



COPPER-SILVER DISCOVERY OF GLOBAL SIGNIFICANCE

December 2021

TSX-V: AZR

Disclaimer

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.

A number of risks and uncertainties could cause actual results to differ materially from those expressed or implied by forward-looking statements, including, but not limited to: global economic conditions; mineral price fluctuations; the Company will require significant amounts of additional capital in the future; competition for properties and experienced employees; minerals industry competition and international trade restrictions; possible loss of interests in exploration and development properties; mining and mineral exploration is inherently dangerous and subject to factors beyond the Company's control; the Company's mineral resources are estimates; the nature of exploration and development projects; environmental regulatory requirements and risks; currency fluctuations; government regulation and policy risks; the Company has no history of mining operations; property title rights; dependence on key personnel and qualified and experienced employees; delineation of mineral reserves and additional mineral resources; insurance coverage; dilution from further equity financing and outstanding stock options and warrants; the market price of the Company's shares; the Company has never paid dividends and may not do so in the foreseeable future; litigation and other legal proceedings; technical innovation and obsolescence; disclosure and internal controls; and conflicts of interest.

Forward-looking statements are made as of the date of this presentation and, except as required by applicable securities laws, the Company assumes no obligation to update these forward-looking statements, or to update the reasons why actual results differed from those projected in the forward-looking statements. Additional information about these and other assumptions, risks and uncertainties are set out in the “Risks and Uncertainties” section in the Company's MD&A filed with Canadian security regulators.

Certain technical data in this presentation was taken from the news release dated August 16, 2021 summarizing a technical report entitled “NI 43-101 Technical Report Preliminary Economic Assessment of the Unkur Copper Deposit, Zabaikalsky Krai, Russian Federation” dated effective July 31, 2021 (“**Technical Report**”).

The qualified person for any technical information in this presentation is Alexander Yakubchuk, Vice-President, Exploration 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

- 100% in Unkur Copper-Silver Project in the world-class Kodar-Udokan copper district, Russian Far East
- Updated 2021 Inferred Resource:
 - 51 Mt @ 0.59% Cu and 40g/t Ag (i.e., 0.96% Cu eq or 91 g/t Ag eq) *
 - 494,800 t (1,090 Mlb) Cu eq * or ~135 Moz Ag eq
- Updated 2021 Unkur PEA envisages 14-year LOM (**Base Case Scenario**):
 - a 2.75 Mtpa open-pit mining operation for oxide only, producing high-grade SART concentrate over 4-year LOM
 - a 2 Mtpa underground mining operation producing oxide (SART) and sulfide concentrates over additional 10-year LOM
- At May 2021 Spot prices (US\$4.54/lb Cu and US\$28/oz Ag):
 - **OP Oxide Only** (post-tax) - NPV₈ US\$162M, IRR 70.1%
 - **OP+UG Base Case Scenario** (post-tax) - NPV₈ US\$380.4M, IRR 44.4%
- 2019-2020 exploration works extended the Cu-Ag mineralized envelope from 3.4 km to 6.5 km, with mineralization remaining open in all directions
- In 2020, new Cu-Ag geochemical anomalies (up to 2-3 km long) were discovered on the eastern and southwestern limbs of the Unkur Syncline to be drill tested

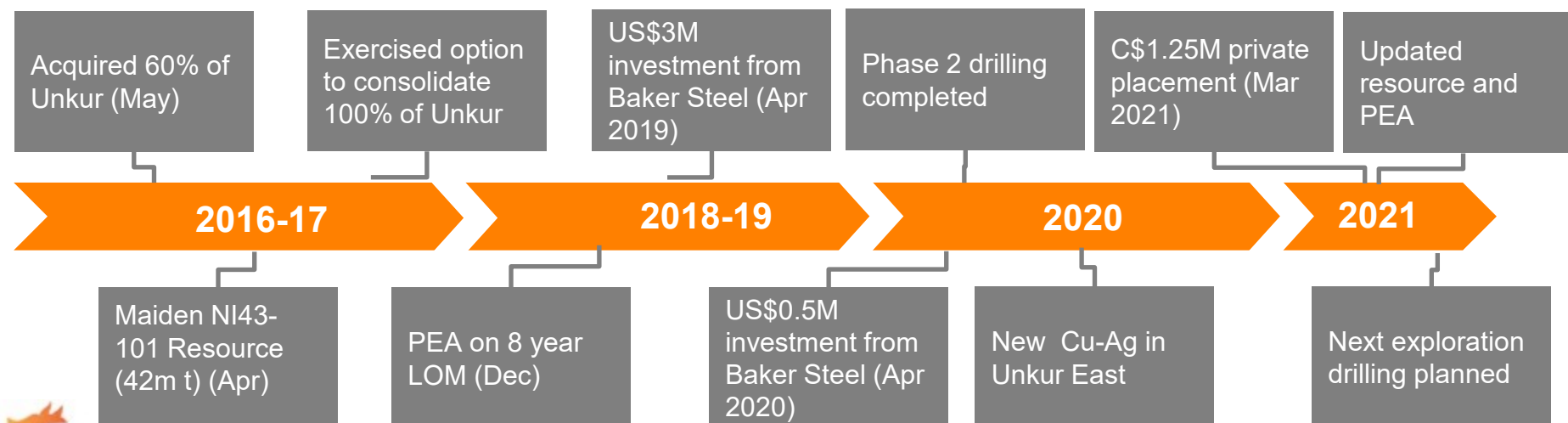
Overview: Capitalization and history

Capitalization

Shares outstanding ¹	124.84 m
Share price (TSX-V: AZR) ¹	C\$0.06/share
Market cap (CAD)	~C\$7.2m
Director & officer ownership	~26%

Note: 1. As Oct 2021 (excludes options and warrants).

