

MATERIAL CHANGE REPORT

1. Name and Address of Company:

Azarga Metals Corp. (“Azarga Metals” or the “Company”)
Unit 1 – 15782 Marine Drive
White Rock, British Columbia
V4B 1E6

PHONE: (604) 536-2711

2. Date of Material Change

June 14, 2022

3. Press Release

Issued June 14, 2022, distributed through Accesswire to the TSX Venture Exchange, being the only exchange upon which the shares of the Company are traded, and through various other approved public media.

4. Summary of Material Change(s):

Azarga Metals announced it has closed the agreement (the “Agreement”) with Baker Steel Resources Trust Limited (“BSRT”) announced on April 19, 2022. Pursuant to the Agreement, Azarga Metals has granted BSRT the option to acquire Azarga Metal’s Unkur project (the “Unkur Option”) until December 31, 2023, after which the Unkur Option will automatically expire.

5. Full Description of Material Change

See the attached full version of the news release dated June 14, 2022 which is hereby incorporated by reference.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable

7. Omitted Information

Not Applicable

8. Executive Officer

The following senior officer of the Company is knowledgeable about the material change and may be contacted by the Commission at the following address and telephone number:

Doris Meyer, Corporate Secretary
Unit 1- 15782 Marine Drive
White Rock, British Columbia
V4B 1E6
PHONE: (604) 536-2711

9. Date of Report

DATED at White Rock, British Columbia this 14th day of June 2022.

“Doris Meyer”

Doris Meyer, Corporate Secretary



FOR IMMEDIATE RELEASE

TSX-V: **AZR**

BAKER STEEL GRANTED UNKUR OPTION AND CONVERTS LOAN TO SETTLE DEBT

June 14, 2022 – Vancouver, B.C. - AZARGA METALS CORP. ("Azarga Metals" or the "Company") (TSX-V:AZR) is pleased to announce that it has closed the agreement (the "**Agreement**") with Baker Steel Resources Trust Limited ("**BSRT**") announced on April 19, 2022. Pursuant to the Agreement, Azarga Metals has granted BSRT the option to acquire Azarga Metal's Unkur project (the "**Unkur Option**") until December 31, 2023 (the "**Unkur Option Period**"), after which the Unkur Option will automatically expire.

Upon closing the Agreement, BSRT exercised its right to convert the US\$3.5 million loan (the "**Loan**") made under the secured convertible loan facility (the "**Loan Agreement**") between Azarga Metals and BSRT. The Loan was converted at a fixed Canadian dollar equivalent value of C\$4.7 million, with a conversion price of C\$0.10 per share for a total issue of 46,925,500 common shares of the Company (the "**Shares**").

The Unkur Option is exercisable at an exercise price of US\$1.00 from the date of termination of the Loan Agreement, being June 14,, 2022 until December 31, 2023, after which, if not previously exercised by BSRT, the Unkur Option will automatically expire.

The Company will use its best efforts (while recognizing that sanctions and other force majeure circumstances may prevent these efforts), to maintain the corporate existence of its subsidiaries and its licences, including the Unkur project, located in the Zabaikalskiy Region of eastern Russia, on a care and maintenance basis during the Option Period.

If the Unkur Option is exercised by BSRT and Unkur is subsequently sold to an arms length third party within 2 years of the date of the exercise of the Unkur Option by BSRT, proceeds from the sale of the Unkur project will be shared between the Company and BSRT based on an agreed upon formula. The proceeds from a sale will be paid to the Company and BSRT as follows: (1) the Company will be reimbursed the cost of care and maintenance until the Unkur Option is exercised, (2) BSRT will be reimbursed the cost of care and maintenance incurred from the date of the Unkur Option exercise to the date of the sale to a third party, (3) BSRT will be paid US\$3.5 million and (4) BSRT and the Company will share any residual consideration on an 80%/20% basis respectively.

