

Uraniumletter INTERNATIONAL

the international independent information and advice bulletin for uranium resource investments

Special Situation – December 2011 Update

www.crosshairenergy.com



Crosshair Energy (Cdn\$ 0.38)

TSX	: CXX
NYSE AMEX	: CXZ
H+L prices (12 months)	: Cdn\$ 2.80 – 0.36
Issued shares	: 49.2 million
Fully diluted shares	: 70.3 million
Market capitalization	: Cdn\$ 18.5 million

Next price target: Cdn\$ 1.00

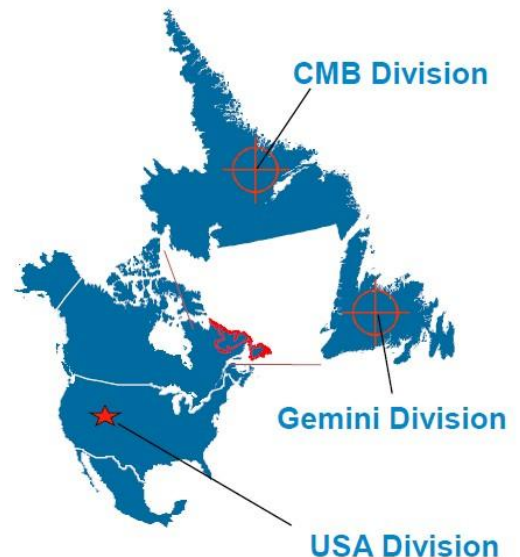
Company Profile

Crosshair Energy (formerly Crosshair Exploration & Mining) is a prominent player in the exploration and development of uranium, vanadium and gold in the US and Canada.

- ▶ The **Juniper Ridge Project**, acquired in October 2010 from Strathmore Minerals and the **Bootheel Project**, with an NI 43-101 compliant Indicated resource of 1.09 million pounds U₃O₈ (1.44 million tonnes at 0.038%) and an Inferred resource of 3.25 million pounds U₃O₈ (4.40 million tonnes at 0.037%) are both located in mining friendly Wyoming, United States.
- ▶ The **CMB 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 (6.92 million tonnes at 0.034%) and an Inferred resource of 5.82 million pounds of U₃O₈ (8.17 million tonnes at 0.032%). In addition, the CMB Property has an Indicated vanadium resource of 42.82 million pounds V₂O₅ (14.71 million tonnes at 0.152%) and an Inferred resource of 93.62 million pounds V₂O₅ (28.34 million tonnes at 0.160%).

Crosshair currently holds a 63% interest in the **CMB Joint venture property** (37% Silver Spruce Resources). The current NI 43-101 compliant Indicated resource is 2.33 million pounds of U₃O₈ (1.82 million tonnes at 0.058%) with an additional Inferred resource of 3.73 million pounds of U₃O₈ (3.16 million tonnes at 0.053%).



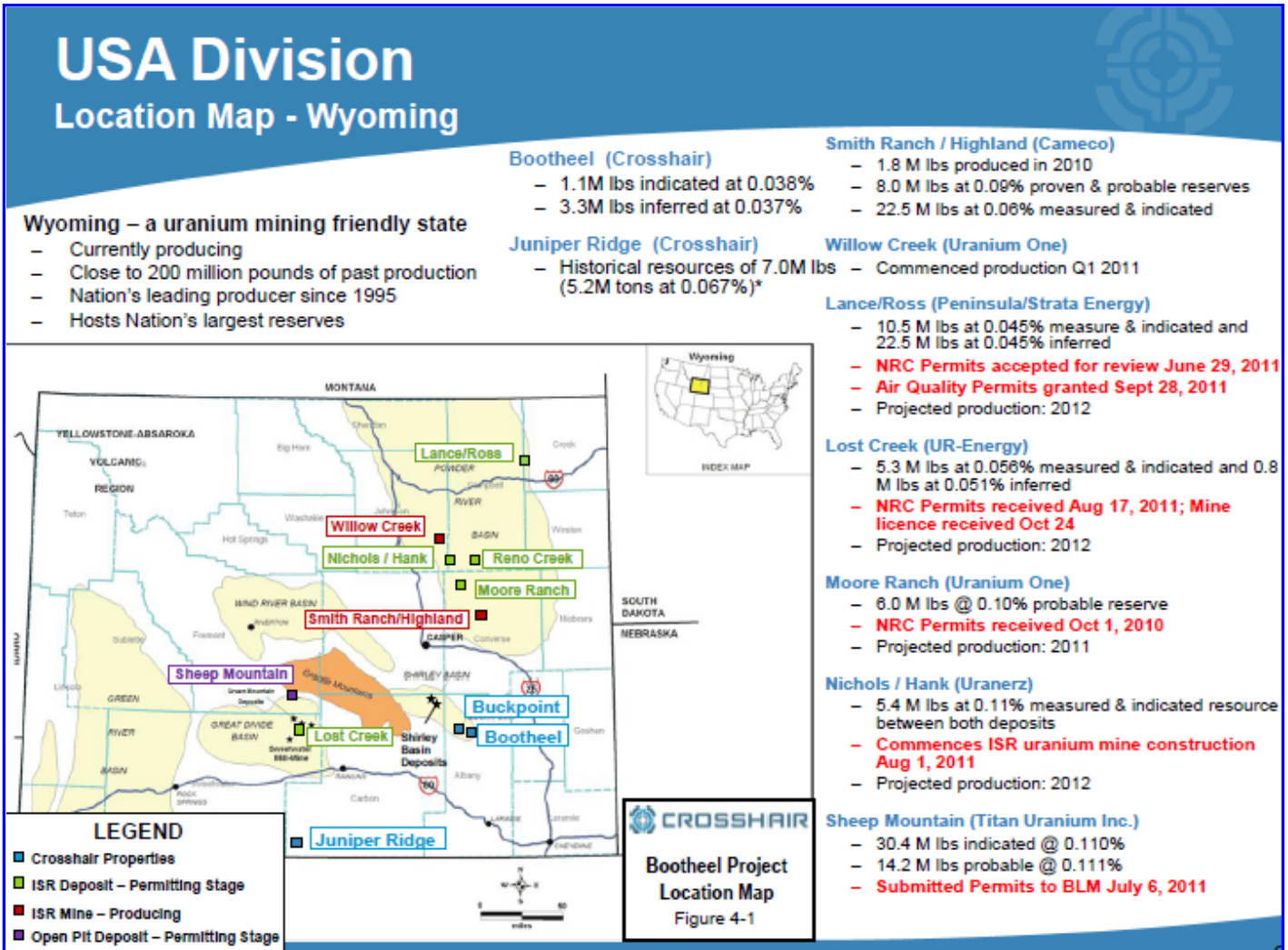
In 2010, Crosshair completed a Vanadium Resource Expansion program on the CMB property with the goal of significantly increasing the vanadium resource. Without any additional drilling, the vanadium resource was increased greater than 500%. Increasing the vanadium resource by over 500%, -underscores both the involving capacity of the project area and the strategic focus of crosshair itself. The vanadium resource remains open to the southwest for a minimum of one kilometre.

