

# **Azimut Exploration Inc.**

Unaudited Condensed Interim Financial Statements  
**November 30, 2024**

# Azimut Exploration Inc.

Statements of Financial Position  
(in Canadian dollars)

	As at November 30, 2024 Unaudited \$	As at August 31, 2024 Audited \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents (Note 3)	9,372,041	11,766,113
Amounts receivable (Note 4)	1,778,106	1,811,076
Prepaid expenses	87,505	101,260
	<u>11,237,652</u>	<u>13,678,449</u>
<b>Non-current assets</b>		
Tax credit and mining rights receivable (Note 6)	328,382	-
Investments	637,717	931,242
Property and equipment (Note 5)	1,420,897	1,507,074
Intangible assets (less accumulated amortization of \$35,000; \$34,421 as at August 31, 2024)	1,351	1,930
Right-of-use assets	35,362	50,513
Exploration and evaluation assets (Note 6)	42,940,880	41,493,946
	<u>45,364,589</u>	<u>43,984,705</u>
<b>Total assets</b>	<u>56,602,241</u>	<u>57,663,154</u>
<b>Liabilities and Equity</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	2,664,588	3,392,355
Advances received for exploration work	829,051	687,111
Lease liabilities	35,996	50,673
Flow-through shares premium liability (Note 8)	15,064	442,314
	<u>3,544,699</u>	<u>4,572,453</u>
<b>Non-current liabilities</b>		
Asset retirement obligations (Note 7)	1,998,740	1,977,549
Deferred income tax liabilities	1,351,318	1,351,318
	<u>3,350,058</u>	<u>3,328,867</u>
<b>Total liabilities</b>	<u>6,894,757</u>	<u>7,901,320</u>
<b>Equity</b>		
Share capital (Note 8)	65,200,783	65,200,783
Underwriters' options (Note 9)	52,464	52,464
Stock options (Note 10)	4,559,729	4,533,469
Contributed surplus	5,039,601	5,039,601
Deficit	(25,145,093)	(25,064,483)
	<u>49,707,484</u>	<u>49,761,834</u>
<b>Total equity</b>	<u>49,707,484</u>	<u>49,761,834</u>
<b>Total liabilities and equity</b>	<u>56,602,241</u>	<u>57,663,154</u>

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

Approved by the Board of Directors

(s) Jean-Charles Potvin Director

(s) Jean-Marc Lulin Director

# Azimut Exploration Inc.

Interim Statements of Net Loss and Comprehensive Loss

For the three-month period ended November 30, 2024

(in Canadian dollars, except number of common shares)

	Three-month period ended	
	November 30,	
	2024	2023
	\$	\$
<b>Revenues</b>		
Operator income (Notes 10a, b, e, f, g, h and i)	64,835	86,187
<b>Expenses</b>		
General and administrative (Note 11)	356,107	1,300,190
General exploration (Note 11)	11,400	13,957
<b>Operating expenses</b>	367,507	1,314,147
<b>Financing cost (income), net</b>		
Interest income	(99,759)	(107,840)
Interest and bank charges	537	413
Part XII.6 Tax	12,460	-
Unwinding of discount on asset retirement obligations (Note 7)	16,078	18,591
Interest on lease liabilities	1,371	3,017
	(69,313)	(85,819)
<b>Other losses (gains)</b>		
Change in fair value – investments	293,525	(1,923)
Gain on option payments on exploration and evaluation assets (Note 9e, i, j)	(19,024)	(4,043)
	274,501	(5,966)
<b>Loss before income taxes</b>	507,860	1,136,175
Deferred income tax recovery (Note 8)	427,250	904,999
<b>Net loss and comprehensive loss for the period</b>	80,610	231,176
<b>Basic and diluted net loss per share</b>	0.001	0.003
<b>Weighted average number of shares outstanding</b>	85,593,644	84,670,420

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

# Azimut Exploration Inc.

## Interim Statements of Changes in Equity

For the three-month period ended November 30, 2024

(in Canadian dollars, except number of common shares)

