

Athabasca Basin EXPLORATION UPDATE

October.1.2010

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Uranium
Group Inc.

	August 31, 2010	September 30, 2010	Change
Ux Consulting's Spot Price	US\$45.00/lb U ₃ O ₈	US\$46.50/lb U ₃ O ₈	US \$1.50
Ux Consulting's Term Price	US\$60.00/lb U ₃ O ₈	US\$60.00/lb U ₃ O ₈	no change

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Industry Commentary

By Chris Frostad

Progress at Cigar Lake

Cameco's goal of doubling annual production to 40 million pounds by 2018 relies quite heavily on putting its Cigar Lake mine into production. As a matter of fact, half of the required increase is expected to come from this single mine - a natural freak at a staggering 17% ore grade.

The ore body (first discovered in 1981), suffered its first disastrous flood in 2006 sending uranium prices skyrocketing at the loss of 18 million pounds of annual production or 10% of the world's annual consumption. Since then, Cameco and its partners have spent nearly a billion dollars dewatering the mine and applying new strategies to ensuring its safe operation moving forward.

Earlier last month, Cameco invited a group of journalists to tour the mine and see first-hand how the cleanup had progressed and how the approach had been enhanced.

The deposit sits at the "unconformity" where the sandstone meets the basement rock at about 420 metres below surface. In order to deal with the high volume of water at the unconformity the ore body is frozen using a brine solution cooled to -10 or -20 degrees C which is pumped through "freeze holes". The frozen ore is then cut using high-pressure water and pumped to surface as a slurry. Prior to 2006 the inflow of water was controlled using pumps and automatic bulkhead doors. It is the failure of these doors that ultimately caused the flood.

Four significant changes have been implemented in the new approach to the mine:

1. Pumping capacity has been doubled from that used prior to the flood and the bulkhead doors have been abandoned;
2. Additional water storage capacity has been added for treatment of the water prior to its release;
3. Mining has been lowered to 480 metres where the basement rock is much more stable while the 420 and 465 metre levels of the mine have been sealed off with concrete; and
4. Larger sections of the ore body will be frozen during the process.

Cameco and Areva have a lot riding on the success of this operation and any additional hic-ups will certainly produce far rippling effects to global uranium markets.

Where Is It All Going

So what is going on with the uranium industry? We watch the spot price of uranium slowly rising once more and we hear of the various nuclear discussions progressing around the world but how do we see this all playing out and can you please summarize it in a few short points.

1. Ignited by a rapid rise in the price of uranium in 2007, the volume of uranium production was cranked up resulting in heightened supply over the last year or so;
2. This excess near term supply has kept uranium prices languishing for the past 3 years;
3. Over the past 2 years, however, the number of reactors under construction, ordered, committed or proposed has increased by 60%. As a matter of fact, on average every month has seen 1 new reactor build commencing and 8 more ordered;
4. Worldwide reserves of uranium has not grown, therefore the fuel gap recognized 6-7 years ago has only gotten larger;



5. As more and more countries make strategic moves toward nuclear power, those with the existing expertise and capabilities are rushing to their aid from China, France, Russia, Japan and South Korea;
6. Recognizing the looming fuel gap in their nuclear plans these countries have focused on securing nuclear trade agreements around the world while acquiring as many of the limited pounds in the ground as possible over the last couple of years;
7. The only real long term solution, however, is new discovery and the ones best equipped for that task are the major uranium companies - Cameco, Areva, Rio Tinto, Paladin, Uranium One, BHP Billiton, etc.

So what are we looking forward to?

1. Although there are limited players, companies with proven reserves will continue to be acquisition targets (such as Uranium One);
2. The price of uranium needs to rise back to profitable levels over the next 12-24 months (US \$60-\$75 per lb.) but with current supply it has time to do so calmly (bottomed out last March around \$40 and has risen steadily since July)
3. As before, uranium companies will be provided an ongoing stock price lift from rising uranium prices (Cameco up 24% over the summer)
4. The world's utilities will put greater pressure on mining companies to provide long term uranium fuel supply (China's recent deals with Cameco);
5. Major uranium miners will be putting more money into exploration and scouring the planet for mature exploration opportunities (Cameco's recent announcement to put its war-chest into their own projects and exploration rather than M&A)

It seems that after a spectacular rise and fall last decade, the uranium industry is now coming out the other end of its rebirth as a solid, mature, long term opportunity.

Nuclear Dollars

These days, your typical nuclear reactor supplier provides far more than the hardware when they take an order. On top of construction, management and maintenance they are now equipped to also deliver international trade agreements, coverage of disaster liability, fuel and financing - deliverables which probably require the backing of a major government body. And when the construction costs alone for a nuclear reactor run in the range of \$4-6 billion, customers are going to be shopping for a deal.

Last week Russia's State-owned nuclear group, Rosatom, announced a deal to supply two reactors to China, in addition to two it has already built. With construction of a 1,000-zmeawatt plant in Russia only costing an average of \$2.9 billion (exclusive of financing) it looks like they are competing on price. Rosatom's toughest rival looks to be Korea Electric Power whose South Korean built reactors cost even less at about two thirds that of Rosatom's.

In addition to price, financing has become a huge component for some orders. Late last week, the Japan Bank for International Cooperation announced that it may lend as much as \$4 billion for a nuclear plant project in Texas, representing what may be the country's first state financing for an atomic power station abroad. Japan announced earlier this year that it would be looking to finance such locally supplied projects, which in this case, will be using reactors made by Toshiba Corp.