Crosshair also has a 60% interest in the **Golden Promise Property** - Golden promise, South Golden Promise and Victoria Lake projects in Newfoundland, Canada – U3O8 (40% Paragon Minerals), with the option to earn an additional 10% interest in the Golden Promise Project.

In December 2010, Crosshair announced the completion of a consolidation of the Company’s common shares on the basis of 1 post-consolidated common share for every 4 pre-consolidated common shares.

On November 1, 2011, Crosshair announced a name change from Crosshair Exploration & Mining Corp. to **Crosshair Energy** Corporation to reflect its focus on exploration and development of its uranium projects in North America.

Overview of projects



➤ **Bootheel Uranium Property, Shirley Basin, Southern Wyoming**

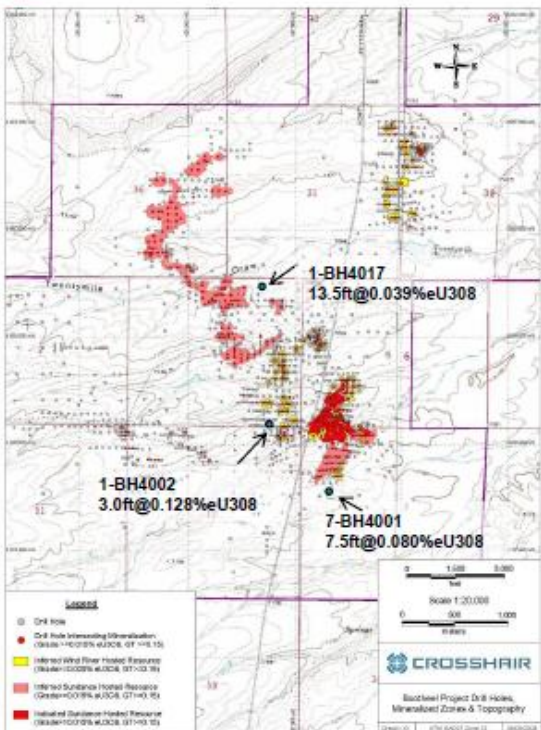
On March 31, 2009, Crosshair acquired the Bootheel and Buckpoint properties in Wyoming - (covering 8,524 acres of gross mineral lands within the Shirley Basin -that make up the Bootheel Project), through the acquisition via a Plan of Arrangement of Target Exploration and Mining.

The Company has fully earned a 75% interest in the Bootheel Project (25% Ur-Energy), subject to certain royalties, by completing expenditures totalling US\$ 3.0 million and issuing 125,000 common shares on or before June 7, 2011.

The Bootheel Property has an initial independent NI 43-101 compliant Mineral Resource estimate which includes an Indicated resource of 1.09 million pounds of U₃O₈ -(1.44 million tons at 0.058% eU₃O₈) and an additional Inferred resource of 3.25 million pounds of U₃O₈ - (4.40 million tons at 0.037% eU₃O₈). The resource remains open for expansion with less than 60% of the historical resource area included in this initial estimate.

Uranium mineralization is hosted by several individual sandstone beds at the Bootheel Property. The majority of the resources are hosted by the Sundance Formation, which demonstrated in the 2008 laboratory testing to have the potential to be recovered using in-situ recovery -(ISR) techniques which are more environmentally friendly and less capital intensive than conventional mining methods.

