AZIMUTH RESOURCES LIMITED

ANNUAL INFORMATION FORM

For the Year Ended June 30, 2012
Dated as of September 26, 2012

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ITEM 1: PRELIMINARY NOTES

DATE OF INFORMATION

The date of the information in this Annual Information Form ("**AIF**") is as of June 30, 2012 unless otherwise stated; however, the information in this AIF has been updated to September 26, 2012 ("**the date of this AIF**").

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

This AIF contains forward-looking statements concerning Azimuth Resources Limited ("**Azimuth**" or the "**Company**", expressions which are intended to include Azimuth Resources Limited and all its subsidiaries together unless the context otherwise clearly requires), including statements regarding Azimuth's plans for its mineral projects, its exploration activities, and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Actual results could differ materially from the conclusions, forecasts and projections contained in these forward-looking statements.

Statements concerning mineral resource estimates may also be deemed to constitute "forward-looking statements" to the extent that they involve estimates of the mineralization that will be encountered if a given property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "is expected", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to materially differ from those reflected in the forward-looking statements, including, without limitation:

- inherent uncertainties and risks associated with mineral exploration;
- uncertainties related to the availability of future financing necessary to undertake activities on Azimuth's properties;
- uncertainties related to the possible recalculation of, or reduction in, the Company's mineral resources and any reserves;
- uncertainties related to the outcome of studies to be undertaken by Azimuth;
- uncertainties relating to fluctuations in gold or uranium prices;
- the risk that Azimuth's title to its properties could be challenged;
- risks related to Azimuth's ability to attract and retain qualified personnel;
- uncertainties related to general economic conditions;
- uncertainties related to global financial conditions;
- uncertainties related to the competitiveness of the industry;
- risks associated with Azimuth being subject to government regulation, including changes in regulation;
- risks associated with Azimuth being subject to environmental laws and regulations, including a change in regulation;
- risks associated with Azimuth's need for governmental licenses, permits and approvals;
- uninsured risks and hazards;
- risks related to the integration of businesses and assets acquired by Azimuth;

- risks associated with Azimuth having no history of earnings or production revenue;
- risks associated with fluctuations in foreign exchange rates;
- risks related to default by joint venture parties (if any), contractors and agents;
- inherent risks associated with litigation;
- risks associated with potential conflicts of interest;
- risks related to effecting service of process on directors resident in foreign countries;
- uncertainties related to Azimuth's limited operating history;
- risks related to Azimuth's lack of a dividend history;
- risks relating to short term investments; and
- uncertainties related to fluctuations in Azimuth's share price.

This list is not exhaustive of the factors that may affect any of Azimuth's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of Azimuth or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in this AIF under the heading "Description of the Business - Risk Factors" and elsewhere.

Azimuth's forward-looking statements are based on the assumptions, beliefs, expectations and opinions of management as of the date hereof and which Azimuth believes are reasonable in the circumstances, but no assurance can be given that these expectations will prove to be correct. These assumptions include but are not limited to that the Company's exploration of its properties and other activities will be in accordance with the Company's public statements and stated goals, that there will be no material adverse change affecting the Company or its properties, anticipated costs and timing for the Company's activities and such other assumptions as set out herein. Azimuth disclaims any intention or obligation to update or revise forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.

CURRENCY AND EXCHANGE RATES

Dollar amounts set forth in this AIF, except as otherwise indicated, are stated in Australian dollars. Australian dollars are indicated as "A$", Canadian dollars are indicated as "C$" and United States dollars are indicated as "US$". The following table sets forth for each period indicated the period-end exchange rates and the average exchange rates for Canadian and United States dollars. These rates are the closing Interbank rates for the purchase of one Australian dollar with Canadian or United States dollars for the period indicated.

	June 30, 2012	June 30, 2011	June 30, 2010
A$/C$ exchange rate:			
Year end	1.0454	1.0389	0.8993
Average	1.0349	0.9887	0.9013
A$/US$ exchange rate:			
Year end	1.0191	1.0739	0.8479
Average	1.0319	0.9881	0.8860

ITEM 2: CORPORATE STRUCTURE

NAME AND INCORPORATION

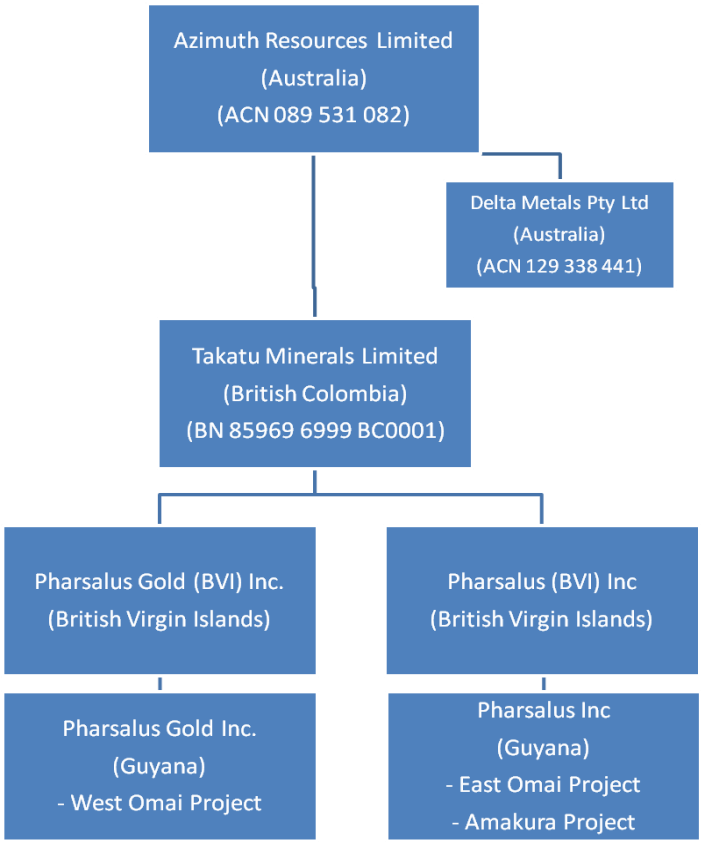
Azimuth Resources Limited was incorporated in Australia under the Australian Corporations Act on September 13, 1999 under the name Balladonia Uranium Ltd (Australian Company No. 089 531 082). The name of the Company was subsequently changed as follows: Balladonia Energy NL (date of incorporation - November 19, 2004), Balladonia Energy Pty Ltd. (November 19-22, 2004), Hampton Nickel (Bulong Operations) Pty Ltd (November 22, 2004 – August 19, 2005), Balladonia Energy Pty Ltd (August 19, 2005 – September 30, 2005), Balladonia Energy Limited (September 30, 2005 – May 16, 2006), Balladonia Uranium Ltd (May 16, 2006 – August 9, 2006) and Epsilon Energy Limited (August 9, 2006 – July 29, 2010). The Company changed its name to Azimuth Resources Limited as of July 29, 2010.

Azimuth completed an initial public offering on November 10, 2006 and its ordinary shares (the "**Shares**") are listed on the Australian Securities Exchange (the "**ASX**") under the symbol "AZH". The Shares commenced trading on the ASX on December 13, 2006. The Shares are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "AZH". The Shares commenced trading on the TSX on May 10, 2012.

Azimuth's registered and head office is located at 510A Hay Street, Subiaco, WA, Australia 6008, telephone: +61 8 9381 2488; facsimile: +61 8 9388 3117; email: admin@azimuthresources.com.au; website: www.azimuthresources.com.au.

INTERCORPORATE RELATIONSHIPS

The following chart describes the inter-corporate relationships amongst Azimuth and Azimuth's subsidiaries as at June 30, 2012. Each subsidiary is wholly owned, directly or indirectly, by Azimuth.



ITEM 3: GENERAL DEVELOPMENT OF THE BUSINESS

THREE YEAR HISTORY

The following is a summary of key developments in Azimuth's business over the past three years:

JUNE 30, 2009 – JUNE 30, 2010

- On November 25, 2009 the Company entered into an implementation agreement with Takatu Minerals Limited ("**Takatu**") pursuant to which the Company agreed to acquired 100% of Takatu's issued and outstanding capital (the "**Implementation Agreement**"). Takatu owned (indirectly through its shareholdings in subsidiaries and through contractual arrangements with tenement holders) the West Omai Gold Project, the East Omai Gold Project and the Amakura Uranium Project in Guyana. The consideration paid by the Company to the Takatu securityholders under the Implementation Agreement was comprised of four Shares for every one Takatu share held together with (i) four Azimuth Class-A Options for every one Takatu C$0.15 warrant held; and (ii) four Azimuth Class-B Options for every one Takatu C$0.67 warrant held.

- On December 24, 2009 the Company's acquisition of Takatu pursuant to the Implementation Agreement was approved by the shareholders of the Company in an extraordinary general meeting of the Company.

- On January 14, 2010 the Company completed the acquisition of Takatu in accordance with the Implementation Agreement. Azimuth also issued an additional 19,893,495 Shares pursuant to a private placement and a public offering, raising proceeds of A$6.3 million.

- On January 19, 2010 Joshua Ward was appointed Joint Company Secretary.

- On January 19, 2010 Dominic O'Sullivan was appointed as Chief Executive Officer of the Company.

- On June 23, 2010 the Company entered into the Baksh option agreement which granted the Company the right to acquire some of the tenements overlaying the Omai-Hicks-Kaburi mineralised corridor between the Company's Hicks and Kaburi prospects.

JUNE 30, 2010 – JUNE 30, 2011

- Following shareholder approval on July 27, 2010, the Company adopted a new constitution (the "**Constitution**"), which is available under the Company's profile on SEDAR at www.sedar.com, and changed its name from "Epsilon Energy Limited" to "Azimuth Resources Limited".

- On July 26, 2010 the Company entered into the following option agreements, which granted the Company the right to acquire the majority of the tenements overlaying the Omai-Hicks-Kaburi mineralised corridor between the Company's Hicks and Kaburi prospects:

    - Smart's No 1 Option Agreement; and
    - Smart's No 2 Option Agreement.

- On August 17, 2010 the Company issued a total of 20,000,000 Shares at a price of A$0.07 per Share in a non-brokered private placement. The private placement raised aggregate proceeds of A$1,400,000.

- On February 18, 2011 Bruce Larson resigned as Non-Executive Chairman and Michael Hunt was appointed Non-Executive Chairman.

- On March 18, 2011 the Company closed a private placement of 40,529,605 Shares at A$0.19 per Share for aggregate proceeds of A$7,700,625. The placement was managed by Blackswan Equities.

- On March 28, 2011 Azimuth closed an oversubscribed $2.6 million share purchase plan. The Company had initially intended to raise $1.5 million from the share purchase plan, however given the significant demand from shareholders, the Company resolved to increase the share purchase plan to $2.6 million. Shares issued pursuant to the share purchase plan were allotted on March 31, 2011.

- On May 6, 2011 Morgan Barron resigned as Joint Company Secretary and Joshua Ward became the sole Company Secretary.

JUNE 30, 2011 – JUNE 30, 2012

- On October 24, 2011 Paul Criddle was appointed as the Chief Operating Officer of the Company.

- On November 10, 2011 the Company completed a private placement of 42,118,949 Shares at a price of A$0.46 per Share for aggregate proceeds of approximately A$19.4 million. The private placement was managed by Blackswan Equities and subscribed to by institutional clients of Blackswan Equities.

- On February 17, 2012 the Company entered into the Baksh 2 option agreement granting the Company the option to acquire 57 prospecting permits located between the West and East Omai projects, for consideration of up to 9,000,000 Shares, issued in tranches over 4 years.

- On March 23, 2012 the Company announced certain changes in connection with the anticipated listing of the Company's Shares on the TSX. These changes included the announcement that the Company plans to appoint a Chief Executive Officer who will be based in North America and also plans to establish a corporate headquarters in North America. Dominic O'Sullivan moved from his role of Chief Executive Officer and Managing Director into a newly created role as President of the Company in connection with these changes.

- On April 26, 2012 Sean Harvey was appointed as non executive director of the Company.

- On May 10, 2012 the Company's Shares were listed on the TSX.

- The Company announced a NI 43-101 compliant resource statement on May 30, 2012 based on drilling and assay results conducted on its Smarts and Hicks deposits at the West Omai Project.

JUNE 30, 2012 – SEPTEMBER 26, 2012

- Effective July 1, 2012, Dominic O'Sullivan resigned as an Executive Director of the Company, and remains a Non-Executive Director.

- On August 10, 2012 the Company issued a total of 17,142,857 Shares at a price of A$0.35 per Share in a private placement. The private placement raised proceeds of A$6,000,000 before costs.

- On September 18, 2012 the Company announced it had entered into various agreements granting the Company the option to acquire an additional 576km2 of tenure located between and around the West and East Omai gold projects, for cash and share consideration.

SIGNIFICANT ACQUISITIONS

No significant acquisitions that would require disclosure pursuant to Part 8 of NI 51-102 were completed by Azimuth during the year ended June 30, 2012, nor up to the date of this AIF. However a full update inclusive of minor acquisitions is included in subsequent sections of this AIF.

ITEM 4: DESCRIPTION OF THE BUSINESS

COMPANY OVERVIEW

Azimuth is a mineral exploration company focused on its portfolio of gold exploration projects in Guyana, South America. The Company's mineral projects include the West Omai gold project, the Company's most advanced exploration project located in north-central Guyana (the "**West Omai Project**"), and the East Omai gold project in east-central Guyana (the "**East Omai Project**"). The West Omai Project is the only material project of the Company as of the date of this AIF.

As at June 30, 2012, Azimuth had 139 full time employees and has 97 full time employees as of the date of this AIF.

PROJECT OVERVIEW

On June 13, 2012 the Company filed a technical report for the West Omai Project, entitled "Technical Report – West Omai Gold Project – Guyana" (the "**Technical Report**") that is compliant with National Instrument 43-101 – "*Standards of Disclosure for Mineral Projects*" ("**NI 43-101**"). The Technical Report is dated May 30, 2012 and was prepared by Aaron Charles Green of Runge Limited (Perth) ("**Runge**"), an independent "qualified person" as defined in NI 43-101. For a complete description of assumptions, qualifications and procedures associated with the information in the Technical Report, reference should be made to the full text of the Technical Report, which is available for review on SEDAR at www.sedar.com.

See "Mineral Properties" below for information regarding the Company's mineral projects and the Technical Report.

BANKRUPTCY AND SIMILAR PROCEEDINGS

There are no proceedings against the Company or its subsidiaries in the nature of bankruptcy, receivership or similar proceedings, voluntary or otherwise, within the three most recently completed financial years or as of the date of this AIF.

RISK FACTORS

The following risk factors, as well as risks not currently known to Azimuth, could materially adversely affect Azimuth's future business, activities and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to Azimuth. Before making an investment decision consideration should be made of the principal risks and uncertainties described below:

MINERAL EXPLORATION IS SPECULATIVE AND UNCERTAIN AND INVOLVES A HIGH DEGREE OF RISK

The exploration for, and development of, mineral deposits involves a high degree of risk. In the case of most mineral explorers, few properties which are explored are ultimately developed into producing mines. Resource exploration and development is a speculative business, characterized by a number of significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, although present, are insufficient in quantity and/or quality to return a profit from production. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors that are beyond the control of the Company and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing of plant and consumables, exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return on investment capital.

The Company has not yet identified any mineral reserves on its mineral properties. Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and

government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The combination of these factors may result in Azimuth expending significant resources (financial and otherwise) on a property without receiving a return. There is no certainty that expenditures made by Azimuth towards the search and evaluation of mineral deposits will result in the discovery of an economically viable mineral deposit.

The Company has relied on and may continue to rely on consultants and employees for mineral exploration and exploitation expertise. The Company believes that those consultants and employees are competent and that they have carried out their work in accordance with internationally recognized industry standards. However, if the work conducted by those consultants or employees is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in developing its properties.

There can be no assurance that the Company's mineral exploration activities will be successful. If such commercial viability is never attained, the Company may seek to transfer its property interests or otherwise realize value or may even be required to abandon its business and fail as a "going concern".

AZIMUTH'S ACTIVITIES WILL REQUIRE FURTHER CAPITAL

Ongoing exploration and any development of Azimuth's properties will require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and any development of Azimuth's properties or even a loss of mineral properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to Azimuth. If Azimuth obtains debt financing, it will be exposed to the risk of leverage and its activities could become subject to restrictive loan and lease covenants and undertakings. If Azimuth obtains equity financing, existing shareholders may suffer dilution. There can be no assurance that Azimuth would be successful in overcoming these risks or any other problems encountered in connection with such financings.

ALL MINERAL RESOURCES AND ANY FUTURE MINERAL RESERVES ARE ESTIMATES AND MAY BE RECALCULATED AND REDUCED

The mineral resources contained in this AIF are estimates only, and no assurance can be given that estimated mineral resources and/or any future estimates of mineral reserves will prove to be accurate or that the indicated level of mineral will be produced. Such estimates will be expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Mineral resource and reserve estimation is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of mineral deposits cannot be known until mining takes place, and will almost always differ from the assumptions used to develop resources. Further, mineral reserves are valued based on future costs and future prices and consequently, the actual mineral reserves and mineral resources may differ from those estimated, which may result in either a positive or negative effect on operations.

RESULTS OF STUDIES ARE UNCERTAIN

Subject to the results of the exploration and testing programs to be undertaken, the Company intends to progressively undertake a number of studies with respect to its mineral properties.

These studies will be completed within certain parameters designed to determine the technical and economic feasibility of the projects within certain limits. There can be no guarantee that any of the studies will confirm the technical and economic viability of the projects or the results of other studies undertaken by the Company (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of a project, there can be no guarantee that the project will be successfully brought into production. In addition, the ability of the Company to complete a study may be dependent on the Company's ability to raise further funds to complete the study if required.

AZIMUTH MAY BE ADVERSELY AFFECTED BY FLUCTUATIONS IN GOLD AND/OR URANIUM PRICES

The prices of gold and uranium fluctuate widely and are affected by numerous factors beyond the control of Azimuth, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales by producers and speculators as well as other global or regional political, social or economic events. Future production, if any, from Azimuth's mineral properties will be dependent upon the prices of gold and uranium being adequate to make these properties economic. Future serious price declines in the market value of gold or uranium could cause development of, and any commercial production from, a project to be rendered uneconomic. Depending on the price of gold or uranium, Azimuth could be forced to discontinue any production or development and may lose its interest in, or may be forced to sell, some of its mineral properties. There is no assurance that, even if commercial quantities of gold or uranium are produced, a profitable market will exist for them.

In addition to adversely affecting future reserve estimates, if any, of Azimuth and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

The Company currently does not engage in any hedging or derivative transactions to manage commodity price risk. As the Company's operations change, the Directors will review this policy periodically going forward. There can be no assurance that fluctuations in commodity prices will not have a material adverse effect upon the Company's financial performance and results of operations.

AZIMUTH'S TITLE TO ITS PROPERTIES COULD BE CHALLENGED

There can be no assurances that Azimuth's interest in its mineral properties is free from defects. The Company has investigated its mineral rights as set forth in this AIF and believes that these rights are in good standing. There is no assurance, however, that such rights or title to mineral properties will not be revoked or significantly altered to the detriment of the Company. There can be no assurances that the Company's rights and title interests will not be challenged or impugned by third parties.

All of the mineral properties in which the Company has or may earn an interest will be subject to applications for renewal or grant (as the case may be). The renewal or grant of each mineral property is usually at the discretion of the relevant government authority. If a mineral property is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that area.

AZIMUTH DEPENDS ON KEY MANAGEMENT PERSONNEL AND MAY NOT BE ABLE TO ATTRACT AND RETAIN QUALIFIED PERSONNEL

Azimuth is dependent on a number of key management personnel, including the services of certain key employees. Azimuth's ability to manage its exploration, appraisal and potential development and mining activities will depend in large part on the ability to retain current personnel and attract and retain new personnel, including management, technical and a skilled workforce. The loss of the services of one or more key management personnel could have a material adverse effect on Azimuth's ability to manage and expand its business.

