

Azimut Announces Closing of \$28.75 Million Bought Deal Private Placement Financing

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Symbol: AZM.TSX Venture

LONGUEUIL, QC, July 16, 2021 /CNW Telbec/ - **Azimut Exploration Inc.** ("**Azimut**" or the "**Company**") (TSXV: AZM) is pleased to announce that it has closed its previously announced bought deal private placement financing (the "**Offering**") for total gross proceeds of approximately \$28.75 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 and 9,078,472 common shares of the Company on a non-flow-through basis (the "**Shares**" and, together with the FT Shares, the "**Offered Shares**") at a price of \$1.90 per Share, which includes the exercise of the underwriters' option to purchase 1,973,172 additional Shares.

Paradigm Capital Inc. acted as lead underwriter (the "**Lead Underwriter**") in connection with the Offering with a syndicate including Laurentian Bank Securities Inc. and Sprott Capital Partners LP (together with the Lead Underwriter, the "**Underwriters**"). As consideration for the services provided by the Underwriters in connection with the Offering, the Underwriters received: (a) a cash commission representing 6.0% of the aggregate gross proceeds from sales of the Offered Shares under the Offering (reduced to 3% for certain subscribers on the president's list of the Company); and (b) non-transferable compensation options, representing 4% of the total number of Offered Shares sold under the Offering, each exercisable for one common share of the Company at a price of \$1.90 per share until January 16, 2023.

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 net proceeds from the sale of the Shares will be used for exploration and for general corporate purposes.

The strategic investor, who participated in the February 2020 private placement, also participated in the Offering and following the Offering will have pro-forma ownership of approximately 9.79%.

All securities issued in connection with the Offering are subject to a statutory hold period in Canada expiring on November 17, 2021. The Offering remains subject to final acceptance of the TSX Venture Exchange.

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 securities 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 81.7 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 TSX Venture 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, use of proceeds of the Offering, renunciation and tax treatment of the FT Shares and receipt of final acceptance of the TSX Venture Exchange for the Offering. Factors that could cause actual results to differ materially from such forward-looking information include, but are not limited to 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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