

Azimut Announces \$25 Million Bought Deal Private Placement Financing

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Symbol: AZM.TSX Venture

LONGUEUIL, QC, June 23, 2021 /CNW Telbec/ - **Azimut Exploration Inc.** ("Azimut" or the "Company") (TSXV: AZM), is pleased to announce that it has entered into an agreement with Paradigm Capital Inc. on behalf of a syndicate of underwriters (collectively, the "**Underwriters**"), in connection with a bought deal private placement financing (the "**Offering**") for total proceeds of approximately \$25 million, consisting of 3,463,900 common shares of the Company that qualify as "flow-through shares" (within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) and section 359.1 of the *Taxation Act* (Québec)) (the "**FT Shares**") at a price of \$3.32 per FT Share (the "**FT Issue Price**") and 7,105,300 common shares of the Company ("**Hard Dollar Shares**") at a price of \$1.90 per Hard Dollar Share (the "**Hard Dollar Issue Price**").

In addition, the Company will grant the Underwriters an option (the "**Underwriters' Option**") to sell that number of additional Hard Dollar Shares at the Hard Dollar Issue Price for additional aggregate gross proceeds of up to \$3,750,033, exercisable 48 hours prior to the Closing Date. The terms "**Offering**" and "**Offered Securities**" includes the additional Hard Dollar Shares that may be issued on the exercise of the Underwriters' Option, if any.

The strategic investor who participated in the February 2020 private placement will also participate in the Offering for 3,416,312 shares, resulting in a pro-forma ownership of 9.8%.

The Company will use an amount equal to the gross proceeds received by the Company from the sale of the FT Shares, pursuant to the provisions in the *Income Tax Act* (Canada) and the *Taxation Act* (Québec), to incur eligible "Canadian exploration expenses" that qualify as "flow-through mining expenditures" as both terms are defined in the *Income Tax Act* (Canada) (the "**Qualifying Expenditures**") on or before December 31, 2022, and to renounce all the Qualifying Expenditures in favour of the subscribers of the FT Shares effective December 31, 2021. In addition, with respect to Québec resident subscribers of the FT Shares who are eligible individuals under the *Taxation Act* (Québec), the Canadian exploration expenses will also qualify for inclusion in the "exploration base relating to certain Québec exploration expenses" within the meaning of section 726.4.10 of the *Taxation Act* (Québec) and for inclusion in the "exploration base relating to certain Québec surface mining expenses or oil and gas exploration expenses" within the meaning of section 726.4.17.2 of the *Taxation Act* (Québec). The proceeds from the sale of the Hard Dollar Shares will be used for exploration and for general corporate purposes.

Closing is expected to occur on or about July 14, 2021, or other such dates as the Company and the Underwriters may agree (the "**Closing Date**"). The Offering is subject to regulatory approval and all securities issued pursuant to the Offering will have a hold period of four months and one day.

The securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any U.S. state security laws, and may not be offered or sold in the United States without registration under the U.S. Securities Act and all applicable state securities laws or compliance with requirements of an applicable exemption therefrom. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Azimut

Azimut is a mineral exploration company whose core business centres on target generation and partnership development. The Company is actively advancing the Patwon gold discovery on its 100%-owned flagship Elmer Property in the James Bay region.

The Company uses a pioneering approach to big data analytics (the proprietary **AZtechMine™** expert system), enhanced by extensive exploration know-how. Azimut maintains rigorous financial discipline and has 69.2 million shares outstanding. Azimut's competitive edge against exploration risk is founded on systematic regional-scale data analysis and multiple concurrently active projects.

Cautionary Statement

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Toronto Stock Exchange) accepts responsibility for the adequacy or accuracy of this news release.

This News Release includes certain "forward-looking statements" which are not comprised of historical facts. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". Since forward-looking statements are based on assumptions and address future events and conditions, by their very nature they involve inherent risks and uncertainties. Although these statements are based on information currently available to the Company, the Company provides no assurance that actual results will meet management's expectations. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information. Forward looking information in this news release includes, but is not limited to, the Company's objectives, goals or future plans, completion of the Offering, use of proceeds of the Offering, renunciation and tax treatment of the FT Shares and the Closing Date. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to the inability to complete the Private Placement on the terms as announced or at all, changes in equity markets, changes in exchange rates, fluctuations in commodity prices capital, operating and reclamation costs varying significantly from estimates and the other risks involved in the mineral exploration and development industry, and those risks set out in the Company's public documents filed on SEDAR. Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this news release are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

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