

Drilling at Smarts Prospect Extends Strike to 4km

ASX Release

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Michael Hunt - Chairman
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Richard Monti – Executive Director
Dean Felton - Non-Executive Director

Issued Capital

336,430,109 Ordinary Shares
37,952,200 Unlisted Options

ASX Code

AZH (Fully Paid Ordinary Shares)

About Azimuth:

Azimuth Resources is a Perth based, Guyana focused gold explorer with a portfolio of gold and uranium exploration projects totalling 8,000km² of granted licences (East and West Omai Projects) prospective for gold and 4,000km² (Amakura Project) prospective for uranium.

Highlights

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

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

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

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

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

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

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

- SRC021: 9m @ 1.5g/t Au
- SRC010: 18m @ 1.5g/t Au
- SRC033: 3m @ 2.0g/t Au
- SCRC072: 3m @ 2.8g/t Au

(+ indicates hole ended in mineralisation)

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Azimuth Resources Limited (ASX:AZH) is pleased to announce significant results from a further 26 reverse circulation drill holes from its shallow (average hole depth 57 metres) first pass RC drilling program at its 100% owned Smarts Prospect ("Smarts") located within the West Omai Gold Project, Guyana, South America. The drill program is designed to locate and define near surface mineralisation within the Smarts mineralised zone which has now been traced visually over 4,000m of strike. The visual mineralisation is recognised as iron-oxide stained quartz veins within a shear zone and has been recognised on all but two of the 27 lines drilled across the Smarts zone. Furthermore visible gold has been logged in four holes on four separate lines for which assays are yet to be received.

Assay results from drilling has demonstrated mineralisation over a continuous strike length of 875m with channel sampling of artisanal workings extending (assay-backed) mineralisation to a known strike length of 1,300m. New intersections from the main Smarts zone reported today include from the northwest to southeast:

SRC048: 23m @ 4.0g/t Au from 27-50m including **3m @ 15.8g/t Au**

SRC117: 11m @ 14.3g/t Au from 6-17m

SRC143: 8m @ 6.9g/t Au from 3-11m

SRC071: 25m+ @ 2.9 g/t from 41-66m with the hole ending in mineralisation

SRC070: 21m @ 2.2g/t Au from 42-63m

SRC134: 7m @ 3.3g/t Au from 21-28m

Channel Sampling of artisanal workings- **15m @ 2.50g/t Au**. (1,300m southeast of SRC048)

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

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

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

To date 14,980 metres of reverse circulation drilling in 262 holes has been completed at the Smarts prospect and assays have been received for 99 of these holes. To date 53 holes have returned grades of >0.30g/t Au and 35 have returned grades better than 1g/t Au. For a first pass scout drilling program designed to locate mineralisation the directors believe this is an excellent result. Drilling has now progressed to the northwest and southeast of the presently reported results and now covers a

corridor of 4,000 metres strike by 200 metres width with drill lines spaced at either 100 or 200 metres. Currently drilling is progressing at a rate of 300 metres per day with two RC rigs operating.

Azimuth's progress at Smarts has been hindered by slow assay turnaround times and there is a backlog of over 5,000 samples in the two laboratories the Company is currently using. Meetings have been undertaken with senior management of the labs and both have made a commitment to clear this backlog in the next 4 to 6 weeks. Furthermore both labs have further committed to significantly increasing their sample preparation capacity in Guyana and one of the laboratories has commenced development of a fire assay facility in Guyana.

With the imminent arrival of the third rig it is expected that scout drilling of the prospective Smarts structure will continue to the northwest and southeast of current drilling while one rig will return to Hicks to complete resource definition drilling (3,000m) and one rig will commence resource definition drilling at Smarts. It is also expected that scout drilling of the Kaburi bedrock artisanal pit will commence near the end of July.