History



Overview: Leadership

Genuine sector-leading exploration and development experience plus Russia experts

Gordon Tainton (President, CEO & Director)	<ul style="list-style-type: none">■ Director on the board of Northern Lights Resources Corp. (CSE: NLR) and Metallum Resources Inc. (TSX-V: MZN)■ Senior management and board positions in public and private mining companies
Vladimir Pakhomov (Non-Executive Director)	<ul style="list-style-type: none">■ 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)	<ul style="list-style-type: none">■ 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
Trevor Steel (Non-Executive Director)	<ul style="list-style-type: none">■ Managing Partner, Chief Investment Officer and Co-Founder of Baker Steel Capital Managers LLP■ Past Senior Portfolio Manager at Merrill Lynch Investment Managers specialising in the natural resources sector
Dr Alexander Yakubchuk (VP, Exploration)	<ul style="list-style-type: none">■ 30+ years exploration experience in Russia, FSU and internationally■ Also Director of Exploration, Orsu Metals Corp (2008-)■ Previous work and consulting experience with Gold Fields, BHP, Norilsk Nickel, Goldcorp and Rio Tinto

Unkur Copper-Silver Project

Location

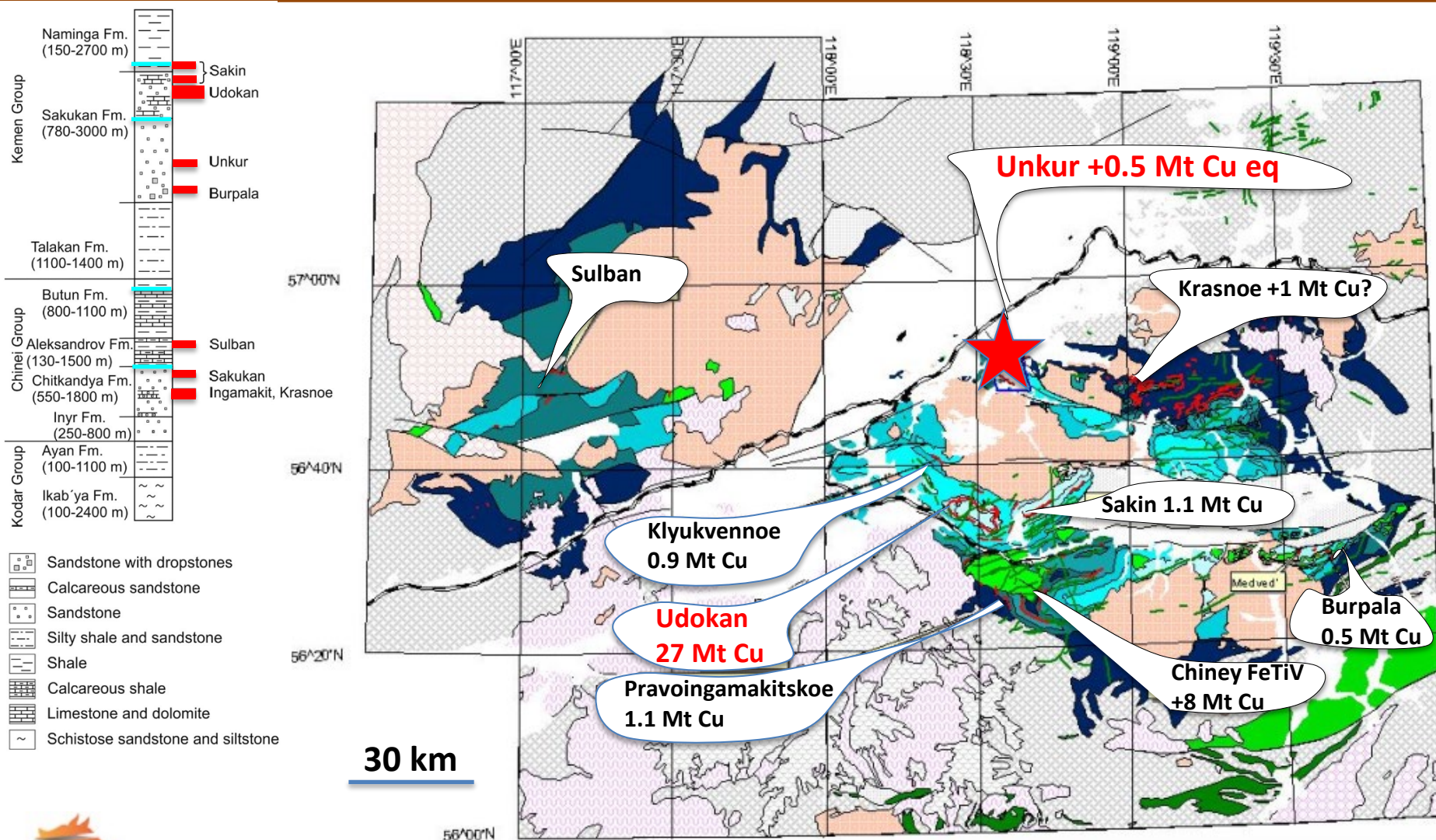
- Includes world's third and 14th largest copper deposits, with:
 - **Udokan** in \$2.8 bln construction (120 ktpa Cu at Phase 1)
 - **Bystra** in production (65-70 kt Cu, 230-240 koz Au in sulf con and 1.8-2.0 Mt Fe in separate con)
- Baikal-Amur and Trans-Siberian railways with links to China
- Russian Zabaikalye has a direct land border with China



