AZIMUTH RESOURCES

Quarterly Report

June 30, 2011

ABN 87 089 531 082

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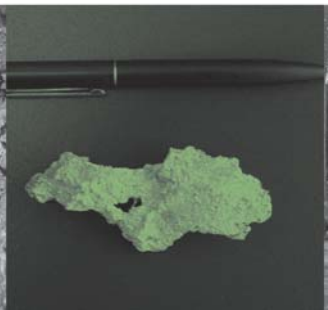
Azimuth Resources is listed on the Australian Stock Exchange (ASX).
Stock code: AZH

Issued Capital:
336,430,109





Quarterly Report

Highlights

- Smarts Prospect
  - o Strike extended - visual mineralisation over 4km
  - o Assay results received from drilling for 875m of strike
  - o Best results 11m @ 14.3g/t Au, 23m @ 4.0g/t Au
  - o High grade shoot identified
  - o Parallel zones identified over a width of 200m
- New discovery 1,000m from Smarts pit
  - o Best results from channel sampling 15m @ 2.5g/t Au
- Hicks Prospect
  - o 12 new RC holes drilled (1,041 metres)
  - o Best results 9m @ 4.5g/t Au, 23m @ 3.2g/t Au, 17m @ 5.12g/t Au
- 3,500 regional auger samples taken, awaiting assay
- LiDAR survey completed over 500km^2 of the West Omai project
- High resolution airborne geophysical survey contract awarded – survey to commence in next 30 days
- Amakura
  - o Field trip undertaken confirming radiometric anomalies
  - o Visual uranium mineralisation identified

Highlights - Strike Extended at Smarts

Scout drilling at the Smarts Prospect has delineated visual mineralisation over a strike length of 4,000m which remains open at depth and along strike in both directions. The visual mineralisation is recognised as iron-oxide stained quartz veins within a shear zone and has been recognised on all but two of the 27 lines drilled across the Smarts zone. Furthermore visible gold has been logged in four holes on four separate lines for which assays are yet to be received.

The known strike for which assay results from drilling have been received has been extended to 875m. Latest results include:

- 11m @ 14.3g/t Au
- 23m @ 4.0g/t Au
- 21m @ 2.2g/t Au
- 8m @ 6.9 g/t Au
- 7m @ 3.3g/t Au
- 25m+@ 2.9 g/t Au

Results of channel sampling (15m @ 2.5 g/t Au) of artisanal workings south east of the above drill results have resulted in a strike of 1,300m being delineated with assays confirming mineralisation. The Smarts mineralised zone remains open in all directions.

Highlights - High Grade Shoot at Smarts

A high grade shoot is evident within the Smarts mineralisation. The high grade shoot remains open along strike and at depth. Results include:

- SRC117: 11m @ 14.3g/t Au
- SRC009: 29m+ @ 14.3g/t Au
- SRC008: 14m+ @ 17.5g/t Au
- SRC006: 9m @ 8.57g/t Au

Multiple parallel gold bearing lodes have been intersected over a width of at least 200m - Though of a lesser tenor and width compared to the main Smarts zone it is expected that such parallel lodes will positively impact on a future open pit mine development. Results from parallel lodes include

- SRC021: 9m @ 1.5g/t Au
- SRC010: 18m @ 1.5g/t Au
- SRC033: 3m @ 2.0g/t Au
- SRC072: 3m @ 2.8g/t Au

(+ indicates hole ended in mineralisation)

PROJECTS

Guyana

The Company's portfolio in Guyana comprises more than 8,000km2 of granted licences (East and West Omai Projects) prospective for gold which encompass 10% of the strike of the Guiana Shield's major early Proterozoic greenstone gold belt (Figure 1). This gold belt with a known endowment of >100 million ounces is regarded by most authorities to be the extension of the prolific Birimian gold belts of West Africa from which the Guiana Shield separated when the Atlantic Ocean opened around 90 million years ago.

Azimuth's portfolio also includes the Amakura Uranium Project of 4,000 km2 located in the northwest of Guyana, which exhibits several large high intensity airborne radiometric anomalies associated with broad regions of surface uranium anomalism. It is prospective for granite hosted and sodic metasomatic uranium deposits.

