



**FOR IMMEDIATE RELEASE**

**1 June 2017**

**TSX-V: AZR**

### **AZARGA METALS SHARES FOR DEBT**

**AZARGA METALS CORP.** ("Azarga Metals" or the "Company") (TSX-V:AZR) reports that the Company has reached certain settlement agreements with the minority shareholders of the Company's 60% owned subsidiary, Azarga Metals Limited ("Azarga BVI") to accept common shares of the Company in settlement of amounts owing.

On acquiring Azarga BVI on May 31, 2016 (see March 1, 2016 news release), the Company assumed the obligation to repay existing loans of US\$766,709 (the "Loan"). The Loan bears interest at the rate of 12% per annum payable annually on each anniversary date. Accordingly, interest of US\$92,005 has accrued on the Loan to May 31, 2017 and is now due. The Company has reached settlement agreements with the lenders to accept a total of 709,751 common shares of the Company in settlement of the interest owing on the Loan based on the closing share price of the Company at close of trading on May 31, 2017 and the noon day exchange rate on that same day.

Also, on the acquisition of Azarga BVI, the Company agreed to, among other things, pay the minority shareholders of Azarga BVI US\$80,000 by June 1, 2017 (the "Deferred Payment"). The Company has reached settlement agreements with the minority shareholders of Azarga BVI to accept a total of 514,283 common shares of the Company in settlement of the Deferred Payment based on the closing share price of the Company at close of trading on June 1, 2017 and the noon day exchange rate on that same day.

The issue of all shares is subject to the approval of the TSX Venture Exchange.

The minority shareholders of Azarga BVI include Alexander Molyneux, Blake Steele and OC Management Group Limited, a company managed by Vladimir Pakhomov, all three of whom are now directors of the Company. Mr. Molyneux will be issued 341,026 shares to bring his total holding to 4,826,487 shares (10.04%), Mr. Steele will be issued 75,824 shares to bring his total holding to 1,167,368 shares (2.43%) and OC Management Group Ltd. will be issued 230,527 shares to bring its total to 4,233,293 shares (8.81%).

## **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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