



CORPORATE DISCLOSURE AND INSIDER TRADING POLICY

Objective and Commitment

Azarga Metals Corp. ("**Azarga Metals**" or the "**Company**") is committed to a policy which provides timely, consistent and fair disclosure of corporate information to enable informed and orderly market decisions by investors.

The objective of this Corporate Disclosure and Insider Trading Policy (the "**Policy**") is to:

- raise awareness about, and focus Company Personnel on, disclosure requirements and practices;
- provide guidance and structure in disseminating corporate information in a timely, factual and accurate to, and in dealing with, investors, media representatives and the public (the investing public); and
- ensure compliance with legal and regulatory requirements on disclosure.

Canadian securities laws prohibit trading in the securities of a company on the basis of "*inside*" information (information that is material and not available to the public). Anyone violating these laws is subject to personal liability and could face criminal penalties. In light of the severity of possible sanctions both to Company Personnel individually and to the Company, the Board of Directors has adopted this Policy.

Application and Scope

This Policy extends to all directors, officers, employees of the Company, management company employees, those who provide services to the Company, its wholly owned subsidiaries and those authorized to speak on the Company's behalf (for the purposes of this Policy, each herein referred to "**Company Personnel**") and to all methods that the Company uses to communicate with the investing public including:

- Written statements including annual reports, interim reports, news releases, letters to shareholders, speeches by senior management, investor presentations including power point presentations or similar electronic files, e-mail messages and the Company's Internet web page;
- Oral statements including individual or group meetings, telephone conversations, interviews and news conferences.

This policy gives specific guidance in the following areas:

- disclosing and disseminating material information
- maintaining the confidentiality of information
- responding to market rumours
- forward looking information
- communicating electronically
- trading

Material Information

It is not possible to define all categories of Material Information but there are various categories of information that are particularly sensitive and, as a general rule, should always be considered material. Examples of information or events which may be material to the Company are set out in Appendix A.

In securities law, and for purposes of this Policy, "material information" means:

"any information relating to the business and affairs of the company that, or the disclosure of which, results in, or would reasonably be expected to result in, a significant change in the market price or value of any of the company's securities".

Material information also means there is a reasonable likelihood that it would be considered important to an investor in making a decision regarding the purchase or sale of securities of the Company.

This definition is herein interpreted to include any "material change" in the business that could have the same potential market effects, and includes both positive and negative information.

Decisions on the materiality of information will be made within the context of the Company's overall business affairs and dimensions. Such decisions require the exercise of experienced judgement and are the responsibility of the Disclosure Committee.

Disclosure Committee

Objectives

A Disclosure Committee oversees the Company's corporate disclosure practices and ensures implementation and adherence to this Policy. The Committee's responsibilities include:

- maintaining an awareness and understanding of governing disclosure rules and guidelines, including any new or pending developments
- developing and implementing procedures to regularly review, update and correct corporate disclosure information, including information in power point presentations as well as information on the Internet web site
- bringing this policy to the attention of the Company's directors, management and staff on a regular basis
- monitoring compliance with this policy and undertaking reviews of any violations, including assessment and implementation of appropriate consequences and remedial actions
- reviewing this policy at least annually and updating as necessary and appropriate to ensure compliance with prevailing rules and guidelines
- ascertaining whether corporate developments constitute material information and, if so, ensuring compliance with the procedures outlined in this policy

The Disclosure Committee will give consideration to the nature of the information itself, the volatility of the Company's securities and prevailing market conditions. In general, if there is any doubt about whether particular information is material, the Committee will err on the side of materiality and release the information publicly. (See section on Public Disclosure for Disclosure Committee policy on withholding release of Material Information.)

Membership

The Disclosure Committee includes the following members:

- Chief Executive Officer or President
- Chief Financial Officer
- Corporate Secretary

and may be advised by corporate counsel.

The Corporate Secretary will serve as the primary contact person for the Disclosure Committee and will engage the Committee as necessary and appropriate. In the event of the absence of the Corporate Secretary, any other member of the Committee may be contacted on matters referenced in this policy.

Restriction on Disclosure of Material Information

Insiders of the Company and others who have received or have access to undisclosed Material Information about the Company should not purchase or sell the Company's securities or inform others of the undisclosed Material Information unless it is necessary in the ordinary course of business.

No Insider shall disclose Material Information regarding the Company to any person or group of persons until it has been generally disseminated to the public in accordance with this Policy. Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered Material Information.

