



AZIMUTH
RESOURCES LTD

Quarterly Report

30 June 2012

ABN 87 089 531 082

Corporate Information

Directors:

Michael Hunt

BA, LLB (Hons)
Non-Executive Chairman

Dominic O'Sullivan

BSc (Hons) MAusIMM
Non-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

Registered & Principal Office:

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Telephone: + 618 9381 2488
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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
Telephone: +61 8 9227 7500
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Solicitors - Perth:

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

Solicitors - Canada:

Blake, Cassels & Graydon LLP
595 Burrard Street
P.O. Box 49314
Suite 2600, Three Bentall Centre
Vancouver BC V7X 1L3
Canada

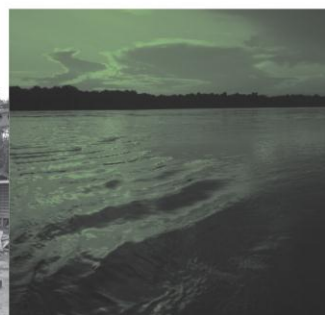
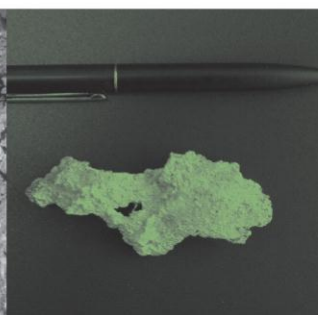
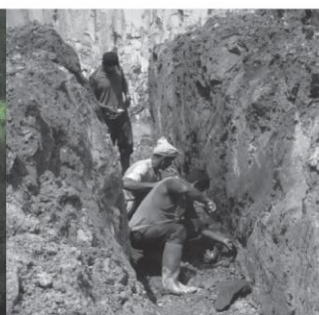


Azimuth Resources Ltd is listed on the Australian Securities Exchange (ASX) and the Toronto Stock Exchange (TSX).

Stock code: AZH

Issued Capital:

401,518,304 Ordinary Shares
23,057,954 Unlisted Options



Quarterly Report

Highlights

- Maiden Resource Estimate at West Omai Project totaling **12.4Mt @ 3.1g/t Au for 1,220,000 total contained ounces** of gold.
- Smarts Deposit is high grade, near surface totaling **5.0Mt at 4.6g/t Au for 750,000 contained ounces** of gold. Over 80% of these ounces are contained within 3 lodes.
- All resources are within 200m of surface.
- Potential for expansion of current resource base – further results from outside the Smarts resource envelope received, including:
 - 18m @ 6.8 g/t Au (depth extension)
 - 5m @ 5.9 g/t Au (depth extension)
 - 5m @ 7.6 g/t Au (NW strike extension)
 - 6m @ 5.0 g/t Au (NW strike extension)
- Airborne geophysical surveys completed at the West Omai and East Omai projects. Processed images have been received and further interpretation is ongoing.
- Revised exploration strategy adopted to ensure expenditure is targeted and focused.
- TSX compliance listing achieved.
- Sean Harvey appointed as Non-Executive Director.



Guyana Projects

Maiden Resource Estimate at West Omai Gold Project

On 31 May 2012, Azimuth Resources announced a maiden JORC code and National Instrument 43-101 compliant gold resource estimate for the Smarts and Hicks deposits in Guyana.

The overall Inferred Mineral Resource estimate at West Omai for both the Smarts and Hicks deposits is **12.4Mt @ 3.1g/t Au for total contained ounces of 1.22M ounces**. Ongoing drilling is planned to continue to expand this inventory with mineralization at both deposits not closed off.

Deposit	Category	Tonnes (millions)	Grade (g/t Au)	Metal (million ozs Au)
Hicks	Inferred	7.4	2.0	0.47
Smarts	Inferred	5.0	4.6	0.75
Total	Inferred	12.4	3.1	1.22

Table 1: Mineral Resources – West Omai Projects, Guyana – minimum 0.5g/t Au cut-off grade. Methodology for the mineral resource estimates is contained in a NI43-101 report which is available on SEDAR.