Bootheel Property



NI 43-101 Uranium Resource:

- Indicated: 1.09M lbs U₃O₈ at 0.038%
- Inferred: 3.25M lbs U₃O₈ at 0.037%

The resource remains open for expansion with less than 60% of the historical resource area included in this initial estimate.


-Costs for Uranerz's Nichols Ranch & Hank Projects based on 2008 Preliminary Economic Assessment:

- Capital Costs: US\$ 35M
- Operating Costs: US\$ 24/lb (excl. taxes & royalties)

Although Bootheel is located within close proximity to Uranerz's Nichols Ranch/Hank Project and both are anticipated to be ISR operations, it is uncertain if the costs will be the same.

12 Month Budget: \$1.5M

- Drilling 35,760 feet in 76 holes – *completed*
- Updated NI 43-101 Report - *underway*
- Hydrology - *completed*
- Permitting
- Scoping Study



On November 3, 2011, Crosshair announced the completion of its 2011 drill program at the Bootheel Uranium Project. 76 exploration boreholes comprising 35,760 feet (10,900 metres) were drilled in September and October. The goals of this program were to upgrade the existing Inferred resource to an Indicated resource, capture more of the historic resource and explore for new mineralization.

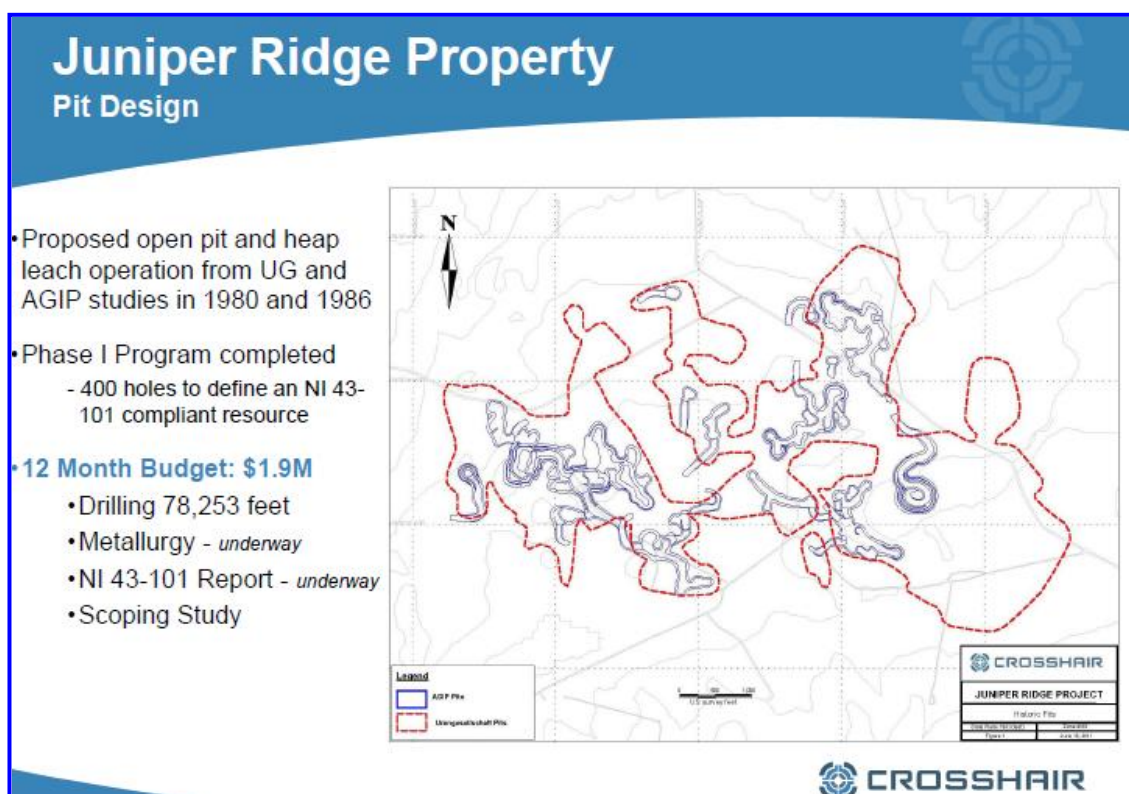
Highlights from the most recent set of results include: 0.075% eU₃O₈ over a length of 3.0 feet (drill hole 1 - BH 4003); 0.074% eU₃O₈ over 8.0 feet (7 - BH 4006); and 0.053% eU₃O₈ over 8.0 feet (7 - BH 4005).

The results will form the basis for an updated NI 43-101 mineral resource estimate –and a preliminary economic assessment (PEA) scheduled for completion in 2012.

The Bootheel PEA will assess the size of the Project from an economic standpoint and will generate an initial estimate of the capital investment required to bring the project into production.

