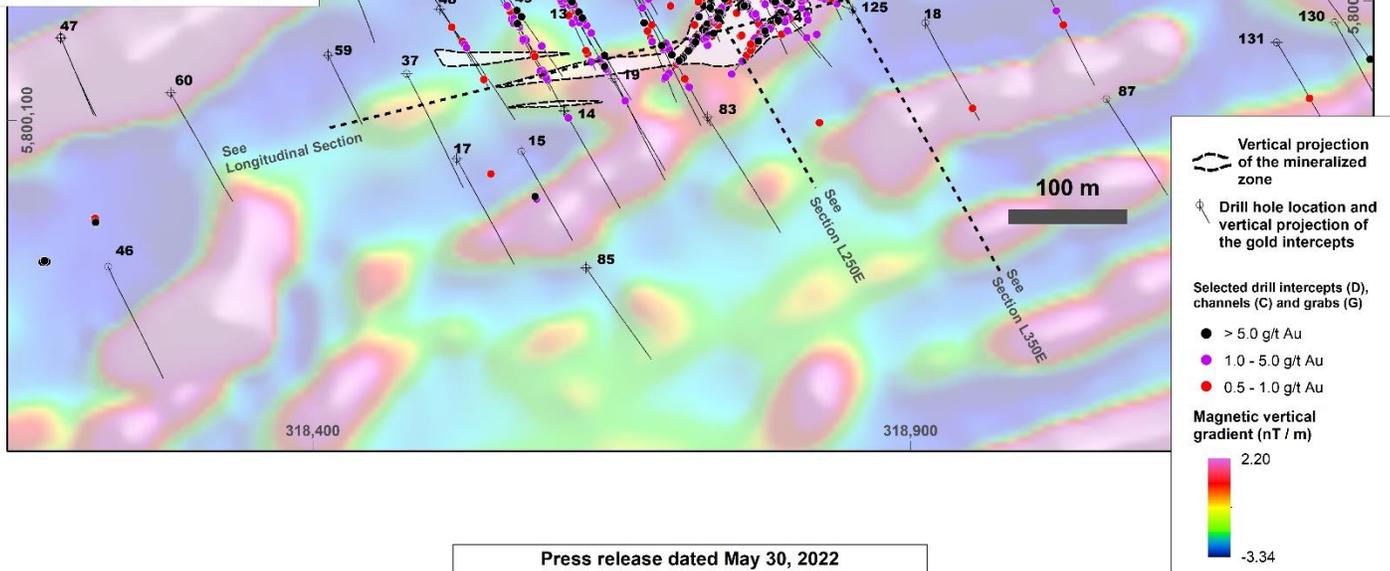


Figure 4: Vertical projection of the Patwon Zone showing drill hole locations and current best results.

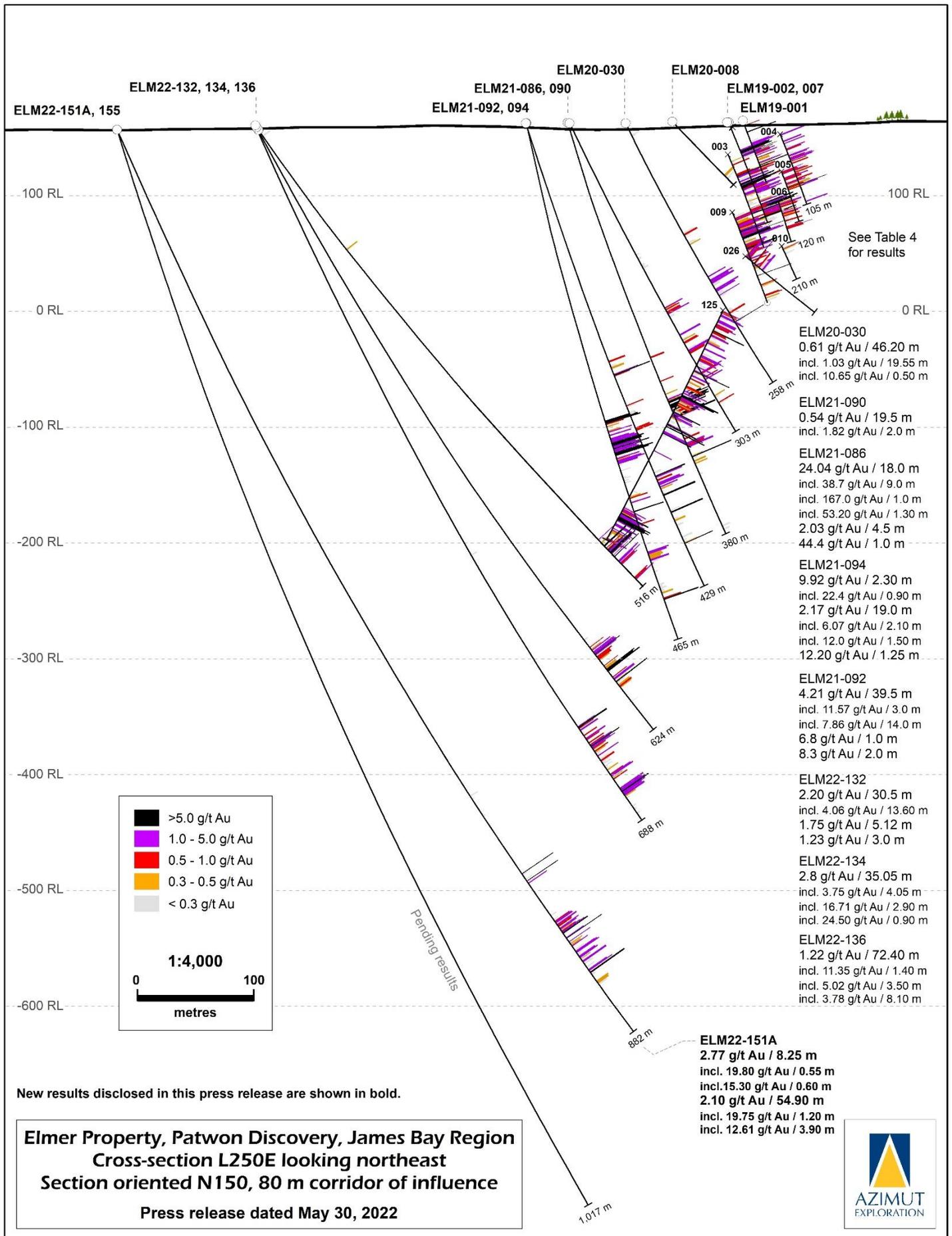


Figure 5: Cross-section L250E through the Patwon Zone (looking NE).

Elmer Property, Patwon Gold Zone James Bay Region, Québec

An Orebody in the Making

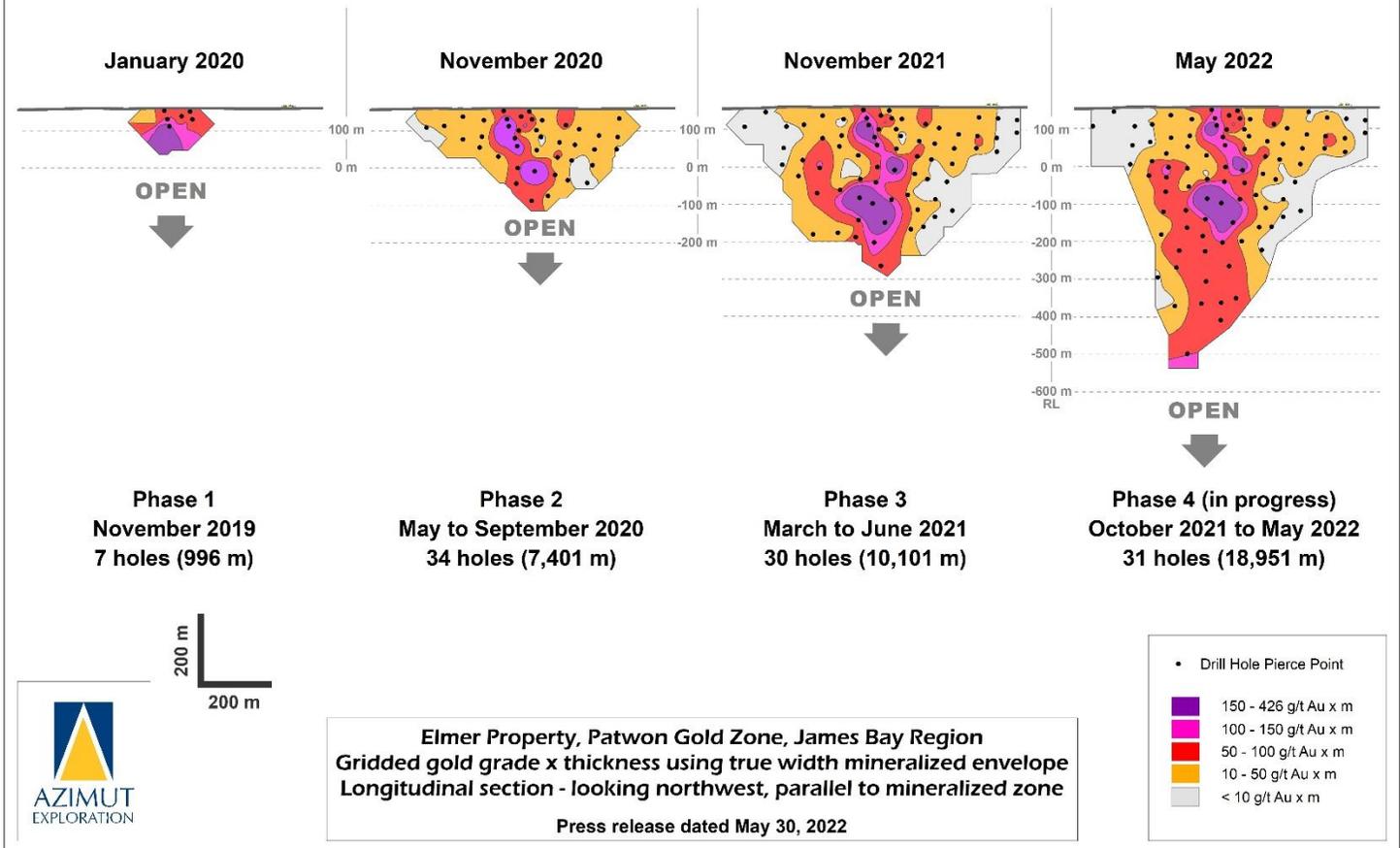


Figure 6: Evolution of the Patwon gold grade-thickness (“GT”) model during successive exploration phases. The GT factor (e.g., 5.0 g/t Au x 10 m = 50 GT) is commonly used in the mining industry to rank and compare mineralized intercepts.