Yours faithfully



Dominic O'Sullivan
Managing Director

The information in this report that relates to exploration results, mineral resources or ore reserves is based on information compiled by Mr Dominic O'Sullivan, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr O'Sullivan is the Managing Director and full-time employee of Azimuth Resources Limited Mr O'Sullivan has sufficient experience, which is relevant to the style of mineralisation 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'").

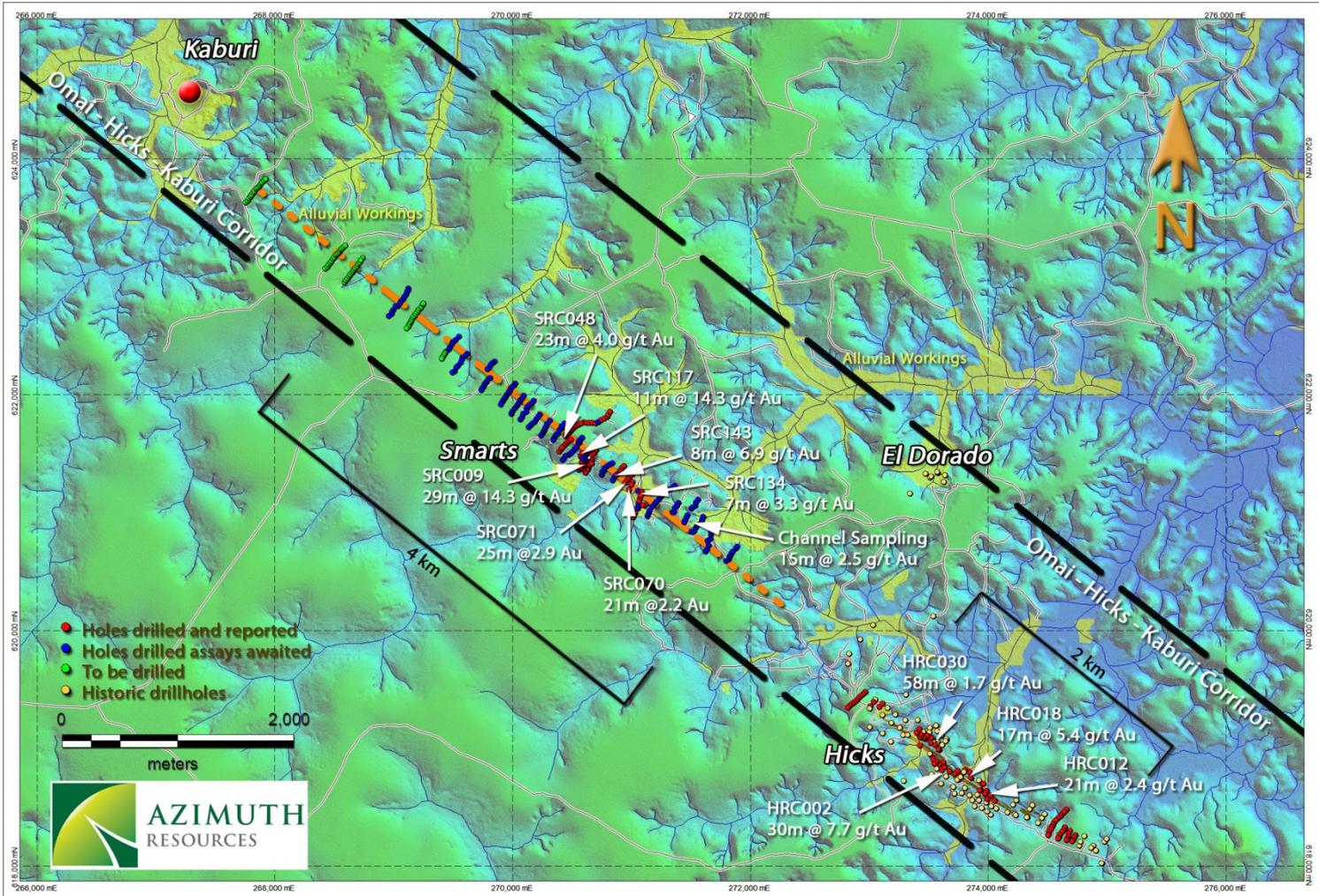


Figure 1- Showing current drilling at the Hicks and Smarts Prospects. Background is a digital terrain model from recently completed Lidar survey. Sand covered areas are the flat topped ridges (green hues) and are incised by creeks. Areas of artisanal workings are show in yellow. The strike (known and inferred) of the main Smarts zone is shown as the orange dashed line. Note the offset between the Hicks, Smarts and Kaburi Prospects.

Table 1: Mineralised Intersections – Smarts Prospect
Highlighted Rows - Results from main Smarts zone

Hole ID	Azimuth	Dip	Depth	UTM Zone 21 Northing	UTM Zone 21 Easting	From	To	Width	Grade g/t Au
SRC001	215	-60	59	270804	621865	27	30	3	3.69
SRC003	215	-60	54	270817	621848	18	27	9	0.61
					includes	24	27	3	1.35
SRC004	215	-60	51	270835	621866	21	24	3	0.35
SRC005	215	-60	60	270849	621888	39	42	3	0.84
SRC006	35	-60	41	270810	621800	12	21	9	8.57
					includes	14	17	3	17.87
						34	39	5	3.47
SRC007	35	-60	49	270801	621783	39	41	2	1.06
	<i>Hole ends in mineralization</i>					47	49	2	0.73
SRC008	35	-60	56	270772	621782	42	56	14	17.52
	<i>Hole ends in mineralization</i>				includes	49	53	4	43.92
SRC009	35	-45	55	270773	621783	26	55	29	14.27
	<i>Hole ends in mineralization</i>					29	32	3	54.43
						35	36	1	19.68
						45	48	3	23.33
