



AZIMUTH  
RESOURCES

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

P.O. Box 2030  
SUBIACO  
WA 6904

# Quarterly Report

31 December 2012

31 January 2013

## Overview

The December Quarter proved to be another rewarding period for the Company and its ongoing exploration and drill programs at the Company's Omai Projects in Guyana, South America. The focus of drilling this quarter was the finalization of extensional drilling of the mineralised structures at the Smarts and Hicks areas with the intent of delivering a revised resource statement in Q1, 2013. As a result of this work, directors are hopeful that the Smarts and Hicks Deposits will be extended both along strike and at depth in the revised resource estimate.

During the reporting period scout drilling work was undertaken at Larken (an area parallel to Smarts) culminating in the announcement of positive results in Jan 2013. The success at the Larken prospect warrants systematic exploration of the gold bearing structures intersected by the scout drilling over longer strike lengths. The Company is excited by this discovery as it validates the belief that there are other high grade gold bearing structures separate to the Hicks and Smarts structures within the West Omai project. Furthermore, these intercepts were an extremely encouraging result from a drilling campaign by Azimuth on a prospect that had not previously been drilled.

Shortly after the end of the reporting period the Company announced the appointment of Russell Clark as Chief Executive Officer. He is an accomplished mining professional, with an extensive career within the industry encompassing over 35 years of mining experience in technical roles, project management, general management and executive positions and has worked in gold mines in the USA, Africa, Papua New Guinea, and throughout Australia. Prior to accepting the role with Azimuth, Mr Clark was most recently Managing Director of

Grange Resources, Australia's largest magnetite producer. Before this, Mr Clark worked with Newmont and Normandy for 8 years following 18 years at Renison Goldfields. At Newmont he was the Group Executive-Operations responsible for 7 gold mines in Australian and New Zealand.

## Highlights

- Russell Clark appointed as Chief Executive Officer commencing 29<sup>th</sup> January 2013.
- Recent drilling confirms extension of Smarts deposit along strike and at depth.
- Recent drilling confirms extension of Hicks deposit along strike and at depth.
- Results are expected to add to the resource inventory of both deposits with a revised resource to be announced in Q1, 2013.
- Exploration continues, testing targets defined by artisanal miners and geophysical targets along the strike extensions.
- Scout drilling commences at East Omai – results expected in Q1, 2013.
- Appointment of senior ex-pat personnel in Guyana has bolstered "in country" management.



## Guyana Projects

### Resource Drilling Continues to Extend Smarts and Hicks Deposits

The focus of drilling this quarter was the finalization of extensional drilling of the mineralised structures at the Smarts and Hicks areas, to support the publication of a revised resource statement in Q1, 2013.

Early indications are that the Smarts and Hicks Deposits will be extended both along strike and at depth in the revised resource estimate.

Significant drilling results for the quarter from the Smarts deposit are represented in Figure 1 below and included:

- SDD025: 25m @ 5.7g/t Au from 300m
- SDD034: 5m @ 10 g/t Au from 201m and 8m @ 11.2g/t Au from 235m
- SRC675: 4m @ 5.9g/t Au from 39m
- SRC674: 8m @ 6.8g/t Au from 43m
- SRC654: 14m @ 2.3g/t Au from 9m
- SRC656: 13m @ 2.4g/t Au from 29m
- SRC660: 36m @ 1.5 g/t Au from 64m

