

\$AZR.V

#highgrade

#silver

#copper

@AzargaMetals

\$AZR

#Russia

#firstmover

#districtpotential



COPPER-SILVER DISCOVERY OF GLOBAL SIGNIFICANCE

Investor Presentation – February 2019

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Certain statements in this presentation are forward-looking statements. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative and grammatical variations) of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved. Forward-looking statements may include, but are not limited to, statements with respect to the future financial or operating performance of the Company and its mineral projects, the estimation of mineral resources, the timing and amount of estimated future production and capital, operating and exploration expenditures. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause Azarga Metals Corp. (“**Azarga Metals**” or the “**Company**”) actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. Forward-looking statements reflect management’s current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect.

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Certain technical data in this presentation was taken from the technical report entitled “Technical Report and Preliminary Economic Assessment for the Unkur Copper-Silver Project, Kodar-Udokan, Russian Federation” dated effective 30 August 2018 (“**Technical Report**”) for its Unkur Copper-Silver Project in Russia to support the Preliminary Economic Assessment announced on 30 and 31 August, 2018, and is subject to the assumptions, qualifications and procedures described therein. Additional technical data was derived from the Azarga Metals news release “Azarga Metals Increases Inferred Resource for Unkur with Updated Mineral Resource Estimate” dated 27 April 2018.

The qualified person for any technical information in this presentation is Dorian (Dusty) Nicol, President and CEO and a qualified person under NI 43-101.

This presentation shall not constitute an offer to sell or the solicitation of an offer to buy securities.

Key themes

A copper-silver discovery of global significance

- Azarga Metals (TSX-V: AZR) owns 100% of the Unkur Copper-Silver Project in the Chara-Aldan prospect area in Russia's far east
- Unkur is a discovery of global significance – current Inferred Resource:
 - 62 million tonnes at 0.53% copper and 38.6g/t silver (ie, 0.90% copper equivalent or 91g/t silver equivalent)
 - 558,000 tonnes (ie, 1.2 billion pounds) of copper equivalent metal or approximately 182 million ounces of silver equivalent
- 2018 Unkur PEA envisages a 2.0Mtpa open-pit mining operation producing a high-grade bulk copper-silver concentrate containing 13.2kt of copper and 3.7M oz of silver per year over an 8-year life of mine
- PEA resulted in a pre-tax NPV₈ of US\$203.6M (post-tax US\$147.5M) and an IRR of 28.9%
- Resource remains open in both directions along strike and down-dip and Azarga expects a transformational increase it with the next phase of physical exploration

Overview: Capitalization and history

Fast-track advancement in two years including large maiden Resource and PEA initiation

Capitalization

Shares outstanding ¹	90.4m
Share price (TSX-V: AZR) ¹	C\$0.11/share
Market cap (CAD)	~C\$11m
Director & officer ownership	~37%

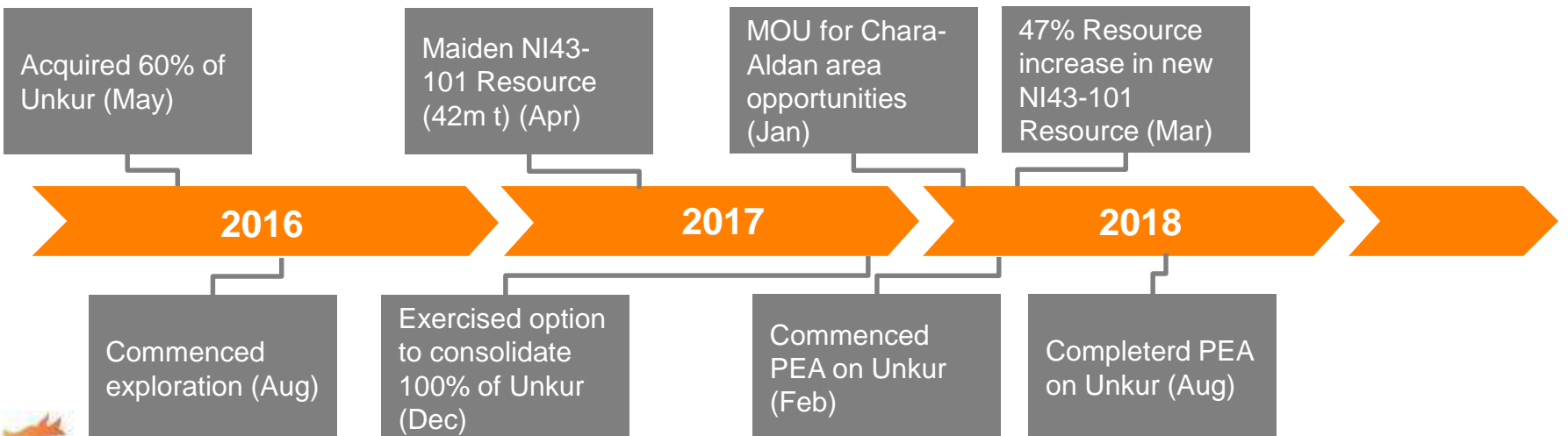
Note: 1. As at 5 February 2019 (excludes 4.82m options at an average strike of C\$0.19 and 1.7m warrants at an average strike of C\$0.40).

