

FOR IMMEDIATE RELEASE

## **Blumont emerges as winner in Azarga Resources' reverse takeover bid for TSX-listed Powertech Uranium Corp**

### **Highlights:**

- ***Under the deal, Powertech will acquire all of Azarga's issued share capital on an exchange ratio of 3.65 Powertech shares for each Azarga share – to create Azarga Uranium Corp***
- ***Upon completion, Azarga's shareholders will own 77% of the merged entity, with Powertech's current shareholders holding the balance of 23%***
- ***Blumont participated at an early stage as a major shareholder and financier of Azarga; the Group's indirect stake in merged entity will be 11% and will hold US\$26m partially drawn convertible loan notes, including a further commitment of US\$5 million***

**SINGAPORE - 28 February 2014** - Singapore Exchange Mainboard-listed Blumont Group Ltd. (博诺有限公司) ("**Blumont**" or the "**Group**"), is emerging as one of the winners in the proposed merger of Azarga Resources Ltd ("**Azarga**") with Toronto Stock Exchange-listed Powertech Uranium Corp ("**Powertech**") which will create a uranium play with the best exposure to a recovering uranium sector.

Through its ownership of Powerlite Ventures Ltd, Blumont has an indirect 15% stake (approximately 11% after completion of reverse takeover) in Azarga, an investment holding company, which has interests in various uranium assets. These include an 80% interest in UrAsia in Kyrgyzstan LLC, a 34%<sup>1</sup> stake in Australian Securities Exchange-listed Black Range Minerals Ltd and a 15% stake in Australian Securities Exchange-listed Anatolia Energy Limited.

Under the proposed deal announced in Toronto, Powertech will acquire all of the issued and outstanding shares of Azarga in exchange for shares of Powertech, on an exchange ratio of 3.65 Powertech shares for each Azarga share – to create a merged entity called Azarga Uranium Corp (AUC).

Azarga currently owns 68,991,571 shares of Powertech, representing approximately 45% of Powertech.

Powertech is a Vancouver-based mineral exploration and development company. Through its Denver-based subsidiary Powertech (USA) Inc., it holds the Dewey-Burdock Uranium Deposit in South Dakota, the Centennial Project in Colorado and the Dewey Terrace and Aladdin Projects in Wyoming, Powertech's uranium holdings cover more than 60,000 acres in Western United States.

In line with this transaction, Blumont which is a major shareholder and financier of Azarga, will be extending a further US\$5 million in convertible loans in 2015 (subject to the agreement of a drawdown schedule no later than 31 December 2014), in addition to the convertible loan facility of US\$21 million announced by the Group on 28 August 2013. Upon completion of the transaction, Blumont will own approximately 11% of the merged entity and be the holder of the US\$26 million partially drawn convertible loan notes.

The transaction has been unanimously approved by the board of directors of both Powertech and Azarga and completion is expected to occur on or about 31 July 2014, subject to the receipt of all regulatory and shareholders' approvals.

Commenting on the proposed transaction, Azarga's Chairman, Mr Alexander Molyneux, who is also Chairman-designate of Blumont, said,

*"The proposed merged entity, AUC, would form a highly significant platform for acquiring additional uranium assets, including acquiring other uranium companies. Over time, AUC could become a larger globally diversified pure-play uranium company.*

*"A company that possesses similarly broad diversification, through a portfolio of equity holdings in public uranium companies, is TSX-listed Mega Uranium. Mega's stock has quadrupled from 6 cents to 24 cents in the past 3 months. As evidence mounts of a global nuclear renaissance, most notably from recent positive news out of Japan, I strongly believe that Powertech, soon to be Azarga Uranium Corp, has substantial room to rally.*

*"From Blumont's perspective, the management had the foresight to identify and participate in Azarga at an early stage, and is now leveraging on this investment to be part of a major global uranium play. We are excited by the immense potential of Azarga's and Powertech's assets and the returns they can generate for Blumont in the long term."*

In response, Powertech's President and Chief Executive Officer, said,

*"Azarga has been our largest shareholder and main financier since mid-2013. This merger importantly brings cash and undrawn financing facilities with its assets that would put Powertech in a much more robust position moving forward."*

According to Powertech, the proposed transaction brings a number of key benefits, including :

- Transformational increase in scale- The addition of Azarga's assets will increase Powertech's measured plus indicated uranium resources by 179% and its inferred uranium resources by 358%;
- Increased diversification:
  - Azarga owns majority control of the Kyzyl Ompul deposit in the Kyrgyz Republic which has a historical resource estimate of 47 million pounds, and is the largest attributable shareholder of the Hansen/Taylor Range deposit in Colorado, USA. Its 15%-owned Temrezli Project in Turkey has also received its mining license in September 2013.
  - Powertech's Dewey Burdock project is the next In Situ Recovery (ISR) mine to be built in the USA which has the highest ore grade. It is due for permitting in the next 90 days;
- Enhanced management and board of directors- The post-transaction expanded board of directors and senior management 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\$1.1 million) and undrawn capacity under its convertible note from Blumont (currently US\$11.0 million) will be available to the merged entity. Azarga has a strong track record in raising capital through uranium downturn, having raised approximately US\$39 million of capital and undrawn commitments as a private company.

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#### **About Blumont Group Ltd. (SGX: A33 / Bloomberg: BLUM SP / Reuters: BLUM.SI / SGX: A33)**

Since late 2012, Blumont Group Ltd. has embarked on a new strategy to focus on diversified mineral and energy resources assets across geographies and has been actively pursuing and acquiring new investment opportunities in this sector. It has taken stakes or is in the process of taking stakes in various projects involved in thermal and coking coal, copper, lead, zinc, silver and uranium.

The Group's legacy businesses include an investment holding division which makes investments in transferable securities including, but not limited to, marketable shares, warrants and debentures. The sterilisation division provides contract sterilisation and polymerisation services to various industries. The property division is engaged in the development, sale and long-term holding of properties for rental and property-related income.

#### **About Azarga Resources Limited**

Azarga Resources Limited is an investment holding company with an interest in the natural resources sector. Its assets include an 80% interest in UrAsia in Kyrgyzstan LLC ("**UrAsia**") and a 34%<sup>1</sup> stake in Australian Securities Exchange-listed Black Range Minerals Ltd ("**Black Range**"). UrAsia owns the largest known uranium resource in Kyrgyz Republic with direct rail link to in-country processing facilities. Black Range and its subsidiaries are principally engaged in the development of its Colorado uranium property, Hansen / Taylor Ranch, located northwest of Cañon City, Colorado, USA, which is undergoing permitting for expected production in 2016. It also owns a 15% interest in ASX-listed Anatolia Energy Limited's Temrezli Project in Turkey which received its mining licence in September 2013.

#### **About Powertech Uranium Corp. (TSX: PWE / Frankfurt Symbol: PSA)**

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.

***Issued for and on behalf of Blumont Group Ltd.***

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<sup>1</sup> 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.