



AZIMUTH
RESOURCES LTD

Quarterly Report

March 31, 2012

ABN 87 089 531 082

Corporate Information

Directors:

Michael Hunt

BA, LLB (Hons)
Non-Executive Chairman

Dominic O'Sullivan

BSc (Hons) MAusIMM
President, Executive Director

Richard Monti

BSc (Hons), Grad Dip Applied
Finance & Investment,
MAusIMM
Executive Director

Dean Felton

BBus, MBA
Non-Executive Director

Sean Harvey

BA (Hons), MA, LLB, MBA
Non-Executive Director

Company Secretary:

Joshua Ward

B.Com (UWA), C.A., Grad
Dip Applied Finance and
Investment

Postal Address:

P.O. Box 2030
SUBIACO
WA 6904

Home Stock Exchange:

Australian Securities
Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH
WA 6000

Share Registry:

Computershare Investor
Services Ltd
Level 2, 45 St Georges
Terrace
PERTH
WA 6000

Auditors:

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PERTH WA 6000
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Solicitors - Perth:

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Level 4, Next Building
16 Milligan Street
PERTH
WA 6000

Registered & Principal Office:

510A Hay Street
SUBIACO
WA 6008
Telephone: + 618 9381 2488
Facsimile: + 618 9388 3117



Azimuth Resources Ltd is listed on the Australian Securities Exchange (ASX).

Stock code: AZH

Issued Capital:

401,218,304 Ordinary Shares
23,357,954 Unlisted Options



Quarterly Report

Highlights

- Smarts Deposit
 - Significant new drill intersections received, including:
 - **SDT009: 15m @ 34.5g/t Au**
 - **SDT008: 7m @ 19.9g/t Au**
 - **SDT427: 10m @ 16.4g/t Au**
 - **SDT477: 29m @ 17.8 g/t Au**
 - **SDT 489: 19m @ 7.01 g/t Au**
 - **SDT 473: 32m @ 4.34 g/t Au**
 - Interim resource drilling program completed at Hicks and Smarts deposits. Resource to be completed in May.
- Hicks Deposit
 - Initial metallurgical testwork received confirming both oxide and fresh material is amenable to treatment by conventional CIP/CIL processing.
- Airborne geophysical surveys completed at the West Omai and East Omai projects. Preliminary images have been received and further processing and interpretation is ongoing.
- First pass drilling at the Kaburi Prospect completed. Best result 9m @ 9.2g/t Au from 118m.
- Conditional approval for TSX listing received.
- Sean Harvey appointed as Non-Executive Director.



