AZIMUTH
RESOURCES LTD
ABN : 87 089 531 082

Condensed Half-Year Financial Report

for the half-year ended 31 December 2011

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CONDENSED HALF-YEAR FINANCIAL REPORT
For the Half-Year Ended 31 December 2011

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AZIMUTH RESOURCES LTD
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COMPANY DIRECTORY

DIRECTORS

Michael Hunt
(Non-Executive Chairman)

Richard Monti
(Executive Director)

Dean Felton
(Non-Executive Director)

Dominic O'Sullivan
(Managing Director)

COMPANY SECRETARY

Joshua Ward

REGISTERED OFFICE

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SUBIACO WA 6008
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AUDITORS

HLB Mann Judd
Level 4, 130 Stirling Street
PERTH WA 6000

SHARE REGISTRAR

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

SECURITIES EXCHANGE LISTING

Australian Securities Exchange
(Home Exchange: Perth, Western Australia)
Code: AZH

AZIMUTH RESOURCES LTD
ABN : 87 089 531 082

CONDENSED HALF-YEAR FINANCIAL REPORT

DIRECTORS' REPORT

Your directors present their report of Azimuth Resources Limited for the half-year ended 31 December 2011, in order to comply with the provisions of the Corporations Act 2001.

DIRECTORS

The names of Directors who held office during or since the end of the half-year:

Michael Hunt (Chairman)
Richard Monti
Dean Felton
Dominic O'Sullivan

REVIEW OF OPERATIONS

Guyana Projects

Azimuth Resources Limited, through its subsidiaries controls three projects in Guyana. These are:

- **The West Omai Gold Project** - An advanced exploration project covering a 40km strike portion of the same structural stratigraphic corridor which hosts the Omai gold mine (3.7 million ounces produced), located 15km to the east. It has a pipe line of drill, near drill and greenfields gold targets, which include;

  - The Hicks Deposit - an historic foreign (non JORC code compliant) shallow resource with robust untested strike and depth extensions. Resource drilling for a maiden JORC code compliant resource was completed in January 2012. Azimuth has received assays and awaits the estimation by resource consultants Runge.
  - The Smarts Deposit - an approximately 4km long mineralised structure, situated approximately 4 kilometres from Hicks. Resource drilling for a maiden JORC code compliant resource along 2.5km of strike to a depth of between 90 and 120 metres was completed in February 2012. Azimuth awaits the estimation by resource consultants Runge.
  - The Kaburi Prospect - a 400m diameter shallow open pit working which is the single largest artisanal working in Guyana, having been mined intermittently since 1912 and yet remains untested by modern methods. Kaburi is also the largest bedrock gold opening in Guyana after the Omai gold mine.
  - Substantial and extensive artisanal alluvial workings including the Gem Creek and Eldorado prospects located in many different streams worked for alluvial gold and significant Government survey delineated stream sediment anomalies, which appear to coincide with several crustal scale structures defined by geophysics.

- **East Omai Gold Project** - A greenfields exploration project, comprising a largely covered 80km zone by 60 km width portion of the main Guiana Shield gold belt, with potential to host not only several major gold deposits but entire mining precincts.

- **Amakura Uranium Project** –A greenfields exploration 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.