In China, State owned CNNC expects to invest over \$125 billion in the expansion of its nuclear business over the next decade. To do so the company expects to list its subsidiary, CNNC Nuclear Power Co. Ltd early next year. The amount of the funds to be raised, the targeted stock exchange and the strategic investors have yet to be disclosed.



Exported reactors currently under construction (listed by supplier) are:

- Rosatom (Russia): 15
- Korea Electric Power (S. Korea): 6
- Westinghouse (U.S. - Japanese owned): 5
- Areva (France): 4
- General Electric-Hitachi (U.S./Japanese): 4



CanAlaska Uranium Ltd. (CVV-TSXV): Announces Uranium and REE Occurrences on Grease River Project - On September 9, CanAlaska, Westcan Uranium Corp.'s operator on its Grease River project located on the northern rim of the Athabasca basin, has completed a program out mapping on the Shearika Ridge uranium zone. Drill targets are being selected for a planned five-hole fall drilling program on this large, low-grade zone of alaskite-hosted uranium mineralization. Mineralization at Shearika Ridge has many similarities to the Rossing mine in Namibia. Numerous other uranium occurrences have been discovered on the Grease River property by CanAlaska, plus two new occurrences of rare earth element (REE) mineralization. At Smith Lake, REE-bearing granodiorite was found in follow-up of an airborne radiometric anomaly in 2009. Six samples were sent for analysis; total rare earth element (TREE) content averaged 1.09 per cent, with a maximum of 2.85 per cent. At Stolar Lake, uraninite-bearing granites and pegmatites as well as pitchblende-bearing biotite schist were sampled over an area two kilometres long and 600 metres wide. The average of 18 grab samples was 3.20 per cent U₃O₈ and 0.43 per cent TREE; the highest values were 55.09 per cent U₃O₈ and 3.10 per cent TREE. Technical material in this news release has been prepared and/or reviewed by Colin Bowdidge, PhD, PGeo, a director of the company and a qualified person as defined in NI 43-101. Analyses quoted here were geochemical analyses performed for CanAlaska Uranium by either Acme Analytical Laboratories or the Saskatchewan Research Council using ICP-OES after multiacid digestion. It is emphasized that these analyses were performed on grab samples, which are not representative of the zone or zones as a whole, and were mostly selected because of their higher-than-average radioactive signatures.

CanAlaska Uranium Ltd. (CVV-TSXV): Reports on Cree East Summer Drill Program - On September 28, CanAlaska released preliminary results for summer drilling on the company's Cree East uranium project in the southeastern Athabasca basin. The project is a joint venture between CanAlaska and the Korean consortium, consisting of Hanwha, Korea Electric Power (KEPCO), Korea Resources (KORES) and SK Energy. At the present time, the Korean consortium owns a 43-per-cent ownership interest in the joint venture.

Cree East -- developing targets

Drilling has just finished on the project, which is operated by CanAlaska on behalf of the joint venture. A total of 10,060 metres was drilled in the summer season, comprising drill holes CRE044 to CRE070. Twenty-two of the drill holes were successfully completed to intended basement depths. The drilling targeted three areas, zones A, G and H. In zones A and G, the drill holes progressively intersected broken rock and disaggregated sandstone overlying hydrothermal clay alteration and hematite-rich uranium-bearing zones. These alteration zones are similar to those customarily recognized as surrounding the various known Athabasca uranium deposits.

Zone G-H drilling

There is significant basement-hosted uranium mineralization within drill holes across the postulated trend of the mineral belt through zone G in the southern portion of the property.

Gamma probe analyses show a short section registering up to 4,680 cps in DDH CRE047, and flanked by very high background radiation over 300 metres in adjacent holes CRE045, CRE049 and CRE057. There is also high background uranium in the basement sections of holes CRE029, CRE030 and CRE033, located 300 metres farther east along the east-west long section G1-G1.

On Section G-G, graphitic pelite horizons were intersected in drill hole CRE049, and gamma probing registered up to 4,750 cps, indicating uranium mineralization (see table). The main structural breaks (up to 28 metres vertical offsets) now lie within gaps in the drill fences and are confined to within 100- to 150-metre separations between drill holes. These narrow gaps now host the main targets in area G. Drill hole



CRE049 is marked by a series of mineralized intersections from 336 metres to nearly the end of the drill hole at a depth of 414 metres.

Immediately to the west of zone G, a fence of three reconnaissance holes were drilled in zone H. Graphitic pelites were intersected in the central drill hole of the fence. Drill hole CRE055 in the west showed the most fracturing in the sandstone, and further drill holes are required. The intense sandstone alteration in this area confirms the early geophysical survey interpretations, and that a hydrothermal system is located in the vicinity.

Zone A drilling

At target zone A, the prime focus of this season's drilling, activity was suspended in midsummer due to forest fire activity, but resumed in early September. In this area, the company had previously defined a major east-west break associated with hydrothermal alteration in the sandstone and basement rocks.

A series of holes across the main east-west fault break intersected further intense hematization and clay mineralization, as well as a narrow zone of pitchblende (U(3)O8) mineralization in a brecciated marble unit, in drill hole CRE067. The location of CRE067 is on the south side of the main fault zone, but 100 metres east of the previous drilling. The pitchblende mineralization and intense clay alteration are considered an important vector toward the centre of the mineralizing event. Of particular importance is the intersection containing a wide section of sudoite clay alteration high up in the sandstone in holes CRE048, CRE063 and CRE067. This is accompanied by a thickening of the sudoite section near the unconformity. Infill drilling is now required to test the extent of this mineralization and to follow the offset of the graphitic pelite horizon in this area.

