



FOR IMMEDIATE RELEASE

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TSX-V: **AZR**

AZARGA METALS NEW ASSAYS INDICATE POTENTIAL FOR MULTIPLE HORIZONS OF SIGNIFICANT MINERALIZATION AT UNKUR

AZARGA METALS CORP. ("Azarga Metals" or the "Company") (TSX-V:AZR) announces additional assay results from deeper sections in previously reported diamond core drill-hole AM-001 together with assay results for hole AM-011 at its Unkur Silver-Copper Project in the Zabaikalsky administrative region of eastern Russia.

The Company's President and CEO Dorian (Dusty) Nicol said, "The assays from the remainder of AM-001 raise the intriguing possibility of additional horizons of significant mineralization that had not been identified in historical works at Unkur. In addition to continuing to explore the recognized mineralized zone, we will look to test the 'multiple mineralization horizon' idea across the deposit because confirmation of such could lead to a substantial increase in our views of the potential scale of any deposit at Unkur."

ADDITIONAL ASSAYS FROM DRILL-HOLE AM-001

At 401 meters in length, Drill-hole AM-001 is the longest hole drilled by Azarga Metals to date at Unkur. Assays from the upper sections of the hole were made public in the Company's news release on 19 September 2016. The main intersection announced was 40 meters at 65.9g/t silver and 0.74% copper from 82.5 meters to 122.5 meters together with two higher grade subsections (refer Table 2 in the Drilling Update Section of this news release).

Azarga Metals has now received assays from the remainder of drill-hole AM-001, including a second intersection of significant mineralization, being: **18 meters at 70.0 g/t silver and 0.81% copper** (ie, 137.6g/t silver equivalent or 1.65% copper equivalent using US\$17.83/oz silver price and US\$2.17/lb copper price and assuming 100% recoveries) from 314.5 meters to 332.5 meters. That intersection includes **seven meters at 137.7g/t silver and 1.51% copper** (ie, 263.7g/t silver equivalent or 3.16% copper equivalent using US\$17.83/oz silver price and US\$2.17/lb copper price and assuming 100% recoveries) from 320.5 meters to 327.5 meters. In addition, a third intersection of highly anomalous, though lower grade, mineralization was identified, being: **five meters at 49.2g/t silver and 0.32% copper** (ie, 75.9g/t silver equivalent or 0.91% copper equivalent using US\$17.83/oz silver price and US\$2.17/lb copper price and assuming 100% recoveries) from 339.5 meters to 344.5 meters.

AZARGA METALS CORP.
UNIT 1 – 15782 MARINE DRIVE, WHITE ROCK, B.C. V4B 1E6, CANADA
www.azargametals.com

AM-001 is the first hole from Azarga Metals' first phase exploration program at Unkur to establish multiple distinct horizons of significant mineralization. Such a feature was not observed in the shorter drill holes that have returned assays to date nor from historical exploration records. The Company plans to test for the presence of multiple layers of significant mineralization at other locations at Unkur.

ASSAYS FROM DRILL-HOLE AM-011

Assays have also been received from drill-hole AM-011. This hole, which was drilled to a total length of 179 meters, contained one significant intersection, being: **13.7 meters at 38.7g/t silver and 0.59% copper** (ie, 87.9g/t silver equivalent or 1.05% copper equivalent using US\$17.83/oz silver price and US\$2.17/lb copper price and assuming 100% recoveries) from 140.2 meters to 153.9 meters, including **5.9 meters at 86.4g/t silver and 1.25% copper** (ie, 190.7g/t silver equivalent or 2.29% copper equivalent using US\$17.83/oz silver price and US\$2.17/lb copper price and assuming 100% recoveries) from 148.0 meters to 153.9 meters.

Drill-hole AM-011 extends strike length approximately 600 meters to the south east of previously reported drill-hole AM-007.

Note: Drill intercepts are reported as drilled and may not be representative of true widths. Drill holes have been sited to attempt to intersect mineralization as close to perpendicular as possible, but there is not sufficient information about geometry of the mineralization at this time to estimate true widths. A Quality Assurance / Quality Control program is part of the sampling program at Unkur. This program includes chain of custody protocols as well as systematic submittals of standards, duplicates and blank samples into the flow of samples produced by the sampling including check assays of approximately 10% of the samples by another certified laboratory. Samples were analyzed at SGS Vostok Limited in Chita, Russia. Check assays will be analyzed at ALS Geochemistry in Chita, Russia.

DRILLING UPDATE

Azarga Metals has now completed ten holes and has drilled approximately 2,400 cumulative linear meters (of a planned 5,000 meters, recently expanded from the original 3,000 meters) at its Unkur Silver-Copper Project as per the table below.

Table 1: Location details for Unkur phase one drilling program completed holes to date

Hole ID	East (UTM)	North (UTM)	RL	Dip	Azimuth (magnetic)	Hole type	EOH	Recovery
AM-001	56.84	118.57	929m	70°	253°	DD	401m	95%
AM-003	56.84	118.57	931m	70°	254°	DD	96m	95%
AM-004	56.84	118.57	931m	70°	244°	DD	383m	95%
AM-005	56.84	118.57	930m	70°	242°	DD	160m	95%
AM-007	56.83	118.58	928m	70°	239°	DD	80m	95%

AM-009	56.82	118.58	976m	70°	236°	DD	225m	95%
AM-011	56.82	118.59	960m	70°	234°	DD	179m	95%
AM-013	56.82	118.59	1,000m	70°	231°	DD	100m	95%
AM-015	56.82	118.60	1,044m	70°	230°	DD	196m	95%
AM-017	56.83	118.78	913m	70°	242°	DD	278m	95%

Drill Holes AM-008 and AM-016 are currently being drilled.

Table 2: Unkur phase one drilling program assays reported to date (incl. this report)

Hole ID	Intersection	From	To	Silver grade	Copper grade
AM-001 (IS 1)	40m	82.5m	122.5m	65.9g/t	0.74%
- AM-001 sub-section	22m	82.5m	103.5m	111.9g/t	1.13%
- AM-001 sub-section	7m	85.5m	92.5m	244.1g/t	1.95%
AM-001 (IS 2)	18m	314.5m	322.5m	70.0g/t	0.81%
- AM-001 sub-section	7m	320.5m	327.5m	137.7g/t	1.51%
AM-001 (IS 3)	5m	339.5m	344.5m	49.2g/t	0.32%
AM-003	16m	56.5m	72.5m	84.0g/t	0.79%
- AM-003 sub-section	5m	59.5m	64.5m	200.4g/t	1.39%
AM-007	10m	49.0m	59.0m	20.2g/t	0.29%
AM-011	13.7m	140.2m	153.9m	38.6g/t	0.5%
- AM-011 sub-section	5.9m	148.0m	153.9m	100.7g/t	1.35%

Notes: ■ = full reported intersection and ■ = sub-section contained within the relevant full reported intersection.

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-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 province 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.

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