



SUITE 1040 – 885 WEST GEORGIA STREET  
VANCOUVER, BC CANADA V6C 3E8

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## **ATHABASCA URANIUM TO ACQUIRE ADDITIONAL BASIN PROPERTIES & EXPAND EXPLORATION**

Athabasca Uranium Inc. (“Athabasca” or the “Company”) is pleased to announce that it has entered into a Right of First Offer agreement (the “Agreement”) with an arm’s-length vendor whereby the Company will have the sole and exclusive right to acquire three prospective mineral properties in the uranium-rich Athabasca Basin region of northern Saskatchewan.

The Agreement gives the Company the sole and exclusive right to enter into definitive option agreements to acquire up to a 100% interest (subject to net smelter return royalties) on any or all of three mineral dispositions which cover 11,344 hectares (28,031 acres) located on the southeastern margin of the Athabasca Basin. In consideration for this right, the Company will pay the vendor \$40,000 which is applicable to acquisition costs and 50% refundable in the event that Athabasca elects not to complete the acquisitions. The Agreement also provides the Company with access to perform preliminary exploration work prior to acquisition as part of due diligence. Pre-acquisition expenditures on the properties will be applicable to future exploration commitments.

Each of the three mineral dispositions is contiguous or in proximity to the Company’s current exploration projects within the Basin. The three claim blocks each represent distinct exploration areas as follows:

### *Hodges Lake*

The Hodges Lake block covers an area of 4,722 ha (11,668 acres) and is contiguous with the southeastern-most extent of the McGregor Lake Project. The acquisition of this block is significant in that the southernmost part of the newly acquired block hosts a 5.5 kilometers long EM anomaly, delineated by an Airborne Magnetic and GEOTEM survey conducted by International Uranium Corporation in 2006. The Hodges Lake block is adjacent to Denison/JNR’s Moore Lake Deposit (Maverick Zone), where significant uranium mineralization has been identified through multiple diamond drill programs.

### *Hamilton Lake*

The Hamilton Lake block covers an area of 5,873 ha (14,512 acres) and is adjacent to the northeastern-most extent of the Company’s Webb River Project. The Hamilton Lake block is located on the eastern edge of the Basin in a similar geological setting as the West Bear and Moore Lake deposits. The acquisition is significant in that the block hosts a ~10km of a northeast-trending conductive array delineated by both airborne VLF-EM/magnetometer survey and ground VLF-EM in 1979-80. The conductive array appears to be limited or controlled by northeast trending magnetic features. Subsurface conductive anomalies coincident with structural controls are primary exploration targets for uranium in the Basin.

### *Key Lake East*

The Key Lake East Property is a 749 ha (1,850 acres) claim located approximately 15.6 kilometers southeast of the Key Lake Mine. The claim lies between Hathor’s Russell South Project and Triex Minerals’ Highrock Project. The northwest corner of Key Lake East exhibits a magnetic low feature

which corresponds to a larger northeast trending anomaly. Uranium discoveries in this region, and particularly those in the Key Lake area, have been made through the investigation of conductors found within magnetic lows. Cameco's Key Lake Mine produced over 200 million pounds of uranium from 1983-1987. Key Lake is currently processing ore from the McArthur River mine and from stockpiles on site. The mill has an annual production capacity of 18.7 million pounds U<sub>3</sub>O<sub>8</sub>, the largest capacity in the world.

Due to the proximity of the new properties to existing UAX projects, the Company has contracted with Geotech Ltd. to immediately expand its current Phase One exploration program to include each of the three areas as part of its due diligence review. Line kilometres have been added to the flight plans for the ongoing heli-borne Z-TEM survey currently being conducted at the Company's McGregor Lake and Webb River Projects.

Regarding the Agreement, UAX President & CEO Gil Schneider commented: "The Company is excited with this opportunity to strengthen its already significant land package in this most productive region of the Athabasca Basin - this is certainly another milestone in the fulfillment of the Company's mission statement. We are very pleased to hold highly prospective land alongside established players in the area such as Denison, JNR Resources, Hathor and Cameco."

#### *Incentive Stock Options*

The Company also announces that its Board of Directors has granted incentive stock options to purchase up to 1,475,000 common shares of the Company at a price of \$0.26 per share for a period of five years to its directors, officers and consultants. The grant of stock options is subject to the approval of the TSX Venture Exchange.

#### *About Athabasca Uranium*

Athabasca Uranium Inc. is a junior uranium exploration and development company trading on the TSX Venture Exchange under the symbol UAX. The Company's stated vision is to acquire and explore prospective properties located in the uranium-rich Athabasca Basin in northeast Saskatchewan, utilizing leading-edge technologies to become a world-class uranium mining company.

Additional information on Athabasca Uranium, its properties and exploration activities is available at the Company's website: [www.athabascauranium.com](http://www.athabascauranium.com).

ON BEHALF OF THE BOARD OF DIRECTORS

*"Gil Schneider"*

Gil Schneider, President & CEO

*For information, please contact the Company:*

Toll-Free: (866) 869-8072

E-mail: [info@athabascauranium.com](mailto:info@athabascauranium.com)

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