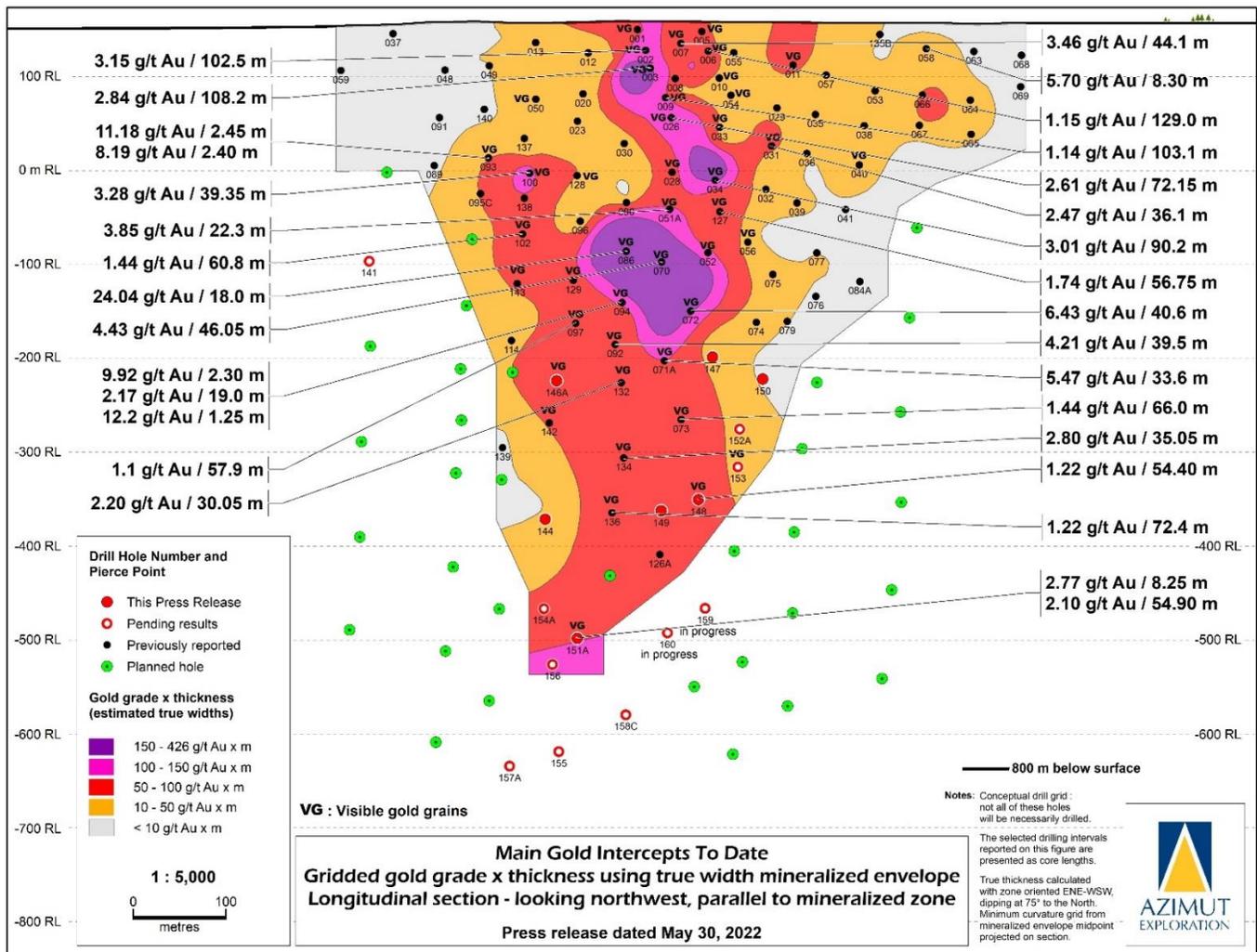


Figure 7: Longitudinal section showing details of the GT model for the Patwon Zone.

Other Exploration Targets

Drilling on target zones subparallel to or on strike from Patwon has yielded significant results for gold and other elements, including tellurium, considered a critical commodity by the Quebec and Canadian governments for economic security and the transition to a low-carbon economy. The most promising zones to date are described below.

Gabbro Zone

2-kilometre-long target, generally non-outcropping, marked by a shear structure, 200 metres south of Patwon. Thirty-six (36) RC holes were drilled on four fences. Previous exploration work yielded (see press release of November 11, 2021):

- Diamond drill hole ELM21-88: **122 g/t Au, 160 g/t Ag and 307 g/t Te over 0.5 m**
- Grab samples: Up to **77.8 g/t Au, 167 g/t Ag and 124 g/t Te** on the Gabbro Prospect
- Till samples: High counts, with up to 166 gold grains, mostly pristine
- Geophysics: IP anomalies superimposed on the lithostructural trend

881 Zone

1.8-kilometre-long target marked by sheared felsic and mafic volcanics, approximately 1 kilometre north of Patwon. Thirty-five (35) RC holes were drilled on three fences.

- Till samples: High counts, with up to **881 gold grains**, mostly pristine
- Grab samples: Up to **102.52 g/t Au** from a prospect 1 kilometre east of the gold-bearing dispersion train in till
- Geophysics: IP anomalies superimposed on the lithostructural trend

Wolf Zone

0.8-kilometre-long target marked by sheared felsic and mafic volcanics, approximately 2.5 kilometres NW of Patwon.

- Channel samples: 40-metre-long quartz vein striking NE on the Wolf Prospect returned **19.25 g/t Au over 1.0 m and 12.3 g/t Au over 1.75 m**
- Diamond drill hole ELM21-107: **3.7 g/t Au over 0.7 m**, 400 metres NE of the Wolf Prospect, possibly on strike
- Geophysics: IP anomalies superimposed on the lithostructural trend

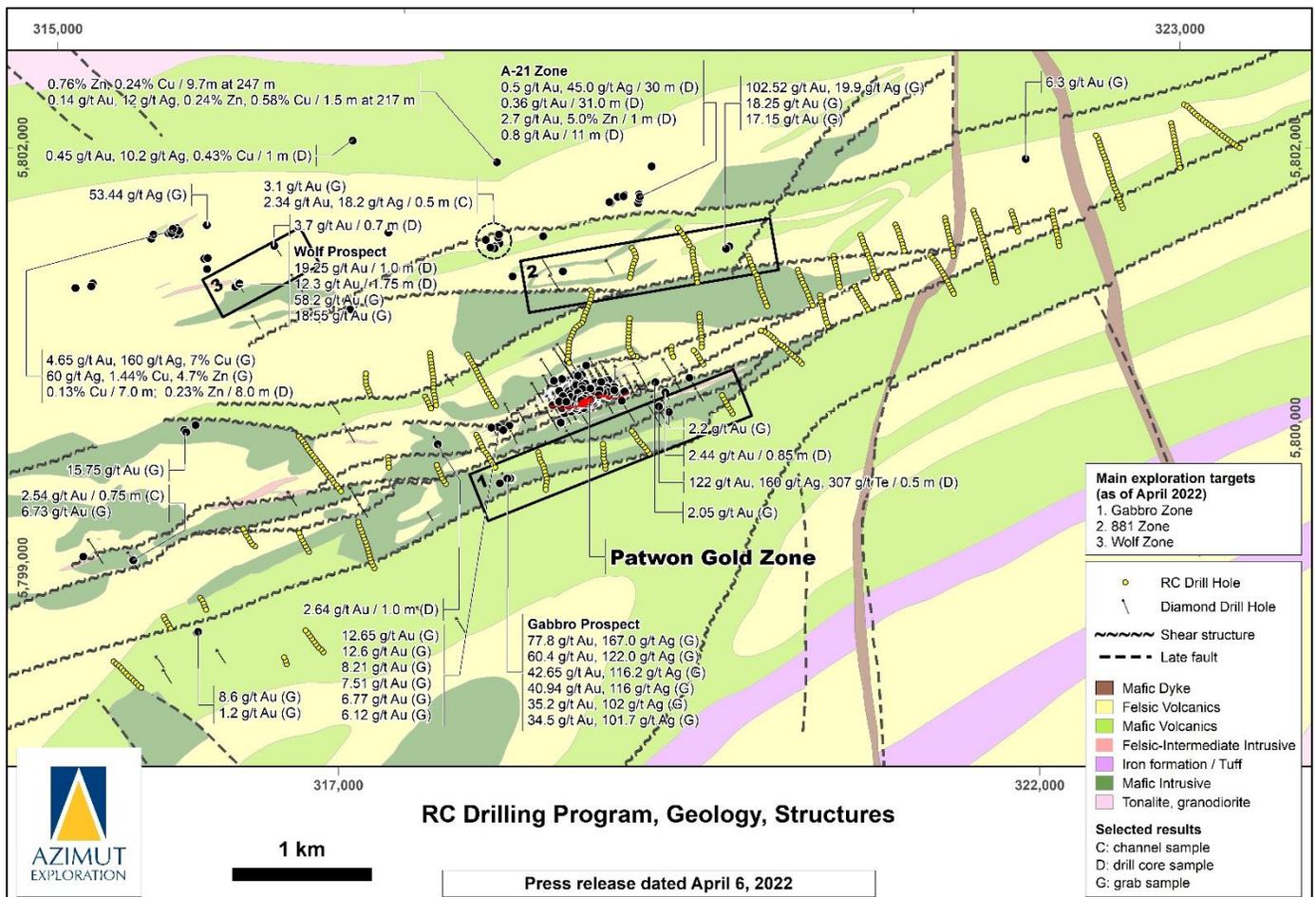


Figure 8: Geology map of the Elmer Property showing the RC drill grid, salient results and other target areas.

Possible analog for the Patwon Zone and potential of the Elmer Trend

Comparing already known deposits with the features of a new discovery is a key step in supporting the exploration hypothesis and envisioning the upside potential of the discovery, even if each deposit is ultimately different. Key features of the Goldex deposit (Agnico Eagle Ltd) are presented for comparison with Patwon. Goldex is a multi-million-ounce gold mine to the west of Val-d’Or. Agnico Eagle’s reserve and resource statement of December 31, 2021, disclosed proven and probable reserves of 19.37 Mt at 1.60 g/t Au for 0.99 Moz of gold, measured and indicated resources of 36.58 Mt at 1.56 g/t Au for 1.84 Moz, and inferred resources of 24.51 Mt at 1.56 g/t Au for 1.23 Moz. The steeply dipping orebody (strike of 450 m, depth of 1.8 km) is hosted in a large tabular felsic intrusion surrounded by volcanic rocks.

Wapatik (Au and Cu-Ni)

The wholly-owned Wapatik Property is a 25-kilometre-long project on strike of the Elmer Property. It is under option to Mont Royal (PR of September 22, 2020), who can acquire a 50% interest from Azimut by spending \$4 million in exploration expenditures over four (4) years and a further 20% interest with an additional investment of \$3 million and the delivery of a preliminary economic assessment. As at May 31, 2022, the Company had cumulatively incurred \$947,000 (\$200 – Q2 2021) on behalf of Mont Royal for a heliborne magnetic survey, structural study, systematic till sampling and prospecting program. The amount was charged back to Mont Royal in full. Mont Royal is renewing its option on the property for the second year and has given the Company an option payment of \$20,000.

The road to Newmont’s Eleonore mine passes through the eastern limit of Wapatik, and the Billy-Diamond Highway crosses its western end. Three powerlines also traverse the property. Wapatik covers a largely underexplored part of the same Archean greenstone belt that hosts the Elmer gold discovery. Together, the two properties cover 60 kilometres of favourable geological strike in the belt.

