MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended September 30, 2022

(Expressed in Canadian dollars)

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Azarga Metals Corp. (the "Company" or "Azarga") for the year ended September 30, 2022 and up to the date of this MD&A and should be read in conjunction with the accompanying audited consolidated financial statements for the year ended September 30, 2022, together with the notes thereto (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 January 30, 2023.

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 ("TSX-V") and trade under the symbol AZR.

The Company is engaged in the exploration and, if warranted, development of mineral resource projects. 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.

Marg Copper Project, Yukon, Canada

Acquisition

In December 2021, the Company completed the acquisition of the Marg copper project, located in the Yukon Territory of Canada.

As consideration, the Company paid a non-refundable deposit of $50,000 in July 2021 on signing of a letter of intent and subsequently issued 5,219,985 common shares valued at $313,199. The Company also paid a finder's fee to a third-party through the issuance of 447,761 common shares valued at $26,866.

The Company is also obligated to pay $200,000 on the first anniversary of closing (the Company has not made this payment and is in discussions with the vendor regarding this payment) and $350,000 on the second anniversary of closing. These amounts have been accrued as part of the consideration payable for the Marg project.

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.

Finder's fees between 5% and 7.5% are payable to a third-party upon payment of any future amounts.

The Marg project is subject to a 1% net smelter return ("NSR") royalty which the Company has the option to buy back for cash consideration of $1,500,000.

Project

The Marg Project is an undeveloped volcanogenic massive sulphide ("VMS") deposit located in the Mayo Mining District in Central Yukon, approximately 40 kilometres east of Keno City (which itself is approximately 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.

The most recent NI 43-101 Mineral Resource estimate for the Marg Project (Table 1) 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).

In November 2022, the Company announced the completion of its induced polarization ("IP") survey at the Marg project. During the field program it became evident that there were strong conductive formational graphite and barren sulphide-bearing 'marker horizons' that run the length and breadth of the Marg Project and that frequently occur as 'cap rocks' to the underlying VMS systems. This was positive for Azarga's IP program as pyrite and massive sulfide minerals were historically deposited by hydrothermal fluids. These minerals typically have a huge IP signature, especially when disseminated as smaller grain in a rock matrix. The IP survey was accomplished with 50 metre spacings and the data was collected in a Constant Separation Traverse style, along the priority lines. The highest priority areas immediately adjacent to and over the Marg deposit were covered by the 2022 IP survey. Results are pending.

Unkur Copper-Silver Project, eastern Russia

The Company's Unkur copper-silver project is located in eastern Russia.

In early 2022, countries around the world imposed a number of sanctions on Russia in response to its invasion of Ukraine. These sanctions included, but were not limited to, removing certain Russian banks from the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") messaging system, which has affected the Company's ability to fund its operations in Russia. The Company has some cash reserves in Russia, but prolonged sanctions will impact the Company's ability to send additional cash to fund operations in Russia, and specifically its ability to maintain the Unkur license in good standing.

During the year ended September 30, 2022, the Company determined that these events cast significant uncertainty over the Company's Russian operations and accordingly, the Company recorded an impairment of exploration and evaluation assets of $8,012,117 on the Unkur project.

In June 2022, the Company granted Baker Steel Resources Trust Ltd. ("BSRT") the option to acquire the Unkur project for US$1.00 (the "Unkur Option") until December 31, 2023 (the "Unkur Option Period") in exchange for BSRT agreeing to convert its outstanding convertible loan into common shares. During the Unkur Option Period, the Company will use its best efforts (while recognizing that sanctions and other force majeure circumstances may prevent these efforts), to maintain the corporate existence of its subsidiaries and its licences, including the Unkur project on a care and maintenance basis.

BSRT is considered to be a related party by virtue of a former director of the Company being the Managing Partner of BSRT. In addition, BSRT owns approximately 30% of the Company's common shares as at September 30, 2022.

If the Unkur Option is exercised by BSRT and the Unkur project is subsequently sold to an arms length third party within two years of the date of the exercise of the Unkur Option by BSRT, proceeds from the sale of the Unkur project will be shared between the Company and BSRT based on an agreed upon formula as follows:

1) the Company will be reimbursed the cost of care and maintenance until the Unkur Option is exercised;
2) BSRT will be reimbursed the cost of care and maintenance incurred from the date of the Unkur Option exercise to the date of the sale to a third party;
3) BSRT will be paid US$3.5 million; and
4) BSRT and the Company will share any residual consideration on an 80/20 basis, respectively.