It may be difficult for the Company to attract and retain suitably qualified and experienced people, given the current high demand in the industry.

GENERAL ECONOMIC CONDITIONS MAY ADVERSELY AFFECT AZIMUTH'S GROWTH AND PROFITABILITY

The events in global financial markets recently have had a profound impact on the global economy. Many industries, including the mineral industry, are impacted by these market conditions. Some of the key impacts of the

current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, may adversely affect Azimuth.

GLOBAL FINANCIAL CONDITIONS HAVE BEEN SUBJECT TO INCREASED VOLATILITY AND MAY IMPACT AZIMUTH'S ABILITY TO FINANCE ITS ACTIVITIES

Current global financial conditions have been subject to increased volatility. Access to public financing has been negatively impacted by lack of investor confidence. This could impact the ability of Azimuth to obtain equity or debt financing in the future and, if obtained, on terms favourable to Azimuth. If these increased levels of volatility and market turmoil continue, Azimuth's activities could be adversely impacted and the trading price of Azimuth's shares could be adversely affected.

THE MINERAL INDUSTRY IS COMPETITIVE

The mineral industry is competitive in all of its phases. The Company competes with other companies, some of which have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. The Company competes with other exploration and mining companies for the acquisition of mineral interests as well as for the recruitment and retention of qualified employees and other personnel. There can be no assurance that the Company can compete effectively with these companies.

AZIMUTH'S ACTIVITIES ARE SUBJECT TO GOVERNMENT REGULATION

Azimuth's activities are subject to various laws governing exploration, taxes, labour standards and occupational health, safety, toxic substances, land use, water use, land claims of local people and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner, which could limit or curtail Azimuth's activities.

Amendments to current laws, regulations and permits governing activities of exploration and mining companies, or more stringent implementation thereof, could have a material adverse impact on Azimuth and cause increases in expenses or require abandonment or delays in activities.

Failure to comply with any applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

AZIMUTH'S ACTIVITIES ARE SUBJECT TO ENVIRONMENTAL LAWS AND REGULATIONS

The industry has become subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk.

AZIMUTH RELIES ON LICENSES, PERMITS AND APPROVALS FROM VARIOUS GOVERNMENTAL AUTHORITIES

Azimuth's activities require licenses, permits and approvals from various governmental authorities. Azimuth believes that it holds all necessary licenses and permits under applicable laws and regulations to conduct its current activities and believes that it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances and certain permits and approvals are required to be renewed from time to time. Additional permits and permit renewals will need to be obtained in the future and the granting, renewal and continued effectiveness of these permits and approvals are, in most cases, subject to some level of discretion by applicable regulatory authorities. Certain governmental approval and permitting processes are subject to aboriginal and public consultation requirements and can be appealed by

project opponents, which may result in significant delays or in approvals being withheld or withdrawn. There can be no guarantee Azimuth will be able to obtain or maintain all necessary licenses and permits as are required to explore or develop its properties.

AZIMUTH HAS UNINSURED RISKS

The business of Azimuth is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions and floods. Such occurrences could result in damage to mineral properties and exploration or production facilities, personal injury or death, environmental damage to properties of Azimuth or others, delays in mining, monetary losses and possible legal liability.

Although Azimuth maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. It is not always possible to obtain insurance against all such risks and Azimuth may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Azimuth or to other companies in the mining industry on acceptable terms. Losses from these events may cause Azimuth to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

AZIMUTH MAY ACQUIRE BUSINESSES AND ASSETS WHICH ARE NOT SUCCESSFULLY INTEGRATED

Azimuth undertakes evaluations of opportunities to acquire additional properties and businesses. Any acquisitions may change the scale of Azimuth's business and may expose Azimuth to new geographic, political, operating, financial and geological risks. Azimuth's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, acquire them on acceptable terms, and integrate their operations successfully. Any acquisitions would be accompanied by risks, such as a significant decline in the relevant mineral price after Azimuth commits to complete an acquisition on certain terms; the quality of the mineral deposit acquired proving to be lower than expected; the difficulty of assimilating the operations and personnel of any acquired companies; the potential disruption of Azimuth's ongoing business; the inability of management to realize anticipated synergies and maximize the financial and strategic position of Azimuth; the failure to maintain uniform standards, controls, procedures and policies; the impairment of relationships with employees and contractors as a result of any integration of new management personnel, and the potential unknown liabilities associated with acquired assets and businesses. There can be no assurance that any assets or business acquired will prove to be beneficial or that Azimuth will be able to integrate the required businesses successfully, which could slow Azimuth's rate of expansion and Azimuth's business and financial condition could suffer.

Azimuth may need additional capital to finance acquisitions (whether completed or not) which may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company. If Azimuth obtains debt financing, it will be exposed to the risk of leverage and its operations could become subject to restrictive loan and lease covenants and undertakings. If Azimuth obtains equity financing, existing shareholders may suffer dilution. There can be no assurance that Azimuth would be successful in overcoming these risks or any other problems encountered in connection with such financings.

AZIMUTH HAS NO HISTORY OF EARNINGS AND NO PRODUCTION REVENUES

Azimuth has no history of earnings and has not commenced commercial production on any mineral property. The Company has experienced losses from exploration operations and expects to continue to incur losses for the foreseeable future. There can be no assurance that the Company will be profitable in the future. The Company's operating expenses and capital expenditures are likely to increase in the future as needed employees, consultants,

contractors and equipment associated with advancing exploration, and, if successful, development and, potentially, commercial production of its properties, are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of employees' and consultants' analyses and recommendations, the rate at which operating losses are incurred, the Company's acquisition of additional properties, government regulatory processes and other factors, many of which are beyond the Company's control. The Company expects to continue to incur losses unless and until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Company's properties will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability.

AZIMUTH MAY BE ADVERSELY AFFECTED BY FLUCTUATIONS IN FOREIGN EXCHANGE RATES

International prices of various commodities are denominated in United States Dollars, whereas the income and expenditures of the Company are and will be taken into account in Australian or Guyanese currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States Dollar, the Guyanese Dollar and/or the Australian Dollar. The Company currently does not engage in any hedging or derivative transactions to manage foreign exchange risk. As the Company's operations change, its directors will review this policy periodically going forward. There can be no assurance that fluctuations in foreign exchange rates will not have a material adverse effect upon the Company's financial performance and results of operations.

AZIMUTH'S JOINT VENTURE PARTIES, CONTRACTORS AND AGENTS

The Directors are unable to predict the risk of financial failure or default by a participant in any joint venture to which the Company is, or may become a party; or insolvency or other managerial failure by any of the contractors used by the Company in any of its activities; or insolvency or managerial failure by any of the other service providers used by the Company for any activity.

AZIMUTH MAY BE SUBJECT TO LITIGATION

Azimuth may be involved in disputes with other parties in the future, which may result in litigation. If Azimuth is unable to resolve these disputes favourably, it may have a material adverse impact on Azimuth's financial condition.

AZIMUTH'S DIRECTORS AND OFFICERS MAY HAVE CONFLICTS OF INTEREST

Certain of the directors and officers of Azimuth also serve as directors and/or officers of other companies involved in natural resource exploration and development and, despite the Company using best efforts by way of corporate governance processes, there exists the possibility for such directors and officers to be in a position of conflict.

EFFECTING SERVICE OF PROCESS

The majority of Azimuth's current directors reside outside of Canada and the assets of these persons are located outside of Canada, as are the assets of Azimuth. It may not be possible for investors to effect service of process within Canada upon the directors, officers and experts named in this AIF. It may also not be possible to enforce against Azimuth, its directors and officers, and certain experts named in this AIF, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

AZIMUTH HAS A LIMITED OPERATING HISTORY

The Company has limited operating history on which it can base an evaluation of its prospects.

The prospects of the Company must be considered in the light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty.

AZIMUTH DOES NOT HAVE A DIVIDEND HISTORY

No dividends on its shares have been paid by Azimuth to date. Azimuth anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of Azimuth's board of directors after taking into account many factors, including Azimuth's financial condition and current and anticipated cash needs.

SECURITIES INVESTMENT RISKS

Shareholders should be aware that there are risks associated with any securities investment. The prices at which the Company's Shares trade may be above or below the issue price, and may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that these trading prices and volumes will be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

MINERAL PROPERTIES

THE WEST OMAI PROJECT

The information regarding the West Omai Project in this section of the AIF has been extracted from the Technical Report prepared by Aaron Charles Green of Runge. For a complete description of assumptions, qualifications and procedures associated with the information in the Technical Report, reference should be made to the full text of the Technical Report, which is available for review under Azimuth's profile on SEDAR at www.sedar.com.

1. Property Description and Location

Property Area

The West Omai Project covers an aggregate area of 114,945 hectares, comprising granted small, medium and large scale tenements.

Property Location

The West Omai Project is centred at 5º37'N and 59º05'W in the central-northern portion of Guyana. The project lies approximately 180km south-southwest of Georgetown.

Mineral Tenure

Legal Framework

The ownership of all minerals within the Republic of Guyana is vested in the State of Guyana. Correspondingly, the owners of surface title whose rights are governed by the State Lands Act (Chapter 61-01) have no mineral rights.

The Guyana Mining Act of 1989 ("**Act**"), and the regulations made under the Act ("**Regulations**") empower and define the duties of the Minister responsible for mining ("**Minister**") and the Guyana Geology and Mines Commission ("**GGMC**") to carry out the objects of the Act and Regulations including the granting of mineral title and supervising the conduct of mining and prospecting operations. The Act and Regulations also govern the rights, obligations and restrictions imposed upon those granted mineral title. The Minister and GGMC enforce the procedures to be followed in the grant and regulation of all mineral title in Guyana. At the present time the Minister responsible for mining is the Minister of Natural Resources and the Environment.

For details on types of mineral title, grants and renewals of mineral title, size of and fees for mineral title, and the fiscal regime and stability of Guyana's mineral title system, refer to the company's NI 43-101 Technical Report dated May 30, 2012.

Government Royalties

The payment of gross production royalties are provided for by the Act and the amount of royalty to be paid is prescribed by the Minister. As such royalties may be varied from time to time. Currently, the prescribed royalties on gold production are ad valorem of gross production sales at the following rates:

- For claim licences 5%;
- For mining permits for medium scale operations 5%;
- For mining licences 5%.

Fiscal regime and stability

The Act makes broad provision for the GGMC with approval of the Minister to enter into mineral agreements with applicants for or holders of prospecting and mining licences in respect to:

- The conditions to be included in the licence as granted, applied for or renewed.
- The procedure to be followed by the GGMC while exercising any discretion conferred to it by the Act.
- Any matter incidental to or connected to a licence.

At present it is usual for two mineral agreements to be entered into. One applicable to the early stages of prospecting operations and the other prior to the grant of a mining licence or commencement of mining operations.

Such mineral agreements provide incentives, define the fiscal regime and ensure the stability of the incentives and the fiscal regime for the entire term of a prospecting licence or for a set period (currently 15 years) for a mining licence. While it is possible for provisions of a mineral agreement to be negotiated it has been the practice of the GGMC and the Minister to provide the same terms and conditions at any one time for all holders of or applicants for prospecting and mining licences.

Currently the holders of prospecting licences are granted the following incentives under mineral agreements:

- Zero rating on all customs duties, VAT and excise taxes on the purchase and importation of all equipment and supplies to be used directly in prospecting operations with the exception of food and office equipment apart from computers.
- Exemption from all excise tax on fuel used in prospecting operations.
- 10% rating on consumption tax for aviation fuel.

Currently mineral agreements entered into prior to the grant of mining licences or the commencement of mining operations grant and ensure the following incentives and fiscal regime:

- Zero rating on all customs duties, VAT and excise taxes on the purchase and importation of all equipment supplies, consumables, and spares to be used directly in mining operations.
- Exemption from all excise tax on fuel used in mining operations.
- 10% rating on consumption tax for aviation fuel.
- Consignment of the above incentives to contractors of the Company who provide services directly in support of mining operations.
- Zero rating on VAT for payments to certain contractors such as drilling or mining contractors.
- Corporate tax rate of 30%.
- Exemption from withholding taxes on dividends and interest payments to the parent company or other offshore entities.

- Deductibility of royalty payments against corporate taxes.
- Offset of the cost of certain infrastructural works of general benefit to Guyana against the mineral royalty.
- Royalty of 5% if the gold price is below US$1,000 per ounce and 8% if the gold price is above US$1,000 per ounce.
- Capitalisation of prospecting costs.
- 20% straight line depreciation.
- Stability of royalties, incentives and tax rates for the term of the licence, the life of the deposit or for 15 years whichever is shorter.

Ownership

The rights to explore for minerals within the West Omai Project were previously owned by Takatu, which was acquired by the Company on January 14, 2010.

Azimuth holds the West Omai Project tenement rights through its wholly owned subsidiary Pharsalus Gold Inc. ("**Pharsalus**").

The West Omai Project tenements cover an aggregate area of 284,413 acres (114,945ha), granting the holders the right to explore for gold or gold and diamonds. The tenements have been acquired by either direct grant to Pharsalus (25,990 acres /10,518ha) or by contractual agreements with tenement holders (258,423 acres/104,427 ha). Apart from the Kaburi Agreement (29,143 acres 11,794 ha), which provides for the Company to earn a 90% interest, all other vendor agreements provide Pharsalus with the right to obtain an ultimate interest of 100%.

The West Omai Project comprises a single (large scale) mining licence, 94 (small scale) claim licences, 217(medium scale) prospecting and mining permits, and 6 (large scale) Prospecting Licences.. All licences, permits and claims are granted for either gold or gold and diamonds. The (large scale) prospecting licences include three licences won by Pharsalus at open auction on November 22, 2007 (GS14: P-18, P-19 and P-20) which are owned 100% by Pharsalus.

The expiry dates of the tenement range from October 5, 2012 to January 31, 2019.

Property Survey

The prospecting permits registered in the name of Shreemattie Budhram are presently defined by UTM co-ordinates (zones 20N and 21N 1956 Provisional South American Spheroid) and are partly surveyed and marked by notices or cut-lines where the permits adjoin and abut mineral titles not owned by Azimuth or abut the Bartica Issano road. Where the permits have boundaries with other mineral title owned by Pharsalus permit boundaries have not been surveyed and are not marked by notices or cut lines. The survey status of the Hicks group of tenements, registered in the name of George Hicks Mining Company Limited and Kaburi Development Company Limited is as follows:

- The two medium scale prospecting permits (GS8H-44/000/98 & GS8H-44/001/98) are surveyed by GPS and are marked by cut-lines and corner boards. The single large scale mining licence number 2 of 2009, originally granted as MD9/39/16 No 641, has been surveyed via GPS, and is marked by a notice and defined by cut-lines.

- The 41 small scale claim licences have all been surveyed by GPS and are defined by cut lines and corner boards.

All tenements associated with the Kaburi group, registered granted in the name of P. Harding, C. Belle & P. Harding V. Daniels & P. Harding and the West Kaburi Mining Corporation Inc., have been surveyed, are defined by cut-lines and corner boards are established.

The three prospecting permits won at the GGMC auction held on November 22, 2007 are granted to Pharsalus Gold Inc. These tenements are presently defined by UTM coordinates (zones 20N and 21N 1956 Provisional South

American Spheroid) and have not been surveyed and demarcated on the ground. All small scale claims of the other groups are defined by unsurveyed cut lines, and marked by GPS surveyed corner boards.

Agreements

The granted tenements comprising the West Omai Project fall under separate agreements as follows:

Smarts No 1. Agreement. Comprising 6 small scale claim licences (Pam 4, 10, 12, 16-18) whereby Pharsalus has been granted an exclusive and irrevocable licence from the owner, Leslie Smartt, to explore and mine in exchange for payments totalling US$90,000.

Smarts No 2 Agreement. Comprises the option to acquire a 100% interest in 20 small scale claim licences (OK3, OK5-8, Pam 5, 6, 8, 9 &11 Bob, Bob 1-2, May, May 1-6) from the vendor Leslie Smartt. The agreement was signed on July 26, 2010 and entails the following option payments:-

- A Payment of US$15,000 upon the signing of the agreement.
- Payments of US$15,000 each on the 1st and 2nd anniversaries of the agreement.
- A final payment of $155,000 on the 3rd anniversary of the agreement.

The vendor has now received US$45,000 in payments satisfying the first two scheduled payments under the agreement and further payments of US$155,000 are required to exercise the option.

Hicks Agreement. Comprises 41 small scale claim licences (Glory 1-7, Star 1-7, Midnight 1-6, Yan 1-12, Madrasi, Nugget, Produce, Victory & Simon), two medium scale prospecting permits (GS8H44/000/1998-001/1998) and one large scale mining licence ML number 2 of 2009, originally granted as MD9/39/16 No 641. The agreement is between the Company on one hand and George Hicks Mining Company & Kaburi Development Company on the other. The agreement covers the Hicks Prospect, was signed on June 11, 2007 and entails:-

- Cash payments totalling US$155,000 at and before the listing of Pharsalus or Takatu, and shares to the value of US$150,000 in Takatu at listing.
- On-going annual cash payments of US$50,000 on each anniversary of the listing of Takatu, ceasing upon commencement of commercial production.
- A retained Net Smelter Return ("**NSR**") royalty of 2% on all commercial production. Royalties on the initial 200,000oz of gold produced from the tenements is to be paid to George Hicks Mining Company & Kaburi Development Company, after which the royalty is to be split 50:50 with Imperial Metals Corporation of Canada (a successor company to Cathedral Gold).
- The NSR royalty may be purchased from the vendors once 750,000oz of Mineral Reserves have been proven. The purchase price is US$5,000,000 at a spot gold price of US$500/oz, increasing at US$1,000,000 for each US$100/oz increment in the gold price.

Kaburi Agreement. Comprising nine small scale claim licences (Pearl and Pearl 1-8), 27 medium scale prospecting permits (GS8:B-21/000/08,B-21/001/08, GS8:D32/001/9,GS8:D32/002/94, GS8: H61/000/2000 to H61/002/2000, GS8:H99/000/0300/2000, GS8:H99/001/0301/2000, ,GS8:H52/000/95, GS8:H1/000/05, H194/000/06 toH191/014/06), and one large scale Prospecting Permit (W10). The tenements are variously owned by P. Harding, V. Daniels & P. Harding, C. Belle & P. Harding and the West Kaburi Mining Company Limited and Perial Limited. Under the terms of the agreement, signed and dated September 21, 2007, Pharsalus has the right and option to earn up to a 90% interest in the Kaburi tenements in several stages. Once a decision to mine is made, the vendors retain a free-carried net profits interest equal to the interest not yet earned by Pharsalus. Pharsalus may still increase its interest to 90% in accordance with the terms below following a decision to mine. The summary terms of the agreement are as follows:-

- Pharsalus must pay the vendors US$550,000 in several staged payments, of which $450,000 has been paid as at the date of this AIF.

- Pharsalus must commit to completing expenditure of US$2,500,000 before May 8, 2014. At 30 June 2012, Pharsalus had spent US$1,226,000 in total on the tenements. Upon satisfying the vendor payments and expenditure commitment above, Pharsalus will have earned a 50% interest in the Kaburi tenements.
- Thereafter Pharsalus may earn an additional 10% interest in the tenements via further expenditure of US$2,400,000 and title will be transferred to Pharsalus.
- Thereafter Pharsalus may increase its interest in the tenements to 90%, in increments of 10% for each US$1,700,000 in completed expenditure.

Budhram No.1 Agreement. Comprising 12 medium scale prospecting permits (GS8B235/000/2006-011/2006). Under this agreement, Pharsalus is granted an exclusive, irrevocable licence by the owner, Shreemattie Budhram, to explore and mine in exchange for a one-off payment of US$2,500 and re-imbursement of all costs and fees associated with the grant of the permits. The agreement was entered into September 5, 2006.

Budhram No.2 Agreement. Comprising 41 medium scale prospecting permits, whereby Pharsalus has been granted an exclusive and irrevocable licence from the owner, Shreemattie Budhram, to explore and mine in exchange for a one-off payment of US$10,000 and re-imbursement of all costs and fees associated with the grant of the permits. The agreement was entered into August 31, 2007.