Both deposits are hosted in Proterozoic greenstone belts associated with major northwest trending, sub-vertical to steeply southwest to northeast dipping shear zones. The shear zones have preferentially developed along lithological contacts within a greenstone succession comprised of interflow sediments, mafic to intermediate volcanics and mafic to intermediate volcanoclastics. Both the Hicks and Smarts deposits are located 100-400 metres to the north of and parallel to the contact of the greenstone succession with the Eldorado Batholith, a regional-scale granitoid intrusive. The extent of artisanal workings suggests that the shear zones are mineralised for a length of at least 12km.

Numerous, moderately well-defined gold-rich lenses, up to 15 metres wide, occur within the shear zones and are characterized by anomalous quartz and quartz-carbonate veining, quartz flooding, shearing, chloritisation, minor seritisation and pyritisation. Visible gold and the majority of gold values typically occur within and along margins of quartz veins, in silicified porphyry and granitic dykes, and in adjacent, sheared and pyritised, mafic and intermediate volcanics. Pyrite is common at up to 3% by volume, with local, trace amounts of chalcopyrite, galena and sphalerite, associated with auriferous quartz veins.

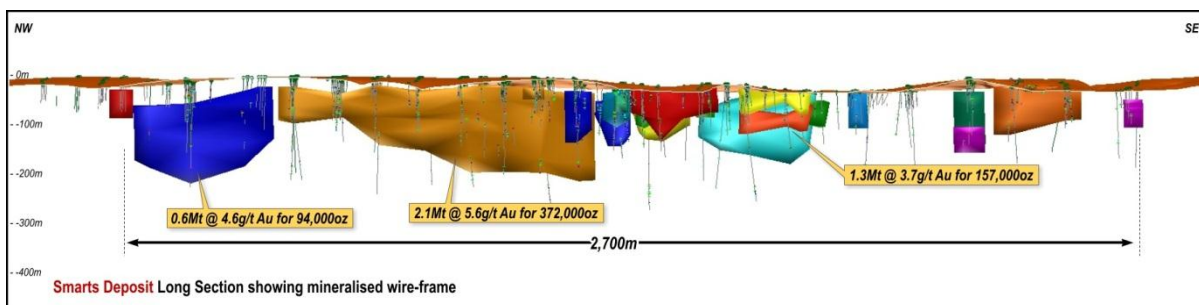


Figure 1: Long Section View of all Smarts Resource Wireframes.

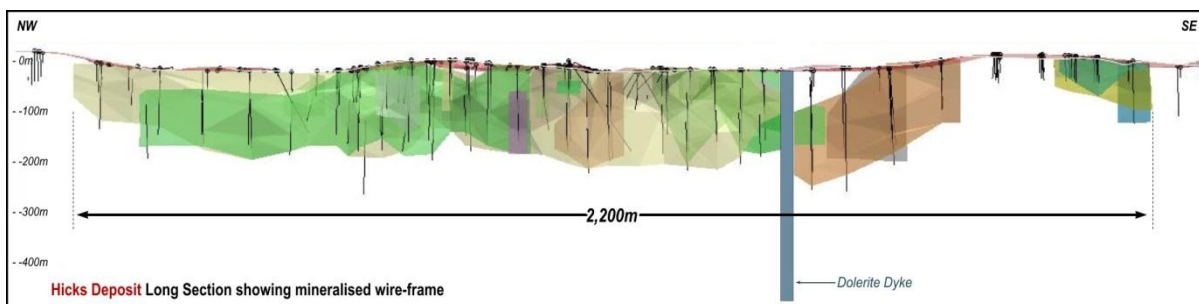


Figure 2: Long Section View of Hicks Resource Wireframes.