Share price (C\$/share – last 12-months)



Source: Quotemedia

History



Overview: Leadership

Genuine sector-leading exploration and development experience plus Russia experts

Dorian (Dusty) Nicol
(CEO and Director)

- 40-years international experience in exploration and mining
- Member of American Institute of Professional Geologists, Fellow of Society of Economic Geologists, Fellow of Australasian Institute of Mining and Metallurgy (AusIMM) and Registered Member of Society of Mining Engineers
- B.Sc. in geology from M.I.T. and a Master's Degree in geology from Indiana University and is fluent in five languages. Adviser to Chaarat Gold (AIM:CGH) (2017 –)

Alexander Molyneux
(Non-Executive Chairman)

- Experienced large mining company CEO and financier
- CEO Galena Mining (ASX:G1A) (2018 –), CEO Paladin Energy (ASX:PDN) (2015 – 2018), Non-Exec Chairman of Argosy Minerals (ASX:AGY) (2016 –), and Non-Exec Director of Metalla Royalty & Streaming (TSXV:MTA) (2018 –)

Michael Hopley
(Non-Executive Director)

- CEO of Sunridge Gold (TSXV:SGC) (2003 – 2018)
- Exploration geologist with over 30-years experience
- Previous senior management experience with GoldFields and Bema Gold

Vladimir Pakhomov
(Non-Executive Director)

- Managing Partner of Olympia Capital, a Russia-focused investment firm (2011 –)
- Investment Director with Onexim Group (2007 – 2010)
- Graduated Moscow Institute of International Relations and is CFA Charterholder

Blake Steele
(Non-Executive Director)

- President and CEO of Azarga Uranium (TSX:AZZ) (2015 –)
- Formerly Director of Finance SouthGobi Resources (Ivanhoe Mines)
- Bachelor of Commerce from University of British Columbia, CPA and CBV

Unkur Copper-Silver Project

Location

Regional location of Zabaikalye



Unkur, local geography and infrastructure



Commentary

- Zabaikalye has a direct land border with China
- It includes the world's third and 14th largest undeveloped copper deposits, both, which have been moved forward to construction

Unkur Copper-Silver Project

Terrain and infrastructure



Terrain

- 400 – 500m above sea level
- Relatively flat



Transport

- 7km from BAM Railway
- 2,800km to Vladivostok (Pacific port)



Power

- High voltage substation at Novaya Chara (within 10km) with capacity of 200Mw and power line on the license area



