



FOR IMMEDIATE RELEASE
22 October 2021

TSX-V: AZR

AZARGA METALS ISSUES SHARES TO BAKER STEEL SEMI-ANNUAL INTEREST

AZARGA METALS CORP. ("**Azarga Metals**" or the "**Company**") (**TSX-V:AZR**) as announced on 14 October 2021, the Company has issued to Baker Steel Resources Trust Limited ("**BSRT**") a total of 3,743,755 common shares to settle its semi-annual interest payment of C\$187,188 on a US\$3.5 million convertible loan (the "**Loan**").

BSRT Early Warning Disclosure

Pursuant to the conversion of C\$187,188 in interest owing to BSRT by Azarga Metals pursuant to the Loan, BSRT acquired 3,743,755 common shares of Azarga Metals (the "**Interest Conversion**"), at a conversion price per share of C\$0.05. Prior to the Interest Conversion, BSRT owned 7,858,031 common shares of Azarga Metals, representing 6.5% of the issued and outstanding common shares of Azarga Metals. Following the Interest Conversion, BSRT will own 11,601,786 common shares of Azarga Metals, representing 9.3% of the issued and outstanding common shares of Azarga, reflecting an increase of 2.8% of the enlarged number of Azarga Metal's issued and outstanding common shares.

In addition to the common shares owned by BSRT following the Interest Conversion, pursuant to the Loan and 20,440,914 warrants previously issued to BSRT, assuming BSRT (i) converted the principal amount of US\$3.5 million under the Loan at the conversion price of C\$0.10 per common share at maturity (December 31, 2022) at the agreed fixed exchange rate resulting in the issue of 46,925,500 shares; (ii) exercised all of the 20,440,914 warrants at an exercise price of C\$0.10; (iii) applied the agreed fixed exchange rate to the US\$ Loan principal; and (iv) used the conversion price for all interest accruing after the date hereof until maturity of C\$0.05, BSRT would beneficially own and control an aggregate of 88,204,166 common shares of Azarga Metals, representing an aggregate beneficial ownership interest of approximately 44.8% of the issued and outstanding common shares of Azarga Metals (post-issuance of the common shares and including the 7,858,031 common shares Azarga Metals that BSRT currently owns).

BSRT, Arnold House, St Julians Avenue, Guernsey, GY1 1WA holds the common shares for investment purposes. Depending on market conditions and other factors, BSRT may from time to time acquire and/or dispose of securities of Azarga or continue to hold its current position.

A copy of the early warning report required to be filed with the applicable Canadian securities commissions in connection the transaction will be available under the Company's profile on SEDAR at www.sedar.com and can be obtained by contacting Tino Isnardi at +44 (0) 20 7389 0009.

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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 14 July 2021 the Company announced it had signed a term sheet to undertake due diligence and negotiate formal agreements to pursue an acquisition of the Marg copper-rich VMS project, located in Central Yukon. Due diligence continues.

AZARGA METALS CORP.

"Gordon Tainton"

Gordon Tainton,
President and CEO

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

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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 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.