

\$AZR.V

#highgrade

#silver

#copper

@AzargaMetals

\$AZR

#Russia

#firstmover

#districtpotential



COPPER-SILVER DISCOVERY OF GLOBAL SIGNIFICANCE

Investor Presentation – October 2019

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 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 Michael Hopley, President, CEO & Director 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
- Azarga expects to significantly extend the size of the mineralized envelope with the next phase of exploration commencing in 2019

Overview: Capitalization and history

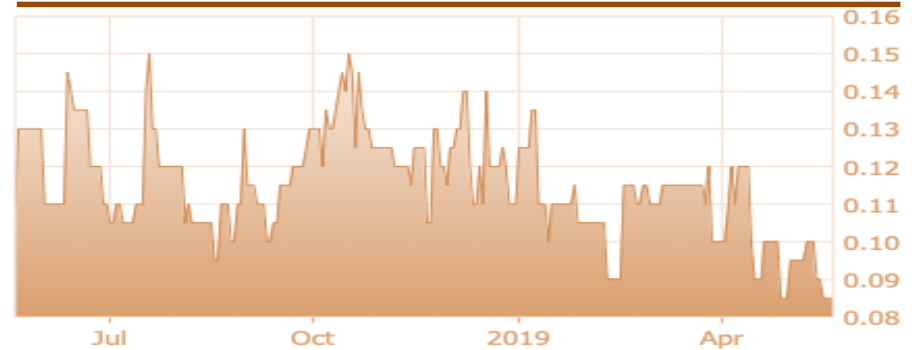
Fast-track advancement in two years including large maiden Resource and PEA initiation

Capitalization

Shares outstanding ¹	91.0m
Share price (TSX-V: AZR) ¹	C\$0.09/share
Market cap (CAD)	~C\$8.3m
Director & officer ownership	~37%

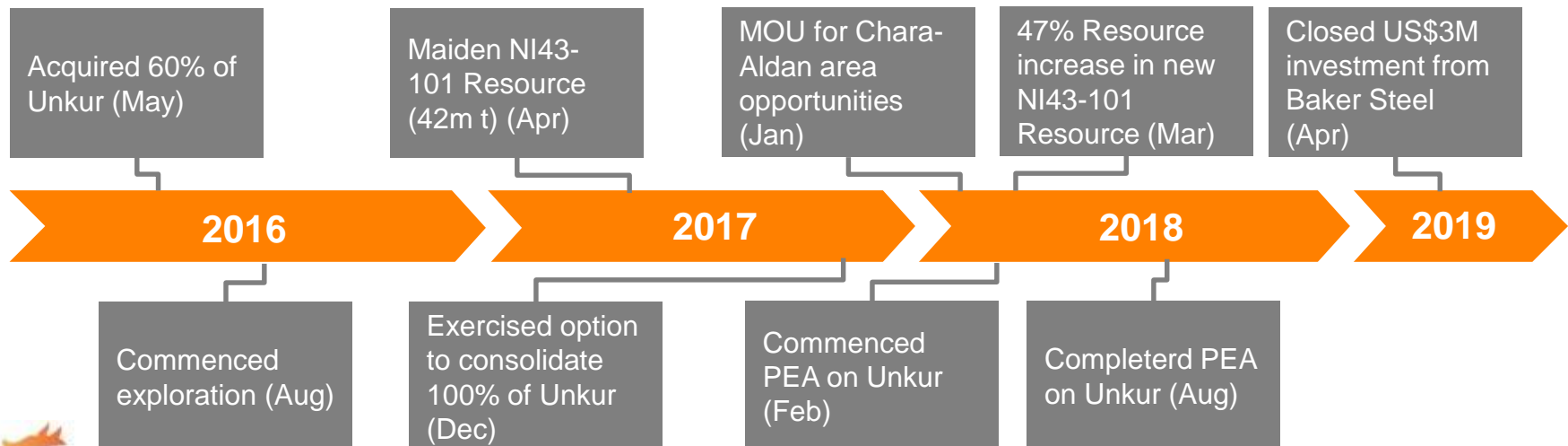
Note: 1. As at 21 May 2019 (excludes 4.82m options at an average strike of C\$0.19 and 1.7m warrants at an average strike of C\$0.40).

