



Delta Uranium Signs Option to Acquire 60% Interest in the Deer Lake Basin Uranium Project, Western Newfoundland

December 30, 2008

TSX: DUR

Toronto, Ontario - Delta Uranium Inc. (TSX: DUR) ("Delta") is pleased to announce that it has entered into an option agreement with Spruce Ridge Resources Ltd. (TSX-V: SHL) ("Spruce Ridge") pursuant to which Delta has been granted the option to acquire a undivided 60% ownership interest in the Deer Lake Basin Uranium Project (the "Project"). Upon completion of the option, Delta will enter into a joint venture agreement with Spruce Ridge for the remaining 40% interest.

Deer Lake Basin Uranium Project

The 85,200 hectare property covers approximately 50 percent of the Carboniferous-age Deer Lake sedimentary basin in west-central Newfoundland. Within the basin, the property includes more than 90 percent of the area underlain by rocks of the Rocky Brook Formation, which hosts numerous historic uranium occurrences. The northern part of the property lies outside the Deer Lake basin and covers a 30 kilometre length of a major tectonic zone that transects the island, and is part of a continental-scale structural trend that plays host to uranium occurrences as far south as North Carolina.

Within the Deer Lake basin, two types of uranium occurrence have been identified on the property. In the **Rocky Brook Formation** there are at least 56 recorded occurrences of uranium mineralization on the Deer Lake property. These occurrences are all in the banks of rivers and streams that have cut through the overburden to expose bedrock; all the intervening ground is essentially unexposed. Uranium is associated with accumulations of organic material in shaley limestone that has distinct similarities to present-day calcrete that can contain substantial bodies of uranium mineralization. The Yeelirrie deposit in Australia and the Langer-Heinrich and Trekkopje deposits in Namibia are examples of calcrete-hosted uranium. Spruce Ridge has worked on one group of these occurrences at **North Brook**, where assays from surface samples have ranged up to 3.73% U₃O₈ as well as 1.05% copper and 65.9 g/T silver.

The Deer Lake basin also has the potential to contain sandstone-hosted uranium. On the adjacent property of Altius Minerals Corporation (TSX: ALS) and JNR Resources Inc. (TSX-V: JNN), boulders of red sandstone have been found, containing up to 10% U₃O₈ with associated silver values.

At the **Incinerator Road** group of showings, uranium mineralization is exposed in outliers of conglomerate on a steep hillside at the northwestern edge of the basin. This hillside represents an "exhumed unconformity", where the Carboniferous sediments lie on much older crystalline limestone and dolomite. The conglomerate consists of pebbles and cobbles of these older rocks in a limestone matrix. Individual surface samples have assayed up to 0.095% U₃O₈. Fourteen diamond drill holes were put down by Spruce Ridge in 2007 in the Incinerator Road area, of which seven encountered anomalous radioactivity. The highest individual assay from drill core was 0.031% U₃O₈ over 0.30 metres, and the best overall intersection was in hole IR07-06 which cut an average of 0.010% U₃O₈ over 7.94 metres, with a second intersection of 0.007% U₃O₈ over 1.98



metres. There is indirect geological evidence that the uranium mineralization at Incinerator Road, in permeable rocks exposed on high ground, may have been depleted by weathering; it is anticipated that unweathered material may contain higher grades of uranium.

Two kilometres outside the Deer Lake basin, prospecting by Spruce Ridge has located mineralization in the **Determination Zone**, an area of clay-altered felsic volcanics that has returned assays up to 0.275% U₃O₈, with an average of 0.156% U₃O₈ from eleven samples collected over an area of 110 metres by 22 metres. It is possible that the Determination Zone may be related to the unconformity at the base of the Carboniferous sediments; the clay alteration is dominated by illite, which is one of the main alteration minerals associated with unconformity-type uranium deposits in the Athabasca Basin of Saskatchewan.

The structural corridor covered by the northern part of the Deer Lake property also has the potential for mylonite/breccia hosted uranium mineralization similar to that in the multi-million pound Coles Hill-Swanson uranium deposit in southern Virginia.

Terms and Conditions of Option Agreement

Delta will earn an undivided 60% ownership interest in the Property by:

1. Making an initial payment to Spruce Ridge of \$100,000 and issuing a total of 200,000 common shares of Delta, upon both parties receiving all required approvals, including any TSX and TSX Venture Exchange approval and board of director approval of the option agreement;

2. Incurring total exploration expenditures on the property of \$3 million over a three year period (of which \$500,000 must be expended in the first year, \$1,000,000 before December 16, 2010 and \$1,500,000 before December 16, 2011);

3. Issuing to Spruce Ridge a total of 600,000 shares of Delta (of which 200,000 shares must be issued on the first anniversary, issue 200,000 shares before December 16, 2009, issue 200,000 shares before December 16, 2010, and issue 200,000 shares before December 16, 2011.

4. Making total cash payments to Spruce Ridge of \$500,000 within three years of receiving the above-noted approvals of the option agreement (of which \$100,000 must be paid by the first anniversary).

Upon Delta earning its 60% interest in the property, Delta and Spruce Ridge shall form a joint venture on the remaining 40% of the project with Delta continuing as operator. In the event that Spruce Ridge elects not to participate, its interest will be diluted and will revert to a 1% Net Smelter Returns royalty if its working interest falls below 10%.

Wayne Isaacs, Chairman and CEO of Delta states that, "in these economic conditions we have an opportunity to significantly increase our growth and shareholder value through strategic acquisitions and partnerships. The Spruce Ridge project is a perfect example of geologically diverse and alternative deposit models which we believe is a vital additional component in building a world class diversified uranium exploration company."



About Delta Uranium Inc.

Delta Uranium is TSX listed Canadian exploration company actively engaged in the acquisition, evaluation and exploration of uranium mineral properties in northeastern and northwestern Ontario, and Western Newfoundland, Canada.

About Spruce Ridge Resources Ltd.

Spruce Ridge Resources Ltd. is engaged in exploring its Nora Lake and Knucklethumb gold properties in the Beardmore-Geraldton greenstone belt of northwest Ontario. It has also made a substantial investment in RX Exploration Inc., which is exploring the former producing Drumlummon gold mine in Montana. There are currently 22,129,182 common shares issued and outstanding.

Qualified Person

Technical information in this news release has been prepared and/or reviewed by Colin Bowdidge, Ph.D., P.Geo., V.P. Exploration for Delta, a director of both Delta and Spruce Ridge and a Qualified Person as defined in NI 43-101.

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The TSX has not reviewed and does not accept responsibility for the adequacy of this news release.

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