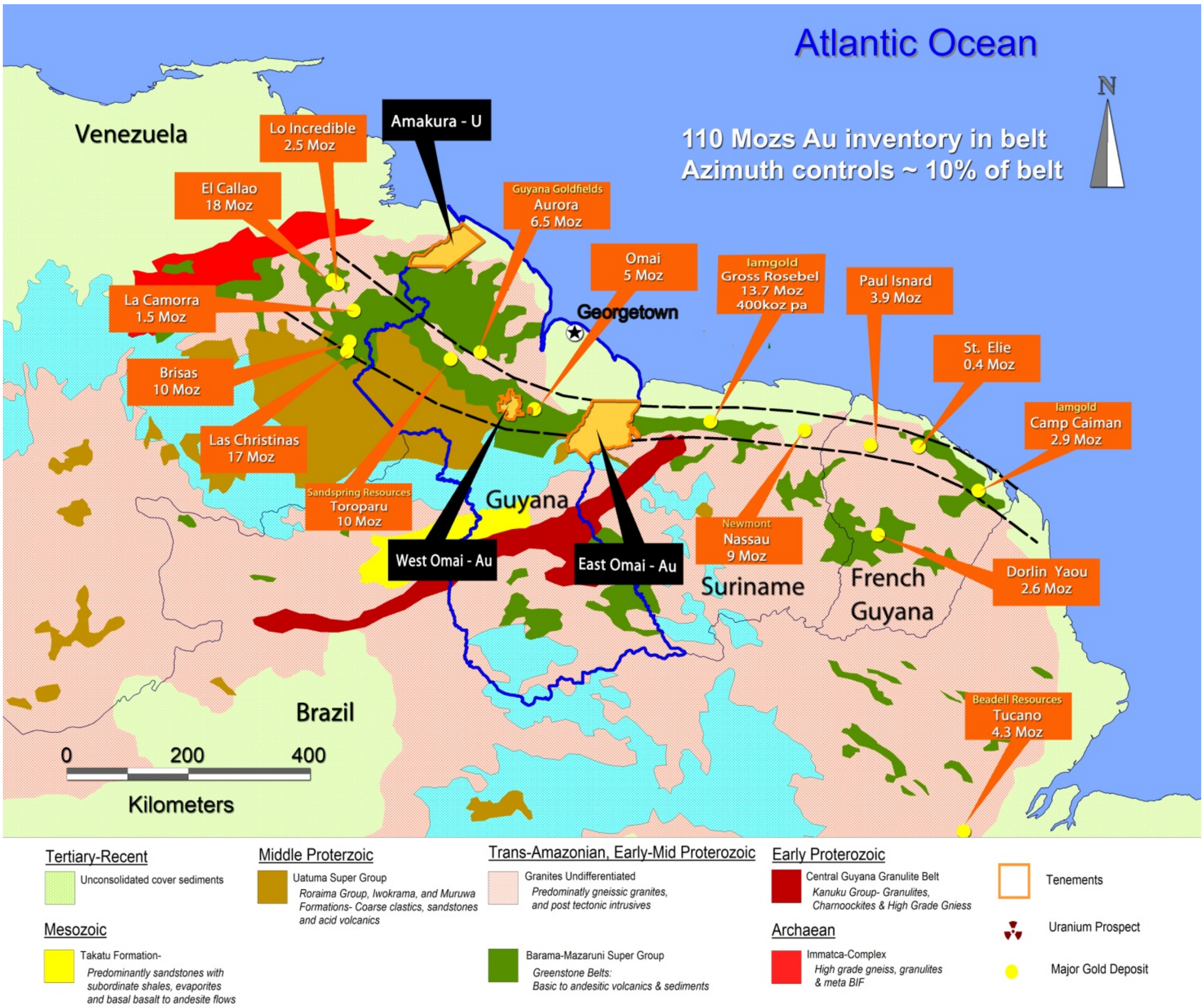

Figure 1 Location of Azimuth tenements in Guyana, shown in relation to the main 1200km long Guyana shield gold belt which contains an endowment of >110 million ounces.

West Omai Gold Project

The focus of exploration at West Omai over the half-year ended December 31, 2011 has been 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 a maiden JORC code compliant resource at Hicks and Smarts is nearing completion.

Hicks Deposit

A resource definition program of approximately 7,000m of RC drilling was completed in January 2012, designed to produce a maiden JORC code compliant resource.

A total of 88 drill holes for a total of 7056 metres have been completed in the main Hicks zone. Hicks mineralisation remains open at depth and along strike. Drilling at Hicks is shown in Figure 2.

To date the Company has been highly encouraged by the results received and these results are consistent with historic diamond drilling and remodelling of the deposit using historic data. This modelling indicates significant potential to expand known mineralisation within the area of the current historic resource and the company looks forward to the resource statement from our consultants to confirm this in early 2012.

In January 2012, Azimuth received its first metallurgical test work results on the Hicks deposit. The results from this sighter test work were highly encouraging, with cyanidation test work yielding average recoveries of 93.3% and 92.8% in oxidised and fresh material respectively. Gravity test work averages revealed average recoveries of 7% in oxide and 16% in fresh material. The results in both programs were extremely positive, indicating that as appears the case with Smarts, gold mineralisation is not refractory and both oxide and fresh material will be amenable to treatment by conventional CIP or CIL processing methods.