ZONES OF ANOMALOUS RADIOACTIVITY IN RECENT DRILL FENCES

Drill hole	Area	From	To	Thickness	% eU(3)O(8)
CRE045	G	414.12	414.52	0.40	0.015
CRE045	G	415.32	415.52	0.20	0.017
CRE047	G	398.20	398.45	0.25	0.039
CRE047	G	411.10	411.25	0.15	0.042
CRE047	G	414.85	414.95	0.10	0.043
CRE047	G	464.85	465.60	0.75	0.109
CRE049	G	336.95	337.25	0.30	0.099
CRE049	G	350.55	350.95	0.40	0.025
CRE049	G	364.65	365.35	0.70	0.021
CRE049	G	368.75	369.15	0.40	0.028
CRE049	G	383.35	383.95	0.60	0.031
CRE049	G	398.70	399.25	0.55	0.016
CRE049	G	400.15	400.45	0.30	0.016
CRE049	G	401.60	402.00	0.40	0.014
CRE049	G	406.25	406.75	0.50	0.026
CRE063	A	369.99	370.39	0.40	0.036
CRE063	A	361.24	361.39	0.15	0.016
CRE063	A	359.99	360.39	0.40	0.027
CRE065	A	298.9	299.3	0.4	0.032
CRE067	A	448.60	448.80	0.20	0.206



Korean tomography testwork

During August, the project hosted a visit by a Korean technical team from Uranium Research & Development Organization (URDO), which rendered assistance to the project in deploying a new geophysical survey technique using 3-D resistivity tomography. The URDO technical team is supported by the Korean government, and is tasked with testing geophysical techniques to better image Athabasca uranium deposits.

Field measurements provided high contrast results, which both CanAlaska and URDO believe will provide additional interpretative data for the project following normal processing. These tomography surveys are directed toward imaging geophysical features that exist between drill holes and at depth. Results from the first surveys are expected in late November and will be reported when received.

Following the full compilation and analysis of this summer's drilling results, CanAlaska expects to pursue another significant drill program on the project commencing in January, 2011.

President Peter Dasler states: "The Cree East project represents a very large area with previously untested potential for uranium mineralization. The current drilling has significantly increased our knowledge of two of the 10 target zones which have been identified from the past two years of fieldwork and we have made major advances towards a potential discovery in zones G and A."

Fission Energy Corp. (FIS-TSXV): J-Zone Vertical Step Out intersects 12m of 5.95% U3O8 at Unconformity - On September 7, Fission and its joint venture partner, the KEPSCO Consortium, have drilled hole WAT10-098A, a J-Zone vertical step-out drilled from a barge, and collared 10 metres grid north of hole WAT10-083B (7.5 m of 3.83 per cent U3O8, including six m grading 4.74 per cent U3O8; see news in Stockwatch on May 27, 2010), which intersected 12 m grading 5.95 per cent U3O8 at the unconformity (192.5 m to 204.5 m), including six m at 11.71 per cent U3O8 (195.0 m to 201.0 m).

While hole WAT10-098A demonstrates the continuity of high-grade uranium mineralization with exceptional widths at the J-Zone, more significantly, the overall grade is higher over a wider width than the nearest hole, WAT10-083B, located to the southeast. In addition, the grade thickness (grade in per cent U3O8 multiplied by thickness in metres, which is an indicator of the strength and abundance of uranium) ranks hole WAT10-098A as the third most significant drill hole discovered in the J-Zone to date, after holes WAT10-071 and 091 respectively, which are located in the southeast part of the J-Zone. This latest assay result further enhances the potential for expanding high-grade uranium mineralization beyond the north-central J-Zone boundary, as defined to date.

No significant assays were found, nor were expected, for hole WAT10-097, which was drilled for structural and geologic information purposes. It was completed from land and oriented to the southeast. Information obtained from hole WAT10-097 showed that the important pelitic corridor, which hosts the J-Zone, is located farther to the north than expected, revealing a wider prospective lithologic corridor than was previously modelled.

Drill intersections in the J-Zone are characterized by a broad continuous zone of alteration extending from several metres above the unconformity to greater than 25 m below the unconformity, with mineralization occurring within this altered system. All intersections are down hole, core interval measurements and true thickness are yet to be determined. Given that the mineralization thus far encountered at the J-Zone appears to be almost flat lying, drill intercepts reported herein are approximately true thickness.



Fission's summer drill program at Waterbury Lake is continuing. A total of 16 drill holes comprising approximately 5,000 m is scheduled for completion in early September. Further results will be provided when available.

Split core samples from the mineralized section of core have been taken continuously through the mineralized intervals and submitted to SRC Geoscientific Laboratories (an SCC ISO/IEC 17025:2005 accredited facility) of Saskatoon for analysis, which includes U₃O₈ (weighted per cent) and fire assay for gold and base metals. All samples sent for analysis will include a 63-element ICP-OES, uranium by fluorimetry (partial digestion) and boron. Chemical results will be released when received. Further updates will be provided.

The technical information in this news release has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 and reviewed on behalf of the company by Ross McElroy, PGeol, president and chief operating officer for Fission Energy, a qualified person.

Korea Electric Power Corp. (KEPCO) is a Korean government-invested diversified energy company with over \$83-billion (U.S.) in assets. The company is involved in the generation, transmission and distribution of electrical power from nuclear, hydro, coal, oil and LNG sources worldwide. Korea Electric Power provides electricity to almost all households in Korea and operates 20 nuclear power plants in the country with six more under development. The company has over 30,000 employees and is listed on the Korean Stock Exchange and the New York Stock Exchange.