Water

- Plentiful groundwater nearby
- Chara, Kalar and Lower Ingamakit rivers

Unkur area terrain



BAM Railway near Chara

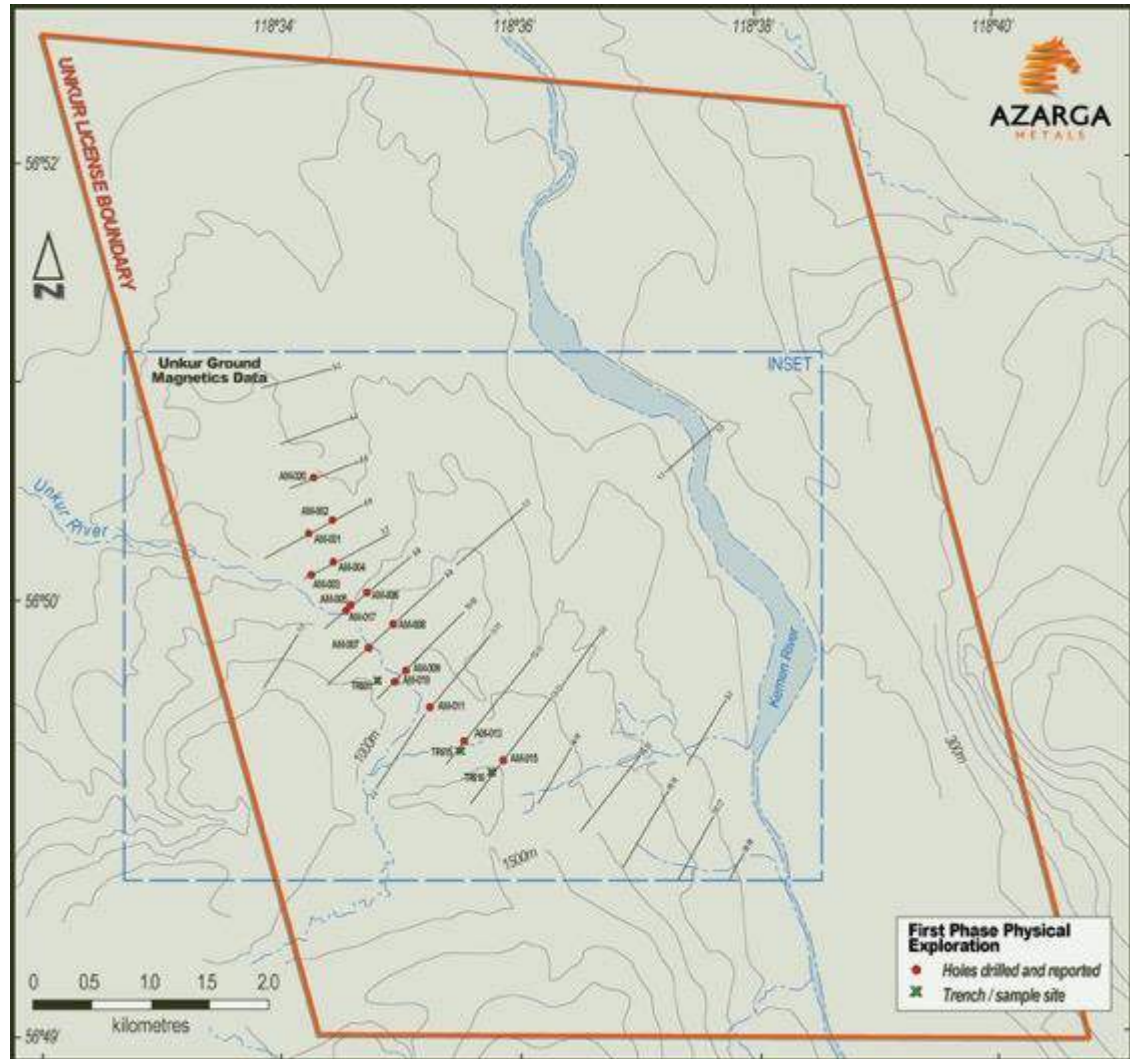


Source: Azarga Metals

Unkur Copper-Silver Project

The license and completed first phase exploration

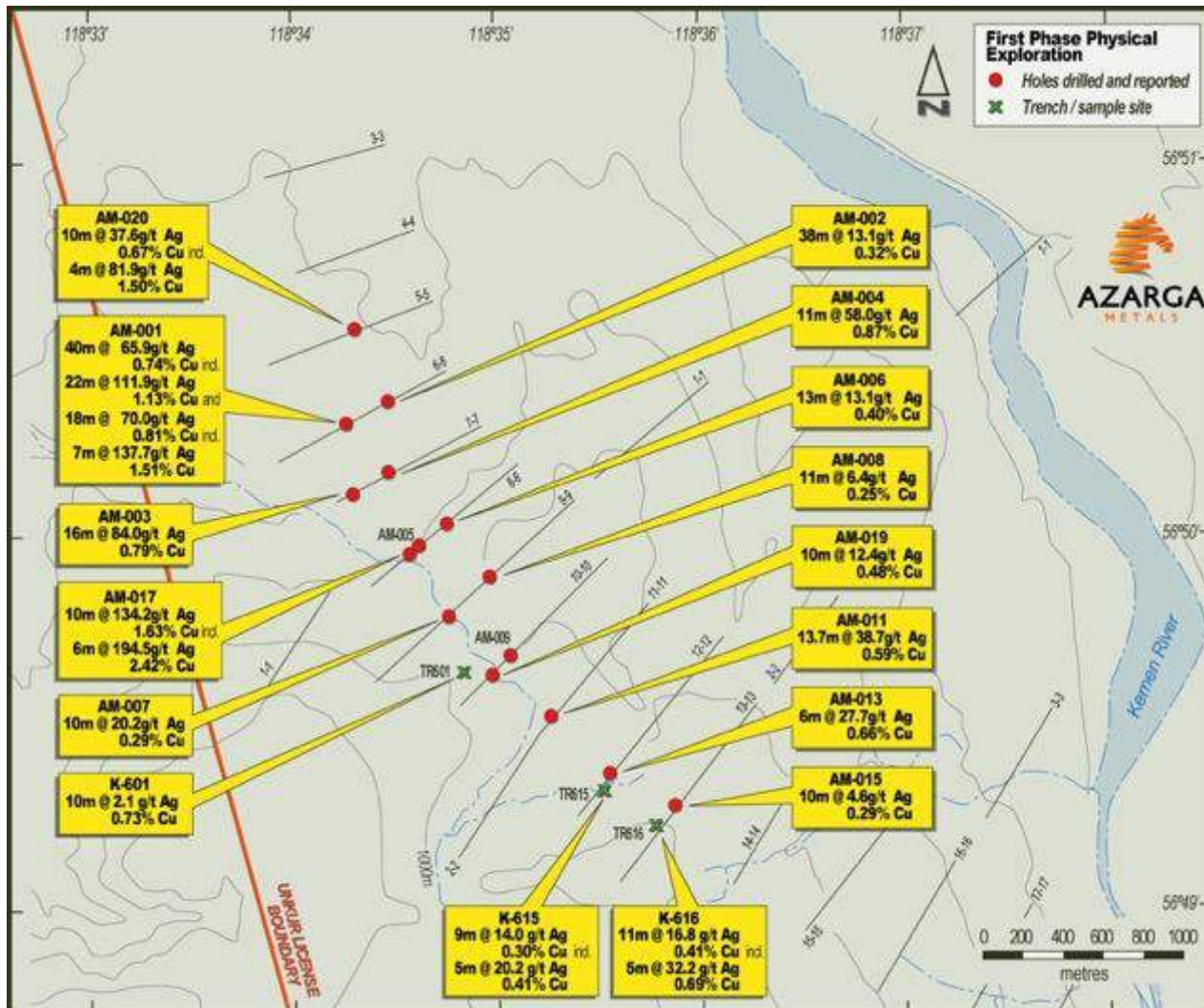
- 25-year, 5,390ha mineral exploitation license granted by Russian Federation in 2014
- Some historical exploration (1960s and 1970s) and various resource estimates indicating copper-silver deposit of global significance
- First modern exploration program completed 2016 – 2017
 - 16 completed diamond core drill-holes (4,580m)
 - Four trenches and sampling of various outcrops
 - Strike area of 3,400m tested



Source: Azarga Metals

Unkur Copper-Silver Project

Results from first phase exploration



Source: Azarga Metals

Unkur Copper-Silver Project

Inferred Mineral Resource

Category / zone	Tonnage (million tonnes)	Copper grade (%)	Silver grade (g/t)	Copper equivalent grade (%)	Copper metal (tonnes) ^{*1}	Silver metal (troy ounces)
Inferred	62,000,000	0.53%	38.60	0.90	328,600	76,881,000

Notes: The effective date of the Resources is March 16 2018. Mineral Resources that are not mineral Reserves do not have demonstrated economic viability. The estimate of mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. Numbers may not sum due to rounding.

