Unity Energy Corp. Expands Holdings at McKenzie Lake Uranium Project

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VANCOUVER, March 29, 2011 - Unity Energy Corp. (the “Company“ or “Unity“) (TSX VENTURE: UTY) is pleased to announce that it has staked an extension property of its McKenzie Lake Project on the south-eastern border of the Athabasca Basin. The 5000 hectare claim adjoins the north-eastern border of the McKenzie Lake Project and with this acquisition, the project now covers over 14,500 hectares. The extension claim, which covers Patterson Lake, hosts a north-east trending feature that appears to cross-cut the primary target at McKenzie Lake: a roughly 10km north-south EM anomaly that is coincident with a significant regional fault. This target tested positive for near surface uranium mineralization in a radon gas/gamma radiation survey in 2010 and in a 1970 diamond drill program by Gulf with a 2.5m interval at 42.7m depth grading 0.31% uranium and 0.22% thorium.

A 1% NSR has been reserved to Basin Minerals Ltd., which can be repurchased by Unity for $1,500,000, less any amounts paid through the royalty.

Background on the McKenzie Lake Project

The 14,500ha Project is situated along the southeastern edge of the Athabasca Basin, approximately 43 kilometers east-southeast of the McArthur River mine. In the fall of 2010, a radon gas and radiometric soil borehole survey was conducted on parts of the McKenzie Lake Project. Radon gas is produced from uranium decay and when present with gamma radiation is potentially the best pathfinder element for uranium exploration. The presence of gamma radiation indicates a radiation source within one meter, as gamma radiation is easily absorbed and short lived. The survey revealed three target zones with elevated and anomalous radon gas and gamma radiation levels. Two of the three zones are coincident with the regional north-south trending fault zone and EM anomaly mapped by the Saskatchewan Geological Survey and confirmed in 2007 by a TEMPEST (Fugro) survey.

Wheeler Zone: The Wheeler Zone produced highly anomalous gamma and radon gas readings, with peak readings ~500m apart. The Zone straddles the north-south regional fault. This zone lies just east of a magnetic high and is coincident with an EM anomaly that appears to extend to depth. This zone is open to the east.

McTavish Zone: The McTavish Zone also produced high gamma and radon gas readings, with peak readings ~600m apart. The Zone appears to correlate with a north east trending fault which crosscuts the north-south regional fault. The zone also coincides with a large conductor and appears to be open to the north, south and east.

The McKenzie Zone: Elevated gamma and radon gas levels were also detected at the McKenzie Zone, which lies approximately one kilometer west of McKenzie Lake. The zone is proximal to a fault and open to the west.

The survey covered128 line kilometers (~1,700 hectares) and consisted of 523 grid points which were analyzed with solid state nuclear track detection (SSNTD) monitors which precisely measure radon gas (Rn222) activity in soil. In addition, total and spectral gamma measurements were taken at each grid point with a 350 cubic cm NaI(Tl) probe linked to a multispectral analyzer. In addition to the soil grid, an experimental grid covering the two largest lakes was tested. The survey was supervised by Thomas Bell, PhD, a registered professional geologist with over 30 years experience as a consulting geologist to the mining, petroleum, environmental, and geotechnical industries.

All of the Zones lie ~2-3km to the east of the Ox Lake Allanite Zone (OLAZ), which is located near the center of the McKenzie Lake project. The OLAZ was discovered by Gulf Minerals on the southwest shore of Ox Lake. In 1970, a diamond drill program intersected anomalous uranium and thorium mineralization at relatively shallow depths. The OLAZ is also coincident with an EM high and magnetic low delineated by the 2007 Tempest geophysical survey.

Hole 4-OX-01	Depth (m)	Width (m)	% U3O8	%ThO2
SMDI File 1145	41.5-41.8	0.3	0.09	-
42.7-44.2	2.5	0.31	0.22	
51.2-51.8	0.6	0.09	0.04	
54.9-56.4	1.5	0.10	0.03	
181.4-182.0	0.6	0.10	0.10	

As an overview, anomalous and tightly defined radon and gamma data correlate well with positive results from previous work programs. Thus, a fault controlled, near surface, deposit model is the most likely target type for the McKenzie Lake Project. Deposits of this type have been documented at the eastern margin of the basin: i.e. the West Bear Uranium Deposit ~26km northeast of the McKenzie Lake Project was discovered at a depth of 15-26m and is the shallowest identified uranium deposit in the basin. UEX reports the deposit as 1.26M lbs of U3O8 at an average grade of 0.44%, which could be mined using open pit methods (SMDI 1146).

The Company is pleased with the results of the survey and plan to further model the survey data in conjunction with results from previous work programs to refine potential drill targets. The radon targets/ gamma anomalies suggest either an underlying bed rock source or frost shattered rock close to source in the overlying till. The presence of economic uranium mineralization can be tested with a focused drilling program. Reducing the risk of a drilling program can be accomplished by subsequent geologic mapping and geochemical sampling of each anomalous area, additional radiometric measurements, and extension of the sample grid across the open boundaries of the anomalies.

On Behalf of the Board of Directors of Unity Energy Corp.

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