	Share capital		Underwriters' options	Stock options	Contributed surplus	Deficit	Total
	Number <sup>(1)</sup>	\$	\$	\$	\$	\$	\$
<b>Balance as at September 1, 2024</b>	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 (Note 10)	-	-	-	26,260	-	-	26,260
<b>Balance as at November 30, 2024</b>	<u>85,593,644</u>	<u>65,200,783</u>	<u>52,464</u>	<u>4,559,729</u>	<u>5,039,601</u>	<u>(25,145,093)</u>	<u>49,707,484</u>
<b>Balance as at September 1, 2023</b>	79,963,844	60,035,081	-	3,747,701	4,857,941	(25,107,078)	43,533,645
Net earnings and comprehensive income for the period	-	-	-	-	-	(231,176)	(231,176)
Common shares private placement	2,082,100	2,186,205	-	-	-	-	2,186,205
Flow-through private placement	2,992,700	6,000,365	-	-	-	-	6,000,365
Less: Premium	-	(3,037,592)	-	-	-	-	(3,037,592)
Stock options exercised	170,000	114,874	-	(51,974)	-	-	62,900
Stock-based compensation	-	-	-	896,543	-	-	896,543
Share issue expenses	-	(327,140)	52,464	-	-	-	(274,676)
<b>Balance as at November 30, 2023</b>	<u>85,208,644</u>	<u>64,971,793</u>	<u>52,464</u>	<u>4,592,270</u>	<u>4,857,941</u>	<u>(25,338,254)</u>	<u>49,136,214</u>

<sup>(1)</sup> There were no common shares that were unpaid as at November 30, 2024 (Nil in 2024).

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

# Azimut Exploration Inc.

## Interim Statements of Cash Flows

For the three-month period ended November 30, 2024

(in Canadian dollars)

	Three-month period ended	
	November 30,	
	2024	2023
	\$	\$
<b>Cash flows (used in) from operating activities</b>		
Net loss for the period	(80,610)	(231,176)
Items not affecting cash		
Depreciation of property and equipment (Note 5)	11,288	22,023
Amortization of intangible assets	579	618
Depreciation of right-of-use assets	15,151	15,151
Change in fair value, investments	293,525	(1,923)
Gain on option payments on exploration and evaluation assets (Note 6)	(19,024)	(4,043)
Stock-based compensation cost (Note 10)	9,750	849,704
Unwinding of discount on asset retirement obligations (Note 7)	16,078	18,591
Recovery of deferred income taxes (Note 8)	(427,250)	(904,999)
	<u>(180,513)</u>	<u>(236,054)</u>
Changes in non-cash working capital items		
Amounts receivable	147,553	(944,799)
Prepaid expenses	13,755	70,369
Accounts payable and accrued liabilities	639,205	3,582,557
	<u>800,513</u>	<u>2,708,127</u>
	<u>620,000</u>	<u>2,472,073</u>
<b>Cash flows from financing activities</b>		
Issuance of common shares	-	6,000,365
Issuance of flow-through shares	-	2,186,205
Share issue expenses	-	(436,718)
Stock options exercised	-	62,900
Repayment of lease liabilities	(14,677)	(13,030)
	<u>(14,677)</u>	<u>7,799,722</u>
<b>Cash flows from (used in) investing activities</b>		
Advance received for exploration work, net	1,463,000	2,742,439
Additions to exploration and evaluation assets	(4,537,395)	(4,680,406)
Option payments on E&E assets (Note 6)	75,000	50,000
	<u>(2,999,395)</u>	<u>(1,887,967)</u>
<b>Net change in cash and cash equivalents</b>	(2,394,072)	8,383,828
<b>Cash and cash equivalents – Beginning of the period</b>	<u>11,766,113</u>	<u>3,320,226</u>
<b>Cash and cash equivalents – End of the period</b>	<u>9,372,041</u>	<u>11,704,054</u>
<b>Additional information</b>		
Interest received	99,759	107,840
Interest paid	(1,371)	3,017
<b>Additional cash flow information</b> (Note 14)		

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

# Azimut Exploration Inc.

Notes to Financial Statements

For the three-month ended November 30, 2024

(in Canadian dollars)

## 1 Nature of operations and general information

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

Until it is determined that a property contains mineral reserves or resources that can be economically mined, it is classified as an exploration and evaluation asset (“E&E asset”). It has not yet been determined whether the Company’s properties contain economically recoverable ore reserves. The recoverability of the amounts shown for E&E assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the 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 28, 2025.

