



athabascauraniuminc.

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

March 31, 2011

TSXV: UAX
OTCQX: ATURF

ATHABASCA URANIUM ACQUIRES HODGES LAKE PROPERTY OPTION

Athabasca Uranium Inc. (“Athabasca” or the “Company”) is pleased to announce that it has entered into an agreement with an arm’s-length vendor by which the Company has the option to earn a 100% interest in the Hodges Lake Property in northeast Saskatchewan.

The 4,722-hectare Hodges Lake Property is located on the eastern margin of the uranium-rich Athabasca Basin, the most productive uranium-producing region in the world. The Property is contiguous with the Company’s McGregor Lake Project, which is itself adjacent to Denison’s Moore Lake Deposit.

The Company will earn a 100% interest in the Property by paying \$25,000 and issuing 600,000 common shares to the Vendor on Closing, and by filing \$3,500,000 in qualified exploration assessment credits either on the Property itself or on Athabasca’s other properties under option within its McGregor Lake Project area within four years. A 1% net smelter return royalty has also been granted to the Vendor, which may be purchased by the Company for \$1,500,000. The Agreement is subject to regulatory approval.

The Hodges Lake Property is the second of three strategic acquisitions in the Athabasca Basin on which the Company has an exclusive right of first offer, as announced January 20, 2011. “The Hodges Lake prospect, as part of the overall McGregor Lake Project, is a key part of our development plans for this portion of the Basin. The preliminary results of our recent 3,246-hectare Z-TEM survey confirmed the need for us to acquire the Hodges property immediately”, commented Gil Schneider, Athabasca President & CEO.

Results of the Company’s heliborne Z-TEM (Z-Axis Tipper EM) survey at the McGregor Lake Project, of which Hodges Lake is now a significant part, correlate strongly with a 2006 GEOTEM survey commissioned by International Uranium Corp. In general, the southern extent of the now 24,000-hectare Project is dominated by a strongly magnetic northeasterly striking feature. In the north, several conductors, each several kilometers in length, were identified. Conductor E lies at the northern edge of a magnetic feature and its northwesterly strike crosscuts the predominantly northeasterly magnetic features. Two conductors, F and G, correspond to the southern extent of the Moore Lake Complex. Several other conductive anomalies also were noted.

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.

ON BEHALF OF THE BOARD OF DIRECTORS

“Gil Schneider”

Gil Schneider, President & CEO

For information, please contact the Company Toll-Free at: (866) 869-8072 or by e-mail at thanas@athabascauranium.com

Neither the TSX Venture Exchange nor its Regulations Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.