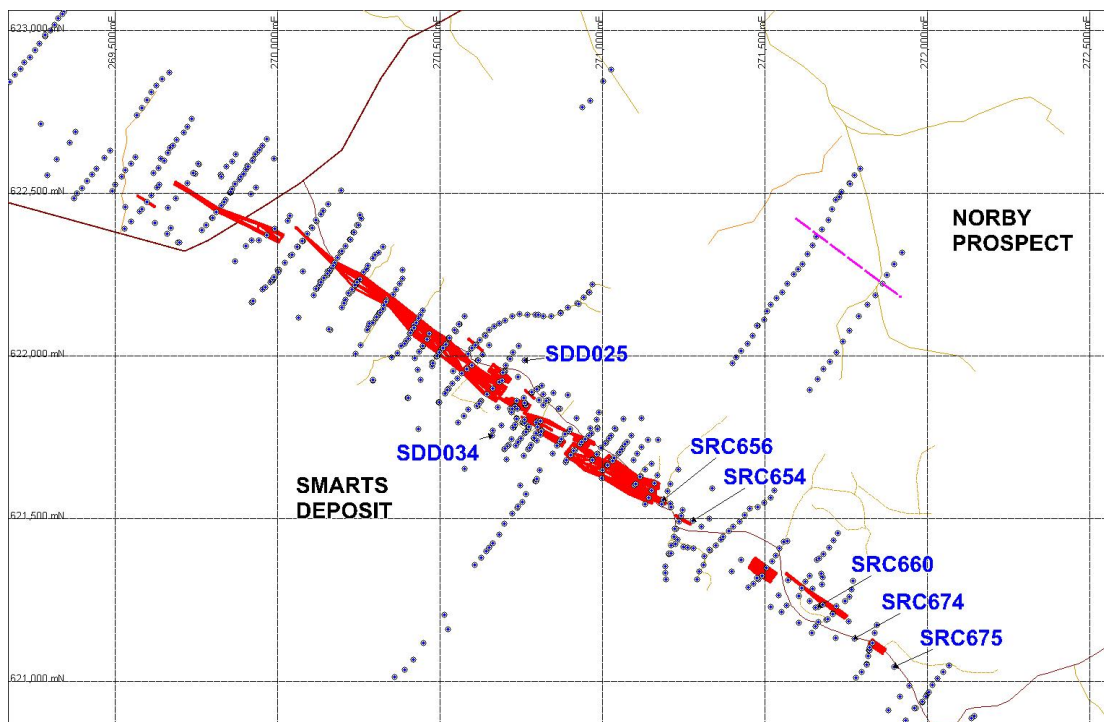


Figure 1: Significant mineralized intercepts at the Smarts Deposit during quarter ended 31 December 2012. Grid lines are 500m apart.

Significant drilling results for the quarter from the Hicks deposit are represented in Figure 2 below and included:

- HDD002: 14m @ 2.0g/t Au from 33m
- HDD005: 10m @ 3.2g/t Au from 258m
- HDD011: 7m @ 2.1g/t Au from 314m
- HDD016: 1m @ 27g/t Au from 76m, 1m @ 78g/t Au from 250m and 6m @ 5.0g/t Au from 323m
- HRC119: 10m @ 3.8g/t Au from 75m
- HRC122: 4m @ 5.6g/t Au from 68m



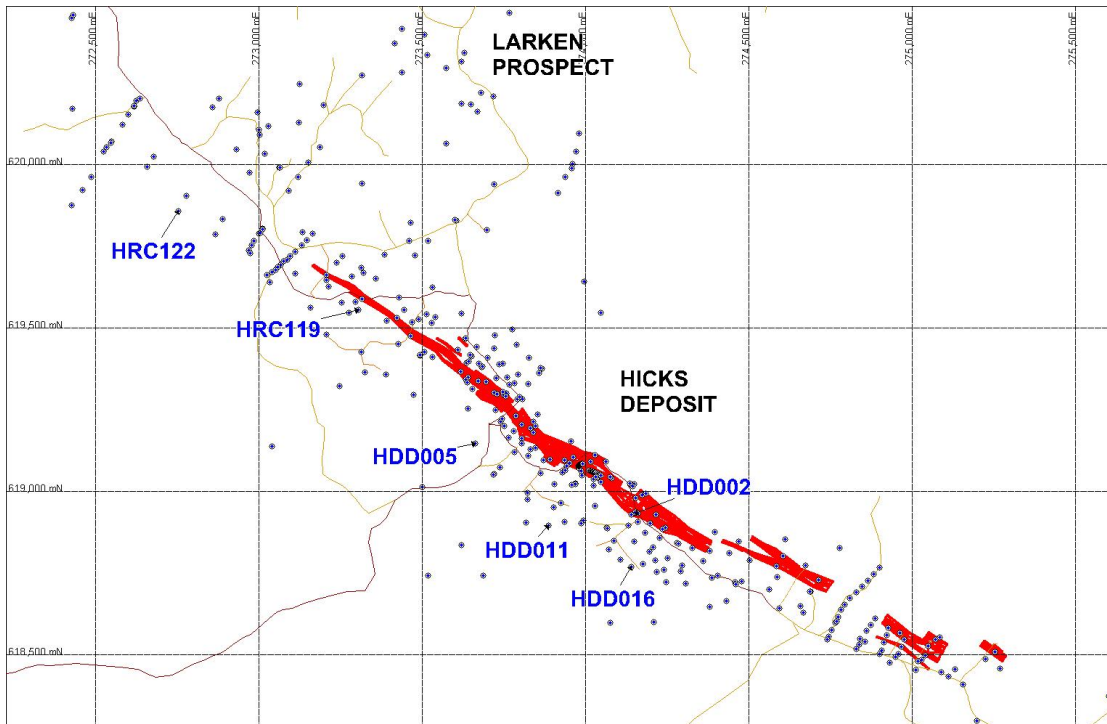


Figure 2: Significant mineralized intercepts at the Hicks Deposit during the quarter ended 31 December 2012.

