

For Immediate Release
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**Powertech Uranium Corp. to Merge with Azarga Resources Limited
to Create Azarga Uranium Corp.**

Vancouver, BC – Powertech Uranium Corp. (“**Powertech**” or the “**Company**”) and Azarga Resources Limited (“**Azarga**”) are pleased to announce that they have entered into a share purchase agreement (the “**Share Purchase Agreement**”) pursuant to which Powertech will acquire all of the issued and outstanding common shares of Azarga in exchange for common shares of Powertech (the “**Transaction**”). Azarga currently owns 68,991,571 common shares of Powertech (“**Powertech Shares**”), representing approximately 45% of the issued and outstanding Powertech Shares.

Upon completion of the Transaction:

- Azarga would become a wholly-owned subsidiary of Powertech and the current Azarga shareholders would become Powertech shareholders holding approximately 77% of the Powertech Shares;
- Powertech would continue to carry on Azarga’s business and change its name to “Azarga Uranium Corp.”;
- Richard Clement, Powertech’s President and Chief Executive Officer, and John Mays, Powertech’s Chief Operating Officer, will each remain in their respective roles and Curtis Church and Blake Steele, currently members of Azarga’s senior management team, would be added to Powertech’s senior management team as VP International Operations and Chief Financial Officer, respectively; and
- Powertech’s board of directors would be reconstituted to include the members of the existing Powertech board with the addition of certain representatives of the existing Azarga board, with the board expected to consist of Alexander Molyneux (Chairman), Richard Clement, Curtis Church, Douglas Eacrett, Malcom Clay, Paul Struijk, Matthew O’Kane and Joseph Havlin.

Richard Clement states, “Azarga has been our largest shareholder and main financier since mid-2013. The merger importantly brings cash and undrawn financing facilities with its assets that put Powertech in a much more robust position moving forward.”

Alexander Molyneux, Azarga’s Chairman, states, “The scale, diversification and committed financing associated with this Transaction creates a uranium play that provides shareholders with diversified exposure to a recovering sector.”

Key Benefits of the Transaction

The proposed Transaction brings a number of key benefits, including:

- *Increased scale* – The addition of Azarga’s assets will diversify the combined company’s asset locations and will increase its resource base. Azarga and Powertech will work to

provide updated information respecting those increased mineral resources as soon as possible, in compliance with the rules of the Toronto Stock Exchange and Canadian securities regulations;

- *Increased diversification* – Azarga owns majority control (80%) of the Kyzyl Ompul deposit in the Kyrgyz Republic, and is the largest attributable shareholder of Black Range Minerals Ltd. (ASX:BLR) which owns the Hansen / Taylor Ranch deposit in Colorado, USA (34%¹) and of Anatolia Energy Ltd. (ASX: AEK) which owns the Temrezli Project in Turkey (12%). Adding these significant interests is intended to reduce Powertech’s exposure to permitting risk at Dewey Burdock;
- *Enhanced management and board of directors* – The post-Transaction expanded board of directors and senior management team includes representation from Asia and brings significant experience in capital raising for exploration and development stage assets; and
- *Financial stability and strategic investors* – Azarga’s cash (currently approximately US\$2.1 million) and undrawn capacity under its convertible note from Blumont Group Limited (“**Blumont**”) (currently approximately US\$11 million) will be available to the merged entity. The convertible note conversion price will be C\$0.15 per Powertech Share, a significant premium to the pre-Transaction trading price. Azarga has a strong track record in raising capital through the uranium downturn, having raised approximately US\$39 million of capital and undrawn commitments as a private company. Blumont, based in Singapore, is a major supporting shareholder and financier of Azarga. If the Transaction is completed, it would own approximately 11% of the merged entity and be the holder of the US\$26 million partially drawn convertible notes loan.

Transaction Overview

Under the terms of the Share Purchase Agreement, Powertech will acquire all of the issued and outstanding shares of Azarga in exchange for Powertech common shares based on an exchange ratio equal to 3.65 Powertech Shares for each Azarga share. Immediately after the completion of the Transaction, Powertech intends to consolidate its outstanding shares on a basis to be agreed upon by Powertech and Azarga. On a pro forma, pre-consolidation basis, Powertech expects to have approximately:

- 364 million issued and outstanding common shares, of which approximately 23% would be held by Powertech’s current shareholders and approximately 77% would be held by Azarga’s shareholders; and
- 55 million outstanding stock options and warrants to issue up to an additional 55 million common shares.

The Transaction has been unanimously approved by the board of directors of both Powertech and Azarga. Completion of the Transaction is expected to occur before July 31, 2014 and is conditional upon, among other things, receipt of all required approvals, including approvals of the

¹ Currently 23%, increasing up to 34% subject to receipt of approval of the shareholders of Black Range Minerals Limited to the conversion of certain outstanding convertible loans pursuant to agreements between Azarga and Black Range Minerals Limited dated July 2, 2013 and October 26, 2013.

Toronto Stock Exchange, the shareholders of Powertech and the shareholders of Azarga. Since Azarga currently owns approximately 45% of the issued and outstanding Powertech Shares, the Transaction is a related party transaction for Powertech and as such will require minority shareholder approval in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

Azarga also currently owns approximately 34%² of the shares of an Australian Stock Exchange listed company, Black Range Minerals Limited. Accordingly, in order to permit the ‘downstream acquisition’ of more than 20% of the voting shares of Black Range Minerals Limited by Powertech, the Transaction will also require either receipt of approval of Black Range Minerals Limited’s shareholders or a modification of the terms of the Australian Corporations Act from the Australian Securities and Investments Commission.

Voting Agreements

The executive officers and directors of Powertech will enter into voting agreements with Azarga pursuant to which they will agree to vote any Powertech Shares owned by them in favour of the Transaction.

Shareholder Meeting

Powertech will be calling a meeting of its shareholders to seek approval of, among other things, the issuance of its shares pursuant to the Share Purchase Agreement, the reconstitution of the Company’s board of directors, the share consolidation and the adoption of new security based compensation arrangements by Powertech. Powertech will issue a further news release when it mails a management information circular in respect of its shareholders’ meeting.

About Powertech Uranium Corp.

Powertech Uranium Corp. is a mineral exploration and development company that, through its South Dakota-incorporated subsidiary Powertech (USA), Inc., has holdings including the Dewey-Burdock Uranium Deposit in South Dakota, the Centennial Project in Colorado, and Dewey Terrace and Aladdin Projects in Wyoming.

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² See footnote 1 above.

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Disclaimer for Forward-Looking Information

Certain statements in this news release are forward-looking statements, which reflect the expectations of management regarding the Transaction and the Company's future operations. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements may include, but are not limited to, statements with respect to the future financial or operating performance of the Company and its mineral projects, the estimation of mineral resources, the timing and amount of estimated future production and capital, operating and exploration expenditures. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect, including that permits required for the Company's operations will be obtained in a timely basis, that skilled personnel and contractors will be available as the Company's operations continue to grow, that the price of uranium will be at levels that render the Company's mineral projects economic and that the Company will be able to continue raising the necessary capital to finance its operations and realize on mineral resource estimates. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) the risk that the Company does not complete the proposed Transaction, (2) a downturn in general economic conditions in North America and internationally, (3) the inherent uncertainties and speculative nature associated with uranium exploration, including the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and ore densities or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents or other risks of the mining industry, (4) a decrease in the demand for and/or a decrease in the price of uranium, (5) an increase in the operating costs associated with the extraction and processing of the uranium, (6) any number of events or causes which may delay or cease exploration and development of the Company's property interests, such as environmental liabilities, weather, mechanical failures, safety concerns and labour problems, (7) the risk that the Company does not execute its business plan, (8) inability to retain key employees, (9) inability to finance operations and growth, (10) any change in the law, regulatory or political environment which would negatively affect the Company's operations or its ability to obtain all necessary environmental and regulatory approvals, licenses and permits, including Toronto Stock Exchange approval of the Transaction, (11) an increase in the number of competitors with larger resources, and (12) other factors beyond the Company's control. These forward-looking statements are made as of the date of this news release and, except as required by applicable securities laws, the Company assumes no obligation to update these forward-looking statements, or to update the reasons why actual results differed from those projected in the forward-looking statements. Additional information about these and other assumptions, risks and uncertainties are set out in the "Risks and Uncertainties" section in the Company's most recent MD&A filed with Canadian security regulators.