



FOR IMMEDIATE RELEASE

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TSX-V: **AZR**

AZARGA METALS SAMPLES 21 METERS OF 39.6G/T SILVER AND 0.81% COPPER TO FURTHER EXPAND MINERALIZATION AT UNKUR

AZARGA METALS CORP. ("Azarga Metals" or the "Company") (TSX-V:AZR) announces assay results from surface channel samples of outcropping mineralization and diamond core drill-holes from its Unkur Copper-Silver Project in the Zabaikalsky administrative region of eastern Russia.

Azarga Metals' President and CEO Dorian (Dusty) Nicol said, "The outcrop and drill hole samples announced today extend both the strike length and width of identified copper-silver mineralization at Unkur and adds to our confidence that with continued exploration, Unkur will continue to expand in size and grade."

The Company has now completed field activities for its first phase exploration program. In addition to the assays covered in this press release, additional data is still pending for the trenching program. Azarga Metals has engaged SRK Consulting (Russia) Ltd. to prepare a maiden NI 43-101 Resource estimate at Unkur, which is expected to be completed late in Q1 or early in Q2 of 2017.

CHANNEL SAMPLES OF OUTCROPPING MINERALIZATION

Channel samples from each of two surface outcrops located about 800 meters apart from each other assayed **21 meters at 39.6g/t silver and 0.81% copper** (ie, 126.2g/t silver equivalent or 1.18% copper equivalent) and **four meters at 5.2g/t silver and 0.41% copper** (ie, 49.0g/t silver equivalent or 0.46% copper equivalent), respectively. These outcrops add approximately 200 meters of potential up-dip extension to silver-copper mineralization delineated by drilling.

ASSAYS FROM FINAL HOLES OF FIRST PHASE EXPLORATION

Azarga Metals has received assay results from the remainder of its first phase drilling program. Significant results include:

- Drill-hole AM-020: 10 meters at 37.6g/t silver and 0.67% copper (ie, 109.2g/t silver equivalent or 1.02% copper equivalent) from 229.0 meters to 239.0 meters, including four meters at 81.9g/t silver and 1.50% copper (ie, 242.3g/t silver equivalent or 2.27% copper equivalent) from 235.0 meters to 239.0 meters.
- Drill-hole AM-002: 38 meters at 13.1g/t silver and 0.32% copper (ie, 47.3g/t silver equivalent or 0.44% copper equivalent) from 434.5 meters to 472.5 meters.
- Drill-hole AM-019: 10 meters at 12.4g/t silver and 0.48% copper (ie, 63.6g/t silver equivalent or 0.60% copper equivalent) from 39.0 meters to 49.0 meters.
- Drill-hole AM-006: 13 meters at 13.1g/t silver and 0.40% copper (ie, 55.9g/t silver equivalent or 0.52% copper equivalent) from 443.5 to 456.5 meters.
- Drill-hole AM-008: 11 meters at 6.4g/t silver and 0.25% copper (ie, 33.1g/t silver equivalent or 0.31% copper equivalent) from 352.3 meters to 363.3 meters.

Note: copper and silver equivalencies have been calculated using US\$17.89/oz silver price and US\$2.79/lb copper price and assuming 100% recoveries.

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 on the Unkur prospect. 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 drilled approximately 4,600 meters at its Unkur Copper-Silver Project as per the table below. The table does not include abandoned holes.

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

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-002	56.84	118.57	923m	70°	253°	DD	520m	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-006	56.83	118.58	955m	70°	242°	DD	575m	95%
AM-007	56.83	118.58	928m	70°	239°	DD	80m	95%
AM-008	56.83	118.58	1,013m	70°	239°	DD	601m	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%

