

HATHOR EXPLORATION LTD. (HAT : TSX-V : C\$2.00 | SPECULATIVE BUY)**Figure 11: HAT: TSX-V**

Shares O/S (M):	86.0
Shares FD (M):	91.6
Working Cap. (M):	C\$35.0
Market Cap. (M):	C\$172.0
Co. Website:	www.hathor.ca

Source: Company reports, StockCharts.com

Figure 12: HAT : TSX-V

Past 12 months - purchased:	\$684,479
Past 12 months - sold:	\$60,655
Since Mar 31/09 - acquisitions or dispositions:	Nil

Source: INK Research

Hathor Exploration is a Vancouver-based uranium exploration and development company focused on the prolific Athabasca Basin, Saskatchewan. A strong geological team and board of directors, headed by President and CEO Stephen Stanley, are guiding Hathor forward on its marquee 90%-owned Midwest Northeast project, which hosts the Roughrider zone. Terra Ventures (TAS : TSX-V : C\$0.40 | Not rated) holds a 10% carried interest. We consider the Roughrider zone one of the most important high-grade uranium discoveries of this cycle. We expect the company to report the next batch of drill results from the project this week and look for the following:

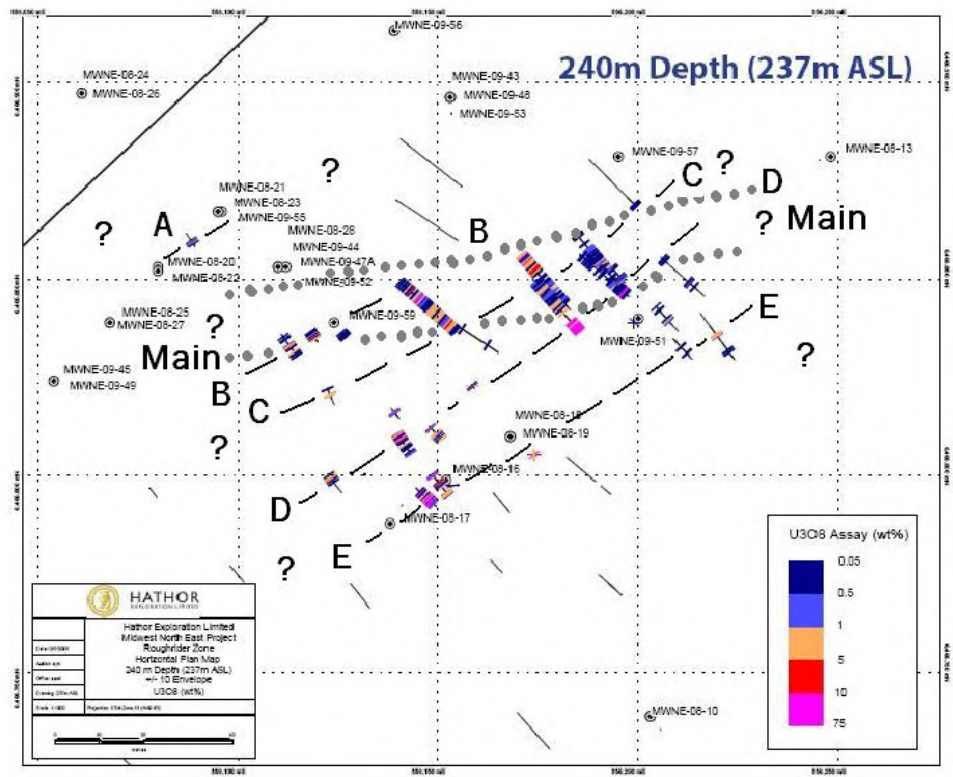
- In our *Daily Letter* published 3 April 2009, we introduced the geological model we have interpreted from detailed, but limited, information published by the company. Based on this information, we interpret a series of vertical northeast-striking structures along the zone, indicated in Figure 13 and labelled northwest to southeast A, B, C, D and E. These structures all bear uranium mineralization and are entirely continuous horizontally and vertically. We also see a wider east-west structure that cuts the smaller structures, dipping at approximately 67 degrees to the north. This structure is labelled Main and is demarcated with dotted lines in Figure 13. We note that highest grades in the zone appear to be found where the Main east-west structure intersects the vertical northeast-trending structures.
- We expect Hathor to provide the next batch of drill results, from perhaps 20 holes, by the end of this week or the beginning of the next. We are excited to apply the results to our geological model for context. At this point we do not know the locations of the drill holes to come and cannot, therefore, predict which parts of the zone will be tested, but we do hope that some of the holes will test the key Main zone in our interpretation and the areas above the Main zone and where that intersects the unconformity. Upon review, we noted that Hole 30 (already reported) did return 0.14% U₃O₈ over 6.5 metres “at the unconformity”. Apparently the original rock was too altered to strictly identify it as altered bedrock or altered sandstone but we may already have seen the first unconformity-related mineralization: a truly important distinction to build upon.
- We value Hathor on a cash flow basis discounted at 10%. We model a 200 t/d operation based on the advanced technical studies for the nearby Midwest deposit. Roughrider could hypothetically produce approximately 2.9 Mlb/a U₃O₈ beginning in 2017. We generate a project NAV of C\$512 million, or C\$5.96 per share. We apply a 0.6x target project P/NAV multiple to generate our C\$3.75 per share target. Proximity to under-utilized mills makes Hathor an acquisition target, in our view.

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

Investment risks

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

Figure 13: Mineralized structure interpretation on the 240 metre level



Source: Hathor Exploration Ltd. data, Canaccord Adams interpretation