Korea Waterbury Uranium LP (KEPCO Consortium) is a consortium primarily comprising Korean-based companies. Led by Korea Electric Power, other participating companies include Korea Hydro & Nuclear Power, Korea Nuclear Fuel Co., Hanwha Corp. and Gravis Capital Corp., a private Canadian uranium investment company.

Fission Energy Corp. (FIS-TSXV): Summer Drill Program Update - On September 27, Fission and its partner, the KEPCO Consortium, completed their Waterbury Lake summer drill program, resulting in the successful expansion of the J-zone uranium discovery to approximately 120 metres by 50 metres. The J-zone remains open in all directions. An additional nine drill holes have been completed at the J-zone, J-East zone and the Highland zone since the last update (see the company's news in Stockwatch on Sept. 7, 2010). The best hole, WAT10-111D, a vertical step-out collared 15 metres directly east of hole WAT10-066 (12 metres of 3.64 per cent U₃O₈, including 1.50 metres grading 27.38 per cent U₃O₈ (see news in Stockwatch on Feb. 22, 2010), located in the southeast part of the J-zone, intersected 6.50 metres of variable radioactivity (209.0 metres to 215.5 metres) at the unconformity, including 1.60 metres (209.9 to 211.5) of off-scale (counts per second greater than 9,999) radioactivity.

The program totalled 5,172 metres in 16 drill holes. Seven holes were drilled at the J-zone; three at the J-East zone; three at the Highland zone; and three structural holes for geological information purposes. An updated drill hole map and a table summarizing drill core hand-held scintillometer readings can be found on the company's website.

J-zone summary

Of the seven holes drilled to extend the J-zone, six intersected mineralization at the unconformity (WAT10-098A, 099, 103, 105, 109 and 111D), successfully expanding the J-zone boundary to the north, west and east. Importantly, the continuity of high-grade mineralization between drill holes, as demonstrated by the assay results received for hole WAT10-098A, and further indicated by the remaining holes (assays pending), has been consistent beyond the boundary established by last winter's drill program. On the west boundary of the J-zone, hole WAT10-103 intersected much more robust



mineralization than was seen previously. Furthermore, hole WAT10-105 extended mineralization another 15 metres to the west to line 090W. Although hole WAT10-105, drilled on the west perimeter, was found to be only marginally mineralized, it is believed drilling may have intersected the edge of the high-grade zone, missing the main mineralized target evidenced nearby at hole WAT10-103. On the east boundary of the J-zone, hole WAT10-111D extended off-scale mineralization another 15 metres to the east to line 015E. Over all, Fission has now successfully defined the J-zone over an approximate 120-metre-by-50-metre area by intersecting high-grade uranium mineralization at the unconformity in 27 closely spaced drill holes, most of which were vertically drilled. The success of the J-zone summer drilling will enable Fission's team to expedite plans for a larger winter delineation and expansion drill program.

J-East summary

J-East is located approximately 60 metres to the east of the J-zone. Of the three drill holes completed this summer (WAT10-100, 102 and 110A), two (100 and 102) intersected mineralization. In conjunction with hole WAT10-094A, completed during the winter 2010 program, Fission believes the J-East zone is an extension of the Roughrider zone located immediately east of the property boundary. Further drilling is planned.

Highland summary

Highland is located approximately 100 metres to the west of the J-zone. Three holes (WAT10-107A, 108 and 112) were drilled to follow up mineralization found in hole WAT10-092A, drilled last winter. Hole WAT10-108 was drilled on line 195W and south of WAT10-092A, and was weakly mineralized in the basement. Holes 107 and 112 both showed very well-developed clay alteration near the unconformity. The Highland area exhibits strong potential for hosting high-grade uranium mineralization. Further drilling is planned.

Structural and geologic drilling

Holes WAT10-097, 101B and 106 were drilled to help define the geology and fault structures believed to play an important role in J-zone mineralization as well as in identifying a wider prospective lithologic corridor to the north of the J-zone and at the western extent of known mineralization.

Hole WAT10-106 intersected the unconformity at a depth of 237.2 metres. Moderate to locally strong limonite plus/minus hematite clay alteration is pervasive from 227 metres to 237 metres, increasing in intensity near the unconformity. Immediately below the unconformity, the basement rocks consisted of a paragneiss (likely pelitic) to 262.1 metres. Distinct pelitic gneiss is identified from 275.7 metres to 378.5 metres. A quartz-feldspar gneiss was encountered from 378.5 metres to the end of the hole (383.0 metres). This places the hangingwall pelitic sequence 55 metres farther to the north than expected, resulting in a significantly wider prospective lithologic corridor than previously modelled. No mineralization was encountered.

All holes reported herein were terminated within unaltered basement rocks. Given that the mineralization thus far encountered in the J-zone appears to be almost flat-lying, drill intercepts reported from vertical holes are approximately true thickness.



Hathor Exploration Limited (HAT-TSXV): Summer Drill Program Update - On September 28, Hathor announced the completion of the 2010 summer drill program at its Midwest Northeast JV property with Terra Ventures Inc. in the Athabasca basin, Saskatchewan. Successful infill and extension drilling adds numerous intersections of massive and semi-massive pitchblende to both the Roughrider and Roughrider East uranium deposits. Two examples are included:

Roughrider East hole MWNE-10-656A -- 8.7 metres off-scale radioactivity and pitchblende mineralization within 21.5 m of anomalous radioactivity;

Roughrider hole MWNE-10-228 -- 2.3 m off-scale radioactivity and pitchblende mineralization within 11.3 m of anomalous radioactivity.

Over all, the Roughrider system remains open. Aggressive drilling will continue this winter.

