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ATHABASCA URANIUM REPORTS Z-TEM SURVEY RESULTS, EARNS INTEREST AT McCARTHY LAKE

Athabasca Uranium Inc. (the “Company”) is pleased to report the results of its ZTEM airborne survey interpretation, and to advise of an earned interest on its McCarthy Lake Project in the Athabasca Basin region of Saskatchewan.

ZTEM Interpretation Report

The Company has received a high level interpretation report of the 2011 ZTEM airborne EM and magnetic surveys of the Company’s properties from Condor Consulting of Colorado. In general, the report noted that a number of anomalous conductors had been defined by the ZTEM survey which showed correlation with earlier GEOTEM and TEMPEST surveys. All types of anomalies normally associated with uranium mineralization appear to be present: sandstone-hosted, unconformity-related and basement-hosted. These targets may represent alteration zones that warrant additional exploration. Specifically:

- At McGregor Lake, five separate areas were identified as prospective and worthy of further ground investigation. All target zones were comprised of anomalous conductors, arising in the sandstone and possibly existing as a result of hydrothermal alteration. As the conductors were not closely associated with graphitic conductors, the assumed deposit model will be an “off conductor” model, along the lines of Hather’s Maverick Zone, Fission’s J-Zone, Denison’s Phoenix Zone and Cameco’s West Millennium Deposit.
- At Webb River, a single target zone comprised of a ~2.5 kilometer long northeast-trending medium conductor coincident with a magnetic low was defined by both the ZTEM and GEOTEM surveys – the zone has been identified and recommended for follow-up.
- At McCarthy Lake, both the ZTEM and TEMPEST surveys confirmed a significant 2.0-3.0 kilometer north-south basement conductor, coincident with a magnetic low/faulting, in the eastern portion of the project.

Gil Schneider, Athabasca’s President commented: “Our exploration team is extremely pleased with the information gleaned thus far from the ZTEM survey. Rarifying targets from the air is ground zero for exploration in the Basin and we were indeed fortunate to have multiple datasets, each of which examines the ground in a distinctly different way, to define our target zones. Over the next few months, the Company will formulate a comprehensive exploration plan for each of the projects, which may include earn-in partnerships to commence ground work and diamond drilling.”

In the interpretation process, data from three other EM/mag surveys (2001 GEOTEM, 2006 GEOTEM and 2007 TEMPEST) was incorporated with the ZTEM survey to assist in verifying the ZTEM results.

McCarthy Lake Earned Interest

With the recent survey interpretation, and through geophysical and historical analysis, the Company has determined the eastern claim block of the McCarthy Lake Project to be highly prospective, and has elected to apply its McCarthy exploration credits to the eastern portion of the Project. Having met all acquisition requirements, the Company has now exercised its option and vested a 50% interest (subject to a 2.5% NSR) in the 4,082-hectare eastern block.

“Earning our interest in the McCarthy Lake Project is a significant corporate and exploration milestone for Athabasca Uranium,” commented Schneider. “One year ago, McCarthy was our first property in the Basin, and the first step in our plan to become a significant explorer there. Despite a global setback, we continue to execute our plan, amassing over 52,000 hectares of high-value ground. The recent takeover bid by Cameco of Hathor Exploration as a source of future uranium supply has highlighted to the market the realities of worldwide uranium demand and continued supply shortfall, and signals a renewed interest in the Basin. We are uniquely poised to capitalize on this renewed interest - not only are we in the same region as Hathor, we have engaged much of the same exploration team which was with them during their Roughrider discovery, and are using the same seismic geophysical techniques they employed to visualize their subsurface lithology. We are highly confident that Athabasca Uranium has a compelling future ahead of it.”

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, its properties 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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