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## ATHABASCA URANIUM COMPLETES VOLHOFFER OPTION PHASE 1 & CONSOLIDATES PROJECTS

Athabasca Uranium Inc. (“Athabasca” or the “Company”) is pleased to announce that it has received regulatory approval for, and subsequently closed on the first phase of exercising its option to acquire the Volhoffer Lake Property in the Athabasca Basin region in northeast Saskatchewan, and consolidated three of its Basin projects.

### *Volhoffer Property*

As announced on September 15, 2011, the 8,530 hectare Volhoffer Lake Project is comprised of two contiguous claims on the eastern margin of the uranium-rich Athabasca Basin, the most productive uranium-producing region in the world. The Company can earn a 100% interest in the Project by paying an initial \$55,000 and issuing 2,500,000 common shares to an arm’s-length vendor, by paying an additional \$1,200,000 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, subject to a 2% net smelter return royalty. The Company has now made the initial payment of cash and shares, fulfilling its first commitments under the Agreement.

### *Project Consolidation*

The Volhoffer acquisition includes a highly prospective exploration trend identified by the Company that extends from its Webb River Project through its Keefe Lake property - these three projects will be consolidated into one to form the larger Keefe Lake Project, which will now have an areal extent of over 32,000 contiguous hectares in the shallow southeastern region of the Athabasca Basin. There is no reduction in size to any of the Projects.

“Without question, Keefe Lake is a bonafide marquee project, rivalling other significant projects in the area, such as Moore Lake (Denison / JNR) and Hathor’s Russell Lake project. Athabasca’s footprint in the Basin has grown significantly - having control of this area means we can leverage exploration economies-of-scale on our own aggressive time-line and focus on making that next Basin discovery” commented Athabasca President & CEO Gil Schneider.

The newly-constituted, larger Keefe Lake Project is 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 U<sub>3</sub>O<sub>8</sub> and an average reserve grade of over 15%. Keefe Lake 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. The Company is scheduled to commence diamond drilling of its Keefe Lake - K1 targets immediately.

### *About Athabasca Uranium*

Athabasca Uranium Inc. is a uranium exploration and development company exploring an aggregate of over 60,800 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](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 at (866) 869-8072 or by e-mail at [info@athabascauranium.com](mailto:info@athabascauranium.com)

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