MANAGEMENT'S DISCUSSION AND ANALYSIS
QUARTERLY HIGHLIGHTS

For the three months ended December 31, 2023

(Expressed in Canadian dollars)

The following is management's discussion and analysis – quarterly highlights ("MD&A") of the results of operations and financial condition of Azarga Metals Corp. (the "Company" or "Azarga") for the three months ended December 31, 2023 and up to the date of this MD&A, and has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management's discussion and analysis for the fiscal year ended September 30, 2023 (the "Annual MD&A").

This MD&A should be read in conjunction with the Annual MD&A and the audited consolidated financial statements for the year ended September 30, 2023, together with the notes thereto, and the accompanying unaudited condensed interim financial statements and related notes thereto for the three months ended December 31, 2023 (the "Financial Report").

All financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is February 28, 2024.

Description of the Business

Azarga is a publicly traded company incorporated under the laws of the Province of British Columbia. The Company's shares are listed on the TSX Venture Exchange and trade under the symbol AZR.

The Company is engaged in the exploration and, if warranted, development of mineral resource projects in Canada. The Company is considered to be in the exploration stage as it has not placed any of its exploration and evaluation assets into production nor has it generated any revenues from operations.

On June 27, 2023, the Company completed a 10 for 1 share consolidation. All share and per share amounts in this MD&A and Financial Report have been restated to reflect this share consolidation.

Marg VMS Project, Yukon, Canada

The Marg Project is an undeveloped high-grade copper-rich volcanogenic massive sulphide ("VMS") deposit located in the Keno Hill Silver District, Yukon Territory, approximately 40 kilometres east of Keno City and 465 kilometres by road north of Whitehorse. The Marg Project claims are located within the First Nation of the Nacho Nyak Dun ("FNNND") traditional territory.

Marg Project Agreement

In January 2024, the Company entered into a side letter agreement to restructure the terms of the Marg project acquisition so that the property payment obligations are cancelled and replaced with option maintenance payments. The parties agreed to amend the Marg project acquisition agreement to an option to purchase agreement whereby if the Company does not complete the option maintenance payments and exercise the option to purchase on or before December 1, 2025, the option to purchase will expire and title to the Marg project will revert to the vendor.

In consideration for the vendor agreeing to enter into the side letter agreement, the Company increased the net smelter return royalty on the Marg project from 1% to 2%, with 1% continuing to be subject to the option to buy back for cash consideration of $1,500,000.

Pursuant to the terms of the side letter agreement, the Company agreed to make the following option payments:

- issue 2,866,666 common shares (issued in January 2024).
- pay $33,500 in cash or shares at the option of the Company on or before December 1, 2024.
- pay $33,500 in cash or shares at the option of the Company on or before December 1, 2025, if the Company has not exercised the option before December 2, 2024.
- pay $335,000 in cash on or before December 1, 2025 to exercise the option.

Upon a final decision to mine by the Company, an additional payment of $300,000 is due in cash or shares at the vendor's discretion.

Exploration

In late 2022, the Company completed an induced polarization ("IP") survey at the Marg Project which covered a significant portion of the known Marg VMS horizon, as well as an area immediately north of strong multi-element soil geochemical anomalies lying along an interpreted fold repetition of the Marg VMS horizon (Figure 1).

In May 2023, the Company received the final report on the IP survey at its Marg Project. The IP survey was undertaken by Abitibi Geophysics Inc. ("Abitibi"), over, across, and along strike from the Marg deposit, with the goal of assisting to identify drill targets which could extend the known Marg mineralization or discover new zones of interest with similar signatures. The highest priority areas were covered by the IP survey; however, due to winter weather conditions, a minor number of peripheral lines had to be deferred until a later date. The IP survey data was acquired using a "sounding-style" Wenner array to identify resistive and chargeable features. Where chargeable zones with high resistivity coincide, the "Gold Index parameter" amplifies the response (Figure 3). In the IP survey, two such zones, both relatively continuous along strike, were identified, with Zone A lying to the north of Zone B (Figure 2 & 3). Zone A is interpreted as the probable "up-dip", near surface mineralized Marg horizon, and Zone B, an apparently sub-parallel horizon, is interpreted as a possible fold repeat of Zone A (and hence of the known Marg horizon), across a tight overturned fold, with both limbs dipping to the south and extending beyond the depth of investigation of the IP survey.