On June 29, 2022, Azimut and Mont Royal announced they had discovered high-grade nickel-copper massive sulphide mineralization (**2.68% Ni, 1.30% Cu and 0.09% Co over 3.30 m**) during their maiden 4-hole (1,068 m) diamond drilling program on the main target, a kilometre-scale ultramafic intrusion (~1,000 metres by 400 metres) that was recognized for the first time during the initial exploration program in 2021 (PRs of October 25 and December 7, 2021; **Figure 9**). A minimum

6-hole (1,050-metre) follow-up program is underway to further delineate the shape and extent of this discovery. The \$800,000 partner-funded exploration program, for which Azimut is the operator, also included a very responsive electromagnetic (“SQUID”) ground survey and modelling, which guided the maiden drilling program (completed; PRs of January 31 and April 19, 2022; **Figure 10**). Other attractive targets within the intrusion may also be drill-tested during the follow-up program, and the Company will also continue to assess the gold targets present on the property (sheared iron formations and volcanics associated with gold- in-till anomalies).

Maiden drilling program

The main highlight of the 4-hole (1,068 m) maiden diamond drilling program was an interval from 143.4 m to 146.7 m in hole WAP22-003 (vertical depth of 110 metres; **Figure 11**):

2.68% Ni, 1.30% Cu, 0.09% Co over 3.30 m, including

3.63% Ni, 0.48% Cu, 0.12% Co over 1.0 m, and

3.04% Ni, 0.75% Cu, 0.10% Co over 1.1 m

This interval is one of the best nickel-copper results recorded in the James Bay region, based on public data (SIGEOM database, Government of Quebec). It strongly supports Azimut’s view that the region is underexplored for nickel-copper deposits despite its favourable geological context. The interval indicates the potential for sulphide accumulation at the bottom of the intrusion with an interpreted basin-shaped geometry, supported by 3D magnetic inversion modelling.

The massive to semi-massive sulphide mineralization in the interval comprises coarse-grained pentlandite, chalcopyrite and pyrrhotite. It displays brecciated textures containing angular to subangular fragments of ultramafic rocks and metasediments. The mineralized section is schematically positioned at the interface between overlying ultramafic intrusive rocks and underlying foliated host rocks dominated by pyrrhotite-bearing metasediments.

The drilling program was drilled by Chibougamau Drilling Ltd of Chibougamau (Quebec) using BTW core. The holes still need to be fully described and assayed. The program was designed to test conductors identified by the SQUID survey. All core samples were sent to ALS Laboratories in Val-d’Or to be analyzed for a 48-element suite using ICP. High-grade nickel and copper samples were analyzed using 4-acid digestion and ICP-AES finish. Gold, platinum and palladium were analyzed using lead oxide collection fire assay and ICP-AES finish. Azimut applies industry-standard QA/QC procedures to its drilling programs. All batches sent for analysis include certified reference materials, blanks, and field duplicates.

Pulse-EM borehole surveys were performed by TMC Geophysics of Val-d’Or to maximize the search radius for each hole and provide information about the possible extension of any conductors encountered. Survey results revealed in-hole and off-hole anomalies, notably in hole WAP22-003.

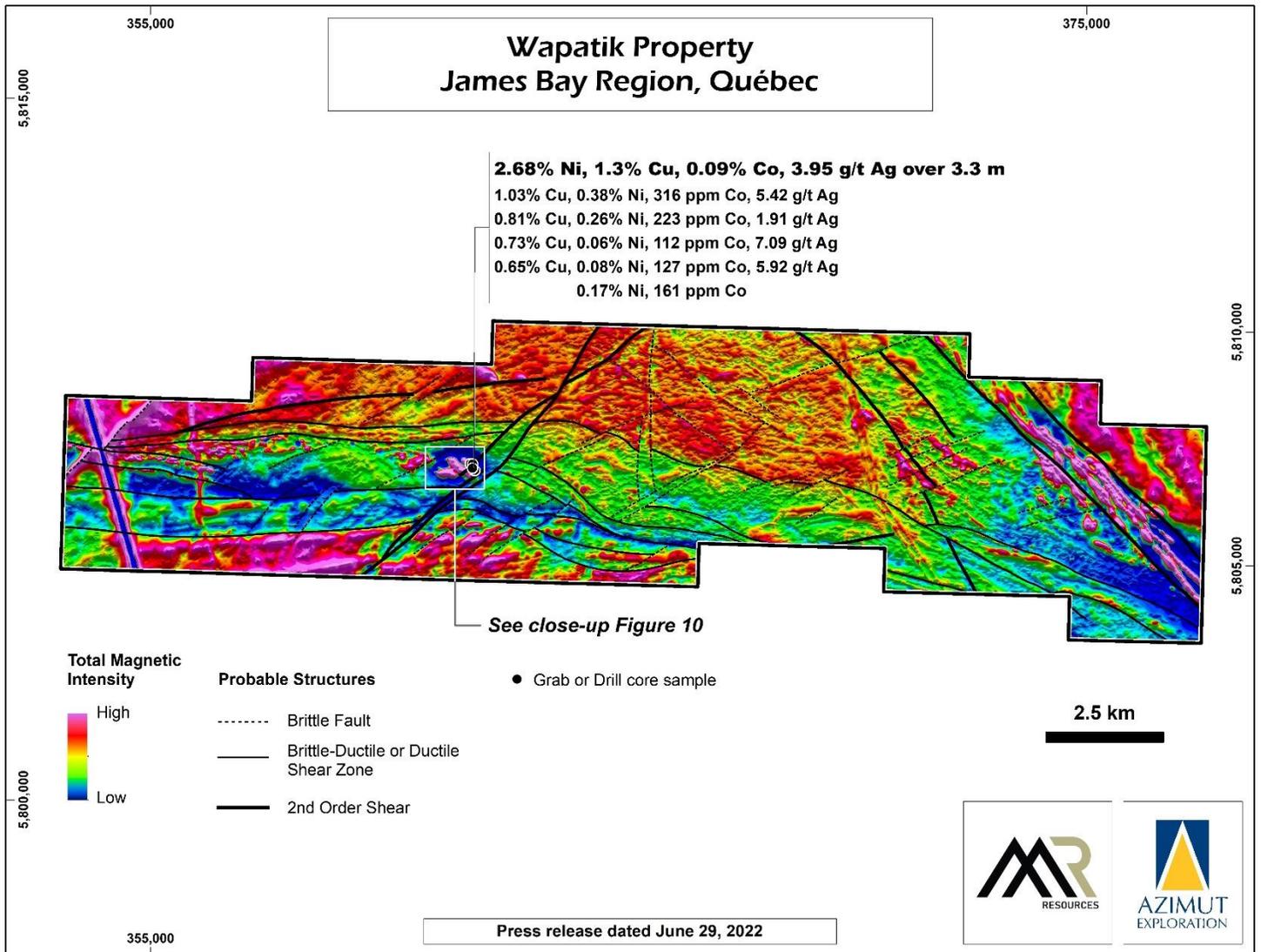
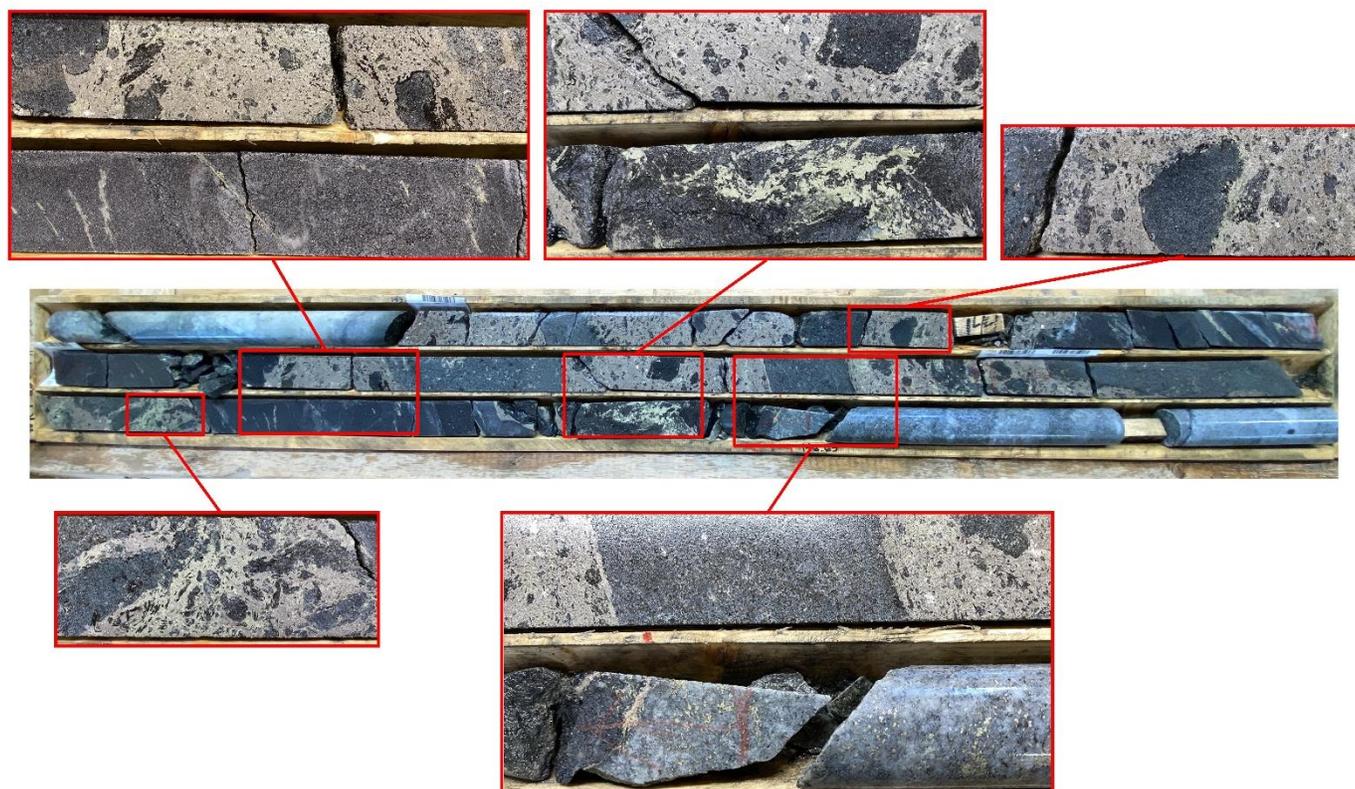


Figure 9: Magnetic map of the Wapatik Property showing structures and the locations of known mineralization.

Wapatik Property, James Bay Region, Québec



Hole WAP22-003

Interval grading **2.68% Ni, 1.30% Cu, 0.09% Co** over **3.30 m** (from 143.40 m to 146.70 m) along the hole.

Press release dated June 29, 2022

Figure 11: Photographs of mineralized core from the ultramafic intrusion on the Wapatik Property.