2010 summer program summary

The 2010 summer program used three drill rigs. A total of 18,840 metres was completed in 52 drill holes. Of those, 21 holes were completed on Roughrider, including two on an aeromagnetic anomaly 200 m to the northeast along strike. A total of 31 drill holes was completed on Roughrider East, including two 60 m along strike to the west in "the Gap," and seven holes in two transects across the resistivity anomaly to the south.

This news release covers all drill holes completed at Roughrider this summer and the final seven drill holes at Roughrider East not included in the previous news release in Stockwatch dated Sept. 1, 2010. Radioactivity summaries of individual drill holes are provided. Complete scintilometer data are in two tables available on the company's website.

Roughrider is proving to be a robust uranium mineralizing system.

From approximately 220 drill holes that pierce the Roughrider deposit:

125 drill holes have massive to semi-massive pitchblende mineralization;
There are 607 assays from individual half-metre samples with greater than 3 per cent U₃O₈;
185 drill holes have anomalous radioactivity.

Drill intersections from 2010 improve significantly the continuity of mineralization at Roughrider. The company continues to develop three-dimensional block solid models for Roughrider based on the rigour of this detailed 2-D section work and the new infill results. An updated National Instrument 43-101-compliant resource model for the Roughrider deposit will come later this fall.

Roughrider East is proving to have significant mineral potential.

Over all, from a total of 53 drill holes on Roughrider East:

27 drill holes have visible semi-massive to massive pitchblende;
47 drill holes have anomalous radioactivity.

The company is currently developing a detailed outline of mineral zones in two dimensions, on cross-sections spaced 10 metres apart along the core 120 m of strike. A three-dimensional block solid model will be developed for Roughrider East once assays are received from this summer's drilling; an NI 43-101-compliant resource model for Roughrider East will be considered pending this work.



Priorities for drilling this winter will include:

Systematic drilling of the Gap west of Roughrider East where two out of three drill holes completed to date have intersected uranium mineralization across one to two metres immediately below the unconformity;

Further step-out drilling to the east of Roughrider East where mineralization remains open;

Further evaluation of the alteration south and west of Roughrider East via reconnaissance-scale drill testing of the 700 m resistivity anomaly along the Midwest trend;

Test the alteration associated with the aeromagnetic anomaly 200 m along strike to northeast of the Roughrider deposit.

Individual drill hole radioactivity summaries

Roughrider deposit -- infill holes

Drill hole MWNE-10-220, which tested the downdip extension of mineralization on Line 20E, intersected 11.1 m of anomalous radioactivity over a 72.1 m interval (223 to 295.1 m), including a main zone of radioactivity from 237.9 to 245 m. This main zone intersected a total of 1.25 m of off-scale radioactivity (greater than 9,999 counts per second).

Drill hole MWNE-10-221, which tested the downdip extension of mineralization on Line 30E, intersected 0.4 m of anomalous radioactivity from 254.6 to 255 m. The strongest radioactivity intersected reached up to 6,100 cps.

Drill hole MWNE-10-226, an infill hole on Line 10W, intersected 0.3 m of anomalous radioactivity from 225.6 to 225.9 m. The strongest radioactivity intersected reached up to 950 cps.

Drill hole MWNE-10-227A, an infill hole on Line 10E, intersected 14.4 m of anomalous radioactivity over a 75.6 m interval (from 211.80 to 287.4 m), including a main zone of radioactivity from 211.8 to 222.7 m. The main zone intersected a total of 0.5 m of off-scale radioactivity (greater than 9,999 cps).

Drill hole MWNE-10-228, an infill hole on Line 30E, intersected 10.5 m of anomalous radioactivity over a 20.5 m interval (from 223.3 to 253.8 m), including a main zone of radioactivity from 223.3 to 245.7 m. The main zone intersected a total of 1.6 m of off-scale radioactivity (greater than 9,999 cps).

Drill hole MWNE-10-229, an infill hole on Line 30E, intersected 7.2 m of anomalous radioactivity over a 29.8 m interval (from 237.2 to 267 m), including two zones of radioactivity from 237.2 to 238.4 m and 254.5 to 262.5 m. The two zones intersected a total of one m of off-scale radioactivity (greater than 9,999 cps).

Drill hole MWNE-10-230, an infill hole on Line 50E, intersected 9.8 m of anomalous radioactivity over a 24.2 m interval (from 248.3 to 272.5 m), including a main zone of radioactivity from 269.9 to 272.5 m. The main zone intersected a total of 0.25 m of off-scale radioactivity (greater than 9,999 cps).

Drill hole MWNE-10-231, a downdip infill hole on Line 60E, intersected six m of anomalous radioactivity over a 23.4 m interval (from 246 to 269.4 m). The strongest radioactivity intersected reached up to 8,500 cps.

Drill hole MWNE-10-232, a downdip extension hole on Line 80E, intersected 0.35 m of anomalous radioactivity at 600 cps.



Drill hole MWNE-10-233A, a downdip extension hole on Line 50E, intersected 1.7 m of anomalous radioactivity over a 2.3 m interval (from 253.7 to 256 m). The strongest radioactivity intersected reached up to 1,800 cps.

Drill hole MWNE-10-234, a downdip extension hole on Line 50E, intersected 3.25 m of anomalous radioactivity over a 12.95 m interval (from 245 to 257.95 m). The strongest radioactivity intersected reached up to greater than 9,999 cps.

Drill hole MWNE-10-235, an updip infill drill hole on Line 80E, did not intersect any significant anomalous radioactivity.

Drill hole MWNE-10-236, an updip drill hole on Line 60E, did not intersect any significant anomalous radioactivity.

