AZIMUTH
RESOURCES

Management's Discussion and Analysis

Three Months Ended
September 30, 2012

This Management's Discussion and Analysis ("MD&A") of Azimuth Resources Limited and its controlled entities ("Azimuth" or the "Company") is dated November 13, 2012 and provides an analysis of the Company's performance and financial condition for the three months ended September 30, 2012.

This MD&A should be read in conjunction with the Company's June 30, 2012 audited consolidated annual financial statements and notes thereto. The financial statements (and the financial information contained in this MD&A) comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

For the purposes of preparing this MD&A, management, in conjunction with the board of directors, considers the materiality of information. Information is considered material if: (i) such information has, or would reasonably be expected to have, a significant effect on the market price or value of Azimuth ordinary shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the board of directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information relating to the Company and its business, including the Company's Annual Information Form ("AIF"), is available under the Company's profile on SEDAR at **www.sedar.com**.

This MD&A may contain forward-looking information that is based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. Forward-looking information speaks only as of the date it is provided, is not a guarantee of future performance and involves risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out in this MD&A under "Risk Factors". Actual outcomes and results may differ materially from those expressed in forward-looking information and readers should not place undue reliance on such statements.

Readers are also referred to the "Cautionary Note Regarding Forward Looking Statements" in this MD&A.

All monetary amounts are stated in Australian dollars, except as otherwise stated.

COMPANY OVERVIEW

Azimuth is a gold focused exploration company with over 12,000km^2 of gold and uranium exploration permits and licenses located in Guyana, South America. Broadly, the areas of interest in Guyana are split into 3 projects, the West Omai Gold Project, the East Omai Gold Project, and the Amakura Uranium Project.

Azimuth is incorporated under the laws of Australia and listed on the Australian Securities Exchange (the "ASX") under the symbol 'AZH' and the Toronto Stock Exchange (the "TSX") under the symbol 'AZH'.

Having released its first plus one million ounces resource for the West Omai (see Technical Report dated May 30, 2012) with an average grade in excess of 3 g/t Au and comforted by our preliminary metallurgical test work which showed very good recoveries, the Company plans to continue exploration ahead of making a decision on undertaking economic studies.

The Company expects to continue to grow the resource whilst carrying out the aforementioned studies and its longer term (5 year) objective from its current assets alone is to be a gold producer with below industry average cash costs and with above industry average returns on equity.

GUYANA PROJECTS

During the period July 1 to September 30 2012, Azimuth continued to explore its package of highly prospective gold properties in Guyana, South America, and continued to improve its exploration footprint in one of the world's least explored major gold belts.

The Guiana Shield hosts numerous "World Class" (>3 million ounce) gold deposits. Almost all of the known gold deposits lie within a portion of the Shield that lies within 200km of the coast in a belt of greenstones with a strike length of approximately 1,200km with a known endowment of over 100Moz. The projects acquired by Azimuth give it control of approximately 20% of this prime geological address.

Azimuth has three projects in Guyana: the West Omai Gold Project, the East Omai Gold Project and the Amakura Uranium Project.

The West Omai Gold Project

The West Omai Gold Project is an approximately 1,100km^2 advanced exploration project covering a 50km strike portion of the same structural stratigraphic corridor (the Omai- Hicks-Kaburi Corridor) which hosts the Omai gold mine (3.7Moz produced), located immediately east of the project.

Highlights:

Acquisition of additional properties

On 18 September 2012, the Company announced it had acquired additional tenements surrounding and in between its West and East Omai projects in Guyana.

At the West Omai project, the '9 Mile – Honey Camp' Property, 26km to the North West of its existing West Omai tenements was acquired. This additional 37.3km^2 of tenements can be accessed by unimproved road from the Company's existing Hicks camp in approx. two hours. The Company considers this property warrants further exploration by way of systematic testing, follow up channel sampling regional exploration geochemistry and drilling to follow up on historical results.

The present focus of exploration at West Omai is depth and strike extensions of the Hicks and Smarts resources, and systematic targeted regional exploration within the Omai-Hicks-Kaburi corridor, and Aurora-Gem Creek corridor.