PROJECTS

Guyana

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

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

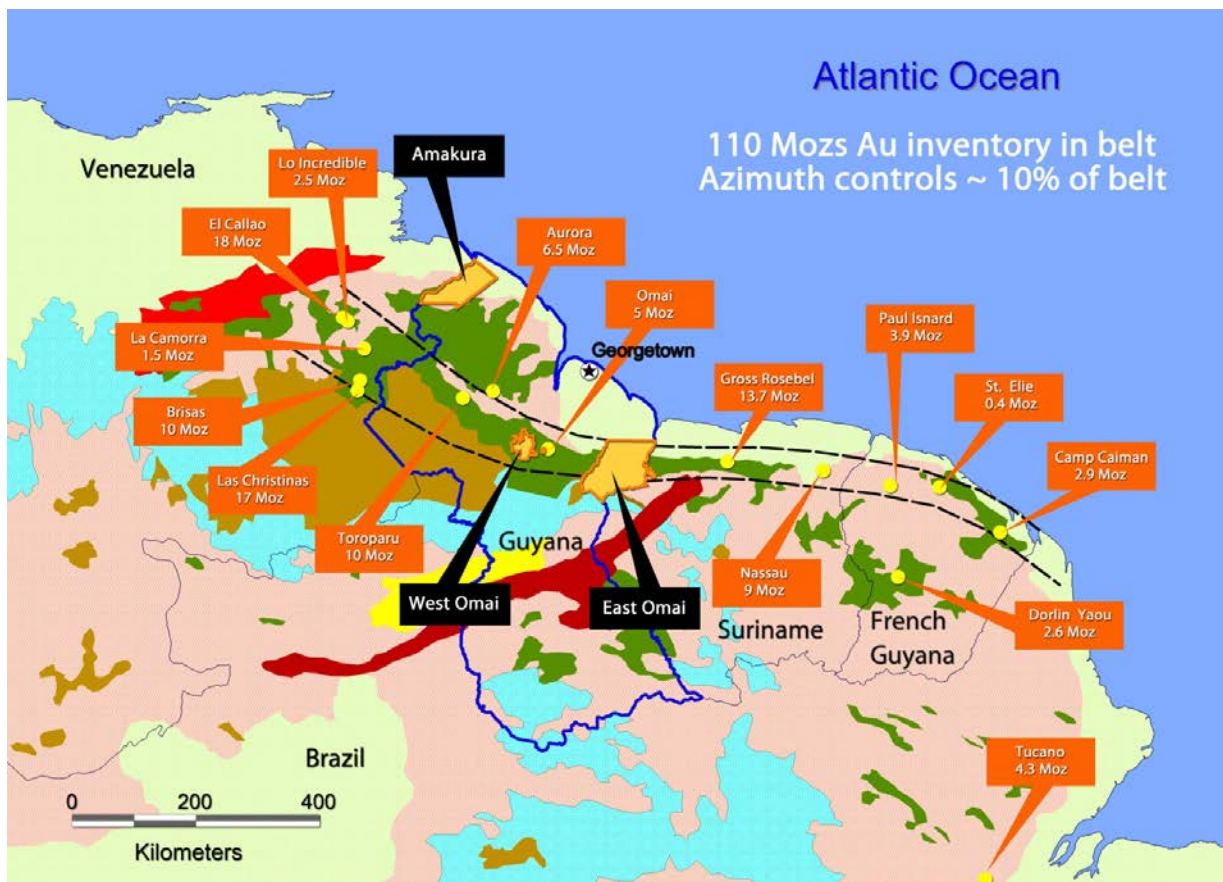


Figure 1 - Location of Azimuth's projects in relation to major gold deposits and regional geology of the Guiana Shield

West Omai Gold Project

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

The present focus of exploration at West Omai is the 10 kilometre by 2 kilometre wide portion of the Omai-Hicks-Kaburi corridor between Hicks and Kaburi, where systematic regional exploration and drilling to define maiden JORC code/NI43-101 compliant resource estimates at Hicks and Smarts is complete.