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



Source: Quotemedia

History



Overview: Leadership

Genuine sector-leading exploration and development experience plus Russia experts

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
(President, CEO & Director)

- CEO of Sunridge Gold (TSXV:SGC) (2003 – 2018)
- Exploration geologist with over 40-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

Trevor Steel
(Non-Executive Director)

- Managing Partner & Chief Investment Officer of Baker Steel Capital Managers LLP
- Co-Founder of Baker Steel Capital Managers LLP
- Graduate of Royal School of Mines, Imperial College, University of London, CFA Member

Dr Alexander Yakubchuk
(VP, Exploration)

- 30+ years exploration experience in Russia, FSU and internationally
- Former Exploration Manager FSU for Gold Fields (2003-2007)
- Previous work and consulting experience with BHP, Norilsk Nickel, Goldcorp and Rio Tinto

Unkur Copper-Silver Project

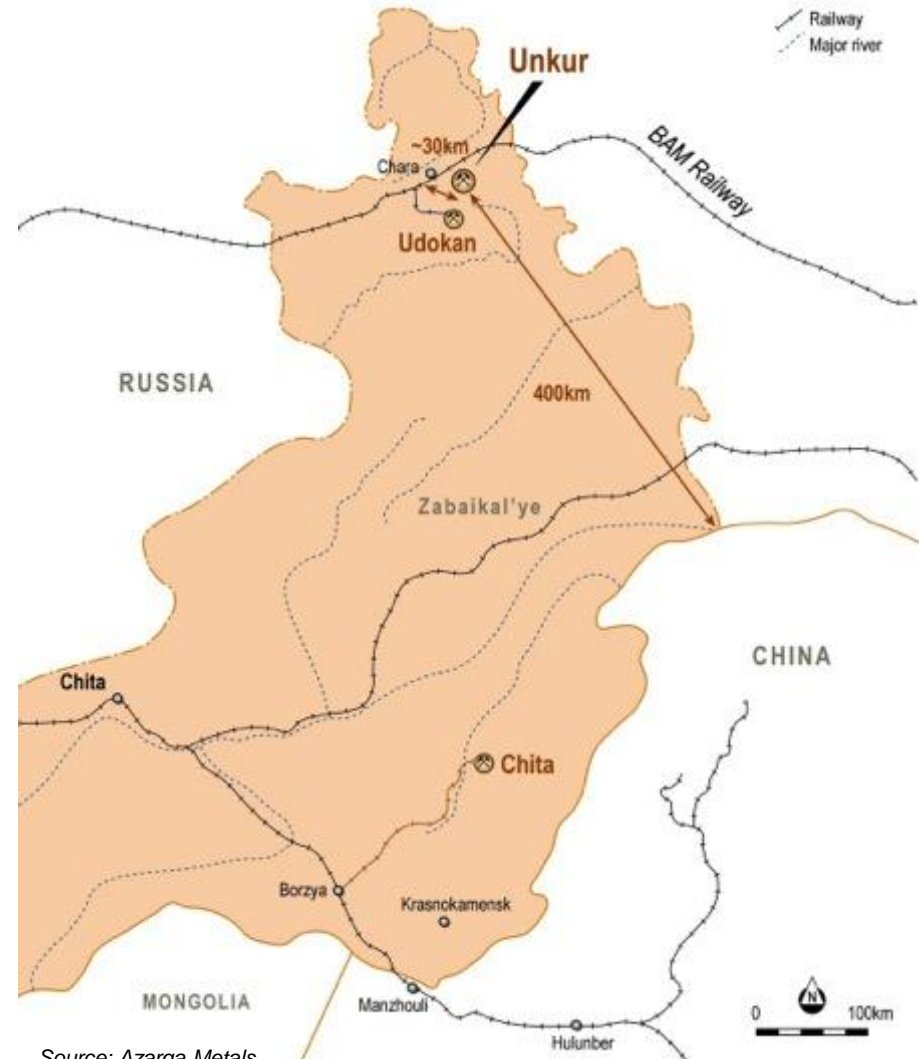
Location

Regional location of Zabaikalye



Source: Azarga Metals

Unkur, local geography and infrastructure



Source: Azarga Metals

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

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



Transport

- 7km from BAM Railway
- 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 area