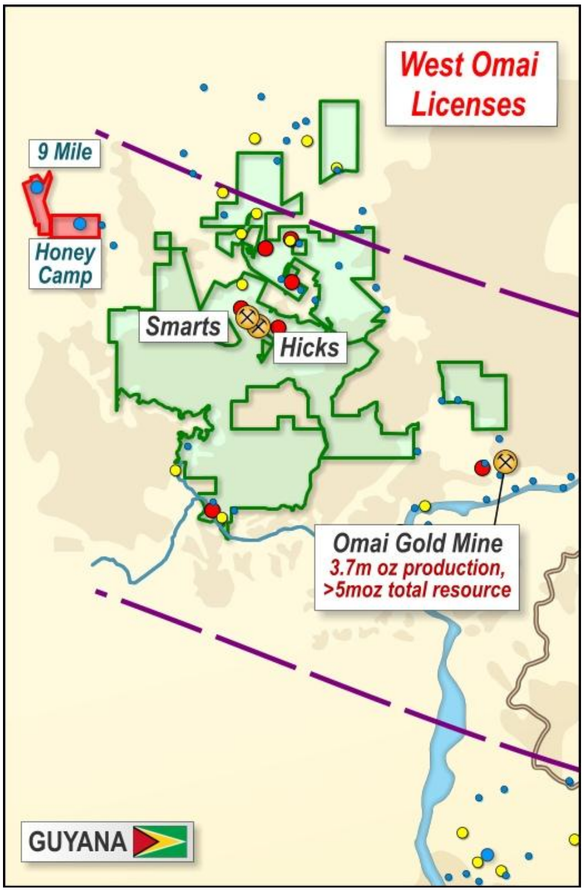

Figure 1: West Omai tenements, showing newly acquired properties (red).

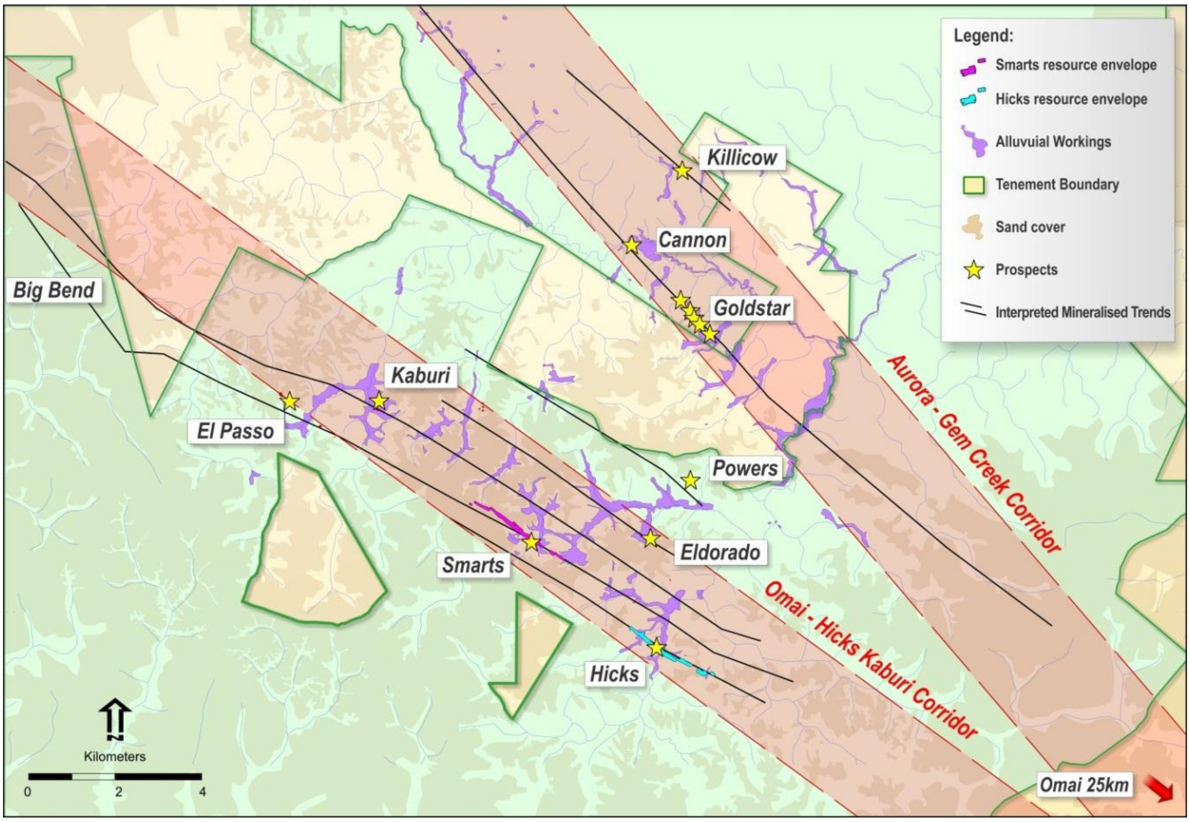

Figure 2: Showing the West Omai Project tenements (green) against regional White Sand cover.

The Hicks Deposit: A shallow JORC Code and NI 43-101 compliant inferred resource of 7.4Mt at 2.0g/t Au for 472,000 ounces gold.

The Company is currently drilling along strike to the northwest and southeast of the Hicks deposit where, over the coming months, it intends to scout drill several kilometers of the strike of the structures which host the Hicks resource, looking to extend the known deposits and discover further mineralisation along strike.