Munischiwan (Au-Ag-Cu)

The Munischiwan Property is a 50/50 JV project with SOQUEM. It lies about 85 kilometres from the Cree community of Eastmain on the east coast of James Bay. The Billy-Diamond Highway passes through the property. The project partly covers a well-defined As-Ag-Bi-Cu-Sb anomaly in LBS within the Lower Eastmain greenstone belt of the La Grande Subprovince, accompanied by favourable geophysical, geological and structural criteria. Target deposit types are intrusion-related and shear zone-hosted.

The main showing on the Munischiwan Property is the kilometre-scale **Insight Prospect**, an outcropping Au-Cu-Ag zone roughly 600 by 150 metres at surface, with a best grab sample grade of 100.5 g/t Au, 151.0 g/t Ag, 156.0 g/t Te and 0.14% Cu. The zone dips about 30° to the east, is open in all directions, and coincides with a 300- by 1,000-metre IP anomaly striking NNW-SSE. Mineralization consists of disseminated chalcopyrite and quartz veins or veinlets hosted in foliated metasediments affected by strong biotite alteration. An additional gold showing 600 metres to the south (2.42 g/t Au) could be an extension.

Pilipas (Au)

The wholly-owned Pilipas Property covers the immediate potential extension of Munischiwan's Insight Prospect (Au-Ag-Cu) based on structural and IP data. Like Munischiwan, Pilipas is underlain by volcano-sedimentary rocks of the Lower Eastmain greenstone belt. The main targets are intrusion-related systems, volcanogenic massive sulphides, iron formation-hosted mineralization and gold-bearing shear zones. The Billy-Diamond Highway passes through the centre of Pilipas.

TRANS-TAIGA ROAD SECTOR

Azimut's portfolio includes a group of properties near the Trans-Taiga Road in the northern part of the James Bay region. The Trans-Taiga Road is a 582-kilometre gravel highway that extends eastward from the Billy-Diamond Highway. It was built to access to Hydro-Québec's hydroelectric generating stations along the La Grande and Caniapiscou rivers.

Corvet (Au-Cu)

The wholly-owned Corvet Property lies next to the Trans-Taiga Road, south of the Pikwa Property and west of Lac de la Corvette. It is 55 kilometres southwest of the La Grande-4 airstrip and 225 kilometres east-southeast of Radisson. The property straddles the La Grande–Opinaca boundary and displays a strong multi-element (Ag-As-Bi-Cu-Sb) spatial association in LBS.

Kaanaayaa (Cu-Au, Cu-Ni)

The wholly-owned Kaanaayaa Property is located 35 kilometres south of the Trans-Taiga Road and a Hydro-Québec powerline and 42 kilometres south of the LG-4 airport. Kaanaayaa is attractive for its strong regional-scale LBS footprint (bismuth, silver, molybdenum, copper and tungsten) and favourable geology marked by metasediments and mafic to intermediate volcanics cut by several small but potentially fertile granitic intrusions. The property's polymetallic footprint is comparable to that of the Copperfield Trend on the Pikwa Property, 15 km to the northwest. Historical exploration is limited. An adjacent property, jointly held by Osisko Exploration James Bay Inc. and Newmont, hosts several significant gold prospects, including the Marco Prospect (1.07 g/t Au over 27.0 m and 10.1 g/t Au over 5.2 m) and the Contact West Zone (11.82 g/t Au over 4.7 m).

Kukamas (Cu-Au)

The wholly-owned Kukamas Property is located 4 kilometres north of the Trans-Taiga Road and the LG-3 airstrip (Km 100), along an access road leading to the LG-3 hydroelectric generating station just north of the property. The nearest town is Radisson, 80 kilometres to the north-northwest. The project includes one of the strongest geochemical footprints for copper-gold systems in the James Bay region, characterized by regional-scale silver, arsenic, copper and antimony LBS signatures. The geology is characterized by sheared metasediments of La Grande Subprovince, including iron formations and metavolcanics surrounding granitic intrusions. Numerous prospects sit on or adjacent to the property. Grab samples collected on the project graded up to 3.46 g/t Au and 20.7 % Cu. Historical work includes 27 drill holes and roughly 360 grab samples. Most of this work took place between 1995 and 2013.

Pikwa (Au-Cu-Co-Mo)

The Pikwa Property is a 50/50 JV project with SOQUEM, located 2 kilometres south of the Trans-Taiga Road, 40 kilometres east of the LG-3 hydroelectric generating station, and roughly 300 kilometres east of the Cree community of Wemindji. Geologically, it is situated in the La Grande Subprovince. The target of interest is the 20-kilometre-long **Copperfield Trend**, a copper-gold target characterized by a regional LBS anomaly (arsenic-bismuth-copper) and an extensive magnetic high. Based on publicly available information, a mineralized system on the adjacent Mythril Property (Midland Exploration Inc.) appears to be on strike with the Copperfield Trend. The aim of the Company's ongoing data compilation is to reassess the property's potential. Several features of the Copperfield Trend suggest it may represent an Archean analogue to Sweden's giant Paleoproterozoic Aitik porphyry deposit (Cu-Au-Ag-Mo) (PR of October 16, 2019). The Aitik mine provides valuable parameters regarding geometry, size and grades that could optimize the exploration strategy at Pikwa.

The Copperfield Trend is characterized by several spatially correlated features, notably a continuous IP corridor 10 kilometres long by up to 400 metres wide, coincident magnetic highs, EM conductors, a strong polymetallic (copper-gold-silver-molybdenum) soil anomaly, and mineralized outcrops and boulders in the easternmost part where the overburden is the thinnest. The results to date suggest a significant copper-gold system centred on the 10-kilometre-long **Copperfield East Target**. A maiden drilling program in 2020 (11 holes for 2,085 m) has partly tested this target area. Collectively, the data point to a Cu-Au-Ag-Mo porphyry system (already partly identified in mineralized outcrops) emplaced along the margins of an intrusion and subsequently sheared during regional-scale tectonic events. The main host rock is biotite-rich gneiss (presumably altered metadiorite or granodiorite). The dominant copper mineral is chalcopyrite (disseminations or semi-massive veins and veinlets) accompanied by frequent bornite and chalcocite and lesser amounts of malachite and occasional azurite. Other sulphides include molybdenite and, less frequently, pyrite and pyrrhotite. Alteration in the host rocks is expressed by varying degrees of potassic alteration (biotite and potassium feldspar), sericite, epidote, chlorite and magnetite. Mineralization generally occurs along foliation planes, often associated with quartz veinlets. Foliation strikes ENE-WSW and dips 50° to 60° to the south.

Pontois (Au)

The Pontois Property is a 50/50 JV project with SOQUEM. The property is situated several kilometres south of the LG-4 hydroelectric generating station and is crossed by the Trans-Taiga Road (Km 316). It covers part of the underexplored sheared La Grande greenstone belt, corresponding to a strong As-Sb-W signature in LBS in a favourable geological and structural setting. Azimut's prospecting work led to the discovery of the **Black Hole Prospect** (6.02 g/t Au, 2.56 g/t Au and 0.90 g/t Au), 40 metres long by 20 metres wide and open along strike in both directions. Other anomalous metals include silver and tellurium. Gold is hosted in mafic metavolcanics and intrusive dykes carrying quartz veins and fine disseminated pyrite near a sheared contact with metasediments.

ELEONORE GOLD CAMP

Azimut acquired extensive holdings both before and after the Eleonore gold discovery in 2004 based on the targeting results of its regional-scale gold potential modelling. As a result, the Company gained one of the leading property positions in the area. The Eleonore mine, owned by Newmont, is one of the largest gold mines in Quebec and is considered a world-class, state-of-the-art facility. Annual gold production is 246,000 ounces (as at 2020 year-end). Newmont's latest reserve and resource statement comprises proven and probable reserves of 11.20 Mt at 5.05 g/t Au for 1.82 Moz of gold, measured and indicated resources of 2.00 Mt at 4.86 g/t Au for 0.31 Moz, and inferred resources of 3.80 Mt at 5.28 g/t Au for 0.65 Moz (NI 43-101 compliant estimate as of December 31, 2021; Newmont PR of February 24, 2022).

Eleonore South (Au)

The Eleonore South Property is located in a highly prospective part of the Eleonore Gold Camp, only 10 kilometres south of the Eleonore mine. The project is subject to a three-party agreement with Les Mines Opinaca and Fury Gold. An NSR royalty applies to 116 claims (60.3 km²), payable to Newmont, Les Mines Opinaca Ltée, and Osisko Exploration James Bay Inc. As at July 12, 2022, a new budget is under consideration for the upcoming field season.

The property has been the subject of three major joint exploration programs, including diamond drilling, that focused primarily on a large gold-bearing system in the eastern part of the property. This gold corridor is at least 2 kilometres long by 600 to 700 metres wide in the Cheechoo tonalite intrusion and up to its contact with the metasedimentary country rocks. Highlights include 7.44 g/t Au over 9.7 m (including 63.3 g/t Au over 0.8 m) and 1.02 g/t Au over 92.0 m (including 7.36 g/t Au over 8.2 m). Mineralization remains open to the southwest but extends northeastward towards a discovery by Sirios Resources Ltd ("Sirios") on the adjacent Cheechoo Property (in-pit inferred resources of 93 Mt at 0.65 g/t Au for 1.96 M oz using a 0.25 g/t Au cut-off; Sirios PR dated November 17, 2020). Some of the holes drilled by Sirios were collared as close as 12 metres from Azimut's property boundary.

The corridor has two main trends, the **Moni Trend** and the **Contact Trend**, characterized by consistent anomalous gold values (>0.5 g/t Au), networks of quartz veins and veinlets, strong sodic alteration, very low sulphide concentrations (<0.5%) and frequent native gold grains. The metasedimentary-hosted **JT Prospect**, 2.5 kilometres to the west, is also near the intrusive-metasedimentary contact, where the sedimentary sequences display comparable characteristics with the stratigraphy hosting the Eleonore gold mine 12 kilometres to the northwest. Drilling results indicate the Cheechoo tonalite is mineralized in the JT area, suggesting a potential extension of the Contact Trend to form a semi-ring shape approximately 5.5 kilometres long.

ROUTE 167 SECTOR

Route 167 is a permanent all-season road that connects the provincial highway network to the Renard diamond mine of Stornoway Diamonds (Canada) Inc. ("Stornoway") via the communities of Mistissini and Chibougamau (see **Figure 2**). The Government of Quebec has proposed a second phase that would extend Route 167 northward for approximately 125 kilometres to connect with the Trans-Taiga Road.

Galinée (Au)

The 36-kilometre-long Galinée Property is a 50/50 JV project with SOQUEM, located about 50 kilometres north-northwest of Stornoway's Renard mine and 60 kilometres south of the Trans-Taiga Road. The property is underlain by the La Grande Subprovince, about 15 kilometres north of its contact with the Opinaca Subprovince. The property provides a controlling position over an extensive LBS anomaly marked by a strong arsenic-bismuth-antimony footprint, accompanied by favourable geophysical, geological and structural criteria. Target deposit types are shear zone-hosted and intrusion-related. Azimut's prospecting work led to the discovery of the subcropping, tonalite-hosted **Gamora Prospect** (up to 2.17 g/t Au). About 5 kilometres to the west, a gold grain dispersal train in till yielded a sample containing up to 688 gold grains, including pristine grains, suggesting a proximal common source.

