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ATHABASCA URANIUM PROVIDES EXPLORATION & CORPORATE UPDATE

Athabasca Uranium Inc. (“Athabasca” or the “Company”) is pleased to report the completion of a multiphase airborne V-TEM survey on its McGregor Lake, Fisher River and Keefe Lake uranium projects in the Athabasca Basin region of Saskatchewan.

The airborne electromagnetic survey consisted of a 539 line-kilometer heli-borne V-TEM Mag/EM survey, a leading-edge technology particularly efficient at identifying conductive anomalies at depth. Conductive anomalies existing within magnetic discontinuities are key exploration indicators for graphitic layers and altered sandstones which are often associated with mineralized zones. The survey employed 100 and 200 meter line-spacing, and was conducted by Geotech Ltd., under the supervision of Canexplor Exploration Management.

At McGregor Lake, 52 line-kilometers were flown to investigate five discrete targets, identified previously by interpretation of pre-existing ZTEM and GEOTEM datasets. All of the targets, which are shallow and generally adhere to the Basin edge, are interpreted as subsurface conductors coincident with magnetic breaks.

At the Company’s newly-acquired Fisher River Project, 253 line-kilometers were flown to investigate two subsurface conductive zones which span over 4 kilometers and were first identified by a GEOTEM survey commissioned by International Uranium Corp. in 2006. The two zones trend northwest and appear to intersect the northeastern lineaments, suggesting the presence of a cross fault.

At Keefe Lake, a highly-focused 234 line-kilometer survey was flown to identify the presence of subtle and midrange conductors in order to demonstrate a relationship between the Keefe Lake Zone, a system of profoundly altered basement and sandstone formations with anomalous radioactive intervals at depth, and Cameco Corporation’s Harrigan Deposit, which lies immediately to the southwest. Results will be correlated with the existing 3-D structural model recently completed by the University of Saskatchewan (USASK) Geosciences team led by Zoltan Hajnal, Ph.D (Geoph) to further refine high priority targets for the Company’s upcoming Keefe Phase Three diamond drilling. At Keefe Lake, the Company expects to commence drilling a 30-hole program developed with the assistance of the USASK team once its exploration funding is in place.

Gil Schneider, Athabasca Uranium’s CEO stated “In the Basin, numerous uranium mines and deposits such as Wheeler River and Rio Tinto’s Roughrider Zone are associated with subsurface graphitic conductors. The V-TEM results will be available shortly and we expect to be adding targets to the significant group that we already possess. As the uranium sector again begins to heat up, UAX is extremely well-positioned to capitalize with its suite of prime Basin properties and copious datasets.”

About V-TEM

The V-TEM system is an innovative airborne electromagnetic (EM) system which uses the natural or passive fields of the earth as the source of transmitted energy. The earth and ionosphere, both conductive, act as a waveguide to “transmit” the source energy great distances. Due to the manner in which they propagate, these natural fields are planar and horizontal. Any vertical field is caused by conductivity contrasts in the earth. The vertical EM field is referenced to the horizontal EM field as measured by a set of horizontal base station coils. The proprietary receiver design using the advantages of modern digital electronics and signal processing delivers exceptionally low-noise levels.

Corporate Update

Completion of the recent V-TEM survey means that the Company has now met its flow through exploration obligations for the 2012-2013 period. Additionally, once its assessment report is filed, Athabasca will have performed sufficient work for its McGregor Lake and Fisher River claims to remain in good standing to 2015. Each of the Company's other properties in the Athabasca Basin are in good standing until at least 2016 as a result of its prior and on-going exploration work.

The Company also announces that its Board of Directors has granted incentive stock options to purchase up to 1,250,000 common shares of the Company at a price of \$0.10 per share for a period of five years to its directors, officers, consultants and employees. The grant of stock options is subject to the approval of the TSX Venture Exchange.

About Athabasca Uranium

Athabasca Uranium Inc. is a uranium exploration and development company exploring an aggregate of over 70,000 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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