## 3 Cash and cash equivalents

As at November 30, 2024, the Company’s cash and cash equivalents of \$9,372,041 (\$11,766,113 – August 31, 2024) included \$5.5 million of high-interest saving accounts bearing interest at 4.15% (\$5.5 million bearing interest 4.15% – August 31, 2024), cashable any time without any penalties.

## 4 Amounts receivable

	As at November 30, 2024 \$	As at August 31, 2024 \$
Tax credit and mining rights receivable	1,375,974	1,047,592
Less: Tax credit and mining rights receivable – Non-current	<u>328,382</u>	<u>-</u>
Tax credit and mining rights receivable - Current	1,047,592	1,047,592
Commodity taxes	387,049	510,872
Amounts receivable	<u>343,465</u>	<u>252,612</u>
Current amount receivable	<u>1,778,106</u>	<u>1,811,076</u>

# Azimut Exploration Inc.

Notes to Financial Statements

For the three-month ended November 30, 2024

(in Canadian dollars)

## 5 Property and equipment

	Office furniture \$	Office equipment \$	Computer equipment \$	Specialized equipment \$	Camp <sup>(1)</sup> \$	Vehicles <sup>(1)</sup> \$	Total \$
<b>Period ended November 30, 2024</b>							
Opening net book amount	596	-	30,238	164,205	1,312,035	-	1,507,074
Change in estimate	-	-	-	-	5,113	-	5,113
Depreciation for the period <sup>(1)</sup>	(596)	-	(2,268)	(12,317)	(76,109)	-	(91,290)
<b>Closing net book amount</b>	<b>-</b>	<b>-</b>	<b>27,970</b>	<b>151,888</b>	<b>1,241,039</b>	<b>-</b>	<b>1,420,897</b>
<b>As at November 30, 2024</b>							
Cost	23,363	29,914	120,128	241,476	2,642,516	3,702	3,061,099
Accumulated depreciation	(23,363)	(29,914)	(92,158)	(89,588)	(1,401,477)	(3,702)	(1,640,202)
<b>Net book amount</b>	<b>-</b>	<b>-</b>	<b>27,970</b>	<b>151,888</b>	<b>1,241,039</b>	<b>-</b>	<b>1,420,897</b>
<b>Year ended August 31, 2023</b>							
Opening net book amount	1,650	5,606	32,430	256,366	1,241,727	92	1,537,871
Additions	700	-	7,297	51,900	-	-	59,897
Disposition	-	-	-	(88,100)	-	-	(88,100)
Change in estimate	-	-	-	-	356,114	-	356,114
Depreciation for the year <sup>(1)</sup>	(1,754)	(5,606)	(9,489)	(55,961)	(285,806)	(92)	(358,708)
<b>Closing net book amount</b>	<b>596</b>	<b>-</b>	<b>30,238</b>	<b>164,205</b>	<b>1,312,035</b>	<b>-</b>	<b>1,507,074</b>
<b>As at August 31, 2023</b>							
Cost	23,363	29,914	120,128	241,476	2,637,403	3,702	3,055,986
Accumulated depreciation	(22,767)	(29,914)	(89,890)	(77,271)	(1,325,368)	(3,702)	(1,548,912)
<b>Net book amount</b>	<b>596</b>	<b>-</b>	<b>30,238</b>	<b>164,205</b>	<b>1,312,035</b>	<b>-</b>	<b>1,507,074</b>

(1) Depreciation of property and equipment included in E&E assets in the amount of \$80,002 (\$285,898 – August 31, 2024)

# Azimut Exploration Inc.

Notes to Financial Statements

For the three-month ended November 30, 2024

(in Canadian dollars)

## 6 Exploration and evaluation assets

All mineral properties are located in the Province of Quebec.