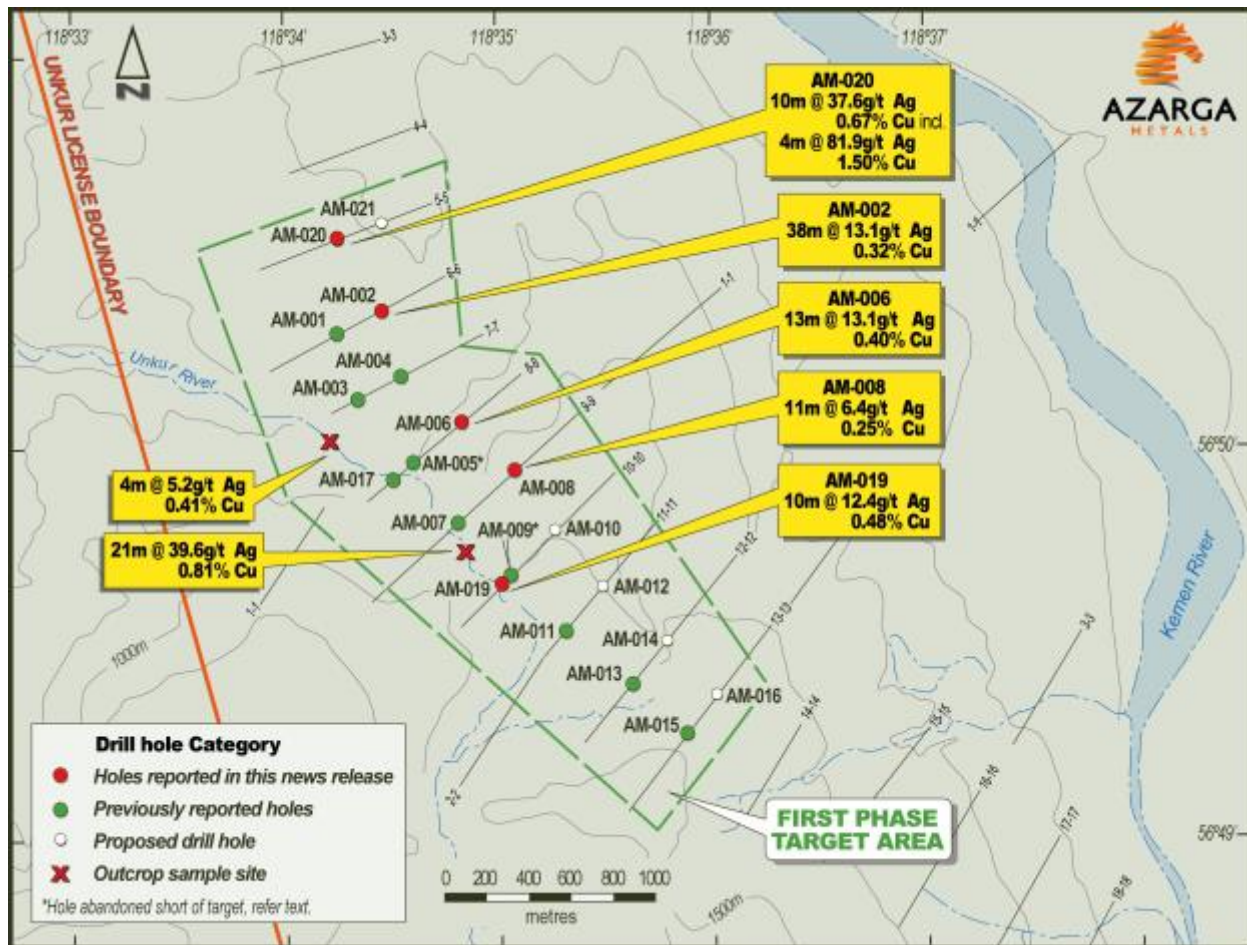
AM-012	56.84	118.57	923m	70°	261°	DD	520m	95%
AM-013	56.82	118.59	1,000m	70°	231°	DD	100m	95%
AM-015	56.82	118.60	1,044m	70°	230°	DD	196m	95%
AM-017	56.83	118.78	913m	70°	242°	DD	278m	95%
AM-019	56.83	118.58	934m	70°	236°	DD	236m	95%
AM-020	56.84	118.58	902m	70°	261°	DD	285m	95%

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-002	38m	434.5m	472.5m	13.1g/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-004	11m	323.5m	334.5m	58.0g/t	0.87%
AM-006	13m	443.5m	456.5m	13.1g/t	0.32%
AM-007	10m	49.0m	59.0m	20.2g/t	0.29%
AM-008	11m	352.3m	363.3m	6.4g/t	0.25%
AM-011	14m	140.2m	153.9m	38.7g/t	0.59%
- AM-011 sub-section	6m	148.0m	153.9m	86.4g/t	1.25%
AM-013	6m	71.0m	77.0m	27.7g/t	0.66%
AM-015	10m	135.0m	145.0m	4.6g/t	0.29%
AM-017	10m	192.5m	202.5m	134.2g/t	1.63%
- AM-017 sub-section	6m	192.5m	198.5m	194.5g/t	2.42%
AM-019	10m	39.0m	49.0m	12.4g/t	0.48%
AM-020	10m	229.0m	239.0m	37.6g/t	0.67%
- AM-020 sub-section	4m	235.0m	239.0m	81.9g/t	1.50%

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

Drill-holes AM-005 and AM-009 did not intersect mineralization of significance. Hole AM-010 was not drilled.



UNKUR COPPER-SILVER PROJECT

Azarga Metals owns 60% of the Unkur Copper-Silver 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 Copper-Silver 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 Copper-Silver Project in the Zabaikalsky province in eastern Russia.

AZARGA METALS CORP.

"Dusty Nicol"

Dorian L. (Dusty) Nicol, President and CEO

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