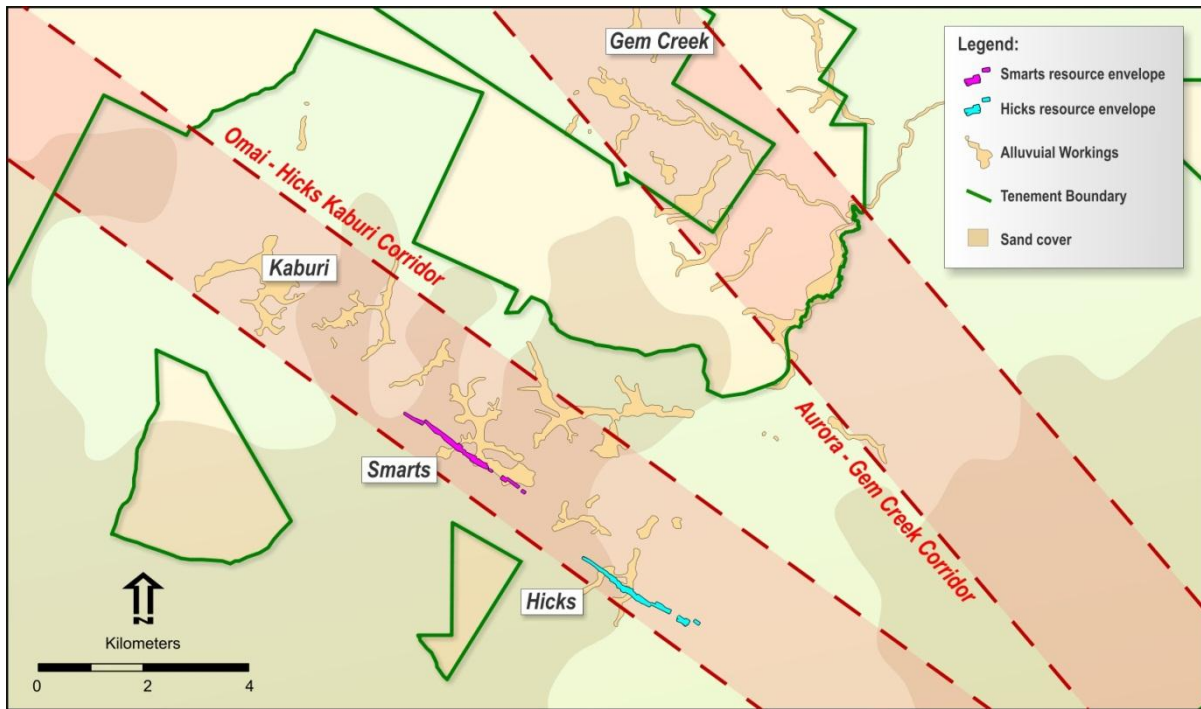


Figure 3: Plan view of Hicks and Smarts resource envelope outlines.

Drilling

Drilling this quarter initially focused on the closure of the resource program and then further extensional drilling of those structures. Testing programs of further bedrock targets were also initiated and results are now awaited.

Smarts Deposit

- Significant results received from Smarts deposit (outside of the resource envelope) including:
 - 18m @ 6.8 g/t Au (depth extension)
 - 5m @ 5.9 g/t Au (depth extension)
 - 5m @ 7.6 g/t Au (NW strike extension)
 - 1m @ 31.9 g/t Au (NW strike extension)
 - 6m @ 5.0 g/t Au (NW strike extension)
 - 1m @ 24.9 g/t Au (NW strike extension)

Target Testing

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 and final assays are awaited to assess these targets prospectivity.

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 has been processed and images have been received by the Company. As a consequence the Company's understanding of mineralisation at our Projects has been considerably enhanced and the results of the geophysical survey will be an invaluable aid to efficient targeting of future exploration programs.



The company is now in a position to analyse the processed information to assist in the target assessment and identification process and has recently engaged a geophysics consultant to assist in the process.