Water

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

Unkur area terrain



BAM Railway near Chara

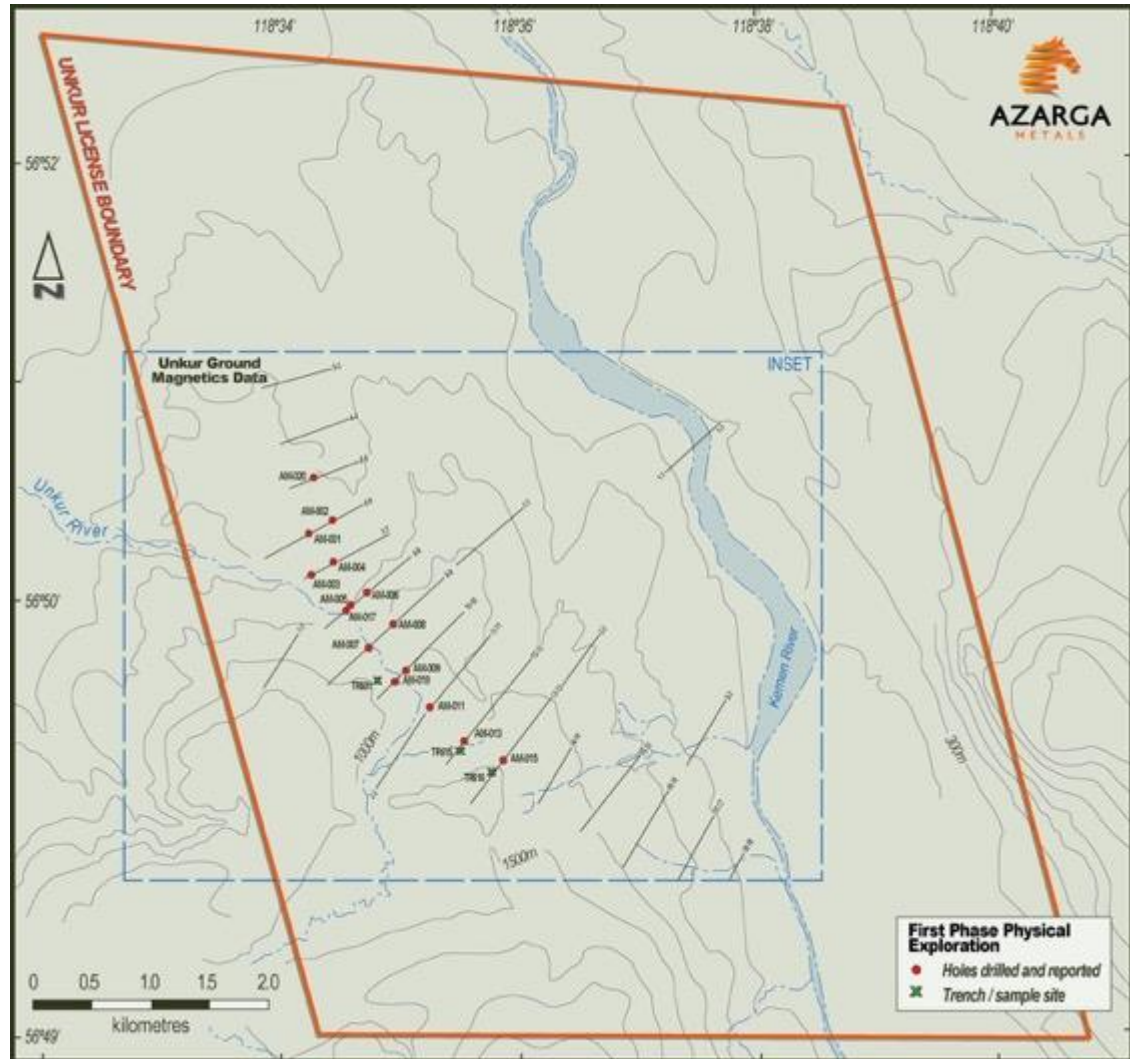


Source: Azarga Metals

Unkur Copper-Silver Project

The license and completed first phase exploration

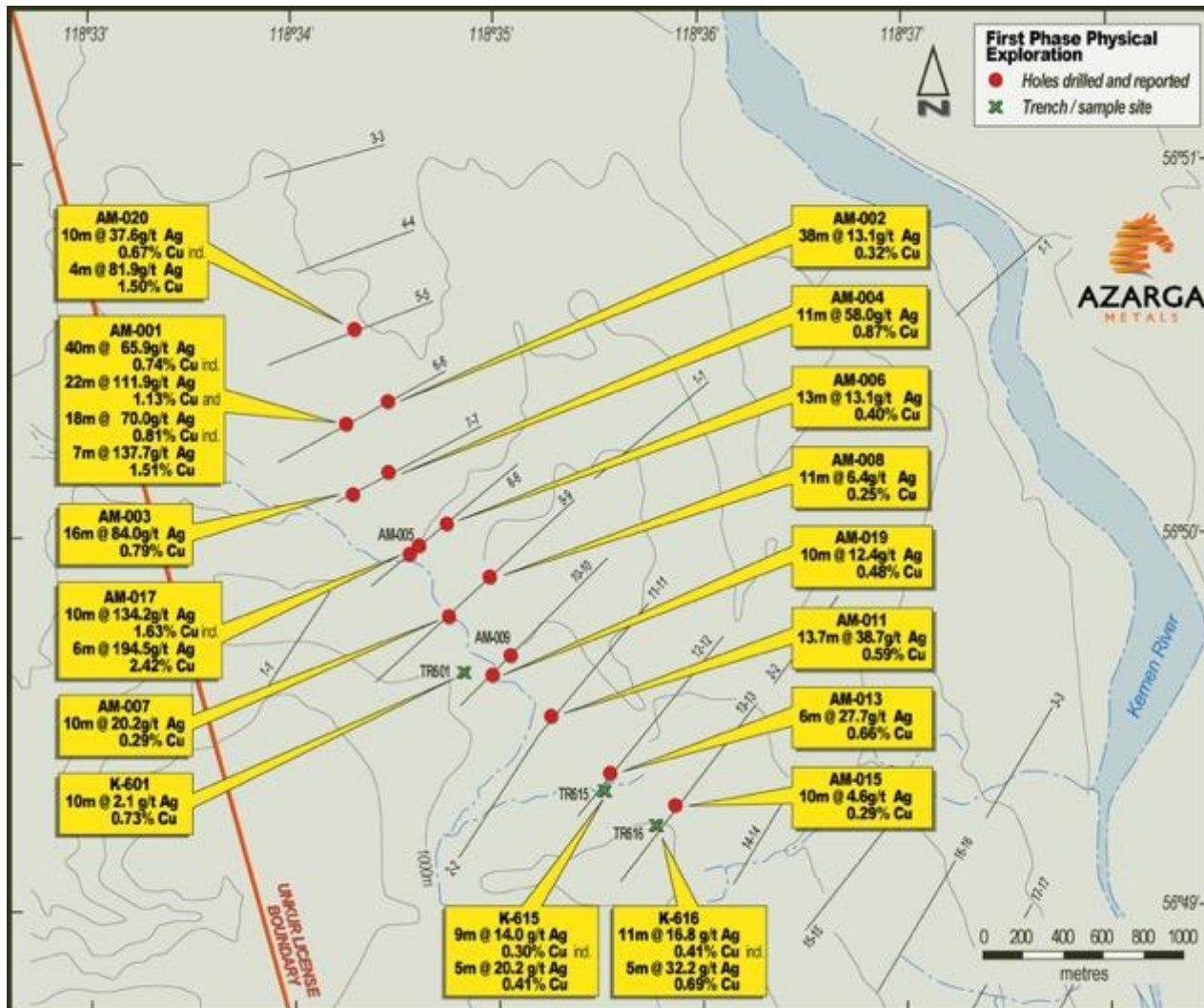
- 25-year, 5,390ha mineral exploitation license granted by Russian Federation in 2014
- Some historical exploration (1960s and 1970s) and various resource estimates indicating copper-silver deposit of global significance
- First modern exploration program completed 2016 – 2017
 - 16 diamond core drill-holes (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)	Cu grade (%)	Ag grade (g/t)	Cu equivalent grade (%)*2	Cu metal (tonnes)*1	Ag metal (troy ounces)
Inferred	62,000,000	0.53%	38.60	0.90	328,600	76,881,000

- 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 *see note 2 below
- Open in both directions along strike and also open down dip

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. *2 Copper equivalent grades were estimated using US\$3.00/lb copper price, US\$20.00/oz silver price and 100% recovery using the formulae $Cu\ eq = Cu + (0.009722 \times Ag)$ and $Ag\ Eq = Ag + (102.86 \times Cu)$.*

