



athabascauraniuminc.

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ATHABASCA URANIUM COMPLETES KEEFE LAKE OPTION FIRST PHASE – PREPARES TO DRILL

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 Keefe Lake Property, a 12,832-hectare property located on the eastern margin of the uranium-rich Athabasca Basin region in northeast Saskatchewan.

As announced on July 27, 2011, the Company has the option to earn a 100% interest in Keefe Lake by paying an initial \$65,000 and issuing 3,500,000 common shares to an arm's-length vendor, by paying an additional \$1,500,000 on or before the fifth anniversary of the Option Agreement, and by filing \$5,000,000 in qualified exploration assessment credits within five years on the Property. The Property is subject to a 2% net smelter return royalty, 1% of which 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 12,832-hectare Keefe Lake Project is comprised of three claims lying approximately 22 kilometers southeast of the McArthur River Mine, the world's largest high-grade uranium mine with proven and probable reserves of 335.5 million pounds U₃O₈ and an average reserve grade of over 15%. The Keefe Lake Project was most recently explored by Mega Uranium in 2007-2008, with approximately \$3,000,000 expended on exploration in a two phase work program that included an Aeroquest 737 line-kilometer Mag/EM airborne survey and a high-definition 2D seismic reflection survey consisting of 50 kilometers of access line as well as 69 line-kilometers of data acquisition over 8 seismic lines.

With this acquisition, the Company now controls over 52,000 hectares on the shallow eastern side of the Athabasca Basin. "The completion of this marquee acquisition is an important milestone for Athabasca Uranium. Based on the wealth of data from the airborne and seismic surveys, the Company is now preparing to drill high value targets at Keefe Lake shortly. Shareholders can look forward to hearing more about this drill program in the near term" commented Gil Schneider, Athabasca President & CEO.

About Athabasca Uranium

Athabasca Uranium Inc. is a uranium exploration and development company exploring an aggregate of over 52,000 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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