The Disclosure Committee may approve limited exceptions to this prohibition where disclosure is made to the Company's auditors, legal counsel, underwriters or other professional advisors in the necessary course of the Company's business.

If it is determined that previously undisclosed Material Information has inadvertently been disclosed, the Company shall immediately disclose the information in a news release in order to achieve broad public dissemination of the information, and Market Regulation Services Inc. will be contacted, to determine if trading should be halted.

Public Disclosure

The following principles and practices will be applied when disseminating corporate information to the investing public:

- The Company will disseminate corporate information in an equitable manner and will strive to respond in a timely manner to all legitimate requests for information.
- Material information will in all cases be disseminated broadly and publicly via recognized news services and other means.
- The Company will not provide confidential, proprietary or material, non-public information to the investing public, and will deny any such requests.

- The Company recognizes that discussions and meetings with the investing public are an important part of the Company's investor relations program. The Company will provide non-material and publicly disclosed information in individual and group discussions and meetings where doing so facilitates better understanding about the business and affairs of the Company. Generally, such information will be factual and non-speculative in nature and will not in any way significantly impact, impair or be detrimental to the Company's performance and effectiveness.
- The Company will not discriminate or differentiate amongst recipients of non-public, non-material information and will respond in the same manner to all requests for such information. This means that the Company will provide the same information and details that it has provided to analysts or fund managers, to any other individual market participant or media representative, upon request.

Process for Public Disclosure

The Company shall comply with all applicable laws and regulations regarding the timely disclosure of Material Information and changes. Once a decision is made that information is material, the Company will immediately initiate a process to ensure full, true, plain and timely disclosure of that information via recognized news services, in compliance with applicable securities laws and stock exchange rules which require prompt disclosure, and broad dissemination to the public in a manner that is both accurate and complete. Unfavourable news must be disclosed as promptly and completely as favourable news. The principal method of publicly disclosing Material Information will be by news release, using a news wire service that provides simultaneous distribution to widespread news services, financial media, and relevant stock exchanges and regulatory bodies. The Company will comply with the rules of the TSX-V regarding the timing of release of news releases, and any requirement to obtain pre-clearance of news releases. The Company will file material change reports when required in accordance with applicable securities laws and regulations.

When a decision has been made that information is material and will be disclosed, the following steps will be taken:

- A draft news release will be developed by individuals and departments knowledgeable about the subject matter. In the case of technical geological or engineering data, the draft content shall be supplied by the Qualified Person and the Qualified Person shall approve in writing the news release content in its final form before dissemination.
- The draft news release will be reviewed by the Disclosure Committee to ensure it is in compliance with applicable securities laws and the Exchange's requirements. Written evidence of the review completion by the Disclosure Committee shall be retained by the Corporate Secretary.
- The Chief Financial Officer will have specific responsibility to review and validate all financial data contained in news releases and will ensure that disclosures are consistent with prevailing accounting standards and guidelines. The Chief Financial Officer shall evidence his/her review and validation in writing and this evidence shall be retained by the Corporate Secretary.
- The Disclosure Committee will have specific responsibility to ensure that the content of the release clearly and effectively communicates the intended substance and meaning of the information to the public. The Corporate Secretary will retain evidence that each release has been reviewed by the Disclosure Committee members.
- After notification and agreement on content and time timing of a news release, the Corporate Secretary will direct a recognized wire service to disseminate the release and will file all material releases with relevant securities regulators. Under no circumstances shall an approved news release be altered, changed or amended by any party without the written approval of all the named parties set forth above.

- The Corporate Secretary will promptly post a copy of the disseminated news release on the Company's Internet web site.

Undisclosed Confidential Information

In certain circumstances, the Disclosure Committee may delay disclosure of material information where immediate or premature release of the information would be unduly detrimental to the interests of the Company. Such circumstances will be infrequent and in the necessary course of business, and justified by assessment that harm to the Company's business from immediate disclosure will outweigh the general benefit to the market of immediate disclosure. In such cases, the Company may withhold public disclosure for a limited period of time but it must ensure the information remains confidential.

When material information is being temporarily withheld, the Company will take the following precautions to keep the information confidential:

- the information will only be disclosed to Company Personnel, the controlling shareholder (if any) and credit rating agencies in the necessary course of business and on a "need to know" basis;
- if and when the information is disclosed in the necessary course of business, recipients of such information will be educated and regularly reminded of the need to keep it confidential inside and outside the Company;
- confidentiality agreements will be used to ensure protection and confidentiality of the information by third parties;
- reasonable care will be taken to ensure appropriate security and protection of the information.