Key Quarter Highlights:

Significant new drill intersections received

During the quarter the Company's drilling program uncovered further mineralisation outside the existing resource envelope of the Hicks deposits, including intercepts along strike to the NW as follows:

- HRC089: 4m @ 1.7 g/t Au (from 99m)
- HRC095: 8m @ 1.1 g/t Au (from 46m)

Drilling lateral to the Hicks main load to the NE has discovered the potential for a sub-parallel gold bearing structure;

- HRC102: 3m @ 2.2 g/t Au (from 4m) and 5m @ 0.9 g/t Au (from 80m)
- HRC094: 1m @ 25.9g/t Au (from 46m)

In addition to the resource and associated extensional drilling, testing campaigns were carried out at several of our bedrock targets in the West Omai district. El Dorado, Gold Star and Powers were each tested with modest programs to test their potential. Each of these targets test under and adjacent to previous and currently worked small scale mining activities known to recover significant gold. Anomalous gold intersections were recorded at each of the prospect areas with maximum gold values including:

- Powers - values up to 0.95 g/t Au (within shear hosted quartz pyrite veining visually similar to mineralization at Smarts).
- Gold Star - values up to 6.28 g/t Au (mineralization hosted within and on the margins of a granitic intrusive body aligned to the regional prospective NW trend).
- Eldorado – values up to 8.78 g/t Au (hosted in quartz veining within saprolite)

The Smarts Deposit: A shallow, high grade JORC Code and NI 43-101 compliant inferred resource of 5.0Mt at 4.6g/t Au for 748,000 ounces gold.

Key Quarter Highlights:
Drilling continued at the Smarts Deposit, revealing significant new mineralised intersections, including:
Depth extensions:

- SDD017:9m @ 3.9 g/t Au (from 269m)
- SDD025: 25m @ 5.7g/t Au (from 300m)
- SDT601: 5m @ 9.9 g/t Au (from 153m) and
  2m @ 6.4 g/t Au (from 164m)
- SRC624: 11m @ 2.3 g/t Au (from 98m – hole ended in mineralization)
- SDD010: 3m @ 6.8 g/t Au (from 119m)

Strike Extensions:

- SDD019:8m @ 1.7 g/t Au (from 148m) and
  5m @ 4.3 g/t Au (from 184m)
- SDT579: 1m @ 148 g/t Au (from 62m)

Other confirmatory drilling:

- SRC629: 11m @ 4.9 g/t Au (from 78m)

Exploration continues with two drill rigs testing extensions along strike and at depth of the Smarts Deposit.

Geophysics

The airborne magnetics / radiometrics data that was collected earlier this year has recently had further advanced processing and interpretation completed.

The new images and processing highlight the mineralized trends and further enhance the geological understanding of the West Omai area. Several obvious areas for ground checking and reconnaissance work have already been identified and are in the exploration pipeline.

A trial IP – Resistivity survey over the Smarts orebody was undertaken in October 2012. If this technique can identify the mineralised structure under the sand cover the technique will be used elsewhere in the project area searching for similar profiles. This technique could be crucial in areas of sand cover where geochemical techniques aren't as effective. The Company awaits the receipt of final results for this important exercise.

Baseline Studies

During the quarter, environmental and social baseline studies continued at the West Omai Project. The first (wet season) phase of data collection and survey was performed on site and is in the process of being reported. This critical long lead activity is being continued with the same data being collected in the current dry season.

Further metallurgical composite samples were developed for the Hicks and Smarts deposits during the quarter and are now in Australia undergoing flowsheet definition testwork at Ammtec/ALS to improve the metallurgical understanding of the project.

East Omai Gold Project

The East Omai Gold Project is a 7,636km^2 green fields exploration project, comprising a largely covered 110km strike of the main Guiana Shield gold belt, with potential to host several major gold deposits.

Highlights:
Acquisition of additional properties:

On 18 September 2012, the Company announced it had acquired additional tenements surrounding and in between its West and East Omai projects in Guyana.

At the Company's East Omai project, the 'Essequibo/Monkey Pot' Property, located 3km east of the Omai Gold Mine (historical production of 3.7million ounces Au) and the 'Kanaimapu – Derire" Property, located 5km to the East of the Essequibo property were acquired. These properties, based on the Company's recently flown geophysics were interpreted to contain a continuation of the Wenot Shear associated with the 1.3 million ounce Wenot pit of the

Omai gold mine. The properties present several direct geophysical targets along a known gold mineralized shear zone.