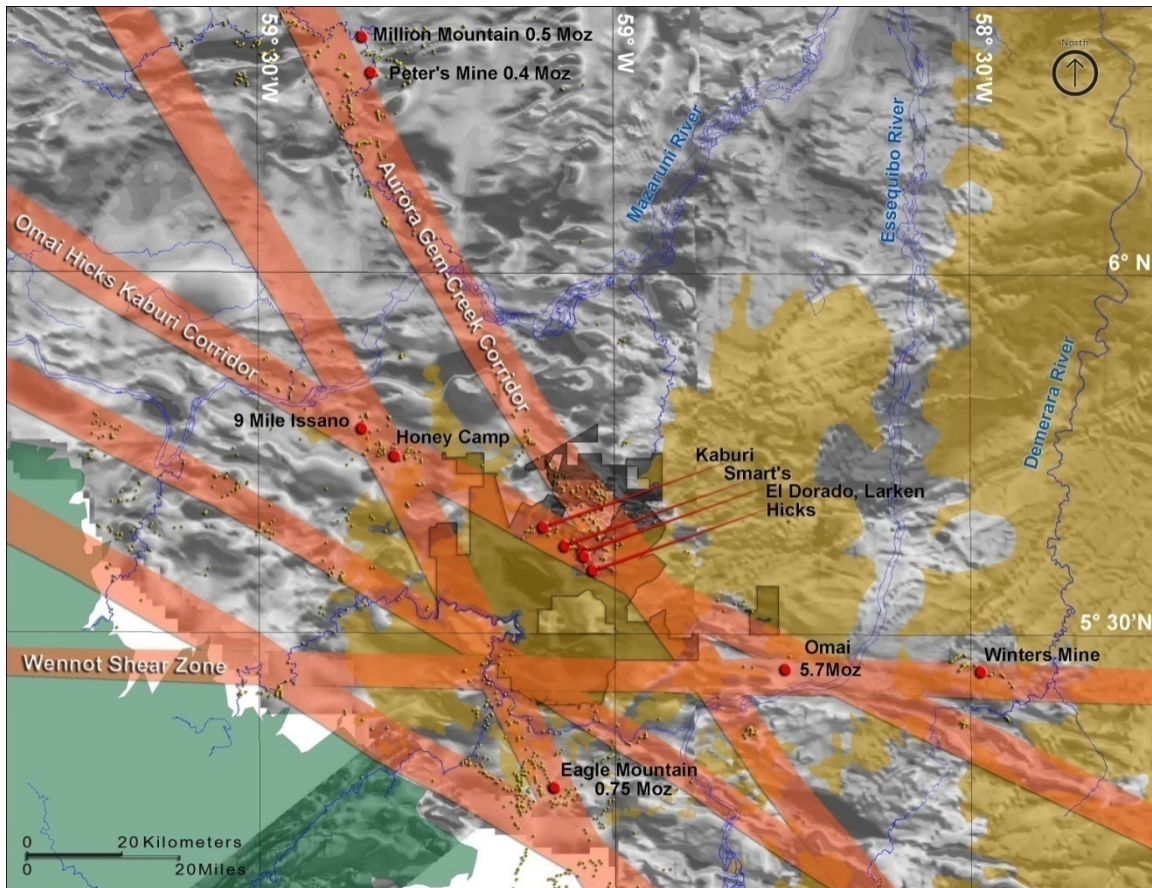


Figure 2 - Showing the West Omai Project tenements (grey) against regional sun shaded grey scale magnetics. Also shown are the principal prospects and deposits of the region (labelled), major rivers (blue) and white sand cover (tan). The Company's current exploration focus is a 10km strike portion of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

Smarts Prospect

Drilling

The recent drill program was designed to locate and define near surface mineralisation within the main Smarts mineralised zone which has now been traced near continuously over 4 kilometres of strike. The focus of the drilling program was to define an interim JORC code/NI43-101 compliant resource over part of this mineralised zone.

During the Quarter the Company completed 16,139 metres (135 holes) of drilling at the Smarts and Hicks Prospects. This consists of 8,077m (88 holes) of Reverse Circulation drilling, and 8,062 metres (47 holes) of diamond drilling. A map showing the location of the results is presented in Figure 3.

Total metres drilled by Azimuth at the Smarts and Hicks Prospects to the date of this report are:

- 11,062 metres of diamond coring (84 holes);
- 40,730 metres of reverse circulation drilling (577 holes); and
- 1,459 metres of air core drilling (26 holes).

Significant new intersections reported from the main Smarts zone during the quarter include:

- **SDT009** **15m @ 34.5 g/t Au & 3m @ 10.5 g/t Au**
- **SDT008** **7m @ 19.9 g/t Au**
- **SDT034** **2m @ 168.4 g/t Au & 6m @ 2.3 g/t Au**
- **SDT427** **10m @ 16.8 g/t Au**
- **SDT112** **3m @ 7.6 g/t Au & 18m @ 3.7g/t Au**



- SDT428 14m @ 4.5 g/t Au
- SRC429 6m @ 3.0 g/t Au
- SRC389 14m @ 2.4 g/t Au

Subsequent to the quarter end, Azimuth has released further intersections from Smarts, with the significant intercepts including:

- SRC/SDT477 29m @ 17.8 g/t Au from 58m
- SDT 489 19m @ 7.01 g/t Au from 83m
- SDT 479 3m @ 4.95 g/t Au from 91m ; and
5m @ 23.25 g/t Au from 99m
- SDT 461 4m @ 20.12 g/t Au from 139m
- SDT 473 5m @ 10.36 g/t Au from 135m; and
32m @ 4.34 g/t Au from 242m
- SDT 428 14m @ 5.22 g/t Au from 134m
- SDT 476 10m @ 4.79 g/t Au from 214m

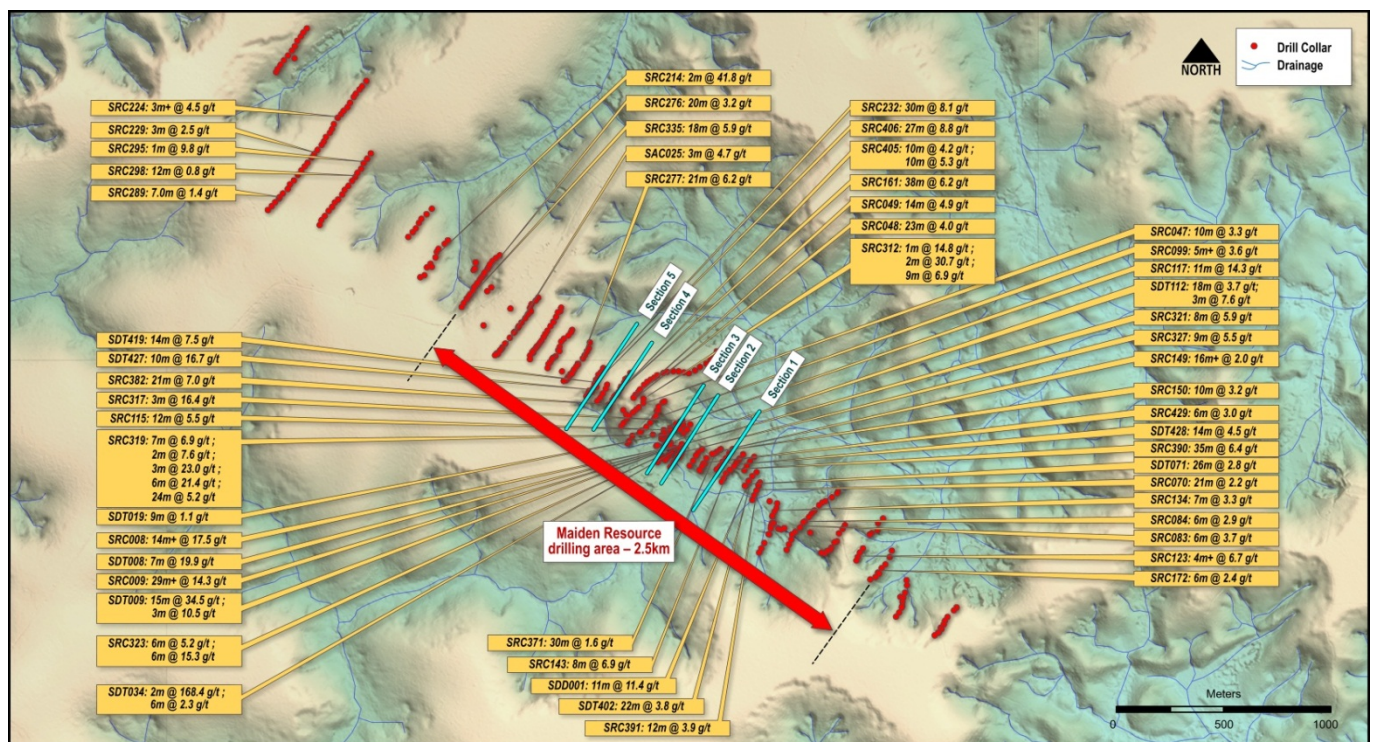


Figure 3- Showing resource drilling and selected highlights at the Smarts Prospect. Background is a digital terrain model from a Lidar survey of the West Omai Project. Sand covered areas are the flat topped ridges (brown hues) and are incised by creeks.

