THE NUCLEAR RENAISSANCE: PART I

July 17, 2008

The following articles represent the first in a series discussing the drivers behind the Nuclear Renaissance and the development of nuclear power around the world. Each series will include excerpts from articles of interest to uranium investors from well respected sources.

DRIVERS FOR THE NUCLEAR RENAISSANCE

World Nuclear Association

The first generation of nuclear plants were justified by the need to alleviate urban smog caused by coal-fired power plants. Nuclear was also seen as an economic source of base-load electricity which reduced dependence on overseas imports of fossil fuels. Today's drivers for nuclear build have evolved:

Increasing energy demand

Global population growth in combination with industrial development will lead to a doubling of electricity consumption by 2030. Besides this incremental growth, there will be a need to renew a lot of generating stock in the USA and the EU over the same period. An increasing shortage of fresh water calls for energy-intensive desalination plants, and in the longer term hydrogen production for transport purposes will need large amounts of electricity and/or high temperature heat.

Climate change

Increased awareness of the dangers and effects of global warming and climate change has led decision makers, media and the public to realize that the use of fossil fuels must be reduced and replaced by low-emission sources of energy, such as nuclear power, the only readily available large-scale alternative to fossil fuels for production of continuous, reliable supply of electricity.

A TIDE OF HUMANITY

World Nuclear Association

For many thousands of years, humankind subsisted with little effect on the biosphere. Just 5 centuries ago - in the time of Europe's Renaissance, China's Ming Dynasty, and India's first Mogul Emperor - the world was still thinly populated. Since then - spurred by revolutions in agriculture, industry and medicine - global population has grown nearly fifteen-fold.

Of today's 6 and a half billion people, many millions enjoy an unprecedented standard of living. But one-third of humanity has no access to electricity and still another third has only limited access. Huge populations exist in dismal poverty. Over 1 billion people are without safe water and 2.4 billion lack adequate sanitation. Each day 40,000 people - 25 per minute - die from disease that would be readily prevented by basic economic development.

In the next 50 years - as world population expands to 9,000,000,000 today's vast unmet human needs could multiply severely. Economic development is imperative not only to alleviate human misery but also to create conditions necessary to stabilize global population.

Today, in much of the developing world, a surging drive to meet these needs is generating an enormous rise in the use of energy. By 2050, global energy consumption will double.

Humanity cannot go backwards. A burgeoning world population will require vast amount of energy to provide fresh water, energize factories, homes and transportation and support infrastructures for nutrition, education and health care.

Meeting these needs will require energy from all sources. But the world's energy "mix" must quickly evolve - away from indiscriminate use of fossil fuel. Reducing consumption of fossil fuel will preserve the environment - and irreplaceable resources - for future generations.

Stabilizing the accumulation of atmospheric greenhouse gases requires that worldwide emissions be cut by 50%. This challenge is made even greater by the need to raise living standards in poorer countries. Even if developing countries embrace conservation and clear-energy technologies, their enormous populations will soon emit more greenhouse gases that the existing industrial world.

LIFE AFTER DEATH

The Economist: June 19, 2008

"Patrick Moore, one of the founders of Greenpeace, … is such a convert to the nuclear cause that he now chooses to consult for it. Cynics take him to task for that, but he makes no apology. His view of the world, shared by James Lovelock, the inventor of Gaia (the idea that the Earth itself has some of the characteristics of a living organism), is that nuclear power – which already provides 15% of the world's electricity – is the only possible way out of climate change."