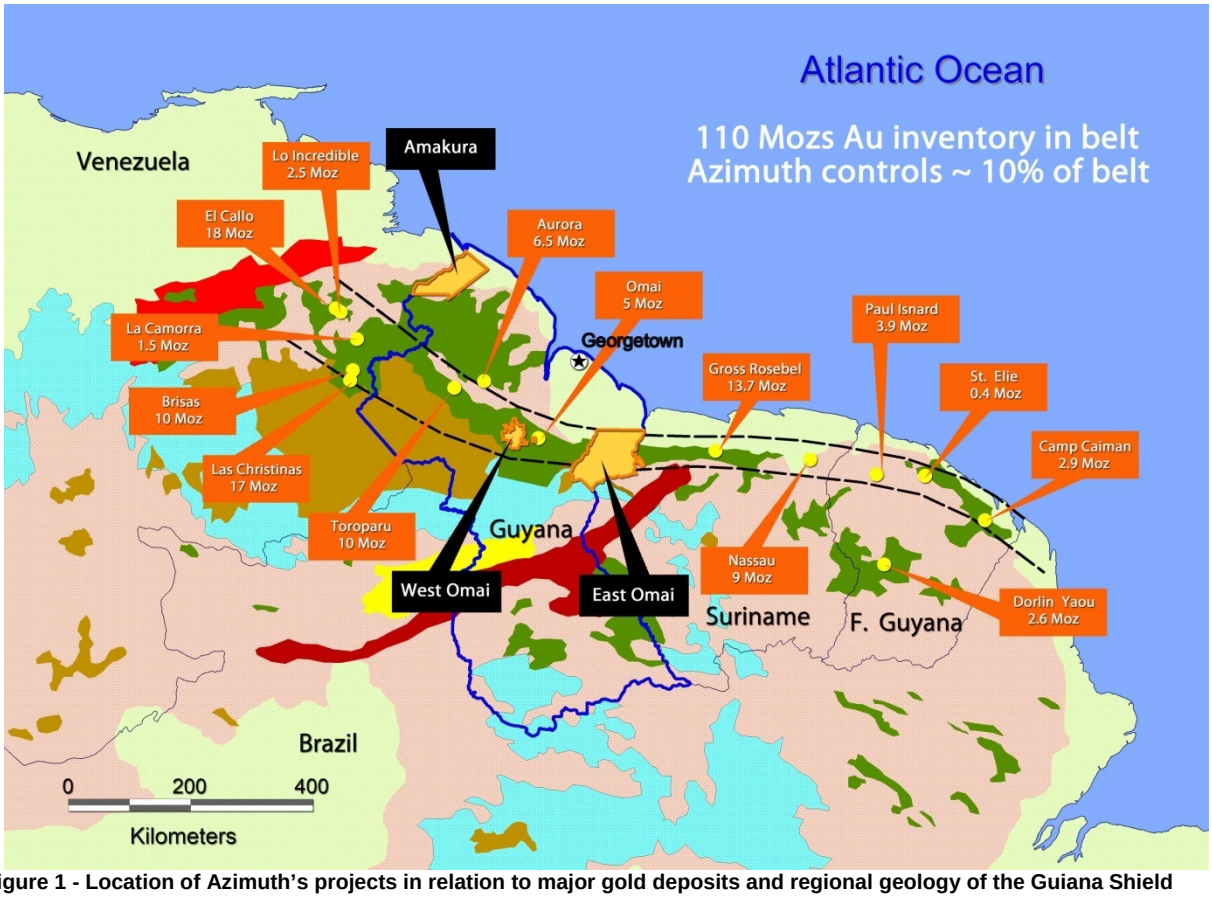


Figure 1 - Location of Azimuth's projects in relation to major gold deposits and regional geology of the Guiana Shield

West Omai Gold Project

The West Omai Gold Project is an approximately 1,000 km2 advanced exploration project covering a 40km strike portion of the same structural stratigraphic corridor (the Omai- Hicks-Kaburi Corridor) which hosts the Omai gold mine (3.7Moz produced), located 15km to the SE of the project (see Figure 2). Key features of the project are:

- The Hicks Prospect - an historic (non JORC code compliant) shallow resource with robust untested strike and depth extensions;
- The Kaburi Prospect - a 400m diameter shallow artisanal open pit which is the single largest artisanal working in Guyana, having been mined intermittently since 1912;
- Extensive artisanal bedrock (including the Smarts Propsect) and alluvial workings (>150,000 ounces produced) and significant Government survey delineated stream sediment anomalies.

The present focus of exploration at West Omai is the 10 kilometre by 2 kilometre wide portion of the Omai-Hicks-Kaburi corridor between Hicks and Kaburi, where systematic regional exploration and drilling to define maiden JORC/43-101 compliant resource estimates at Hicks and Smarts is ongoing.

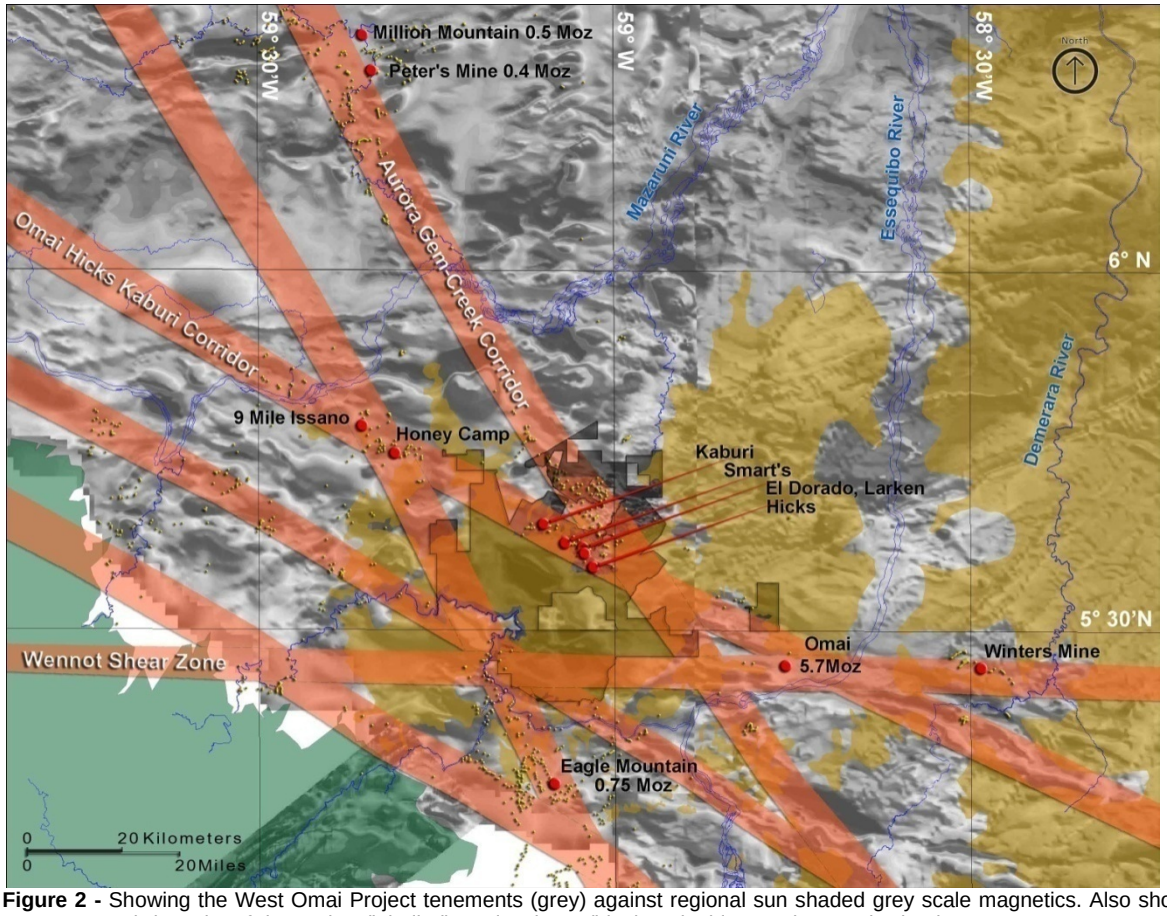


Figure 2 - Showing the West Omai Project tenements (grey) against regional sun shaded grey scale magnetics. Also shown are the principal prospects and deposits of the region (labelled), major rivers (blue) and white sand cover (tan). The Company's current exploration focus is a 10km strike portion of the Omai -Hicks-Kaburi Corridor between the Hicks and Kaburi Prospects.