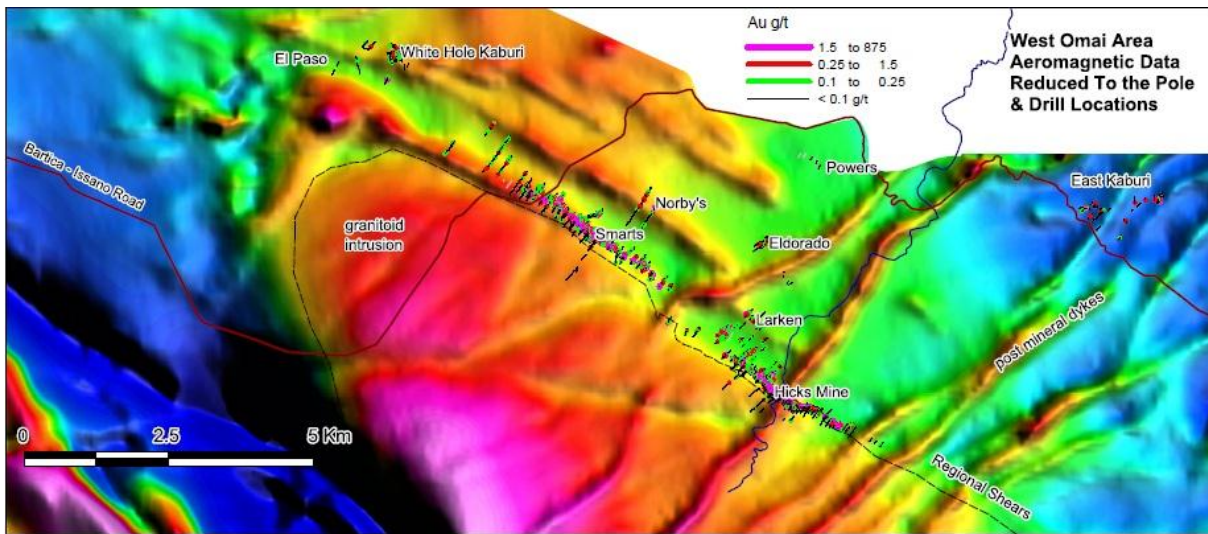


Figure 4 – West Omai aeromagnetic image showing Azimuth drilling to June 2012.

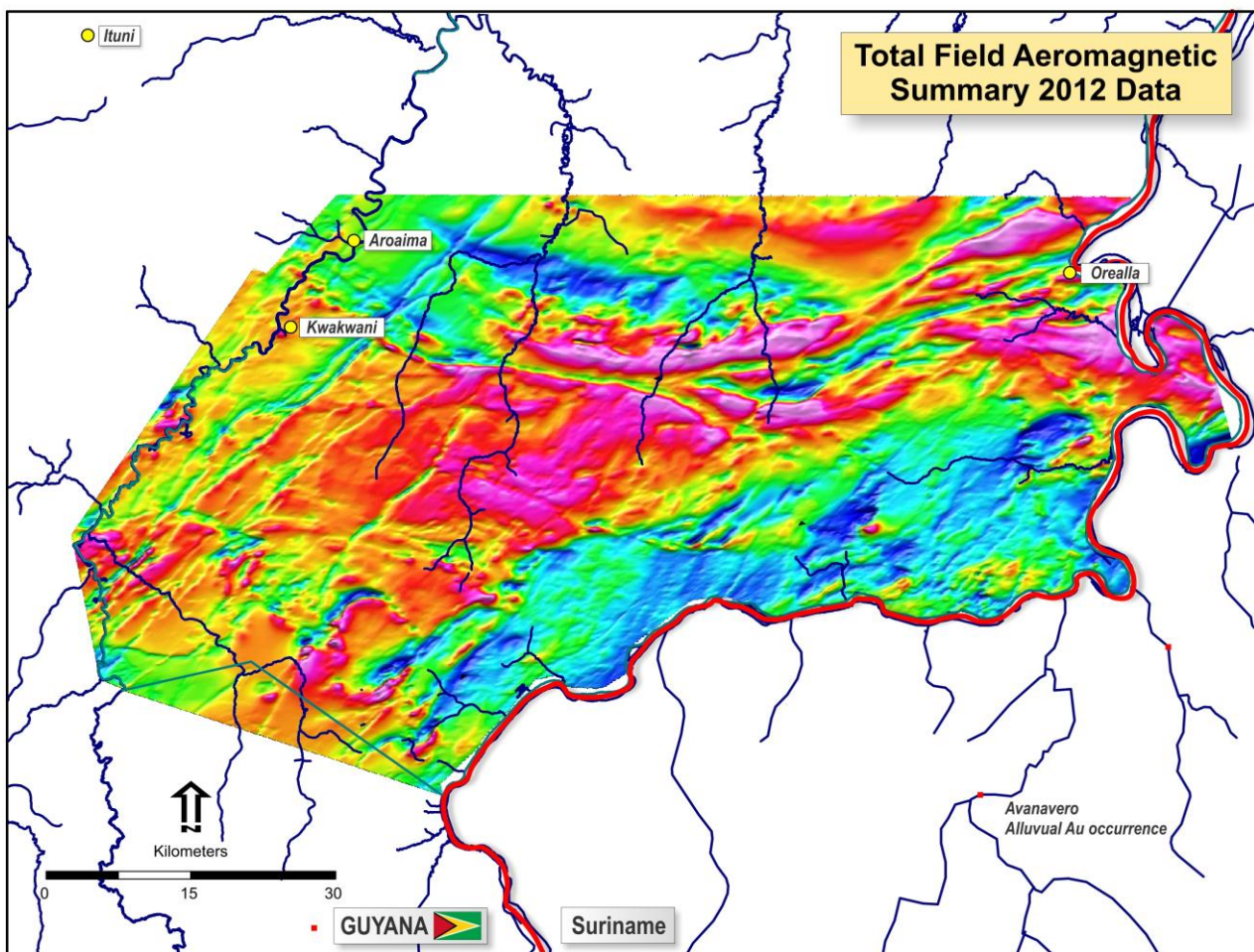


Figure 5 – East Omai aeromagnetic image.