### Testing of New Targets at West Omai

In addition to the resource and associated extensional drilling, testing campaigns were carried out at several of the bedrock targets in the West Omai district.

As announced on 10 January 2013, encouraging results were seen at Larken, an area adjacent and parallel to Smarts, with the best intercept returning 12m @ 4.8g/t Au from 25 metres.

The scout drilling focused on only short strike intervals (200-400m) along these targets. The success at the Larken prospect warrants systematic exploration of the gold bearing structures intersected by the scout drilling over longer strike lengths and this work will be undertaken in 2013.

The Company is excited by this discovery as it validates the belief that there are other high grade gold bearing structures separate to the Hicks and Smarts structure within the West Omai project. These intercepts are an extremely encouraging result from a drilling campaign by Azimuth on a prospect that had not previously been drilled. The Company will continue to explore the Larken Prospect in 2013.

### East Omai Gold Project

Processed geophysical data covering the East Omai gold project was delivered to the Company in early Q4 2012. This information was used in planning and targeting a scout drilling program of 12 holes for 938 metres, using both RC and air core configurations. The Company is waiting on assay results.



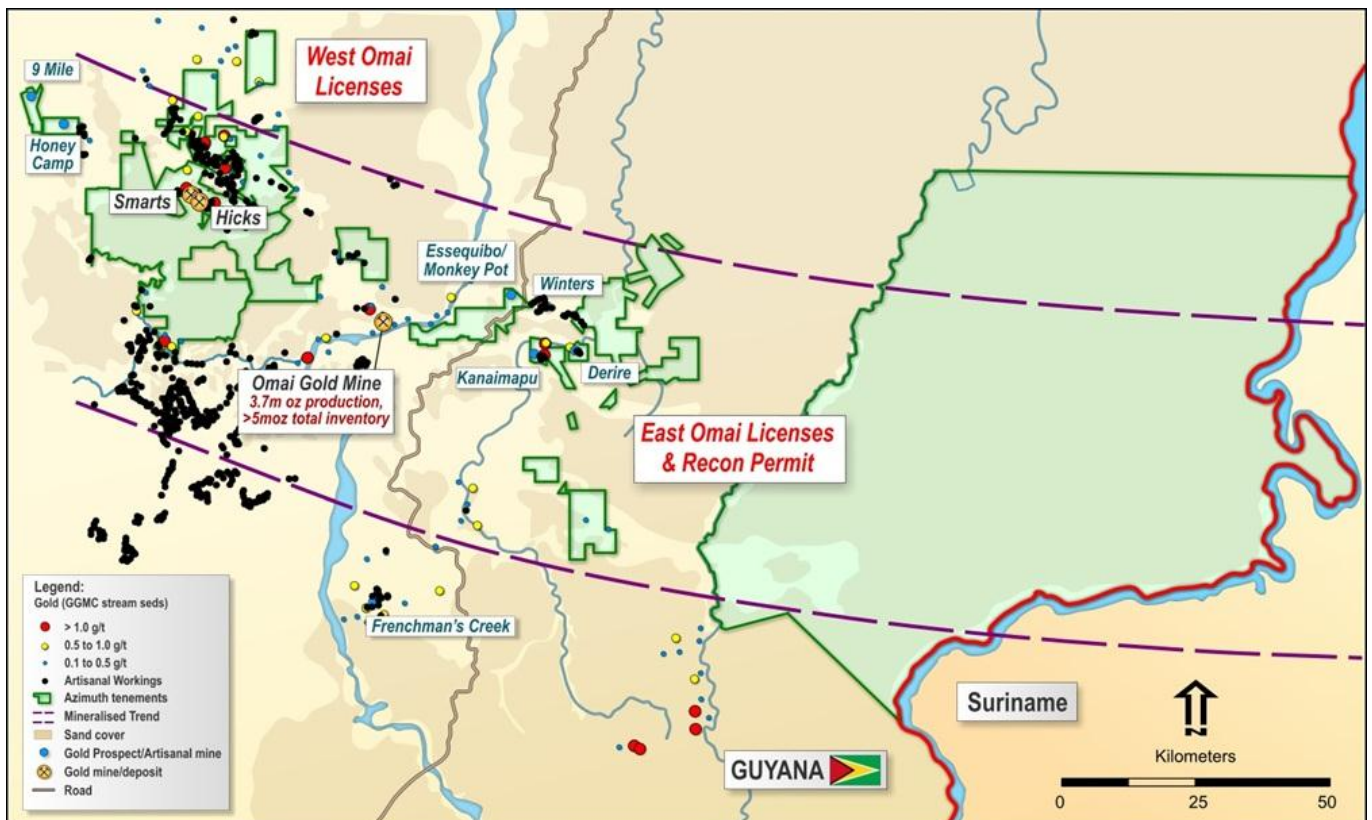


Figure 3: Map showing location of West and East Omai tenements.

