

Azimut Exploration, Kennecott extend JV deal in Quebec

2006-02-21 16:08 ET - News Release

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AZIMUT AND KENNECOTT EXTEND THEIR STRATEGIC AGREEMENT

Azimut Exploration Inc.'s strategic agreement with Kennecott Exploration Company regarding the exploration of base and precious metals over a 500,000-square-kilometre region in Quebec (see Stockwatch, July 13, 2004) has been extended to include the search for uranium deposits.

The salient points of the amendment are:

- Azimut will deliver a uranium potential assessment study to Kennecott with the objective of identifying major exploration targets. Kennecott will pay a total of \$150,000 to Azimut for the delivery of the report and for staking requirements. Azimut has already received this payment;
- Kennecott will have the exclusive right to retain a maximum of four targets, known as identified uranium targets (IUT), for a one-year assessment period, during which time a minimum of \$50,000 per target will be spent for field assessment work;
- for each IUT in an area where base and precious metal targets have already been defined, Kennecott will have the exclusive right to enter into a joint venture with Azimut according to the conditions stipulated in the original agreement;
- for each IUT defined outside the area described above, Kennecott will earn a 60-per-cent interest per selected uranium target by investing a minimum of \$1.8-million in exploration expenditures over a maximum four-year period -- \$300,000 during the first year and \$400,000, \$500,000 and \$600,000 for the three subsequent years; and
- all other conditions remain the same as in the original agreement, including the additional option for Kennecott to increase its interest to 80 per cent upon the delivery of a feasibility study.