### Change in E&E assets in 2024

Mineral property	Undivided interest	Cost as at August 31, 2024	Additions	Option payments	Tax credit	Cost as at November 30, 2024	Accumulated impairment as at November 30, 2024	Impairment	Accumulated impairment as at November 30, 2024	Net book value as at November 30, 2024
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>James Bay – Gold</b>										
Elmer	100									
Acquisition costs		231,433	6,478	-	-	237,911	-	-	-	237,911
Exploration costs		31,286,155	244,629	-	(86,166)	31,444,618	-	-	-	31,444,618
		<u>31,517,588</u>	<u>251,107</u>	<u>-</u>	<u>(86,166)</u>	<u>31,682,529</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,682,529</u>
SOQUEM – JB Alliance	(a) 50									
Acquisition costs		81,048	27,924	-	-	108,972	-	-	-	108,972
Exploration costs		439,090	2,168	-	(946)	440,312	-	-	-	440,312
		<u>520,138</u>	<u>30,092</u>	<u>-</u>	<u>(946)</u>	<u>549,284</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549,284</u>
Opinaca *	(c) 25 - 100									
Acquisition costs		166,159	3,580	-	-	169,739	(166,159)	-	(166,159)	3,580
Exploration costs		286,580	-	-	-	286,580	(286,580)	-	(286,580)	-
		<u>452,739</u>	<u>3,580</u>	<u>-</u>	<u>-</u>	<u>456,319</u>	<u>(452,739)</u>	<u>-</u>	<u>(452,739)</u>	<u>3,580</u>
Wabamisk	(d) 100									
Acquisition costs		65,418	3,938	-	-	69,356	-	-	-	69,356
Exploration costs		352,173	382,397	-	(166,916)	567,654	-	-	-	567,654
		<u>417,591</u>	<u>386,335</u>	<u>-</u>	<u>(166,916)</u>	<u>637,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>637,010</u>
Wapatik	(e) 100									
Acquisition costs		-	-	-	-	-	-	-	-	-
Exploration costs		10,230	640	-	(279)	10,591	-	-	-	10,591
		<u>10,230</u>	<u>640</u>	<u>-</u>	<u>(279)</u>	<u>10,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,591</u>
Kukamas	(f) 100									
Acquisition costs		-	-	-	-	-	-	-	-	-
Exploration costs		55,976	-	(55,976)	-	-	-	-	-	-
		<u>55,976</u>	<u>-</u>	<u>(55,976)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other	100									
Acquisition costs		103,032	-	-	-	103,032	(61,106)	-	(61,106)	41,926
Exploration costs		51,061	28,246	-	(12,329)	66,978	(37,442)	-	(37,442)	29,536
		<u>154,093</u>	<u>28,246</u>	<u>-</u>	<u>(12,329)</u>	<u>170,010</u>	<u>(98,548)</u>	<u>-</u>	<u>(98,548)</u>	<u>71,462</u>
<b>Total James Bay – Gold</b>		<u>33,128,355</u>	<u>700,000</u>	<u>(55,976)</u>	<u>(266,636)</u>	<u>33,505,743</u>	<u>(551,287)</u>	<u>-</u>	<u>(551,287)</u>	<u>32,954,456</u>
<b>James Bay – Chromium-PGE</b>										
Chromaska	100									
Acquisition costs		46,029	-	-	-	46,029	(32,929)	-	(32,929)	13,100
Exploration costs		938,742	5,020	-	(2,191)	941,571	(916,580)	-	(916,580)	24,991
<b>Total James Bay – Chromium-PGE</b>		<u>984,771</u>	<u>5,020</u>	<u>-</u>	<u>(2,191)</u>	<u>987,600</u>	<u>(949,509)</u>	<u>-</u>	<u>(949,509)</u>	<u>38,091</u>