All of the core drilling required to complete the interim resource has been completed, with assays still awaited on several holes at the date of this report. The interim resource will be released in May.

The Management and Board of Azimuth remains extremely pleased with the progress and results of drilling at Smarts, which was the first new prospect drilled by the Company within its 8,000km² of gold tenements that it holds in Guyana.



Hicks Metallurgical Testing

In February, Azimuth received positive results from a sighter metallurgy test work program on a range of oxide and fresh materials from the Hicks Deposit. The program tested the amenability of materials to both cyanide leach and gravity concentration recovery methods.

The results in both programs were extremely positive, indicating that gold mineralisation at the Hicks Deposit (in addition to the Smarts Deposit) is not refractory and both oxide and fresh material will be amenable to treatment by conventional CIP or CIL flow sheets.

Results of the metallurgical test work programs are summarised below:

- For the cyanide leach program, the **average gold extraction/recovery for the 11 composites was 93%, with the exception of 3, all being greater than 90%.**
- For oxide materials average gold recovery was 93.3%
- For fresh materials average gold recovery was 92.8%
- In the gravity amenability program, by average, **12% of gold was recovered to concentrate with 4 of the 11 tests yielding gravity gold recoveries greater than 15%.**

Encouragingly, most of the gravity tests exhibited these levels of recovery at the low mass recovery rates of 0.1 – 0.2% of feed mass.

Azimuth believes that the results from both of these series of tests, make a compelling case for further investigation into what appears to be a simple flow sheet solution for the project.

Kaburi Prospect Drilling

Scout drilling at Kaburi commenced in October 2011 and during the quarter Azimuth completed the 12 planned reverse circulation drill holes for a total of 2,141 metres and a single diamond hole to a total depth of 294 metres.

The results, announced in March, identify a weakly mineralized (0.3 g/t Au) granitoid intrusive, with higher grade mineralisation at the contact of the granitoid and surrounding rock. The best intercept returned 9m @ 9.2g/t Au from 118m and is located on the southern contact of the granitoid, where this contact strikes NW-SE, the same orientation as other structures such as Smarts and Hicks which host significant mineralisation within the West Omai Project.

These results provide the Company with a first pass understanding of the orientation of the granitoid and direction of mineralisation. The Directors believe that this granitoid does not represent the entirety of the source of gold indicated by the significant artisanal workings in the area, and this prospect will be analysed for further drilling.