Drill hole MWNE-10-237, an updip drill hole on Line 30E, intersected 0.2 m of anomalous radioactivity over a 2.45 m interval (from 212.05 to 214.5 m). The strongest radioactivity intersected reached up to 1,200 cps.

Drill hole MWNE-10-238, an updip drill hole on Line 50E, intersected 0.45 m of anomalous radioactivity from 258.5 to 258.95 m. The strongest radioactivity intersected reached up to 700 cps.

Drill hole MWNE-10-239, an updip drill hole on Line 0E, intersected 1.55 m of anomalous radioactivity from 245 to 246.55 m. The strongest radioactivity intersected reached up to 4,000 cps.

Drill hole MWNE-10-240, a downdip hole on Line 10E, intersected 7.9 m of anomalous radioactivity over a 12.3 m interval (from 227.6 to 239.9 m), including a main zone of radioactivity from 237.65 to 239.9 m. The main zone intersected a total of 0.55 m of off-scale radioactivity (greater than 9,999 cps).

Drill hole MWNE-10-241, a downdip hole on Line 10E, intersected 9.6 m of anomalous radioactivity over a 15.7 m interval (from 227.4 to 243.1 m), including a main zone of radioactivity from 227.4 to 235 m. The main zone intersected a total of 1.25 m of off-scale radioactivity (greater than 9,999 cps).

Drill hole MWNE-10-242B, a magnetic target on Line 40W located to southwest of the Roughrider deposit, did not intersect any significant anomalous radioactivity.

Roughrider East -- extension and infill

Drill hole MWNE-10-652, a 20 m step-out downdip of hole 10-649 on Line 40E, intersected several discrete zones of variably anomalous radioactivity. The main zone of anomalous radioactivity extended from 318.7 to 341.6 m is found within a wider alteration zone extending to 372.5 m. The strongest radioactivity intersected reached up to 1,200 cps.

Drill hole MWNE-10-653, a 20 m step-out downdip of hole 10-652 on Line 40E, did not intersect any significant anomalous radioactivity.

Drill hole MWNE-10-654, a 20 m downdip of hole 10-651A on Line 60E, intersected two zones of anomalous radioactivity. The main zone comprising 17.9 m of anomalous radioactivity is found within a wider alteration zone of 70 m. This main zone contains one 0.2 m interval of off-scale radioactivity (greater than 9,999 cps). The second zone, found below the main zone, comprises 2.7 m of anomalous radioactivity with the strongest intersected radioactivity of 2,500 cps.

Drill hole MWNE-10-655B, which targeted updip of hole 10-649 on Line 50E, intersected several thin discrete zones of anomalous radioactivity, totalling 3.6 m, over a broader zone of 134.3 m. The strongest



radioactivity intersected reached up to 5,000 cps. Due to drill hole deviation, it pierced the radioactivity on Line 40E. Due to drill hole deviation, it pierced the radioactivity on Line 40E.

Drill hole MWNE-10-656A, an infill hole between 10-623 and 10-618 on Line 60W, intersected two main zones of anomalous radioactivity and several thin zones of anomalous radioactivity over a broad zone of 51.7 m. The upper zone comprises 9.6 m of anomalous radioactivity with the strongest radioactivity intersected reaching up to 7,000 cps. The stronger, lower zone intersected is the main zone of anomalous radioactivity and totals 16.9 m of anomalous radioactivity. This zone contained numerous intervals of off-scale radioactivity (greater than 9,999 cps) that totalled 6.6 m.

Drill hole MWNE-10-657A, an infill hole updip of 10-622 on line 60W, intersected several discrete zones of variably anomalous radioactivity, totalling 4.7 m, over a broader zone of 50.9 m. The strongest radioactivity intersected was 7,000 cps.

Natural gamma emission radiation is measured in counts per second (cps) using an Exploranium GR-110 hand-held gamma ray scintillometer. The reader is cautioned that scintillometer readings are not directly or uniformly related to uranium grades of the rock sample measured and should be used only as a preliminary indication of the presence of radioactive materials. All intersections are downhole, core length intervals, and true thickness of mineralization is yet to be determined.

Terra Ventures owns a qualified 10-per-cent interest on the property, carried to the completion of a positive feasibility study on the Roughrider deposit.

Hathor Exploration Limited (HAT-TSXV): Fall Drill Program Underway at Russell Lake - On September 30, Hathor announced the commencement of drilling on its Russell Lake property in the Athabasca basin.

The fall exploration program at Russell Lake will include ground geophysics and approximately 3,000 metres of diamond drilling. A transient audio magnetotelluric survey (TAMT) will be completed over two grids (Fox and M zone extension), with a third grid (Christie Lake) to be completed this winter. Drilling will start this fall at Christie Lake, with drilling planned for the other two grids this winter. Depth to the unconformity is expected to be around 400 metres. Targets are based on the integration of an array of recent geophysical surveys, updated regional geological studies and synthesis of historical work, as summarized on the company's website; the property has seen little previous drilling relative to surrounding areas.

The Russell Lake property is within the eastern corridor of the Athabasca basin. This corridor accounts for 100 per cent of current uranium production in Canada, and more than 20 per cent of global primary uranium supply. The greatest endowment of proven resources within the eastern corridor is in the region surrounding Russell Lake. The south end of the property is 15 kilometres northeast of the Key Lake mine/mill complex. The northern end is 12 km southeast of the McArthur River mine. Denison Mines' recent discovery at Wheeler River (the Phoenix deposit) is near the west-central boundary of the Russell Lake property. The M zone extension, Christie Lake and Fox Lake grids are located to the northeast along regional strike from Phoenix and M zone.

