MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended September 30, 2024

(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, 2024 and up to the date of this MD&A and should be read in conjunction with the accompanying audited financial statements for the year ended September 30, 2024, 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 IFRS Accounting Standards and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is February 26, 2025.

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.

Marg Copper 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 were cancelled and replaced with option maintenance payments. The parties amended 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 the Marg Project on or before December 1, 2025, the option to purchase the Marg Project will expire and title to the project will revert back to the vendor.

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 (issued 670,000 common shares in November 2024).
- pay $33,500 in cash or shares at the option of the Company on or before December 1, 2025.
- pay $335,000 in cash on or before December 1, 2025 to exercise the option.

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% subject to a buy back for cash consideration of $1,500,000.

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.

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 2). 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 1 & 2). 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.

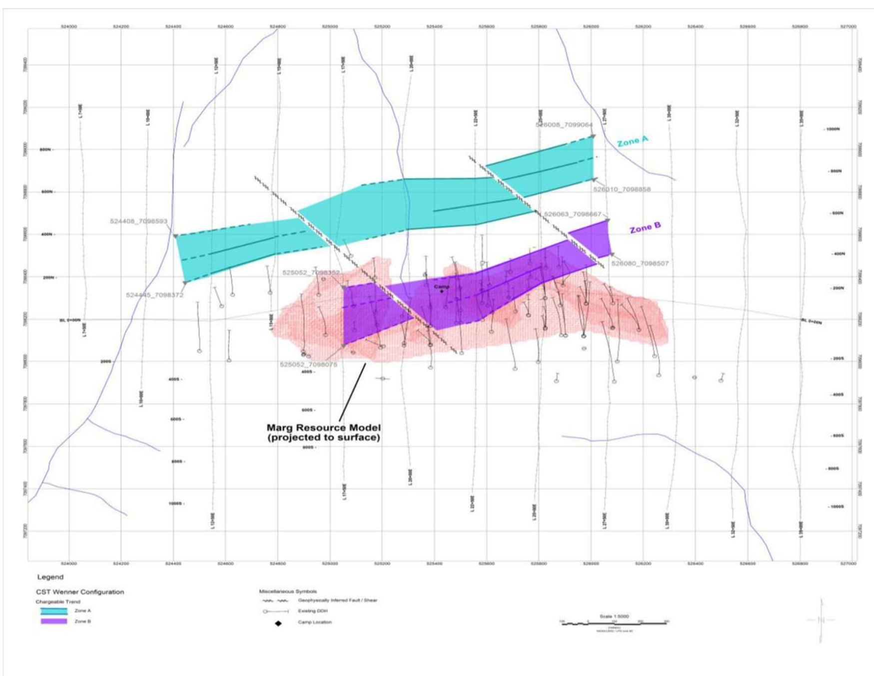

Figure 1. Chargeable Zones A and B with historical Marg resource model (red)