Smarts Prospect

Drilling

The drill program is designed to locate and define near surface mineralisation within the Smarts mineralised zone which has now been traced visually over 4,000m of strike. The visual mineralisation is recognised as iron-oxide stained quartz veins within a shear zone and has been recognised on all but two of the 27 lines drilled across the Smarts zone. Furthermore visible gold has been logged in four holes on four separate lines for which assays are yet to be received.

During the Quarter the Company completed 225 drill holes for a total of 12,918 metres of Reverse Circulation drilling at the Smarts Prospect. A further 36 drill holes for a total of 3,059m were also completed during the month of July.

To date drilling has largely been confined to a corridor that is approximately 200 metres wide, and at least six lesser parallel lodes to the main Smarts zone have been intersected. In Table 1 intersections which have been returned from the main Smarts zone are highlighted yellow while those from parallel lodes are not. Furthermore channel sampling of the artisanal working over a true across strike width of 80 metres has also revealed several parallel zones of mineralisation as reported in Table 1. While the parallel lodes are narrower and of a lower grade than the main Smarts zone they will add to the global resource at Smarts and will likely improve the economics of open pit development of the main Smarts zone. Furthermore these lodes hold potential to develop into more robust mineralisation either along strike or down dip.

It is also evident that high grade mineralisation extends beyond the confines of the Smarts artisanal working and forms a core to the main Smarts zone. From SRC048 to SCR143 the strike length of this high grade core is at least 600 metres and open to the northwest where drill hole SRC161 drilled 75 metres northwest of SCR048 intersected 30 metres of quartz veining with visible gold observed in the interval 49-50 metres.

Azimuth's progress at Smarts has been hindered by slow assay turnaround times and there is a back log of over 5,000 samples in the two laboratories the Company is currently using. Meetings have been undertaken with senior management of the labs and both have made a commitment to clear this backlog in the next 2 to 3 weeks. Furthermore both labs have further committed to significantly increasing their sample preparation capacity in Guyana and one of the laboratories has commenced development of a fire assay facility in Guyana. A third company has also committed to construct sample preparation facilities in Guyana in the next 3 months.

All significant results for drilling to date are reported in Table 1 below and a map showing the location of the results presented in Figure 5.

The mineralised intersections reported from the main Smarts zone combined with previously reported results demonstrate drilled mineralisation over a continuous strike length of 875 metres with previously reported channel sampling of the Artisanal workings extending mineralisation to a known strike length of 1,300 metres. New intersections from the main Smarts zone reported during the quarter include from the northwest to southeast:

- SRC048: 23m @ 3.97g/t Au from 27-50 metres including 3m @ 15.8 g/t Au
- SRC117: 11m @ 14.27g/t Au from 6-17 metres including 1m @ 123.33 g/t Au (200 metres southeast of SRC048 and at north end of the Smarts artisanal working)
- SRC143: 8m @ 6.85 g/t Au from 3-11 metres including 4m @ 13.1 g/t Au from 3-7 metres (340 metres southeast of SRC117).
- SRC070: 21m @ 2.23 g/t Au from 42-63 metres (160 metres southeast of SRC143)
- SRC134: 7m @ 3.28 g/t Au from 21-28 metres (175 metres southeast of SRC070)
- Channel Sampling of Artisanal workings- 15m @ 2.50 g/t Au. (1300 meters southeast of SRC048)

SRC117 was drilled at the northern end of the Smarts Artisanal pit to target the high grade main lode intersected and reported previously in SRC008 (14m @ 17.5 g/t Au) and SRC009 (29m @ 14.27 g/t Au). As such it extends the strike of this high grade shoot to 80 metres. It is also noted that the first 6 metres of SRC117 did not return a sample due to the first 6 metres being unconsolidated artisanal tailings.

New Discovery 1,000 metres on strike from Smarts Pit

During the previous quarter surface mapping located an artisanal working bearing all the hallmarks of mineralisation observed at the Hicks and Smarts prospects. The working lies on the distal side of a low white sand hill through which the Smarts geochemical anomaly was unable to be traced and the working extends the prospectivity of the Smarts zone to at least 1,300 metres.

Mapping of the artisanal working revealed a shear zone of 80 metres width with fair to moderate quartz veining over its the entire width. Visible gold has been noted from quartz veins from within the larger shear zone (Figure 3). Within this zone is a 10 metre wide zone of intense quartz veining and relic sulphide development centred around a vertically dipping clay-quartz breccia of 5 metres width (Figure 4).

Results were received for channel sampling of this outcrop and included **15m @ 2.5g/t Au.**

Figure 3 - Visible gold in vein quartz recovered from an in situ quartz vein in the artisanal working located approximately 1000 metres from the Smarts pit.

Figure 4 - Five metre wide quartz - clay breccia zone, flanked by zone of intense quartz veining and limonitic relic sulphide development. White marks are spaced one metre apart.