# Azimut Exploration Inc.

Notes to Financial Statements

For the three-month ended November 30, 2024

(in Canadian dollars)

## 6 Exploration and evaluation assets (cont'd)

### Change in E&E assets in 2024 (cont'd)

Mineral property	Undivided interest	Cost as at August 31, 2024	Additions	Option payments	Tax credit	Cost as at November 30, 2024	Accumulated impairment as at November 30, 2024	Impairment	Accumulated impairment as at November 30, 2024	Net book value as at November 30, 2024
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>James Bay – Base Metals</b>										
Mercator	100									
Acquisition costs		112,671	-	-	-	112,671	-	-	-	112,671
Exploration costs		181,185	116,541	-	-	297,726	-	-	-	297,726
		<u>293,856</u>	<u>116,541</u>	<u>-</u>	<u>-</u>	<u>410,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>410,397</u>
Corne	100									
Acquisition costs		56,817	-	-	-	56,817	-	-	-	56,817
Exploration costs		87,671	6,713	-	-	94,384	-	-	-	94,384
		<u>144,488</u>	<u>6,713</u>	<u>-</u>	<u>-</u>	<u>151,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,201</u>
Others	100									
Acquisition costs		680	-	-	-	680	-	-	-	680
Exploration costs		835	-	-	-	835	-	-	-	835
		<u>1,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,515</u>
<b>Total James Bay – Base Metals</b>		<b>439,859</b>	<b>123,254</b>	<b>-</b>	<b>-</b>	<b>563,113</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>563,113</b>
<b>James Bay – Nickel</b>										
JBN	100									
Acquisition costs		506,280	9,129	-	-	515,409	-	-	-	515,409
Exploration costs		198,638	521,946	-	-	720,584	-	-	-	720,584
		<u>704,918</u>	<u>531,075</u>	<u>-</u>	<u>-</u>	<u>1,235,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,235,993</u>
<b>Total James Bay – Nickel</b>		<b>704,918</b>	<b>531,075</b>	<b>-</b>	<b>-</b>	<b>1,235,993</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,235,993</b>
<b>James Bay – Lithium</b>										
Dalmas & Galinée	(b)	50								
Acquisition costs		88,686	5,639	-	-	94,325	-	-	-	94,325
Exploration costs		2,654,377	140,738	-	-	2,795,115	-	-	-	2,795,115
		<u>2,743,063</u>	<u>146,377</u>	<u>-</u>	<u>-</u>	<u>2,889,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,889,440</u>
Corvet & Kaanaayaa	(i)	100								
Acquisition costs		-	-	-	-	-	-	-	-	-
Exploration costs		-	-	-	-	-	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pilipas	(j)	100								
Acquisition costs		-	-	-	-	-	-	-	-	-
Exploration costs		6,800	-	-	-	6,800	-	-	-	6,800
		<u>6,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,800</u>

# Azimut Exploration Inc.

Notes to Financial Statements

For the three-month ended November 30, 2024

(in Canadian dollars)