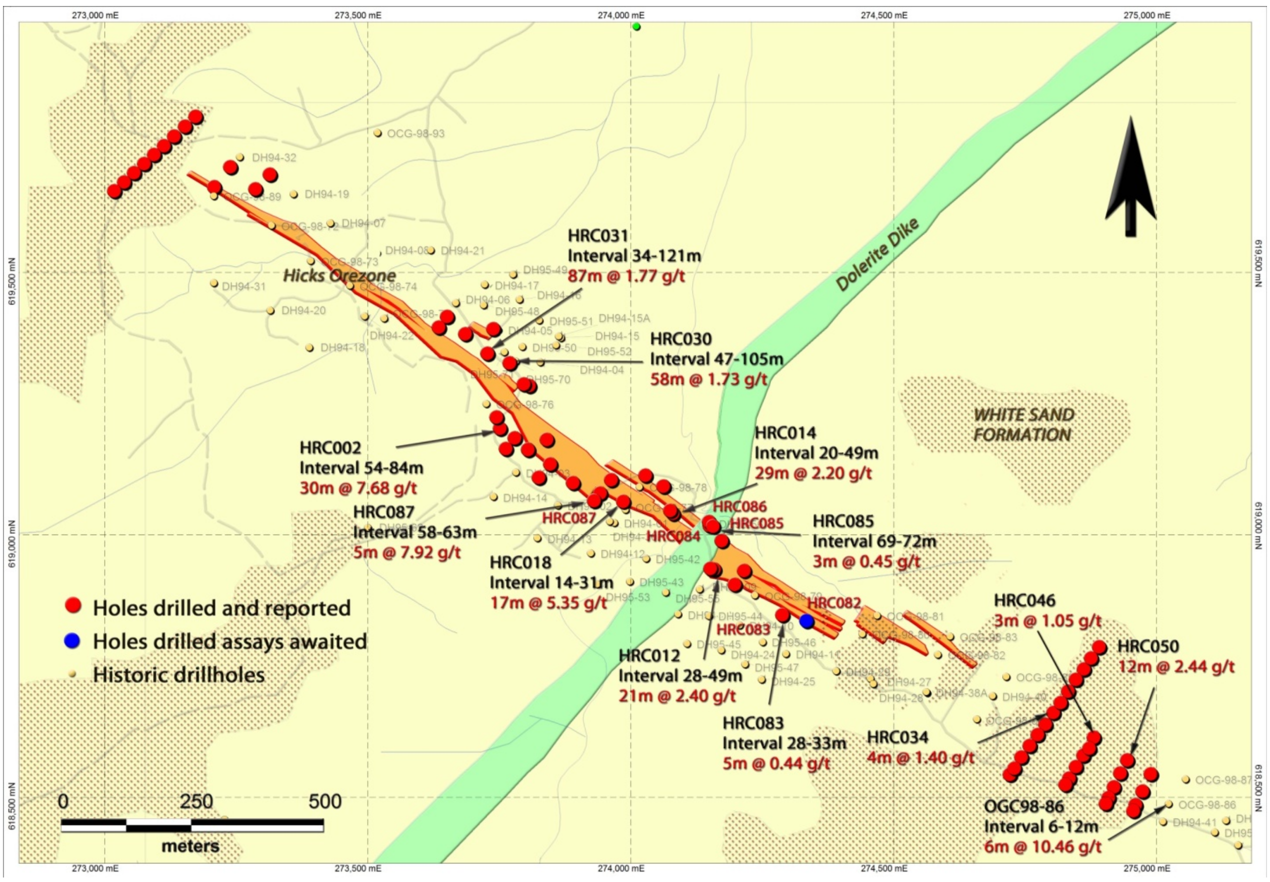

Figure 2. Showing outline of Hicks mineralised zone (orange), location of historic drill collars (yellow), drilled and assayed holes (red) and drilled Azimuth RC holes with assays yet to be received (blue).

Smarts Deposit

The Smarts prospect was an artisinal open pit in saprolite approximately 50m wide by 120m in strike and less than 10m deep which was mined in the mid to late 1990s. The pit lies approximately 4 kilometres to the northwest of Hicks and is likely on strike and offset from Hicks or an en echelon zone to the Hicks zone.

To date, over 47,000m of RC and diamond drilling has been performed at Smarts. Of that, 590 RC holes for 38,000m and 57 Diamond holes for 9000m have been drilled into the resource area and immediate surrounds.

In March 2011, Azimuth initiated a resource drilling programme at Smarts, with first results intercepting 29m @ 14.3g/t Au. The Directors were highly encouraged by these initial results and continued to drill along strike, extending the known length of mineralisation at Smarts to over 4km by June 2011.

During the half year to 31 December 2011, ongoing drilling identified a robust core zone of mineralisation of 2,500 metres strike length, and the focus on resource drilling at the Smarts project was accelerated. As a result of the mineralisation encountered at Smarts, the Directors decided to incorporate the Smarts drilling to the end of 2011 into the maiden JORC code compliant resource, resulting in a postponement of the maiden resource so that the Hicks and Smarts resources could be modelled concurrently by resource consultants Runge.