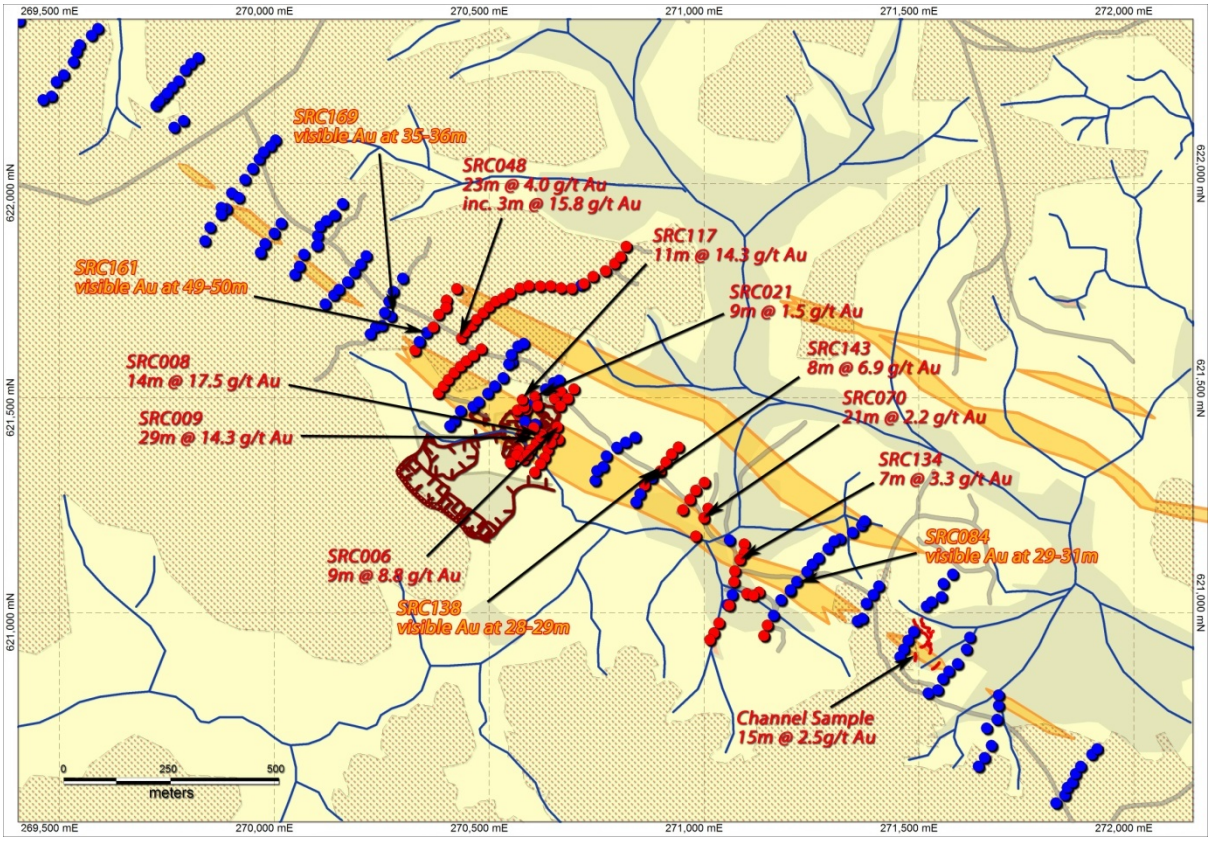


Figure 5 - Showing location of reported drill holes in and around the Smarts artisanal pit.

Hicks Prospect

Drilling

Resource definition drilling commenced at the Hicks Prospect on October 16, 2010. This program of approximately 8,000m of RC drilling is designed to produce a maiden JORC code compliant resource at Hicks.

During the Quarter the Company completed 12 drillholes for a total of 1,041 metres of Reverse Circulation drilling at the Hicks Prospect. All assays received to date are shown in Table 2.

Results received within the area of the historic resource are consistent with historic diamond drilling and remodelling of the deposit using historic data carried out by independent consultants. This modelling indicates significant potential to expand known mineralisation within the area of the current historic resource.

Highlights of results received during the quarter included:

- **HRC056: 9m @ 4.50 g/t Au from 48-57 metres**
- **HRC079: 23m @3.17 g/t Au from 0-23 metres**
- **HRC072: 17m @ 5.12 g/t Au from 52-69 metres including 1m @ 58.5 g/t Au.**

Many holes intersected multiple zones of mineralisation indicating significant potential in accord with remodelling of historic data which has indicated the presence of several parallel lodes which were poorly tested by historic drilling.

Assay results from drilling at Hicks are reported in Table 2 and illustrated in Figure 6.

Regional Auger Sampling

Regional auger sampling during the Quarter has focused on historical alluvial workings surrounding the Gem Creek region (located approximately 7km north of the Smarts prospect) and the strike extension of the Hicks mineralised trend to the southeast.

During the quarter 3,500 auger samples were taken. Assays for these samples had not been returned at the time of writing.

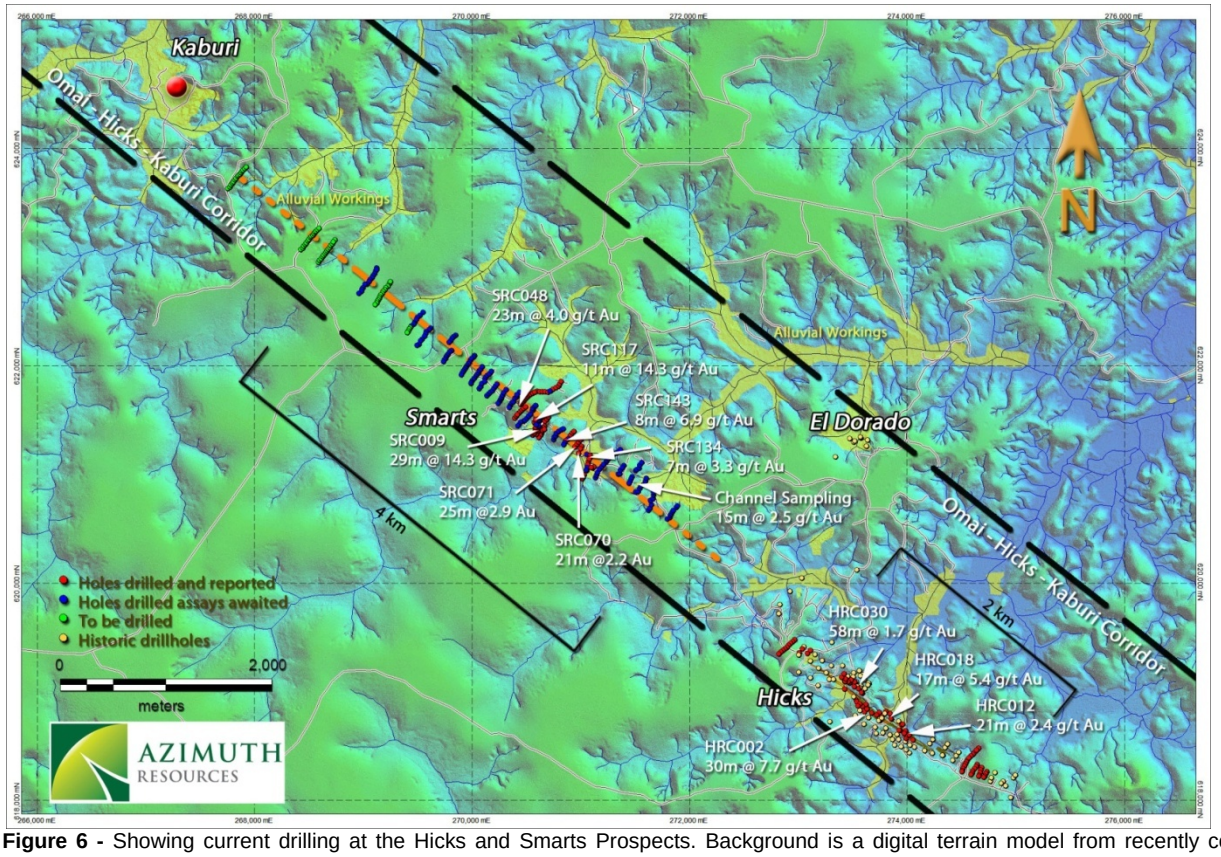


Figure 6 - Showing current drilling at the Hicks and Smarts Prospects. Background is a digital terrain model from recently completed Lidar survey. Sand covered areas are the flat topped ridges (green hues) and are incised by creeks. Areas of artisanal workings are show in yellow. The strike (known and inferred) of the main Smarts zone is shown as the orange dashed line. Note the offset between the Hicks, Smarts and Kaburi Prospects

