



athabascauraniuminc.

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ATHABASCA URANIUM CLOSES ON HODGES LAKE OPTION FIRST PHASE

Athabasca Uranium Inc. is pleased to announce that it has received regulatory approval for, and subsequently closed on the first phase of its option to acquire the Hodges Lake Property, a 4,722-hectare property located on the eastern margin of the uranium-rich Athabasca Basin region in northeast Saskatchewan.

As announced on March 30, 2011, the Company has the option to earn a 100% interest, subject to a 1% net smelter return royalty (“NSR”) in Hodges Lake by paying an initial \$25,000 and issuing 600,000 common shares to an arm’s-length vendor and by filing \$3,500,000 in qualified exploration assessment credits within four years either on the Property itself or on Athabasca’s other properties under option within its McGregor Lake Project area. The 1% NSR may be purchased by the Company for \$1,500,000. The Company has now made the initial payment of cash and shares, fulfilling its first commitment under the Option agreement.

The Hodges Lake Property, the second of three strategic acquisitions in the Athabasca Basin on which the Company has an exclusive right of first offer, now becomes part of the Company’s McGregor Lake Project (the “Project”). The Project is adjacent to JNR/Denison’s Moore Lake project, and is approximately 3 miles from the Moore Lake u3o8 deposit on which JNR/Denison is actively exploring with the intention of defining a mineable resource.

Results of the Company’s recent heliborne Z-TEM (Z-Axis Tipper EM) survey conducted over the Project area (and which included Hodges Lake) 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.

Immediately following break-up at McGregor Lake, ground crews are scheduled to commence ground-based magnetotelluric surveys on the Project to further define targets, which, upon further assessment, will become part of the Company’s upcoming drill program.

About Athabasca Uranium

Athabasca Uranium Inc. is a uranium exploration and development company exploring an aggregate of over 31,000 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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