## 6 Exploration and evaluation assets (cont'd)

### Change in E&E assets in 2024 (cont'd)

Mineral property	Undivided interest	Cost as at August 31, 2024	Additions	Option payments	Tax credit	Cost as at November 30, 2024	Accumulated impairment as at November 30, 2024	Impairment	Accumulated impairment as at November 30, 2024	Net book value as at November 30, 2024
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>James Bay – Lithium (cont'd)</b>										
SOQUEM – JB Alliance	(a)	50								
Acquisition costs		158,467	11,036	-	-	169,503	-	-	-	169,503
Exploration costs		2,564,868	14,642	-	-	2,579,510	-	-	-	2,579,510
		2,723,335	25,678	-	-	2,749,013	-	-	-	2,749,013
Wabamisk	(d)	100								
Acquisition costs		-	-	-	-	-	-	-	-	-
Exploration costs		-	43,364	-	-	43,364	-	-	-	43,364
		-	43,364	-	-	43,364	-	-	-	43,364
JBL		100								
Acquisition costs		73,448	-	-	-	73,448	-	-	-	73,448
Exploration costs		996,284	73,265	-	-	1,069,549	-	-	-	1,069,549
		1,069,732	73,265	-	-	1,142,997	-	-	-	1,142,997
<b>Total James Bay – Lithium</b>		6,542,930	288,684	-	-	6,831,614	-	-	-	6,831,614
<b>Total James Bay</b>		41,800,833	1,648,033	(55,976)	(268,827)	43,124,063	(1,500,796)	-	(1,500,796)	41,623,267
<b>Nunavik – Gold</b>										
Rex-Duquet	(g & h)	100								
Acquisition costs		1,384,830	-	-	-	1,384,830	(1,250,826)	-	(1,250,826)	134,004
Exploration costs		4,235,537	86,767	-	(31,138)	4,291,166	(3,855,358)	-	(3,855,358)	435,808
		5,620,367	86,767	-	(31,138)	5,675,996	(5,106,184)	-	(5,106,184)	569,812
Rex South	(h)	100								
Acquisition costs		532,267	-	-	-	532,267	(342,053)	-	(342,053)	190,214
Exploration costs		715,504	98,898	-	(28,390)	786,012	(440,251)	-	(440,251)	345,761
		1,247,771	98,898	-	(28,390)	1,318,279	(782,304)	-	(782,304)	535,975
Nantais	(h)	100								
Acquisition costs		185,487	-	-	-	185,487	(185,487)	-	(185,487)	-
Exploration costs		326,121	61	-	(27)	326,155	(326,121)	-	(326,121)	34
		511,608	61	-	(27)	511,642	(511,608)	-	(511,608)	34
Other		100								
Acquisition costs		738,409	-	-	-	738,409	(738,409)	-	(738,409)	-
Exploration costs		982,241	-	-	-	982,241	(982,241)	-	(982,241)	-
		1,720,650	-	-	-	1,720,650	(1,720,650)	-	(1,720,650)	-
<b>Total Nunavik – Gold</b>		9,100,396	185,726	-	(59,555)	9,226,567	(8,120,746)	-	(8,120,746)	1,105,821
<b>Nunavik – Base Metals</b>										
Doran		100								
Acquisition costs		126,004	-	-	-	126,004	-	-	-	126,004
Exploration costs		50,190	-	-	-	50,190	-	-	-	50,190
<b>Total Nunavik – Base Metals</b>		176,194	-	-	-	176,194	-	-	-	176,194

# Azimut Exploration Inc.

Notes to Financial Statements

For the three-month ended November 30, 2024

(in Canadian dollars)

## 6 Exploration and evaluation assets (cont'd)

### Change in E&E assets in 2024 (cont'd)

Mineral property	Undivided interest	Cost as at August 31, 2024	Additions	Option payments	Tax credit	Cost as at November 30, 2024	Accumulated impairment as at November 30, 2024	Impairment	Accumulated impairment as at November 30, 2024	Net book value as at November 30, 2024
	%	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Nunavik – Diamonds</b>										
Diamrex *	100									
Acquisition costs		52,948	-	-	-	52,948	(52,948)	-	(52,948)	-
Exploration costs		8,150	-	-	-	8,150	(8,150)	-	(8,150)	-
<b>Total Nunavik – Diamonds</b>		<b>61,098</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,098</b>	<b>(61,098)</b>	<b>-</b>	<b>(61,098)</b>	<b>-</b>
<b>Nunavik – Uranium</b>										
North Rae *	100									
Acquisition costs		485,129	-	-	-	485,129	(485,129)	-	(485,129)	-
Exploration costs		709,305	-	-	-	709,305	(709,305)	-	(709,305)	-
<b>Total Nunavik – Uranium</b>		<b>1,194,434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,194,434</b>	<b>(1,194,434)</b>	<b>-</b>	<b>(1,194,434)</b>	<b>-</b>
<b>Total Nunavik</b>		<b>10,532,122</b>	<b>185,726</b>	<b>-</b>	<b>(59,555)</b>	<b>10,658,293</b>	<b>(9,376,278)</b>	<b>-</b>	<b>(9,376,278)</b>	<b>1,282,015</b>
<b>Total E&amp;E assets</b>		<b>52,332,955</b>	<b>1,833,759</b>	<b>(55,976)</b>	<b>(328,382)</b>	<b>53,782,356</b>	<b>(10,877,074)</b>	<b>-</b>	<b>(10,877,074)</b>	<b>42,905,282</b>