The Company has also granted BSRT a right of first refusal to match any third party offer received by the Company for the Unkur project and the parties have agreed to use reasonable efforts to work together during the Unkur Option Period to find potential buyers for the Unkur project.

Qualified Person

James Pickell, P.Geo., a consultant to Azarga and a Qualified Person as defined by NI 43-101, has reviewed and approved the exploration information and resource disclosures contained in this MD&A.

Selected Annual Information

	Year Ended September 30, 2022	Year Ended September 30, 2021	Year Ended September 30, 2020
Statement of Loss:			
Net revenues	$Nil	$Nil	$Nil
Loss	$(9,589,863)	$(1,865,443)	$(3,266,328)
Basic and diluted loss per share	$(0.07)	$(0.02)	$(0.03)
Financial Position:			
Total assets	$1,269,375	$9,031,207	$8,861,401
Total Liabilities	$2,637,617	$6,387,385	$5,953,581
Dividends	$Nil	$Nil	$Nil

Financial Condition and Results of Operations – year ended September 30, 2022

The loss and comprehensive loss for the year ended September 30, 2022 was $9,589,863 compared to $1,865,443 for the year ended September 30, 2021.

The significant changes between the current year and the comparative year are discussed below.

Consulting fees totalled $357,956 (2021 - $315,379) for the year ended September 30, 2022 and relate to fees paid to the Company's management team. The current period increase pertains to the hiring of a new Chief Executive Officer in April 2021.

Exploration and evaluation expenditures for the year ended September 30, 2022 totalled $477,892 compared to $378,603 in the comparative year. The current period increase relates to the IP survey completed on the Company's Marg project which started in September 2022. The increase was partially offset by a decrease in expenditures on the Company's Unkur project as the project is on care and maintenance.

Professional fees for the year ended September 30, 2022 totalled $206,168 (2021 – $86,460) and primarily relate to legal fees incurred in connection to the acquisition of the Marg project.

Share-based compensation expense was $210,827 (2021 - $86,678) and relates to stock options that vested during the period.

During the year ended September 30, 2022, the Company recorded an impairment of exploration and evaluation assets of $8,012,117 on the Unkur project as described above.

In June 2022, the Company settled the convertible loan with BSRT, and BSRT agreed, among other things, to waive all accrued interest. Accordingly, the Company recorded a gain on settlement of the convertible loan interest of $259,676.

During the year ended September 30, 2022, the Company recorded interest expense on the convertible loan of $400,919 (2021 – $562,993), being $272,477 (2021 - $380,576) of interest expense and amortization of financing costs of $128,442 (2021 – $182,417). The decrease in interest expense was due to the settlement of the convertible loan during the year.

Summary of Quarterly Results

	Three Months Ended September 30, 2022	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022	Three Months Ended December 31, 2021
	$	$	$	$
Revenue	-	-	-	-
Loss	(713,093)	(9,190)	(8,346,745)	(520,835)
Loss per share, basic and diluted	(0.01)	(0.00)	(0.06)	(0.00)

	Three Months Ended September 30, 2021	Three Months Ended June 30, 2021	Three Months Ended March 31, 2021	Three Months Ended December 31, 2020
	$	$	$	$
Revenue	-	-	-	-
Loss	(580,206)	(404,778)	(347,439)	(533,020)
Loss per share, basic and diluted	(0.01)	(0.00)	(0.00)	(0.01)

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 quarter. 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.

Liquidity and Capital Resources

Azarga began the fiscal year with $862,851 of cash. During the year ended September 30, 2022, the Company spent $923,493 on operating activities, net of working capital changes, spent $47,284 on investing activities, and received $292,000 from financing activities to end at September 30, 2022 with $184,074 of cash.

In September 2022, the Company completed the first tranche of a non-brokered private placement through the issuance of 19,583,335 units at a price of $0.015 per unit for gross proceeds of $293,750. Each unit consisted of one common share and one share purchase warrant exercisable into one common share at a price of $0.05 per share until September 15, 2025.

As at September 30, 2022, the Company had a working capital deficit of $1,933,625.

In November 2022, the Company completed the second and final tranche of a non-brokered private placement through the issuance of 7,066,666 units at a price of $0.015 per unit for gross proceeds of $106,000. Each unit consisted of one common share and one share purchase warrant exercisable into one common share at a price of $0.05 per share until November 7, 2025.

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 may cast significant doubt upon the Company's ability to continue as a going concern.

Fourth Quarter

The Company began the fourth quarter with $257,014 of cash. During the fourth quarter, the Company spent $317,656 on operating activities, net of working capital changes, spent $47,284 on investing activities, and received $292,000 from financing activities to end the quarter and the year with $184,074 of cash.