Source: Azarga Metals

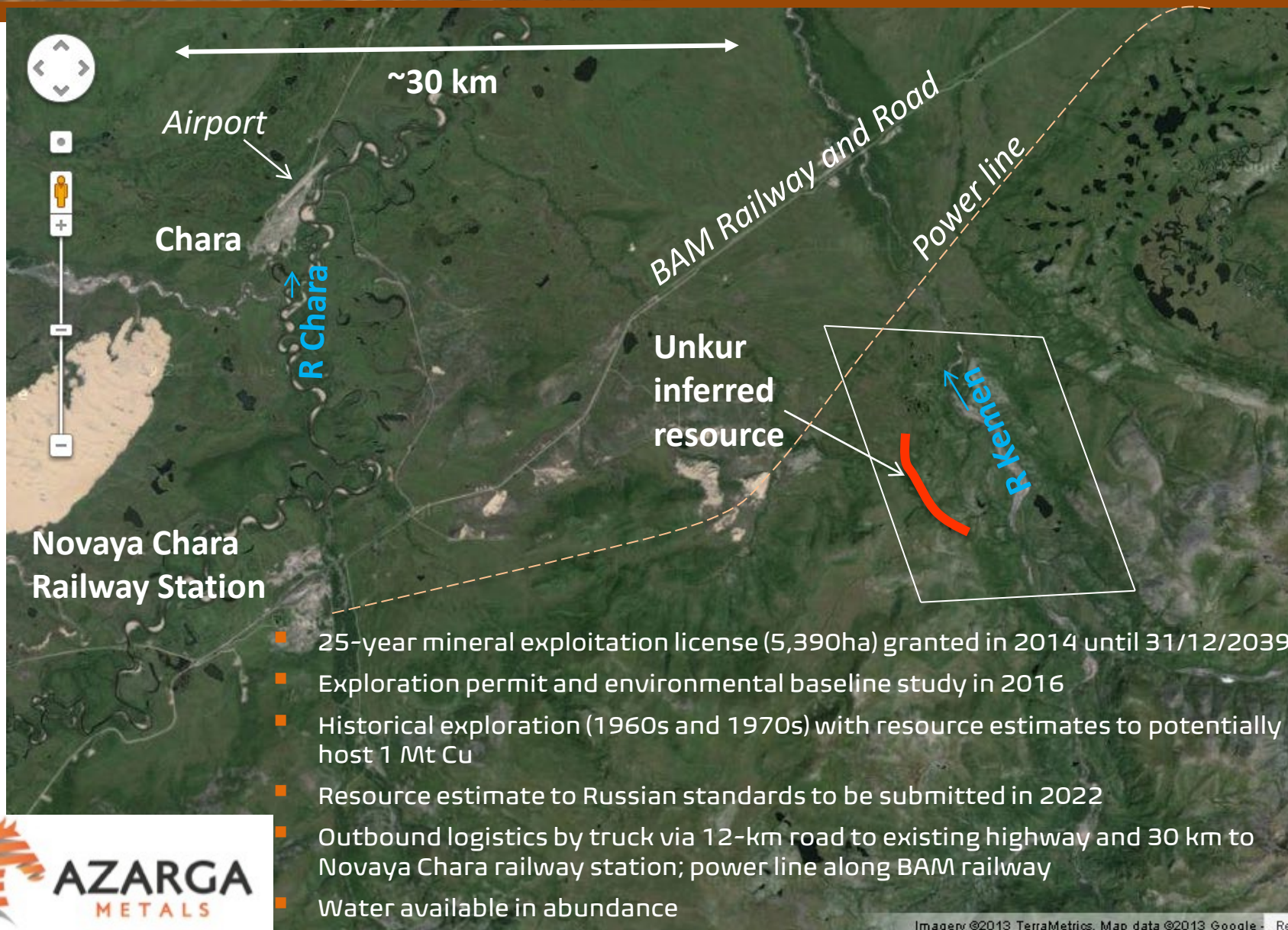
Unkur Copper-Silver Project

Location – just 25 km from world-class Udokan Cu deposit



Unkur Copper-Silver Project

Licence terms and Infrastructure



Unkur Copper-Silver Project

Terrain and infrastructure



Terrain

- 900 – 1,000m above sea level
- Relatively flat



Transport

- 7km direct from BAM Railway, second railroad track under construction
- 2,800km to Vladivostok (Pacific port)



Power

- High voltage substation at Novaya Chara (within 30km) with capacity of 200Mw and power line on the license



