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August 24 2012

**TSXV: UAX
OTCQX: ATURF**

ATHABASCA URANIUM COMPLETES PRIVATE PLACEMENT

Athabasca Uranium Inc. (“Athabasca” or the “Company”) is pleased to announce that it has completed its private placement of flow through shares and non-flow through units of the Company (the “Offering”) for aggregate gross proceeds of \$636,000.

The Company has closed the Offering and has issued 3,200,000 flow through common shares (the “FT Shares”) at a price of \$0.15 per FT Share and 1,300,000 non-flow through units (the “NFT Units”) consisting of one common share and one-half of one share purchase warrant (the “NFT Warrant”) at a price of \$0.12 per NFT Unit for aggregate gross proceeds of \$636,000. Each whole NFT Warrant issued entitles the holder thereof to purchase one common share at a price of \$0.25 per share until August 24, 2013. The Company will renounce an amount equal to the gross proceeds derived from the sale of the FT Shares to the purchasers thereof in accordance with the provisions of the *Income Tax Act* (Canada).

The Company paid certain finders (the “Finders”) a total cash commission of \$41,408.00 equal to 8% of the proceeds of the sale of certain FT Shares and NFT Units by such Finders and issued 289,387 finder’s compensation warrants (the “Finder’s Warrants”) equal to 8% of the number of FT Shares and NFT Units sold by such Finders. Each Finder’s Warrant entitles a Finder to purchase a common share of the Company at an exercise price of \$0.25 per share until August 24, 2013.

All securities issued in the Offering will be subject to a hold period which expires December 25, 2012. Proceeds of the Offering will be used to fund exploration programs on the Company’s prospective uranium properties located in the Athabasca Basin in Saskatchewan and for general working capital and corporate purposes.

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

For information, please contact the Company:

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amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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