Corne (Cu-Au)

The wholly-owned Corne Property lies about 25 kilometres west of Route 167. It covers 17 kilometres of a well-marked copper-bismuth-arsenic LBS anomaly in the metasedimentary Opinaca Subprovince, close to the boundary with the Opatica Subprovince. The property has seen very limited exploration.

JBN (Ni)

In 2021, the Company acquired a new portfolio of 57 attractive nickel targets by map designation, collectively forming the JBN Project (PR of November 30, 2021). In 2022, the Company doubled the project's land holdings to 2,063 map-designated claims (1,070 km²) in 80 distinct claim blocks (PR of July 5, 2022). The targets are widely distributed, but most lie between Route 167 and the Eastmain Reservoir. The Company's management considers the James Bay region to be underexplored for nickel. Project generation was mainly driven through Azimut's advanced processing of regional-scale geophysical, geochemical and geological data. Most of the targets correspond to hectometre- to kilometre-scale mafic to ultramafic intrusions, likely representing subvolcanic conduits, dykes and sills intruded in volcano-sedimentary sequences. Most of the acquired targets display little or no past exploration history. The exploration concept supporting this claim position is based on a specific high-grade nickel deposit model, best illustrated by the Eagle's Nest deposit in the Ring of Fire (Ontario, Canada) and the Eagle deposit in Michigan (USA). The JBN Project also presents a significant potential for copper, cobalt and platinum group elements, which are commonly associated with nickel deposits. All these commodities will be in high demand in the long term, given the current global energy transition period. Azimut is implementing efficient in-house exploration protocols to rapidly validate and advance these targets to the drilling stage.

ROUTE 389 SECTOR

The main infrastructure in the far eastern part of the James Bay region is Route 389, a 570-kilometre-long highway between the city of Baie-Comeau in Quebec and the Newfoundland-Labrador border. A 10-year federal-provincial joint improvement program, already underway, will improve access to lands north of the 49th parallel in this area.

Desceliers (Au-Cu)

The Desceliers Property is a 50/50 JV project with SOQUEM, approximately 150 kilometres west of Route 389. It is underlain by Archean rocks of the Opinaca Subprovince and is characterized by a strong geochemical signature of Au-As-Cu-W in LBS, accompanied by favourable geophysical criteria. The property is attractive for the nature and size of its geochemical footprint (an especially strong Au-Cu association) and the untested potential of the area. Work to date by Azimut and SOQUEM has defined several robust targets, namely for iron oxide copper-gold ("IOCG") and magmatic Ni-Cu deposits.

Mercator (Cu-Ni-Co)

The wholly-owned Mercator Property is 22 kilometres long by 16 kilometres wide, located roughly 100 kilometres west of Route 389. Geologically, it lies in the Opinaca Subprovince at the boundary with the Ashuanipi Subprovince. The property displays strong geochemical signatures in LBS, including copper, bismuth, molybdenum and, more locally, nickel and cobalt. This area has no record of past exploration.

NUNAVIK REGION - EXPLORATION UPDATES

In Nunavik, the region in Northern Quebec above the 55th parallel, Azimut holds five (5) properties on which the Company has been active since September 1, 2020 (**Figure 12**). Management believes the region offers significant potential for commodities deemed critical or strategic by the Quebec and Canadian governments, specifically copper, tellurium, bismuth, tungsten, tin, molybdenum, rhenium, indium and rare earth elements ("REE"). The Company also recognizes the region's potential for gold, uranium and diamonds.

Two of the Nunavik properties, Rex-Duquet and Rex South, provide the Company with a controlling land position over a vast underexplored region, the **Rex Trend**, which is characterized by a strong 300-kilometre-long copper anomaly in LBS, coupled with a strong 100-kilometre-long REE anomaly. The main targets are IOCG deposits, reduced intrusion-related gold-polymetallic systems, copper-gold mineralization in shear zones, and volcanogenic massive sulphides. A comparison can be made between the Rex Trend context and the world-class Carajás Mineral Province in Brazil. The latter hosts several large IOCG deposits and intrusion-related Cu-Au-(W-Bi-Sn) and W deposits associated with anorogenic granite intrusions.

The following sections describe the Nunavik properties on which the Company has been active since September 1, 2020. For additional details, see the Company's annual MD&A for the year ended August 31, 2021, and the Company's website (www.azimut-exploration.com).

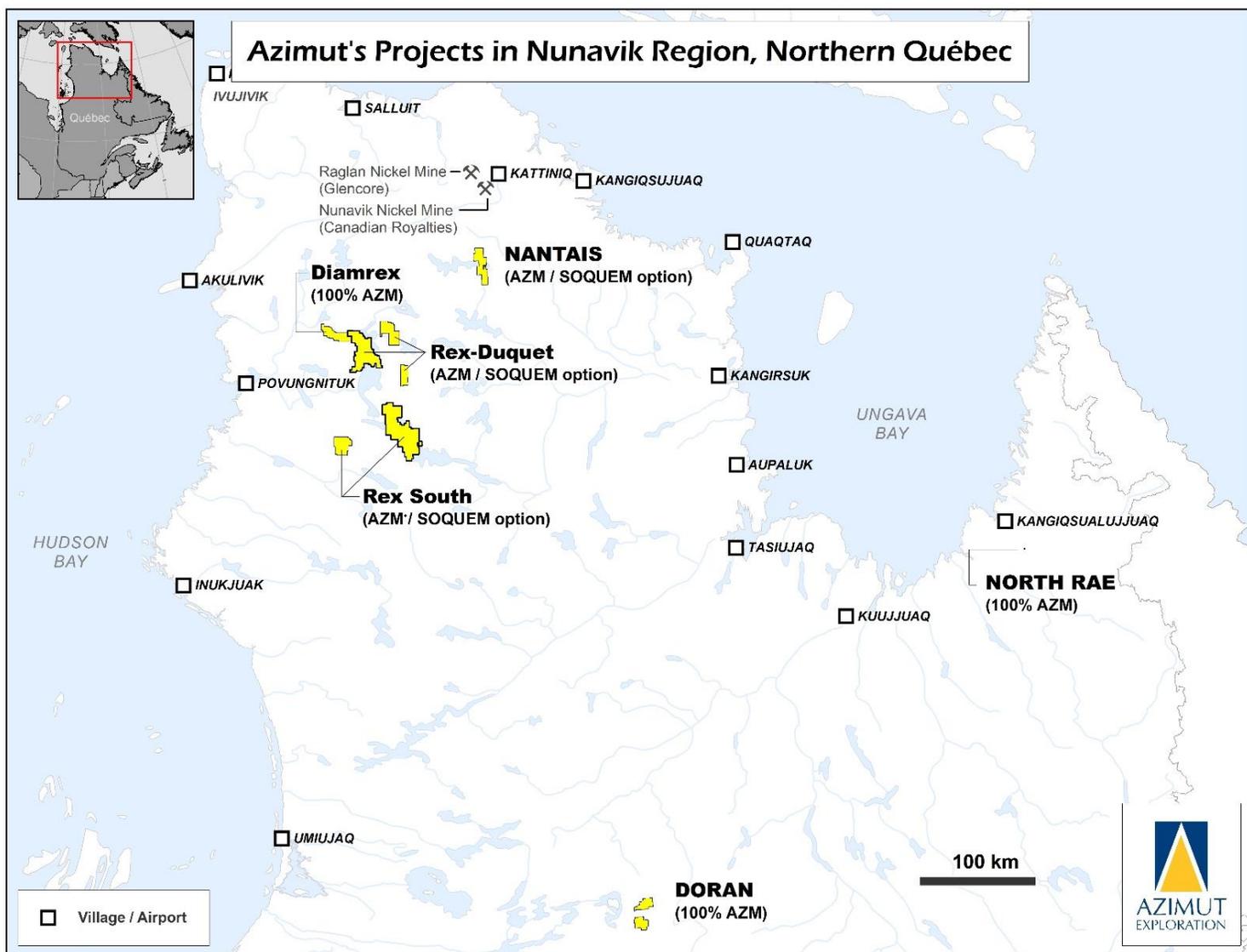


Figure 12: Map of Azimut’s Nunavik property portfolio as at July 12, 2022.

Rex-Duquet (Au-Ag-Cu-REE)

The wholly-owned Rex-Duquet Property occupies the northern segment of the Rex Trend. The claim blocks are spread over 80 kilometres and were two properties before becoming amalgamated under the Nunavik Alliance. All the rights, titles and interests in the former Duquet Property were transferred to the Company in consideration of an aggregate 2.25% NSR on those claims, with a 0.75% NSR payable to each of the three previous joint owners (Osisko Exploration James Bay Inc., Newmont Northern Mining ULC and SOQUEM). In Q3 2022, on behalf of SOQUEM, the Company incurred \$76,000 in claim renewals (\$15,000 – Q3 2021) and \$192,000 (\$736,000 – Q3 2021) in exploration expenditures, all charged back to SOQUEM in full.

The Rex-Duquet Property demonstrates evidence for district-scale IOCG mineralization associated with brittle structures and characterized by copper-dominant values accompanied by magnetite, hematite and pervasive potassic alteration, primarily represented by the RBL, Mousquetaires and CM zones.

The Rex-Duquet component of the summer 2021 SOQUEM-funded Nunavik Alliance exploration program consisted of diamond drilling (2,152 m in 12 holes), geophysics (IP and magnetics) and channel sampling (PR of September 15, 2021). The latest set of acquired data is being reviewed. The key features of the drill-tested target zones (**Figure 13**) are summarized below. All assays correspond to previously reported results.