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

The commodity reflects the exploration work performed during the period. This classification can change over the years.

	November 30, 2024	August 31, 2024
	\$	\$
Acquisition and exploration – Net book value	42,905,282	41,455,881
Prepaid exploration expenses	35,598	38,065
	<u>42,940,880</u>	<u>41,493,946</u>

# Azimut Exploration Inc.

Notes to Financial Statements

For the three-month ended November 30, 2024

(in Canadian dollars)

## 6 Exploration and evaluation assets (cont'd)

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

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

# Azimut Exploration Inc.

Notes to Financial Statements

For the three-month ended November 30, 2024

(in Canadian dollars)

## 6 Exploration and evaluation assets (cont'd)

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

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

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

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

## 7 Asset retirement obligations

The following tables summarize the Company’s asset retirement obligations as at November 30, 2024 and August 31, 2024:

	November 30, 2024			August 31, 2024		
	Rex-Duquet, Rex South	Elmer	Total	Rex-Duquet, Rex South	Elmer	Total
	\$	\$	\$	\$	\$	\$
Opening balance	1,229,011	748,538	1,977,549	1,006,149	543,775	1,549,924
Change in estimate	5,113	-	5,113	175,791	180,323	356,114
Unwinding of discount on asset retirement obligations	10,553	5,525	16,078	47,071	24,440	71,511
<b>Balance – End of period</b>	<b>1,244,677</b>	<b>754,063</b>	<b>1,998,740</b>	<b>1,229,011</b>	<b>748,538</b>	<b>1,977,549</b>

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

	Rex-Duquet, Rex South	Elmer	Total
	\$	\$	\$
Estimated undiscounted cash flows to settle obligations	\$1,094,929	\$758,316	\$1,853,245
Weighted average discount rate	3.07%	3.05%	
Estimated number of years before disbursements to settle obligations	1.25 years	8.25 years	

## 8 Share capital

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

### Flow-through share premium

	November 30, 2024
	\$
Flow-through share premium – Beginning of period	442,314
Addition	-
Amortization	(427,250)
Flow-through share premium – End of period	<u>15,064</u>

As at November 30, 2024, an amount of \$30,810 of E&E expenditures remains to be incurred, pursuant to the flow-through financing agreement.

# Azimut Exploration Inc.

Notes to Financial Statements

For the three-month ended November 30, 2024

(in Canadian dollars)

## 9 Underwriters' options

The following table summarizes the information relating to the outstanding Underwriters' option as at November 30, 2024:

Exercise price \$	Expiry date	Weighted average remaining contractual life (years)	As at November 30, 2024	As at August 31, 2024
1.05	2025-03-28	0.25	152,244	152,244

## 10 Stock option plan

The Company maintains a stock option plan in which a maximum of 8,190,000 stock options may be granted. The number of shares reserved for issuance under the stock option plan is approximately 9.99% of the Company's 81,903,844 common shares issued and outstanding as at April 4, 2022, at which time the Company filed for an increase in the stock option plan. 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, 2024 and August 31, 2024:

Exercise price \$	Weighted average remaining contractual life (years)	As at November 30, 2024	As at August 31, 2024
Between 0.20 – 0.50	2.23	810,000	810,000
Between 0.51 – 1.00	6.90	3,857,000	3,857,000
Between 1.01 – 1.50	7.38	1,360,000	1,360,000
Between 1.51 – 2.00	5.68	8,000	8,000
	<u>5.68</u>	<u>6,035,000</u>	<u>6,035,000</u>

On December 17, 2024, the Company granted a total of 845,000 stock options to its directors, officers, employees and consultants. Of this number, 730,000 were granted to its directors and officers, and 115,000 to its employees and consultants. These options have an exercise price of \$0.61 per share and are exercisable for a 10-year period.