➤ **Juniper Ridge Uranium Project, southwest Wyoming**

On October 29, 2010, Crosshair signed a definitive agreement with Strathmore Minerals to acquire a 100% interest in the Juniper Ridge Uranium Property. Crosshair has made initial payments of US\$ 700,000 and will make additional payments based on uranium resources and reserves on the property. Additional payments on the second and third anniversaries of this agreement will have Crosshair pay a total of US\$1.00 per pound uranium as defined in an NI 43-101 technical report. These payments will be made 50% in cash and 50% in common shares of Crosshair. If a technical report has not been completed by these anniversaries, payment will be set for 5 million pounds.



Upon receipt of all permits required for production on the Property, Crosshair will make an additional payment of US\$0.30 per pound of proven and probable reserve. Strathmore will retain 2% Gross Revenue Royalty on the Property, which can be repurchased by Crosshair.

Juniper Ridge contains a historical geological resource of 5.2 million tons grading 0.067% U₃O₈ for a total of 6.97 million pounds of uranium. The historical resource estimate was completed by AGIP Mining Company in 1986, prior to the implementation of NI 43-101 and is not compliant with current accepted reserve and resource classifications as set forth by the Canadian Institute of Mining and Metallurgy.

Given the quality of the historic work completed on the Property, Crosshair believes the resource estimate to be both relevant and reliable, but is not treating the historic resources as current and should not be relied upon.

On November 23, 2011, Crosshair announced the successful completion of its 2011 drill program at the Juniper Ridge Uranium Project. The program, which consisted of 400 mud rotary holes, totalling 78,253 feet, confirmed the historical data from the Property.

Highlights from the most recent set of results include: 0.187% eU₃O₈ over a length of 5.5 feet (drill hole JR-11-048); 0.169% eU₃O₈ over 5.5 feet (JR-11-195); 0.112% eU₃O₈ over 4.5 feet (JR-11-016).

Results from the 2011 program, including this final set of 48 holes, are currently being evaluated by independent contractor BRS of Riverton, Wyoming in order to complete a NI 43-101 compliant initial resource estimate on Juniper Ridge -in early January 2012.

The results from this initial resource estimate will then be used to complete a Preliminary Economic Assessment (PEA) of the Juniper Ridge Project.

➤ **Central Mineral Belt (CMB) Uranium/Vanadium Project, Central Labrador**

The CMB Uranium/Vanadium Project shares a region with Aurora's Michelin Project recently purchased by Paladin Energy from Frontier Development for \$ 261 million, (or approximately \$1.90 per pound uranium) highlighting the viability of the area.

CMB has to date seen the development of 3 distinct defined resources over a 4.5 km long uranium mineralized Corridor which includes the C Zone to the north, Area 1 in the middle, Armstrong to the south – all of which are open for expansion and future programs will be aimed at confirming the continuity of mineralization between the zones. The Two Time Zone, located 10 km to the north on the JV Property is also open to the south and to depth.

The Corridor and the Two Time Zone fall outside of the Labrador Inuit Lands and are not directly impacted by the Nunatsiavut Government's April 2008 decision to place a 3 year moratorium on uranium mining within their self- governed Labrador Inuit Lands. -The moratorium was originally put in place 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.

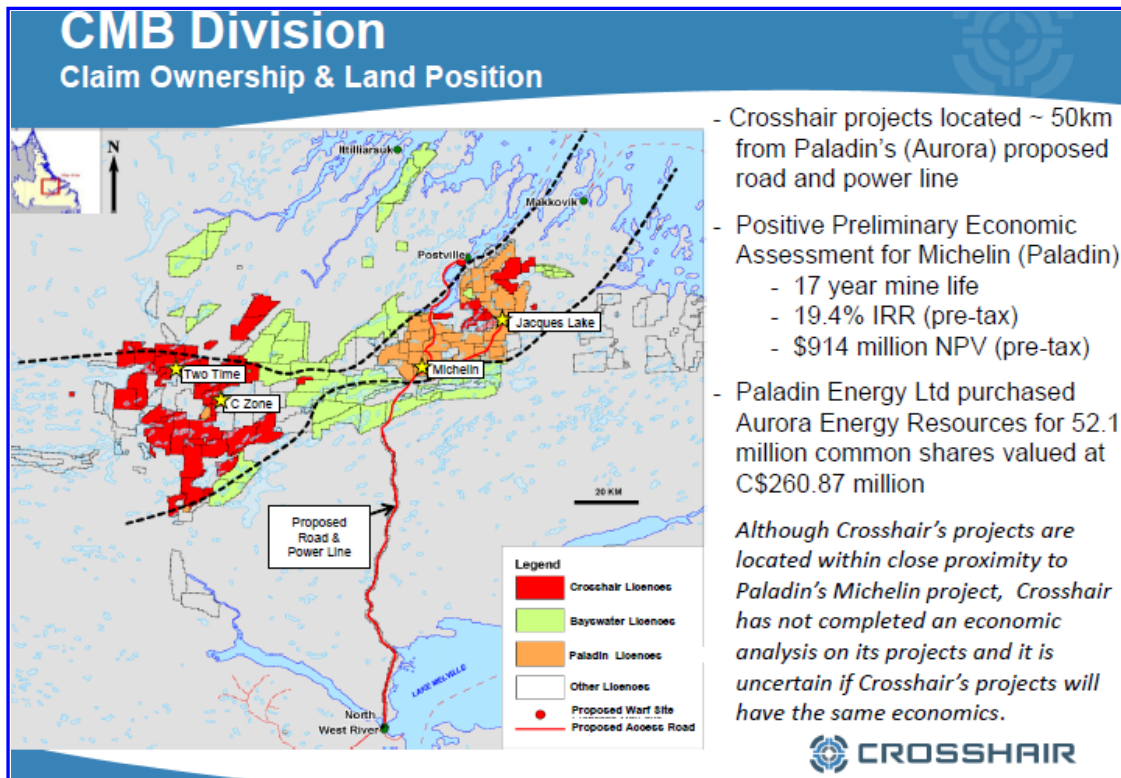
On December 15, 2011 the Nunatsiavut Government voted unanimously to lift the moratorium on uranium. The Environmental Protection Legislation will be put in place and the moratorium will be lifted on or about March 9th, 2011.