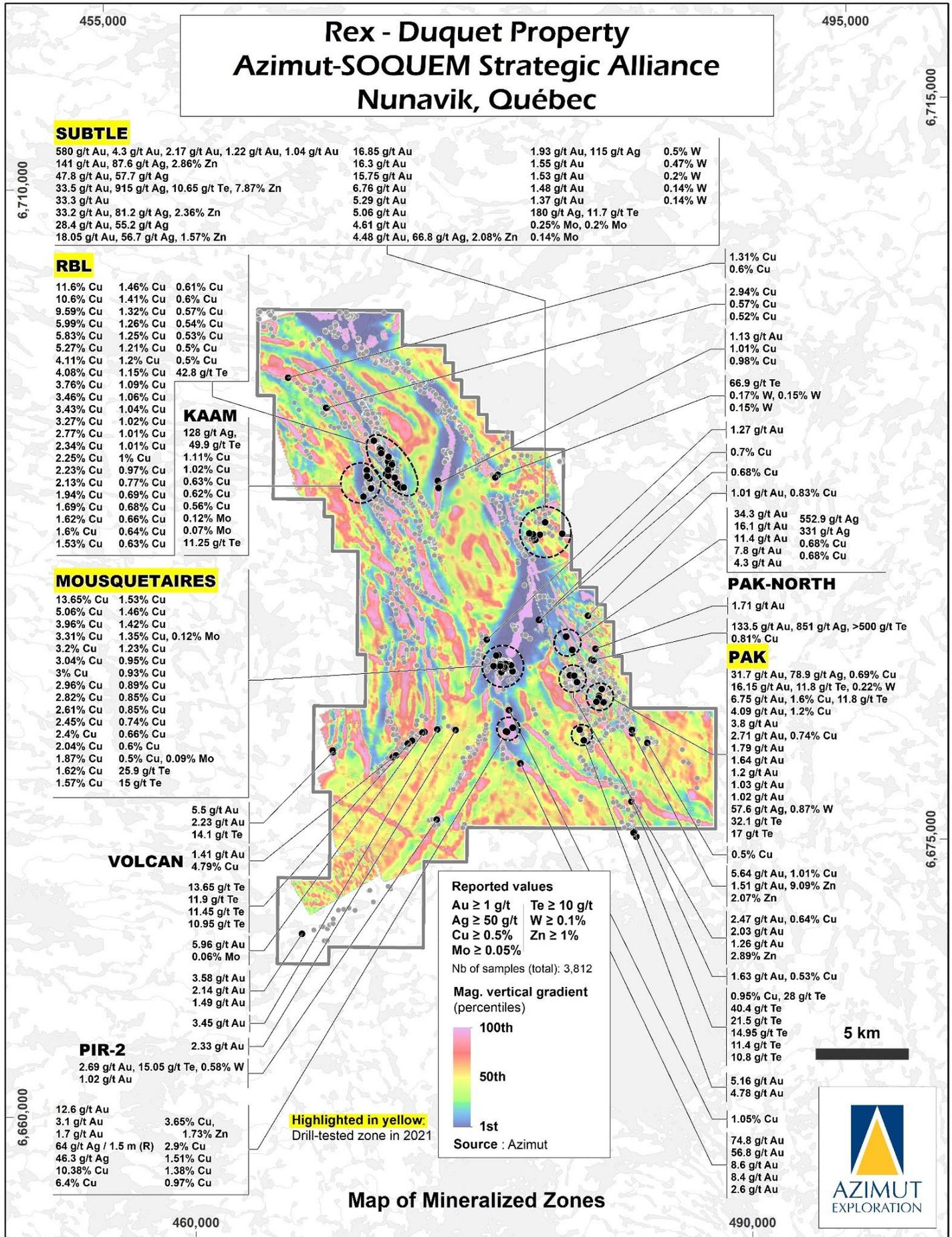


Figure 13: Map of the Rex-Duquet Property (main “A” block) showing the best grab and channel sample results.

RBL Zone

The RBL Zone is at least 3 kilometres long by 50 to 200 metres wide, with up to 11.3% Cu in grab samples. Mineralization primarily consists of chalcopyrite (lesser digenite, covellite) and pyrite. Copper mineralization is present as disseminations or in veinlets, stockworks, centimetric to decimetric massive sulphide blebs, semi-massive veins and breccia cement. RBL exhibits characteristics of a major IOCG-type hydrothermal-magmatic system with possible significant down-dip extensions.

Mousquetaires Zone

Mousquetaires is a target zone at least 1.5 kilometres long by 200 metres wide related to a copper-bearing brittle fault cutting a foliated iron formation. The zone returned grades up to 13.65% Cu, 0.12% Mo, 25.9 g/t Te and 14.25 g/t Re from different grab samples. This zone may represent the strike extension of the RBL Zone located 10 kilometres to the north-northwest.

Subtle Zone

The Subtle target zone is recognized over an area 500 metres long by 150 metres wide, striking NNW with a subvertical dip and largely open along strike. It is interpreted as a shear-hosted mineralized system, returning best grab sample grades of 580 g/t Au, 915 g/t Ag and 7.87% Zn, including up to 11.7 g/t Te, 0.5% W and 0.25% Mo.

PAK Zone and PAK North Zone

These zones lie on strike with the Subtle Zone. They form a group of 10 prospects spread over 7 kilometres that yielded up to 133.5 g/t Au, 851 g/t Ag, 9.09% Zn, >500 g/t Te, 1.6% Cu and 0.87% W in grab samples and proximal boulders.

Rex South (Au-Ag-Cu-W-REE)

The wholly-owned Rex South Property occupies the southern segment of the Rex Trend. In Q3 2022, on behalf of SOQUEM, the Company incurred \$81,000 in claim renewals (\$51,000 – Q3 2021) and \$239,000 (\$976,000 – Q3 2021) in exploration expenditures, which were charged back to SOQUEM in full.

The Rex South component of the summer 2021 SOQUEM-funded Nunavik Alliance exploration program consisted of diamond drilling (738 m in 5 holes), geophysics (IP and magnetics) and channel sampling (PR of September 15, 2021). The latest set of acquired data is being reviewed. The key features of the drill-tested target zones (**Figure 14** and **Figure 15**) are summarized below. All assays correspond to previously reported results.

Overall, the Rex South Property demonstrates evidence for two types of district-scale mineralized systems:

1. Intrusion-related polymetallic system associated with an oval (5 km by 15 km) fluorite-topaz-bearing A-type intrusive complex (the “QIC”). This includes the Augossan, Anorthosite, Copperton, Dragon, Lebreuil and Boreal zones and the Pegor and Ferrus prospects. Considerable additional exploration potential exists along the 30-kilometre contact between the QIC and the volcano-sedimentary host rocks, as well as within the intrusion itself. The Aura-Pegor and Lebreuil zones, both characterized by abundant tourmaline and lesser fluorite, may represent a less eroded part of the system (possible roof zones) along the northwest and southeast extensions of the trend. The QIC mineralized system has several features in common with the Breves deposit in Brazil (50 Mt @ 1.22% Cu, 0.75 g/t Au, 2.4 g/t Ag, 0.12% W, 70 ppm Sn, 175 ppm Mo, and 75 ppm Bi), particularly the presence of fluorite, tourmaline, chalcopyrite, pyrite, arsenopyrite, wolframite, cassiterite, bismuthinite and native bismuth.
2. IOCG mineralization associated with brittle structures and copper-dominant values (Jemima Zone, Sombrero Prospect, Impact Prospect). Mineralization is accompanied by magnetite, hematite and pervasive potassic alteration.

Augossan Zone

The Augossan Zone represents a large polymetallic envelope (Au, Ag, Cu, W, Sn, Te, Bi, Rb, Mo) about 8 kilometres long by 100 to 350 metres wide at the contact between the QIC and volcano-sedimentary rocks. The zone remains open in all directions, notably toward the intrusion. Grab samples returned grades of up to 47.2 g/t Au, 90.0 g/t Ag, 2.56% Cu, 60.8 g/t Te, 4.62% W, 7.53% Sn, 0.36% Mo, 0.77% Bi, and 0.25% Rb in grab samples. Channel sampling yielded 7.53% Sn, 0.72% W and 0.14% Cu over 2.7 m. RC drilling highlights include: 0.14% W over 15.24 m, 0.12% W and 0.35% Cu over 7.62 m; 1.28 g/t Au, 8.41 g/t Ag and 0.12% Cu over 6.1 m; 1.10 g/t Au and 2.60 g/t Ag over 9.14 m. Augossan represents the first reported occurrence of significant tungsten grades in the Nunavik region.

Copperton Zone

The Copperton Zone, 3.5 kilometres long by 20 to 100 metres wide, is hosted in a variably sheared, steeply dipping feldspathic intrusion and amphibolites and gneissic metasediments. Mineralization is disseminated to semi-massive chalcopyrite, pyrite and pyrrhotite. The best grades were 9.56 g/t Au, 82.7 g/t Ag, 9.56% Cu, 38.4 g/t Te and 0.23% W in various grab samples.

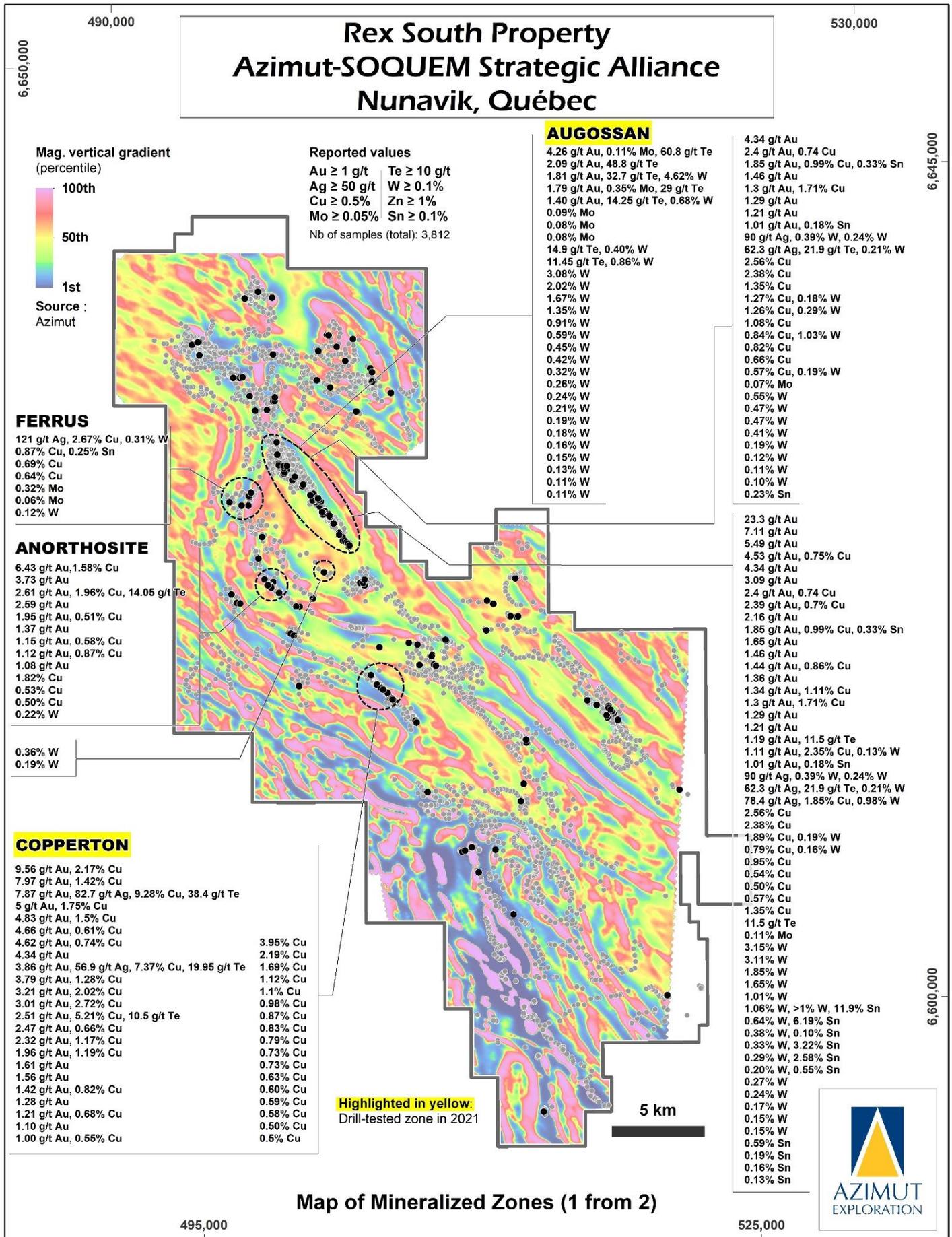


Figure 14: Map of the Rex South Property showing some of the significant zones and best grab samples (more in next figure).

