



FOR IMMEDIATE RELEASE
March 16, 2020

TSX-V: AZR

BAKER STEEL TO AMEND AND INCREASE ITS INVESTMENT IN AZARGA METALS

AZARGA METALS CORP. ("Azarga Metals" or the "Company") (TSX-V:AZR) is pleased to announce that it has executed a Binding Term Sheet with Baker Steel Resources Trust Ltd. ("BSRT"), setting out the terms on which BSRT will, subject to satisfaction of certain conditions, increase its investment in the Company by an additional US\$500,000 ("Third Advance") under the Secured Convertible Loan Facility Agreement (the "Loan Facility") announced on April 10, 2019 and amend certain terms of the Loan Facility.

Subject to formal documentation of amendments to the Loan Facility and related documentation (the "Amendments" and, as amended the "Amended Loan Facility") and the approval of the TSX Venture Exchange, the Company and BSRT agree that, upon closing of the Amendments (the "Closing"), each of the following will occur:

1. The principal amount of the Loan Facility will be increased from US\$3,000,000 to US\$3,500,000 and BSRT will advance the Third Advance of US\$500,000.
2. The conversion price at which the principal amount under the Amended Loan Facility may be converted into common shares of the Company will be reduced from C\$0.14 to C\$0.10.
3. The Company will, upon receipt of the Third Advance of US\$500,000, issue such number of non-transferable share purchase warrants (the "New Warrants") to BSRT as is equal to US\$500,000 (converted into Canadian dollars at the Bank of Canada closing exchange rate on the day prior to Closing divided by C\$0.10). Each New Warrant will be exercisable to buy one common share of the Company at an exercise price of C\$0.10 until December 31, 2022.
4. The exercise price and expiry date of the existing 13,490,414 warrants issued to BSRT on April 12, 2019 ("Warrants") will be amended from C\$0.17 and April 21, 2021 to C\$0.10 and December 31, 2022, respectively (after such amendments, the "Amended Warrants").

The funds from BSRT's additional investment will be used to fund the ongoing exploration program at the Unkur Project. The goal of the program is to considerably expand the known mineralized envelope at Unkur.

On Closing, Alexey Mikhaylovskiy (the "Finder") will be entitled to receive 277,083 common shares of the Company, being 5% of US\$500,000 converted to Canadian dollars at a fixed exchange rate of US\$ = C\$1.33 and a share price of C\$0.12.

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All of the estimates in the following paragraphs are approximations based on a current exchange rate of 1.3901 (“Current Exchange Rate”) and a closing share price of \$0.075 on March 13, 2020 (“Closing Share Price”). Prior to drawdown of the Third Advance of US\$500,00 and the Amendments, assuming BSRT: (i) converted the principal amount of US\$3,000,000 and all related interest under the Loan Facility at the current conversion price of C\$0.14 per common share at maturity (December 31, 2022); (ii) exercised all of the 13,490,414 Warrants; (iii) used the Current Exchange Rate ; and (iv) used the conversion price for the interest of the Closing Share Price; it is estimated BSRT would beneficially own and control an aggregate of 59,068,648 common shares of the Company, representing an aggregate beneficial ownership interest of 39.08% of the issued and outstanding shares of the Company (post-issuance of the shares and including the 1,470,443 common shares in the Company that BSRT already owns, but excluding the shares issuable to the Finder).

Following drawdown of the Third Advance of US\$500,000 and assuming BSRT converts all of the US\$3,500,000 owing to it (with the principal conversion price amended from C\$0.14 to C\$0.10 and together with the other assumptions referred to above including issuance of the New Warrants and exercise of the Amended Warrants), BSRT would beneficially own and control an aggregate of 86,964,736 common shares of the Company, representing an aggregate beneficial ownership interest of 48.58% of the issued and outstanding shares of the Company (post-issuance of the shares and including the 1,470,443 common shares in the Company that BSRT already owns, but excluding the shares issuable to the Finder), reflecting an increase of 27,896,088 common shares 18.46% of the currently issued and outstanding shares of the Company (assuming conversion of the Loan Facility and exercise of the Warrants).

About Azarga Metals Corp.

Azarga Metals is a mineral exploration and development company that owns 100% of the Unkur Copper-Silver Project in the Zabaikalsky administrative region in eastern Russia. On completion of a first phase physical exploration program in 2016-2018, the Company estimated an Inferred Resource of 62 million tonnes at 0.53% copper and 38.6g/t silver for the project in the report entitled “Technical Report and Preliminary Economic Assessment for the Unkur Copper-Silver Project, Kodar-Udokan, Russian Federation” dated effective 30, August 2018 authored by Tetra Tech Mining & Minerals. The Resource remains open in both directions along strike and down-dip.

BSRT, Arnold House, St Julians Avenue, Guernsey, GY1 1WA, entered into the Binding Term Sheet for investment purposes. Depending on market conditions and other factors, BSRT may from time to time acquire and/or dispose of securities of the Company or continue to hold its current position. A copy of the early warning report required to be filed with the applicable securities commissions in connection with the execution of the Binding Term Sheet will be available on SEDAR at www.sedar.com and can be obtained by contacting Tino Isnardi at +44 (0) 20 7389 0009.

AZARGA METALS CORP.

"Michael Hopley"

Michael Hopley,
President and Chief Executive Officer

For further information please contact: Doris Meyer, at +1 604 536-2711 ext. 6, visit www.azargametals.com, or follow us on Twitter @AzargaMetals. The address of the head office of Azarga Metals is Unit 1 - 15782 Marine Drive, White Rock, BC V4B 1E6, British Columbia, Canada.

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 Company'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 mineralization grade or recovery rates; accidents, labor 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 Company 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 a guarantee of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.