
October 24, 2012

TSXV: UAX
OTCQX: ATURF

ATHABASCA URANIUM ENGAGES RENOWNED USASK TEAM TO LEAD KEEFE LAKE PHASE 3 EXPLORATION

EXPERTS ARE RESPONSIBLE FOR NUMEROUS BASIN DISCOVERIES

Athabasca Uranium Inc. is pleased to announce that it has engaged the renowned uranium exploration geophysical team at the University of Saskatchewan (USASK) to conduct Phase 3 interpretation and exploration at its flagship Keefe Lake Project, effective immediately.

The USASK team, led by Dr. Zoltan Hajnal, PhD (GeoPh) will be analyzing shear wave data in conjunction with other datasets, which is an innovative approach to seismic interpretation in the Athabasca Basin. Dr. Hajnal commented “Several of the seismic profiles at Keefe Lake show anomalous basement structures, comparable to features of known prominent mineral deposits such as MacArthur River and Shea Creek. The objective of the investigation is to detect indicators of mineralization within these anomalous structural settings.” The intent of the analysis is to exploit both P and S waves of surface seismic surveys to determine the above anomalous spatial petrophysical properties of rocks within a larger area of interest.

Dr. Hajnal is a leading expert in the application of seismic methods in uranium exploration and is credited, amongst many accomplishments, with having analyzed seismic data at Rio Tinto’s Roughrider Project (former Hathor Exploration), contributing to its discovery, and with providing better definition of subsurface structures at MacArthur River, the richest uranium mine in the world. Gil Schneider, Athabasca Uranium president commented “Having the USASK team’s attention is a major coup for us - they have helped discover or have analyzed most of the world-class deposits in the Basin, including MacArthur River, Shea Creek, Key and Moore Lakes, and the Roughrider deposit, not to mention their work on the Extech IV survey - and they’re now very excited about our project. Our Keefe Lake dataset apparently bears an uncanny resemblance to that of MacArthur River - and with arguably the foremost experts in uranium discovery now interested in it, we’re excited for our future. Dr. Hajnal will hopefully help prove our Keefe theories out, and launch Athabasca Uranium to becoming a world-class uranium company.”

The USASK Geophysics Team

The USASK Geophysics team is led by Dr. Hajnal, a Ph.D. in Geophysics with a fifty-year history of studying and employing geophysics world-wide. His professional career in geophysical interpretation began with Chevron Standard in 1963, and his recent implementation of modern applied seismology in the Athabasca Basin has led to recognition of the immense importance of spatial understanding of basement structures, and their originating lithospheric processes in selection of exploration area and subsequent drilling targets. He and his USASK laboratory are involved in the adaptation of more effective data acquisition systems in the rugged environment of the basin and development of data-specific signal enhancement software systems. Dr. Hajnal has also recently led the geophysical team at Athabasca Uranium to reanalyze the HD seismic and airborne AeroTem data for Keefe Lake.

On the engagement, Gil Schneider commented, “The work of the USASK seismology team has been superb and is largely responsible for the identification of the Keefe Lake Alteration Zone and our success in drilling the numerous intersections of uranium mineralization. This new investigation, which will be a synthesis of a host of datasets, should help unlock Keefe Lake and pave the way to discovery.”

Keefe Lake Phase 3

UAX has initiated a full scale interpretation of data from its work to date at Keefe Lake, stimulated by the connection between the anomalous uranium signatures in the KEF 12-08 borehole, the seismic signature of a laterally traceable pegmatite dyke and favorable clay mineral alterations within the unconformity zone.

Full Wave Sonic (FWS) logs, of KEF 12-08 and KEF 12-09, related geology, PIMA (Portable Infrared Mineral Analyzer) and whole-rock geochemistry will be correlated with the seismic data to develop a detailed understanding of the Keefe Lake 3D structural Complex, assess major structural and tectonic trends and generate propitious targets for the Company's upcoming winter drilling program. Optical Tele-viewer Images (OTI) from both boreholes will also be utilized to determine variations of dips and their azimuth with depths for all disturbances (fractures, faults, schistosity, dykes etc.) and thus help to define the prominent structural framework of the prospect area. In addition, combined analyses of sonic longitudinal and shear wave data, allows computation of rock properties such as density, Poisson's ratio, Lambda and Mu. Anomalous variations of these parameters facilitate the recognition of the location of alteration zones, and definition of fracture intervals, which are primary indicators of mineralization.

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

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