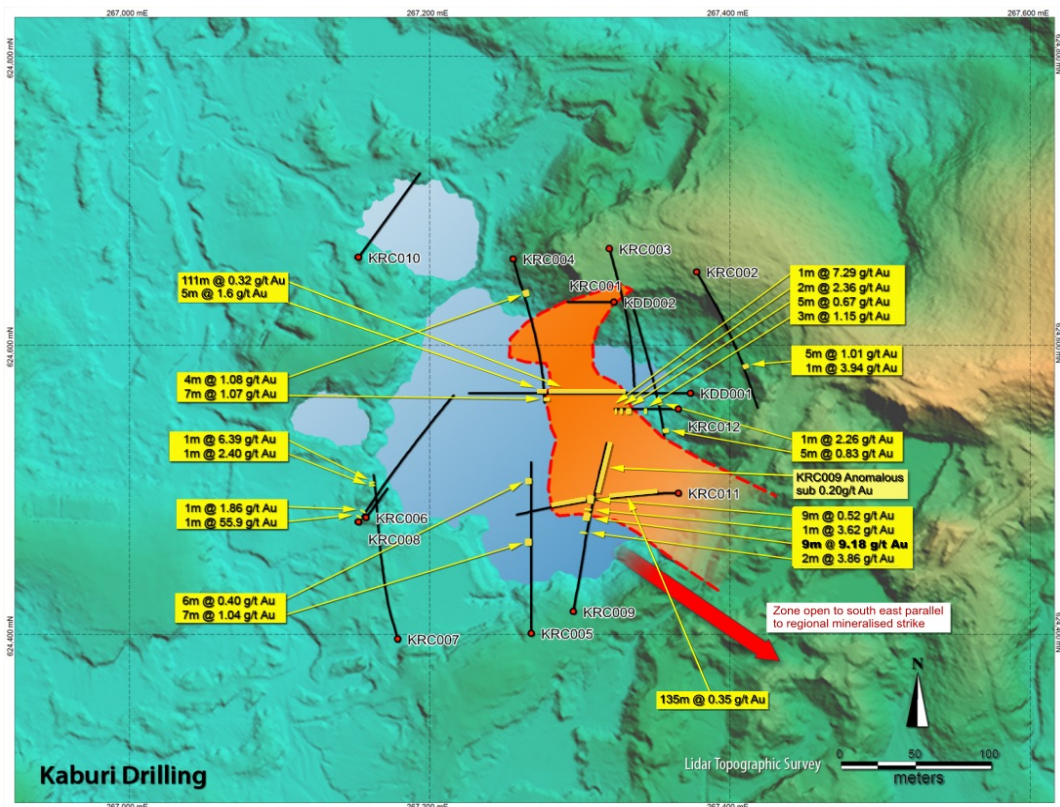


Figure 4 – Plan of Kaburi first pass drilling results. Interpreted boundary of granitoid intrusive shown in orange.

Regional Auger Sampling

Auger sampling at the West Omai Project focused on the Gem Creek Trend in the quarter and 750 auger holes were completed with the collection of 2,865 samples. Presently the Company is awaiting assays for the majority of the last four quarters of auger sampling, while the labs concentrate on clearing the backlog of RC and diamond drilling samples.

High Resolution Airborne Magnetics Survey

Flying of Azimuth's high resolution airborne magnetic and radiometric surveys covering both the West and East Omai Projects was completed in February 2012.

Data from the geophysical survey is currently being processed, and is expected to be available in Q2 2012. As a consequence the Company's understanding of mineralisation at our Projects will be considerably enhanced and the results of the geophysical survey will be an invaluable aid to efficient targeting of future exploration programs.

Amakura

During the quarter ground reconnaissance, auger sampling and ground radiometrics were conducted over radiometric anomalies previously identified by airborne geophysical surveys. This work is ongoing and results pertaining to the Amakura project are expected to be received in Q2 2012.

East Omai Gold Project

The East Omai Gold Project is a green fields exploration project, comprising a largely sand-covered 80km strike by 60km width portion of the main Guiana Shield gold belt, with the potential to host not only several major gold deposits but entire mining camps.

As noted above, during the quarter airborne geophysical surveys were flown and data processing is in progress. Processed data is expected to be delivered to the company in Q2 2012, shortly after which scout air core drilling of prospective trends will be commenced.



Australian Projects

Pandanus West Uranium Project (AZH 14.0%, diluting to 5%)

No field work was carried out during the quarter on this project by the JV partner, Investigator Resources Ltd.

Corporate

Appointment of Non-Executive Director

Subsequent to the end of the quarter Azimuth announced the appointment of Mr Sean Harvey as a Non-Executive Director. Sean has 24 years mining industry experience. Sean worked for 12 years in Investment Banking in North America for Nesbitt Burns (now BMO) and Deutsche Bank, primarily focused on the basic industry (mining) sector. For the last dozen years Sean has held senior executive and board positions with various mining companies, accumulating a wealth of South American experience.