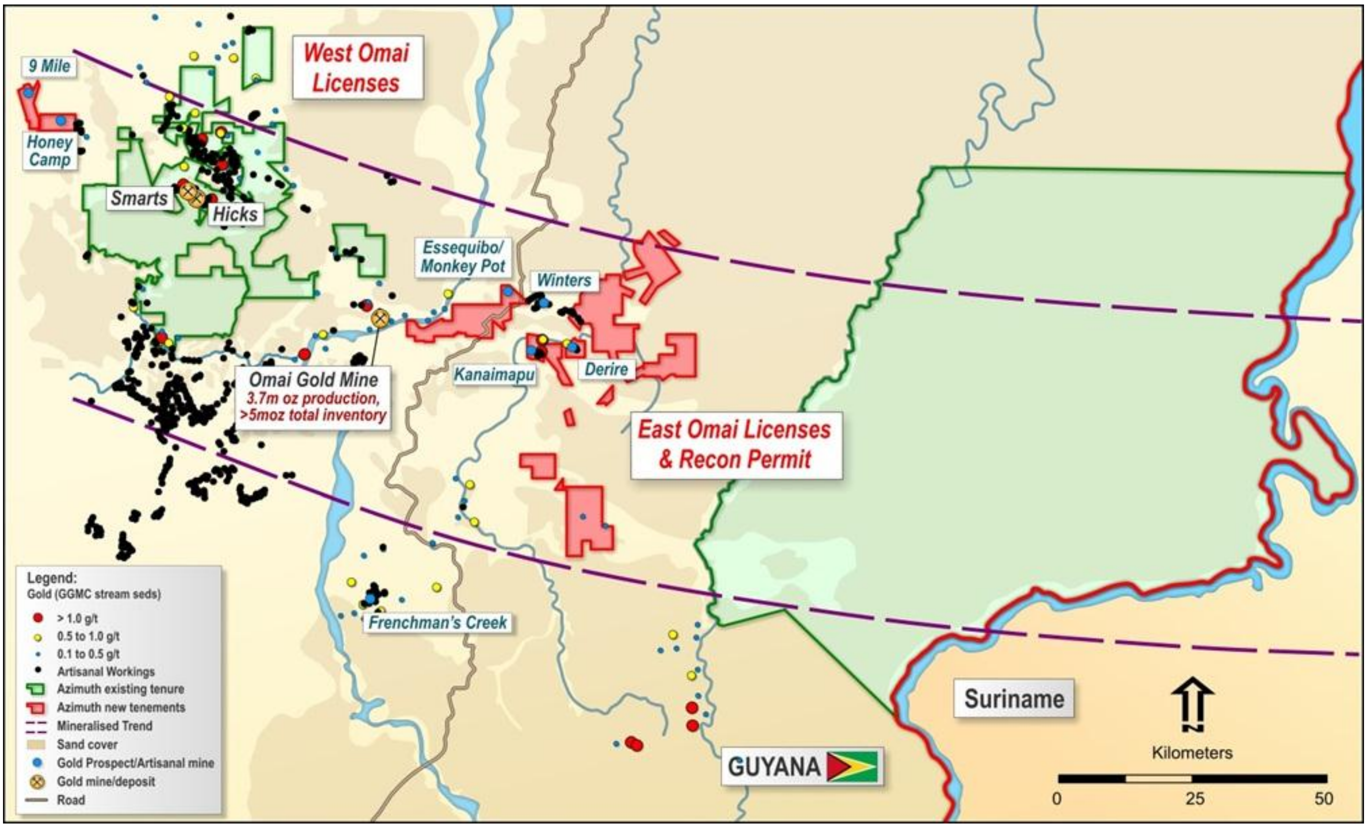

Figure 3: Showing the East Omai project in relation to the West Omai Gold project. Sand cover is shown in tan and recently acquired tenements are shown in red.

<u>Geophysics</u>
During the quarter, processing and interpretation of airborne geophysical surveys continued with a view of identifying geologically prospective targets for drilling in Q4, 2012.

<u>East Omai Base Camp</u>
During the quarter a small exploration base camp was established at East Omai, in preparation for a first pass drill program scheduled for November 2012.

Amakura Uranium Project

The Amakura Uranium project is a 4,000km^2 reconnaissance permit located in the northwest of Guyana, which exhibits several large high intensity airborne radiometric anomalies associated with broad regions of surface uranium anomalism. It is prospective for granite hosted and sodic metasomatic uranium deposits.

No field operations were undertaken at the Amakura Uranium Project during the quarter.

Australian Projects

Pandanus West Uranium Project
The Company sold its interest in the JV for $20,000 and retains a net smelter return royalty of 1%, up to a maximum of $2.5m.

This is the final divestment of Australian assets and is reflective of the Company's strategy to focus on its gold projects in Guyana.

TRENDS

The price of gold is volatile and views of the Company's value and prospects may vary significantly from day to day. As such, there can be no assurance that additional funding will be available to the Company.

The Company remains cautious in case the economic factors that impact the mining industry deteriorate. Currently, access to capital to fund exploration companies is difficult.

Azimuth is currently focused on the acquisition and exploration of gold mineral resource properties in Guyana. The Company has significant components of expenditure which are discretionary, and can be adjusted to accommodate differing economic trends and outlooks. The Company regularly monitors factors affecting the resources industry in light of its expenditure plans and strategies.

The Company is aware that governments around the world are looking to the resource sector as a possible source of additional revenue, be it taxes or royalties.

Apart from these and the risk factors noted under the heading "Risk Factors", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

CORPORATE

The following material corporate events occurred during or since the quarter ended September 30, 2012.

Project Funding

On 10 August 2012, the Company raised $6 million before costs via the issue of 17,142,857 shares at an issue price of $0.35 each.