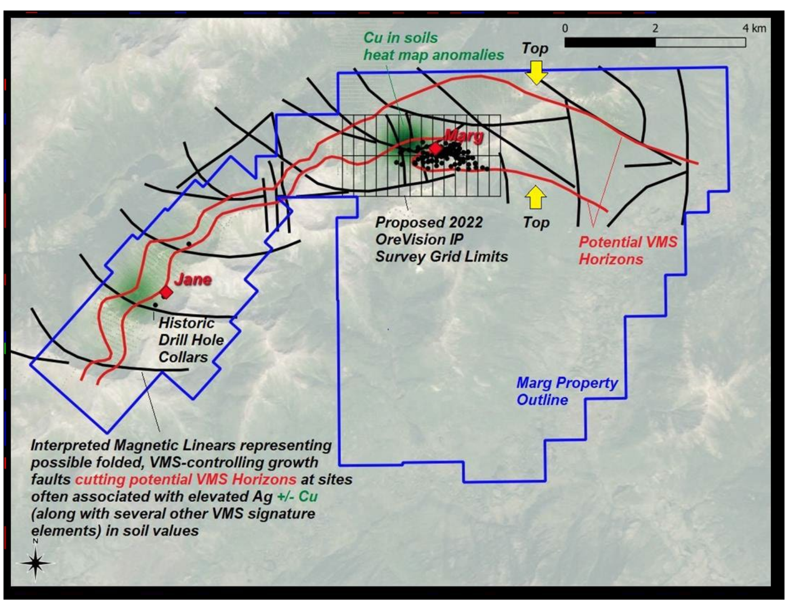

Figure 1. Location of the 2022 proposed IP survey, historic drill holes and Cu in Soils heat map

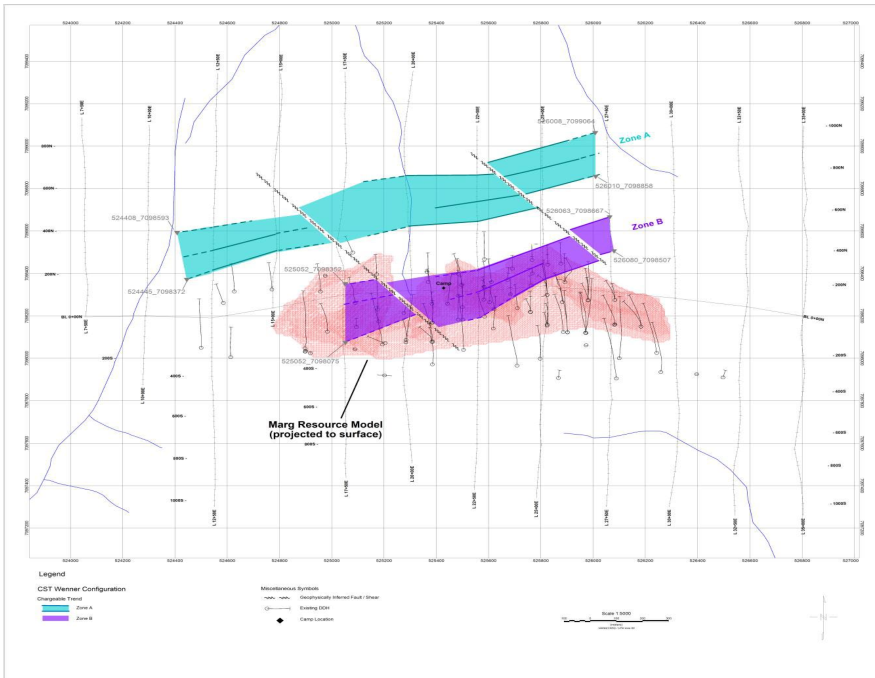

Figure 2. Chargeable Zones A and B with historical Marg resource model (red)