Paladin Energy's Michelin project contains one of the largest undeveloped uranium resources in the world and is the most advanced project in the region. Paladin has indicated that it will resume its exploration and development work in the summer of 2012. With the development of the Michelin project, there will be increased visibility in the Labrador region and this will significantly improve the environment for Crosshair to explore and develop its Labrador projects.

Current NI 43-101 compliant uranium resources for the C Zone, Area 1 and Armstrong Corridor are 5.19 million pounds U₃O₈ in the Indicated category (6.92 million tonnes at 0.034% U₃O₈) and 5.82 million pounds in the Inferred category (8.17 million tonnes at 0.032% U₃O₈).

Current NI 43-101 compliant resources for vanadium in this corridor are 42.82 million pounds in the Indicated category (14.71 million tonnes at 0.152% V₂O₅) and 93.62 million pounds (28.34 million tonnes at 0.160% V₂O₅).

Current NI 43-101 compliant resources for the Two Time Zone are 2.33 million pounds uranium in the indicated category (1.82 million tonnes at 0.058% U₃O₈) and 3.73 million pounds uranium inferred (3.16 million tonnes at 0.053%).



To date, Crosshair has issued 2.7 million common shares, made cash payments totalling Cdn\$ 575,000 and spent more than the required minimum Cdn\$ 3.0 million on project expenditures to earn a 90% interest in the Moran Lake Property.

The 2,916 claims in 33 licences cover 729 square kilometres and are in good standing under provincial work assessment rules until 2012 and some as late as 2019.

On December 6, 2011, Crosshair announced that it had reached an agreement to confirm vesting of its 90% interest in certain mineral licences that are part of the CMB Uranium/Vanadium Project.

The agreement is part of a settlement of outstanding litigation with the original claim owner, Mr. Lewis Murphy. The terms of the settlement are a cash payment by the Company to Mr. Murphy in the amount of \$ 600,000 and an additional payment by the Company of 1.19 million in Crosshair shares.

In return for the cash and share payment, all litigation has been discontinued and Mr. Murphy has acknowledged Crosshair's 90% interest in the Property has vested and any requirement for a bankable feasibility study has been irrevocably waived. The Company will be required to make advance royalty payments of \$ 200,000 per year commencing in November 2012.

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

According to an independent NI 43-101 compliant vanadium resource estimate on the C Zone, the vanadium contained outside of the existing uranium resource includes 30.92 million pounds of vanadium pentoxide -V₂O₅ (7.79 million tonnes at 0.18%) in the Indicated category, as well as an Inferred resource of 81.33 million pounds of V₂O₅ (21.57 million tonnes at 0.17%).

These estimates are independent from the vanadium contained within the area's uranium resource which includes an Indicated resource of 11.90 million pounds of V₂O₅ (6.92 at 0.078%) and an Inferred resource of 12.29 million pounds of V₂O₅ (6.77 million tonnes at 0.082%).

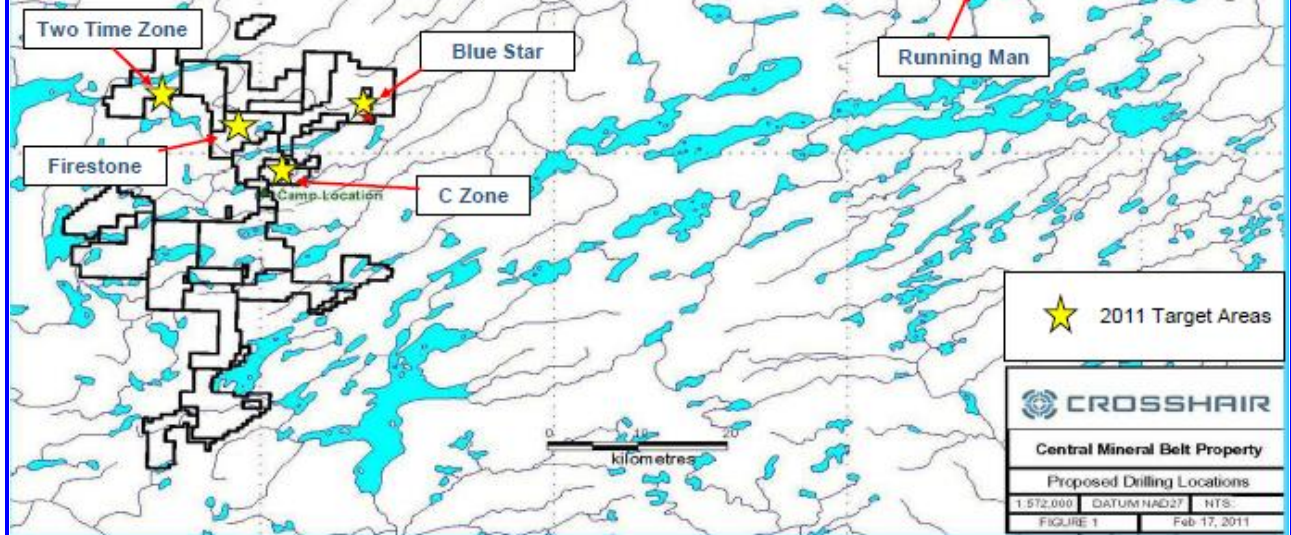
Increasing the vanadium resource by over 500%-underscores both the involving capacity of the project area and the strategic focus of Crosshair itself.