Budhram No.3 Agreement. Comprising 99 medium scale prospecting permits (as tabulated in Table 1-1), whereby Pharsalus has been granted an exclusive and irrevocable licence from the owner, Shreemattie Budhram, to explore and mine in exchange for a one-off payment of US$25,000 and re-imbursement of all costs and fees associated with the grant of the permits. The agreement was entered into May 8, 2008.

Baksh No 1 Agreement. Comprising the option to acquire a 100% interest in 14 medium scale prospecting permits (B-293/000/2007, B-294/001 – 003/2008, B-294/004 – 008/2007, B-295/000 – 004/2007, B-380/000/2008). The agreement was signed on June 23, 2010 and entails:-

- Payment of US$50,000 on the signing of the agreement.
- Payment of US$100,000 on the 1st anniversary.
- Payment of US$50,000 on the 2nd anniversary.
- A final payment of US$50,000 on the 3rd anniversary.

During the period of the option Pharsalus had full rights to occupy, explore, prospect, mine or carry out related activities on the tenements. Pharsalus has elected to exercise the option early via accelerated payment of the option price. The vendor, Azeem Baksh, has received payment in full and Pharsalus is the holder of all of the rights and interest in these 14 medium scale prospecting permits. The vendor is entitled to a 2% NSR royalty, which Pharsalus has the option to purchase at any time for a cash payment of US$1,000,000.

Baksh No 2 Agreement. Comprising the option to acquire a 100% interest in 57 medium scale prospecting and mining permits of which 10 prospecting permits (B-297/000-006/2008, B-317/000 – 002/2008 & B-382/000/2008) fall within the West Omai Project. The remaining 47 prospecting permits fall within the East Omai Project. The agreement was entered into November 26, 2011 and entails:-

- Issue of 3,000,000 shares in Azimuth within 3 months of the signing of the agreement.
- Issue of 2,000,000 shares in Azimuth 2 years after the date of the agreement
- Issue of 4,000,000 shares in Azimuth 4 years after the date of the agreement

During the period of the option Pharsalus has full rights to occupy, explore, prospect, mine or carry out related activities on the tenements. There is no subsisting royalty during or after the exercise of the option.

Lewis No 1 Agreement. Comprises the option to acquire a 100% interest in 2 medium scale mining permits (L-11/MP/000 & L-11/MP0001) from the vendor Orin Lewis. The agreement was signed on April 8, 2011 and entails:-

- Payment of US$10,000 upon the signing of the agreement.
- Payments of US$20,000 on the 1st and 2nd anniversaries.

Pharsalus has elected to exercise the option early via accelerated payment of the option price. The vendor has received payment in full and Pharsalus is the holder of all of the rights and interest in these 2 medium scale prospecting permits. The vendor retains a 2% NSR royalty, which Pharsalus may acquire for a payment of US$500,000.

Lewis No 2 Agreement. Comprises the option to acquire a 100% interest in 5 small scale claim licences (Peturla 2-6) from the vendor Orin Lewis. This agreement was signed on July 6, 2011 and entails:-

- Payment of US$25,000 upon the signing of the agreement.
- Payment of US$25,000 upon the first anniversary of the signing of the agreement.
- A final payment of US$125,000 upon the second anniversary of the signing of the agreement.

The vendor has now received US$50,000 in payments satisfying the scheduled payments under the agreement and further payments of US$150,000 are required to exercise the option.

Jones and Newton Agreement. Comprising the option to acquire a 100% interest in 1 medium scale prospecting permit (GS8: C-229/000/05). The permit was granted in the name of Roxanne Campbell on June 21, 2007. Full rights and ownership were transferred to Sanjay Jones and Connan Newton by Agreement dated July 8, 2009. The agreement between Sanjay Jones and Connan Newton on the one hand and Pharsalus on the other was signed July 6, 2011 and entails:-

- Payment of US$30,000 on the signing of the agreement.
- A final payment of US$30,000 on the 1st anniversary.

The signing of the agreement provides Pharsalus with full rights to occupy, explore, prospect, mine or carry out related activities on the mining property. Upon exercise of the option the vendors are entitled to a 2% NSR royalty which Pharsalus has the right to purchase at any time for a cash payment of US$500,000.

Chilcott Agreement. Comprises the option to acquire a 100% interest in 3 small scale claim licences (Troy-2, Debra-1, Debra-2) from the vendor Rodwell Chilcott. This agreement was signed on July 25, 2011 and entails:-

- Payment of US$15,000 on the signing of the agreement.
- Payment of US$15,000 on the 1st anniversary.
- A final payment of US$75,000on the 2nd anniversary.

The vendor has now received US$30,000 in payments satisfying the scheduled payments under the agreement and further payments of US$75,000 are required to exercise the option. During the period of the option the vendor has to the right to operate 2 land dredges, such right expiring upon the exercise of the option.

Chase No 1 Agreement. Comprises the 5 small scale claim licences (Hakeem, & Gold Star 1-4) whereby Pharsalus has been granted an exclusive and irrevocable licence from the owner, Brian Chase, to explore and mine in exchange for payments totalling US$100,000. The agreement was executed on July 25, 2011.

Chase No 2 Agreement – Comprises the option to acquire a 100% interest in 3 small scale claim licences (Goldstar #5, Goldstar #6 and Shani #1) from the vendor Brian Chase. This agreement was signed on July 6, 2011 and entails:-

- Payment of US$15,000 on the signing of the agreement.
- Payment of US$15,000 on the first anniversary.
- A final payment of US$75,000 on the second anniversary.

The vendor has now received US$30,000 in payments satisfying the scheduled payments under the agreement and further payments of US$75,000 are required to exercise the option. During the period of the option the vendors may operate up to 4 land dredges for the purpose of mining alluvial deposits.

Trotz Agreement. Comprises 2 small scale claim licences (Aubrey1 and Troy1), whereby Pharsalus has been granted an exclusive and irrevocable licence from the owner, Marlon Trotz, to explore and mine in exchange for payments totalling US$40,000. The agreement was executed March 1, 2011.

Lewis, Chase, Trotz Agreement. Comprises the option to acquire a 100% interest in a single large scale prospecting licence (GS14: L-6) from the vendors Orin Lewis, Brian Chase and Marlon Trotz. The agreement was signed April 8, 2011 and entails:-

- A payment of US$25,000 on signing.
- A payment of US$25,000 on first anniversary.
- A payment of US$50,000 on second anniversary.
- A payment of US$100,000 on third anniversary.

Upon exercise of the option the vendors will retain a 2% NSR royalty which may be purchased at any time for the sum of US$1,000,000.

Deonarine Sookram No. 1 Agreement. Comprises the option to acquire a 100% interest in a single large scale prospecting licence (GS14: S-24) from the vendor Deonarine Sookram. The agreement was signed October 7, 2011 and entails:

- A payment of US$50,000 on the signing of the agreement.
- A payment of US$50,000 on or before 20 business days following the first anniversary of the execution of the agreement (November 5, 2012).
- US$100,000 payable on or before 20 business days following the second anniversary of the execution of the agreement (November 7, 2013).

The vendor has now received US$50,000 satisfying the payment at the time of signing the agreement and further payments of US$150,000 are required to exercise the option. Upon exercise of the option the vendor will retain a 2% NSR royalty which may be purchased at the rate of US$10 for each ounce of contained gold in reserve after a proven and probable JORC compliant reserve has been defined on the area of S-24.

Singh No 1 Agreement. Comprising the option to acquire a 100% interest in 5 medium scale prospecting permits. The agreement was signed on October 28, 2011 and entails:-

- Payment of US$50,000 on the signing of the agreement.
- Payment of US$50,000 on the 1st anniversary.
- Payment of US$50,000 on the 2nd anniversary, plus the issuance of Azimuth ordinary shares to the value of $50,000.
- A final payment of US$50,000 on the 3rd anniversary.

During the period of the option Pharsalus has full rights to occupy, explore, prospect, mine or carry out related activities on the tenements. After the exercise of the option the vendor Deleep Singh is entitled to a 2% NSR royalty, which Pharsalus has the option to purchase at any time for a cash payment of US$1,000,000.

Adams and Daniels Agreement. Comprising the option to acquire a 100% interest in 4 medium scale prospecting permits. The agreement was signed on March 1, 2011 and entails:-

- Payment of US$50,000 on the signing of the agreement.
- Payment of US$50,000 on the 1st anniversary.
- Payment of US$50,000 on the 2nd anniversary.

- A final payment of US$50,000 on the 3rd anniversary.

During the period of the option Pharsalus has full rights to occupy, explore, prospect, mine or carry out related activities on the tenements. After the exercise of the option the vendors, Jason Adams, Victor Daniels and Carl Adams are entitled to a 2% NSR royalty, which Pharsalus has the option to purchase at any time for a cash payment of US$1,000,000.

Wayne Heber Agreement. Comprising the option to acquire a 100% interest in 1 large-scale prospecting licence. The agreement was signed on September 30, 2011 and entails:-

- Payment of US$50,000 on the signing of the agreement.
- Payment of US$50,000 on the 1st anniversary.
- Payment of US$50,000 on the 2nd anniversary.
- A final payment of US$50,000 on the 3rd anniversary.

During the period of the option Pharsalus has full rights to occupy, explore, prospect, mine or carry out related activities on the tenements. After the exercise of the option the vendor, Wayne Heber is entitled to a 2% NSR royalty, which Pharsalus has the option to purchase at any time for a cash payment of US$1,000,000 plus the issuance of 1 million ordinary shares in Azimuth.

Nelson David Agreement. Comprising the option to acquire a 100% interest in 5 small scale prospecting permits. The agreement was signed on May 15, 2012 and entails:-

- Payment of US$50,000 on the signing of the agreement.
- Payment of US$50,000 conditional upon the issuing of licences for the claims and the subsequent transfer of the licences to Pharsalus.

During the period of the option Pharsalus has full rights to occupy, explore, prospect, mine or carry out related activities on the tenements.

Simona Broomes Agreement. Comprising the option to acquire a 100% interest in 3 medium scale prospecting permits. The agreement was signed on June 20, 2012 and entails:-

- Payment of US$40,000 on the signing of the agreement.
- Payment of US$40,000 on the 1st anniversary.
- A final payment of US$40,000 on the 2nd anniversary.

During the period of the option Pharsalus has full rights to occupy, explore, prospect, mine or carry out related activities on the tenements. After the exercise of the option the vendor, Simona Broomes is entitled to a 2% NSR royalty, which Pharsalus has the option to purchase at any time for a cash payment of US$1,500,000.

Pereira Agreement. Comprising the option to acquire a 100% interest in 1 mining licence, 2 large-scale prospecting licences, 1 mining permit, 5 prospecting permits, and 2 small scale prospecting permits. The agreement was signed on September 5, 2012 and entails:-

- Payment of US$150,000 and the issuance of 500,000 Azimuth ordinary shares on the signing of the agreement.
- Payment of US$200,000 and the issuance of 500,000 Azimuth ordinary shares on the 1st anniversary.
- Payment of US$200,000 and the issuance of 500,000 Azimuth ordinary shares on the 2nd anniversary.
- A final payment of US$1,000,000 and the issuance of 1,500,000 Azimuth ordinary shares on the 3rd anniversary.

During the period of the option Pharsalus has full rights to occupy, explore, prospect, mine or carry out related activities on the tenements, subject only to the vendors exclusive right to process mine tailings situated within Mining Licence ML 01/2012 "Honeycamp" within a 4-year period from the signing of the agreement. Any gold which may be recovered from existing tailings by Pharsalus following the expiry of the 4-year exclusion period is subject to a 25% NSR payable to Ryan Pereira. After the exercise of the option the vendor, Ryan Pereira is entitled to a 2% NSR royalty, which Pharsalus has the option to purchase at any time for a cash payment of US$10,000,000.

Environmental Liabilities

The Environmental Protection Act of 1996 (Guyana) requires all mining operations to be subject to Environmental Impact Assessments (EIA) including provisions for public participation. Additional regulations require holders of prospecting and mining permits to lodge 'environmental bonds' with Guyana Geology and Mines Commission to cover the costs of restoring the environment in case of malpractice. Bonds are repayable to the miners if no damage is found. Social impact assessments are also required as part of the EIA.

The author of the Technical Report and the Company are not aware of any environmental liabilities associated with the West Omai Project. The title documents include no specific environmental requirements beyond those required under the Mining Act and associated regulations.

The site visit by the author of the Technical Report to the West Omai Project identified significant environmental disturbance associated with areas of historic and current formal and informal small scale mining, particularly at the Hicks, Eldorado and Kaburi prospects. It is understood that certain of the agreements between Pharsalus and the vendors incorporate a clause leaving existing environmental liabilities with the vendors. In all other cases, environmental liability under the Mining and Environmental Protection Acts will lie with Azimuth.

2. Accessibility, Climate, Local Resources, Infrastructure and Physiography

Topography, Elevation, Vegetation and Land Use

The West Omai Project is dominated by gently undulating terrain at elevations ranging from 50m to 100m above sea level. The area is drained by a dendritic network of moderately incised small streams and creeks. The project area is veneered entirely by tropical lowland forest with the canopy height ranging from approximately 20m to 50m. Aside from logging tracks, the forest cover has essentially been preserved by very selective logging practices.

Climate

The West Omai Project experiences a tropical monsoonal climatic regime, consistent with Guyana's location between 2º and 8º north of the equator. The climate is characterised by hot, wet summers and warm, damp winters. The annual average rainfall approximates 2,500mm, concentrated in two wet seasons respectively extending from May to July and November to January. Average maximum temperatures show little seasonal variation, averaging 27ºC, tempered by year-round trade winds. Maximum temperatures rarely exceed 28ºC on the more elevated Pakaraima Plateau 100 kilometres to the west. The length of exploration field season is all year round with occasional interruptions by rain during the wet season.

Access

The West Omai Project is located approximately 180km south-southwest of Georgetown. The project can be accessed by 4WD car or truck from either Bartica or Georgetown. Access from Bartica is via the Bartica-Potaro Road, taking the Issano branch road 135km from Bartica to the small settlement of 9 Mile, thence via a further 5.5km of bush track to the Hicks exploration camp. The journey from Bartica to the Hicks Prospect takes approximately seven hours. Alternative access from Georgetown is gained via Sherima Crossing, a journey of some 12 hours. The project can also be accessed via helicopter to a pad constructed at the Hicks exploration camp.

Construction of an access road connecting the proposed Amaila Hydropower Project site to the existing Bartica-Potaro Road started in the first quarter of 2011. The completed road will enter the eastern most boundary of the West Omai Project on a southwest heading for a distance of approximately 10 kilometres and then turn west traversing the West Omai Project to its western boundary along the Kuribrong River. The closest point on the path of a road to a presently known prospect is approximately 6.5 kilometres from the Hicks prospect. Pioneering of the road has to date traversed the West Omai Project to within 2 kilometres of the Kuribrong River. Surfacing of the pioneered road with laterite and gravel to enable a proposed capacity of 100 tons axel weight is yet to commence and is dependent ongoing funding directly from the Government of Guyana.

Airstrip

The Company proposes to construct an airstrip at the West Omai Project. An application was lodged for government approval in September 2011 and in August 2012 was granted. At the date of the AIF, the site had been visited by the aviation inspector and the Company now awaits the approval to commence construction.

Infrastructure and Services

The population within the project area is limited to small gold mining camps and settlements. Aside from the road and helicopter access described above, infrastructure within the project area is essentially non-existent.

The project is serviced by an exploration camp located at the Hicks Prospect that can accommodate up to 100 people.

The Amaila Falls Hydropower Project, located approximately 60 kilometres to the southwest of the West Omai Project may potentially provide electricity to the West Omai Project. Construction of the access road to Amaila commenced in the first quarter of 2011. In its first stage the Amaila Falls project will have a planned capacity to generate 140-165 Megawatts and it is anticipated that the project will take 4 years to construct. Electricity produced at the plant will be delivered to Guyana's capital, Georgetown, and its second largest town, Linden, via a planned 230KV electric transmission line which will follow the access road.

Sithe Global a subsidiary of the Blackstone group is manager of the project and will contribute 30% equity funding. The balance of debt funding (US$588 million) for the project remains to be finalised. On September 11, 2012, the EPC contract for the construction of the Amaila Falls Hydro project and Transmission Line was executed by Sithe Global and China Railway First Group. At the date of this AIF, Sithe had indicated that financing was expected to be completed by mid-2013. Funding for the access road is being undertaken by the Government of Guyana and as a precondition for financing of the hydro dam and power station the access road must reach the dam site. There is potential risk that the project will not be constructed if debt funding cannot be secured.

3. History

Historical Background

Gold has been mined from within the area of the West Omai Project by small scale miners almost continuously since the 1890s.

Portions of the current project area were variously held under option to purchase agreements by Cominco (1974-75), Overseas Platinum Corporation (1988) and Cathedral Gold Corporation (1993-2002).

In 1999, Cathedral Gold joint ventured the property to Cambior, then owner and operator of the Omai Gold Mine located 40km to the east, with a view to processing the Hicks mineralisation through the Omai processing facility. Cambior intended to use its existing mining fleet, rather than road trains, to haul mill feed from the Hicks deposit. Execution of this approach proved uneconomic and disruptive to the mining schedule at Omai itself. No further work was undertaken and the joint venture was terminated in 2000.

In 2002, Cathedral Gold became a service company to the oil and gas sector and spun its gold and base metals assets into a new company called Imperial Metals Inc. Imperial Metals has maintained an interest in the Hicks Project to

the present day and, under the agreement between the current holders of the tenements and Pharsalus, Imperial Metals still retains a 1% NSR royalty in the project, applicable after the initial 200,000oz of gold production. The current holders of the tenement are liable to pay this 1% NSR royalty.

Past Exploration Work

The Eldorado Vein was worked in 1913 via limited shaft and drift development. A review of historic reports indicate that a single vein some 0.5m in width and grading between 23g/t and 37g/t Au was worked to a depth of 12m along a strike length of around 90m.

Between August 19, 1933 and December 13, 1933 the Geological Survey Department of British Guiana investigated an area of approximately 600 square miles along an area to the West of the Kaburi River. The exact boundary of this survey is not shown in the report (Grantham et. al., 1933). The investigation included field mapping, soil sampling and washing and collection of rock specimens. A total of 70 microscope slides were prepared from the rock samples and a further 30 slides from sands and washed sample concentrate.

In 1947, the Geological Survey drilled three diamond holes at the Eldorado Prospect. Drill holes were spaced at approximately 120m intervals along strike. Core recoveries were reportedly extremely poor but nonetheless defined a 2m wide zone of veining and silicification at the contact between a white clay and a carbonaceous clay. No core was preserved and no assays are recorded.

In 1959, the Eldorado Prospect was described by a geological survey team as quartz veinlets and stringers developed over a width of at least 30m, hosted by black carbonaceous clay.

In 1962, the Larken Prospect was described by a geological survey team as a 1.2m wide zone, extending over a strike length of 150m to 180m, exposed in several short trenches. Panning of crushed material revealed considerable gold, however no assays are recorded.

In 1963, the British Guyana Geological Survey completed a geochemical survey over the Hicks Prospect, defining a 60m wide zone of high chromium values over a strike length of at least 400m. This anomaly is interpreted to reflect the high magnesian basalt incorporated within the basement greenstone succession comprising the Hicks Zone, and is consistent with the presence of fuchsite alteration.

In 1968 the Hicks-Eldorado-Kaburi Goldfield was investigated with the dominant control on mineralisation reported as a band of carbonaceous meta-sediments which contained “good grades throughout” and that elevated chromium values (presumably associated with fuchsite alteration) provided a reliable guide to higher gold values.

Between 1974 and 1975, Cominco completed geological mapping and geochemical surveys, and drilled 64 2 5/8” auger holes (1,442m) and two AX diamond holes (240m) at the Hicks gold prospect.

In 1988, Overseas Platinum Corporation (OPC) completed a program of geochemical and geophysical surveys, geological mapping, shallow trenching, auger drilling and 10 diamond holes. This exploration was primarily designed to assess the platinum potential of the chrome anomaly associated with the Hicks Zone, at which time the company identified and refocused exploration on gold mineralisation.