Water

- Plentiful groundwater and surface nearby
- Kemen, Chara, and Kalar rivers



Unkur area terrain



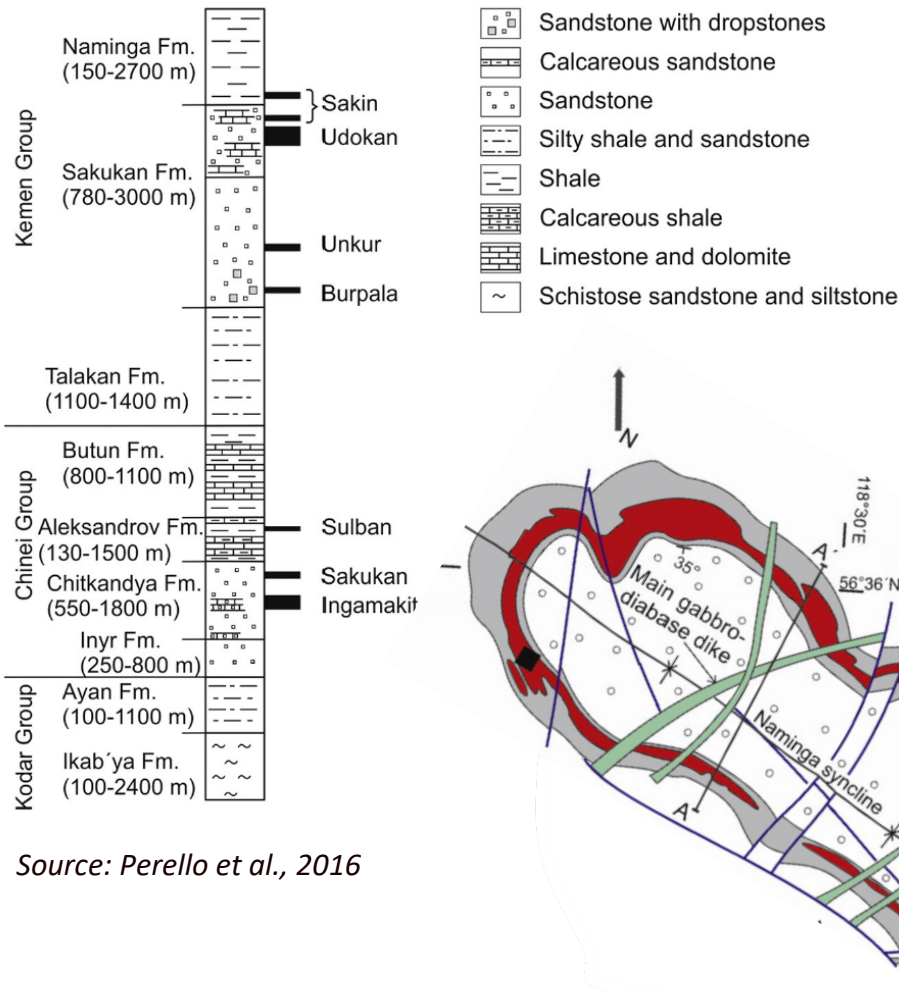
BAM Railway near Chara



Source: Azarga Metals

Unkur Copper-Silver Project

Unkur vs Udokan – just 25 km away

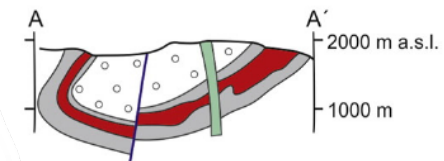


Source: Perello et al., 2016

UNKUR



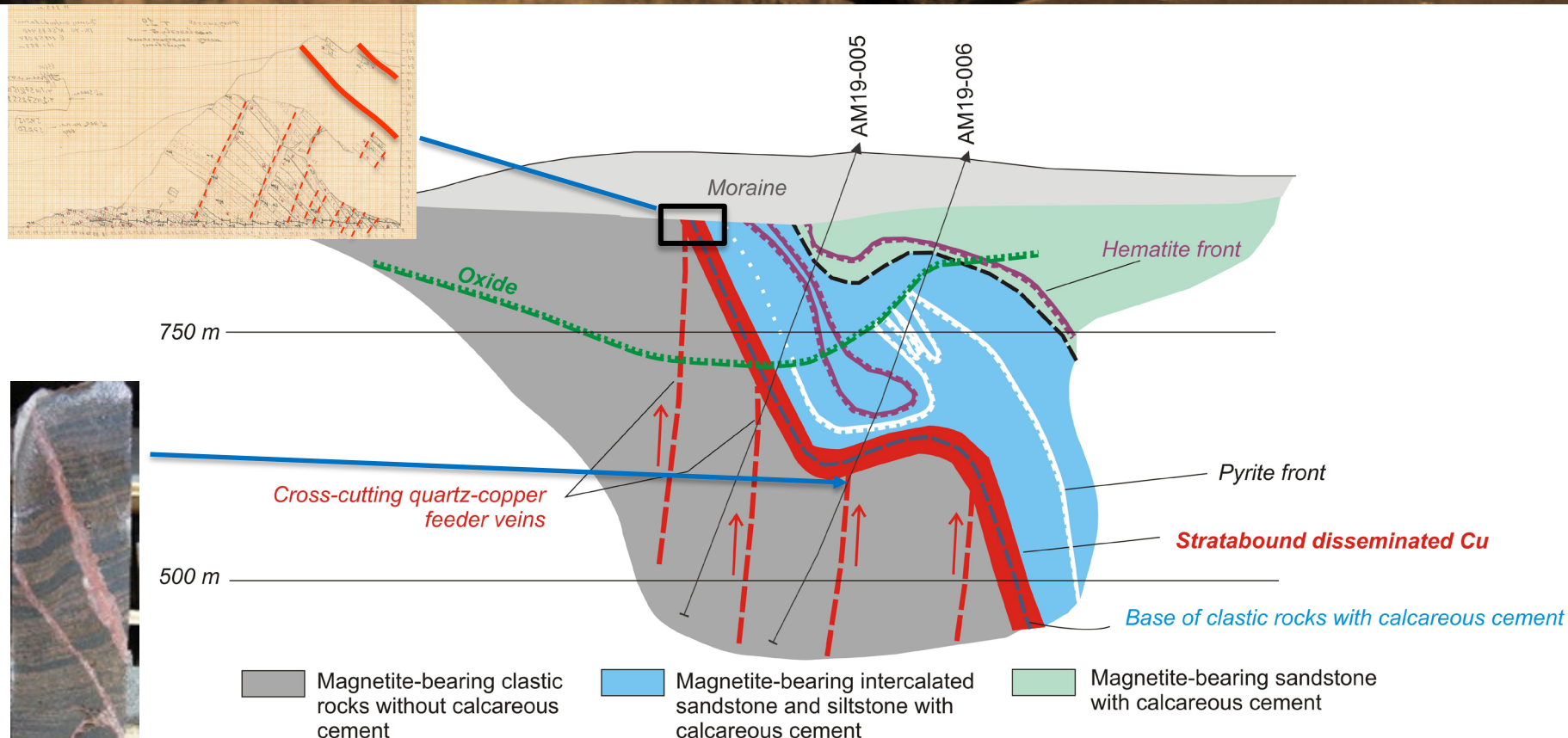
UDOKAN



- Same size synclines at Udokan and Unkur
- Thinner mineralized package at Unkur
- Mineralization on two limbs recognized at Unkur, but eastern limb not drill-tested

Unkur Copper-Silver Project

Azarga Metals 2020 geological model for drilled part of Unkur

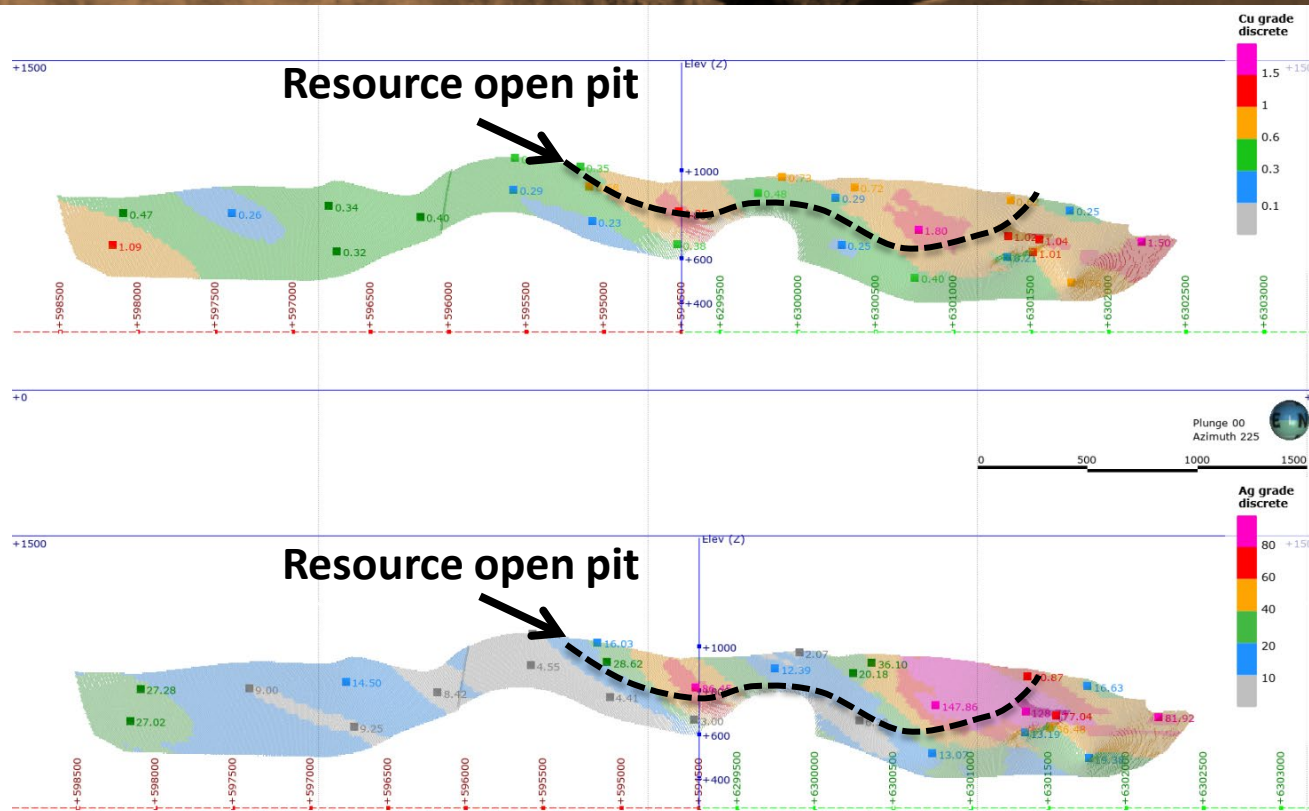


Source: Azarga Metals

- Stratabound Cu-Ag mineralization at the base of clastic sequence with calcareous cement
- Cross-cutting Cu-quartz feeder veins
- Wider pyrite and more advanced hematite envelopes
- Oxide down to 200 m depth
- Outcropping mineralization over 3 km strike length
- Moraine cover from 0 to 265 m