Outstanding Share Information

As at September 30, 2012, the Company had 418,911,161 fully paid ordinary shares issued and outstanding. The following table sets out the Company's securities that are issued and outstanding at September 30, 2012:

	Number
Outstanding ordinary shares	418,911,161
Outstanding unlisted options (1)(2)(3)	10,624,620
Outstanding unlisted incentive options(1)(2)(3)	11,958,334
Total Ordinary Shares and Unlisted Options	**441,494,115**

Notes:

(1) The outstanding unlisted options are convertible into one share per option, and have exercise prices ranging from $0.04 to $0.90 and expiry dates ranging from December 31, 2012 to 17 January, 2015.
(2) As at the date of this MD&A, 19,232,954 unlisted options were exercisable; and
(3) During the quarter the Company issued 250,000 ordinary shares as a result of the exercise of unlisted incentive options.

As at September 30, 2012, Azimuth's market capitalization (based on its trading price on the ASX of $0.47 per share) was approximately A$197 million (approximately A$207 million on a diluted basis including all ordinary shares, performance rights, and in the money options).

Since September 30, 2012, the Company has issued 453,725 ordinary shares as a result of the exercise of unlisted options, 500,000 shares as part consideration for the acquisition of mineral properties announced on September 18, 2012, and cancelled 150,000 unlisted incentive options.

On October 31, 2012, Dominic O'Sullivan resigned as a director.

DISCUSSION OF OPERATIONS

Three months ended September 30, 2012, compared to three months ended September 30, 2011:

During the three months ended September 30, 2012, the Company reported net loss of $1,383,819, with basic and diluted loss per share of 0.34 cents per share. That compares to a net profit of $357,496, with basic and diluted gain per share of 0.11 cents per share in the comparable period of 2011. The increase of $1,741,314 in net loss can be attributed to:

- In the three months ended September 30, 2011, a foreign exchange gain of $922,296 was recorded. This is compared to a foreign exchange loss of $682,733 during the three months ended September 30, 2012. This difference was primarily due to fluctuations in foreign currency exchange rates, and in particular, the strengthening of the Australian Dollar against the US and Guyanese Dollar.
- Compliance and regulatory expense increased by $139,817 during the three months ended September 30, 2012, compared with the same period in 2011. This increase was primarily due to an increase in insurance premiums, legal fees, and corporate secretarial activity associated with the listing on the TSX.
- Employee benefit expense increased by $135,832 during the three months ended September 30, 2012, compared with the same period in 2011. This increase was primarily due to the addition of senior staff in Guyana and corporate and administrative staff in Australia.
- Share based payments expenses of $75,141 were incurred during the three months ended September 30, 2012. This expense is reflective of options issued to executives and employees under the company Employee and Consultant's Option Plan (ECOP) plan which are being expensed over their respective vesting periods. There were no share based payment expenses for the comparative quarter.
- Administrative expenses decreased by $53,235 during the three months ended September 30, 2012, compared with the same period in 2011. This was primarily due to a decrease in travel expenses and conference expenses. The Board held its September 2011 meeting in Guyana which resulted in higher travel costs during the comparative period.
- Consultancy expenditure increased by $55,007 during the three months ended September 30, 2012, compared with the same period in 2011. This increase was due to recruitment fees for the placement of senior staff in Guyana.
- Interest income amounted to $90,952 for the three months ended September 30, 2012, compared to $41,777 for the comparative period in 2011. The increase of $49,175 can be attributed to a higher balance of cash for the current period.
- Public relations expense increased by $19,127 during the three months ended September 30, 2012, compared with the same period in 2011. This increase was due to promotional activity domestically and internationally.
- Profit on the sale of exploration assets of $20,000 was achieved following the sale of the Company's interest in the Pandanus Uranium JV. There were no tenement sales for the comparative period in 2011.
- Other income and expenses relate to general and corporate activity.

FINANCIAL CONDITION

On September 30, 2012, the Company's total assets amounted to $62,565,307, which compares to $57,979,363 at June 30, 2012. Excluding cash and certain other items, total assets are mostly composed of exploration and evaluation assets, which at September 30, 2012, totaled $49,950,343 ($46,366,549 on June 30, 2012). The Company's total assets also included $2,360,469($2,272,185 on June 30, 2012) of plant and equipment.

The Company's total liabilities on September 30, 2012, include accounts payable to suppliers and other accrued liabilities of $7,826,928 ($7,488,449 on June 30, 2012). The majority of this balance relates to a non-current deferred tax liability of $5,891,455 associated with the exploration assets. The Company's cash and cash equivalents on September 30, 2012, were sufficient to satisfy its accounts payable and other liabilities.

LIQUIDITY AND CAPITAL RESOURCES

The Company's aggregate operating, investing and financing activities during the period resulted in a net cash position of $8,729,702 ($7,996,483 on June 30, 2012) and working capital (current assets less current liabilities) of $8,559,696 ($7,838,201 on June 30, 2012). In total, the Company's shareholders' equity on September 30, 2012, was $67,278,984, an increase of $5,717,406 from the balance on June 30, 2012, as a result of capital raising and option exercises during the period. The options exercised relate to the ECOP.

The Company's use of cash is expected to continue to be focused on two principal areas, namely, the funding of its gold exploration activities in Guyana, and the funding of its overhead expenditures. Activities in Guyana include the cash components of the Company's exploration activities and development plans.