CMB Division 2011 Program

12 Month Budget: \$3.8M

- Drilling 8,500 m
 - 4,780 m of drilling completed to date
 - 3,138 m in 9 holes completed at CMB
 - 1,642 m in 4 holes completed at CMB JV
- NI 43-101 Report with updated resources
- Scoping Study

The goal of the 2011 drill program is to increase the existing uranium and vanadium resources as well as test new uranium targets.



On November 22, 2011, Crosshair announced the successful completion of its 2011 drill program on the CMB Uranium/Vanadium Project. This program of 19 diamond drill holes totalling 3,138 metres was focused on two areas within the CMB Project; the structural corridor between the C Zone and Area One, as well as the Blue Star prospect located approximately 10 kilometres northeast of the C Zone.

The final set of assay results have been received for the 9 holes specifically targeting the C Zone/Area One corridor. These results, along with those received earlier, support the interpretation that the vanadium mineralization is continuous between the two zones.

Highlights from the final set of assays results are: 0.195% V₂O₅ over a length of 48.5 metres including 0.262% V₂O₅ over 10.0 metres (ML-11-195), and 0.240% V₂O₅ over 12.5 metres and 0.185% V₂O₅ over 62.0 metres including 0.235% V₂O₅ over 23.0 metres (ML-11-196).

Crosshair's next task will be to continue following the mineralization to the southwest and confirm that it extends beyond Area 1 towards Armstrong. Drilling on the Bue Star prospect was aimed at following up on widely scattered coincident geophysical and rock geochemical anomalies.

Ten (10) holes, totalling 1,404 metres, were completed with 4 holes intersecting thin uranium mineralized zones including a 3 metre interval which returned 0.050% U₃O₈ from drill hole BS-11-006.

Vanadium, one of the key elements of the green revolution

Vanadium - (chemical symbol V) is a relatively rare metal that occurs naturally in about 65 different minerals and fossil fuel deposits. It is typically produced in limited quantity either from steel smelter slag, from the flue dust of heavy oil or as a by-product of uranium mining.

Roughly 63 million tonnes of contained vanadium was produced globally in 2010. Approximately 98% of that production came from vanadium-bearing magnetite found in ultramafic gabbro bodies in South Africa, north-western China and eastern Russia.

Vanadium is predominantly used as a strengthening additive in steel and some forms of iron. Roughly 85% of vanadium is used in the high performance steel industry. Another 10% is used as an essential alloying element for titanium.

Vanadium has become indispensable for many industrial and domestic products and processes. Other uses of vanadium include as a catalyst in the manufacturing of sulphuric acid as well as in ceramics and glass manufacturing.

Vanadium has also become very useful in the advancement of battery technology; Lithium ion batteries - (to be used in the automotive industry), as well as redox flow batteries - (for large-scale power grid usage, having demonstrated the ability to act as energy storage solutions for wind turbines and solar power installations), both benefit greatly from the use of vanadium.

As an anti-corrosion agent, vanadium can also be used to help enable the use of a new set of materials for strong rare-earth magnets which can produce more than six times the conventional power.