Unkur Copper-Silver Project

Block model grade estimates for Cu (top) and Ag (bottom)



- Cu and Ag form 0.5-1.5 km long higher-grade shoots within a 6.5 km long mineralized envelope
- Open in all directions, infill drilling needed
- 2021 updated NI43-101 Inferred resource (33 drill-holes (10,388 m), 4 trenches and 2 outcrops):
 - 51.1 Mt @ 0.59%Cu and 40 g/t Ag (US\$8500/t Cu, US\$25/oz Ag):
 - 32.8 Mt in open-pit (@0.18%Cu eq COG)
 - 18.3 Mt in underground (@0.56%Cu eq COG)

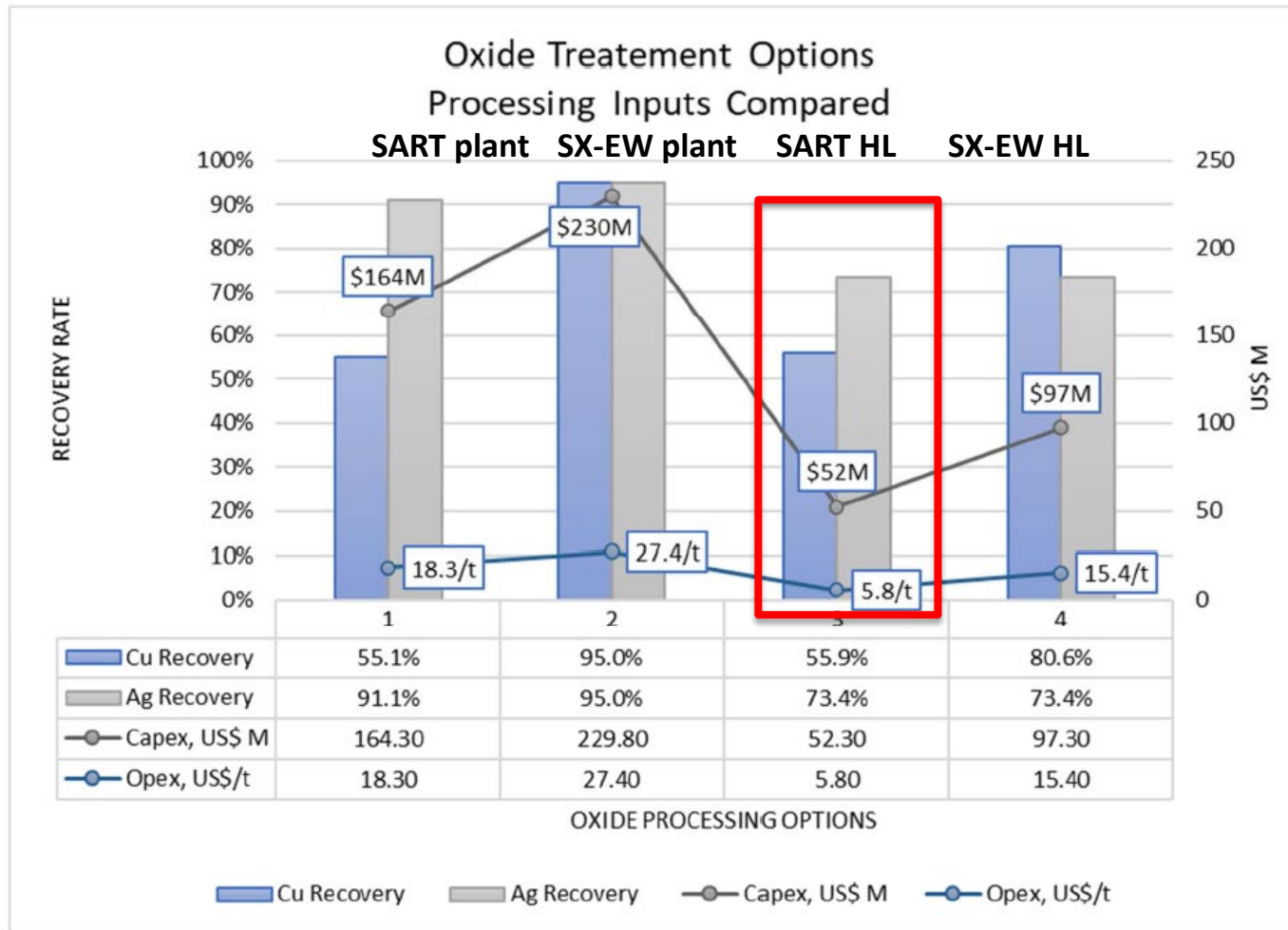
Unkur Copper-Silver Project

2021 PEA - assumptions

- *Consensus case* prices: US\$3.86/lb (US\$8,500/t) Cu, US\$25/oz Ag
- *Spot case (May 2021)* prices: US\$4.54/lb (US\$10,000/t) Cu, US\$28/oz Ag
- Tax holidays included
- Preferred oxide processing route is sulfidization, acidification, recycle and thickening (SART) (68% Cu and 6,642 g/t (213.6 oz/t) Ag in concentrate) , but sequential SX-EW leaching also considered
- Conventional gravity-flotation concentrate processing for sulfide (26% Cu and 1672 g/t Ag)
- Mining is conventional open-pit (OP) and underground (UG) operation
- Oxide + sulfide scenarios:
 - Scenario 1 (**Base Case**): OP oxide followed by UG oxide and sulfide (SART (ox) and sulf con)
 - Scenario 2: OP oxide+sulfide followed by UG oxide+sulfide (SART (ox) and sulf con)
 - Scenario 3: OP oxide+sulfide followed by UG oxide+sulfide (Seq leaching/SX-EW (ox) and sulf con)
 - **OP Oxide Only sub-scenario**: OP and Heap Leach (SART or SX-EW)