The Company plans to continue exploration through to the end of the calendar year 2012, before a decision by the Board of Directors will be made to consider the nature and extent of scoping and/or feasibility studies.

The Company's working capital of $8,559,696 on September 30, 2012 is sufficient to fund its operating expenses for Guyana, and its administration activities. As the Company's discretionary exploration activities have considerable scope for flexibility in terms of amount and timing of expenditures, expenditures may be adjusted accordingly.

Summary of Quarterly Financial Position – 8 quarter look back

Movements in the financial position for the most recent 8 quarters are provided below:

Financial position as at (unaudited)
(thousands of A$)

	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011	Mar 31, 2011	Dec 31, 2010
Cash and cash equivalents	8,730	7,996	14,415	19,603	5,338	8,023	11,929	2,718
Total Assets	62,565	57,979	58,253	55,347	37,055	36,187	25,248	26,771
Total Liabilities	7,827	7,488	7,319	7,240	6,824	6,436	6,982	6,138
Net Assets	54,738	50,491	50,934	48,107	30,231	29,751	18,266	20,633

During the last eight quarters, the following events occurred which resulted in the movement of balances displayed above:

Cash and cash equivalents
In the quarter ended March 31, 2011, 54,160,987 shares were issued at $0.19 per share. 40,529,605 shares were allotted to institutional and sophisticated investors, with the remainder allotted to existing shareholders.

In the quarter ended December 31, 2011, the company raised $19.4 million via a placement of 42,118,949 shares at $0.46 per share to institutional investors, including current Australian institutions and a number of Canadian institutions not previously recorded on the register.

In the quarter ended September 30 2012, the company raised $6 million via a placement of 17,142,857 shares at $0.35 per share to institutional investors.

Total assets
Total assets comprise mainly of exploration and evaluation expenditure which is capitalized in line with IFRS6. This has steadily increased in the past eight quarters, which is a reflection of increased exploration and evaluation activities resulting from successful capital raisings in March 2011, December 2011, and August 2012. This expenditure has been mainly due to exploration and evaluation of the West Omai Gold Project, in which there were 3 rigs operating during the current quarter.

Total liabilities
Total liabilities comprise mainly of a non-current deferred tax liability of $5,891,455. This is attributable to exploration and evaluation expenditure, which was recognized upon the acquisition of Takatu Minerals Ltd.

Net Assets
The net asset position of the Company has increased in line with equity capital raisings and the capitalization of exploration and evaluation expenditure. The current net asset position indicates that Azimuth is well placed to proceed with the planned exploration and evaluation program across the Company's current projects.

Summary of quarterly Cash Flow

Movements in the cash flow for the most recent 8 quarters are provided below:

Cash flow movements for the three months ended (unaudited)
(thousands of A)

	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011	Mar 31, 2011	Dec 31, 2010
Operating Activities	(4,741)	(6,152)	(5,348)	(4,444)	(2,295)	(2,796)	(1,339)	(1,031)
Investing Activities	(198)	(416)	(352)	(232)	(470)	(670)	(44)	(366)
Financing Activities	5,717	201	814	18,999	65	(390)	10,566	-

Operating activities
Cash outflows from operating activities has increased on average over the past eight quarters as a result of increased exploration and evaluation activities on the Guyana tenure, and administration costs due to increased personnel and other contractors and consultants. In the quarter ended September 30, 2012, operating activities were scaled back. Total drill rigs on site reduced from five in the June quarter, to three in the current quarter.

Investing activities
Cash outflows from investing activities are mainly due to purchases of capital plant and equipment.

Financing activities
The significant increase in financing activities that occurred in the March 2011, December 2011, and September 2012 quarters reflects successful capital raisings through the ASX to assist in the funding of further exploration activities.

The Company is currently in a strong cash position to further develop its exploration programs, with activity continuing as at the date of this report and planned to continue for the remainder of the calendar year.

Summary of quarterly Profit/Loss

The net profit/loss for the most recent 8 quarters are provided below:

Operating results for the three months ended (unaudited)
(thousands of A$, except per share amounts, rounded to the nearest hundredth)

	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011	Mar 31, 2011	Dec 31, 2010
Interest Revenue	91	124	223	227	42	134	74	63
Other Income	22	10	55	88	7	10	2	-
Expenditure	(739)	(1,207)	(1,004)	(742)	(614)	(617)	(335)	(249)
Share Based Payments	(75)	(133)	(169)	(721)	-	(675)	-	(45)
FX Gain/(Loss)	(683)	401	(184)	(519)	922	(197)	(85)	(699)
Net profit/(loss) after tax	(1,384)	(805)	(1,079)	(1,667)	357	(1,345)	(344)	(930)
Basic profit/(loss) per share	(0.34)	(0.20)	(0.28)	(0.46)	0.11	(0.40)	(0.12)	(0.33)
Diluted profit/(loss) per share	(0.34)	(0.20)	(0.28)	(0.46)	0.11	(0.40)	(0.12)	(0.33)

Interest revenue
The Company is in the exploration stage of its development, and does not currently have revenues from operations. Revenues shown as interest revenue above are a result of cash deposits on hand.