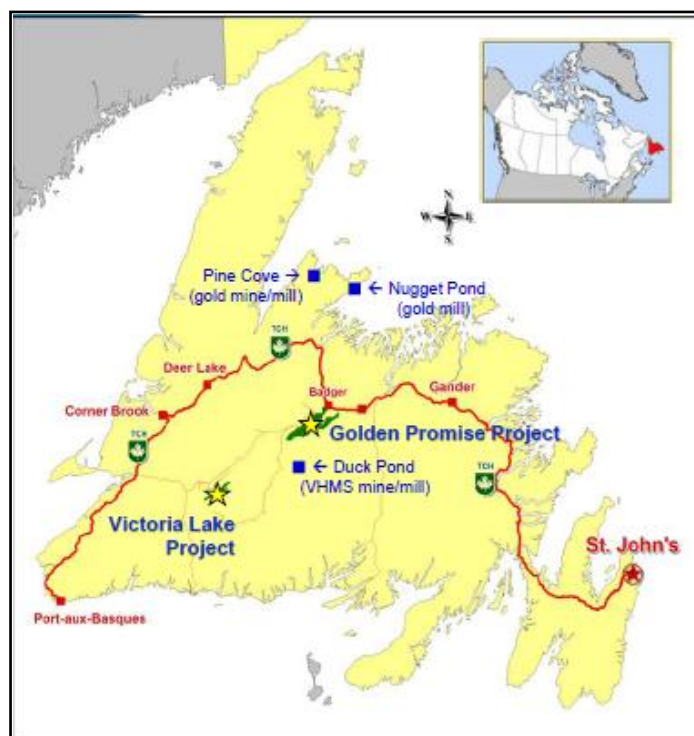
Gemini Metals Division

➤ Golden Promise Property, Central Newfoundland

On April 29, 2009, Crosshair acquired a 60% interest - (40% Paragon Minerals) in the Golden Promise Project in Central Newfoundland, currently consisting of 725 claims (18,125 hectares) and one mining lease totalling 39.8 hectares), with an option to acquire up to a 70% interest.

Crosshair will provide Paragon with a Cdn\$ 2.0 million carried interest in initial exploration expenditures to be completed prior to May 2013. The additional 10% interest can be earned by providing Paragon with an additional Cdn\$ 1.0 million carried interest in additional exploration expenditures within 24 months.

Five quartz vein zones characterized by coarse visible gold have been discovered on the Golden Promise Project. The Jaclyn Main Zone is the most advanced and has been intersected over a minimum strike length of 950 metres and to a depth of 425 metres. The Zone remains open for expansion along strike and to depth.



A preliminary independent NI 43-101 compliant resource estimate has been completed at the Jaclyn Main Zone. The report estimates an Inferred resource of 89,500 ounces of gold (921,000 tonnes averaging 3.02 g/t gold at a cut-off of 1 g/t gold).

During the 2010 fiscal year, Crosshair completed 7,220 metres of drilling in 36 holes. 12 holes covering 641 metres were shallow infill holes located in the central part of the Deposit designed to provide samples of the vein for metallurgical testing and to test for structural and grade continuity of the vein prior to the planned bulk sampling program.

Thirty-four (34) samples from the drill holes were composited to provide one sample of 34.4 kilograms with a head grade which assayed 4.5 g/t gold as compared to the weighted average historical assay grade based on the individual samples of 4.18 g/t gold.

Metallurgical test work determined initial gold recoveries of 98%. The results confirm that the gold in the vein can be effectively recovered using gravity separation in combination with leaching, or by direct leaching.

On April 20, 2011, Crosshair completed a 2,174 tonne bulk sample program conducted to better determine grades and announced the recovery of 314 ounces of gold and 23 ounces of silver from 482.5 kg of concentrate which was sold for net receipts of Cdn\$ 430,000. Based on the mill records and the total gold recovered, the average recovered gold grade was 4.47 g/t gold, which was 26% greater than expected from the resource calculation.

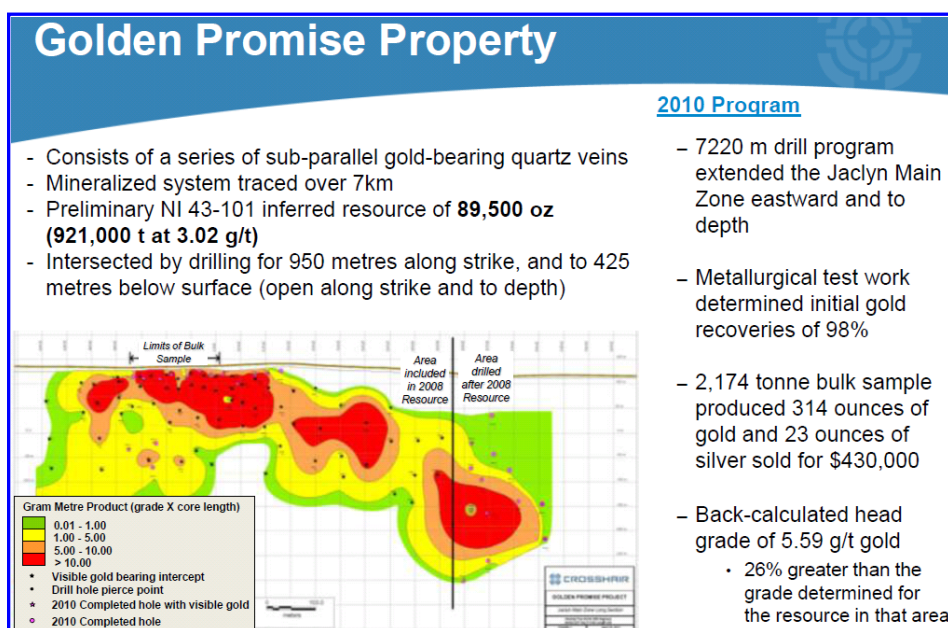
Crosshair believes that the current resource can be considered conservative and understates the amount of contained gold.

➤ Southern Golden Promise Property, Botwin Basin, Central Newfoundland, Canada

Crosshair has earned a 60% interest - (40% Paragon Minerals) in the South Golden Promise Property, subject to a 2.5% Net Smelter Return to the underlying vendors by issuing a total of 400,000 common shares and completing a minimum of Cdn\$ 1.75 million in exploration expenditures. Paragon declined to participate in the recent programs and has been diluted to a 38.3% interest.