Russell Lake has excellent infrastructure. The McArthur River-Key Lake haul road runs along the western margin of the property. The exploration camp is road-accessible and a helicopter will not be needed to facilitate fieldwork.

The Russell Lake project covers both of the properties historically referred to as Russell Lake and South Russell. Combined, the properties cover approximately 71,670 hectares in one contiguous block of 23 claims. Hathor controls 100 per cent of the Russell Lake property (45,742 hectares), following the



successful acquisition of Northern Continental Resources (see news in Stockwatch Nov. 23, 2009). The South Russell property is owned 90 per cent by Hathor, with a cumulative 10-per-cent interest held by two parties, and carried to completion of a feasibility study.

JNR Resources Inc. (JNN-TSXV): Completes Airborne Gravity Survey on the Crackingstone Project - On September 23, JNR announced the completion of an airborne gravity gradient survey flown over its 100-per-cent-owned Crackingstone property. The 10,665-hectare property, comprising four mineral claims, is located near Uranium City in Northern Saskatchewan, adjacent to the north rim of the Athabasca basin.

Previous work on the Crackingstone property was carried out in the 1950s and 1960s, largely on the two southern claims that cover the Crackingstone Peninsula. During that time period the Gulch deposit and approximately 12 uranium showings were discovered and numerous pitchblende-bearing zones were identified underground.

The approximate-600-line-kilometre airborne 3-D full tensor gravity gradient survey was flown over the entire Crackingstone property in the early fall of 2010. The newly acquired data are being processed and incorporated with prior ground and/or airborne geophysical surveys to better define and upgrade existing targets for drill testing. With this latest survey completed, the project is at a stage where the results can be leveraged into drilling success.

JNR's director of exploration, Dr. Irvine R. Annesley, PGeo, is the qualified person responsible for the technical data presented in this release. All technical information for the company's exploration projects is obtained and reported under a formal quality assurance and quality control program, details of which are presented on the company's website. A glossary of the technical terms included in this release can be found on the company's website.

JNR Resources Inc. (JNN-TSXV): Completes Airborne Gravity Survey on the Snowbird-South Dufferin Projects - On September 27, JNR, as operator, has completed an airborne gravity gradient survey over JNR's 100-per-cent-owned Snowbird project (six claims and 25,192 hectares) and the 34-per-cent-owned South Dufferin joint venture (two claims and 8,240 hectares) with Denison Mines Corp. The results of this survey are being processed and integrated with prior ground and airborne geophysical programs to further define drill targets.

Preliminary results of the 875-line-kilometre, aircraft-borne, full-tensor 3-D gravity gradient survey clearly show that this program was successful in better defining the structural setting of both properties. Several zones of interest outlined within the Snowbird and South Dufferin claims lie along extensive corridors of well-defined, structurally disrupted basement conductors. The corridors are typically two to 10 km in strike length. These properties are now at a drill-ready stage with numerous high-priority targets identified.

The Snowbird and South Dufferin project areas are contiguous and straddle the southern edge of the Athabasca basin directly along the Snowbird tectonic zone. This major transcrustal structural feature includes the southwest strike extension of the Virgin River shear, which hosts Cameco's Centennial zone 20 to 25 km along strike to the northeast. Neither the Snowbird nor South Dufferin properties have been drill tested previously by any company, including JNR.

UEX Corp (UEX-TSX): Expands Mineralization at the Kianna Deposit - On September 21, UEX provided results from the continued exploration of the Kianna and the 58B deposits, both of which occur in northern portions of the Shea Creek project in the Athabasca basin of Northern Saskatchewan. The



drilling results for the completed \$8.25-million 2010 Shea Creek exploration program have been reported to UEX by Areva Resources Canada Inc. Shea Creek hosts the Kianna, Anne, Colette and 58B deposits and is 49 per cent owned by UEX, with Areva being the operator.

UEX recently reported combined National Instrument 43-101-compliant mineral resource estimates for the Shea Creek deposits of 63.6 million pounds U(3)O(8) in the indicated category and 24.5 million pounds U(3)O(8) in the inferred category at a cut-off of 0.3 per cent U(3)O(8) (see UEX news in Stockwatch on May 26, 2010). Mineralization in these deposits is open, and the results reported here include step-out drill holes, many of which lie outside the outlines of the resources which were recently reported.

The drilling program met its objectives to test open areas of the Kianna deposit basement mineralization, test for hangingwall mineralization in new zones which lie to the north of Kianna, and further expand and delineate the newly identified 58B deposit. Highlights of the program were as follows:

Confirmation that the 58B target area represents a new uranium deposit along the Shea Creek trend;
Discovery of a new mineralized structure immediately to the north of the Kianna deposit intersected by SHE-136 series drill holes;
Expansion of the footprint of higher grade areas of the Kianna unconformity mineralization.

Drilling results -- Kianna deposit

The 2010 program at Kianna consisted of 25 drill holes in the SHE-118, SHE-134, SHE-135 and SHE-136 series drilling. Significant mineralization developed both at the unconformity (UC) and in underlying basement rocks (B) has consistently been intersected at Kianna. The drilling included both infill and step-out drill holes, the latter which expand the overall footprint of the Kianna mineralization beyond the limits that were used to calculate the recently reported resource estimate.