Other income
Cash inflows in the September 2012 quarter includes $20,000 in relation to the sale of the Company's interest in the Pandanus Uranium JV. In previous quarters, other income was a result of the sale of exploration tenements, and profit on sale of fixed assets.

Expenditure
Expenditure comprises both administration and exploration costs. During the September 2012 quarter Azimuth incurred expenditure of $738,577, compared to $613,827 in the corresponding quarter in 2011 due to an increase in compliance costs and consultant expenses resulting from recruitment activity.

FX Gain/Loss
In 2011 significant foreign exchanges losses arose, which were mainly attributable to the effect of the strengthening of the Australian Dollar against the US Dollar on the Company's US Dollar denominated loans to subsidiaries. In the September quarter of 2011, the Australian dollar weakened against the US dollar, and, combined with a larger loan balance, resulted in a large unrealized FX gain of $922,296. The AUD weakened against the USD again in the June 2012 quarter, and strengthened in the September 2012 quarter, resulting in an unrealized FX gain of $401,361, and an unrealized FX loss of $682,733 respectively.

Net profit/loss after tax
As the Company does not have revenues from operations, it is not in a tax paying position and the net profit/loss after tax is equal to the accounting net profit/loss.

Off-Balance-Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the financial performance or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

TRANSACTIONS WITH RELATED PARTIES

Greatcity Corporation Pty Ltd, a company controlled by Mr. Richard Monti, Executive Director, receives a monthly retainer of $24,000 for the provision of executive services.

Oyster Consulting Pty Ltd, a company jointly controlled by Mr. Dean Felton, Non-Executive Director, receives a monthly retainer of $5,750 for Directors fees and Audit and Risk Management Committee fees, Nomination and Remuneration Committee fees, and Corporate Governance Committee fees.

Javelin Minerals Inc, a company controlled by Mr. Dominic O'Sullivan, Non-Executive Director, receives consulting fees for the provision of executive services. During the quarter, a total of $81,177 was paid to Javelin Minerals Inc, which included a one-off payment of $56,250 in respect of Mr O'Sullivan's resignation as an Executive Director.

On July 25, 2012, the Company sold a vehicle to Dominic O'Sullivan for proceeds of $43,540 (GYD$9,112,000) for a gain of $808 (GYD$ 169,404). At September 30, 2012, $43,540 amount was owing to the Company. This amount has been paid in full at the date of this MD&A.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The financial statements were prepared in accordance with IFRS. A description of the Company's significant accounting policies is provided in Note 1 to the annual financial statements.

Management is required to make various estimates and judgments in determining the reported amounts of assets, liabilities, revenues and expenses for each period presented and in the disclosure of commitments and contingencies. Management considers the following to be the critical accounting policies which reflect its more significant estimates and judgments used in the preparation of the financial statements. The Company has neither provided nor is required to provide a reconciliation of its financial statements to CGAAP.

The Company's significant accounting policies are outlined below:

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure encompasses expenditures incurred by the Company in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

For each area of interest, expenditure incurred in the initial acquisition of rights to explore is capitalized, classified as tangible or intangible, and recognized as an exploration and evaluation asset. Exploration and evaluation assets are measured at cost at recognition. Exploration and evaluation expenditure incurred by the Company subsequent to acquisition of the rights to explore is expensed as incurred up to the successful completion of a feasibility study. Expenditure in relation to the preparation of a feasibility study is expensed as incurred.

Expenditure is capitalized if the Company has rights to tenure and the Company expects to recoup the expenditures through successful development or sale.

Capitalized exploration costs are reviewed each reporting date to establish whether an indication of impairment exists. If any such indication exists, the recoverable amount of the capitalized exploration costs is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in previous years.

Where a decision is made to proceed with development, accumulated expenditure is tested for impairment and transferred to development properties, and then amortized over the life of the reserves associated with the area of interest once mining operations have commenced.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Share-Based Payments

Share-based payments are provided to directors, employees, consultants and other advisors and to acquire assets such as mineral exploration licenses.

The estimated fair value of rights granted (determined using the Black and Scholes option pricing model) is recognized as an expense or asset, as appropriate with a corresponding increase in equity. The fair value is measured at grant date and recognized over the period during which rights holders become unconditionally entitled to the rights. This valuation models takes into account the exercise price, expected life, volatility, dividend yield, and the risk free interest rate.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest.

Income Taxes

Significant judgment has been exercised in determining any provision for income taxes. The Company recognizes a provision for deferred tax liabilities in accordance with IFRS. This has been reviewed by tax advisers in Australia in accordance with IFRS.

Financial Instruments

The Company's principal financial instruments are comprised of receivables, payables, cash and short-term deposits. The main risks arising from the Company's financial instruments are interest rate risk, foreign currency risk, operating risk, and commodity price risk.

The fair values of receivables, payables, cash and short-term deposits approximate their carrying value.