These responsibilities and procedures also apply during the period of time when news releases involving material information are being developed, until the information has been released and disseminated to the investing public.

When the confidential material information being withheld involves a material change, the Company will file a report with the Exchange and relevant securities regulators on a confidential basis in accordance with applicable securities legislation.

If, at any time or in any circumstance, confidential material information is inadvertently divulged in a way that results in selective disclosure to any member of the investing public, the Disclosure Committee will initiate a process to ensure full public disclosure and dissemination.

Communicating with Investors

One of the primary responsibilities of the Company's President, the Company's Manager of Corporate Communications, if any and the Company's Chief Financial Officer is to communicate with financial analysts, investors and prospective investors, and to provide information about the Company to them.

The President, Manager of Corporate Communications, if any and Chief Financial Officer are also responsible for preparing the members of senior management, and developing related presentation materials, for meetings with financial analysts and investors. Whenever possible, the Chief Financial Officer will also attend and participate in such meetings.

It is the responsibility of the President and Manager of Corporate Communications, if any to ensure that no material, nonpublic information is included in related presentation materials (including Power Point presentations) or is otherwise selectively disclosed at meetings with financial analysts and investors. The Chief Financial Officer shall approve, in writing, all proposed power point presentations to

be used or disclosed at meetings with financial analysts and investors. If material, non-public information is inadvertently disclosed at such a meeting, the President and Manager of Corporate Communications, if any, will take immediate action to achieve broad, public dissemination of the information.

Presentation materials from recent meetings with financial analysts and investors will be posted on the Company's Internet web site as soon as practical after the presentation has been made. Hard copies of such presentations will also be made available to the investing public, on request.

Market Rumours

It is the Company's general policy not to respond to market rumours or speculation unless required by applicable regulatory authorities. The standard response by the Company's spokesperson to questions concerning rumours shall be "It is the Company's policy not to *comment on market rumours or speculation*". However, any rumour that has had or is likely to have a substantial effect on the price of the Company's securities will be clarified or confirmed in accordance with securities regulations.

Confidentiality of Information

Insiders shall not communicate confidential information, unless it is necessary to do so in the ordinary course of business and appropriate arrangements are in place to protect the confidentiality of the information. All Insiders will use reasonable efforts to limit access to such confidential information to only those who need to know and such persons will be advised that the information is to be kept confidential. Anyone outside of the Company who may become privy to confidential information concerning the Company will be told that they must not divulge such information to anyone else, other than in the necessary course of business, and that they must not trade in the Company's securities until the information is publicly disclosed. Such outside parties may be asked to confirm their commitment to non-disclosure in the form of a written confidentiality agreement. In order to prevent the misuse or inadvertent disclosure of Material Information, the following procedures should be observed at all times:

- Documents and files containing confidential information should be kept in a safe place where access is restricted to individuals who "*need to know*" that information in the necessary course of business and code names should be used if necessary.
- Confidential matters should not be discussed in places where the discussion may be overheard, including but not limited to, elevators, hallways, restaurants, bars, airplanes or taxis.

Forward Looking Information

The Company will provide sufficient forward-looking information and guidance to the investing public to enable reasoned evaluations of the Company and its future performance prospects. Such information could include guidance and/or forecasts respecting volumes, expenses, capital expenditures, new projects, fiscal terms and market, commercial and technical considerations. Generally, such information and guidance will be consistent with and complementary to information that has been otherwise provided via timely disclosure documents such as Annual Reports, News Releases and Interim Reports. In no circumstance will any material forward-looking information be provided in advance of its general public disclosure.

Documents containing forward-looking information will be accompanied by a disclaimer cautioning the reader that there are risks and uncertainties that could cause actual results to differ materially from what is indicated in the document. When making oral forward-looking statements, reasonable care will be taken to also include appropriate reference to such risks and uncertainties in the discussion.

Corporate Website

Disclosure of information on the Company's corporate website does not in and of itself constitute adequate public disclosure of such information. Only Material Information that has already been disclosed to the public in accordance with this Policy will be posted on the Company's corporate website.

All publicly disclosed Material Information about the Company, and presentations to analysts and conferences, will be made available through the corporate website for a reasonable period of time. The Company's website will be kept up-to-date with the Company's latest disclosures.

Electronic Communications

E-mail and Internet Use

The Company views the Internet as a valuable tool and encourages Company Personnel to use it to learn, develop new skills and increase their knowledge and effectiveness. Company Personnel are responsible and accountable for any and all actions they take on the Internet.