LiDAR Survey

An airborne LiDAR survey was completed over the central 500 km2 of the West Omai Project during the Quarter. LiDAR (Light Detection And Ranging) is a high-resolution laser scanning technology which produces topographic surveys with an accuracy of -/+ 5cm even through dense forest.

Follow up field work is currently in progress to visit outcrops and historic workings located as a result of this survey whilst the topographic model is currently being used to aid exploration drilling planning. In future this data will be used to define natural surface for resource models and as an aid to future mine planning and design.

High Resolution Airborne Magnetics Survey

A total of 65,000 line kilometres of airborne radiometric and horizontal gradient+total field magnetic surveys is currently planned over the East and West Omai projects predominantly at line spacings of 100 and 200 metres,

Flying of this survey has been delayed due to the combination of bad weather (due to the rainy season) and mechanical problems preventing the contractor from completing their other scheduled work on time. The survey is anticipated to be completed in the next quarter.

Amakura

A general field reconnaissance was conducted during May in order to determine access and logistical requirements prior to conducting follow up field work on known radiometric anomalies later in the year. Field work included reconnaissance geological mapping, radiometric ground surveying and investigation of existing trenches.

Encouragingly, ground surveying with a hand-held scintillometer confirmed the widespread presence of anomalous radioactivity with point readings in historical trenches up to 20,000 cps (counts per second).

Examination of historical trenches also revealed secondary uranium mineralisation (believed to be carnotite) associated with anomalous radioactivity within highly weathered granitic saprolite (Figure 7). Secondary mineralisation was also observed as small blebs on fracture surfaces within relatively fresh granite at a small roadside quarry (Figure 8). Three samples have been submitted for assay but results have not yet been received at the time of writing.

Figure 7 - Yellow secondary uranium mineralisation (believed to be carnotite) within radioactively anomalous (~2,500cps) strongly weathered granitic saprolite (Kaituma anomaly).

Figure 8 - Yellow secondary uranium mineralisation (believed to be carnotite) developed on fracture plane within radioactively anomalous (~1,000cps) granite (Kaituma anomaly).

East Omai Gold Project
The East Omai Gold Project is a green fields exploration project, comprising a largely sand-covered 80km strike by 60km width portion of the main Guiana Shield gold belt, with the potential to host not only several major gold deposits but entire mining camps. No exploration was conducted on the project during the quarter except for broad reconnaissance for program planning purposes.

Australian Projects
Mardie Iron Ore Project (AZH 100%)
The Company is continuing discussions with Bluestar Minerals in relation to the sale of the Mardie Iron Ore project.

Pandanus West Uranium Project (AZH 40%, diluting to 5%)
No work was carried out during the quarter on this project.

Corporate
Project Funding
At 30 June 2011, the Group had $8.0m in cash.

During the quarter the Company placed 1,312,500 shares to directors as approved by shareholders at a general meeting on 17 May 2011, and issued 1,000,000 shares upon the conversion of unlisted options.

The Company now has sufficient funding to continue its aggressive exploration program for the rest of the current calendar year.

TSX Listing
On April 14, 2011 Azimuth announced that it intends to seek a dual listing on the Toronto Stock Exchange ("TSX"). The North American capital markets have a good understanding of Guyana as a resource investment destination and the Directors believe that a dual listing on the TSX will raise the profile and status of the Company and provide increased liquidity.

Azimuth has commenced the TSX listing process and information and timing in relation to the proposed listing will be provided in due course.

Outlook

The third drill rig now on site and it is planned that this rig will commence scout drilling of the Kaburi bedrock artisanal pit in early August once drill rods clear customs. Resource drilling at Smarts with 2 rigs is underway and is expected to be continued for another 2 weeks before both rigs return to Hicks to complete resource definition drilling (3,000m).

Yours faithfully

Dominic O'Sullivan
Managing Director

Table 1 Mineralised Intersections – Smarts (recent results highlighted yellow)

Hole ID	Azimuth	Dip	Depth	UTM Zone 21 Northing	UTM Zone 21 Easting	From	To	Width	Grade (g/t Au)
SRC001	215	-60	59	270804	621865	27	30	3	3.69
SRC003	215	-60	54	270817	621848	18	27	9	0.61
					includes	24	27	3	1.35
SRC004	215	-60	51	270835	621866	21	24	3	0.35
SRC005	215	-60	60	270849	621888	39	42	3	0.84
SRC006	35	-60	41	270810	621800	12	21	9	8.57
					includes	14	17	3	17.87
						34	39	5	3.47
SRC007	35	-60	49	270801	621783	39	41	2	1.06
	Hole ends in mineralization					47	49	2	0.73
SRC008	35	-60	56	270772	621782	42	56	14	17.52
	Hole ends in mineralization				includes	49	53	4	43.92
SRC009	35	-45	55	270773	621783	26	55	29	14.27
	Hole ends in mineralization					29	32	3	54.43
						35	36	1	19.68
						45	48	3	23.33
SRC010	215	-60	48	270762	621764	0	18	18	1.51
					Includes	12	15	3	5.4
SRC012	215	-60	41	270771		0	3	3	0.42
SRC013	35	-60	45	270754	621797	12	15	3	0.82
SRC014	35	-60	52	270755	621798	6	12	6	1.72
						33	36	3	0.68
SRC017	215	-60	41	270721	621829	0	3	3	0.35
SRC019	35	-60	45	270737	621839	0	3	3	0.53
	Hole ends in mineralisation					36	45	9	2.96
					including	39	40	1	16.67
SRC020	35	-45	56	270738	621840	0	3	3*	0.49
						20	37	17	1.88
SRC021	35	-60	54	270758	621871	37	49	9	1.5
SRC022	180	-60	43	270764	621850	0	3	3	0.65
SRC023	180	-45	54	270764	621849	0	6	6	1.06
						41	44	3	1.05
SRC024	360	-60	37	270717	621837	20	21	1	0.7
						31	32	1	1.1
SRC025	360	-45	57	270717	621839	35	44	9	0.74
	Hole ends in mineralisation					56	57	1	4.2
SRC026	215	-60	42	270732	621847	0	3	3*	0.64
	No sample return					3	8	5	?
						8	18	10*	0.43
SRC030	35	-60	45	270788	621746	0	3	3	0.76
SRC032	35	-60	39	270770	621713	0	12	12	0.6
						3	6	3	1.46
SRC033	35	-60	36	270757	621694	3	6	3	2.03
SRC035	35	-60	39	270740	621735	0	6	6	0.47
SRC037	35	-60	53	270795	621763	35	36	2	3.08