Unkur Copper-Silver Project

2021 PEA – oxide treatment options



- Processing of oxide via SART heap leach (HL) is the most economic option

Unkur Copper-Silver Project

2018 vs 2021 PEA

	2018 PEA	2021 PEA Base Case	2021 PEA Open Pit Only Oxide
Mill throughput, Mtpa	2.0	2.75 / 1.7*	2.75
LOM, years	8	14	4
LOM copper metal production / Average ktpa	105.6 / 13.2	163.3 / 11.7	35.5 / 8.9
LOM silver metal production / Average Mozpa	29.6 / 3.7	38.9 / 2.8	12.1 / 3
Pre-production capital, US\$ M	187	152 / 249*	152
Project payback, years	3	2+2*	2
Post-tax/tax relief 8%NPV, US\$ M	148***	<u>205.5</u> 380.4****	<u>95.1</u> 162.2****
Post-tax/tax relief IRR, %	24***	<u>26.7</u> 44.4****	<u>46.3</u> 70.1****

* OP/UG

**100% equity assumed for initial CAPEX for oxide, with self financing for sulphide plant from oxide cashflow

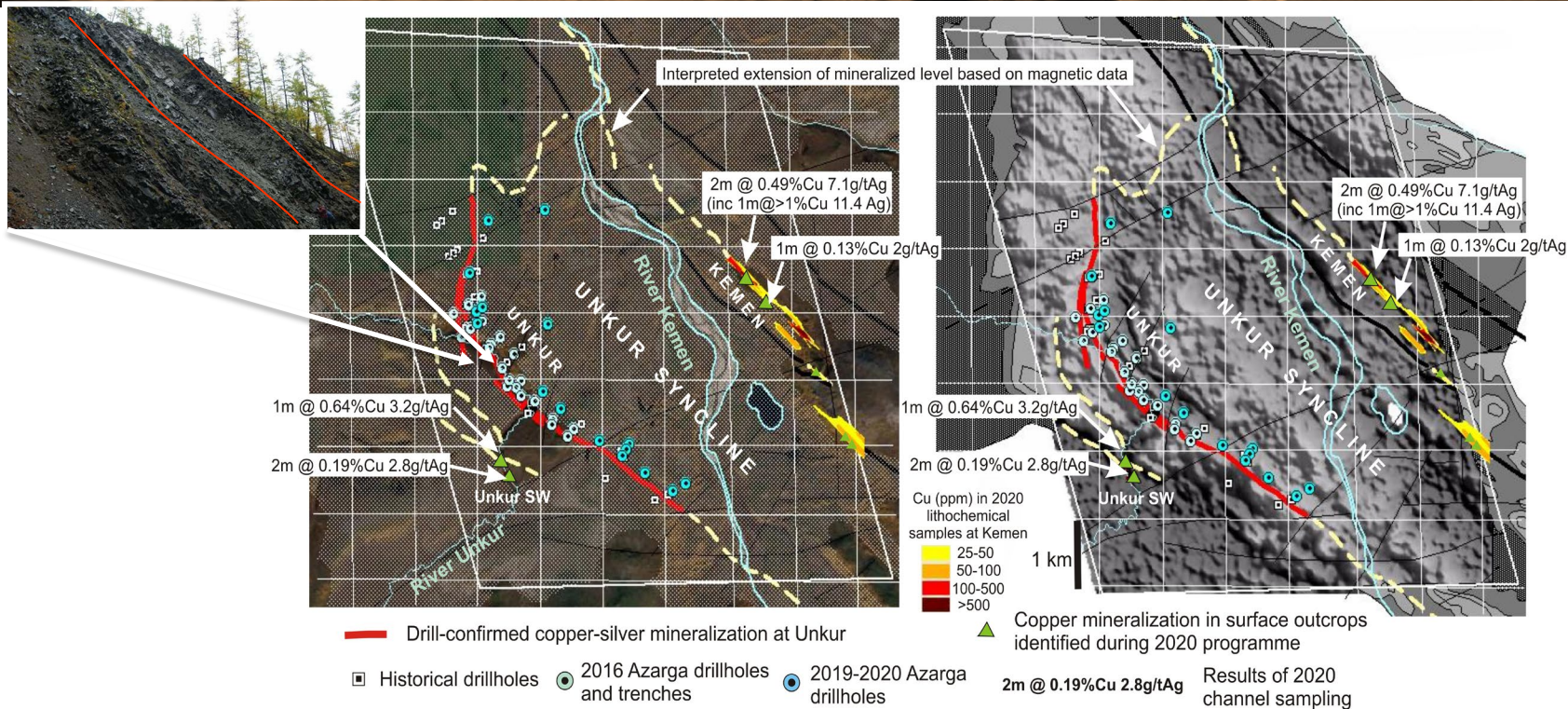
*** US\$3.25/lb (US\$7,163/t) Cu, US\$20/oz Ag