Highlights of the recent drill results include:

SHE-118-19: (UC) 12.40 per cent eU(3)O(8) over 3.7 metres, including 30.37 per cent eU(3)O(8) over 1.4 metres;
SHE-103-3: (B) 5.52 per cent eU(3)O(8) over 1.9 metres;
SHE-134-2: (B) 0.96 per cent eU(3)O(8) over 5.9 metres, including 4.36 per cent eU(3)O(8) over 1.2 metres;
SHE-135-1: (UC) 1.57 per cent eU(3)O(8) over 7.9 metres;
SHE-135-4: (B) 1.39 per cent eU(3)O(8) over 34.3 metres, including 2.06 per cent eU(3)O(8) over 8.8 metres and 1.70 per cent eU(3)O(8) over 16.2 metres;
SHE-135-5: (UC) 1.36 per cent eU(3)O(8) over 9.1 metres;
SHE-135-7: (B) 1.50 per cent eU(3)O(8) over 6.7 metres and (B) 1.02 per cent eU(3)O(8) over 5.1 metres;
SHE-135-8: (B) 1.25 per cent eU(3)O(8) over 9.6 metres;
SHE-136-1: (B) 1.84 per cent eU(3)O(8) over 16.6 metres;
SHE-136-2: (B) 0.98 per cent eU(3)O(8) over 4.8 metres;
SHE-136-3: (B) 0.86 per cent eU(3)O(8) over 10.4 metres.

Complete results from the drilling are reported in the table. Uranium grades reported here have been calculated from gamma probe logging. True widths of mineralized intervals have not yet been determined.

The infill drill holes, which include holes from the SHE-134 and SHE-135 series drilling, confirm the position, grade and continuity of the modelled Kianna basement and unconformity mineralization from the recent resource model, and will increase both the confidence level and the grade, with mineralization remaining open.



Drill hole SHE-118-19 was targeted to extend the Kianna unconformity mineralization southward into an untested area. The high-grade intercept in this hole successfully extended the Kianna high-grade unconformity mineralization by approximately 25 metres to the southwest.

Intercepts from the SHE-136 series drill holes tested northwestern parts of the Kianna mineralization and have intersected new, open areas of structurally controlled mineralization in the hangingwall of the main Kianna basement zone.

Over all, much of the Kianna mineralization remains open and the new drilling, particularly in the SHE-136 series drill holes, has emphasized the significant potential for new subparallel mineralized zones adjacent to the existing Kianna deposit.

Drilling results -- 58B deposit

Five additional drill holes completed the 2010 exploration program at 58B, an emerging new deposit in a previously sparsely tested area between the Kianna and Colette deposits.

Mineralization at 58B has now been traced over a strike length of 400 metres and occurs over a width of up to 110 metres in plan view. The mineralization displays the same stacking of basement, unconformity and perched mineralization as is seen at the Kianna deposit, and includes steeply dipping, east-northeast-trending pitchblende veins which are of similar style and orientation as the main Kianna basement zone.

The 58B deposit was not included in the May, 2010, NI 43-101 resource estimate. Previously reported drilling in 2010 includes unconformity and basement intercepts of 6.53 per cent eU(3)O(8) over 1.6 metres in drill hole SHE-133-5, 2.13 per cent eU(3)O(8) over 10.6 metres in drill hole SHE-133-7 and 6.55 per cent eU(3)O(8) over 2.4 metres in drill hole SHE-133-4 (see UEX news in Stockwatch on June 14, 2010, and March 17, 2010).

Recent intercepts include the following (see table for complete results):

SHE-104-7: (UC) 0.82 per cent eU(3)O(8) over 3.0 metres and (B) 1.51 per cent eU(3)O(8) over 1.9 metres;

SHE-104-8: (B) 1.16 per cent eU(3)O(8) over 3.8 metres;

SHE-133-11: (UC) 1.32 per cent eU(3)O(8) over 5.8 metres;

SHE-133-12: (B) 1.51 per cent eU(3)O(8) over 3.6 metres.

The new 58B results further define northern portions of the zone at the unconformity, better constrain the distribution of basement mineralization and will contribute to the overall Shea Creek resource base. The 58B deposit remains a high-priority area for future exploration, with emphasis on testing down dip and lateral extensions of basement mineralization given its similarities to the Kianna style of deposit. Broad areas of the highly prospective structural corridor hosting 58B that lie between the Kianna and Colette deposits remain sparsely tested and will be explored in subsequent drilling programs.

About the Shea Creek deposits

The Kianna, Anne, Colette and 58B deposits within Shea Creek are distributed along a strike length of over three kilometres of the north-northwest-trending Saskatoon Lake graphitic conductor. The 33-kilometre-long Saskatoon Lake conductor is coincident with a southwest-dipping, reverse fault that displaces the flat-lying unconformity with the overlying Athabasca group sandstone by several tens of metres. Depth to unconformity typically ranges from 700 to 750 metres. As a result of the sandstone



thickness, drilling is normally completed by drilling a master pilot drill hole from which several wedge holes are drilled to enable close-spaced drilling.

Known deposits along the Saskatoon Lake conductor at Shea Creek occur often in areas where east-northeast-trending discordant faults offset the north-northwest-trending conductive graphitic unit. Three styles and settings of mineralization are present, all of which form components of the current Shea Creek resource estimate:

Perched, sandstone-hosted mineralization is found in discrete zones tens of metres above the unconformity;

Unconformity-type mineralization found in close proximity to the unconformity;

Basement-hosted mineralization found in zones up to 200 metres below the unconformity.

Although each style of mineralization is comparable with individual uranium deposits in the Athabasca basin, the common vertical stacking of these three styles is unique to the deposits at Shea Creek. Mineralization is mineralogically simple comprising dominantly pitchblende as the primary host to uranium, typical of other significant deposits in the Athabasca basin, and lacking significant quantities of deleterious elements such as As, Ni and Co found in some uranium deposits. Some portions of the Shea Creek deposits contain significant gold grades which were not assessed in this current resource but will be further investigated.