In 1989, Denison Mines Guyana Limited conducted a systematic mapping, stream sediment program (1,002 samples), soil sampling program (1,646 samples) and airborne magnetometer survey. Soil samples were collected on a 200m x 50m grid and delineated a broad region of approximately 1.5km by 4km of anomalous soils in the vicinity of the Kaburi Prospect.

In 1993, Cathedral Gold Corporation (Cathedral Gold) optioned the Kaburi-Eldorado property (including the Hicks Prospect), completing an initial program of surface trenching, mapping and sampling, resulting in the excavation of 30 trenches at 25m to 150m spacing, and to an average depth of approximately 2m, over the Hicks Zone. This work defined a northwest trending zone of semi-continuous gold mineralisation over a 1,600m strike length, within a zone of deformation and alteration averaging some 44m in width. Significant intervals recorded from trench channel sampling appear to represent the only valuable information remaining.

The only information available on trench channel sampling completed by OPC and Cathedral Gold is that consistent 1m sample lengths were reportedly adopted, with the single exception of Cathedral Gold trench 93-19, where there are several intervals of 1.75m in length. While the sample preparation, analysis and security aspects associated with the Cathedral Gold trench channel sampling and diamond drilling are again not formally documented, it is reasonably presumed that the approach was identical to that adopted for the Super Pit samples described below, however this cannot be substantiated.

In 1994, Cathedral Gold completed 39 diamond holes (3,901.7m) over the Hicks Zone on 100m spaced traverses, with two holes completed on each line. Additional trenching was carried out on the SE and NW ends of the main Hicks Zone and followed up by drill testing where warranted. Other programs included magnetic and IP geophysical surveys and hand auger/soil sampling.

In 1995, Cathedral Gold completed a further 19 diamond holes in two campaigns at the main Hicks Zone, designed to infill selected sections on a 50m line spacing. The orientation of mineralised zones comprising the Hicks Prospect is well established, and it is estimated that the true width of mineralised intercepts represents some 60% to 70% of the down-hole intervals. Additional ground magnetic surveys were completed over the entire property at 100m line spacing, infilling to a 50m line spacing over the Hicks Zone. Previously untested magnetic anomalies, primarily within the Eldorado Batholith and at the south-eastern extremity of the Hicks Zone, were followed up with infill hand-auger sampling, trenching and drilling where warranted.

Examination of the Cathedral Gold diamond core remaining at the Hicks Exploration Camp indicates that selected mineralised intervals were cut using a diamond saw, with half-core bagged for analysis. The drilling database indicates a considerable range of sample lengths up to a general maximum of 2m, with very occasional intervals (presumably internal waste) up to a maximum of 7.06m in length. The majority of the Cathedral Gold diamond core is located within collapsed core racks located at the Hicks Exploration Camp. However the drill core cannot be salvaged in any meaningful manner and is unsuitable for further use.

Also in 1995, Cathedral Gold excavated a pit, termed the 'Super Pit', on the Hicks Zone, adjacent to the existing Blackwater Pit previously worked by artisanal miners. The pit measured 80m in length by 14m in width by 3.8m in depth and approximately 4,000m^3 (6,800t) of material was excavated and placed on the periphery of the pit to preserve the mineralised material and protect the pit from rainwater influx and the adjacent hydraulic mining operations. The pit floor was gently sloped, and a drain installed inside the periphery of the pit to preserve the floor for sampling.

The pit floor and walls were surveyed and gridded into 1m^2 panels. The panels were mapped at 1:25 scale, and the compilation of these presented at 1:100 scale. A total of 1,002 x 1m^2 panels (representing 961 floor panels and 41 wall panels) were individually sampled after removing the top 3cm to 5cm of floor material. A complete 1cm to 2cm layer of each panel was then removed and placed onto a mixing board. The sample was then homogenised using a trowel before approximately 30% of the material was placed into a plastic sample bag and labelled with a unique number. An approximate average sample weight of 7kg is reported. Samples collectively comprised some 7t of material.

The individual samples were trucked to Triad Laboratories Incorporated's preparation facility in Linden, Guyana, where they were dried, crushed to -20# and riffle split to produce a 250g fraction for pulverising to -150#. The pulps were shipped by air to Triad's main laboratory in Puerto Ordaz in Venezuela for standard fire assay with an AAS finish. Pulp samples returning >500ppb Au were refired with a gravimetric finish. Final gold values reported for each panel sample represent an average of the AAS and gravimetric finish results. Residual pulps and coarse rejects were stored at Triad's laboratory and preparation facility respectively for later metallurgical test work.

Analytical results for the pit samples ranged from 0.03g/t to 106.5g/t Au, averaging 2.39g/t Au. A coherent 10m wide mineralised zone, trending 110° to 125° was identified in the northwest and southeast portions of the pit, offset some 16m by a high angle dextral fault. The mineralised zone is confined to the north and south by low grade saprolite (<0.5g/t Au). Pit sampling immediately underlying two previously excavated trenches returned highly consistent results, with the original trenches having an average grade of 2.25g/t and the comparable pit sampling 2.28g/t Au. The results confirmed that average gold grades from 1993 and 1994 trenches were representative of the

mineralized zone between trenches. The gold zone is continuous, with some offsets of the higher grade lenses, due to north and northeast trending faults.

Considerable mapping detail and sampling within the Super Pit was undertaken and the resulting maps and sample locations are still available. The sampling maps provide a good indication of saprolite grades and the continuity of gold mineralisation in oxide material. Mapping results from the Super Pit shows that mineralisation in plan view occurs in lenses, while historical hole 94-30 which intercepts this zone at depth illustrates that the zones are also lensoidal with depth. More recent drilling by Azimuth (e.g. HRC018) is also consistent with the earlier data.

In January 1996, a preliminary mineralisation estimate was undertaken for the Hicks Zone. Further exploration included limited regional exploration to identify additional mineralisation to compliment that identified at the Hicks Zone, however exploration was largely suspended during 1997 due to a declining gold price and an inability to access capital.

In 1998, Cathedral Gold joint ventured the property to Cambior Inc., owner and operator of the Omai Gold Mine located 40km to the west, with a view to processing the Hicks mineralisation through the Omai processing facility. Cambior constructed an access road between the two projects and completed 22 confirmatory diamond holes into the Hicks Zone (1,118m), prior to preparing a resource estimate and undertaking preliminary mining studies. Cambior intended to use its existing mining fleet, rather than road trains to haul mill feed from the Hicks deposit, however execution of this approach proved uneconomic and disrupted the mining schedule at Omai itself. No further work was undertaken and the joint venture was terminated in 2000. A total of 9,463m of trench and channel sampling and 17,191m of diamond coring in 93 holes was collectively completed by Cathedral Gold and Cambior during the period 1992 to 2000.

Between 2000 and 2003, the GGMC completed two separate (yet systematic) investigative programs covering the current West Omai Project. These programs involved GIS database compilation, geological mapping, stream sediment sampling, rock chip sampling and petrology. Stream sediment sampling a sampling density of one site per 6.5km^2, with -30# BLEG and panned concentrate samples collected from each site. The BLEG samples were collected using a flocculent in order to retain the ultra-fine fraction to enhance the tenor, and hence sensitivity, of gold results. The samples were analysed for gold, silver, copper, platinum and palladium. This process involved drying, disaggregation and homogenisation, before a 2kg sub-sample was split off for leaching. Analysis involved leaching with cyanide solution, separating the gold and other soluble metals using an organic solvent, and then assaying via conventional ICP-MS techniques. The remainder of the original BLEG sample was screened at 80# (180um) and then analysed for Au+48 elements by neutron activation (INAA) and a four-acid digestion ICP. Both the BLEG and -80# analyses were conducted by ActLabs in Canada.

While an extensive cover of White Sand Formation masked the basement geochemical response over much of the project area, clusters of gold values >200ppb from the -80# samples are clearly associated with known gold occurrences wherever the Barama-Mazuruni greenstone belts are exposed. These clusters coincide with the Hicks, Eldorado and Kaburi prospects, where respective recorded -80# sample maxima are 2,670ppb, 1,850ppb and 4,530ppb Au.

Similarly, the BLEG results generated local sample maxima of 2,330ppb, 63ppb and 376ppb Au at the Hicks, Eldorado and Kaburi prospects respectively. Local BLEG maxima associated with tributaries along the Kuribrong River, representing the southern project boundary, include 53ppb, 171ppb and 68ppb Au. These results are considered potentially significant given the diluting effect of extensive, barren White Sand Formation cover within the southern tenement block; however the results may equally reflect alluvial material associated with the Kuribrong River itself.

The current Azimuth database contains all available historical trench and drilling data for the West Omai Project. A total of 166 trenches appear in the database. Of these, 32 trenches have unknown coordinates and 19 have not been surveyed. A total of 125 trenches have both known co-ordinates and surveys. Company information is not available from the historical log sheets, but the majority of trenches were excavated between 1993 and 1995 and correspond with Cathedral Gold trench maps so it can be reasonably assumed that the majority of trenches were excavated by Cathedral Gold.

A total of 134 historical drill holes appear in the Azimuth database. Of these 13 drill holes have unknown collar coordinates. Azimuth re-surveys old drill collars as they are located and verified. Drill hole trace plans for each drilled prospect are shown in Figure 3-6 to Figure 3-7 of the Technical Report.

Previous Resource Estimates

A resource estimate was prepared for the Hicks Zone by Cathedral Gold in 1996 and as part of its evaluation of the Hicks property in 1998, Cambior Inc. re-estimated the saprolite and primary resources associated with the Hicks Prospect using Gemcom software.

Azimuth has completed drilling over the Hicks Zone which is more recent than these historical estimates and has published a NI 43-101 compliant resource estimate on May 30, 2012, as detailed in section 8 below.

Production

Historic records indicate that the Eldorado Vein was worked in 1913 via limited shaft and drift development. A single vein some 0.5m in width and grading between 23g/t and 37g/t Au was reportedly worked to a depth of 12m along a strike length of around 90m.

Inspection of the Eldorado Prospect in 1923 by the Geological Survey of Guyana, found that the workings had collapsed, but reported that approximately 100 tonnes of stockpiled quartz, grading around 30g/t Au, remained.

In 1959 the Eldorado Prospect was being worked by several small parties. The clay was washed for its direct gold content and the vein material preserved for later crushing and additional gold recovery.

In 1963, a small sluicing operation was commenced at the Eldorado Prospect, however production ceased shortly afterwards following the death of the owner.

The Kaburi Vein was reportedly worked sporadically by manual methods between 1916 and 1926. Mining is understood to have comprised the development of a small open pit some 10m wide, 10m long and 15m deep before the walls collapsed and operations ceased.

The Kaburi Vein zone was again worked in 1933 by approximately 20 men, developing numerous shallow quartz veins and stringers over an unrecorded width, along strike from the earlier workings.

Between 1996 and 2006, private operator Patrick Harding exploited the Kaburi Vein zone and associated alluvials via hydraulicking and sluicing. A D6 bulldozer and 30t excavator were utilised in overburden removal. Operations during the initial two years focussed on alluvial deposits along a 3km length of Hit or Miss Creek and other watercourses, which drain the primary source of mineralisation at Kaburi. As mining progressed upstream, the Kaburi Vein zone was ultimately exposed in the bed of Hit or Miss Creek and progressively extended. The operation excavated a pit approximately 200m in diameter to a depth of 5 to 15m into saprolite through superficial White Sand Formation cover. The depth of mining was limited by inefficient gravel pumps, rather than the base of saprolite mineralisation. Production records filed with the Mines Commission indicate that approximately 18,000 ounces of gold were produced between 1996 and 2007. Presently the Kaburi Prospect is not being worked and the pit is partially backfilled with white sand overburden and flooded where it remains open.

4. Geological Setting and Mineralization

Regional Geology

Stratigraphy

Guyana is located on the northeast coast of South America, and is entirely comprised or underlain by rocks of the Precambrian Guiana Shield. The Guiana Shield lies between the Orinoco and Amazon rivers and encompasses all or portions of neighbouring countries Suriname, French Guiana, Venezuela, Brazil and Colombia, aggregating to an area of 1.6 million km^2.

From oldest to youngest, the Guiana Shield and cover sequences comprise the following principal stratigraphic successions:

- The Imataca Complex, an Archaean complex composed of 3.4-2.7Ga protolith, on which are superimposed high grade metamorphic rocks of Trans-Amazonian age (2.2-2.0Ga) exposed in the Ciudad Bolivar region of Venezuela.
- High grade granulites and gneisses of the Central Guyana Granulite Belt of Palaeoproterozoic age (2.4-2.3Ga).
- A widely developed Palaeoproterozoic granite-greenstone succession, which was deformed and metamorphosed during the Trans-Amazonian tectono-thermal event (2.2-2.0Ga). The Trans-Amazonian age rocks stretch across much of the northern third of the shield, incorporating a succession of older gneissic granitoids, with the two principal occurrences in Guyana referred to as the Bartica Gneiss and Kanuka Group. These gneissic complexes are considered equivalent to the Cape Coast Suite of West Africa and are enveloped by a less deformed succession of basic to acid volcanics, sediments and syntectonic granitoids. In Guyana, the greenstones are referred to as the Barama-Mazaruni Supergroup, in Venezuela the Pastora Supergroup, while in Surinam and French Guiana the term Maroni Supergroup is used. The greenstones are intruded by syntectonic granitoids (2.25-2.0Ga) equivalent to the Dixcove Suite of West Africa, providing an upper age limit for the Trans-Amazonian Orogeny, similar to that recorded for the Eburnean Orogeny of West Africa.
- The Uatuma Supergroup comprises a mostly undeformed and unmetamorphosed Mesoproterozoic (1.9-1.5Ga) sequence of supracrustals deposited above a major regional unconformity with the underlying Palaeoproterozoic basement. From oldest to youngest, these include 1,000-1,600m thick continental sandstones and conglomerates of the Muruwa Formation, and the 1,000-2,000m thick felsic volcanics, terriginous sediments and sub-volcanic intrusives comprising the Iwokrama Formation.
- The Uatuma Supergroup is unconformably overlain by the topographically distinctive Roraima Group, which forms the Pakaraima Plateau bounded by a near vertical escarpment. The Roraima Group comprises a 1,000-3,600m thick sequence of relatively flat lying, unaltered, conglomerates and sandstones with subordinate siltstones and felsic volcanics. The age of the Roraima is constrained by the underlying basement and mafic intrusives to between 1.9-1.6Ga.
- Intruding the Roraima and Trans-Amazonian basement are dykes and sills of gabbro and dolerite of the Avanero Suite. These intrusives are typically of substantial thickness and may extend laterally for hundreds of kilometres. The Avanero Suite intrusives are undeformed and unmetamorphosed. Ages of the Avanero suite have been determined by radiometric dating to 1.84-1.61Ga.
- Other basic intrusives, younger than the Avanero Suite, which cluster at ages of 1330, 1213, 907, 700-570 and 430-500 million years before present. These dykes are designated the PAPA dykes, an acronym standing for Post-Avanero Pre-Apaotoe.
- Opening of the Atlantic during the Mesozoic resulted in the formation of intracratonic rifts within the Guiana Shield, which were filled with basaltic lavas and terrestrial sediments. In Guyana these Mesozoic rifts are represented by the Takutu Graben, an east-northeast trending rift structure, and the mostly offshore Guyana coastal basin.
- Associated with the opening of the Atlantic Rift was the emplacement of the dyke swarms known as the Apatoe Suite. Dykes of this suite are typically narrow, fine grained doleritic dykes of great strike extent, which predominantly trend north-northeast to east-northeast.
- Quaternary to Recent sediments of the Corentyne Group veneer much of the basement geology in northern Guyana. Clean shallow marine to estuarine quartz sands of the Berbice Formation (also referred to as the Mackenzie or White Sand Formation) are most prevalent, increasingly overlain by reducing fluviatile clays of the Demerara Formation towards the northern coast.

The Guiana Shield has been correlated with the Leo-Man Shield of West Africa, and it is generally accepted that prior to the opening of the Atlantic during the Mesozoic the two shields formed a contiguous craton. The Archaean Imataca Complex can be correlated with the Archaean Liberian Province, the Central Guyana Granulite Belt with

the Dimbroko Zone in Ivory Coast, the Barama-Mazaruni greenstones with the Birimian greenstones and the Trans-Amazonian tectono-thermal event with the Eburnean Orogeny. However, one very important difference between the two shields is that the Leo-Man Shield lacks the well-developed, undeformed Mesoproterozoic supracrustals that make the Guiana Shield far more prospective for uranium.

Structure

The boundary between the Imataca Complex and the Barama-Mazaruni Supergroup in Guyana is represented by the Guri Faults, which collectively comprise a distinct linear east-northeast trending crustal break.

The greenstone belts of the Barama-Mazaruni Supergroup are strongly deformed, with at least two episodes of tectonism evident in many areas. The metamorphic grade of the greenstone succession is typically greenschist facies, but may reach amphibolite facies close to belt margins and granitoids.

The Muruwa and Iwokrama Formations of the Uatuma Supergroup are weakly deformed, typically comprising broad open folds.

Mineralization

The Imataca Complex incorporates substantial iron ore deposits in Venezuela, comparable to similar deposits within Archaean portions of the Leo-Man Shield in Liberia, Guinea and Sierra Leone of West Africa.

Just as the Birimian Series of West Africa is noted for its substantial gold endowment, the lesser explored Barama-Mazaruni greenstones of Guyana and their equivalents in adjacent countries include several significant gold occurrences such as Omai in Guyana, El Callao, Las Cristinas and Brisas in Venezuela, Gross Rosebel in Suriname, and Camp Caiman, Dorlin and Yaou in French Guiana. Similarly, the greenstones are also known for their significant deposits of bauxite, manganese and diamonds, along with lesser copper, molybdenum, lead-zinc, chrome and nickel.

Whilst no minerals of potential economic interest have been delineated with the Uatuma Supergroup, the overlying Roraima Formation is diamondiferous. Recent alluvial diamond deposits have been identified on the top of the Pakaraima Plateau and at the base of the succession. Most workers consider that the diamonds were eroded from a West African source into conglomerates of the Roraima Formation, only to be liberated again by more recent erosion to form the present day alluvials. The recent discovery of diamondiferous kimberlite dykes at Guianamo in the Venezuelan portion of the shield and at Dachine in French Guiana, however, suggests that the primary source of diamonds may lie within the Guiana Shield. The kimberlites at Guianamo have been dated to approximately 711-700 million years before present, which matches one of the clustered dates for the Post-Avanero Pre-Apaotoe (PAPA) dykes. The Dachine example, however, comprises serpentinised ultramafic rocks similar to the diamondiferous source rocks at Akwatia in Ghana, which are believed to represent metamorphosed kimberlites of possible Proterozoic age.

In terms of uranium prospectivity, the tectono-stratigraphic framework of the Guiana Shield bears remarkable similarity to the both the Athabasca Basin in Canada and the Alligator River region of Australia, yet the Guiana Shield remains considerably under-explored for uranium. The undeformed Mesoproterozoic supracrustal rocks of the Guiana Shield, particularly the base of the Roraima Formation, represent prospective targets for unconformity related uranium occurrences.

During the Tertiary and Quaternary periods, the Guiana Shield has undergone continuous passive subsidence along its oceanic margin, creating deep (2,500-4,800m), mostly offshore sedimentary basins prospective for oil.

The substantial bauxite deposits of the Guiana Shield typically occur at the contact between recent unconsolidated sediments of the Berbice Formation and the basement successions.

Local Geology

Although partially obscured by a veneer of Tertiary to Holocene sedimentary cover, the basement geology of the West Omai Project is dominated by west-northwest trending greenstone belts of the Palaeoproterozoic Barama-Mazaruni Supergroup, interspersed with extensive granitoid batholiths also of Trans-Amazonian age.