Hole ID	Azimuth	Dip	Depth	UTM Zone 21 Northing	UTM Zone 21 Easting	From	To	Width	Grade (g/t Au)
						46	51	5	3.89
SRC038	35	-60	52	270813	621769	1	2	1	0.67
						30	33	3*	0.34
						36	39	3*	9.91
SRC039	35	-45	52	270813	621771	3	6	3*	0.59
	Hole ends in mineralisation					47	52	5	8.69
					including	48	49	1	29.24
SRC041	215	-60	55	270545	621895	10	13	3	0.77
						22	27	5	0.59
SRC047	215	-60	65	270632	621981	40	43	3	1.2
	Hole ends in mineralisation					55	65	10*	3.28
SRC048	215	-60	69	270587	622006	22	31	9	0.36
						27	50	23	3.97
					including	48	49	3	15.8
SRC049	215	-60	68	270596	622021	27	28	1	0.83
						33	34	1	0.55
						54	68	14	4.87
						61	63	2	23.08
SRC051	215	-60	81	270622	622050	35	38	3*	0.79
						41	47	6*	0.62
SRC056	215	-60	93	270699	622110	65	68	3*	0.51
SRC059	215	-60	75	270770	622127	42	45	3*	0.55
SRC061	215	-60	66	270818	622123	18	19	1	1.03
SRC063	215	-60	69	270871	622133	21	25	4	1.41
SRC064	215	-60	51	270893	622150	24	25	1	2.52
SRC070	215	-60	101	27115	621587	0	3	3	0.65
						42	63	21	2.24
SRC071	215	-60	66	271101	621606	6	14	8	0.51
	Hole ends in mineralisation					20	21	1	1.99
						41	66	25	2.87
SRC072	215	-60	59	271118	621630	15	18	3	2.75
						23	24	1	0.71
						26	27	1	0.62
SRC073	215	-60	77	271132	621651	30	31	1	1.03
						68	71	3	0.88
SRC075	215	-60	41	271212	621536	21	24	3	0.28
						36	39	3	0.31
SRC076	215	-60	53	271132	621545	11	14	3	0.46
SRC077	215	-60	53	271160	621610	13	19	6	0.66
SRC087	215	-60	59	271423.3	621490.6	9	12	3	0.4
						24	27	3	0.34
SRC098	35	-60	53	270662.5	621900.9	43	49	6	2.52
SRC099	35	-60	53	270683.3	621919.8	48	53	5	3.62

Hole ID	Azimuth	Dip	Depth	UTM Zone 21 Northing	UTM Zone 21 Easting	From	To	Width	Grade (g/t Au)
SRC102	35	-60	41	270556.2	621796.4	8	11	3	0.62
						30	36	6	0.54
SRC105	215	-60	59	270702	621972.6	43	46	3	0.28
SRC106	215	-60	59	270713.7	621993.6	31	34	3	0.5
						58	59	1	0.26
SRC108	215	-60	59	270782.4	621888.1	35	38	3	0.58
SRC110	215	-60	50	270814.8	621910.3	17	20	3	0.67
SRC111	90	-50	59	270760.1	621793.4	27	30	3	0.91
						39	59	20	2.7
SRC112	90	-60	48	270759.4	621805	12	18	6	4.31
						30	33	3	2.37
SRC113	90	-60	53	270737.1	621809	29	32	3	6.93
						41	47	6	0.35
SRC114	95	-49.75	59	270761.7	621856.6	0	9	9	0.7
						18	21	3	1.45
						51	57	6	0.39
SRC115	98.3	-60.66	53	270760.5	621856.6	0	12	12	5.45
						21	27	6	0.84
						39	42	3	0.73
						48	51	3	0.5
SRC116	105	-60	50	270729	621863	0	9	No Sample return	
						9	16	7	3.08
						28	29	1	2.03
						41	44	3	2.11
SRC117	105	-60	44	270729	621863	0	6	No Sample return	
						6	17	11	14.27
					including	13	14	1	123.33
						28	29	1	1.49
SRC118	35	-60	50	621745	270720	3	6	3	0.52
SCR119	35	-60	47	621734	270715	3	6	3	1.73
SRC132	35	-60	52	621527	271245	12	15	3	1.28
SRC134	35	-60	46	621491	271235	1	7	6	0.8
						21	28	7	3.28
						31	33	2	0.54
SRC138	215	-60	58	621697	271050	28	30	2	1.19
						45	48	4	1.27
SRC140	215	-60	52	621737	271076	6	9	3	1.8
						42	43	1	5.62
SCR141	215	-60	55	621753	271092	9	27	18	0.39
						33	36	3	0.49
SRC142	215	-60	52	271030.4	621680.8	0	6	6	1.36
						21	24	3	0.3
						36	39	3	1.11