RISK FACTORS

Risk factors, including 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 that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Management's Discussion and Analysis (MD&A) for the financial year ended June 30, 2012, available on SEDAR at www.sedar.com.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Company. The Company continues to evaluate properties and corporate entities that it may acquire in the future.

Disclosure Controls and Procedures

Management has designed and evaluated the effectiveness of the Company's disclosure controls and procedures and the internal controls on financial reporting and has concluded that, based on its evaluation, they are sufficiently effective as on September 30, 2012, to provide reasonable assurance that material information relating to the Company and its consolidated subsidiaries is made known to management and disclosed in accordance with applicable securities regulations.

Internal Controls over Financial Reporting ("ICFR")

Management is responsible for certifying the design of the Company's ICFR as required by Multilateral Instrument 52-109 – "Certification of Disclosure in Issuers' Annual Interim Fillings". The Company's ICFR are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable accounting standards. ICFR should include those policies and procedures that establish the following:

- Maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of the Company's assets;
- Reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable accounting standards;
- Receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors; and
- Reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of their inherent limitation, ICFR may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, including the Chief Executive Officer and Chief Financial Officer (or equivalent), has evaluated the design of the Company's internal controls over financial reporting as of September 30, 2012, pursuant to the requirements of Multilateral Instrument 52-109. The Company has designed appropriate ICFR for the nature and size of its business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable accounting standards.

There have been no changes in ICFR during the period ended September 30, 2012, that have materially affected, or are reasonably likely to materially affect the Company's ICFR.

Outstanding Share Data

As of the date of this MD&A, the Company had 419,864,886 issued and outstanding ordinary shares and 21,957,954 stock options outstanding, each entitling the holder to acquire one ordinary share. Therefore, the Company had 441,822,840 ordinary shares on a fully diluted basis.

Commitments

In addition to commitments otherwise reported in this MD&A, the Company's contractual obligations as at September 30, 2012, include:

Contractual Obligations	Up to 1 year	1 - 5 years	Total
Exploration Expenditure Commitments	$5,446,990	$5,938,114	$11,385,104
Lease Commitments	$126,513	$20,941	$147,454
Remuneration Commitments	$479,074	$Nil	$479,074

Exploration expenditure commitments primarily relate to payments payable to vendors, government and expenditure required by the Company to maintain its tenure. The contractual obligations above can be reduced at the Company's discretion, however this may result in the forfeiture of tenure.

The Company has contracted the use of drill rigs to conduct drilling programs, the remaining value of which totaled $1,433,486 at September 30, 2012 ($254,499 at June 30, 2012). These commitments will partially satisfy the exploration commitments above.

Subsequent events

Subsequent to September 30, 2012, and to the date of this report, the Company issued and allotted a total of 453,725 shares upon the exercise of options. The Company received proceeds of $81,000 in relation to these issues.

On October 5, 2012, the Company allotted 500,000 shares at a deemed price of $0.45 as part consideration for the acquisition of additional mineral properties.

On October 31, 2012, Dominic O'Sullivan resigned as a director.

Cautionary Note Regarding Forward Looking Statements

This MD&A contains forward-looking information, including statements regarding mineral resource estimates, the potential mineralization and geological merits of the Hicks and Smarts Deposits and the plans, objectives or expectations of the Company with respect to the advancement of these projects and completion of programs and studies. Any statements that express or involve 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 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; uncertainties related to the outcome of studies; uncertainties relating to fluctuations in gold or uranium prices; the risk that Azimuth's title to its properties could be challenged; uncertainties related to general economic and financial conditions; 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 the Company's Annual Information Form 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 public statements and stated goals, that there will be no material adverse change affecting the Company or its properties 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.

Regulatory Disclosures:

For further information regarding the West Omai Gold Project, including a description of Azimuth's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the projects, please refer to the technical report on the West Omai Gold Project titled "TECHNICAL REPORT WEST OMAI GOLD PROJECT GUYANA" dated May 30, 2012, which is compliant with National Instrument 43-101 – "Standards of Disclosure for Mineral Projects" ("NI 43-101") and are available for review on SEDAR at sedar.com.

Competent Person / Qualified Person Statements:

The information in this MD&A that relates to mineral resources and ore reserves is based on information compiled by Mr. Aaron Green, who is a Member of the Association of Professional Engineers and Geoscientists of British Columbia. Mr. Green is a full-time employee of Runge (Australia) Limited. Mr. Green has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a "Competent Person" as defined in the JORC Code, and a "Qualified Person" under NI 43-101. Mr. Green has approved and consents to the inclusion of such information in this MD&A in the form and context in which it appears.

The information in this MD&A that relates to exploration resultsis based on information compiled by Mr. Richard Monti who is a member of the Australasian Institute of Mining and Metallurgy. Mr. Monti is an Executive Director and employee of Azimuth Resources Ltd. Mr. Monti has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and a "Qualified Person" under NI43-101. Mr. Monti consents to the inclusion in this MD&A of the matters based on his information in the form and context in which it appears.