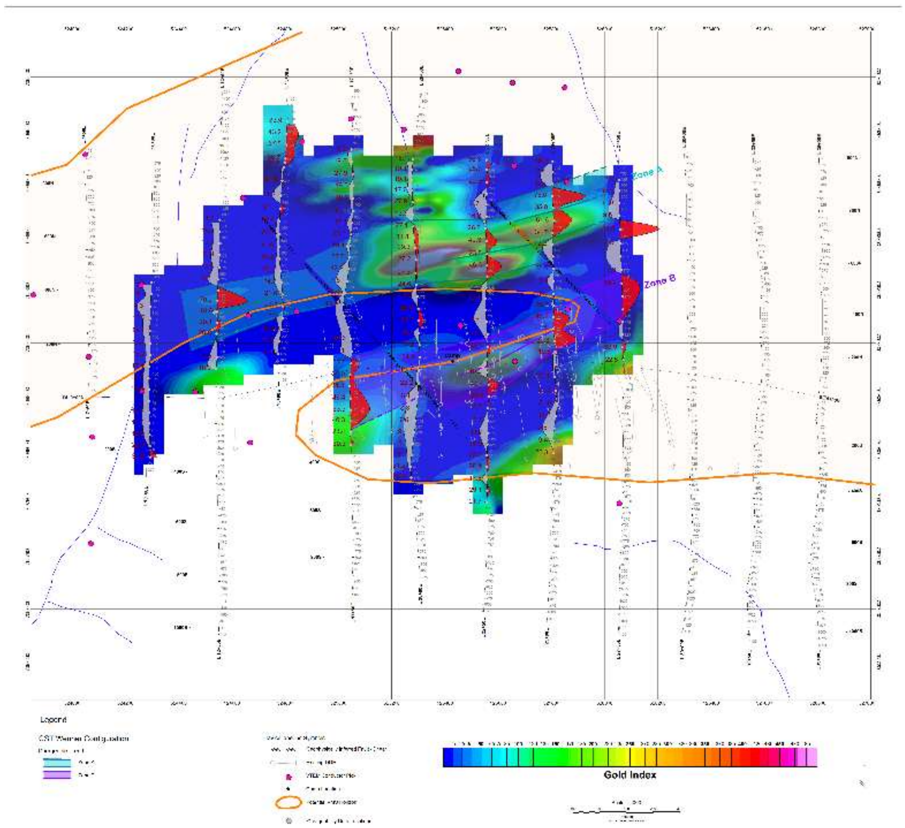

Figure 2. Gold Index parameter (Abitibi) showing interpreted mineralized horizons (Zones A and B) at the Marg Project.

The Company is currently assessing next steps for the Marg Project.

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.

Selected Annual Information

	Year Ended September 30, 2024	Year Ended September 30, 2023	Year Ended September 30, 2022
Statement of Loss:			
Net revenues	$Nil	$Nil	$Nil
Loss	$(349,913)	$(729,135)	$(9,589,863)
Basic and diluted loss per share	$(0.01)	$(0.03)	$(0.67)
Financial Position:			
Total assets	$557,338	$1,001,941	$1,269,375
Total liabilities	$714,161	$1,010,131	$2,637,617
Dividends	$Nil	$Nil	$Nil

During the year ended September 30, 2022, the Company assessed that there was no future economic benefits to be received from its then held Unkur project located in Russia and accordingly recorded an impairment of exploration and evaluation assets of $8,012,117.

Financial Condition and Results of Operations – year ended September 30, 2024

The loss and comprehensive loss for the year ended September 30, 2024 was $349,913 compared to $729,135 for the year ended September 30, 2023.

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

Exploration and evaluation expenditures for the year ended September 30, 2024 were $Nil compared to $228,949 in the comparative year. In the prior year, the Company incurred $180,472 of exploration and evaluation expenditures on its Marg Project and $48,477 on its previously owned Unkur project.

Marketing and promotion expenditures for the year ended September 30, 2024 were $1,360 compared to $129,140 in the comparative year. The comparative year expenditures were primarily paid to a firm providing market stability and liquidity services.

During the year ended September 30, 2024, the Company amended the Marg Project agreement, as described above. Accordingly, the Company reversed the exploration and evaluation assets of $479,018, included as original consideration, and the property payments obligations of $550,000 and recorded a gain on reversal of property payment obligations of $70,982.

In February 2023, the Company sold its wholly owned subsidiaries, which held the Unkur project, and as a result recorded a gain on sale of subsidiaries of $111,524 during the year ended September 30, 2023.

During the year ended September 30, 2023, the Company issued the following common shares to settle trade and other payables and accordingly recorded a gain on settlement $62,812:

- In January 2023, the Company issued 400,000 common shares valued at $80,000 to settle trade and other payables of $95,892 and accordingly recorded a gain on settlement of trade and other payables of $15,892.

- In July 2023, the Company issued 400,000 common shares valued at $40,000 to Golden Oak (defined below) to settle trade and other payables of $60,000 and accordingly recorded a gain on settlement of trade and other payables of $20,000.

- In July 2023, the Company issued 538,398 common shares valued at $53,840 to settle trade and other payables of $80,760 and accordingly recorded a gain on settlement of trade and other payables of $26,920.

During the year ended September 30, 2023, the Company accrued interest on the shareholder loans of $62,110. These shareholder loans were settled in full in fiscal 2023.