Hole ID	Azimuth	Dip	Depth	UTM Zone 21 Northing	UTM Zone 21 Easting	From	To	Width	Grade (g/t Au)
SRC143	215	-60	52	621664	271013	0	3	Poor sample return	
						3	11	8	6.85
SRC144	215	-60	64	271000	621648.8	3	14	11	1.08
						29	40	11	1.03
						52	54	2	1.72
SRC146	215	-60	52	270903.2	621695	0	3	3	0.31
SRC169	35	-60	57	270395.9	622046.4	0	33	3	0.55
SRC229	35	-60	77	269128.3	623124.9	34	37	3	0.26
						58	61	3	2.47
SRC264	215	-60	36	270091.8	622375.4	23	26	3	1.11
SRC280	35	-60	83	269113.5	623107.8	71	74	3	0.28
SRC281	35	-60	83	269098.8	623085.5	68	74	6	0.73
SRC285	35	-60	77	269035.7	623006	61	62	1	0.44
SRC289	35	-60	47	268966.6	622924	40	47	7	1.34
SRC290	35	-60	101	268947.8	622904	62	63	1	0.26
						68	70	2	0.55
						73	76	3	0.39
						99	101	2	0.3
SRC294	35	-60	71	269369.8	623103.2	33	34	1	1.94
						43	44	1	0.44
SRC295	35	-60	89	269354.1	623084.1	34	35	1	9.78
						39	46	7	0.25
						50	53	3	1.54
SRC298	35	-60	66	269314.3	623019.1	15	27	12	0.8
						45	46	1	0.71
SRC299	35	-60	71	269300	623001.5	35	38	3	0.36

Channel								6	1.03
Channel								1	1.74
Channel								6	0.51
Channel								9	0.46
Channel								15	2.5
			includes					1	13.69

Notes:

1) All holes Reverse Circulation drill holes

2) All holes sampled at 1metre intervals. Assayed as 3 metre composites, * next to the interval denotes assayed as 3 metre composites. All other assays are from 1 metre intervals

3) Mineralised intervals reported with a maximum of 2 metre of internal dilution of less than 0.20 g/t Au

4) Sample preparation conducted by both Actlabs Guyana Inc and Acme Laboratories and fire assay performed by both ActLabs and Acme Laboratories in Chile

5) All 3m composites assayed by 30 gram fire assay with gravimetric finish. 1m intervals assayed by screen fire assay.

6) QA/QC protocol: One QA/QC sample every five samples being 1 duplicate every 10 assays and 1 standard or blank every 10 samples.

Table 2 Mineralised Intersections – Hicks (recent results highlighted yellow)

Hole ID	Azimuth	Dip	Depth	UTM Zone 21 Easting	UTM Zone 21 Northing	From	To	Thickness	Grade (g/t Au)
HRC001	215	-50	66	273806.8	619283.1	6	9	3	1.17*
HRC002	34.2	-49.9	94	273751	619201.9	54	84	30	7.68
	Includes					55	56	1	30.03
	Includes					66	67	1	21.76
						92	93	1	1.50
HRC003	215	-45	55	273207.8	619662	3	7	4	0.25*
HRC004	215	-45	90	273238.1	619699.8	61	76	15	1.76
			Includes			65	75	10	2.56
HRC005	215	-45	66	273285.8	619657.8	31	37	6	0.41
HRC006	215	-45	114	273313.2	619686.2	96	101	6	1.12
						105	106	1	1.50
HRC007	215	-45	54	273634.8	619394.5	0	2	2	1.07
						17	33	16	1.75
						51	54	3	1.01
HRC008	215	-45	72	273650.3	619414.8	0	2	2	1.27
						56	61	6	5.15
HRC009	35	-45	54	274215.4	618931	0	6	6	0.45
						34	35	2	0.52
HRC010	35	-45	102	274197.4	618904.4	0	15	15	2.25
						26	30	4	1.50
						48	49	1	0.54
						58	84	26	0.63
HRC011	300	-45	66	274174.5	618987.4	0	6	6	0.44
HRC012	35	-45	78	274160.1	618933.2	0	2	2	1.43
						20	25	5	1.24
						28	49	21	2.40
						61	62	1	5.50
HRC013	305	-60	30	274152.8	618934.5	0	3	3	0.52
						9	12	3	0.54
						24	30	6	3.38
HRC014	215	-45	102	274081.8	619039.5	0	8	8	1.38
						20	49	29	2.20
						87	102	15	0.49*
HRC015	35	-45	60	274076.4	619045.1	0	3	3	0.41
HRC016	215	-50	129	274064.5	619092.1	0	2	2	0.35
						93	101	8	3.05
HRC017	35	-52.6	51	274029.3	619111.8	0	3	3	0.36
HRC018	35.3	-50.6	117	273986.9	619062.2	0	3	3	0.95
						14	31	17	5.35
	Includes					19	20	1	24.46
						67	68	1	1.00
	Assayed as 3m comps.					75	117	42	1.77*
	Re-assayed as 1m comps.					75	117	42	1.69
HRC019	37.5	-45.3	63	273964.2	619103.2	0	4	4	0.32
						28	38	10	1.72
HRC020	33.2	-61.7	135	273943.3	619077.9	26	28	2	1.28
						31	35	4	3.19
						39	46	8	2.23
						70	73	3	0.85
						77	80	3	0.43

Hole ID	Azimuth	Dip	Depth	UTM Zone 21 Easting	UTM Zone 21 Northing	From	To	Thickness	Grade (g/t Au)
						91	96	5	0.35
HRC021	33.2	-47.5	117	273891.4	619097.8	44	49	6	2.61
						70	72	2	0.71
						73	77	4	0.36
HRC022	32.9	-55.1	135	273848.2	619133.6	40	41	1	13.58
						114	115	1	0.37
HRC023	26.5	-59.9	183	273826.3	619108.1	111	114	3	2.10
						138	152	14	2.11
						163	167	4	1.07
HRC024	30.8	-50.7	99	273841.9	619180	0	6	6	0.55
						14	15	1	9.00
						79	81	2	0.64
HRC025	34.8	-44.9	165	273806	619161.5	0	4	4	0.36
						68	72	4	1.24
						76	80	4	3.68
HRC026	34.3	-55.5	99	273780.7	619183.5	0	3	3	0.35
						35	38	3	1.89
						55	61	6	2.63
						81	83	2	0.93
						97	98	1	1.53
HRC027	27.7	-55.5	153	273765.8	619163	80	83	3	0.54
						102	107	5	1.47
						111	116	5	2.65
						122	128	6	0.83
HRC029	215.6	-49.6	111	273798.9	619288.6	84	88	4	3.95
HRC030	220.4	-50.6	105	273768.6	619325.4	47	105	59	1.77
						47	48	1	34.51
						58	61	3	9.88
HRC031	215	-50	123	273728.7	619345.4	34	52	19	1.57
						57	89	32	1.56
						59	60	1	24.56
						93	122	28	2.32
						111	112	1	37.80
HRC032	211.9	-55.8	171	273736.7	619387.6	62	65	3	1.14
						107	127	14	1.17
						168	171	3	1.02*
HRC033	215	-50	83	273683.8	619380.3	46	83	37	1.66
HRC033A	224.3	-51.1	93	273685.8	619381.1	48	93	45	2.13
HRC034	43	-60	63	274793.9	618653.3	41	45	4	1.40
HRC046	30.4	-58.5	66	274888.7	618611.8	54	57	3	1.05*
HRC050	34.5	-59.4	62	274928.2	618582.2	15	21	6	0.49
						24	36	12	2.44
						45	48	3	0.48
HRC051	36.5	-61.3	110	274922.3	618559.6	51	54	3	1.05
HRC052	34.5	-62	130	274914	618537	12	15	3	0.27
						18	21	3	1.45
						24	27	3	0.34
HRC054	35	-60	57	274976.8	618547.3	39	42	3	0.66
HRC055	36.9	-59.5	57	274967.9	618524	9	12	3	0.77
						51	57	6	0.53
HRC056	35	-59	62	274957.8	618502.7	12	15	3	0.46
						48	57	9	4.50