**** Consensus prices
Spot prices (May 2021)



Unkur Copper-Silver Project

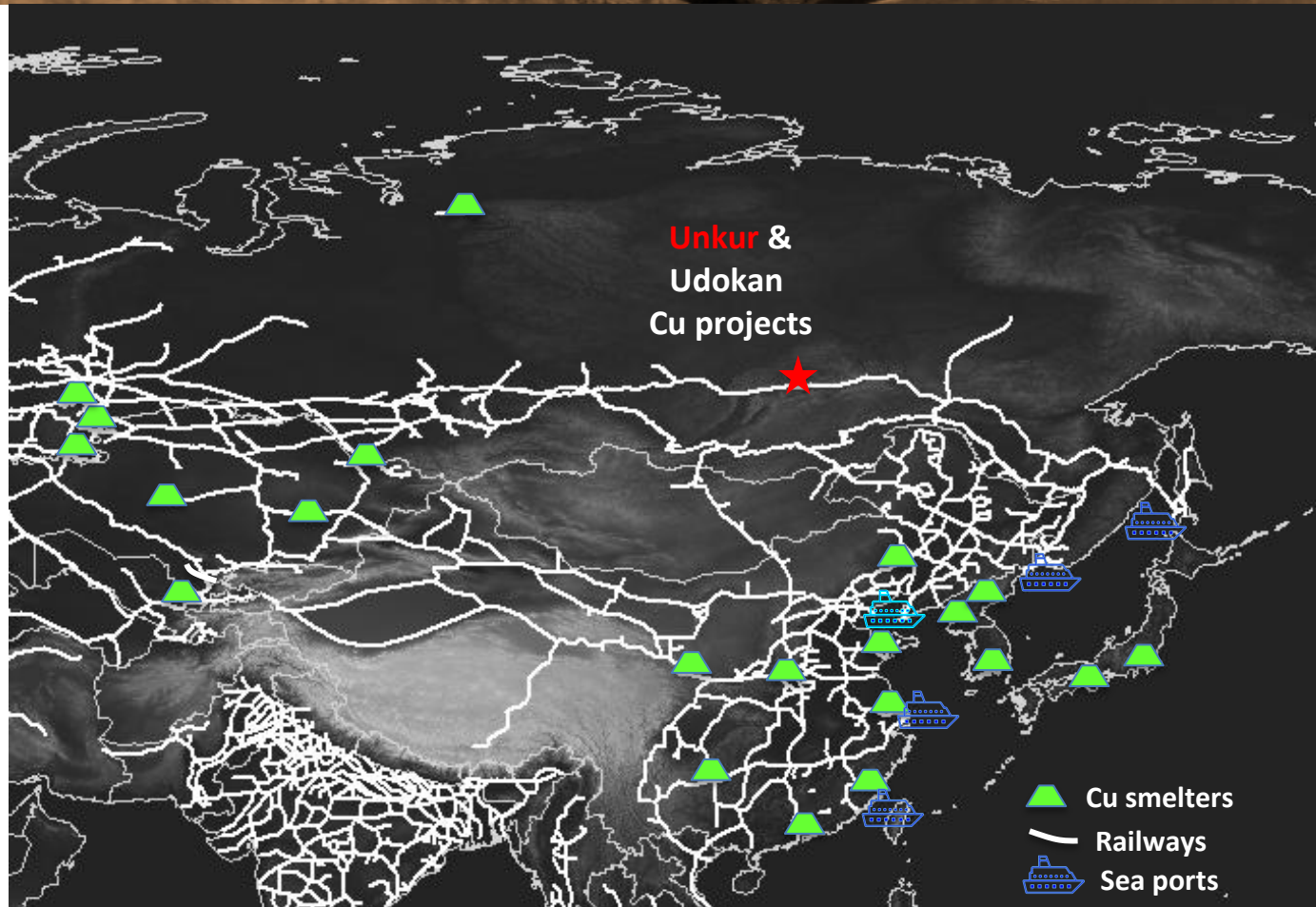
Summary



- July 2021 – Positive updated PEA completed and issued by Wardell Armstrong International
- 32 Mt optimized by PEA into OP and UG
- Variable NPV – US\$ 95 to US\$ 412 M depending on processing and metal price scenario
- Variable IRR – 16.4 to 70.1% depending on processing and metal price scenario
- Additional oxide and sulphide resource needed to extend LOM (currently 14 years)
- Sept-Oct 2021 – drilling programme to test new targets at Kemen and Unkur SW

Unkur Copper-Silver Project

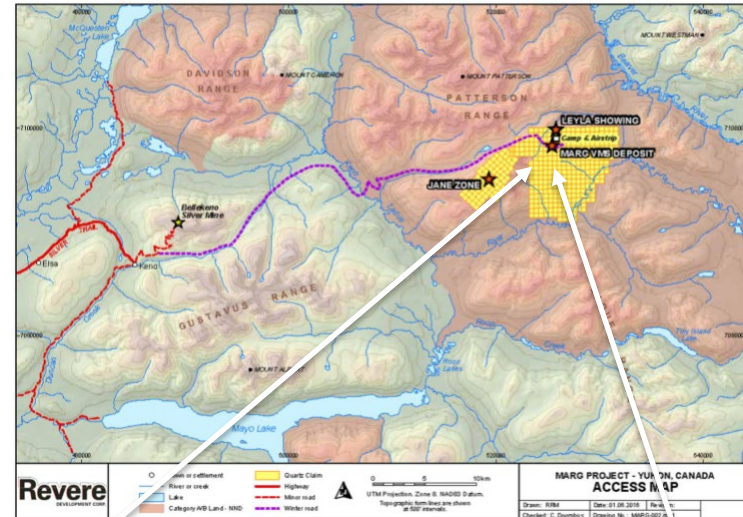
Regional Markets in Asia



- Direct access to railway network from the project to inland smelters and seaports
- Numerous smelters in China, Korea, Japan, Kazakhstan, Uzbekistan and Russian Urals

Marg Polymetallic (VMS) Project, Yukon, Canada

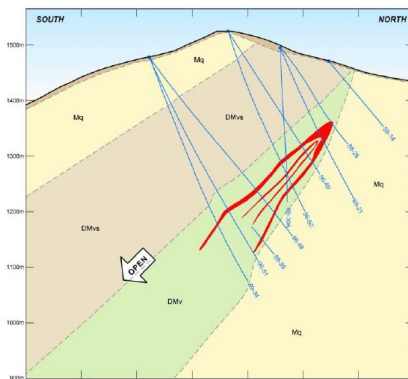
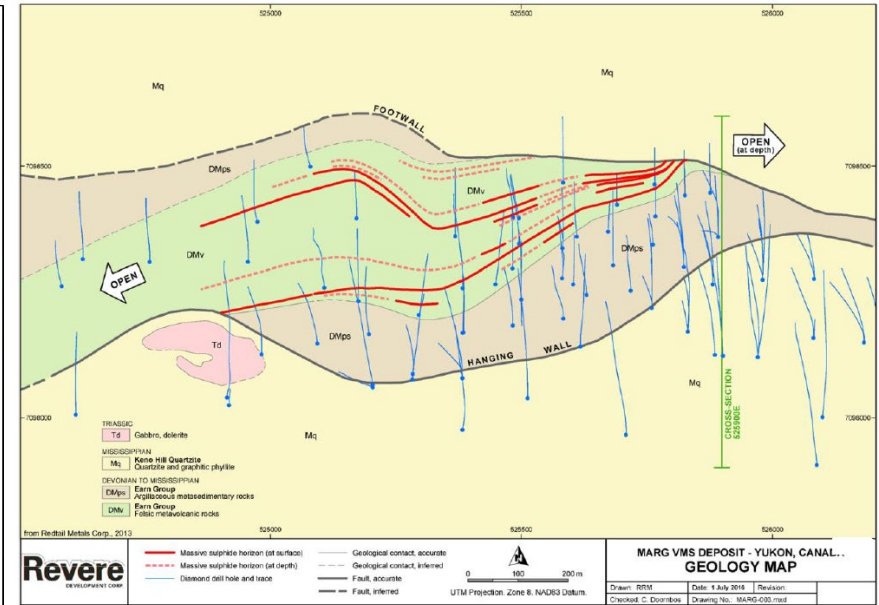
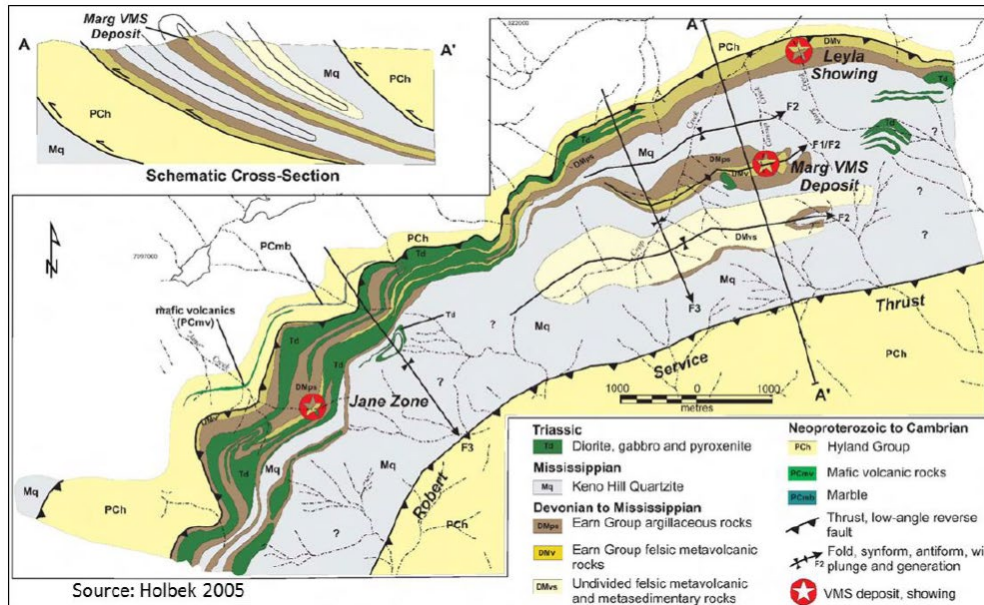
Definitive Agreement signed