Related Party Transactions

a) Compensation of key management personnel

Key management includes members of the Board of Directors, the Chief Executive Officer, the former VP Exploration, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the years ended September 30, 2022, and 2021 were as follows:

	Year ended September 30, 2022	2021
Consulting fees		
Chief Executive Officer	$ 174,000	$ 87,000
Golden Oak *	100,000	100,000
Former VP Exploration	83,956	91,052
Former Chief Executive Officer	-	37,327
	357,956	315,379
Share-based compensation	210,827	86,678
	$ 568,783	$ 402,057

* Golden Oak Corporate Services Ltd. ("Golden Oak") is a consulting company controlled by the Chief Financial Officer and Corporate Secretary of the Company. Golden Oak provides the services of a Chief Financial Officer, Corporate Secretary, and accounting and administrative staff to the Company.

b) Due to related parties

		September 30, 2022	September 30, 2021
Chief Executive Officer	Consulting fees	$ 48,000	$ -
Chief Executive Officer	Expenses	-	306
Golden Oak	Consulting fees	26,250	-
Golden Oak	Expenses	3,679	2,807
Former Director	Director fees	-	14,333
		$ 77,929	$ 17,446

c) Shareholder loans

Shareholders	Relationship		September 30, 2022		September 30, 2021
Principal payable					
Alexander Molyneux	Former Director	$	333,619	$	310,107
Eugene McCarthy			334,168		310,618
Blake Steele	Director		74,198		68,970
OC Management Group Ltd.*	Principal was a Former Director		-		140,326
Vladimir Pakhomov	Former Director		75,483		-
Denis Tsesarenko			75,483		-
Serhii Stefanovych			157,977		146,843
			1,050,928		976,864
Interest payable			672,709		508,076
Total		$	1,723,637	$	1,484,940

* assigned in equal parts from OC Management Group Ltd. to Vladimir Pakhomov and Denis Tsesarenko in July 2022

The amounts due are unsecured, bear interest at the rate of 12% per annum, and are payable by May 31, 2023.

During the year ended September 30, 2022, the Company accrued interest of $119,376 (2021 - $116,030) on the shareholder loans.

d) Prepaid expenses

In September 2022, the Company advanced the Chief Executive Officer $8,500 towards future expenses. As at September 30, 2022, $5,110 of expenses had been applied against this advance leaving an amount in prepaid expenses of $3,390.

e) Convertible loan

As described above, in June 2022, the Company granted BSRT the Unkur Option in exchange for BSRT agreeing to convert its outstanding convertible loan into shares. BSRT is considered to be a related party by virtue of a former director of the Company being the Managing Partner of BSRT. In addition, BSRT owns approximately 30% of the Company's common sahres as at September 30, 2022.

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 7 to the Financial Report.

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

Authorized: an unlimited number of common shares without par value

	Common Shares Issued and Outstanding	Share Purchase Warrants	Stock Options
Balance as at September 30, 2022	197,012,750	51,747,376	11,475,000
Private placement	7,066,666	7,299,999	-
Shares for debt	4,000,000	-	-
Warrants expired	-	(20,440,914)	-
Options expired	-	-	(1,275,000)
Balance as at the date of this MD&A	208,079,416	38,606,461	10,200,000

COVID-19

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse impacts of the outbreak and its effects on the Company's business or ability to raise funds. To date, the COVID-19 pandemic has had a minimal affect on the Company's operations.

Use of accounting estimates, judgments and assumptions

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

(i) Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

<u>Carrying value and recoverability of exploration and evaluation assets</u>

Management has determined that acquisition costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, preliminary economic assessment, accessibility of facilities and existing permits. For the Unkur property located in Russia, the Company assessed during the year ended September 30, 2022 that there was no future economic benefits to be received and accordingly impaired the project to $Nil (see Note 7 of the Financial Report).

Share-based compensation

The fair value of stock options issued are subject to the limitation of the Black-Scholes option pricing model which incorporates market data and which involves uncertainty and subjectivity in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price, changes in the subjective input assumptions can materially affect the fair value estimate.

Going concern assumption

In the determination of the Company's ability to meet its ongoing obligations and future contractual commitments management relies on the Company's planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operations on an ongoing basis and its expansionary plans. The key inputs used by the Company in this process include the results from the exploration and development of its properties, forecasted capital deployment, and general industry conditions. Changes in these inputs may alter the Company's ability to meet its ongoing obligations and future contractual commitments and could result in adjustments to the amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern (see Note 1 of the Financial Report).