*1 328,600t Cu = 724,234,400lbs

- Current Resource represents a 47% increase in tonnage vs. the maiden Inferred Resource of 2017
- Equates to approximately 558,000 tonnes (ie, 1.2 billion pounds) of copper equivalent metal or approximately 182 million ounces of silver equivalent
- Open in both directions along strike and also open down dip

Unkur Copper-Silver Project

Summary of PEA

PFS RESULTS	NPV₈ US\$204M (pre-tax)	IRR 29%	Capex US\$187M
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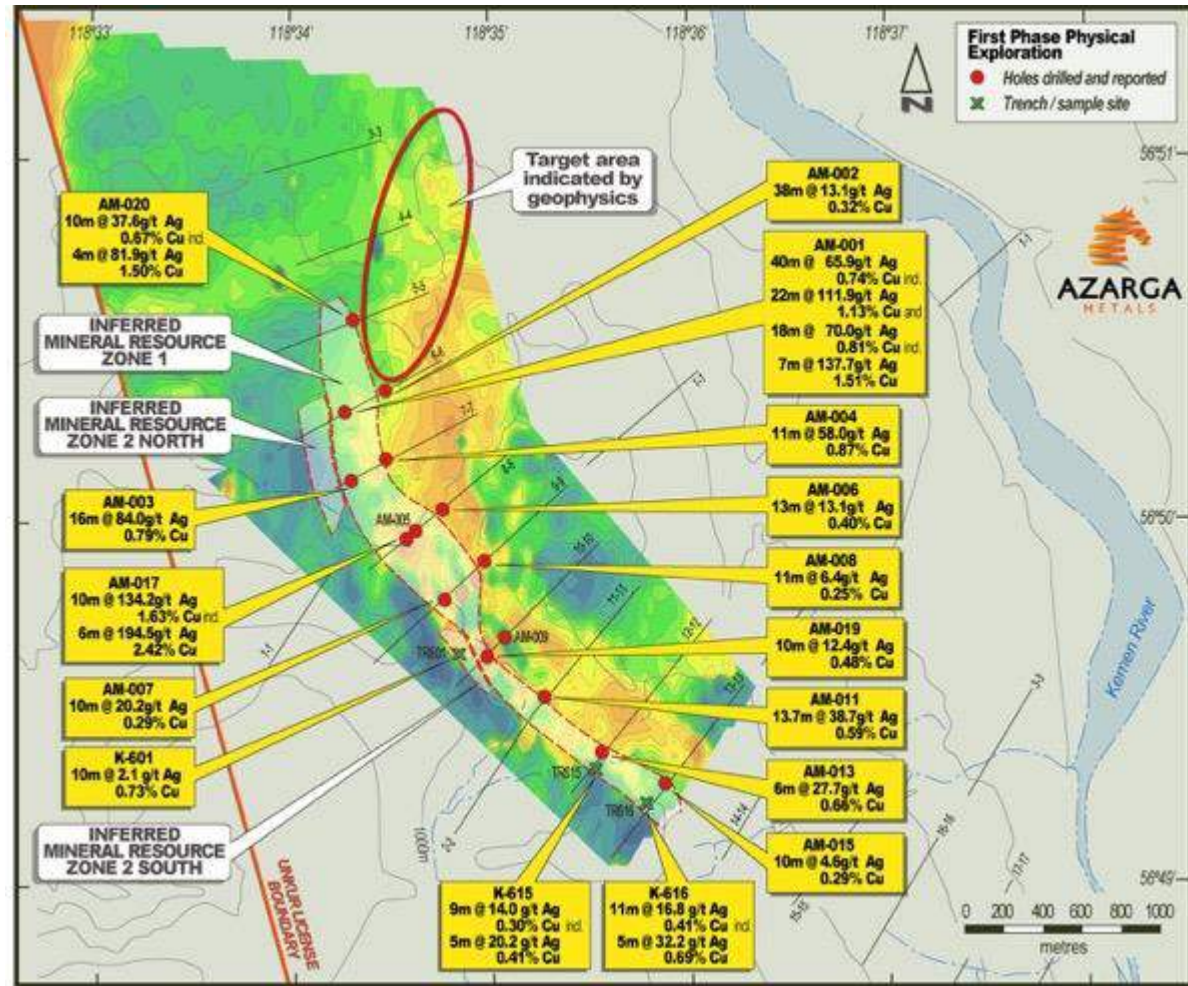
PFS outcomes – Production metrics		PFS outcomes – Capital investment and project economics	
Mill throughput	2.0Mtpa	Pre-production capital (incl. US\$37M contingency)	US\$187M
Initial mine life	0-years	Steady-state average cash flows (yrs 2-7)	US\$76m
Average LOM copper metal production	13.2ktpa	Project payback from commercial production	3-years
Average LOM silver metal production	3.7Mozpa	Pre-tax / post-tax NPV (8% discount rate)	US\$204M / US\$148M
Lead C1 copper direct cash cost	US\$0.38/lb	Pre-tax / post-tax IRR	29% / 24%

