



FOR IMMEDIATE RELEASE
12 August 2019

TSX-V: AZR

AZARGA METALS DRAWS FINAL TRANCHE OF BAKER STEEL INVESTMENT

AZARGA METALS CORP. ("Azarga Metals" or the "Company") (TSX-V:AZR) is pleased to announce that Baker Steel Resources Trust Ltd. ("BSRT") has funded the second and final tranche of US\$2 million pursuant to the Investment Transaction announced on 10 April 2019.

The funds from BSRT will be used to fund the ongoing exploration program on the Unkur Copper-Silver Project in Eastern Russia. Magnetic and induced polarization geophysical surveys are already underway and will continue through September. Following this work, an approximate 6,000-meter diamond drilling program will be initiated. The combined program represents the largest physical exploration program undertaken on Unkur since Azarga Metal's acquisition of the Unkur project in 2016. The goal of the program is to considerably expand the known mineralized envelope at Unkur.

As part of Investment Transaction, on August 22, 2019, the Company will issue 1,108,333 common shares to Alexey Mikhaylovskiy (the "Finder") as a finder's fee for his role in the Investment Transaction. The Finder is entitled to 5% of the value of each tranche as it is drawn by the Company by the issue of common shares of the Company at a fixed conversion rate of 1.33 and a share price of C\$0.12.

Prior to drawdown of the second tranche of US\$2 million, assuming BSRT had converted only the first tranche of US\$1 million and all related interest (at the conversion price of \$0.14 per common share) at maturity (December 31, 2022), had exercised all of the 13,490,414 warrants issued to it in connection with the first tranche (each warrant exercisable for 2 years, at an exercise price of C\$0.17 per common share), (iii) an exchange rate of US\$ = C\$1.3221; and (iv) using a conversion price for the interest of C\$0.07, which was the last closing price of the common shares of Company on August 9, 2019, BSRT would have beneficially owned and controlled an aggregate of 28,401,447 common shares of the Company, representing an aggregate beneficial ownership interest of approximately 23.8% of the issued and outstanding shares of the Company (post-issuance of the shares but excluding the shares issuable to the Finder).

Following drawdown of the second tranche and assuming BSRT converted all of the US\$3 million owing to it (together with the other assumptions referred to above), BSRT would beneficially own and control an aggregate of 58,540,152 common shares of the Company, representing an aggregate beneficial ownership interest of approximately 39.16% of the issued and outstanding shares of the Company (post-issuance of the shares but excluding the shares issuable to the Finder) and an increase of 15.36% from prior to drawdown of the second tranche.

About Azarga Metals Corp.

Azarga Metals is a mineral exploration and development company that owns 100% of the Unkur Copper-Silver Project in the Zabaikalsky administrative region in eastern Russia. Unkur is a copper-silver discovery of global significance. On completion of a first phase of exploration in 2016-2018, the Company reported an Inferred Resource of 62 million tonnes at 0.53% copper and 38.6g/t silver for the project (see news release 15 October 2018). The Resource remains open in both directions along strike and down-dip.

BSRT, Arnold House, St Julians Avenue, Guernsey, GY1 1WA, provided the second advance under the Investment Transaction for investment purposes. Depending on market conditions and other factors, BSRT may from time to time acquire and/or dispose of securities of the Company or continue to hold its current position. A copy of the early warning report required to be filed with the applicable securities commissions in connection with the drawdown of the second advance will be available on SEDAR at www.sedar.com and can be obtained by contacting Tina Isnardi at +44 (0) 20 7389 0009.

AZARGA METALS CORP.

"Michael Hopley"

Michael Hopley,
President and Chief Executive Officer

For further information please contact: Doris Meyer, at +1 604 536-2711 ext. 6, visit www.azargametals.com, or follow us on Twitter @AzargaMetals. The address of the head office of Azarga Metals is Unit 1 - 15782 Marine Drive, White Rock, BC V4B 1E6, British Columbia, Canada.

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This news release contains forward-looking statements that are based on the Corporation's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current planned exploration activities; conclusions of economic evaluations; changes in project parameters as plans to continue to be refined; possible variations in ore grade or recovery rates; accidents, labor disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Corporation disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information,

future events or results or otherwise. Forward-looking statements are not a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.