The South Golden Promise and Victoria's Lake claim blocks collectively cover 55 square kilometres in 218 claims in 9 licences.

An airborne electromagnetic and magnetic survey, at an estimated cost of Cdn\$ 60,000, commenced in December 2010 and future work will be to evaluate any anomalies indicated by the survey.



Management

Mark J. Morabito, B.A., J.D., Executive Chairman, is Crosshair's founder and is an executive with a background in corporate finance and securities law. He has over 15 years experience in public markets with a strong focus on junior mining and small business venture capital with extensive experience in capital-raising and corporate development. Mr. Morabito has raised over \$ 200 million in public markets over the last five years.

Stewart Wallis, P.G., P. Geo., President & CEO, has over 30 years experience in exploration of base metals, precious metals and uranium throughout the world. He has experience with exploration for uranium in the Elliot Lake District and Thelon Basin in the Northwest Territories.

Samuel Yik, B.Comm, CA, Chief Financial Officer, is a Chartered Accountant with over 17 years of financial and international business experience in resource based public companies with market capitalizations ranging from \$10 million to \$2 billion. He spent the past seven years in senior level management roles in the mining industry. Mr. Yik has experience with both exploration and commercially producing mining companies and was formerly the CFO for a mineral exploration company which is dually listed on both the TSX-V and NYSE AMEX. Mr. Yik also holds a Bachelor's degree in Commerce from the University of British Columbia.

Mark Ludwig, PE, MBA, Chief Operating Officer -(USA), was the Vice President of Operations of Neutron Energy. From 2005 to 2009 he was employed by Hecla Mining as a Senior Mining/project manager and later as Manager of Corporate Development. From 1984 until 2005 he worked in various positions with BHP Billiton, including as a Senior Project and Mining Engineer.

Tom Bell, Ph.D.,CPG, Vice President and Chief Geologist, has over 30 years experience as a consulting geologist to the mining, petroleum, environmental and geotechnical industries. He has practiced geology as a professional geologist, geologic analyst and geologic research for private companies and public institutions including the US Geological Survey, Arco Oil and Gas, Anaconda Copper, Utah International, Broken Hill proprietary and the Pennsylvania State University.

Horace H. "Bevo" Beaven, Vice President Corporate Communications, has held leadership positions providing marketing communications, public relations and investor relations services for national and international organizations and has 12 years experience as an investor relations executive. He worked as Vice President and Senior Vice President at Metzger Associates Public Relations and CTA Integrated Communications and most recently as an independent public relations and corporate communications consultant. Mr. Beaven is responsible for investor and public relations for Crosshair, with a focus on the United States.

Evelyn Cox, B.Sc (Geology), Vice President Corporate Communications, has over 10 years experience in the mineral exploration sector including VP Corporate development of EGM Exploration Group Management and is a Director of Logan Resources.

Finance

On December 15, 2010, Crosshair consolidated its common shares on the basis of 1 post-consolidated common share for every 4 pre-consolidated common shares, as a result of which the number of net issued shares was reduced to 36.75 million.

At the beginning of 2011, Crosshair had Cdn\$ 10.6 million in place to fund its 2011 programs, including Juniper Ridge (Cdn\$ 1.9 million), Boothel (Cdn\$ 1.5 million), CMB Projects (Cdn\$ 3.8 million) and Gemini Division (Cdn\$ 70,000) to an aggregate total of Cdn\$ 7.27 million.

The Company's current cash position is Cdn\$ 1.5 million.

Investment recommendation:

Crosshair's flagship projects, the **Juniper Ridge Project**, acquired in October 2010 from Strathmore Minerals and the **Bootheel Project**, with an 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 an initial NI 43-101 compliant resource estimate on Juniper Ridge in January, 2012, to be followed by a Preliminary Economic Assessment scheduled for completion in early 2012.

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

The **CMB Property** in Labrador, Canada has a current NI 43-101 compliant Indicated resource is 5.19 million pounds of U3O8 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 of V2O5 and an Inferred resource of 93.62 million pounds of V2O5.

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

In 2010, Crosshair completed a Vanadium Resource Expansion Program. Without any additional drilling, the vanadium resource has been increased greater than 500%. Increasing the vanadium resource by over 500%-underscores both the involving capacity of the project area and the strategic focus of Crosshair itself.

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 Minerals), 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\$ 7.27 million

Like the whole uranium equity sector, Crosshair's share price came under strong pressure due to the Fukushima disaster, thereby not recognizing the changed prospective outlook for the Company's uranium projects, with the lifting of the Moratorium, the recent CMB drilling which is anticipated to increase its current resources and the new resources at both Bootheel and Juniper Ridge to be released in January 2012, and in addition its Golden Promise gold resource.

Consequently, at a current depressed market capitalization of just Cdn\$ 18.5 million, including Cdn\$ 1.5 million in cash, we view Crosshair as one of the most attractive speculative investment opportunities in the worldwide uranium sector.

Our next price objective is Cdn\$ 1.00.