## Study Activities

Towards the end of, and subsequent to the quarter, environmental and social baseline studies were completed at the West Omai Project.

Metallurgical flowsheet definition testwork by Ammttec/ALS has been completed subsequent to the end of the quarter. The report supports the Company's view that the metallurgical properties of the deposits is amenable to a simple CIL processing circuit, and outlines designs that may be considered to maximize recoveries. It is apparent that there is significant gravity gold that can be recovered ahead of a leaching circuit. Mining, processing, and engineering studies have been commenced.

## Amaila Falls Hydro Power Project

Construction by Guyanese contractors continues on the access road ahead of the completion of financing. This road passes within 6 kilometres of the site and would form a major access route to the West Omai Project.

## Corporate

### Project Funding

At 31 December 2012, the Group had \$4.5m in cash.

During the quarter 5,215,519 unlisted options were exercised resulting in cash inflows of \$436,072.

In early January 2013, \$1,080,000 was received as consideration for the exercise of 6,000,000 unlisted options, adding to the cash balance above.





## Management Changes

In December, the Company accepted a notice of resignation from the Company's Chief Operating Officer, Paul Criddle who left to pursue other interests in the industry. The board wishes Paul well in his endeavours.

## CEO Appointment

On 29 January 2013, Azimuth appointed Russell Clark as Chief Executive Officer. Mr Clark was most recently Managing Director of Grange Resources, Australia's largest magnetite producer. During his 4½ year tenure he merged the company with Australian Bulk Minerals, and oversaw the completion of the pre-feasibility and bankable feasibility studies for the \$3b Southdown magnetite project. The market capitalisation of the company grew 4 fold, and the company posted record profits and cashflow, paying its inaugural dividend in 2011. Mr Clark holds a Mining Engineering degree (BSc Hons) from the Royal School of Mines, London, UK and a Graduate Diploma from the Securities Institute of Australia. Prior to working at Grange Resources Mr Clark worked with Newmont and Normandy for 8 years following 18 years at Renison Goldfields. At Newmont he was the Group Executive-Operations responsible for 7 gold mines in Australian and New Zealand. He has over 35 years of mining experience in technical roles, project management, general management and executive positions and has worked in gold mines in the USA, Africa, Papua New Guinea, and throughout Australia.

For more information:

### Shareholders

Russell Clark  
Chief Executive Officer  
Tel: +61 8 9381 2488

### Media

Bill Kemmery  
Fortbridge Consulting Pty Ltd  
Tel: +61 2 9003 0499

### Competent Person's Statement

*The information in this report that relates to exploration results is based on information compiled by Mr. Richard Monti who is a member of the Australasian Institute of Mining and Metallurgy. Mr. Monti is a Director of Azimuth Resources Ltd. Mr. Monti 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' and a qualified person as defined in National Instrument 43-101. Mr. Monti consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

### Cautionary Note Regarding Forward-Looking Statements

*This news release contains forward-looking information, including statements regarding mineral resource estimates, the potential mineralisation 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.*



## 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 December 2012

#### Consolidated statement of cash flows

		Current Quarter (3 Months) \$A'000	Year to date (6 Months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	76	123
1.2	Payments for		
	(a) exploration and evaluation	(3,794)	(7,979)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(797)	(1,465)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	120	288
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>		<b>(4,395)</b>	<b>(9,032)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:		
	(a) prospects	(393)	(668)
	(b) equity investments	-	-
	(c) other fixed assets	(234)	(505)
1.9	Proceeds from sale of:		
	(a) prospects	-	20
	(b) equity investments	-	-
	(c) other fixed assets	45	93
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>(582)</b>	<b>(1,060)</b>
1.13	Total operating and investing cash flows (carried forward)	<b>(4,977)</b>	<b>(10,092)</b>