Amongst other things, the Company's Code of Conduct specifically prohibits using Internet e-mail to transmit or exchange confidential or critical Company information, except where a secured method is employed. More generally, the Company considers Internet information and communication to be an extension of the corporate disclosure record. As such, the Company's use of the Internet and e-mail is subject to the same disclosure rules, guidelines and procedures outlined in this policy for other means of disseminating corporate information.

While Company Personnel are not generally restricted from participating in Internet chat rooms, they are discouraged from participating in chat room discussions about the Company's securities or its business plans and results. Such discussions would be inconsistent with this policy's intent to limit authorized spokespersons and could expose employees to risks and consequences of inadvertently communicating or contributing to rumours about confidential, material information.

Internet Website

The Company has an Internet website (www.azargametals.com) that contains information about the Company, its capital structure, business and other areas of interest to the public and other parties.

The Company web site also clearly distinguishes separate sections containing the following disclosure and other company information of interest to the investing public:

- The "Investors" section of the Company's web site will contain all timely disclosure and material information documents, including: annual and interim financial statements and related management discussion and analysis; link to SEDAR; and shareholder documents which include information circulars;
- The "News" section of the Company's web site will contain all News Releases.

All timely disclosure and material information documents will be posted on the Company's web site as soon as possible after release by the news wire service or filing with relevant securities regulators.

In addition, the "Investors" section will contain supplemental, non-material information, which will be posted on the web site as soon as practical after it is available, including: Stock Quotes; Share Structure; and Presentations.

The Company recognizes the need for due diligence in maintaining, updating and clearly identifying the "vintage" of information on its web site. All timely disclosure and material information documents will be clearly date identified and retained on the Company web site as part of the public disclosure record for a minimum period of two years. Under disclosure rules and guidelines, any changes or corrections to material Company information will be publicly released and added to this disclosure record.

Supplemental, non-material information such as Investor Presentations are generally materials designed to summarize and supplement public information about the Company for the benefit of investors. These materials are generally time-sensitive and any such material provided on the web site needs to be managed to ensure its currency and relevancy for investors. Supplemental, non-material information such as Investor Presentations will be clearly date "stamped" and will be maintained on the web site until such time as the information becomes outdated or is replaced. The Company will only post Investor Presentations on its web site when they include significant changes or differences versus other presentations already posted on the site.

The Corporate Secretary has ongoing responsibility for ensuring that information in the "Investors" section of the Company's web site is up-to-date. The Disclosure Committee has a broader, oversight responsibility for this section of the web site to ensure that appropriate standards of care are being applied for disclosures of information via this medium.

Special Relationship Parties – Securities Trading – Restrictions and Obligations

Insiders include:

- (a) directors or senior officers of the Company;
- (b) directors or senior officers of a company that is itself an insider;
- (c) directors or senior officers of a subsidiary of the Company;
- (d) a person that has direct or indirect beneficial ownership or control or direction over securities of

the Company carrying more than 10% of the Company's outstanding voting securities.

It is illegal for anyone to purchase or sell securities of any public company with knowledge of Material Information affecting that company that has not been publicly disclosed. Except in the necessary course of business, it is also illegal for anyone to inform any other person of confidential Material Information.

Insiders and Company Personnel with knowledge of confidential or Material Information about the Company or counter-parties in negotiations of potential material transactions have a special relationship with the Company and, are prohibited from trading securities in the Company or any counter-party company until the information has been fully disclosed and a reasonable period of time has passed for the information to be widely disseminated.

No Insider may disclose or "tip" undisclosed Material Information to any other person (including family members), and no Insider may make recommendations or express opinions to any other person on the basis of undisclosed Material Information with regard to trading in securities of the Company.

No Insider who receives or has access to the Company's undisclosed Material Information may comment on stock price movement or rumours of other corporate developments that are of possible significance to the investing public unless such person is authorized in writing by the Disclosure Committee.

Insiders are personally responsible for filing accurate and timely insider trading reports on a web-based on-line filing system for insider reports (www.sedi.ca). Failure of an insider to file an insider trading report on a timely basis may result in a fine, imprisonment, or both.

Exceptions

The prohibition on trading does not apply to the exercise of stock options granted under the stock option plan nor to the exercise of outstanding share purchase warrants, but does apply to the subsequent sale of any securities acquired thereunder.