- PEA assumptions include: copper price of US\$3.25/lb, silver price of US\$20.0/oz and US\$1 = 62.5 Russian Ruble
- Mining is open-pit conventional truck / excavator operation and processing route is sulfidization, acidification, recycle and thickening (SART)
- Outbound logistics by truck via 12-km road to existing highway / BAM railway

Unkur Copper-Silver Project

Potential for Resource growth

- Mineralization is open in both directions along strike
- Historical exploration (1960s and 1970s) showed copper and silver over a strike of approximately five kilometers
- Key interest in zone of thicker and higher grade mineralization in the northern part Resource area
- A ground magnetics survey further confirmed interest in expanding drilling in the north
- Mineralization also continues to be open down dip



Source: Azarga Metals

Chara-Aldan regional exploration

Unique first mover access to a region akin to the Katanga Basin

- The Chara-Aldan area of approximately 320,000 square kilometers, is home to the Kodar-Udokan Basin – one of the world’s great sedimentary basins known to host major copper deposits
- An example peer is be the Katanga Basin in Africa – home to the well known Copperbelt deposits including Konkola, Tenke-Fungurume and Kamao-Kakula
- Chara-Aldan has already revealed one mega project – Udokan, currently in development, is the world’s third largest unmined copper deposit, containing approximately 27 million tonnes of copper metal
- Some of the world’s oldest sedimentary rocks exist in Chara-Aldan preserving the remnants of a large hydrothermal system – close to 100 sediment-hosted copper occurrences are estimated together with several significant prospects
- The USGS estimates the Kodar-Udokan Basin to contain approximately 20 million tonnes of as yet undiscovered copper metal
- In early 2018 Azarga Metals signed an MOU for exclusive cooperation with a group that has spent more than seven years of prospecting and data collection in the region
- The aim of the MOU is to enhance Azarga’s first mover advantage to rapidly expand in the Chara-Aldan with Unkur-like and complimentary prospect acquisitions
- Data sharing has commenced and Azarga is undertaking a systematic review of it

Russia's far east as mining jurisdiction

Despite western 'rhetoric', Russia remains a safe, advancing jurisdiction for miners

Russia, a mining powerhouse

- Commodities account for 80% of exports
- Foreign investors include BHP Billiton, Rio Tinto, Kinross, the highly successful Hambro family related companies (Petropavolvsk and IRC) and Owen Heggarty related Tigers Realm

Favorable fiscal regime

- Mineral Resources Extraction Tax*:
 - Copper: 8%
 - Silver: 6.5%
- Tax breaks for far east projects – Corporate tax 0% for first five years, then 10% for five years, then 20%
- Funding available from funds designed to aid the development of the far east

* Combines royalties, excise taxes and restoration payments.

A wide open door to China

- US\$400 billion contract signed to supply gas to China for 30 years from 2018 – one of the world's largest international trade contracts
- ICBC and China Exim Bank participating in major mine project financing deals (Elga Coal and IRC)





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