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

(ii) Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are, but are not limited to, the following:

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency of the parent Company as well as the functional currency of the Company's BVI, Cyprus, and Russian subsidiaries is the Canadian dollar.

New standards, interpretations, and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of September 30, 2022 and have not been applied in preparing the Financial Report.

Effective for annual periods beginning on or after January 1, 2023:

- Amendments to IAS 1 Presentation of Financial Statements, clarify how to classify debt and other liabilities as current or non-current. The amendments help to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also include clarifying the classification requirements for debt an entity might settle by converting it into equity.

The Company has not early adopted this revised standard and its adoption is not expected to have a significant effect on the Company's Financial Report.

Financial Instruments and Risk Management

Financial Instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVTOCI"); or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instruments	Category	September 30, 2022	September 30, 2021
Cash	FVTPL	$ 184,074	$ 862,851
Restricted cash	FVTPL	47,284	-
Receivables	Amortized cost	56,827	74,880
Trade and other payables	Amortized cost	410,280	260,678
Property payment obligation	Amortized cost	503,700	-
Shareholder loans	Amortized cost	1,723,637	1,484,940
Convertible loan	Amortized cost	-	4,641,767

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying values for receivables and trade and other payables approximate their fair value due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost. The carrying value of cash and restricted cash is determined based on Level 1 of the fair value hierarchy. The carrying values of the convertible loan, property payment obligation, and shareholder loans are measured at amortized cost.

Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized as follows:

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The Company limits the exposure to credit risk on its cash by only investing its cash with high credit quality financial institutions in business and savings accounts. The Company's receivables primarily include balances receivable from government agencies. The Company is exposed to some risk on amounts due from these government agencies; however, to date the Company has been successful on collecting on its receivables.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that there is sufficient capital in order to meet short-term business requirements. The Company is exposed to liquidity risk (see Note 1 of the Financial Report).

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

(a) Interest Rate Risk: The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risk on cash is not considered significant. The interest rates on the convertible loan and shareholder loans are fixed.

(b) Foreign Currency Risk: The Company expects to raise equity predominately in Canadian dollars; however, transactions are transacted in Canadian dollars, US dollars, and Russian Rubles. As such, the Company is subject to fluctuations in the exchange rate between the Canadian dollar and the US dollar and Russian Ruble. As at September 30, 2022, the Company holds 30% of its cash and restricted cash in foreign currencies. Management believes the foreign exchange risk related to currency conversions is minimal and therefore, does not hedge its foreign exchange risk. The effect of a 10% change in the foreign exchange rate on cash held in US dollars and Russian Rubles at September 30, 2022 would be approximately $6,800. In addition, the Company holds shareholder loans in US dollars and is therefore subject to fluctuations in the exchange rate between the US dollar and the Canadian dollar. The effect of a 10% change in the foreign exchange rate on the shareholder loans held in US dollars at September 30, 2022 would be approximately $172,000.

(c) Commodity Price Risk: While the value of the Company's exploration and evaluation assets is related to the price of copper and silver and the outlook for these minerals, the Company currently does not have any operating mines and hence does not have any hedging or other commodity-based risks in respect to its operational activities.

Historically, the price of copper and silver has fluctuated significantly and is affected by numerous factors outside of the Company's control, including but not limited to industrial and retail demand, central bank lending, forward sales by producers and speculators, levels of worldwide production, short-term changes in supply and demand because of speculative hedging activities, and certain other factors related specifically to copper and silver.

(d) Political Uncertainty: In conducting operations in Russia, the Company is subject to considerations and risks not typically associated with companies operating in North America. These include risks such as the political, economic and legal environments. Among other things, the Company's results have been adversely affected by Russia's invasion of Ukraine, and may be further affected by changes in the political and social conditions in Russia, and by changes in governmental policies with respect to mining laws and regulations, anti-inflationary measures, currency conversion and remittance abroad, and rates and methods of taxation.

In early 2022, countries around the world imposed a number of sanctions on Russia in response to its invasion of Ukraine. These sanctions included, but were not limited to, removing certain Russian banks from the Society for Worldwide Interbank Financial Telecommunication ("SWIFT") messaging system, which has affected the Company's ability to fund its operations in Russia. The Company has some cash reserves in Russia, but prolonged sanctions will impact the Company's ability to send additional cash to fund operations in Russia, and specifically its ability to maintain the Unkur license in good standing.

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 at www.sedar.com and at the Company's website www.azargametals.com.