Summary of Quarterly Results

	Three Months Ended September 30, 2024	**Three Months Ended June 30, 2024**	**Three Months Ended March 31, 2024**	**Three Months Ended December 31, 2023**
	$	$	$	$
Revenue	-	-	-	-
Loss	(111,860)	(96,966)	(49,721)	(91,366)
Loss per share, basic and diluted	(0.00)	(0.01)	(0.00)	(0.00)

	Three Months Ended September 30, 2023	**Three Months Ended June 30, 2023**	**Three Months Ended March 31, 2023**	**Three Months Ended December 31, 2022**
	$	$	$	$
Revenue	-	-	-	-
Loss	(154,258)	(134,171)	(114,783)	(325,923)
Loss per share, basic and diluted	(0.00)	(0.01)	(0.00)	(0.02)

Fourth Quarter

The Company began the fourth quarter with $18,893 of cash. During the fourth quarter, the Company spent $3,681 on operating activities, net of working capital changes, to end the quarter and the year with $15,212 of cash.

Liquidity and Capital Resources

The Company began the current fiscal year with cash of $123,135. During the year ended September 30, 2024, the Company spent $107,923 on operating activities, net of working capital changes, to end at September 30, 2024 with a cash balance of $15,212.

As at September 30, 2024, the Company had a working capital deficit of $690,221.

On January 20, 2025, the Company closed a private placement through the issuance of 36,666,666 common shares at a price of $0.03 for gross proceeds of $1,100,000.

However, management estimates that its working capital may not provide the Company with sufficient financial resources to carry out currently planned operations and exploration through the next twelve months. Additional financing may be required by the Company 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

Compensation of key management personnel

Key management includes members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the year ended September 30, 2024 and 2023 were as follows:

	Year ended September 30, 2024	2023
Consulting fees		
Chief Executive Officer	$ 174,000	$ 174,000
Golden Oak *	100,000	100,000
	274,000	274,000
Share-based compensation	57,947	49,005
	$ 331,947	$ 323,005

* 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.

Due to related parties

		September 30, 2024	September 30, 2023
Chief Executive Officer	Consulting fees	$ 396,000	$ 222,000
Chief Executive Officer	Expenses	-	255
Golden Oak	Consulting fees	171,250	66,250
Golden Oak	Expenses	252	9,773
		$ 567,502	$ 298,278

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 September 30, 2024	36,371,939	2,700,000	800,000	1,200,000
Issuance of shares for exploration and evaluation assets	670,000	-	-	-
Private placement	36,666,666	-	-	-
Balance as at the date of this MD&A	73,708,605	2,700,000	800,000	1,200,000

Use of accounting estimates, judgments, and assumptions

The preparation of the consolidated financial statements in conformity with IFRS Accounting Standards 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:

Carrying value and recoverability of exploration and evaluation assets

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.

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.

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.

New accounting policy

The following amendments to existing standards have been adopted by the Company commencing October 1, 2023:

IAS 1, Presentation of Financial Statements

The amendments changed the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policies are material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of the financial statements make on the basis of those financial statements. The adoption of these amendments did not materially impact the financial statements.

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, 2024 and have not been applied in preparing the financial statements.

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 noncurrent. 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 material impact on the Company's financial statements.

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

Financial Instruments and Risk Management

Financial Instruments

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

Financial Instruments	Category	September 30, 2024	September 30, 2023
Cash	Amortized cost	$ 15,212	$ 123,135
Receivables	Amortized cost	2,078	2,723
Trade and other payables	Amortized cost	714,161	469,987
Property payment obligations	Amortized cost	-	540,144

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 cash, 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 values of the property payment obligations were 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.

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.

(b) Foreign Currency Risk: The Company was subject to fluctuations in the exchange rates between the Canadian dollar and the US dollar and Russian Ruble prior to the Company's subsidiaries being sold in February 2023. As at September 30, 2024, the Company holds 76% of its cash in US dollars. The effect of a 10% change in the foreign exchange rate on cash held in US dollars at September 30, 2024 would be nominal.

(c) Commodity Price Risk: While the value of the Company's exploration and evaluation assets is related to the price of copper and the outlook for this mineral, 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 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.

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.