The northern tenements straddle the northeast limb of an interpreted shallowly plunging, northwest trending anticline. The core of the anticline is occupied by relatively undeformed syntectonic granitoids, notably granodiorite and monzonite, around which is wrapped greenstone stratigraphy. The greenstones locally comprise a basal succession of high magnesian basalts, tholeiitic basalts and andesites, which are locally intruded by a felsic to intermediate porphyry, overlain by a succession of intermediate volcaniclastics and sediments, incorporating more persistent carbonaceous shale horizons. This stratigraphy is consistent with that recorded in the Wenot Pit at the Omai Mine, 40km to the east.

The greenstone succession is variously metamorphosed to upper greenschist facies, increasing to amphibolite facies along the granite contact.

The basement is intruded by a series of northeast trending dolerite dykes of the Avanero Suite, one of which intersects mineralisation associated with the Hicks Zone immediately east of Blackwater Creek.

Much of the south-western portion of the northern tenement block, which incorporates the Hicks, Eldorado and Kaburi mineralised zones, is veneered by Tertiary to Holocene sediments. The lower cover sequence mantling the basement is less persistent and comprises a cream coloured, poorly sorted, oligomictic conglomerate of angular quartz fragments cemented by quartzose sand or arkose. This conglomerate is un-named, but is presumed to be of Tertiary age. It is mildly silica indurated and frequently strongly mineralised with gold where proximal to basement mineralisation. Where exposed, the unit appears to be up to 8m in thickness.

The basal conglomerate is overlain by more persistent cover of the Corentyne Group, more specifically, the Pleistocene to Oligocene White Sand (or Berbice) Formation. As the name suggests, the White Sand Formation comprises distinctively unconsolidated clean white sand of littoral or shallow marine origin that veneers much of the coastal plain of Guyana. The unmineralised White Sand Formation ranges up to 20m in thickness and obscures much of the basement geology.

All surface "bedrock" in the area is typically altered to saprolite to depths of several metres to several tens of metres. The stratigraphy is locally overlain by unconsolidated marine and deltaic sands plus clays of the Cretaceous-Tertiary Berbice Formation.

Property Geology and Mineralisation

Primary gold mineralisation is exposed at several localities within the West Omai Project, the most notable being the Hicks, Eldorado and Kaburi Prospects along the northern extremity of the project. Here the White Sand Formation cover has been removed by erosion to expose the underlying mineralised Palaeoproterozoic greenstone successions of the Trans-Amazonian Barama-Mazaruni Group. Extensive superficial cover of White Sand Formation within the central and southern portions of the project tenements masks the basement lithology and conceals any gold mineralisation. The evaluation of airborne geophysical data has however indicated that the Barama-Mazaruni greenstone belts and associated syntectonic intrusives persist at shallow depth beneath this cover.

Smarts Deposit

The most extensively explored zone of gold mineralisation defined to date has been drilled by Azimuth at the Smarts Deposit. The prospect is located 4 kilometres to the northwest of the Hicks Deposit.

Gold is hosted by a northwest trending, sub-vertical to steeply southwest dipping shear zone, that has been observed in drill holes for some 4,000m of strike length and up to 200m wide in places. The shear zone appears to be associated at the contact between mafic volcanics and mafic-intermediate volcanics. The shear zone is comprised of semi-continuous zones of quartz lenses and quartz-carbonate veining or brecciation.

Numerous, moderately well-defined gold-rich lenses, up to 15 metres wide, occur within the shear zone and are characterized by anomalous quartz veining, quartz flooding, shearing, chloritisation, seritisation and pyritisation. Visible gold and the majority of gold values typically occur within and along margins of quartz veins. Pyrite is common at up to 2.0% by volume, with trace amounts of chalcopyrite also being associated with auriferous quartz veins. Mineralisation is variously accompanied by silica-sericite-chlorite-carbonate-pyrite-tourmaline alteration.

Hicks Deposit

The next most extensively explored gold mineralisation defined to date is exposed at the Hicks Deposit. Gold is hosted by a northwest trending, sub-vertical to steeply southwest dipping shear zone some 1,600m in strike length and up to 60m wide in places. The shear zone has preferentially developed along an interflow shale horizon within basalts and andesites comprising the footwall greenstone succession along the north-eastern limb of a shallowly northwest plunging anticline. Auriferous mineralisation is also noted at the contacts of porphyry-granite intrusives. The shear zone is comprised of semi-continuous zones of quartz lenses and quartz-carbonate veining or brecciating.

Numerous, moderately well-defined gold-rich lenses, up to 15 metres wide, occur within the shear zone and are characterized by anomalous quartz veining, quartz flooding, shearing, chloritisation, seritisation and pyritisation. Visible gold and the majority of gold values typically occur within and along margins of quartz veins, in silicified granitic dykes, and in adjacent, pyritic, often sheared meta-andesite. Pyrite is common at up to 0.5% by volume, with local, trace amounts of molybdenite, galena and sphalerite, associated with auriferous quartz veins. Mineralisation is variously accompanied by silica-sericite-chlorite-carbonate-pyrite-tourmaline alteration, while fuchsite is developed within porphyry intrusives in contact with high magnesian basalts and along shear zones.

In general, the northwest trending mineralized shear zone has developed within a steeply inclined sequence of metamorphosed andesitic to basaltic volcanics, adjacent to the northwest margin of the Eldorado (granodiorite) Batholith. The volcanic stratigraphy is cut by a multiple series of andesitic to felsic intrusive phases that precede and post-date the introduction of gold.

Larken Prospect

The Larken Prospect is located 2km northwest of the Hicks Deposit and 2km southeast of the Eldorado Prospect and within claim licences acquired by the Company under the Hicks Agreement. These three mineralised occurrences essentially represent parallel zones arranged in an en echelon series across the stratigraphy.

In 1962, Larken's Vein was described as being 1.3m in width and 150m to 180m in strike length. At this time the vein was exposed in several short trenches, and panning of crushed vein material is reported to have revealed considerable gold, however no assays are recorded. Parts of the vein have been sporadically worked by artisanal means since 1962.

Eldorado Prospect

The Eldorado Prospect is located some 4km northwest of Hicks and 2km northwest of the Larken Prospect and within claim licences acquired by the Company under the Hicks Agreement.

Gold mineralisation is associated with lenses of grey vitreous sheeted and stockwork quartz veining, primarily developed within a thick sequence of laminated and folded carbonaceous shales trending 120º and dipping at 82º to the northeast. Pyrite and arsenopyrite are evident within bleached exposures of mineralised carbonaceous shale. The shales have been extensively intruded by quartz-feldspar porphyry that exhibits strong fuchsite and sericite alteration at its margins, and includes localised quartz veining.

Historic records also provide some insight into mineralisation at the Eldorado Prospect. The Eldorado Vein was worked in 1913 via limited shaft and drift development. Historic reports indicate that a single vein some 0.5m in width and grading between 23g/t and 37g/t Au was worked to a depth of 12m along a strike length of around 90m.

Three diamond core holes drilled by the Geological Survey in 1947 defined a 2m wide zone of veining and silicification at the contact between white and carbonaceous clays, however no assays are recorded.

In 1959, it was noted that quartz veinlets and stringers extending over a width of at least 30m within black carbonaceous clays were being worked by artisinal means. In 1968, it was reported that the dominant control on mineralisation was a band of carbonaceous meta-sediments and that elevated chromium values (presumably associated with fuchsite alteration) were a reliable guide to higher gold values.

Kaburi Prospect

The Kaburi Prospect is located some 3km to the northwest of the Smarts Deposit. The Kaburi Vein zone consists of several in-situ sub-parallel stockwork and sheeted quartz vein zones exposed over a collective width of at least 200m and a strike length of at least 500m. Gold mineralisation is associated with black, vitreous quartz exhibiting 'crack-seal' laminations and breccia textures reflecting episodic pulses of hydrothermal mineralisation. Individual zones range from 5m to 30m in width, are sub-vertical and strike northwest.

The host sequence is dominated by intermediate volcanics and volcaniclastics intercalated with siltstones, and carbonaceous shales (similar to the Eldorado Prospect), along with associated quartz feldspar porphyry dykes. Stockwork and sheeted vein zones appear to be preferentially developed within the more brittle units along the margins of the carbonaceous shale.

Saprolitic mineralisation has been worked by sluicing to a depth of approximately 10 to 15m. Mineralisation remains open in all directions beneath White Sand Formation cover 5m to 20m in thickness.

Alluvial Deposits

Secondary gold mineralisation from within side areas within the West Omai Project have been mined from both recent unconsolidated alluvials and partially lithified, immature quartz conglomerates and arkoses (presumed to be of Tertiary age), which discontinuously overlie mineralised portions of the basement. Alluvial deposits have also been mined along the Kuribrong and Potaro rivers (and tributaries) that comprise the south-western project boundary.

5. Exploration

Geobase Australia Pty Ltd (Geobase) was commissioned in early 2011 by Azimuth to compile, validate and manage the historical exploration dataset for the West Omai Gold Project. Information on historical exploration is outlined separately within Section 3. The West Omai project forms the main exploration focus to date for Azimuth and the initial scope of work included:-

- Initial compilation of available current and historic exploration data (drilling, trenching and surface geochemical sampling).
- Establishing an auditable and robust Exploration Data Management System (EDMS).
- Validation of critical historical exploration data.

These objectives have been met and Geobase are currently managing the West Omai Database on an on-going basis as exploration continues. The majority of exploration work undertaken by Azimuth to date has consisted of Reverse Circulation (RC) drilling on the Hicks and Smarts Prospects within the West Omai Project. Other work includes, diamond drilling, aircore drilling ,regional field reconnaissance, mapping and prospecting. The auger database is being validated and re-compiled with an anticipated completion date of Q1 2012.

West Omai Survey Grids

Azimuth has reviewed the historical local grids in use within the project and assigned database codes as listed below.

- BKLG - Black Local Grid.
- ELLG - Eldorado Local Grid.

- HILG - Hicks Local Grid.
- KELG - Kaburi East Local Grid.
- LALG - Larkin Local Grid.
- NMLG - Nine Mile Local Grid.
- RALG - Ravines Local Grid.

At the time of initial drill database compilation in November 2011, an interim 2 point local grid transformation to the PSAD56_21N grid system was created where possible. Differential GPS surveys at the Hicks Prospect during 2011 have located several historical holes with a corresponding local grid coordinate. A review of these drillholes in relation to the standardised grid coordinates still gives some inconsistency although it is thought historical drillholes have been determined to within +/-5m of actual location on the PSAD56_21N grid system. The database retains the original local grid survey for historical drillholes and also the DGPS survey pickup (for located holes only), until further survey analysis provides a more refined grid transformation. More recent drillholes by Azimuth retain transformation coordinates based on the interim 2 point transformation between the local grid and PSAD56_21N grid system.

Within the historical data there is very little Meta data available for down-hole survey control. Meta data includes such information as the grid system of survey, type of survey, instrument used and dates. If available this data has been added to the database and any unknown details flagged accordingly. The DGPS collar survey, grid transformation and survey analysis was carried out by Azimuth. Geobase continue to be responsible for validating the data entered in the database with resolution of any identified issues provided by Azimuth personnel.

6. Drilling

Azimuths drilling campaigns to date have utilized Diamond Drilling (DD), Reverse Circulation (RC) and Air Core (AC) drilling methods that mainly targeted the Hicks and Smarts Deposits with the addition of limited drilling assessment at various other Prospect locations including Kaburi, Gold Star, Powers and Eldorado as well as other regionally prospective areas. Over all drilling methods, deposits and prospects the Company has completed 1,040 holes as of 31st August 2012.

Drilling by the Company on the Hicks and Smarts Deposits commenced in August 2010 and February 2011 respectively. All RC holes utilize a 5 ¼ inch hammer, AC holes used a 3 ¼ inch rod string and DD drilling is a combination of PQ in the near surface reducing to HQ size core for the majority of drilling. As at the date of this AIF, a total of 827 RC holes for 67,581m to an average depth of 82m and 93 AC holes for to an average depth of 56m have been completed.

Diamond drilling has utilized existing RC collars to drill deeper as well as drilling from surface. Where an existing RC collar has been employed, the diamond hole number has prefix SDT. Where a diamond drill hole is from surface, the prefix number is SDD. A total of 120 DD holes have been drilled accounting for 17,333 core meters with the maximum end of hole depth 480m achieved. Diamond and Reverse Circulation drilling continues to be undertaken on the Hicks and Smarts Deposits and is in the planning stages to continue to be undertaken on various other areas within the Companies tenement areas.

Diamond drilling has been undertaken at the Smarts Deposit commencing on August 19, 2011 and is on-going. A small 2 drill hole program was drilled at the Kaburi Prospect from June to September, 2012. All drill core undergoes geological and geotechnical logging including the collecting of density data with structural and geophysical (magnetic susceptibility) logging data obtained where possible.

For Diamond drill core, the entire drill hole is sampled, analysing half core over sample lengths ranging from 1m to 4m composites with half the core retained and stored securely at the Company's exploration camp for future assessment if necessary.

For RC and AC drilling methods, each drill meter is collected in numbered bulk bags and split using a 3 tier riffle splitter if sufficiently dry, or a spear sample collection method if the sample is wet. Samples for assay range from

1m to 3m composite samples and are processed at the same off site laboratory as the Diamond drill core samples. All sampling is conducted under the supervision of Azimuth geologists at the rig sites with the quality control system in place being the responsibility of the senior geologist on site.

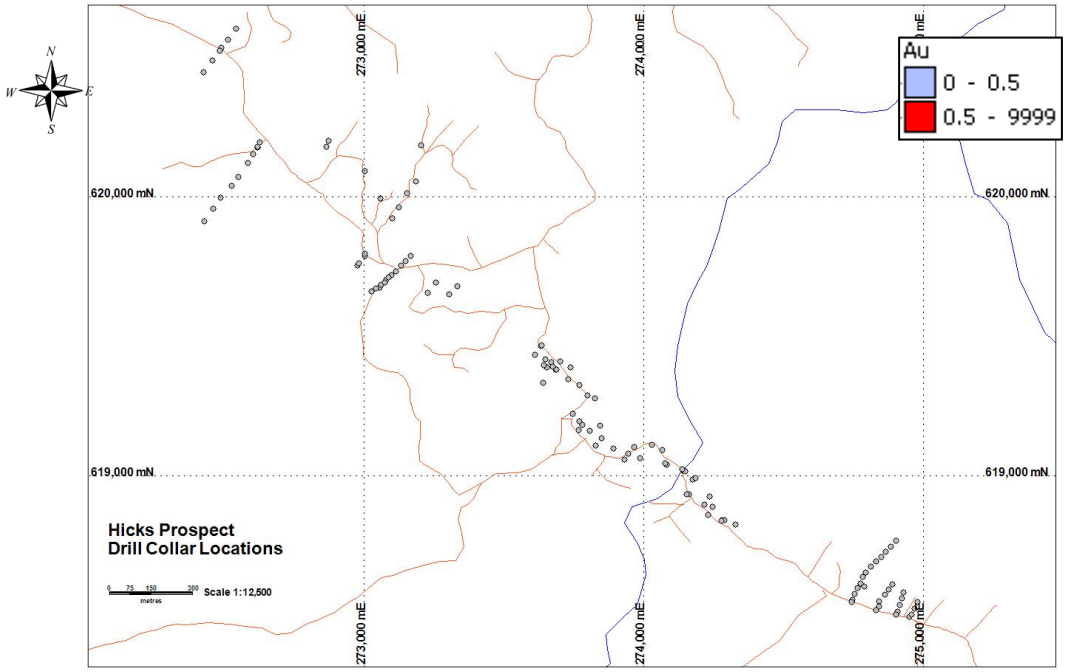
Auger drilling has been carried out by Azimuth and previous companies. Data is available for 16,700 samples of which 11,100 were collected by Azimuth. Azimuth is compiling information from recent auger holes and validating this against the historical data set (e.g. collar location). It is anticipated that the LiDAR surveys will improve the compilation process. The anticipated completion date of the auger database validation and re-compilation is in the fourth quarter of 2012.

A summary of drilling by Azimuth is listed in Table 6-1 with the drill hole collar locations presented in Figure 6-1 below.

Table 6-1: Summary of Azimuth drilling – West Omai Project (as of August 31, 2012)

Hole Prefix	Prospect	Type	Drill Holes	Drilled Metres	Hole Sequence
HAC	Hicks	AC	2	149	HAC001; HAC002…
HRC	Hicks	RC	107	9,236	HRC001; HRC002…
SAC	Smarts	AC	26	1,490	SAC001; SAC002…
SRC	Smarts	RC	647	48856.8	SRC001; SRC002…
SDT	Smarts	DD	118	17102.68	SDD001; SDD002 (core from surface); SDT008; SDT579 diamond tail relating to RC precursor
KRC	Kaburi	RC	46	5861	KRC001; KRC002…
KDD	Kaburi	DD	2	231.18	KDD001; KDD002…
GRC	Gold Star	RC	11	1676	GRC001; GRC002…
PRC	Powers	RC	9	1275	PRC001; PRC002…
ERC	Eldorado	RC	7	676	ERC001; ERC002…
RAC	Regional	AC	65	3445	RAC001; RAC002…
Project Total			1040	89,999	
#	West Omai	Auger	4,219	22,914	Auger locations are identified by sample numbers

Hicks Prospect



Smarts Prospect

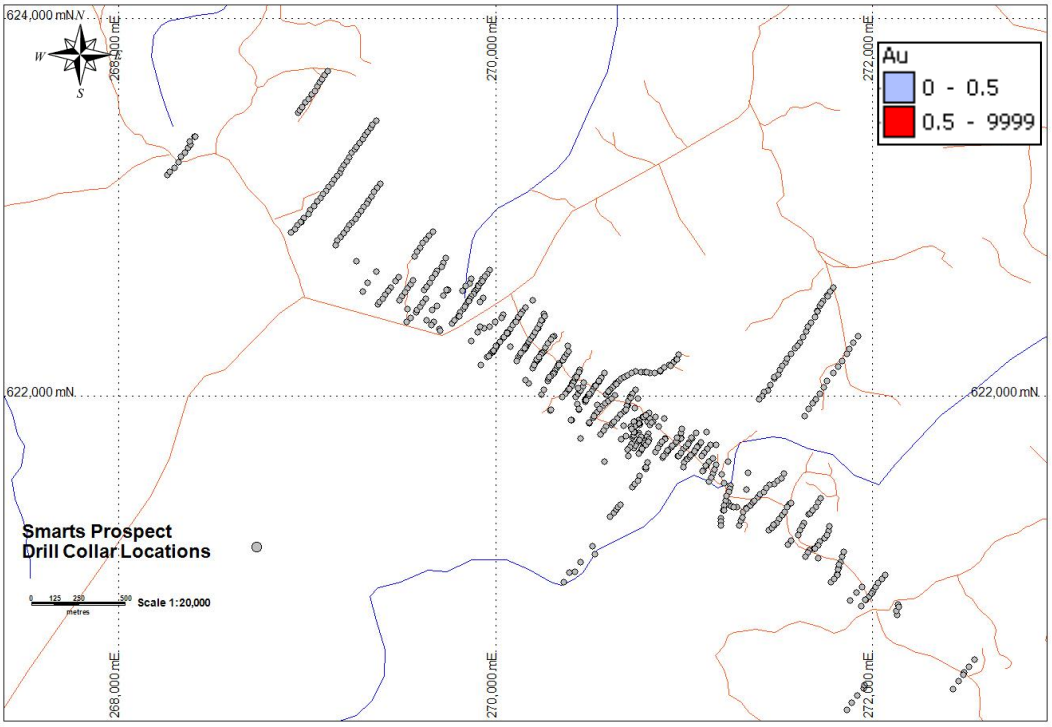


Figure 6-1: Plans of RC Drilling Completed by Azimuth at Hicks and Smarts

Collar and Downhole Survey

Drill hole collars are surveyed with Differential GPS by Azimuth personnel. All holes (apart from auger), are inclined holes with the dip ranging between 40° and 60°. Holes are inclined from collar positions outside of the mineralized zone and intersect the mineralized zone at a high angle. The drill hole inclinations were initially measured from the rig set-up (dip and azimuth) as the down hole gyroscope instrument was held up in Guyana customs for several months. The gyroscope arrived on site in February, 2011 and all previously drilled holes that were still open were surveyed. To date 96 holes have been down hole surveyed at 5m intervals although some holes have collapsed and could not be surveyed to the end of hole. This figure includes 38 drill holes for the Hicks Prospect and 58 drill holes for the Smarts prospect. Drill holes are now down hole surveyed as a routine upon completion of a drill hole and before rods are pulled from the hole.

