

GREENWOOD VILLAGE, COLORADO--(Marketwired - Aug 2, 2017) - AZARGA URANIUM CORP. (TSX:AZZ)(FRANKFURT:P8AA)(OTC PINK:PWURF) ("Azarga Uranium" or the "Company") is pleased to announce that its 70% controlled subsidiary, UrAsia in Kyrgyzstan Limited Liability Company ("UrAsia"), has executed an earn-in agreement (the "Agreement") with Mining Investment Company Alliance ("Alliance"). The Agreement provides Alliance with an earn-in option to acquire a 100% interest in UrAsia's Kyzyl Ompul Project in the Kyrgyz Republic in exchange for project consideration of US\$7.6 million and a two percent net smelter royalty of up to US\$5.0 million. The US\$7.6 million of project consideration consists of: 1) US\$6.0 million of cash payments and 2) US\$1.6 million of exploration and development expenditures over a three-year period.

Azarga Uranium's President and CFO, Blake Steele, commented: "the execution of this Agreement further demonstrates the Company's strategic focus on its initial development priority, the Dewey Burdock In-Situ Recovery Uranium Project (the "Dewey Burdock Project"), which the Company continues to advance towards construction. The Agreement provides the Company with significant cash payments over a three-year period, which can be deployed towards core strategic initiatives, such as the Dewey Burdock Project, as well as alleviates the Company of the need to fund exploration and development expenditures at the Kyzyl Ompul Project, thereby freeing up further resources. In addition, the Company and our shareholders retain upside from the Kyzyl Ompul Project through the two percent net smelter royalty. Overall, this Agreement helps capitalize the Company over the next three years and reduces the need for potentially dilutive capital raises in the future."

Under the terms of the Agreement, Alliance may acquire up to a 100% interest in the Kyzyl Ompul Project in exchange for project consideration of US\$7.6 million over a three-year period as follows:

Date	Aggregate Cash Payments (US\$)	Date	Aggregate
Within five days of TSX acceptance	\$150,000	On or before December 31, 2017	\$100,000
Twelve months from TSX acceptance	\$510,000	On or before December 31, 2018	\$700,000
Twenty-four months from TSX acceptance	\$3,258,000	On or before December 31, 2019	\$1,300,000
Thirty-six months from TSX acceptance	\$6,000,000	Thirty-six months from TSX acceptance	\$1,600,000

Subject to Alliance acquiring a 100% interest in the Kyzyl Ompul Project for project consideration of US\$7.6 million, UrAsia will retain a two percent net smelter royalty. The net smelter royalty is payable on the commencement of commercial production at the Kyzyl Ompul Project and is subject to a minimum royalty of US\$2.5 million and a maximum royalty of US\$5.0 million. If Alliance fails to make any of the payments under the Agreement, UrAsia will retain its 100% interest in the Kyzyl Ompul Project.

The Agreement is subject to the approval of the Toronto Stock Exchange ("TSX"). No finder's fees will be paid in connection with this transaction.

About Azarga Uranium Corp.

Azarga Uranium is an integrated uranium exploration and development company that controls six uranium projects, deposits and prospects in the United States of America (South Dakota, Wyoming and Colorado) and the Kyrgyz Republic. The Dewey Burdock in-situ recovery uranium project in South Dakota (the "Dewey Burdock Project"), which is the Company's initial development priority, has received its Nuclear Regulatory Commission License and draft Class III and Class V Underground Injection Control ("UIC") permits from the Environmental Protection Agency ("EPA") and the Company is in the process of completing other major regulatory permit approvals necessary for the construction of the Dewey Burdock Project, including the final Class III and Class V UIC permits from the EPA.

For more information please visit www.azargauranium.com.

Follow us on Twitter at @AzargaUranium.

Disclaimer for Forward-Looking Information

Certain statements in this news release are forward-looking statements, which reflect the expectations of management regarding its disclosure and amendments thereto. 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 Company's continued efforts to obtain all major regulatory permit approvals necessary for the construction of the Dewey Burdock Project, including the final Class III and Class V UIC permits from the EPA, Alliance earning-in to acquire a 100% interest in the Kyzyl Ompul Project in exchange for project consideration of US\$7.6 million, consisting of US\$6.0 million of cash payments and US\$1.6 million of exploration and development expenditures over a three-year period, the Dewey Burdock Project continuing to advance towards construction, the cash payments being deployed towards core strategic initiatives, such as the Dewey Burdock Project, the Agreement alleviating the Company's need to fund exploration and development expenditures at the Kyzyl Ompul Project, the Company and the Company's shareholders retaining upside from the Kyzyl Ompul Project through the two percent net smelter royalty, the

Agreement helping to capitalize the Company over the next three years and reducing the need for potentially dilutive capital raises in the future, the Kyzyl Ompul Project achieving commercial production and the Company's ability to obtain approval of the Agreement from the Toronto Stock Exchange. 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.

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 without limitation: (1) the risk that the Company does not obtain all major regulatory permit approvals necessary for construction of the Dewey Burdock Project, including the final Class III and Class V UIC permits from the EPA, (2) the risk that Alliance does not make a payment and does not earn-in to acquire a 100% interest in the Kyzyl Ompul Project, (3) the risk that the Company does not receive cash payments of US\$6.0 million, (4) the risk that Alliance does not spend US\$1.6 million on exploration and development expenditures and the Company needs to fund exploration and development expenditures at the Kyzyl Ompul Project, (5) the risk that the Dewey Burdock Project does not continue to advance towards construction, (6) the risk that cash payments are not deployed for core strategic initiatives, such as the Dewey Burdock Project, (7) the risk that the Company and its shareholders do not receive any value from the two percent net smelter royalty or value less than the minimum US\$2.5 million royalty, (8) the risk that the two percent net smelter royalty is not issued to UrAsia because Alliance does not earn-in to acquire a 100% interest in the Kyzyl Ompul Project, (9) the risk that the Agreement does not help capitalize the Company over the next three years and reduce the need for potentially dilutive capital raises in the future, (10) the risk that the Company does not receive approval from the Toronto Stock Exchange for the Agreement, (11) the risk that such statements may prove to be inaccurate 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.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this News Release.

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