Amakura Uranium Project

Early in the quarter base map compilation, geological mapping, ground scintillometer surveys, outcrop sampling and geological appraisals of prospectivity were conducted.

In an effort to focus attention on the gold exploration at West and East Omai the decision to cease field operations at the Amakura Uranium Project was made.

East Omai Gold Project

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 early Q3 2012.

During the quarter logistical information is being gathered on the East Omai project to enable the Company to prioritise areas of interest and determine efficient channels for access and geological assessment of the project. The recently received aeromagnetic data has assisted with this exercise greatly. The Company envisages commencement of scout drilling at East Omai in Q4 2012.

Baseline Studies

During the quarter, environmental and social baseline studies were commenced 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 will be continued to also collect the same data in the approaching dry season.

Australian Projects

Pandanus West Uranium Project

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

Subsequent to the end of the quarter, 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.

Corporate

Appointment of Non-Executive Director

On 26 April 2012, 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.

Project Funding

At 30 June 2012, the Group had \$8.0m in cash.

3,667,580 unlisted options were converted during the quarter resulting in cash inflows of \$206,703.



TSX Listing

Azimuth received approval for the dual listing of its shares on the Toronto Stock Exchange ("TSX") on 10 May 2012.

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 TSX is the world's pre-eminent stock exchange for mining enterprises. The listing on the TSX has already started to attract wider analyst coverage in the North American market.

Yours faithfully,

Richard Monti

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")

30 June 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current Quarter (3 Months) \$A'000	Year to date (12 Months) \$A'000
1.1 Receipts from product sales and related debtors	81	215
1.2 Payments for		
(a) exploration and evaluation	(5,755)	(16,207)
(b) development		
(c) production		
(d) administration	(688)	(3,043)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received		
1.5 Interest and other costs of finance paid	310	627
1.6 Income taxes paid		
1.7 Other (provide details if material)	(100)	(100)
Net Operating Cash Flows	(6,152)	(18,499)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects		(315)
(b) equity investments		
(c) other fixed assets	(416)	(1,418)
1.9 Proceeds from sale of:		
(a) prospects		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	(416)	(1,458)
1.13 Total operating and investing cash flows (carried forward)	(6,567)	(19,956)

1.13	Total operating and investing cash flows (brought forward)	(6,567)	(19,956)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares/options	201	21,087
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	0	(1,008)
	- Share subscriptions received		
	Net financing cash flows	202	(20,080)
	Net increase (decrease) in cash held	(6,365)	124
1.20	Cash at beginning of quarter/year to date	14,403	8,023
1.21	Exchange rate adjustments to item 1.20	(41)	(150)
1.22	Cash at end of quarter	7,997	7,997

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	212
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	3,000
4.2	Development	-
4.3	Production	-
4.4	Administration	600
Total		3,600

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	3,873	3,274
5.2	Deposits at call	4,049	11,034
5.3	Bank overdraft	-	-
5.4	Other (provide details)		
	- Bank guarantees	75	-
	- Subscriptions received	-	20
Total: cash at end of quarter (item 1.22)		7,997	14,328

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	401,518,304	401,518,304		
7.4 Changes during quarter				
(a) Increases through issues	2,817,580	2,817,580	4 cents	4 cents
	300,000	300,000	18 cents	18 cents
	550,000	550,000	10 cents	10 cents
(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	3,784,620	-	4 cents	31 Dec 2012
Unlisted Class B Options	6,840,000	-	18 cents	31 Dec 2012
Unlisted Options	1,833,334	-	10 cents	31 Dec 2012
Unlisted ECOP options	250,000	-	10 cents	31 Aug 2012
Unlisted ECOP options	175,000	-	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
Unlisted ECOP options	1,125,000	-	70 cents	17 Jan 2015
Unlisted ECOP options	1,125,000	-	90 cents	17 Jan 2015
7.8 Issued during quarter				
7.9 Exercised during quarter	2,817,580	-	4 cents	31 Dec 2012
	400,000	-	10 cents	31 Aug 2012
	150,000	-	10 cents	13 Aug 2013
	300,000	-	18 cents	31 Dec 2012
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance statement

