



FOR IMMEDIATE RELEASE

22 AUGUST 2016

TSX-V: **AZR**

AZARGA METALS DRILLING CONFIRMS SUB-SURFACE MINERALIZATION AT UNKUR COPPER-SILVER PROJECT

AZARGA METALS CORP. ("Azarga Metals" or the "Company") (TSX-V:AZR) announces an update on drilling at its Unkur Copper-Silver Project in the Zabaikalsky administrative region of eastern Russia. Two holes have been completed since drilling commenced approximately two weeks ago and both have intersected distinct zones of visible mineralization.

Hole AM-007 intersected approximately 23 meters of visible copper-bearing mineralization from 56 meters to 78 meters and hole AM-003 intersected approximately 20 meters of visible copper-bearing mineralization from 40 meters to 60 meters.

Azarga Metals' president and CEO Dorian L. (Dusty) Nicol commented, "My enthusiasm for Unkur, already very high, is now even higher and I am very optimistic about what we will be able to drill out. Its encouraging technically and for our shareholders."

DRILLING UPDATE

Since commencing with two rigs drilling diamond core drill-holes two weeks ago, Azarga Metals has completed the first two holes at its Unkur Copper-Silver Project as per the table below.

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-003	56.84	118.57	931m	70°	254°	DD	96m	95%
AM-007	56.83	118.58	928m	70°	239°	DD	80m	95%

Both holes encountered mineralized intersections in excess of 20 meters. Visual inspection of the core shows the presence of both oxidized copper and copper-bearing sulphide mineralization principally in the form of chalcocite.

Core from drill-hole AM-007 showing visible mineralization



Source: Azarga Metals.

Close-up of core from drill-hole AM-003 showing combination of chalcocite and oxidized copper



Source: Azarga Metals.

Core samples from the two completed holes will be dispatched to SGS Minerals Services in Chita today and assay results for those are expected in October.

FIRST PHASE DRILLING PROGRAM

Azarga Metals is now approximately one quarter through its first phase drilling program, which aims to drill between eight and ten holes totaling approximately 3,000 cumulative linear meters. The two drill rigs currently at Unkur are expected to operate through the end of October. Assays for the program should be received by the Company in the October through December period.

Drill rig operating at drill-hole location AM-003



Source: Azarga Metals.

CEO Dorian L. (Dusty) Nicol and General Manager Sergei Stefanovich inspecting core from drill-hole AM-003



Source: Azarga Metals.

Further details of the first phase drilling program at Unkur were contained in the Company's news release of 2 June 2016.

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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