SRC010	215	-60	48	270762	621764	0	18	18	1.51
					Includes	12	15	3	5.40
SRC012	215	-60	41	270771		0	3	3	0.42
SRC013	35	-60	45	270754	621797	12	15	3	0.82
SRC014	35	-60	52	270755	621798	6	12	6	1.72
						33	36	3	0.68
SRC017	215	-60	41	270721	621829	0	3	3	0.35
SRC019	35	-60	45	270737	621839	0	3	3	0.53
	<i>Hole ends in mineralisation</i>					36	45	9	2.96
					including	39	40	1	16.67
SRC020	35	-45	56	270738	621840	0	3	3*	0.49
						20	37	17	1.88
SRC021	35	-60	54	270758	621871	37	49	9	1.50
SRC022	180	-60	43	270764	621850	0	3	3	0.65

Hole ID	Azimuth	Dip	Depth	UTM Zone 21 Northing	UTM Zone 21 Easting	From	To	Width	Grade g/t Au
SRC023	180	-45	54	270764	621849	0	6	6	1.06
						41	44	3	1.05
SRC024	360	-60	37	270717	621837	20	21	1	0.70
						31	32	1	1.10
SRC025	360	-45	57	270717	621839	35	44	9	0.74
<i>Hole ends in mineralisation</i>						56	57	1	4.20
SRC026	215	-60	42	270732	621847	0	3	3*	0.64
<i>No sample return</i>						3	8	5	?
						8	18	10*	0.43
SRC030	35	-60	45	270788	621746	0	3	3	0.76
SRC032	35	-60	39	270770	621713	0	12	12	0.60
						3	6	3	1.46
SRC033	35	-60	36	270757	621694	3	6	3	2.03
SRC035	35	-60	39	270740	621735	0	6	6	0.47
SRC037	35	-60	53	270795	621763	35	36	2	3.08
						46	51	5	3.89
SRC038	35	-60	52	270813	621769	1	2	1	0.67
						30	33	3*	0.34
						36	39	3*	9.91
SRC039	35	-45	52	270813	621771	3	6	3*	0.59
<i>Hole ends in mineralisation</i>						47	52	5	8.69
					including	48	49	1	29.24
SRC041	215	-60	55	270545	621895	10	13	3	0.77
						22	27	5	0.59
SRC047	215	-60	65	270632	621981	40	43	3	1.20
<i>Hole ends in mineralisation</i>						55	65	10*	3.28
SRC048	215	-60	69	270587	622006	22	31	9	0.36
						27	50	23	3.97
					including	48	49	3	15.8
SRC049	215	-60	68	270596	622021	27	28	1	0.83
						33	34	1	0.55
						54	68	14	4.87
						61	63	2	23.08
SRC051	215	-60	81	270622	622050	35	38	3*	0.79
						41	47	6*	0.62