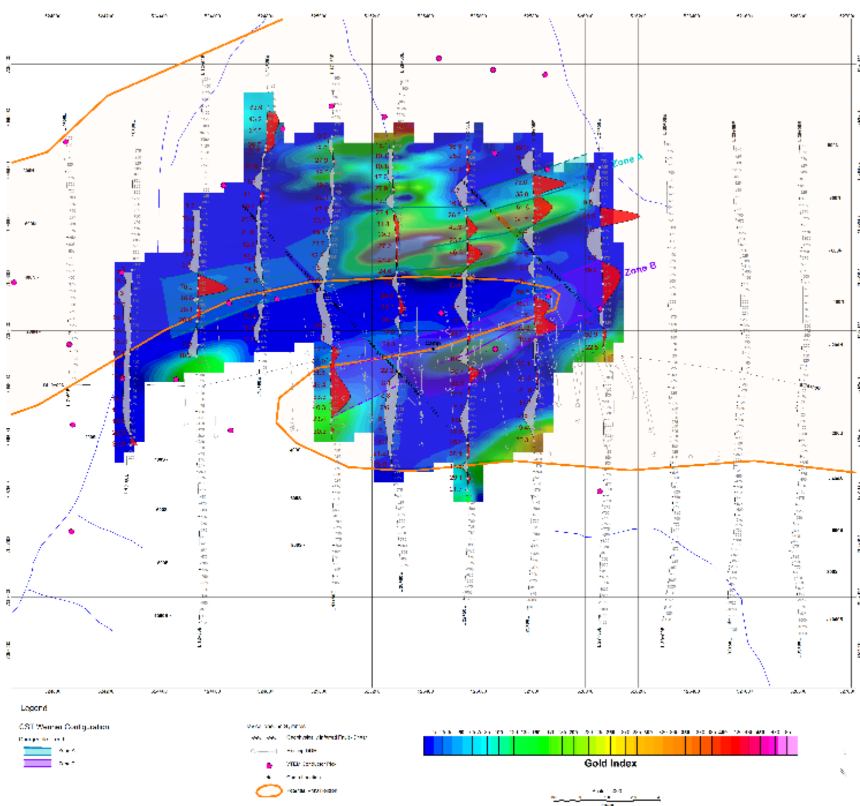

Figure 3. Gold Index parameter (Abitibi) showing interpreted mineralized horizons (Zones A and B) at the Marg Project.

The next steps for the Marg Project include:

- Further review of the historical geophysical and geochemical database (incl. re-interpretation of underutilized VTEM data).
- Extension of the IP survey at the Marg Project and potentially the Jane Zone with a deeper penetrating array during the summer/autumn season (see chargeable Zones A and B in Figure 2).
- Drill test the Marg Project target extensions and the highly prospective Jane Zone geophysical target.

Mineral Resource Estimate

The most recent NI 43-101 Mineral Resource estimate for the Marg Project (see Table 1 below) was completed by Mining Plus Canada Consulting Ltd. in 2016 and incorporated into a preliminary economic assessment ("PEA") for the project titled "Revere Development Corp, Marg Project Preliminary Economic Assessment, Technical Report, Yukon Canada" and dated August 31, 2016.

The mineral resource estimate in the 2016 PEA was prepared in accordance with NI 43-101 standards and is considered by Azarga management to have a high degree of reliability, however, the resource has not been verified by Azarga and is considered historical in nature. A qualified person representing Azarga has not done sufficient work to classify the historical estimate as a current mineral resource and Azarga is not treating it as a current mineral resource.

Table 1 – August 31, 2016 Historical Resource estimate for Marg Project at a 0.5% copper equivalent cut-off (combining high-grade and low-grade zones)[1]

Category	Tonnage (mt)	Cu%	Pb%	Zn%	Ag g/t	Au g/t
Indicated	3.7	1.5	2.0	3.8	48	0.76
Inferred	6.1	1.2	1.7	3.4	44	0.74

Note: 1. Where CuEq% was calculated = Cu% + 0.28 Pb% + 0.32 Zn% + 0.39 Au g/t + 0.0055 Ag g/t, which was assessed based on the following metal price and recovery assumptions: Cu price of 2.5 US$/lb and recovery of 80% (96.5% payable); Pb price of 0.8 US$/lb and recovery of 70% (95% payable); Zn price of 0.8 US$/lb and recovery of 90% (85% payable); Au price of 1100 US$/oz and recovery of 50% (90% payable); and Ag price of 16 US$/oz and recovery of 50% (90% payable).

Qualified Person

Charles J. Greig, P.Geo., a consultant to Azarga and a Qualified Person as defined by NI 43-101, is relying on the IP Survey, CTS Wenner Configuration, logistics and interpretation report prepared for Azarga by Abitibi Geophysics Inc. dated February 2023 for certain disclosure regarding the geophysical interpretation and conclusions contained in this MD&A.

Trends

The Company is an exploration company. At this time, issues of seasonality or market fluctuations have had a minor impact on the expenditure patterns. The Company expenses its exploration, project investigation and general and administration costs, and these amounts are included in the net income (loss) for each period. The Company's treasury, in part, determines the levels of exploration.

The level of the Company's exploration and evaluation expenditures is largely determined by the strength of resource capital and commodity markets and its ability to obtain investor support for its projects.

Financial Condition and Results of Operations – three months ended December 31, 2023

The loss and comprehensive loss for the three months ended December 31, 2023 was $91,366 compared to $325,923 for the three months ended December 31, 2022.

Consulting fees totalled $68,500 (2022 - $68,500) for the three months ended December 31, 2023 and relate to fees accrued, but not yet paid, to the Company's management team.

Exploration and evaluation expenditures for the three months ended December 31, 2023 were $Nil compared to $181,835 in the comparative period. In the prior period, the Company incurred $134,009 of exploration and evaluation expenditures on its Marg project and $47,826 on its previously owned Unkur project.

Marketing and promotion expenditures for the three months ended December 31, 2023 were $Nil compared to $37,792 in the comparative period. The Comparative period expenditures were primarily paid to a firm providing market stability and liquidity services.

During the three months ended December 31, 2022, the Company accrued interest on the shareholder loans of $31,409. These shareholder loans were settled in full in fiscal 2023.

Liquidity and Capital Resources

The Company began the current fiscal period with cash of $123,135. During the three months ended December 31, 2023, the Company spent $75,145 on operating activities, net of working capital changes, to end at December 31, 2023 with a cash balance of $47,990.

As at December 31, 2023, the Company had a working capital deficit of $968,639. The Company needs to complete a financing in order to complete its strategic objectives and continue as a going concern. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties cast significant doubt upon the Company's ability to continue as a going concern.

Related Party Transactions

The Company had no other related party transactions other than those incurred in the normal course of business as disclosed in the Financial Report.

Additional Disclosure for Venture Issuers without Significant Revenue

The components of exploration and evaluation assets are described in Note 4 to the Financial Report.

Outstanding Share Data as at the date of this MD&A

The Company has an unlimited number of common shares without par value authorized for issuance.

	Common Shares Issued and Outstanding	Share Purchase Warrants	Stock Options	Restricted Share Units ("RSUs")
Balance as at December 31, 2023	33,505,273	2,700,000	180,000	-
Issuance of shares	2,866,666	-	-	-
Options granted	-	-	800,000	-
RSUs granted	-	-	-	1,200,000
Balance as at the date of this MD&A	36,371,939	2,700,000	980,000	1,200,000

Cautionary Note Regarding Forward-looking Statements

This MD&A may include or incorporate by reference certain statements or disclosures that constitute "forward-looking information" under applicable securities laws. All information, other than statements of historical fact, included or incorporated by reference in this MD&A that address activities, events or developments that Azarga or its management expects or anticipates will or may occur in the future constitute forward-looking information. Forward-looking information is provided through statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or continue. These forward-looking statements are based on certain assumptions and analyses made by Azarga and its management in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances.

Although Azarga believes such forward-looking information and the expectations expressed in them are based on reasonable assumptions, investors are cautioned that any such information and statements are not guarantees of future realities and actual realities or developments may differ materially from those projected in forward-looking information and statements. Whether actual results will conform to the expectations of Azarga is subject to a number of risks and uncertainties, including those risk factors discussed under "Risk Management" in the above documents incorporated herein by reference. In particular, if any of the risk factors materialize, the expectations, and the predictions based on them, of Azarga may need to be re-evaluated. Consequently, all of the forward-looking information in this MD&A and the documents incorporated herein by reference is expressly qualified by these cautionary statements and other cautionary statements or factors contained herein or in documents incorporated by reference herein, and there can be no assurance that the actual results or developments anticipated by Azarga will be realized or, even if substantially realized, that they will have the expected consequences for Azarga.

Forward-looking statements are based on the beliefs, estimates and opinions of Azarga's management on the date the statements are made. Unless otherwise required by law, Azarga expressly disclaims any intention and assumes no obligation to update or revise any forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change, whether as a result of new information, future events or otherwise, and Azarga does not have any policies or procedures in place concerning the updating of forward-looking information other than those required under applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information.

Other Information

Additional information relating to the Company is available for viewing on SEDAR+ and at the Company's website www.azargametals.com.