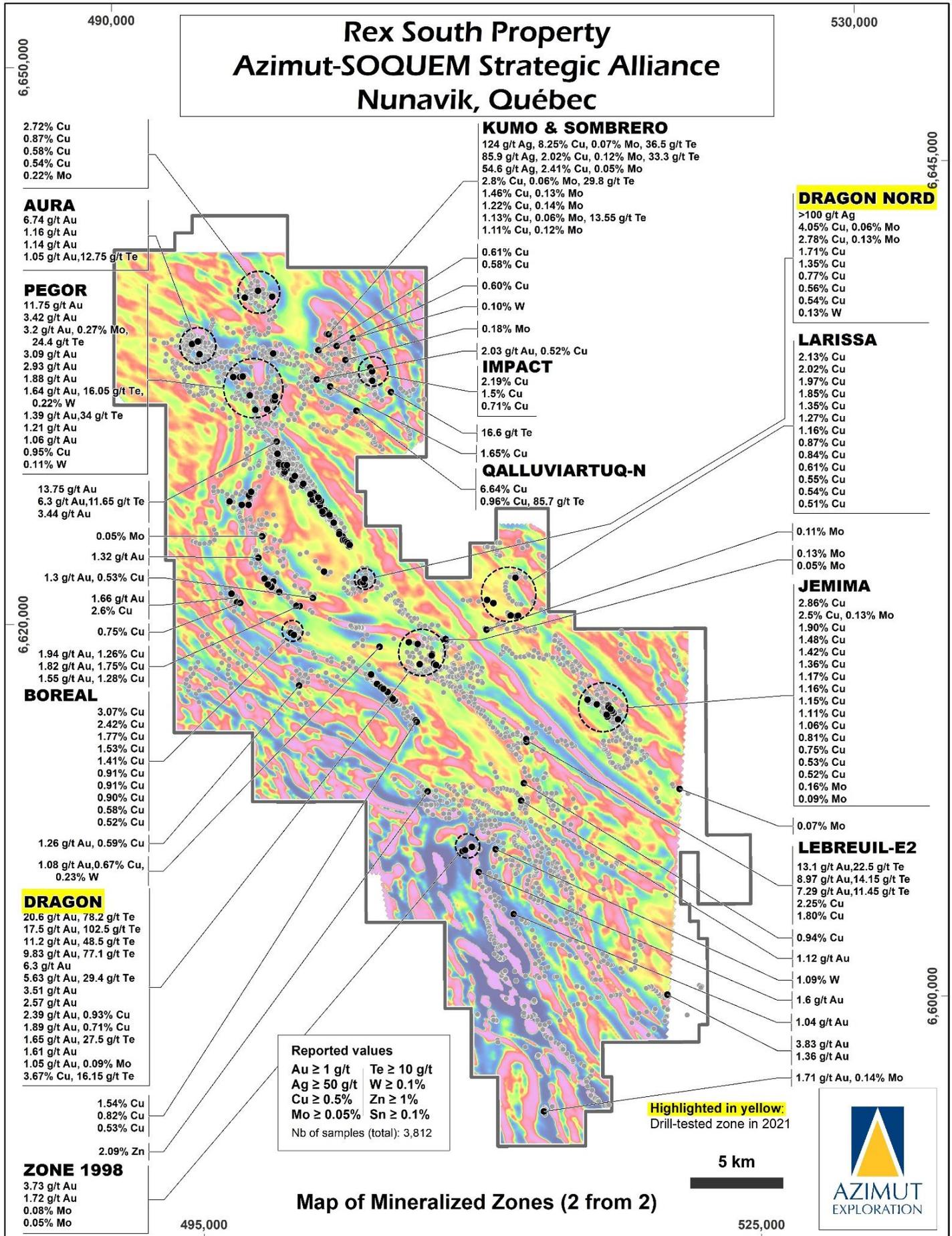


Figure 15: Map of the Rex South Property showing the remaining significant zones and best results to date.

Dragon North Zone

The Dragon North target zone, 450 metres long by 90 metres wide, is hosted in foliated mafic and felsic volcanics striking NW and dipping to the NE. Mineralization is mainly chalcopyrite accompanied by lesser pyrite and magnetite. The best grab samples are 4.05% Cu, 0.6% Mo and 2.78% Cu, 0.13% Mo. Alteration is mainly silicification.

Dragon Zone

The Dragon Zone, roughly 2 kilometres in strike length, is hosted in felsic orthogneiss. Mineralization occurs as chalcopyrite in quartz veins and veinlets associated with tourmaline. Alteration is marked by epidote and hematite. The best grades from grab samples are 3.67% Cu, 11.2 g/t Au and 48.5 g/t Te.

Anorthosite Zone

A few reconnaissance holes and the prospecting data for this gold-copper-tungsten zone have outlined a preliminary envelope 4 kilometres long by 200 metres wide, with Au, Ag, Cu, W and Te mineralization.

Aura–Pegor Zone

The Aura–Pegor Zone, 2 kilometres long, is characterized by disseminated pyrite and strong alteration, including tourmaline in veinlets or stockworks accompanied by silica and albite. Grab sample grades range from 0.5 g/t Au to 11.75 g/t Au, with anomalous values in copper (up to 0.37% Cu), tungsten (up to 0.06% W), bismuth (up to 0.14% Bi) and tellurium (up to 34 g/t Te).

Jemima Zone

The Jemima Zone, 2 kilometres long by 30 to 100 metres wide, is characterized by disseminated to semi-massive chalcopyrite and bornite associated with hematite-magnetite in veins, veinlets or breccia cement, accompanied by strong pervasive potassic alteration, silica, chlorite and epidote. Grab sample assays ranged from 0.5% to 2.86% Cu, with molybdenum and rhenium contents of up to 0.17% Mo and up to 0.422 g/t Re.

Nantais (Au-Ag-Cu-Zn)

This wholly-owned Nantais Property lies about 110 kilometres east of the Rex Trend, 80 kilometres south of Glencore's Raglan nickel mine and 115 kilometres southwest of the Inuit village of Kangiqsujuaq. It covers 32 kilometres of an underexplored greenstone belt in the Nantais Complex of the Minto Block, a geological division of the Archean Superior Province. Three historical showings are present on the property. Target deposit types are gold-rich polymetallic VMS and shear zones.

In Q3 2022, on behalf of SOQUEM, the Company incurred \$6,000 in claim renewals (\$Nil – Q3 2021) and \$Nil (\$5,000 – Q3 2021) in exploration expenditures. The claim renewal fees were charged back to SOQUEM in full. Azimut and SOQUEM will continue the technical assessment of this property through the Nunavik Alliance program.

Prospecting results supported by other data have outlined a 1.6-kilometre-long gold-bearing area. Most grab samples were collected from angular boulders composed of sheared mafic volcanics with quartz veins and pyrite (best grade of 6.91 g/t Au, 16.4 g/t Ag and 0.22% Cu). Infill prospecting also improved the definition of a previously recognized polymetallic corridor, 3.1 kilometres long by up to 500 m wide, in the central part of the property. Mineralization (pyrrhotite, pyrite, chalcopyrite, arsenopyrite, sphalerite, galena) is hosted within a steeply dipping north-trending unit of mafic and felsic volcanic rocks (best grab sample grades of 17.4 g/t Au, 8.82 g/t Ag, 0.2% Cu and 245 g/t Ag, 1.62% Pb, 6.45% Zn).

Doran (Cu)

The wholly-owned Doran Property is of interest for its copper potential. A chalcocite showing in a granite outcrop yielded >40% Cu and 12 g/t Ag. Abundant hematite veinlets, some silicification, and lesser amounts of disseminated pyrite and pyrrhotite were also observed. A major structure in the showing area correlates with a 25-kilometre copper anomaly in LBS (up to 316 ppm Cu).

Diamrex (diamonds)

The wholly-owned Diamrex Property is adjacent to the western limit of the Rex-Duquet Property. The claim blocks are spread over an area measuring 25 kilometres (east-west) by 15 kilometres (north-south). Azimut conducted generative work to assess the potential for diamond targets related to the deep-seated structural corridor known as the Allemand-Tasiat Zone. The Diamrex Property covers several targets of interest generated by that work. The Allemand-Tasiat Zone has been recognized as prospective for diamonds by Quebec's Ministry of Energy and Natural Resources.

SELECTED FINANCIAL INFORMATION

	Three months ended		Nine months ended	
	May 31,		May 31,	
	2022 (\$)	2021 (\$)	2022 (\$)	2021 (\$)
Revenue				
Operator income	37,851	103,302	80,571	163,165
Expenses				
G&A	501,601	744,198	577,170	1,143,570
General exploration	21,521	92,100	147,558	284,760
Impairment of E&E assets	-	353,309	-	353,309
Interest income, net of finance costs	19,095	(4,974)	(21,603)	(11,504)
	542,217	1,184,633	703,125	1,770,135
Other loss (gain)	431	(26,150)	13,966	(34,307)
Deferred income tax recovery	1,560,032	-	3,383,776	881,470
Net income (loss) for the period	1,055,235	(1,055,182)	2,747,257	(691,194)
Basic and diluted income (loss) per share	0.013	(0.015)	0.034	(0.010)

RESULTS OF OPERATIONS

Q3 2022 COMPARED TO Q3 2021

The Company reported a net income of \$2.7 million for Q3 2022 compared to a net loss of \$691,000 for Q3 2021. The variation is mainly due to the non-cash items consisting of deferred income tax recovery related to tax deductions renounced by the Company to flow-through shareholders in the amount of \$3.4 million (\$881,000 – Q3 2021). Other significant variations are detailed below.

Revenue

The Company reported revenue of \$80,000 (\$163,000 – Q3 2021) in operator income. The decrease is mainly the result of less work performed on properties for which Azimut is the operator (the Nunavik Alliance and Wapatik properties) due to the low availability (or unavailability) of human resources and equipment.

Operating expenses

G&A expenses amounted to \$577,000 in Q3 2022 compared to \$1,144,000 in Q3 2021. The variation is mainly due to the net effect of the following: (i) stock-based compensation costs of \$57,000 (\$607,000 – Q3 2021); (ii) a reduction in professional fees (\$93,000 in Q3 2022 compared to \$184,000 in Q3 2021) due to no special mandate granted to the legal counsel, and (iii) \$92,000 (\$21,000 in Q3 2021) in business development and administration fees mainly incurred for OTC advisory services related to Azimut's listing on the OTCQX market and the update of the Company's website.

General exploration expenses were \$148,000 in Q3 2022 compared to \$285,000 in Q3 2021. The decrease is mainly due to stock-based compensation costs of \$113,000 (\$279,000 – Q3 2021), an expense that did not affect cash.

Other gain or loss

The Company reported other loss of \$14,000 for Q3 2022, compared to other gain of \$34,000 for Q3 2021. The variation was mainly due to the change in the fair value of the Company's investment in Captor Capital Corp.

