

White Rock, British Columbia (FSCwire) - AZARGA METALS CORP. ("Azarga Metals" or the "Company") (TSX-V:AZR) announces assay results from the first two diamond core drill-holes completed at its newly acquired Unkur Copper-Silver Project in the Zabaikalsky administrative region of eastern Russia.

Significant mineralization was intersected in both drill holes, with results including:

- 16 meters at 84.0g/t silver and 0.79% copper from 56.5 meters in hole AM-003, including five meters at 200.4g/t silver and 1.39% copper from 59.5 meters
- 10 meters at 20.2g/t silver and 0.29% copper from 49.0 meters in hole AM-007

Azarga Metals's president and CEO Dorian L. (Dusty) Nicol commented, "The grade and thickness of these near-surface intersections are very encouraging, particularly the high grade intersection from AM-003. The results compare favorably with historic Soviet-era drilling at Unkur and indicate that, if anything, historic exploration results have understated the size and likely the silver and copper grades of the Unkur deposit."

ASSAYS FROM DRILL HOLES AM-003 AND AM-007

Drill hole AM-003 was drilled to verify significant and relatively shallow intercepts from historical drilling at the Unkur Copper-Silver Project. AM-007 was drilled approximately 750 meters along strike to the south east of AM-003.

Assay results show AM-003 intersected 16 meters at 84.0g/t silver and 0.79% copper (ie, 144.5g/t silver equivalent or 1.89% copper equivalent using US\$18.69/oz silver price and US\$2.09/lb copper price and assuming 100% recoveries) from 56.5 meters to 72.5 meters. This intersection included a higher grade interval of five meters at 200.4g/t silver and 1.39% copper from 59.5 meters (ie, 306.8g/t silver equivalent or 4.01% copper equivalent using US\$18.69/oz silver price and US\$2.09/lb copper price and assuming 100% recoveries).

Assay results show AM-007 intersected 10 meters at 20.2g/t silver and 0.29% copper (ie, 42.4g/t silver equivalent or 0.55% copper equivalent using US\$18.69/oz silver price and US\$2.09/lb copper price and assuming 100% recoveries) from 49.0 meters to 59.0 meters.

The results from AM-003 and AM-007 are extremely encouraging. Hole AM-003 was drilled to confirm the results of historic hole C-1 which reported an intersection of 15.3 meters at 0.54% copper with no silver data. This historic hole had only 40% core recovery and thus the results from hole AM-003 (which had 95% core recovery) support the contention that historic drilling may have understated thickness and more significantly grade of the Unkur mineralization. Hole AM-007, which also had about 95% core recovery, indicates the presence of mineralization at a point where there was no previous data and thus is encouraging in terms of demonstrating extent and continuity of the mineralization.

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

Two additional drill-holes have been completed since the last drilling update of 22 August 2016, AM-005 and AM-009. Visual inspection concludes both new holes contain mineralized intersections.

Azarga Metals has now completed four holes at its Unkur Copper-Silver Project as per the table below.

Table 1: Details for Unkur phase one drilling program completed holes to date

Hole ID	Estimated Depth (m)
AM-003	56.5
AM-005	56.5

AM-007

56

AM-009

56

Two additional holes are currently being drilled: AM-001, which is now at a depth of 379 meters; and AM-011, which has just been started and is at a depth of 28 meters.

FIRST PHASE DRILLING PROGRAM

Azarga Metals is now approximately one third 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 continue to be received by the Company in the period through to December.

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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conclusions of economic evaluations; changes in project parameters as plans to continue to be refined; possible variations in ore grade or recovery rates; accidents, labour 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 Corporation 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 guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein.

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