The mineralisation is generally steep dipping and holes drilled from surface are generally not orthogonal to the mineralisation down-dip. Consequently the true thickness of intersections is generally less than the down hole thickness and typically 60% to 80% of the down hole length as a guideline. Azimuth has orientated drill holes to be generally orthogonal to the north-west striking mineralisation.

Drilling is conducted on nominal 100m section spacing along strike with a 25-40m spacing along section orthogonal to the overall north-west strike of the mineralisation trend. The majority of drilling is RC. Better drilled areas at the Hicks Deposit have been drilled on 60m section spacing along strike by a 40m spacing along section (across strike). This spacing is sufficient to show a continuity of mineralisation in the main mineralised zone of the deposit.

Bulk Density Testwork by Azimuth

Azimuth conducted density testwork using the water immersion technique. The work has only been undertaken on recent Smarts diamond core drilled by Azimuth. All testwork is currently conducted on-site as follows:-

- Testwork locations are marked on drill core by the logging geologist. The samples are generally 10 to 15cm in length and are marked with a unique sample identification number. Samples are collected from intact whole core and are chosen to be broadly representative of the main lithological and mineralisation units (Figure 10-3). Core samples are chosen at a rate of one sample every two core boxes or more frequently where required.

- Samples are weighed in grams on a digital scale to an accuracy of one decimal place. A 200g standard weight is tested in air and water each morning before testwork commencement to ensure the scale is calibrated correctly. The scale calibration test is repeated at the commencement of testwork for each drill hole.

- Samples are sealed in candle wax or clear film after drying and before re-weighing in water. Wax coating or film wrap is undertaken immediately after drying to ensure samples do not re-absorb moisture from the atmosphere.

Soil / Saprolite Augering

For auger sampling, material is collected in one metre intervals using a "Dutch" or Edelman auger and homogenized on a clean plastic sheet. Most auger samples were collected by hand, excluding a brief period where a mechanized Trado auger was used. Auger depths have varied, but are often as much as 9m and reach a maximum depth of 15m. A representative 1-2kg sample is extracted by coning and quartering either from a 1 or 2m sample interval. A blank control sample, a field duplicate and a standard are inserted every 40-50 samples.

Lithology type, colour and the presence of sulphide, quartz veins or alluvial material is recorded for each metre upon sampling and subsequently cross checked by the supervising geologist. Data entry has been carried out in the same way as for drill data to ensure consistency in information collection.

Two types of auger sampling have been carried out with the majority of augering collected at 25m intervals on regularly spaced 035^0 trending grids, joined by a local baseline. Each collar site is also surveyed using a GPS, and in some cases has been surveyed using DGPS. In some areas where valleys are filled with alluvium and tailings, ridge and spur sampling at 25m intervals has been carried out using a similar methodology. Auger sampling results are used to guide further exploration such as RC drilling. The auger database is being validated and re-compiled with an anticipated completion date of Q1 2012.

Drilling Conditions

The drill pad area is maintained at a good house-keeping standard to ensure equipment (e.g. air compressors) is in good working order for the drill campaign. The cyclone is cleaned before drilling starts for each hole and is kept clean throughout drilling and sample collection. Samples for each metre are spread evenly across the splitter and care is taken to ensure the sample does not spill over the edge of the splitter. Any material adhering to the splitter represents a source of potential contamination between intervals (as is the case for the cyclone). The splitter is regular checked for corrosion or any damage and the sample may be assisted through the splitter with the aid of a rubber mallet. Wet samples were collected and allowed to dry before splitting.

Sample Quality and Recovery

Sample Collection of RC Drilled Intervals

All RC drilling to date has been completed by using a 5" to 5 ½" face hammer with samples collected mainly at 1m or 3m intervals. The rig geologist determines if the sampling is to be done at 1m increments or composited into a 3m interval. Sample pertaining to mineralised composites returning >0.25g/t Au are retrieved and these 1m samples are dried, resplit and submitted for assay.

The RC drilling has an average drill sample recovery of 18kg. Theoretical sample weights are 20kg weight for 100% recovery in oxide material and a 36kg weight for 100% recovery in fresh material. The theoretical drill sample weights include a 5% moisture content.

The drill sample recovery weights are presented below in Figure 6-2 by down hole depth. This analysis only considered one metre sample intervals where the recorded sample weights were above 5 kilograms and wet samples were excluded for a consistent analysis. The down hole sample weight increases by depth which would be a reflection of increasing bulk density and decreasing weathering. Of note is that the drill sample weight stabilises at approximately 100m down hole and indicates intersection of fresh rock types.

Sample recovery appears acceptable for the RC drilling after allowing for varying density by weathering. The sample weight is relatively low in near-surface intervals; however some recovery loss would be expected in unconsolidated material which forms a relatively minor rock type.

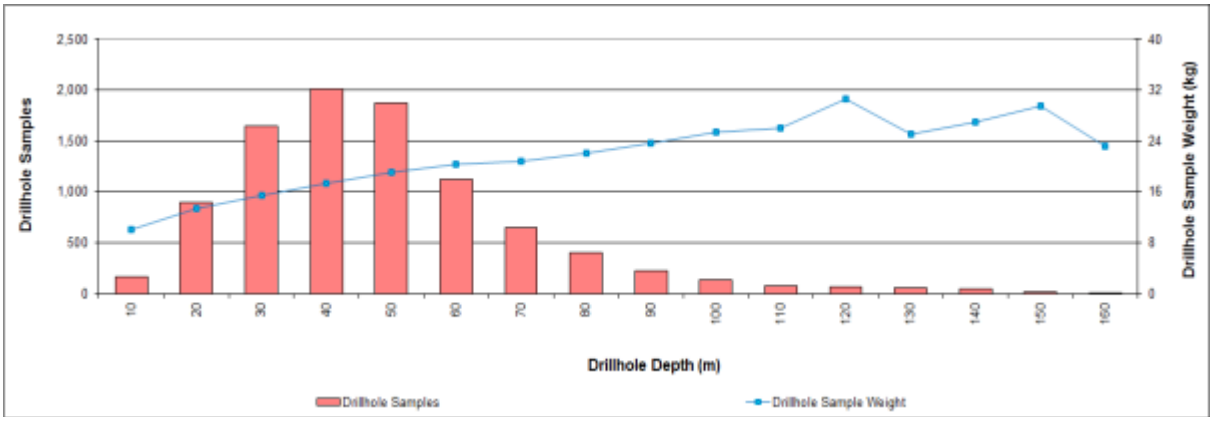


Figure 6-2 Sample Weights by Down Hole Depth

Weight of RC Sample Dispatched to Assay Laboratory

Sample submission was supervised by an Azimuth geologist and also checked by the receiving laboratory to ensure sufficient sample mass was obtained for assay analysis. Azimuth completed a quality assurance program during 2011 whereby the laboratory sample weight was recorded. As the laboratory sample is a representative sub-lot of the sample mass at a constant split from the two-tier or three-tier riffle splitter, a measure of overall sample quality and representivity is provided by this analysis.

The date of the sample, water content (as wet, moist or dry) and sample identification were recorded for 4,628 samples mainly from the Smarts Prospect RC drilling (SRC collar prefix). This represents approximately 21% of the assay database as at August 31, 2011. Approximately 27% of the samples were recorded as wet with the remainder recorded as dry or moist. Summary statistics for the original field sample by sample length are compiled in Table 6-3 below.

A sample weight comparison between the original sample and the field duplicate sample is presented in Figure 6-3 for 429 samples. Results are reasonable in both cases and the Technical Report author would recommend sample weights continue to be recorded on an 'as dry' basis for sample recovery analysis.

The October 2010 site visit by the Technical Report author concluded the field procedures in place are suitable and well maintained.

Table 6-3: Summary Weight of Original Field Samples (SRC collar prefix)

Sample Length	Sample Moisture	Sample Count	Sample Weight (Ave. kg)	Sample Weight (Min. kg)	Sample Weight (Max. kg)	Sample Weight (SD kg)
1m	Dry to moist	1356	2.99	0.13	2.99	0.92
1m	Wet	512	2.88	0.10	6.20	1.00
2m	Dry to moist	61	3.83	0.60	8.40	1.43
2m	Wet	58	4.00	0.30	10.00	1.50
3m	Dry to moist	1951	3.93	0.20	12.90	1.48
3m	Wet	681	3.78	0.20	10.70	1.33
4m	Dry to moist	1	4.50	4.50	4.50	NA
4m	Wet	7	6.06	3.40	8.80	2.34
All	All	4627	3.52	0.10	12.90	1.35

Note - while in general most samples are taken at a 3m or 1m interval; a small proportion of samples have been taken at 2m or 4m intervals where at the end or top of a drill hole, to match mineralisation widths, to allow for poor recovery at start of hole or where sample interval adjustment is needed to maintain intervals in a multiple of 3 metres. (Source: - Runge, October 2011).

Diamond Drill Core Recovery

The diamond drill core recovery has been calculated for historical drill core and results have been entered into the database. Average core recovery for the diamond drilling is 91%. Of note is that approximately 3% of the sample intervals record a recovered core recovery above 100%. The reason for this discrepancy is unknown, however it is thought this largely reflects a data translation error. Other additional errors are thought to reflect inexact locations of core depth marker blocks or possible drill core lifter problems with minor core from one core barrel run being included in the next core barrel run. Unfortunately historical drill core is considered lost due to poor preservation from an inappropriate storage facility used by previous explorers. However paper and digital records exist and Azimuth is in the process of updating the database with corrections. It is considered likely that any impact from the data translation errors would be of minor importance and of minor risk.

In general, core recovery is excellent in fresh rock. There are no known core recovery factors which would materially impact the accuracy and reliability of assay results.

Geological Controls

Important geological controls or domain boundaries for gold mineralisation relate to the flat-lying weathering or barren overburden horizons and the sub-vertical, mineralised shear zones. In this respect, the structurally related shear zones provide the most important parameter in selecting the sample interval length. The mineralised shear zones vary from several metres wide to a width of tens of metres in places. The mineralisation boundary is sharply defined over an interval of decimetres and the waste separation between mineralised zones is also in the order of several metres and up to ten metres width in places. The inclined 1m sample interval is sufficient to define the mineralisation and domain boundaries at a scale suitable for further block model and optimisation studies.

Gold mineralisation down hole is variable and significantly higher grade intersections do occur adjacent to mineralisation boundaries and/or lower grade intersections. Studies to date on the better drilled Hicks deposit indicate that the coefficient of variation (CV) is 2.1 for mineralised intersections. This suggests that standard industry techniques such as Ordinary Kriging with minor top-cuts can used for the block model estimate and that the quality of the estimate will be sufficient for optimisation studies.

The Technical Report author would recommend a small close spaced "Grade Control" drill program be carried as a part of studies on short-range grade continuity.

True Thickness of intersections

Azimuth has released the results of all exploration drilling conducted during 2011. Significant results were released as assay results were returned. The visual mineralisation is recognised as iron-oxide stained quartz veins within a shear zone and has been identified in the majority of holes. The orientation of mineralised zones comprising each prospect is well established, and it is estimated that the true width of mineralised intercepts reported in the tables of significant intersections in the Technical Report represents some 60% to 70% of the down-hole intervals.

7. Sample Preparation, Analysis and Security

Sample Interval Selection and Mineralisation Controls

A sample interval of 1m has been selected for the RC drilling when within or near gold mineralisation (buffer zone). This sample spacing ensures a reasonable sample weight is collected while still being at a scale sufficient to define geological and mineralisation boundaries. The 1m samples are assayed at 1m intervals in visibly conspicuous mineralisation or otherwise composited to 3 metre intervals before assay. Any low grade internal zones are also assayed at 1m intervals and a sample buffer is placed before and after the mineralisation boundary to ensure the assays do not begin or end within high-grade mineralisation. The original 1m samples are sent for assay where any significant gold assay grades are recorded for the 3m composite samples.

The use of a RC 1m sample interval was selected after consideration of the following:

- Consideration of previous sampling methodology.
- The RC drilling method and sample collection process for current drill campaigns.
- A representative sample weight suitable for transport, laboratory preparation and analysis.
- The lithological thickness of the White Sands Formation and underlying basement lithology.
- A mineralisation zone thickness ranging from several metres to 10's of metres.
- Suitability for statistical analysis. A standard sample length ensures all assay results are treated on equal support when reviewing assay statistics (before sample compositing for geostatistical analysis and resource estimation).
- The RC drilling method will in general provide superior sample collection compared to open-hole drill methods (e.g. auger or RAB) and reduce the possibility of down-hole grade smearing or contamination.

Sampling Methodology

The sampling methodology described in this section relates specifically to the post-2009 drilling campaigns by Azimuth. All project drilling to date has been completed by RC using a 5" face hammer with samples collected mainly at 1m or 3m intervals. The rig geologist determines if the sampling is to be done at 1m increments or composited into a 3m interval. All samples used in the estimation of gold mineralisation are taken at 1 m sample interval.

A sample sheet is completed on the rig by the geologist that corresponds to a sample ticket book. Data such as down hole interval, sample identification number, sample method, sample quality, bulk bag weights, water content and QA/QC sample checks are recorded on both the sample sheet and ticket book.

The down-hole samples are recovered from the drill rig cyclone and collected in UV-stabilized plastic sample bags. Each plastic bag is labelled with the relevant drillhole name and sample interval. An identification plate made from non-perishable aluminium is placed inside each bag and the bag is sealed to prevent spillage.

Each sample bag is then split at the drill site to provide a representative sample for assay analysis. The representative sample is collected in a pre-numbered calico bag after passing through a three tier riffle splitter provided by the drilling contractors. A spear sample is taken if the sample is moist and would clog the splitter.

Holes are then assayed at 1m intervals in visibly conspicuous mineralisation or otherwise composited to 3 metre intervals. While not always weighed, samples sent to the laboratory are in the order of three to four kilograms (Table 6-3). The coarse field reject is stored on-site until assay results are received and validated. Azimuth recognises that spearing is a relatively poor quality method of splitting compared to riffle or cone splitting. Spear samples which return assays >0.2g/t gold are re-assayed by drying the coarse field reject, riffle splitting a sample when dry and re-sending for laboratory analysis.

The rig geologist determines the placement of duplicate samples, standards and blanks to be inserted. Sample identification numbers designated for standards or blanks are written on the bags with the bags left empty. These QA/QC check samples are inserted at frequency of no less than 5% standard, 5% blanks and 10% duplicate.

All samples are allocated an individual sample identification number written on the cloth sample bag with a weather proof paper tear out from the ticket book with the same identification number placed within each cotton sample bag. The cotton sample bags are lined with plastic if the sample is damp or wet to avoid leakage and possible contamination issues. Samples are then weighed and range from 1kg minimum to 7kg maximum.

All samples are collected from the drill site each day and taken to the sample processing shed at Hicks Exploration Camp. As most auger sampling programs are conducted from camps remote from the Hicks camp, auger samples are collected on a weekly basis. Once at the sample shed, the auger samples and data sheets are handed to a senior crew leader for dispatch preparation.

For drill samples, samples are laid out in rows by sample identification and grouped by drill hole number. Typically, one hole is collated into one assay batch run.

For auger samples, batches are collated on a weekly basis. The hole number and sample range is written on a tri-pod and placed at the head of the batch run. These are then checked against the data sheets and ticket books by the supervising sample crew leader and additionally checked by a senior geologist. While checking sample intervals and sample numbers, the geologist inserts the blank and standard material into the empty numbered cloth bags. All samples are placed within large plastic lined poly-weave bags. Each poly-weave bag has the sample range and bag number as well as the assay lab destination written on it.

The geologist then creates a sample dispatch requisition. The sample dispatch form is inserted into a zip-lock bag and placed into the first of the poly-weave bags of each batch run. All poly-weave bags are then secured and closed with a cable tie.

The diamond drill core sampling procedure follows much the same process flow as the AC, RC and Auger samples. Diamond core is brought in from the rig on a daily basis. The core is processed by geo-technicians and junior geological staff and is over seen by senior geologists.

Processing of the core includes marking up the 1 metre sample intervals, geotechnical, geological and structural logging. The metre marks identify the sample interval. All diamond core is sampled on a one metre interval unless a change in lithology is encountered. Lithological contacts are marked at the sample interval boundaries. Once the geologist allocates what interval is to be sampled, a tear out piece of the ticket book is placed within the tray at the designated interval. This forms the sample identification for database records.

A core axis centre line is marked on the core for core cutting and half core for assay submission is produced by cutting the core down the centre line. To be consistent and avoid bias, the left side of the core is always sampled (looking down hole). The sample dispatch procedure for diamond drill core follows the same methodology as for the AC, RC and auger protocol as mentioned above.

Chain of Custody and Transport from Azimuth Drilling

All samples are packaged by drillhole at site into large plastic bags and freighted to the laboratory under the supervision of Azimuth personnel. The plastic bags are sealed with metal ties and sample transport is provided by contractors. A Chain of Custody form is filled in by the senior geologist as a summary of all samples leaving site on each sample dispatch. Included in this form is the batch number, sample range, the date of dispatch, laboratory destination and a check box. This form is signed by the supervising geologist and also signed by the transport contractor. The vehicle registration is also noted. All samples are then loaded onto the truck and are transported to Georgetown. All documentation is emailed to the destination assay laboratory. The assay laboratories are independent of Azimuth and Pharsalus.

Pharsalus employs two sample preparation laboratories within Guyana to prepare samples ready for analysis: -

1. Acme Laboratory, located at Lot 13 Plantation Non Pariel, East Coast Demerara, and

2. ActLabs located at 27/28 Parcel Beterverwagting, Industrial Area, East Coast Demerara.

On receipt of samples, the preparation laboratories are required to check that each sample on the Dispatch Requisition has been received and matches the authorised Chain of Custody document. The laboratory undertakes reconciliation between physical sample numbers and received paperwork before sample crushing. Azimuth are advised by the laboratory of any issues such as missing or additional samples, insufficient sample mass for analysis or problems with sample identification. The preparation laboratory manager then authorizes the batch by signing the Chain of Custody document and returns it to the Pharsalus office in Georgetown for filing.

Quality assurance samples are inserted by Azimuth personal prior to sample transport to the preparation laboratories. Quality assurance is undertaken on a systematic basis with blanks, standards and field duplicates inserted at regular intervals. Azimuth's Quality Assurance and Quality Control (QAQC) protocol entails two QAQC samples are inserted for every 10 samples. The QAQC samples are comprised of a field duplicate sample and either a standard or blank. The standards and blanks are inserted in an alternating sequence.

No chain of custody and sample transport procedures are completely known for historic drilling at the project. The Technical Report author is not aware of any issues in this regard for historic drilling. The Technical Report author considers chain of custody and sample transport procedures developed for Azimuth drilling and exploration to be adequate.

Assay Sample Preparation

For the Hicks Prospect, assay sample preparation is conducted by ActLabs (Guyana) and assay analysis by ActLabs (Chile). For the Smarts Prospect, assay sample preparation is conducted by both ActLabs (Guyana) and Acme Laboratories (Guyana) while assay analysis is carried out by ActLabs (Chile) and Acme (Chile). Each sample preparation laboratory is solely and independently responsible for forwarding the prepared samples to the respective

laboratory for assay analysis. Laboratory dispatch sheets accompany each shipment for sample reconciliation and tracking of time taken to complete sample preparation and assay analysis. The laboratory is responsible for all sample preparation and the subsequent assay analysis.

Methodology of Sample Assay Analysis

Sample assay analysis for the Hicks and Smarts Prospects is performed by ActLabs in Chile and Guyana. Samples are assayed via 30g fire assay with gravimetric finish. Samples composited to 3m are assayed via 30 gram fire assay with gravimetric finish and 1m intervals assayed via screen fire assay.

Acme Laboratories is ISO 9001:2000 certified and ActLabs is ISO 9000:2008 certified.