1.13	Total operating and investing cash flows (brought forward)	(4,977)	(10,092)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares/options	436	6,686
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	-	(308)
	<b>Net financing cash flows</b>	436	6,378
	<b>Net increase (decrease) in cash held</b>	(4,541)	(3,714)
1.20	Cash at beginning of quarter/year to date	8,743	7,996
1.21	Exchange rate adjustments to item 1.20	256	176
1.22	<b>Cash at end of quarter</b>	4,458	4,458

### 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	189
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 where applicable also includes payments to companies associated with Richard Monti, Dean Felton, Michael Hunt, Sean Harvey 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	2,500
4.2 Development	-
4.3 Production	-
4.4 Administration	700
<b>Total</b>	<b>3,200</b>

### 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	1,883	2,668
5.2 Deposits at call	2,500	6,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)		
- Bank guarantees	75	75
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4,458</b>	<b>8,743</b>

### 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	N/A			
6.2 Interests in mining tenements acquired or increased	N/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	<b>Preference*securities</b> (description)				
7.2	Changes during quarter				
7.3	<b>*Ordinary securities</b>	424,626,880	424,626,880		
7.4	Changes during quarter				
	(a) Increases through issues	2,538,460 1,833,334 840,000 3,725	2,538,460 1,833,334 840,000 3,725	4 cents 10 cents 18 cents 42 cents	4 cents 10 cents 18 cents 42 cents
	(b) Decreases through returns of capital, buy-backs				
7.5	<b>*Convertible debt securities</b> (description)				
7.6	Changes during quarter				
7.7	<b>Options</b> (description and conversion factor)			<i>Exercise price</i>	<i>Expiry date</i>
	Unlisted ECOP options	175,000	-	10 cents	13 Aug 2013
	Unlisted ECOP options	425,000	-	10 cents	13 Aug 2014
	Unlisted ECOP options	1,050,000	-	42 cents	30 May 2014
	Unlisted Director Options	3,000,000	-	37.1 cents	30 Apr 2014
	Unlisted ECOP options	1,500,000	-	70 cents	30 Sep 2014
	Unlisted ECOP options	1,500,000	-	90 cents	30 Sep 2014
	Unlisted ECOP options	1,125,000	-	70 cents	17 Jan 2015
	Unlisted ECOP options	1,125,000	-	90 cents	17 Jan 2015
	Unlisted Director Options	822,581	-	35 cents	2 Aug 2015
	Unlisted Director Options	2,750,000	-	44.8 cents	27 Nov 2015
	Unlisted ECOP Options	1,700,000	-	44.8 cents	27 Nov 2015
7.8	Issued during quarter	822,581 4,450,000	- -	35 cents 44.8 cents	2 Aug 2015 27 Nov 2015
7.9	Exercised during quarter*	2,538,460 1,833,334 840,000 25,000	- - - -	4 cents 10 cents 18 cents 42 cents	31 Dec 2012 31 Dec 2012 31 Dec 2012 30 May 2014
7.10	Expired during quarter	(1,246,160) (200,000)	- -	4 cents 42 cents	31 Dec 2012 30 May 2014
7.11	<b>Debentures (totals only)</b>				
7.12	<b>Unsecured notes (totals only)</b>				

\* At 31 December 2012, exercise instructions had been received for 6,000,000 unlisted options exercisable at 18 cents each, expiring 31 December 2012. The exercise was processed and the shares were allotted on 7 January 2013 following receipt of cleared funds.

## 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    Date: 31 January 2013  
Financial Controller/Company Secretary

# Corporate Information

## Directors:

### Michael Hunt

BA, LLB (Hons)  
Non-Executive Chairman

### 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

## Chief Executive Officer:

### Russell Clark

BSc (Hons), ARSM, Grad Dip  
Applied Finance & Investment  
MIMM, CE, MAusIMM, FAICD, JP

## Company Secretary:

### Joshua Ward

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

## Registered & Principal Office:

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

## Postal Address:

P.O. Box 2030  
SUBIACO  
WA 6904

## Home Stock Exchange:

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

## Secondary Stock Exchange:

Toronto Stock Exchange  
The Exchange Tower  
130 King Street  
Toronto, ON M5X 1J2

## Share Registry - Australia:

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

## Share Registry - Canada:

Computershare Investor Services Inc  
3rd Floor, 510 Burrard Street  
Vancouver BC V6C 3B9

## Auditors:

HLB Mann Judd  
Level 4, 130 Stirling Street  
PERTH WA 6000  
Telephone: +61 8 9227 7500  
Facsimile: +61 8 9227 7533

## Solicitors - Australia:

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 (31 January 2013):

430,626,680 Ordinary Shares  
19,472,581 Unlisted Options