Unkur Copper-Silver Project

Summary of PEA

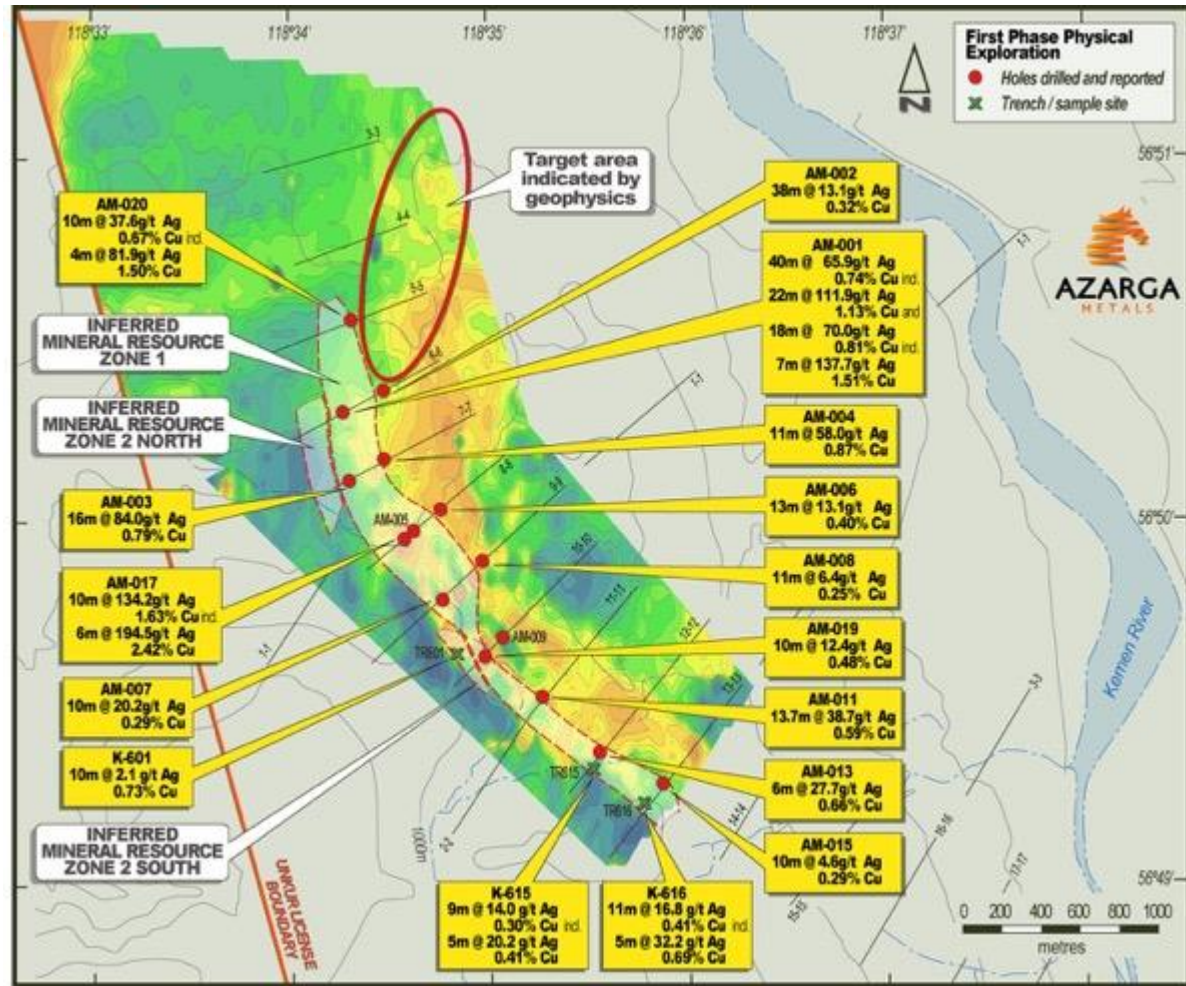
PEA RESULTS		NPV ₈ US\$204M (pre-tax)	IRR 29%	Capex US\$187M
PEA outcomes – Production metrics		PEA outcomes – Capital investment and project economics		
Mill throughput	2.0Mtpa	Pre-production capital (incl. US\$37M contingency)	US\$187M	
Initial mine life	8-years	Steady-state average cash flows (yrs 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 have included 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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