The Directors of Azimuth are delighted with Sean's addition to the Board. Sean's experience provides an extensive knowledge base for the Company to draw upon following the upcoming listing of its shares on the Toronto Stock Exchange.

Change in Registered Office

Azimuth moved its Australian office to 510A Hay Street, Subiaco 6008.

Project Funding

At 31 March 2012, the Group had \$14.6m in cash.

10,341,666 unlisted options were converted during the quarter resulting in cash inflows of \$794,000.

The Company has sufficient funding to continue its aggressive exploration program well into the 2012 calendar year.

TSX Listing

Azimuth received conditional approval for the dual listing of its shares on the Toronto Stock Exchange ("TSX").

The North American capital markets have a good understanding of Guyana as a resource investment destination and the Directors believe that a dual listing on the TSX will raise the profile and status of the Company and provide increased liquidity. The Company is anticipating attaining its TSX listing in early May.

Yours faithfully



Richard Monti
Executive Director



Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

Azimuth Resources Limited

ABN

87 089 531 082

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current Quarter (3 Months) \$A'000	Year to date (9 Months) \$A'000
1.1 Receipts from product sales and related debtors	73	134
1.2 Payments for		
(a) exploration and evaluation	(4,912)	(10,452)
(b) development		
(c) production		
(d) administration	(908)	(2,346)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	138	317
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)		
Net Operating Cash Flows	(5,608)	(12,346)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(35)	(315)
(b) equity investments	-	-
(c) other fixed assets	(355)	(1,002)
1.9 Proceeds from sale of:		
(a) prospects	50	275
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(340)	(1,042)
1.13 Total operating and investing cash flows (carried forward)	(5,948)	(13,388)

1.13	Total operating and investing cash flows (brought forward)	(5,948)	(13,388)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares/options	794	20,866
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		
	- Capital raising costs	-	(1,008)
	- Share subscriptions received	20	20
	Net financing cash flows	814	19,878
	Net increase (decrease) in cash held	(5,135)	6,489
1.20	Cash at beginning of quarter/year to date	19,611	8,023
1.21	Exchange rate adjustments to item 1.20	(73)	(109)
1.22	Cash at end of quarter	14,403	14,403

Payments to directors of the entity and associates of the directors

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

	Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	114
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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

Non-cash financing and investing activities

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

N/a

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

N/a

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	6,000 ^(a)
4.2	Development	-
4.3	Production	-
4.4	Administration	800
Total		6,800

(a) Includes \$1,000,000 of estimated capital expenditure

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	3,274	3,451
5.2	Deposits at call	11,034	16,000
5.3	Bank overdraft	-	-
5.4	Other (provide details)		
	- Subscriptions received	20	160
Total: cash at end of quarter (item 1.22)		14,328	19,611

Changes in interests in mining tenements

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

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security	Amount paid up per security
7.1 Preference*securities (description)				
7.2 Changes during quarter				
7.3 +Ordinary securities	397,850,724	397,850,724		
7.4 Changes during quarter				
(a) Increases through issues	7,541,666	7,541,666	10 cents	10 cents
	5,000,000	5,000,000	4 cents	4 cents
	3,000,000	3,000,000	Nil	Nil
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter				
7.7 Options (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
Unlisted Class A Options	6,602,200	-	4 cents	31 Dec 2012
Unlisted Class B Options	7,140,000	-	18 cents	31 Dec 2012
Unlisted Options	1,833,334	-	10 cents	31 Dec 2012
Unlisted ECOP options	650,000	-	10 cents	31 Aug 2012
Unlisted ECOP options	325,000	-	10 cents	13 Aug 2013
Unlisted ECOP options	425,000	-	10 cents	13 Aug 2014
Unlisted ECOP options	1,500,000	-	42 cents	30 May 2014
Unlisted Director Options	3,000,000	-	37.1 cents	30 Apr 2014
7.8 Issued during quarter	1,125,000	-	70 cents	17 Jan 2015
	1,125,000	-	90 cents	17 Jan 2015
7.9 Exercised during quarter	7,166,666	-	10 cents	31 Dec 2012
	500,000	-	10 cents	31 Aug 2012
	275,000	-	10 cents	13 Aug 2013
	2,400,000	-	18 cents	31 Dec 2012
7.10 Expired during quarter	175,000	-	10 cents	13 Aug 2014
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance statement