Pursuant to the Agreement, the Company has granted BSRT a ROFR (right of first refusal) to match any third party offer received by the Company for the Unkur project. The parties agree to use reasonable efforts to work together during the Option Period to find potential buyers for the Unkur project. Gordon Tainton, President and CEO of the Company commented "*the co-operation from BSRT to convert the Loan into common shares removes US\$3.5 million of debt and improves the financial position of the Company. This debt reduction provides the Company with the ability to further focus its attention on advancing exploration at its 100% owned copper-rich VMS Marg project located near Keno City, Yukon. We look forward to commencing our planned exploration program at Marg this summer.*"

Marg Project

The Company owns 100% of the high-grade copper-rich VMS Marg project within the Keno Hill Silver District of the Yukon Territory. As previously announced, the Company is reviewing and re-interpreting the historic VTEM database of the airborne geophysical program to be used to refine the drill targets for the Company's planned 2022 exploration program. Geological groundwork is expected to focus on the Marg deposit extensions and the highly prospective Jane mineral occurrence area, which has the potential for

another Marg-style deposit. Mineralization at the Marg project remains open along strike, down-dip and down plunge and the geological program should assist the drilling campaign to define a goal of 14 to 15 million tonnes of mineralized material.

Planning for the 2022 exploration program has commenced, with the aim of beginning a geological program in July. An experienced geologist in VMS deposits and a full-service contractor have been engaged to execute and oversee this plan, all subject to funding.

Qualified Person

James Pickell, P.Geo., a consultant to Azarga Metals and a Qualified Person as defined by NI 43-101, verified the data disclosed and has reviewed and approved the disclosure contained in this Press Release.

BSRT Early Warning Disclosure

As a result of BSRT exercising its conversion option under the Loan Agreement, BSRT owns in aggregate 58,527,286 Shares, representing an increase of 24.1% from the 8.9% ownership interest that BSRT had prior to the conversion. Following conversion, BSRT owns 33% of the issued and outstanding common shares of the Company.

BSRT also owns 20,440,914 warrants of the Company, each exercisable at C\$0.10 per warrant until December 31, 2022. Assuming exercise of these warrants, BSRT would own, in aggregate, 78,968,200 Shares, representing an aggregate ownership interest of 39.9% of the issued and outstanding shares of Azarga (and an increase of 6.9% from its percentage ownership interest following the conversion).

Depending on market conditions and other factors, BSRT may from time to time acquire and/or dispose of securities of Azarga Metals 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 with the conversion 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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AZARGA METALS CORP.

"Gordon Tainton"

Gordon Tainton,
President and CEO

For further information please contact: Doris Meyer, at +1 604 536-2711 ext. 3 or 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.

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.

This news release contains forward looking statements within the meaning of applicable securities laws. The use of any of the words “ambition”, “estimate”, “concluded”, “offers”, “objective”, “may”, “will”, “should”, “potential” and similar expressions are intended to identify forward looking statements. In particular, this news release contains forward looking statements concerning the planned 2022 exploration program for the Marg project and the aim of defining 14 to 15 million tonnes of mineralized material. Although the Company believes that the expectations and assumptions on which the forward looking statements are based are reasonable, undue reliance should not be placed on the forward looking statements because the Company cannot give any assurance that they will prove correct. Since forward looking statements address future events and conditions, they involve inherent assumptions, risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of assumptions, factors and risks. These assumptions and risks include, but are not limited to, assumptions and risks associated with the state of equity financing markets and the Company’s ability to obtain financing to complete the 2022 exploration program and results of future exploration activities by the Company, including the planned 2022 exploration program at the Marg project. Management has provided the above summary of risks and assumptions related to forward looking statements in this news release in order to provide readers with a more comprehensive perspective on the Company’s future operations. The Company’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive from them. These forward looking statements are made as of the date of this news release, and, other than as required by applicable securities laws, the Company disclaims any intent or obligation to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise.