

Form 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Powertech Uranium Corp. (the “Company”)
Suite 140 – 5575 DTC Parkway
Greenwood Village, Colorado
USA 80111

Item 2 Date of Material Change

February 25, 2014

Item 3 News Release

The Company’s News Release dated February 26, 2014 was disseminated through the facilities of Marketwire L.P.

Item 4 Summary of Material Change

Pursuant to a share purchase agreement dated February 25, 2014 (the “**Share Purchase Agreement**”), the Company has agreed to acquire all of the issued and outstanding common shares (each, an “**Azarga Share**”) of Azarga Resources Limited (“**Azarga**”) in exchange for common shares of the Company (each, a “**PWE Share**”) on an exchange ratio equal to 3.65 PWE Shares for each Azarga Share (the “**Transaction**”). Immediately after completion of the Transaction, the Company intends to consolidate its outstanding shares on a basis to be agreed upon by the Company and Azarga. Upon completion of the Transaction, Azarga will become a wholly-owned subsidiary of the Company and current Azarga shareholders will become shareholders of the Company holding approximately 77% of the outstanding PWE Shares. The resulting entity is expected to carry on Azarga’s business and change its name to “Azarga Uranium Corp.”

On a pro forma, pre-consolidation basis, on closing of the Transaction the Company expects to have approximately: 363,590,775 issued and outstanding PWE Shares, of which approximately 23% would be held by the Company’s current shareholders and approximately 77% would be held by Azarga’s shareholders; 35,755,037 options, of which approximately 14% would be held by the Company’s current option holders and approximately 86% would be held by Azarga’s option holders; and 19,349,800 warrants, all of which would be held by the Company’s current warrant holders with the exception of the 1,500,000 warrants to purchase PWE Shares held by Azarga.

In connection with the Transaction, additional nominees of Azarga will be added to the Company’s board of directors and management team such that the directors and officers of the Company upon completion of the Transaction will be, subject to receipt of the necessary consents to act and Toronto Stock Exchange (“**TSX**”) approval: Alexander Molyneux, Chairman and director; Richard F. Clement Jr., President, Chief Executive Officer and director; Curtis Church, VP International Operations and director; Douglas Eacrett, independent director; Malcolm Clay, independent director; Paul Struijk, independent director;

Matthew O’Kane, director; Joseph Havlin, director; Blake Steele, Chief Financial Officer; and John Mays, Chief Operating Officer. Messrs. Molyneux, Church, Havlin and Steele are new nominees of Azarga and Messrs. O’Kane and Struijk are current directors of the Company who were nominated by Azarga in connection with prior transactions within the past year. Messrs. Clement, Eacrett, Clay and Mays were involved with the Company prior to its first transaction with Azarga.

The Transaction has been approved by the directors entitled to vote of both the Company and Azarga, subject to the requisite approvals. Closing of the Transaction expected to occur before July 31, 2014 and is subject to a number of conditions, including receipt of TSX approval, approval of the shareholders of the Company and approval of the shareholders of Azarga. A meeting of the shareholders of the Company (the “**PWE Meeting**”) is expected to be called on or before June 30, 2014 in connection with the Transaction to obtain the requisite shareholder approval. At the PWE Meeting, shareholders will be asked to approve, among other things, the issuance of PWE 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 the Company. An information circular will be prepared and sent to shareholders of the Company along with proxy materials in connection with the PWE Meeting. The executive officers and directors of the Company will enter into voting agreements with Azarga pursuant to which they will agree to vote any PWE Shares owned by them in favour of the Transaction.

Since Azarga currently owns 68,991,571 PWE Shares representing approximately 45% of the issued and outstanding PWE Shares, the Transaction is a related party transaction for the Company and will require minority shareholder approval in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Azarga will be prohibited from voting its PWE Shares at the PWE Meeting with respect to approval of the Transaction. Upon completion of the Transaction, it is expected that Azarga shareholders will own approximately 77% of the outstanding PWE Shares, and that the 68,991,571 PWE Shares currently held by Azarga will be cancelled. Blumont Group Limited, a major shareholder of Azarga, is expected to own approximately 11% of the outstanding PWE Shares on closing of the Transaction and be the holder of a US\$26 million partially drawn convertible note loan. Also, in connection with the completion of the Transaction, certain Azarga securityholders and shareholders of the Company are expected to enter into an escrow agreement with respect to their securities of the Company resulting from the proposed acquisition.

For more details on Azarga’s prior transactions with the Company, please refer to the Company’s press releases dated August 1, 2013, October 21, 2013, October 22, 2013, October 31, 2013, and December 24, 2013, all of which are filed under the Company’s profile on SEDAR.

Item 5 Full Description of Material Change

The material change is fully described in Item 4 and in the Company’s News Release of February 26, 2014 as filed on SEDAR.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”).

(a) a description of the transaction and its material terms:

See above.

(b) the purpose and business reasons for the transaction:

The principal purposes of the Transaction are: to increase the scale and diversity of the Company’s assets by adding Azarga’s assets to the Company’s portfolio; to provide the Company with increased access to strategic investors and financial stability; and to provide the Company with additional expertise and experience by enhancing the Company’s management team and board of directors with the addition of new members.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

See above.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Prior to entry into the Share Purchase Agreement, Azarga held (i) 68,991,571 PWE Shares, (ii) 750,000 warrants exercisable at \$0.20 per PWE Share until November 6, 2014, (iii) 750,000 warrants exercisable at \$0.20 per PWE Share until February 27, 2016, and (iv) a USD\$3.6 million loan facility convertible at CAD\$0.095 per PWE Share, subject to adjustment, for 115% of the principal amount until October 21, 2014 and 130% of the principal amount from October 22, 2014 until October 21, 2015. Azarga’s ownership represented approximately 45% of the issued and outstanding PWE Shares on an undiluted basis and approximately 58% on a partially diluted basis, assuming exercise of all warrants owned by Azarga and conversion of the \$3.6 million loan facility in the second year after its issuance. Accordingly, Azarga was considered a related party prior to entry into the Share Purchase Agreement.

Following closing of the Transaction, the PWE Shares held by Azarga will be cancelled. In addition, on closing, certain related parties of the Company will be issued securities of the Company in exchange for their currently outstanding securities of Azarga as follows: Alexander Molyneux, the Chairman of Azarga and proposed Chairman of the resulting issuer, will be issued 71,678,302 PWE Shares, options to acquire 310,250 PWE Shares at \$0.12 each until May 1, 2018 and options to acquire 15,921,697 PWE Shares at \$0.12 each until February 12, 2019; Curtis Church, the President of Azarga and proposed VP International Operations and director of the resulting issuer, will be issued 70,262,500 PWE Shares, options to acquire 310,250 PWE Shares at \$0.12 each until May 1, 2018 and options to acquire 2,281,250 PWE Shares at \$0.12 each until February 12, 2019; Blake Steele, the Chief Financial Officer of Azarga

and proposed Chief Financial Officer of the resulting issuer, will be issued 912,500 PWE Shares, options to acquire 155,125 PWE Shares at \$0.12 each until November 4, 2018, options to acquire 547,500 PWE Shares at \$0.15 each until November 4, 2018 and options to acquire 1,368,750 PWE Shares at \$0.12 each until February 12, 2019 which options on exercise entitle Mr. Steele to an additional 1,368,750 PWE Shares; Joseph Havlin, a director of Azarga and proposed director of the resulting issuer, will be issued 9,125,000 PWE Shares and options to acquire 292,000 PWE Shares at \$0.12 each until May 1, 2018; Arslanbek Kenenbaev, a director of Azarga, will be issued options to acquire 310,250 PWE Shares at \$0.12 each until May 1, 2018; Eldar Moldobek Uulu, VP Kyrgyz Operations for Azarga, will be issued options to acquire 292,000 PWE Shares at \$0.12 each until May 1, 2018; and Matthew O’Kane, an officer of Azarga and a director of PWE, will be issued 172,886 PWE Shares and options to acquire 283,364 PWE Shares at \$0.12 each until February 12, 2019. In addition, Mr. Molyneux and Mr. Church will continue to hold a convertible loan facility of USD\$1.8 million made available to Azarga. This loan facility matures on July 31, 2017, bears interest at a rate of 10% per annum before maturity and 15% per annum after maturity, and following closing will be convertible into PWE Shares at the latest share sale price, or at exchange-ratio adjusted price in the event of a business transaction, subject to a minimum price equal to the greater of \$0.12 per PWE Share and the 20 day volume weighted average trading price of the PWE Shares.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage:

Upon completion of the Transaction, it is expected that all of the PWE Shares owned by Azarga will be terminated such that its interest is reduced from 45% to Nil.

Shareholders of Azarga, however, will acquire PWE Shares and options upon completion of the Transaction. To the knowledge of the Company, none of these shareholders of Azarga directly owned any securities of the Company prior to completion of the Transaction. See Schedule “A” and Schedule “B” to the Share Purchase Agreement, a copy of which has been filed under the Company’s profile on SEDAR, for details of the expected shareholdings of each Azarga shareholder.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

An independent committee of the board of directors of the Company was formed to, among other things, review and negotiate the Share Purchase Agreement, engage a valuator to prepare a valuation of Azarga, and provide recommendation to the directors of the Company entitled to vote regarding the Transaction. The Share

Purchase Agreement and Transaction were approved by the independent committee and the directors of the Company entitled to vote, subject to receipt of approval of the TSX and the shareholders of each of the Company and Azarga. Matthew O’Kane who is an officer of Azarga and a director of the Company disclosed his interest and abstained from voting on the approval of these matters.

- (f) **a summary, in accordance with section 6.5, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

A formal valuation of Azarga is being obtained by the Company and will be included in the meeting materials made available to shareholders of the Company in connection with obtaining shareholder approval of the Transaction.

- (g) **disclosure, in accordance with section 6.8, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) **that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) **the existence of which is known, after reasonable inquiry, to the issuer or to any director or senior officer of the issuer:**

Not applicable.

- (h) **the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

See above.

- (i) **disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7, respectively, and the facts supporting reliance on the exemptions:**

Not applicable.

- (2) **If the issuer files a material change report less than 21 days before the expected date of the closing of the transaction, the issuer shall explain in the news release required to be issued under National Instrument 51-102 *Continuous Disclosure Obligations* and in the material change report why the shorter period is reasonable or necessary in the circumstances.**

Not applicable.

- (3) **Despite paragraphs (1)(f) and 5.4(2)(a), if the issuer is required to include a summary of the formal valuation in the material change report and the formal**

valuation is not available at the time the issuer files the material change report, the issuer shall file a supplementary material change report containing the disclosure required by paragraph (1)(f) as soon as the formal valuation is available.

The Company intends to file a supplementary material change report containing the disclosure required by paragraph (1)(f) as soon as the formal valuation is available.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Please contact Richard F. Clement Jr., President and CEO of the Company, at 505.821.6007.

Item 9 Date of Report

Dated: March 6, 2014