Unfortunately, for the better part of the period, assay turnarounds were longer than anticipated. The Company has since negotiated with the laboratories and put measures in place to improve turnarounds, including assistance in establishing a new preparation facility in Georgetown, Guyana that will greatly improve assay turnarounds in 2012.

In October 2011, Azimuth received its first metallurgical test work results on the Smarts deposit. The results from this sighter test work were highly encouraging, with cyanidation test work yielding average recoveries of 93.7% and 92.5% in oxidised and fresh material respectively. Gravity test work averages revealed average recoveries of 38.3% in oxide and 33.1% in fresh material. The results in both programs were extremely positive, indicating that gold mineralisation is not refractory and both oxide and fresh material will be amenable to treatment by conventional CIP or CIL processing methods.

In January 2012, Azimuth completed its resource drilling on the Smarts deposit. The drilling that will be incorporated into the maiden resource covers 2.5km of strike of the mineralisation. Figures 4 - 8 below show the drilling plan for Smarts at the date of this report, and sections displaying some of the significant intercepts within the resource drilling area.

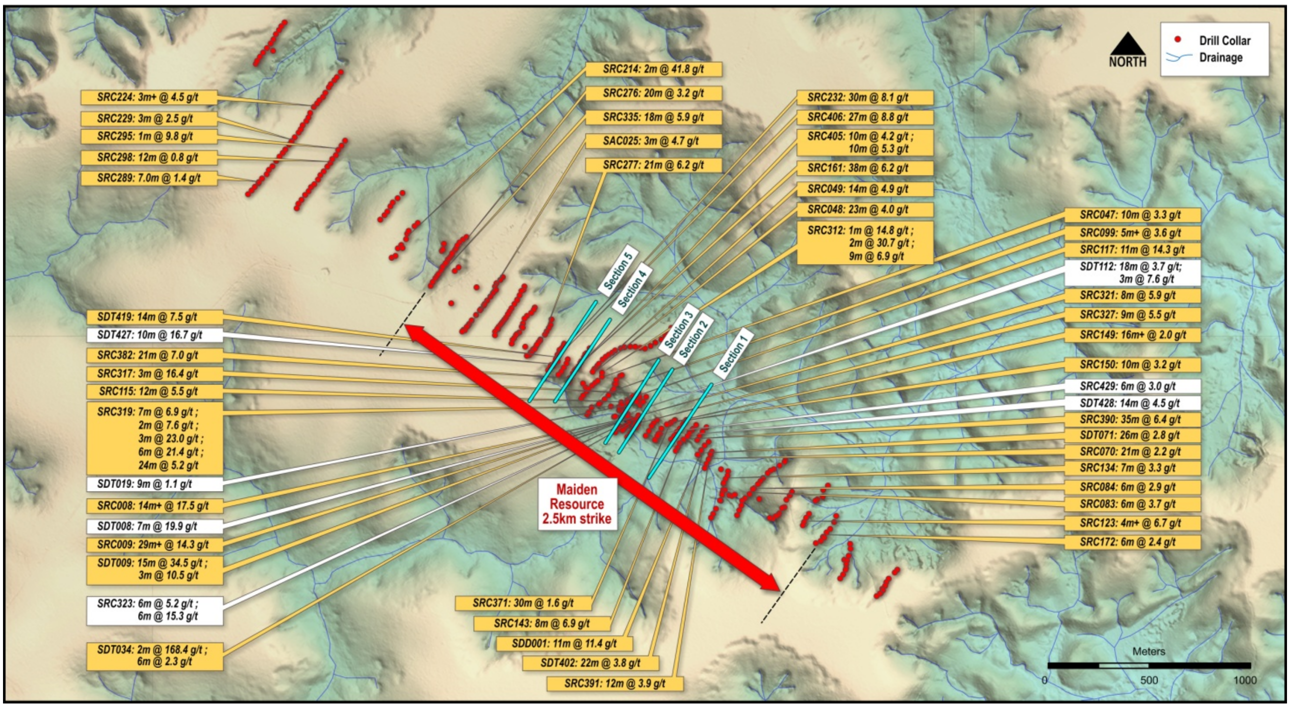

Figure 3 – Smarts Deposit Resource Drilling Highlights

Kaburi Prospect

During the period Azimuth commenced a programme of RC and diamond drilling at Kaburi. To date 14 RC holes for 2,500m and 2 diamond holes for 350m have been drilled at the prospect.

On 14 March, the Company received first pass drilling results for the Kaburi Prospect. The drilling intersected a granitoid which contains significant mineralisation along its margins (best result 9m @ 9.2 g/t Au), and low grade mineralisation throughout (135m @ 0.35 g/t Au). Importantly, the mineralised zone remains open to the southeast and will be the target of follow up drilling in the future.