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

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



Joshua Ward
Company Secretary

Date: 27 April 2012

Notes

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

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

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

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

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

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ANNEXURE A – List of Tenements Acquired

<u>File Number</u>	<u>Permit Number</u>
GS8:B-297/000/2008	PPMS/1183/08
GS8:B-297/001/2008	PPMS/1184/08
GS8:B-297/002/2008	PPMS/1185/08
GS8:B-297/003/2008	PPMS/1186/08
GS8:B-297/004/2008	PPMS/1187/08
GS8:B-297/005/2008	PPMS/1188/08
GS8:B-297/006/2008	PPMS/1189/08
GS8:B-317/000/2008	PPMS/1293/08
GS8:B-317/001/2008	PPMS/1294/08
GS8:B-314/000/2008	PPMS/1059/08
GS8:B-314/001/2008	PPMS/1060/08
GS8:B-314/002/2008	PPMS/1061/08
GS8:B-314/003/2008	PPMS/1062/08
GS8:B-314/004/2008	PPMS/1063/08
GS8:B-314/005/2008	PPMS/1064/08
GS8:B-314/006/2008	PPMS/1065/08
GS8:B-314/007/2008	PPMS/1066/08
GS8:B-319/002/2008	PPMS/1297/08
GS8:B-374/000/2008	PPMS/375/09
GS8:B-375/000/2008	PPMS/038/2010
GS8:B-382/000/2008	PPMS/246/09
GS8:B-418/000/2009	PPMS/461/2010
GS8:B-418/001/2009	PPMS/462/2010
GS8:B-418/002/2009	PPMS/463/2010
B-34/MP/000/10	MP No. 048/2010
B-34/MP/001/10	MP No. 049/2010
GS8:B-312/000/2008	PPMS/1353/08
GS8:B-312/001/2008	PPMS/1354/08
GS8:B-312/002/2008	PPMS/1355/08
GS8:B-312/003/2008	PPMS/1356/08
GS8:B-351/000/2008	PPMS/093/09
GS8:B-351/007/2008	PPMS/099/09

ANNEXURE A – List of Tenements Acquired

GS8:B-351/008/2008	PPMS/100/09
GS8:B-351/009/2008	PPMS/101/09
GS8:B-351/010/2008	PPMS/102/09
GS8:B-352/000/2008	PPMS/050/09
GS8:B-353/000/2008	PPMS/103/09
GS8:B-353/001/2008	PPMS/104/09
GS8:B-353/002/2008	PPMS/105/09
GS8:B-353/003/2008	PPMS/106/09
GS8:B-353/004/2008	PPMS/107/09
GS8:B-353/005/2008	PPMS/108/09
GS8:B-353/006/2008	PPMS/109/09
GS8:B-353/007/2008	PPMS/110/09
GS8:B-353/008/2008	PPMS/111/09
GS8:B-353/009/2008	PPMS/112/09
GS8:B-353/010/2008	PPMS/113/09
GS8:B-353/011/2008	PPMS/114/09
S-32/MP/000/10	MP No. 050/2010
GS8:S-333/000/2008	PPMS/1071/08
GS8:S-333/001/2008	PPMS/1072/08
GS8:S-333/002/2008	PPMS/1073/08
GS8:S-333/003/2008	PPMS/1349/08
GS8:S-334/000/2008	PPMS/1067/08
GS8:S-334/001/2008	PPMS/1068/08
GS8:S-334/002/2008	PPMS/1069/08
GS8:S-334/003/2008	PPMS/1070/08