

BREAKING NEWS – December 2011

www.crosshairenergy.com



## Crosshair Energy (Cdn\$ 0.43)

TSX : CXX

NYSE AMEX : CXZ

H+L prices (12 months) : Cdn\$ 2.80 – 0.36

Issued shares : 49.2 million

Market capitalization : Cdn\$ 21.2 million

**Next price target: Cdn\$ 1.00**

## BREAKING NEWS

### Labrador Uranium Moratorium Lifted

Today, **Crosshair Energy** has announced that the Nunatsiavut Government of Newfoundland and Labrador has unanimously voted to lift its moratorium on the working, production, mining and development of uranium on Labrador Inuit lands (LIL).

Labrador contains one of the largest undeveloped uranium resources in the world and the lifting of the moratorium will significantly improve the environment for uranium exploration and development of Labrador.

The moratorium was originally put in place in April 2008 for a period of three years in order to allow the Nunatsiavut Government time to establish a lands administration system and to develop an Environmental Assessment Act and environmental protection legislation.

Even though 92% of Crosshair's **CMB Property** in Labrador, Canada falls outside the Labrador Inuit lands, the moratorium had a significant negative impact in the market value of all companies operating in Labrador.

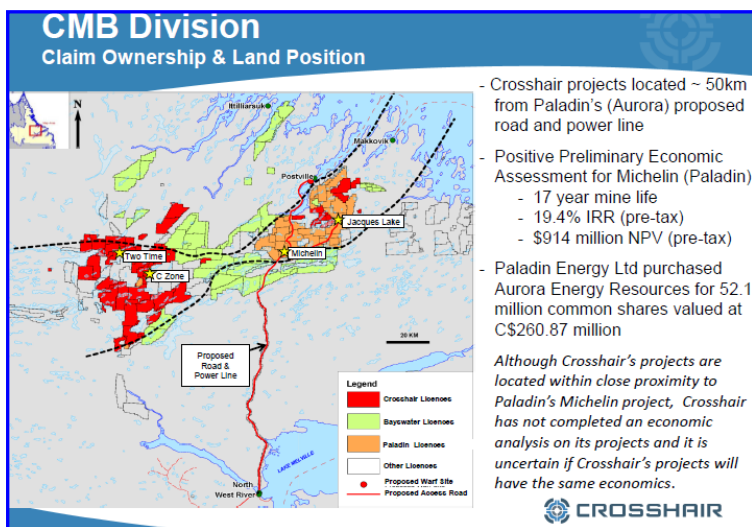
Paladin Energy's Michelin Project, located in Labrador, contains one of the largest undeveloped uranium resources in the world and is the most advanced project in the region. With the lifting of the moratorium it is to be expected that Paladin will resume exploration and development work at the Michelin Project and that there will be increased visibility in the Labrador region.

This will significantly improve the environment for Crosshair to explore and develop its Labrador projects.

Now that the vote to lift the moratorium has been passed unanimously, the next step in the process is for the Nunatsiavut Protection Act to come into force, which is expected on or before March 9, 2012.

After the environmental protection legislation is in place, the amendment to the Labrador Inuit Lands Act to lift the moratorium will come into effect.

Crosshair's **Central Mineral Belt (CMB) Uranium-Vanadium Property** in Labrador, Canada is a 4.5 km long uranium mineralized Corridor which includes the C Zone to the north, Area I in the middle and Armstrong to the south.



The current NI 43-101 compliant Indicated resource is 5.19 million pounds of U3O8 and in addition and in addition an Inferred resource of 5.82 million pounds of U3O8. In addition, the CMB Property has an Indicated vanadium resource of 42.82 million pounds and an Inferred resource of 93.62 million pounds V2O5.

Crosshair also holds a 63% interest in the **CMB Joint Venture Property** (Silver Spruce Resources 37%). The current NI 43-101 compliant Indicated resource is 2.33 million pounds of U3O8 with in addition an Inferred resource of 3.73 million pounds of U3O8.

In 2010, Crosshair completed a Vanadium resource Expansion program on the CMB Property with the goal of significantly increasing the vanadium resource. Without any additional drilling, the vanadium resource has been increased greater than 500%.

Increasing the vanadium resource by over 500%, this data underscores both the involving capacity of the project area and the strategic focus of Crosshair itself.

Crosshair's current flagship projects, the **Juniper Ridge Project**, acquired in October 2010 from Strathmore Minerals and the **Bootheel Project**, with a NI 43-101 compliant Indicated resource of 1.09 million pounds U3O8 and an Inferred resource of 3.25 million pounds U3O8, are both located in uranium mining friendly Wyoming, United States.

The Company expects to complete a NI 43-101 compliant initial resource estimate on Juniper Ridge by the end of the fourth quarter of 2011, to be followed by a Preliminary Economic Assessment currently scheduled for completion by the first quarter of 2012.

Having completed its 2011 drill program at Bootheel, the results will form the basis for an updated NI 43-101 resource estimate by the end of the fourth quarter of 2011 and a PEA scheduled for completion in early 2012.

Crosshair also has a 60% interest in the **Golden Promise Property** (Golden Promise, South Golden Promise and Victoria Lake projects in Newfoundland, Canada (40% Paragon), with the option to earn an additional 10% interest in the Golden Promise Project.

At the beginning of 2011, Crosshair had Cdn\$ 10.6 million in place to fund its 2011 programs to an aggregate total of Cdn\$ 7.32 million.

With a primary focus on its two US uranium projects and in addition its CMB uranium-vanadium project in Canada, Crosshair's share price, like the whole uranium equity sector, came under strong pressure due to the Fukushima disaster, thereby not recognizing the unchanged prospective outlook for the Company's uranium projects, with Bootheel and CMB showing an aggregate of 25 million pounds of U3O8 NI 43-101 compliant resources, and in addition its Golden Promise gold resource.

The Company's share price could also get a boost from the lifted moratorium on uranium mining in Labrador.

Our next price objective is Cdn\$ 1.00.