



February 28, 2012

TSXV: UAX
OTCQX: ATURF

**ATHABASCA URANIUM ENGAGES NEW EXPLORATION TEAM,
ACQUIRES ADDITIONAL MCCARTHY LAKE INTEREST**

Athabasca Uranium Inc. is pleased to announce the engagement of Dahrouge Geological Consultants Inc. as a part of its uranium exploration team, the launch of its Phase 2 drilling program, and the acquisition of a 100% ownership interest in the McCarthy Lake Project.

New Exploration Team

The Company is pleased to report that Dahrouge Geological Consultants Inc. of Edmonton, Alberta has been engaged to assist with the Company's Phase 2 drilling and exploration program at its Keefe Lake Project located within the eastern part of the Athabasca Basin, northeast Saskatchewan. Dahrouge Geological was instrumental in assembling and developing all of Strathmore Minerals Corp.'s Canadian assets between 2004 and 2007, when they were spun-out to form Fission Energy Corp.

Dahrouge Geological has a long history of uranium and other mineral exploration within the Athabasca Basin and northern Saskatchewan, extending over 25 years. With over 25 employees and technical staff, Dahrouge offers the unique ability to quickly assess past exploration results and offer proven solutions to the evaluation of the Keefe Lake Project.

On the engagement of Dahrouge Geological, Gil Schneider, UAX CEO commented: "Following on the heels of our very successful Phase 1 drilling program in late 2011, we engaged Dahrouge on the rationale that with the identification of a strong alteration zone, the Company may be on the road to discovery. Athabasca is extremely fortunate to be working with industry luminaries such as Zoltan Hajnal, PhD (GeoPh) and Irvine Annesley, PhD PGeo, and we feel that Dahrouge will add significantly to our team."

Phase 2 Exploration

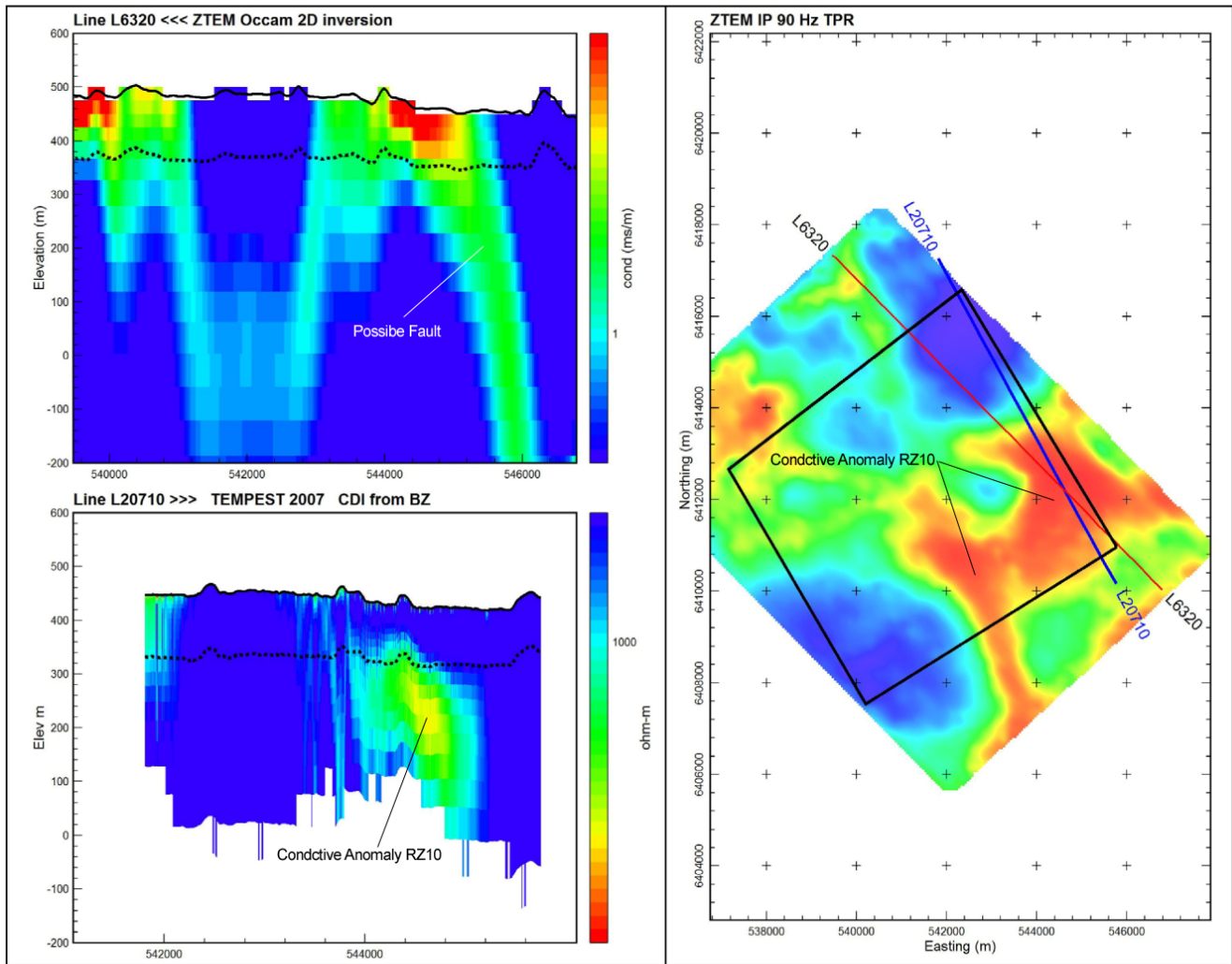
The Company is gearing up for the follow up to its 2011 drill program at Keefe Lake, in which the Company encountered alteration in three of its five holes. Drilling is expected to begin in the third week of March. A total of ten holes 350m holes (3500m total) are planned. Concurrently, drill results for 2011 will be used to re-evaluate the seismic data and refine targets. Drilling is also planned to test a subsurface conductor series at Volhoffer Lake.