The following sample preparation and assay analysis procedure is carried by ActLabs Laboratories for Azimuth drill samples: -

- Record sample batch received.
- Crush, pulverise to pulp material and split sample. A size fraction check is carried out every 20th sample or to customer requirements (e.g. 90% passing 200 size mesh). Internal laboratory blanks are inserted every 35th sample in addition to cleaning of crushing and pulverising equipment with compressed air after preparation of each sample. These blanks are analysed and reported to the client as part of laboratory quality control.
- Assay via fire assay with gravimetric finish. The test weight is 30g. The laboratory undertakes analysis of a sample duplicate every 35th sample and reports the results to the client as a part of laboratory quality control. In addition, the laboratory inserts certified and in-house standards which are of similar grade and material matrix to the client samples. The in-house laboratory standards are subjected to round robin testing from other laboratories to determine the accepted value and confidence intervals.
- Internal laboratory controls (standards and blanks) are carried out for each sample batch and reported with sample assay results. All results are stored in a dedicated Laboratory Information Management System (LIMS) database.

The following sample preparation and assay analysis procedure is carried by Acme Laboratories for Azimuth drill samples: -

- Record sample batch received.
- Crush, split and pulverise 250g of rock to 200 mesh size.
- Split analysis sample into pulp packet.
- Lead collection Fire – Assay Fusion with AAS Finish. The test weight is 30g.
- Internal laboratory controls (standards and blanks) are carried out for each sample batch and reported with sample assay results.

Assay Quality Control Measures (QAQC) for Azimuth Drilling

All Azimuth drilling programs carried out at West Omai have included ongoing QAQC procedures. These procedures include the use of certified standards and blanks, internal laboratory quality control and submission of field duplicate samples.

The Technical Report author considers that the overall QAQC results for the West Omai drill programs are acceptable and confirm the validity of the assay data for use and public reporting. Azimuth holds regular communications with Geobase and laboratory personal regarding assay submissions and database import. The Technical Report author recommends that future QAQC work should include independent laboratory analyses via a secondary check laboratory and a regular inspection of each assay laboratory.

Azimuth Assay Control Procedures

The following assay quality control procedures are currently in use by Azimuth:-

- Duplicate checks
    - Field Duplicates: - where repeatability of duplicate samples sourced from drill sample collection in the field is tested.
    - Laboratory Repeats where repeatability of duplicate samples sourced from the laboratory sample preparation and analysis is tested.
- Certified Standards and Blanks
    - Standards: - currently there are up to twenty different standards in use by Azimuth. The standards have been predominantly sourced from Geostats Pty Ltd and all are certified gold reference materials. The standards have been selected to match the average grade range of gold mineralisation.
    - Blanks: - consisting of uniform material containing no gold. Azimuth uses two blanks; one of silica sand and the other described as gabbro GT siftings.

Analysis of Assay and QAQC Types for Azimuth Drilling

All Azimuth drilling programs carried out at West Omai have included ongoing QAQC procedures. These procedures include the use of certified standards and blanks, internal laboratory quality control and submission of field duplicate samples.

The rig geologist determines the placement of standards, blanks and duplicate samples to be inserted. Sample identification numbers designated for standards or blanks are written on the bags with the bags left empty. These QA/QC check samples are inserted at frequency of no less than 5% standard, 5% blanks and 10% duplicate.

A breakdown of sample percentage by QAQC type is presented in Table 6-4: Hicks QAQC by Sample Type for Azimuth Drilling and 6-5 respectively for Hicks and Smarts.

This data is current to the time of submission of the most recent Technical Report, dated May 30 2012.

Table 6-4: Hicks QAQC by Sample Type for Azimuth Drilling

Check Type	Quantity	% of Total Sample Population	% ActLabs Sample Population	% Acme Sample Population	% Unknown Lab Sample Population
Field Derived					
Standards	260	3.85	4.72	2.87	0
Blanks	218	3.23	5.04	3.69	0
Field Duplicates	453	6.70	8.48	2.25	0
Lab Introduced					
Sample Prep Repeats	19	0.28	0.10	2.87	0
Pulp Repeats in Lab	458	6.78	4.05	5.94	20.64
Element Repeat	304	4.50	0.69	0	25.38
External Lab Checks					
Pulp Checks	36	0.53	0.69	0	0

(Source: - Geobase Australia, May 2012)

Table 6-5: Samples QAQC by Sample Type for Azimuth Drilling

Check Type	Quantity	% Total Sample Population	% Actlabs Sample Population	% Acme Sample Population	% ALS Sample Population
Field Derived QAQC					
Standards	2,085	4.06	5.03	4.50	2.08
Blanks	1,978	3.86	4.76	4.38	1.04
Field Duplicates	1,936	3.77	4.18	7.83	0
Lab Introduced QAQC					
Sample Prep Repeats	590	1.15	1.33	2.00	0
Pulp Repeats in Lab	1,602	3.12	3.92	2.92	8.33
Element Repeat	1,050	2.05	2.78	0	23.96
External Lab Checks					
Pulp Checks	96	0.19	0.26	1.92	100

(Source: - Geobase Australia, May 2012)

A review of assay QC is completed as each batch of assays is returned. A complete QAQC assessment of the data is completed on a monthly basis by Geobase personnel and reviewed by Azimuth geologists. The QAQC reports conclude that all sampling, sample preparation, sample security and analytical procedures conform to industry best practice and are adequate to give a representative picture of the nature of the mineralized body and its host rocks.

The Technical Report author considers that the overall QAQC results for the West Omai drill programs are acceptable and confirm the validity of the assay data for use and public reporting. Azimuth holds regular communications with Geobase and laboratory personal regarding assay submissions and database import.

QAQC Results for Duplicate Samples

To the time of submission of the most recent Technical Report, dated May 30 2012, a total of 2,256 field duplicates of RC samples were collected using a combination of riffle splitter and spear sampling techniques in the field and given the next sample number in the sequence. Duplicate assay of laboratory results were also carried out for:-

- Duplicate samples from the coarse laboratory reject.
- Duplicate samples of the laboratory pulp reject.
- Repeat assays of the same sample.

In general, the duplicate field assay results were similar to the original; however there were a number of outlier assays. This feature was also observed for duplicate laboratory samples at both assay laboratories. The results show a reasonable 1:1 trend with a moderate degree of scatter. The higher grade samples show a relatively lower repeatability which is likely to be a reflection of increased nugget effect. Visually the laboratory samples demonstrate a higher correlation which is also expected as the majority of variation should be noted for field duplicates. The following observations can be made for each set of duplicates:-

- Coarse Rejects (Repeat analysis of samples derived from coarse preparation rejects selected by the lab. The objective of this check is to detect if there was any bias in the preparation of samples by the laboratory).
    - 543 coarse reject repeats assayed.

    - Accurate results returned from both laboratories, however, ActLabs has a very small number of samples to compare.

- Pulp Repeats (Pulp repeats are a repeat of pulp packet sample and are selected by the laboratory).
    - 2,470 samples assayed
    - Accurate results were returned from both assay laboratories.
- Assay Repeats (Repeat analysis of elements with repeats selected by laboratory. Often a very high grade assay will be repeat assayed by the laboratory as a check).
    - 695 samples assayed.
    - All samples are from ActLabs as Acme does not undertake this quality control check.
    - Accurate results were returned, with a few assay outliers.

The Technical Report author notes that collection of field duplicates by spear method may be introducing sample error not present in riffle split samples. Azimuth collects spear samples where the sample is wet and then re-assays a dried, riffle-split sample where spear sample results are of relevance. The database system then assigns priority for export to the better quality assay samples. To minimise the number of wet spear samples collected and their impact on data quality, during RC drilling if a hole remains wet for more than 6 continuous metres the hole is stopped and diamond drilling is used to complete the drill hole. In this context, the Technical Report author considers the use of spear sampling to be a minor risk to quality control.

QAQC Results for Standards and Blanks

Azimuth uses a number of certified standards provided by an independent company. The standards are supplied pre-crushed and as such; provide an indication of contamination within the laboratory analysis procedures only. A recent review of QAQC data by Azimuth and Geobase noted that a number of submitted standards had been assigned incorrect Standard IDs. Where possible, the assay results have been used to correct these IDs. The Technical Report author considers this solution in line with industry practice and adequate. The correction method may not be entirely accurate and negates the purpose of the QAQC procedures, creating a minor risk to data quality.

The certified standard reference material used by Azimuth is summarised in Table 7-2 in the Technical Report. Graphs of analysis results for each of the standards and blanks have been compiled and are shown in the Technical Report, along with relevant comments. The standards and blanks have all returned results within acceptable limits.

The use of Blank Standards is primarily to assess any sequence contamination introduced during sample preparation and analysis. Blank material consists of non-certified in-house blank material of barren rock types. The material used for Blank 1 has been collected from white sand on-site while Blank 2 has been collected from gabbro siftings. The field preparation of blank material was not specified to the Technical Report author.

Adequacy of Sample Preparation, Analyses and Security

No sample preparation, security and analytical procedures are completely known for historic drilling at the Project. The Technical Report author considers the sample preparation, security and analytical procedures undertaken by Azimuth to be appropriate and adequate for the deposit style, at industry standard and will provide results suitable for comparison to historical information and for further studies.

The Technical Report author undertook a random spot check of 20 assay results from 2011 returned assays. The comparison was between the drillhole database record and original digital assay files over random assay batch numbers. No errors were noted in the database records.

8. Mineral Resource and Mineral Reserve Estimates

The Mineral Resource estimate for the West Omai Project is sumarised below.

	Inferred Mineral Resource		
Deposit	**Tonnes Mt**	**Gold (g/t)**	**Au (Ounces)**
Hicks	7.4	2.0	472,000
Smarts	5.0	4.6	748,000
Total	**12.4**	**3.1**	**1,220,000**

Notes:
(i) Using cut off grade of 0.5g/t gold.

The Mineral Resource for the West Omai Gold Project was prepared by or under the supervision of Mr. Aaron Green, a full-time employee of Runge, and "independent' of Azimuth, within the meaning of NI 43-101. Mr. Green personally visited the project site during October 2010.

Runge constructed the resource outlines using cross sectional interpretations prepared using a nominal 0.25g/t to 0.35g/t Au cut-off grade. A minimum down hole length of 2m was used with no edge dilution and minor zones of internal dilution were included to maintain continuity of the resource wireframes. The recent LiDAR survey was used to create a topographic surface. Geological logging was used to create weathering surfaces for the top of fresh (tofr) and base of oxidation (boco) surfaces. A base of overburden surface and cross-cutting dolerite dyke were also interpreted.

All modelling and wireframing were completed using Surpac Software Version 6.2.1. Statistical analysis and variography were completed using Supervisor software. The estimates for the deposits used standard Surpac block models using Ordinary Kriging (OK) grade interpolation within wireframes and the models have been reported at a 0.5g/t Au cut-off.

9. Current Exploration

At present, the Company is continuing to develop its understanding of the West Omai Project. The Company is focusing on the Smarts and Hicks deposits where RC and Diamond drilling continues in order to build a revised NI 43-101 resource statement that is expected in Q4 2012.

Recent depth and strike extensional drilling has intercepted significant results since the Technical Report. The most significant results for the period since the Technical Report to the date of this AIF, not included in the current resource estimate included:

Easting (UTM Zone 21)	Northing (UTM Zone 21)	Hole No.	From (m)	To (m)	Width (m)	Grade (g/t Au)
270700.29	621715.07	SDD009	186	204	18.0	6.8
270705.04	621682.44	SDT505	284	289	5.0	5.9
270705.04	621682.44	SDT505	300	308	8.0	1.3
270240.66	622007.81	SDT478	254	255	1.0	11.0
269881.88	622542.93	SDT271	183	188	5.0	7.6
269633.57	622578.32	SDT218	134	135	1.0	31.9
269856.71	622504.02	SDT443	133	136	3.0	4.7
269671.35	622393.88	SDT579	62	63	1.0	24.9
269549.75	622414.42	SDT591	127	131	4.0	4.2
269660.52	622376.99	SDT593	234	240	6.0	5.0

Easting (UTM Zone 21)	Northing (UTM Zone 21)	Hole No.	From (m)	To (m)	Width (m)	Grade (g/t Au)
270177.00	622068.00	SDD017	269	278	9	3.9
270177.00	622068.00	SDD017	272	275	3	9.3
270739.85	621936.11	SDT601	153	158	5	9.9
269689.00	622479.00	SRC629	78	89	11	4.9
270807.36	621650.14	SRC624	98	109	11	2.3
269671.35	622393.88	SDT579	62	63	1	148.0
269741.00	622563.00	SDD019	148	156	8	1.7
269741.00	622563.00	SDD019	184	189	5	4.3

In addition to the resource definition work at Smarts and Hicks, RC and Diamond drilling at a number of targets on the project, including the Kaburi and El Paso deposits are planned during 2012 to investigate their potential.

Scouting programs are also planned for various regional targets within the West Omai property during 2012.

10. The East Omai Project

The East Omai Project is located in the extreme eastern portion of Guyana and lies approximately 130km south of the capital of Guyana, Georgetown. Access from Georgetown is provided by an asphalt road to Linden, then either a laterite road to Brazil to access the western part of the permit or the more easterly road that services the Kwakwani Bauxite Mine, located in the central portion of the project area. Gravel airstrips suitable for light aircraft are located at Mabura, Kwakwani, Kurupukari and Omai.

Azimuth owns 100% of the project through the holding of the Guyanese registered company Pharsalus Gold Inc. The project is comprised of a single permission for geological and geophysical survey (PGGS 04/07) granted for gold and base metals and 104 (medium scale) prospecting and mining permits. PGGS 04/07 has an aggregate area of 1,806,000 acres, inclusive of three excised prospecting permits granted for gold and diamonds (2,292 acres) and four Amerindian reservations (164,140 acres). In relation to the Amerindian reservations PGGS 04/07 states the following. "The permittee has agreed to excise all Amerindian lands from the Area conditional on the fact that the Permittee being desirous of having Amerindian lands included in the area may approach the said communities for permission to explore." To date the Company has not negotiated permission to explore Amerindian lands. PGGS 04/07 grants the Company the right to apply 20 prospecting licences, each of 12,800 acres, at any time prior to the expiry of PGGS 04/07.

The 104 (medium scale) prospecting and mining permits have an aggregate area of 103,538 acres/41,382 hectares and were acquired under 3 agreements - the Baksh No. 2 agreement, the Sookram No. 2 agreement, and the Donna Charles agreement, which are described in this AIF.

Agreements

The granted tenements comprising the West Omai Project fall under 3 separate agreements as follows:

> **Baksh No 2 Agreement**. Comprising the option to acquire a 100% interest in 2 medium scale Mining Permits and 45 medium scale Prospecting Permits. The agreement was signed on November 26, 2011 and entails:-
>
> - Payment of US$500 on the signing of the agreement.
> - Issuance of 3,000,000 Azimuth ordinary shares three months after the signing of the agreement.
> - Issuance of 2,000,000 Azimuth ordinary shares on the 2nd anniversary.
> - Issuance of 4,000,000 Azimuth ordinary shares on the 4th anniversary.

During the period of the option Pharsalus has full rights to occupy, explore, prospect, mine or carry out related activities on the tenements. There is no subsisting royalty during or after the exercise of the option.

Deonarine Sookram No 2 Agreement. Comprising the option to acquire a 100% interest in 2 medium scale Mining Permits and 45 medium scale Prospecting Permits. The agreement was signed on June 26, 2012 and entails:-

- Payment of US$50,000 on the signing of the agreement.
- Payment of US$50,000 on the 1st anniversary.
- Payment of US$100,000 on the 2nd anniversary.

During the period of the option Pharsalus has full rights to occupy, explore, prospect, mine or carry out related activities on the tenements. Upon exercise of the option the vendor will retain a 2% NSR royalty which may be purchased at the rate of US$10 for each ounce of contained gold in reserve after a proven and probable JORC compliant reserve has been defined on the area of any and all of the 47 tenements in aggregate.

Donna Charles Agreement. Comprising the option to acquire a 100% interest in 45 medium scale Prospecting Permits. The agreement was signed on July 9, 2012 and entails:-

- Payment of US$85,000 on the signing of the agreement.
- A commitment for Pharsalus to spend a minimum of US$600,000 per year in exploration on the tenements, with a cumulative cap of $1.5 million in Year 3.

During the period of the option Pharsalus has full rights to occupy, explore, prospect, mine or carry out related activities on the tenements. Upon exercise of the option the vendor Donna Charles will retain a 3% NSR royalty which may be purchased by Pharsalus at any time subject to a price to be agreed between the parties at that time. In the event that the option is exercised, Pharsalus has an obligation to then pay an amount of US$3,000 per month to the vendor Donna Charles until such time as mining operations on the tenements have commenced.

Although no gold mineralisation is specifically recorded from the East Omai Project, the basement stratigraphy hosts extensive gold mineralization to the west and northwest, including the significant Omai deposit. Gold mineralisation comprises mesothermal quartz or quartz-carbonate lodes, veins, stockworks and breccia zones variously hosted by mafic to intermediate volcanics and volcaniclastics, carbonaceous shales and syntectonic granitoid stocks. Gold is commonly accompanied by pyrite and arsenopyrite, in the latter instance particularly where hosted by carbonaceous shales.

BHP Billiton Limited (BHP), in joint venture with Golden Star Resources Inc., explored an east-west trending strip immediately outside the western margin of the East Omai Project for gold in 1996. Exploration focussed on a basement ridge exposed through superficial cover extending eastwards from the Omai Gold Mine, which lies some 70km west of the Berbice River - the western extremity of the current project boundary. The GGMC completed two separate (yet systematic) investigative programs covering the western margin of the current East Omai Project between 2000 and 2003. The results were consistent with those of BHP, but at a higher tenor due to a modification of the sampling process which improved retention of the ultra-fine sample fraction. Elsewhere the results were more subdued, again reflecting the extensive cover of barren White Sand Formation. No historic Mineral Resources have been quantified for the East Omai Project. No drilling has been completed by Azimuth or previous project operators within the East Omai Project.

Very little is known about the geology of the East Omai Project when compared with the knowledge derived from exploration work undertaken over the West Omai Project. However, an assessment of the regional airborne magnetic data indicates that prospective east-west trending greenstone belts of the Barama-Mazaruni Supergroup extend beneath superficial cover sequences over a 110km strike length through the East Omai Project area. Gold anomalies identified from stream sediment sampling by the BHP-Golden Star Resources Inc. consortium (and subsequently GGMC), represent a priority exploration model for follow-up on adjacent ground held by Azimuth. Further project potential is associated with the continuation of the greenstone belts interpreted from airborne

magnetic data, which are physically and geochemically obscured by an unconsolidated veneer of White Sand Formation sediments.

The Company considers the East Omai Project worthy of exploration. Azimuth intends to conduct a staged exploration strategy over the East Omai Project which will be initially comprised of a total of 65,000 line kilometres of airborne radiometric and magnetic surveys which is planned for the latter part of 2011 over the East and West Omai projects. Follow-up investigation will be predominantly aircore drilling across the strike of potentially mineralised trends and structures identified by the geophysical survey.

The information in this section regarding the East Omai Project has been reviewed and approved by Aaron Green and Rod Ogilvie of Runge, "qualified persons" as defined in NI 43-101.

THE AMAKURA PROJECT

The Amakura Project is located in the extreme northern portion of Guyana and lies approximately 200km west-northwest of the capital of Guyana, Georgetown. Access from Georgetown is gained via the government coastal steamer to Kumaka. From Kumaka, private charter vessels will transport personnel and light equipment up the Kaituma River to Port Kaituma. Alternative access can be accomplished via daily commercial flights to the sealed Port Kaituma airstrip. Project access from Port Kaituma is achieved by 4WD vehicle or via the navigable Amakura River.

Azimuth owns 100% of the project through the holding of the Guyanese registered company, Pharsalus Inc. The project consists of a single Reconnaissance Permit (PGGS01/07) which expired in February 2012. PGGS01/07 provided exploration rights for geological and geophysical surveys for uranium minerals and rare earth elements and provided rights to apply for up to 20 large scale prospecting licences of up to 12,800 acres each. The Company has now applied for 20 prospecting licences and is awaiting formal grant of these licences.

In 1982, the area was investigated by Cogema, who flew a radiometric survey over an extensive area between the Barima and Amakura rivers, the latter representing the Venezuelan border. Three radiometric anomalies were identified, referred to as Kaituma, Amakura and Whanamaparu and which are hosted in the Eclipse Falls, Amakura and Whanamaparu granites respectively. The Kaituma, Amakura and Whanamaparu radiometric anomalies are almost certainly of primary origin, hosted within Palaeoproterozoic intrusive complexes. It is suggested that primary uranium mineralisation is likely to represent one of two possible styles as either structurally controlled veins/pegmatites or primary magmatic disseminations within the alkaline intrusives. Exploration potential also exists for secondary uranium enrichment which could be associated with organic debris deposited along current drainages, palaeo-channels and in swamps.

The Kaituma Anomaly was followed up in early 1983 via gridding, soil sampling and ground radiometrics, nominally completed on a 2,000m by 500m pattern with additional traverses completed along all access roads. Soil sampling results of 1.5ppm to 2ppm U (against background values of 0.5ppm U) were found to be broadly consistent with the elongate east-northeast trending anomaly. Between 1994 and 1996, BHP flew an extensive airborne geophysical survey (including three-channel radiometrics) over much of Guyana at 400m line spacing, including the southern margin of the Amakura Project. The survey confirmed the location of the Kaituma Anomaly over a width of 2km and a strike length of 23km, extending from Port Kaituma in the east to the Barima River in the west. The peak radiometric response returned from the Kaituma Anomaly was equivalent to 400ppm eU. In 2007, Takatu Minerals Limited (Takatu) completed 101 line kilometres of reconnaissance ground radiometric surveys over the Amakura Anomaly. No historic Mineral Resources have been quantified for the Amakura Project. No drilling has been completed by Azimuth or previous project operators within the Amakura Project.

The Amakura Project incorporates all or portions of three of the strongest airborne radiometric anomalies identified to date within Guyana, covering an aggregate area of 100km^2 based on the 2,000cps contour. Exploration to date has successfully outlined the positions of these anomalies, all which require further follow-up investigation. These anomalies are associated with Palaeoproterozoic granitoids of Trans-Amazonian affinity, equivalent in age to those hosting the significant Kurupung uranium prospects to the south. The more significant Amakura uranium prospect comprises a composite airborne and ground radiometric anomaly some eight kilometres in diameter, associated with partially exposed basement granitoids.

Field mapping and sampling programs that have assisted in prioritising the areas of opportunity at the project have been carried out and the company is currently reviewing this data before planning the next phase of exploration.

The Company considers the Amakura Project worthy of further exploration although it is noted that gold remains the primary focus of the Company and the West Omai Project remains the priority project for Azimuth.

The information in this section regarding the Amakura Project has been reviewed and approved by Aaron Green of Runge, a "qualified person" as defined in NI 43-101.

DIVIDENDS

The Company has not declared or paid any dividends on its shares since the date of its incorporation. The Company intends to retain its earnings, if any, to finance the growth and development of its businesses and does not expect to pay dividends or to make any other distributions in the near future.

ITEM 5: DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of an unlimited number of Shares and preference shares without par value. As of the date of this AIF, the Company had 418,911,161 Shares issued and outstanding (401,518,304 as of June 30, 2012) and an aggregate of 22,582,954 unlisted options outstanding (23,057,954 unlisted options as of June 30, 2012). The unlisted options are convertible into an equivalent number of Shares. The Company does not have any issued and outstanding preference shares.

The following is a summary of the rights attaching to Shares. For a full statement of the rights attaching to Shares, reference should be had to the Constitution of the Company, which is available under the Company's profile on SEDAR at www.sedar.com.

The holders of Shares are entitled to:

a) to receive notice of, attend, and vote at all meetings of shareholders of Azimuth, except meetings at which only holders of a specified class of shares are entitled to vote;

b) receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of Azimuth, any dividends declared by Azimuth; and

c) receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of Azimuth, the remaining property of Azimuth upon the liquidation, dissolution or winding-up of Azimuth, whether voluntary or involuntary.

ITEM 6: MARKET FOR SECURITIES

SHARES

The Shares of the Company are listed and posted for trading on the ASX under the symbol "AZH" and the TSX under the symbol "AZH".

The following table sets out the monthly high and low closing prices and trading volume of the Shares on the ASX from July 1, 2011 to September 25, 2012, as reported by the ASX. There has not been any trading of the Shares on the TSX.

SHARES (AZH)

Month	High (A$)	Low (A$)	Volume Traded
July 2011	$0.30	$0.26	11,628,708

Month	High (A$)	Low (A$)	Volume Traded
August	$0.405	$0.29	38,706,283
September	$0.545	$0.38	44,916,485
October	$0.54	$0.42	17,571,052
November	$0.645	$0.50	28,071,382
December	$0.585	$0.485	17,057,637
January 2012	$0.765	$0.50	25,046,143
February	$0.935	$0.71	31,685,462
March	$0.97	$0.695	54,524,200
April	$0.71	$0.615	22,284,141
May	$0.64	$0.40	54,965,856
June	$0.45	$0.34	26,175,625
July	$0.405	$0.335	19,206,509
August	$0.43	$0.33	27,963,234
September 1 – 25	$0.51	$0.38	22,539,190

LISTED OPTIONS

As of the date of this AIF, there are no options exercisable for Shares listed for trading on the ASX, TSX or any other stock exchange.

UNLISTED OPTIONS

Certain options exercisable for Shares are outstanding but not listed or quoted on a marketplace ("**Unlisted Options**"). The following table sets out the Unlisted Options that were issued during the financial year ended June 30, 2012 and up to the date of this AIF.

UNLISTED OPTIONS

Date	Unlisted Options Issued	Exercise Price (A$/Share)	Expiry Date
October 24, 2011	1,500,000	$0.70	September 30, 2014
October 24, 2011	1,500,000	$0.90	September 30, 2014
January 17, 2012	1,125,000	$0.70	January 17, 2015
January 17, 2012	1,125,000	$0.90	January 17, 2015

ITEM 7: ESCROWED SECURITIES

At of the date of this AIF, the Company did not have any shares subject to escrow.

ITEM 8: DIRECTORS AND OFFICERS

The following table sets out information about the directors and executive officers of Azimuth as of the date of this AIF.

Name and Residence	Current Office with Azimuth	Principal Occupation for Five Preceding Years	Director of Azimuth Since
MICHAEL HUNT[1][2][3] Perth, Australia	Non-Executive Chairman	Non-Executive Director, Azimuth (February 2011 – present); Principal, Hunt and Humphry Project Lawyers (February 1996 – Present).	February 18, 2011
DOMINIC O'SULLIVAN East Coast Demerara, Guyana	Non-Executive Director	President, Azimuth (April 2012 – June 2012), Managing Director & Chief Executive Officer, Azimuth (January 2010 – March 2012); CEO, Pharsalus Gold Inc (merged with Azimuth Resources) (January 2007 – December 2009),	January 19, 2010
RICHARD MONTI[3] Swanbourne, Western Australia	Executive Director	Executive Director of the Company (November, 2008 – present); Executive Director, Potash Minerals Limited (formerly Transit Holdings Limited) (December 2006 – present); Director, Ventnor Capital Pty Ltd (January 2005 – July 2010).	November 7, 2008
DEAN FELTON[1][2][3] Perth, Australia	Non-Executive Director	Non-Executive Director, Azimuth (October 2007 – present); Founding Director, Oyster Consulting; (March 2001 - Present).	October 12, 2007
T. SEAN HARVEY[1][2] Toronto, Ontario, Canada	Non-Executive Director	Businessman and non-executive director of various public companies.	April 23, 2012
PAUL CRIDDLE Perth, Australia	Chief Operating Officer	Chief Operating Officer, Azimuth Resources (October 2011 – Present); Technical Services Group Manager, Perseus Mining Limited (July 2008 – October 2011); Processing Manager, Mineral Deposits Limited (June 2004 – July 2008)	n/a
JOSHUA WARD Perth, Australia	Company Secretary/ Financial Controller	Financial Controller, Azimuth Resources (January 2012 – present); Company Secretary, Azimuth Resources (January 2010 – present); Corporate Advisory Executive, Ventnor Capital Pty Ltd (January 2007 – December 2011)	n/a

Notes:

(1) Member of the Audit and Risk Management Committee.
(2) Member of the Nomination and Renumeration Committee.
(3) Member of the Corporate Governance Committee.

As of the date of this AIF, the number of Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers of Azimuth as a group is approximately 39,138,691, representing approximately 9.3% of the issued and outstanding Shares.

CORPORATE CEASE TRADE ORDERS AND BANKRUPTCIES

Other than as disclosed below, no director or executive officer of Azimuth is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including Azimuth) that was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation that was (i) in effect for a period of 30 consecutive days, (ii) issued while the director or executive officer was acting in that capacity, or (iii) issued after that person

ceased to act in that capacity but which resulted from an event that occurred while that person was acting in that capacity.

Other than as disclosed below, no director or executive officer of Azimuth or, to the knowledge of Azimuth, any shareholder holding a sufficient number of securities of Azimuth to affect materially the control of Azimuth:

(a) is, as of the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including Azimuth) that, while that person was acting in that capacity, or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within 10 years before the date of this AIF, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

CONFLICTS OF INTEREST

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a material interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a material interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms.

Directors of Azimuth who are directors of other reporting issuers (or the equivalent) in Canada or foreign jurisdictions are set out below:

Director	**Name of Issuer(s)**
Richard Monti	Potash Minerals Limited, Jaguar Minerals Limited, Poseidon Nickel Limited, Triton Gold Limited
T. Sean Harvey	Andina Minerals Inc, Victoria Gold Corp., Sarama Resources Limited, Serabi Gold plc, Perseus Mining Limited.

COMMITTEES OF THE BOARD OF DIRECTORS

The board of directors has established an Audit and Risk Management Committee (the "**Committee**") in compliance with National Instrument 52-110 ("**NI 52-110**").

In addition, the board of directors has established a Nomination and Remuneration Committee, consisting of Dean Felton (Chairman), Michael Hunt and Sean Harvey, and a Corporate Governance Committee, consisting of Michael Hunt (Chairman), Richard Monti, and Dean Felton.

COMPOSITION OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Committee is made up of Dean Felton (Chairman), Michael Hunt and Sean Harvey. All members of the Committee are considered financially literate and independent as those terms are defined in NI 52-110.

AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

The complete text of the Committee's charter is attached as Schedule A to this AIF.

RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any exemption from NI 52-110.

AUDIT AND RISK MANAGEMENT COMMITTEE OVERSIGHT

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the board of directors.

PRE-APPROVAL POLICIES AND PROCEDURES

The Committee pre-approves all non-audit services to be provided to the Company or its subsidiaries by the external auditor.

EXTERNAL AUDITOR SERVICE FEES

Fees paid to the Company's external auditors during the two most recently completed financial years were as follows:

	2012[(2)] (A$)	**2011[(2)] (A$)**
Fees paid to auditors of parent entity:		
Audit Fees[(1)]	43,470	33,631
All Other Fees	-	-
Fees paid to auditors of subsidiaries:		
Audit Fees[(1)]	7,743	5,189
All Other Fees	-	-

Notes:

(1) Includes services provided in connection with an audit or review of the financial statements of the Company or its subsidiaries.
(2) Azimuth's auditor for the year ended June 30, 2012 was HLB Mann Judd.

AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS' EXPERIENCE AND EDUCATION

The education and experience of each Committee member that is relevant to the performance of his or her responsibilities as a Committee member is as set out in the table on page 51 of this AIF.

ITEM 9: PROMOTERS

At the date of this AIF no person is considered a promoter of Azimuth pursuant to applicable securities legislation.

ITEM 10: LEGAL PROCEEDINGS, REGULATORY ACTIONS AND PENALTIES/SANCTIONS

There are no material legal proceedings or regulatory actions involving Azimuth or its properties as at the date of this AIF and Azimuth knows of no such proceedings currently contemplated.

ITEM 11: INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed above and elsewhere in this AIF, no director, officer or shareholder holding on record or beneficially, directly or indirectly, more than 10% of the issued Shares, or any of their respective associates or affiliates has any material interest, direct or indirect, in any transaction in which Azimuth has participated in the three most recently completed financial years or during the current financial year, or in any proposed transaction, which has materially affected or will materially affect Azimuth.

ITEM 12: TRANSFER AGENTS AND REGISTRARS

Canada:		Computershare Investor Services Inc.
	Address:	3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9
	Telephone:	604-661-0217
	Facsimile:	604-661-9401
	Email:	www.investorcentre.com/contact
	Web:	www.computershare.com
Australia:		Computershare Investor Services Pty Limited
	Address:	Level 2, 45 St. Georges Terrace, Perth WA 6000, Australia
	Postal Address:	GPO Box D182, Perth WA 6840, Australia
	Telephone:	+61 3 9415 4000 (outside Australia) or 1300 850 505 (within Australia)
	Facsimile:	+61 8 8 9323 2033
	Email:	www.investorcentre.com/contact
	Web:	www.computershare.com

ITEM 13: MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the Company has not entered into any material contracts within the most recently completed financial year, or before the most recently completed financial year, which are still in effect.

ITEM 14: INTEREST OF EXPERTS

Information of a scientific or technical nature in this AIF is based primarily upon the Technical Report prepared by Aaron Charles Green, a Member of the Australian Institute of Geoscientists ("**AIG**") with sufficient experience to qualify as a "Qualified Person" under NI 43-101. Mr. Green has verified the scientific and technical information disclosed in this AIF, including sampling, analytical and test data underlying the information and opinions contained in this AIF.

Mr. Green consents to the inclusion of information from the Technical Report in this AIF. Mr. Green has no direct or indirect interest in Azimuth's property or of any associate or affiliate of Azimuth. As at the date hereof, neither Mr. Green nor any of his associates or affiliates, owns, or has the right to acquire, more than one percent of the outstanding securities of Azimuth.

ITEM 15: ADDITIONAL INFORMATION

Additional financial information is provided in Azimuth's audited consolidated financial statements and related Management's Discussion and Analysis for its year ended June 30, 2012. Copies of the above and other disclosure documents may be examined and/or obtained through the Internet by accessing Azimuth's website at www.azimuthresources.com.au or by accessing Azimuth's SEDAR profile at www.sedar.com.

Schedule A

AZIMUTH RESOURCES LIMITED

AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

Legal Requirements for Audit Committee:

Section 189 of the Corporations Act provides specific authority for the rest of the Board to reasonably rely on information or advice provided to the board by a committee, however, the provision requires that the board make an independent assessment of the "advice, having regard to the director's knowledge of the corporation and the complexity of the structures and operations of the corporation."

ASX Listing Rule 12.7, which has statutory backing under the *Corporations Act 2001*, requires a company in the S&P All Ordinaries Index at the beginning of its financial year to have an audit committee during that year. If the company was in the S&P / ASX 300 Index at the beginning of its financial year, it must follow the Recommendations of the ASX Corporate Governance Council on the composition, operation and responsibility of the audit committee.

The recommendations of the ASX Corporate Governance Council for audit committees are:

- 4.1: The board should establish an audit committee
- 4.2: The audit committee should be structures so that it:
    - consists only of non-executive directors
    - consists of a majority of independent directors
    - is chaired by an independent chair, who is not chair of the board
    - has at least three members
- 4.3: The audit committee should have a formal charter
- 4.4: Companies should provide the information indicated in the guide to reporting on Principle 4.

Canadian National Instrument 52-110 sets out certain requirements regarding the composition, responsibilities and authority of audit committees. These requirements include that the audit committee must be composed of a minimum of three members and that each member must be a director of the company and must (subject to certain exceptions) be independent and financially literate.

Legal Requirements for Risk Management:

ASX Corporate Governance Principles and Recommendations provide fundamental principles and recommendations for a corporate governance framework.

Principle 7: Recognise and Manage Risk states:

"Companies should establish a sound system of risk oversight and management and internal control."

The Board is responsible for reviewing the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

The Board has charged the Committee with the responsibility of risk management across all Company activities. In turn the Committee has overseen the development of a risk management framework

Objective:

The Board wants the Company's audit committee objectives to include:

- meeting the legal requirements imposed by corporations laws and of ASX/TSX;

- facilitating the proper execution of the Directors' responsibilities relating to accounting and reporting; and
- assessing and reporting to the Board on management of risk.

Composition:

Taking into account the requirements imposed by ASX/TSX and the Board's objectives:

- the Committee must comprise at least three non-executive members;
- all members must be independent;
- at least one member must have financial expertise;
- all members must be financially literate;
- the chairperson of the committee must not also be the Chairperson of the Company.

Executive Reporting to Committee:

It will be the responsibility of the Company's chief executive officer and the Company's chief financial officer to provide to the audit committee in due time the necessary documentation required by the audit committee to enable its members properly to consider the accounts and/or reports. When delivering such documentation, the chief executive officer and chief financial officer must state in writing to the Board that the Company's financial statements are in accordance with corporations laws in Australia and Canada and mandatory professional reporting requirements and present a true and fair view, in all material respects, of the Company's financial condition, performance and operational results and that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable. Their statement should also confirm compliance with the Company's risk management and control systems.

Charter:

The audit and risk committee charter is as follows:

- review and report to the Board on the financial sections of each annual and half year financial report and each quarterly report, any management's discussion and analysis and any other financial information published by the Company prior to release to members and other public forums;
- assist the Board in reviewing the effectiveness of the organisation's internal control environment covering effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations;
- monitoring of corporate risk assessment processes;
- co-ordinate the audit with the external auditor including reviews of internal control measures;
- directly oversee the work of the external auditor;
- review and approve any significant non-mandatory accounting policy change;
- review the audit plan with the external auditor;
- recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, the scope and quality of the audit and the auditor's independence, and consider if appropriate, the rotation of audit partners;
- review and pre-approve all non-audit services provided by the external auditor and ensure it does not adversely impact on auditor independence;
- reviewing the company's risk management system and ensuring that material business risks to the company are appropriately reported to the Board;
- assessing the internal processes for determining and managing material business risks in accordance with the identified tolerance for risk, particularly in the following areas:

    - Potential non-compliance with laws, regulations and standards and company policy
    - Important accounting judgements or estimates that prove to be wrong
    - litigation and claims
    - fraud and theft
    - significant business risks, recognising that responsibility for general or specific risks may be assigned to other board sub-committees
- monitoring company processes for management's identification and control of material risks, suspected and actual frauds, thefts and material breaches of laws, ensuring reporting to the board and/or relevant authorities;
- establishing procedures for:
    - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
    - the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- assessing adequacy of company process to manage insurable risks and adequacy of insurance cover, and if applicable, level of self insurance;
- attending to the effectiveness of the company's internal control system with management and auditors;
- assessing effectiveness, and compliance with, the company's code of ethical conduct;
- meeting periodically with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the company's control environment;
- reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company; and
- liaising with other sub-committees as required.

The audit committee has authority, within the scope of its responsibilities, to:

- seek any information it requires from any employee or external party;
- engage independent counsel and other advisors as it determines necessary to carry out its duties;
- set and pay the compensation for any advisors employed by the audit committee;
- to communicate directly with the internal (if any) and external auditors.

The audit committee is to meet independently of the external auditor not less than twice a year and at such additional times as the Committee decides. The Chairman may convene a meeting at any reasonable time.

The audit committee is to meet with the external auditor not less than twice a year and review any significant disagreement between the auditor and management, irrespective of whether the matters have been resolved.

The external auditor has a clear line of direct communication at any time to either the Chairperson of the audit committee or the Chairperson of the Board. Any member of the audit committee is able, and obliged, to bring any matter to the immediate attention of the Board, if that committee member believes the matter has not been dealt with adequately by the committee, or is of significant importance that the Board should be informed directly.

Evaluation of Committee Activities

Annually, the Committee Chairman shall assess the performance of the Audit Committee and take appropriate action in respect of areas where there is a perceived need for enhancement of its role, operational processes or membership.