Hole ID	Azimuth	Dip	Depth	UTM Zone 21 Northing	UTM Zone 21 Easting	From	To	Width	Grade g/t Au
SRC056	215	-60	93	270699	622110	65	68	3*	0.51
SRC059	215	-60	75	270770	622127	42	45	3*	0.55
SRC061	215	-60	66	270818	622123	18	19	1	1.03
SRC063	215	-60	69	270871	622133	21	25	4	1.41
SRC064	215	-60	51	270893	622150	24	25	1	2.52
SRC070	215	-60	101	271115	621587	0	3	3	0.65
						42	63	21	2.24
SRC071	215	-60	66	271101	621606	6	14	8	0.51
	<i>Hole ends in mineralisation</i>					20	21	1	1.99
						41	66	25	2.87
SRC072	215	-60	59	271118	621630	15	18	3	2.75
						23	24	1	0.71
						26	27	1	0.62
SRC073	215	-60	77	271132	621651	30	31	1	1.03
						68	71	3	0.88
SRC076	215	-60	53	271132	621545	11	14	3	0.46
SRC077	215	-60	53	271160	621610	13	19	6	0.66
SRC116	105	-60	50	270729	621863	0	9	No Sample return	
						9	16	7	3.08
						28	29	1	2.03
						41	44	3	2.11
SRC117	105	-60	44	270729	621863	0	6	No Sample return	
						6	17	11	14.27
					including	13	14	1	123.33
						28	29	1	1.49
SRC118	35	-60	50	621745	270720	3	6	3	0.52
SCR119	35	-60	47	621734	270715	3	6	3	1.73
SRC132	35	-60	52	621527	271245	12	15	3	1.28
SRC134	35	-60	46	621491	271235	1	7	6	0.80
						21	28	7	3.28
						31	33	2	0.54
SRC138	215	-60	58	621697	271050	28	30	2	1.19
						45	48	4	1.27
SRC140	215	-60	52	621737	271076	6	9	3	1.80
						42	43	1	5.62

Hole ID	Azimuth	Dip	Depth	UTM Zone 21 Northing	UTM Zone 21 Easting	From	To	Width	Grade g/t Au
SCR141	215	-60	55	621753	271092	9	27	18	0.39
						33	36	3	0.49
SRC143	215	-60	52	621664	271013	0	3	Poor sample return	
						3	11	8	6.85
Channel								6	1.03
Channel								1	1.74
Channel								6	0.51
Channel								9	0.46
Channel								15	2.50
					includes			1	13.69

Notes:

- 1) All holes Reverse Circulation drill holes
- 2) All holes sampled at 1 metre intervals.
- 3) Mineralised intervals reported with a maximum of 2 metres of internal dilution of less than 0.25 g/t Au
- 4) Sample preparation conducted by both Actlabs Guyana Inc and Acme Laboratories and fire assay performed by both ActLabs and Acme Laboratories in Chile
- 5) All 3m composites assayed by 30 gram fire assay with gravimetric finish. 1 metre intervals assayed by screen fire assay.
- 6) QA/QC protocol: One QA/QC sample every five samples being 1 duplicate every 10 assays and 1 standard or blank every 10 samples.