To read the entire article, please visit http://www.economist.com/specialreports/displaystory.cfm?story_id=11565609

INTERNATIONAL ENERGY AGENCY RECOMMENDS CONSTRUCTION OF 32 NEW REACTORS PER YEAR

UX Weekly: June 9, 2008

As part of a comprehensive strategy to reduce greenhouse gas emissions 50 percent below existing levels by 2050, the International Energy Agency (IAE) has recommended the construction of 32 new reactors per year plus massive investments in wind power and fitting 35 coal plants and 20 gas plants with CO2 capture and storage technology each year. The IEA made the recommendations in its leading biennial publication, the Energy Technology Perspectives for 2008. The report listed three sets of scenarios for the future of global warming emissions. The first scenario, known as the Baseline scenario, looked at the energy future for the world if current policies remain in place. The report also examined a serious of ACT scenarios to keep greenhouse gas emissions in 2050 at existing levels, and a series of BLUE Scenarios for reducing emissions by 50 percent. "The world faces the daunting combination of surging energy demand, rising greenhouse gas emissions and tightening resources. A global energy technology revolution is both necessary and achievable; but it will be a tough challenge," said IEA Executive Director Nobuo Tanaka.

The IAE warned that under the Base-line scenario if existing policies around the world remain in place, annual CO2 emissions would rise 130 percent over existing levels by 2050 and annual demand for oil would increase by 70 percent. In order to achieve the BLUE Scenarios' goal of reducing emissions 50 percent by 2050, Tanaka stated that the world would need to make use of all energy options. "We need to act now. We need roadmaps that accelerate international technology development and implementation, but that leave room for flexible responses on a country level," he said.

THE BIOSPHERE AT RISK

World Nuclear Association

In the Earth's atmosphere, the warming effect of "greenhouse gases" is an undisputed phenomenon. Without it, the globe would be covered in ice. For thousands of years, a fairly constant level of greenhouse gases created the moderate environment in which civilization evolved.

In the 21st century, human activity could cause a doubling of these heat-trapping gases. In geological time, such change is sudden and with little precedent.

In the next fifty years, the global population will use more energy than the total consumed in all previous history. Humanity faces a future of radical change - either in the way we produce energy or in the health of our planet.

Most energy today comes from burning fossil fuel to make electricity, run factories, power vehicles and heat homes. Fossil resources - coal, oil and natural gas - are being consumed so fast as to be largely exhausted during the 21st century.

With all fossil energy, waste products are dispersed directly into the air. Much of this waste takes the form of greenhouse gases such as carbon dioxide. Each year fossil fuel waste adds 25 billion tonnes of carbon dioxide to the atmosphere. This equates to 70 million tonnes each day - or 800 tonnes a second.

To analyze the effects of the rapid build-up of heat-trapping gases, world experts are cooperating though the UN's Intergovernmental Panel on Climate Change. The dynamics of climate change are complex and subject to competing theories. But scientists agree that increased greenhouse gases are causing the Earth to capture more solar heat. For most climate scientists, man-made greenhouse gases explain why eleven of the last twelve years (1995–2006) rank among the 12 warmest years in the instrumental record of global surface temperature (since 1850).

Climate experts are virtually unanimous in warning that the build-up of the greenhouse gases could, in the century ahead, become catastrophic. Rising sea levels, extreme temperatures, violent storms, devastating droughts and the spread of disease would destroy food production and human habitability in many regions. These experts warn that radical climate change could eventually destabilize the entire biosphere.

All nations are involved in climate change - in both cause and effect. North Americans release carbon dioxide into the atmosphere at a daily rate of 54 kilograms - or 120 pounds - per person. In Europe and Japan, daily per capita emissions are more than 23 kilograms - or 50 pounds. In fast-developing China, with 1.4 billion people, the emissions level already exceeds 6 kilograms - or 13 pounds - for each person each day.

About Crosshair

Crosshair is a dominant player in the exploration for uranium in the Central Mineral Belt of Labrador - Canada's most promising emerging uranium district. The 720 sq km CMB Uranium Project is host to potentially three types of uranium mineralization - Iron Oxide Copper Gold (IOCG - Olympic Dam), structurally controlled/shear zone and unconformity types of mineralization. 92% of Crosshair's property and all of its principal assets fall outside of Labrador Inuit Lands. These assets are therefore not directly impacted by the Nunatsiavut Government's recent decision to place a three year moratorium on uranium mining within their self-governed Labrador Inuit Lands.

For more information on the Company and its properties, please visit www.crosshairexploration.com.