

**HATHOR EXPLORATION LIMITED (HAT : TSX-V : C\$2.12 | SPECULATIVE BUY)****Figure 7: HAT : TSX-V**

Shares o/s (M):	82.0
Shares fd (M):	87.7
Working Cap. (M):	\$35.0
Market Cap. (M):	\$173.9
Co. Website:	www.hathor.ca

Source: Company reports, StockCharts.com

**Figure 8: HAT : TSX-V**

Past 12-months – purchased:	\$710,041
Past 12-months – sold:	\$60,655
Since Oct 23, 2008- acquisitions/dispositions:	Nil
Officer: Mr. Matthew Mason – options:	643,500 @\$0.50

Source: INK Research

Hathor Exploration, a Vancouver-based exploration company, has made one of the most important high-grade uranium discoveries of this cycle: the Roughrider basement-hosted high-grade uranium zone on its 90%-owned Midwest NE project in the eastern Athabasca Basin. The project's importance in the heart of the paramount uranium mining district (two under-utilized mills within 15 kilometres) should ensure that Roughrider exploration will be subject to considerable speculation.

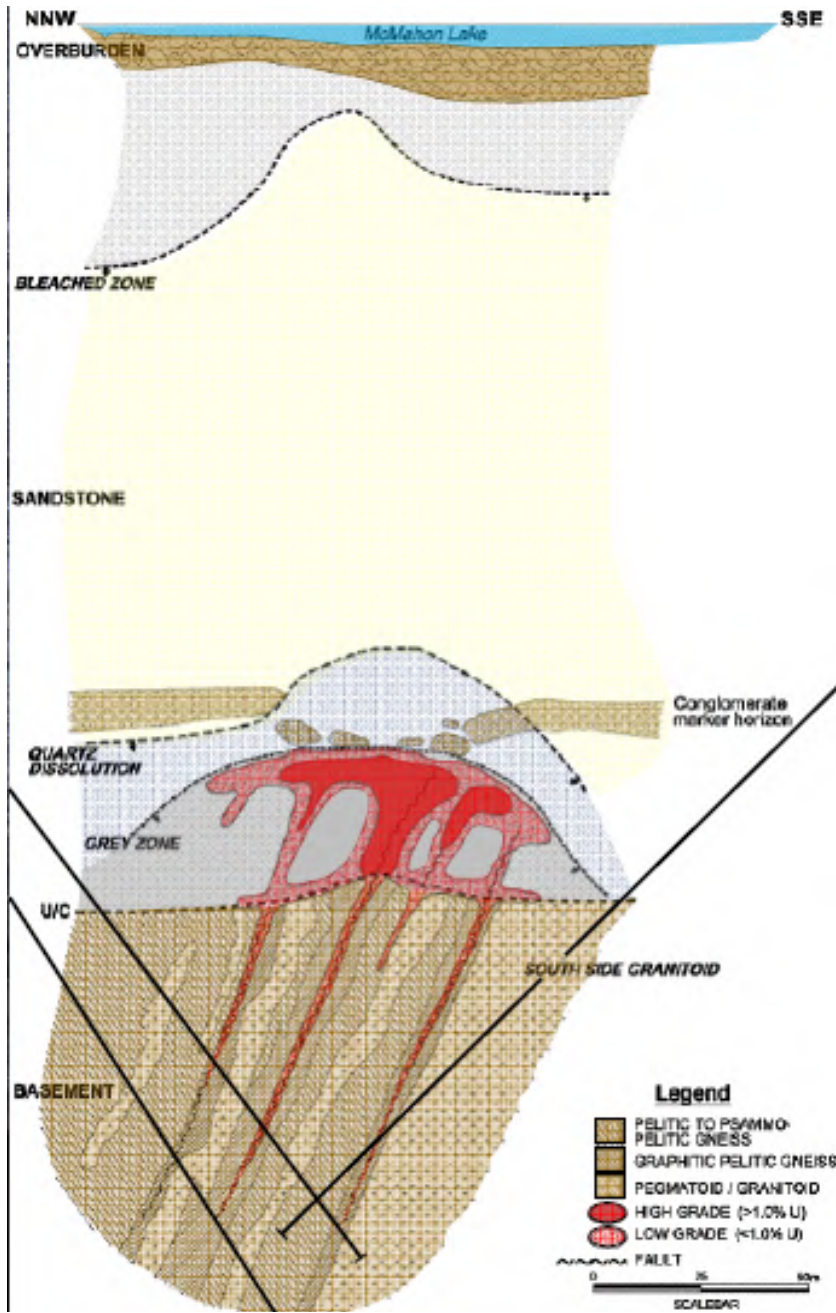
- On Friday, February 27, Hathor closed at C\$3.00 per share, ending a week of strength in anticipation of first drill results from the winter drill program on Roughrider coinciding with the annual PDAC convention in Toronto. The stock was halted on Monday morning to allow for the dissemination of results, which we deemed "A solid single" (see our *Flash Update* dated March 2, 2009, for a full discussion). Ten of the sixteen holes reported represented solid infill drilling on Roughrider, while six unsuccessful step-out holes were drilled to the southwest, away from the primary target.
- During the week beginning March 2, Hathor's share price collapsed 37% (Friday close to Friday close), highlighting once again the volatility associated with early-stage exploration. Aside from the usual "buy on mystery, sell on history" bromides, one can also trot out explanations for the market's cantankerous behaviour including the failure of the southwestern step-out holes and concerns about the primary target not being tested. Ludicrous rumours of nefarious doings on the property were promulgated at PDAC, likely concocted by the shorts, as well as questions such as, "Wouldn't the drillers know by now whether the primary target has been hit?" and "If they really believed in the primary target, wouldn't they have tested that first?"
- In our opinion, Hathor is proceeding in an appropriately systematic fashion, particularly given constraints of off-ice drilling, to a) expand the basement-hosted mineralization encountered, and b) test for potential unconformity-related mineralization in the overlying altered sandstone highlighted by the large alteration halo and coincident geophysical anomalies (the primary target). Testing these geologically tiny targets is akin to spearing a phonebook standing on end at the bottom of a swimming pool while blindfolded – a task best suited to a systematic approach rather than a reckless Hail Mary. We expect Hathor's share price to firm up as we approach the next batch of drill results anticipated towards the end of March. An excellent entry or re-entry point has been created for risk-tolerant investors.

An analyst has not visited the properties held by Hathor Exploration Limited.

**Investment risks**

The commercialization risks associated with mineral exploration and development are high; thus investment in the shares of Hathor Exploration Limited is for risk accounts only.

Figure 9: Conceptual model



Source: Hathor Exploration Ltd. corporate presentation, December 2008