# Azimut Exploration Inc.

Notes to Financial Statements

For the three-month ended November 30, 2024

(in Canadian dollars)

## 11 Expenses by nature

	Three-month periods ended November 30,	
	2024	2023
	\$	\$
Salaries and fringe benefits	195,563	215,274
Stock-based compensation	9,750	849,704
Professional and maintenance fees	24,865	68,415
Administration and office	30,246	10,478
Business development and administration fees	3,103	12,792
Advertising	-	1,351
Rent	5,002	2,017
Insurance	18,367	23,589
Conferences and meetings	42,193	78,778
Depreciation of property and equipment	11,288	22,023
Amortization of intangible assets	579	618
Depreciation on right-of-use asset	15,151	15,151
<b>General and administrative expenses</b>	<b>356,107</b>	<b>1,300,190</b>
Salaries for project generation	10,322	13,215
Other exploration expenses	1,078	742
<b>General exploration</b>	<b>11,400</b>	<b>13,957</b>

## 12 Related party transactions

### Compensation of key management

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

	Three-month period ended November 30,	
	2024	2023
	\$	\$
Salaries	248,750	302,624
Director fees	35,000	35,000
Stock-based compensation	24,753	798,706
	<b>308,503</b>	<b>1,136,330</b>

An amount of \$78,720 for salaries (\$140,000 for the period ended November 30, 2023) and \$15,003 for stock-based compensation (\$279,606 for the period ended November 30, 2023) were capitalized to E&E assets.

As at November 30, 2024, accounts payable and accrued liabilities include an amount of \$142,344 (\$56,250 as at August 31, 2024) owed to key management. These amounts are unsecured, non-interest bearing and due on demand.

If termination of employment is for reasons other than gross negligence, the CEO and CFO will be entitled to receive an indemnity equal to twelve (12) months of salary, the VPD shall be entitled to receive an indemnity equal to twelve (12) weeks of salary after completing the first year of employment, increasing by four (4) weeks for every additional year of employment to a maximum of one (1) year of salary, and the VPE shall be entitled to receive an indemnity equal to twelve (12) weeks of salary after one (1) year of employment and increasing by four (4) weeks for every additional year of employment to a maximum of one (1) year of salary after two (2) years of employment. The indemnity paid must not represent more than 10% of the Company’s cash and cash equivalents at such time. As at November 30, 2024, the entitled indemnity amounted to \$704,231.

# Azimut Exploration Inc.

Notes to Financial Statements

For the three-month ended November 30, 2024

(in Canadian dollars)

## 12 Related party transactions (cont'd)

In the event of a change of control or a termination of employment following a change of control, the CEO will be entitled to receive an indemnity of \$680,000, equal to twenty-four (24) months of salary, the CFO will be entitled to receive an indemnity of \$315,000, equal to eighteen (18) months of salary, the VPD will be entitled to receive an indemnity of \$300,000 within the twelve (12) months following the change of control, equal to sixteen (16) months of salary, and the VPE will be entitled to receive an indemnity of \$146,667 within the twelve (12) months following the change of control, equal to eight (8) months of salary.

## 13 Fair value of financial instruments

The Company's financial instruments as at November 30, 2024, 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, 2024.

## 14 Additional cash flow information

	Three-month periods ended	
	November 30,	
	2024	2023
	\$	\$
Acquisition of E&E assets included in accounts payable and accrued liabilities	1,253,830	565,000
Depreciation of property & equipment included in E&E assets	80,002	71,873
Refundable duties credit for losses and refundable tax credit for resources presented as a reduction in E&E assets, net	328,382	-
Stock-based compensation included in E&E assets	16,510	46,839