McCarthy Lake Acquisition

The Company is pleased to report that it has entered into a property purchase agreement to acquire the remaining 50% interest in its McCarthy Lake Project. McCarthy Lake is a 4,082-hectare prospective uranium property the initial 50% interest in which was the Company's qualifying transaction in 2010. The project lies 25 kilometres east of Cigar Lake, and 11.5 kilometres southwest of the West Bear Deposit, the most significant deposit in the area. A NI43-101-compliant Preliminary Feasibility Study (Golder Associates 2010) of the West Bear Deposit gives a Probable Mineral Reserve estimate of 1,492,261 pounds of U₃O₈ grading 0.94% at a cut-off of 0.18% U₃O₈, which represents 96% of the mineral resource.

High value targets at McCarthy Lake have been identified through two airborne geophysical surveys: a Tempest MAG/EM survey (Fugro 2007); and a Z-TEM MAG/EM survey (Geotech 2010). The primary target at McCarthy Lake is the RZ-10 conductor, which was evident in both surveys. RZ-10 begins slightly above the unconformity and appears to persist at lower depths. This conductor appears to correlate by a significant north-

south fault. This is consistent with unconformity deposit models elsewhere in the Basin. McCarthy Lake could be drill-ready within six months.



The Company will purchase the remaining 50% interest in McCarthy Lake by paying \$20,000 in cash and issuing 3,000,000 common shares to the arm’s-length vendor on Closing. A pre-existing 2.5% net smelter return royalty in favour of the Vendor will remain on the property, 2% of which may be purchased by the Company for \$500,000. The Agreement is subject to regulatory approval.

On the McCarthy Lake acquisition, CEO Gil Schneider commented: “McCarthy Lake has from the outset been considered one of our finest and most prospective projects, and a key part of our development plans in the Basin. The preliminary results of our 2011 Z-TEM survey, combined with interest heating up in both the Basin and the uranium sector generally confirmed the need for us to acquire the balance of the Project. Being a 100% owner of this Project increases our visibility on the uranium stage and gives us ultimate flexibility in our development plans.”

Dr. Peter Born, PGeo, Athabasca Uranium’s qualified person, is responsible for the geological content of this news release.

About Athabasca Uranium

Athabasca Uranium Inc. is a uranium exploration and development company exploring an aggregate of over 60,000 hectares strategically located in the uranium-rich Athabasca Basin region of northeast Saskatchewan. The Company’s stated vision is to explore the region using leading-edge technology to become a world-class

uranium mining company. Additional information on Athabasca Uranium and its vision is available on the Company's website at www.athabascauranium.com.

ON BEHALF OF THE BOARD OF DIRECTORS

"Gil Schneider"

Gil Schneider, President & CEO

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