- Cu-rich polymetallic project located in Central Yukon, Canada
- Discovered in 1965
- Actively explored in 1988-2008
- 119 drill-holes (34,224 m)

Marg Polymetallic (VMS) Project, Canada

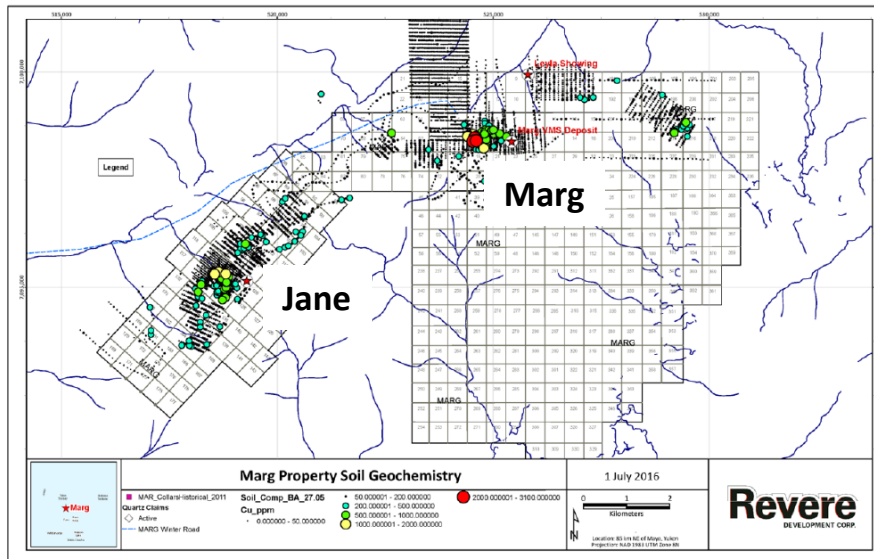
Resource and PEA parameters



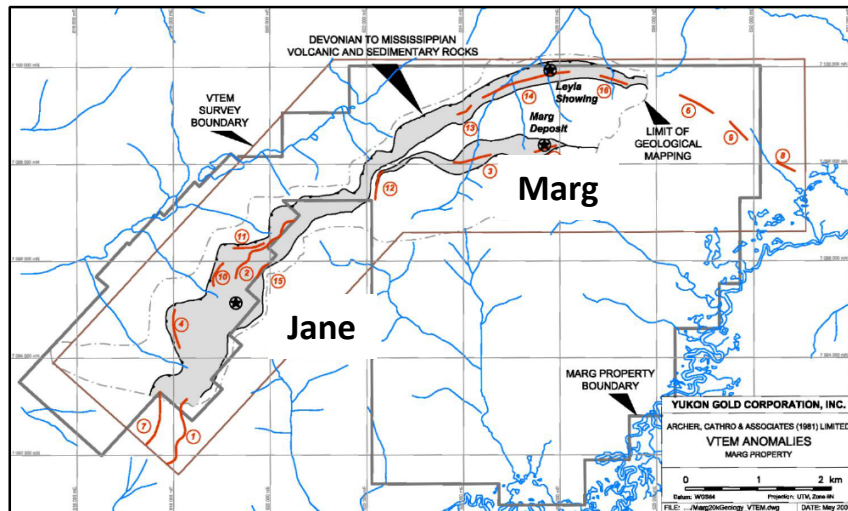
- 1.6 Cu km confirmed strike length
- JORC/NI43-101 resource (High- and Low-grade zones):
 - Indicated 3.7 Mt @ 1.5% Cu, 2.0% Pb, 3.8% Zn, 48 g/t Ag, 0.76 g/t Au
 - Inferred 6.1 Mt @ 1.2% Cu, 1.7% Pb, 3.4% Zn, 44 g/t Ag, 0.74 g/t Au
- 2016 PEA on 1.25 Mtpa throughput over 8-year LOM:
 - Base Case NPV10% US\$31.2M, IRR 16.0%, payback 4.5 years
 - High Case NPV10% US\$74.8, IRR 23.6%, payback 4.0 years
 - US\$2.75/lb Cu; US\$1.00/lb Zn; US\$0.90/lb Pb
- Requires PFS and FS using current prices (~+30%)

Marg Polymetallic (VMS) Project, Canada

Exploration Upside



- Jane Zone identified in soil and VTEM
- Soil anomaly of similar extent to Marg
- Single VTEM anomaly from Jane to Marg
- Only 4 holes drilled into Jane



Cu and Ag prices



- Fast upwards reset of both Cu and Ag prices along with other metals during COVID-19
- Copper prices at historical highs
- Silver prices improved substantially
- New post-COVID-19 economic realities
- World goes electric with demand for both metals expected to grow



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