Regional Exploration

Auger Programme

During the half-year ended December 31, 2011, the Company continued with an auger drilling and sampling programme in the vicinity of the Hicks and Smarts Deposits, and also along the Aurora-Gem Creek corridor. The Company awaits assay results from the bulk of this work and any anomalous results will be followed up with drilling where justified.

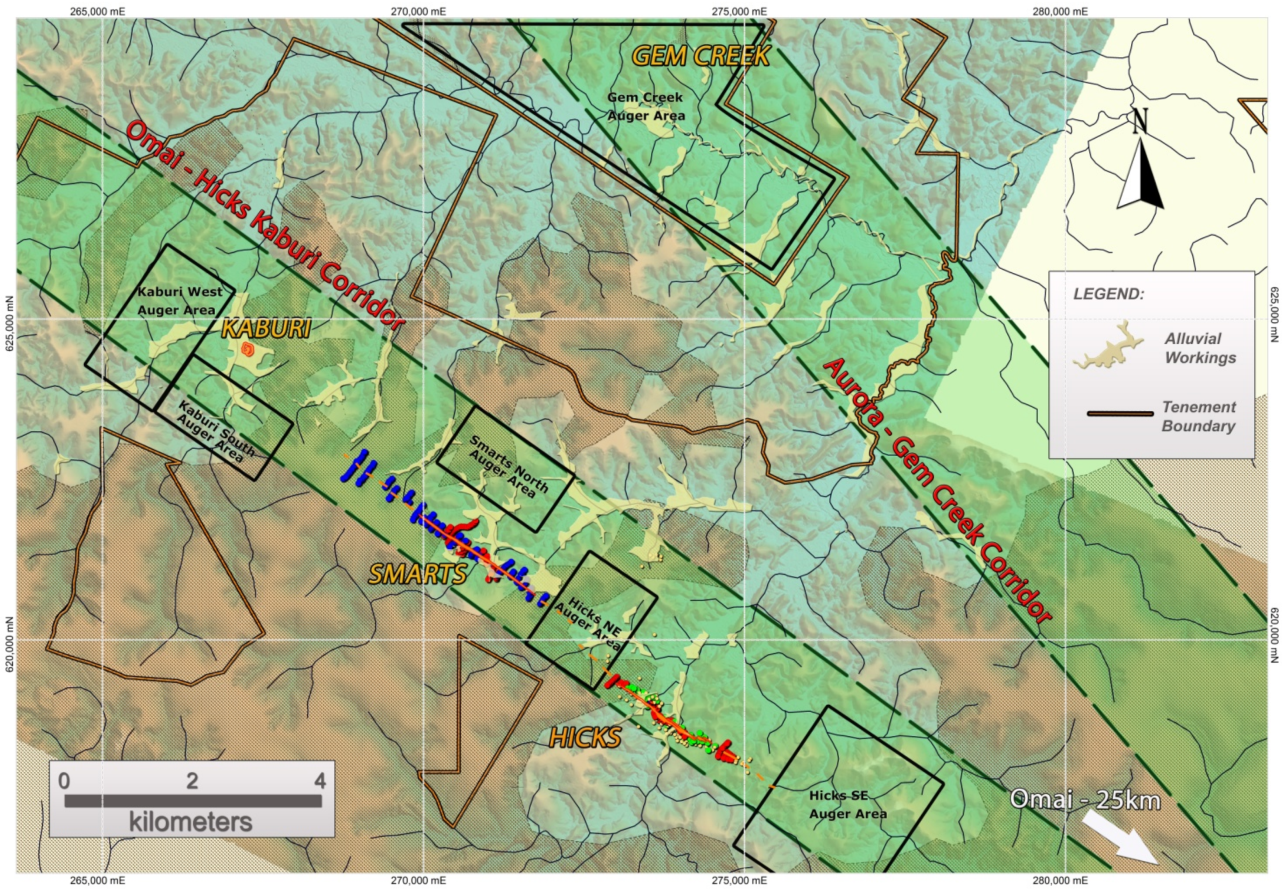

Figure 4 Map showing the auger program areas undertaken by Azimuth during the period. The Hicks and Smarts resource drilling is also shown.

Airborne Radiometric and Gravimetric Survey

An extensive Aeromagnetic and Radiometric survey was commenced during the period... The survey is approximately90% complete. On completion of data collection and extensive data processing and review, the Company expects to use this geophysical infromation as a target identification tool.

Amakura Uranium Project

During the half year ended 31 December 2011, access roads were built to known airborne radiometric anomalies (30km of road and trail cleared) and a base camp was established. Due to heavy rains, planned ground radiometric surveys, mapping and reconnaissance sampling were delayed. These programs and additional mapping and surveying exercises have been subsequently completed in Q1 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. No exploration was conducted on the project during the half-year ending December 2011 except for broad reconnaissance for program planning purposes.

With the addition of new scouting/light RC rigs to site, expected in 2012, Azimuth intends to aggressively explore the East Omai project following the completion of the airborne radiometric and gravimetric survey, and interpretation of the data to identify suitable drill targets.

Outlook

The Company completed resource drilling at both Hicks and Smarts in January and February 2012 respectively. The Company expects to publish its maiden, interim resource statement for these deposits in early 2012. Azimuth will then continue to drill extensions of the resource area and scout drill along strike and depth with the intent of adding to the Company's gold resources regularly throughout 2012.

Together with a growing resource, Azimuth intends to start progressing the definition of other key areas such as metallurgy and environmental baseline in the resource areas.

Australian Projects

During the period, Azimuth disposed of its Mardie Iron Ore Project to Iron Ore Holdings Limited for $225,000. Azimuth's sole remaining Australian project is the Pandanus West uranium joint venture. The Board views this project as a non-core asset.

Pandanus West Uranium Project (AZH 14%, diluting to 5%)

There was no work undertaken on this project by the Company during the period.

Corporate

The net loss for the period after tax was $1,309,404 (2010: $1,699,017).

During the half year to 31 December 2011, Azimuth completed a $19.4 million placement to institutional investors at $0.46 per share. This placement was heavily oversubscribed and the Company was able to attract a number of significant Canadian institutions to the register as well as increasing the position of a number of Australian institutions already on the register.

Throughout the period to the date of this report, the Company has made significant progress on its upcoming TSX listing. Preliminary documentation has been filed with the TSX and the Company remains on track for a listing in early 2012.

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The auditor's independence declaration for the half-year ended 31 December 2011 is set out on page 10.

This report is signed in accordance with a resolution of the Board of Directors, made pursuant to section 306(3) of the Corporation Act 2001.

Dominic O'Sullivan
Managing Director

Dated this 15th day of March 2012

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 of Azimuth Resources Ltd. 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'. Mr O'Sullivan consents to the inclusion in this ASX Release of the matters based on his information in the form and context in which it appears.

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Azimuth Resources Ltd for the half-year ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
15 March 2012

L DI GIALLONARDO
Partner, HLB Mann Judd

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Half-Year Ended 31 December 2011

	31 December 2011 $	31 December 2010 $
Revenue		
Gold sales	8,128	24,904
Interest income	268,342	76,493
Profit on sale of non-current assets held for sale	87,172	-
Foreign exchange gain	403,358	-
Other income	-	27
	767,000	101,424
Expenses		
Administration expense	(317,686)	(169,148)
Compliance and regulatory expense	(314,650)	(244,882)
Consultancy expense	(99,740)	(40,547)
Employee benefit expense	(393,025)	(595,907)
Share based payments expense	(721,050)	(45,378)
Occupancy expense	(151,222)	(72,583)
Public relations	(20,752)	(19,213)
Depreciation and amortisation expense	(15,610)	(26,924)
Exploration expense written off	-	(159,699)
Foreign exchange loss	-	(425,781)
Loss on sale of fixed assets	(42,006)	-
Other expenses	(663)	(379)
Loss before income tax expense	(1,309,404)	(1,699,017)
Income tax expense	-	-
Net loss for the half-year	(1,309,404)	(1,699,017)
Other comprehensive loss		
Exchange differences on translation of foreign operations	40,945	(235,629)
Income tax relating to components of other comprehensive loss	-	-
Other comprehensive loss for the half-year, net of tax	40,945	(235,629)
Total comprehensive loss for the half-year attributable to the members	(1,268,459)	(1,934,646)
Basic loss per share (cents per share)	(0.36)	(0.62)

The accompanying notes form part of this financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

	Note	31 December 2011 $	30 June 2011 $
ASSETS			
Current assets			
Cash and cash equivalents		19,603,627	8,022,913
Trade and other receivables		305,939	619,281
Inventories		210,473	8,328
Prepayments and deposits		422,289	-
		20,542,328	8,650,522
Non-current assets held for sale		1,854	136,961
Total current assets		20,544,182	8,787,483
Non-current assets			
Leasehold improvements		13,666	16,361
Plant and equipment		1,550,551	1,262,830
Exploration and evaluation expenditure		33,238,806	26,120,656
Total non-current assets		34,803,023	27,399,847
TOTAL ASSETS		55,347,205	36,187,330
LIABILITIES			
Current liabilities			
Trade and other payables		1,348,066	544,588
Total current liabilities		1,348,066	544,588
Non-current liabilities			
Deferred tax liabilities		5,891,455	5,891,455
Total non-current assets		5,891,455	5,891,455
TOTAL LIABILITIES		7,239,521	6,436,043
NET ASSETS		48,107,684	29,751,287
EQUITY			
Issued capital	3	57,580,709	38,676,903
Reserves		2,505,052	1,860,348
Accumulated losses		(11,978,077)	(10,785,964)
TOTAL EQUITY		48,107,684	29,751,287

The accompanying notes form part of this financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Half-Year Ended 31 December 2011

	Issued Capital $	Option Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2010	27,100,406	1,359,707	149,535	(7,487,641)	21,122,007
Total comprehensive loss for the period	-	-	(235,629)	(1,699,017)	(1,934,646)
Issue of shares	1,400,000	-	-	-	1,400,000
Issue of options	-	45,378	-	-	45,378
Expiry/forfeiture of options	-	(48,210)	-	48,210	-
Balance at 31 December 2010	28,500,406	1,356,875	(86,094)	(9,138,448)	20,632,739
Balance at 1 July 2011	38,676,903	1,989,850	(129,502)	(10,785,964)	29,751,287
Total comprehensive loss for the period	-	-	40,945	(1,309,404)	(1,268,459)
Issue of shares	19,374,717	-	-	-	19,374,717
Issue of options	-	721,050	-	-	721,050
Exercise of options	536,800	(117,291)	-	117,291	536,800
Capital raising costs	(1,007,711)	-	-	-	(1,007,711)
Balance at 31 December 2011	57,580,709	2,593,609	(88,557)	(11,978,077)	48,107,684

The accompanying notes form part of this financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Half-Year Ended 31 December 2011

	31 December 2011 $	31 December 2010 $
Cash flows from operating activities		
Payments to suppliers	(1,595,308)	(309,004)
Receipts from customers	60,623	65,998
Interest received	197,941	76,493
Payments for exploration and evaluation	(5,760,609)	(1,876,908)
Net cash used in operating activities	(7,097,353)	(2,043,421)
Cash flows from investing activities		
Purchase of plant and equipment	(572,314)	(344,864)
Proceeds from sale of exploration assets	225,000	-
Net cash provided by/(used in) investing activities	(347,314)	(344,864)
Cash flows from financing activities		
Proceeds from share subscriptions	160,000	-
Capital raising costs	(1,007,710)	-
Proceeds from issue of shares	19,911,517	1,400,000
Net cash provided by financing activities	19,063,807	1,400,000
Net increase/(decrease) in cash held	11,619,140	(988,285)
Cash and cash equivalents at beginning of period	8,022,913	3,852,477
Foreign exchange differences on cash balances	(38,426)	(146,249)
Cash and cash equivalents at end of reporting period	19,603,627	2,717,943

The accompanying notes form part of this financial report.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

This general purpose condensed financial report for the half-year ended 31 December 2011 has been prepared in accordance with requirements of the Corporation Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2011 and any public announcements made by Azimuth Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the entity as in the full financial report.

(b) Basis of Preparation

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

For the purpose of preparing the half-year report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's annual financial report for the year ended 30 June 2011.

It has been determined by the entity that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to entity accounting policies.

(c) Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the year ended 30 June 2011.

(d) Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2011, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2011.

It has been determined by the Group that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Group accounting policies.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2011. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Group accounting policies.

2. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

		31 December 2011 $	30 June 2011 $
Exploration and evaluation expenditure, at cost		33,238,806	26,120,656

Reconciliation:
A reconciliation of the carrying amounts of exploration and evaluation expenditure is set out below:

Balance at beginning of period		26,120,656	22,472,028
Foreign exchange variations taken to reserves		377,928	-
Additions		6,740,222	4,498,783
Refunds		-	(447)
Exploration costs transferred to held for sale assets		-	(161,796)
Write off of exploration expenditure	(a)	-	(687,912)
Total deferred exploration and evaluation expenditure		33,238,806	26,120,656

(a) Write off relates to expenditure on tenements that have been relinquished.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent upon the successful development and commercial exploitation or sale of the respective areas.