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

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

Joshua Ward

Joshua Ward Date: 31 July 2012
Financial Controller/Company Secretary

Notes

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

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

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

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

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

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ANNEXURE A – List of Tenements Acquired

<u>File Number</u>	<u>Permit Number</u>
GS8: C-311/002/2008	PPMS/1816/08
GS8: C-311/003/2008	PPMS/1817/08
GS8: C-311/004/2008	PPMS/1818/08
GS8: C-311/008/2008	PPMS/1728/08
GS8: C-311/009/2008	PPMS/1729/08
GS8: C-311/011/2008	PPMS/1730/08
GS8: C-311/012/2008	PPMS/1731/08
GS8: C-311/013/2008	PPMS/285/2010
GS8: C-311/014/2008	PPMS/1733/08
GS8: C-311/015/2008	PPMS/1734/08
GS8: C-311/016/2008	PPMS/1735/08
GS8: C-311/018/2008	PPMS/1736/08
GS8: C-311/019/2008	PPMS/1737/08
GS8: C-340/000/2009	PPMS/715/09
GS8: C-340/001/2009	PPMS/716/09
GS8: C-340/002/2009	PPMS/717/09
GS8: C-340/003/2009	PPMS/718/09
GS8: C-340/004/2009	PPMS/719/09
GS8: C-340/005/2009	PPMS/720/09
GS8: C-340/006/2009	PPMS/721/09
GS8: C-340/007/2009	PPMS/722/09
GS8: C-340/008/2009	PPMS/723/09
GS8: C-365/000/2009	PPMS/1250/09
GS8: C-365/001/2009	PPMS/1251/09
GS8: C-365/002/2009	PPMS/1252/09
GS8: C-365/003/2009	PPMS/1253/09
GS8: C-365/004/2009	PPMS/1254/09
GS8: C-365/005/2009	PPMS/1255/09
GS8: C-365/006/2009	PPMS/1256/09
GS8: C-365/007/2009	PPMS/1257/09
GS8: C-365/008/2009	PPMS/1258/09
GS8: C-365/009/2009	PPMS/1259/09
GS8: C-365/010/2009	PPMS/1260/09
GS8: C-365/012/2009	PPMS/1261/09
GS8: C-365/013/2009	PPMS/1262/09
GS8: C-365/014/2009	PPMS/1263/09
GS8: C-366/006/2009	PPMS/1264/09
GS8: C-366/011/2009	PPMS/1265/09
GS8: C-367/000/2009	PPMS/1266/09
GS8: C-367/001/2009	PPMS/1267/09
GS8: C-388/000/2010	PPMS/455/2010
GS8: C-388/001/2010	PPMS/456/2010
GS8: C-388/002/2010	PPMS/457/2010
GS8: C-388/003/2010	PPMS/458/2010
GS8: C-389/000/2010	PPMS/459/2010

ANNEXURE A – List of Tenements Acquired

GS8: C-389/001/2010	PPMS/460/2010
GS8:S-260/002/2007old S-50/MP/000 new	PPMS/350/07
GS8:S-260/003/2007	PPMS/351/07
GS8:S-260/004/2007	PPMS/352/07
GS8:S-260/005/2007	PPMS/353/07
GS8:S-260/006/2007	PPMS/354/07
GS8:S-260/007/2007	PPMS/355/07
GS8:S-260/008/2007	PPMS/356/07
GS8:S-260/009/2007	PPMS/357/07
GS8:S-260/010/2007	PPMS/358/07
GS8:S-260/011/2007	PPMS/359/07
GS8:S-268/001/2007	PPMS/636/07
GS8:S-268/002/2007	PPMS/637/07
GS8:B-213/000/2005	PPMS/303/2006
GS8:B-213/001/2005	PPMS/299/2006
GS8:B-215/000/2005	PPMS/298/2006
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31/1993/089	n/a
31/1993/090	n/a
31/1993/091	n/a
31/1993/092	n/a