Pre-Clearance of Trades

Occasionally, certain individuals may have access to undisclosed Material Information for a limited period of time. During such a period, such persons may be notified in writing or by electronic media (with acknowledgment of receipt) by the Disclosure Committee that they must obtain pre-clearance at any time prior to buying or selling securities of the Company. Examples of persons subject to pre-clearance by virtue of their jobs are members of the executive team and their administrative staff, investor relations, finance and business development departments.

Trading Blackout Periods

Trading blackout periods will apply to all Insiders with access to undisclosed Material Information during those periods that are prescribed from time to time by the Disclosure Committee. The Disclosure Committee will notify Insiders, to whom the blackout period applies, in writing or by electronic media, advising as to the commencement and termination of the trading blackout period. During the blackout period, no individuals may purchase or sell securities of the Company. All parties with knowledge of special circumstances will be covered by the blackout and may include external advisors such as legal counsel, investment bankers and counter-parties in negotiations of potential material transactions. Insiders may not commence trading until they have received electronic notification that a blackout has ended.

Questions

Questions concerning this Policy should be addressed to the Company's Corporate Secretary.

Annual Review

This Policy has been approved by the Company's Board of Directors. The Disclosure Committee will review this Policy at least annually and any changes proposed will be subject to the approval of the Board of Directors.

Distribution of Policy

This Policy will be circulated to all directors, officers, employees of the Company, management company employees, those who provide services to the Company, its wholly owned subsidiaries and those authorized to speak on the Company's behalf (referred to herein as "Company Personnel") upon approval by the Board of Directors and whenever changes are made. New Company Personnel will be provided with a copy of this Policy and will be advised of its importance. This Policy will be brought to the attention of all Insiders on an annual basis.

Potential Civil, Criminal and Disciplinary Action

Each person is individually responsible for complying with the securities laws and this Policy, regardless of whether the Company has prohibited trading by that person or any other Insiders. Assuming the absence of undisclosed Material Information, as a general rule, the safest period for Insider trading is

within the first ten trading days following the end of a blackout period. Company Insiders may commence trading after the end of the Blackout Period to begin trading Company securities.

An Insider who violates this Policy or Canadian insider trading or tipping laws may face disciplinary action up to and including termination of his or her employment with the Company without notice. The violation of this Policy may also violate certain securities laws. If the Company discovers that an Insider has violated any securities laws, it may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

Insiders may also be liable for improper transactions by any person (commonly referred to as a “*tipp*ee”) to whom they have disclosed previously undisclosed Material Information, or to whom they have made recommendations or expressed opinions on the basis of such Material Information about trading securities.

Adopted by the Board of Directors – July 5, 2016

APPENDIX A

MATERIAL INFORMATION

The Disclosure Committee will use the National Policy 51-201, Disclosure Standards, to determine Material Information as defined in the Company's Policy.

Examples of Potentially Material Information

The following are examples of the types of events or information which may be material. This list is not exhaustive and any questions regarding materiality should be referred to the Company's Disclosure Committee.

Changes in Corporate or Capital Structure

- changes in share ownership that may affect control of the company
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids
- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- substantial modifications to the rights of security holders

Changes in Financial Results

- a significant increase or decrease in earnings prospects;
- unexpected changes in the financial results for any periods;
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs;
- changes in the value or composition of the Company's assets;
- any substantial change in the company's accounting policy

Changes in Business and Operations

- a significant change in capital investment plans or corporate objectives;
- major labour disputes or disputes with major contractors or suppliers;
- significant new contracts or significant losses of contracts or business;
- significant discoveries;
- changes to the board of directors or executive management, including the departure of the Company's CEO, CFO, COO or president (or persons in equivalent positions);
- the commencement of, or developments in, material legal proceedings or regulatory matters;
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees;
- any notice that reliance on a prior audit is no longer permissible;
- de-listing of the Company's securities or their movement from one quotation system or exchange to another;

Acquisitions and Dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests;
- acquisitions of other companies, including a take-over bid for, or merger with, another company

Changes in Credit Arrangements

- the borrowing or lending of a significant amount of money;
- any mortgaging or encumbering of the Company's assets;
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors;
- significant new credit arrangements

External Political, Economic and Social Developments

Companies are not generally required to interpret the impact of external political, economic and social developments on their affairs. However, if an external development will have or has had a direct effect on the business and affairs of the Company but not on other companies engaged in the same business or industry, the Company will, if practical, explain the particular impact on its business. For example, a change in government policy in the country in which the Company is undertaking exploration that affects most companies in the mining industry does not require an announcement, but if it affects only the Company in a substantial way, the Company should make an announcement.

This Policy was last revised and approved by the Board on July 8, 2016.