Hole ID	Azimuth	Dip	Depth	UTM Zone 21 Easting	UTM Zone 21 Northing	From	To	Thickness	Grade (g/t Au)
HRC062	35	-60	37	273166.4	619788.8	21	24	3	0.44
HRC066	35	-60	73	273095.7	619718.6	33	36	3	0.31
HRC071	215	-50	149	273701.4	619409.6	0	12	12	0.43
						85	88	3	0.49
						107	120	13	1.63
						126	129	3	1.92
HRC072	216.3	-50.1	91	273674.3	619391.1	51	91	40	2.55
	Includes					52	69	17	5.12
	Includes					57	58	1	58.50
	Includes					59	60	1	10.20
HRC073	215	-50	95	273642.7	619396.9	33	38	5	1.23
						60	65	5	0.35
						67	71	4	0.32
HRC074	215	-50	62	273648.4	619416.9	32	35	3	0.32
HRC075	34.7	-49.7	77	273638.5	619322.6	23	30	7	3.53
						34	36	2	1.26
						39	54	15	2.49
						64	65	1	0.29
						70	71	1	0.54
						75	77	2	0.51
HRC076	215	-50	68	273609.5	619433.4	0	29	29	0.07
						50	62	12	1.18
HRC077	224.9	-50.4	145	273632.3	619465.4	0	18	18	0.24
						23	26	3	0.42
						81	84	3	0.42
						95	100	5	0.45
						141	142	1	0.26
HRC078	213	-50.3	74	274184.7	618992	0	7	7	1.05
						12	15	3	0.49
						67	74	7	2.41
HRC079	35	-50	68	274246	618889	0	23	23	3.17
						35	38	3	0.50
						50	65	15	1.38

Notes:

1) All holes Reverse Circulation drill holes

2) All holes sampled at 1metre intervals. Assayed as 1metre intervals in visibly conspicuous mineralisation, otherwise composited and assayed as 3 metre intervals.

* denotes assayed as or partly assayed as 3m composites

3) Mineralised intervals reported with a maximum of 1 metre of internal dilution of less than 0.25 g/t Au

4) Sample preparation conducted by Actlabs Guyana Inc. and fire assay performed by ActLabs Chile

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Azimuth Resources Limited

ABN	Quarter ended ("current quarter")
87 089 531 082	30 June 2011

Consolidated statement of cash flows

	Cash flows related to operating activities	Current Quarter (3 Months) $A'000	Year to date (12 Months) $A'000
1.1	Receipts from product sales and related debtors	58	150
1.2	Payments for (a) exploration and evaluation	(2,579)	(5,666)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(358)	(907)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	83	234
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	Net Operating Cash Flows	(2,796)	(6,189)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	(263)	(307)
	(b) equity investments	-	-
	(c) other fixed assets	(407)	(863)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	- Cash acquired on acquisition of subsidiary		
	Net investing cash flows	(670)	(1,170)
1.13	Total operating and investing cash flows (carried forward)	(3,466)	(7,359)

1.13	Total operating and investing cash flows (brought forward)	(3,466)	(7,359)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares	349	12,040
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	- Capital raising costs	(3)	(464)
	- Share subscriptions received/(converted to shares)	(736)	-
	Net financing cash flows	(390)	11,576
	Net increase (decrease) in cash held	(3,856)	4,217
1.20	Cash at beginning of quarter/year to date	11,929	3,852
1.21	Exchange rate adjustments to item 1.20	(47)	(43)
1.22	**Cash at end of quarter**	8,026	8,026

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	154
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

The amount above includes all payments to Directors and also includes payments to companies associated with Richard Monti, Dean Felton and Dominic O'Sullivan. The payments relate to executive services and directors fees on commercial terms.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/a

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/a

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	3,200
4.2	Development	-
4.3	Production	-
4.4	Administration	500
	Total	**3,700**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	1,526	11,193
5.2	Deposits at call	6,500	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)		
	- Subscriptions received	-	736
	Total: cash at end of quarter (item 1.22)	8,026	11,929

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security	Amount paid upper security
7.1	**Preference⁺securities** *(description)*				
7.2	Changes during quarter				
7.3	**⁺Ordinary securities**	336,430,109	336,430,109		
7.4	Changes during quarter				
	(a) Increases through issues	1,312,500 1,000,000	1,312,500 1,000,000	$0.19 $0.10	- -
	(b) Decreases through returns of capital, buy-backs				
7.5	**⁺Convertible debt securities** (*description)*				
7.6	Changes during quarter				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
	Unlisted Class A Options	12,602,200	-	4 cents	31 Dec 2012
	Unlisted Class B Options	9,900,000	-	18 cents	31 Dec 2012
	Unlisted Options	9,000,000	-	10 cents	31 Dec 2012
	Unlisted ECOP options	750,000	-	10 cents	31 Aug 2012
	Unlisted ECOP options	600,000	-	10 cents	13 Aug 2013
	Unlisted ECOP options	600,000	-	10 cents	13 Aug 2014
	Unlisted ECOP options	1,500,000	-	42 cents	30 May 2014
	Unlisted Options	3,000,000	-	37.1 cents	30 Apr 2014
7.8	Issued during quarter				
	Unlisted ECOP options	1,500,000	-	42 cents	30 May 2014
	Unlisted Options	3,000,000	-	37.1 cents	30 Apr 2014
7.9	Exercised during quarter	1,000,000	1,000,000	10 cents	31 Dec 2012
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Joshua Ward Date: 31 July 2011
Company Secretary

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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