



FOR IMMEDIATE RELEASE

21 SEPTEMBER 2016

TSX-V: **AZR**

## **AZARGA METALS EXPANDS FIRST PHASE EXPLORATION PROGRAM AT UNKUR AND \$0.8-1.0M PRIVATE PLACEMENT**

### **HIGHLIGHTS**

- Expansion of first phase drilling program at Unkur by up to two-thirds to 5,000m
- Additional ground magnetic survey and trenching
- Plan to increase potential size of maiden NI 43-101 Resource (due Q1 2017)
- Gain extra data to expedite preliminary economic assessment work
- \$0.8-1.0M Private Placement to fund expanded exploration activities

**AZARGA METALS CORP.** ("Azarga Metals" or the "Company") (TSX-V:AZR) announces its intention to expand its first phase drilling program at its Unkur Silver-Copper Project from 3,000 meters to up to 5,000 meters and plans to raise \$0.8 million to \$1.0 million through a non-brokered private placement of Units (the "**Private Placement**") to fund the expanded program.

Azarga Metals' president and CEO Dorian L. (Dusty) Nicol commented, "Early results show we could have a globally significant silver and copper deposit in Unkur. Based on the thickness of mineralization and high silver and copper grades we are seeing so far, I'm pleased we're able to accelerate our work on the project at this time and look forward to further results."

### **EXPANDED FIRST PHASE EXPLORATION PROGRAM**

Azarga Metals is just over halfway through its first phase 3,000 meter diamond drilling program at Unkur, which commenced at the start of August. Eight drill-holes have been completed of what are expected to be between 15 and 17 holes and the Company has

**AZARGA METALS CORP.**  
**UNIT 1 – 15782 MARINE DRIVE, WHITE ROCK, B.C. V4B 1E6, CANADA**  
[www.azargametals.com](http://www.azargametals.com)

received and published assays for four of those holes (see news releases of 1 September 2016 and 19 September 2016).

Results from assays received to date are extremely encouraging. They confirm the presence of significant silver and copper grades, and support the contention that historic drilling may have understated the thickness and grade of the Unkur mineralization.

Azarga Metals now proposes to substantially expand the current physical exploration program, by adding the following key elements:

- Another five to 10 diamond core holes to expand the first phase drilling program by up to two thirds to approximately 5,000 cumulative linear meters.
- Three surface trenches across about 300 linear meters to expose anticipated subcropping mineralization.
- A 200 linear kilometer ground magnetic survey over an area to the north and northwest of the current first phase planned drilling area.

Expanding the exploration program at this time is anticipated to: (i) increase the potential size of the maiden NI 43-101 Resource to be completed in Q1 2017; (ii) gain a broader geological data-set to expedite the process to complete a preliminary economic assessment later in 2017; and (iii) collect more information to guide drill-hole placement decisions for a future second phase drilling program.

Azarga Metals believes it is appropriate to take the initiative now to expand the exploration program based on data being received and whilst the exploration team (including two drill rigs) remains at Unkur and in a position to extend operations beyond the previously planned program.

## **PRIVATE PLACEMENT**

The original first phase drilling program remains fully funded together with planned corporate overheads to the end of 2017. However, the Company intends to raise between \$800,000 and \$1,000,000 through the issuance of between 2,500,000 and 3,125,000 units (each, a “Unit”) at a price of C\$0.32 per Unit through the Private Placement.

Azarga Metals intends the use of proceeds of the Private Placement to fund the cost of the expansion of the first phase exploration program together with incremental third-party consulting with respect to preparation of a Resource model for the Unkur Silver-Copper Project.

Each Unit consists of one common share of the Company (each, a “Share”) and one-half of one Share purchase warrant (each whole warrant, a “Warrant”). One Warrant entitles the holder thereof to purchase one Share of the Company at a price of \$0.40 per Share for a period of 12-months from the closing of the Private Placement. The

Shares issued in connection with the Private Placement will be subject to a four-month hold period.

The Private Placement is subject to compliance with applicable securities laws and to receipt of regulatory approval. The Company reserves the right to modify the type, nature and/or price of the Private Placement for any reason, subject to TSX Venture Exchange acceptance.

The Company may pay finder's fees within the allowable limits of the policies of the TSX Venture Exchange.

## **UNKUR SILVER-COPPER PROJECT**

Azarga Metals owns 60% of the Unkur Silver-Copper Project along with the right to acquire the remaining 40% in the future.

Sediment-hosted copper and silver mineralization has been identified across the 5,390 hectare project license area, in outcrops, trenches and by historical diamond drilling. The prior exploration outlined a large area of high-grade shallow stratiform sediment hosted copper and silver 20 to 50 meters thick over an area four to six kilometers long.

Further details concerning Unkur Silver-Copper Project are contained in a technical report filed by the Company as per its news release of 5 April 2016.

### **Qualified Person**

The Company's President and Chief Executive Officer, Dorian L. (Dusty) Nicol, B.Sc. Geo, MA Geo, a Qualified Person as defined by NI 43-101, has reviewed and approved the exploration information disclosures contained in this Press Release.

### **About Azarga Metals Corp.**

Azarga Metals is a mineral exploration and development company that owns 60% of the Unkur Silver-Copper Project in the Zabaikalsky administrative region in eastern Russia.

## **AZARGA METALS CORP.**

*"Dusty Nicol"*

Dorian L. (Dusty) Nicol, President and CEO

For further information please contact: Doris Meyer, at +1 604 536-2711 ext 6, or visit [www.azargametals.com](http://www.azargametals.com).

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Statement:

This news release contains forward-looking statements that are based on the Corporation's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current planned exploration activities; conclusions of economic evaluations; changes in project parameters as plans to continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Corporation disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.