3. ISSUED CAPITAL

(a) Fully Paid Ordinary Shares

	31 December 2011 Number of Shares	31 December 2011 $
Fully paid ordinary shares	382,309,058	57,580,709

(b) Movements in fully paid shares on issue

Balance as at 1 July 2011	336,430,109	38,676,903
Exercise of Options – 22 August 2011	360,000	64,800
Placement – 10 November 2011	42,118,949	19,374,717
Exercise of Options – 8 Dec 2011	3,400,000	472,000
Capital raising costs	-	(1,007,711)
Balance at 31 December 2011	**382,309,058**	**57,580,709**

3. ISSUED CAPITAL (CONTINUED)

(c) Options
At 31 December 2011, there were 37,192,200 (30 June 2011: 37,952,200) un-issued ordinary shares for which options were outstanding. 3,000,000 (2010: 2,000,000) unlisted options were issued, 3,760,000 unlisted options were exercised (2010: Nil) and Nil (2010: 350,000) unlisted options expired or were forfeited during the period.

	31 December 2011 No. of Options	31 December 2010 No. of Options
Balance at 1 July	37,952,200	32,802,200
Issue of ECOP options	3,000,000	2,000,000
Exercise of options	(3,760,000)	-
Expiry of director options	-	(300,000)
Expiry of employee ECOP options	-	(50,000)
Balance at 31 December	37,192,200	34,452,200

4. SEGMENT INFORMATION

Identification of reportable segments
The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the location of activity. Discrete financial information about each of these locations is reported to the Board of Directors on at least a monthly basis.

Reportable segments requiring disclosure are operating segments that meet any of the following thresholds:
- Segment loss greater than 10% of combined loss of loss making operating segments; and
- Segment assets greater than 10% of combined assets of all operating segments.

In accordance with AASB 8, the reportable segments are based on aggregated operating segments determined by the similarity of the locations, as these are the sources of the Group's major risks and have the most effect on the rates of return.

Once reportable segments have been identified, all remaining segments that do not satisfy the thresholds are to be aggregated together to form an all other segments reporting segment. In accordance with AASB 8 Segment Reporting corporate and administration activities are included in the 'all other segments' reporting segment.

4. SEGMENT INFORMATION (CONTINUED)

Geographical Segment – primary reporting segment

The Group has 2 reportable segments, being Guyanese exploration and evaluation and 'All Other Segments', which consists of Australian exploration and evaluation and corporate and administrative costs, which are the Group's strategic business units. The strategic business units are monitored separately because they are governed by different regulatory regimes.

Revenues included in 'All Other Segments' relate predominantly to bank interest.

Information about reportable segment loss, assets and reconciliation to Group loss

31 December 2011	Guyana $	All other segments $	Consolidated $
Segment revenue	9,579	757,421	767,000
Segment result	(458,620)	(850,784)	(1,309,404)
Segment assets	36,608,389	18,738,816	55,347,205
Segment liabilities	(6,305,189)	(934,332)	(7,239,521)

31 December 2010	Guyana $	All other segments $	Consolidated $
Segment revenue	25,125	76,299	101,424
Segment result	(350,621)	(1,348,396)	(1,699,017)
Segment assets	23,967,286	2,803,482	26,770,768
Segment liabilities	(5,979,813)	(158,216)	(6,138,029)

5. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to 31 December 2011, and to the date of this report, the Company allotted a total of 7,341,666 shares upon the exercise of options. The Company received proceeds of $434,167 in relation to these issues. Further, the Company allotted 3,000,000 shares as consideration for the acquisition of exploration licenses and permits in Guyana.

Apart from the above, the Directors are not aware of any matter or circumstances that has arisen since 31 December 2011 which significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial periods.

6. CONTINGENT ASSETS AND LIABILITIES

There are no material contingent assets or liabilities that exist as at the reporting date.

AZIMUTH RESOURCES LTD
ABN : 87 089 531 082

DIRECTORS' DECLARATION

For the Half-Year Ended 31 December 2011

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 12 to 19 are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (b) give a true and fair view of the Group's financial position as at 31 December 2011 and its performance for the half-year ended on that date.

2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Dominic O'Sullivan
Managing Director

Dated this 15th day of March 2012

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Azimuth Resources Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying condensed half-year financial report of Azimuth Resources Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2011, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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HLB Mann Judd

Accountants | Business and Financial Advisers

Matters relating to the electronic presentation of the reviewed half-year financial report

This review report relates to the half-year financial report of the consolidated entity for the half-year ended 31 December 2011 included on the company's website. The company's directors are responsible for the integrity of the company's website. We have not been engaged to report on the integrity of this website. The review report refers only to the half-year financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the half-year financial report. If users of the half-year financial report are concerned with the inherent risks arising from publication on a website they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information contained in this website version of the half-year financial report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Azimuth Resources Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

HLB Mann Judd

HLB MANN JUDD
Chartered Accountants

Perth, Western Australia
15 March 2012

L DI GIALLONARDO
Partner