OTHER INFORMATION

	May 31,	August 31,
	2022	2021
Cash and cash equivalents	\$20,107,147	\$27,641,849
Total assets	\$52,808,208	\$51,860,897
Shareholders' equity	\$47,394,651	\$44,332,440
Number of shares outstanding	82,093,844	81,753,844
Number of stock options outstanding	5,145,000	5,085,000
Number of underwriter's options outstanding	501,695	501,695

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

CASH FLOWS, LIQUIDITY AND CAPITAL RESOURCES

Azimut is currently in the exploration and evaluation stage and has not earned significant revenues.

FINANCIAL POSITION

The Company's working capital was \$19.1 million as at May 31, 2022, compared to \$25.0 million as at August 31, 2021. Management believes that the Company's current cash position is sufficient to continue advancing its flagship project, the Elmer Property, and to meet current commitments on a continuous basis for at least the next twelve (12) months. To pursue the Company's exploration and evaluation programs and operations beyond May 31, 2023, it will be necessary to periodically raise additional funds through the issuance of new equity instruments and/or the exercise of stock options and warrants and/or the signing of option agreements with partners on the Company's E&E assets. While the Company has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future, that sources of funding or initiatives will be available to the Company, or that they will be available on terms that are acceptable to the Company.

Total assets amounted to \$52.8 million as at May 31, 2022, compared to \$51.9 million as at August 31, 2021, owing mainly to the net cash used for exploration and evaluation programs and operations. The increase in amounts receivable was mainly due to \$2.4 million reclassified from a long-term receivable in anticipation of the results of the 2021 tax credit audit by Revenu Québec. The decrease in amounts receivable was mainly due to \$2.35 million received from partners related to the cash-call for work expenditures on the optioned properties of which the Company is the operator. The decrease in commodity taxes receivable was due to the amount received in full following an audit by Revenu Québec. The increase in E&E costs was incurred mainly in the James Bay region on the Elmer Property and the acquisition of the JBN Project. The decrease in current liabilities is largely due to the flow-through shares premium liability of \$16,000 (\$3.4 million – August 31, 2021) related to a tax recovery expense because \$10.6 million in eligible expenditures were incurred during the period.

OPERATING ACTIVITIES

In Q3 2022, net cash flows from operating activities amounted to \$325,000 compared to net cash flows of \$386,000 used for operating activities in Q3 2021. The variation is mainly from the net change in non-cash working capital, amounting to \$668,000 (\$63,000 – Q3 2021), consisting of the variation in amounts receivable related to the commodity taxes received of \$1.1 million after an audit conducted by Revenu Québec and the current input tax credit receivable. The net variation in accounts payable and accrued liabilities is mainly related to the Company's current operations.

FINANCING ACTIVITIES

The Company did not complete any non-brokered private placements in Q3 2022 compared to \$6.0 million in Q3 2021. A total of 340,000 stock options were exercised for total cash received of \$147,800 (\$64,000 – Q3 2021).

INVESTING ACTIVITIES

Investing activities consisted mainly of additions to E&E assets. In Q3 2022, the net cash flows used in investing activities totalled \$8.0 million compared to \$6.0 million in Q3 2021. The variation is attributable to the net effect of the following:

- Additions to E&E assets amounting to \$11.6 million (\$7.1 million – Q3 2021). The Company incurred significant costs in the James Bay region on the Elmer Property and through its acquisition of the JBN Project by staking;
- Advances received from partners in the amount of \$3.5 million (\$300,000 – Q3 2021) to conduct exploration work on the Rex-Duquet, Rex South, Nantais and Wapatik properties; and
- \$88,000 received for the Company's 2020 mining rights (\$814,000 – Q3 2021).

Advanced exploration work on the Company's properties and ongoing work to identify major early-stage exploration targets are pursuits that require substantial financial resources. In the past, the Company has been able to rely on its ability to raise financing in privately negotiated equity offerings. There is no assurance that the Company will be successful in raising additional funds in the future.

QUARTERLY INFORMATION

The information presented below details the total income (expenses), net earnings (loss), and net earnings (loss) per share for the last eight quarters. The information is based on the Company's financial statements prepared in accordance with IFRS.

Quarter ended	Income (expense) \$	Net earnings (loss) \$	Net earnings (loss) per share	
			Basic (\$)	Diluted (\$)
31-05-2022	37,420	* 1,055,235	0.013	0.013
28-02-2022	(1,220)	* 1,178,831	0.014	0.014
30-11-2021	30,405	* 513,191	0.006	0.006
31-08-2021	142,465	* 140,435	0.002	0.002
31-05-2021	129,451	** (1,055,182)	(0.015)	(0.015)
28-02-2021	53,549	* 181,873	0.003	0.003
30-11-2020	14,472	* 182,115	0.003	0.003
31-08-2020	(193,002)	35,787	0.000	0.000

* Deferred income tax recovery

** Impairment of E&E assets and stock-based compensation

Current quarter

For the three months ended May 31, 2022, the Company reported a net income of \$1,055,000, compared to \$1,055,000 for the three months ended May 31, 2021. The variations in 2022 were primarily the following:

- Income tax recovery of \$1,560,000 (\$Nil – Q3 2021) related to tax deductions renounced by the Company to flow-through shareholders,
- Stock-based compensation costs of \$91,000 (\$885,000 – Q3 2021), and
- No impairment of E&E assets in 2022 (\$353,000 – Q3 2021).

CONTRACTUAL OBLIGATIONS

As at May 31, 2022, the Company's contractual obligation payments are as follows:

	Contractual cash flows \$	0 to 12 months \$	12 to 24 months \$	More than 24 months \$
Accounts payable and accrued liabilities, and advances received for exploration work	4,202,621	4,202,621	-	-
Lease liabilities	69,479	63,591	5,888	-
Total contractual obligations	4,272,100	4,266,212	5,888	-

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CARRYING AMOUNT OF EXPLORATION AND EVALUATION ASSETS

At the end of each quarter, management reviews the carrying value of its E&E assets to determine whether any write-offs or write-downs are necessary. No impairments were deemed necessary based on the impairment analysis performed in Q3 2022.

The Company has sufficient funds to respect its short-term obligations. The estimation of impairment charges requires judgment from management.

RELATED PARTY TRANSACTIONS

The Company's related parties include key management personnel and companies owned by them. Key management personnel include the directors, the chief executive officer ("CEO"), the Vice-President Corporate Development (starting May 16, 2022) ("VP") and the chief financial officer ("CFO"). The Vice-President Technology and Business Development vacated the position on December 1, 2021.

The table below summarizes the compensation paid or payable to key management personnel for services:

	Nine months ended May 31,	
	2022	2021
	\$	\$
Salaries	398,119	413,266
Director fees	65,875	34,158
Stocked-based payment	57,416	561,700
	<u>521,410</u>	<u>1,009,124</u>

An amount for salaries of \$188,000 (\$253,000 – Q3 2021) was capitalized to E&E assets in Q3 2022.

As at May 31, 2022, accounts payable and accrued liabilities included an amount of \$194,000 owed to key management personnel (\$315,000 as at May 31, 2021).

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, and the VP 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. The indemnity paid must not represent more than 10% of the Company's cash and cash equivalents at such time. As at May 31, 2022, the entitled indemnity amounted to \$530,000.

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 \$680,000, equal to twenty-four (24) months of salary. The VP will be entitled to receive an indemnity of \$267,000 within the twelve (12) months following the change of control, equal to sixteen (16) months of salary. The CFO will be entitled to receive an indemnity of \$285,000, equal to eighteen (18) months of salary.

SUBSEQUENT EVENTS

The Company has no other subsequent events to report.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A detailed summary of the Company's significant accounting policies is provided in Note 2 of the Fiscal 2021 financial statements.

NEW ACCOUNTING STANDARDS OR AMENDMENTS

The Company did not adopt any new accounting standards or amendments in Fiscal 2021 or the current period.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A detailed summary of the Company's critical accounting policies and estimates is provided in Note 3 of the Fiscal 2021 financial statements.

RISKS AND UNCERTAINTIES

The Company has exposure to the various risks and uncertainties discussed in the Fiscal 2021 financial statements. The Company may also be exposed to new risks and uncertainties related to the unfolding crisis in Ukraine.

Specifically, Europe is committed to reducing its dependency on Russian gas quickly and drastically. This would have a major impact on energy costs worldwide.

Although the Company does not expect this to affect its operations and mineral properties in the short term, management continues to monitor the situation closely.

INFORMATION REGARDING OUTSTANDING SHARES

The Company can issue an unlimited number of common shares with no par value. As at July 12, 2022, there were 82,193,844 issued and outstanding shares, no shares held in escrow, no outstanding warrants and 501,695 underwriter compensation options, each exercisable for one common share of the Company at a price of \$1.90 per share until January 16, 2023.

The Company maintained a stock option plan in which a maximum of 8,175,000 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 is 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 by the Board of Directors. As at July 12, 2022, a total of 4,964,000 stock options were outstanding and 4,647,000 had vested. Their exercise prices range from \$0.19 to \$1.76, and the expiry dates range from December 8, 2022 to June 13, 2032.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

This MD&A report is dated July 12, 2022, the date on which it was approved by the Board of Directors. The Company regularly discloses additional information through press releases and its financial statements filed on SEDAR (www.sedar.com).

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements, which reflect the Company's current expectations regarding future events. To the extent that any statements in this document contain information that is not historical, they are essentially forward-looking and often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". These forward-looking statements involve risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Many factors could cause such differences, particularly the impact of COVID-19, volatility in and sensitivity to market metal prices, the impact of change in foreign currency exchange rates and interest rates, imprecision in reserve estimates, environmental risks including increased regulatory burdens, unexpected geological conditions, adverse mining conditions, changes in government regulations and policies, including laws and policies, and failure to obtain necessary permits and approvals from government authorities, as well as other development and operating risks. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this document. The Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, other than as required to do so by applicable securities laws.

(s) Jean-Marc Lulin
President and CEO

(s) Moniroth Lim
CFO and Corporate Secretary

CORPORATE INFORMATION

Azimut Exploration Inc.

Board of Directors

Michel Brunet, LL.B., Director (Montreal) ⁽¹⁾
Jean-Marc Lulin, P.Geo., PhD, Director (Montreal)
Angelina Mehta, Eng., MBA, LL.M., Director (Montreal) ⁽²⁾
Glenn Mullan, P.Geo., Chairman & Director (Val-d'Or)
Jean-Charles Potvin, MBA, B.Sc., Director (Ottawa) ⁽²⁾
Jacques Simoneau, Eng., PhD, Director (Montreal) ^(1,2)

⁽¹⁾ Member of the Governance and Compensation Committee

⁽²⁾ Member of the Audit Committee

Management

Jean-Marc Lulin, President and Chief Executive Officer
Moniroth Lim, Chief Financial Officer and Corporate Secretary
Jonathan Rosset, Vice-President Corporate Development

Legal Counsel

Marc Pothier, Fasken (Montreal)

Auditors

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l. (Montreal)

Transfer Agent

AST Trust Company Canada (formerly Canadian Stock Transfer Company Inc.) (Montreal)

Listing

TSX Venture Exchange (TSXV)
Symbol: AZM
OTCQX[®] Best Market (OTCQX)
Symbol: AZMTF

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